



Western Canadian GHTS Update

ICS Annual Dry Bulk Conference
November 15, 2018



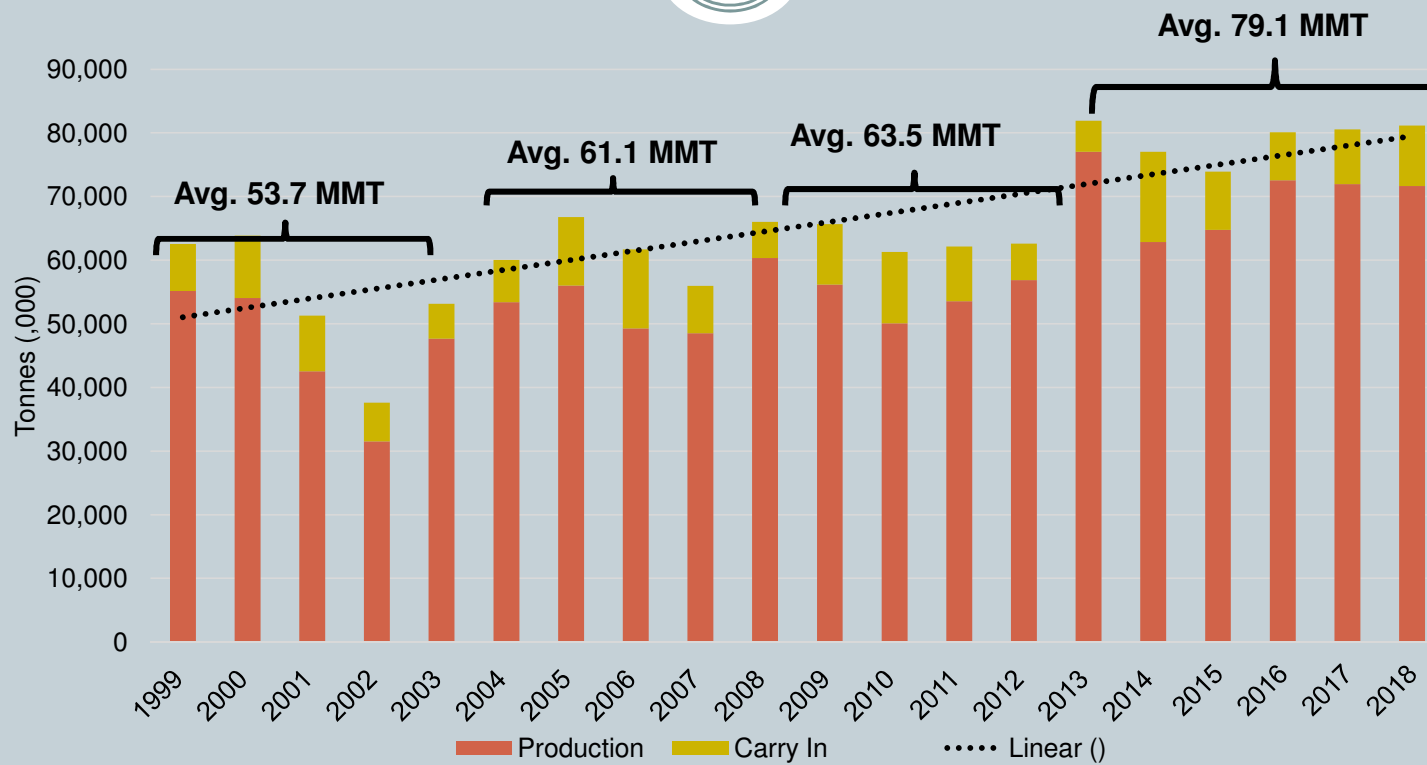
Topics

- Production and Stocks
- 2017-18, 18-19 YTD Performance
- Key Observations
- Issues

