# Grain Monitoring Program Report for: May 2018

***Release Date: June 29, 2018***

## GMP Dashboard

| *Table M-1* | APR 2018 | MAY 2018 | 2017-18 YTD | Var. from Last YTD |
|---|---|---|---|---|
| ***Western Canadian GHTS Performance (Days)*** | | | | |
| **Total Time in System** | 42.3 | 37.3 | 46.7 | 15.6% |
| **Average Days In Store – Country** | 26.0 | 20.1 | 29.0 | 17.4% |
| **Loaded Transit Time** | 5.6 | 5.4 | 6.1 | 15.4% |
| **Average Days In Store – Terminal** | 10.7 | 11.8 | 11.6 | 10.5% |
| ***Total Traffic ('000 tonnes)*** | | | | |
| **Primary Elevator Shipments** | 4,128.2 | 4,594.3 | 38,563.1 | -1.8% |
| **Railway Shipments (all Western Canada traffic)** | 4,728.5 | 4,507.3 | 42,619.7 | -1.1% |
| **Western Port Terminal Shipments** | 3,280.4 | 3,248.4 | 29,104.7 | -6.6% |
| ***Railway Performance*** | | | | |
| **Avg. Loads on Wheels (Cars)** | 12,510 | 10,651 | 11,479 | 8.6% |
| **Total Western Port Car Cycle (days)** | 14.9 | 13.9 | 15.6 | 12.4% |
| ***Port Performance*** | | | | |
| **Western Port Unloads (Number of Cars)** | 32,505 | 38,808 | 318,129 | -7.2% |
| **Vessel Time in Port (days)** | 9.6 | 8.3 | 10.6 | 1.0% |

- ***Order fulfilment measures have been removed from this table as comparative data is unavailable now.***
- ***YTD refers to the crop year to date (extending from August 1 through to the end of this reporting period)***

***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.***

## Overview

Even with continued improvement in GHTS performance, Western Canadian rail shipments fell 4.7% in May 2018, to 4.5 MMT from the recent high of 4.7 MMT in April. The average monthly average for 2017-18 is 4.3 MMT with the year-to-date volume standing 1.1% below last year's level. Port shipments for May totaled 3.2 MMT, a 1.0% decline from April. Year-to-date shipments from ports have declined by 6.6%. Accompanying the slowdown in shipments, is an 8.3-day average in the amount of time vessels spent in port in May, down from April's 9.6-day average, reflecting a return to more balanced operations throughout the GHTS.

## Highlights for May 2018

**Traffic and Movement (page 2)**

- Primary-elevator shipments were 38.6 MMT in the first ten months of the 2017-18 crop year, 1.8% less than last year.
- Total Western Canadian rail shipments to all destinations (from all primary/process elevators and producer-car sites) in the first ten months of the crop year totaled 42.6 MMT, down 1.1% from a year earlier. Total rail shipments in May decreased 4.7% compared to April.
- Crop year-to-date shipments from Western Canadian ports totaled 29.1 MMT, down 6.6% from the same period last year.

**System Efficiency and Performance (page 4)**

- Year-to-date average weekly primary-elevator stocks increased by 15.6% from last year. The average days-in-store is up 17.4%.
- Average weekly port-terminal stocks increased 5.2% from the same period last year, while average days-in-store climbed 10.5%.
- Service improvements resulted in further reductions in railcar cycle times in May 2018. However, corridor averages through the first ten months remained elevated: 15.6 days for movements to Western ports; 23.8 days to Eastern Canada; and 28.0 days to the US.
- The year-to-date average for vessel time in port is 10.6 days, 1.0% higher than that observed in the previous crop year.
- Port-terminal out-of-car time climbed to 15.2% at Vancouver in May from 8.6% in April, and to 2.2% at Thunder Bay from 1.4% the previous month. At Prince Rupert, the out-of-car time registered 8.3% in May, down from 16.6% in April.

