

## GMP Dashboard

	AUG 2015	This Crop YTD	Var. from Last YTD
<b>Western Canadian GHTS Performance (Days)</b>			
Total Time in System	37.1	37.1	1.9%
Average Days In Store – Country	22.1	22.1	10.5%
Loaded Transit Time	4.5	4.5	-19.5%
Average Days In Store – Terminal	10.5	10.5	-2.8%
<b>Total Traffic ('000 tonnes)</b>			
Primary Elevator Shipments	3,203.7	3,203.7	-18.1%
Railway Shipments (all Western Canada traffic)	3,872.1	3,872.1	-10.3%
Western Canadian Port Terminal Shipments	3,124.6	3,124.6	-10.8%
<b>Railway Performance</b>			
Car Supply Performance (Weekly Average)			
Cars Ordered	n/a	n/a	n/a
Cars Committed	n/a	n/a	n/a
Cars Placed	n/a	n/a	n/a
Avg. Loads on Wheels (Cars)	9,806	9,806	-26.3
Total Western Port Car Cycle (days)**	12.6	12.6	-0.9%
<b>Port Performance</b>			
Western Port Unloads (Number of Cars)			
Vancouver	17,233	17,233	-0.1%
Prince Rupert	5,070	5,070	-19.0%
Churchill	345	345	-74.8%
Thunder Bay	6,979	6,979	-33.7%
Total	29,627	29,627	-16.3%
Vessel Time in Port (days)	7.1	7.1	-20.2%

n/a denotes measures for which data has not been supplied or comparative data is unavailable



## Highlights for August 2015

### Production and Supply (page 2)

- The preliminary estimate of total Western Canadian production for 2015 is 57.5 MMT, in line with the 10-year average.
- With carry forward stock of 8.6 MMT, the estimated overall grain supply, at 66.2 MMT, ensuring healthy supplies to meet domestic and export demand in the coming year.

### Traffic and Movement (page 2)

- Primary elevator shipments were 3.2 MMT in the first month of the 2015-16 crop year, 18.1% lower than August last year.
- All rail shipments (including primary/process elevators & producer cars) to all destinations from Western Canada totalled 3.9 MMT to the end of August 2015.
- Shipments to Western Canadian ports totalled 3.1 MMT, down 10.8% from the same period a year earlier.

### System Efficiency and Performance (page 4)

- Average weekly stocks in the country dropped 5.5% from last year, with the average days in store increased 10.5%.
- Average port terminal stocks were reduced 6.4% from that in the first month last year with average days in store down 2.8%.
- Railcar cycle times averaged 12.6 days for August (12.7 days last August) to western ports; 21.5 days to eastern Canada; and 25.5 days to US destinations.
- The average vessel time in port in August 2015 is 7.1 days, 20.2% lower than in August of the previous crop year.
- Port-terminal out-of-car time reached 12.4% in Vancouver, 0.0% in Prince Rupert and 2.5% at Thunder Bay.

### Commercial Relations (page 6)

- Average primary elevation charges are unchanged in the first month of the crop year.
- CN decreased its single-car rates in the Vancouver and Prince Rupert corridors by 7.1% at the beginning of August 2015. The carrier's single-car rates into Thunder Bay and Churchill were reduced by a lesser 2.1% and 2.4% respectively.
- CP also decreased its single-car into Vancouver and Thunder Bay at the beginning of the 2015-16 crop year by 7.4% and 4.2% respectively.
- Average terminal elevation rates are unchanged in August.

### Commercial Developments (page 6)

- This month's report covers events in the month of August.

### Infrastructure (page 7)

- No changes were reported in either railway or country elevator infrastructure during August 2015. Two terminal elevators were delicensed at the beginning of the crop year: MobilEx Terminal Ltd. and Thunder Bay Terminals Ltd.

### Producer Cars (page 7)

- No changes were reported in the number of producer car loading sites during August.
- Total producer cars scheduled, at 361 cars, is 65.3% lower than the number scheduled in August 2014.

Periodic revisions and corrections to the data received by the Monitor may result in the restatement of previously calculated measurement values. Where such differences arise, the values presented here should be considered to supersede those found in previous reports.

## Production and Supply

Statistics Canada's preliminary estimate of 2015 crop production in Western Canada is 57.5 MMT, 8.5% lower than 2014 production, but virtually equal to the 10-year average production.

Adding to this, a reduction to a level that would be considered a normal carry forward of 8.6 MMT from the record carry forward in 2014, overall grain supply is estimated to be 66.2 MMT, 14.2% less than that available the previous year.

Statistics Canada has also revised the production numbers for the previous two years. A total of 0.7 MMT and 1.5 MMT has been added to 2013 and 2014 production respectively. Although numerous crops were revised upwards, the greatest increase is registered for canola, up 1.4 MMT for the two years.

