

RAC QUARTERLY REPORT

Quarter 2 - 2026

September 29, 2026



Contents

Introduction.....	3
Executive Summary	3
State of the Canadian Economy	4
Economic Outlook.....	5
Supply Chains.....	8
Labour Disruptions	8
Global Maritime trade.....	8
Global Marine Vessels	9
Canadian Ports	9
Canadian Railways	10
Network-wide Canadian Class 1 Freight Data.....	11
Weekly Trend	11
Traffic Volumes by Commodity.....	11
Select Key Financial, Operating, and Safety Metrics.....	15
Canadian Freight Rail Industry Data.....	17
Carloads & Intermodal Units.....	17
Trade.....	20
Freight Rates.....	22
Canadian Passenger Rail Industry Data	23
RAC Member Ridership	23
Public Transit and Commuter Rail.....	23
Tourism Rail.....	24
Intercity Passenger Rail	24
Canadian Rail Industry Safety Performance	26

Introduction

The Railway Association of Canada's (RAC) *Quarterly Report* compiles weekly, monthly, and quarterly data from railways and various agencies to provide a timely update on freight and passenger railway performance. Rail industry traffic volumes and performance metrics are strongly linked to the strength of the economy, as well as the performance of the rail industry's supply chain partners. To provide appropriate context, the *Quarterly Report* begins by providing an overview of recent performance of the Canadian economy and forecasts where the economy is heading. The report then narrows in on supply chains before presenting the detailed results for rail.

The consolidation of relevant rail and non-rail data in one report helps the reader to better understand the factors that impact rail performance. These reports serve as a useful resource for professionals working in supply chains and logistics, transportation policy, economic policy, or in any of the economic sectors that are served by rail.

Links to all data sources are included throughout the report. In addition, RAC's quarterly and annual industry performance reports can be accessed on the [RAC website](#); as well as the [weekly traffic dashboard](#) with information on the latest rail traffic trends.

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Executive Summary

In Q2-2026, Canada's rail industry delivered strong volume growth and solid operational performance while navigating a trade environment marked by elevated and shifting U.S. tariffs, trade diversification efforts, and unprecedented global supply chain disruptions, including the continued effective closure of the Strait of Hormuz and the resulting rise in fuel prices. This quarter showed how railways maintained resilience and adaptability, while reinforcing their critical role in supporting Canadian trade and economic activity.

Total class 1 revenue ton-miles (RTM) rose 4% year-over-year, with carloads roughly flat. Growth was concentrated in bulk and energy commodities, led by strong grain & fertilizer volumes from a record 2025 harvest. These gains more than offset a steep decline in coal, while intermodal volumes were relatively flat. Tariff-impacted sectors such as forest products, metals and minerals, and automotive posted gains against Q2-2025, when U.S. tariffs had first taken effect.

Operational performance improved across key metrics. Train speeds and fuel efficiency increased, dwell times were reduced, and overall productivity rose, supported by network optimization, system integration, and disciplined operating practices. Average terminal dwell fell to 7.85 hours, while heavier, and faster trains contributed to greater efficiency and throughput.

Railways continued to invest at scale in their networks to enhance capacity, reliability, and safety. Freight revenue per RTM increased as fuel surcharges rose in response to sharply higher fuel prices; however, those same fuel price pressures increased operating expenses and contributed to a slightly higher operating ratio. Safety performance was mixed, with the headline accident rate (Transportation Safety Board accidents per million train miles) edging up 2% compared to Q2-2025 but remaining 14% below the five-year average.

Overall, the Q2-2026 report highlights the rail sector's ability to manage economic uncertainty and adapt to evolving trade dynamics. Through strong operational execution and sustained investment, Canada's railways continued to support the competitiveness of Canadian industries and the broader economy.

State of the Canadian Economy

Rail industry traffic volumes are strongly linked to the strength of the economy. Trends in the key economic indicators outlined below often prove useful in understanding trends in rail traffic. The overall macroeconomic environment, economic outlook, and business and consumer confidence can impact rail traffic of certain commodities more than others.

Data for all key economic indicators are provided on a seasonally adjusted basis. Therefore, the most recent data are analyzed against the past several months, rather than against the same quarter of the previous year.

From March to June 2026, total employment (all industries) increased by 0.4% (+88,300 jobs), driven by a strong gain in May (+87,800 jobs) and a smaller increase in June (+18,200 jobs), which more than offset a small decline in April (-17,700 jobs). Gains in May were broad-based, led by construction (+26,800 jobs), information, culture and recreation (+19,300 jobs), and transportation and warehousing (+18,700 jobs). Manufacturing employment rose in May but fell in June, and remains below its January 2025 level amid ongoing tariff-related uncertainty.

Although tariffs and trade disruptions remained a significant headwind throughout Q2-2026, official statistics for June showed growth and resilience.

Manufacturing shipments were up 6.3% in June 2026 compared to March 2026, with sales rising for a fifth consecutive month to \$78.8 billion in June. On a quarterly basis, manufacturing sales reached a record high of \$235.1 billion in Q2-2026. Part of this increase was due to higher prices for petroleum and energy products amid the surge in global oil prices during the quarter. Products subject to U.S. tariffs continue to recover, exemplified by the sales of transportation equipment rising 7.5% over Q2, supported by a rebound in motor vehicle and parts production.

Canada's trade activity is highly concentrated in the exchange of manufactured products with the U.S., which is by far Canada's largest trading partner. Total trade volumes (all commodities, all trading partners) increased by 7.4% (\$10.1B) from March to June 2026. This increase partially reflects higher prices, as export prices rose in Q2-2026 following the rise in global oil prices. In June, Canada recorded its fourth consecutive monthly merchandise trade surplus (\$3.9B), as a \$10.0B surplus with the U.S. was partially offset by deficits with other countries.¹

From March to June 2026, GDP increased by 1.2% (\$28.8B), rising in each month of the quarter, by 0.5% in April and 0.3% in both May and June. Growth was broad-based, with 17 of 20 industrial sectors expanding in Q2-2026. Mining, quarrying, and oil and gas extraction was the largest contributor, followed by manufacturing, where transportation equipment manufacturing posted its strongest quarterly increase since Q3-2020.²

Real GDP per capita increased by 1% in Q2-2026, a marked departure from the country's historically weak, flat, or even declining growth in GDP per capita. Excluding a few quarters at the height of the COVID-19 pandemic, when growth was boosted by extraordinary stimulus spending, Q2-2026 recorded the strongest quarterly growth since Q1-2017.

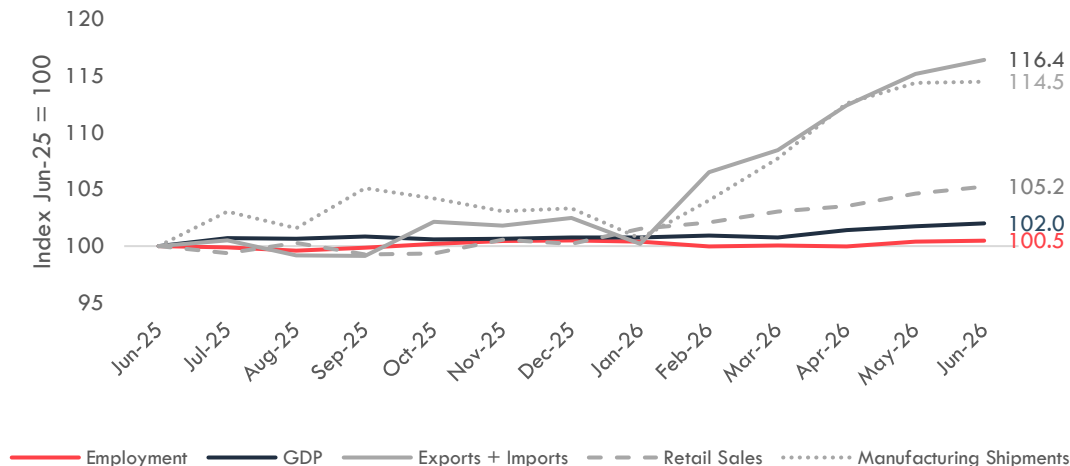
From March to June 2026, retail sales increased by 2.1%, with increases in 8 of 9 retail categories.

¹ Statistics Canada, The Daily, Canadian international merchandise trade, June 2026.

<https://www150.statcan.gc.ca/n1/daily-quotidien/260804/dq260804a-eng.htm>

² Statistics Canada, The Daily, Gross domestic product by industry, June 2026. <https://www150.statcan.gc.ca/n1/daily-quotidien/260828/dq260828b-eng.htm>

Key Canadian Economic Indicators



Growth of Key Canadian Economic Indicators

	Employment (millions)	GDP (\$B, annualized)	Exports + Imports (\$B)	Retail Sales (\$B)	Manufacturing Shipments (\$B)
March 2026	21.05	2,340	137.7	72.7	74.2
June 2026	21.14	2,369	147.8	74.3	78.8
3-month change	0.4%	1.2%	7.4%	2.1%	6.3%

Source: Statistics Canada, [Labour Force Survey](#); [Gross domestic product at basic prices](#); [Canadian International Merchandise Trade](#); [Retail trade sales by industry](#); and [Monthly Survey of Manufacturing](#)

Note: Data are seasonally adjusted. The GDP index is an index of Real GDP in chained (2017) dollars. The indices for trade, retail sales, and manufacturing shipments are in nominal dollars.

Economic Outlook

In Q2-2026, Canada's GDP increased by 3.3% quarter-over-quarter on an annualized basis while the U.S.'s GDP increased by 1.5%. Canada's Q1-2026 GDP decline was also revised upwards to a small increase of 0.3%, thereby avoiding a technical recession. On a per capita basis, real GDP rose by 1.0% in Q2-2026, as the Canadian population declined for a third consecutive quarter.³

Growth in Q2-2026 was largely driven by exports, which rose at their fastest pace in over three years, as well as by household spending and business investment. These gains were partially offset by a drawdown in business inventories.