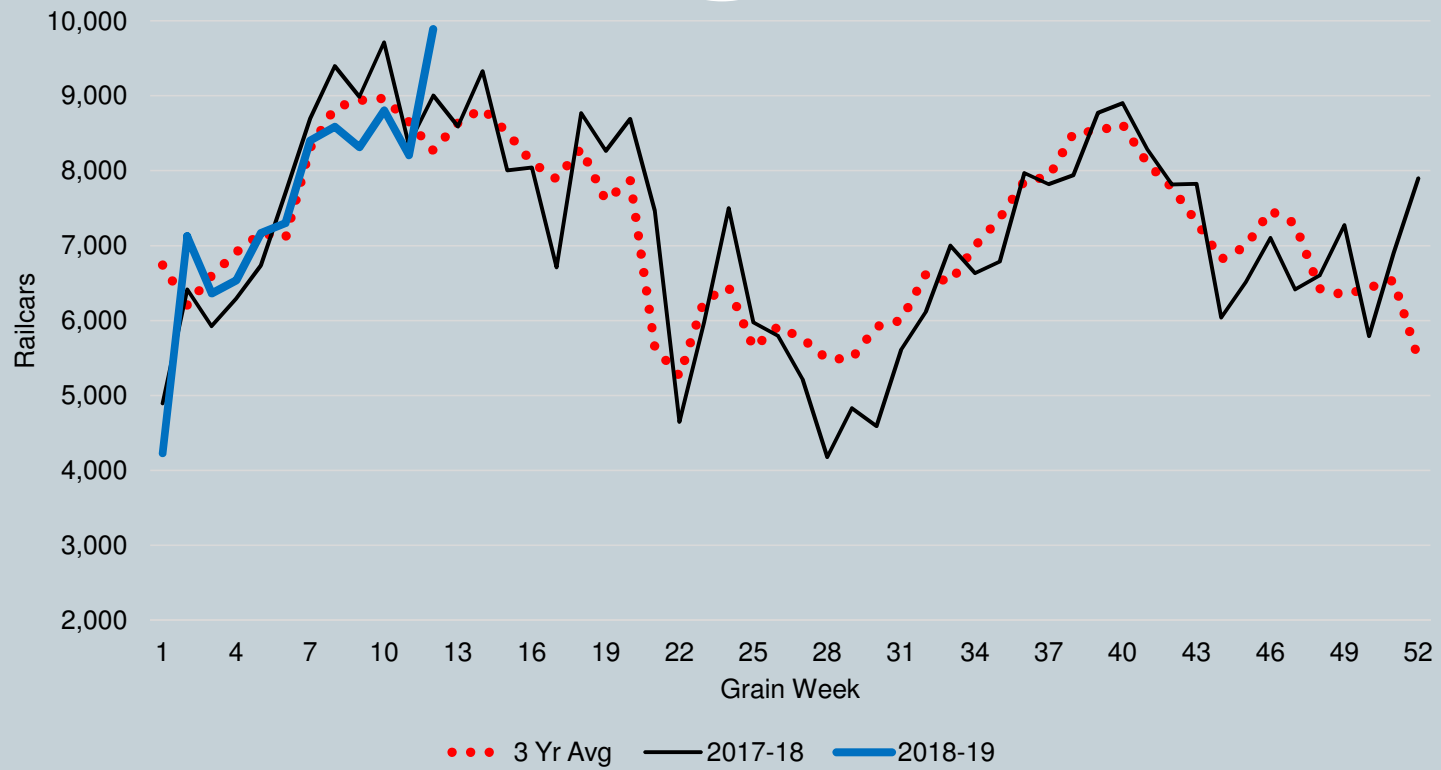


Total Grain Supply

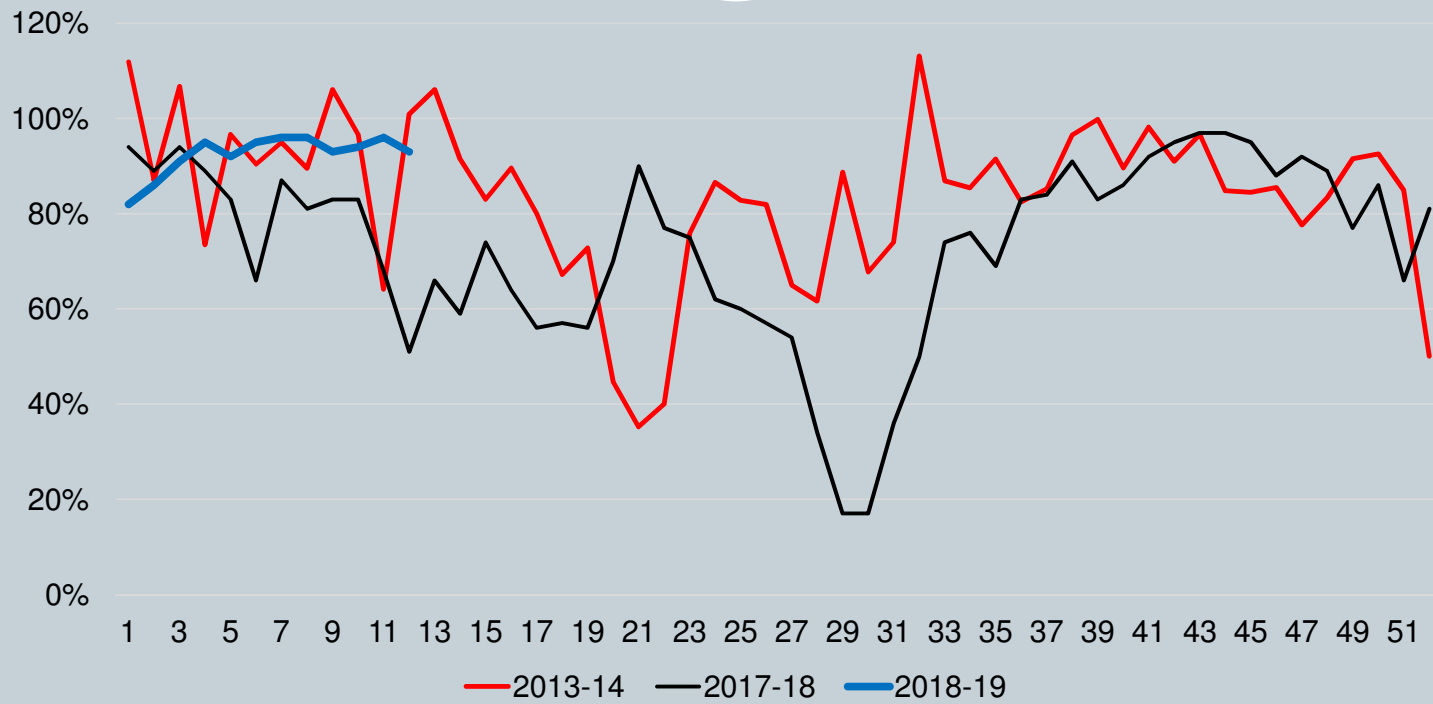
(Western Canada Production and Carry-In Stock)



