

GMP Dashboard

Table M-1	SEP 2017	OCT 2017	2017-18 YTD (Q1)	Var. from Last YTD
Western Canadian GHTS Performance (Days)				
Total Time in System	42.5	42.3	44.0	21.2%
Average Days In Store – Country	25.7	26.9	26.3	20.6%
Loaded Transit Time	5.4	5.7	5.7	19.6%
Average Days In Store – Terminal	11.4	11.5	12.0	23.7%
Total Traffic ('000 tonnes)				
Primary Elevator Shipments	4,164.6	3,928.3	11,697.1	2.6%
Railway Shipments (all Western Canada traffic)	4,803.8	4,713.5	13,050.1	-1.9%
Western Port Terminal Shipments	3,109.2	3,403.5	9,163.5	1.9%
Railway Performance				
Avg. Loads on Wheels (Cars)	10,549	12,339	10,514	2.5%
Total Western Port Car Cycle (days)	14.6	13.8	15.0	14.2%
Port Performance				
Western Port Unloads (Number of Cars)	34,784	35,649	100,690	0.0%
Vessel Time in Port (days)	7.3	7.8	8.1	5.2%

- Order fulfilment measures have been removed from this table as comparative data is unavailable now.
 - YTD refers to the crop year to date (extending from August 1 through to the end of this reporting period)

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

Western Canadian rail shipments topped 4.7 MMT in October, down 1.9% from September. First-quarter shipments of 13.1 MMT were also down 1.9% compared to the Q1 volume handled a year earlier. Western port shipments for October totaled 3.4 MMT, a 9.5% increase from September volumes, but only 0.2% more than October of 2016. First quarter terminal elevator shipments reached 9.2 MMT, a 1.9% increase from the previous crop year's first quarter total. Accompanying the growth in shipments, is a 7.8-day average in the amount of time vessels spent in port in October, up from September's 7.3-day average. The overall average vessel-time-in-port number for the first quarter is 8.1 days, a 5.2% increase from that seen in Q1 of the 2016-17 crop year.

Dry conditions in the latter half of October allowed Alberta farmers to largely wrap up the 2017 harvest. The northern Alberta region had been lagging the rest of the prairies in harvest progress. By the end of October, the crop was virtually all in the bin across the grain growing region, unlike the previous year when an estimated 2.5 million acres remained unharvested as winter set in.

Highlights for October 2017 and First Quarter 2017-18 CY

Traffic and Movement (page 2)

- While October fell 5.6% from September, primary-elevator shipments were 11.7 MMT in Q1 of the 2017-18 crop year, 2.6% more than in the first quarter last year.
- Total rail shipments (including primary/process elevators & producer cars were down 2% over September volumes) to all destinations from Western Canada, and totaled 13.1 MMT in Q1, down 1.9% from that handled in the same quarter a year earlier.
- Crop shipments from Western Canadian ports went up 9.4% over the previous month totaled 9.2 MMT year-to-date, up 1.9% from the first quarter last year.

System Efficiency and Performance (page 4)

- Average weekly primary-elevator stocks increased by 24.8% from Q1 levels last year. The average days-in-store was up 20.6%.
- Average weekly port-terminal stocks increased 29.1% in the first quarter from the same period last year, while average days-in-store climbed 23.7%.
- Railcar cycle times moderated in October, but the Q1 averages reflected earlier increases: rising to 15.0 days for movements to western ports; 22.7 days to eastern Canada; and 25.6 days to the US.
- The year-to-date average for vessel time in port is 8.1 days, a 5.3% increase from that observed in the previous crop year.
- Port-terminal out-of-car time fell to 9.2% in the first quarter, 36.2% less than in the opening quarter of the previous crop year. Month-over-month port results were 9.6% at Vancouver in October, versus 10.6% in September; 7.5% at Prince Rupert in October, versus 22.4% in September; and 5.7% versus 4.3% at Thunder Bay.

Commercial Relations (page 6)

- Average primary-elevation charges rose 0.7% over the course of the first three months of the crop year.
- Both CN and CP increased their single-car freight rates in the first quarter. These increases ranged from 7.0% to 15.5% depending on the carrier and corridor.
- Average terminal-elevation charges rose 0.1% during the first quarter of the crop year.

Infrastructure (page 7)

- There were no changes in the makeup of the 391 facilities included in the GHTS country-elevator network during the first quarter. However, continued expansion efforts resulted in the associated storage capacity increasing by another 34,900 tonnes, or 0.4%, to a GMP record of almost 8.2 MMT.
- There were no changes to the GHTS's railway or terminal-elevator networks in the first quarter.

Production and Supply

The preliminary estimate from Statistics Canada's model-based estimate for crop production in Western Canada, prepared at the end of August 2017, stands at 66.9 MMT. This marks a 7.9% decrease from the 2016 harvest, but still registers as one of the largest crops in Western Canadian history. The final estimate for the growing season, based on a November survey, will be released in early December.

