

Capturing Wheat and Barley Market Opportunities

The Grain Handling and Transportation System

- Western Canadian grain moves to export position through a complex network of grain elevators, inland grain terminals, producer car loading facilities and railways.
- Grain shipments by rail are almost exclusively carried by CN and Canadian Pacific (CP)
- Western grain moves through four ports for export overseas: Vancouver, Prince Rupert, Thunder Bay and Churchill.
- Shipments from Alberta move mostly through Vancouver and Prince Rupert.
- Western Canadian grain is produced far from the ports. This means that transportation is a major cost for the industry. In order to be competitive in offshore markets our transportation must be very efficient.
- This means that our transportation and handling system is geared to high volumes and quick movement.

Railcar Allocation

- The grain hopper car fleet in Canada is made up of government owned cars and privately owned or leased railcars.
- Railcar allocation is a commercial process. Railways will allocate cars based on demand, car supply, operational factors such as weather and port congestion, and an individual shipper's history of performance.
- The Canadian Wheat Board (CWB) has had some influence over railcar allocation since it determines when and where wheat will be delivered. This in turn influences where railcars are needed.
- In the open market the railcar allocation system is expected to perform in the same way it does for canola and other non-board crops.

Producer Cars

- Producer cars make up about 4 percent of grain shipments by rail.
- Producers will continue to have the right to use producer cars. The right to a producer car is written into the Canada Grain Act and will not change with the move to an open market for wheat and barley.
- The Canadian Grain Commission allocates producer cars. Certain conditions must be met to use a producer car – the drop off location and end delivery location must be known and the producer car must be delivered to a sale.
- In the past the CWB was the main agent for producer cars. The CWB can continue to play this role but other industry players may choose to offer producer car services.

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Containers

- Containers provide an alternative to moving grain in railcars and are a small but growing component of grain shipments.
- Containers are especially useful for crops that are damaged by repeated handling or need to be kept separate from other bulk grain (e.g. organic or variety specific shipments).
- Agricultural commodities are bulky and heavy and need to use the smaller sized containers which are in limited supply.
- One trend in bulk shipments is to use railcars to carry them to port and then load the shipment into containers there. Is this a possible alternative to the use of in-country elevators and port grain terminals?

Hauling Grain Across the United States Border

- Some farmers may want to haul grain across the United States (US) border for delivery.
- In addition to a favourable price there are other factors to consider in hauling grain to the US such as the exchange rate and elevation and other fees at the destination facility.
- There are numerous requirements (origin certificates, prior notice of shipments, trucking regulations, etc) that need to be followed correctly.
- Using a customs broker to guide you through the process the first time may be wise to avoid delays, unnecessary inspections or other problems at the US border.