Grain Monitoring Program Report for: *June 2015*

Release Date: August 13, 2015

GMP Dashboard

	JUN 2015	JUN YTD	Var. from Last YTD
Western Canadian GHTS Performance (Days)			
Total Time in System	38.4	41.9	0.9%
Average Days In Store – Country	24.3	25.5	-6.6%
Loaded Transit Time**	5.1	5.8	10.2%
Average Days In Store – Terminal	9.0	10.6	19.1%
Total Traffic ('000 tonnes)			
Primary Elevator Shipments	3,262.4	38,678.7	3.7%
Railway Shipments (all WC traffic)	4,137.9	45,745.6	n/a
Western Port Terminal Shipments	3,125.6	32,614.3	16.5%
Country Performance			
Primary Elevator Turnover Ratio*	1.7	4.9	-2.0%
Railway Performance			
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	11,440	13,407	n/a
Total Western Port Car Cycle (days)**	14.0	13.7	4.9%
Port Performance			
Western Port Unloads (Number of Cars)			
Vancouver	18,720	201,610	10.1%
Prince Rupert	5,006	61,147	3.9%
Churchill	0	5,326	-16.0%
Thunder Bay	7,225	79,537	27.8%
Total	30,951	347,620	11.9%
Vessel Time in Port (days)	9.1	10.3	-29.5%

** Quarterly measure, to the end of Q3 (April)*

*** Note: Car-cycle and transit time values have been restated as a result of recent revisions to CN data. Marginally greater averages arise from the inclusion of more off-line time in interline movements.*

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

Highlights for June 2015

Production and Supply (page 2)

- Total Western Canadian production for 2014 was 61.2 MMT.
- While overall grain supply is 8.7% below the record set in 2013, it is the second largest seen under the GMP.

Traffic and Movement (page 2)

- Shipments from primary elevators were 38.7 MMT in the first eleven months of the 2014-15 crop year, up 3.7% from last year.
- All rail shipments (including primary/process elevators & producer cars) to all destinations from Western Canada totalled 45.7 MMT to the end of June 2015.
- Shipments from Western Canadian ports totalled 32.6 MMT, up 16.5% from last year

System Efficiency and Performance (page 4)

- Average weekly stocks in the country dropped 3.6% from last year, with the average days in store down 6.6%.
- Port terminal stocks were up 44.3% over the same period last year with average days in store up 19.1%.
- Railcar cycle times are averaging 13.7 days (13.1 days last year) to western ports; 23.4 days to eastern Canada; and 30.6 days to US destinations (now included in the monthly report).
- The average vessel time in port year to date is 10.3 days, in line with the five year average but 29.5% lower than in the same period last year.
- Port-terminal out-of-car time reached 20.0% in Vancouver, 6.9% in Prince Rupert and 16.6% at Thunder Bay.

Commercial Relations (page 6)

- Average primary elevation charges have increased 3.1% to the end of the third quarter.
- CN Rail single car rates increased 1.2% in the Vancouver and Prince Rupert corridors to the end of the third quarter.
- CP increased single car rates 15.5% and 16.8% in the Vancouver and Thunder Bay corridors respectively (magnified by reductions made in the latter part of the 2013-14 crop year).
- Average terminal elevation rates are up 1.7% to the end of the third quarter.

Commercial Developments (page 6)

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

Infrastructure (page 7)

- There were no Infrastructure changes reported for the month of June.

Producer Cars (page 7)

- The number of producer car loading sites has declined by 9.2% thus far this crop year. All reductions were made by the two Class 1 rail carriers.
- Total producer cars scheduled, at 9,490 cars, is 39.7% lower than the number scheduled to the end of June in the 2013-14 record high crop year.

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

Although 2014 crop production was 19.8% lower than 2013's record, overall grain supply to be moved by the Western Canadian GHTS fell by only 8.7% due to the large carry forward stock. Statistics Canada made a small reduction (135,000 tonnes) in its estimate of durum and canola stock carried over on Saskatchewan farms at July 31, 2014.

