Annual Report

2024-2025 Crop

Monitoring the Canadian Grain Handling and Transportation System

Government of Canada / Gouvernement du Canada

Quorum Corporation

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Annual Report of the Grain Monitor: 2024-25 Crop Year
ISBN – 978-1-0688757-2-4

This report is available on the Quorum Corporation website.
www.grainmonitor.ca

Cover Image: Three high-horsepower GE AC4400CW locomotives are seen leading a westbound Canadian Pacific Railway grain train destined to Vancouver, British Columbia, through the Prairies in 2019. The train is noteworthy for a consist made up entirely of next-generation covered hoppers, then newly acquired from National Steel Car Limited. These new cars were among the first of nearly 11,000 brought online by both the Canadian National Railway Company and Canadian Pacific Kansas City Limited in the last eight years. Intended as replacements for a fleet of some 13,500 cylindrical hoppers provided to these same carriers by the Government of Canada since the early 1970s, they have now nearly completely displaced the legacy cars that had been emblematic of the Grain Handling and Transportation System for half a century. Although comparatively shorter and lighter than those being supplanted, these new covered hoppers have a greater carrying capacity, allowing around 15 percent more grain to be loaded by volume, and about 10 percent more by weight. Their adoption holds the promise of a near 40 percent improvement in railway grain-handling efficiency. (Image courtesy of Canadian Pacific Kansas City Limited)

Foreword

The following report details the performance of Canada's Grain Handling and Transportation System (GHTS) for the crop year that ended 31 July 2025, and focuses on the various events, issues and trends manifesting in the movement of Western Canadian grain during the past year. This is the twenty-fifth annual report submitted by Quorum Corporation in its capacity as the Monitor appointed under the Government of Canada's Grain Monitoring Program (GMP).

The GMP's objective is to impartially analyse and assess the performance of the GHTS through a series of complementary measures and indicators, which are reported publicly. The GMP is founded on four broad principles in meeting this objective: transparency of information, data reliability, neutrality, and stakeholder engagement. As with the Monitor's previous annual reports, these measures are grouped into six series, namely:

Series 1 – Production and Supply
Series 2 – Traffic and Movement
Series 3 – Infrastructure
Series 4 – Commercial Relations
Series 5 – System Efficiency and Performance
Series 6 – Producer Impact

As in the past, each series builds on data collected by the Monitor from the industry's various stakeholders and frames the discussion using year-over-year comparisons. To that end, activity in the 2024-25 crop year is largely gauged against that of the 2023-24 crop year. But the Grain Monitoring Program (GMP) was also intended to frame recent activity against the backdrop of a longer time series. Beginning with the 1999-2000 crop year – referred to as the GMP's "base" year – the Monitor has now assembled relatable data in a time series that extends through 26 crop years. This data constitutes the backbone of the GMP and is used widely to identify significant trends and changes in GHTS performance. Although the Data Tables presented in Appendix 4 of this report can only depict a portion of this data, the full time series can be obtained as MS Excel spreadsheets from the Monitor's website (www.grainmonitor.ca). Similarly, select data elements can also be downloaded through the website's online feature, Grain Monitor Open Data System (GMODS).

Analogous space constraints have also made it necessary to limit the graphical presentation of data in this report to the last ten crop years. This report, as well as all past reports, can also be downloaded from the Monitor's website (www.grainmonitor.ca).

QUORUM CORPORATION

Edmonton, Alberta
April 2026

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Executive Summary

With the grain supply reaching 82.3 million tonnes, up 5.4% from the 78.1 million tonnes reported a year earlier, it was apparent that the Grain Handling and Transportation System (GHTS) would ultimately be required to handle a moderately greater volume in the 2024-25 crop year. This was evident from the outset, as producer deliveries saw correspondingly more grain directed into the country elevator system through the first quarter. Ultimately, Western Canadian producers delivered an estimated 63.1 million tonnes of grain into the GHTS, 5.9% more than in the previous crop year.

It took an average of 41.1 days for grain to move from the Prairies to export positions within Western Canada during the 2024-25 crop year, a 4.2% decrease from the 42.9-day average posted a year earlier. This average ranked among the lowest recorded under the GMP, and 39.6% below the 68.1-day average first benchmarked in the base year. The 1.8-day betterment was driven by time reductions in all three of its constituent elements: with country-elevator storage time contributing 0.7 days; the railways' loaded-transit time, 0.3 days; and terminal-elevator storage time, 0.8 days. However, these reduced time elements camouflaged what proved to be another problematic year for the GHTS. This was reflected in undulating monthly time-in-the-system values, which reached from a low of 34.0 days to a high of 52.8 days, with the lengthier value being attained at the height of winter in February 2025.

These oscillating values point to the inconsistency with which grain moves through the GHTS. A leading indicator widely used by grain shippers is order-fulfilment, which gauges how well the railways have done in meeting the industry's immediate railcar needs. During the 2024-25 crop year, this was observed to fall precipitously as winter progressed, ultimately declining to a low of just 44% in February 2025 – a value markedly worse than the 66% low observed a year earlier. The downstream effects of inconsistent railway service are measurable. Canada's grain industry has long struggled with what it views as the railways' uneven and often problematic handling of grain, which can have very costly commercial implications. One of the more direct financial consequences is vessel demurrage, which climbs in response to delays in the timely loading of grain onto ships arriving at a port. As a telltale sign of the difficulties encountered, demurrage costs rose to a near-record $60.3 million, with over 80% of this stemming from a record $49.9 million in penalties being paid out at West Coast ports.

Inconsistent railway service has long been a complaint of shippers at large, with the willingness of the railways to devote the resources needed to fulfill its service obligations having repeatedly been questioned. Many of these concerns were echoed in the Final Report of The National Supply Chain Task Force released some three years earlier, which called for urgent action in creating supply chains that are more resilient and efficient.

HIGHLIGHTS FOR THE 2024-2025 CROP YEAR

(Comparisons are to the previous crop year)

Production and Supply

- Grain production increased 5.6% to 73.8 million tonnes; still beneath the 2020-21 crop year's pre-drought output of 78.8 million tonnes.
  - Cereals comprised 59.9% of the crop; oilseeds 28.6%; and other commodities 11.5%.
  - Early growing challenges gave way to better conditions and the harvesting of a good-quality crop.
- Carry-forward stocks from the 2023-24 crop year increased 3.5% to 8.5 million tonnes.
- Carry-out stocks decreased 22.4% to 6.6 million tonnes.
- Total grain supply (production and carry-forward) increased 5.4% to 82.3 million tonnes.

Traffic and Movement

- Primary-elevator throughput increased by 10.3%, to 52.1 million tonnes, moderately below pre-drought volume of 53.9 million tonnes.
  - This represented 82.6% of all producer deliveries (primary and process elevators, as well as producer cars).
- Railway shipments increased 10.0% to 59.0 million tonnes.
  - Traffic to Western Canada totaled 48.1 million tonnes, up 11.2%.
  - Traffic to Eastern Canada totaled 2.6 million tonnes, up 14.1%.
  - Traffic to the United States and Mexico totaled 8.3 million tonnes, up 2.7%.
- Terminal-elevator throughput increased 14.3% to 43.5 million tonnes.
  - Terminal unloads totaled 437,660 cars, up 14.2%.
  - CN/CPKC traffic shares were 55.5% and 44.5% respectively.
    - Denotes modest 0.9% share gain for CPKC.
- Containerized traffic decreased 0.1%; remaining virtually unchanged at 3.5 million tonnes.
  - Volume remains well below pre-COVID-19 high of 6.2 million tonnes.
- Truck traffic to the United States increased 10.5% to 2.3 million tonnes.
  - Transborder shipments cater to a more time sensitive, short-haul market.

Infrastructure

- The number of country elevators decreased 1.2% to 396.
  - The net reduction of four facilities reflects the licensing of 10 elevators along with the closure of 14 others.
  - Two new or retrofitted loop-track elevators became operational, with 53 at crop year's end.
  - Storage capacity decreased 1.6% to slightly over 9.2 million tonnes.
- The railway network remained unchanged at 17,265.7 route-miles.
  - CN and CPKC operated 84.5% of the network; Regional and shortline carriers operated 15.5% of the network.
- The railways' hopper-car fleet decreased by 0.8% to an annualized average of 21,447 railcars.
  - Proportion of cars in active service reached a height of 97.3% in November 2024.
- Terminal elevators remained unchanged at 17 facilities.
  - Storage capacity remained unchanged at almost 2.8 million tonnes.

HIGHLIGHTS FOR THE 2024-2025 CROP YEAR (continued)

(Comparisons are to the previous crop year)

Commercial Relations

- Country elevator handling charges saw modest reductions.
  - Elevation rates decreased 1.3%; dockage rates decreased 0.5%; and storage rates decreased 1.3%.
- Railway freight rates showed continuing cyclicality, with the following net changes as at 31 July 2025:
  - CN rates to Vancouver increased 6.5% while rates to Prince Rupert and Thunder Bay rose by 6.7% and 4.7% respectively.
  - CPKC rates to Vancouver increased 8.0% while Thunder Bay rates increased 2.3%.
    - Multiple-car block discounts were unchanged; continue to support movements in blocks of 100 or more cars.
  - Maximum Revenue Entitlements:
    - CN falls below its MRE by $5.9 million.
    - CPKC exceeds its MRE by $2.7 million.
- Terminal Country elevator handling charges remained unchanged.
- Commercial Developments:
  - Supply chains challenged by labour strife.
  - Fort Frances rail bridge collapses.
  - AGT sells grain-handling assets.
  - FCL shelves renewable diesel, canola crush projects.
  - Canadian trade threatened by US tariffs.
  - Canola farmers brace for Chinese tariffs.
  - Canola oil fails to qualify for US tax credit.
  - Churchill gets additional funding.
  - Viterra-Bunge merger closed.
  - P&H acquires eastern terminal.
  - Bartlett Grain acquires Ceres Global Ag.

System Efficiency and Performance

- Country elevator operations reflect increased activity.
  - Capacity turnover ratio increased 14.3% to 6.4 turns; includes impact of 145,100-tonne decrease in storage capacity.
  - Average weekly stocks increased 9.0% to 3.6 million tonnes.
  - Average days-in-store decreased 2.9% to 23.7 days.
  - Stock-to-shipment ratio decreased 2.9% to 3.3; reflected continuing tight movement.
- Railway operations reflect larger movement along with protracted service problems.
  - Average car-cycle to Western Canada decreased 7.0% to 14.3 days; average loaded transit time decreased 5.9% to 5.9 days.
  - Average car-cycle to Eastern Canada increased 13.1% to 24.6 days; average loaded transit time increased 6.4% to 10.8 days.
  - Average car-cycle to United States decreased 1.7% to 26.5 days; average loaded transit time increased 3.5% to 10.7 days.
  - Multiple-car block movement share in Western Canada increased marginally to 84.6% from 84.2%.
    - Annual freight savings increased 10.5% to an estimated $313.4 million.

HIGHLIGHTS FOR THE 2024-2025 CROP YEAR (continued)

(Comparisons are to the previous crop year)

System Efficiency and Performance (continued)

- Terminal Elevator operations
  - Capacity turnover ratio increased 8.5% to 16.6 turns.
  - Average weekly stocks increased 9.0% to 1.3 million tonnes.
  - Average days-in-store decreased 6.5% to 11.5 days; reflected effects of slower movement.
  - Out-of-car time decreased to 13.3% from 14.3%, continued to show a high degree of variability.
- Port operations
  - Vessels calls increased 12.1% to 1,016 ships.
  - Average vessel time in port increased 10.3% to 10.5 days in the face of slower grain deliveries.
  - Demurrage costs again exceeded dispatch earnings, to produce a net cash outflow of $41.8 million.
    - Demurrage costs increased 65.8% to $60.3 million; dispatch earnings decreased 0.6% to $18.6 million.
- System performance
  - Average time spent in the system decreased 4.2% to 41.1 days.
    - Overall improvement camouflages protracted supply-chain problems.

Producer Impact

- Producer Netback
  - 1CWRS wheat: Average price decreased 14.4%; export basis decreased 15.2%; netback decreased 14.1% to $274.28 per tonne.
  - 1CWA durum: Average price decreased 30.5%; export basis decreased 34.2%; netback decreased 29.1% to $306.53 per tonne.
  - 1 Canada canola: Average price decreased 15.0%; export basis increased 26.6%; netback decreased 18.7% to $559.93 per tonne.
  - Large yellow peas: Average price increased 0.3%; export basis increased 127.5%; netback decreased 7.9% to $378.18 per tonne.
- Producer cars
  - Producer-car loading sites remained unchanged at 275.
  - Scheduled producer-car shipments increased 23.3% to 2,138 carloads.

Section 1: Production and Supply

Indicator Description	Table	1999-00	2022-23	2023-24	2024-25 Q1	Q2	Q3	Q4	YTD	% VAR
Western Canada Production and Supply										
Crop Production (000 tonnes)	1A-1	55,141.7	75,426.4	69,903.0	73,846.1				73,846.1	5.6%
Carry Forward Stock (000 tonnes)	1A-2	7,418.2	4,970.8	8,164.4	8,450.3				8,450.3	3.5%
Grain Supply (000 tonnes)		62,559.9	80,397.2	78,067.4	82,296.4				82,296.4	5.4%
Crop Production (000 tonnes) – Special Crops	1A-3	3,936.7	6,539.7	5,233.5	6,486.4				6,486.4	23.9%

DISCUSSION AND ANALYSIS

Although grain production is distributed throughout Canada, much of its agricultural activity is centred in the Prairies, which accounts for more than 80% of the country's cultivated farmland. With close to 70 million acres being seeded annually, roughly 15% of the land mass tied to Alberta, Saskatchewan, and Manitoba – much of which is concentrated in their southern tiers – is given over to growing various field crops. This encompasses wheat, barley, oats, canola, and pulses. Although Canadian grain accounts for about 3% of global production, much of it is exported, giving it a two to three times greater share of the global grain trade.

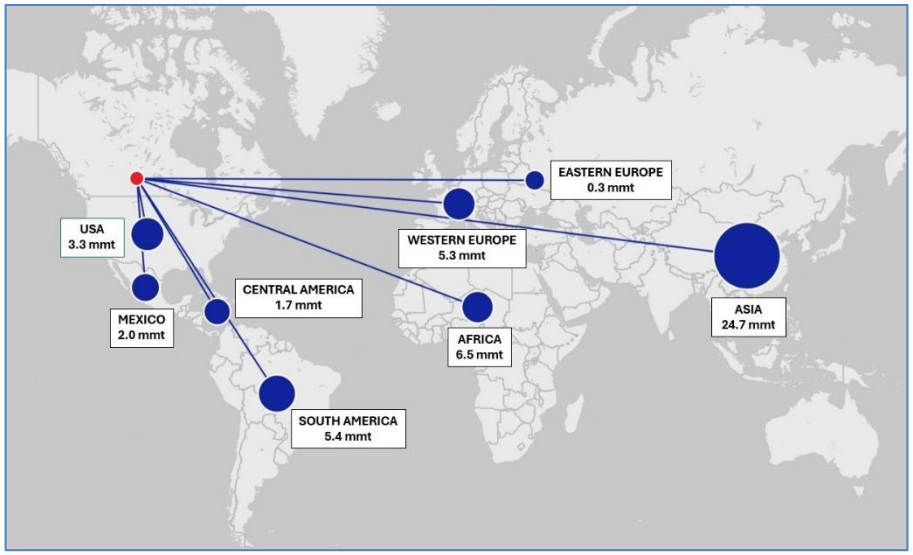
As a leader in the field, the Canadian grain industry has garnered an enviable reputation for supplying high-quality grains to over 80 countries, with an estimated 52 million tonnes of non-processed grains having been exported in the 2024-25 crop year.[1] The focus of the Grain Monitoring Program (GMP), and the ensuing report, is to review the performance of the Grain Handling and Transportation System (GHTS) in the physical movement of the grain grown in Western Canada, and its promotion of a robust supply chain.

PRODUCTION AND SUPPLY
[See TABLES 1A-1 through 1A-3]

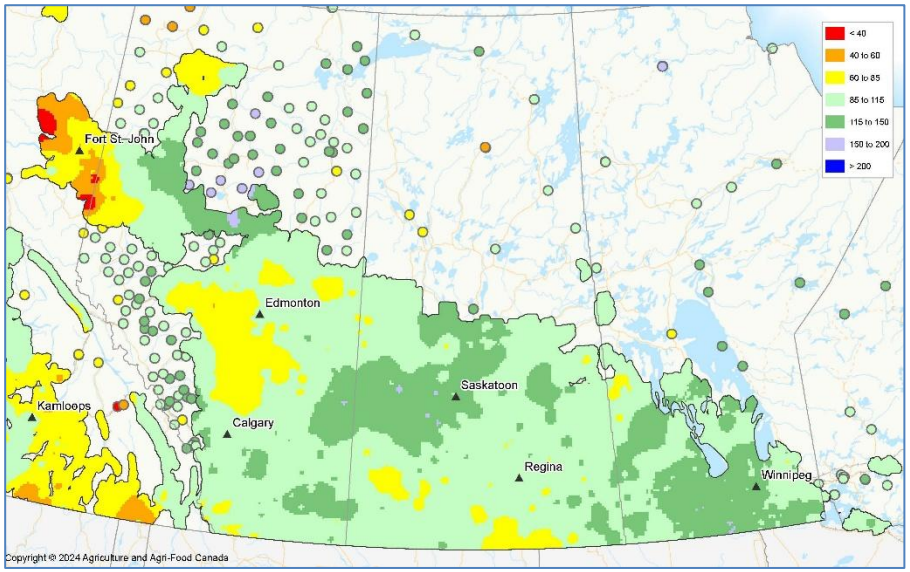
Owing to improved growing conditions across much of Western Canada, grain production rose to 73.8 million tonnes in the 2024-25 crop year, a 5.6% increase over the previous crop year's 69.9-million-tonne crop. Although crop production stood almost 50% higher than in the drought-ravaged 2021-22 crop year, grain producers still had to contend with what many considered the increasingly erratic nature of growing conditions on the Prairies. These concerns related to not only more extreme variations in temperature but in precipitation as well, all of which has contributed to abnormally longer dry periods along with heavier rainfall events. Despite

1 When including processed products such as canola oil and meal, total Canadian exports reached over 60 million tonnes.

Canadian Non-Processed Grain Exports – 2024-25 (millions of tonnes)



Percent of Average Precipitation (1 April to 31 August 2024)



these impediments, the variation in overall output has proven comparatively modest, with limited consequences for the GHTS.

General Growing Conditions

Although the crop harvested at the close of the 2024 growing season ultimately proved larger than the previous year's, it began with equally dry seeding conditions and tempered expectations. Fortunately, the latter part of May brought average or above-average precipitation to a large part of the Prairies. Although producers in some areas faced delays in seeding because of these rains, its impact on soil moisture was widely welcomed. Periodic rainfall continued throughout the month of June in northeastern parts of the growing region, but drier conditions emerged in southern Alberta and Saskatchewan. Even so, the prospects for a better-than-average sized crop had improved considerably.

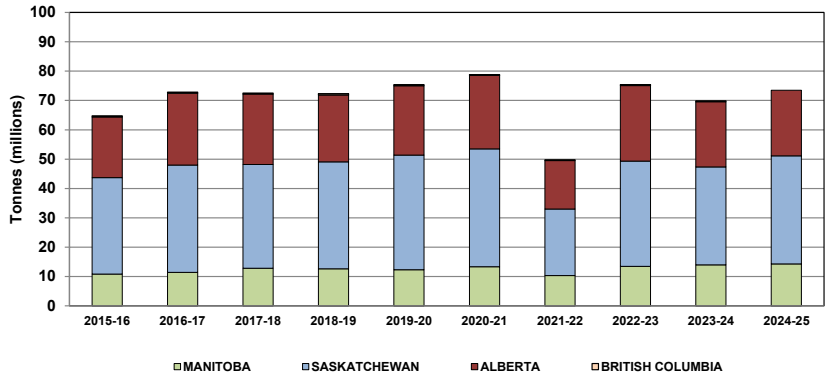
Below-average precipitation prevailed across much of the region throughout July, which, in conjunction with much higher-than-average temperatures, had spurred the rapid maturation of many crops. By month's end, farmer optimism was fading in the face of an expected loss in yield. The canola crop was particularly concerning as the effects of heat-blast – a condition where seed pods don't fully form or fill – appeared increasingly likely.

Despite expectations to the contrary, harvest began in early August and was in full swing by the end of the month. Modest weather-related delays were experienced in mid-September, with completion coming about a month later. Yields varied noticeably between regions that had received rain in July, and those that had not. Ultimately, the harvest proved to be of good overall quality, with total production being consistent with that observed throughout much of the last decade.

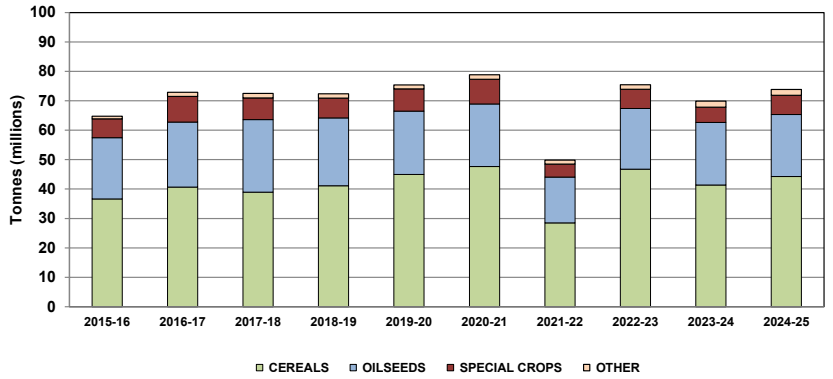
Impact on Provincial Production

Saskatchewan remained the largest grain producer on the Prairies, with almost 36.9 million tonnes harvested, to claim a 49.9% share. This was followed in turn by Alberta with 22.4 million tonnes, or 30.3%; Manitoba with 14.3 million tonnes, or 19.3%; and British Columbia with 339,400

Grain Production - Provincial Distribution
(Western Canada)



Grain Production - Principal Commodities
(Western Canada)



tonnes, or 0.5%. Saskatchewan also saw the largest relative gain in output, with a 10.5% surge in grain production. This was followed by increases of 3.7% in British Columbia, 2.1% in Manitoba, and a more marginal 0.6% in Alberta. Despite these upturns, only Manitoba was able to claim a new tonnage record.

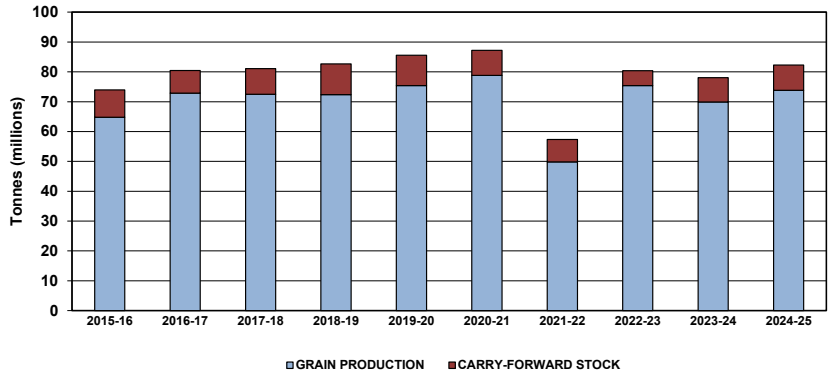
Changing Face of the Harvest

While growing conditions have always resulted in significant swings in the size of the overall crop, there has been a significant longer-term shift in both the quantity and mix of grains that are now harvested. Until 2013 prairie grain production seldom reached beyond an average of 55 million tonnes annually. At that point, grain production surged dramatically, reaching a record 77.0 million tonnes. In the wake of that historic harvest, the amount of grain drawn from prairie fields rose steadily, regularly surpassing 70 million tonnes. These enlarged harvests reflected the better yields achieved through advancements in plant genetics and agronomic practices, although favourable weather and moisture conditions remained key determinants.

At the outset of the GMP, cereals constituted about three-quarters of all grains grown in Western Canada. However, since the 2014-15 crop year, these same commodities have generally accounted for under 60% of the total tonnes harvested. The 2024-25 crop year showed a similar apportionment, with 44.2 million tonnes of cereal production garnering a 59.9% share. Cereals' general decline reflects the growing significance of oilseeds and other commodities in today's marketplace, which reached a combined 29.6 million tonnes of production, claiming a 40.1% share of all grains harvested.

By far, the most significant contributor to the displacement of cereals has been oilseeds, with combined canola, soybean and flaxseed harvests totaling over 21.1 million tonnes in the 2024-25 crop year; more than double the base year's 9.7-million-tonne production. This was bolstered by an analogous increase in the output of special crops – especially dry peas and lentils – which rose to a combined 8.5 million tonnes from 4.3 million tonnes in the same period.

Grain Supply
(Western Canada)



Increasing Grain Supply and GHTS Workload

The amount of grain that the GHTS handles in any given crop year is not defined by production alone; it is augmented by the amount of grain held over in inventory from the previous crop year.[2] These carry-forward stocks can bolster current-year production by as much as 20%. In fact, until the drought-induced downturn of the 2021-22 crop year, carry-forward stocks had regularly helped lift the annual grain supply to over 80.0 million tonnes. With 8.5 million tonnes in stocks being carried forward from the 2023-24 crop year, the grain supply for the 2024-25 crop year rose to 82.3 million tonnes, up 5.4% from the 78.1 million tonnes that had been made available a year earlier. Moreover, with 6.6 million tonnes remaining as stocks to be carried forward into the next crop year, this implied that the GHTS had been charged with moving some 75.7 million tonnes of grain.

2 Carry-forward stocks are defined as inventories on hand at farms and primary elevators at the close of a crop year (i.e., 31 July) and the beginning of a new crop year (i.e., 1 August).

Notwithstanding recent variations, growth in the grain supply has spurred the GHTS into adding new capacity. The most visible manifestation of this has been in the establishment of extra storage, be it on individual farms or at country elevators. Moreover, it has also spurred investment in still more efficient high-throughput elevators, with many featuring loop tracks that allow for the continuous loading of unit trains reaching up to 150 railcars in length. At the close of the 2024-25 crop year, 53 such facilities had already been licensed.

Significant investments in additional port handling capacity have also been made over the last decade, with much of this being centred in Vancouver, British Columbia. This has resulted in the expansion of several existing facilities, along with construction of two new ones: the state-of-the-art G3 Vancouver Terminal; and the Fraser Grain Terminal. Analogous modernization initiatives were also in evidence at the port of Prince Rupert, with much of its current efforts being directed towards supporting increased container movements.

These same market forces have also been exerting pressure on the railways to invest in additional grain-handling capacity, with perhaps the most visible facet of this being the ongoing replacement of the government-supplied, hopper-car fleet with new, higher-capacity equipment. In addition, both the Canadian National Railway (CN) and Canadian Pacific Kansas City Limited (CPKC) have continued to move on a variety of fronts aimed at adding capacity through other means, including double-tracking and the building of new sidings, locomotive purchases, and the hiring of new employees. Much the same can be said of marine carriers, which have been commissioning larger ships in a parallel effort to improve the efficiency of their own operations. All these initiatives have played a role in enabling the GHTS to deal with ever-increasing grain volumes.

At the same time, the broader growth in railway traffic – be it in the form of grain or other commodities – has drawn still more attention to existing transportation bottlenecks. Recognizing the need for improved supply-chain fluidity, the Government of Canada launched its National Trade Corridors Fund in 2017, which was aimed at supporting critical investments in the country's marine, rail, and road infrastructure.[3]

3 More information on the National Trade Corridors Fund, along with the projects that have been approved under it, can be found at:
https://tc.canada.ca/en/programs/funding-programs/national-trade-corridors-fund.

