

GMP Dashboard

Table M-1	JUL 2016	2015-16 YTD	Var. from Last YTD
Western Canadian GHTS Performance (Days)			
Total Time in System	37.8	41.8	-0.5%
Average Days In Store – Country	23.5	26.1	2.3%
Loaded Transit Time	4.6	4.8	-16.2%
Average Days In Store – Terminal	9.7	10.9	1.9%
Total Traffic ('000 tonnes)			
Primary Elevator Shipments	2,773.4	42,380.8	0.0%
Railway Shipments (all Western Canada traffic)	3,322.1	48,317.7	-2.7%
Western Port Terminal Shipments	2,591.7	35,552.9	-0.6%
Country Performance			
Primary Elevator Turnover Ratio*	1.3	6.3	-4.5%
Railway Performance			
Avg. Loads on Wheels (Cars)	7,317	9,510	-27.7%
Total Western Port Car Cycle (days)	13.5	13.2	-4.4%
Port Performance			
Western Port Unloads (Number of Cars)			
Vancouver	12,126	231,300	4.5%
Prince Rupert	5,318	69,298	2.1%
Churchill	0	1,684	-71.4%
Thunder Bay	6,615	78,024	-12.9%
Total	24,059	380,306	-1.2%
Vessel Time in Port (days)	5.8	7.9	-22.5%

- Order fulfilment measures have been removed from this table as comparative data is unavailable at this time.
 - YTD refers to the crop year to date (extending from August 1 through July 31).

* To the end of Q4 (July).

Periodic revisions and corrections to the data received by the Monitor may result in the restatement of previously calculated measurement values. Where such differences arise, the values presented here should be considered to supersede those found in previous reports.

Overview

July 2016 saw a continuation of the softer demand for grain at port position experienced in June, with fewer vessels arriving for loading along the west coast and at Thunder Bay. Port shipments were 15.7% lower than in July of last year. Total Western Canadian

originated rail movements in July reflected much the same, falling by 15.1% as a result of weaker sales programs in all corridors.

Port shipments for July totaled 2.6 MMT, a 4.0% increase from the previous month. Accompanying this slight uptick in workload, is a 5.8-day average for the amount of time vessels spent in port, marginally lower than June's 6.0-day average. On a year-to-date basis, vessels were spending 22.5% less time in port than was the case last crop year, suggesting a better coordination of arriving grain with demand.

Despite inclement localized weather conditions, with some excessive rains, the overall condition of the current crop remained relatively good in most parts of the prairies. Heavy stands have led to early predictions for another year of above-average grain production.

Highlights for July 2016

Traffic and Movement (page 2)

- Primary-elevator shipments reached 42.4 MMT on a year-to-date basis, equal to shipments in the same period last year.
- Total rail shipments (including primary/process elevators & producer cars) to all destinations from Western Canada reached 48.3 MMT, down 2.7% from that handled in the same 12-month period a year earlier.
- Grain shipments from Western Canadian ports totaled 35.6 MMT year-to-date, down 0.6% from the same period last year.

System Efficiency and Performance (page 4)

- The 12-month average for weekly stocks in the country rose by 2.3%, matching the increase in the average days-in-store of 2.3%.
- Average weekly port-terminal stocks decreased 8.0% from the same period last year, while average days-in-store grew by 1.9%.
- Railcar cycle times through July averaged 13.2 days to western ports; 23.3 days to eastern Canada; and 26.5 days to US destinations.
- The year-to-date average for vessel-time-in-port is 7.9 days, a 22.5% reduction from that observed in the same 12-month period a year earlier.
- 12-month port-terminal out-of-car time held at 16.9% in Vancouver, and rose to 3.6% in Prince Rupert and 2.4% in Thunder Bay.

Commercial Relations (page 6)

- Average primary-elevation charges have declined 1.6% in the crop year.
- CN's single-car rates remained unchanged in July following an increase of up to 4.5% in mid-June. In comparison, CP raised its rates in mid-July by up to 8%, building on its earlier May increase of up to 5.0%. However, by the close of the crop year, the collective rates posted by both carriers in the primary Vancouver and Thunder Bay corridors had been reduced, by about 6.5% and 2.4% respectively.
- Average terminal-elevation rates rose by 2.2% through the last twelve months.

Infrastructure (page 7)

- The number of country elevators rose by 3.5% in the 2015-16 crop year, to 383 from 370, owing to the licensing of several facilities. This resulted in a 7.0% increase in storage capacity, which now reaches over 7.8 MMT.
- CN transferred 35.2 miles of existing track to a new shortline in September 2015. The third quarter also saw the addition of 1.5 miles of new track built to connect the Ceres Global Ag facility at Northgate SK to the BNSF in North Dakota.

Production and Supply

Statistics Canada's estimate of crop production in western Canada for 2015 stands at 63.4 MMT, a 0.9% increase over that for 2014. The 2015 crop proved to be the second largest on record.