Production & Carry Over (000's tonnes)	2014	2013	Var. from Last Year
Western Canada Total Production	61,235.9	76,340.2	-19.8%
Western Canada On Farm & Primary Elevator Carry Forward Stock	12,901.0	4,889.9	163.8%
Total Grain Supply	**74,136.9**	**81,230.1**	**-8.7%**

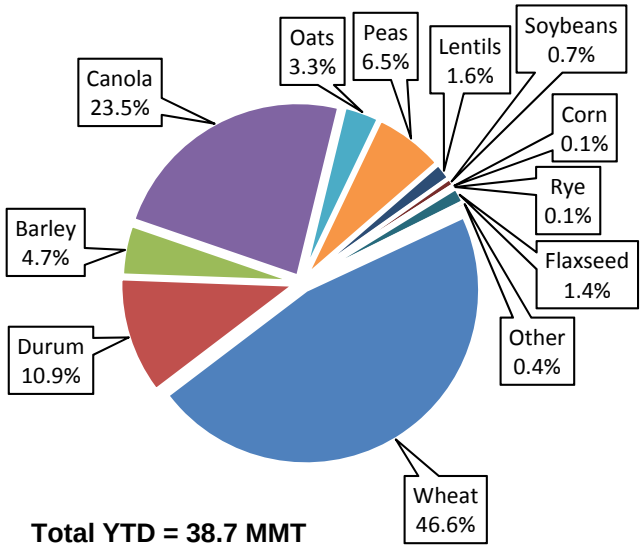
Traffic and Movement

The GHTS total movement has maintained record-setting levels in the first ten months of the crop year. Sales opportunities have remained strong translating into large shipping programs.

	JUN 2015	JUN YTD	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)			
Manitoba	451.6	5,545.6	-8.0%
Saskatchewan	1,636.9	19,242.9	6.1%
Alberta	1,149.0	13,486.4	5.6%
British Columbia	24.8	403.8	17.8%
Total	**3,262.4**	**38,678.7**	**3.7%**
Western Canada Railway Traffic (000's tonnes)			
Shipments to Western Ports	3,364.8	35,310.3	12.1%
Shipments to Eastern Canada	140.0	2,863.0	n/a
Shipments to US & Mexico	591.7	7,055.4	n/a
Shipments Western Domestic	41.3	516.8	n/a
Total	**4,137.9**	**45,745.6**	**n/a**
Western Port Unloads (Number of Cars)			
Vancouver	18,720	201,610	10.1%
Prince Rupert	5,006	61,147	3.9%
Churchill	0	5,326	-16.0%
Thunder Bay	7,225	79,537	27.8%
Total	**30,951**	**347,620**	**11.9%**
Terminal Elevator Shipments (000's tonnes)			
Vancouver	1,873.4	18,887.9	15.7%
Prince Rupert	478.9	5,587.2	5.1%
Churchill	0.0	527.4	-17.1%
Thunder Bay	773.3	7,611.8	41.1%
Total	**3,125.6**	**32,614.3**	**16.5%**

The year-to-date total country elevator shipments are up 3.7% while shipments out of the four western ports are up 16.5%. This reflects the impact of volume thresholds earlier in the crop year that saw railways focusing their resources on movement to western ports where the quickest car cycles could be achieved.

Primary Elevator Shipments by Commodity



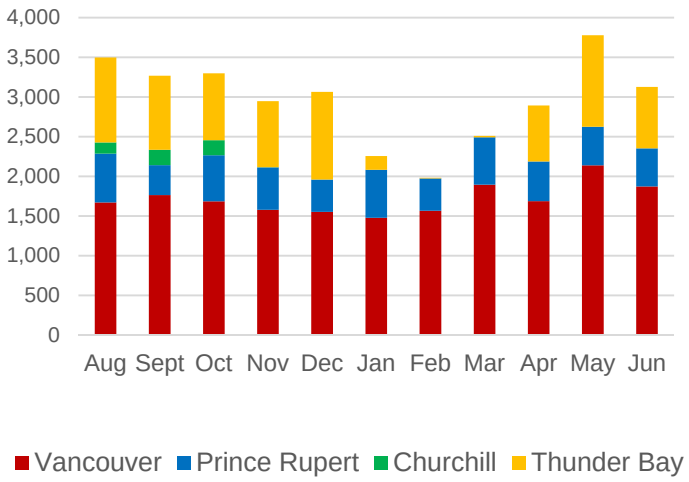
Total YTD = 38.7 MMT

GMP Data Table 2A-1

Wheat, including durum, continues to be the dominant commodity moved, although the proportion has fallen to 57.5%, 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 23.5% from 17% 10 years ago.

