

Grain Monitoring Program: The GHTS at a Glance

Key Measures for 1999-2012



	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Change over last CY	Annual Avg	GMP Report Reference	Notes
Productions and Supply																	
Western Canadian Crop Production (tonnes 000)	55,142	54,073	42,541	31,540	47,655	53,401	56,003	49,265	48,517	60,352	56,144	50,071	53,544	6.9%	50,634	Measure 1A-1	The 2011 growing season began poorly, with extensive rains and flooding across much of western Canada resulting in an estimated 6.8 million acres of land left unseeded. The summer brought almost the reverse, with hot, dry conditions being experienced in eastern Saskatchewan and Manitoba. Favourable weather conditions allowed for the quicker harvesting of a relatively good quality crop.
Carry Forward Stocks (tonnes 000)	7,418	9,776	8,751	6,071	5,489	6,647	10,768	12,425	7,451	5,647	9,515	11,200	8,628	-23.0%	8,445	Measure 1A-2	
Total Grain Supply (tonnes 000)	62,560	63,849	51,292	37,611	53,144	60,048	66,771	61,690	55,968	65,998	65,659	61,271	62,172	1.5%	59,079	Calculated for this Report	
Traffic and Movement																	
Shipments from Primary Elevators (tonnes 000)	32,494	33,282	25,924	19,052	28,527	28,594	32,105	33,453	31,886	35,349	33,861	32,270	35,339	9.5%	30,934	Measure 2A-1	With an increase in the grain supply, the Grain Handling and Transportation System's (GHTS) total handlings grew noticeably in the 2011-12 crop year. This resulted in record or near-record volumes under the GMP for the tonnage delivered to country elevators, moved by rail and loaded onto ships.
Railway Movement (tonnes 000)	26,441	25,885	18,765	12,736	20,659	20,832	25,304	24,312	22,767	27,338	28,444	28,008	29,262	4.5%	23,904	Measure 2B-1	
Port throughput (tonnes 000)	23,555	23,941	18,005	11,807	18,962	18,944	23,723	22,824	22,026	25,639	25,760	25,428	26,897	5.8%	22,116	Measure 2C-1	
Infrastructure (as of the end of the crop year)																	
Delivery Points in the Western GHTS	626	543	348	292	288	282	275	272	276	273	274	273	271	-0.7%	N/A	Measure 3A-1	While the single largest change in the GHTS over the term of the GMP has been the reduction in grain elevators and delivery points, the last few years have seen a slowing in the closure of grain elevators. Although the 2011-12 crop year saw a 20-elevator increase, bringing the total number of licensed elevators in western Canada to 386, this gain was largely the product of a change in the licensing requirements of the Canadian Grain Commission rather than in the elevator network itself. In addition, there was also an increase in the GHTS's terminal elevators, with the licensing of a new 15,000-tonne facility operated by Parrish and Heimbecker located in Surrey BC raising the total to 16 from 15.
Elevators in the Western Canadian GHTS	917	781	500	416	404	385	374	371	378	367	366	366	386	5.5%	N/A	Measure 3A-1	
Storage Capacity of Primary Elevators (tonnes 000)	7,444	7,137	6,125	5,747	5,689	5,846	5,871	5,808	5,953	6,060	6,343	6,369	6,740	5.8%	N/A	Measure 3A-1	
Route Miles of rail lines in the GHTS	19,390	19,021	18,924	18,924	18,823	18,764	18,595	18,495	17,978	17,905	17,905	17,830	17,830	0.0%	N/A	Measure 3B-1	
Western Canadian Terminal Elevators	15	16	17	17	16	16	16	16	15	15	15	15	16	6.7%	N/A	Measure 3C-1	
Commercial Matters																	
CWB Tendering - % of product moved under the tendering program	-	5.4%	27.9%	46.1%	18.1%	18.0%	16.2%	17.8%	14.3%	14.4%	16.4%	12.3%	10.0%	-18.7%	18.1%	Measure 4E-5	The CWB issued a total of 154 tenders calling for the shipment of approximately 2.3 million tonnes of grain in the 2011-12 crop year. Contracts were established for 1.4 million tonnes.
(Annual Target)	-	25%	25%	50%	20%	20%	20%	20%	20%	20%	20%	20%	20%	0.0%	23%		
