

GMP Dashboard

Table M-1	SEP 2020	OCT 2020	2020-21 YTD	Var. from Last YTD
Western Canadian GHTS Performance (Days)				
Total Time in System	43.8	38.1	40.4	10.7%
Average Days In Store – Country	24.6	23.8	23.5	18.8%
Loaded Transit Time	6.6	6.1	6.8	14.9%
Average Days In Store – Terminal	12.6	8.2	10.1	-6.5%
Total Traffic ('000 tonnes)				
Primary Elevator Shipments	5,788.1	5,144.3	14,721.0	20.0%
Railway Shipments (all Western Canada traffic)	5,560.0	6,221.5	16,488.4	20.2%
Western Port Terminal Shipments	3,679.8	4,545.8	11,864.1	29.6%
Railway Performance				
Avg. Loads on Wheels (Cars)	12,314	13,048	12,288	39.2%
Total Western Port Car Cycle (days)	14.8	13.0	14.6	-5.7%
Port Performance				
Western Port Unloads (Number of Cars)	50,352	44,127	130,167	27.5%
Vessel Time in Port (days)	10.5	11.8	11.3	31.9%

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

Railway grain shipments from Western Canada rose by 11.9% in October 2020, to a record 6.2 MMT from September's 5.6 MMT. This continued strong showing helped lift total shipments for the first quarter of the 2020-21 crop year to a record 16.5 MMT. Port shipments for October totaled 4.5 MMT, a 23.3% increase from September volumes as demand for shipping at both the West Coast and Thunder Bay stayed strong through the first quarter of the crop year. Year-to-date bulk shipments from western ports stand 29.6% higher than the previous year. Accompanying the increase in shipments, is a 11.8-day average in the amount of time vessels spent in port in October, with the first-quarter average measuring 11.3 days.

Highlights for October 2020 and First Quarter 2020-21 CY

Traffic and Movement (page 2)

- Primary-elevator shipments were 14.7 MMT in the first quarter of the 2020-21 crop year, 20.0% more than the previous year.
- Total Western Canadian rail shipments (from all primary/process elevators and producer-car sites) totaled almost 16.5 MMT in the first quarter of the 2020-21 crop year, 20.2% above the previous crop year's 13.7 MMT.
- Bulk shipments from Western Canadian ports totaled 11.9 MMT in the first quarter of the 2020-21 crop year, up 29.6% from last crop year.

System Efficiency and Performance (page 4)

- Average weekly primary-elevator stocks increased by 46.0% from last year-to-date. The average days-in-store was up 18.8%.
- Average weekly port-terminal stocks increased 23.8% from the same period last year, while average days-in-store fell 6.5%.
- Railcar cycle times fell in October, with the preliminary average for Western Canadian movements decreasing by 11.8%, to 13.0 days from 14.8 days in September. Similarly, the year-to-date average also fell, by 5.7%, to 14.6 days from 15.5 days a year earlier.
- The first-quarter 2020-21 crop-year average for vessel time in port is 11.3 days, a 31.9% increase from that observed in the previous crop year.
- Port-terminal out-of-car time fell to 15.5% at Vancouver in October from 22.1% in September, while rising to 20.6% at Prince Rupert from 19.8%. At Thunder Bay the out-of-car time fell to 3.5% from 4.4% the previous month.

Commercial Relations (page 6)

- Average primary-elevation charges held steady in the first quarter of the 2020-21 crop year.
- Both CN and CP reduced their single-car freight rates at the beginning of August 2020, CN by about 3.8% and CP by a lesser 3.0%. CN advanced increases of about 5.0% in both September and October, effectively lifting its rates on movements to Vancouver, Prince Rupert and Thunder Bay at the end of the first quarter by 6.0%. In comparison, CP maintained its rates on traffic destined to Vancouver and Thunder Bay throughout the remainder of the quarter, preserving net reductions of about 3.0%.
- Average terminal-elevation charges held steady in the first quarter of the 2020-21 crop year.

Infrastructure (page 6)

- Few changes were recorded in the country-elevator network in the first quarter, with the total number of facilities rising to 406 from 402. Storage capacity rose by 0.7% to a record 8.9 MMT. Much of this was tied to the licencing of four former Ilta Grain facilities by ETG commodities. The expansion of Viterra's Gull Lake facility also resulted in the addition of a new loop-track elevator, which now total 26.
- No changes were recorded against either the railway or terminal elevator networks in the first three months of the 2020-21 crop year.

Production and Supply

Statistics Canada's August estimate for 2020 field-crop production in Western Canada stands at 76.4 MMT, a 2.5% increase over 2019's 74.5 MMT harvest. If this estimate holds, it will constitute the second-largest crop on record. An update to this model-based estimate is expected in the Monitor's November Report after Statistics Canada has concluded its November survey of producers.