With a reduction from 2014's record carry-forward to a more typical level of 8.9 MMT, the overall grain supply fell to an estimated 72.4 MMT, some 6.1% less than that of the previous year.

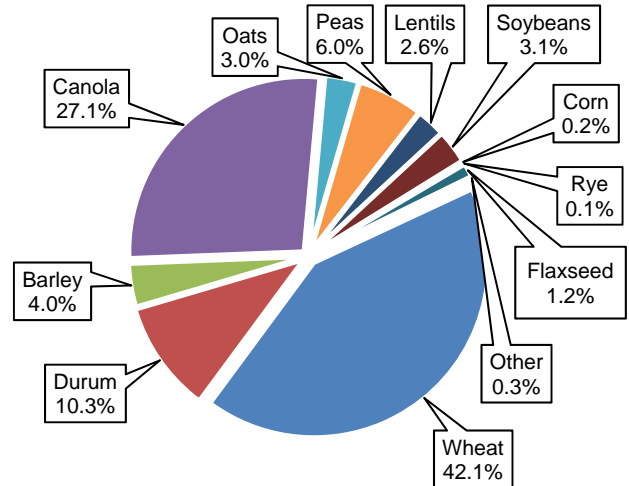
Production & Carry Over (000's tonnes) Table M-2	2015	2014	Var. from Last Year
Western Canada Total Production	63,425.7	62,854.9	0.9%
Western Canada On Farm & Primary Elevator Carry Forward Stock	8,947.6	14,196.0	-37.0%
Total Grain Supply	72,373.3	77,050.9	-6.1%

Traffic and Movement

Producer deliveries to primary elevators softened during July as the crop year drew to a close. Drawing on stock-in-store in country and terminal elevators, the GHTS continued to perform well with steady country-elevator, railway and terminal-elevator shipments meeting customer demands. GHTS participants have reported relatively smooth operations throughout most of the current crop year.

Table M-3	JUL 2016	2015-16 YTD	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)			
Manitoba	541.9	7,285.2	16.7%
Saskatchewan	1,444.8	20,884.3	-0.6%
Alberta	760.0	13,792.1	-6.1%
British Columbia	26.7	419.2	-2.2%
Total	2,773.4	42,380.8	0.0%
Western Canada Railway Traffic (000's tonnes)			
Shipments to Western Ports	2,629.0	37,956.9	-1.1%
Shipments to Eastern Canada	132.6	2,796.8	-7.3%
Shipments to US & Mexico	526.8	7,023.8	-8.7%
Shipments Western Domestic	33.7	540.2	-3.9%
Total	3,322.1	48,317.7	-2.7%
Western Port Unloads (Number of Cars)			
Vancouver	12,126	231,300	4.5%
Prince Rupert	5,318	69,298	2.1%
Churchill	0	1,684	-71.4%
Thunder Bay	6,615	78,024	-12.9%
Total	24,059	380,306	-1.2%
Terminal Elevator Shipments (000's tonnes)			
Vancouver	1,414.8	21,631.8	4.9%
Prince Rupert	506.4	6,347.4	3.2%
Churchill	0	187.8	-64.4%
Thunder Bay	670.5	7,385.9	-12.8%
Total	2,591.7	35,552.9	-0.6%

Primary Elevator Shipments by Commodity



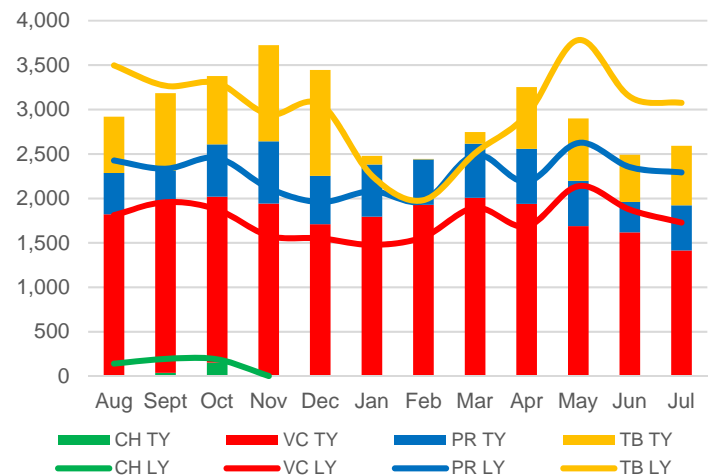
Total YTD = 42.4 MMT

GMP Data Table 2A-1

Although grain shipments from primary elevators during July were lower than that achieved in the previous crop year, the year-to-date total reached 42.4 million tonnes, virtually even with the level seen to the end of July in the 2014-15 crop year. Shipments out of the four western ports, also reduced somewhat during July, registered a 0.6% decrease on a year-over-year basis. The overall grain movement continued at a respectable pace through the completion of the fourth quarter.

For the 12-month period, country-elevator shipments of wheat and barley are down 11.2% and 12.8% respectively from the previous year. Running counter to this is a 12.2% increase in canola shipments, a 75% jump in lentils shipments, and a more than three-fold increase in soybean shipments.

