

# RAC QUARTERLY REPORT

Quarter 2 - 2025

September 29, 2025



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## 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 Reports* begin by providing an overview of recent performance of the Canadian economy and forecast 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 newly launched [weekly traffic dashboard](#).

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## Executive Summary

In the second quarter of 2025, Canada's railways demonstrated resilience and adaptability amid one of the most challenging trade environments in recent memory. With the United States – Canada's largest and most important trading partner – placing tariffs on steel, aluminum, and autos, and China imposing duties on canola products, Canadian exporters faced significant headwinds. Despite these disruptions, railways continued to deliver for their customers, maintaining the flow of goods, finding new opportunities, and supporting the broader Canadian economy.

Freight volumes reflected both the challenges and the strengths of Canadian railways' diversified shipper base. While shipments of metals, minerals, autos, and forest products were down due to tariff pressures and/or macroeconomic weakness, railways achieved notable gains in bulk and intermodal traffic. These increases helped offset trade-related softness in other sectors.

Railways maintained a strong commitment to safety and efficiency. The rail industry's Transportation Safety Board (TSB) accident rate improved 16% year-over-year and 22% compared to the 2020-2024 average, while dangerous goods accidents fell by nearly 40%. Investments remained robust, with Class 1s spending \$2.8 billion in the first half of 2025 toward planned annual investments exceeding \$6 billion. Performance metrics highlighted a 13% increase in grain unit train speeds, which improved car cycle times and system capacity.

As part of "Team Canada," railways are committed partners in strengthening the nation's economy. Whether by moving record grain volumes, maintaining globally competitive freight rates, or adapting to sudden shifts in trade policy, Canada's railways continue to serve as a bedrock of national resilience. No matter the challenge, rail is moving Canada forward.

## 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 2025, total employment (all industries) increased by 0.5% (99,300 jobs), driven by gains across the services sector (135,200 jobs). The goods-producing sector lost 35,900 jobs, almost entirely concentrated in manufacturing (-32,300 jobs).

The impacts of tariffs and trade disruptions certainly showed up in the official statistics for Q2-2025.

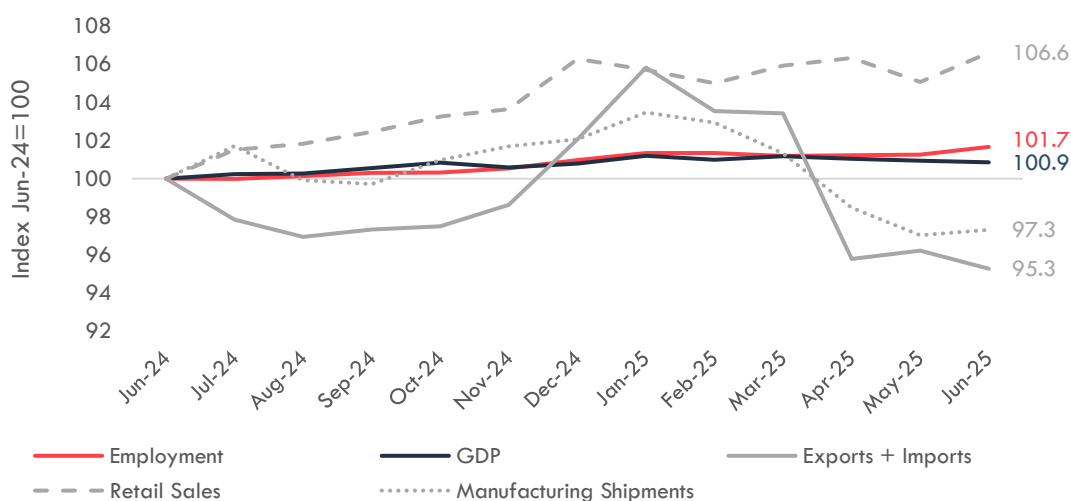
In addition to the job losses in the manufacturing sector, manufacturing shipments were down 4.0% in June, compared to March. The decreases were strongly concentrated in products subject to U.S. tariffs. Shipments of primary metallic products, which includes steel and aluminum (subject to 25% tariffs that were raised to 50% in June) were down 9.0%, and shipments of transportation equipment (which includes auto products subject to 25% tariffs on non-U.S. content) were down 9.1%. These two manufacturing categories accounted for more than half the total reduction in manufacturing shipments.

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) declined by 7.9% (\$10.8B) from March to June, composed of a 4.2% (\$2.9B) reduction in imports and an 11.5% (\$7.9B) reduction in exports. A \$646M (4%) increase in exports to non-U.S. markets did little to offset the \$8.6B reduction in exports to the U.S. The U.K. was by far the largest recipient of additional Canadian exports, increasing by \$793M (23%) and becoming the largest non-U.S. destination for Canadian exports (surpassing the EU in April).

From March to June 2025, GDP decreased by 0.3% (-\$7.2B), almost entirely attributed to a 3.1%, \$6.5B reduction in manufacturing sector GDP. The transportation and warehousing sector's GDP remained flat.

From March to June, retail sales increased by 0.6%, with increases in 7 of 9 retail categories.

### 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 2025	20.96	2,293	137.3	69.8	71.3
June 2025	21.06	2,286	126.5	70.2	68.5
<b>3-month change</b>	<b>0.5%</b>	<b>-0.3%</b>	<b>-7.9%</b>	<b>0.6%</b>	<b>-4.0%</b>

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](#).

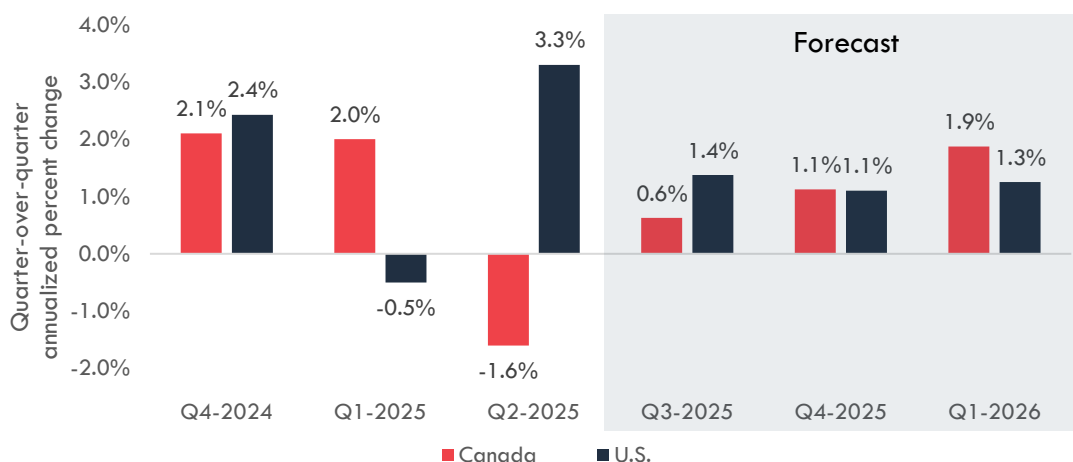
Note: Data are seasonally adjusted. The GDP index is an index of Real GDP in chained (2017) dollars. The indices for trade, retail sales, and manufacturing shipments are in nominal dollars.

## Economic Outlook

In Q2-2025, the U.S. economy surged 3.3% while Canadian GDP decreased by 1.6%. Canadian exports fell by 27%, largely a consequence of U.S. tariffs and following the pre-tariff stockpiling activity in Q1. This loss was partially offset by a strong, 4.5% increase in consumer spending. Residential investment increased by 6.3% while non-residential investment (a key driver of worker productivity) fell 10%. A coalition of ten industry associations, of which RAC is a party, is calling on the federal government to implement accelerated depreciation policies to unlock much needed private sector investment.<sup>1</sup>

As of their September forecasts, Canada's large banks are forecasting weak growth through the remainder of 2025, of just 0.6% in Q3 and 1.1% in Q4, following the 1.6% contraction in Q2. Following a strong Q2 in the U.S. (+3.3%), growth south of the border is expected to moderate at a little over one percent.