Port Unloads



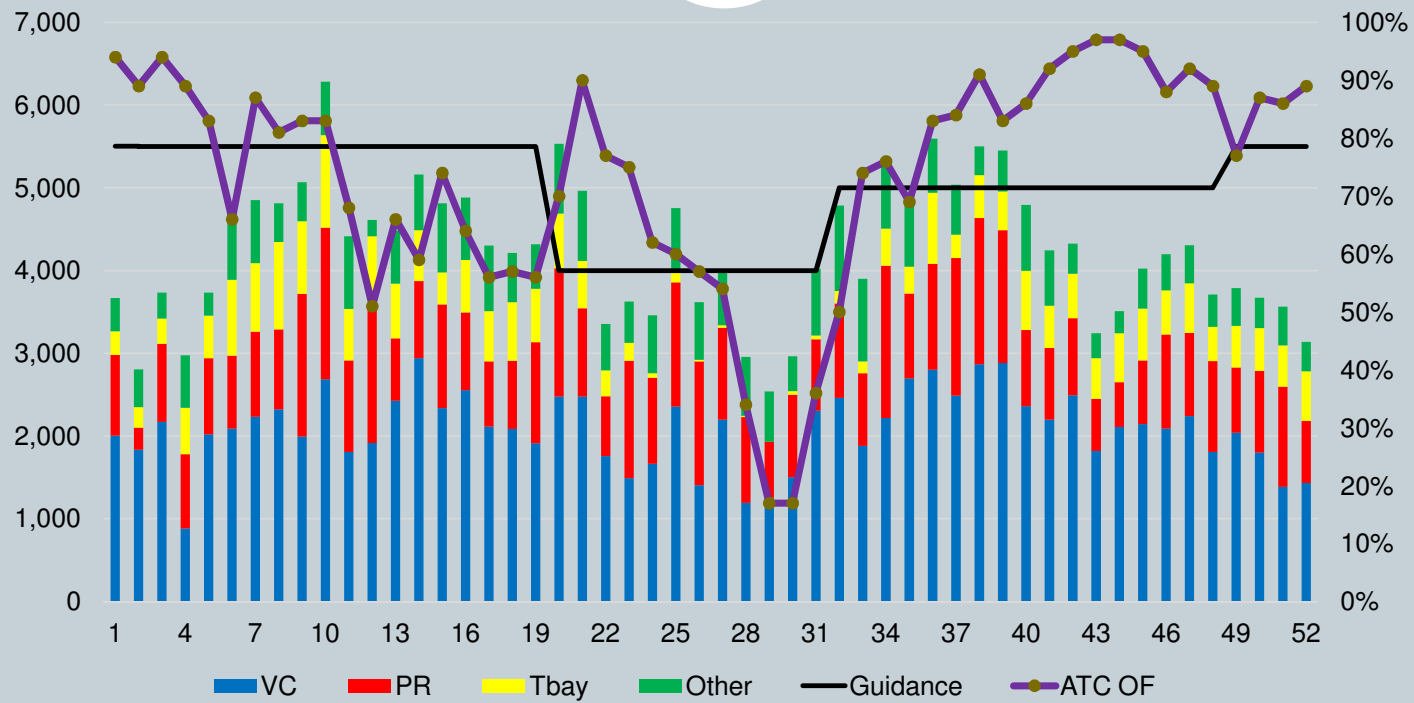
Order Fulfilment – CN



2013-14 – Railway Reported; 2015-18 – ATC Reported



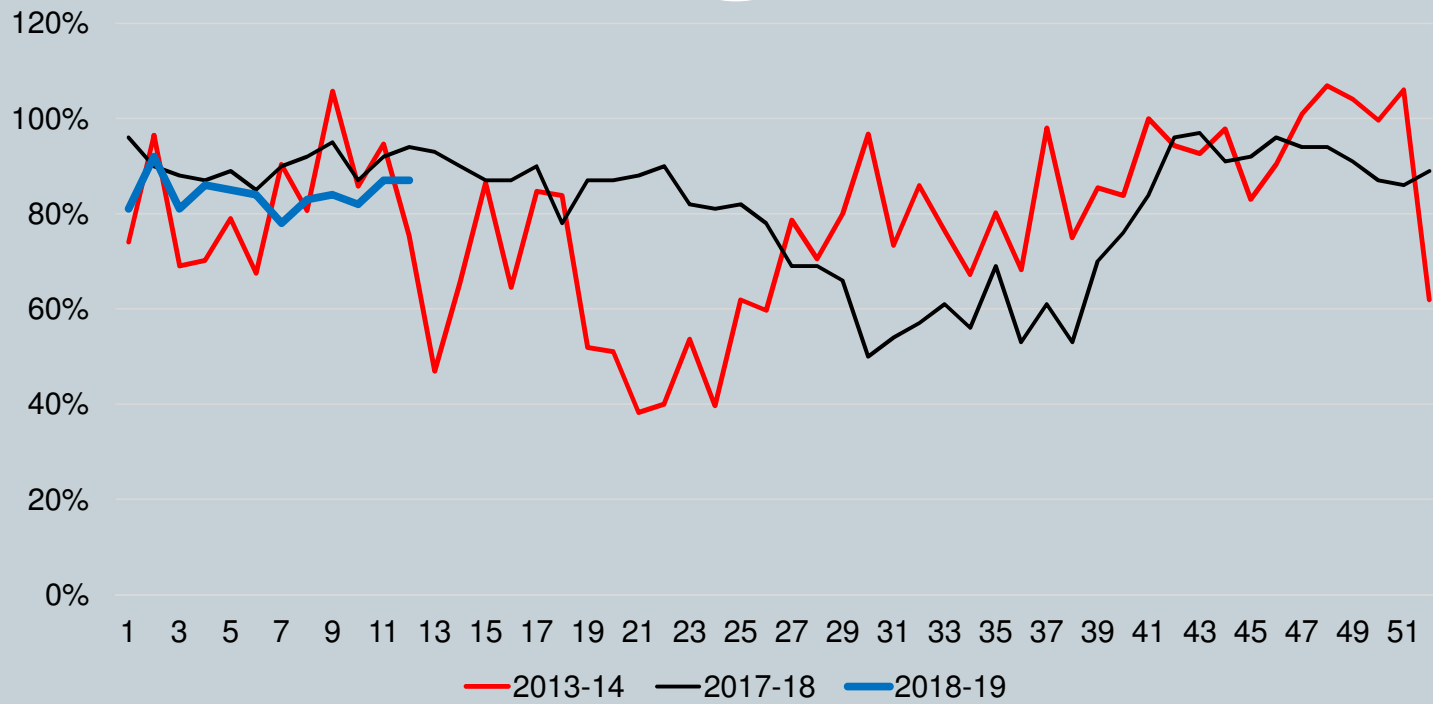
CN Supplied Cars – 2017-18 CY