**Production numbers will be updated in December based on the November survey.**

Production & Carry Over (000's tonnes)	2015 P	2014	Var. from Last Year
Western Canada Total Production	57,517.9	62,854.9	-8.5%
Western Canada On Farm & Primary Elevator Carry Forward Stock	8,637.6	14,236.0	-39.3%
<b>Total Grain Supply</b>	<b>66,155.5</b>	<b>77,090.9</b>	<b>-14.2%</b>

## Traffic and Movement

The GHTS total movement is much lower than experienced in August 2014 when the system continued to move the remaining 2013-14 record crop to export position. This year's movement so far has been only slightly higher than in a normal crop year.

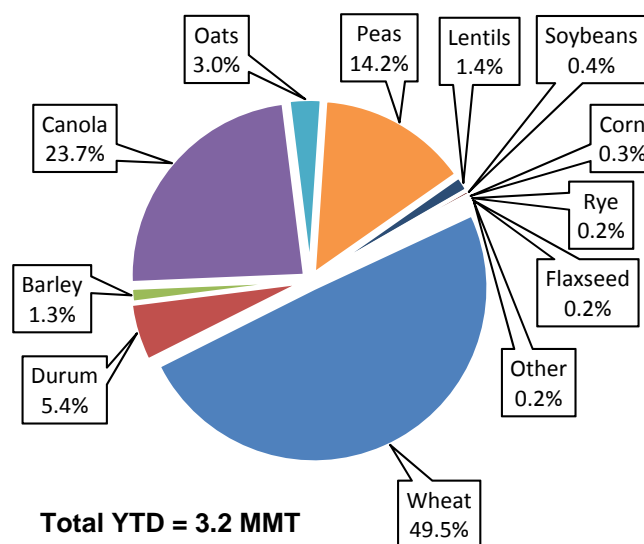
As the harvest season progresses we expect that volumes will match those seen in an average crop year, matching the level of production and total supply for this crop year.

	AUG 2015	This Crop YTD	Var. from Last YTD
<b>Primary Elevator Shipments (000's tonnes)</b>			
Manitoba	563.3	563.3	15.8%
Saskatchewan	1,465.0	1,465.0	-29.8%
Alberta	1,147.3	1,147.3	-11.8%
British Columbia	28.1	28.1	-19.9%
<b>Total</b>	<b>3,203.7</b>	<b>3,203.7</b>	<b>-18.1%</b>
<b>Western Canada Railway Traffic (000's tonnes)</b>			
Shipments to Western Ports	3,124.6	3,124.6	-10.8%
Shipments to Eastern Canada	150.2	150.2	10.2%
Shipments to US & Mexico	557.8	557.8	-10.4%
Shipments Western Domestic	39.6	39.6	-25.2%
<b>Total</b>	<b>3,872.1</b>	<b>3,872.1</b>	<b>-10.3%</b>

	AUG 2015	This Crop YTD	Var. from Last YTD
<b>Western Port Unloads (Number of Cars)</b>			
Vancouver	17,233	17,233	-0.1%
Prince Rupert	5,070	5,070	-19.0%
Churchill	345	345	-74.8%
Thunder Bay	6,979	6,979	-33.7%
<b>Total</b>	<b>29,627</b>	<b>29,627</b>	<b>-16.3%</b>
<b>Terminal Elevator Shipments (000's tonnes)</b>			
Vancouver	1,821.9	1,821.9	9.1%
Prince Rupert	463.5	463.5	-24.6%
Churchill	0.0	0.0	-100.0%
Thunder Bay	634.1	634.1	-40.7%
<b>Total</b>	<b>2,919.5</b>	<b>2,919.5</b>	<b>-16.5%</b>

Although country elevator shipments in August were relatively strong at 3.2 million tonnes, they fell 18.1% from the level seen in August 2014. Shipments out of the four western ports have experienced a similar 16.5% decline. Notwithstanding this decline, overall grain movement maintains a respectable pace as the harvest continues and the GHTS awaits the supply of new crop grains.

## Primary Elevator Shipments by Commodity

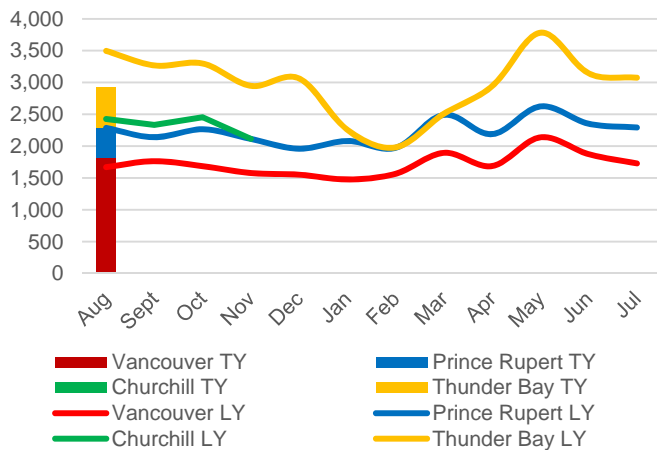


GMP Data Table 2A-1

Wheat, including durum, continues to be the dominant commodity moved, although the proportion has fallen to 54.9%, from over 80% just 10 years ago.