The federal government's Productivity Super-Deduction took effect on November 4, 2025.⁴ In Q2-2026, business investment in machinery and equipment rose to its highest level since Q2-2024.

On September 15, 2026, the federal government announced its Productivity Mega Deduction, which will provide immediate expensing for a broad-based range of depreciable property on a

³ Statistics Canada, The Daily, Gross domestic product, income and expenditure, second quarter 2026.

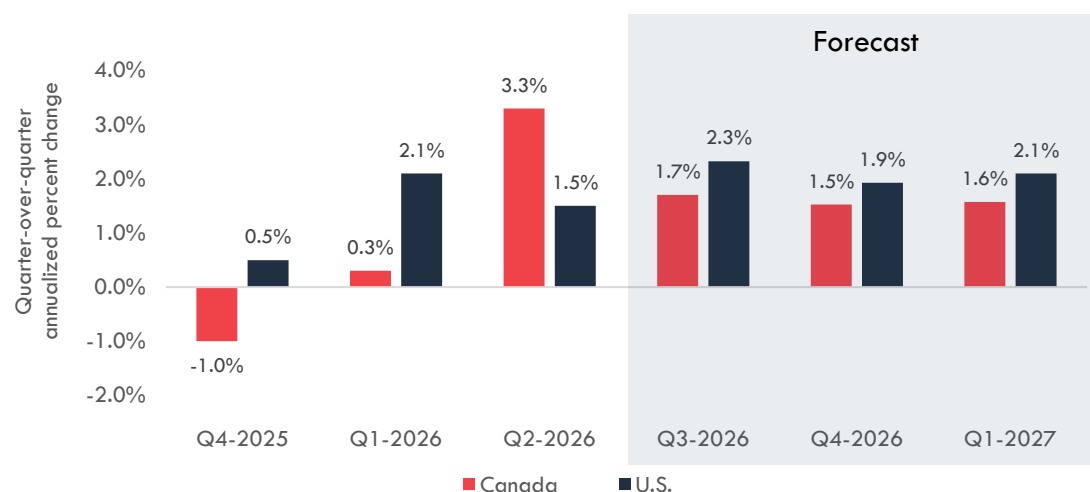
<https://www150.statcan.gc.ca/n1/daily-quotidien/260828/dq260828a-eng.htm>.

⁴ Government of Canada, Budget 2025, Chapter 1: Building a stronger Canadian economy.

<https://budget.canada.ca/2025/report-rapport/chap1-en.html#a6>

permanent basis.⁵ This is a welcomed measure and important step toward enhancing Canadian competitiveness, productivity, and trade diversification. RAC and its members have long advocated for permanent policies that incentivize more supply chain investment in Canada. A June 2026 independent report⁶ commissioned by RAC found that this policy would generate substantial additional annual private-sector investment across supply chains and increased GDP. The government's September 15 announcement follows the release of the independent report and calls for action from a coalition of fourteen industry associations, of which RAC is a party, to implement stronger accelerated depreciation policies to unlock much needed private sector investment.⁷

Canadian and U.S. Real GDP Forecast



Source: RAC analysis based on [Scotiabank](#), [CIBC](#), [RBC](#), and [BMO](#) forecasts. The figures presented are the average of the five banks' latest forecasts.

As of their September forecasts, Canada's large banks are anticipating moderate growth through the remainder of 2026 and into 2027. Canadian growth is forecasted to slow to an average of 1.6% over each of the next three quarters. U.S. growth is expected to increase to 2.3% in Q3-2026, followed by 1.9% in Q4 and 2.1% in Q1-2027.

Following stronger-than-expected volumes in the first half of the year, Canadian Class 1 railways' have adjusted their outlook to low single-digit RTM growth (compared to its previous outlook of flattish growth).⁸ Key uncertainties for the remainder of the year include fuel prices, currency fluctuations, and tariffs.

In Q2-2026, Canadian exporters continued to face high U.S. tariffs on steel, aluminum, Canadian auto content, and lumber, among other products.

With high tariffs in place, Canadian railways have been working with their customers to find other opportunities, including intra-Canada moves.

The outlook for bulk commodities remains positive. Canadian Class 1 railways continue to move the record 2025 harvest to export position. Strong performance in grain is expected to continue through Q3-2026 and Q4-2026, with a generally optimistic outlook for the 2026 harvest to at

⁵ Government of Canada, Department of Finance. <https://www.canada.ca/en/departement-finance/news/2026/09/government-of-canada-introduces-new-productivity-mega-deduction-to-boost-canadas-advantage-as-the-most-competitive-g7-country-for-new-business-inve.html>.

⁶ <https://www.railcan.ca/policy-advocacy/immediate-depreciation/>

⁷ <https://movingeconomies.ca/>

⁸ CN Q2 2026 Earnings Call, July 24, 2026.

least be in line with past five-year averages.⁹ Soft demand and/or tariffs will likely continue to impact merchandise volumes (including forest products and metals and minerals). The outlook for energy, chemicals and plastics is strong, particularly for refined products and natural gas liquids.¹⁰ While automotive tariffs are in effect, automotive carloads and RTMs increased against a weak Q2-2025 comparison base. Lastly, expectations for intermodal volumes are neutral to positive – stronger on the *domestic intermodal* business.

The economic impacts of the current trade and tariff disruptions highlight the importance of including appropriate context when evaluating the performance of the rail industry and broader supply chains.

⁹ CPKC Q2 2026 Earnings Call, July 29, 2026; CN Q2 2026 Earnings Call, July 24, 2026.

¹⁰ CN Q2 2026 Earnings Call, July 24, 2026.

Supply Chains

Canadian rail operations are deeply integrated in complex supply chains with several interdependent partners, including shippers, intermodal facilities, transload centres, auto compounds, the trucking industry, ports, and more. When disruption occurs at one link, the impacts are felt widely and deeply across other transportation service providers, businesses, and consumers.

Labour Disruptions

Canada's supply chains have experienced numerous disruptive work stoppages in recent years – more than 100 from 2023 to 2025. In 2024, more than 1.3 million days of work were lost in the transportation and warehousing sector resulting from work stoppages, the highest level since 1966. The compounding effects of recurring labour uncertainty, including work stoppages, or the mere threat of work stoppages, negatively impact businesses, consumers, and Canada's reputation as a reliable trading partner.

In Q4-2025, RAC appeared before the Standing Senate Committee on Transport and Communications to share the rail industry's perspective on Canada's growing labour challenges and emphasize the need for a more predictable and durable framework to promote long-term labour stability and limit the economic harm caused by work stoppages.

On September 21, 2026, the government introduced Bill C-39, the *Building Canada Strong Act*. RAC supports elements of the bill that would accelerate infrastructure development and welcomes some proposed changes to the *Canada Labour Code*; however, the proposed reforms fall short of solving Canada's labour instability challenges in our critical transportation supply chains. The legislation appears to accept that the government should only be able to react to a strike or lockout *after* it has started, rather than avoid the significant damage caused by frequent and recurring work stoppages in key transportation sectors, even when the parties are hopelessly deadlocked, there is no longer any meaningful bargaining taking place, and the national interest is clearly impaired.

Amendments to address this gap would help strengthen Canada's reputation as a reliable trading partner and a stable place to invest, while supporting the government's economic growth and trade diversification objectives.

Global Maritime Trade

Conflict around the Suez Canal persists and vessels are re-directing around the southern tip of Africa to avoid the conflict. In Q2-2026, tonnage moving through the canal increased by 34% compared to Q2-2025 but was still down by approximately 51% compared to 2020-2023 levels, most notably impacting container ships.¹¹ The Strait of Hormuz remains effectively closed following the outbreak of U.S.-Israeli military conflict with Iran in late February 2026. The interim agreement between the U.S. and Iran in June 2026 was short-lived, as the U.S. began its blockade of Iranian ports just a month later in July. As of late August 2026, traffic had fallen from more than 100 vessels per day before the conflict to about five.¹² The situation remains unresolved as of the time of writing.

The Panama Canal, which had drought-related restrictions in place from June 2023 to September 2024, is not expected to have any restrictions in place for the remainder of 2026 even if similar drought conditions reoccur.¹³

¹¹ <https://www.suezcanal.gov.eg/English/Navigation/Pages/NavigationStatistics.aspx>

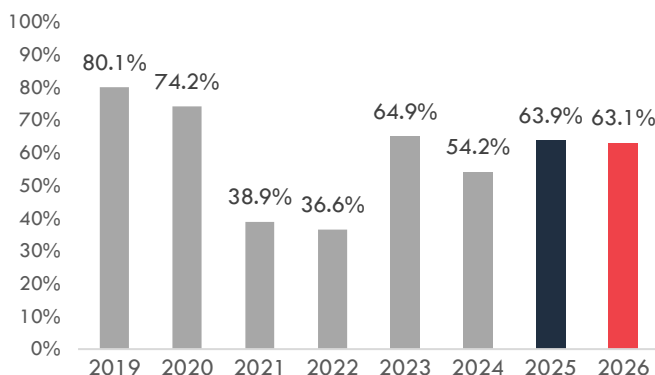
¹² <https://www.aljazeera.com/news/2026/8/27/how-a-95-percent-drop-in-hormuz-traffic-changed-global-shipping>

¹³ <https://www.reuters.com/sustainability/land-use-biodiversity/panama-canal-not-planning-curb-ships-passage-2026-despite-drought-threat-2026-05-15/>

Global Marine Vessels

In Q2-2026, global marine vessel on-time performance¹⁴ was at 63.1%. This is a slight decrease from 63.9% Q2-2025 but remains highly unfavourable compared to Q2-2019 (pre-COVID-19 pandemic), when schedule reliability was at 80.1%.