Section 2: Traffic and Movement

Indicator Description	Table	1999-00	2022-23	2023-24	2024-25 Q1	Q2	Q3	Q4	YTD	% VAR
Country Elevator Throughput										
Grain Throughput (000 tonnes) – Primary Elevators	2A-1	32,493.9	49,363.4	47,207.0	14,219.5	13,621.9	13,364.3	10,876.5	52,082.2	10.3%
Railway Traffic										
Traffic to Western Canada										
Railway Shipments (000 tonnes) – Ports Only	2B-1	26,439.2	43,719.6	42,227.4	12,735.6	12,295.0	11,586.5	10,359.9	46,977.1	11.2%
Railway Shipments (000 tonnes) – Western Domestic	2B-1	n/a	1,045.9	1,048.2	232.0	235.7	269.3	405.8	1,142.7	9.0%
Traffic to Western Canada (Ports Only)										
Railway Shipments (000 tonnes) – All Grains	2B-1	26,439.2	43,719.8	42,227.4	12,735.6	12,295.0	11,586.5	10,359.9	46,977.1	11.2%
Railway Shipments (000 tonnes) – Hopper Cars	2B-1	25,664.6	42,962.4	41,256.8	12,368.3	11,901.0	11,149.0	10,044.3	45,462.6	10.2%
Railway Shipments (000 tonnes) – Non-Hopper Cars	2B-1	774.7	757.4	970.6	367.3	394.0	437.6	315.6	1,514.5	56.0%
Special Crop Shipments (000 tonnes) – All Grains	2B-2	2,102.9	3,842.6	3,479.2	1,813.5	872.1	574.5	311.7	3,571.9	2.7%
Special Crop Shipments (000 tonnes) – Hopper Cars	2B-2	1,844.1	3,761.9	3,402.3	1,782.7	836.2	527.8	287.3	3,434.0	0.9%
Special Crop Shipments (000 tonnes) – Non-Hopper Cars	2B-2	258.7	80.7	76.9	30.9	36.0	46.8	24.3	137.9	79.3%
Hopper Car Shipments (000 tonnes) – Origin Province	2B-3									
Hopper Car Shipments (000 tonnes) – Primary Commodities	2B-4	25,664.6	42,962.4	41,256.8	12,368.3	11,901.	11,149.0	10,044.3	45,462.6	10.2%
Hopper Car Shipments (000 tonnes) – Detailed Breakdown	2B-5									
Hopper Car Shipments (000 tonnes) – Grain-Dependent Network	2B-6	8,685.9	11,963.7	12,251.1	3,680.7	3,533.3	3,078.4	3,183.3	13,475.6	10.0%
Hopper Car Shipments (000 tonnes) – Non-Grain-Dependent Network	2B-6	16,978.7	30,998.7	29,005.6	8,687.7	8,367.7	8,070.6	6,861.0	31,986.9	10.3%
Hopper Car Shipments (000 tonnes) – Class 1 Carriers	2B-7	23,573.5	41,616.9	39,920.9	11,893.7	11,472.8	10,831.8	9,787.8	43,986.2	10.2%
Hopper Car Shipments (000 tonnes) – Non-Class-1 Carriers	2B-7	2,091.0	1,345.5	1,335.9	474.6	428.2	317.1	256.4	1,476.4	10.5%
Traffic to Eastern Canada										
Railway Shipments (000 tonnes) – All Grains	2B-8	n/a	2,411.1	2,237.1	513.2	834.0	793.6	412.3	2,553.0	14.1%
Railway Shipments (000 tonnes) – Hopper Cars	2B-8	n/a	1,900.6	1,819.7	381.0	722.5	669.7	292.4	2,065.7	13.5%
Railway Shipments (000 tonnes) – Non-Hopper Cars	2B-8	n/a	510.4	417.4	132.2	111.4	123.8	119.8	487.3	16.7%
Special Crop Shipments (000 tonnes) – All Grains	2B-9	n/a	446.4	231.1	96.2	105.9	49.7	37.5	289.3	25.2%
Western Canadian Originated Traffic										
Railway Shipments (000 tonnes) – All Grains	2B-15	n/a	55,473.0	53,639.7	15,533.1	15,798.2	14,626.0	13,063.3	59,020.6	10.0%
Railway Shipments (000 tonnes) - Canada	2B-15	n/a	47,176.7	45,512.7	13,480.9	13,364.7	12,649.3	11,177.9	50,672.8	11.3%
Railway Shipments (000 tonnes) – United States	2B-15	n/a	7,898.1	7,618.3	1,930.0	2,245.1	1,809.8	1,718.1	7,703.0	1.1%
Railway Shipments (000 tonnes) – Mexico	2B-15	n/a	398.2	508.7	122.3	188.4	166.9	167.3	644.8	26.8%
Terminal Elevator Throughput										
Grain Throughput (000 tonnes) – All Commodities	2C-1	23,555.5	40,008.9	38,074.9	10,876.6	11,797.5	10,408.7	10,432.9	43,515.7	14.3%
Hopper Cars Unloaded (number) – All Carriers	2C-2	278,255	403,226	383,089	114,891	114,298	105,714	102,757	437,660	14.2%
Hopper Cars Unloaded (number) – CN	2C-2	144,800	209,442	216,205	64,099	63,340	59,507	55,909	242,855	12.3%
Hopper Cars Unloaded (number) – CPKC	2C-2	133,455	193,784	166,884	50,792	50,958	46,207	46,848	194,805	16.7%
Truck Volumes to US Destinations										
Truck Shipments to US (000 tonnes) – Destination Region / Origin Province	2D-1									
Truck Shipments to US (000 tonnes) – Origin Province / Commodity	2D-2	n/a	2,189.5	2,048.5	578.2	588.8	589.2	506.9	2,263.2	10.5%
Truck Shipments to US (000 tonnes) – Destination Region / Commodity	2D-3									

DISCUSSION AND ANALYSIS

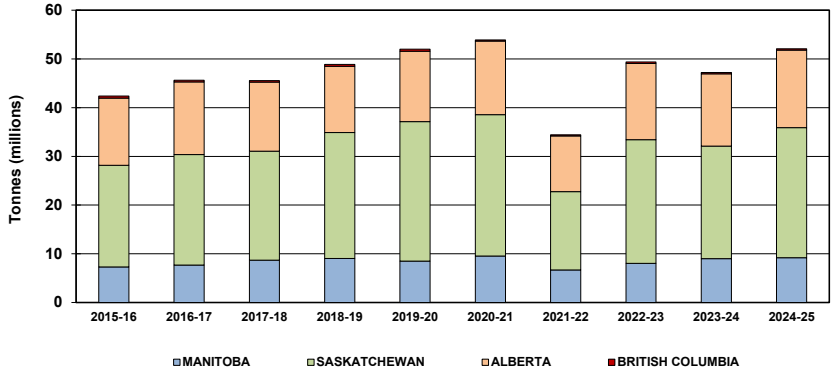
The grain produced in Western Canada ultimately finds its way into both the domestic and international markets. That journey largely begins with the producers' sale and delivery of their harvested grain to a local primary or processing facility. The acquiring grain company consolidates this delivered grain into ever larger shipments that are directed into a variety of supply chains – using a mix of road, rail, and marine transportation – to reach their intended markets.

COUNTRY-ELEVATOR THROUGHPUT
[See TABLE 2A-1]

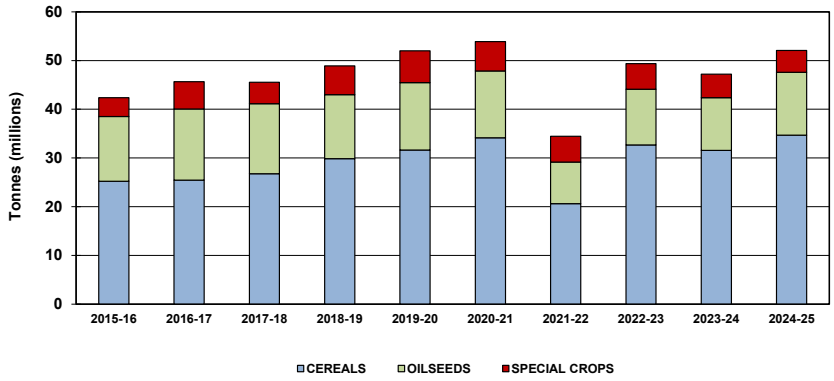
The GMP uses primary-elevator throughput as the chief indicator of the amount of grain entering the GHTS.[4] In the 2024-25 crop year, this amounted to 52.1 million tonnes, 10.3% more than the 47.2 million tonnes handled a year earlier. Although well above the drought-reduced tonnage witnessed in the 2021-22 crop year, it still proved to be 3.3% less than the record 53.9 million tonnes reached in the 2020-21 crop year.

Although the increase was generally widespread, it was especially evident in Saskatchewan, where primary-elevator throughput rose by nearly 3.6 million tonnes, or 15.4%, to just under 26.7 million tonnes. This was enlarged by lesser increases for Alberta, which rose by 7.6%, to about 15.9 million tonnes; and Manitoba, which saw its throughput increase by 2.3%, to 9.2 million tonnes. Running counter to these gains was British Columbia, which saw its throughput decline by 3.7%, to 257,800 tonnes. Even with these variations, the proportion accorded shipments from each province remained generally consistent with those benchmarked in the GMP's base year. Saskatchewan claimed a 51.2% share; Alberta, 30.6%; Manitoba, 17.7%; and British Columbia, 0.5%.

Primary Elevator Throughput - Originating Province



Primary Elevator Throughput - Principal Commodities



4 Primary-elevator throughput is defined as all road and rail shipments from the primary elevators situated throughout Western Canada. However, this measure excludes any grain that passed through a process elevator.

Cereals accounted for most of the grain shipped through the primary elevator network, with the total handle increasing by 10.0%, to about 34.7 million tonnes from 31.5 million tonnes a year earlier. However, its share of total shipments slipped marginally, to 66.6% from 66.8%. Oilseed shipments also rose, albeit by a more substantive 19.2%, to 12.9 million tonnes from 10.8 million tonnes, with its share increasing to 24.8% from 22.9%. Conversely, special-crop shipments fell by 7.1%, to 4.5 million tonnes from 4.8 million tonnes, which trimmed its overall share to 8.6% from 10.2% a year earlier.

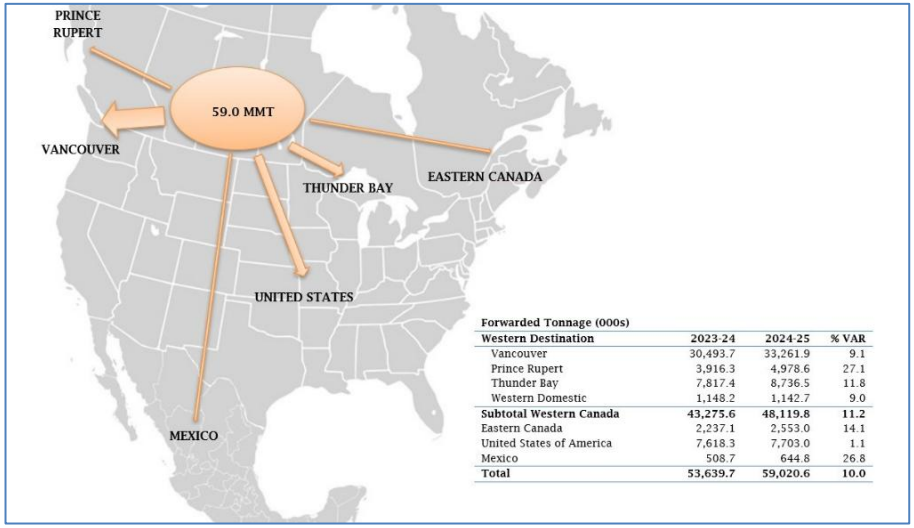
Primary-elevator throughput provides the all-important signal to industry stakeholders of the attendant workload to be borne by the GHTS's railways and terminal elevators. With throughput rising to 52.1 million tonnes from the previous crop year's 47.2 million tonnes, moderately higher pressure was brought to bear on the GHTS.

RAILWAY TRAFFIC
[See TABLES 2B-1 through 2B-21]

Although primary elevators serve as the principal gateway in moving grain through the GHTS, grain also enters the system by way of process elevators and producer-car loading sites. Producer deliveries to all these facilities totaled 63.1 million tonnes in the 2024-25 crop year, 5.9% more than the 59.6 million tonnes tendered a year earlier.[5] Ultimately, all of this grain is loaded into railcars or trucks for movement to destinations located throughout the system, with rail being the dominant mode.

Railway grain shipments from Western Canada totaled slightly over 59.0 million tonnes in the 2024-25 crop year, an increase of 10.0% from the previous crop year's 53.6 million tonnes. Almost 50.7 million tonnes of this traffic, or 85.8%, was directed to destinations within Canada itself, be it for export or domestic use. Much of this volume, about 48.1 million tonnes, was destined to points within Western Canada, chiefly the ports of Vancouver, Prince Rupert, and Thunder Bay. These shipments easily overshadowed the nearly 2.6 million tonnes that were directed into Eastern

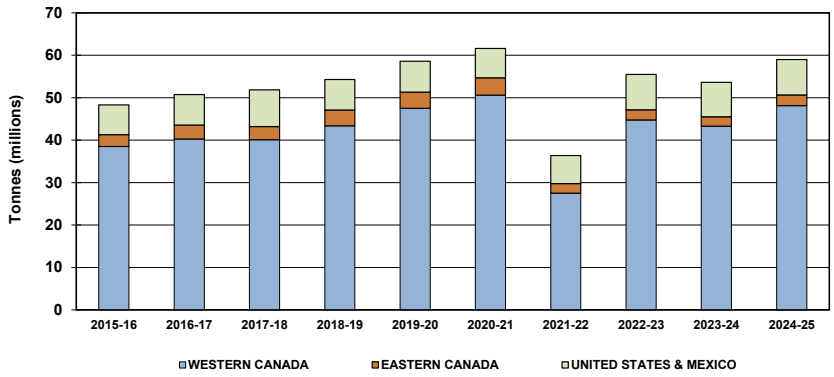
Railway Grain Shipments from Western Canada – 2024-25



Forwarded Tonnage (000s)

Western Destination	2023-24	2024-25	% VAR
Vancouver	30,493.7	33,261.9	9.1
Prince Rupert	3,916.3	4,978.6	27.1
Thunder Bay	7,817.4	8,736.5	11.8
Western Domestic	1,148.2	1,142.7	9.0
Subtotal Western Canada	**43,275.6**	**48,119.8**	**11.2**
Eastern Canada	2,237.1	2,553.0	14.1
United States of America	7,618.3	7,703.0	1.1
Mexico	508.7	644.8	26.8
Total	**53,639.7**	**59,020.6**	**10.0**

Railway Grain Shipments - Principal Destinations



5 Statistics drawn from Canadian Grain Commission, *Grain Deliveries at Prairie Points.*

Canada as well as another 8.3 million tonnes destined to the United States and Mexico.

About 54.9 million tonnes of the traffic originated in Western Canada, or 92.9%, moved to its destination in covered hopper cars. The remaining 4.2 million tonnes moved in alternate forms of railway equipment, including boxcars and containers for bulk and bagged grain products, and tank cars for liquids such as canola oil. It is worth noting that these latter movements represented only 7.1% of total railway shipments in the 2024-25 crop year, down marginally from the 7.3% share garnered a year earlier. This decline reflected a relative weakness in non-hopper-car movements, which rose by 5.8%, compared to a 10.4% increase in hopper-car shipments. Even so, this lower share is not materially different from the 6.9% benchmarked a decade earlier. In fact, the shares accorded to both segments have not meaningfully changed under the GMP, with each growing almost proportionately with the overall market.

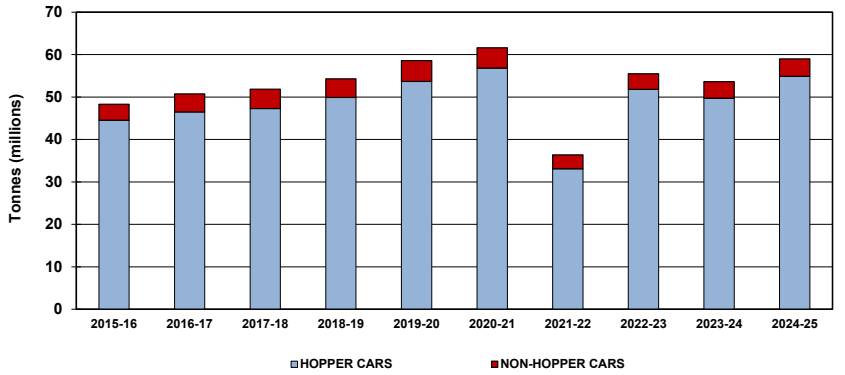
Part A – Traffic to Western Canada
[See Tables 2B-1 through 2B-7]

About 48.1 million tonnes of grain were moved by rail to points in Western Canada during the 2024-25 crop year. Much of this was directed to one of three ports: Vancouver, Prince Rupert, and Thunder Bay.[6] These shipments totaled just under 47.0 million tonnes, a gain of 11.2% over the 42.2 million tonnes handled a year earlier. An additional 1.1 million tonnes were directed to points outside of the ports themselves, denoted as Western Domestic destinations, which saw a 9.0% increase over the previous year's 1.0-million-tonne handle.

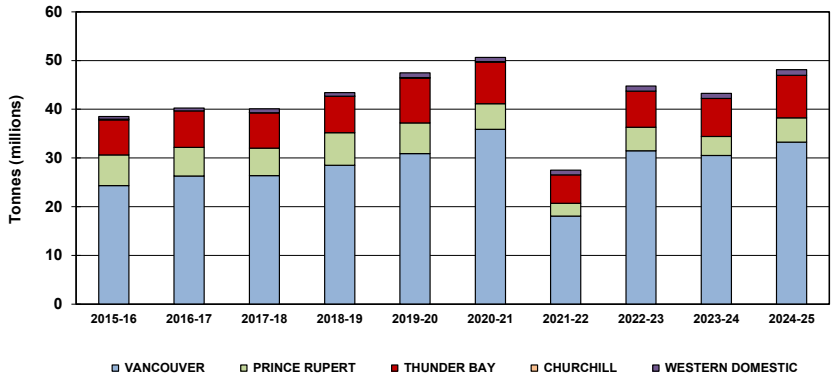
As the largest element in the movement of grain to points in Western Canada, cereals accounted for 60.7% of all railway traffic in the 2024-25 crop year, just over 29.2 million tonnes. This was followed by oilseeds with a 31.1% share, at almost 15.0 million tonnes, and an 8.2% share for other commodities, at slightly over 3.9 million tonnes. All three segments

6 The Port of Churchill, normally a destination for Western Canadian export grain, has been closed to traffic since the 2021-22 crop year.

Railway Grain Shipments - Hopper and Non-Hopper Cars



Railway Grain Shipments - Main Destinations
(Western Canada)



showed volume gains, with cereals rising by 8.4%, while oilseed and other-commodity shipments increased by 19.4% and 3.6% respectively.

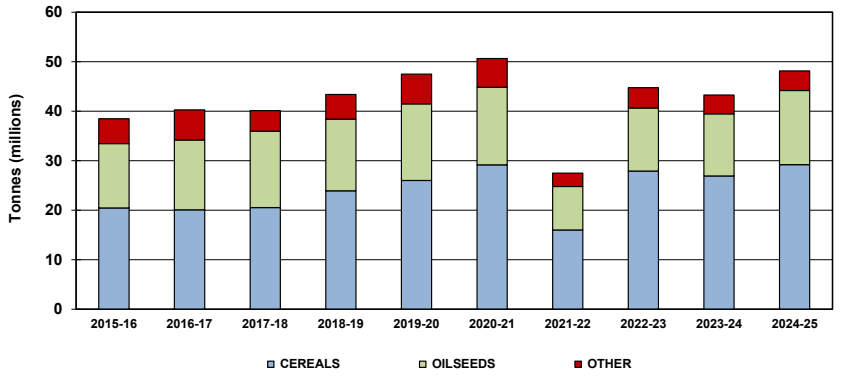
Of all the ports in Western Canada, Vancouver continues to be the preferred destination for railway grain shipments. This is due not only to the ready access it provides to Asia-Pacific markets, but to the concentration of export terminal facilities. During the 2024-25 crop year, Vancouver received almost 33.3 million tonnes of inbound grain, a gain of 9.1% over the previous year's 30.5-million-tonne handle. This denoted 70.8% of all railway grain shipments originated in Western Canada. Prince Rupert, which represents an additional west-coast outlet for this traffic, received just under 5.0 million tonnes of grain, 27.1% more than the 3.9 million tonnes handled a year earlier. Accordingly, the port's share rose to 10.6% from 9.3%. Together, these two ports accounted for 81.4% of all the grain originated in Western Canada, down marginally from the 81.5% share garnered a year earlier.

A substantial upturn was also noted in the rail deliveries to Thunder Bay, which rose by 11.8%, to 8.7 million tonnes from 7.8 million tonnes a year earlier. This marginally increased the port's volume share to 18.6% from 18.5%. Owing to the extensive repair work still being conducted on the Hudson Bay Railway's route to the Port of Churchill, its terminal remained shutout of handling any grain traffic for a fourth consecutive year. Railway grain shipments to non-port destinations – designated as Western Domestic – accounted for just 2.4% of all traffic. However, this proved little different from the 2.5% share reported a year earlier.

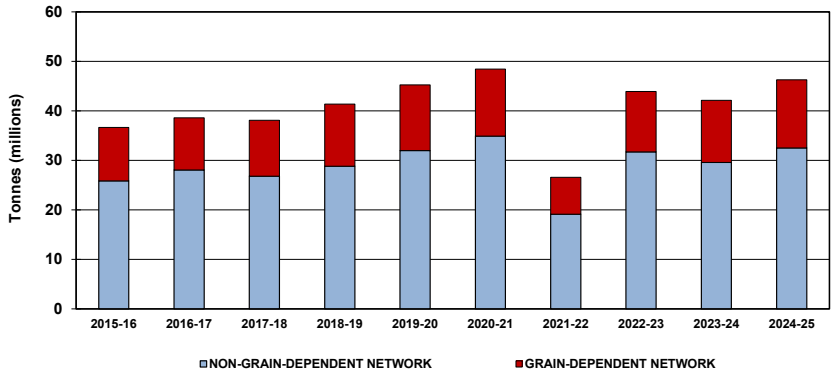
Covered Hopper Car Shipments

Owing to the dominance of bulk grain shipments, most of the grain conveyed to destinations within Western Canada travel in covered hopper cars. In fact, of the 48.1 million tonnes shipped during the 2024-25 crop year, nearly 46.3 million tonnes, or 96.2%, moved in this type of railway equipment. Just 1.8 million tonnes, or 3.8%, of grain and grain-related products moved in other forms of railway equipment, including boxcars, tank cars and containers.

Railway Grain Shipments - Main Commodities
(Western Canada)



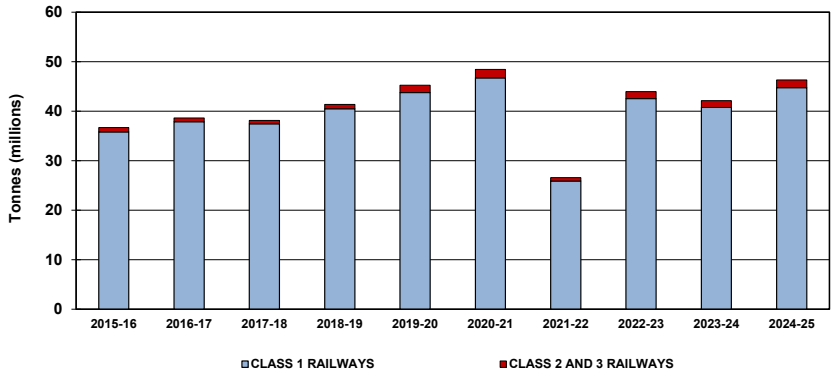
Hopper-Car Shipments - Branchline Originations
(Western Canada)



From the outset of the GMP, roughly two-thirds of covered-hopper-car shipments have originated at points on the railways' non-grain-dependent branchline network. Of the 46.3 million tonnes that were directed to destinations in Western Canada in the 2024-25 crop year, 32.5 million tonnes, or 70.3%, were sourced from points on such lines. This proportion stands moderately above the 66.2% share recorded at the beginning of the GMP. Conversely, nearly 13.8 million tonnes, or 29.7%, originated at points on the grain-dependent network.

More significantly, about 44.8 million tonnes, or 96.7% of the covered-hopper-car traffic, originated on the railway lines directly operated by the major Class I carriers, CN and CPKC. This dominance is even greater than the 91.9% share observed in the base year. Correspondingly, the share garnered by the smaller Class 2 and 3 carriers (commonly referred to as regional and shortline railways) has contracted from the 8.1% it represented twenty-five years earlier. Just 1.5 million tonnes, or 3.3%, originated with these smaller carriers in the 2024-25 crop year. Much of the reduced share is attributable to declining producer-car loadings.

Hopper-Car Shipments - Carrier Originations
(Western Canada)

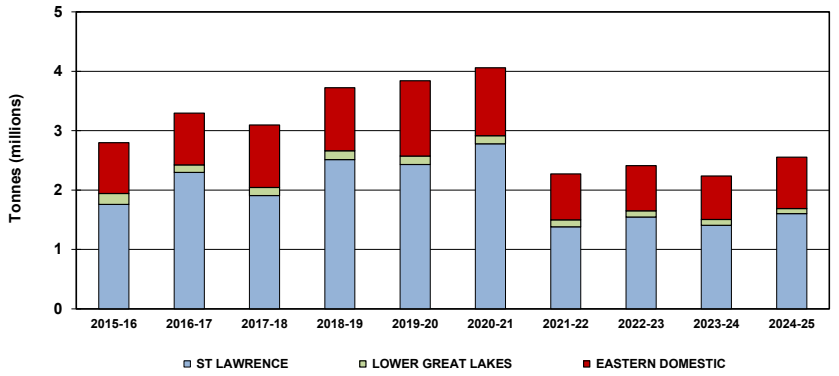


Part B – Traffic to Eastern Canada
[See Tables 2B-8 through 2B-14]

Grain shipments into Eastern Canada represented a mere fraction of the tonnage directed into Western Canada. During the 2024-25 crop year, these railway shipments amounted to slightly below 2.6 million tonnes, representing a gain of 14.1% over the 2.2 million tonnes shipped a year earlier. About two-thirds of this volume, slightly under 1.7 million tonnes, were shipped to the ports that extend from the Lower Great Lakes through the Gulf of St. Lawrence, and on to Halifax. Another 863,100 tonnes were directed to inland points, designated as Eastern Domestic destinations.

As with traffic routed to destinations in Western Canada, much of the traffic headed to points in Eastern Canada, about 2.1 million tonnes, or 80.9%, moved in covered hopper cars. The remaining 487,300 tonnes moved in other types of railway equipment. It is also worth mentioning that these latter movements claimed a more substantive 19.1% share of the

Railway Grain Shipments - Main Destinations
(Eastern Canada)



regional total, compared to just 3.8% for traffic destined within Western Canada.

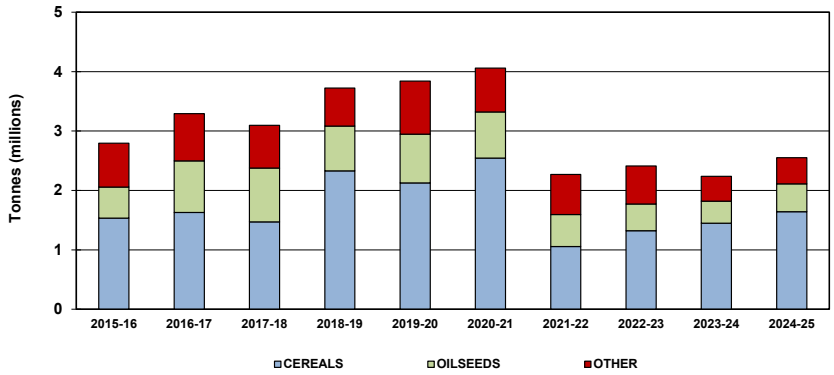
Correspondingly, cereals also claimed nearly two-thirds of the eastbound traffic volume, with total shipments reaching over 1.6 million tonnes, up 13.3% from 1.4 million tonnes a year earlier. Oilseeds, however, took a noticeably smaller 18.4% share of the eastbound movement, with total shipments of 468,900 tonnes, up 26.4% from the previous crop year's 370,900 tonnes. This meant that special crops figured more prominently in Eastern Canadian movements, with total volume reaching 443,400 tonnes, up 6.1% from the preceding crop year's 417,900 tonnes. These shipments embodied a more substantive 17.4% of the eastbound total, compared to just 8.2% on westbound movements.

Covered Hopper Car Shipments

Most of the grain moving to Eastern Canada in covered hopper cars was sourced from points on the non-grain-dependent railway network in Western Canada. During the 2024-25 crop year this amounted to slightly more than 1.7 million tonnes, up 13.4% from the 1.5 million tonnes originated a year earlier. Traffic originating at points on the grain-dependent network rose by a marginally greater 14.2%, to 333,200 tonnes from 291,700 tonnes. With 83.9% of the tonnage attributable to non-grain-dependent originations, this division proved somewhat greater than the 70.3% share tied to traffic destined to points in Western Canada.

Similarly, nearly 2.0 million tonnes, or 94.9% of the grain shipped to Eastern Canada in covered hopper cars, originated on the lines of the Class-1 railways. The tonnage originated by non-Class-1 carriers, which amounted to 105,600 tonnes, accounted for just 5.1%. These proportions were broadly consistent with the shares garnered by traffic destined to points within Western Canada, which reached 96.7% and 3.3% respectively.

Railway Grain Shipments - Main Commodities
(Eastern Canada)



Part C – Traffic to the United States and Mexico
[See Tables 2B-15 through 2B-18]

The amount of grain moved by rail to the United States and Mexico during the 2024-25 crop year totaled over 8.3 million tonnes. This denoted a 2.7% increase over the 8.1 million tonnes directed into these markets a year earlier. The gain stands noticeably below the 11.3% increase noted on domestic movements.

With about 7.7 million tonnes, exports to the United States accounted for 92.3% of the total transborder volume. This embodied a 1.1% increase over the 7.6 million tonnes handled the previous year. Although traffic directed into Mexico accounted for a much lesser 644,800 tonnes, garnering a mere 7.7% share, shipments to that country increased substantially, up 26.8% from 508,700 tonnes a year earlier.

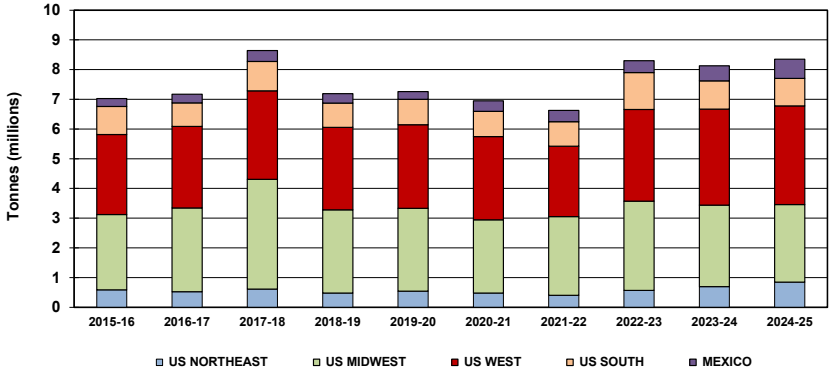
As opposed to domestic grain shipments, oilseeds along with their related processed products accounted for roughly two-thirds of the southbound volume. At nearly 5.5 million tonnes, oilseed traffic proved little changed from the nearly 5.6 million tonnes handled a year earlier, decreasing by 2.4%. Cereals ranked second with a little over 2.3 million tonnes in total shipments, up 22.6% from the previous crop year's 1.9 million tonnes. This was supplemented by other commodities, which fell to 565,000 tonnes, down 11.5% from 638,300 tonnes.