Canola movements continue to increase in both the port and US corridors. The proportion of canola shipped has increased to 23.7% from 17% 10 years ago.

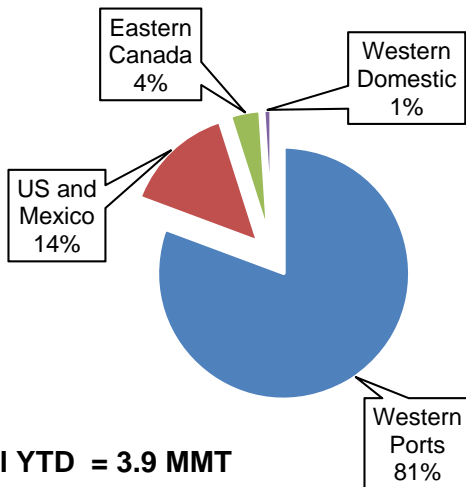
## Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Although the Port of Churchill began unloading grain in late July, there were no vessels in position for loading in August. The port's shipping season will therefore be compressed into September, October and early November.

## Western Canadian Grain Destinations

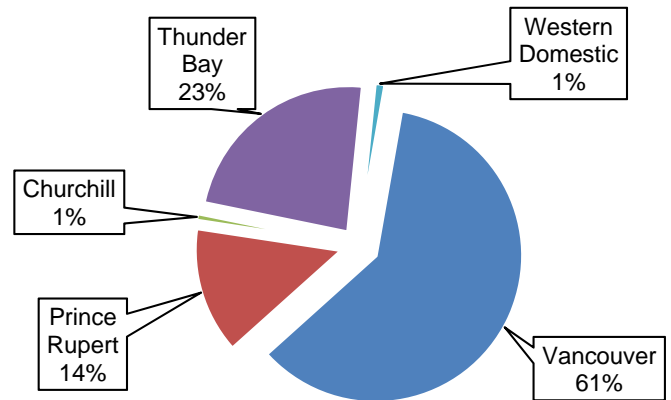


Total YTD = 3.9 MMT

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

The four ports in Western Canada continued to constitute the primary destination for prairie grain shipped by rail. Rail shipments into Vancouver rose by 2.3% in August 2015, to just over 1.9 MMT. However, shipments into Prince Rupert, Thunder Bay and Churchill all declined substantially, producing an overall western-port reduction of 10.8%. Total movement to Eastern Canada increased by 10.2% in August, although traffic to Eastern Canadian ports fell by 4.3%. Shipments into the United States and Mexico also declined, by 10.2% and 17.5% respectively.

## Western Canadian Destined Hopper Car Traffic

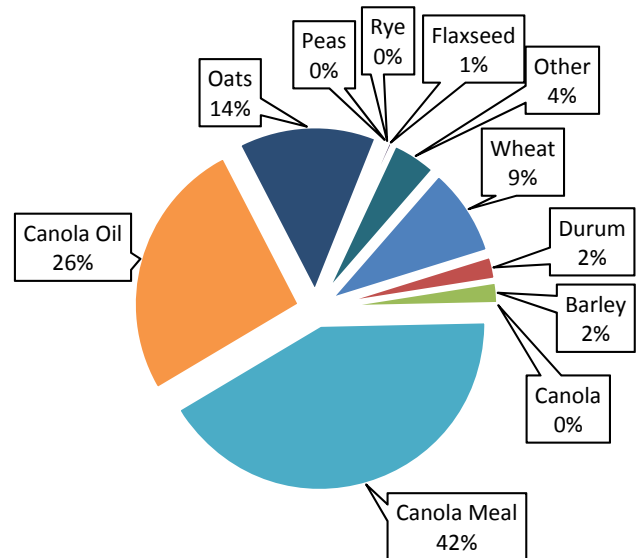


Total YTD - 3.1 MMT

GMP Data Tables 2B-3 to 2B-7

Vancouver remains the dominant port for the exporting of western grain. A combination of year round operations, better logistical economics and the access to major markets for Canadian grain in the Asia Pacific region favour this west coast gateway.

## US Destined Grain by Commodity

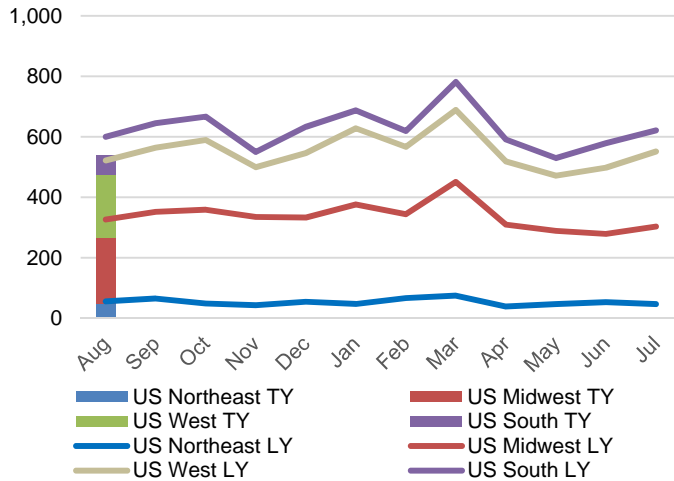


Total YTD - 0.5 MMT

GMP Data Table 2B-18

Canola and canola products (seed, oil and meal) dominate the movement to US destinations, constituting 68% of the overall movement thus far this crop year.