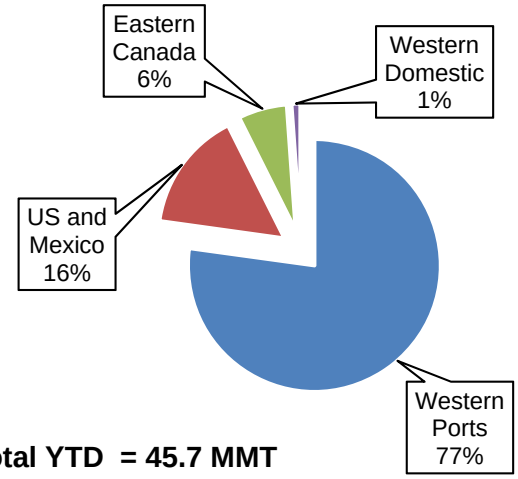
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

While lower than that seen in May, terminal shipments remained strong, surpassing 3.1 MMT during June.

Western Canadian Grain Destinations

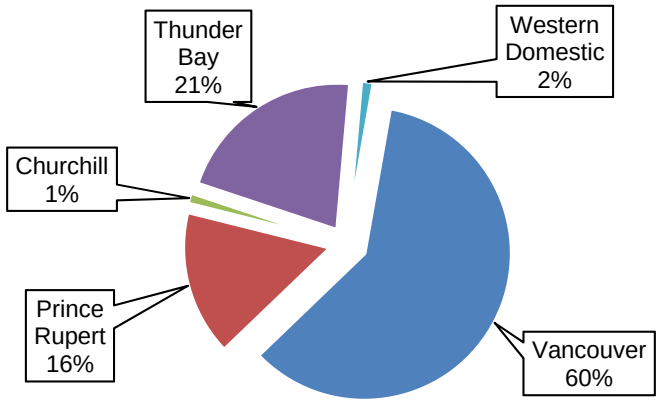


Total YTD = 45.7 MMT

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

The primary unload destination of Western Canadian grain shipped by rail continues to be to the four western ports. The rail movement to Eastern Canadian ports seen in previous winters has decreased in the past three years, due in part to the recent focus on higher velocity movement, but also as a result of the change in marketing practices that came about at the end of the CWB single desk.

Western Canadian Destined Hopper Car Traffic

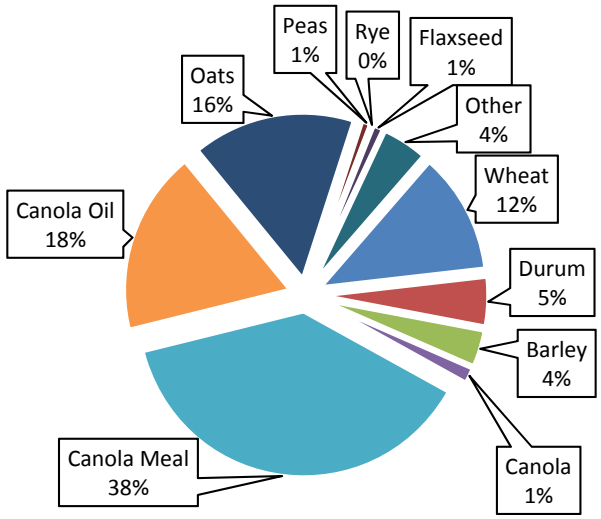


Total YTD - 34.8 MMT

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

Vancouver continues in its role as the dominant port of export for 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 the west coast gateway.

US Destined Grain by Commodity

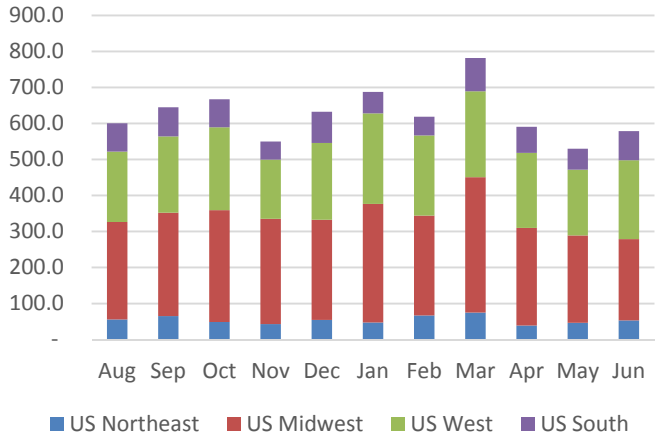


Total YTD - 6.9 MMT

GMP Data Table 2B-18

Canola and canola products (seed, oil and meal) dominate the movement to US destinations, constituting 57% of the overall movement this crop year to date.