When coupled with July's 8.1 MMT of carry-forward stocks, some 20.8% less than in 2019, the overall grain supply is estimated at 84.5 MMT. This stands just 0.3% below the 2019-20 crop year's 84.7-MMT record, potentially ranking as the second largest supply of Western Canadian grain to be marketed and moved.

Table M-2:	2020*	2019	Var. from Last Yr.
Production & Carry Over (000's tonnes)			
Western Canada Total Production – Preliminary*	76,380.5	74,498.5	2.5%
Western Canada On Farm & Primary Elevator Carry Forward Stock	8,074.6	10,196.2	-20.8%
Total Grain Supply	84,455.1	84,694.7	-0.3%

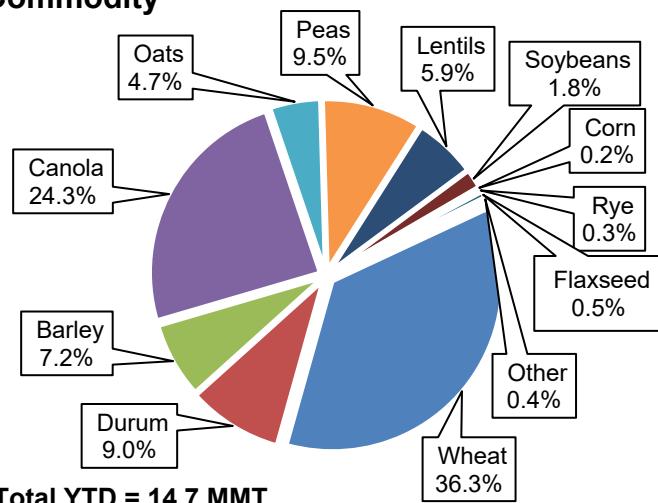
Traffic and Movement

Continuing the strong trend set throughout the harvest period, October deliveries averaged 1.2 MMT per week. Average weekly primary-elevator stock levels built further to average 4.5 MMT, with tight space conditions in facilities in various locations across the prairies.

Table M-3	OCT 2020	2020-21 YTD	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)			
Manitoba	881.6	2,951.4	8.5%
Saskatchewan	2,730.3	8,068.7	26.3%
Alberta	1,503.0	3,626.9	18.9%
British Columbia	29.1	74.0	-31.0%
Total	5,144.3	14,721.0	20.0%
Western Canada Railway Traffic (000's tonnes)			
Shipments to Western Ports	5,167.0	13,698.5	24.5%
Shipments to Eastern Canada	345.9	830.6	16.1%
Shipments to US & Mexico	650.3	1,739.2	-1.4%
Shipments Western Domestic	58.2	220.1	-7.6%
Total	6,221.5	16,488.4	20.2%
Western Port Unloads (Number of Cars)			
Vancouver	28,758	84,201	34.6%
Prince Rupert	5,004	15,481	25.6%
Churchill	615	1,063	-24.3%
Thunder Bay	9,750	29,422	14.1%
Total	44,127	130,167	27.5%

Table M-3	OCT 2019	2020-21 YTD	Var. from Last YTD
Terminal Elevator Shipments (000's tonnes)			
Vancouver	3,009.4	7,711.7	36.6%
Prince Rupert	497.8	1,396.0	29.6%
Churchill	95.7	95.7	-7.7%
Thunder Bay	942.9	2,660.7	14.2%
Total	4,545.8	11,864.1	29.6%

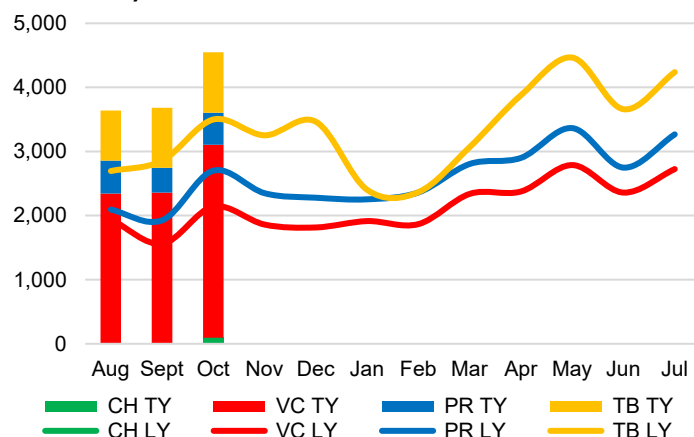
Primary Elevator Shipments by Commodity



GMP Data Table 2A-1

Grain shipments from primary elevators surged in the first quarter of the 2020-21 crop year, registering 20.0% more than in the same period the previous year. Wheat, including durum, and canola continue to constitute the largest proportion of the movement at 69.6%. Movement of peas and lentils contributed 15.4% of the balance.