Coupled with carry-forward stock of 8.6 MMT, 14.7% more than in 2016, the overall western grain supply is estimated to be 75.5 MMT, 5.7% less than that of the previous year.

Production & Carry Over (000's tonnes) <i>Table M-2</i>	2017	2016	Var. from Last Year
Western Canada Total Production –Preliminary*	66,876.1*	72,580.9	-7.9%
Western Canada On Farm & Primary Elevator Carry Forward Stock	8,605.0	7,504.9	14.7%
Total Grain Supply	75,481.1*	80,085.8	-5.7%

For much of the prairie grain belt, the 2017 crop had a promising start. Seeding was completed relatively early except in the northern Alberta regions where some 2016 crop remained to be either harvested or plowed under. With adequate soil moisture, germination was generally good. A prolonged dry spell in July raised serious concern about the crop's potential across the prairies. However, the grain industry later recognized that the crop fared very well in most areas, despite the dry July, except for the very southern belt which suffered ongoing dry conditions. While the final Statistics Canada estimate has not been released, at present the 2017 crop registers as the third largest ever produced in Western Canada.

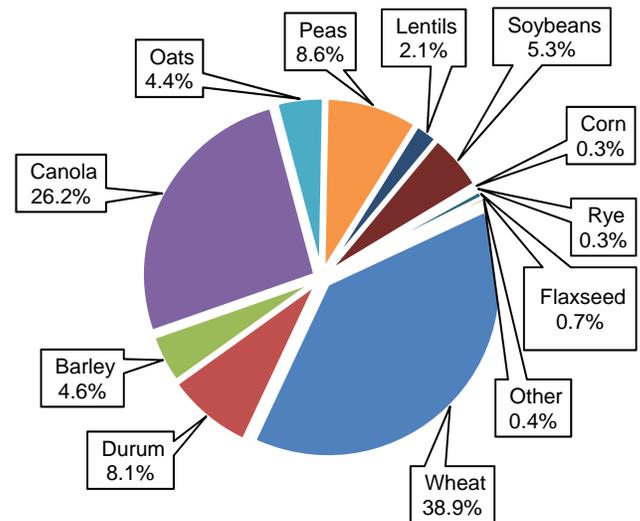
Traffic and Movement

With harvest wrapping up in October, producer deliveries remained steady, averaging about 1.0 MMT per week for the month. Average weekly primary elevator stock levels also held steady at over 3.8 MMT, continuing to provide adequate supply for the shipping programs.

<i>Table M-3</i>	OCT 2017	2017-18 YTD (Q1)	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)			
Manitoba	895.5	2,764.3	25.3%
Saskatchewan	1,895.9	5,456.0	-2.7%
Alberta	1,098.0	3,402.0	-3.0%
British Columbia	28.9	74.8	-3.6%
Total	3,918.3	11,697.1	2.6%
Western Canada Railway Traffic (000's tonnes)			
Shipments to Western Ports	3,729.6	10,228.6	-4.8%
Shipments to Eastern Canada	254.4	616.7	-7.0%
Shipments to US & Mexico	679.8	2,031.1	15.2%
Shipments Western Domestic	49.6	173.7	32.7%
Total	4,713.5	13,050.1	-1.9%

<i>Table M-3</i>	OCT 2017	2017-18 YTD (Q1)	Var. from Last YTD
Western Port Unloads (Number of Cars)			
Vancouver	21,636	61,880	6.4%
Prince Rupert	5,394	13,242	-10.3%
Thunder Bay	8,619	25,568	-7.8%
Total	35,649	100,690	0.0%
Terminal Elevator Shipments (000's tonnes)			
Vancouver	1,857.0	2,147.3	7.9%
Prince Rupert	332.6	537.1	1.1%
Churchill	0.0	0.0	0.0%
Thunder Bay	919.6	719.1	-10.7%
Total	3,109.2	3,403.5	1.9%

Primary Elevator Shipments by Commodity



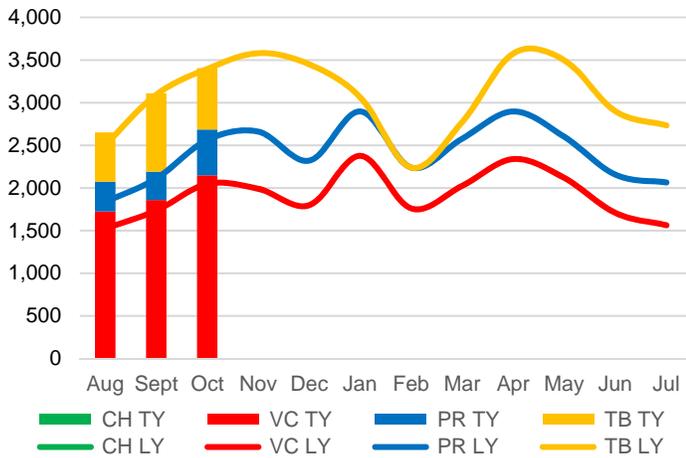
Total YTD = 11.7 MMT

GMP Data Table 2A-1

Grain shipments from primary elevators remained steady in October contributing to movement that registered 2.6% higher than the crop-year-to-date total for the previous crop year. With harvest wrapping up, the previous month's heavy off-field deliveries pace tapered somewhat, although remained strong enough to maintain supplies and meet shipping demands.