CWB Transportation Savings (\$ Millions)	-	\$10.7	\$40.9	\$33.8	\$51.1	\$26.1	\$22.9	\$35.2	\$30.6	\$34.5	\$40.6	\$35.1	\$36.5	4.0%	\$33.17	See detailed discussion in Section 4 (Tendering Program)	CWB transportation savings are made up of savings from the tendering program, penalties charged for mis-shipments and rebates negotiated by the CWB with terminal elevators and railways.
Tot. Revenue Cap Differential (\$ Millions)	-	\$5.8	\$22.2	\$23.9	\$0.9	\$0.7	(\$3.4)	(\$1.3)	(\$57.9)	\$0.5	\$5.4	(\$0.3)	(\$0.6)	89.1%	(\$0.4)	Measure 4C-3	For the 2011-12 crop year, the revenue caps for CN and CP were set at \$542.5 million and \$494.0 million respectively, or just over \$1,036.6 million on a combined basis. The Canadian Transportation Agency determined that the statutory revenues derived from the movement of regulated grain by CN and CP amounted to \$542.8 million and \$494.4 million respectively, or \$1,037.2 million on a combined basis. Total carrier revenues exceeded this limit by \$640,300, with CN \$240,200 above its cap and CP \$400,100 above its cap.
Grain Company Elevator Charges - Index (Aug 1, 1999=100)	100	107.2	108.4	109.4	110.4	112.3	112.3	114.5	118.2	121.3	123.3	122.8	122.9	0.1%	N/A	Measure 4B-1 for Receiving, Elevating and Loading Out	Country elevating charges remained largely unchanged from the previous crop year.
System Efficiency and Performance																	
Time Grain Spends in the GHTS (days)	68.1	63.1	65.6	77.5	60.4	56.4	54.7	56.6	58.4	49.9	52.2	52.3	47.1	-9.9%	58.6	Measure 5E-1	The GMP measures the average time taken by grain to move through the GHTS from producer delivery at the country elevator to vessel loading at port. The 2011-12 crop year produced the fastest time yet seen under the GMP, 47.1 days.
Country Elevator Annual "Turns"	4.8	5.0	4.5	3.7	5.6	5.6	6.2	6.5	6.0	6.6	6.2	5.7	6.0	5.3%	5.6	Measure 5A-1	The number of "turns" made by an elevator refers to the number of times its capacity has been fully utilized (total throughput volume divided by total storage capacity). Although these values are driven by the total throughput volumes, the number of turns are also impacted by changes in the network's total storage capacity.
Terminal Elevator Annual "Turns"	9.1	8.9	6.6	5.0	7.0	7.5	8.7	8.3	8.5	10.0	10.0	9.9	11.1	12.1%	8.5	Measure 5C-1	
Average Railway Car Cycles: Total (days)	19.9	16.4	17.1	20.4	16.7	18.7	17.3	16.8	15.9	13.4	13.2	14.3	13.9	-2.8%	16.5	Measure 5B-1	
to Vancouver (days)	19.6	16.8	17.8	23.0	17.8	19.2	18.3	18.6	17.0	14.1	14.0	15.2	14.3	-5.9%	17.4	Measure 5B-1	A railway car cycle is defined as the time a rail car takes to travel from its loading point, through to its destination and back for its next load. Throughout the GMP, car cycles have exhibited a high degree of variability. However, the trend shows general improvement. In the 2011-12 crop year, the average car cycle decreased by 2.9%, to 13.9 days from 14.3 days.
to Thunder Bay (days)	20.5	15.7	16.3	18.2	17.0	18.2	17.2	15.6	15.4	13.7	12.8	13.9	14.5	-4.3%	16.1	Measure 5B-1	
to Prince Rupert (days)	26.1	26.2	21.9	22.5	13.9	18.4	15.6	15.9	14.3	11.8	12.0	12.5	12.2	-2.4%	17.2	Measure 5B-1	
Average Railway Loaded Transit (days)	7.8	7.3	7.0	7.9	7.0	7.0	6.7	6.7	6.3	5.5	5.5	6.0	5.8	-5.7%	6.6	Measure 5B-4	
Total Avg CV	0.429	0.376	0.325	0.314	0.342	0.355	0.351	0.352	0.329	0.327	0.308	0.323	0.309	-4.3%	0.342	Measure 5B-4	The loaded transit time focuses on the amount of time taken in moving grain from a country elevator to a port terminal for unloading. One of the most common concerns voiced by grain shippers relates to the consistency of the service they receive from the railways. Specifically, they find it difficult to develop logistics plans when actual transit times can vary widely from the average.
to Vancouver (days)	8.2	7.4	7.1	8.2	7.1	7.1	7.1	7.0	6.5	5.7	5.8	6.4	5.7	-10.9%	6.8	Measure 5B-4	