## Canadian and U.S. Real GDP Forecast



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

Canadian Class 1s are expecting low to mid-single digit RTM growth in 2025, weighted towards the second half of the year, as the industry laps the 2024 labour disruptions. Despite greater labour certainty this year across the supply chain, headwinds remain strong. Tariffs will likely be a significant contributing factor to rail traffic volumes in the back half of 2025.

<sup>1</sup> <https://movingeconomies.ca/>

Canada and the U.S. have not come to a trade agreement that would remove the tariffs. U.S. steel and aluminum tariffs not only remain in place, but they increased to 50% in early June; and the 25% tariff on non-U.S. content in autos remains in place. U.S. Anti-dumping rates on Canadian softwood lumber increased in July – pushing the combined anti-dumping and countervailing duty rates to between 26% and 48%.<sup>2</sup> In addition, China's 100% tariff on Canadian canola oil and meal, which has been in place since March, remains, and a 75.8% duty was placed on canola seed in August.<sup>3</sup> China is a top customer of Canadian canola, and in 2024 was the destination for 68% of Canadian canola seed exports and 35% of canola meal exports (most canola oil exports are destined for the U.S.).<sup>4</sup>

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

In addition to tariffs, additional headwinds include a challenging macroeconomic environment and an increase in blank sailings.<sup>5</sup>

Focusing on commodities, the outlook for the bulk portfolio remains strong, including grain, potash, and coal. Soft demand and/or tariffs will continue to impact merchandise volumes (including forest products and metals and minerals) and automotive trade. Intermodal volumes are likely to compare favourably to 2024, as the industry laps the 2024 labour disruptions.

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**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 chain.**

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<sup>2</sup> Global Affairs Canada, [https://www.international.gc.ca/controls-controles/softwood-bois\\_oeuvre/recent.aspx?lang=eng](https://www.international.gc.ca/controls-controles/softwood-bois_oeuvre/recent.aspx?lang=eng)

<sup>3</sup> [Canola trade with China | Canola Council of Canada](#)

<sup>4</sup> Percentages are by tonnage. RAC analysis based on Canadian Grain Commission Data.

<sup>5</sup> A Blank sailing is when an ocean carrier cancels or skips a scheduled port(s) of call.

## 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

In recent years, Canada's supply chains have experienced numerous disruptive work stoppages. 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 effect 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. A coalition of ten industry associations, of which RAC is a party, is calling on the federal government to modernize Canada's labour laws to mitigate economic harm and improve supply chain reliability by establishing a clear and transparent process to resolve disputes rapidly.<sup>6</sup>

In 2025, Canadian supply chains are not expected to experience the same level of labour disruptions as they did in 2024. Both CN and CPKC recently ratified several multi-year labour agreements. In addition, it is not anticipated that there will be major disruptions at the ports.

The July 2023 labour dispute at West Coast ports prompted the federal government to commission an inquiry. The *Industrial Inquiry Commission on West Coast Ports: Final Report*,<sup>7</sup> May 8, 2025, provides recommendations toward labour stability. At the time of publication, the federal government had not indicated its intention respecting the recommendations of the Commission.

### Global Maritime trade

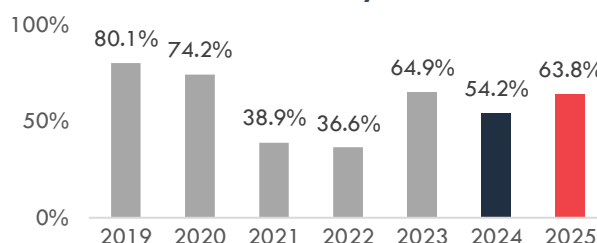
Conflict around the Suez Canal persists and vessels are re-directing around the southern tip of Africa to avoid the conflict. In Q2-2025, tonnage moving through the canal was down by more than 60% compared to 2020-2023 levels, most notably impacting container ships.<sup>8</sup>

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 2025 and early 2026.<sup>9</sup>

### Global Marine Vessels

In Q2-2025, global marine vessel on-time performance<sup>10</sup> was at 63.8%. This is a notable improvement from 54.2% in Q2-2024 but remained 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](#)

<sup>6</sup> <https://moveingeconomies.ca/>

<sup>7</sup> <https://www.canada.ca/en/employment-social-development/programs/labour-relations/reports/industrial-inquiry-commission-longshoring-west-coast-ports.html>

<sup>8</sup> [SCA - Navigation Statistics](#)

<sup>9</sup> <https://mykn.kuehne-nagel.com/news/article/panama-canal-has-plenty-of-water-10-jul-2025>

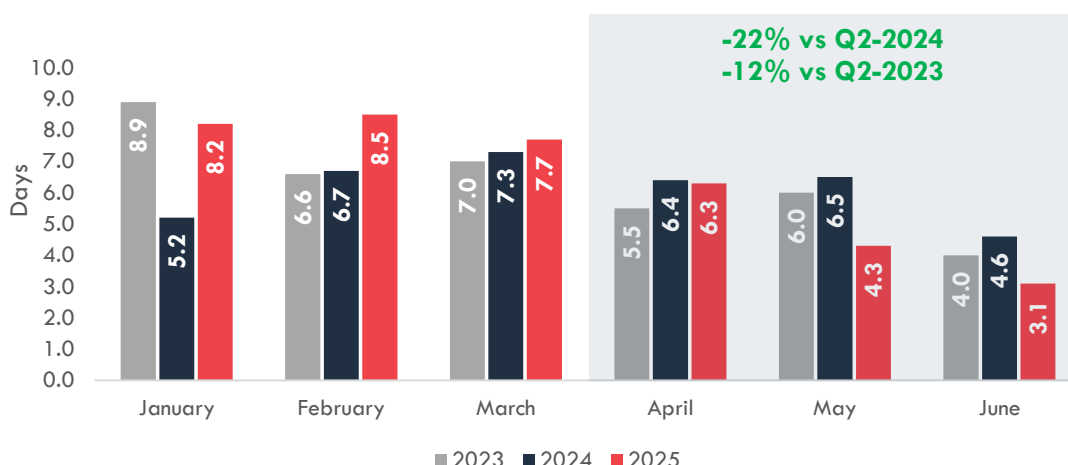
<sup>10</sup> Measured using Sea-Intelligence's [Global Liner Performance report](#), Global Schedule Reliability

## Canadian Ports

Dwell times at the Port of Vancouver were reduced in Q2-2025, reaching just 3.1 days in June – the shortest monthly dwell since November 2021. Overall, for the quarter, dwell times averaged 4.6 days, representing a 22% improvement compared to Q2-2024 and 12% improvement compared to Q2-2023.

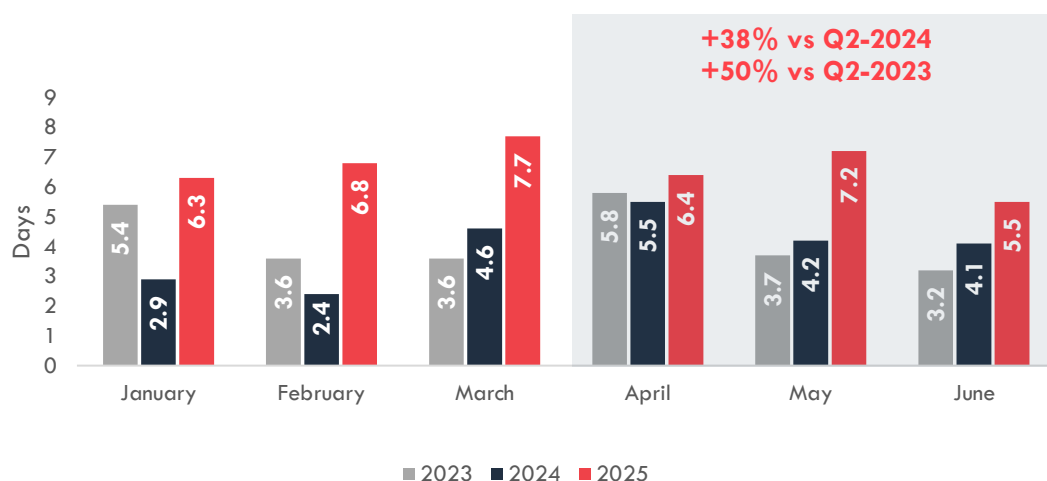
Dwell times at the Port of Montreal increased to an average of 6.4 days, representing a 38% increase compared to Q2-2024 and 50% increase compared to Q2-2023.