Movement Characteristics

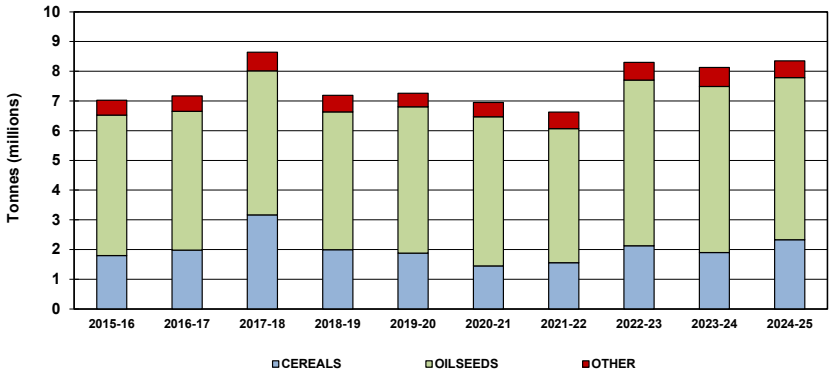
Almost 6.1 million tonnes of US-bound traffic moved in covered hopper cars in the 2024-25 crop year. This represented a 12.0% increase from the 5.4 million tonnes handled a year earlier. Another 1.6 million tonnes, which were virtually all tied to the movement of canola oil in tank cars, moved in other types of railway equipment. These latter movements fell by 25.6%, from 2.2 million tonnes the previous year.

Canola and canola-related products (be it in the form of seed, meal or oil) accounted for a little more than 5.2 million tonnes, or 68.1%, of all US-bound shipments. About 3.1 million tonnes of this were directed to states in the US West, chiefly California. This was followed by another 1.0 million

Railway Grain Shipments - Main Destinations
(United States and Mexico)



Railway Grain Shipments - Main Commodities
(United States and Mexico)



tonnes that moved into the Midwest, 645,000 tonnes into the South, and 448,600 tonnes into the Northeast.

Part D – Ancillary Traffic
[See Tables 2B-19 through 2B-21]

Traffic from the United States

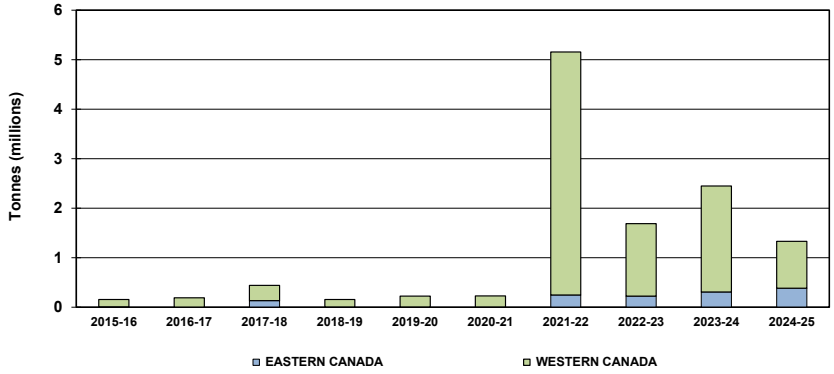
Grain imported into Canada by rail from the United States during the 2024-25 crop year decreased by 45.8%, to about 1.3 million tonnes from 2.5 million tonnes a year earlier. The largest portion, amounting to 946,700 tonnes, was destined to points in Western Canada, with Eastern Canadian destinations drawing in just 383,200 tonnes. Much of the decrease stemmed from a further decline in the demand for feed corn, which had fallen off in the aftermath of the drought that had left Western Canadian livestock producers desperate for feed in the 2021-22 crop year. While American imports remained well above the predrought level of 250,000 tonnes annually, they were largely responsive to the continuing need for feed under drier conditions.

Loads on Wheels

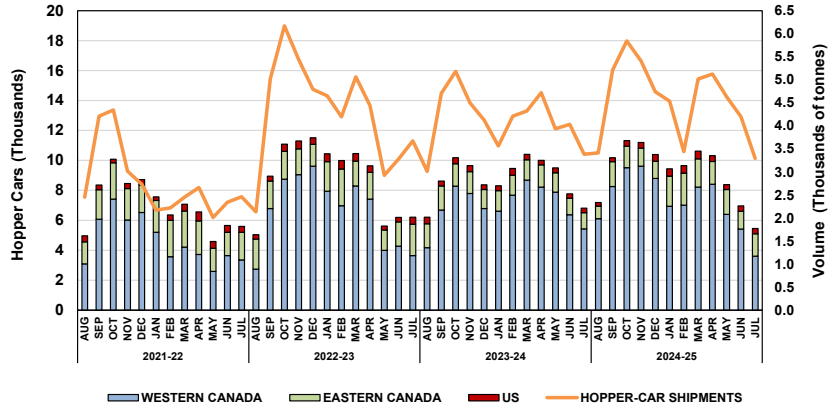
The pace at which bulk grain moves through the GHTS can be gauged by tabulating the number of loaded hopper cars in transit at regular moments in time; normally the Friday of any given week.[7] The 2024-25 crop year began with a weekly in-transit average of 7,185 cars for the month of August 2024, a 15.6% increase over the 6,214 reported a year earlier. Traffic volumes increased sharply through the remainder of the first quarter, ultimately peaking with a weekly average of 11,329 cars in October 2024. Thereafter, as total shipments declined with the onset of winter and the closure of the St. Lawrence Seaway, the weekly number of cars in transit began to drift steadily lower, ultimately reaching a low of 9,438 cars in January 2025. Following the reopening of Thunder Bay two months later, the count rebounded to a high of 10,617 cars before then declining with the closeout of the crop year.

7 The measure cited here relates only to railway-supplied equipment. It specifically excludes the private equipment also employed by shippers in moving grain.

Railway Grain Shipments - Main Destinations
(Imports from the United States)



Loads on Wheels



Collectively, an average of 9,271 loaded cars were in transit to their destinations during any given week of the 2024-25 crop year, a 6.4% increase over the 8,712-car average recorded a year earlier. As with other traffic measures, a large majority of these cars, some 79.3%, were tied to the movement of grain to destinations in Western Canada, 16.5% to markets in Eastern Canada, and 4.2% to those in the United States.

Tank-Car Shipments

From its outset, the GMP has largely been focused on the movement of Canada's traditional grain exports. Whereas cereals represented more than three-quarters of the grain grown in 2000, it now constitutes about 60%. As cited earlier, much of this dilution is attributable to increased oilseed production, with canola accounting for much of the overall growth.

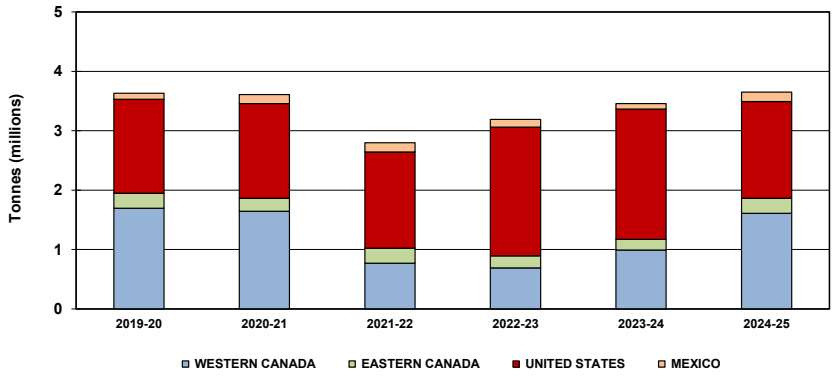
While canola seed is a significant export commodity, over 50% of the crop is directed into one of 14 domestic crushing operations (11 of which are in Western Canada), which then extract the seed's oil for sale to consumer and industrial markets. The processing of canola oil has increased along with canola-seed production. The enlargement of this segment, coupled with canola oil's comparatively higher value, led to the addition of related GMP measures in the 2021-22 crop year.

Canola-oil shipments from origins in Western Canada totaled nearly 3.7 million tonnes in the 2024-25 crop year, up 5.6% from the 3.5 million tonnes reported a year earlier. Moreover, shipments reached marginally above the 3.6 million tonnes last observed in the 2019-20 and 2020-21 crop years. However, there was a noticeable shift in the underlying traffic patterns which, since the 2021-22 crop year, had favoured movements to the United States.

The 2024-25 crop year saw domestic movements surge 59.1%, to nearly 1.9 million tonnes from 1.2 million tonnes, while US shipments declined by 25.7%, to 1.6 million tonnes from 2.2 million tonnes. This shift produced the first real decline in the share accorded to US movements in recent years, which fell to 44.6% from 63.4% a year earlier. Much of this deterioration came in the second half of the crop year, in the wake of American threats to impose tariffs on a broad range of imported Canadian

A 25,500-gallon general-purpose tank car is seen following its construction at the National Steel Car facility in Hamilton, Ontario. In addition to petroleum and chemicals, railcars such as these are used to carry a variety of food-grade products, including canola and other vegetable oils. (Image courtesy of National Steel Car)

Railway Tankcar Shipments - Main Destinations



goods. At the same time, tightening domestic supplies along with an increased crush for biodiesel, made canola oil less available for export despite strong global demand.

TERMINAL ELEVATOR THROUGHPUT
[See TABLES 2C-1 through 2C-2]

Ultimately, a large portion of the traffic handled by the railway system is directed into the various terminal elevators and bulk loading facilities located at Western Canadian ports. Port throughput, as gauged by the amount of grain shipped through these facilities, increased by 14.3% in the 2024-25 crop year, to 43.5 million tonnes from 38.1 million tonnes a year earlier.

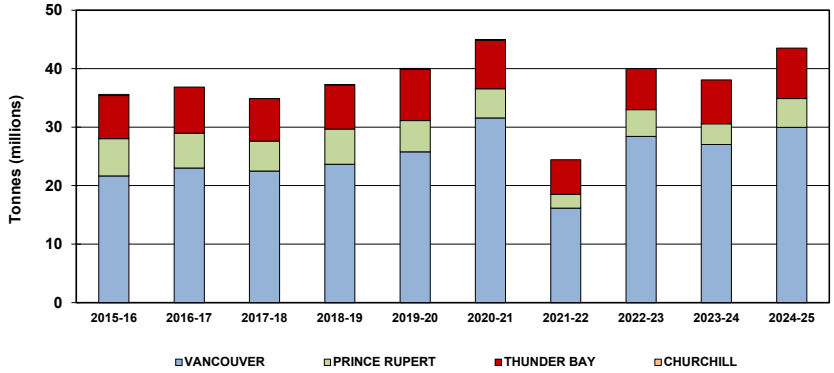
The most significant grain volumes continued to move through the west-coast ports of Vancouver and Prince Rupert. For Vancouver, total terminal elevator throughput increased by 10.9%, to just under 30.0 million tonnes from 27.0 million tonnes a year earlier. Prince Rupert posted a sharper gain of 38.9%, with terminal shipments rising to just over 4.9 million tonnes from 3.5 million tonnes. Combined, the tonnage passing through these two west-coast ports represented 80.2% of the overall handle, down marginally from the 80.3% share reported a year earlier.

Traffic directed through the eastern gateway of Thunder Bay rose by 14.8%, to over 8.6 million tonnes from the previous crop year's 7.5 million tonnes. With its relatively greater gain in volume, the port's overall share rose marginally to 19.8% from 19.7%. Owing to a fourth consecutive year of closure, the Port of Churchill again saw no grain handlings.[8]

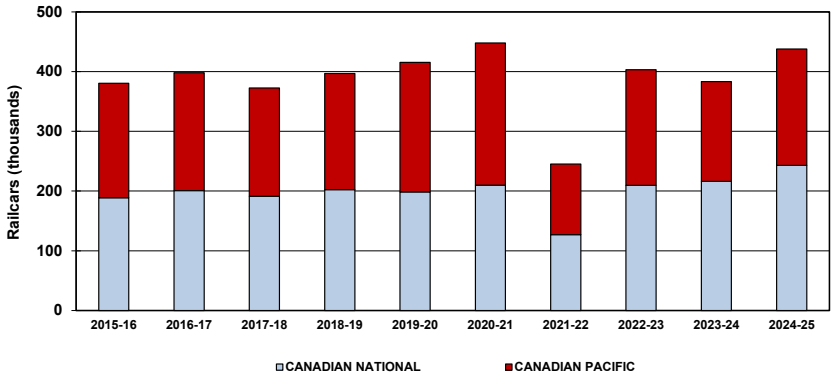
Terminal Elevator Unloads

Carrier activity is reflected in the number of covered hopper cars unloaded at Western Canadian bulk grain terminals. The total number of railcars unloaded during the 2024-25 crop year increased by 14.2%, rising to 437,660 cars from 383,089 cars a year earlier. CN unloaded 242,855

Terminal Elevator Throughput - Port
(Western Canada)



Terminal Elevator Unloads - Carrier
(Western Canada)



8 Prior to the 2015-16 crop year, the Port of Churchill typically handled over 500,000 tonnes of grain annually. Following OmniTRAX's decision to sell its holdings in 2015, flood damage that effectively closed the railway line in 2017, and ensuing ownership changes, grain volumes through the port have proven sporadic and generally less than 100,000 tonnes.

hopper cars, up 12.3% from the 216,205 cars delivered a year earlier, while CPKC's handlings rose by a greater 16.7%, to 194,805 cars from 166,884 cars. This made CN the largest serving railway to bulk grain terminals in Western Canada, with a share of 55.5% against 44.5% for CPKC.

EXPORT CONTAINER TRAFFIC
[See TABLE 2C-3]

For well over a century, Canadian grain exports have been reliant on bulk ocean shipping to reach offshore markets. With the advent of larger ships, the preponderance of grain exports now moves in shipload lots of 50,000 or more tonnes. Yet a larger portion of total grain exports have been moving in containers. Their share hit a highwater mark in the 2019-20 crop year, when it reached roughly 11% compared to just 4% in the GMP's base year. Central to this growth was the emergence of new, state-of-the-art transloading facilities, which allowed grain carried to port in railway hopper cars to be efficiently reloaded into containers for shipment overseas.

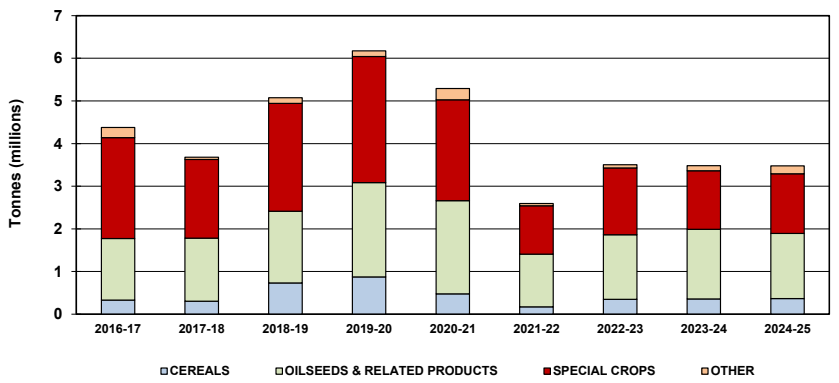
Containerized export grain shipments are tied to the servicing of small-lot purchasers, often catering to niche markets, be it specialty flour mills, brewers or processors. In large measure, these movements are made possible by employing the empty containers being returned by steamship lines to their offshore origins (predominantly Asia-Pacific countries) for reloading. Using this returning equipment typically engenders lower "backhaul" freight rates that make foreign purchases of Canadian-sourced grain in small quantities more price competitive.

Containerized grain shipments from the ports of Montreal, Vancouver and Prince Rupert totaled almost 3.5 million tonnes in the 2024-25 crop year. This proved virtually unchanged from the tonnage shipped a year earlier but remained well below the pre-COVID-19 high of 6.2 million tonnes. Moreover, containers secured a slightly lesser share of the total grain movement, which fell to 5.9% from 6.5%.

Until reaching a peak in the 2019-20 crop year, containerized grain traffic had shown substantial growth. Although significant gains were made by

An areial view of the Fairview Container Terminal located at Prince Rupert, British Columbia, and operated by DP World. The facility was purpose-built to serve the transpacific container trade, and features two marine berths capable of accommodating today's larger container ships. Designed for the direct ship-to-rail transfer of traffic, the adjacent intermodal yard is capable of handling trains up to 12,000 feet in length. (Image courtesy of Prince Rupert Port Authority)

Export Container Shipments - Canadian Ports



cereals and oilseeds, it was special crops that figured most prominently in the growth of containerized shipments, ultimately claiming about half of the total tonnage. Despite an ensuing decline in volume, special crops still accounted for over one-third of all containerized shipments, with almost 1.4 million tonnes, or 40.2%, being moved in the crop year just ended. This share proved marginally above the 39.4% claimed a year earlier.

With 1.5 million tonnes, or 43.9%, of total shipments in the 2024-25 crop year, oilseeds narrowly edged out special crops as the most dominant commodity grouping. Cereal movements ranked a distant third in the commodity mix, with just 367,100 tonnes claiming a 10.6% share of total movements. Other commodities, while also posting a stronger showing, accounted for just 185,800 tonnes, or 5.3% of all container movements.

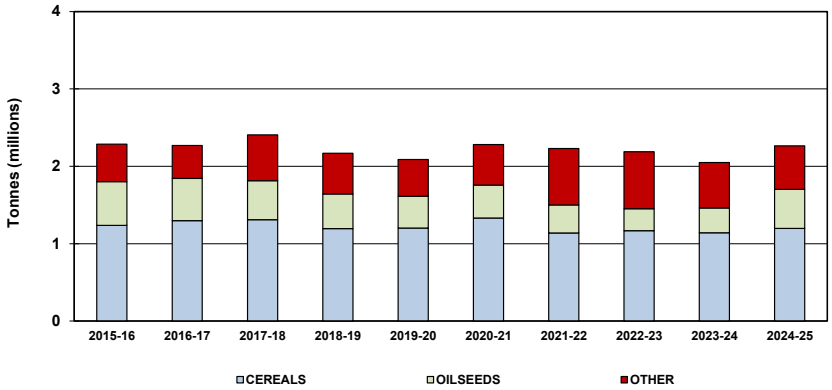
TRUCK TRAFFIC TO THE UNITED STATES
[See TABLES 2D-1 through 2D-3]

Shipments of Western Canadian grain into the United States by truck totaled almost 2.3 million tonnes in the 2024-25 crop year. This proved to be 10.5% more than the 2.0 million tonnes shipped a year earlier. Unlike other grain movements, transborder truck exports cater to the needs of a short-haul market segment, which has hovered around the 2.0-million-tonne mark for the past decade.

Almost 1.4 million tonnes, or 59.7% of the total volume, were directed into the US Midwest, a market closer to the international border. This was followed by destinations in the US West, with 529,900 tonnes; the US Northeast, with 228,400 tonnes; and the US South, with 154,300 tonnes.

Cereals continued to dominate, with 1.2 million tonnes claiming a 52.9% share of the total volume. This proved to be 4.9% more than the 1.1 million tonnes handled a year earlier. Oilseeds, however, saw the biggest gain in volume, with a 57.5% increase, to 503,200 tonnes from 319,500 tonnes. This increase served to lift its share to 22.2% from 15.6% the year before. Running counter to these enlargements was a 4.3% reduction for other commodities, which fell to 562,300 tonnes from 587,700 tonnes the previous year, and saw its share decline to 24.8% from 28.7%.

Truck Shipments - United States Destinations



Section 3: Infrastructure

Indicator Description	Table	1999-00	2022-23	2023-24	2024-25 Q1	Q2	Q3	Q4	YTD	% VAR
Country Elevator Infrastructure										
Delivery Points (number)	3A-1	628	282	282	277	277	278	277	277	-1.8%
Elevator Capacity (000 tonnes)	3A-1	7,443.9	9,563.5	9,379.8	9,180.4	9,182.5	9,181.3	9,233.0	9,233.0	-1.6%
Elevators (number) – Province	3A-1									
Elevators (number) – Railway Class	3A-2	917	405	400	392	394	395	396	396	-1.0%
Elevators (number) – Grain Company	3A-3									
Elevators Capable of MCB Loading (number) – Province	3A-4									
Elevators Capable of MCB Loading (number) – Railway Class	3A-5	317	268	263	258	258	258	259	259	-1.5%
Elevators Capable of MCB Loading (number) – Railway Line Class	3A-6									
Elevator Closures (number)	3A-7	130	19	33	9	3	1	1	14	-57.6%
Elevator Openings (number)	3A-8	43	11	28	1	5	2	2	10	-64.3%
Delivery Points (number) – Accounting for 80% of Deliveries	3A-9	217	104	102	n/a	n/a	n/a	n/a	101	-1.0%
Railway Infrastructure										
Railway Infrastructure (route-miles) – Total Network	3B-1	19,390.1	17,265.7	17,265.7	17,265.7	17,265.7	17,265.7	17,265.7	17,265.7	0.0%
Railway Infrastructure (route-miles) – Class-1 Network	3B-1	14,503.0	14,596.1	14,596.1	14,596.1	14,596.1	14,596.1	14,596.1	14,596.1	0.0%
Railway Infrastructure (route-miles) – Non-Class-1 Network	3B-1	4,887.1	2,669.6	2,669.6	2,669.6	2,669.6	2,669.6	2,669.6	2,669.6	0.0%
Railway Infrastructure (route-miles) – Non-Grain-Dependent Network	3B-1	14,513.5	14,028.7	14,028.7	14,028.7	14,028.7	14,028.7	14,028.7	14,028.7	0.0%
Railway Infrastructure (route-miles) – Grain-Dependent Network	3B-1	4,876.6	3,237.0	3,237.0	3,237.0	3,237.0	3,237.0	3,237.0	3,237.0	0.0%
Railway Fleet Size (railcars) – Average Weekly	3B-2	n/a	22,422	21,628	21,358	22,341	21,791	20,298	21,447	-0.8%
Served Elevators (number)	3B-3	884	334	328	321	321	320	322	322	-1.8%
Served Elevators (number) – Class 1 Carriers	3B-3	797	303	297	293	293	292	294	294	-1.0%
Served Elevators (number) – Non-Class-1 Carriers	3B-3	87	31	31	28	28	28	28	28	-9.7%
Served Elevators (number) – Grain-Dependent Network	3B-3	371	102	101	98	99	99	100	100	-1.0%
Served Elevators (number) – Non-Grain-Dependent Network	3B-3	513	232	227	223	222	221	222	222	-2.2%
Served Elevator Capacity (000 tonnes)	3B-3	7,323.0	9,115.1	8,920.3	8,728.7	8,721.8	8,714.2	8,763.0	8,763.0	-1.8%
Served Elevator Capacity (000 tonnes) – Class 1 Carriers	3B-3	6,823.2	8,813.5	8,628.4	8,548.1	8,541.2	8,533.6	8,581.0	8,581.0	-0.5%
Served Elevator Capacity (000 tonnes) – Non-Class-1 Carriers	3B-3	499.7	301.7	291.9	180.6	180.6	180.6	182.0	182.0	-37.6%
Served Elevator Capacity (000 tonnes) – Grain-Dependent Network	3B-3	2,475.4	2,246.0	2,211.9	2,100.6	2,104.5	2,104.5	2,152.7	2,152.7	-2.7%
Served Elevator Capacity (000 tonnes) – Non-Grain-Dependent Network	3B-3	4,847.6	6,869.1	6,708.4	6,628.1	6,617.3	6,609.7	6,610.3	6,610.3	-1.5%
Terminal Elevator Infrastructure										
Terminal Elevators (number)	3C-1	15	17	17	17	17	17	17	17	0.0%
Terminal Elevator Storage Capacity (000 tonnes)	3C-1	2,678.6	2,752.5	2,752.5	2,752.5	2,752.5	2,752.5	2,752.5	2,752.5	0.0%

DISCUSSION AND ANALYSIS

The grain produced in Western Canada first enters the GHTS through a system of country elevators that extends across the region.[9] This system, which at its height in the 1930s encompassed almost 5,800 facilities, has steadily contracted with the adoption of new technology and handling practices. At the outset of the GMP, just 1,004 licensed primary and process elevators remained. Through to the end of the 2010-11 crop year, that total would diminish still further, ultimately reaching a low of 366 facilities. Since then, the overall number of elevators has risen, albeit only modestly, floating around the 400-facility mark. This decline denotes one of the most visible aspects of changes to the GHTS.

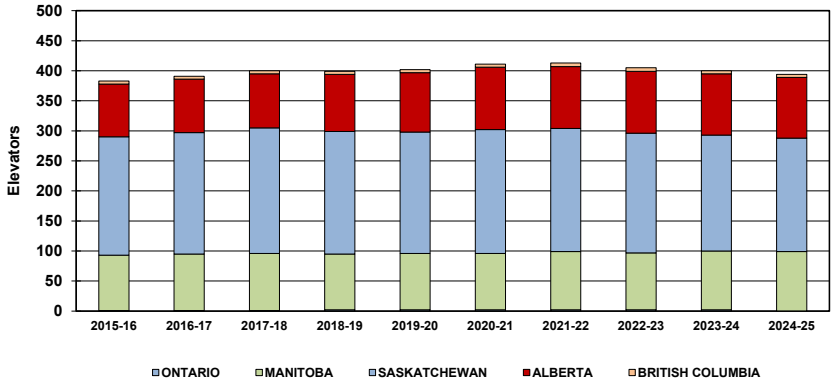
To a less visible degree, the supporting railway and terminal elevator networks that are employed in conveying grain from these facilities have also evolved to meet the expanding needs of the GHTS, and global supply chains. A fuller discussion of these changes follows.

COUNTRY ELEVATOR INFRASTRUCTURE
[See TABLES 3A-1 through 3A-9]

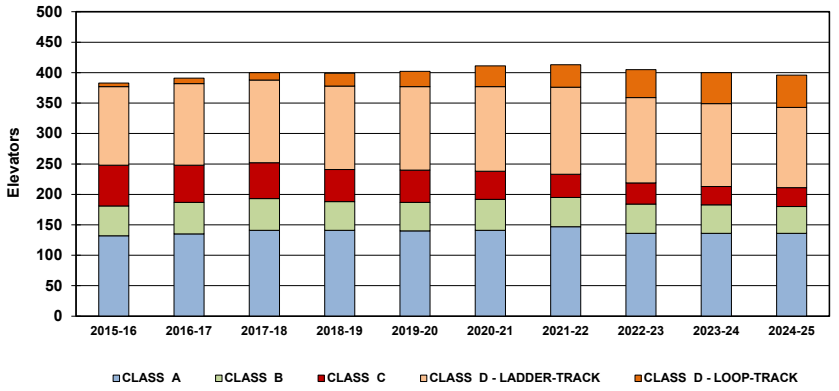
The 2024-25 crop year witnessed a 1.0% reduction in the country-elevator network, with the total number of facilities falling to 396 facilities from the 400 reported at the close of the previous crop year. This reduction was shaped by the delicensing of 14 elevators, coupled with the licensing of 10 others. Included within the latter count were two newly constructed or retrofitted loop-track facilities operated by Viterra.

At the close of the 2024-25 crop year, 189, or 47.7% of Western Canada's licensed elevators, were situated in Saskatchewan. This was followed by Alberta and Manitoba, with 101 and 99 elevators respectively, and corresponding shares of 25.5% and 25.0%. The GHTS's remaining seven facilities were divided between British Columbia, with five, and Ontario,

Country Elevators - Provincial Distribution



Country Elevators - Facility Class



9 The GMP employs the Western Division, as defined in the *Canada Transportation Act,* to identify the various elevator facilities and railway lines located within Western Canada. Essentially, this includes all facilities located in, and west of, a meridian that runs from Armstrong, Ontario, in the north, and to Thunder Bay, Ontario, in the south. Any elevator facility or railway line located east of this demarcation line are considered outside of Western Canada.

with two. These proportions were generally consistent with those observed in the GMP's base year.

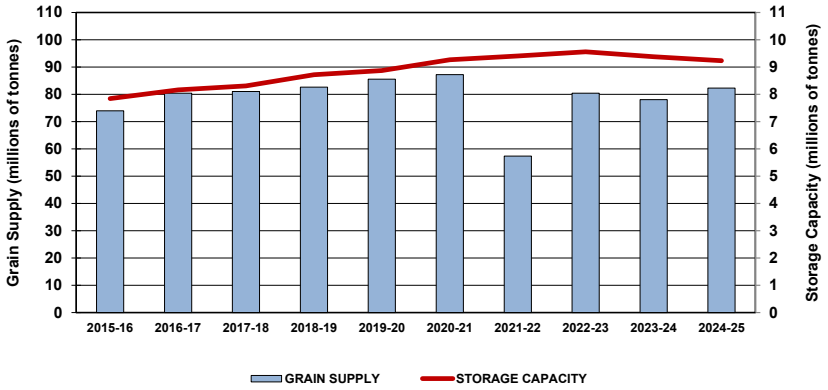
For comparative purposes, the GMP groups these elevator facilities into four major classes based on their railcar-loading capabilities: those with less than 25 car spots are designated as Class A facilities; those with 25-49 car spots, Class B; those with 50-99 car spots, Class C; and those with 100 or more car spots, Class D.[10] Much of the decline in elevators since the beginning of the GMP has centred on the closure of several hundred of the smaller, and iconic, wood-crib facilities that used to be found in virtually every Prairie town. Largely categorized as Class A and Class B elevators, their numbers have fallen by 569 and 136 respectively. The closure of these elevators effectively drove a 409-community reduction in the grain-delivery network itself, which by the end of the 2024-25 crop year encompassed 277 locations as compared to the 686 benchmarked at the beginning of the GMP's base year.

These smaller elevators became a casualty in the quest for efficiency as the grain-handling industry turned to high-throughput elevators capable of loading 50 or more railcars at a time. But even this expansion proved evolutionary, with the early Class C facilities ultimately giving way to their still larger Class D counterparts. From the peak of 111 elevators reached in the 2001-02 crop year, Class C facilities have been in a progressive decline, falling to just 31 in the crop year just ended. Only the largest high-throughput facilities – the licensed Class D elevators – have steadily increased in number, expanding to 185 from 38 in the base year. By the close of the 2024-25 crop year, these larger high-throughput facilities accounted for 46.7% of total system elevators and 78.0% of its storage capacity. Both shares stand significantly above their respective base-year values of 3.8% and 19.5%.