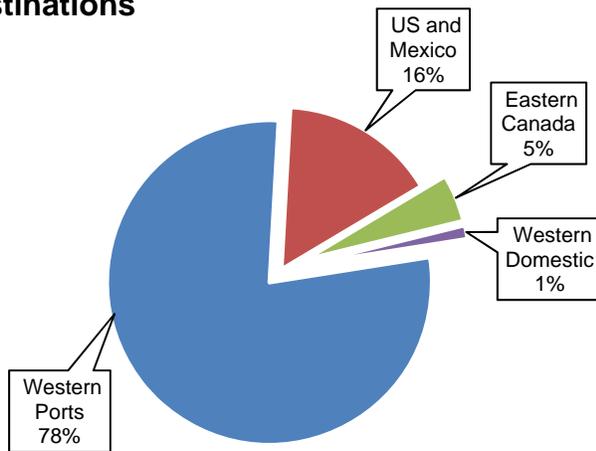
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Shipments out of the western ports grew in the first three months of the crop year, registering a 1.9% increase on a year-over-year basis. Early-season indications are that the 2017 crop will be of relatively good quality, with marketers optimistic that they will avoid some of the quality challenges faced last year and as such, will not impact terminal operations.

Western Canadian Grain Destinations

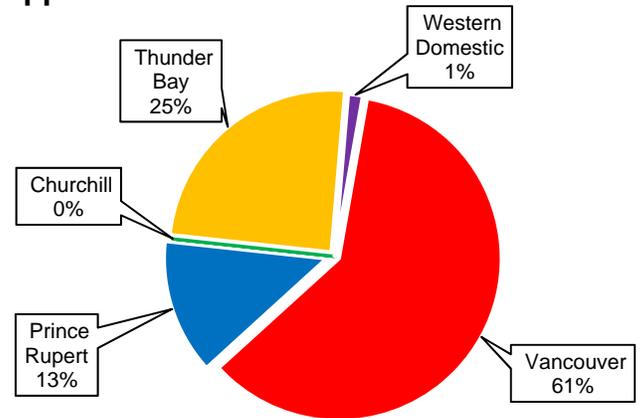


Total YTD = 13.1 MMT

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

Railway grain shipments from Western Canada totaled 13.1 MMT in the first quarter of the 2017-18 crop year, a 1.9% decrease from what was handled in the same period a year earlier. The bulk of this, about 10.2 MMT, was directed to Western Canadian ports in support of offshore sales. This marked a 4.8% decline from what had been handled a year earlier. Shipments to Eastern Canada also declined in Q1, falling by a more substantive 7.0%. Running counter to these volume reductions were increases in: Western Domestic shipments, up 32.7%; and US and Mexican shipments, up by 15.2%.

Western Canadian Destined Hopper Car Traffic

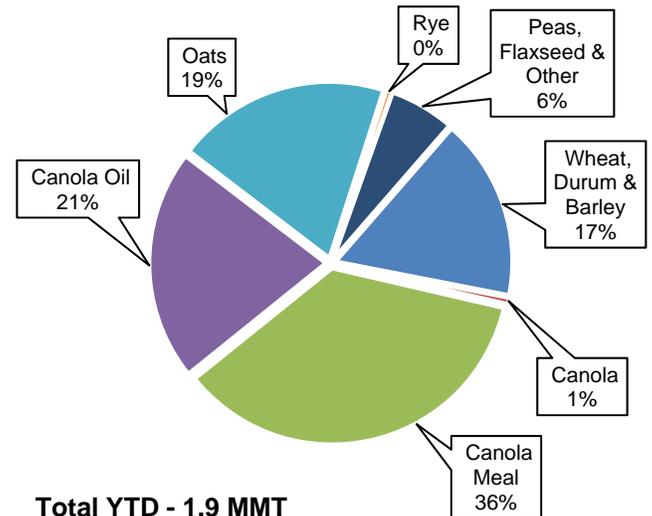


Total YTD - 10.0 MMT

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

Over 95% of the tonnage directed to destinations within Western Canada moves in covered hopper cars. During the first quarter, this amounted to just under 10.0 MMT, down 4.5% from that handled in the same period a year earlier. On the receiving end, 61% of these hopper cars were destined to Vancouver, which remains the unrivaled Canadian gateway for export grain given its ready access to Asia-Pacific markets, favourable logistical economics and year-round operations. Even so, hopper-car shipments through Vancouver during this period declined by 6.5%. However, the scale of this reduction was checked by more modest declines at Prince Rupert and Thunder Bay, which fell by 0.8% and 2.8% respectively.