## Production and Supply

The estimate from Statistics Canada's November survey for 2017 crop production in Western Canada stands at 71.9 MMT.

This production estimate registers just 0.9% less than the 2016 production and ranks as the third largest crop grown in Western Canada. While Statistics Canada may incorporate further revisions into future releases, this constitutes the final estimate focused on the 2017 crop.

Coupled with carry-forward stock of 8.6 MMT, 14.4% more than in 2016, the overall grain supply is estimated to be 80.5 MMT. This is 0.5% more than that of the previous year and the second largest next to 81.9 MMT seen in the 2013-14 crop year (77.0 production and 4.9 carry-forward).

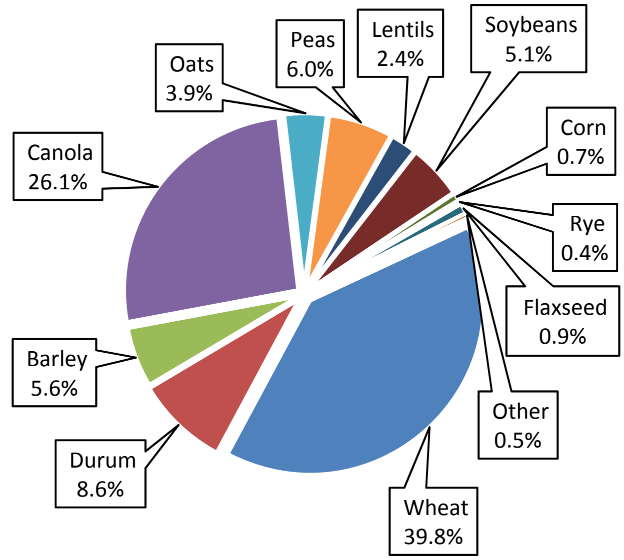
| *Table M-2:* | 2017 | 2016 | Var. from Last Yr. |
|---|---|---|---|
| **Production & Carry Over (000's tonnes)** | | | |
| **Western Canada Total Production** | 71,911.9 | 72,580.9 | -0.9% |
| **Western Canada On Farm & Primary Elevator Carry Forward Stock** | 8,630.0 | 7,543.9 | 14.4% |
| **Total Grain Supply** | **80,541.9** | **80,124.8** | **0.5%** |

# Traffic and Movement

As producers concentrated on seeding, deliveries in May fell from April levels, averaging below 0.7 MMT per week for the month. Average weekly primary-elevator stock levels fell to 2.7 MMT in May, with good space available in facilities across the prairies.

| *Table M-3* | MAY 2018 | 2017-18 YTD | Var. from Last YTD |
|---|---|---|---|
| **Primary Elevator Shipments (000's tonnes)** | | | |
| **Manitoba** | 869.5 | 7,356.6 | 11.0% |
| **Saskatchewan** | 2,204.1 | 18,732.3 | -3.8% |
| **Alberta** | 1,495.1 | 12,215.5 | -5.1% |
| **British Columbia** | 25.6 | 258.7 | -18.0% |
| **Total** | **4,594.3** | **38,563.1** | **-1.8%** |
| **Western Canada Railway Traffic (000's tonnes)** | | | |
| **Shipments to Western Ports** | 3,464.6 | 32,040.9 | -4.9% |
| **Shipments to Eastern Canada** | 218.7 | 2,686.2 | -7.1% |
| **Shipments to US & Mexico** | 730.5 | 7,177.3 | 19.7% |
| **Shipments Western Domestic** | 93.5 | 715.3 | 42.3% |
| **Total** | **4,507.3** | **42,619.7** | **-1.1%** |
| **Western Port Unloads (Number of Cars)** | | | |
| **Vancouver** | 25,691 | 209,202 | -2.4% |
| **Prince Rupert** | 4,894 | 48,938 | -15.0% |
| **Thunder Bay** | 8,223 | 59,989 | -15.4% |
| **Total** | **38,808** | **318,129** | **-7.2%** |
| **Terminal Elevator Shipments (000's tonnes)** | | | |
| **Vancouver** | 1,988.2 | 18,859.8 | -4.3% |
| **Prince Rupert** | 452.2 | 4,474.1 | -10.3% |
| **Churchill** | 0.0 | 0.0 | n/a |
| **Thunder Bay** | 808.0 | 5,770.8 | -10.9% |
| **Total** | **3,248.4** | **29,104.7** | **-6.6%** |