Global Schedule Reliability, Q2



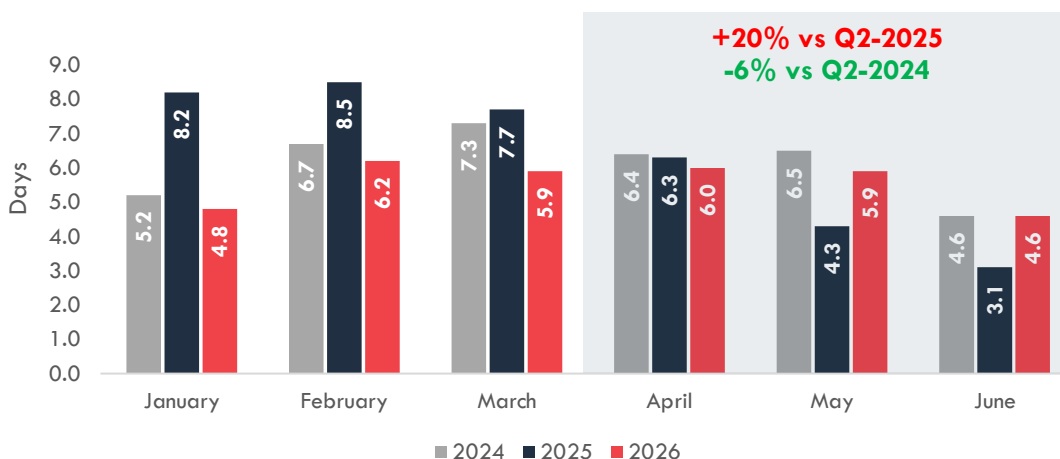
Source: Sea-Intelligence, [Global Liner Performance \(GLP\) report](#)

Canadian Ports

Dwell times at the Port of Vancouver in Q2-2026 averaged 5.5 days, representing a 20% increase compared to Q2-2025, but a 6% improvement compared to Q2-2024.

Dwell times at the Port of Montreal averaged 5.8 days, representing a 9% decrease compared to Q2-2025.

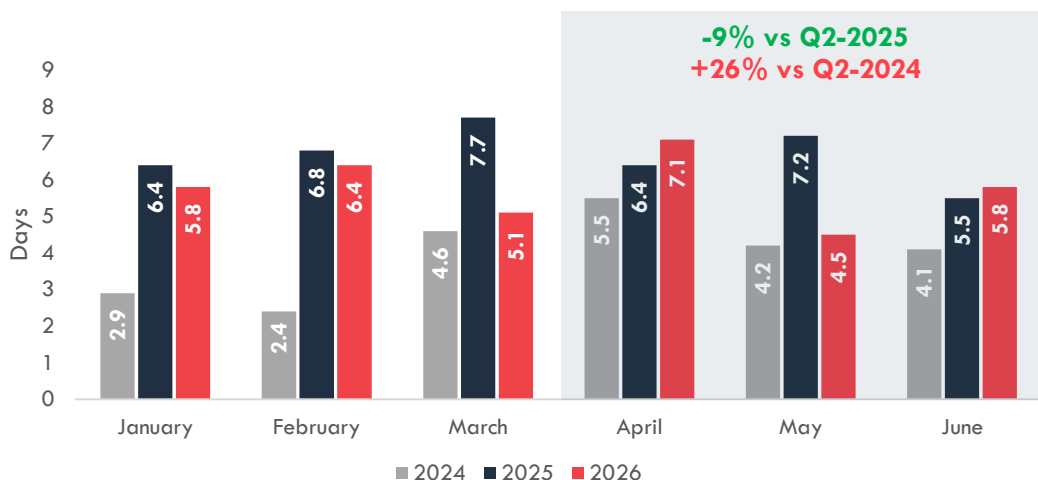
Vancouver - Gateway terminal rail dwell performance by month



Source: Port of Vancouver, [Supply chain performance, Container terminal rail performance](#)

¹⁴ Measured using Sea-Intelligence's [Global Liner Performance report](#), Global Schedule Reliability

Montreal - Average terminal dwell of containers (import-rail)



Source: Port of Montreal, [Performance Reports, Monthly Intermodal Scorecard](#)

Canadian Railways

In Q2-2026, Canadian Class 1 railways' dwell times averaged 7.85 hours – an 8% decrease compared to Q2-2025. For further details on railway terminal dwell performance, see [Select Key Financial, Operating, and Safety Metrics](#).

Despite disruptions to critical trade corridors such as the Strait of Hormuz and the Suez Canal, marine vessel on-time performance has held relatively steady and railway terminal dwell times continue to improve. Strength and stability in Canadian supply chains will be essential to navigate the challenges brought on by tariffs and higher fuel prices.

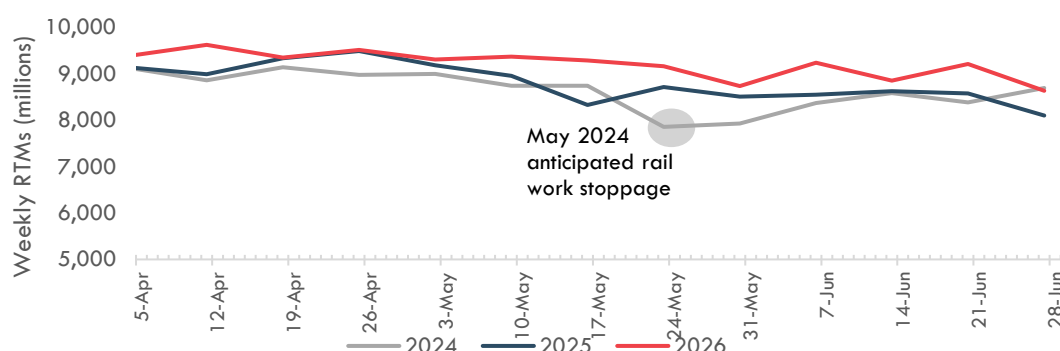
Network-wide Canadian Class 1 Freight Data

This section provides an update on the performance of Canada's Class 1 railways. Each week, Canada's Class 1 railways publicly release a suite of indicators covering traffic volumes, operational performance, and more. In presenting CN and CPKC's network-wide (North America) traffic and performance results in an aggregated format, this section is a useful resource for those interested in monitoring the performance of Canada's large railways. The weekly indicators can also be viewed on [RAC's traffic dashboard](#), updated every Tuesday.

Weekly Trend

In Q2-2026, Canadian Class 1 rail traffic, measured in revenue ton-miles (RTMs), exceeded 2025 levels in all 13 weeks. Class 1s finished the quarter with RTMs up 4% over Q2-2025.

Canadian Class 1 Revenue Ton-miles, Q2



Source: [CN Key Weekly Metrics](#); [CPKC Weekly Key Metrics](#)

Note: The dates indicate the first day of the week (e.g., "5-Apr" corresponds to the week of Apr 5-11). The week starting April 5, 2026 (for the 2026 series), is compared against the weeks starting April 6, 2025, and April 7, 2024.

Traffic Volumes by Commodity

As shown in the figure and table below, compared to Q2-2025, RTMs were up 4% while carloads were flat.

Grain & fertilizers were a major contributor to growth, with RTMs up 12% (+4,620 million RTMs) and carloads up 11% compared to Q2-2025. Both Class 1s posted gains for Canadian grain and U.S. grain. Energy, chemicals and plastics also contributed to grow, with RTMs up 9% (+1,701 million RTMs) and carloads up 5%.

Automotive carloads increased by 4% while RTMs were up 9%, supported by longer average hauls. 25% U.S. tariffs on the non-U.S. content in autos have been in effect since the beginning of Q2-2025, making Q2-2025 a reasonable benchmark. In Q2-2026, Canada-U.S. auto trade (finished vehicles and parts), using all modes of transportation, was up 6% compared to Q2-2025, and up 26% compared to Q1-2026.¹⁵

Coal RTMs were down 15% and carloads were down 13%. In its May 2026 edition of *The Daily – Railway Carloadings*,¹⁶ Statistics Canada noted that the reductions in coal volumes may reflect weakness in global demand for industrial energy, particularly from Asia.

¹⁵ RAC analysis based on data from Trade Data Online.

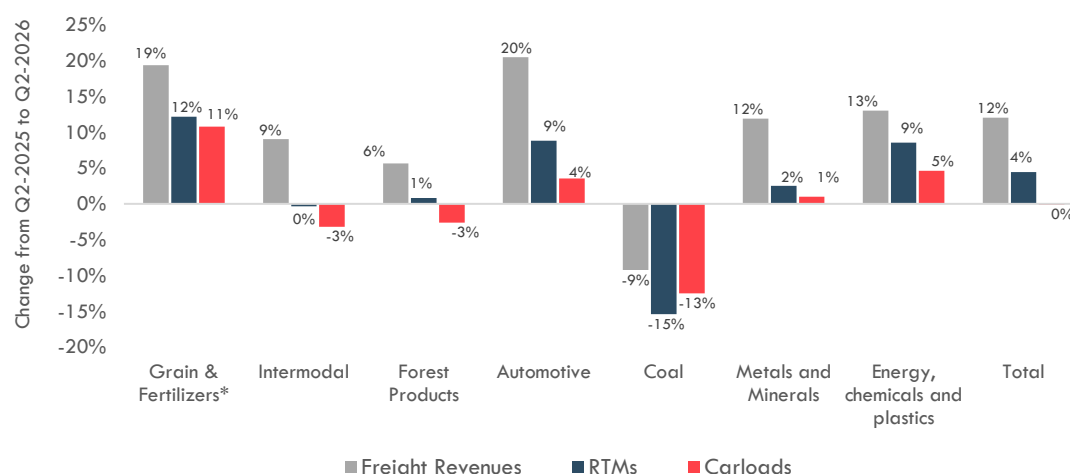
¹⁶ <https://www150.statcan.gc.ca/n1/daily-quotidien/260727/dq260727a-eng.htm>

The market for forest products remains soft. The increase in tariffs in July 2025, to upwards of 50%, continues to present headwinds for the commodity. Despite this, RTMs were up 1% (+61 million RTMs) while carloads were down 3% in Q2-2026.