Source: CN weekly supply reports; ATC Weekly Reports



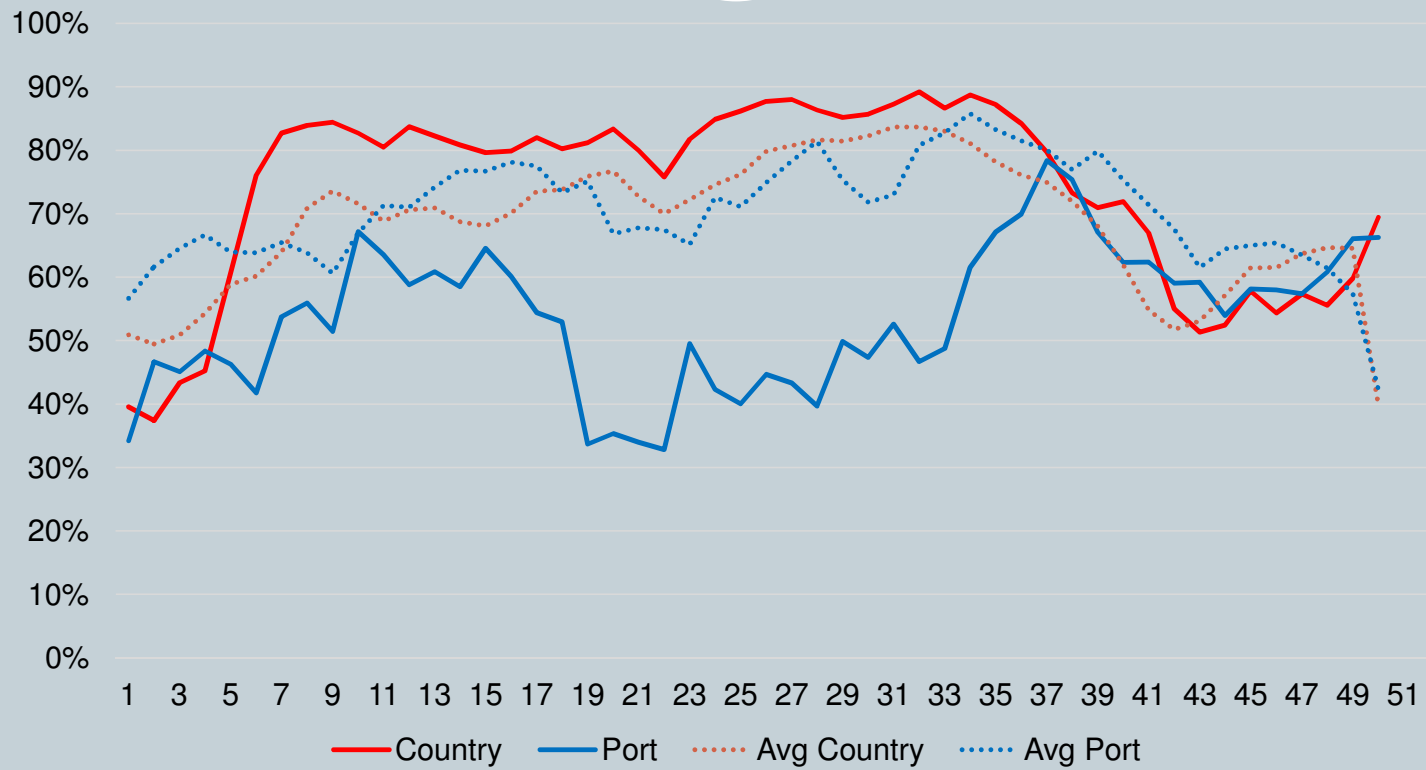
Order Fulfillment - CP



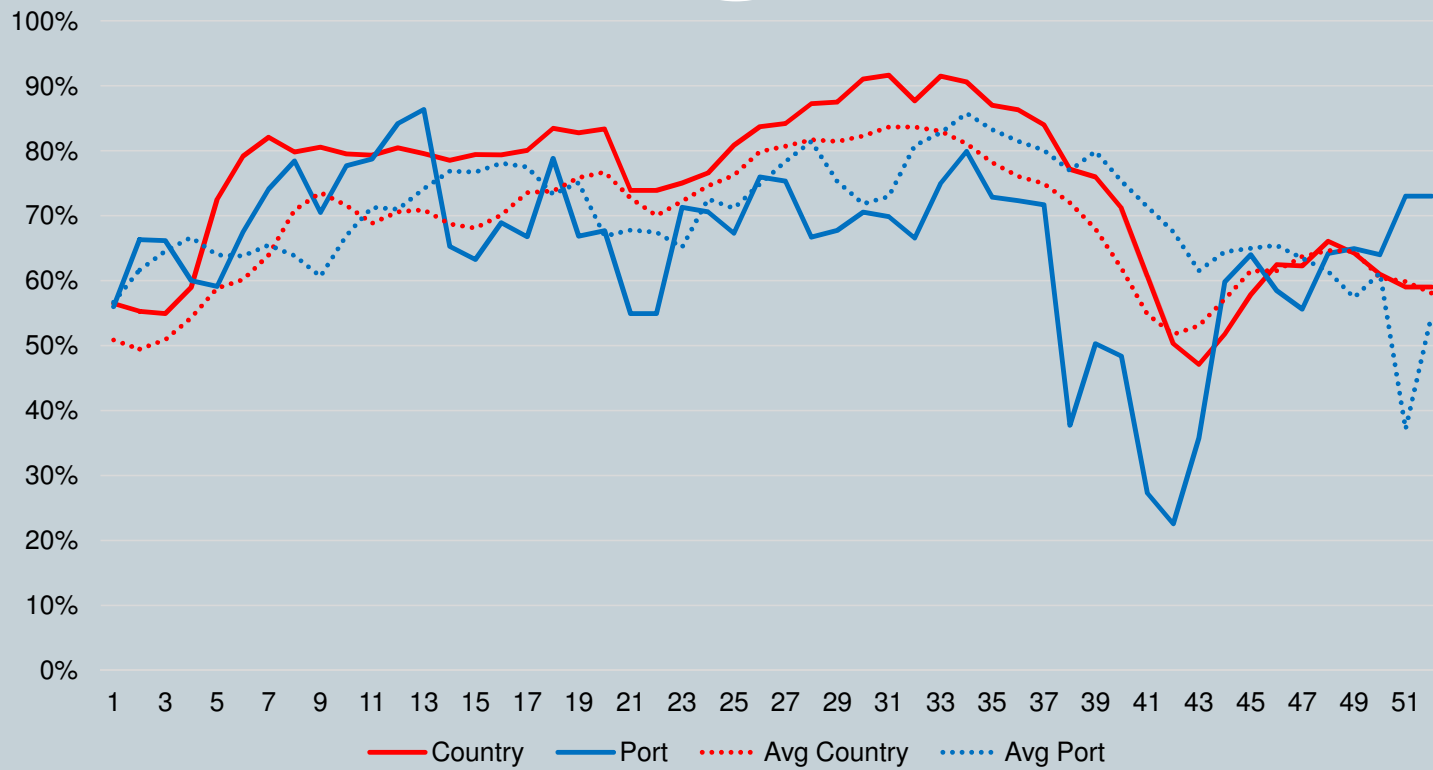
2013-14 – Railway Reported; 2015-18 – ATC Reported