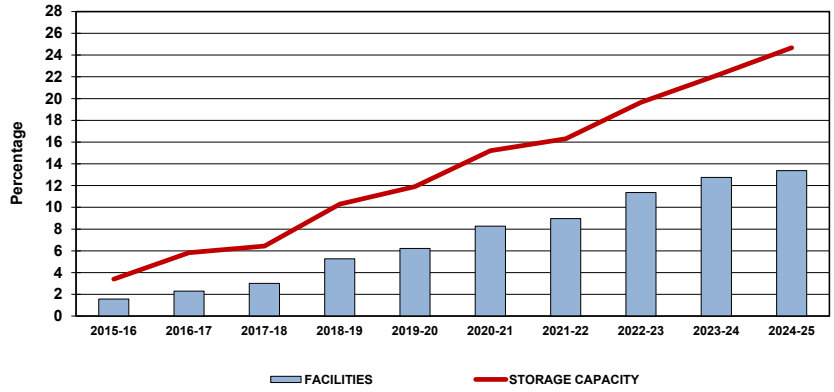
Since reaching a low of 366 facilities at the close of the 2010-11 crop year, the overall number of licensed elevators has increased by 8.2%, to the current 396. During this same period the network's storage capacity

10 The facility classes employed here mirror the thresholds delineated by Canada's major railways at the beginning of the GMP for the receipt of discounts on grain shipped in multiple-car blocks. At that time, these thresholds involved shipments of 25, 50 or 100 railcars.

Grain Supply and Country Elevator Storage Capacity



Loop-Track Elevators - Share of Facilities and Storage



ballooned over five times as much, by 45.0%. At the close of the 2024-25 crop year, the system's overall storage capacity stood at just over 9.2 million tonnes, down from the GMP record of almost 9.6 million tonnes reached two years earlier. Moreover, this embodied a 62.3% increase from the 5.7-million-tonne low reached under the GMP 21 years earlier. This expansion has largely kept pace with the growth in the grain supply itself, effectively adding handling capacity as needed.

Loop-Track Facilities

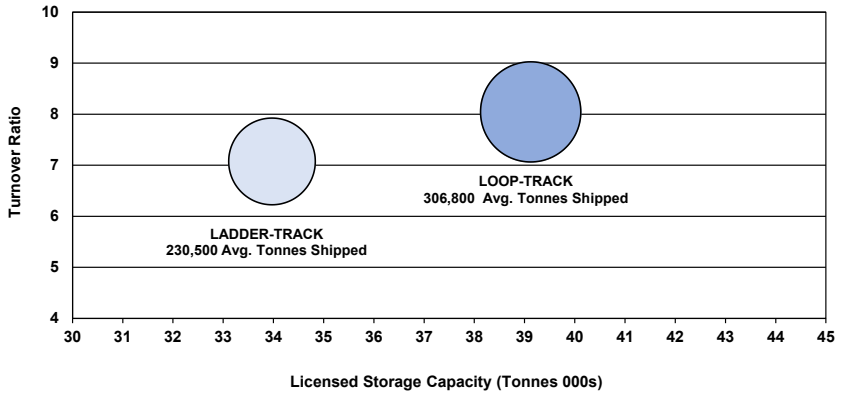
Much of the recent increase in elevators and storage capacity can be traced to the emergence of still more efficient Class-D facilities. Not only are these facilities larger than their forerunners, but many also feature loop tracks with standing capacity for up to 150 covered hopper cars (or about 8,500 feet in total length) that allows for faster grain loading and more efficient unit-train operations.[11] Similarly, some established facilities, erected using conventional railway ladder-track sidings, moved to add or extend them in order to accommodate equally longer trains. These facilities are proving to be as transformative as the early high-throughput elevators that preceded them, yielding a marked increase in productivity.

Pioneered in Canada by Paterson Grain over a decade ago, the concept has been embraced by most major grain handlers. In fact, virtually all new elevator construction undertaken in Western Canada since 2015 has incorporated a loop-track. Furthermore, several established ladder-track facilities have also been retrofitted for loop-track operations. By the close of the 2024-25 crop year, 53 loop-track facilities with almost 2.3 million tonnes of storage capacity had been established, with two having come online in the preceding twelve months. Loop-track facilities now account for 13.4% of total system elevators and 24.7% of its storage capacity.

A comparison of elevator data from the 2024-25 crop year revealed that an average loop-track-equipped facility had over 15% more storage capacity than a ladder-track peer, 39,100 tonnes versus 34,000 tonnes respectively. Yet a loop-track facility also turned its storage capacity over nearly 14%

High-throughput elevators equiped with loop tracks, such as the Paterson Grain elevator situated at Bowden, Alberta, and shown here, have been instrumental in improving the efficiency with which grain moves through the GHTS in the past decade. Fifty-three such facilities can now be found across the Prairies. (Image courtesy of Paterson Global Foods)

Class D Elevators - Comparative Annual Performance
(Facility Averages - 2024-25 Crop Year)



11 Covered hopper cars vary in physical capacity and length. Actual standing capacity depends on the type of equipment employed. The 150 cars cited here reflects an estimate based on the newest generation of 56-foot-long hopper cars.

more, originating about 33% more in annual grain shipments; 306,800 tonnes compared to 230,500 tonnes. These metrics hint at the economies-of-scale that can be realized through the adoption of such facilities.

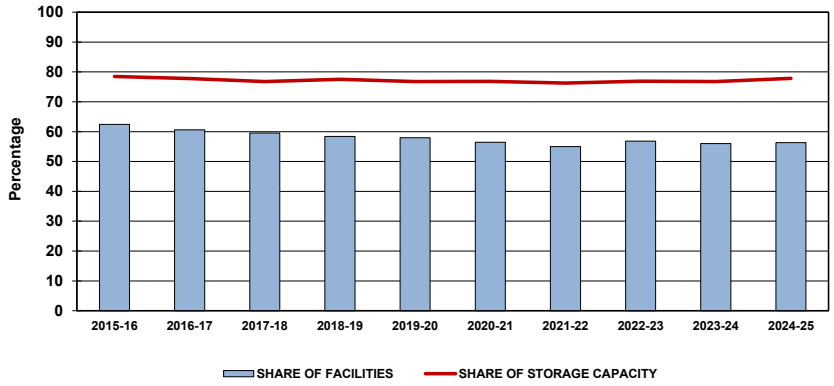
While loop-track facilities present shippers with the potential to improve efficiency and reduce costs, its realization remains contingent on the provision of consistent and reliable railway service. And although loop-track facilities appear to enjoy a near 25% advantage in car-cycle times over comparative ladder-track elevators, the grain industry remains concerned with railway practices, such as the breaking up of unit trains and dispersing of individual railcars to other trains, that often interfere with the shipper's planned flow of grain into, and through, its export terminals. As the delays associated with such practices are often measured in days, their downstream effects frequently lead to slower terminal processing, postponed ship loadings, lengthier stays of vessels in port, and more burdensome demurrage costs.

Corporate Ownership

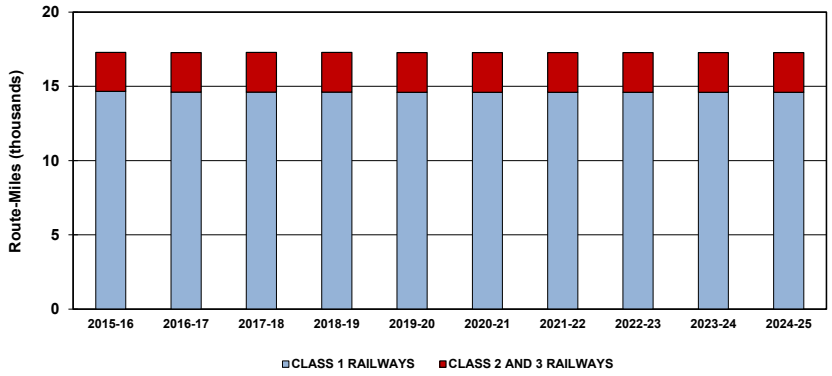
The 396 facilities comprising the country-elevator network are licensed by dozens of separate companies. Yet much of Western Canada's grain-handling assets are controlled by just seven companies. Chief among them are such established names as Cargill Limited, Parrish & Heimbecker Limited, Paterson Grain, Richardson International, and Viterra Inc. But their ranks have also increased with the emergence of newer market entrants, including G3 Canada Limited and GrainsConnect Canada. Together, these larger entities have driven much of the industry's modernization efforts, who collectively oversee the operation of 56.3% of its facilities and 77.8% of its associated storage capacity.

Despite this dominance, non-major grain handlers remain, with many specializing in the handling of pulses and special crops. These include firms like AGT Foods and Ingredients, Ceres Global Ag, Providence Grain Group and Scoular Canada, which, along with other players, jointly operate 43.7% of the GHTS's licensed facilities but only 22.2% of its associated storage capacity.

Largest Grain Companies - Facilities and Storage Capacity
(Western Canada)



Railway Infrastructure - Route-Miles Operated
(Western Canada)



RAILWAY INFRASTRUCTURE
[See TABLES 3B-1 through 3B-3]

Changes to the GHTS's railway infrastructure have been substantially less than that of the country-elevator network. This is chiefly because elevator closures generally precede any railway rationalization that is likely to ensue. Moreover, given the geographic scope of the railway network and the broad mix of the traffic it generates, railway rationalization seldom mimics that of grain elevators alone. In fact, since the beginning of the GMP, the railway network has contracted only one-fifth as much as the country elevator network itself, shedding 2,202.5 route-miles, or 11.3%, of the 19,468.2 route-miles benchmarked in the base year. More importantly, this decline has all but ceased in the face of comparatively marginal changes in the elevator network it supports. Such was again the case in the 2024-25 crop year, with no changes recorded for a sixth consecutive year, and the railway network left unaltered at 17,265.7 route-miles.

To date, over three-quarters of the network reduction has been tied to the discontinuance of some 1,717.7 route-miles of light-density, grain-dependent branch lines.[12] Other changes in the composition of the railway network came from the transfer of various branch lines to smaller shortline railways, although none were recorded in the last twelve months. At the close of the 2024-25 crop year Class-1 carriers operated 84.5%, or 14,596.1 route-miles, while the smaller Class-2 and 3 carriers operated the remaining 15.5%, or 2,669.6 route-miles.[13]

More relevant than the physical scope of the railway network itself is its capacity. Although seemingly simple, a railway's capacity is defined by the complexities inherent in operating over its network. This involves not only the physical constraints imposed by the infrastructure itself (be it in the form of single- or multi-track routes, overall distances, the number of passing sidings, rail yards, etc.) but the deployment of above-rail assets (locomotives and rolling stock), train crews, allowable track speeds, and traffic-control systems.

An aerial view of CN's Chappell Yard, situated on the outskirts of Saskatoon, Saskatchewan, showing a heavy mix of inbound and outbound traffic. The facility, which sits astride the carrier's mainline through the Prairies, is an important hub for railway operations within the province. This bustling railway yard handles a diverse mix of commodities beyond grain alone, and facilitates its movement to both eastern and western destinations. Maintaining the efficient flow of traffic through such yards is critical to providing consistent and reliable railway service. (Image courtesy of Quintin Soloviev)

Railway service is contingent on capacity, which reflects the dynamic interaction of these same determinants. Moreover, the need for capacity has grown alongside railway traffic volumes which, over the course of the

12 The term "grain-dependent branch line", while largely self-explanatory, denotes a legal designation under the *Canada Transportation Act*. Since the Act has application to federally regulated railways only, grain-dependent branch lines transferred to provincially regulated carriers lose their federal designation. This can lead to substantive differences between what might be considered the physical, and the legally designated, grain-dependent branch line networks. For comparison purposes only, the term has been affixed to those railway lines so designated under Schedule I of the *Canada Transportation Act (1996)* regardless of any subsequent change in ownership or legal designation.

13 The classes used here to group railways are based on industry convention: Class 1 denotes major carriers such as the Canadian National Railway or Canadian Pacific Kansas City; Class 2, regional railways such as the former BC Rail; and Class 3, shortline entities such as the Great Western Railway.

last quarter century, has risen by roughly 50%.[14] The pressure brought to bear on the railway system, along with expected future demands, continues to point to a greater need for capacity if network fluidity is to be maintained. This same need was identified in the Final Report of The National Supply Chain Task Force, released in October 2022, which called for urgent action to create supply chains that are more resilient and efficient.

Among the most critical vulnerabilities for the GHTS involve access to west coast ports, especially Vancouver. In recent years this access has been impeded by catastrophic wildfires, washouts and flooding in the Fraser River Canyon; conflicting marine and railway movements through the Second Narrows; congestion within the greater Vancouver area; as well as the limitations tied to aging infrastructure such as the New Westminster Rail Bridge.

To be sure, both CN and CPKC have continued to invest heavily in new plant and equipment. But in crowded urban settings like Vancouver, established pinch points, such as CN's Thornton Tunnel and Second Narrows Bridge, have become increasingly problematic in conducting grain and non-grain traffic to and from terminals on the North Shore. This became an even greater issue following G3 Terminal Vancouver's opening in July 2020. With projected increases occasioned by other expansions (most notably that of Neptune Terminals to accommodate additional coal and potash movements), it is widely estimated that total volumes on this already congested route segment will continue to climb, possibly to as much as 65 million tonnes annually by 2027.

Congestion also impedes rail service to the terminals situated on Burrard Inlet's south shore. This is complicated by the fact that access to the grain and container terminals located there is shared with scheduled commuter trains which, owing to their frequency, severely constrict the windows for both industrial switching and freight train movements. Adding capacity to alleviate these bottlenecks is neither easy, immediate nor inexpensive.

A new covered-hopper car is seen at the National Steel Car facility in Hamilton, Ontario, following its construction in 2019. This was but one of the first in a combined multi-year acquisition of some 11,900 higher-capacity railcars by CN and CPKC, which were intended to replace the aging fleet of cylindrical hoppers cars that had been supplied by the Government of Canada for the movement of Western Canadian grain. (Image courtesy of National Steel Car)

Recognizing that congested trade routes have hampered Canadian export activity, various public and private sector stakeholders have moved to at least partially address the need for additional investment in railway infrastructure. These investments involve building a variety of new roads, grade separations, bridges, and railway sidings. Although such efforts will help tackle some of the GHTS's more immediate infrastructure needs, they do not fully address the longer-term need for increased railway carrying capacity. This is largely because investment has tended to lag, rather than anticipate, future infrastructure needs.

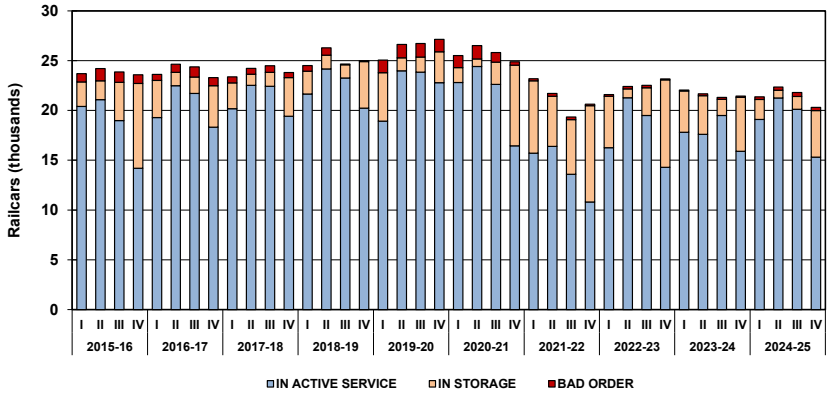
14 The handling needs of the GHTS have figured equally within this broader increase. Source: Statistics Canada.

Covered Hopper Car Fleet

The GHTS's handling capacity is heavily influenced by the number of covered hopper cars employed by the railways in moving grain. The size of the fleet arrayed varies with prevailing market conditions, expanding and contracting with changes in traffic volume. The 2024-25 crop year saw a marginal 0.8% decrease in the size of the deployed fleet, which fell to an average of 21,447 hopper cars from the 21,628-car average posted a year earlier. The deployed fleet also stood about 19% below the 26,381-car peak recorded in the 2019-20 crop year.[15] Part of this reduction is attributable to a near 15% gain in the carrying capacity of the new hopper cars that both CN and CPKC began acquiring in 2018, which allows for an analogous cutback in the number of government hoppers they have almost completely replaced.

At any given moment in time, the equipment used for this purpose is categorized in one of three ways: as being in active service moving grain; in storage awaiting later use; or "bad order" (i.e., removed from active service for repair). Typically, the proportion assigned to active service rises to meet peak demand, usually reaching a zenith sometime in the fall or early winter. Buoyed by a lesser number of hopper cars held in storage, the proportion of the reported fleet in active service rose to an average of 88.3% for the 2024-25 crop year, up from the 81.6% posted a year earlier. This served to lift the size of the active fleet by 7.3%, to an average of 18,941 cars from 17,648 cars a year earlier.

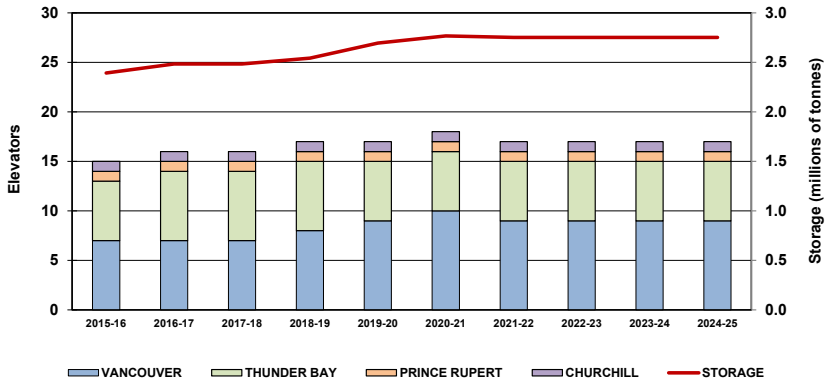
Covered Hopper Cars - Number and Status



TERMINAL ELEVATOR INFRASTRUCTURE
[See TABLE 3C-1]

At the outset of the 1999-2000 crop year, there were 14 licensed terminal elevators operating in Western Canada. This network comprised facilities located in the traditional grain-handling ports of Thunder Bay and Vancouver, with outlying terminals at Churchill and Prince Rupert. At the close of the 2024-25 crop year, this network encompassed 17 facilities, a

Terminal Elevators - Location and Storage Capacity
(Western Canada)



15 The fleet information supplied by the railways is believed to exclude many of the privately-owned or leased cars supplied by the grain companies themselves. The actual number of cars in grain service is, therefore, believed to be understated.

gain of 21.4% over those counted in the base year. The associated storage capacity also increased during this period, albeit by a lesser 8.2%, to almost 2.8 million tonnes from 2.6 million tonnes. But these shifts are modest in comparison to the broader changes brought about over the last half century, much of which related to establishing the grain supply chains needed to support Canada's growing trade with Asian countries.

Thunder Bay, whose commercial activities had largely been focused on serving European grain markets, had long been home to the majority of the GHTS's terminal-elevators. However, as the focus of Canada's grain trade gravitated towards the Pacific Rim, Thunder Bay's role progressively diminished. With this decline in grain volume, several terminals closed their doors. While most of these closures came before 2000, a few have also occurred under the GMP. By the close of the 2024-25 crop year Thunder Bay laid claim to just six facilities and more than 1.1 million tonnes of licensed storage capacity, giving it system shares of 35.3% and 41.0% respectively. Both values are down from the 50.0% shares benchmarked two-and-a-half decades earlier.

With the GHTS's increasing focus on serving Asian markets, the demand for additional handling capacity at Canada's West Coast ports grew correspondingly. Vancouver saw much of the ensuing investment in new capacity, which largely started with an 81,720-tonne expansion of the Richardson International terminal in North Vancouver in 2016. This was followed by major upgrades to the ship-loading galleries at Viterra's Pacific Terminal and the Alliance Grain Terminal, and a significant enhancement of the Fibreco Export facility to permit handling of other commodities, including agricultural products. More noteworthy still was the opening of G3 Canada's new 183,000-tonne loop-track terminal in North Vancouver in 2020, followed a year later by the opening of the 72,000-tonne Fraser Grain Terminal.[16]

Given the completion of these projects, the terminal elevator infrastructure at the port of Vancouver has remained largely unaltered. At the close of the 2024-25 crop year this encompassed nine licensed facilities with almost 1.3 million tonnes of storage capacity, giving the port system shares of 52.9% and 46.3% respectively.

16 The Fraser Grain Terminal replaced a 15,000-tonne Parrish & Heimbecker facility, which was built by Parrish & Heimbecker Limited in partnership with GrainsConnect Canada.

Section 4: Commercial Relations

Indicator Description	Table	1999-00	2022-23	2023-24	2024-25 Q1	Q2	Q3	Q4	YTD	% VAR
Trucking Rates										
Composite Freight Rate Index – Short-haul Trucking	4A-1	100.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Country Elevators Handling Charges										
Composite Rate Index – Receiving, Elevating and Loading Out	4B-1	100.0	138.0	139.5	139.5	139.5	139.5	137.7	137.7	-1.3%
Composite Rate Index – Dockage	4B-1	100.0	144.0	147.2	147.2	147.2	147.2	146.4	146.4	-0.5%
Composite Rate Index – Storage	4B-1	100.0	259.1	265.2	265.2	265.2	265.2	261.8	261.8	-1.3%
Railway Freight Rates										
Composite Freight Rate Index – CN Vancouver	4C-1	100.0	153.2	171.2	233.8	233.8	191.4	182.3	182.3	6.5%
Composite Freight Rate Index – CPKC Vancouver	4C-1	100.0	170.9	178.8	234.9	237.1	201.3	193.0	193.0	8.0%
Composite Freight Rate Index – CN Prince Rupert	4C-1	100.0	132.7	145.9	201.3	201.3	163.8	155.7	155.7	6.7%
Composite Freight Rate Index – CN Thunder Bay	4C-1	100.0	152.8	164.8	221.1	221.1	182.8	172.4	172.4	4.7%
Composite Freight Rate Index – CPKC Thunder Bay	4C-1	100.0	158.3	175.3	214.7	214.7	187.4	179.3	179.3	2.3%
Effective Freight Rate ($ per tonne) – Maximum Revenue Entitlement	4C-3	n/a	$44.66	$47.72	n/a	n/a	n/a	n/a	$51.46	7.8%
Terminal Elevator Handling Charges										
Composite Rate Index – Receiving, Elevating and Loading Out	4D-1	100.0	171.4	184.0	184.0	184.0	184.0	184.0	184.0	0.0%
Composite Rate Index – Storage	4D-1	100.0	186.6	190.6	190.6	190.6	190.6	190.6	190.6	0.0%

DISCUSSION AND ANALYSIS

The movement of grain through the GHTS involves the use of various commercial services, defined by the specific needs of the supply chains employed to deliver that grain to the ultimate buyer. Common to all are the merchandising activities that dictate its physical distribution, including elevator and terminal handling, as well as railway transportation. All these activities bear costs that ultimately impact the financial return to producers. The GMP routinely tracks the change in these cost elements over time.

A local grain producer makes a delivery at the former Louis Dreyfus elevator in Lyalta, Alberta, in September 2018. Such deliveries denote the initial step in the physical movement of grain off the farm and into the GHTS, to make its way through the grain supply chain and on to its ultimate purchaser. (Image courtesy of Sterling Gillette)

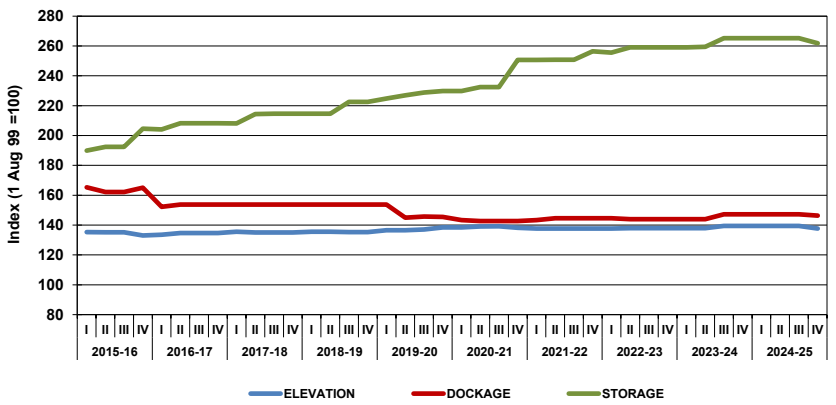
COUNTRY ELEVATOR HANDLING CHARGES
[See TABLE 4B-1]

Grain companies assess fees for a variety of elevator-handling activities, predominantly the receiving, elevating and loading out of grain. These are accompanied by additional charges for the removal of dockage (cleaning) and storage, all of which differ according to the activity, grain, province, and company involved. Given the multitude of tariff rates involved, the GMP necessarily uses a composite index to track the change in these rates, which have moved generally higher, albeit by widely varying margins.

Once again, these handling charges saw little movement during the last crop year. Elevation rates, which averaged $16.53 per tonne at the close of the 2024-25 crop year, decreased by a modest 1.3% from the previous crop year's $16.74-per-tonne year-end average. This lowered the composite price index to 137.7 from 139.5.

Dockage fees, which amounted to a lesser $6.78 per tonne at the close of the crop year, fell by a marginal 0.5%, with the index value declining to 146.4 from 147.2. Storage rates decreased by 1.3% to an average of just over $0.15 per tonne for each day held, which reduced the index value to 261.8 from 265.2.

Primary Elevator Handling Charges



RAILWAY FREIGHT RATES
[See TABLES 4C-1 through 4C-3]

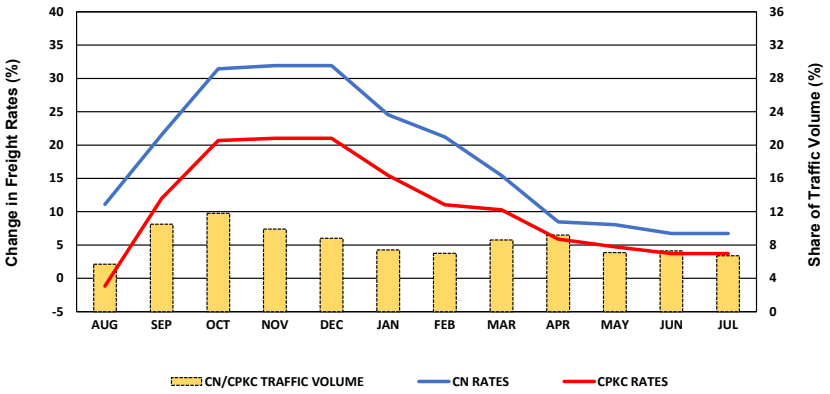
The single-car freight rates charged by the railways (CN and CPKC) for the movement of regulated grain have changed substantially since the beginning of the GMP, evolving from what were largely mileage-based per-tonne rates into a less rigidly structured set of more market-responsive per-car charges. Additionally, these per-car charges began to differentiate between commodities, size of railcar, destination, and the period in which the traffic was to move. As with country elevator handling charges, the myriad of applicable freight rates makes the tracking of price changes over time difficult. As a result, the GMP focuses only on changes in the single-car rates tied to the movement of wheat, deeming these to be reflective of general pricing action. Similarly, a composite price index is also used to track the longer-term change in rate levels.

The 2024-25 crop year again saw significant swings in these rates throughout the year, with both CN and CPKC increasing their single-car freight rates substantially in the first quarter, only to reverse them nearly completely in the last six months of the year. While compliant with the regulatory framework of the Maximum Revenue Entitlement, this marked the fourth consecutive crop year in which such extreme pricing gyrations had been observed, with most grain shippers claiming that the practice was proving commercially injurious.

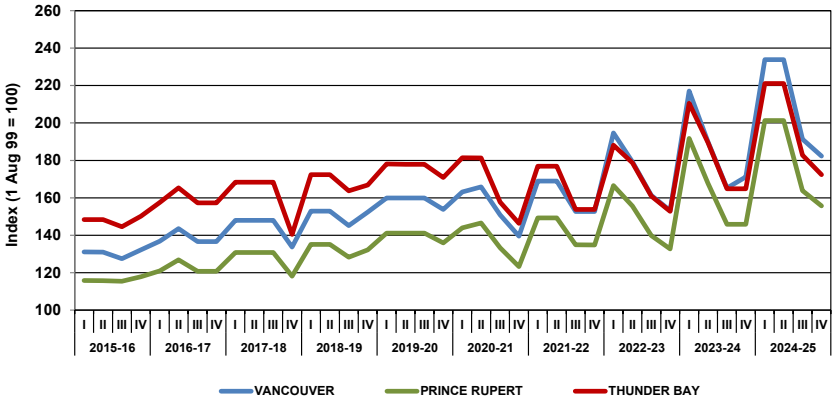
CN Pricing Actions

At the beginning of August 2024, CN marginally reduced its rates on westbound movements into Vancouver and Prince Rupert by almost 1.5%, while raising its eastbound rates on movements into Thunder Bay by about 2.3%. These were followed by an across-the-board increase of 25.0% in September, and then hikes of nearly 11.0% on westbound rates, and 5.0% on eastbound rates, in October. With the close of the first quarter, these pricing actions had effectively lifted CN's single-car rates by roughly 36.0%. These rates remained effectively unchanged through the second quarter, with reductions of almost 10.0% on westbound rates following in February 2025. Consecutive monthly reductions of anywhere from 5.0% to 10.0% were applied to all movements in each of the next three months. The compound effect of these actions were net increases of 6.5% on

Average Change in Railway Rates and Traffic Volume
(2021-22 through 2024-25 Crop Years)



CN Single-Car Freight Rates - Primary Corridors
(Western Canada Destinations)



movements into Vancouver; 6.7% for Prince Rupert; and 4.7% for Thunder Bay. The average per-tonne rate at year's end stood at $66.93 on westbound movements into Vancouver, $64.72 on those into Prince Rupert, and $55.74 on eastbound movements into Thunder Bay.