Metals and minerals, which includes steel, aluminum, and their feedstocks such as iron ore, saw a 2% decrease in RTMs and 1% decrease in carloads compared to Q2-2025. Canadian exporters continue to face U.S. steel and aluminum tariffs, which increased from 25% to 50% in June 2025 and, as of April 2026, apply to the full import value of affected goods (no longer just the metal content of the product).¹⁷ In addition to now including copper products, this raised the effective burden on many Canadian exports without a further increase in the headline rate. Steel and aluminum exports to non-U.S. markets continue to increase and are up 74% year-over-year in Q2-2026. The share of non-U.S. exports increased by more than 58% year-over-year and now account for a fifth of all steel and aluminum exports. Canadian exports of steel and aluminum to the U.S. in Q2-2026 increased by 10% compared to Q1-2026 but were flat year-over-year. Total steel and aluminum exports increased 10% year-over-year off the backs of a relatively weak comparison base..

Energy, chemicals and plastics were also a major contributor to growth, with RTMs up 9% (+1,701 million RTMs) and carloads up 5%, support by strength in refined products and natural gas liquids.¹⁸

Class 1 Freight Revenues, RTMs, and Carloads by Commodity, Q2



¹⁷ U.S. Federal Register, Strengthening Actions Taken To Adjust Imports of Aluminum, Steel, and Copper Into the United States. <https://www.federalregister.gov/documents/2026/04/09/2026-06960/strengthening-actions-taken-to-adjust-imports-of-aluminum-steel-and-copper-into-the-united-states>

¹⁸ CN Q2 2026 Earnings Call, July 24, 2026.

Q2: Canadian Class 1 RTMs (millions), by Commodity

	Q2-2026	Q2-2025	Change (%)	Change (#)
Grain & Fertilizers*	42,627	38,007	12%	4,620
Intermodal	24,029	24,113	0%	-84
Forest Products	7,410	7,349	1%	61
Automotive	2,478	2,277	9%	201
Coal	9,416	11,131	-15%	-1,715
Metals and Minerals	12,278	11,979	2%	299
Energy, chemicals and plastics	21,589	19,888	9%	1,701
Total	119,827	114,744	4%	5,083

YTD (Q1-Q2): Canadian Class 1 RTMs (millions), by Commodity

	2026	2025	Change (%)	Change (#)
Grain & Fertilizers*	84,837	76,045	12%	8,792
Intermodal	46,601	45,894	2%	707
Forest Products	14,428	15,079	-4%	-651
Automotive	4,506	4,302	5%	204
Coal	19,427	22,360	-13%	-2,933
Metals and Minerals	23,137	23,412	-1%	-275
Energy, chemicals and plastics	43,450	41,425	5%	2,025
Total	236,386	228,517	3%	7,869

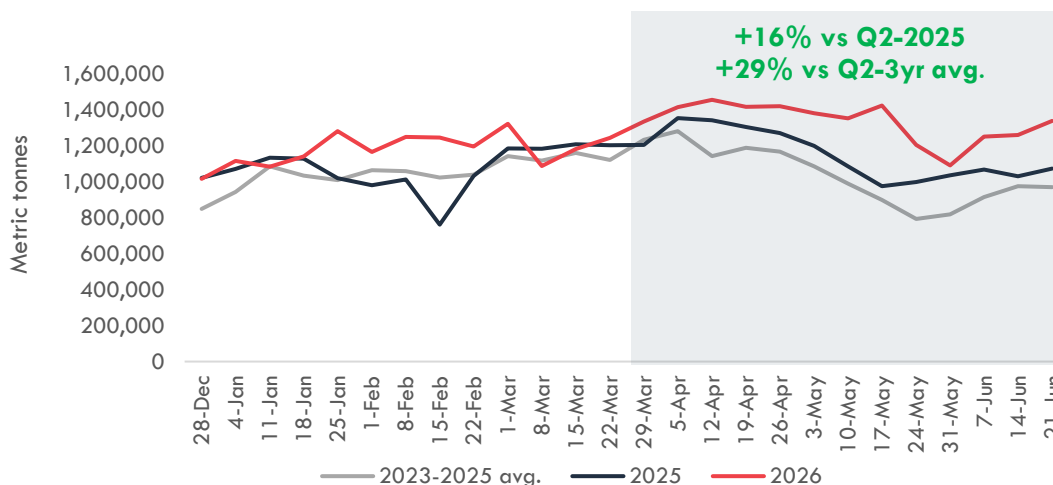
Source: [CN Quarterly Review](#); [CPKC Earnings Release](#).

*Includes potash.

Railway grain volumes fluctuate year-to-year. Volumes are strongly linked to the size of the grain crop and when producers and grain companies decide to ship their product. This choice is influenced by changes in market prices for grain. Investments in on-farm storage enable producers to hold onto grain, choosing to sell when the market is most favourable. Demand to ship grain is not consistent on a weekly basis. Typically, demand peaks in the fall and is followed by lower demand later in the crop year.

Canada's Class 1 railways delivered strong grain performance in Q2-2026. For the quarter, shipments were up 16% year-over-year and up 29% compared to the previous 3-year average. Weekly shipments exceeded the previous 3-year average every week.

Western Canadian Grain Shipments, calendar year



Source: [CN Western Canadian Grain Report](#); [CPKC Canadian Grain Performance Scorecard](#)

Canada's Class 1 railways are continuing to work with their customers to find new opportunities amid escalating U.S. tariffs on Canadian exports. Overall freight volumes increased in Q2-2026 thanks to strength in grain & fertilizers and energy, chemicals and plastics. Strength in these commodities will carry through Q3-2026 despite further U.S. tariffs and Canadian counter tariffs coming into effect.

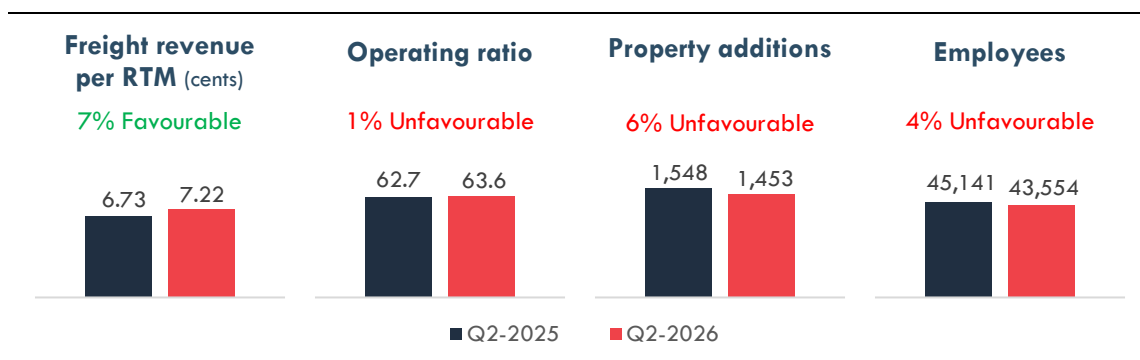
Select Key Financial, Operating, and Safety Metrics

In Q2-2026, performance across key financial, operating, and safety metrics was mixed.

From Q2-2025 to Q2-2026, overall freight revenue per RTM increased by 7%. The increase in revenues, however, coincided with an increase in operating expenses.

Freight revenue per RTM increased across all commodities. Contributing factors included higher fuel surcharge revenue, as fuel expense rose by 56%. The gains in revenue per RTM were partially offset by negative commodity mix as lower-yielding grain grew as a share of total volumes. Operating expense per RTM increased by 9% (driven by the 56% increase in fuel expense). Since the increase in operating expenses outweighed the increase in freight revenues, the operating ratio worsened by 1%.

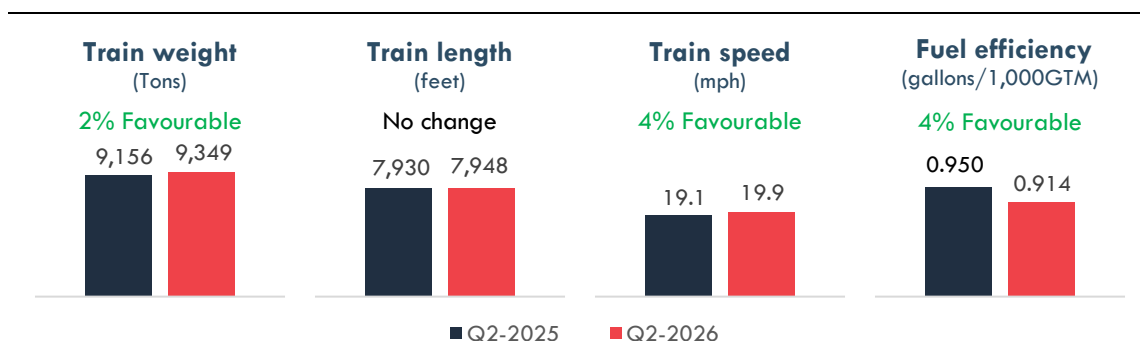
Canada's Class 1 railways continued to make significant investments in their networks, investing more than \$1.4 billion in Q2-2026.¹⁹ As per their capital plans, Canada's Class 1 railways plan to invest more than \$5.45B in 2026. With 43,554 employees, headcount was 4% below Q2-2025. The 4% lower headcount combined with the 4% increase in RTMs signals an increase in labour productivity compared to last year.



Source: [CN Quarterly Review](#); [CPKC Earnings Release](#).

Note: The operating ratio is calculated as the simple average of CN and CPKC.

In Q2-2026, Class 1 railways' average train weight, train speed, and fuel efficiency all increased, while average train length was relatively flat.



Source: [CN Quarterly Review](#); [CPKC Earnings Release](#).

Note: All four metrics are calculated using the simple average of CN and CPKC.