to Thunder Bay (days)	6.9	7.1	6.9	7.0	7.4	7.1	6.5	6.1	5.4	4.9	5.2	5.1	5.1	-4.4%	6.442	Measure 5B-4	
to Prince Rupert (days)	10.0	7.0	7.8	9.9	6.2	7.1	6.4	6.8	6.2	5.1	5.2	5.9	5.9	0.0%	6.9	Measure 5B-4	
Average railway multiple car incentives (\$ tonne)	\$2.41	\$3.48	\$4.07	\$3.97	\$4.54	\$4.52	\$4.81	\$5.41	\$5.51	\$6.25	\$6.65	\$6.74	\$6.80	0.9%	\$5.01	Measure 5B-6	The annual value of the discounts earned by grain shippers has continued to climb since the beginning of the GMP, with 81% of the total grain volume now earning an MCB discount.
% of total traffic incentive was paid on	50.4%	68.0%	76.8%	75.7%	75.1%	73.6%	75.5%	75.2%	76.6%	78.8%	79.3%	79.7%	80.7%	1.3%	74.3%	Measure 5B-5	
Average Vessel time in port (days)	4.3	5.9	4.9	4.3	4.0	4.9	4.8	5.3	5.0	4.6	6.2	9.9	6.6	-33.3%	5.4	Measure 5D-1	Service improvement resulted in a significant decrease in average vessel time in port.
Producer Impacts																	
Average Weighted Applicable Freight for 1 CWRS Wheat (\$ per tonne)	\$31.87	\$30.93	\$32.31	\$34.73	\$33.32	\$33.74	\$34.80	\$37.18	\$37.57	\$37.83	\$35.49	\$35.41	\$35.35	-0.2%	\$34.66	Measure 6A-10A	The Average Weighted Applicable Freight provides a true indication of the freight cost borne by producers in the movement of their grain. It combines the rail freight with the CWB freight adjustment factor (FAF), weighting it based on the actual volume of product shipped. These values have been relatively constant in recent years.
Average Trucking Premium for 1CWRS Wheat (\$ per tonne)	\$2.32	\$3.01	\$3.62	\$3.96	\$4.25	\$3.68	\$4.56	\$5.15	\$5.55	\$6.17	\$6.78	\$6.57	\$8.17	24.4%	\$4.91	Measure 6A-10A	The trucking premiums are measured through a survey of designated sampling elevators as reported by grain companies. While the average premium has more than doubled since the beginning of the GMP, significant regional variability continues to be seen.
Avg. Total Logistics Costs (Export Basis) for 1CWRS Wheat (\$ per tonne)	\$54.58	\$52.92	\$50.88	\$57.15	\$55.51	\$57.77	\$61.81	\$63.20	\$67.65	\$66.74	\$65.86	\$73.35	\$74.75	1.9%	\$61.71	Measure 6A-10A	The export basis is the average total logistics costs borne by producers in the movement of their grain. It includes freight, elevation, trucking and CWB pool costs, offset by any trucking premiums and CWB transportation savings.
Final Realized Price for 1 CWRS (based on 13.5% protein) (\$/tonne)	\$192.43	\$202.58	\$217.02	\$250.20	\$211.14	\$205.10	\$195.14	\$212.89	\$372.06	\$311.36	\$236.80	\$344.96	\$326.04	-5.5%	\$252.13	Measure 6A-10A	Although improvement in production levels in Canada and other competing countries exerted downward pressure on wheat prices, they remained high by historical standards.
Logistics Costs as a % of the Final Realized Price	28%	26%	23%	23%	26%	28%	32%	30%	18%	21%	28%	21%	23%	7.8%	25.2%	Calculated for this summary	It should be noted that logistics continues to be, proportionately, one of the highest cost components of producer's overall costs.
Industrial Product Price Index	97.9	101.2	100.0	98.7	101.9	103.5	106.0	107.6	112.3	108.4	109.5	114.5	115.2	0.6%	N/A	Statistics Canada (see Export Basis and Producer Netback section of Executive Summary)	The modest increase in IPPI this year is also reflected in other cost indices such as the CPI and the CTA's VRCPI used in the Revenue Cap calculation
Western Canada Crop Production Farm Input Price Index	-	-	100.0	110.0	120.6	125.9	119.9	137.8	186.7	147.7	154.3	166.4	174.9	5.1%	N/A		The FIPI measure was recently adjusted and restated by Stats Canada and reflects an index on all farm related input costs. At 174.9 for the period from 2002 - 2012, it reveals increases in most other producer related costs that far exceed those experienced in the handling and transportation of grain.