US Destined Grain by Commodity

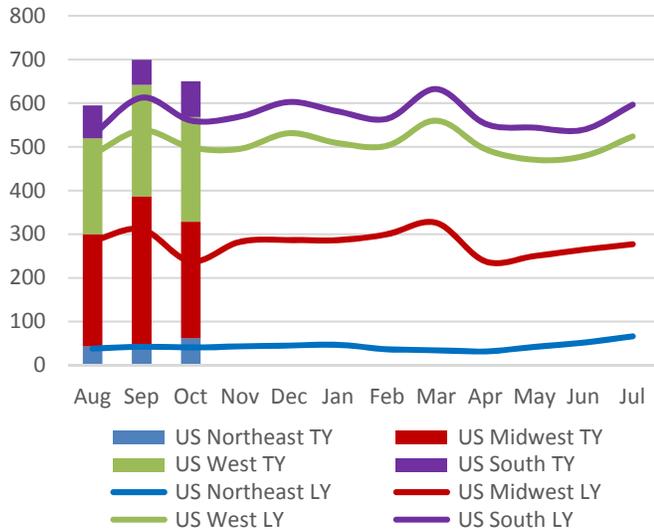


Total YTD - 1.9 MMT

GMP Data Table 2B-18

Total railway shipments into the US reached 1.9 MMT in the first quarter of the 2017-18 crop year, a gain of 14.4% over that handled a year earlier. Over 80% of these shipments are directed into markets in the Midwest and West, and are dominated by canola and canola products.

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



GMP Data Table 2B-18

System Efficiency and Performance

Primary elevator stocks held steady during October along with robust country shipping to fill sales program needs. The weekly average stock level fell slightly to 3.8 MMT from 3.9 MMT in September. Country stocks utilized 81% of the working capacity of the network. By province, stocks ranged from 78% and 79% of working capacity in Saskatchewan and Alberta respectively to 89% in Manitoba and 100% in British Columbia.

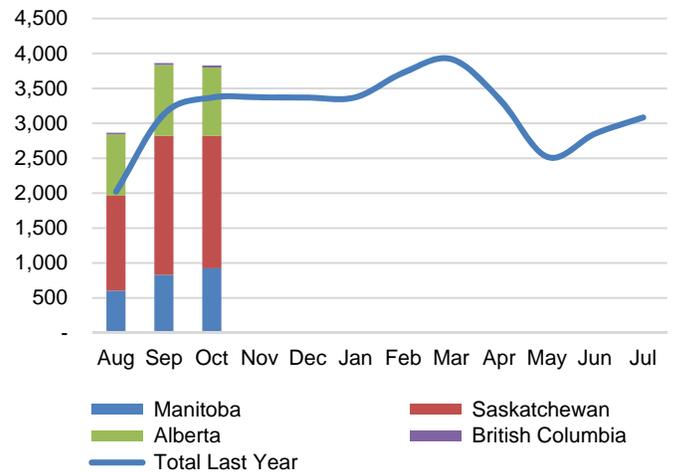
The average days-in-store in the primary-elevator system for the first quarter of the crop year increased substantially from last year, climbing 20.6%.

Table M-4	OCT 2017	2017-18 YTD (Q1)	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	3,827.9	3,466.9	24.8%
Average Days in Store	26.9	26.3	20.6%
Railway Operations (days)			
Cycle Time to Western Ports	13.8	15.0	14.2%
Cycle Time to Eastern Canada	18.3	22.7	10.1%
Cycle Time to US	23.5	25.6	8.5%
Loaded Transit to Western Ports	5.7	5.7	19.6%
Loaded Transit to Eastern Canada	8.7	11.0	31.9%
Loaded Transit to US	11.0	10.3	5.3%
Rail Fleet in Grain Service	22,555	20,176	4.7%

Table M-4	OCT 2017	2017-18 YTD (Q1)	Var. from Last YTD
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	1,422.5	1,238.5	29.1%
Average Days in Store	11.5	12.0	23.7%
Port Unloads (hopper cars)	35,649	100,690	0.0%
Terminal Out-of-Car Time	8.3%	9.2%	-36.2%
Western Canada Port Operations			
Average Vessel Time in Port (days)	7.8	8.1	5.2%

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)