### Vancouver - Gateway terminal rail dwell performance by month



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

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



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



## Canadian Railways

In Q2-2025, Canadian Class 1 railways' dwell times averaged 8.5 hours – a 4% increase compared to Q2-2024. The integration of CPKC operating systems in the U.S. and Canada contributed to a temporary increase in dwell in Q2 at southern U.S. terminals, but have since recovered (dwell times in Canada did not increase).<sup>11</sup> For further details on railway terminal dwell performance, see [Select Key Financial, Operating, and Safety Metrics](#).

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**Despite the ongoing disruption at the globally important Suez Canal, things are trending in the right direction with respect to marine vessel on-time performance, dwell at Canada's busiest port (Vancouver), and current labour stability in the Canadian supply chain. Strength and stability in Canadian supply chains will continue to be crucial to navigate the challenges brought on by tariffs – a situation that is not going away overnight.**

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<sup>11</sup> CPKC Q2 2025 Earnings Call Transcript; [CPKC Weekly Key Metrics](#).

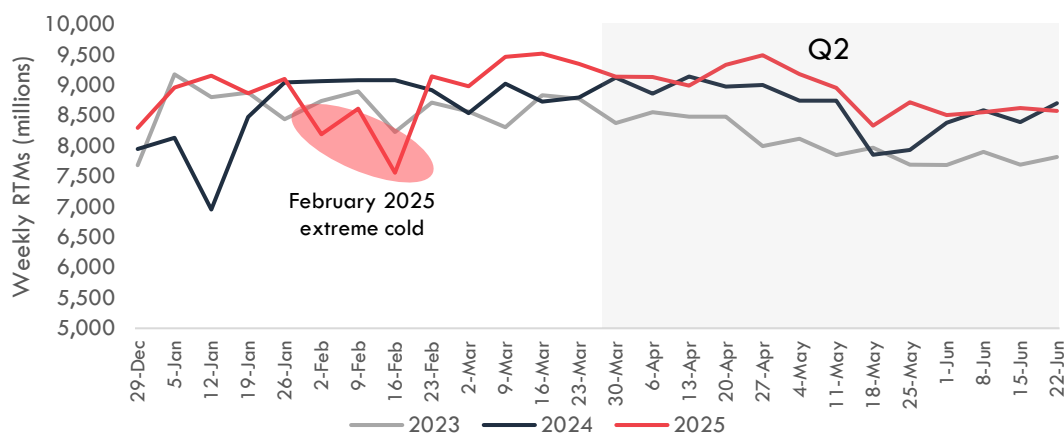
## Network-wide Canadian Class 1 Freight Data

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 Q2-2025, Canadian Class 1 rail traffic, measured in revenue ton-miles (RTMs) – exceeded 2024 levels in 10 of 13 weeks. Class 1s finished the quarter with RTMs up 2% over Q2-2024.

### Canadian Class 1 Revenue Ton-miles



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

Note: The dates indicate the first day of the week (e.g., "5-Jan" corresponds to the week of Jan 5-11). The week starting January 5, 2025 (for the 2025 series), is compared against the weeks starting January 7, 2024, and January 8, 2023.

### Traffic Volumes by Commodity

As shown in the figure and table below, compared to Q2-2024, both RTMs and carloads were up 2%.

Grain & fertilizers led growth, with RTMs up 11% (+3,911 million RTMs) and carloads up 7% compared to Q2-2024. Both Class 1s posted gains for Canadian grain and U.S. grain. The other bright spot was intermodal, with RTMs up 5% (+1,241 million RTMs) and carloads up 6%.

Automotive carloads were down 5% but RTMs were up 4% from longer average hauls. 25% U.S. tariffs on the non-U.S. content in autos came into effect on April 3<sup>rd</sup>, at the beginning of the quarter. In Q2-2025, Canada-U.S. auto trade (finished vehicles and parts), using all modes of transportation, was down 14% compared to Q2-2024.<sup>12</sup>

Coal RTMs were flat while carloads were up 4%.

The market for forest products remains soft and the increase in tariffs in July, to upwards of 50%, will present another headwind for the commodity in the back half of the year. RTMs were down 8% (-646 million RTMs) and carloads were down 7% in Q2-2025.

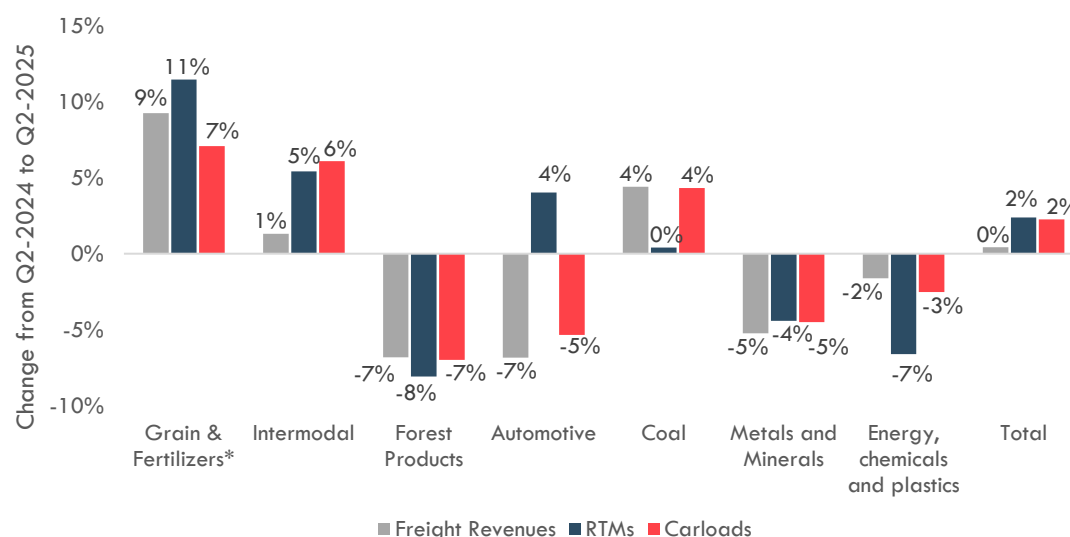
<sup>12</sup> RAC analysis based on data from Trade Data Online.

Freight volumes of metals and minerals, which includes steel, aluminum, and their feedstocks such as iron ore, were down in Q2-2025. RTMs were 4% below Q2-2024 levels and carloads were down 5%. Canadian exporters faced U.S. steel and aluminum tariffs, which increased from 25% to 50% on June 3<sup>rd</sup>. Canadian exports of steel to the U.S. were down 40% year-over-year in June.

Energy, chemicals and plastics RTMs were down 7% and carloads were down 3%. The decline in Q2 was largely related to extended turnarounds and terminal outages at customer facilities. The drop is expected to be transient, with a recovery expected in the second half of the year.

RTMs trended in the same direction in Q2 and on a YTD basis, with gains in grain & fertilizers, intermodal, automotive, and coal, and reductions in forest products, metals and minerals, and energy, chemicals and plastics.