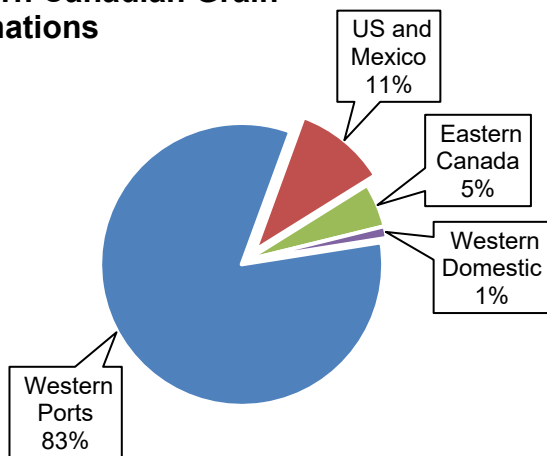
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Bulk shipments from western ports grew in the first quarter of the 2020-21 crop year, registering a 29.6% increase on a year-over-year basis. Shipments were up at all ports except Churchill which experienced a decline of 7.7%. Vancouver and Prince Rupert recorded the largest increases at 36.6% and 29.6% respectively.

Western Canadian Grain Destinations

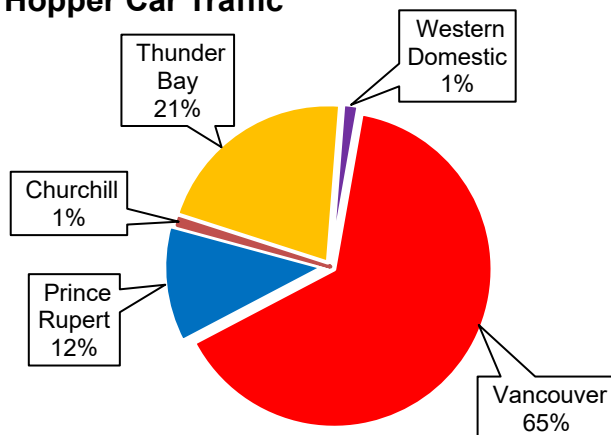


Total YTD = 16.5 MMT

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

Owing in large measure to full operation of the new G3 Terminal in Vancouver, railway grain shipments from Western Canada rose to a record 16.5 MMT in the first quarter of the 2020-21 crop year, 20.2% more than the 13.7 MMT handled in the same period a year earlier. The majority, about 13.7 MMT, or 83%, was directed to Western Canadian ports in support of offshore sales; 24.5% over what had been handled a year earlier. This was supported by a 16.1% increase in shipments to Eastern Canada. Running counter to these gains were reductions in movements to Western Domestic destinations, which fell by 7.6%, and a combined 1.4% for shipments into the US and Mexico.

Western Canadian Destined Hopper Car Traffic



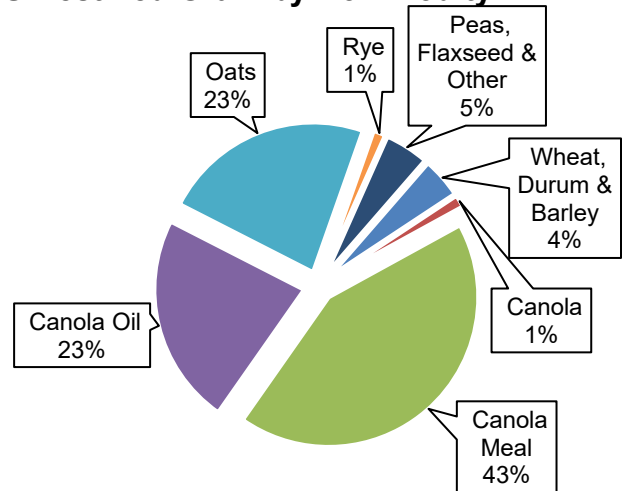
Total YTD - 13.4 MMT

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 of the 2020-21 crop year this amounted to just under 13.4 MMT, up 24.2% from a year earlier. Sixty-five percent of these hopper cars were destined to Vancouver, which remains the port of choice for exporting grain, given its ready access to Asia-Pacific markets,

favourable logistical economics and year-round operations. A 32.1% increase in hopper-car shipments to Vancouver was largely responsible for shaping the broader growth in traffic. This was supported by substantive gains in shipments to Prince Rupert and Thunder Bay, which rose by 14.1% and 13.5% respectively. Running counter to these increases, however, were declines in shipments to Churchill and Western Domestic destinations, which fell by 16.8% and 5.2% respectively.