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



GMP Data Table 2B-18

The majority of Western Canadian grain exported to the US continues to be moved to the US Midwest and West regions with 57.6% being sourced from the province of Saskatchewan.

Rail traffic from Western Canada to Mexico totaled 18,600 tonnes in August 2015, down from 22,600 tonnes in August 2014.

## System Efficiency and Performance

	AUG 2015	This Crop YTD	Var. from Last YTD
<b>Primary Elevator</b>			
Average Weekly Stocks (000's tonnes)	2,403.4	2,403.4	-5.5%
Average Days in Store	22.1	22.1	10.5%
Average Weekly Cars Ordered	n/a	n/a	n/a
Average Weekly Car Orders Cancelled	n/a	n/a	n/a
Average Weekly Cars Planned for Spotting	n/a	n/a	n/a
Average Weekly Cars Actually Spotted	n/a	n/a	n/a
<b>Railway Operations (days)</b>			
Cycle Time to Western Ports	12.6	12.6	-0.9%
Cycle Time to Eastern Ports	21.5	21.5	-4.2%
Cycle Time to US	25.5	25.5	-18.6%
Loaded Transit to Western Ports	4.5	4.5	-19.5%
Loaded Transit to Eastern Ports (E)	9.7	9.7	-24.8
Loaded Transit to US	10.1	10.1	-28.9
Traffic in 50-car+ blocks (Q4)	87.6%	84.2%	4.9%

	AUG 2015	This Crop YTD	Var. from Last YTD
<b>Western Canada Terminal Elevator</b>			
Average Weekly Stocks (000's tonnes)	1,133.4	1,133.4	6.4%
Average Days in Store	10.5	10.5	-2.8%
Port Unloads (hopper cars)	29,627	29,627	-16.3%
Terminal Out of Car Time	9.7%	9.7%	n/a
<b>Western Canada Port Operations</b>			
Average Vessel Time in Port (days)	7.1	7.1	-20.2%

(E) Owing to technical difficulties the values presented are estimated

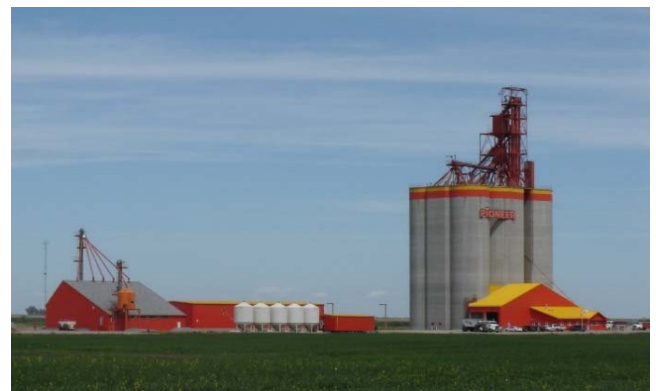
**Note:** At the time of this publication, car order data (order fulfillment) was not complete from both railways and is therefore not included in this month's report.

Primary elevator stocks declined during August as producers focused on the beginning of the harvest season. The weekly average was 2.4 MMT. Available delivery space in the country network remained good throughout the period. Country elevators utilized an estimated 57% of the working capacity of the network. By province, stocks ranged from 53% of working capacity in Saskatchewan to 76% in B.C. Manitoba and Alberta were at 55% and 67% respectively.

Year-to-date average days in store in the primary elevator system climbed 10.5% from last year, when the volume thresholds mandated aggressive shipping programs.

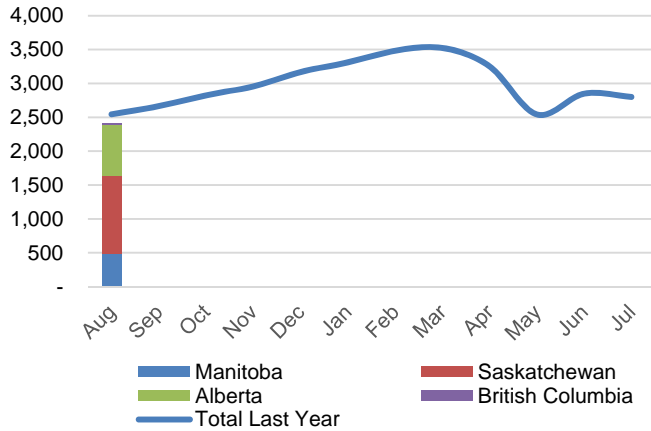
Railway car cycles to western Canadian ports averaged 12.6 days in August 2015, down 0.9% from the same period a year earlier. This was shaped by improvements in the Vancouver and Thunder Bay corridors, which saw reductions of 3.7% and 3.3% respectively, but was largely offset by a 10.2% increase in the Prince Rupert corridor.