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



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

	Q2-2025	Q2-2024	Change (%)	Change (#)
Grain & Fertilizers*	38,007	34,096	11%	3,911
Intermodal	24,113	22,872	5%	1,241
Forest Products	7,349	7,995	-8%	-646
Automotive	2,277	2,189	4%	88
Coal	11,131	11,087	0%	44
Metals and Minerals	11,979	12,532	-4%	-553
Energy, chemicals and plastics	19,888	21,295	-7%	-1,407
<b>Total</b>	<b>114,744</b>	<b>112,066</b>	<b>2%</b>	<b>2,678</b>

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

	2025	2024	Change (%)	Change (#)
Grain & Fertilizers*	76,045	71,174	7%	4,871
Intermodal	45,894	44,282	4%	1,612
Forest Products	15,079	16,008	-6%	-929
Automotive	4,302	3,901	10%	401
Coal	22,360	20,977	7%	1,383
Metals and Minerals	23,412	24,583	-5%	-1,171
Energy, chemicals and plastics	41,425	42,728	-3%	-1,303
<b>Total</b>	<b>228,517</b>	<b>223,653</b>	<b>2%</b>	<b>4,864</b>

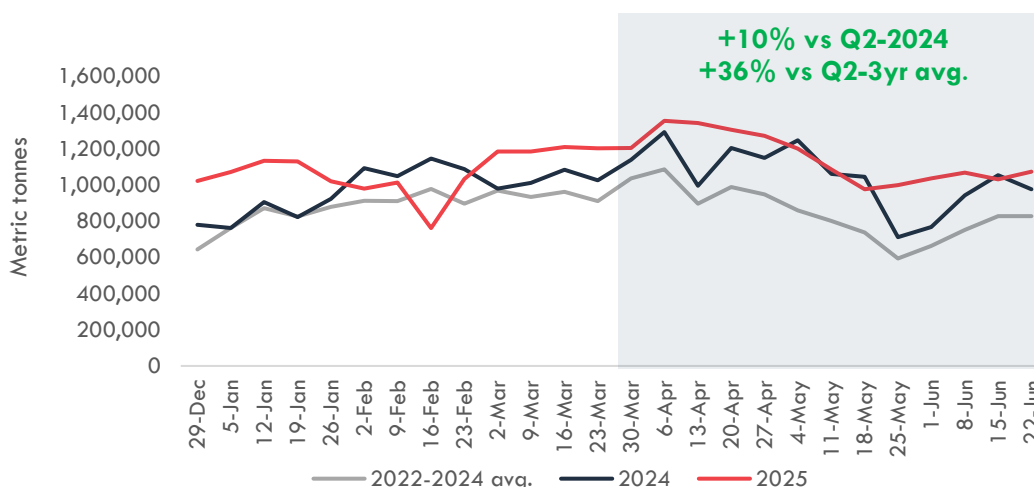
Source: [CN Quarterly Review](#); [CPKC Earnings Release](#).

\*Includes potash.

Railway grain volumes fluctuate year-to-year and are strongly linked to the size of the grain crop and when producers and grain companies decide to ship their product, which is significantly influenced by changes in market prices for grain. Through investments in on-farm storage, producers can 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 Q2-2025. For the quarter, shipments were up 10% year-over-year and up 36% compared to the previous 3-year average. Weekly shipments exceeded the previous 3-year average in every week.

### Western Canadian Grain Shipments, calendar year



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

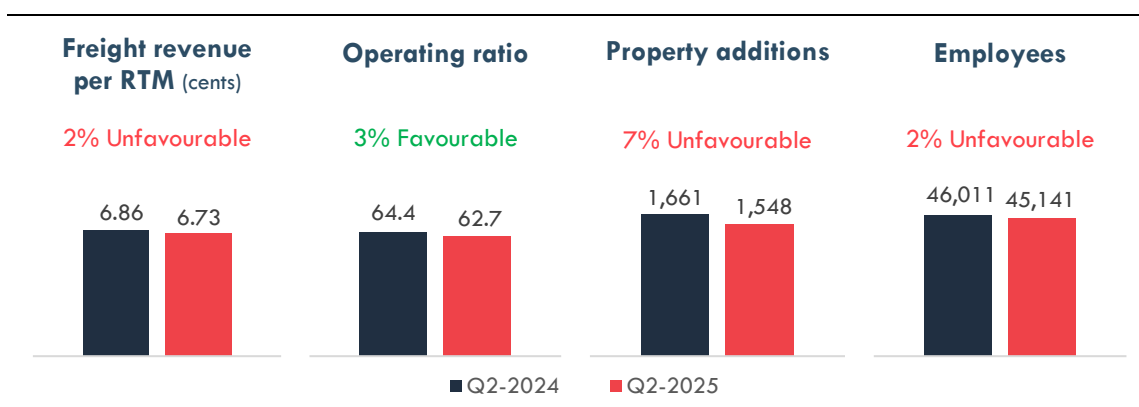
**Following the escalation of tariffs on Canadian exports to the U.S. (and China), Canada's Class 1 railways have been working with their customers to find other opportunities for their customers, including intra-Canada moves. While traffic hit by tariffs generally declined, overall freight volumes increased thanks to strength in grain and intermodal.**

## Select Key Financial, Operating, and Safety Metrics

In Q2-2025, performance across key financial, operating, and safety metrics was mixed.

From Q2-2024 to Q2-2025, overall freight revenue per RTM decreased by 2%. Contributing factors to the 2% decrease include the removal of the carbon tax, which resulted in lower fuel surcharges, and a change in business mix toward bulk commodities (notably grain & fertilizers), which have lower average freight rates. Despite a reduction in freight revenue per RTM, the operating ratio improved by 3% as operating expense per revenue decreased 5% (resulting from a reduction in fuel expense).

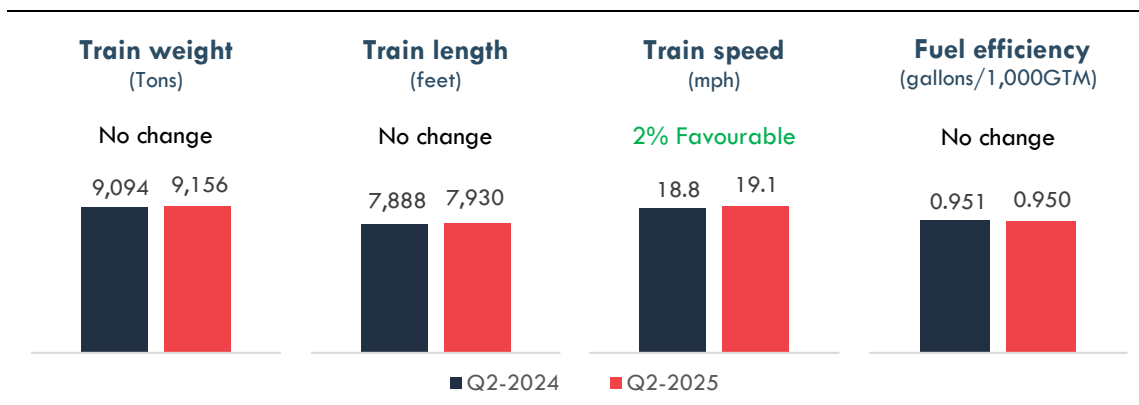
Canada's Class 1 railways continued to make significant investments<sup>13</sup> in their networks, investing more than \$1.5 billion in Q2-2025, bringing the year-to-date total to \$2.8B. As per their capital plans, Canada's Class 1 railways plan to invest more than \$6.0B in 2025. With 45,141 employees, headcount was 2% below Q2-2024. The 2% lower headcount combined with the 2% 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 Q2-2025, Class 1 railways' average train weight, train length, and fuel efficiency remained unchanged. Average train speeds increased by 2%, largely driven by an astounding 13% increase in the average speed of grain unit trains. Higher average train speeds reduce car cycle times and enable the supply chain to move more traffic using the same amount of equipment.