US Destined Grain by Commodity

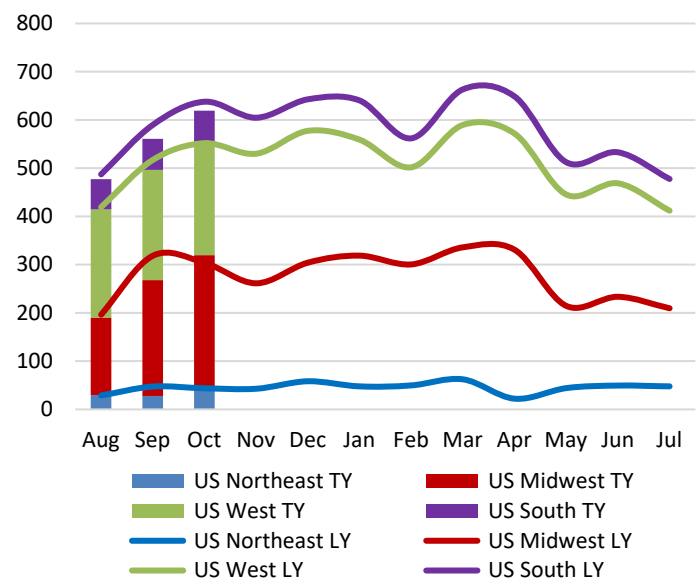


Total YTD - 1.7 MMT

GMP Data Table 2B-18

Total railway shipments into the US reached slightly under 1.7 MMT in the first quarter of the 2020-21 crop year, down 3.4% from that handled a year earlier. About 80% of these shipments are directed into the Midwestern and Western US, with canola and canola products dominating.

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



GMP Data Table 2B-18

System Efficiency and Performance

Primary-elevator stocks grew steadily through the first quarter of the crop year, climbing from 2.7 MMT in August to 4.5 MMT in October. The overall first quarter average is 3.8 MMT. Space in the country system tightened up throughout the fall. Country stocks utilized 86% of the working capacity of the network in October. By province, stocks ranged from 83% in Manitoba, to 85% and 90% in Saskatchewan and Alberta respectively and 100% in British Columbia.

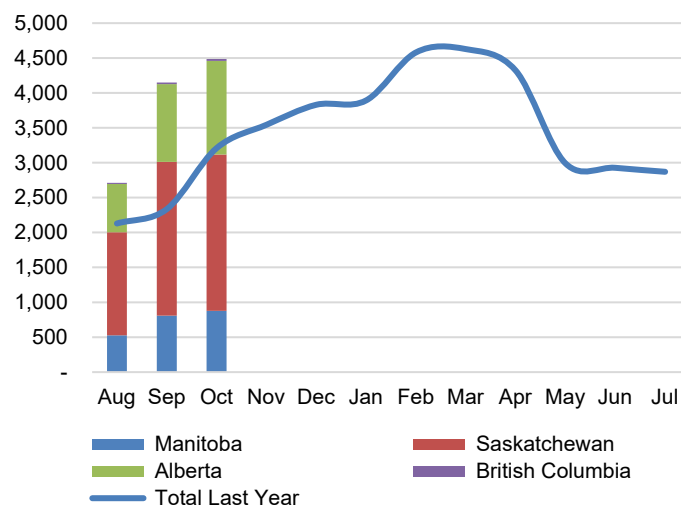
The average days-in-store in the primary-elevator system for the first quarter increased from last year, rising 18.8% to 23.5 days.

Table M-4	OCT 2020	2020-21 YTD	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	4,486.5	3,810.9	46.0%
Average Days in Store	23.8	23.5	18.8%
Railway Operations (days)			
Cycle Time to Western Ports	13.0	14.6	-5.7%
Cycle Time to Eastern Canada	18.4	22.4	5.8%
Cycle Time to US	19.8	24.1	-4.5%
Loaded Transit to Western Ports	6.1	6.8	14.9%
Loaded Transit to Eastern Canada	8.4	11.7	18.2%
Loaded Transit to US	7.3	10.0	14.0%
Rail Fleet in Grain Service	24,045	22,809	20.5%
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	1,333.2	1,273.4	23.8%
Average Days in Store	8.2	10.1	-6.5%
Port Unloads (hopper cars)	44,127	130,167	27.5%
Terminal Out-of-Car Time	13.2%	16.2%	82.0%
Western Canada Port Operations			
Average Vessel Time in Port (days)	11.8	11.3	31.9%