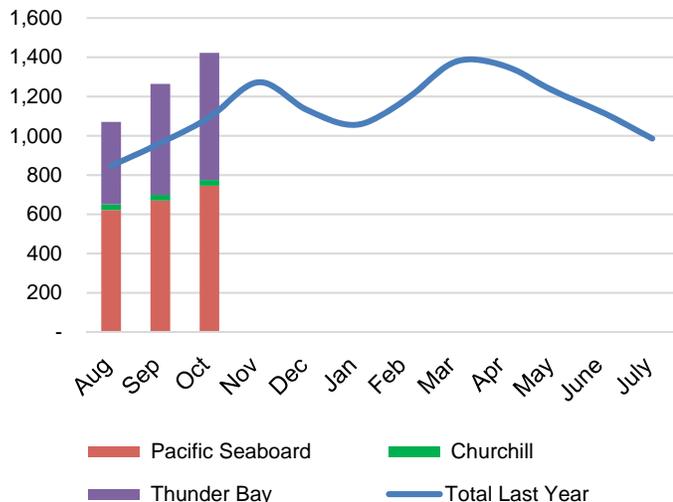


GMP Data Table 5A-2

Following a decline to 2.9 MMT in August, average country elevator stocks reversed direction and rose to 3.8 MMT in October. The overall average weekly stock level in the first quarter was 3.5 MMT, a 24.8% increase from that seen a year earlier. Wheat, including durum and canola stock, comprise over 71% of the total stock. At 17% of the stock, barley, oats and peas made up most of the balance. Of the remaining commodities, soybeans, constituting 5% of primary elevator stock, is the most substantial.



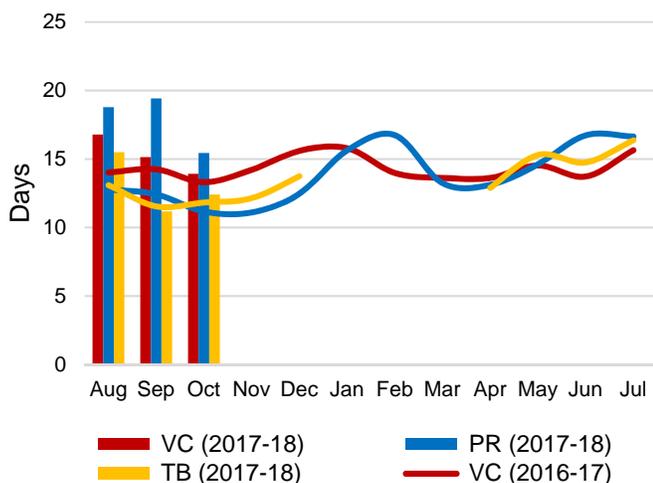
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

Overall terminal elevator stocks averaged 1.4 MMT in October, 13% higher than the level seen a month earlier. Stock levels grew steadily at the Pacific Seaboard (Vancouver and Prince Rupert) and at Thunder Bay. Wheat, including durum and canola stock, comprises nearly 82% of the total stock. Abundant vessel arrivals, especially at the Pacific Seaboard ports, are providing a ready outlet for arriving grains. Currently, western ports are utilizing 82% of their overall working capacity.

Railway Cycle Times to Western Ports (days)

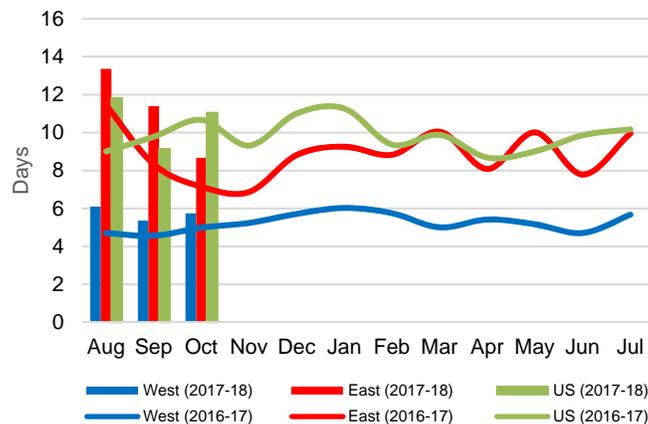


GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 15.0 days in the first quarter of the 2017-18 crop year, an increase of 14.2% from the 13.1-day average posted in the same period of the previous crop year. This result was shaped by increases in all corridors, with the Prince Rupert average rising by 47.9% Vancouver by 10.2%; and Thunder Bay by 4.9%.

Car cycles to Eastern Canada showed a marginally lesser increase in the first quarter, falling by 10.1%, to an average of 22.7 days from 20.6 days a year earlier. Similarly, the car cycle for movements into the United States rose by 8.5%, to an average of 25.6 days from the 23.6-day average posted the previous crop year.