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

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

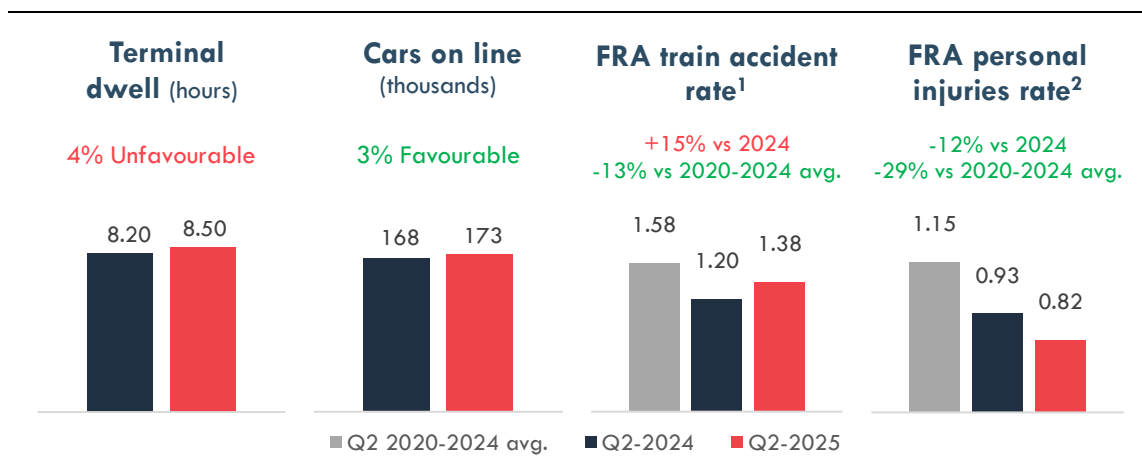
<sup>13</sup> Property additions include capital investments in track and roadway, rolling stock, buildings, information technology and other assets.



In Q2-2025, railway dwell times averaged 8.5 hours – a 4% increase compared to Q2-2024. The integration of CPKC operating systems in the U.S. and Canada contributed to a temporary increase in dwell in Q2 at southern U.S. terminals, but have since recovered (dwell times in Canada did not increase).

The average number of rail cars on line increased by 3%, or 4,540 cars, and were higher than Q1-2024 levels in each week. There were 2,127 additional covered hopper cars on line throughout the quarter to support a very strong quarter for grain. There were also nearly 700 more intermodal cars on line than in Q2-2024, to support the greater intermodal traffic volumes.

In Q2-2025, the Canadian Class 1 FRA train accident rate and FRA personal injuries rate both improved compared to the 2020-2024 average.<sup>14</sup> Over the past several years, Canadian Class 1 railways' safety rates have continued to trend in a 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.

<sup>1</sup> Accidents per million train-miles

<sup>2</sup> Injuries per 200,000 employee hours

**With all that was going on in Q2, Canada's Class 1 railways did not lose sight of their top priorities. They continued to invest at a high level into their networks to serve their customers while continuing to build on their impressive safety record.**

<sup>14</sup> The Canadian Class 1 railways report the two FRA rates for their network-wide operations in their quarterly and annual reports (i.e., the rates are not confined to just U.S. operations).

## 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 have strong 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.

Throughout each month of Q2-2025, intermodal traffic was up compared to Q2-2024. In Q2-2024, there was uncertainty around a labour disruption that caused traffic diversions, impacting intermodal volumes, although the rail work stoppage did not occur until August 2024.

Q2-2025 began with non-intermodal carload traffic up 1% in April but was followed by a 3% drop in May and 2% drop in June.

Overall, growth was led by agriculture (+10%, 13,926 carloads) and intermodal (+6%, 37,175 units), followed by coal (+2%, 2,249 carloads) and manufactured & miscellaneous (+8%, 1,448 carloads).

Growth in agricultural shipments in Q2-2025 was supported by a 20.5% (14,408 carloads) increase in wheat. This was more than enough to offset losses in canola (-9.9%, 2,896 carloads). China is a top customer of Canadian canola.<sup>15</sup> Canadian exporters of canola oil and canola meal faced 100% Chinese tariffs throughout the quarter. In August 2025, China introduced a 75.8% duty on Canadian canola seed, which may impact exports in Q3.

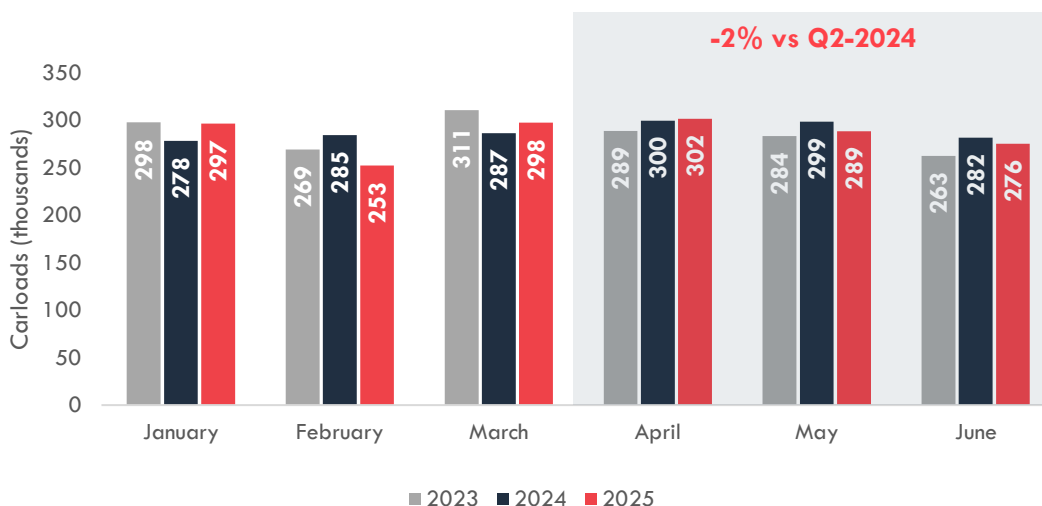
Carloadings of metals, minerals, automotive, forest products, and paper products all decreased in Q2-2025, mostly from reasons explained earlier in the report relating to tariffs, as well as soft demand for some merchandise products and customer shutdowns. The largest decrease across the 60+ commodities in Statistics Canada's data was for iron ores and concentrates (-10,629 carloads, 6.7%). Iron ore is a key feedstock to produce steel. In June, carloadings of steel<sup>16</sup> were down 31.8%, coinciding with the increase in U.S. steel tariffs to 50% on June 3. For the quarter overall, carloadings of steel were down 13.7%.

Carloads trended in the same direction in Q2 and on a YTD basis for all commodities – increases in agriculture, intermodal, coal, and manufactured & miscellaneous, while carloads decreased in all other commodity categories.

<sup>15</sup> Percentages are by tonnage. RAC analysis based on Canadian Grain Commission Data.

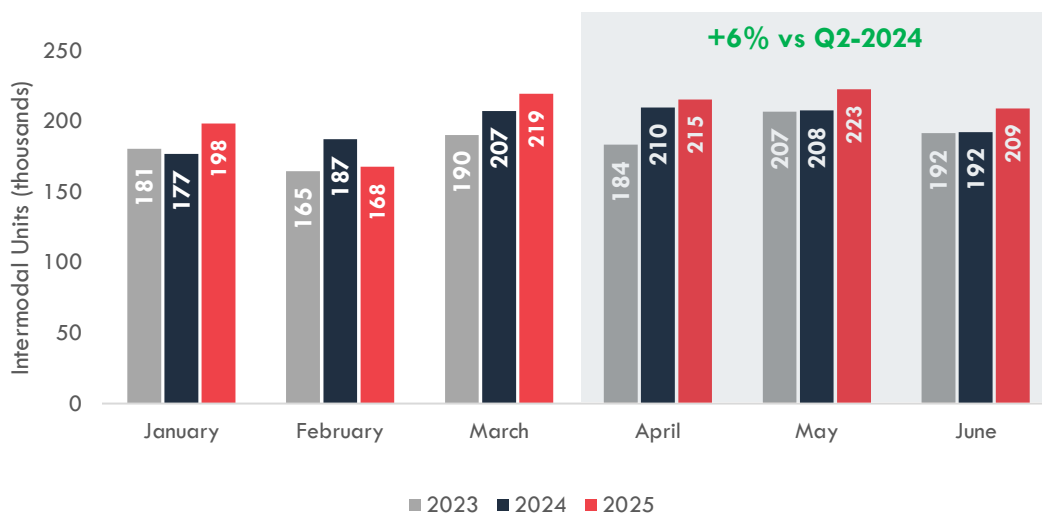
<sup>16</sup> Statistics Canada category "iron and steel, primary or semi-finished".