These improvements were supported by new Tier 4 locomotives and continued disciplined operations that have contributed to improved productivity, with Canadian Class 1 railways

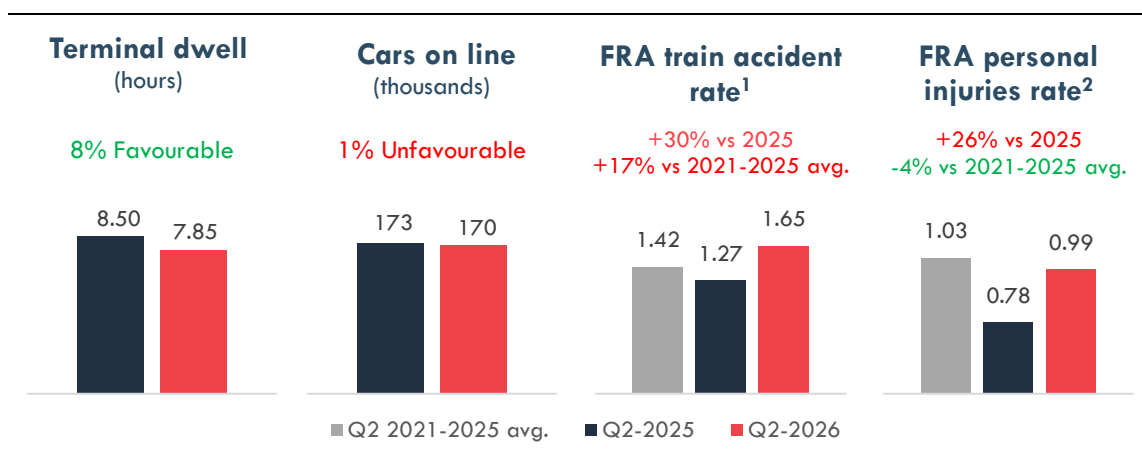
¹⁹ Property additions include capital investments in track and roadway, rolling stock, buildings, information technology and other assets.

setting Q2 records in fuel efficiency.²⁰ Heavier trains moving at greater speeds reduce car cycle times and improve throughput, enabling the supply chain to move more traffic using the same amount of labour and equipment.

In Q2-2026, railway dwell times averaged 7.85 hours – an 8% decrease compared to Q2-2025.

The average number of rail cars on line was down 1% compared to Q2-2025. In Q2, grain traffic volumes were up, despite the number of covered hopper cars on line being flat year-over-year. The number of multilevel cars (to move automotive products) increased by 4% while the number of the tank cars remained flat and other car types decreased.

In Q2-2026, the Canadian Class 1 FRA train accident rate increased compared to Q2-2025 and the 2021-2025 average. The Canadian Class 1 FRA personal injuries rate increased compared to Q2-2025 but remains 4% lower than the 2021-2025 average. Over the past several years, Canadian Class 1 railways' safety rates have trended in a generally positive direction.



Source: [CN Quarterly Review](#); [CPKC Earnings Release](#); [CPKC Unaudited Combined Summary of Supplemental Data](#); [CN Key Weekly Metrics](#); [CPKC Weekly Key Metrics](#).

Note: Terminal dwell, the FRA train accident rate, and the FRA personal injuries rate are calculated using the simple average of CN and CPKC.

¹ Accidents per million train-miles

² Injuries per 200,000 employee hours

In Q2, several performance metrics improved while Canada's Class 1 railways continued to invest at scale in their networks.

Productivity (RTM per employee) increased thanks to improvements across several key operating metrics. Q2 showed an increase in train weight, improved fuel efficiency, as well as higher throughput from increased train speeds and reduced dwell.

²⁰ CPKC Q2 2026 Earnings Call Transcript; CN Q2 2026 Earnings Call Transcript; [CPKC Weekly Key Metrics](#).

Canadian Freight Rail Industry Data

This section provides an update on traffic volumes (by commodity and region), trade, and freight rates. The freight rail industry data in this section overlap with the Class 1 freight data reported above. However, the Class 1 data cover CN and CPKC's operations across North America, whereas this section is specific to Canadian operations and include data from all freight railways, including shortlines. This section of the report is a useful resource for those interested in following the rail industry's contributions to the Canadian economy.

Carloads & Intermodal Units

Statistics Canada reports monthly carloadings for over 60 commodities (which are categorized into 10 commodity groupings in this report), as well as intermodal units.

Overall traffic trends by commodity were similar to those observed for the Class 1s network-wide.

In Q2-2026, intermodal traffic was down 2% compared to Q2-2025, with volumes 1% to 3% lower on a year-over-year basis in each month of the quarter.

Compared to last year, non-intermodal carload traffic in Q2-2026 was flat in April, but was up 1% in May and 3% in June, for a total quarterly increase of 1%.

Overall, growth was led by agriculture (+19%, 29,483 carloads), fuels & chemicals (+7%, 11,714 carloads), and machinery & automotive (+10%, 6,179 carloads), followed by food products (+13%, 2,503 carloads).

Agriculture carloads were notably strong in Q2-2026. Following the lifting of Chinese canola tariffs at the end of Q1-2026, canola carloads increased by 33% (8,756 carloads) year-over-year in Q2-2026, accounting for nearly one-third of the increase in agricultural carloads. Remaining growth came from carloads of other cereal grains (+33%, 6,679 carloads), fresh, chilled or dried vegetables (+119%, 5,887 carloads), animal feed and products (+33%, 4,327 carloads) and wheat (+5%, 4,103 carloads). These five agricultural commodities were among the top ten commodities in terms of year-over-year growth in Q2-2026 across the 60+ commodities tracked by Statistics Canada.

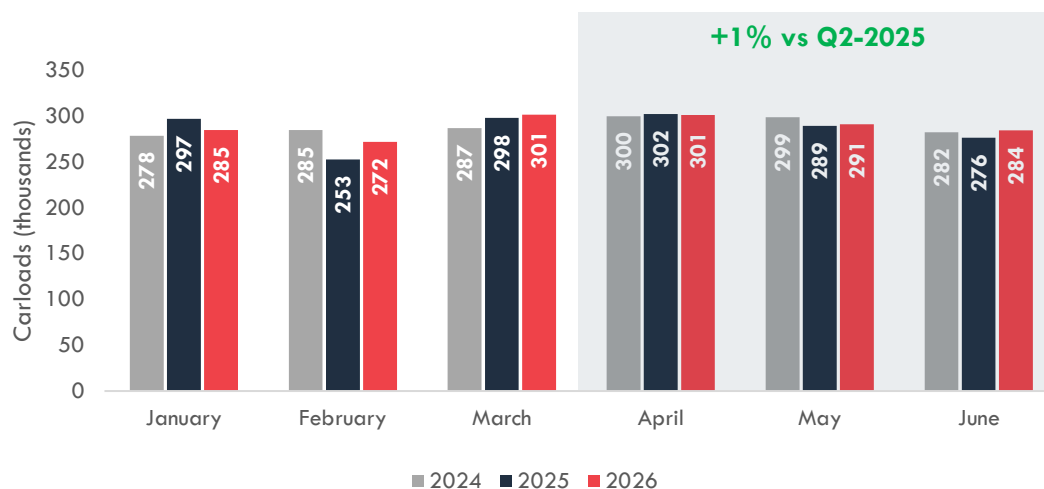
Mineral shipments in Q2-2026 fell by 7%, largely driven by a 12% decrease in iron ores and concentrates (-17,586 carloads) and a 2% decrease in potash (-1,405 carloads). Despite the drop in Q2, potash shipments were up 2% on a year-to-date basis and potash fundamentals remain strong and export volumes are expected to increase.

Coal shipments in Q2-2026 fell by 22% (-20,854 carloads) compared to Q2-2025. This decline is largely attributable to ongoing production-related challenges at mines, which are expected to continue to be a headwind in the remainder of 2026.²¹

²¹ CPKC Q2 Earnings Call Transcript, July 29, 2026.

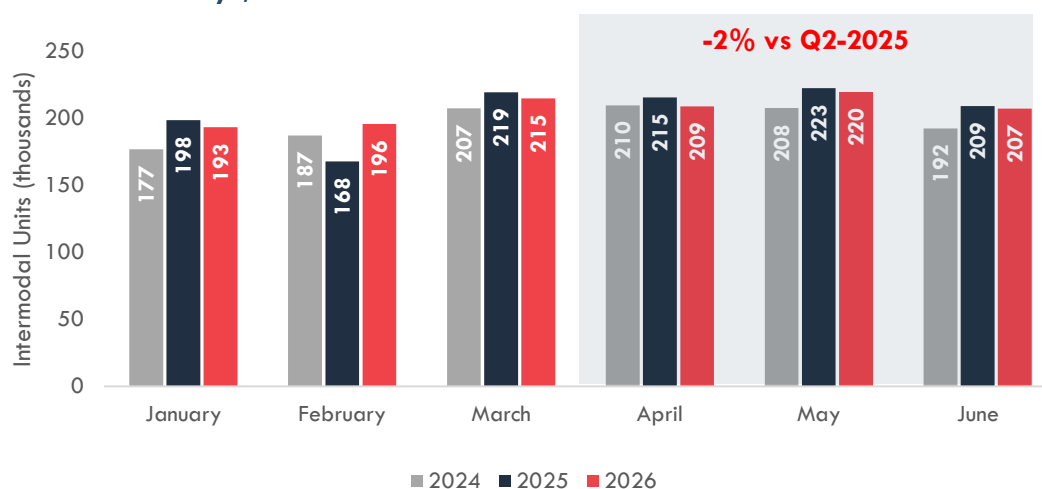
Carloadings of metals and forest products both decreased in Q2-2026, mostly from reasons explained earlier in the report relating to tariffs, as well as soft demand for some merchandise products. Q2-2026 carloadings of steel²² were flat, while carloadings of copper²³ were down 23% as U.S. tariffs began applying to copper products in Q2-2026.