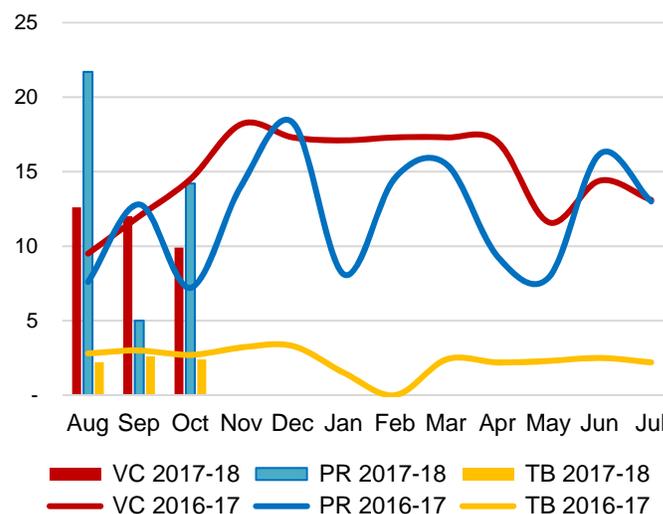
Average Loaded Transit Times (days)



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

Loaded transit time for traffic destined to Western Canadian ports averaged 5.7 days in the first quarter, up 19.6% from the 4.8-day average posted a year earlier. This result was primarily shaped by increases in the Prince Rupert and Vancouver corridors, which rose by 66.9% and 14.0% respectively, but supported by a 5.7% increase in the Thunder Bay-corridor average as well. The average loaded transit time for movements into Eastern Canada also increased sharply, rising by 31.9%, to 11.0 days from 8.3 days the year previous. The corresponding average for US-destined traffic saw a much lesser increase, rising by 5.3%, to 10.3 days from the 9.8-day average posted twelve months earlier.

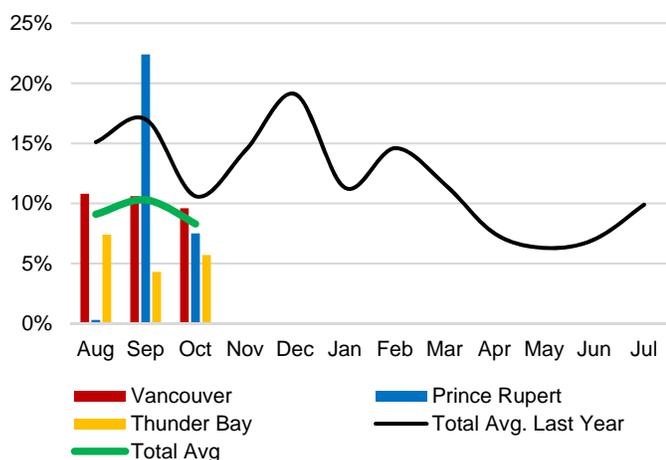
Average Days in Port per Vessel



GMP Data Table 5D-1

The average time vessels were in port waiting and loading grain was 5.2% higher in the first quarter of the 2017-18 crop year than in the same quarter the previous year. While modest declines were registered at both Vancouver and Thunder Bay, a more-than 50% increase was seen at Prince Rupert. Various factors contributed to this increase, including some scheduled maintenance at the terminal, difficulty in securing consistent crews for weekend operations and raised out-of-car time. For the quarter, the average number of days in port were 11.4, 13.8 and 2.4 at Vancouver, Prince Rupert and Thunder Bay respectively.

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. The aggregate measure for all ports was 9.2% in the first quarter, a reduction from 14.5% seen in the first quarter of the previous year. Terminal out-of-car time at Vancouver and Prince Rupert was 10.4% in Q1, and 5.9% at Thunder Bay.

Commercial Relations

Table M-5 Rates: \$CDN per tonne	Q1 2017-18	Index (1999=100)	% Change YTD
Avg. Primary Elevation	16.26	135.6	0.7%
Rail to Vancouver			
CN	54.57	148.0	8.4%
CP	53.85	145.3	11.7%
Rail to Pr. Rupert			
CN	54.57	130.8	8.4%
Rail to Thunder Bay			
CN	53.96	168.4	7.0%
CP	46.33	155.2	15.5%
Average Terminal Elevation	14.36	157.5	0.1%

Note: Commercial rates are measured on a quarterly basis, the above table refers to rates at the close of the first quarter of the 2017-18 crop year (as at 31 October 2017) and reflect an average of the published single-car rates. They do not include multi-car incentives (\$4/tonne for 50+ car blocks and \$8/tonne for 100+ car blocks).

CN's single-car freight rates remained effectively unchanged at the commencement of the 2017-18 crop year, but were raised successively in both September and October. By the close of the first quarter, CN's rates on westbound movements into Vancouver and Prince Rupert had risen by 8.4%, with its rates into Thunder Bay rising by a slightly lesser 7.0%. CP's single-car rates were increased by up to 10% at the outset of the new crop year, and followed by additional increases in October. With the close of the first quarter these actions had elevated the rates on westbound and eastbound CP movements by 11.7% and 15.5% respectively.