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



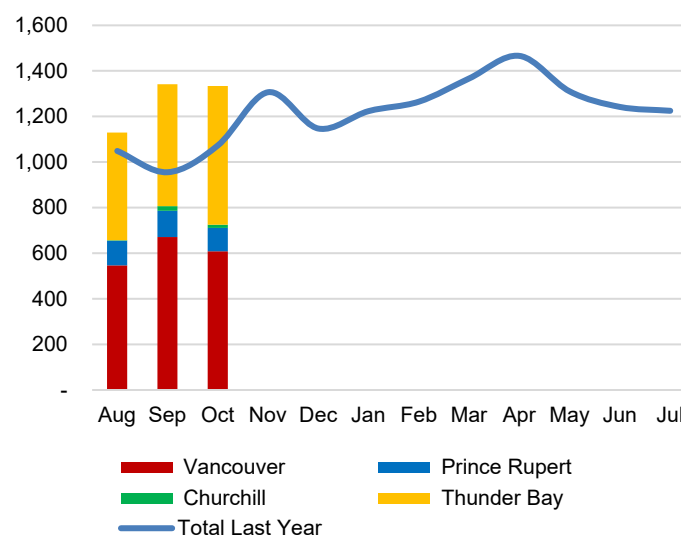
Average Weekly Primary Elevator Stocks (000's tonnes)



GMP Data Table 5A-2

Primary elevator stocks ended the last crop year averaging 2.9 MMT in store. In August, they pulled back further to average 2.7 MMT before reversing direction and rising to average 4.5 MMT in October, propelled by the early harvest and many deliveries direct from the field. Wheat, including durum, and canola, comprise 66% of the total stock. At 21% of the stock, barley, oats and peas made up much of the balance.

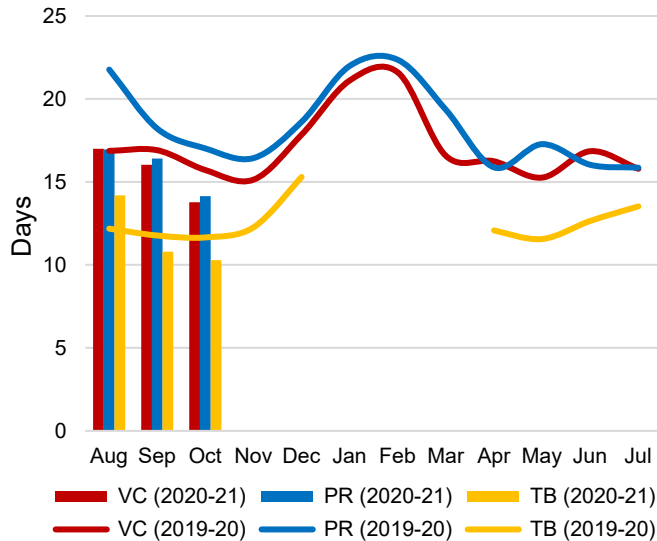
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

Overall terminal elevator stocks averaged 1.3 MMT in the first quarter of the 2020-21 crop year, 23.8% greater than the previous year. While October stocks held constant with September 2020, they posted a 24.3% gain from the all-ports levels seen in the same month in 2019. Wheat, including durum, and canola, comprise over 78% of the total stock. In October, western ports utilized 71% of their overall working capacity.

Railway Cycle Times to Western Ports (days)

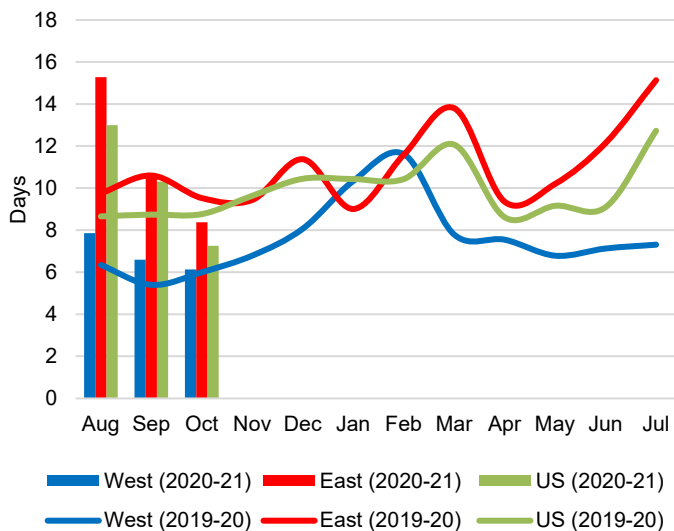


GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 14.6 days in the first quarter of the 2020-21 crop year, down 5.7% from the 15.5-day average posted in the previous crop year. This result was shaped by decreases in all three corridors, with the Vancouver average falling 5.8%, the Prince Rupert average 13.2%, and the Thunder Bay average 2.9%.

The average car cycle on movements into the United States also fell by 4.5%, to an average of 24.1 days from 25.2 days a year earlier. Conversely, the car cycle for movements into Eastern Canada rose by 5.8%, to an average of 22.4 days from the 21.2-day average posted in the same period of the previous crop year.