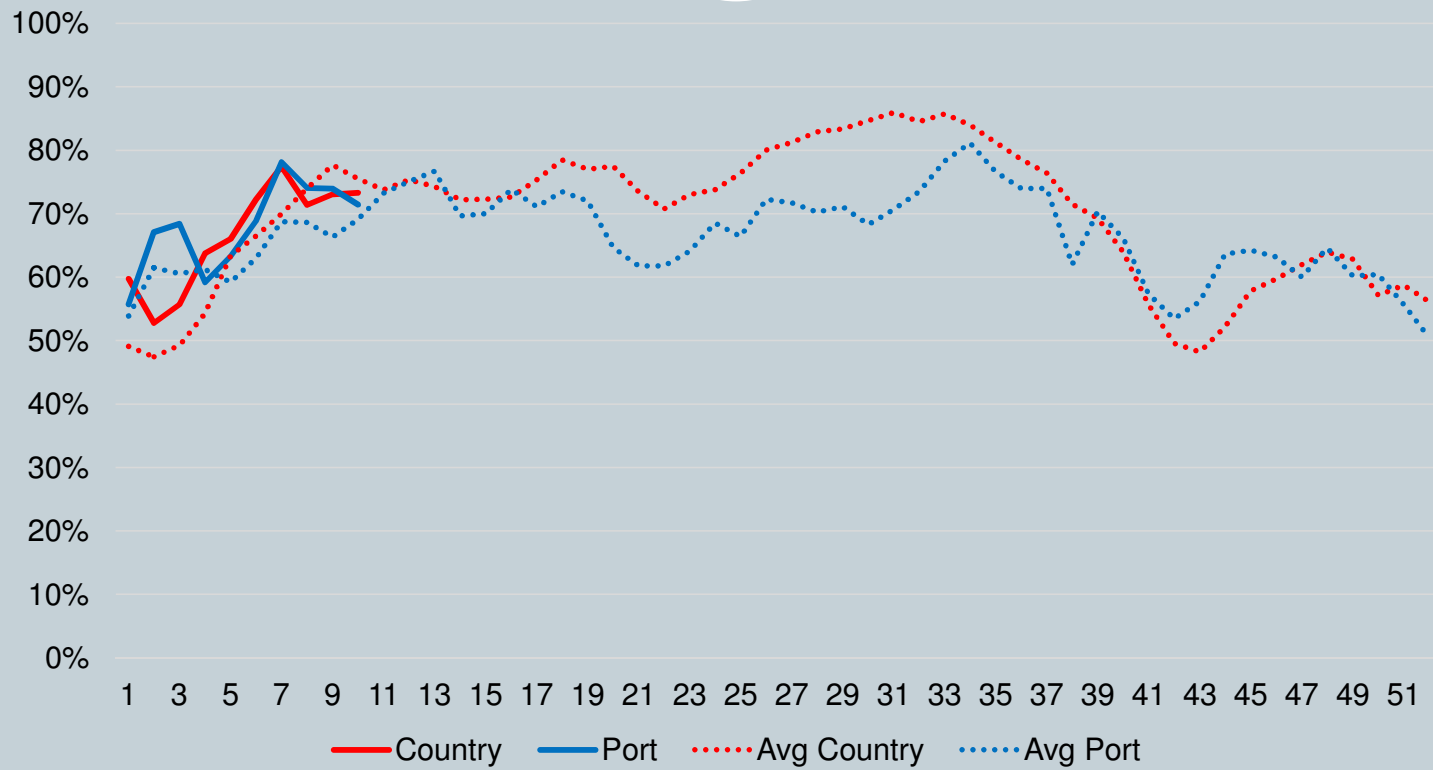
Stocks – 2013-14



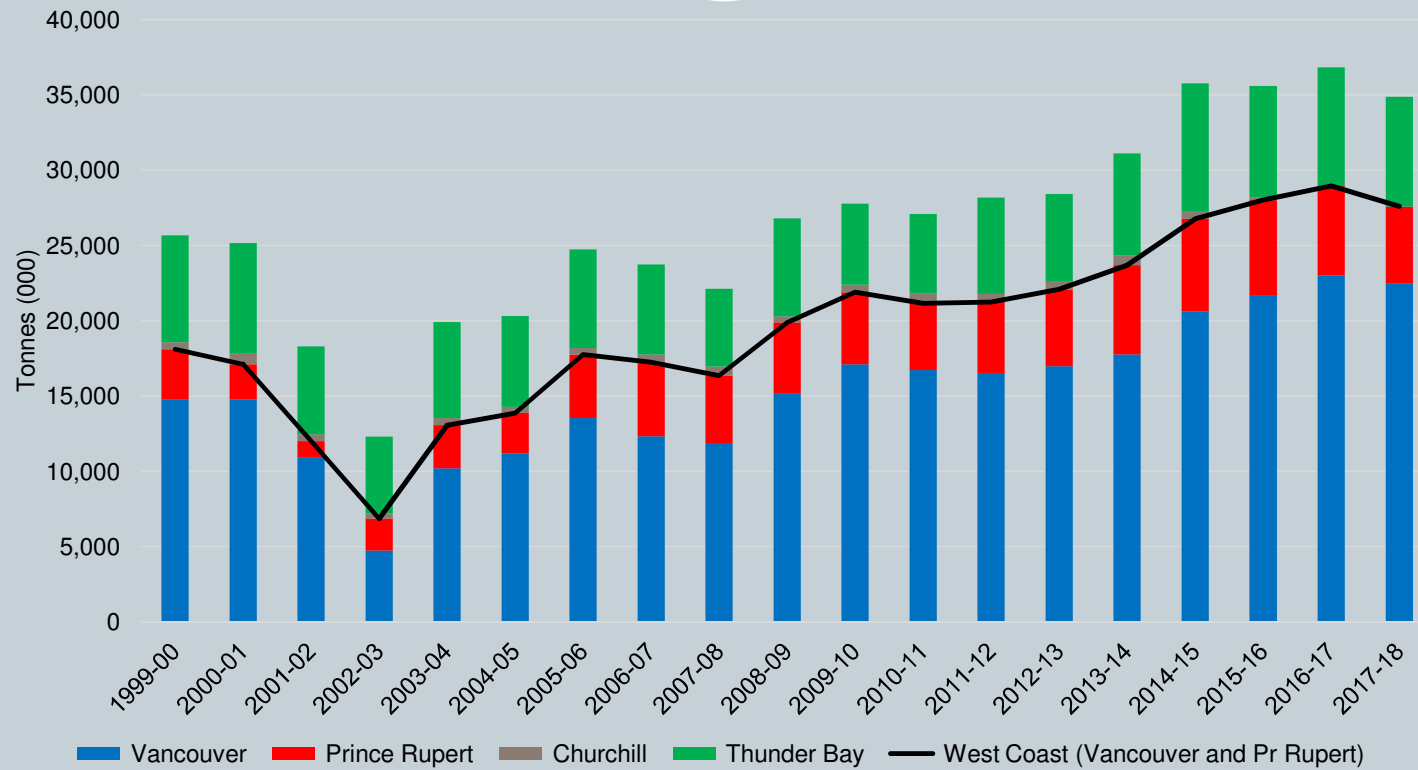
Stocks – 2017-18



Stocks – 2018-19

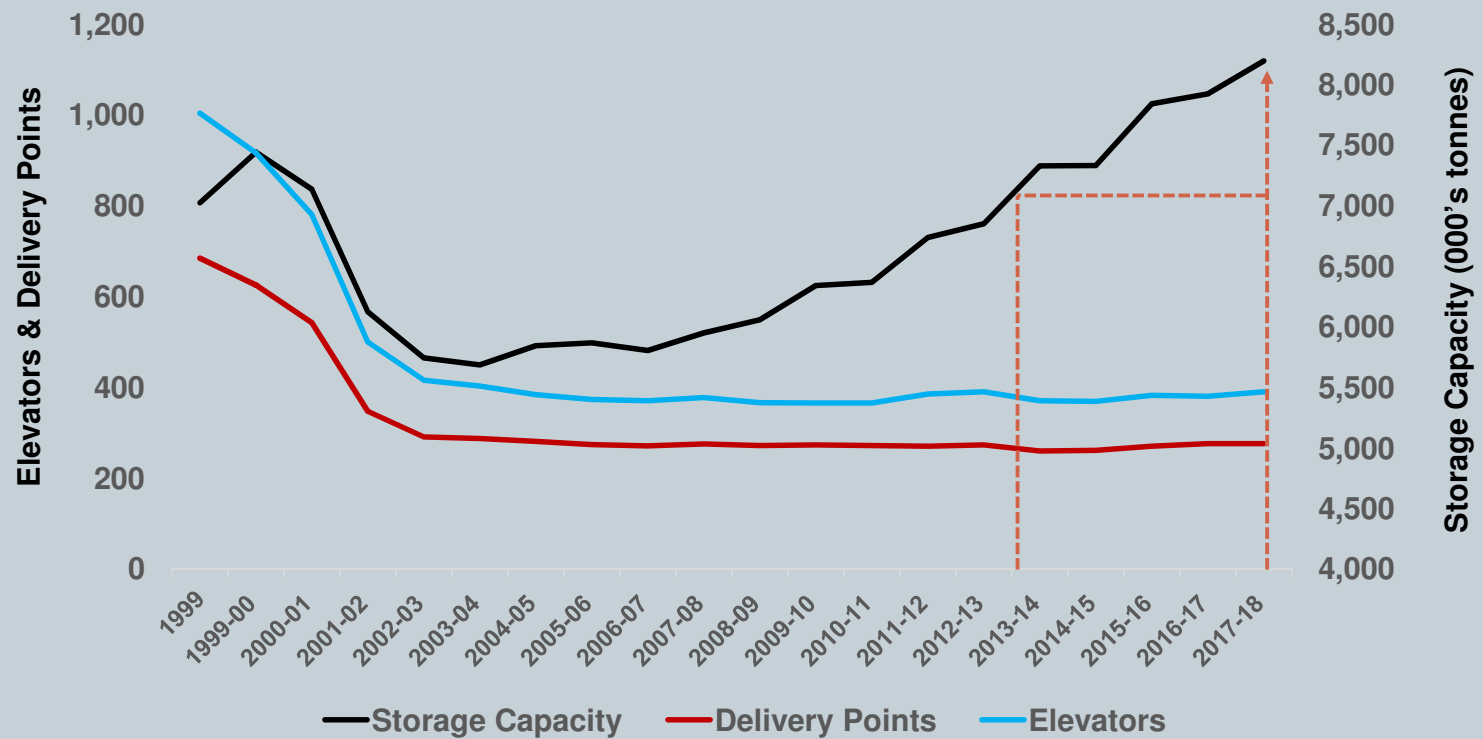


Shipments from Port (4 week rolling avg)



Country Elevator Network

(Primary and Process)



Western Canadian Car Cycles

(2017-18 Crop Year)

Western Canada

15.7 days

(LY = 14.1)

Eastern Canada

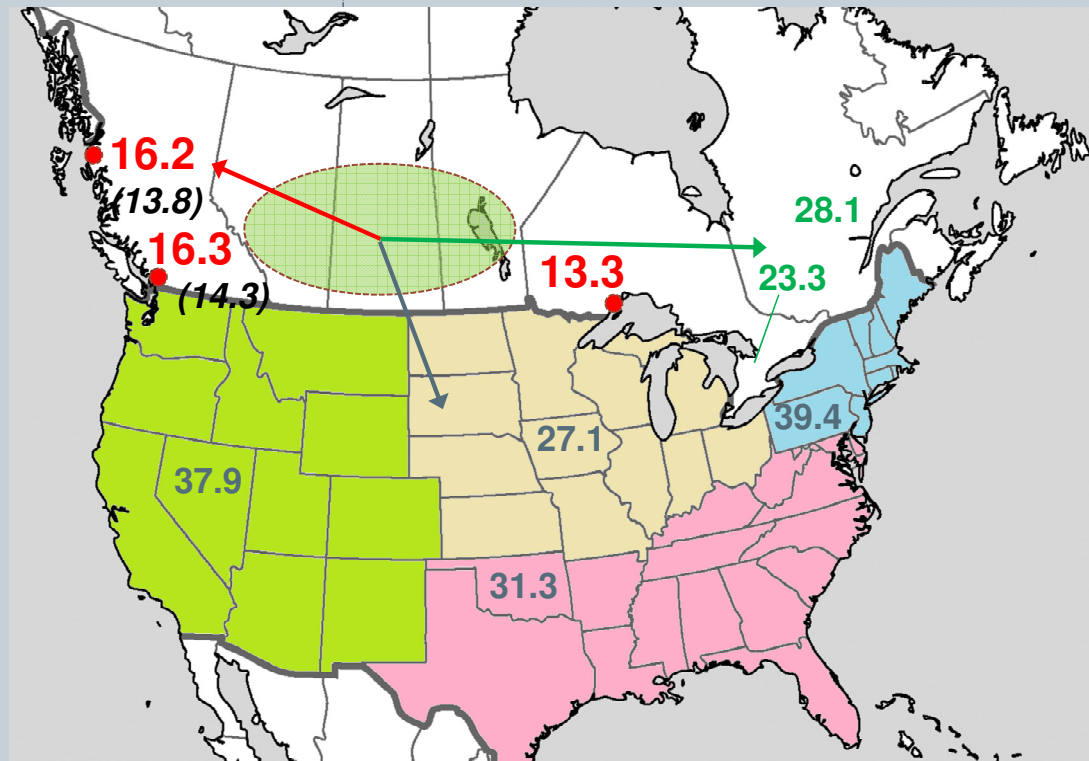
24.2 days

(LY = 20.9)