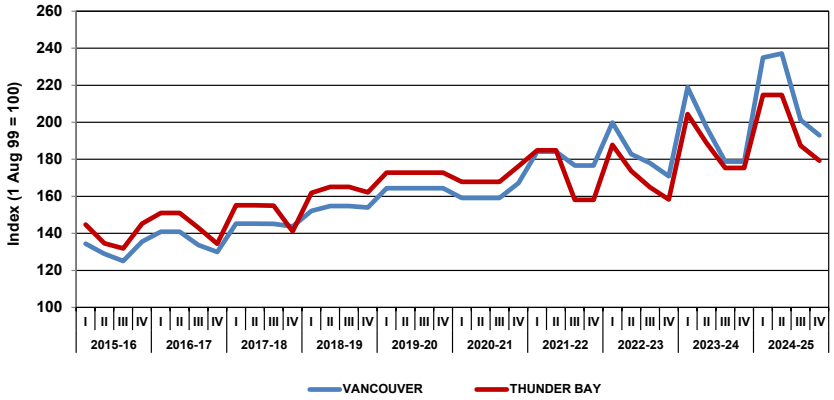
CPKC Pricing Actions

In comparison, CPKC initially reduced its rates with the start of the new crop year, cutting the preceding year-end rates by 4.7% on movements into Vancouver, and 8.4% on movements into Thunder Bay. This was followed in September 2024 with an across-the-board increase of nearly 27.0%. October brought a second round of escalations, with westbound rates lifted by 9.0%, and eastbound rates by a lesser 5.2%. With the close of the first quarter, these pricing actions had effectively lifted CPKC's single-car rates by about 31.4% in its Vancouver corridor, and by 22.5% in its Thunder Bay corridor. Apart from a further 1.0% increase in the carrier's Vancouver rates in November, these rates remained unchanged through the second quarter. Through May 2025, CPKC then advanced a series of irregular reductions, ranging anywhere from as much as 13.3% to as little as 2.0%. At year's end, the net effect was an 8.0% increase in CPKC's Vancouver rates, and a 2.3% increase in its Thunder Bay rates. The posted per-tonne average year-end rate in these corridors amounted to $70.95 on movements into Vancouver, and $53.97 on movements into Thunder Bay.

Grain Industry Concerns

Canada's grain companies bear significant business risks when contracting for the future movement of grain, from the volatility of commodity prices to supply-chain disruptions. In a commercial environment where grain deliveries can be spread out over several months, predictability is prized. In recent years, grain-handlers have grown increasingly concerned over what they perceive as the heightened uncertainty tied to railway pricing. As cited earlier, both CN and CPKC have lifted their freight rates substantially in the first quarter of the last four crop years, only to rollback a large portion of these increases in the latter half. Although the railways are required to provide 30-days notice on any rate increases, most grain companies found themselves already contractually locked into sales that failed to fully provide for the ensuing higher cost of moving grain to export position.

CPKC Single-Car Freight Rates - Primary Corridors
(Western Canada Destinations)



By way of example, a ship loading 54,000 tonnes of wheat in Vancouver requires the equivalent of about 550 railcars to be drawn out of the country. If this sale was contracted for November delivery under the railway freight rates existing at the beginning of August, an associated cost of $3.4 million for the railway movement would have been factored into the total contracted sales price. However, without a timely indication that these rates would be 30% higher at the time of delivery, the actual cost would come in closer to $4.4 million, or about $1.0 million more. This constitutes a major commercial penalty for grain handlers, and one that can only be compounded in sales contracts involving even larger movements. Accordingly, many within the industry argue that current railway practices necessitate the issuance of timelier rate-escalation notices.

Multiple-Car-Block Discounts

The discounting of single-car freight rates has been the principal mechanism employed by the railways to entice shippers into moving grain in larger quantities. Such discounting – widely known as multiple-car-block discounts – have evolved considerably since the beginning of the GMP. The first significant structural change in this evolution came over

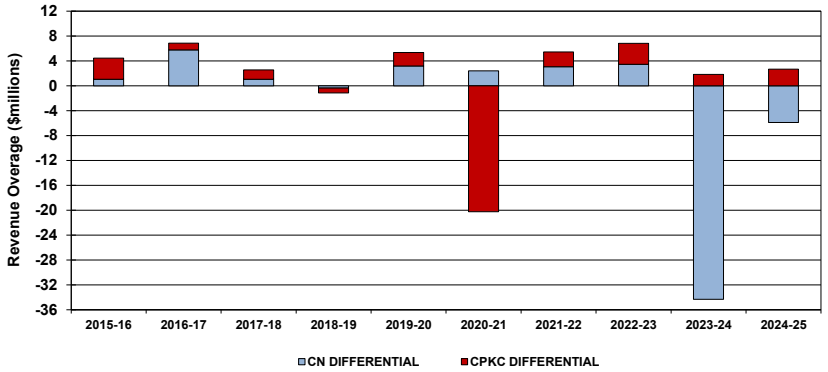
two decades ago when the discounts on movements in blocks of 50 or more cars were increased while those for smaller block movements were phased out. Together, these actions provided grain handlers with a powerful economic incentive to ship in trainload – or partial trainload – quantities.

The next important change came in the 2018-19 crop year, when CP withdrew the $4.00-per-tonne incentive that it had long been offering on movements in blocks of 56-111 cars. This left the carrier's $8.00-per-tonne discount for movements in blocks of 112 or more cars the only published incentive still being offered to grain shippers. In contrast, CN left its existing incentives unaltered, continuing to offer a $4.00-per-tonne discount on movements of 50-99 cars, and an $8.00-per-tonne discount on movements of 100 or more cars. However, the carrier also broadened its latter incentive to allow for as much as $2.50 per tonne in additional discounts if shippers also complied with certain "heavy-loading" criteria.[17]

The resultant disparities occasioned by these actions were narrowed at the outset of the 2019-20 crop year when CN eliminated its $4.00-per-tonne discount on movements of 50-99 cars, effectively matching the commercial step taken by CPKC a year earlier. At the same time, CPKC brought forward a $10.00-per-tonne discount for movements under its newly introduced High-Efficiency-Product train program, which built on the deeper discounts previously made available by CN to qualifying trainload shippers.[18] Once again, these discounts remained effectively unchanged through the 2024-25 crop year.

Taken altogether, the railways' incentive programs are now clearly aimed at realizing the fullest economic potential of unit train operations. And while these incentives work to the financial benefit of the largest and most modern grain-handling facilities, those incapable of moving grain in trainload lots have seemingly been put at a commercial disadvantage.

Maximum Revenue Entitlement - Carrier Compliance



However, such impediments have not yet precipitated a sizable reduction in the number of smaller elevators.

Maximum Revenue Entitlement

Under the federal government's Maximum Revenue Entitlement (MRE), established in 2000, the unadjusted revenues that CN and CPKC are entitled to earn from the movement of regulated grain are based on a legislated maximum of $348.0 million and $362.9 million respectively.[19] However, these limits, expressed in year-2000 dollars, are adjusted annually to reflect changes in volume, average length of haul, and inflation. Outside of the inflationary component, these adjustments are determined by the Canadian Transportation Agency (Agency) following a

17 In addition to meeting all basic tariff requirements, a shipper of 100 or more cars could also receive an additional $1.00 per tonne (approximate) under CN's "Heavy Loading Incentive" as well as another $1.50 per tonne under it's "Loop/Tangent Track Incentive."

18 CPKC's High-Efficiency-Product train program is built around the carrier's plan to operate trains to an 8,500-foot standard and takes advantage of the efficiency gains to be had by using the higher-capacity hopper cars it has purchased to increase trainloads by over 40%. When combined with the promise of faster and more efficient loop-track loading systems, these trains can help accelerate the flow of grain to market.

19 The regulated railway grain traffic referred to includes only that portion moving to a designated Western Canadian port in accordance with the provisions of the *Canada Transportation Act*. It does not include grain traffic originating in Western Canada and destined to locations outside these ports (denoted as Western Domestic), Eastern Canada or the United States of America.

detailed analysis of the traffic data submitted to it by CN and CPKC at the end of any given crop year.

The Volume-Related Composite Price Index (VRCPI), which provides for an inflationary adjustment to carrier revenues, is determined by the Agency in advance of each crop year. For the 2024-25 crop year, the Agency determined the value of the VRCPI to be 1.9401 for CN, and 1.8765 for CPKC. These values denoted an expected year-over-year cost increase of 5.6% for CN, and 6.5% for CPKC.[20] As a result, the MRE for CN and CPKC were set at $1,460.5 million and $1,064.3 million respectively.[21]

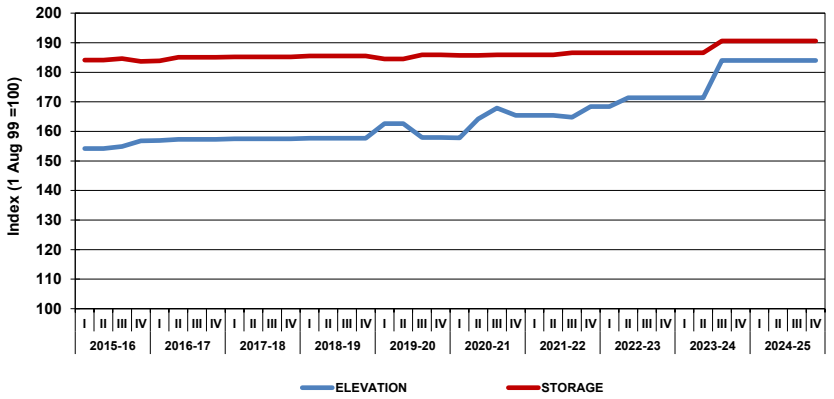
The Agency also determined that, for the 2024-25 crop year, the statutory revenues derived from the movement of regulated grain by CN totaled $1,454.6 million, and $1,066.9 million for CPKC. Accordingly, the Agency found that CN's revenues fell $5.9 million, or almost 0.4%, below its allowable maximum. Conversely, the Agency found that CPKC's revenues had missed its entitlement by an even narrower 0.2%, although they exceeded that allowed by almost $2.7 million.[22]

TERMINAL ELEVATOR HANDLING CHARGES
[See TABLE 4D-1]

Terminal-elevator revenues are largely derived from the charges levied for the receiving, elevating and loading out of grain. These are accompanied by additional charges for storage, all of which differ according to the activity, grain, province, and company involved. As with other price-related measures, the myriad of applicable tariff rates naturally lends itself to the use of composite indexes in gauging price movement over time.

The 2024-25 crop year saw no change to these rates. The rates for elevation, which averaged $16.78 per tonne at the close of the crop year, remained unchanged from the previous crop year. This left the composite price index unaltered at 184.0.

Terminal Elevator Handling Charges



The daily charge for storage also remained unchanged in the 2024-25 crop year. The year-end average stood at just over $0.12 per tonne with the associated composite price index remaining at 190.6.

COMMERCIAL DEVELOPMENTS

Supply chains challenged by labour strife:

In a determination handed down on 9 August 2024, the Canada Industrial Relations Board (CIRB) found that a shutdown of Canada's two major railways would not present a threat to public health and safety. This decision came after months of unproductive contract negotiations between the Canadian National Railway Company (CN), Canadian Pacific Kansas City Ltd. (CPKC), and the Teamsters Canada Rail Conference (TCRC), which represented about 9,300 of their train and yard employees. The decision cleared the way for a potential simultaneous suspension of

20 The Volume-Related Composite Price Index (VRCPI), which had been expressed as a single value applicable to both CN and CPKC, was re-established as separate values by amendment to the *Canada Transportation Act* in 2018.

21 See Canadian Transportation Agency Determination R-2025-214 dated 17 December 2025.

22 Excess revenues, along with applicable penalties, are payable by the carrier to the Western Grains Research Foundation.

railway service by both carriers, which many observers feared could potentially become the most costly and disruptive strike in Canadian labour history.

In the face of a renewed threat to initiate strike action, both CN and CPKC moved to lock out its TCRC employees effective 22 August 2024 and began an orderly shutdown of their networks. However, within hours of the lockout and shutdown taking effect, the federal labour minister announced that he had asked the CIRB to issue a back-to-work order, begin a binding arbitration process, and extend the terms of the current labour agreements until new ones were reached. Although short in duration, the work stoppage affected the railway movement of freight and passengers well into September 2024. Yet this labour action would not stand alone in threatening Canada's various supply chains. Among others were:

- A strike by some 600 employees of six Vancouver grain terminals, represented by Grain Workers Union Local 333, that interrupted the daily movement of some 100,000 tonnes of grain through the port when they walked off the job on 24 September 2024. The action came after contract talks with the Vancouver Terminal Elevators Association had stalled. Fortunately, the action had limited effect, with management quickly stepping in to replace striking workers until a tentative agreement was reached just four days later.

- The increasing likelihood of strike action by dock foremen represented by the International Longshore and Warehouse Union Local 514 (ILWU-514), which had been in protracted negotiations with the BC Maritime Employers Association (BCMEA) since November 2022, and fraught with conduct repeatedly deemed unlawful by the CIRB. The issuance of a 72-hour strike notice by ILWU-514 on 31 October 2024 was met by the BCMEA's planned lockout of more than 700 employees beginning 4 November 2024, setting the stage for a potentially significant disruption to marine movements (excluding bulk grain) through the Port of Vancouver.

- A series of work stoppages at the Port of Montreal which targeted Termont's Viau and Maisonneuve container terminals. The stoppages, which began with a three-day outage on 30 September 2024 stemmed from the rejection by the Canadian Union of Public Employees Local 375 of the most recent offer put forward by the Maritime Employers Association (MEA). The ongoing dispute, which remained deadlocked over wages, scheduling, and a better work-life balance, soon widened to include an indefinite refusal to work overtime. Although negotiations resumed with the help of federal mediation, little progress was reported, which prompted a new round of stoppages along with a full-fledged strike beginning on 31 October 2024. The MEA responded with a lockout one week later. With up to 40% of the containers passing through the port being handled by the Termont terminals, there was growing concern over the adverse impact a prolonged strike could have on the Canadian economy.

Locked-out railway workers are seen picketing in Montreal on the first day of a nationwide stoppage of railway service that began on 22 August 2024. (Image courtesy of Canadian Press)

These latter concerns were ultimately defused in early November 2024 when the federal labour minister interceded to resolve the disputes at Canada's two largest ports, again instructing the CIRB to order an end to the strikes and pursue an arbitrated settlement.

Fort Frances rail bridge collapses:

On 14 August 2024 the Five-Mile Bridge, a railway lift bridge situated just east of Fort Frances ON, collapsed. The bridge, which dated from 1908, extended nearly 550 feet in total length, and was employed primarily by CN to move traffic between Western Canada and the Port of Thunder Bay. CN reportedly moves about 45,000 carloads of traffic annually to the port, which makes the route a valuable element in the supply chain for a variety of Canadian resources, especially grain. Beyond severing the carrier's connection to the port, the incident also fouled the free movement of marine traffic on Rainy Lake itself. The bridge remained closed until mid-September while emergency repairs were made. However, complete repairs and a full restoration of functionality was not expected until the spring of 2025. The outage effectively curtailed CN movements in the corridor for about a month, with much of the port's grain traffic having been either delayed or redirected over CPKC.

AGT sells grain-handling assets:

On 20 November 2024 Regina-based AGT Foods and Ingredients Inc. announced its planned sale of all shortline railway and bulk-handling assets to GCM Grosvenor, a Chicago-based asset management firm. Although financial details were not disclosed, the sale includes MobilGrain, Last Mountain Rail, Big Sky Rail, MobilEx Terminal Ltd. in Thunder Bay and Intermobil, its intermodal terminal in Regina, as well as its various grain-handling facilities in Saskatchewan. The sale included a 20-year agreement that would allow AGT to continue using the infrastructure.

FCL shelves renewable diesel, canola crush projects:

On 23 January 2025 Federated Co-operatives Ltd. (FCL) announced that it had decided not to proceed with its planned Integrated Agriculture Complex at Regina, saying that the two main projects within the complex had been "paused." The company cited regulatory and political uncertainty, potential shifts in low-carbon public policy, and escalating costs as its underlying rationale. The FCL decision marks yet another postponement in the flurry of canola-crushing investment projects that had been announced in recent years, with the expansion of the Richardson International facility at Yorkton, Saskatchewan, being the only one to have been completed within the timeframe originally advanced.

Canadian trade threatened by US tariffs:

Amid ongoing confusion as to the scope and timing of the United States' threat to impose tariffs on virtually all imports into the country, Canadian grain farmers were bracing for significant economic hardship. Much of the immediate concern dissipated in early March 2025 when, although a 25% tariff was levied on many Canadian imports, grain and grain products were exempted under the Canada-United States-Mexico Agreement (CUSMA). Nevertheless, the prospects of expanding trade wars were taking their toll on global markets, with many countries – including Canada – looking to insulate themselves against the onslaught of US protectionism. For the Canadian grain sector, this meant finding alternatives to an American market worth some $17 billion annually.

Canola farmers brace for Chinese tariffs:

On 8 March 2025 China's commerce ministry announced it would apply a 100% tariff on Canadian canola oil, canola meal and pea imports, and a 25% duty on Canadian aquatic products and pork. The tariffs, which were to go into effect on 20 March 2025 were being imposed in retaliation for Canadian tariffs on Chinese electric vehicles, along with steel and aluminum products, introduced in October 2024. The announcement opened a new front in Canada's trade woes, with the first blows having already come from the opening of a trade war with the United States a month earlier. Although canola seed exports were initially unaffected, many in the grain industry remained concerned with the potentially devastating impact these tariffs could have on canola producers as they prepared for spring seeding. Moreover, the potential for further retaliatory action by the Chinese government remained, with their previously announced one-year investigation into the alleged dumping of canola seed by Canada leading to the imposition of a preliminary 75.8% anti-dumping duty in August 2025. With more than half of the canola seed exported by Canada making its way to China, the world's largest oilseed importer, many stakeholders feared that the industry could be decimated.

Canola oil fails to qualify for US tax credit:

The threats to Canada's canola markets did not end with the imposition of tariffs alone. In January 2025 the US Treasury Department revealed that canola-based biofuel would not qualify for the critical Clean Fuels Production Credit, more commonly known as the 45Z tax credit. This was because canola's carbon intensity scores were found to be above the 50-kilogram threshold for carbon dioxide emissions per one million British Thermal Units. The finding came much to the dismay of Canada's canola crushers since 70% of their production is consumed in the US, and canola oil exports had been building due to the exploding demand for biofuels. But the economics of using canola oil in US renewable fuel production would largely be lost alongside the 45Z credit. Canada's canola sector was reportedly working with the US Canola Association to convince US regulators to give canola oil a better carbon intensity score before releasing the final guidelines later in 2025.

Further support for the Port of Churchill:

On 21 March 2025 the Government of Canada announced a further investment of $175 million over five years to support the operations and maintenance of the Hudson Bay Railway (HBR) and to advance pre-development work at the Port of Churchill. This announcement came on the heels of Manitoba's pledge of $36 million in additional funding six weeks earlier. The HBR along with the Port of Churchill are owned by Arctic Gateway Group, a partnership of 29 First Nations and 12 northern communities. These assets are deemed vital to economic development, community connectivity, and Indigenous reconciliation in northern Manitoba, and to the support of supply chains to remote regions, including Nunavut. Building on this, the Port of Churchill seized the opportunity to begin promoting itself more vigorously as a vital trade and transportation corridor through Canada's North. In addition to rebuilding previously damaged segments of the HBR, the Port would oversee the construction of new storage facilities for critical minerals. Citing the growing notice being given to it by various mining, agriculture, and energy interests, Churchill was attempting to leverage its long-unrealized potential as a superior routing option between the Prairies and international markets.

A view of the Viterra grain elevator located in Lethbridge, Alberta, one of many Canadian facilities acquired by Bunge Limited through a merger of the two companies. (Image courtesy of The Western Producer)

Viterra-Bunge merger closed:

On 2 July 2025 international agribusiness Bunge Global announced that it had officially closed a planned merger with Glencore-backed Viterra Limited, two years after unveiling the intended US$34 billion transaction. Bunge and Viterra had announced their intention to merge the companies in June 2023, subject to all regulatory approvals. The last of these hurdles was cleared in mid-June when China formally gave its consent to the deal. The merger, which creates a grain giant on par with Cargill and Archer Daniels Midland, had raised concerns about the possible effects of further market consolidation amongst grain handlers at large. The proposed transaction would combine two of the most significant grain companies operating in Canada, with Bunge owning the most oilseed crushing facilities (five) and Viterra the most grain elevators (65).

In part, this led Canada's Competition Bureau to find that the merger was likely to result in substantial anti-competitive effects, and a significant loss of rivalry between the two companies. It also determined that the transaction was likely to harm competition in markets for grain purchasing in Western Canada, as well as for the sale of canola oil in Eastern Canada. Bunge and Viterra both disputed these claims, arguing that the merged entity, which will continue under the Bunge brand, would be better positioned to connect the world's largest grain producing and consuming regions. Canada had approved the merger in mid-January, imposing conditions that required Bunge to divest itself of six Viterra grain elevators located in Western Canada, invest at least C$520 million in Canada within the next five years, and respect strict controls over the exercising of Bunge's minority stake in G3 Global Holdings.

P&H acquires eastern terminal:

On 1 May 2025 Parrish & Heimbecker Limited (P&H) announced that it had acquired a deep-water marine export terminal located at the Port of Quebec, which had been operated by Sollio Agriculture since 2021. The acquisition was promoted as a significant step forward in P&H's ongoing efforts to strengthen its grain handling and transportation network. Along with the purchase came a new partnership with QSL International Ltd., which is aimed at supporting the terminal's integration within P&H's national supply chain.

Bartlett Grain acquires Ceres Global Ag:

Following approval by shareholders on 30 June 2025, Bartlett Grain Company announced that it had completed the acquisition of Ceres Global Ag Corp., a Minnesota-based company with agricultural, energy and industrial interests in both the US and Canada. Among these are two high-throughput elevators situated in Saskatchewan, including the 74,000-tonne loop-track facility located at Northgate, which opened in 2016. Ceres also owns Manitoba-based Delmar Commodities, which operates facilities in Gladstone, Roland, and Somerset. Bartlett Grain joined the Utah-based Savage family of companies in 2018, a diverse agribusiness focused on the acquisition, storage, transportation, processing and merchandising of grain, with nearly 200 locations across the US, Canada, Mexico and Saudi Arabia.

Section 5: System Efficiency and Performance

Indicator Description	Table	1999-00	2022-23	2023-24	2024-25 Q1	Q2	Q3	Q4	YTD	% VAR
Country Elevator Operations										
Average Elevator Capacity Turnover Ratio	5A-1	4.8	5.9	5.6	1.8	1.7	1.6	1.3	6.4	14.3%
Average Weekly Elevator Stock Level (000 tonnes)	5A-2	3,699.3	3,382.3	3,260.8	3,560.9	3,658.2	4,295.2	2,709.4	3,555.9	9.0%
Average Days-in-Store (days)	5A-3	41.7	24.2	24.4	22.9	23.2	27.8	20.4	23.7	-2.9%
Average Weekly Stock-to-Shipment Ratio – Grain	5A-4	6.2	3.4	3.4	3.0	3.3	4.1	2.8	3.3	-2.9%
Railway Operations										
Movements to Western Canada										
Railway Car Cycle (days) – Empty Movement	5B-1	10.7	8.3	9.1	8.5	8.4	8.0	8.8	8.4	-7.8%
Railway Car Cycle (days) – Loaded Movement	5B-1	9.2	5.7	6.2	5.9	6.2	6.2	5.2	5.9	-5.9%
Railway Car Cycle (days) – Total Movement	5B-1	19.9	14.0	15.4	14.4	14.6	14.2	13.9	14.3	-7.0%
Railway Car Cycle (days) – Non-Special Crops	5B-2	19.3	13.7	15.1	14.0	14.3	14.0	13.8	14.1	-6.7%
Railway Car Cycle (days) – Special Crops	5B-3	25.8	17.5	19.2	16.8	18.1	17.5	18.7	17.4	-9.0%
Railway Loaded Transit Time (days)	5B-4	7.8	5.7	6.2	5.9	6.2	6.2	5.2	5.9	-5.9%
Movements to Eastern Canada										
Railway Car Cycle (days) – Empty Movement	5B-5	n/a	13.4	11.6	13.7	12.7	14.8	13.6	13.8	18.9%
Railway Car Cycle (days) – Loaded Movement	5B-5	n/a	10.9	10.1	10.6	10.0	11.3	11.2	10.8	6.4%
Railway Car Cycle (days) – Total Movement	5B-5	n/a	24.3	21.7	24.3	22.7	26.1	24.7	24.6	13.1%
Railway Loaded Transit Time (days)	5B-8	n/a	10.9	10.1	10.6	10.0	11.3	11.2	10.8	6.4%
Movements to the United States										
Railway Car Cycle (days) – Empty Movement	5B-9	n/a	15.8	16.5	16.0	14.2	17.1	15.7	15.7	-5.0%
Railway Car Cycle (days) – Loaded Movement	5B-9	n/a	10.3	10.4	9.3	10.5	12.5	10.3	10.7	3.5%
Railway Car Cycle (days) – Total Movement	5B-9	n/a	26.1	26.9	25.3	24.7	29.6	26.0	26.5	-1.7%
Railway Loaded Transit Time (days)	5B-12	n/a	10.3	10.4	9.3	10.5	12.5	10.3	10.7	3.5%
Traffic to Western Canada										
Hopper Car Grain Volumes (000 tonnes) – Non-Incentive	5B-13	12,718.7	7,263.5	6,657.1	2,116.7	1,860.1	1,742.1	1,409.0	7,127.9	7.1%
Hopper Car Grain Volumes (000 tonnes) – Incentive	5B-13	12,945.9	36,661.4	35,460.7	10,421.0	10,226.8	9,600.6	8,921.8	39,170.1	10.5%
Hopper Car Grain Volumes ($ millions) – Incentive Discount Value	5B-14	$31.1	$293.3	$283.7	$83.4	$81.8	$76.8	$71.4	$313.4	10.5%
Traffic Density (tonnes per route mile) – Total Network	5B-15	330.4	636.0	609.8	726.2	700.1	656.9	598.3	670.4	9.9%
Terminal Elevator Operations										
Average Terminal Elevator Capacity Turnover Ratio	5C-1	9.1	15.8	15.3	n/a	n/a	n/a	n/a	16.6	8.5%
Average Weekly Terminal Elevator Stock Level (000 tonnes)	5C-2	1,216.2	1,168.8	1,182.1	1,251.0	1,307.7	1,278.2	1,313.4	1,288.0	9.0%
Average Days-in-Store – Operating Season (days)	5C-3	18.6	11.2	12.3	10.9	10.5	11.1	12.0	11.5	-6.5%
Average Weekly Out-of-Car Time	5C-5	n/a	13.3%	14.3%	12.9%	12.1%	18.8%	9.7%	13.3%	-7.0%
Port Operations										
Average Vessel Time in Port (days)	5D-1	4.3	9.8	9.5	9.2	11.2	15.4	7.1	10.5	10.3%
Average Vessel Time in Port (days) – Waiting	5D-1	1.9	5.3	5.2	5.0	6.1	9.8	3.5	5.9	14.0%
Average Vessel Time in Port (days) – Loading	5D-1	2.4	4.5	4.3	4.2	5.1	5.6	3.6	4.6	6.0%
System Performance										
Total Time in Supply Chain (days)	5E-1	68.1	41.1	42.9	39.7	39.9	45.1	37.6	41.1	-4.2%

DISCUSSION AND ANALYSIS

Commercial measures of system efficiency and performance are intended to gauge how effectively resources are being employed to produce a particular good or service. Typically, these are aimed at reducing waste, lowering costs, and boosting productivity. They relate to the optimization of processes, leveraging of technology, and streamlining of workflows to do more with less, and enhance competitiveness. In the context of the GHTS, this involves assessing the operational performance of the various constituents within the overall grain supply chain.

COUNTRY ELEVATOR OPERATIONS
[See TABLES 5A-1 through 5A-4]

The combined effects of changes in primary elevator throughput and storage capacity are reflected in the system's capacity-turnover ratio, which rose by 14.3%, to 6.4 turns in the 2024-25 crop year from 5.6 turns a year earlier. Much of this increase reflected the 10.3% upsurge in primary elevator throughput, which as noted earlier, rose to 52.1 million tonnes from the previous year's 47.2 million tonnes. A 145,100-tonne reduction in the primary-elevator system's storage capacity helped in this lifting of the turnover ratio.

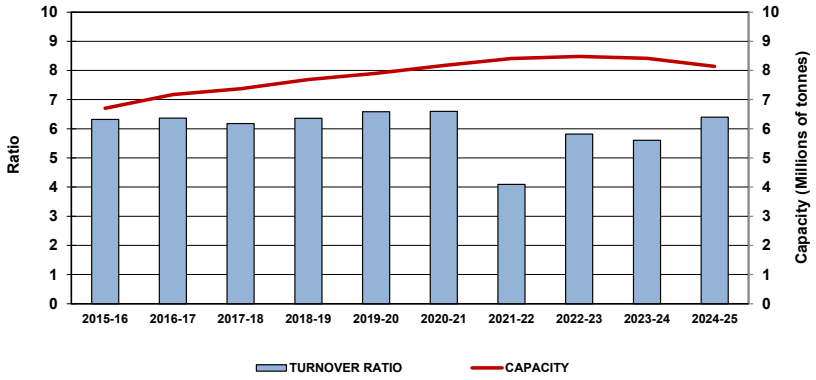
Elevator Inventories

In assessing the operational efficiency of the primary elevator system, the GMP also considers the amount of grain maintained in inventory. Beyond measuring stock levels alone, this examination also considers the amount of time grain spent in inventory, along with its ability to satisfy immediate market needs.

Notwithstanding periodic fluctuations, approximately half of the GHTS's primary elevator storage capacity is employed in maintaining its operational grain inventories. From the outset of the GMP primary elevator stocks seldom rose above the 3.0-million-tonne mark. It was not until the 2013-14 crop year that an allied expansion in storage capacity allowed primary elevator stocks to consistently rise above this threshold,

A string of next-generation covered-hopper cars is seen entering the load-out area of the new GrainsConnect facility located in Maymont, Saskatchewan, in 2018. The company was among the first to construct an all-new, state-of-the-art network to exploit the efficiencies inherent in moving unit trains of high-capacity railcars through the grain supply chain. (Image courtesy of GrainsConnect Canada)

Primary Elevator Capacity Turnover Ratio



facilitating the handling of ever larger harvests without congesting the system.

The 2024-25 crop year saw average primary elevator inventories approach 3.6 million tonnes, an increase of 9.0% over the previous crop year's 3.3-million-tonne average. These inventories effectively claimed 43.5% of the system's storage capacity, which had slipped to nearly 8.2 million tonnes by the close of the crop year.