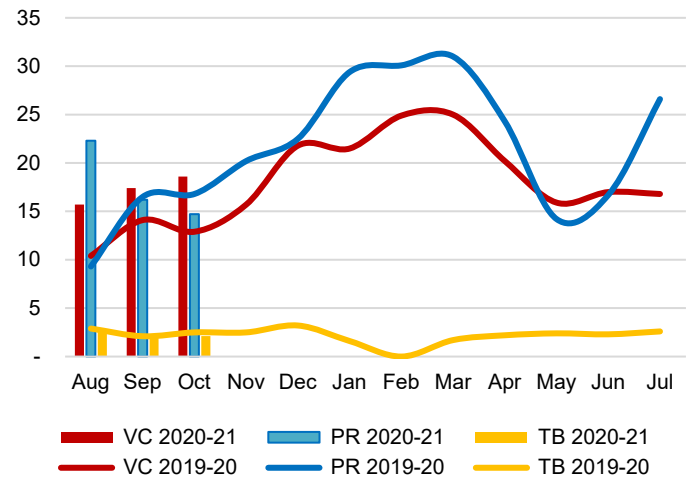
Average Loaded Transit Times (days)



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

The loaded transit time for traffic destined to Western Canadian ports averaged 6.8 days in the first quarter of the 2020-21 crop year, up 14.9% from the 5.9-day average posted a year earlier. This was the product of increases in all three corridors, with the Vancouver average rising 13.5%, the Prince Rupert average 18.1%, and the Thunder Bay average 13.7%. An 18.2% increase was observed on movements into Eastern Canada, with the average loaded transit time rising to 11.7 days from 9.9 days twelve months before. Similarly, the average on movements into the United States increased by 14.0%, to 10.0 days from 8.7 days.

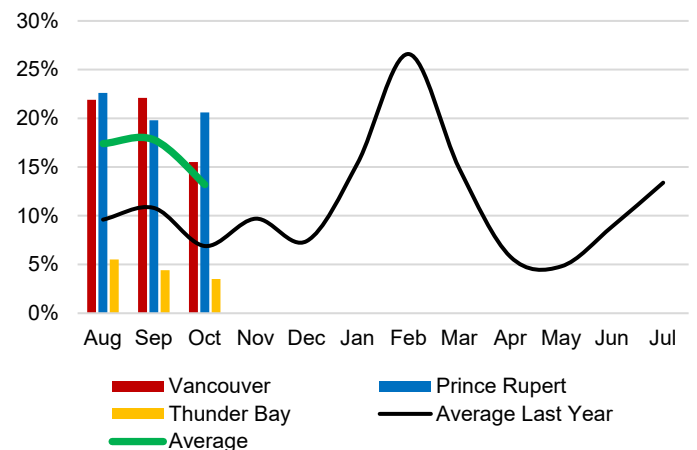
Average Days in Port per Vessel



GMP Data Table 5D-1

In October, the overall average time vessels were in port waiting and loading grain rose to 11.8 days from 10.5 days the month before. The crop-year average stands at 11.3 days, 31.9% higher than that registered in the previous crop year. While Vancouver and Thunder Bay experienced small increases, Prince Rupert saw a month-over-month decrease from September levels. For the month of October, days in port stood at 18.6 for Vancouver, 14.7 for Prince Rupert and 2.1 for Thunder Bay.

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).

The aggregate measure for all ports fell to 13.2% in October, with a crop-year-to-date average of 16.2%. Terminal out-of-car time at Vancouver fell to 15.5% in October, rose to 20.6% at Prince Rupert and fell to 3.5% at Thunder Bay.

Commercial Relations

<i>Table M-5</i> Rates: \$CDN per tonne	Q1 2020-21	Index (1999=100)	% Change YTD
Avg. Primary Elevation	16.60	138.4	0.0%
Rail to Vancouver			
CN	59.84	163.1	6.0%
CP	58.58	159.1	-3.2%
Rail to Pr. Rupert			
CN	59.84	144.0	6.0%
Rail to Thunder Bay			
CN	58.62	181.4	6.1%
CP	50.49	167.8	-2.9%
Average Terminal Elevation	14.40	157.9	0.0%

Note: Commercial rates are measured on a quarterly basis, the above table refers to rates at the close of the first quarter of the 2020-21 crop year (as at 31 October 2020). Railway freight rates reflect average published single-car rates, and do not include multi-car incentives (\$8/tonne for 100+ car blocks).

Both CN and CP initially reduced their single-car freight rates at the beginning of the 2020-21 crop year. In the case of the former, this amounted to an across-the-board reduction of about 3.8%. However, CN applied back-to-back increases of 5.0% in September and October. This meant that by the close of the first quarter CN had lifted its rates on movements to Vancouver, Prince Rupert and Thunder Bay by approximately 6.0%. In comparison, CP's applied an initial reduction of 3.2% on its rates to Vancouver at the beginning of August, with a marginally lesser cut of 2.9% on those to Thunder Bay. Unlike CN, however, CP maintained these rates unchanged through to the end of October.