Canadian Railways, Carloads



Source: Statistics Canada, [Monthly Railway Carloadings Survey](#)

Canadian Railways, Intermodal Units

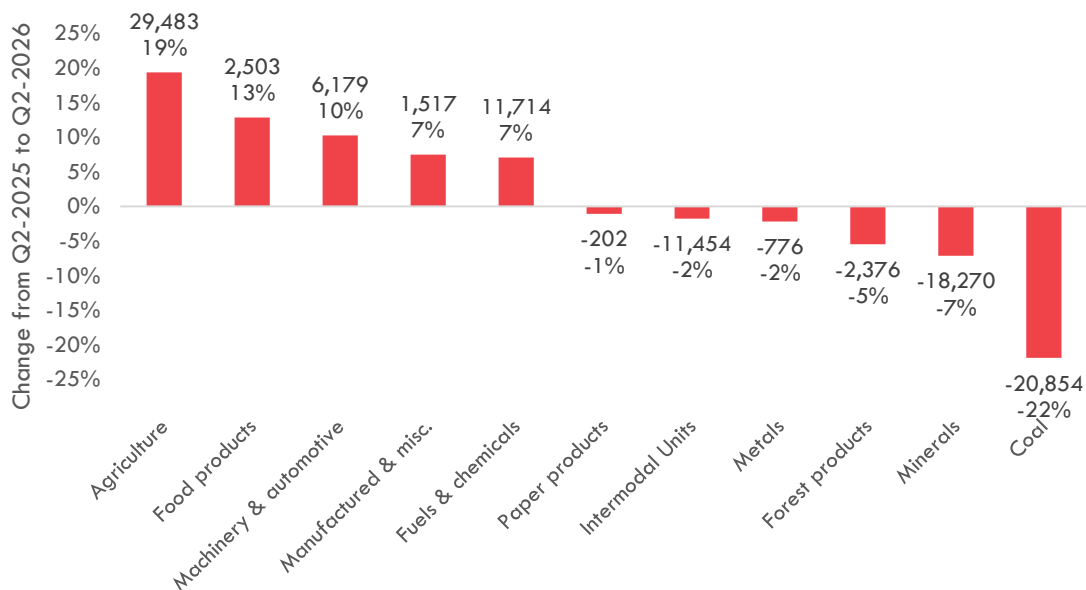


Source: Statistics Canada, [Monthly Railway Carloadings Survey](#)

²² Statistics Canada category "iron and steel, primary or semi-finished".

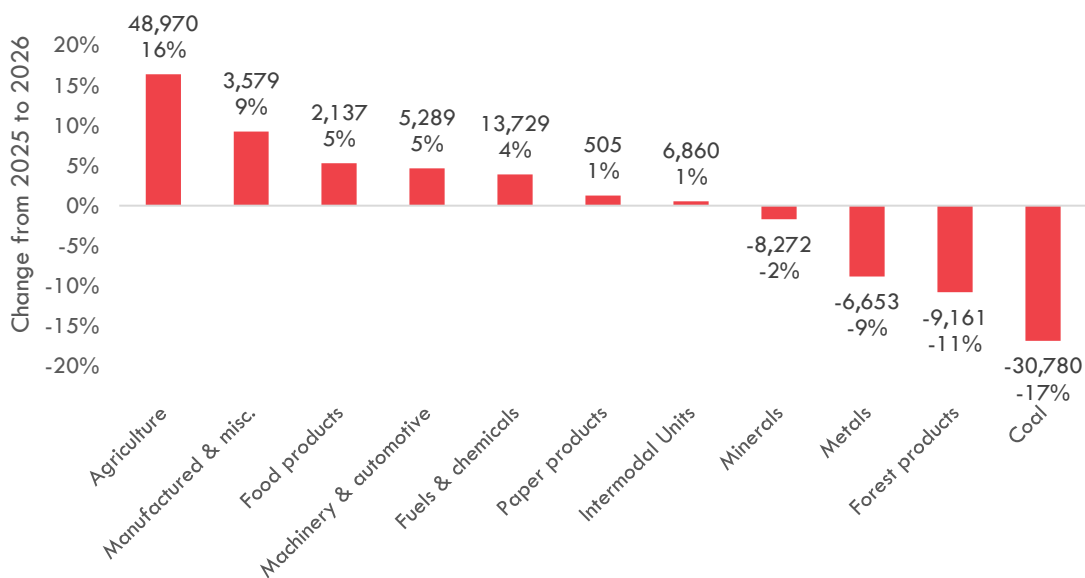
²³ Statistics Canada category "copper, primary or semi-finished".

Canadian Railways, Carloads by Commodity & Intermodal Units, Q2



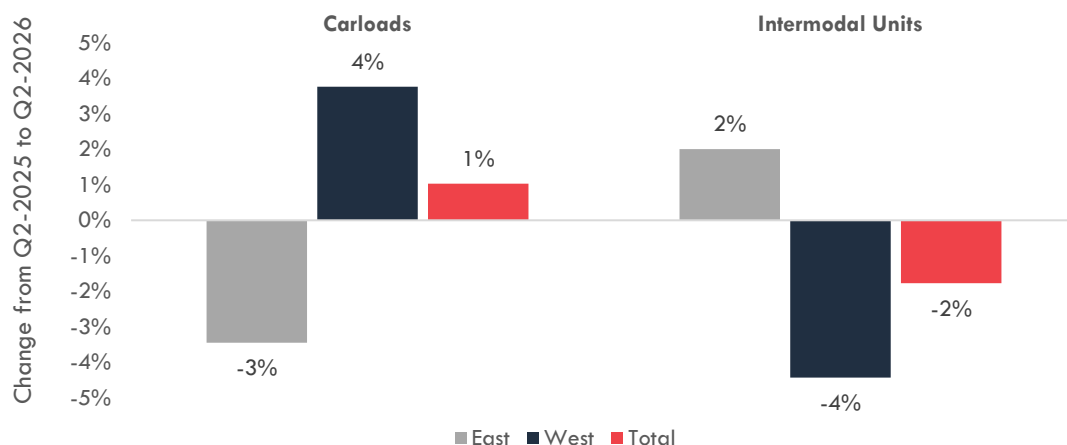
Source: Statistics Canada, [Monthly Railway Carloadings Survey](#)

Canadian Railways, Carloads by Commodity & Intermodal Units, (Jan-Jun)



Source: Statistics Canada, [Monthly Railway Carloadings Survey](#)

Canadian Carloads and Intermodal Units by Region, Q2



Source: Statistics Canada, [Monthly Railway Carloadings Survey](#)

Intermodal traffic increased in eastern Canada (2%) and decreased in western Canada (-4%) in Q2-2026.

Non-intermodal carload traffic decreased by 3% (11,355 carloads) in the eastern region, where the freight portfolio is heavily concentrated in products facing steep U.S. tariffs. Minerals account for 50% of the eastern region's non-intermodal carloadings, followed by automotive (11%) and metals (10%).²⁴ In addition to ongoing tariff challenges, minerals faced headwinds due to lower volumes of frac sand driven by increases in locally sourced frac sand in parts of western Canada and weaker market fundamentals.²⁵ Carloads increased by 4% in the western region where the significant gains in agriculture were able to offset the reductions in coal and forest products.

Trade

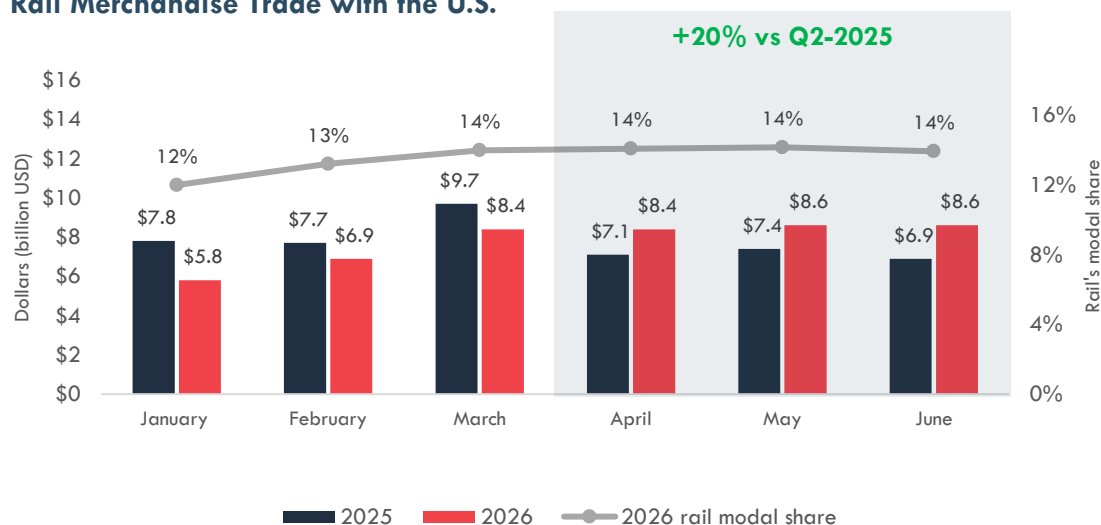
In Q2-2026, trade by rail with the U.S. was valued at more than \$25 billion USD, up 20% from Q2-2025. A high share of trade by rail value is concentrated in highly tariffed items. These include automotive products (42% of total rail trade value), which faced 25% tariffs on non-U.S. content, and metals (10% of total rail trade value), which faced steel and aluminum tariffs of up to 50%.²⁶

²⁴ Shares of total non-intermodal carloadings are based on 2020-2024 data.

²⁵ CN Q2 2026 Earnings Call, July 24, 2026.

²⁶ Source for automotive and metals' shares of total trade value: RAC calculation based on data from Transport Canada, Transportation Data and Information Hub, 2023 Addendum Tables, [Table RA9](#).