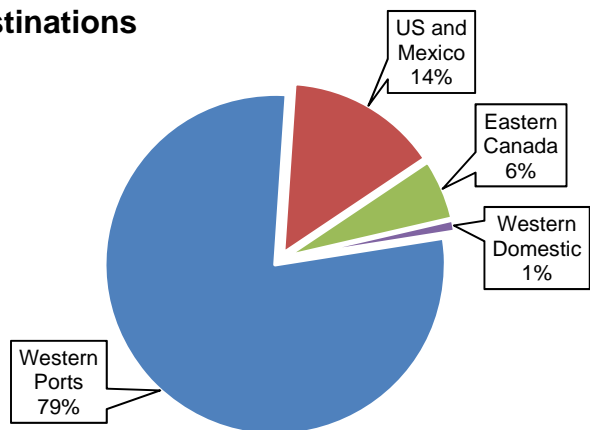
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Terminal grain shipments out of Vancouver and Prince Rupert continued to diminish in July, although the year-to-date movement from the west coast ports still proved 4.5% greater than in the same period last year.

Western Canadian Grain Destinations

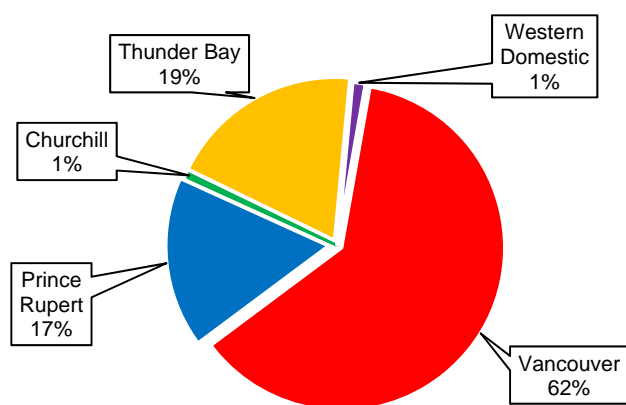


Total YTD = 48.3 MMT

GMP Data Tables 2B-1, 2B-8 & 2B-15

About 80% of the grain shipped by rail from the prairies is directed to Western Canada's four ports in support of offshore sales. Total rail shipments to these ports through July 2016 amounted to 38.0 MMT, down 1.1% from that handled in the previous crop year. The vast majority of this tonnage, some 24.3 MMT, was directed to Vancouver, which posted a 3.3% increase in volume. Year-round operations, favourable logistical economics and better access to major Asia-Pacific markets combine to favour this gateway. This was supported by a 2.5% increase in shipments into Prince Rupert, which totaled 6.3 MMT. However, volume declines of 12.7% at Thunder Bay and 69.2% at Churchill effectively offset these west-coast gains. Shipments into Eastern Canada also fell noticeably, decreasing by 7.3%, to 2.8 MMT.

Western Canadian Destined Hopper Car Traffic

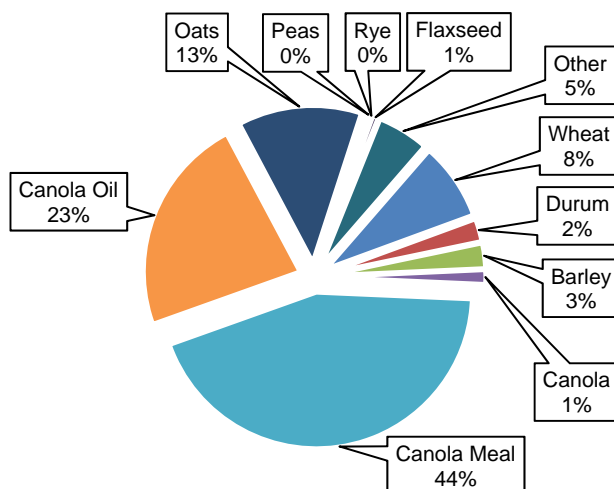


Total YTD - 37.2 MMT

GMP Data Tables 2B-3 to 2B-7

Vancouver continues to be the major port destination for Western Canada rail volumes with 62% of the volume.