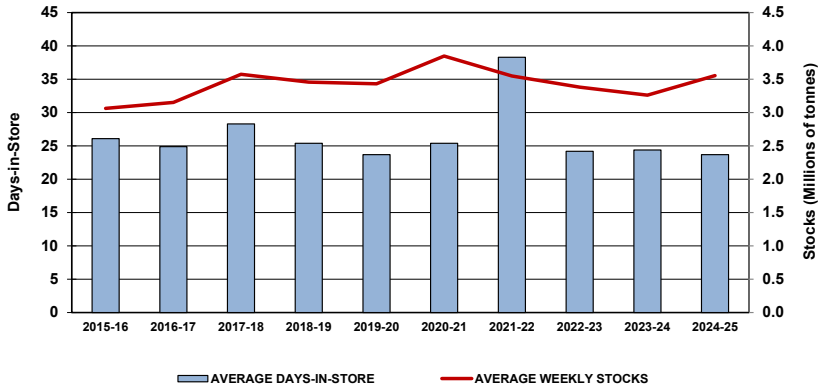
Days in Store

While stock levels have progressively risen, the amount of time spent by grain in inventory has declined. From a benchmark 41.7 days in the GMP's base year, the average has moved gradually lower, breaking through the 30-day mark about a decade later. Further reductions brought the average closer to 25 days. This decline simply reflected the faster pace at which grain was flowing through elevators to maintain fluidity. These needs eased significantly in the wake of the 2021-22 crop year's drought but returned with the 2022-23 crop year's larger harvest. As a result, grain began moving through the GHTS at a comparable pre-drought rate. The 2024-25 crop year saw little change in this, with the average days-in-store declining by 2.9%, to 23.7 days from 24.4 days.

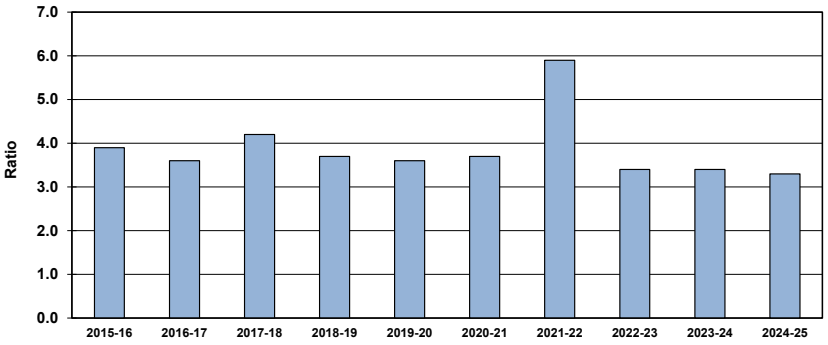
Stock-to-Shipment Ratios

The adequacy of country elevator inventories can be broadly gauged by comparing their level at the end of any given shipping week, with the truck and railway shipments that follow in the next seven days. Well over a decade ago, the average stock-to-shipment ratio typically hovered around a value of 4.5. In more recent years, however, the average ratio has repeatedly fallen below 4.0, suggesting that tighter inventories were being maintained in relation to the amount of grain needed for shipment in the coming week. Although this was largely reversed in the 2021-22 crop year owing to reduced throughput and slower rail service, tighter inventories returned alongside the following year's more plentiful harvest. This continued to be the norm in the 2024-25 crop year, with the average stock-to-shipment ratio of 3.3 falling 2.9% from the previous crop year's 3.4 value.

Primary Elevator Inventories



Primary Elevators - Stock-to-Shipment Ratio



RAILWAY OPERATIONS
[See TABLES 5B-1 through 5B-15]

The average amount of time taken by the railways in delivering a load of grain to its destination and then returning the empty railcar back to the prairies for reloading is embodied in the average car cycle. Since expansion of the GMP's measures in the 2014-15 crop year, car-cycle data are gathered on movements to Western Canada, Eastern Canada, and the United States.

Part A – Hopper-Car Movements to Western Canada
[See Tables 5B-1 through 5B-4]

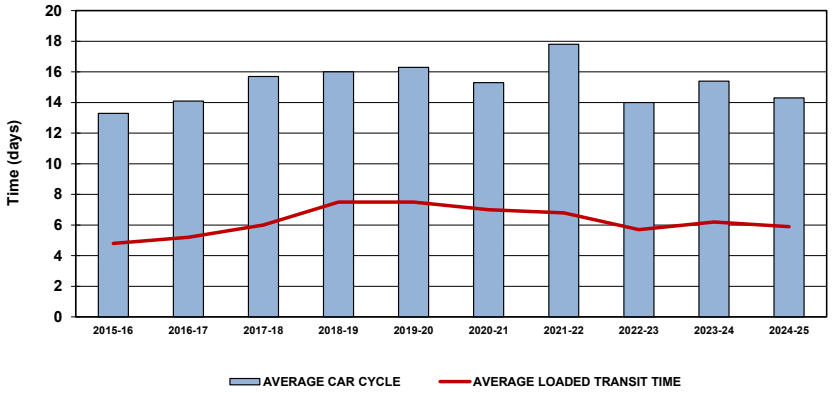
During the 2024-25 crop year the car cycle for shipments terminating within Western Canada averaged 14.3 days, a 7.0% decrease from the 15.4-day average recorded a year earlier. The reduction was driven by lower values in both westbound corridors, with the critical Vancouver average car cycle falling 8.1%, to 14.6 days from 15.9 days a year earlier. This was bolstered by a 3.2% decrease in the Prince Rupert average, which declined to 15.2 days from 15.6 days. A comparable decrease of 5.1% was noted in the Thunder Bay corridor, where the average fell to 12.7 days from 13.4 days.

Owing to the heavy weighting of non-special crops in the overall traffic mix, the car cycle for these commodities showed an analogous decrease, with the average falling 6.7%, to 14.1 days from 15.1 days a year earlier. The car cycle tied to special crops showed a similar betterment, declining by 9.0% to an average of 17.4 days from 19.2 days. The higher average for special crops still appears linked to the handling traits of these shipments, which tend to move in smaller numbers in merchandise-train service rather than in the unit-train lots more typical of non-special crops.

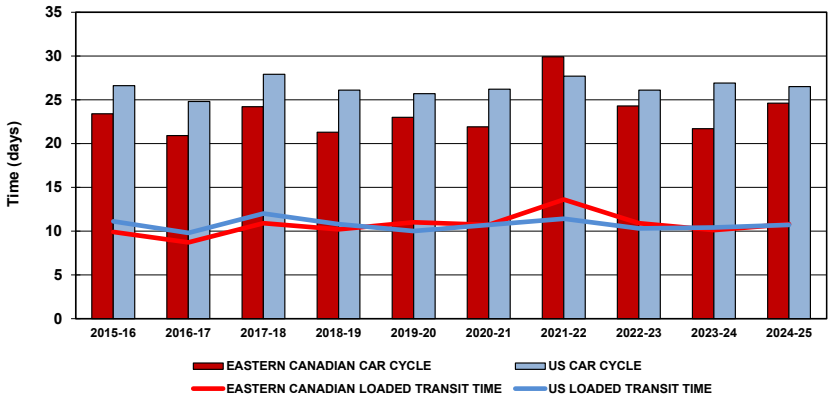
Loaded Transit Time

A key component in the railways' average car cycle is its average loaded-transit time. This measure focuses on the amount of time taken in moving grain from a country elevator to a port terminal for unloading. Changes in the average loaded-transit time tend to move in tandem with the overall car cycle. Such was again the case in the 2024-25 crop year, with the average loaded-transit time declining to 5.9 days from 6.2 days a year

Railway Car Cycles and Loaded Transit Times
(Western Canada)



Railway Car Cycles and Loaded Transit Times
(Eastern Canada and the United States)



earlier. This average stands about 20% below the high of 7.5 days reached six years earlier.

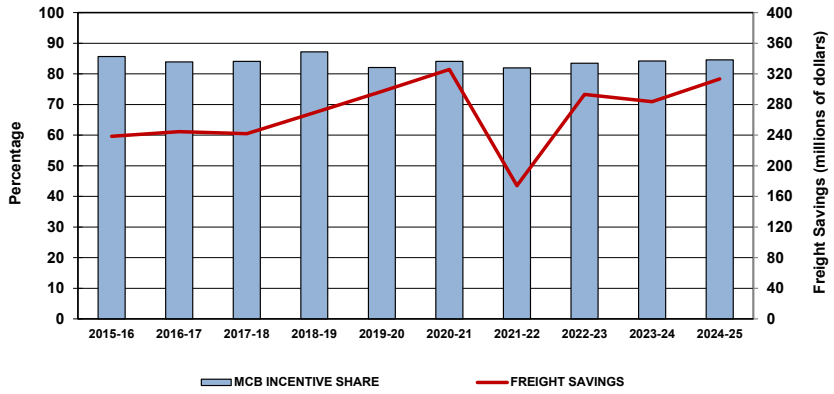
The irregularity in the underlying distribution, as gauged by the coefficient of variation, proved little different in the 2024-25 crop year, increasing to 36.6% from 34.5% a year earlier. Both values are not far removed from those observed in previous years, indicating that the amount of time taken in moving a loaded hopper car to a port in Western Canada remains inconsistent and somewhat unpredictable.

Part B – Hopper-Car Movements to Eastern Canada and the United States
[See Tables 5B-5 through 5B-12]

Parallel performance measures for grain shipments into Eastern Canada and the United States were added to GMP reporting in the 2014-15 crop year. Owing to the greater distances involved in reaching these markets, these data show noticeably higher averages than observed for Western Canadian destinations. In the case of movements into Eastern Canada, the car cycle increased 13.1% in the 2024-25 crop year, with the average rising to 24.6 days from 21.7 days a year earlier. This deterioration stood in contrast to the 1.7% decrease observed on movements into the United States, where the average car cycle fell to 26.5 days from 26.9 days. Despite these variances, it is worth noting that the average car cycle into Eastern Canada still tends to fall below that of movements into the United States.

In equal measure, the average loaded-transit time associated with movements into Eastern Canada and the United States are substantially higher than those to Western Canadian destinations. In the case of the former, this amounted to an average of 10.8 days, which represented an increase of 6.4% from the 10.1 days reported a year earlier. Movements into the United States saw a lesser increase of 3.5%, with the average rising to 10.7 days from 10.4 days. Interestingly, the average tied to movements into Eastern Canada reached marginally above that for movements into the United States. Even so, the underlying distributions proved less irregular, with the coefficient of variation on movements into Eastern Canada standing at 28.2% against 42.6% for those into the United States.

MCB Movements and Freight Savings
(Western Canada)



Part C – Multiple Car Blocks
[See Tables 5B-13 through 5B-14]

The amount of railway traffic moving in multiple car blocks has increased substantially since the beginning of the GMP. In fact, since the 2013-14 crop year, at least 80% of the regulated grain moving to the four ports in Western Canada has done so in blocks large enough to qualify for a freight discount, compared to just half in the GMP's base year. Moreover, almost 39.2 million tonnes are estimated to have earned a freight discount in the 2024-25 crop year; over three times the 12.9 million tonnes cited 26 years earlier. However, the structure of these discounts – or incentives – has changed substantially, with ever greater emphasis having been placed on the promotion of larger block movements. As intended, these incentives spurred the development of the larger, and more efficient, elevator facilities found throughout the Prairies today.

In effect, CN and CPKC now only offer freight discounts on trainload shipments of 100 or more cars (112 or more cars in the case of CPKC). These range from around $8.00 per tonne to $10.50 per tonne depending on whether additional conditions for high-efficiency train movements are met (typically associated with loop-track originations). This prerequisite

effectively precludes less-than-trainload shippers from receiving any of the freight-rate discounts enjoyed by their larger competitors, which averages about 15%, but can range anywhere from 10% to 40% depending on the movement's destination and length-of-haul.

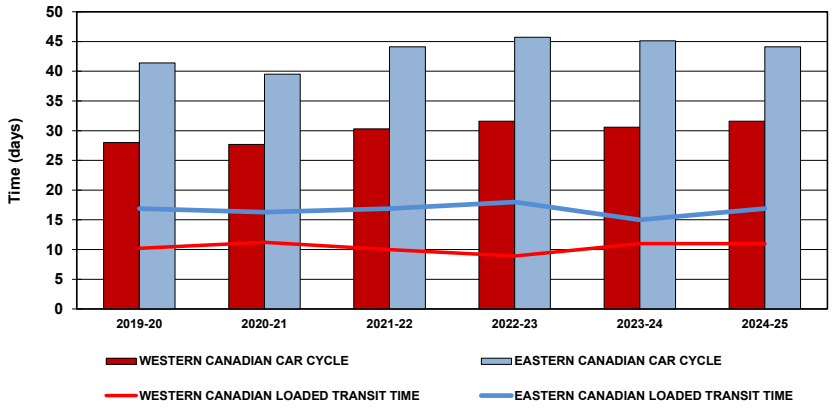
The proportion of grain shipped in these multiple-car blocks is estimated to have reached 84.6% in the 2024-25 crop year, up marginally from 84.2% a year earlier. The increase in the railways' per-tonne discounts naturally enlarged the total monetary value of the incentives received – estimated as gross savings in railway freight charges – by shippers over the course of the GMP. Owing to the 2024-25 crop year's larger movement, these savings are estimated to have risen by 10.5%, to $313.4 million from $283.7 million a year earlier.[23] Moreover, these savings are ten times greater than the $31.1 million benchmarked in the GMP's base year.

Part D – Tank-Car Movements
[See Tables 5B-16 through 5B-17]

As outlined earlier, the GMP was expanded to include measures relating to the movement of canola-oil from origins in Western Canada. This expansion also extended to the calculation of average car-cycles and loaded-transit times on domestic movements. During the 2024-25 crop year the car cycle for shipments terminating within Western Canada averaged 31.6 days, up 3.5% from the 30.6-day average recorded a year earlier. Movements to Eastern Canada showed a significantly longer car cycle, with the average reaching 44.1 days, 2.3% less than the 45.1-day average noted a year earlier.

The movements' average loaded-transit time focuses on how long it takes to physically transport canola oil from a prairie crushing facility to a terminal for unloading. As with the movement of covered hopper cars, changes in the average loaded-transit time of tank cars tends to mimic that of the overall car-cycle. However, the 2024-25 crop year proved more unusual. The average loaded-transit time for movements terminating in Western Canada rose by a marginal 0.3%, remaining effectively unchanged at 11.0 days. However, the average on movements into Eastern Canada climbed by a more substantive 12.0%, to 16.9 days from 15.0 days a year earlier.

Tank Car Cycles and Loaded Transit Times
(Western Canada and Eastern Canada)



23 Data supplied by CN and CP does not allow for the identification of grain movements earning the maximum $10.50-per-tonne discounts made available on qualifying trainload shipments. As a result, the gross savings in railway freight charges estimated here are based on a nominal $8.00-per-tonne minimum, effectively understating the actual value of these discounts.

TERMINAL ELEVATOR OPERATIONS
[See TABLES 5C-1 through 5C-5]

A key indicator of terminal activity is the system's capacity-turnover ratio, which gauges terminal-elevator throughput against storage capacity. The 2024-25 crop year saw this measure increase by 8.5%, to an average of 16.6 turns from 15.3 turns a year earlier.[24] This increase reflected the 14.3% upturn in terminal-elevator throughput noted earlier. Moreover, the near doubling of throughput over the past quarter century has been the key driver in lifting the overall turnover ratio well above the 9.1 first recorded in the GMP's base year.

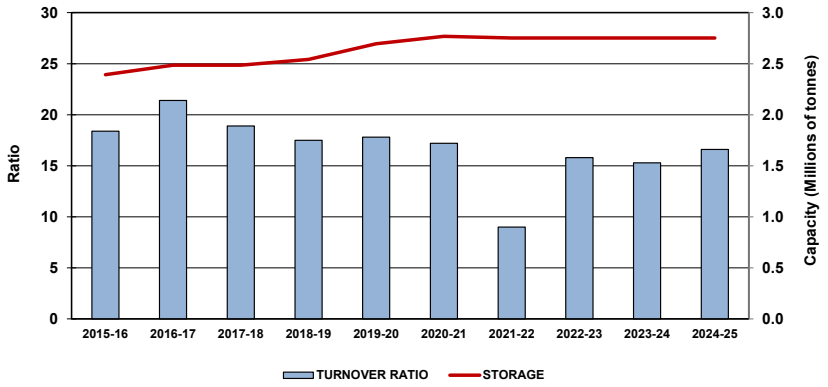
It should be noted that the expansion in terminal storage capacity witnessed over the past decade has done much to temper the overall turnover ratio, which has steadily declined from a record 21.4 turns in the 2016-17 crop year. Likewise, its decline in the face of rising volumes strongly suggests that terminal-handling capacity has itself increased, and that these facilities are able to handle still more traffic. The West-Coast gateways of Vancouver and Prince Rupert, which have made the most significant capital investments in capacity expansion, appear to have the largest upside potential.

Terminal Elevator Inventories

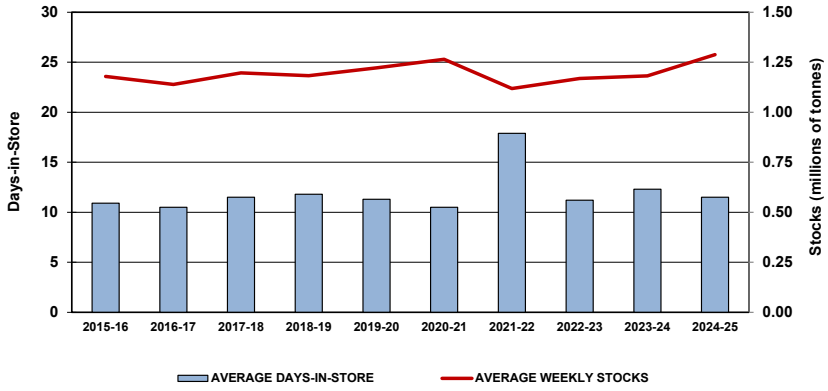
Despite recent changes to the physical makeup of the GHTS's terminal elevator system, grain inventories have not varied substantially since the beginning of the GMP. In fact, average weekly stock levels have tended to fluctuate in a band between 1.0 million tonnes and 1.5 million tonnes. This was again the case in the 2024-25 crop year, with the average weekly stock level increasing by 9.0%, to almost 1.3 million tonnes from nearly 1.2 million tonnes a year earlier.

Although terminal stocks are typically maintained at about half of the system's licensed storage capacity, they fluctuate from week to week, rising and falling in conjunction with the workings of the supply chain itself. This means that stocks normally occupy anywhere from 40% to 60% of the licensed storage capacity at any given time. A utilization rate that

Terminal Elevator Capacity Turnover Ratio



Terminal Elevator Inventories



24 Changes in the turnover ratio are often amplified because, as a simple composite value, it is sensitive to any significant swing in the tonnage handled through, or the storage capacity of, individual facilities. The turnover values tied to some of the smaller terminals at the ports of Vancouver and Thunder Bay can be especially distortionary.

exceeds these bounds, such as was the case in the 2013-14 crop year, typically denotes a major exception in the orderly flow of grain through the GHTS. Although terminal stocks fluctuated throughout the 2024-25 crop year, they represented about 49.3% of the system's stated storage capacity, up from the previous crop year's 45.2% average. Moreover, with quarterly utilization rates ranging from a low of 47.5% to a high of 51.1%, more consistent terminal inventories appear to have been maintained.

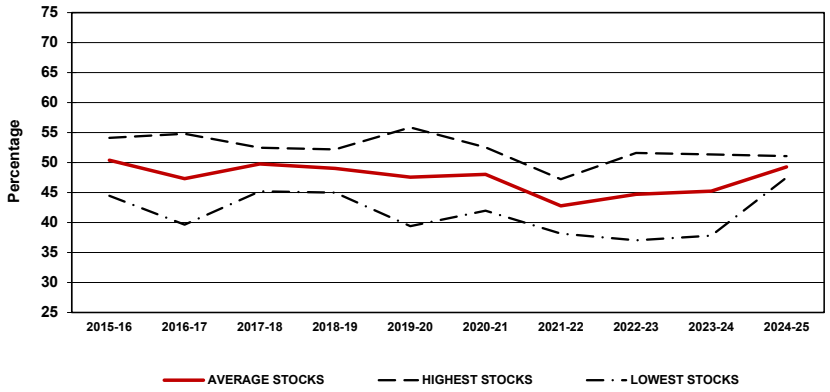
Days in Store

In the face of increasing terminal throughput, the need to maintain adequate terminal stocks was equally amplified. This pressure is reflected in the relative magnitude of average stocks in comparison to the system's annual throughput, which fell to 3.0% from 3.1% a year earlier. This implied a heightened need for a consistent flow of the right grain, to the right terminal, at the right time.

Stock adequacy is also reflected in the amount of time grain spends in terminal inventory, which has effectively been cut by roughly 40% over the course of the GMP. Although the 2024-25 crop year's average of 11.5 days decreased 6.5% from the previous crop year's 12.3-day average, it was not far removed from recent norms. Much of the decline was shaped by the reduced time grain spent in storage at Prince Rupert, which fell by 22.8%, to an average of 7.8 days from 10.1 days a year earlier. This was supported by an equally substantive reduction in the average for Thunder Bay, which declined by 14.4%, to 16.6 days from 19.4 days. Conversely, Vancouver posted an increase of 2.2%, with its average rising to 9.1 days from 8.9 days the previous crop year.

However, these annual averages disguise some of the more significant monthly swings, among them: Vancouver's decrease from an average of 10.6 days in August 2024 to a low of 7.6 days in November. Similarly, the average then ascended from this low to a high of 13.2 days in July. Such swings underscore the irregular pace at which grain passed through the terminals at various times in the crop year.

Terminal Elevator Capacity Utilization



Stock-to-Shipment Ratios

The pressures brought to bear on terminal inventories are also reflected in grain-specific stock-to-shipment ratios. Although most commodities showed averages that stood comfortably above 1.0, many – particularly those tied to wheat and durum shipments – moved lower. Moreover, almost all had minimums that fell substantially below this threshold. These minimum ratios show that almost every grain was in short supply at various points during the crop year, which indicates that there were problems in getting the right grain in terminal position when needed.

This is consistent with long-standing indications that inbound rail deliveries are often out of sequence, which leads to erratic grain stocking and interruptions in vessel loading. Non-sequential railcar deliveries can be highly disruptive to the efficient flow of grain through a terminal. Oftentimes, vessel loading schedules must be juggled to deal with the grain on hand. This commonly requires the exporter to contend with the additional costs incurred, be it from the need for multiple berthings or vessel demurrage.

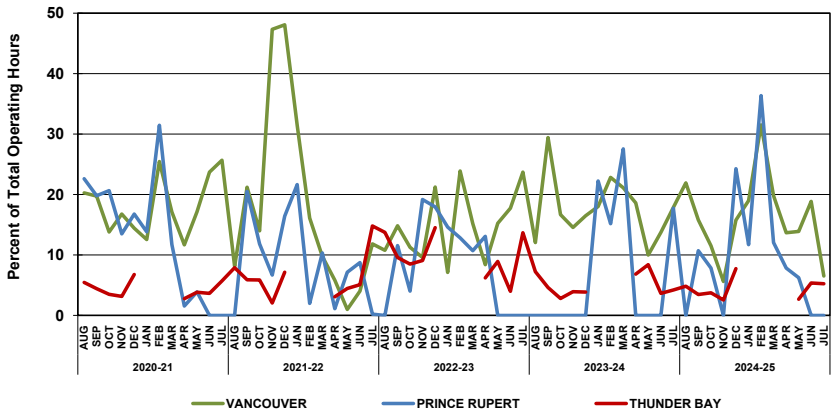
Port Terminal Out-of-Car Time

A related measure, out-of-car time, gauges how often a port terminal had no railcars to unload while staffed, operating, and awaiting their expected arrival. The proportion suggests how consistently grain flowed through the terminal system during the period specified. This measure offers some insight into how the pace of inbound rail deliveries matches with the terminals' handling capacity, and whether a slowdown in the flow of traffic has generated any undue idle activity. These statistics tend to show a degree of seasonality, with out-of-car time often peaking in the winter months, typically the most difficult operational period of the crop year. Taken collectively, terminal elevators were left without grain to unload 13.3% of the time in the 2024-25 crop year, down from 14.3% the previous year.

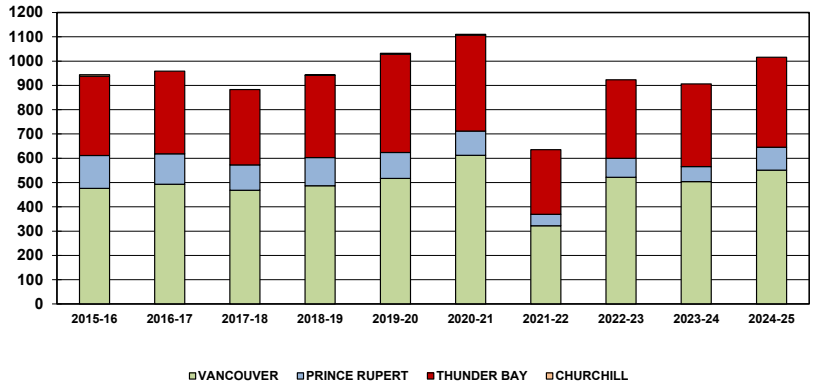
With its greater operating hours, Vancouver's out-of-car time is most indicative of the system's overall efficiency. Proportionately, 15.9% of the port's total terminal operating hours were idled during the 2024-25 crop year, down from the 17.3% recorded in the previous year. However, the underlying monthly values showed greater variability, ranging from a low of 5.6% to a high of 31.5%, with sharp swings among terminals on both the north and south shores. Much the same can be said of Prince Rupert, which reported equally erratic out-of-car times, and saw its idle-time proportion in the 2024-25 crop year rise to 9.8% from 7.4% a year earlier. These gyrations continue to suggest that terminal efficiency is highly dependent on the provision of reliable, and consistent railway service.

Unlike Vancouver and Prince Rupert, Thunder Bay typically shows a lower proportion of its total working hours being idled by a lack of railcars to unload. This was again the case in the 2024-25 crop year, where its out-of-car time proportion dropped to 4.4% from 5.5% a year earlier. It should be noted, however, that while Thunder Bay has regularly posted the lowest proportion among the three principal ports in Western Canada, its monthly scores belie an equally irregular pattern. Moreover, these variations have become somewhat more pronounced in recent years.

Terminal Elevator Out-of-Car Time



Vessel Arrivals
(Western Canada)



PORT OPERATIONS
[See TABLES 5D-1 through 5D-8]

A total of 1,016 vessels called for grain at Western Canadian ports during the 2024-25 crop year. This represented a 12.1% increase over the 906 ships that arrived for loading a year earlier. Over half of these ships, 551, called at Vancouver. This was followed by Thunder Bay with 371, and Prince Rupert with 94.

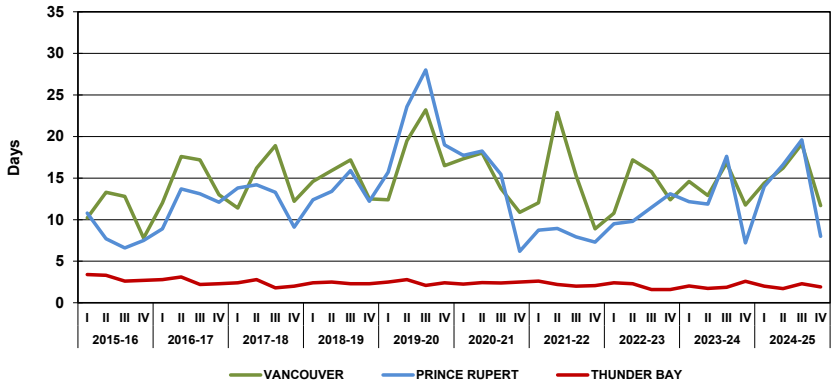
Average Vessel Time in Port

The amount of time spent by vessels in port is generally indicative of the GHTS's overall efficiency: when low, it suggests that grain is moving through the system in a timely and uniform manner; when high, it hints at some underlying impediment. The 2024-25 crop year saw a 10.3% increase in this average, which rose to 10.5 days from 9.5 days a year earlier. The overall increase was the product of a 14.0% surge in the amount of time vessels spent waiting to load, which climbed to an average of 5.9 days from 5.2 days a year earlier, and a 6.0% escalation in the amount of time vessels spent loading, which rose to an average of 4.6 days from 4.3 days.

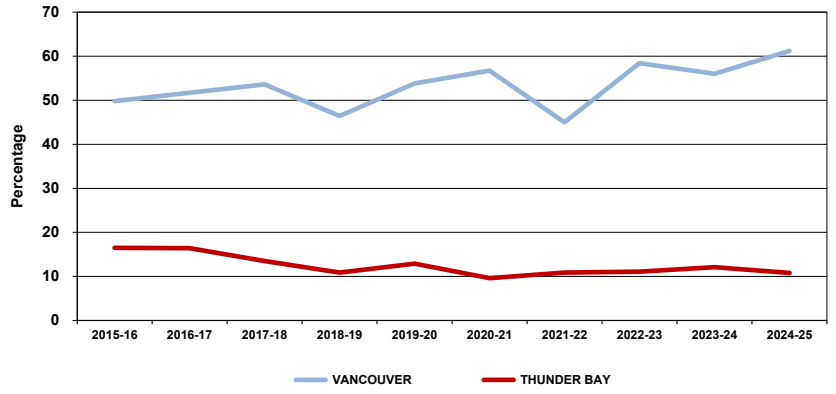
With the most vessel calls, much of the overall increase in time-in-port could be traced to the Port of Vancouver, which saw its average swell by 8.8%, to 15.4 days from 14.2 days. Much the same was true for Prince Rupert, where the average increased by a more substantive 19.2%, to 14.8 days from 12.4 days, but which proved less impactful owing to its lesser 9.3% share of total vessel calls. Even so, these two ports accounted for almost two-thirds of the 1,016 vessels that called at Western Canadian ports during the 2024-25 crop year. Running counter to these escalating forces was Thunder Bay, which posted a 9.8% reduction, and saw its average fall to 1.9 days from 2.1 days.