## Primary Elevator Shipments by Commodity

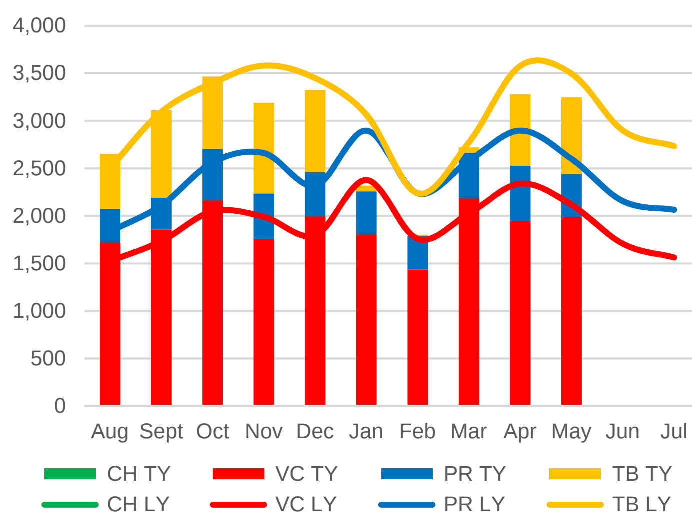



**Total YTD = 38.6 MMT**

GMP Data Table 2A-1

Grain shipments from primary elevators increased in May while registering 1.8% less than the crop-year-to-date total for the previous year. Wheat, durum and canola continue to constitute the largest proportion of the movement at 74.5%. Movement of peas and lentils have fallen dramatically, to 8.4% of the total, from 13.0% a year earlier as both tariff and non-tariff trade barriers challenge the marketing of these pulse crops.

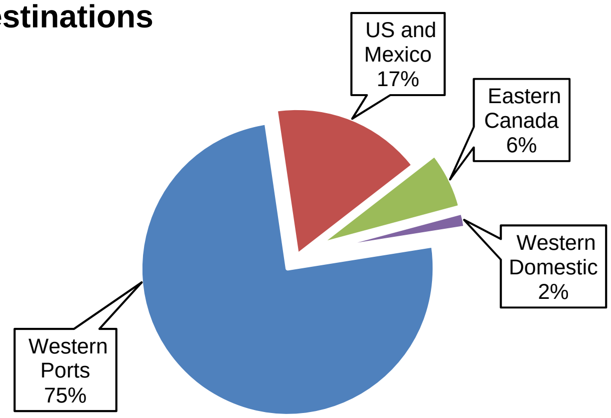
## Terminal Elevator Shipments (000's tonnes)




GMP Data Table 2C-1

Bulk shipments out of the western ports fell in the first ten months of the crop year, registering a 6.6% decrease on a year-over-year basis. May shipments saw a 7.1% reduction from the tonnage shipped in the same month in 2017.