US Destined Grain by Commodity



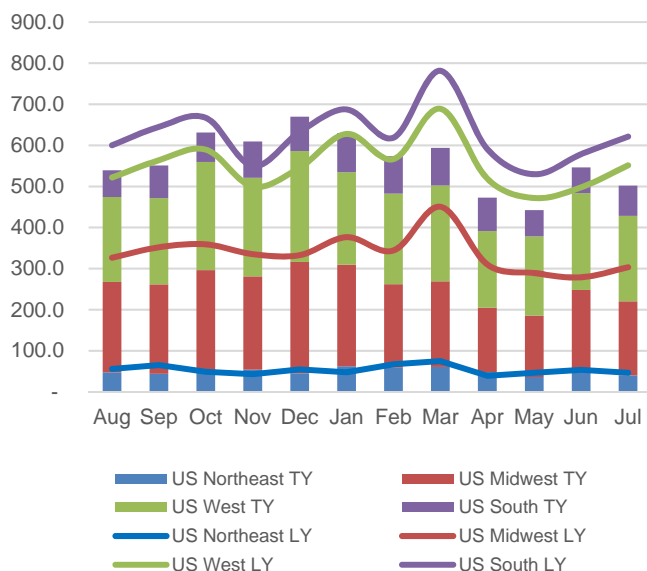
Total YTD - 6.8 MMT

GMP Data Table 2B-18

Rail shipments into the US, which totaled 6.8 MMT for the crop year, declined 9.9% from that handled a year earlier. The movement is dominated by canola and canola products, which accounts for 68% of the total tonnage. The majority of the US-bound traffic is directed into the American Midwest and West, with 58.2% having been sourced from the province of Saskatchewan.

Rail traffic from Western Canada to Mexico totaled 264,500 tonnes in the 2015-16 crop year, up 39.2% from the 189,900 tonnes reported a year earlier. This was largely shaped by heightened shipments of malt, canary seed and oats.

US Destined Grain by Destination Territory (000's tonnes)



GMP Data Table 2B-18



System Efficiency and Performance

Primary elevator stocks moderated somewhat during July as the crop year drew to a close. The weekly average was 2.4 MMT, down from 2.6 MMT in June. Available delivery space in the country network was good throughout the period. Country elevators utilized over 53% of the working capacity of the network. By province, stocks ranged from 51% of working capacity in Saskatchewan, to 54% and 56% in Manitoba and Alberta respectively and 58% in British Columbia.

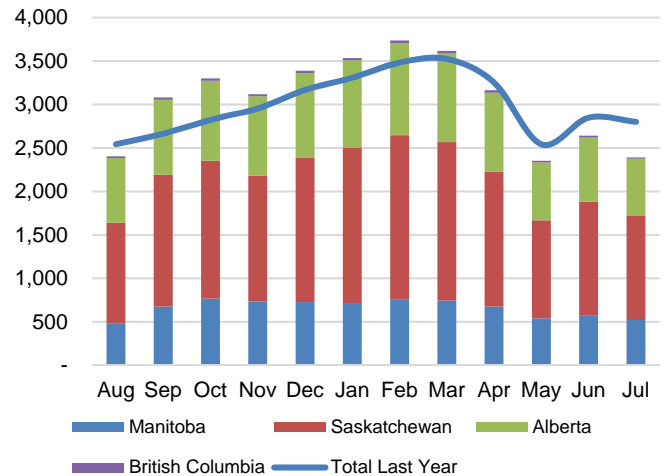
Year-to-date average days-in-store in the primary-elevator system is consistent with previous performance at just 2.3% above that experienced last year.

Table M-4	JUL 2016	2015-16 YTD	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	2,390.9	3,062.8	2.3%
Average Days in Store	23.5	26.1	2.3%
Railway Operations (days)			
Cycle Time to Western Ports	13.5	13.2	-4.4%
Cycle Time to Eastern Canada	22.2	23.3	-4.7%
Cycle Time to US	23.5	26.5	-13.4%
Loaded Transit to Western Ports	4.6	4.8	-16.2%
Loaded Transit to Eastern Canada	9.2	9.9	-18.3%
Loaded Transit to US	9.1	11.1	-19.3%
Traffic in 50-car+ blocks (Q4)	86.8%	85.7%	1.2%
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	945.7	1,179.4	-8.0%
Average Days in Store	9.7	10.9	1.9%
Port Unloads (hopper cars)	24,059	380,306	-1.2%
Terminal Out of Car Time	13.5%	11.7%	-31.6%
Western Canada Port Operations			
Average Vessel Time in Port (days)	5.8	7.9	-22.5%

Car order and order fulfillment data is not complete from both railways and will not be reported until further notice.



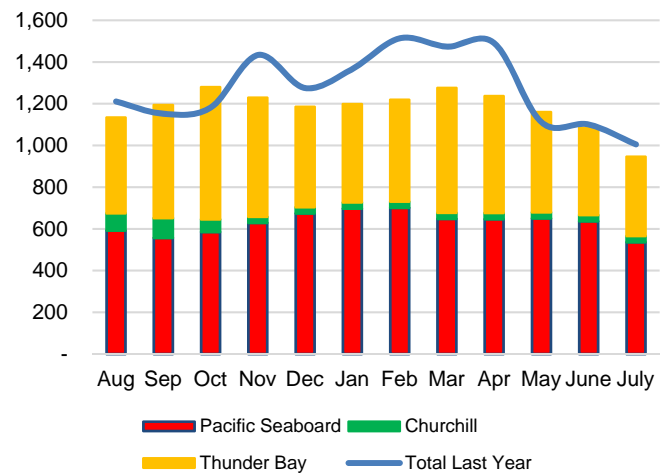
Average Weekly Primary Elevator Stocks (000's tonnes)



GMP Data Table 5A-2

Primary-elevator stocks have declined significantly from their highest point of 3.7 MMT seen in February. In July, as the crop year drew to a close, they retested the low of 2.4 MMT seen in May. Weekly deliveries averaged just over 0.5 MMT throughout July. Nevertheless, the year-to-date average stock level remained 2.3% higher than that reported in the same period of the 2014-15 crop year.