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 65% being sourced from the province of Saskatchewan.

Rail traffic from Western Canada to Mexico totaled 174,200 tonnes year to date.

System Efficiency and Performance

	JUN 2015	JUN YTD	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	2,848.7	3,010.6	-3.6%
Average Days in Store	24.3	25.5	-6.6%
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
Railway Operations (days)			
Cycle Time to Western Ports	14.0	13.7	4.9%
Cycle Time to Eastern Ports	22.4	23.4	n/a
Cycle Time to US	26.0	30.6	n/a
Loaded Transit to Western Ports	5.1	5.8	10.2%
Loaded Transit to Eastern Ports	12.2	12.4	n/a
Loaded Transit to US	12.5	13.9	n/a
Traffic in 50-car+ blocks (Q3)	85.8%	83.0%	4.8%
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	1,100.7	1,302.5	44.3%
Average Days in Store	9.0	10.6	19.1%
Port Unloads (hopper cars)	30,951	347,620	11.9%
Terminal Out of Car Time	14.0%	17.7%	n/a
Western Canada Port Operations			
Average Vessel Time in Port (days)	9.1	10.3	-29.5%

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.*

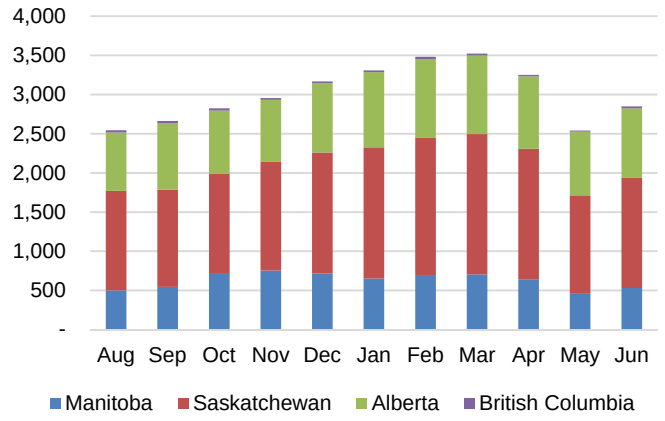
Primary elevator stocks rebounded during June. The weekly average was 2.85 MMT, up over 300,000 tonnes from May as weekly deliveries picked up following the completion of seeding. Country elevators utilized an estimated 68% of the working capacity of the network. By province, stocks ranged from 61% of working capacity in Manitoba to 94% in B.C. Saskatchewan and Alberta were at 64% and 80% respectively.

Year-to-date average days in store in the primary elevator system fell by 6.6% from last year, when for much of the year elevator congestion was widespread.

Railway car cycles to western Canadian ports consistently held in the 11-13 day range from April to November 2014 coincident with the enactment of grain volume thresholds under the Orders in Council. However, as normally seen in the winter period, car cycles peaked with an average of 16.2 days in both January and February before beginning to decline, ultimately falling to 14.0 days in June.

Year-to-date average time vessels are spending in port waiting and loading grain is 29.5% less than that experienced in the same period in 2013-14. June saw a small decrease in the average which fell to 9.1 days from the 9.3 days registered in May. It remained a significant improvement from the 17.0 day range experienced over the winter months and the 14.6 days reached year-to-date June in the last crop year, which was a record high.