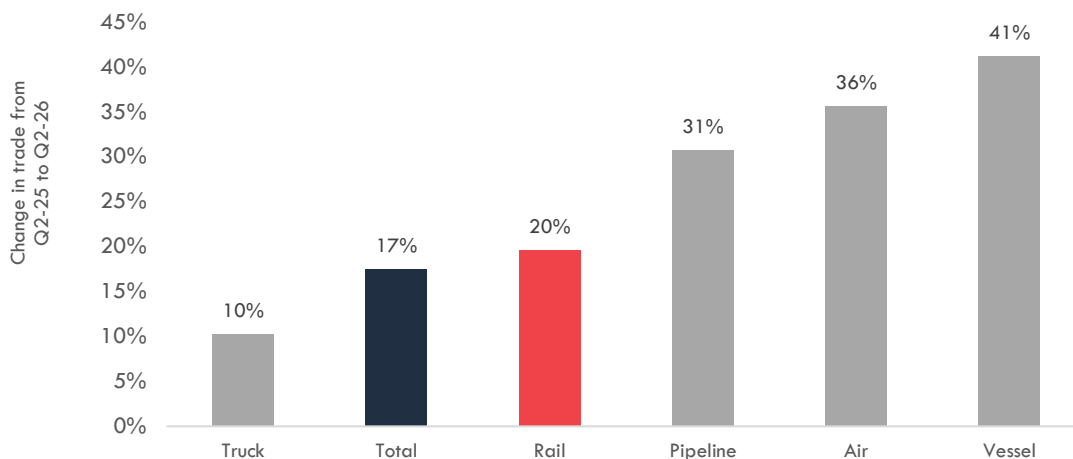
Rail Merchandise Trade with the U.S.



Source: U.S. Bureau of Transportation Statistics, [News and Statistical Releases: North American Transborder Freight Data](#).

Trade by rail values increased year-over-year in each month of Q2-2026, by as much as 25% in June 2026, compared against a weak Q2-2025 base when U.S. tariffs had first taken effect. All modes of transport saw increases in trade with the U.S. in Q2-2026, with an overall increase of 17%. Trade by rail (+20%) outpaced the overall growth rate as well as trucking (+10%).

Modal Comparison of Trade with the U.S., Q2



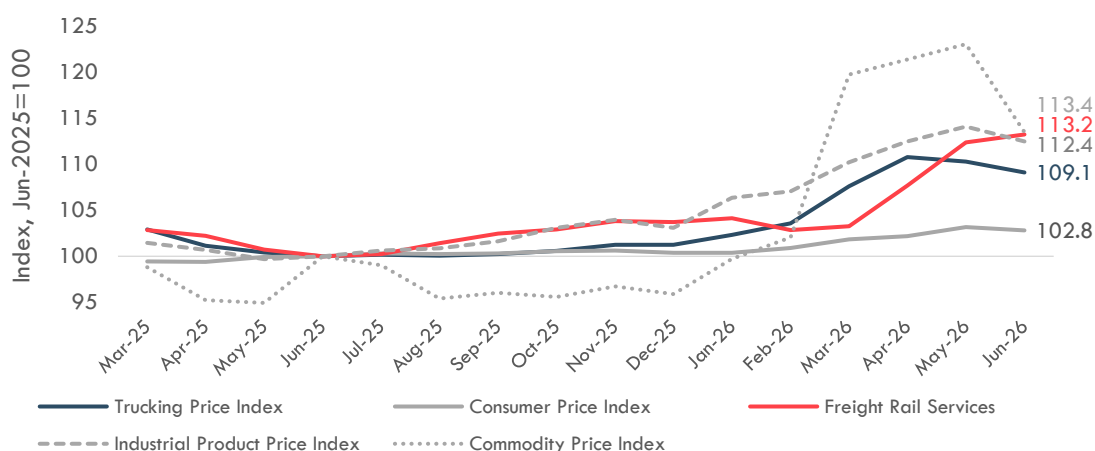
Source: U.S. Bureau of Transportation Statistics, [News and Statistical Releases: North American Transborder Freight Data](#).

Freight Rates

In June 2026, rail freight rates were about 13% higher than a year prior. Rail freight rates rose by 10% throughout the months of Q2-2026, largely reflecting higher fuel surcharges following the rise in global fuel prices. This is supported by the fact that the commodity, industrial, and trucking price indices have also risen significantly over Q2-2026, with commodity prices up 13%, industrial prices up 12%, and trucking rates up 9% over the past year (with much of the increase in the latest quarter). From February to March, the commodity price index increased 17% and the energy component of the index increased 36%. The commodity price index, however, declined 8% in June, falling from its recent peak in May. In contrast, the consumer price index has remained relatively stable, up 2.8% year-over-year, as energy prices have a relatively smaller influence on this index.

Since January 2020 (pre-pandemic baseline, not shown), rail freight rates have increased by 35.6%. This is similar to the growth in trucking rates (33.9%) and higher than the growth in consumer prices (23.5%), but much lower than the growth in commodity prices (72.1%) and industrial product prices (45.6%). As a result, Canadian producers today are paying less for rail freight services in relation to the prices of their products. The maintenance of globally competitive rail freight rates is supporting the growth and competitiveness of several Canadian industries.²⁷

Price Index of Rail Services vs Other Price Indices



Source: Statistics Canada, [Freight Rail Services Price Index](#), [Industrial Product Price Index](#), [For-hire Motor Carrier Freight Services Price Index](#), and [Consumer Price Index](#). Bank of Canada, [Commodity Price Index](#)

Through the maintenance of globally competitive freight rates, Canadian railways continued to support the growth and competitiveness of Canadian industries. Working through a period of tremendous trade disruption, in Q2, Canada's railways facilitated more than \$25B USD in trade with the U.S and transported significant volumes of Canadian agricultural products.

²⁷ For a study on rail freight rates, see [International Comparison of Railway Freight Rates](#), CPCS, January 2023.

Canadian Passenger Rail Industry Data

Canada's passenger railways provide an accessible, safe, and environmentally responsible travel option for commuters, intercity travellers, and tourists alike. An increase in passenger rail ridership, as an alternative to personal vehicle travel, reduces congestion on our highways and in our cities, as well as overall emissions and the public costs to maintain road infrastructure.

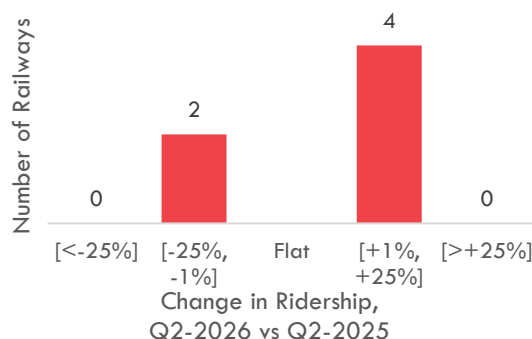
Despite some positive passenger rail statistics in Q2-2026, following several years of lower-than-normal ridership, government support, at all levels, for passenger rail must remain a top priority.

RAC Member Ridership

This section evaluates the year-over-year trends in passenger rail ridership among RAC members.²⁸

In the Q2-2026, four of the six²⁹ reporting members indicated a year-over-year increase in ridership, while two members indicated a decline.

RAC Members, Ridership



Public Transit and Commuter Rail

Over the past several years, urban transit ridership, and commuter rail ridership in particular, has adjusted to fundamental structural shifts in commuting patterns and the proliferation of remote and hybrid office work arrangements. However, the tides are shifting back toward office work, at least in Ontario. This should be welcome news for transit agencies that have seen their ridership numbers deeply impacted by a reduction in commuters since the onset of the COVID-19 pandemic in March 2020.

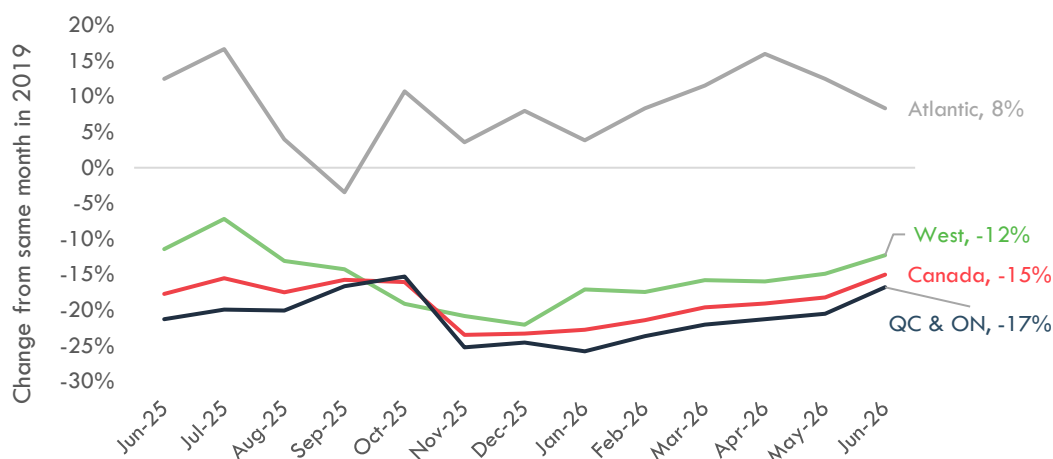
Since January 2026, employees in the Ontario government and the City of Ottawa have returned to the office full-time. Several major private sector employers are also increasing in-office requirements. These measures are reflected in a continued rise in ridership through Q2-2026, with June ridership up year-over-year, though still below the 2019 pre-pandemic baseline. Transit ridership in June was also boosted by the influx of tourists and fans attending FIFA World Cup matches hosted in Canada.

The urban transit ridership data presented below accounts for seasonality, by comparing ridership in each month to the corresponding month in 2019. In June 2026, national ridership was about 3% higher than it was in June 2025, but down 15% compared to the June 2019 pre-pandemic baseline.

²⁸ <https://www.railcan.ca/membership/member-railways/>

²⁹ Compared to other quarters, fewer RAC members have ridership to report in Q1, as the season for many tourist/excursion rail services does not start up until Q2.