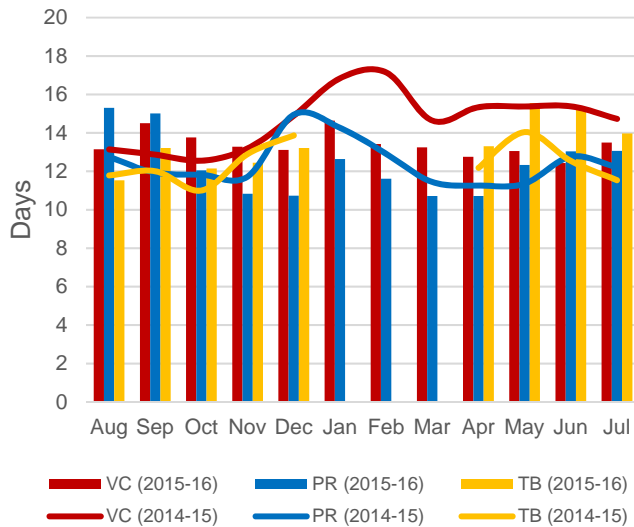
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

A much flatter pattern is observed regarding average stock levels for overall terminal stocks. As the year got underway, average stocks increased, climbing from 1.1 MMT in August to 1.3 MMT in October. They pulled back somewhat to 1.2 MMT in November, and despite some fluctuations, more or less held steady throughout the spring. A dip was seen in June and July, as stocks came back down to 1.1 MMT and 0.9 MMT respectively, now utilizing just 55% of the overall ports' working capacity.

Railway Cycle Times to Western Ports (days)

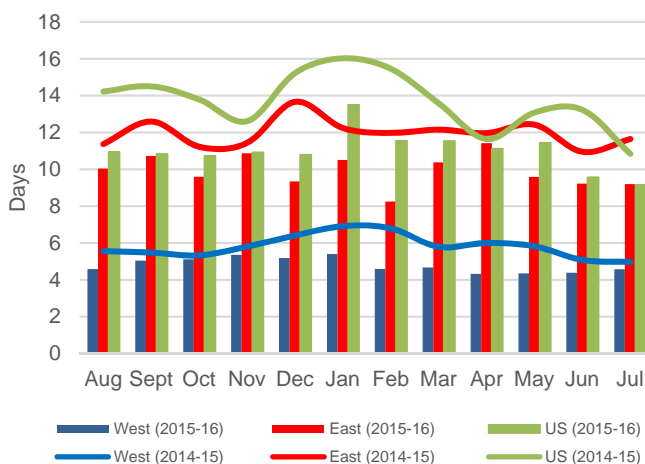


GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 13.2 days in the 2015-16 crop year, a decrease of 4.4% from the 13.7-day average recorded a year earlier. This was shaped by decreases in the Vancouver and Prince Rupert corridors, which fell by 8.2% and 1.6% respectively. A 5.3% increase in the Thunder Bay corridor partially countered these reductions. (Note: The Churchill average is not factored into that of Western Canada as a whole.)

Car cycles to Eastern Canada saw a decrease of 4.7% during the crop year, with the average declining to 23.3 days from 24.4 days. Car cycles into the United States showed a 13.4% decline, falling to an average of 26.5 days from the 30.6-day average posted in the previous crop year.

Average Loaded Transit Times (days)



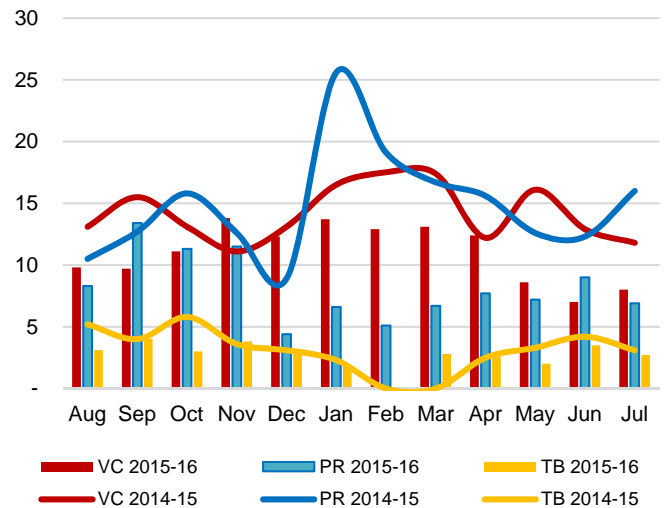
GMP Data Tables 5B-4, 5B-8, 5B-12

Loaded transit time for traffic destined to Western Canadian ports averaged 4.8 days in the 2015-16 crop year, down 16.2% from the 5.8-day average posted a year earlier. This reflected substantive

reductions in all three corridors: Vancouver, 19.0%; Prince Rupert, 17.0%; and Thunder Bay, 6.5%.