Average Weekly Primary Elevator Stocks (000's tonnes)

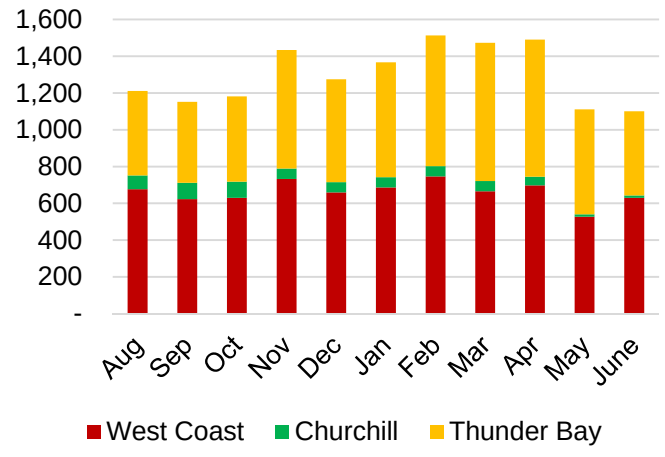


GMP Data Table 5A-2

Prior to April, average weekly primary elevator stock levels grew steadily throughout the current crop year. This is in contrast to the previous crop year when, from the beginning of week 7 (late September) to week 36 (early April), stocks in the country network were constantly near working capacity limits (95% or more). Following two months of decline, the rebound of stock levels during June result in a year-to-date average that is 3.6% less than in the previous crop year, representing a utilization rate of approximately 72% of the available working capacity.

Canola, North Battleford, SK area, July 22-15

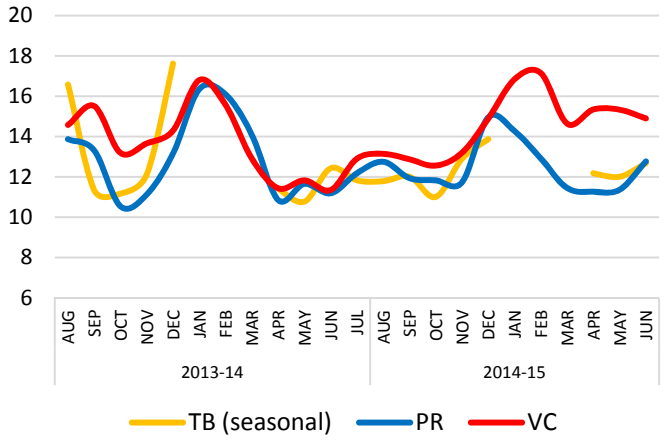
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

Terminal elevator stocks climbed measurably throughout most of the 2014-15 crop year. May and June brought an appreciable decline, with an average of just over 1.1 MMT in the western ports utilizing approximately 65% of the estimated working capacity. As the 2015 shipping season progresses at Thunder Bay, average terminal stocks in store at the port continue to decline. During June they registered significantly less than the high level seen prior to the opening of navigation, at just over 450,000 tonnes, which utilized approximately 57% of working capacity.

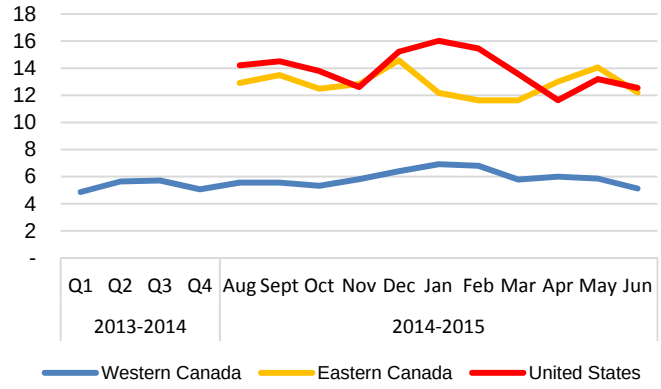
Railway Cycle Times to Western Ports (days)



GMP Data Table 5B-1

Despite seasonal fluctuations, the average car cycle in Western Canada has continued to decline since the beginning of the GMP. With the close of June, the year-to-date average for the 2014-15 crop year stood at 13.7 days, 4.9% above the 13.1-day average posted in the same period of the previous crop year. This was largely the product of an increase in the Vancouver corridor, which rose by 7.9%, to 14.5 days from 13.4 days. In comparison, the average in the Prince Rupert corridor fell by 1.4%, to 12.4 days from 12.6 days, and that of the Thunder Bay by 0.8%, to 12.7 days from 12.8 days. All three corridors posted progressive declines from their winter spikes, which began to rise in November 2014 and carried through to February 2015, before subsiding in March 2015. At their height, these spikes saw the monthly average for Vancouver rise to 17.1 days; Prince Rupert, 15.0 days; and Thunder Bay, 18.1 days.