Commercial Developments

Grain supply spurs traffic increase: Plentiful grain production coupled with an early and smooth harvest gave rise to a 20.2% increase in railway grain volumes in the first quarter of the 2020-21 crop year. Each of the primary export gateways in Western Canada – save Churchill, which recorded a 16.8% decline in volume – saw railway grain shipments rise by no less than 13.5% when compared to the same period a year earlier, with Vancouver-bound shipments rising by an astonishing 31.3%. To an extent, the record-setting pace exhibited early in the new crop year has been facilitated by COVID-induced declines for other commodities, which freed up much of the railway capacity with which grain would have otherwise had to compete. At the same time, both CN and

CP had moved to realign their resources to handle a larger crop, injecting additional railcars, locomotives, and crews into the mix. But beyond these critical determinants was the opening of G3 Canada Limited's new terminal elevator in North Vancouver, which, in conjunction with its still-expanding network of inland elevators, bolstered the port's shipments substantially. A still further expansion awaits completion of the Fraser Grain Terminal, which is in the final phase of commissioning, bringing even more need for sustainable, long-term railway handling capacity.

Container supply restricted: In late October 2020, Germany-based marine-shipping giant Hapag-Lloyd announced that it was suspending container movements of agricultural products from North America due to a shortage of equipment needed to service the Asian market. The company, which is a major container handler along both the east and west coasts of North America, indicated that the action was being taken to expedite the return of empty containers in order to protect the movement of consumer goods out of Asian ports. While agricultural products generally provide an opportunity for backhaul movement, Hapag-Lloyd said the time required to position and load containers only aggravated the shortage of equipment in Asia that was struggling to makeup for lost sales occasioned by the COVID pandemic. Other steamship lines reported similar supply issues, informally following Hapag-Lloyd's lead in an effort to avoid the opportunity costs tied to forgoing the more lucrative headhaul shipments of high-value electronics, consumer goods and other manufactured products from Asia to North America in time for Christmas. Still, many grain transloaders were feeling the pinch in the supply of empty containers, with the movement of pulses and special crops being particularly hard-hit. Expectations are that the situation is not likely to improve much before the end of 2020.

Infrastructure

Apart from the railways' car fleet, GMP measures relating to infrastructure are reported on a quarterly basis. The first quarter of the 2020-21 crop year saw few, but nevertheless notable changes to the GHTS's physical infrastructure.

The country-elevator network gained four facilities in the first quarter, rising to 406 facilities from 402. This gain was the net product of various licencing changes, four of which stemmed from ETG Commodities' acquisition of former Ilta Grain assets. Additionally, Viterra's Gull Lake facility was retrofitted with a new loop-track, bringing the current total for such facilities to 26. All of this added another 61,400 tonnes of new storage capacity to the system, which stands at a record 8.9 MMT.

There were no changes recorded against the railway network in the first quarter. Total mileage remained unchanged at 17,265.7 route-miles, with 84.5% of it being operated by CN and CP.

Similarly, no changes were recorded against the terminal elevator network in the first quarter, leaving the total number of facilities unchanged at 17 with almost 2.7 MMT in storage capacity.

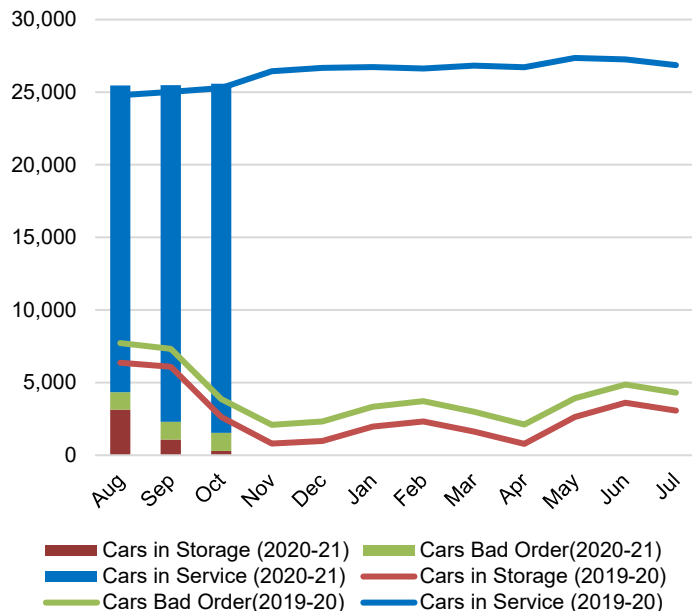
Table M-6	Q1 2020-21	Index (1999=100)	% Change YTD
Country Elevator			
Primary and Process Elevators (Count)	406	40.4	1.0%
Storage Capacity (000's tonnes)	8,936.8	127.2	0.7%
Railway			
Route Miles - Major Carriers	14,596.1	98.4	0.0%
Route Miles - Shortline Carriers	2,669.6	57.5	0.0%
Route Miles - Total	17,265.7	88.7	0.0%
Average Weekly Total Hopper Car Fleet Size*	25,506	n/a	1.8%
Terminal Elevator			
Terminal Facilities (Count)	17	121.4	0.0%
Storage Capacity (000's tonnes)	2,695.5	105.4	0.0%

* Hopper Car Fleet Size represents all cars in all statuses for the first quarter of the 2020-21 crop year.