The average Eastern Canadian loaded transit time also moved lower during the crop year, declining by 18.3% to 9.9 days. The corresponding average for US-bound traffic amounted to 11.1 days, a decline of 19.3%.

Average Days in Port per Vessel



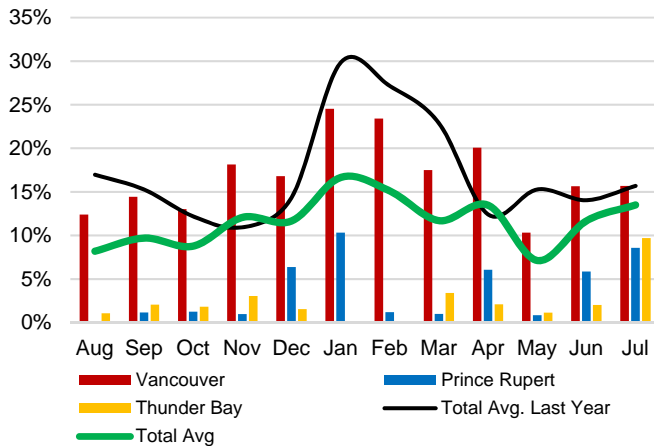
GMP Data Table 5D-1

Year-to-date average time vessels are in port waiting and loading grain is 22.5% less than in the same period in 2014-15, reflecting an improvement in the coordination of grain stocks at port to vessel loading. July saw the average hold steady at 5.8 days compared to the 5.8 and 6.0 day averages registered in May and June respectively. The number of vessels in ports at any time has enabled good operations during the crop year thus far. It has been sufficient to facilitate vessel loading while not congesting the available anchorages.

During the 2014-15 crop year, the average time vessels spent in port at Vancouver and Prince Rupert fluctuated between ten and fifteen days, with some seasonal spiking above that level in the winter. Thunder Bay's average hovers in the three to five-day range. In July of this year, the overall average time decreased by nearly 35% from the previous July, comprising 32% and 57% reductions at Vancouver and Prince Rupert respectively and a lesser reduction of 13% at Thunder Bay. Overall, this reflects a continuation of the relatively smooth movement from country to port during the 2015-16 crop year.



Port Terminal Out of Car Time (% of total operating hours)



GMP Data Table 5C-5

The port terminal out-of-car time measure represents the total number of hours terminal elevator facilities are open and staffed (including overtime hours) and the corresponding number of hours that terminals have no rail cars available to unload. The measure is expressed as a percentage (hours without cars to the total number of hours working).

Notwithstanding some fluctuation, the percentage of time terminals are out of cars has charted a trend of improvement from its high of 29.8% in January of 2015. A modest uptick is registered for July 2016, as the aggregate measure for all ports increased to 13.5% from 11.7% last month. While Vancouver registered a decrease from June, falling to 15.7%, Prince Rupert and Thunder Bay saw increases to 8.6% and 9.7% respectively month-over-month. The year-to-date value for Western Canada stands at 11.7%, down 31.6% from the same period last year.

Commercial Relations

CN and CP both reduced their single-car rates at the beginning of the 2015-16 crop year. These ranged from as little as 2% on CN movements into Thunder Bay to as much as 7% on CP movements into Vancouver. In mid-November CN followed this with an across-the-board rate cut of \$100 per car, which equated to a reduction of roughly 2%. These reductions lasted until the beginning of January 2016, when they were effectively reversed, largely reinstating the rates in place at the end of the first quarter. The carrier initiated another round of selective reductions in April, which generally ranged from \$100 to \$300 per car, for movements in the Vancouver, Thunder Bay and Churchill corridors. But these were more than countered by comparably-sized rate hikes in all corridors in mid-June. With the close of the crop year, CN's rates stood about 6% lower in the Vancouver corridor and 1% lower in the Thunder Bay corridor. Similarly, CP's rates remained unchanged until December, when it initiated secondary reductions of 4% in the Vancouver corridor and 7% in the Thunder Bay corridor. April saw these rates cut still further, by 3% and 2% respectively. Ensuing rate increases of up to 5% in mid-May and 8% in mid-July did much to temper this. By the close of the crop year, CP's rates stood about 7% lower in the Vancouver corridor, and 4% lower in the Thunder Bay corridor. All of these pricing actions were consistent with the 5.6% reduction in the VRCPI as determined by the CTA in April 2015.

