

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
Langevin Block
Ottawa, Ontario K1A 0A2

Dear Prime Minister,

Re: Current Railway Disruptions

The Canadian Canola Growers Association (CCGA) is very concerned about the current disruptions in Canada's railway-based supply chain that has now surpassed two weeks in duration.

The 43,000 canola growers represented by CCGA rely heavily on exports sales; approximately 90% of the canola crop is exported globally every year. The vast majority of these sales rely on Canadian rail transportation, either to reach an export port, or to reach an export market itself. Any disruption in rail service has a detrimental effect on the canola industry's ability to supply the majority of its customers. Currently, there are 53 grain vessels waiting to be loaded with grain at west coast ports, the typical average is 25. This is an unprecedented level of backlog; seen only once in history, during the catastrophic 2013-14 rail crisis.

Canada's canola industry annually contributes \$26.7 billion to the Canadian economy and accounts for 250,000 Canadian jobs. Supply chain disruptions result in canola backing up in elevators and crush plants, adding to Canadian farmers' grain handling costs and affecting their ability to deliver grain and to manage cash flow. There is evidence that working space in Western Canadian grain elevators is tightening. This current period of disruption will certainly have devastating impacts to the grain sector and the economy as a whole.

Equally concerning, particularly in the long run, is that these disruptions affect our industry's ability to provide consistent and reliable service to our export customers. Even the threat of a disruption in rail service has the potential to negatively affect our reputation as a reliable supplier and can drive valued customers to look to our global competitors to meet their canola requirements. In this case, the negative effects to our railway network will take months to fully overcome and this has a direct effect on the competitiveness and profitability of Canadian farmers.

We urge your government to take decisive action on this issue to stem the negative affects on the profitability of Canadian farmers, the competitiveness of the Canadian canola industry, and the Canadian economy as a whole.

Sincerely,
original signed by

Bernie McClean
Chair
Canadian Canola Growers Association

CC:

The Honourable Marie-Claude Bibeau, P.C., M.P., Minister of Agriculture and Agri-food
The Honourable Marc Garneau, P.C., M.P., Minister of Transport