Year-to-date average time vessels are spending in port waiting and loading grain is 20.2% less than that experienced in the same period in 2014-15, reflecting further improvement in coordination of grain stocks at port to vessel loading. August saw a marked decrease in the average which fell to 7.1 days from the 8.8 days registered in July. It continues the significant improvement from the 17.0 day range experienced over the winter months in the 2013-14 crop year.



Pioneer – Carseland, AB

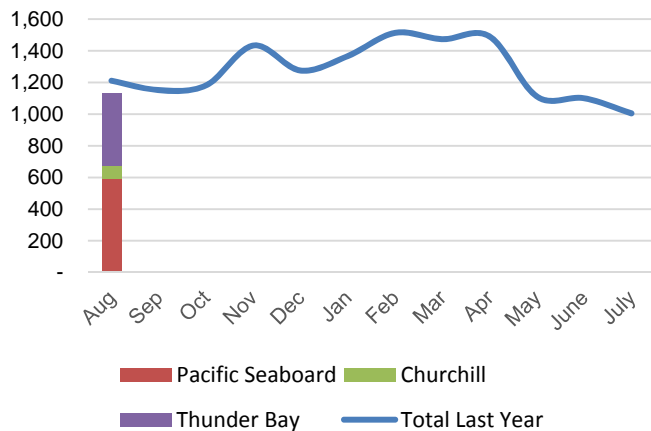
## Average Weekly Primary Elevator Stocks (000's tonnes)



GMP Data Table 5A-2

During the 2014-15 crop year, the average level of stock in primary elevators climbed steadily until March 2015, when they reached 3.5 MMT. Following that, they declined to a more manageable 2.8 MMT by the end of the crop year. The 2014-15 crop year starts with a further decline to 2.4 MMT in August, a level that is 5.5% below the starting point the previous year. As the 2015 harvest proceeds, it is anticipated that deliveries will increase, bolstering stock levels for the shipping season ahead.

## Average Weekly Terminal Elevator Stocks (000's tonnes)

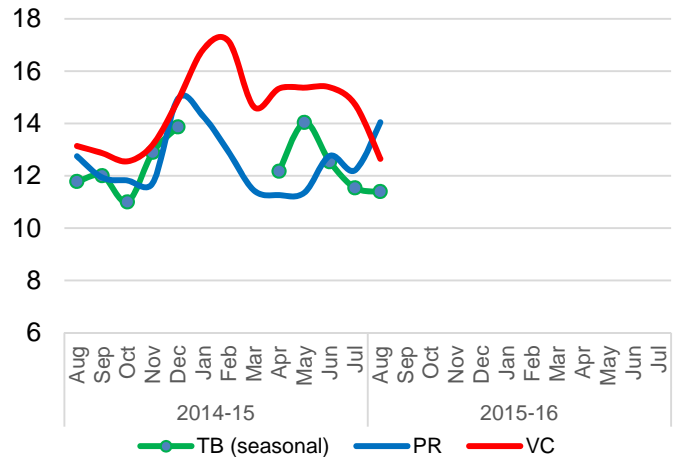


GMP Data Table 5C-2

A similar pattern was observed regarding average stock levels at terminal elevators. Despite some fluctuation, during the 2014-15 crop year, stocks increased until they reached 1.5 MMT in aggregate from February through April. Following that, they declined to only 1.0 MMT by crop-year end in July. As the 2015-16 crop year got underway, average stock in terminal elevators during August registered a slightly higher level at 1.1 MMT. During August, stock was building at Churchill in anticipation of

the shipping season there. Overall stocks utilized 67% of the ports' working capacity during August.

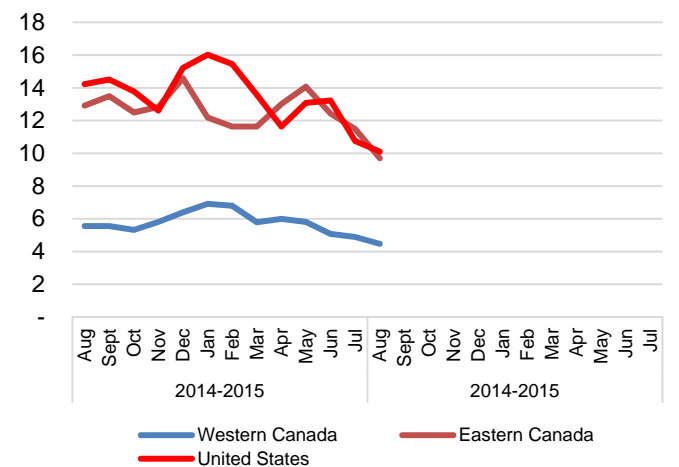
## Railway Cycle Times to Western Ports (days)



GMP Data Table 5B-1

Despite seasonal fluctuations, the average car cycle in Western Canada has declined steadily since the beginning of the GMP. As noted above, the average stood at 12.6 days, slightly lower than the 12.7-day average posted in the same month a year earlier. The average for movements to Churchill during August amounted to 20.1 days, down 19.3% from the 24.9-day average posted in the same month a year earlier (Note: The Churchill average is not factored into that of Western Canada as a whole).