Urban Transit Systems Ridership by Region

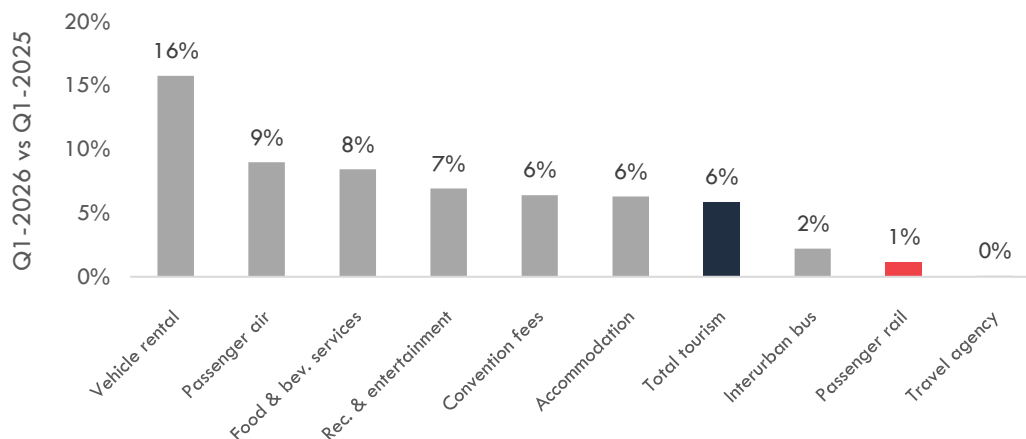


Source: Statistics Canada, [Monthly Passenger Bus and Urban Transit Survey](#)

Tourism Rail

There is a considerable lag in data on tourism expenditures. The latest available data cover Q1-2026. In Q1-2026, total tourism expenditures increased 6% year-over-year, while passenger rail expenditures increased by 1%.

Tourism Expenditures, Q1



Source: Statistics Canada, [National Tourism Indicators](#)

Intercity Passenger Rail

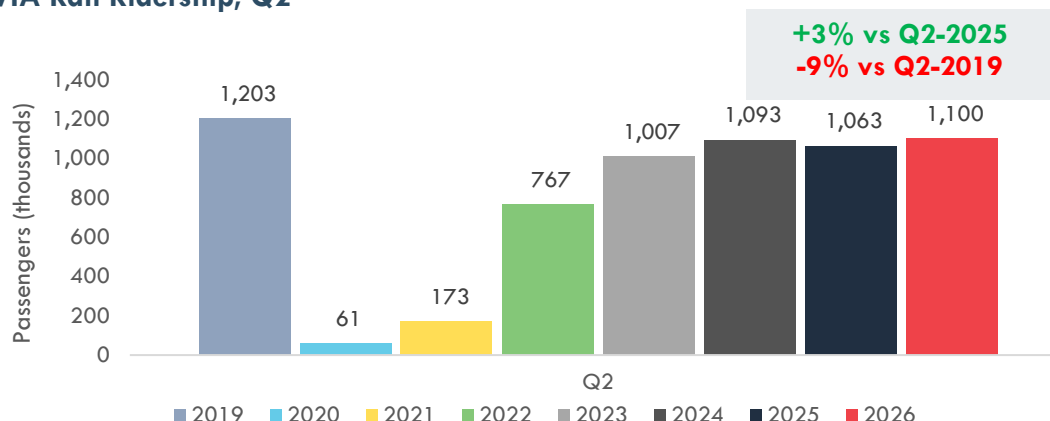
In Q2-2026, VIA Rail carried 1.1 million passengers, a 3% increase compared to Q2-2025 and its highest Q2 ridership since 2019. Ridership remains about 9% below Q2-2019 pre-pandemic levels.

The Canada Strong Pass,³⁰ which was introduced in summer 2025 and provided free or discounted travel on VIA Rail for children and young adults aged 24 and under, returned from

³⁰ <https://www.viarail.ca/en/offers/canada-strong-pass>

June 19 to September 7, 2026.³¹ The Canada Strong Pass contributed to Q3-2025 seeing the largest quarterly ridership figure since Q4-2019, and it is expected to positively impact VIA Rail's ridership figures in Q3-2026 as well.

VIA Rail Ridership, Q2



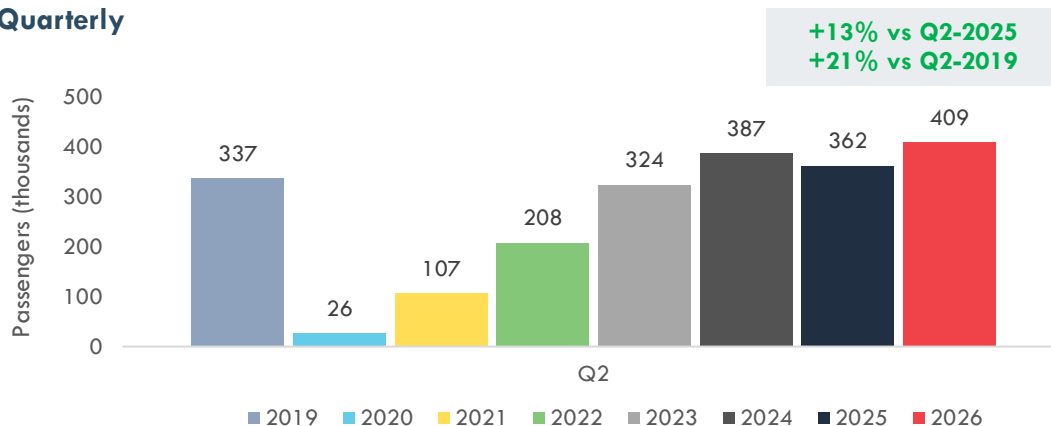
Source: VIA Rail, [Quarterly and Annual Reports](#)

Amtrak has many routes throughout the U.S. and three routes that include a Canadian segment. Ridership on these three routes does not imply that passengers crossed the border, as they may have travelled a particular segment within either country.³²

Amtrak ridership on routes with segments in Canada increased 13% year-over-year in Q2-2026, to about 409 thousand passengers, and was 21% above pre-pandemic (Q2-2019) levels.

Ridership increased year-over-year on all three routes, driven by double-digit percentage growth on the Cascades (British Columbia, Washington, Oregon) and the Adirondack (Quebec, New York), followed by 5% on the Maple Leaf route (Ontario, New York).

Amtrak Ridership on Routes with Segments in Canada, Quarterly



Source: Amtrak, [Monthly Performance Reports](#)

Note: Includes three routes (Maple Leaf; Cascades; Adirondack).

³¹ <https://www.canada.ca/en/canadian-heritage/news/2026/05/canada-strong-pass-is-back-this-summer-to-help-canadians-save-on-vacation-plans.html>

³² For example, the Maple Leaf route extends from New York City to Toronto; Cascades extends from Eugene Oregon to Vancouver; and Adirondack extends from New York City to Montreal.

Canadian Rail Industry Safety Performance

Safety is the Canadian rail industry's number one priority. Over the past several years, Canada's railways have continued to improve their safety performance, achieving a significant reduction in the overall accident rate. Here, we highlight the most recent accident statistics from the Transportation Safety Board (TSB). The accident data cover the Canadian operations of federally regulated freight and passenger railways.

This section of the report serves as a useful resource for practitioners and policy makers engaged in transportation safety, while also serving as an educational tool to inform the public.

Accidents per million train-miles: In Q2-2026, the accident rate increased by 2% year-over-year but improved by 14% compared to the 2021-2025 average.

Main-track derailments: In Q2-2026, there were 18 main-track derailments, an increase compared to Q2-2025 and the 2021-2025 average.

Dangerous goods: The number of accidents involving dangerous goods in Q2-2026 increased, however, none of the accidents resulted in a release of product.

Crossing and trespassing: Crossing and trespassing remain key issues of concern. Railways expend great effort to inform the public about the dangers of proximity to tracks and moving equipment. Educational programs, spearheaded by Operation Lifesaver, focus on safe behaviours around rail infrastructure. Communications are ongoing with municipalities about the importance of enforcing proximity guidelines when approving development around railways. In December 2024, the Government of Quebec introduced regulatory setbacks from rail for sensitive use developments, with the objective of enhancing safety and livability.³³ This is a positive development that the RAC would like other provinces to consider.

In Q2-2026, crossing accidents were flat year-over-year but decreased by 10% compared to the 2021-2025 average. Trespassing accidents decreased by 19% year-over-year but remain slightly higher than the 2021-2025 average.

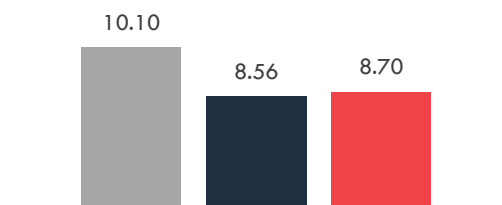
Safety is the Canadian rail industry's number one priority – reinforced by an accident rate that remains well below the five-year average. Crossing and trespassing safety – a shared responsibility among railways, municipalities, law enforcement, and others – remain key priorities. The Government of Quebec's introduction of regulatory setbacks from rail is a positive development to improve safety that other provinces should consider.

³³ <https://www.quebec.ca/habitation-territoire/amenagement-developpement-territoires/amenagement-territoire/orientations-gouvernementales>

Quarterly

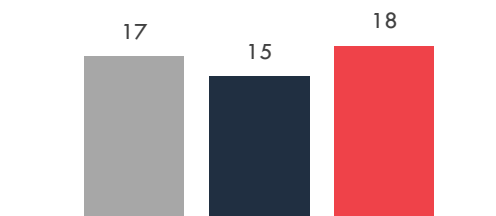
Accidents per million train-miles

+2% vs 2025
-14% vs 2021-2025 avg.



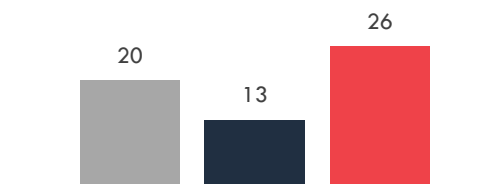
Main-track derailments

+20% vs 2025
+6% vs 2021-2025 avg.



Accidents involving dangerous goods

+100% vs 2025
+30% vs 2021-2025 avg.



Crossing and trespassing accidents

-10% vs 2025
No change vs 2021-2025 avg.



■ Q2 2021-2025 avg. ■ Q2-2025 ■ Q2-2026

Source: Transportation Safety Board, [Monthly rail transportation occurrence statistics](#)

Note: The TSB data are preliminary and subject to year-end validation and reconciliation.



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