Average Loaded Transit Times (days)

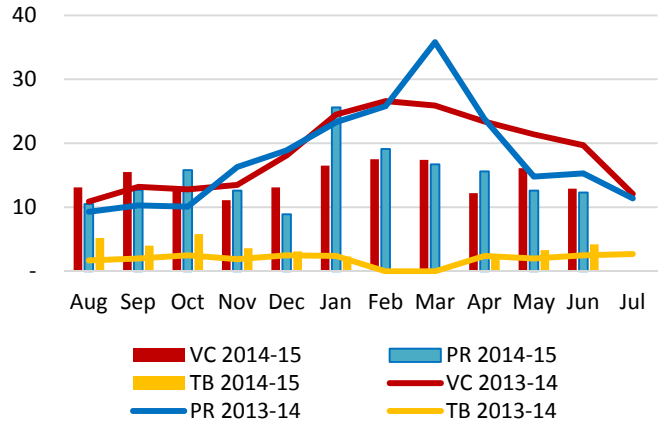


GMP Data Tables 5B-4, 5B-8, 5B-12

Loaded transit time for traffic destined to Western Canadian ports averaged 5.8 days for the first eleven months of the crop year, up 10.2% from the 5.3-day average posted in the same period last crop year. The June average fell to 5.1 days from 5.9 days in May.

Eastern Canadian car cycles and transit times declined in June, with the year-to-date averages amounting to 23.4 days and 12.4 days respectively. Corresponding values for US-destined traffic amounted to 30.6 days and 13.9 days. Longer distances to market and smaller car block movements are the chief drivers of these larger values.

Average Days in Port per Vessel

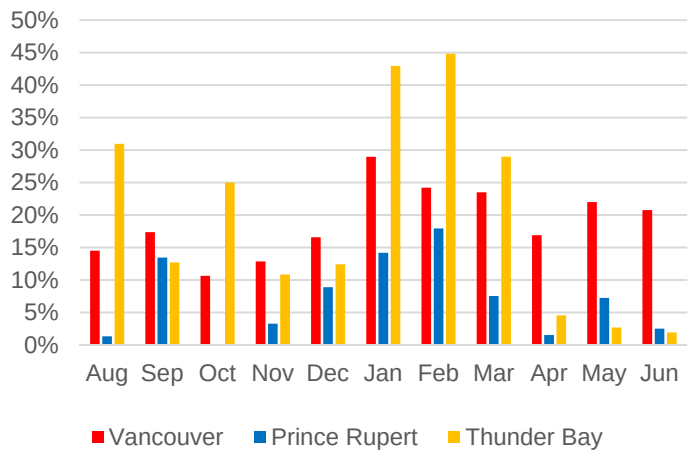


GMP Data Table 5D-1

Prior to the 2010-11 crop year, the average time vessels spent in port at Vancouver and Prince Rupert was between five and ten days. Despite seasonal fluctuations, a steady increase in this time has been recorded over the past four years. The high point last winter exceeded 26 days. There are a number of possible contributing factors that include having the right grain in position at port when the vessel is ready for loading to the unusually low cost of ocean freight being experienced presently.

As ocean freight rates have fallen to record low levels and the supply of vessel carrying capacity has increased in the past three years, it is likely that some of the increased time can be attributed to the approach taken in the management of vessel assets. There have also been several claims by terminal operators that the right grain has not been in position for the vessels waiting in port.

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).

Year-to-date the total measure has fallen slightly from 18.1% in May to 17.7% in June. Vancouver increased from 19.9% to 20.0%, at Prince Rupert down from 7.3% to 6.9% and Thunder Bay from 18.6% to 16.6%.

The month of June saw an slight decrease at Vancouver terminals, to 20.8% from 22.0% in May. Thunder Bay's June percentage declined from 2.7% to 1.9%.

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 and are presented for reference purposes 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.

The year-to-date increase in single car rates for CP seen below, is magnified by reductions that the carrier incorporated in the later part of the 2013-14 crop year.