## Canadian Railways, Carloads



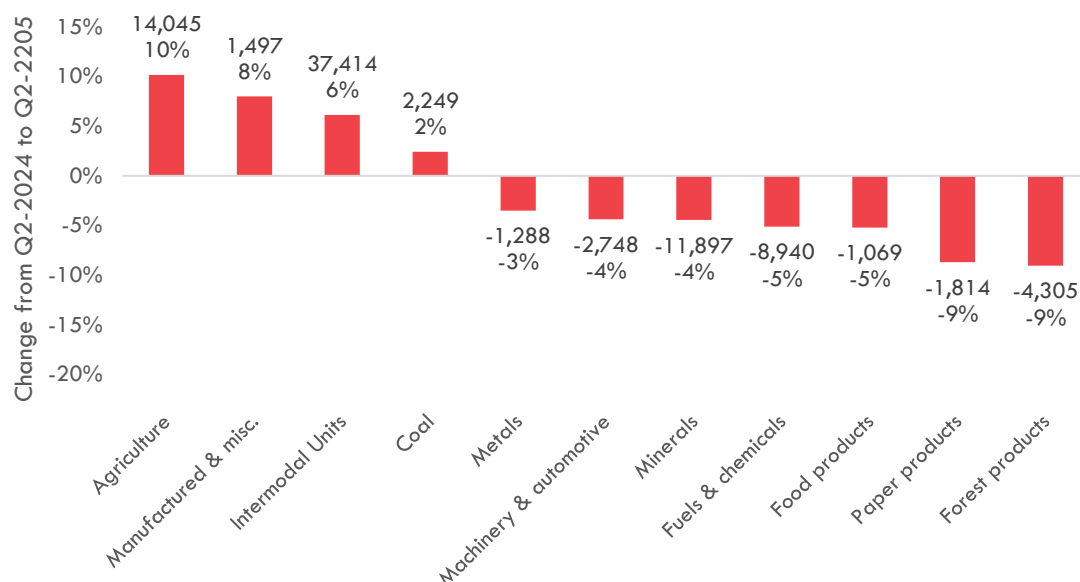
Source: Statistics Canada, [Monthly Railway Carloadings Survey](#)

## Canadian Railways, Intermodal Units



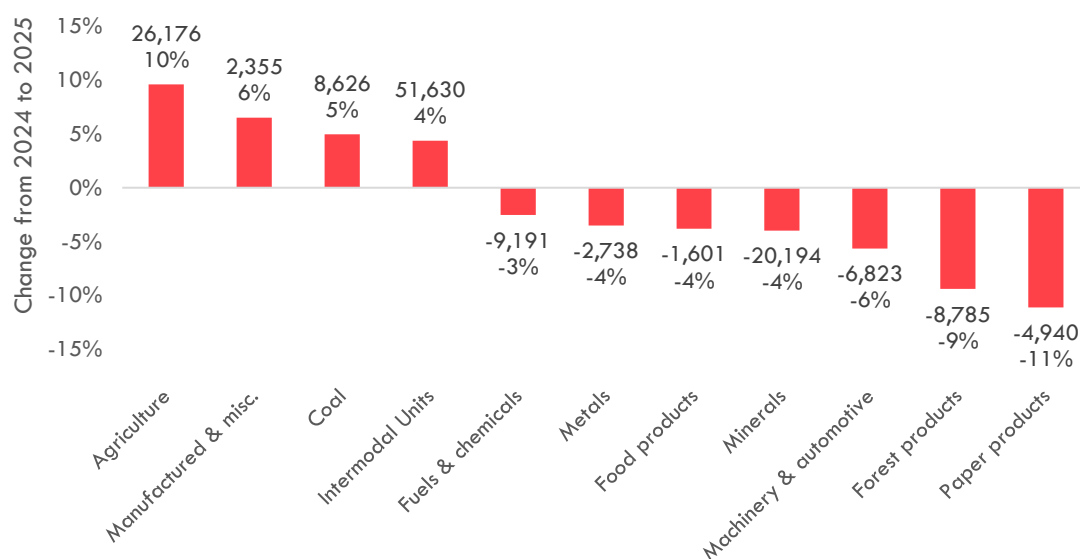
Source: Statistics Canada, [Monthly Railway Carloadings Survey](#)

## Canadian Railways, Carloads by Commodity & Intermodal Units, Q2



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

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

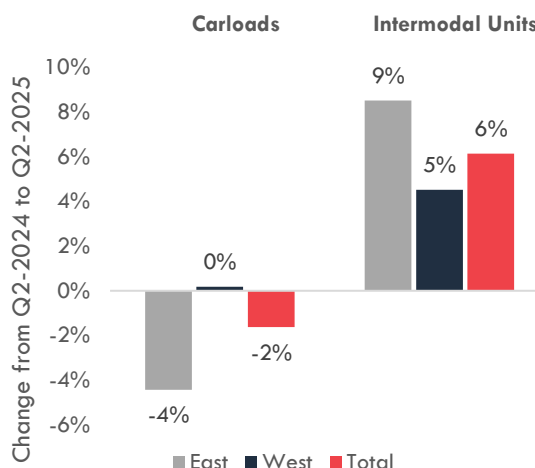


Source: Statistics Canada, [Monthly Railway Carloadings Survey](#)

Intermodal traffic increased in both eastern (+9%) and western (+5%) Canada in Q2-2025.

Non-intermodal carload traffic dropped 4% (-15,249 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%).<sup>17</sup> The largest reductions (in absolute terms) were in minerals (-12,531 carloads of which 10,629 were iron ores and concentrates) and machinery & automotive (-2,328 carloads). Carloads were flat in the western region – strong gains in agriculture were mostly offset by reductions in fuels & chemicals, forest products, and paper products.

### Canadian Carloads and Intermodal Units by Region, Q2

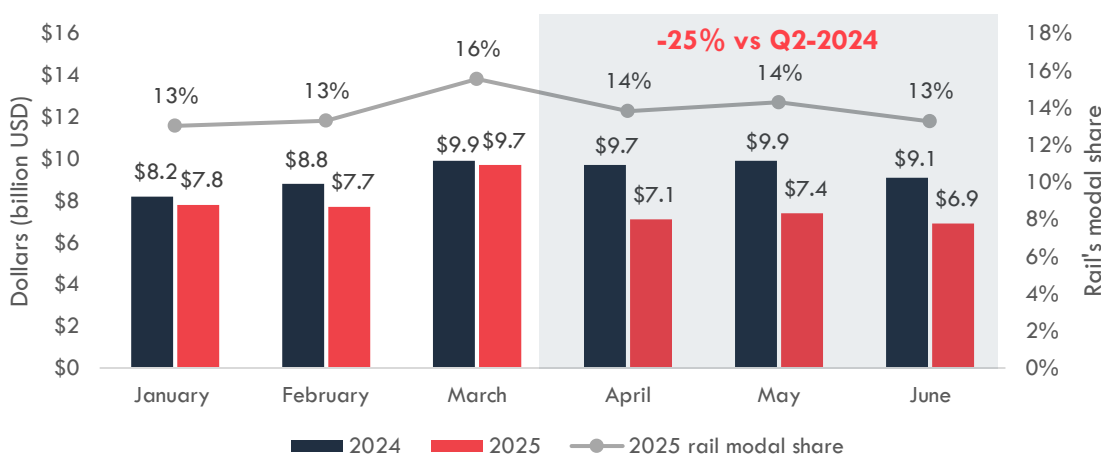


Source: Statistics Canada, [Monthly Railway Carloadings Survey](#)

### Trade

In Q2-2025, trade by rail with the U.S. was valued at a little over \$21 billion USD, down 25% from Q2-2024. 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 25% U.S. steel and aluminum tariffs that rose to 50% on June 3<sup>rd</sup>.<sup>18</sup>

### Rail Merchandise Trade with the U.S.



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

<sup>17</sup> Shares of total non-intermodal carloadings are based on 2020-2024 data.

<sup>18</sup> 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](#).