## Western Canadian Grain Destinations

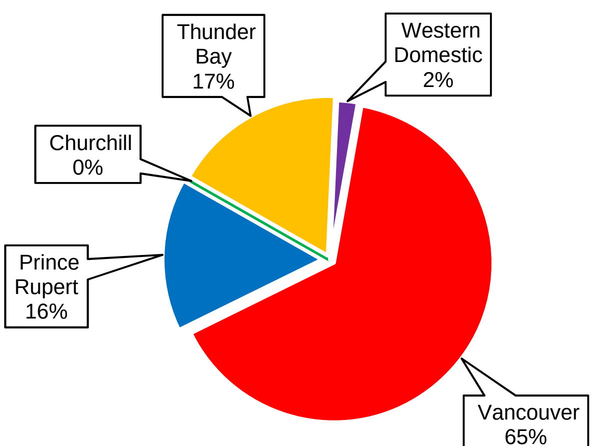



**Total YTD = 42.6 MMT**

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

Railway grain shipments from Western Canada totaled 42.6 MMT in the first ten months of the 2017-18 crop year, a 1.1% decrease from a year earlier. The majority, about 32.0 MMT, was directed to Western Canadian ports in support of offshore sales. This marked a 4.9% decline from a year earlier. Shipments to Eastern Canada also declined, falling by a more substantive 7.1%. Running counter to these volume reductions were increases in: Western domestic shipments, up 42.3%; and US and Mexican shipments, up by 19.7%.

## Western Canadian Destined Hopper Car Traffic

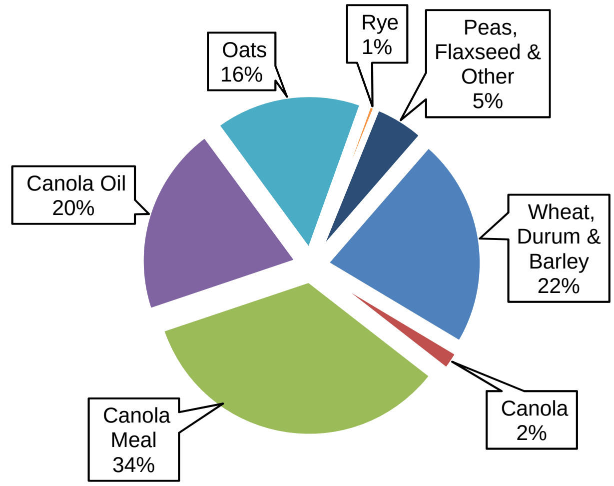



**Total YTD - 31.1 MMT**

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

Over 95% of the tonnage directed to destinations within Western Canada moves in covered hopper cars. During the first ten months of the 2017-18 crop year this amounted to 31.1 MMT, down 5.0% from a year earlier. On the receiving end, 65% of these hopper cars were destined to Vancouver, which remains the unrivaled Canadian gateway for export grain given its ready access to Asia-Pacific markets, favourable logistical economics and year-round operations. Even so, hopper-car shipments through Vancouver during this period declined by 4.3%. This reduction was bolstered by declines at Prince Rupert and Thunder Bay, which fell by 2.8% and 12.5% respectively.

## US Destined Grain by Commodity

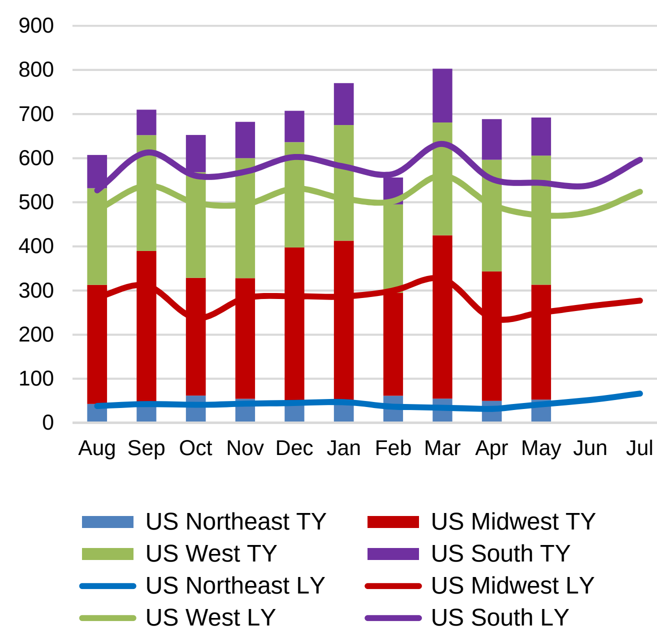



**Total YTD - 5.4 MMT**

GMP Data Table 2B-18

Total railway shipments into the US reached almost 6.9 MMT in the first ten months of the 2017-18 crop year, a gain of 19.5% over a year earlier. Over 80% of these shipments are directed into the US Midwest and West and are dominated by canola and canola products.