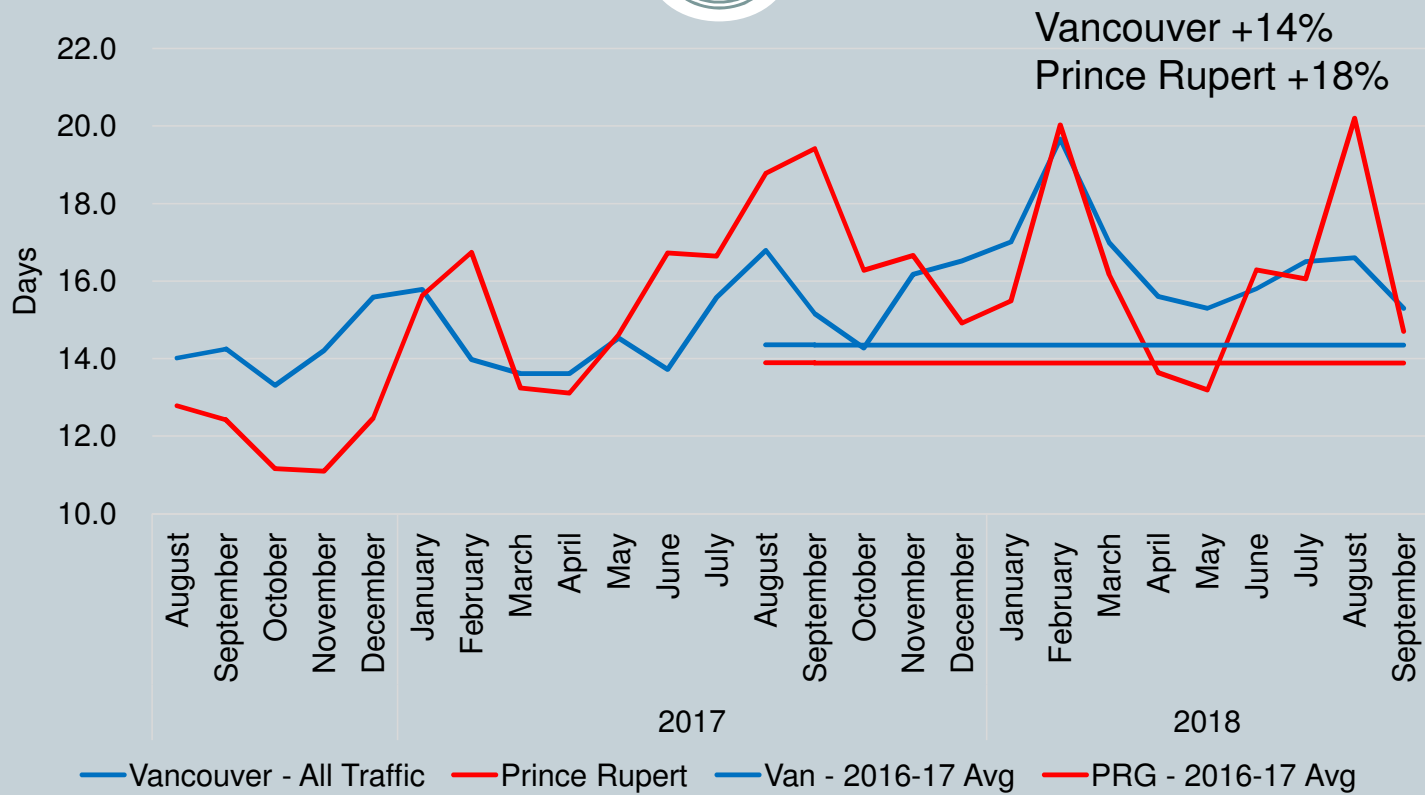
United States

27.9 days

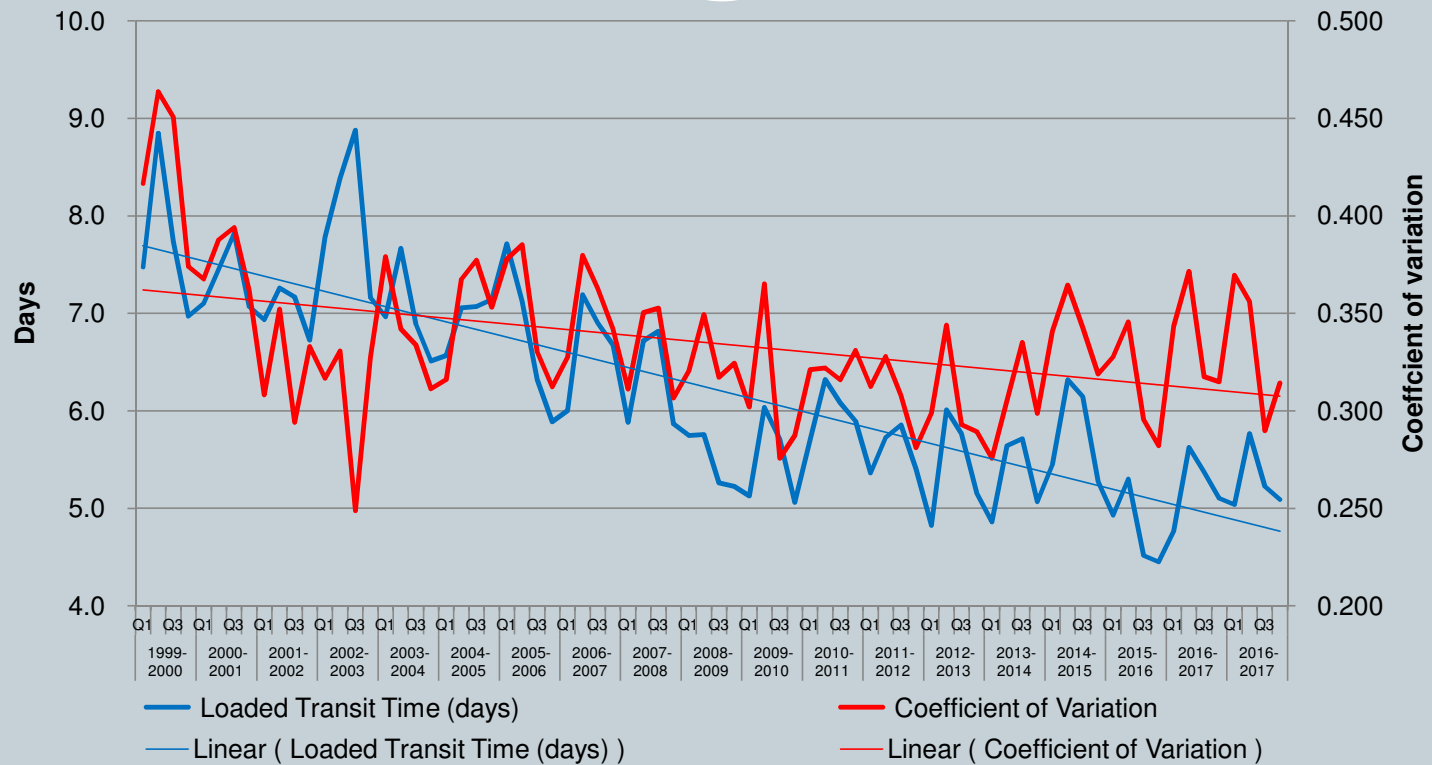
(LY = 24.8)