## Average Loaded Transit Times (days)

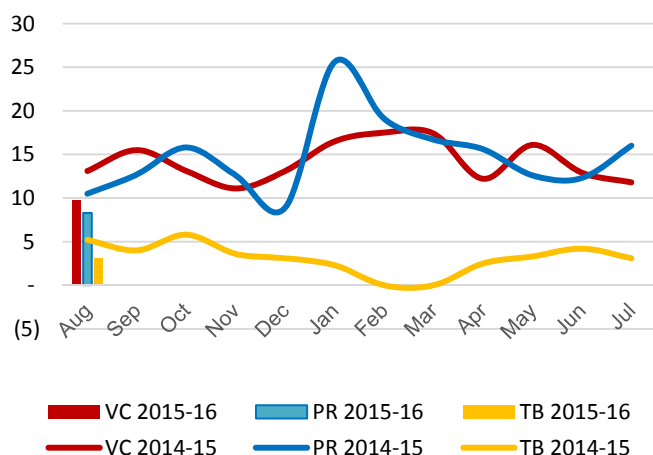


GMP Data Tables 5B-4, 5B-8, 5B-12

Loaded transit time for traffic destined to Western Canadian ports averaged 4.5 days in August 2015, down 19.5% from the 5.6-day average posted in the month a year earlier. This was the product of sharp reductions in the Vancouver and Thunder Bay corridors.

Eastern Canadian car cycles and transit times also moved lower in August, with averages of 21.5 days and 9.7 days respectively. Corresponding values for US-bound traffic amounted to 25.5 days and 10.1 days. Longer distances to market and smaller car block movements are the chief drivers of these larger values.

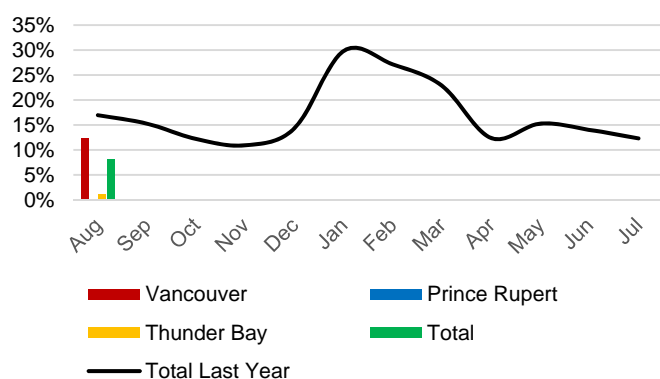
### Average Days in Port per Vessel



GMP Data Table 5D-1

During the 2014-15 crop year, the average time vessels spent in port at Vancouver and Prince Rupert fluctuated between ten and fifteen days, with some seasonal spiking above that level in the winter. In August, the first month of the 2015-16 crop year, the average time declined by more than 20% from August in the previous crop year. This improvement is reflective of the relatively smooth movement from country to port experienced over the past few months.

### Port Terminal Out of Car Time (% of total operating hours)



GMP Data Table 5C-5

The port terminal out of car time measure uses data collected from the terminal elevators representing the total number of hours the facilities are open and staffed (including overtime hours) and the corresponding number of hours that terminals have no rail cars available to unload. The measure is expressed as a percentage (hours without cars to the total number of hours working).

The percentage of time terminals are out of cars has been steadily improving from a high of 29.8% registered in January of 2015. For August the total measure for all ports declined further, to 9.7% from 12.3% measured in July. August saw a decrease at Vancouver terminals, to 12.4% from 18.8% in July. Thunder Bay's August percentage increased to 2.5%, up from 1.2% in July.

## Commercial Relations

A vast number of individual tariff rates exist for country and terminal elevation services and for rail freight. These rates are measured quarterly by the GMP, with the final quarter of the 2014-15 crop year being presented this month.

The GMP consolidates these rates into averages for presentation purposes. Increases or decreases are presented based on an index with the base year (August 1, 1999) equal to 100.

Despite these year-end values, both CN and CP reduced their single-car rates at the beginning of the 2015-16 crop year. These ranged from as little as 2.1% on CN movements into Thunder Bay to as much as 7.4% on CP movements into Vancouver.