Commercial Developments

Indian trade actions on pulse exports: The Canadian pulse sector felt impacts of two distinct trade actions taken by the Indian government. The first of these related to removal of the exemption that had allowed the importation of pulses without methyl-bromide fumigation until 31 December 2017. Even so, the exemption stipulated that five times the regular inspection fee would have to be paid upon the shipment's arrival in India, which amounts to about \$15 per tonne. More importantly, a second exemption, that protects exporters from paying these fees through to the end of the year was not extended to Canadian shipments as of 30 September 2017. The second action came near the close of the quarter, when India imposed a 50% duty on pea imports, largely regarded as a move aimed at supporting its domestic industry. While both actions will impact future exports to one of Canada's largest pulse buyers, the continuing proliferation of pulse-processing facilities (including protein fractionation plants) in Western Canada suggests that the emergence of a large value-added domestic market might may offset any long-term losses.

Bill C-49 moves to Senate for consideration: Bill C-49, the *Transportation Modernization Act*, passed third reading in the House of Commons on 1 November 2017, with a few amendments, including to the freight rail elements of the legislation. The bill, which seeks to amend the *Canada Transportation Act* (CTA) along with other Acts respecting transportation in Canada, is now with the Senate for its consideration.

Federal government moves ahead with legal action against OmniTRAX: On 13 October 2017, Transport Canada issued a notice of default to OmniTRAX which demanded that it complete all railway repairs and resume rail service within 30 days. On 14 November a Statement of Claim was filed by the Attorney General of Canada on behalf of Transport Canada against the company for breach of contract, OmniTRAX suspended its rail operations between Gillam and Churchill, Manitoba on 23 May 2017, due to a flood event which caused damage to the railway line. Fairfax Financial Holdings Inc. has expressed interest in partnering with Mississippi Rail and One North to acquire the Hudson Bay Rail line,

the Port of Churchill and other associated assets. The Government of Canada has appointed Wayne Wouters to facilitate discussions between all parties, including OmniTRAX, interested buyers and community leaders.

Ray-Mont opens Prince Rupert transload facility: Ray-Mont Logistics officially opened its new integrated container-loading facility at the south end of Ridley Island in Prince Rupert on 31 August 2017. This was followed almost three weeks later by the arrival of the first unit train bearing a load of canola meal. With a focus on pulses and special crops, the ten-acre facility was designed to accommodate the delivery of 100-car unit trains, which will see product offloaded into a grain dumper and through a state-of-the-art conveyance system for reloading into export containers. These containers will then be trucked to the neighbouring Fairview Container Terminal for shipment to markets around the globe.

Infrastructure

Apart from the railways' car fleet, GMP measures relating to infrastructure are reported on a quarterly basis. Only modest changes were noted to the GHTS's physical infrastructure in the first quarter of the 2017-18 crop year, all of which related to a continuing expansion in the country elevator system's storage capacity. While the system was still comprised of 391 facilities at the end of October 2017, its associated storage capacity had increased by 34,900 tonnes, or 0.4%, in the preceding three months. This denoted the attainment of yet another highwater mark in the system's evolution, with a GMP record of almost 8.2 MMT being set.

As opposed to the GHTS's country elevator system, there were no changes recorded against its railway or terminal elevator networks. The railway network in Western Canada remained comprised of 17,276.1 route-miles, with almost 85% of it being operated by the larger Class I carriers, CN and CP.

Similarly, the terminal elevator network remained unaltered in the first quarter of the 2017-18 crop year, with 16 facilities operating a combined 2.5 MMT in associated storage capacity.

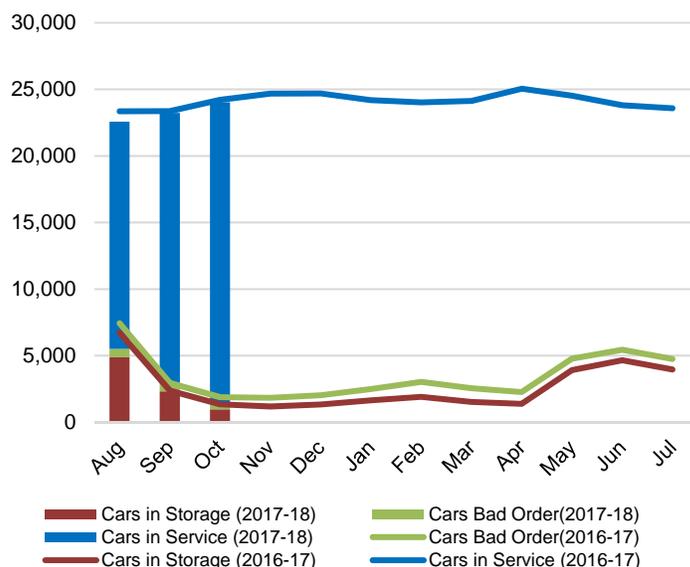


Table M-6	Q1 2017-18	Index (1999=100)	% Change YTD
Country Elevator			
Primary and Process Elevators (Count)	391	38.9	0.0%
Storage Capacity (000's tonnes)	8,198.1	116.7	0.4%
Railway			
Route Miles - Major Carriers	14,606.5	98.5	0.0%
Route Miles - Shortline Carriers	2,669.6	57.5	0.0%
Route Miles - Total	17,276.1	88.7	0.0%
Average Weekly Total Hopper Car Fleet Size*	23,327	n/a	-1.1%
Terminal Elevator			
Terminal Facilities (Count)	16	114.3	0.0%
Storage Capacity (000's tonnes)	2,485.0	97.2	0.0%

* Hopper Car Fleet Size represents all cars in all statuses for the first quarter of the 2017-18 crop year.