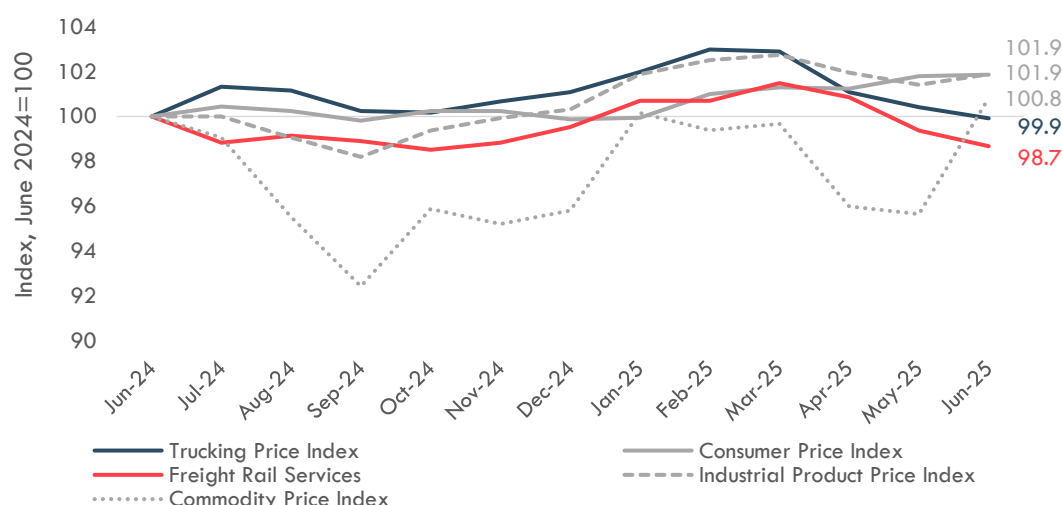
## Freight Rates

In June 2025, rail freight rates were 1.3% lower than they were a year prior.

Since the removal of the consumer carbon tax, effective April 1, both rail and truck freight rates came down ~3% (from March 2024 to June 2024). Consumer, commodity, and industrial price indices have been mostly stable, growing by less than two percent over the past 12 months.

Since January 2020 (pre-pandemic baseline, not shown), rail freight rates have increased by just 19.8%. This is slightly lower than the growth in consumer prices (20.2%) and trucking rates (22.6%), and much lower than the growth in industrial product prices (30.3%) and commodity prices (53.1%). 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.<sup>19</sup>

### 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 extreme cold in Q1-2025, Canadian railways moved more intermodal, wheat, canola, and coal than a year prior, and facilitated more than \$25B USD in trade with the U.S.**

<sup>19</sup> 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 Q2-2025, 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.<sup>20</sup>

In the second quarter of 2025, six out of eight reporting members indicated a year-over-year increase in ridership, while two members reported a decrease.

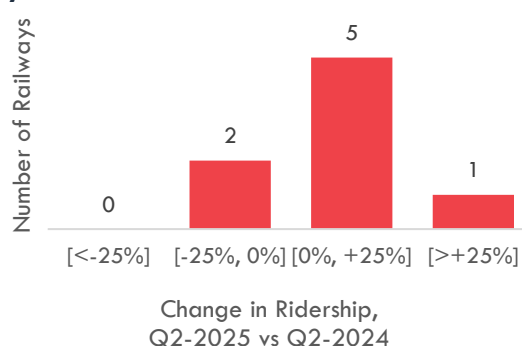
### Public Transit and Commuter Rail

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.

On August 14, Ontario Treasury Board Minister Caroline Mulroney announced that employees who work in office three days per week will be required to increase that to four days starting October 20, and five days effective January 5, 2026. Some Ontario municipalities are following suit, including the City of Ottawa, which will require employees in the office full time effective January 1, 2026. Major private sector employers are also increasing in-office requirements, including many of Canada's major banks, moving to four days in-office in September 2025.

The mandates, however, are not being met without resistance, as employees seek exemptions and unions challenge the new rules.

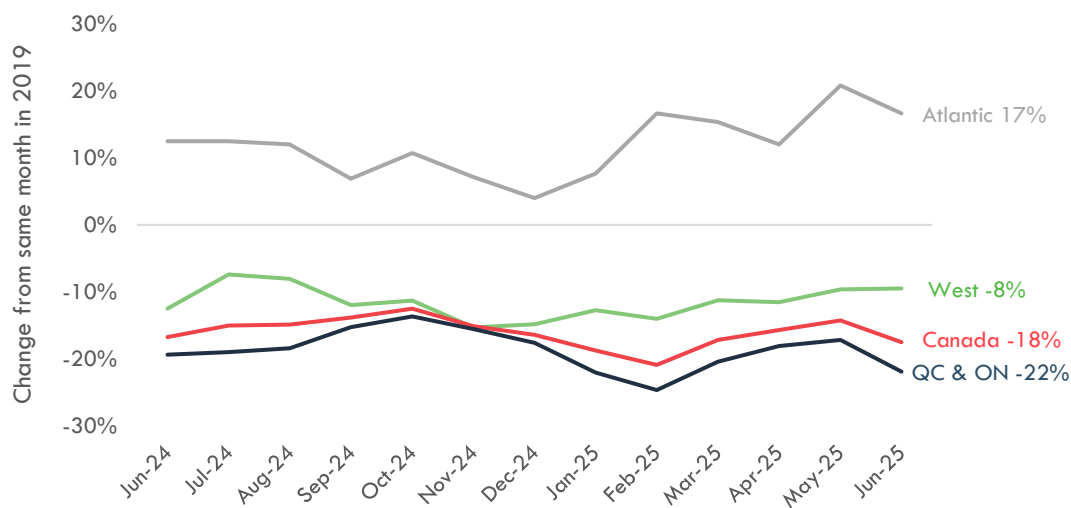
### RAC Members, Ridership, year-over-year



<sup>20</sup> <https://www.railcan.ca/membership/member-railways/>

The urban transit ridership data presented below accounts for seasonality, by comparing ridership in each month to the corresponding month in 2019. In June 2025, following some ups and downs, ridership was around the same level as it was in June 2024 (down 17% to 18% nationally compared to the June 2019 pre-pandemic baseline).

### Urban Transit Systems Ridership by Region

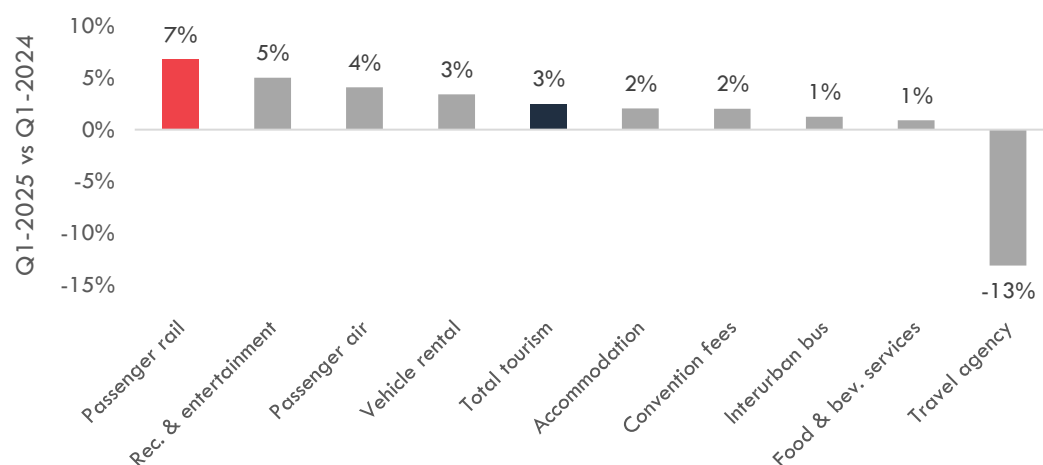


Source: Statistics Canada, [Monthly Passenger Bus and Urban Transit Survey](#)

### Tourism Rail

There is a considerable lag in data on tourism expenditures. The latest available data cover Q1-2025. In Q1-2025, total tourism expenditures increased 3% year-over-year, led by a 7% increase in passenger rail.