Table M-5 Rates: \$CDN per tonne	Q4 2015-16	Index (1999=100)	% Change YTD
Avg. Primary Elevation	\$15.97	133.1	-1.6%
Rail to Vancouver			
CN	\$48.79	132.2	-6.4%
CP	\$50.30	135.5	-6.7%
Rail to Pr. Rupert			
CN	\$49.19	117.9	-5.6%
Rail to Thunder Bay			
CN	\$48.21	150.2	-0.9%
CP	\$43.35	145.3	-3.8%
Average Terminal Elevation	\$14.29	156.8	2.2%

Note: Commercial rates are measured on a quarterly basis, the above refer to rates at the close of the fourth quarter of the 2015-16 crop years. Rail rates are as at July 31, 2016, and reflect the average weighted single-car rate. They do not include multi-car incentives (\$4/tonne for 50 + car blocks and \$8/tonne for 100 + car blocks).

Commercial Developments

Grain to stop moving through Churchill:

On 25 July 2016 the Port of Churchill, owned by Denver-based OmniTRAX, laid off 60 employees and announced the grain terminal's closure for the 2016 shipping season. In addition, the company's wholly-owned Hudson Bay Railway moved to immediately scale back its freight service to just one train per week. OmniTRAX announced their desire to sell the port facilities and the grain terminal in early December 2015. On December 18 OmniTRAX confirmed its' acceptance of a letter of intent from a Northern Manitoba group of First Nations for the purchase of its Manitoba assets including the Port and the railway. The 10-year average port throughput at Churchill prior to last season was 515,000 tonnes however, total shipments for the 2015-16 crop year fell to 187,800 tonnes, the lowest throughput witnessed in recent years.

Railways signal preparedness for large crop:

With the North American railway industry experiencing a broad decline in traffic volumes over the past several months most Class I carriers reported that they were engaged in various cost-cutting measures, including the two Canadian Class 1 carriers. Both CN and CP have announced the layoff of employees, the storage of equipment and the deferral of various capital-spending projects in their reports to financial analysts this year. In light of projections suggesting the possibility of another large harvest, the Western Grain Elevator Association (WGEA) wrote to both CN and CP advising them of this potential volume for the 2016-17 crop year. In the face of growing industry concerns over diminishing railway capacity and a potential repetition of the difficulties experienced in the 2013-14 crop year, CP's chief executive officer, Hunter Harrison, moved to assure industry stakeholders that the railway was in fact prepared for another large crop. In doing so, he also reiterated the need for all of CP's supply-chain partners to work together in meeting this objective. This was echoed by CN's newly appointed chief operating officer, Mike Cory, who indicated that the carrier was also working with the industry and port terminals to ensure the smooth movement of grain as the new shipping season ramps up.

Infrastructure

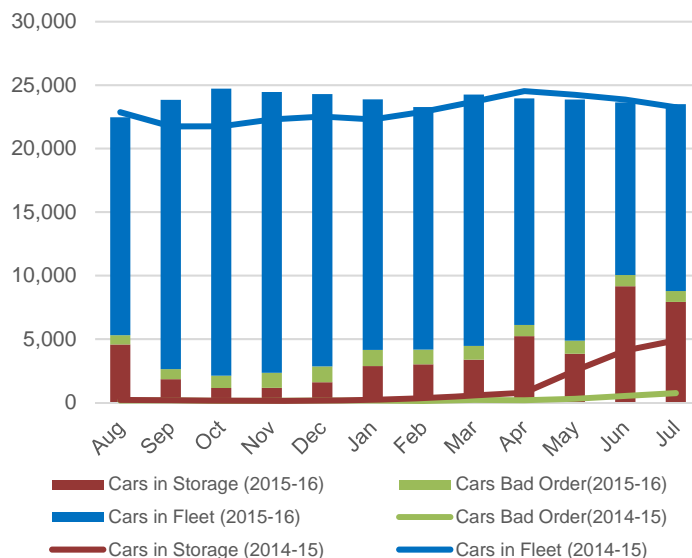
The GMP monitors infrastructure changes on a quarterly basis with the exception of the railway car fleet. A number of changes to the GHTS's infrastructure were reported in the 2015-16 crop year. The total number of country elevators rose by 3.5%, to 383 from 370. Much of this was tied to the licensing of several facilities acquired by AGT Food and Ingredients in its recent purchase of Mobil Grain as well as West Central Road and Rail. These additions served to also raise the GHTS's licensed storage capacity by 7.0%, to over 7.8 MMT. Equally significant changes were also posted against the rail infrastructure, with the establishment of Northern Lights Rail resulting in the transfer of 35.2 miles of CN infrastructure to the new shortline in September 2015. This was supplemented by an additional 1.5 miles of new track built to connect the Ceres Global Ag facility at Northgate SK to the BNSF, but was more than offset by the discontinuance of 137.5 route-miles of track in the second quarter. The crop year began with the delicensing of two terminal elevators at Thunder Bay (Thunder Bay Terminals and MobilEx) as well as an expected temporary 10,000-tonne reduction in the licensed storage capacity of the Richardson International terminal in Vancouver, which produced net declines of 11.8% in the GHTS's terminal elevators and 1.3% in its storage capacity.