Rates: $CDN per tonne	Q3 2015	Index (1999=100)	% Change YTD
Avg. Primary Elevation	$16.22	135.3	3.1%
Rail to Vancouver			
CN	$48.13	130.6	1.2%
CP	$51.05	137.1	15.5%
Rail to Pr. Rupert			
CN	$48.13	115.5	1.2%
Rail to Thunder Bay			
CN	$46.80	145.6	0.0%
CP	$41.66	140.1	16.8%
Average Terminal Elevation	$13.91	152.5	1.7%

Note: *Rail rates are as at Apr. 30, 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

G3 studying possibility of Vancouver grain terminal: Following on the heels of its successful efforts to purchase a controlling interest in CWB, G3 Global Grain Group announced that it was joining with Western Stevedoring Company Limited to examine the feasibility of building an export grain terminal on the Lynnterm West Gate site in North Vancouver. The study denotes another step in the company's quest to create an efficient coast-to-coast Canadian grain operation, and that builds on the eastern footprint arising out of its intended merger of existing CWB and Bunge assets.

Paterson Grain opens new inland terminal: On 28 June 2015 Paterson Grain opened its Long Plain Terminal at Gleichen, AB, the ninth inland export terminal in their western Canada network. With storage capacity of over 42,000 tonnes, it is served by a 130 car loop track with unit train loading capability of approximately six hours. The facility will also include a full service crop inputs centre.

Paterson to build central Alberta grain terminal: Paterson Grain announced that it planned to further enhance its presence in the Alberta market with the construction of a new 55,000-tonne inland terminal at Daysland. This denotes the third Alberta-situated facility to be operated by the family-owned company, and reportedly will incorporate the most modern grain handling and storage concepts, including a loop track for railcar loading. The facility will also feature a dual truck receiving area that is expected to result in quicker turnaround times for off-farm grain deliveries. The facility is expected to begin accepting grain in 2016.

CTA review panel concludes consultations: After receiving more than 200 written submissions and conducting hundreds of additional in-person meetings, the Canada Transportation Act

review panel concluded the public-consultation phase of its examination on 30 June 2015. The panel's focus will now shift towards the actual analysis of the information gathered along with the formulation of recommendations. Its report is expected to be submitted to the federal minister of transport before the end of 2015. Even so, certain broad themes have already emerged from the consultation process. One of the most notable is the need to remove bottlenecks and provide for the overall improvement of Canada's supply chain in order to safeguard its reputation as a reliable supplier to the world. Another centered on the need for better transparency as it regards service, capacity and pricing.

CGC initiates audit of Naber Specialty Grain: After revoking Naber Specialty Grain's license in May this year, the CGC has initiated a financial audit of the receipts and payments in anticipation of claims and the payment process that will follow.

Infrastructure

The GHTS infrastructure underwent significant rationalization in the 1990's and early 2000's. Since that time the pace of change has largely abated. The GMP monitors infrastructure changes on a quarterly basis. The data presented this month is for reference purposes.

	Q3 2014-15	Index (1999=100)	% Change YTD
Country Elevator			
Primary and Process Elevators (Count)	370	36.9	-0.3%
Storage Capacity (000's tonnes)	7,334.8	104.4	0.0%
Railway			
Route Miles - Major Carriers	15,011.5	101.2	0.0%
Route Miles - Shortline Carriers	2,588.7	55.8	0.0%
Route Miles - Total	**17,600.2**	**90.4**	**0.0%**
Average Weekly Hopper Car Fleet Size	23,145	n/a	0.0%
Terminal Elevator			
Terminal Facilities (Count)	17	121.4	13.3%
Storage Capacity (000's tonnes)	2,423.9	94.8	0.9%

There were modest changes in the GHTS infrastructure in the first nine months of the 2014-15 crop year.

The total number of country elevators declined by one to 370, after seeing 16 facilities de-licenced last crop year. Two newly licensed terminal elevators were added to the network at the end of the second quarter, both located in Thunder Bay. The number of railway hopper cars in the fleet has rebounded to the level seen at the beginning of this crop year, typical for the spring grain movement.