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




GMP Data Table 2B-18

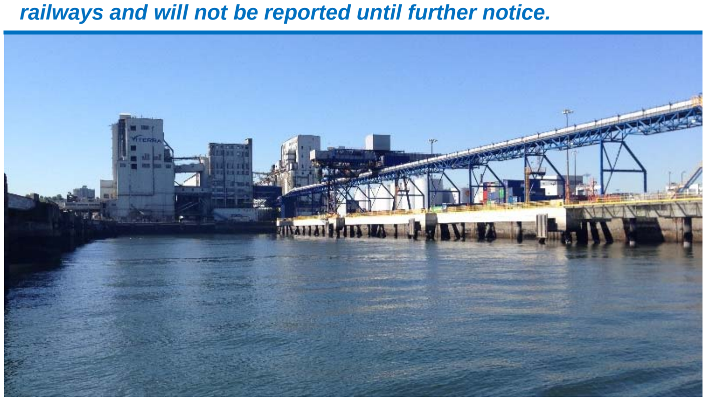
# System Efficiency and Performance

Primary elevator stocks declined sharply as producers focused on seeding. After eight months hovering between 3.8 and 4.3 MMT, country stocks slipped to an average of 2.7 MMT in May. Overall space in the country system was good. Country stocks utilized 56% of the working capacity of the network. By province, stocks ranged from 52% of working capacity in Saskatchewan to 59% in Alberta, 63% in Manitoba, and 91% in British Columbia.

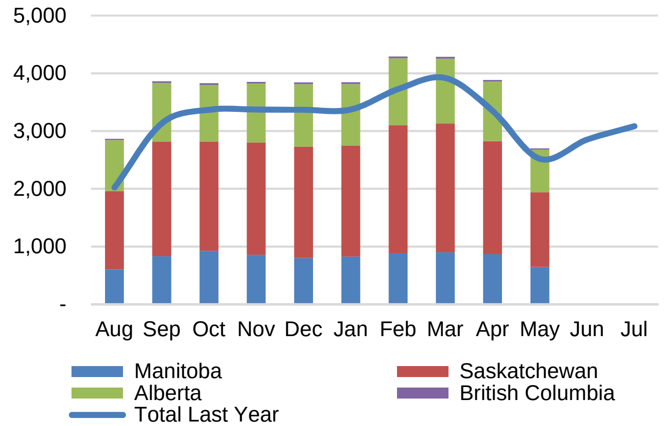
The average days-in-store in the primary-elevator system for the ten-months period increased substantially from last year, climbing 17.4%.

| *Table M-4* | MAY 2018 | 2017-18 YTD | Var. from Last YTD |
|---|---|---|---|
| **Primary Elevator** | | | |
| **Average Weekly Stocks (000's tonnes)** | 2,699.2 | 3,683.3 | 15.6% |
| **Average Days in Store** | 20.1 | 29.0 | 17.4% |
| **Railway Operations (days)** | | | |
| **Cycle Time to Western Ports** | 13.9 | 15.6 | 12.4% |
| **Cycle Time to Eastern Canada** | 20.5 | 23.8 | 15.0% |
| **Cycle Time to US** | 26.3 | 28.0 | 14.7% |
| **Loaded Transit to Western Ports** | 5.4 | 6.1 | 15.4% |
| **Loaded Transit to Eastern Canada** | 9.1 | 10.7 | 22.4% |
| **Loaded Transit to US** | 11.0 | 12.0 | 12.6% |
| **Rail Fleet in Grain Service** | 20,899 | 21,630 | 3.3% |
| **Western Canada Terminal Elevator** | | | |
| **Average Weekly Stocks (000's tonnes)** | 1,145.5 | 1,216.0 | 5.2% |
| **Average Days in Store** | 11.8 | 11.6 | 10.5% |
| **Port Unloads (hopper cars)** | 38,808 | 318,129 | -7.4% |
| **Terminal Out-of-Car Time** | 11.5% | 11.6% | -8.6% |
| **Western Canada Port Operations** | | | |
| **Average Vessel Time in Port (days)** | 8.3 | 10.6 | 1.0% |