Rates: \$CDN per tonne	Q4 2015	Index (1999=100)	% Change YTD
Avg. Primary Elevation	\$16.22	135.3	3.1%
Rail to Vancouver			
CN	\$52.08	141.3	9.5%
CP	\$53.95	145.2	22.3%
Rail to Pr. Rupert			
CN	\$52.09	124.9	9.5%
Rail to Thunder Bay			
CN	\$48.74	151.6	4.1%
CP	\$45.05	151.1	25.9%
Average Terminal Elevation	\$13.99	153.4	2.3%

*Note: Commercial rates are measured on a quarterly basis, the above refer to rates at the close of the 2014-15 crop years. Rail rates are as at Jul. 31, 2015 and reflect the average weighted single car rate. They do not include multi-car incentives (\$4/tonne for 50 + car blocks and \$8/tonne for 100 + car blocks).*

## Commercial Developments

**Sale of CWB to G3 finalized:** On July 31, 2015, the sale of CWB to G3 Global Grain Group was made final. The CWB brand will be phased out over the next few months and replaced by the G3 brand. Concurrent with the change was the departure of Ian White, the company's former CEO, who led the organization through its transition into a post single-desk environment.

**Churchill shipping season starts late:** OmniTRAX, the port of Churchill's owner and operator, has estimated that it will handle about 500,000 tonnes of grain during the 2015 shipping season – 40,000 tonnes less than that handled the previous year. However, by the close of August there has been no ships loaded, marking a delay of one month to a season that normally extends from July to early November. Company officials attributed the delay to the

warmer summer that has softened the rail bed, necessitating additional maintenance to the rail line that serves the port.

**Viterra announces plans to purchase processing assets:**

Viterra announced that it had signed a purchase agreement for Twin Rivers Technologies – Entreprises de Transformation de Graines Oléagineuses du Québec Inc. (TRT-ETGO). The company, itself a wholly owned subsidiary of Malaysian based FELDA Global Ventures Holdings, operates the largest oilseed processing plant in Eastern Canada, located in Bécancour, Quebec. Opened in 2010, the TRT-ETGO facility is focused on the crushing and refining of canola and soybeans into vegetable oil for food and industrial markets, as well as meal for the livestock industry. The transaction is subject to regulatory approvals and other customary closing conditions, and is expected to close by the end of 2015.

**CGC issues new rules for producer cars:** The Canadian Grain Commission has put new regulations in place for the ordering and provision of producer cars effective August 1, 2015. The changes will see specific identification numbers assigned to each car order, a limit on how many cars a producer can order at one time, and a system of confirmation that each car ordered is attached to a sale. The changes were prompted by shortfalls, long wait times and order cancellations experienced in the 2013-14 crop year.

**Legumex Walker defaults on US canola plant loan:** In the wake of a July 2015 default on a US\$54.6 million loan tied to its Pacific Coast Canola (PCC) crushing plant in Warden WA, Legumex Walker officially put its pulse and special crops processing plants up for sale in late August. Industry observers expected the company's assets to attract significant interest. While not entirely tied to PCC operations, losses incurred by the company had prompted a strategic review of its business holdings earlier in the year, with the board of directors ultimately finding that a sale of its special crops and oilseed businesses might well be appropriate.

## Infrastructure

The GMP monitors infrastructure changes on a quarterly basis with the exception of the railway car fleet.

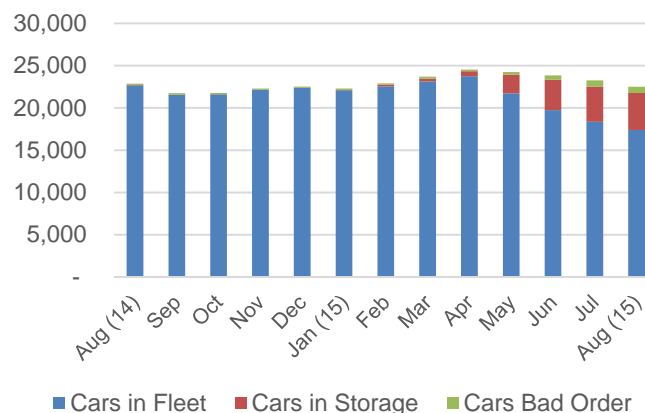
	Q4 2014-15	Index (1999=100)	% Change YTD
<b>Country Elevator</b>			
Primary and Process Elevators (Count)	370	36.9	-0.3%
Storage Capacity (000's tonnes)	7,334.8	104.4	0.1%
<b>Railway</b>			
Route Miles - Major Carriers	14,835.4	100.1	-1.2%
Route Miles - Shortline Carriers	2,588.7	55.8	0.0%
<b>Route Miles - Total</b>	<b>17,424.1</b>	<b>89.5</b>	<b>-1.0%</b>
Average Weekly Hopper Car Fleet Size*	17,389	n/a	-23.2

	Q4 2014-15	Index (1999=100)	% Change YTD
<b>Terminal Elevator</b>			
Terminal Facilities (Count)	17	121.4	13.3%
Storage Capacity (000's tonnes)	2,423.9	94.8	0.9%

\* Hopper Car Fleet Size is as of August 2015.