### Tourism Expenditures, Q1



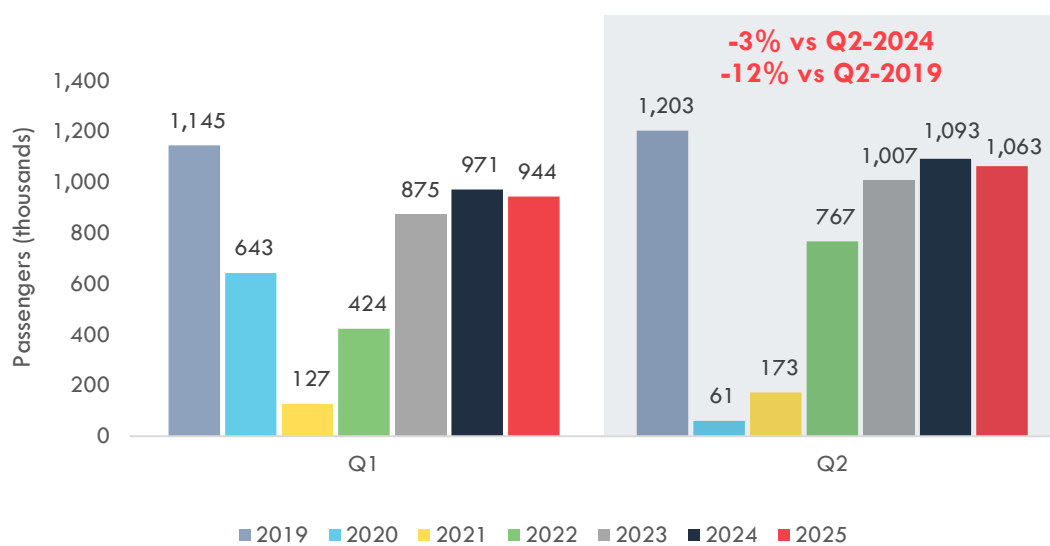
Source: Statistics Canada, [National Tourism Indicators](#)

## Intercity Passenger Rail

In Q2-2025, VIA Rail carried 1.063 million passengers in – a 3% reduction compared to Q2-2024. Travel in the corridor was down 2.9% while non-corridor travel was up 1.6%.

From June 20 through September 2, the Canada Strong Pass<sup>21</sup> provided free or discounted travel on VIA Rail for children and young adults aged 24 and under. This program should work to encourage more rail travellers, supporting Q3-2025 ridership.

### VIA Rail Ridership, Quarterly



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

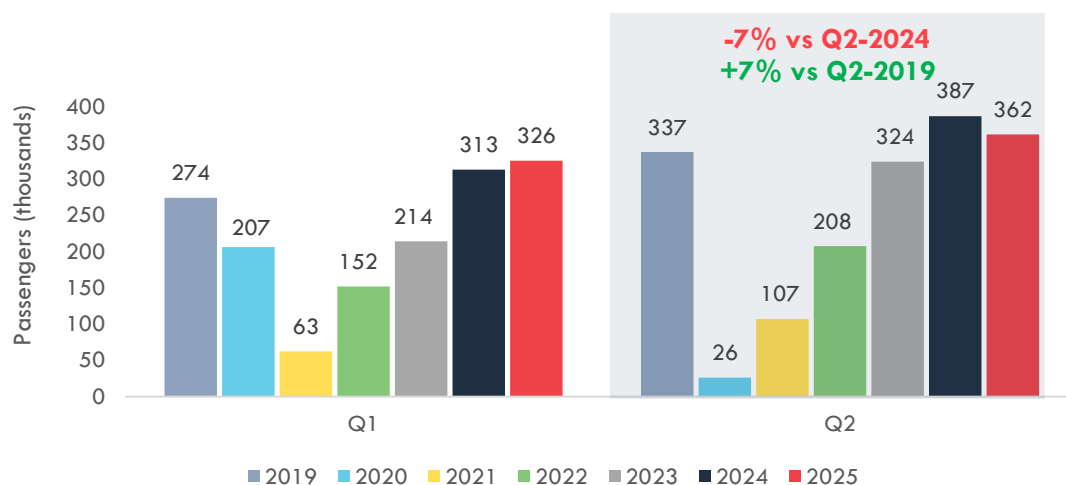
<sup>21</sup> <https://www.viarail.ca/en/offers/canada-strong-pass>

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 on either side of the border.<sup>22</sup>

Amtrak ridership on routes with segments in Canada decreased 7% in Q2-2025 to 362 thousand passengers but remained 7% above pre-pandemic (Q2-2019) levels. Statistics Canada and U.S. Customs and Border Protection data show that the number of individuals crossing the Canada-U.S. land border is much lower than in Q2-2024.

Year-over-year reductions in ridership on the Cascades (British Columbia, Washington, Oregon) and Maple Leaf (Ontario, New York) routes were partially offset by increases on the Adirondack route (Quebec, New York).

### Amtrak Ridership on Routes with Segments in Canada, Quarterly



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

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

<sup>22</sup> 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 significant reductions in derailments and accidents involving dangerous goods. 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 Q2-2025, the accident rate improved 16% year-over-year and by 22% compared to the 2020-2024 average. The improvement in the rate is attributable to accident reductions across nearly all categories, despite an increase in train miles.

Main-track derailments: In Q2-2025, there were 15 main-track derailments, 2 more than in Q2-2024, but a 21% improvement compared to the 2020-2024 average.

Dangerous goods: The number of accidents involving dangerous goods in Q2-2025 decreased 19% year-over-year and by 38% compared to the 2020-2024 average. None of the 13 accidents in Q2-2025 involved 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. Additionally, 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.<sup>23</sup> This is a positive development that the RAC would like other provinces to consider.

In Q2-2025, the number of crossing accidents decreased compared Q2-2024 and the 2020-2024 average but remain elevated on a year-to-date basis (January-June). Trespassing accidents edged up from an already elevated Q2-2024. In Q2-2025, there were 32 trespassing accidents resulting in 17 fatalities and 13 serious injuries. An increase in encampments along or near rail lines, engagement in risky (and illegal) behaviours for social posts or leisure, and struggles with mental health are just some of the factors behind the disconcerting rise in trespassing. The issues are multifaceted and will take a concerted effort by industry and community stakeholders to achieve the mission to get to zero.

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**Safety is the Canadian rail industry's number one priority – reinforced by the notable improvements in the accident rate, main-track derailments, and accidents involving dangerous goods in Q2-2025.**

**Crossing and trespassing safety – a shared responsibility among railways, municipalities, law enforcement, and others – remain key issues. The Government of Quebec's introduction of regulatory setbacks from rail is a positive development to improve safety that other provinces should consider.**

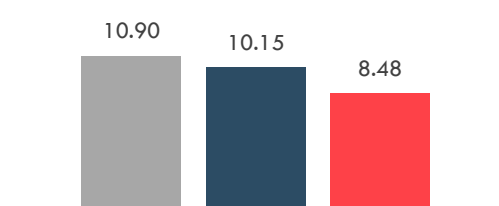
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<sup>23</sup> <https://www.quebec.ca/habitation-territoire/amenagement-developpement-territoires/amenagement-territoire/orientations-gouvernementales>

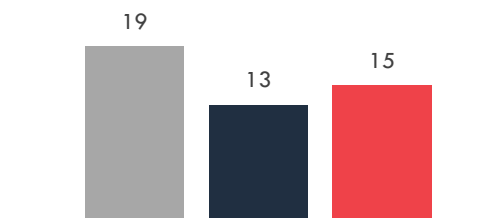
### Accidents per million train-miles

-16% vs 2024  
-22% vs 2020-2024 avg.



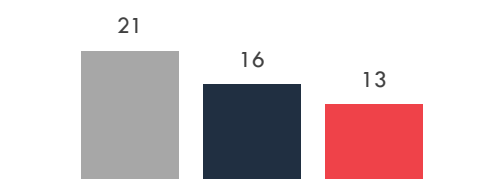
### Main-track derailments

+15% vs 2024  
-21% vs 2020-2024 avg.



### Accidents involving dangerous goods

-19% vs 2024  
-38% vs 2020-2024 avg.



### Crossing and trespassing accidents

-16% vs 2024  
+18% vs 2020-2024 avg.



■ Q2 2020-2024 avg. ■ Q2-2024 ■ Q2-2025

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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