During times of heavy demand for grain hopper cars, nearly all of the hopper-car fleet is placed in service. It is normal practice for railways to move cars into storage as traffic volumes decrease in the latter months of the crop year. This was the case in the 2018-19 crop year as in July 2020, a weekly average of 22,562 cars, representing 84% of the fleet, was in active service. Cars in service fell further in August, to an average of 21,125 per week before reversing directions and climbing to 24,045 in October. The average cars in service for the first quarter of this crop year represents 89% of the total fleet. The balance of the fleet, comprising 11% of the rail cars, was in storage or repair status (bad order).



Railway Grain Fleet Size and Utilization



GMP Data Table 3B-2

Producer Cars

No change was registered in the number of producer-car loading sites in the first quarter or the 2020-21 crop year. The total number of available producer-car loading locations at the end of October stands at 272.

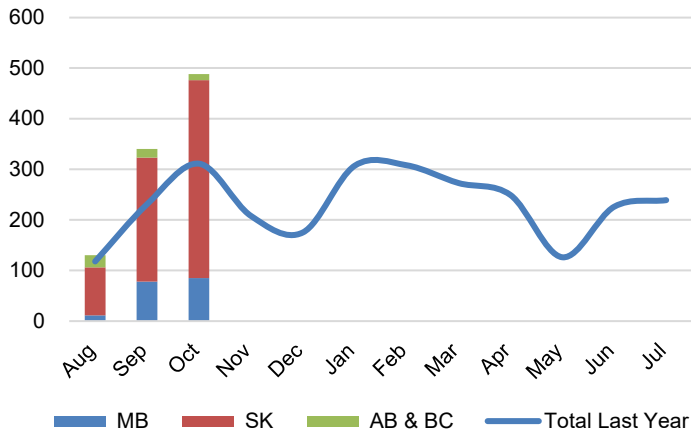
Table M-7 Producer Car Loading Sites	Q1 2020-21	Index (1999=100)	% Change YTD
Class 1 Carriers	142	22.2	0.0%
Shortline Carriers	130	200.0	0.0%
All Carriers	272	38.3	0.0%

Table M-8 Producer Cars Scheduled	Q1 2020-21	2020-21 YTD	Var. from Last YTD
Manitoba	174	174	19.2%
Saskatchewan	731	731	72.8%
Alberta & B.C.	53	53	-41.8%
Total	958	958	45.2%

Producer cars scheduled for October 2020 were 56.9% more than in October 2019, marking an overall crop-year upturn of 45.2% from the previous year. The 2020-21 crop year continues the trend seen late in the last crop year when year-over-year increases were registered for the first time since the 2013-14 crop year.



Producer Cars Scheduled by Province

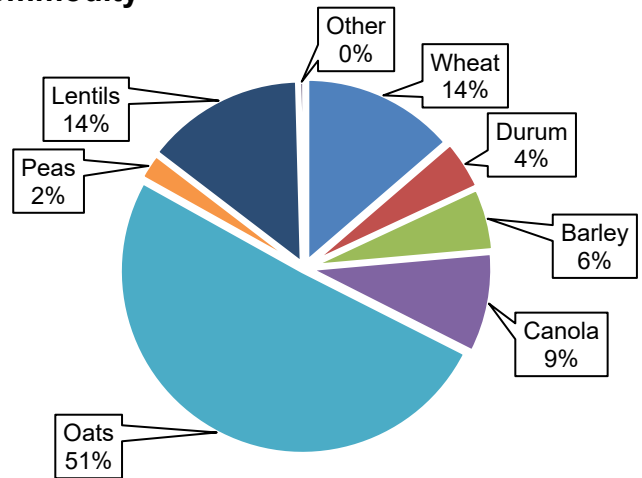


GMP Data Table 6B-2

Recent years has seen the proportion of producer-car shipments devoted to oats grow while a decrease has been registered in the number of cars carrying other cereal grains. Shipments through the first quarter of the 2020-21 crop year continue to reflect this

trend, with oats comprising 51% of the total, while wheat, durum and barley combined comprise only 24%. Special crops such as peas, lentils and chickpeas contributed 16%, while oilseeds rounded out the final 9% of the total volume.

Producer Cars Scheduled by Commodity



GMP Data Table 6B-2



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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