Only modest changes to the GHTS's infrastructure were reported in the opening month of the 2015-16 crop year. The total number of country elevators remained unchanged at 370. In equal measure, the system's railway infrastructure also remained unaltered. The most significant change related to the delicensing of two terminal elevators at Thunder Bay – Thunder Bay Terminals and MobilEx - (both of which were officially licensed at the end of the second quarter of the 2014-15 crop year).

## Total Railway Fleet Size and Utilization



GMP Data Table 3B-2

Prior to February 2015, nearly all of the reported car fleet was in service. The proportion of fleet that is either stored or listed as bad order (requiring repair) has grown steadily since that time with the active rail fleet being reduced by 23% since last August. In August 2015, the average number of cars in service was 17,389, representing 77.2% of the overall fleet. These changes reflect the lower demand for railcars stemming from the reduction in grain volumes moving.

## Producer Cars

The primary producer impact measure in the GMP is the Producer Netback. The Netback and accompanying Export Basis are calculated on an annual basis and will be included in the Annual Report. The GMP also monitors elements of producer car infrastructure and movement.

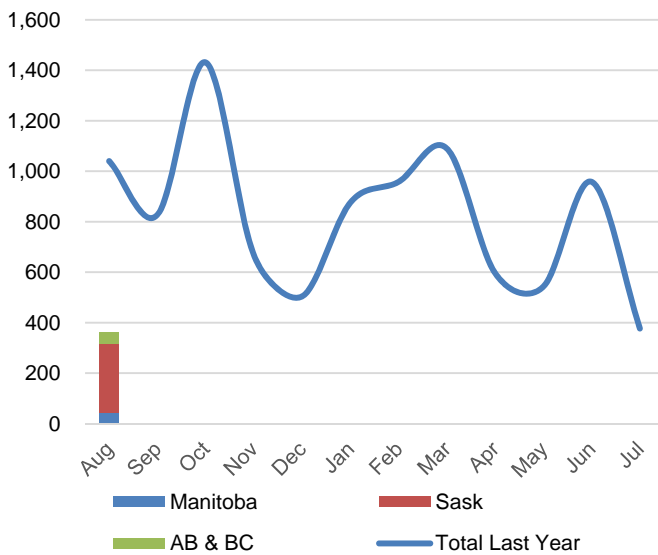


Producer Car Loading Sites	Q4 2014-15	Index (1999=100)	% Change YTD
Class 1 Carriers	179	27.8	-15.2%
Shortline Carriers	135	207.7	0.0%
<b>All Carriers</b>	<b>314</b>	<b>44.3</b>	<b>-9.2%</b>

Although the GMP measurement of producer car loading sites is done on a quarterly basis (next update at October 2015), we can report that there were no changes in the number or configuration of sites during August, the first month of the 2015-16 crop year. The total number of available producer car loading locations now stands at 314. In August of 1999 there were 709 producer loading sites in Western Canada.

Producer Cars Scheduled	AUG 2015	This Crop YTD	Var. from Last YTD
Manitoba	42	42	-74.9%
Saskatchewan	273	273	-67.5%
Alberta & B.C.	46	46	39.4%
<b>Total</b>	<b>361</b>	<b>361</b>	<b>-65.3%</b>

### Producer Cars Scheduled by Province

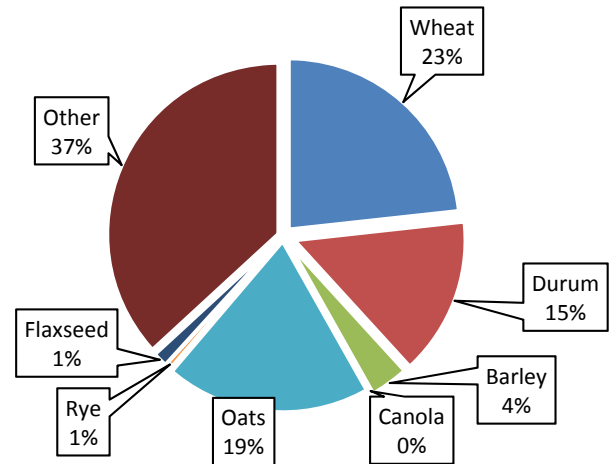


GMP Data Table 6B-2

Producer car shipments have evolved from primarily being wheat, durum and oats to including significant numbers a cars of special crops and canola. In August, shipments of special crops by producer car virtually matched the volume of wheat and durum shipped.

Producer car orders were significantly lower in August 2015 (down 65.3%) than in the previous year as a consequence of the large volume of backlogged orders at the beginning of the 2014-2015 crop year.

### Producer Cars Scheduled by Commodity



GMP Data Table 6B-2

This report provides a summary of the data developed under the Grain Monitoring Program. Detailed monthly Data Tables can be found in Excel format on Quorum's website at: [www.grainmonitor.ca](http://www.grainmonitor.ca)

Quorum welcomes questions and comments on the reports and data. Please contact us at the address below by either phone or email.

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