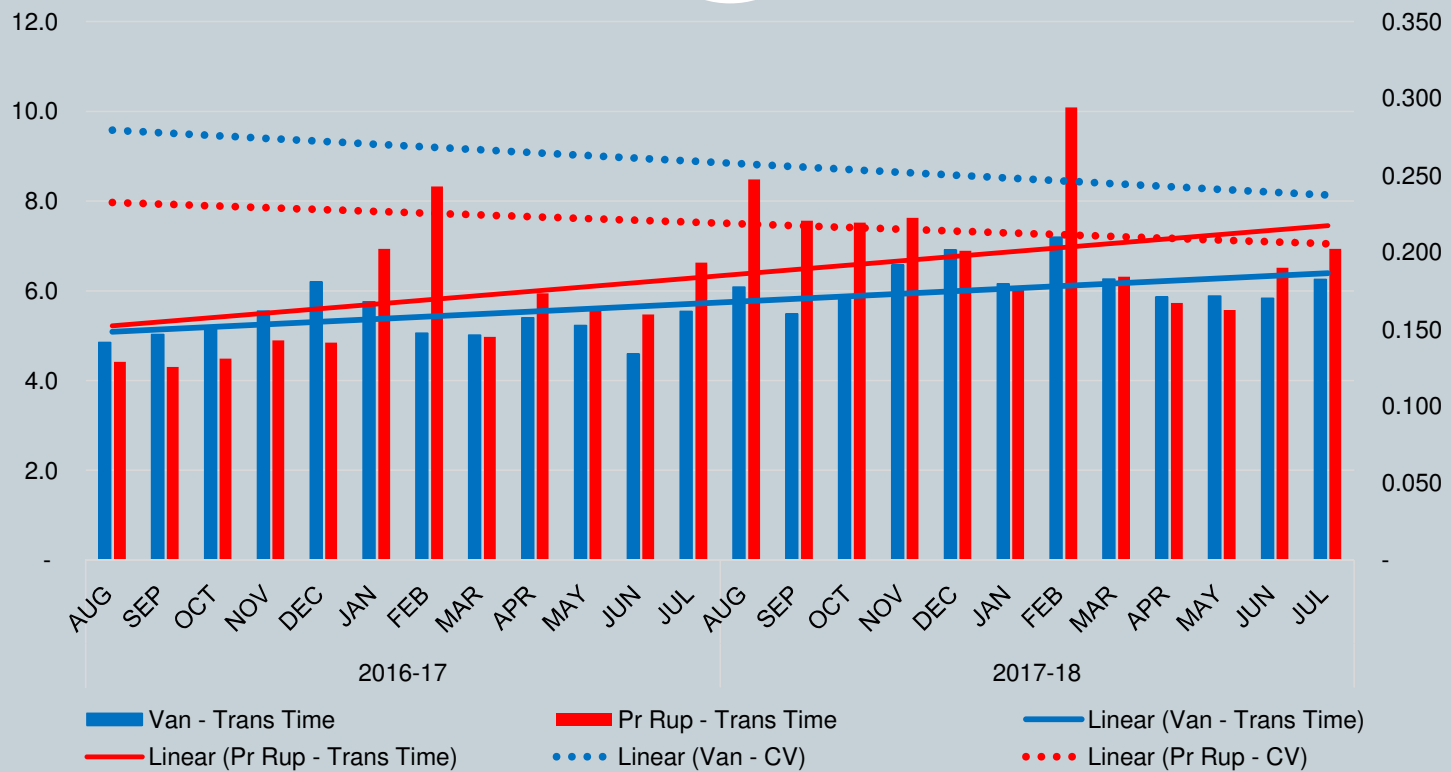
Car Cycles – West Coast



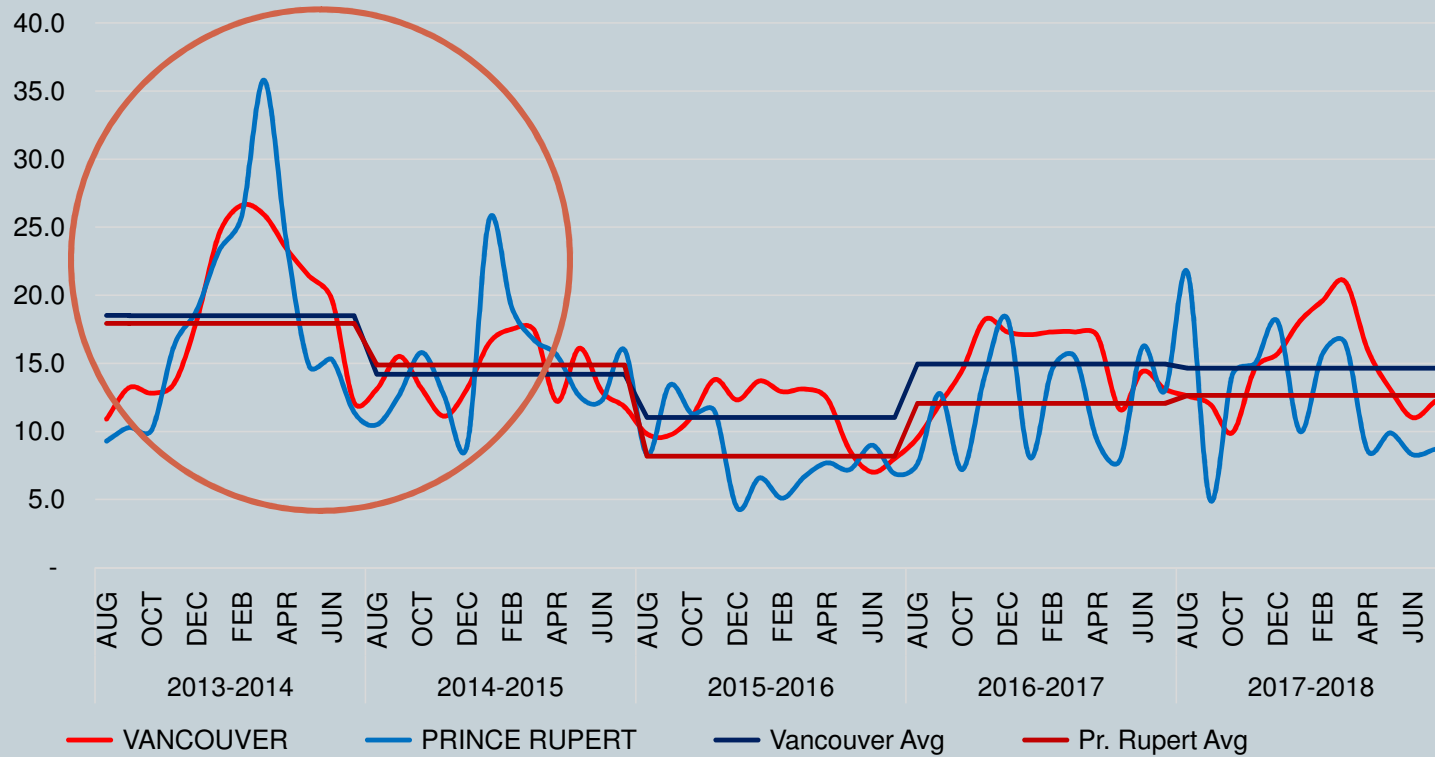
Loaded Transit Times - Historical



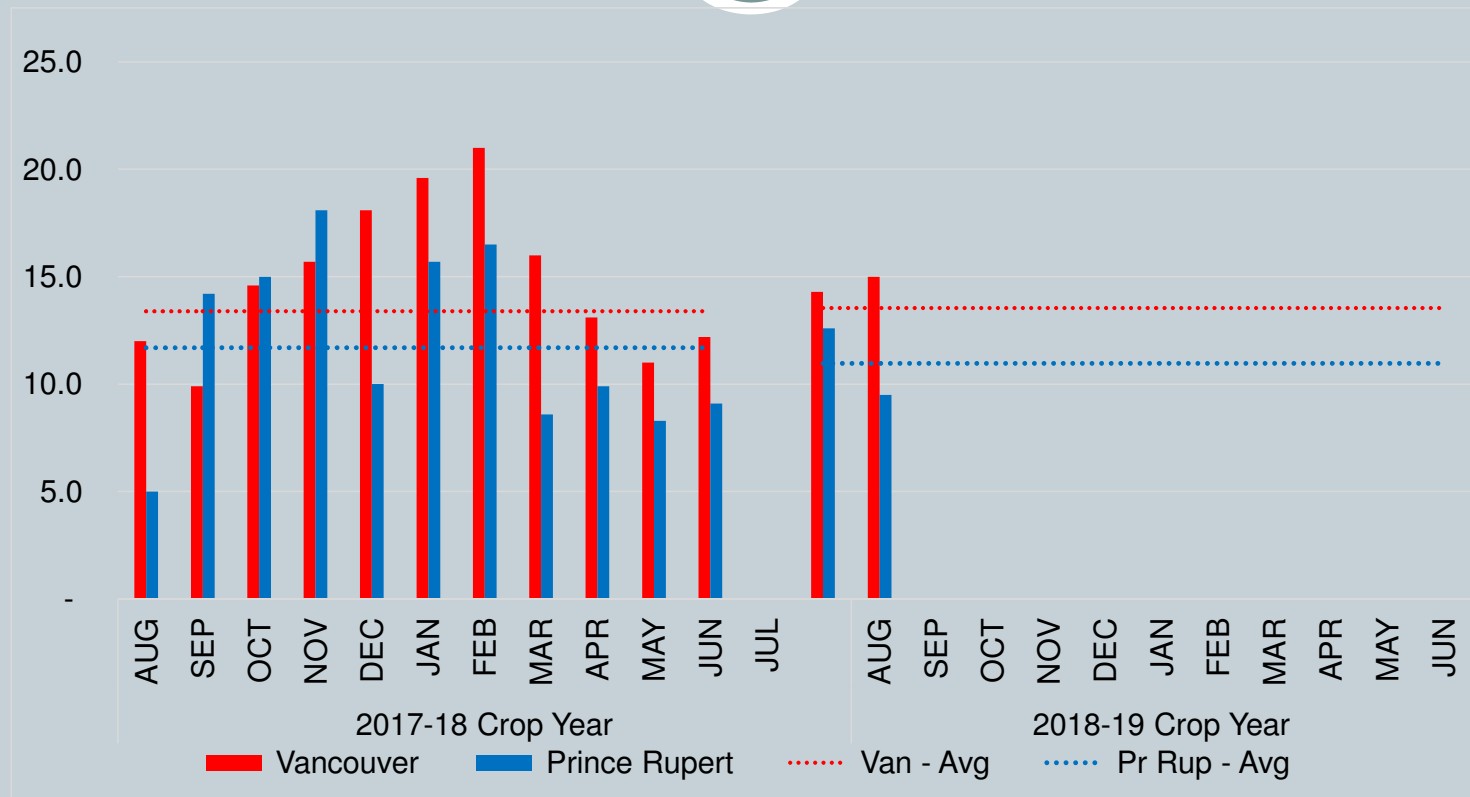
Loaded Transit Time



Average Vessel Time in Port



Average Vessel Time in Port

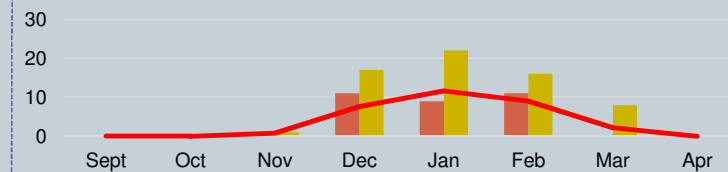


Weather

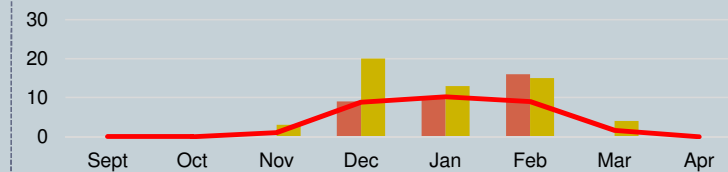
- The number of days temperature levels fell below -25 C (Railway Level 1 Winter operations) was at or near average *with the exception of February*
- Levels in 2017-18 were far less drastic than those seen in 2013-14



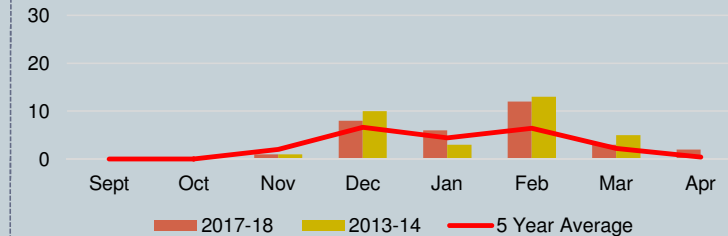
Winnipeg



Saskatoon



Edmonton



Key Observations from the GMP



- 2018-19 Second highest grain supply ever at 81.2 MMT
 - 2017-18 now the third highest at 80.5 MMT
- Despite that, 17-18 volumes were down from previous year:
 - Elevator throughput down 3.2%
 - Rail movements down 4.2%
 - Shipments down 6.2%
- Rail Performance fell:
 - Car cycles and loaded transit has increased – 14.7% & 18.7%
 - Most predominant component is origin dwell – increased 116.5%
 - Order fulfillment rates have fallen
- Vessel time in port increased 4.7%
- Stock in country have held at over 4 MMT, highest ever



System Improvements/ Changes

- Prince Rupert Indexer replacement
- AGT Gallery and loader replacement
- G3 startup
 - Access to North Shore
 - Capacity through the tunnel
- Increase in country primary elevator capacity and facilities