Table M-6	Q4 2015-16	Index (1999=100)	% Change YTD
Country Elevator			
Primary and Process Elevators (Count)	383	38.1	3.5%
Storage Capacity (000's tonnes)	7,844.6	111.6	7.0%
Railway			
Route Miles - Major Carriers	14,664.2	98.9	-1.2%
Route Miles - Shortline Carriers	2,623.9	56.5	1.4%
Route Miles - Total	17,288.1	88.8	-0.8%
Average Weekly Total Hopper Car Fleet Size*	23,500	n/a	3.6%
Terminal Elevator			
Terminal Facilities (Count)	15	107.1	-11.8%
Storage Capacity (000's tonnes)	2,393.2	93.6	-1.3%

* Hopper Car Fleet Size represents all cars in all statuses for the month of July 2016.

Prior to February 2015, nearly all of the reported car fleet was in service. As traffic volumes began to slow, railways began the process of moving cars into storage and by August, the lowest volume to that point, over 23% of the fleet was stored or in a repair status. As volumes grew in the current crop year, so did the average number of cars in active grain service. Due to a tapering off in demand, there were just 14,724 cars in active service during July, representing 63% of the overall fleet. The number of rail cars in storage or repair status (bad order) has fallen slightly from 42% in June to 37% in July.

Total Railway Fleet Size and Utilization



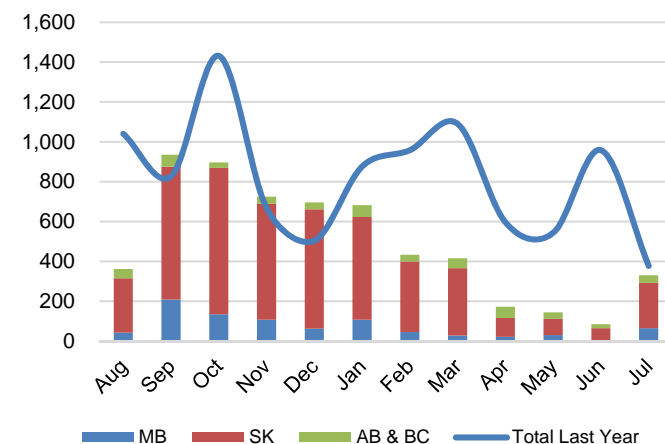
GMP Data Table 3B-2

Producer Cars

With the start of operations for Northern Lights Rail in Saskatchewan, two producer car loading sites were added to the Shortline Carriers total in the first quarter of the 2015-16 crop year. The total number of available producer car loading locations has held at 316 since then.

Table M-7	Q4 2015-16	Index (1999=100)	% Change YTD
Producer Car Loading Sites			
Class 1 Carriers	179	27.8	0.0%
Shortline Carriers	137	210.8	1.5%
All Carriers	316	44.6	0.6%

Producer Cars Scheduled by Province



GMP Data Table 6B-2

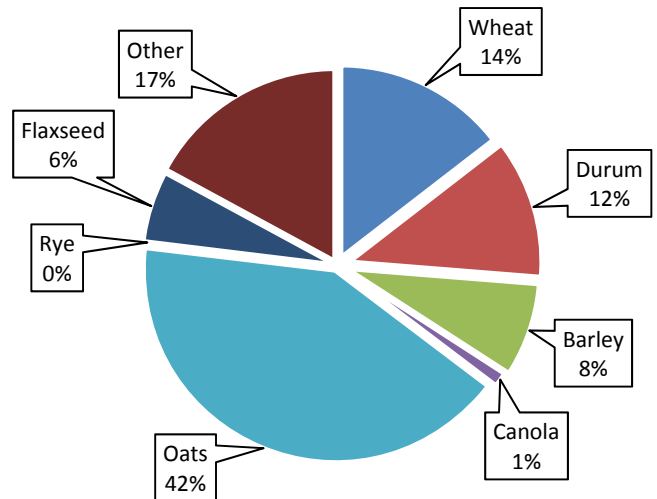


Table M-8 Producer Cars Scheduled	JUL 2016	2015-16 YTD	Var. from Last YTD
Manitoba	64	848	-25.2%
Saskatchewan	228	4,530	-38.9%
Alberta & B.C.	38	493	-62.7%
Total	330	5,871	-40.5%

Producer car shipments have evolved from primarily being wheat, durum and oats to including significant numbers of cars carrying special crops and canola. Shipments to the end of July follow this pattern, comprising 68%, with the balance consisting mainly of special crops.

Producer cars scheduled were significantly lower to the end of July in the 2015-16 crop year, down 40.5%, from the previous year. Although the average number of weekly applications has been less than the previous year, the 2014-15 numbers were also inflated due to the large volume of backlogged orders awaiting scheduling at the beginning of that crop year.

Producer Cars Scheduled by Commodity



GMP Data Table 6B-2



Canola Field in Central Saskatchewan, July 2016



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 Web: www.grainmonitor.ca
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This report provides a summary of the data developed under the Grain Monitoring Program. Detailed monthly Data Tables can be found in Excel format on Quorum's website at: www.grainmonitor.ca

Quorum welcomes questions and comments on the reports and data. Please contact us at our address by either phone or email