It is worth noting that the time spent by vessels in port rose progressively throughout much of the crop year's first three quarters, with the overall average reaching a height of 19.2 days in March 2025. This rise was driven by increases in the amount of time ships spent at west-coast ports, with the Vancouver average plateauing at 22.1 days in March, and the Prince Rupert average at 22.2 days in January. Thereafter, these averages moved

Vessel Time in Port
(Western Canada)



Multiple Vessel Berthing Rate



steadily lower, ultimately falling to July lows of 7.6 days and 4.4 days respectively.

The variations cited here point yet again to the critical underpinnings inherent in coordinating the inbound movement of grain by rail with its scheduled outbound movement by ship. The better synchronization of these flows leads to fewer waiting vessels, and the better use of available anchorages.[25] All of which helps to limit harbour congestion, reduce vessel demurrage costs, and strengthen supply-chain performance.

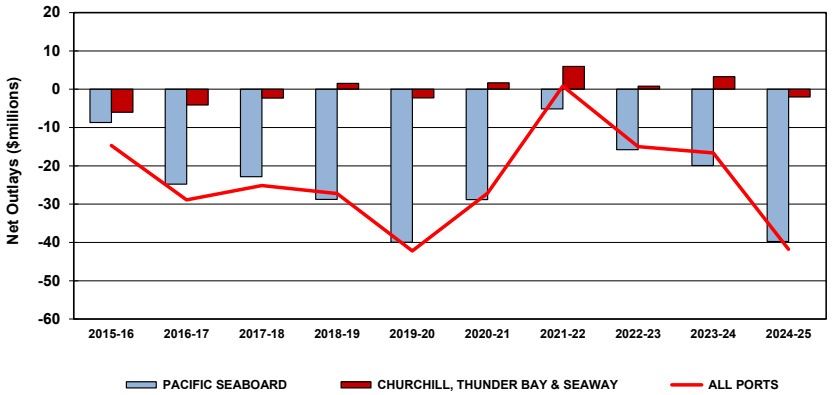
Distribution of Vessel Time in Port

Impediments to the flow of grain through the terminal network are also reflected in the number of ships spending long periods of time in port. The proportion of ships with stays of more than five days rose marginally in the 2024-25 crop year, to 55.2% from 53.4% a year earlier. Similarly, ships in port for an unusually longer time also increased, with the proportion of vessels spending 16 or more days in port rising to 26.5% from 24.0%. These averages suggest that exports remain vulnerable to impediments in the flow of grain, whether on the inbound movement by rail or the dockside loading onto ships.

Distribution of Berths per Vessel

Similarly, there were noteworthy changes in the proportion of vessels needing to berth more than once during the 2024-25 crop year. When a vessel is required to return to a terminal more than once to complete loading, it is often indicative of problems within the supply chain itself. This frequently reflects a constriction in the flow of grain into the port terminal. In most cases, terminal operators strive to fully charge a vessel during a single berthing alongside the facility. Even in cases where multiple terminals share in the loading of the vessel, each terminal aims to complete its portion in a single berthing. This is understandable given that the reberthing cost at West Coast ports typically reaches up to $40,000.

Annual Demurrage and Dispatch



At Vancouver, the proportion of vessels requiring a reberthing rose to 61.2% from 56.0% a year earlier. Thunder Bay saw a modest decrease, with the proportion declining to 10.8% from 12.1%. Although the Vancouver proportion remains generally consistent with those observed in the first years of the GMP, the percentage accorded to Thunder Bay has moved significantly lower.

Demurrage and Dispatch

Changes to the amount of time vessels spend in port are often reflected in the demurrage costs and dispatch earnings reported by the Western Grain Elevator Association, which provides a monetary indication of how efficiently grain flowed through Western Canadian ports.[26] Once again, these two elements dovetailed to produce a net cash outflow of about $41.8 million for the 2024-25 crop year. This amount proved to be 151.4% more than the $16.6 million reported a year earlier, ranking as the third largest penalty paid by grain companies under the GMP. This financial

25 There have been instances in the last several crop years where vessels waiting to load grain in Vancouver have tied up all of the nearby anchorages, with the overflow then forced to moor further to the west along the coast of Vancouver Island.

26 Demurrage is charged when an ocean vessel remains in port for a period longer than that contracted with the shipper in the charter party agreement. Dispatch is paid when the contracted vessel loads and departs the port in less time than stated in the agreement.

result was shaped chiefly by a 65.8% increase in demurrage costs, which rose to about $60.3 million from $36.4 million the previous year. However, the financial loss was narrowed by dispatch earnings of almost $18.6 million, which fell by 6.1% from the $19.8 million earned a year earlier.

These results were driven by an increase in the financial penalties incurred along the Pacific Seaboard, which produced a net cash outlay of $39.8 million against $19.9 million a year earlier. Conversely, the results from activity at Thunder Bay and points along the St. Lawrence Seaway proved less punitive, with increased demurrage costs and reduced dispatch earnings leading to a net cash outflow of $2.0 million, down 160.4% from the $3.3 million earned a year earlier.

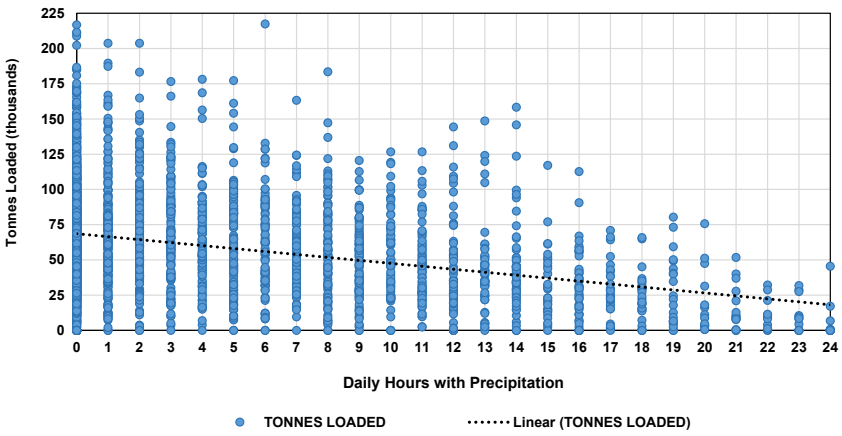
Loading Grain Vessels During Inclement Weather

To prevent spoilage, grain must be kept dry. This requirement figures into the protection given to grain as it moves through the supply chain, from off-farm deliveries into the country-elevator system through to its ultimate arrival at destination, be it in a foreign or domestic setting. All of this involves physically shielding grain from exposure to the elements.

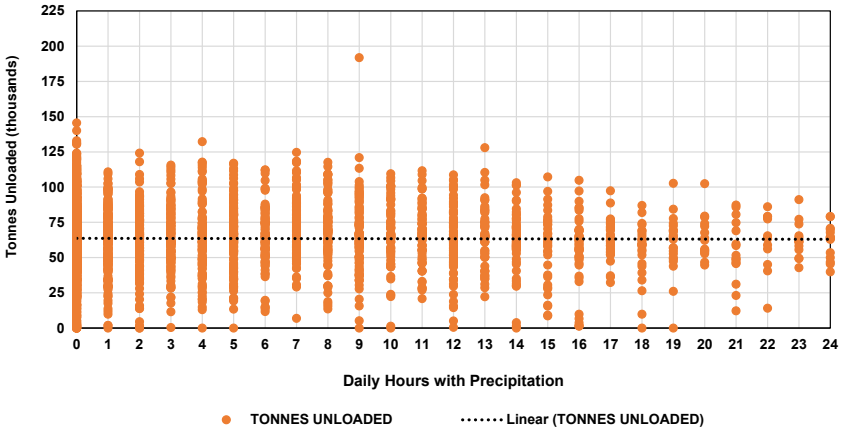
In recent years, Canada's major railways have repeatedly argued that delays arising from loading grain vessels in the rain posed a real impediment to its efficient flow, especially at the Port of Vancouver. Since 2017 there has only been one practical option available to terminal operators in loading grain during periods of inclement weather, which is to load through feeder holes.[27]

While feeder holes provide a means by which vessel loading can be extended, the process is not without its limitations. Setup and teardown procedures to ensure safe working conditions can take from one to five hours, and the loading rate is often reduced to about 30-40% of normal. Moreover, not all vessels have feeder holes, and not all terminals have loading setups conducive to reaching these feeder holes. With such limitations, terminal operators have found that it is generally more efficient to wait until the rain stops rather than to mobilize for loading in

Tonnes Loaded onto Vessels vs Hours with Precipitation
(Daily Values - 2015 through 2024)



Tonnes Unloaded from Railcars vs Hours with Precipitation
(Daily Values - 2015 through 2024)



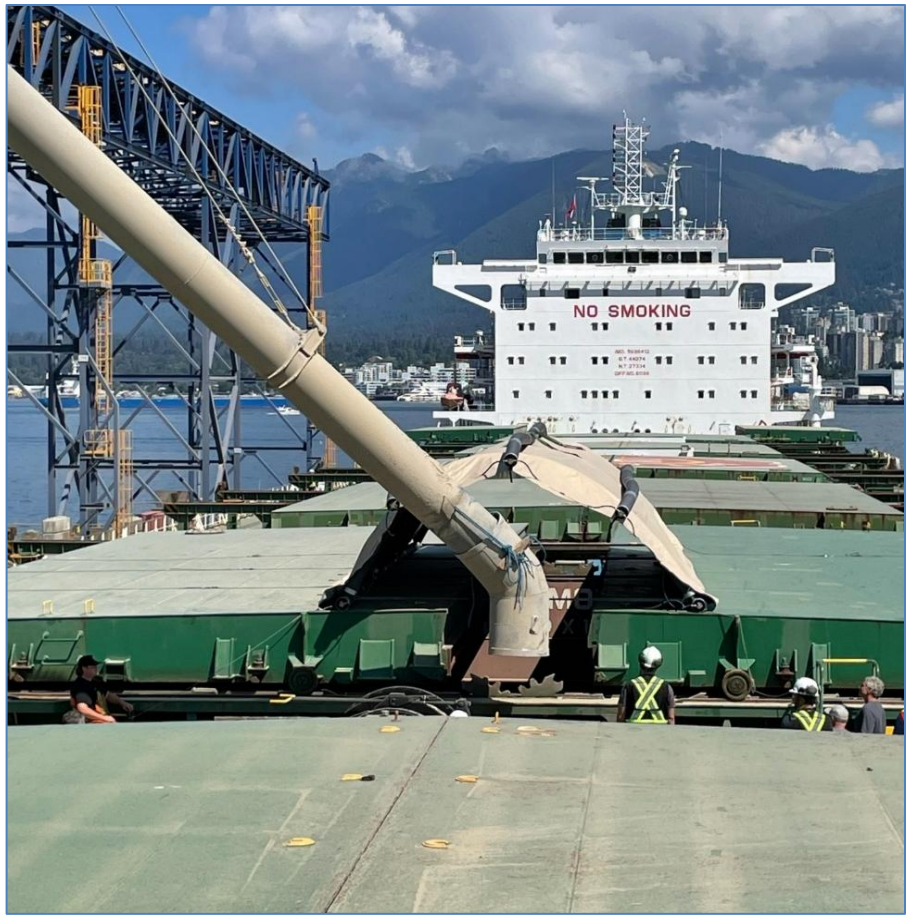
27 Feeder holes are built into vessel hatches and provide an access point that protects the grain from precipitation during loading.

inclement weather. By no means should this be taken to imply that remedial measures are not being explored. In fact, the quest to address these issues have been ongoing, with many focusing on the use of protective canopies or other ship-loader add-ons. A number of these were slated for operational trials sometime in the 2025-26 crop year.

The 2024-25 crop year recorded some 1,238 hours of precipitation at the Vancouver Harbour Climate Station.[28] This represented slightly more than 14% of the total hours available during the crop year, and the upper limit on the amount of time terminals may have been precluded from loading vessels due to inclement weather. Even so, precipitation alone does not diminish the possible role of other factors, including major climatic events such as fires, floods, snowstorms, high winds, etc.; rail performance that results in low car-order-fulfilment rates, nonsequential train movements or greater out-of-car times; terminal operational and maintenance needs; and labour stoppages. Just as inclement weather may not occasion a reduction in vessel loading, fair-weather conditions alone do not guarantee unfettered operations.

The GHTS is a multifaceted supply chain with numerous determinants, aside from local weather conditions, that can shape the day-to-day functionality of the Port of Vancouver. Operational problems tied to any of these elements can contribute to significant variations in vessel-loading activity, independent of actual rainfall or duration. Nevertheless, a 2023 analysis of data from the preceding eight years indicated that only 12% of the variability in tonnage loaded onto vessels could be explained by deviations in precipitation alone.[29] A 2025 review, incorporating data collected through to the end of 2024, drew analogous conclusions.

Regardless, the process of unloading railcars is not subject to the same challenges since it is an activity conducted in enclosed sheds. Thus, inclement weather does not directly affect a terminal operator's ability to unload railcars. On occasion, however, terminal congestion can lead to the delayed spotting of additional railcars, but this has been independent of vessel-loading activity. The same 2023 analysis cited above also examined the relationship between rainfall and the number of railcars unloads on



The testing of an inflatable hatch canopy is seen being conducted on a Panamax-sized ship at the Alliance Grain Terminal in Vancouver, British Columbia, during the summer of 2025. The objective was to understand how such a structure might facilitate loading into a partially open sliding-hatch at terminals using pipe-style ship loaders during inclement weather conditions. The test highlighted several issues that were to be addressed in the final design of a prototype, likely to be nearly twice as large as the test model seen here, and delivered sometime in 2026. The use of such a canopy represents but one approach being taken in grappling with the problems posed by loading grain in the rain. (Image courtesy of Jeff Pelton)

28 Environment and Climate Change Canada Station Id 888

29 See Loading Grain in Inclement Weather: Jurisdictional Scan, Quorum Corporation, December 2023.

the same day, or even if offset by up to three days. This analysis, alongside with the subsequent 2025 review, also concluded that there was no significant impact on the amount of grain unloaded from railcars owing to precipitation alone.

SYSTEM PERFORMANCE
[See TABLE 5E-1]

GHTS performance can nominally be measured by the amount of time taken by grain to move through the system. For the 2024-25 crop year, it took an average of 41.1 days for grain to move from the Prairies to export positions within Western Canada, a 4.2% decrease from the 42.9-day average posted a year earlier. This average ranked among the lowest recorded under the GMP, and 39.6% below the 68.1-day average first benchmarked in the base year.

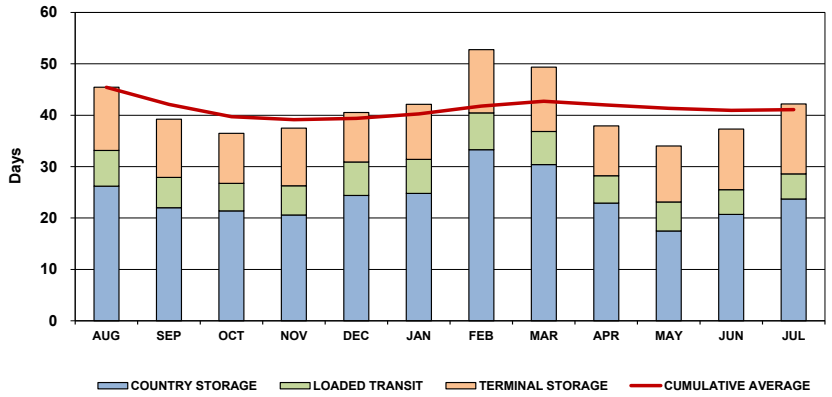
The 2024-25 crop year's 1.8-day betterment was driven by time reductions in all three of its constituent elements. The largest improvement came from a 0.8-day, or 6.5%, decrease in terminal-elevator storage time, which fell to an average of 11.5 days from 12.3 days a year earlier. This was followed by a 0.7-day, or 2.9%, decrease in country-elevator storage time, which dropped to an average of 23.7 days from 24.4 days. A 5.9% decrease in the railways' loaded-transit time, which declined to an average of 5.9 days from 6.2 days, freed another 0.3 days.

Notwithstanding the overall reduction, the annual average for time-in-the-system camouflages significant variations, which can be more readily seen when examining the monthly values. These ranged from a low of 34.0 days to a high of 52.8 days, and reflected disruptions to the efficient flow of grain.

Key Observations

With the grain supply reaching 82.3 million tonnes, up 5.4% from the 78.1 million tonnes reported a year earlier, it was apparent that the GHTS would ultimately be required to handle a moderately greater volume. This was evident from the outset, as producer deliveries saw correspondingly more grain directed into the country elevator system through the first quarter.

Time in the System



Ultimately, Western Canadian producers delivered an estimated 63.1 million tonnes of grain into the GHTS, 5.9% more than in the previous crop year.

Despite the upturn in volume, the hopper-car fleet deployed to handle it declined by 0.8%, to an average of 21,447 cars from the 21,628-car average posted a year earlier. This decline was partially offset by an increase in the serviceable car rate, which rose to an overall average of 88.3% from the previous year's 81.6%. Even so, a constriction in the hopper-car fleet meant that the railways' carrying capacity would be even more reliant on the maintenance of sufficient crews and locomotives to move this traffic.

One of the more visible indicators in this regard is the average car-cycle, which for movements within Western Canada, fell by 7.0%, to 14.3 days from 15.4 days a year earlier. This reduction implied that the railways were deploying their assets to greater effect. The decline in the overall car cycle was echoed in a contraction of the railways' loaded-transit time, which as cited earlier, decreased by 0.3 days to an average of 5.9 days for movements terminating in Western Canada. This implied that the speed with which grain was moving through the supply chain had generally increased. More noteworthy still was the fact that these average car-cycle

and loaded-transit-time values stood almost 10% below their affiliated longer-term averages of 15.7 days and 6.4 days respectively. At the same time, the 2024-25 crop year averages still stood well above the record lows reached roughly a decade earlier (13.0 days and 4.8 days respectively).

A myriad of external determinants can shape these measures of railway performance. The 2024-25 crop year was replete with such externalities – from labour disputes that resulted in a temporary shutdown of national railway service, to those that disrupted marine movements through the ports of Vancouver and Montreal, along with another year of wildfires in Western Canada – all of which impeded the efficient movement of railway traffic. This was reflected in undulating average monthly car-cycle times that ranged from a low of 12.3 days to a high of 17.7 days, with allied loaded-transit time averages that reached from 4.8 days to 7.2 days. All of which was echoed in the undulating time-in-the system values cited earlier.

These oscillating values point to the inconsistency with which grain moves through the GHTS. A leading indicator widely used by grain shippers is order-fulfilment, which gauges how well the railways have done in meeting the industry's immediate railcar needs. During the 2024-25 crop year, this was seen to vary significantly. Moreover, it was observed to fall precipitously as winter progressed, ultimately declining to a low of just 44% in February 2025 – a value markedly worse than the 66% low observed a year earlier. This came despite a total movement that ultimately proved to be almost 16% below the implied 70-million tonnes of carrying capacity delineated as being offered under the railways' Grain Plans.[30]

Inconsistent railway service has long been a complaint of shippers at large. Although the railways have adapted to certain commercial threats, such as that arising out of modal competition, bulk movements – including coal, sulphur, potash and grain – have seen little change in the way of its handling over the past half century. Indeed, most of the efficiency gains made in the movement of these commodities have come from the investments shippers and consignees have made in their respective

Days Spent Moving Through the GHTS Supply Chain

FARM OPERATIONS

COUNTRY ELEVATOR STORAGE TIME

RAILWAY LOADED TRANSIT TIME

TERMINAL ELEVATOR STORAGE TIME

MARINE OPERATIONS

				TOTAL	NET CHANGE
1999-00	41.7	7.8	18.6	68.1	
2021-22	38.3	6.8	17.9	63.0	-39.6%
2022-23	24.2	5.7	11.2	41.1	
2023-24	24.4	6.2	12.3	42.9	
2024-25	23.7	5.9	11.5	41.1	

30 Order-Fulfillment rates are based on statistics drawn from AG Transport Coalition reports for the 2024-25 crop year. Tonnage measures are based on the Grain Plans submitted by CN and CPKC to the federal minister of transport in advance of the 2024-25 crop year.

loading and unloading facilities. Outside of some significant technological advancements, the railways still manage bulk shipments in much the same way they did a century earlier.

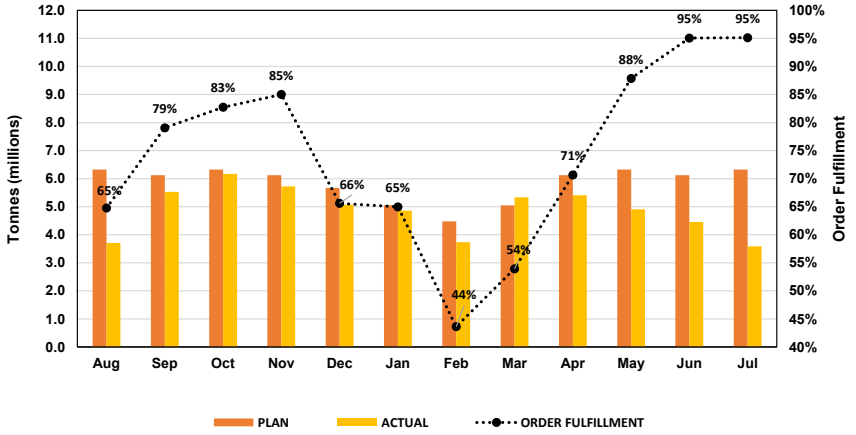
This does not mean that the railways have failed to improve their bulk-service offering. Prior mention was made of the economic and operational benefits inherent in moving the growing number of unit trains coming from new loop-track-equipped elevators. These train movements have had a perceptible impact on the railways' loaded-transit times and overall car-cycles. But they are equally vulnerable to the constraints arising from the allocation of limited resources (primarily locomotives and crews) and prevailing management priorities. At times, however, the railways have also shown a renewed interest in running trains more reliably and on time, along with a greater willingness to deploy the resources needed to provide better resiliency to their operations.

The philosophical underpinnings that give rise to such alternating practices are deeply ingrained within the railway industry. But the downstream effects of such inconsistent railway service are measurable. The more orderly, consistent, and reliable the railways' flow of grain into the ports, the better the ability of terminals to maintain the stocks that are needed to meet the demand of arriving vessels. Moreover, the promotion of supply-chain fluidity ultimately leads to vessels spending less time in port, and the avoidance of congestion.

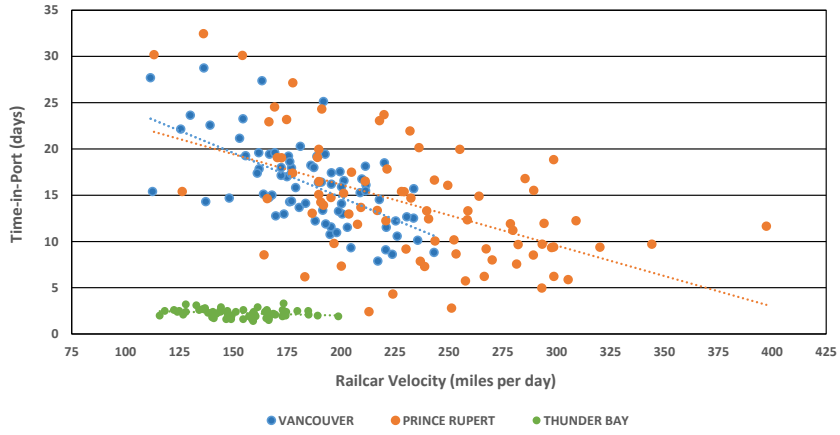
As cited earlier, the railways have strenuously argued that weather-related delays in loading vessels pose more of a problem to supply-chain fluidity than irregular railway service. Yet a 2023 analysis of vessel-loading data suggested that weather-related delays were quite limited, and that its impact on inbound railcar delivery and unloading was even more marginal.[31] A latter review, using more recent data, affirmed the original conclusion.

Moreover, an ensuing 2024 analysis found that delays to the inbound movement of loaded railcars had measurably greater sway over the amount of time spent by vessels in port.[32] This latter analysis built on railcar

Grain Plan Performance and Order Fulfillment Rate
(2024-25 Crop Year)



Correlations - Railcar Velocity vs Vessel Time-in-Port
(Average Monthly Values - 2018-19 through 2024-25 Crop Years



31 See Loading Grain in Inclement Weather: Jurisdictional Scan, Quorum Corporation, December 2023, which can be found at: https://grainmonitor.ca/reports.html.

32 See Effect of Rail Performance on Vessel Time-in-Port, Quorum Corporation, November 2024, which can be found at: https://grainmonitor.ca/reports.html.

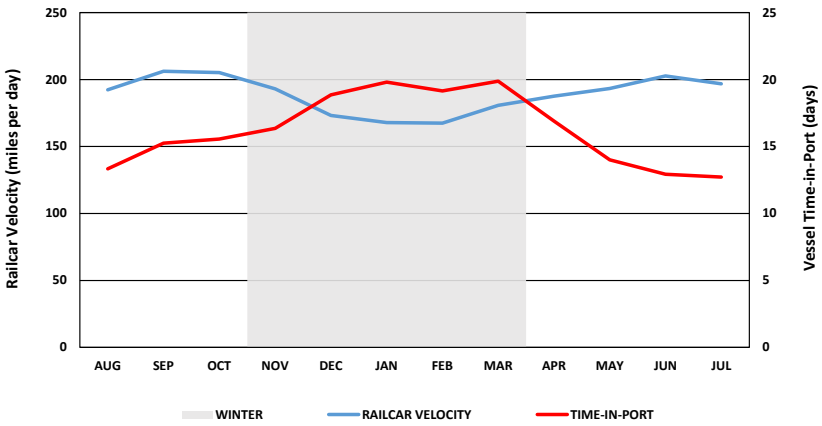
velocity, which measures how far a railcar moves between its country origin and its destination port in a specified period. Expressed in terms of miles per day, railcar velocity normalizes for the differing lengths-of-haul within the GHTS.[33] Based on data drawn from the preceding six crop years, it showed a clearly negative correlation between railcar velocity and the average amount of time spent by vessels in West Coast ports. That is to say that as railcar velocity increases, time-in-port decreases. This relationship suggests that railcar velocity has greater explanatory power over, and is a better predictor of, general port performance than inclement weather.

At Vancouver, the GHTS's busiest port, it was found that 46% of the variation in average monthly vessel time-in-port could be explained by changes in railcar velocity. Owing to the simpler logistics associated with operations at Prince Rupert and Thunder Bay, however, this explanatory power was seen to fall to 30% and 4% respectively. Nevertheless, the Vancouver data suggested that for every 10-mile-per-day increase in average railcar velocity, a vessel's average time-in-port could be expected to decline by nearly a day. An extension of this analysis to incorporate more recent data presented similar results. The data also revealed the seasonal nature of this variability, with reduced railcar velocity resulting in longer vessel time-in-port during the winter months. This spotlights the irregular character with which grain flows through the supply chain.

Canada's grain industry has long struggled with what it views as the railways' uneven and often problematic handling of grain, which can have very costly commercial implications. One of the more direct financial consequences is vessel demurrage, which climbs in response to delays in the timely loading of grain onto ships arriving at a port. As cited earlier, demurrage costs reached a near-record $60.3 million in the 2024-25 crop year, with over 80% of this stemming from a record $49.9 million in penalties being paid out at West Coast ports.

Ultimately, demurrage is the product of the various interwoven elements that lead to ship delays. A myriad of issues presented themselves in the

Seasonal Variability - Vancouver
(2018-19 through 2024-25 Crop Years)



2024-25 crop year, beginning with a tight railcar supply, sharply lower order-fulfilment rates, and longer car cycles. All of which led to the delayed movement of grain out of the country and through to the ships waiting to carry it overseas. The reduction in railway carrying capacity was mirrored in ever mounting ship lineups, waiting times, and multiple berthings, with most rivaling previous highs. Once again, much of this began to manifest itself at the start of winter, arguably the heaviest demand period in most crop years.

However, railway carrying capacity is not regulated by a change in seasons alone. It is largely determined by a complex mix of managerial decisions involving the allocation of limited resources – including locomotives, rolling stock and personnel – operating over the far-reaching physical network that is needed to transport all the traffic offered for movement.

33 Car velocity effectively converts the time (expressed in days) used in typical car-cycle metrics into a distance traveled per day. It is calculated by dividing the miles a loaded railcar traveled by its total time in transit.

The *Canada Transportation Act* builds on the premise that market forces should govern the commercial relationship between shippers and railways. But it also requires the railways to furnish shippers with the "adequate and suitable accommodation" for the receiving, carrying and delivering of shippers' traffic. It has been the willingness of the railways to devote the resources needed to fulfill this service obligation that have repeatedly been called into question by shippers over the course of the GMP. Many of these concerns were echoed in the Final Report of The National Supply Chain Task Force released some three years earlier, which called for urgent action in creating supply chains that are more resilient and efficient.[34]

34 See Final Report of The National Supply Chain Task Force 2022, which can be found at: https://publications.gc.ca/site/eng/9.916037/publication.html.

Section 6: Producer Impact

Indicator Description	Table	1999-00	2022-23	2023-24	2024-25 Q1	Q2	Q3	Q4	YTD	% VAR
Export Basis										
1CWRS Wheat ($ per tonne) – Original Methodology	6A-10A	$54.58	n/a	n/a						
1CWRS Wheat ($ per tonne) – Revised Methodology (1)	6A-10A	n/a	$78.89	$102.83					$87.25	-15.2%
1CWA Durum ($ per tonne) – Original Methodology	6A-10B	$67.63	n/a	n/a						
1CWA Durum ($ per tonne) – Revised Methodology (1)	6A-10B	n/a	$120.61	$170.33					$112.11	-34.2%
1 Canada Canola ($ per tonne)	6A-10C	$52.51	$61.71	$62.16					$78.68	26.6%
Canadian Large Yellow Peas – No. 2 or Better ($ per tonne)	6A-10D	$54.76	$69.57	$26.65					$60.64	127.6%
Producer Cars										
Producer-Car-Loading Sites (number) – Class 1 Carriers	6B-1	416	143	142	142	142	142	142	142	0.0%
Producer-Car-Loading Sites (number) – Class 2 and 3 Carriers	6B-1	122	133	133	133	133	133	133	133	0.0%
Producer-Car-Loading Sites (number) – All Carriers	6B-1	538	276	275	275	275	275	275	275	0.0%
Producer-Cars Scheduled (number) – Covered Hopper Cars	6B-2	3,441	1,954	1,734	333	668	732	405	2,138	23.3%

(1) The methodology used to calculate the export basis in the 2012-13 through 2024-25 crop years does not allow for direct comparison with those of previous crop years.

