Railway Association of Canada

GRAIN COMPANIES HAVE OPTIONS.

NO RATIONALE FOR HARMFUL REGULATION LIKE EXTENDED INTERSWITCHING AND GRAIN REVENUE CAPS.

Multinational grain companies buy, sell, and ship Canadian grain. They have competitive choices between CN, CPKC, shortlines, AND trucking, among other transportation options.

Grain companies use their myriad of transportation choices to secure **THE BEST SERVICE AND BEST RATES*.**

Railways deliver **WORLD-LEADING VALUE** to grain shippers, farmers, and consumers.

*CPCS Rail Freight Rate Comparison 2023

THE FACTS

- All grain shipments start in a truck.
- Railways are contracted by big grain companies, not farmers.
- Five of the largest grain companies earn more total yearly revenue than the combined GDP of BC and Quebec.
- Grain companies choose where to locate their elevators. It's a commercial decision.
- CN and CPKC compete fiercely against one another for shipments and elevators through multiple gateways.
- Shortlines originate grain and enhance competition. All railways compete with trucks.
- Bulk grain moved by rail is highly regulated and the only commodity with an investment-stifling cap on the revenue railways can earn.
- Weekly, monthly, and annual bulk grain shipments vary significantly; based on world prices, markets, and the weather (harvest timing, etc.).
- Grain companies regularly hold back shipments based on market conditions, letting valuable rail capacity go unused.
- Some grain companies expect last-minute limo service at a bus route rate.

85% OF THE GRAIN ELEVATOR NETWORK IS DUAL SERVED, WITHIN 30KM OF AN INTERCHANGE, OR WITHIN 100KM OF ANOTHER RAIL CARRIER. ALL GRAIN COMPANIES CAN ACCESS COMPETING RAILWAYS THROUGH REGULATED LONG-HAUL INTERSWITCHING.

THE BENEFITS OF RAIL

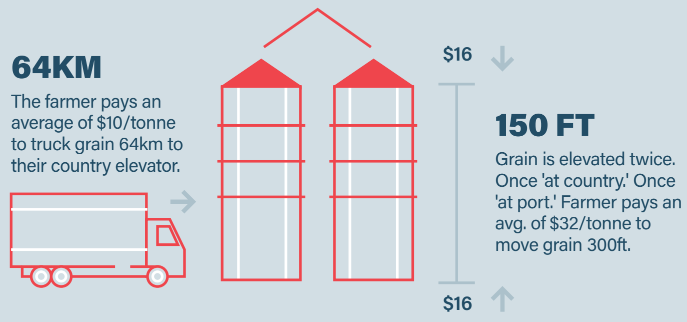
Canadian railways are the **SAFEST** in North America.

Canadian railways offer the **LOWEST** rail freight rates on average among major market economies. Rates for Canadian grain are an additional 29% lower than the Canadian average.

Rail is the **GREENEST** mode of ground transportation. One train can take 300 trucks off the road, dramatically lowering GHG emissions.

Canadian railways **RELIABLY** move **$350B** worth of goods per year and **HALF** of Canada's exports.

Rail dwell times remain **CONSISTENTLY LOW** while delays in other modes have increased.



The farmer needs to elevate grain **150ft twice.** It costs a total of **approx. $32/tonne** plus other charges*.

The railway company charges the grain company **approx. $39/tonne** (avg.) to transport grain hundreds of kilometres by rail to export terminal.

*Examples: blending, cleaning, drying, inspecting, sampling.
RAC analysis based on data from the Canadian Grain Commission, Quorum Corporation, and the Canadian Transportation Agency.

RAILWAYS DELIVER FOR CANADIAN AGRICULTURE.

THE FARMER PAYS MORE THAN $42/TONNE TO GET GRAIN TRUCKED AND ELEVATED SHORT DISTANCES. THAT'S MORE THAN THE PRICE OF MOVING GRAIN 1,500KM BY RAIL TO EXPORT.