During times of heavy demand for grain hopper cars, nearly all of the grain hopper car fleet is placed in service. As traffic volumes slowed in the later months of the 2016-17 crop year, railways began the process of moving cars into storage. In July 2017, a weekly average of 18,832 cars, representing 80% of the fleet was in active service. The average car fleet in service during the first quarter was 20,176 cars, but with growing demand, cars in service rose to an average of 22,555 per week in October, encompassing 94% of the overall fleet. The balance of the fleet, comprising 6% of the rail cars, is in storage or repair status (bad order), a substantial decline from 20% in July.

Railway Grain Fleet Size and Utilization



GMP Data Table 3B-2

Producer Cars

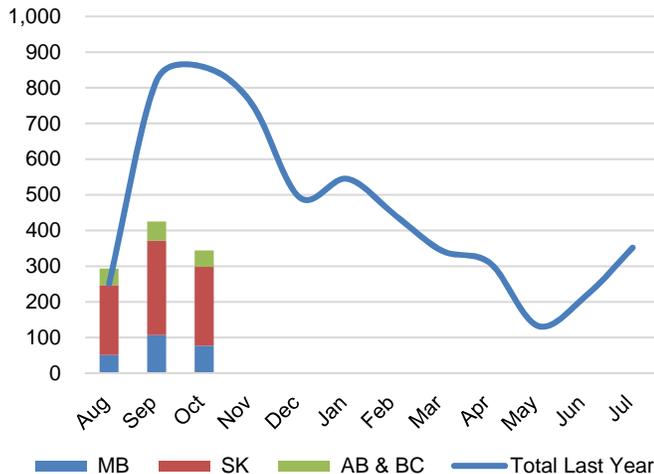
In September, CP de-listed a total of 17 producer car loading sites. This was comprised of two sites in Manitoba, six in Alberta and nine in Saskatchewan. The total number of available producer car loading locations now stands at 273.

Table M-7 Producer Car Loading Sites	Q1 2017-18	Index (1999=100)	% Change YTD
Class 1 Carriers	143	22.2	-10.6%
Shortline Carriers	130	200.0	0.0%
All Carriers	273	38.5	-5.9%

Table M-8 Producer Cars Scheduled	Q1 2017-18	2017-18 YTD	Var. from Last YTD
Manitoba	235	235	-5.2%
Saskatchewan	681	681	-56.6%
Alberta & B.C.	146	146	30.4%
Total	1,062	1,062	-45.0%

Producer cars scheduled this year-to-date are down 45.0% from the previous year. The first quarter of the 2017-18 crop year saw a reduction of 49.4% in producer-car applications received by the Canadian Grain Commission.

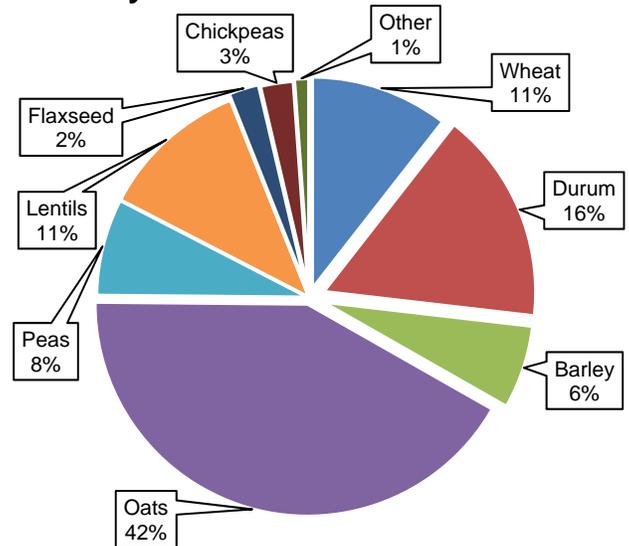
Producer Cars Scheduled by Province



GMP Data Table 6B-2

Producer car shipments have shifted from primarily being wheat, durum, and oats to reflect a significant increase in the number of cars carrying special crops. Shipments throughout the first quarter of the 2017-18 crop year continue to reflect this trend, with the traditional commodities comprising only 69% of the total. Special crops such as peas, lentils and chickpeas contributed 22% of the overall volume.

Producer Cars Scheduled by Commodity



GMP Data Table 6B-2



Quorum Corporation
 Suite 701, 9707 – 110 Street
 Edmonton, AB T5K 2L9
 Email: info@quorumcorp.net
 Web: www.grainmonitor.ca
 Phone: (780) 447-2111

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