DISCUSSION AND ANALYSIS

CALCULATION OF THE EXPORT BASIS

One of the GMP's principal objectives involves gauging the logistics cost associated with moving prairie grain to market – commonly referred to as the "export basis" – along with the resultant "netback" earned by producers after subtracting these costs from a grain's sale price. Both the export basis and the producer netback are location-specific calculations that include provisions for the elevation, cleaning, storage and transportation costs tied to the handling of grain.

There are well over 1,000 distinct origin-destination pairs that arise from tying together the hundreds of grain-delivery points scattered across the prairies with the four principal export gateways in Western Canada. Moreover, given the number of differing grains, grain grades, grain company service charges, and freight rates, the permutations inherent in calculating the export basis and netback of individual producers takes on extraordinary dimensions.

The only practical means of addressing these calculations rests in standardizing the estimates around a representative sample of grains, and grain stations. As a result, the GMP consciously limits its estimations to four specific grains: wheat; durum; canola; and peas.[35] The export basis and producer netback for each commodity is then calculated for each of the 43 grain stations in the sample. These location-specific calculations are then clustered to portray the averages for nine geographic areas, comprised of four to six grain stations each, namely: Manitoba East; Manitoba West; Saskatchewan Northeast; Saskatchewan Northwest; Saskatchewan Southeast; Saskatchewan Southwest; Alberta North; Alberta South; and Peace River.

Components of the Calculation

It is important to remember that every individual producer's cost structure differs. As a result, no general calculation can be expected to precisely depict the export basis and netback that is specific to each farmer. The methodology employed here is intended to typify the general case within each of the nine geographic areas identified. Caution, therefore, must be exercised in any comparison between the general values presented, and those arising to individual producers within each of these areas. The specific assumptions employed in these determinations are delineated in the table that follows. The reader is encouraged to consider these before drawing any specific conclusions from the calculations presented.

35 In addition to the grains themselves, the GMP also specified the grades to be used, namely: 1 CWRS Wheat; 1 CWA Durum; 1 Canada Canola; and Canadian Large Yellow Peas (No. 2 or Better).

ELEMENT	WHEAT AND DURUM	CANOLA AND YELLOW PEAS
Grain Price	The price for 1 Canada Western Red Spring Wheat and 1 Canada Western Amber Durum are tonnage-based weighted averages of the West Coast export quotation from Canadian Grain Exporters and the St. Lawrence export quotation from the International Grains Council (ICG), as reported by AAFC.	As of the 2015-16 crop year, the price for 1 Canada Canola is represented by the Track Vancouver Cash price (as reported by AAFC). For all previous crop years, the price for 1 Canada Canola was the weighted average Vancouver cash price provided by ICE Futures Canada. The weights used reflect monthly exports as recorded by the Canadian Grain Commission (CGC). The price for Canadian Large Yellow Peas is based on the average weekly dealer closing price, track Vancouver, reported by Stat Publishing for the months of October and November.[1]
Trucking Costs	The trucking costs are based on the commercial short-haul trucking rates for an average haul of 40 miles as presented in Table 4A-1. Although current data is unavailable, the last published value is still employed for the purpose of continuity.	The trucking costs are based on the commercial short-haul trucking rates for an average haul of 40 miles as presented in Table 4A-1. Although current data is unavailable, the last published value is still employed for the purpose of continuity.
Price Differential	A price differential – or spread – is used to estimate certain costs for 1 Canada Western Red Spring Wheat and 1 Canada Western Amber Durum. For the 2012-13 through 2014-15 crop years this spread was based on the difference between the weighted average of the West Coast and St. Lawrence export quotations and the average Saskatchewan producer spot price (both reported by AAFC). However, the average Saskatchewan producer spot price encompassed all grades and, therefore, provided an imperfect comparison to the export quotations. As of the 2015-16 crop year the latter element in this comparison was altered, with it now being made against an average of the daily bid prices within each region as reported by PDQ.[2] Readers should consider this when attempting to draw conclusions from the data.	A price differential – or spread – is used to estimate certain costs for 1 Canada Canola. Prior to the 2015-16 crop year this spread was based on the difference between the weighted Vancouver cash price and the weighted average spot price in each of the nine regions as reported by ICE Futures Canada. For 2015-16 to 2019-20 crop years this was replaced by a differential based on the Track Vancouver Cash Price (as reported by AAFC) and the average of the daily bid prices within each region reported by PDQ.[2] As of 2020-21, the spread is the differential between the Par Region Cash Price and the Track Vancouver Cash Price (as reported by AAFC). For yellow peas, a price differential is calculated using the average weekly dealer closing price, track Vancouver, and the average weekly grower bid closing price for the months of October and November. These differentials effectively represent the incorporated per-tonne cost of freight, elevation, storage and any other ancillary elements. As such, it encompasses a large portion of the Export Basis.
Grower Association Deductions	Elevator deliveries of wheat and durum are subject to various per-tonne "check-offs" in order to fund variety research, market development and technical support to the industry. The check-offs are administered by the appropriate provincial wheat commission.	Elevator deliveries of canola and peas are subject to various per-tonne "check-offs" in order to fund variety research, market development and technical support to the industry. The check-offs are administered by the appropriate provincial canola and pulse-grower association.
Trucking Premiums	Grain companies report on the trucking premiums they pay to producers at each of the facilities identified in the sampling methodology.[3] The amounts depicted reflect the average per-tonne value of all premiums paid for the designated grade of wheat or durum within the reporting area. In the post-monopoly environment, grain companies have increased the use of their basis (the spread between their cash and the nearby futures price) as the mechanism to attract producer deliveries. This has been accompanied by a significant decline in the use of trucking premiums. As of the 2023-24 crop year, competitive premiums have fallen to a level such that they are no longer commercially significant or statistically valid and are no longer included in the netback calculation.	Grain companies report on the trucking premiums they pay to producers at each of the facilities identified in the sampling methodology.[3] The amounts depicted reflect the average per-tonne value of all premiums paid for the designated grade of canola or yellow peas within the reporting area. Grain companies primarily use their basis (the spread between their cash and the nearby futures price) as the mechanism to attract producer deliveries. This practice results in relatively little use of trucking premiums. As of the 2023-24 crop year, competitive premiums have fallen to a level such that they are no longer commercially significant or statistically valid and are no longer included in the netback calculation.
Other Deductions	Other deductions, such as drying charges, GST on services, etc., may also be applied to, and appear as an itemized entry on the cash ticket of, any grain delivery. No attempt is made to capture these deductions within the framework employed here.	Other deductions, such as drying charges, GST on services, etc., may also be applied to, and appear as an itemized entry on the cash ticket of, any grain delivery. No attempt is made to capture these deductions within the framework employed here.

1) – Data provided by Stat Publishing. Using a "snapshot" period of two months during the fall, when pricing of the new crop is relatively heavy, was deemed to be an appropriate representation of producer prices, thereby avoiding the need to incorporate a weighting factor.
2) – PDQ (Price, Data, Quotes) is a web-based information service operated by the Alberta Wheat Commission which publishes cash grain market price and related statistical data (www.pdqinfo.ca).
3) – Various terms are used by grain companies to describe the premiums they offer to producers in an effort to attract deliveries to their facilities – i.e., trucking premiums, marketing premiums, and location premiums. The most common term, however, remains "trucking premium," and it is utilized generically in the calculation of the Export Basis.

WHEAT AND DURUM
[See TABLES 6A-1A through 6A-10B]

In its earlier reports, the Monitor described how higher prices have generally been responsible for any improvement in the per-tonne returns accruing to producers of wheat and durum. In comparison, reductions in the export basis have proven to be secondary. Whether it be price or the export basis, their periodic rise and fall have been the prime determinants in the financial returns for producers.

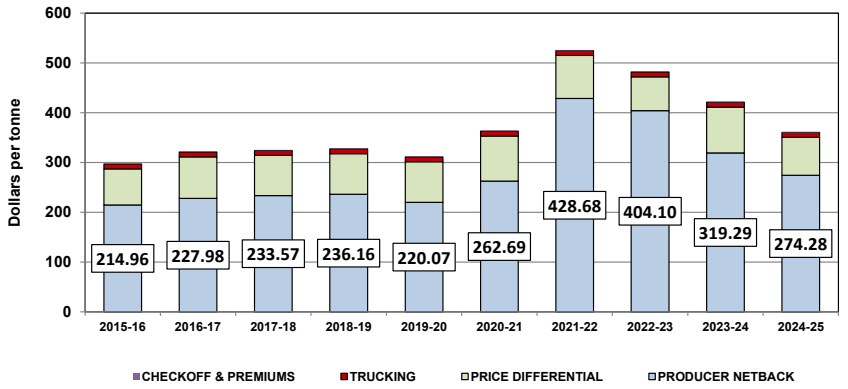
The 2024-25 crop year brought largely lower commodity prices. Although much of the decline was attributable to an increase in global wheat supplies, the commodity markets were rattled by the rhetoric surrounding the imposition of tariffs following the American presidential election in November 2024. Owing to this uncertainty, market prices moved even lower.

1CWRS Wheat
[See Tables 6A-1A through 6A-10A]

The financial return to farmers of 1CWRS wheat amounted to an estimated $274.28 per tonne in the 2024-25 crop year. This represented a 14.1% reduction from the $319.29 estimated a year earlier. Much of the decrease was attributable to a decline in the average price, which is constructed around a tonnage-based weighted average export quotation for 1CWRS wheat (13.5% protein), and which fell by 14.4%, to $361.53 per tonne from $422.12 per tonne a year earlier.

The decrease in the average price of wheat reflected the dampening effects of record global wheat production. Although production proved especially strong amongst countries in the Northern Hemisphere (North America, the European Union, and Russia) it was complemented by equally substantive gains in Australia. Adding to this downward pressure was continued speculation in the commodity markets, where large, short-selling positions dominated. On a more positive note, a comparatively weak dollar helped bolster the demand for Canadian wheat, which led to one of the lowest carry-over levels seen in the past decade.

Producer Netback - 1CWRS Wheat



The $60.59-per-tonne decrease in wheat prices was partially offset by a $15.58-per-tonne decrease in the export basis, which fell by 15.2%, to $87.25 per tonne from $102.83 per tonne a year earlier. This decrease was entirely attributable to a narrowing of the price differential – or spread – between the export quotation and the elevator spot price, which declined by 16.9%, to $76.40 per tonne from $91.98 per tonne a year earlier. In effect, the price differential includes applicable freight, handling, cleaning, storage, weighing and inspection charges, as well as an opportunity cost or risk premium. Trucking charges and check-offs remained unchanged at $9.82 per tonne and $1.03 per tonne respectively.

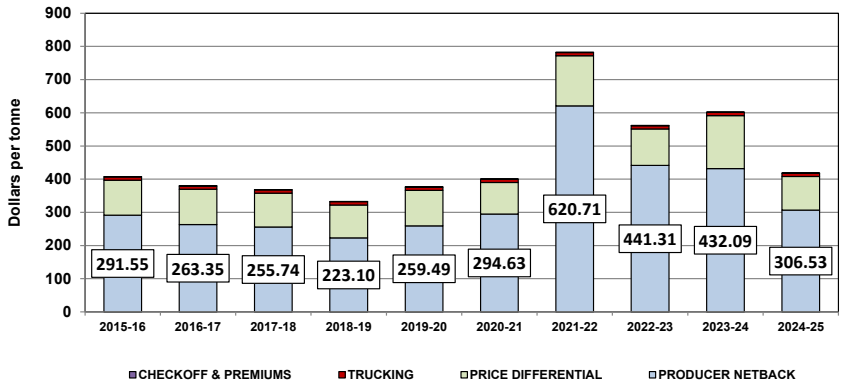
1CWA Durum
[See Tables 6A-1B through 6A-10B]

The financial return to farmers of 1CWA durum amounted to an estimated $306.53 per tonne in the 2024-25 crop year. This represented 29.1% less than the $432.09 per tonne reported in the 2023-24 crop year. The decline was largely attributable to lower durum prices, which fell to an average of $418.64 per tonne, 30.5% below the $602.42-per-tonne average recorded a year earlier.

A 50% increase in Canadian durum production weighed heavily on market prices in the 2024-25 crop year. When coupled along with the larger crops brought forward by the United States and Turkey, this led to a significant over supply of durum in global markets. Even the smaller crops advanced in the Mediterranean region did little to check this glut. Despite the strong competition, Canadian exports moved at a comparatively good pace throughout the crop year. The return of the Panama Canal – which is an important route for West-Coast shipments – to more normal operations proved particularly beneficial.

The adverse impact of reduced prices was tempered by a 34.2% decrease in the export basis, which fell to $112.11 per tonne from $170.33 per tonne a year earlier. All of this $58.22 decrease was attributable to a decline in the price differential, which fell to $101.26 per tonne from $159.48 per tonne the year before. As outlined with respect to 1CWRS wheat, the $9.82-per-tonne trucking cost did not change in the 2024-25 crop year, so did not factor into the decline of the producer netback. Nor did an unchanged check-off charge of $1.03 per tonne.

Producer Netback - 1CWA Durum



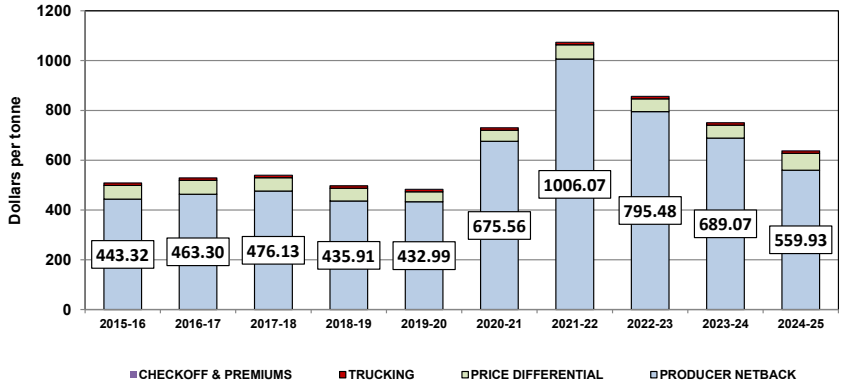
CANOLA AND YELLOW PEAS
[See TABLES 6A-1C through 6A-10D]

Like wheat and durum, the data used in calculating the financial return to producers of canola and large yellow peas shows that they have also been heavily influenced by the prevailing prices for these commodities. While the export basis has also risen over time, it has proven to have far less sway over these returns.

1 Canada Canola
[See Tables 6A-1C through 6A-10C]

The netback to producers of 1 Canada canola decreased by 18.7% in the 2024-25 crop year, falling to $559.93 per tonne from $689.07 per tonne a year earlier. This result was driven by significantly lower canola prices, with the average Vancouver cash price slumping 15.0%, to $638.61 per tonne from $751.23 per tonne.

Producer Netback - 1 Canada Canola



The prospect of a record US soybean crop, coupled with sluggish soybean sales, weighed significantly on canola prices from the beginning of the crop year. Canola prices continued to sag despite stronger demand for Canadian canola from Europe, owing to the smaller harvest there, and the imposition of anti-dumping duties on Chinese waste biodiesel (primarily used cooking oil and animal fat) utilized as a feedstock for renewable diesel and biodiesel production. Adding to the downward pressure was the speculation giving rise to substantial short selling in the futures market. To complicate matters, the market was also contending with the havoc brought on by mounting international trade tensions, which added to fears that China would respond with retaliatory measures of its own. This included the possible levying of anti-dumping duties on Canadian canola seed in addition to those already imposed on canola oil and meal.

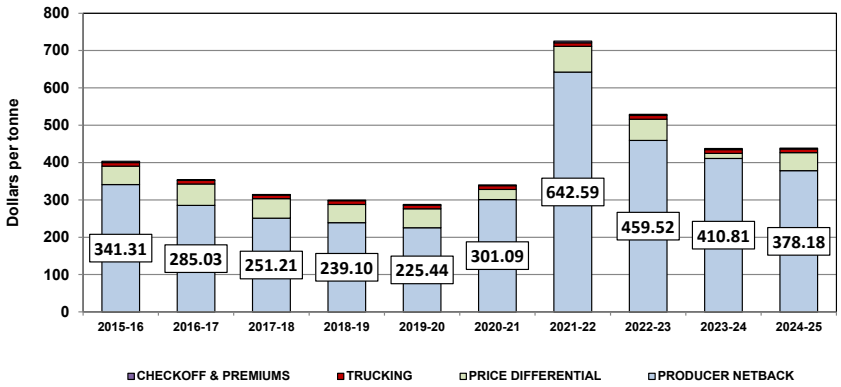
The decline was enlarged by a 26.6% increase in the export basis, which rose to an average of $78.68 per tonne from $62.16 per tonne a year earlier. As observed with wheat and durum, all the increase was tied to a change in the price differential, which rose to $67.94 per tonne from $51.42 per tonne a year earlier. The costs derived from trucking and the payment of a check-off did not change in the 2024-25 crop year, so did not contribute to the variance in the producer netback. These were estimated at $9.82 per tonne and $0.92 per tonne respectively.

Large Yellow Peas
[See Tables 6A-1D through 6A-10D]

The visible netback to producers of large yellow peas has proven the most erratic of the four commodities monitored under the GMP. Producers experienced a 7.9% decrease in these returns during the 2024-25 crop year, which fell to $378.18 per tonne from $410.81 per tonne a year earlier.

Although pea production rose 15% from 2023, the market and price for Canadian peas continued to benefit from the removal of India's import restrictions the previous crop year, which had been in place since 2019. Russia, which was a significant competitor the previous year, saw a 20% decline in production, providing further price support. This was followed in March 2025 by China's imposition of a 100% retaliatory tariffs on Canadian peas (as well as on canola oil and meal), which came in response to Canada's earlier tariffs on Chinese electric vehicles, steel and aluminum.

Producer Netback - Large Yellow Peas



All this served to temper any upside movement in prices. As a result, the dealer's closing price increased by a marginal 0.3%, to $438.82 per tonne from $437.46 per tonne.

The export basis for large yellow peas increased by 127.5% in the 2024-25 crop year, to $60.64 per tonne from $26.65 per tonne a year earlier. As with other commodities, much of the increase was rooted in a higher price differential, which stands in for the cost of freight as well as other handling activities, and which jumped by 244.5%, to $48.20 per tonne from $13.99 per tonne. This was marginally offset by a $0.22-per-tonne decrease in Pulse Growers Association fees. No impact on the export basis was derived from changes in trucking costs.

PRODUCER CARS
[See TABLES 6B-1 through 6B-2]

Producer-car loading increased substantially through the first decade of the GMP. This was due in large measure to the advent of modern producer-car loading groups that invested significantly in fixed trackside storage and carloading facilities. Some even went so far as to purchase the branch

lines then being abandoned by CN or CPKC to establish shortline railways that became integral elements in their broader grain-handling operations. Ultimately, their aim was to safeguard a cost-competitive alternative for producers in moving their grain to market.

Loading Sites
[See Table 6B-1]

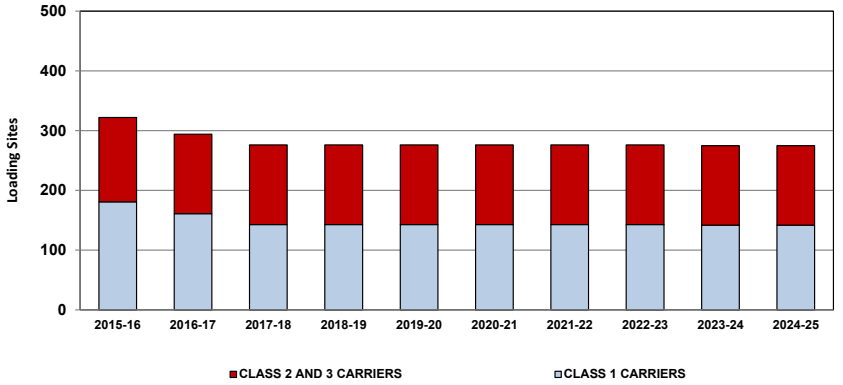
The number of producer-car loading sites situated across Western Canada has declined significantly from the 710 first benchmarked at the beginning of the GMP. However, after having been culled by a factor of nearly 60%, the decline effectively came to an end in the 2017-18 crop year. Following six consecutive years in which the overall number of producer-car loading sites remained unchanged, the 2023-24 crop year saw a reduction of one Saskatchewan-based site, with the total falling to 275 from 276. These remained unaltered in the 2024-25 crop year. Class 1 carriers closed out the crop year with 142 operational sites, while Class 2 and 3 carriers operated 133.

Producer-Car Shipments
[See Table 6B-2]

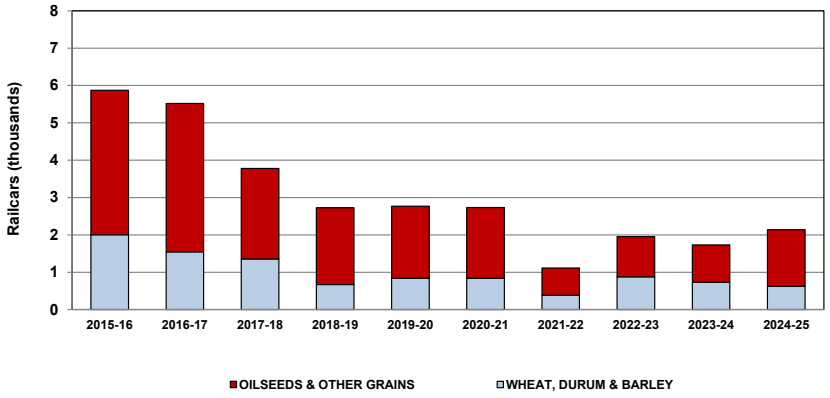
Scheduled producer-car shipments increased by 23.3% in the 2024-25 crop year, to 2,138 cars from 1,734 a year earlier. The gain denoted a modest reversal in the broader decline witnessed since the 2013-14 crop year, and in which shipments reached a highwater mark of 15,603 cars. Much of this decline reflects the realities of today's competitive environment, where the limited financial reward of the producer-loading option is often outweighed by its broader commercial risks. Simply stated, few producers feel that it is worth the trouble. Still, what remains has largely been refocused on serving the American market for select grains, with about three-fifths of total producer-car shipments now being directed into the United States.

Equally noteworthy is the attendant shift in the mix of commodities handled. Until the 2009-10 crop year, wheat, durum, and barley were dominant, representing virtually all the traffic moved. But the proportion accorded to oilseeds and other commodities soon began to climb. By the close of the 2018-19 crop year the share given over to wheat, durum and

Producer-Car Loading Sites



Producer-Car Shipments



barley shipments had fallen to an estimated 24.6%, while oats, oilseeds and other commodities commanded a 75.4% share.

Although major cereal grains showed a modest resurgence in recent years, they have remained subordinate, with the 2024-25 crop year producing a 29.2% share, down from the 42.2% estimated a year earlier. Conversely, shipments of oilseeds, special crops and oats rose to a 70.8% share, up from the 57.8% claimed the previous year.

Appendix 1: Program Background

The Government of Canada selected Quorum Corporation to serve as the Monitor of Canada's Grain Handling and Transportation System (GHTS) in June 2001. Under this mandate, Quorum Corporation provides the government with a series of regular reports relating to the system's overall performance, as well as the effects of the various policy reforms enacted by the government since 2000.

In a larger sense, these reforms were expected to alter the commercial relations that have traditionally existed between the primary participants in the GHTS: producers; the former Canadian Wheat Board; grain companies; railway companies; and port terminal operators. Using a broad series of indicators, the government's Grain Monitoring Program (GMP) was designed to measure the performance of the GHTS as this evolution unfolded. Moreover, these indicators are intended to reveal whether grain is moving through the supply chain with greater efficiency and reliability.

To this end, the GMP provides for a number of specific performance indicators grouped under six broad series, namely:

- Series 1 – Production and Supply: Measurements relating to grain production in western Canada. In addition to the major cereal grains, this also includes oilseeds and special crops.

- Series 2 – Traffic and Movement: Measurements focusing on the amount of grain moved by the western Canadian GHTS. This includes shipments from country elevators; by rail to western Canada, eastern Canada, the United States and Mexico; by vessel from terminal elevators at the four ports in western Canada; and by truck to the United States.

- Series 3 – Infrastructure: Measurements illustrating the makeup of the GHTS. These statistics include both the number and capacity of the country as well as terminal elevator systems, and the composition of the western Canadian railway network.

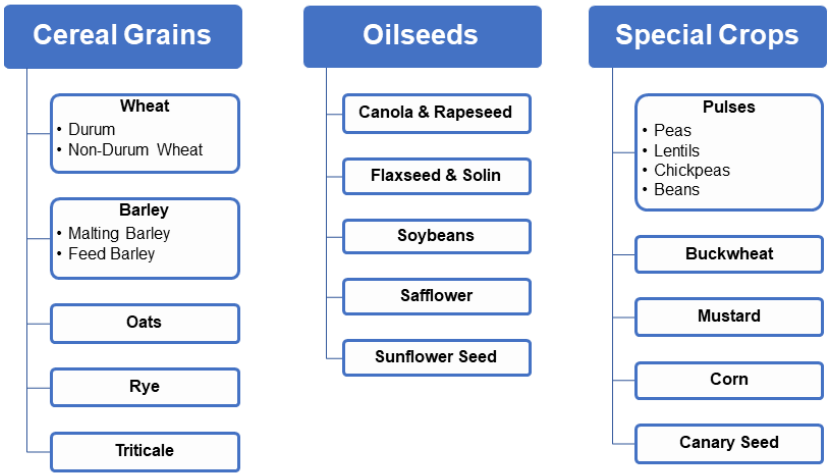
- Series 4 – Commercial Relations: Measurements relating to the rates applicable on various grain-handling and transportation services.

- Series 5 – System Efficiency and Performance: Measurements aimed at gauging the operational efficiency with which grain moves through the logistics chain.

- Series 6 – Producer Impact: Measurements designed to capture the value to producers from changes in the GHTS, and which are focused largely on the calculation of the "producers' netback."

Appendix 2: Commodity Guide

The following provides a high-level overview of the various commodities discussed in this report. The delineations made here are drawn from the Canadian Grain Commission's Official Grain Grading Guide Glossary.



Cereal Grains: Cereal grains are any grain or edible seed of the grass family which may be used as food.

Oilseeds: Oilseeds include flaxseed and solin, canola and rapeseed, soybeans, safflower and sunflower seed.

Canola: The term "canola" was trademarked in 1978 by the Western Canadian Oilseed Crushers' Association to differentiate the new superior low-erucic acid and low-glucosinolate varieties and their products from older rapeseed varieties.

Special Crops: Special crops are considered to be beans, buckwheat, chick peas, corn, fababeans, lentils, mustard, peas, safflower, soybeans, and sunflower.

Pulses: Pulses are crops grown for their edible seeds, such as peas, lentils, chick peas or beans.

Screenings: Screenings is dockage material that has been removed by cleaning from a parcel of grain.

Appendix 3: Acknowledgements

The scope of this review is far-reaching and could not have been completed without the assistance of the various stakeholders that submitted views on the detailed monitoring design and provided the data in support of the Grain Monitoring Program (GMP). Quorum Corporation would like to thank the following organizations, and more particularly the individuals within them, for the cooperation they have extended in our efforts to develop the GMP. We have come to appreciate not only their cooperation as suppliers of data under the program, but to value their assistance in helping to improve the GMP itself. We look forward to their continued input and cooperation.

Agricultural Producers Association of Saskatchewan
Agriculture and Agri-Food Canada
AGT Food and Ingredients
Alberta Agriculture and Irrigation
Alberta Federation of Agriculture
Alberta Grains
Alberta Transportation and Economic Corridors
Alliance Grain Terminal Ltd.
Archer Daniels Midland Co.
Battle River Railway
BC Chamber of Shipping
BC Maritime Employers Association
Boundary Trail Railway Company Inc.
Bunge Global SA
Canada Grains Council
Canadian Canola Growers Association
Canadian Federation of Agriculture
Canadian Grain Commission
Canadian Maritime Chamber of Commerce
Canadian National Railway
Canadian Pacific Kansas City Limited
Canadian Ship Owners Association
Canadian Special Crops Association
Canadian Transportation Agency
Canadian Transportation Research Forum
Cando Rail and Terminals
Canola Council of Canada
Cargill Limited
Cereals Canada
Ceres Global Ag Corp.
Chamber of Shipping of British Columbia
CMI Terminal Ltd.
Fibreco Export Inc.
Fraser Grain Terminal
G3 Canada Limited
Government of British Columbia
Grain Growers of Canada
GrainsConnect Canada
Great Western Railway Ltd.
Inland Terminal Association of Canada
Intercontinental Exchange / ICE
Keystone Agricultural Producers
Lake Line Railroad Inc.
Long Creek Railroad
Louis Dreyfus Canada Ltd.
Manitoba Agriculture
Manitoba Crop Alliance
Manitoba Transportation and Infrastructure
National Farmers Union
North West Terminal Ltd.
Northern Lights Rail
OmniTRAX Canada, Inc.
Parrish & Heimbecker Ltd.
Pacific Pilotage Authority
Paterson Grain
PKM Canada Marine Terminal Limited Partnership
Port of Churchill
Port of Hamilton
Port of Montreal
Port of Thunder Bay
Prairie Oat Growers Association
Prince Rupert Grain Ltd.
Prince Rupert Port Authority
Pulse Canada
Railway Association of Canada
Red Coat Road and Rail Ltd.
Richardson Pioneer Ltd.
St. Lawrence Seaway Management Corporation
Saskatchewan Agriculture
Saskatchewan Highways
Saskatchewan Association of Rural Municipalities
Saskatchewan Barley Development Commission
Saskatchewan Wheat Development Commission
South West Terminal
Statistics Canada
Stewart Southern Railway
The Scoular Company
Transport Canada
Vancouver Fraser Port Authority
Viterra Inc.
Western Barley Growers Association
Western Canadian Short Line Railway Association
Western Canadian Wheat Growers Association
Western Grain Elevator Association