About the Grain Monitoring Program

On May 10, 2000 the Government of Canada introduced Bill C-34, which prescribed a number of changes to the handling and transportation of prairie grain. In conjunction with its enactment on August 1, 2000 the government also announced that they would appoint an independent third party to monitor the overall efficiency of the prairie grain handling and transportation system, including the impact of changes on producers, the Canadian Wheat Board, railways, grain companies, and ports.

On June 19, 2001 the Federal Government announced that Quorum Corporation had been selected as the monitor for the prairie grain handling and transportation system.

Under its mandate, Quorum Corporation provides the government and industry with a series of quarterly and annual reports that track overall changes in the structure of the grain handling and transportation system, the effectiveness of the Canadian Wheat Board's tendering process, commercial relations, the efficiency and reliability of the system and producer impacts.

To ensure that as broad a view as possible is taken in measuring the efficiency of the Grain Handling and Transportation System, Quorum Corporation consults extensively with the key stakeholders.

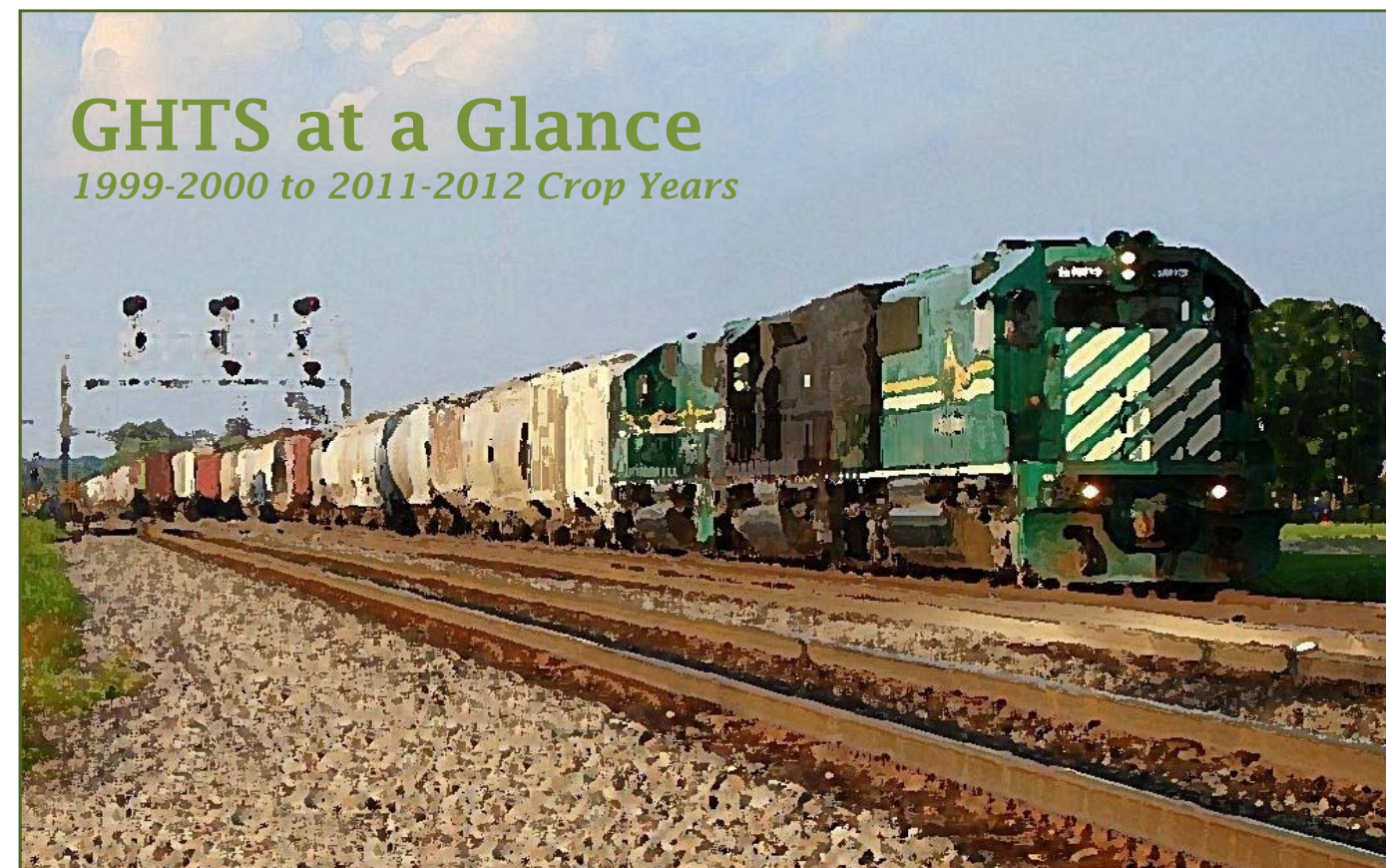
The statistics contained in this summary represent only a few of the over 4,900 discreet measurement elements in 166 tables for each quarter of the twelve years covered by the monitoring program. The reports prepared by the Grain Monitor attempt to provide an objective assessment of the grain handling and transportation system in Western Canada. Quorum welcomes feedback on our reports, the program and industry issues. We encourage all stakeholders to provide their input and feedback by contacting the Grain Monitoring team at the location shown below.

[About Quorum Corporation](#)