- Churchill line and terminal purchase



Issues



Underlying Issues in the GHTS Today



- Rail performance:
 - Increased car cycles/ dwell times/ reduces capacity
 - Reduced capacity impacts order fulfillment potential
 - Constricted rail volume impact vessel time in port
 - Railways are addressing issues:
 - ✦ Increased running trades hiring
 - ✦ Purchase of locomotives
 - ✦ Capital programs increasing track capacity
- Impact of C-49
 - LHI amendments
 - Reciprocal Accountability
 - Data Provisions



Other Issues

- Loading in the rain (Vancouver)
 - ILWU contract negotiations
- Impact of pilotage review on Seaway movements
- CP elimination of 56 car rate
 - Part of CP's 8,500 foot train strategy
 - May give allowances to certain shippers
 - Approximately 12% originates from 56 car loaders
 - Impacts 34 facilities



Vancouver Corridor



	Coal	Chemicals	Fertilizers	Forest Prod	Containers (TEU's)	Total	Grain
2015	35,147	12,404	11,315	7,613		66,479	21,667
2016	32,991	12,490	10,648	7,654	3,113,269	63,783	23,009
2017	36,805	13,424	9,853	7,018	3,336,358	67,100	22,468
Chg – 17 / 16	+11.6%	+7.5%	-7.5%	-8.3%	+7.2%	+5.2%	-2.4%

Tonnes (,000)



Prince Rupert Corridor



	Coal	Containers (TEU's)	Total Port	Grain
2015-16	3,838	769	19,088	6,347
2016-17	5,993	801	21,566	5,940
2017-18	8,796	1,009	25,816	5,117
Chg - 17/ 16	+46.8%	+26.0%	+19.7%	-13.9%

Tonnes (,000)





Thank You

Reports Available
Website: www.grainmonitor.ca



11/26/2018