Producer Cars

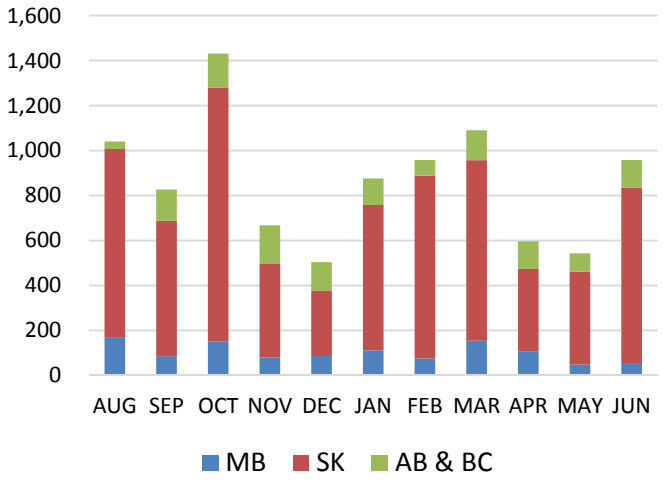
The primary producer impact measure in the GMP is the Producer Netback. The Netback and accompanying Export Basis are calculated on an annual basis and will be included in the Annual Report. The GMP also monitors elements of producer car infrastructure and movement.

Producer Car Loading Sites	Q3 2014-15	Index (1999=100)	% Change YTD
Class 1 Carriers	179	27.8	-15.2%
Shortline Carriers	135	207.7	0.0%
All Carriers	**314**	**44.3**	**-9.2%**

Class 1 carriers eliminated another 17 producer car loading sites during the third quarter, bringing the total decline in the crop year to 32 (CN 23, CP 9). Loading sites were eliminated in conjunction with the closure and removal of some branch lines, such as CP's Gainsborough and Gravelbourg lines. 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	JUN 2015	JUN YTD	Var. from Last YTD
Manitoba	51	1,111	-26.7%
Saskatchewan	784	7,111	-37.4%
Alberta & B.C.	123	1,268	-55.5%
Total	**958**	**9,490**	**-39.7%**

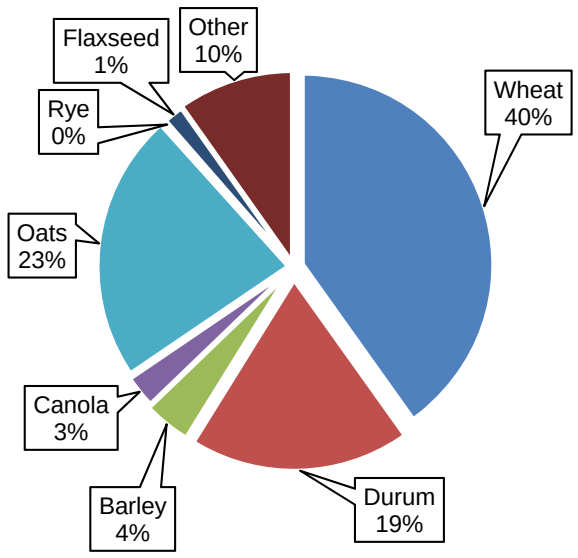
Producer Cars Scheduled by Province



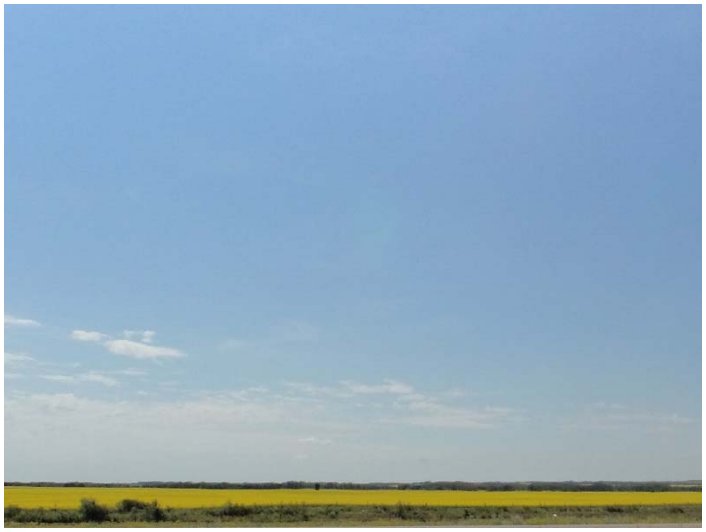
GMP Data Table 6B-2

In the past, producer car shipments were primarily wheat, durum and oats. Since the elimination of the single desk, greater volumes of canola and special crops are moving via this method.

Producer Cars Scheduled by Commodity



GMP Data Table 6B-2



Canola, Northwestern Saskatchewan, July 21 - 15

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

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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