Quorum Corporation is an independent subsidiary of the Quorum Group of Companies, with sole responsibility for the monitoring of Canada's Prairie Grain Handling and Transportation System.

More information can be found at our website below

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Monitoring the Canadian Grain Handling and Transportation System

For over a decade Quorum Corporation has served as the federal government's Monitor of the Canadian Grain Handling and Transportation System (GHTS). In these twelve years Quorum Corporation has produced over 50 reports under the government's Grain Monitoring Program (GMP). The ***GHTS at a Glance*** is produced as a supplement to the annual report and is intended to provide a summary of the GHTS's activities over the term of the program, including selected measures in each of the six areas of examination: Production and Supply; Traffic and Movement; Infrastructure; Commercial Relations; System Efficiency and Performance; and Producer Impact.

While the Grain Monitor's reports have been well received, the stakeholder community has offered a number of suggestions on how they could be made better and the Monitoring staff has incorporated many of these suggestions. Several changes have been made to improve both the layout of the report and the indicators themselves. In addition, we have also moved to enhance the electronic availability of the data assembled since the beginning of the GMP. Until recently access was restricted to the downloading of the data tables in a standard PDF format.

The Monitor has now adopted the internet as the sole medium through which its reports and data tables are to be transmitted to the stakeholder community. PDF and MS Excel spreadsheet copies of these reports and data tables can be downloaded from the Monitor's website: www.quorumcorp.net.



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