***Car order and order fulfillment data is not complete from both railways and will not be reported until further notice.***



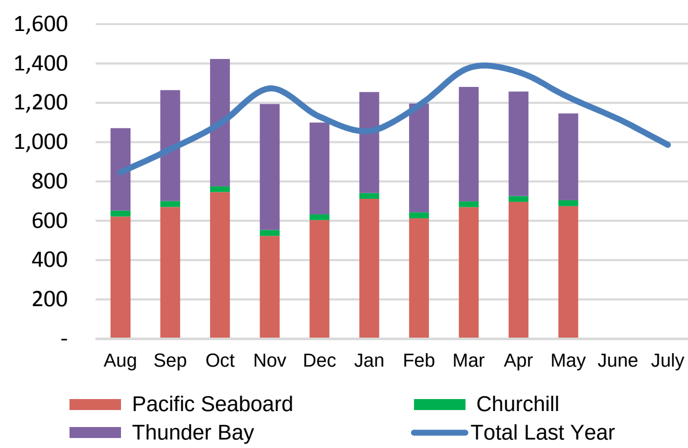
## Average Weekly Primary Elevator Stocks (000's tonnes)




GMP Data Table 5A-2

Following a decline to 2.9 MMT in August, average country elevator stocks reversed direction and rose to 4.3 MMT by mid-winter. They remained high until the onset of seeding when stocks declined to average 2.7 MMT in May. The year-to-date average weekly stock level in the first ten months of the crop year was 3.7 MMT, a 15.6% increase from a year earlier. Wheat, including durum, and canola stock, comprise over 71% of the total stock. At 16% of the stock, barley, oats and peas made up much of the balance. Of the remaining commodities, soybeans, constituting 5% of primary elevator stock, is the most substantial.

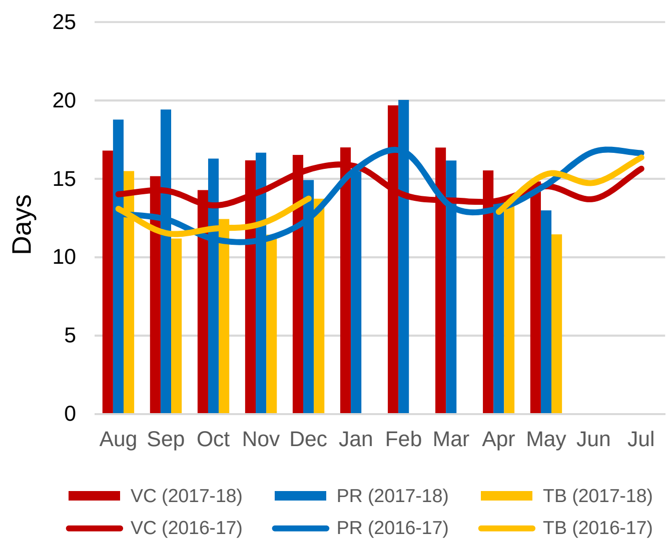
## Average Weekly Terminal Elevator Stocks (000's tonnes)




GMP Data Table 5C-2

Overall terminal elevator stocks averaged 1.1 MMT in May, 9% less than a month earlier. While stock levels declined modestly at the Pacific Seaboard (Vancouver and Prince Rupert) a steeper drop was experienced at Thunder Bay. Wheat, including durum, and canola stock, comprise over 83% of the total stock. In May, western ports utilized only 66% of their overall working capacity.

## Railway Cycle Times to Western Ports (days)

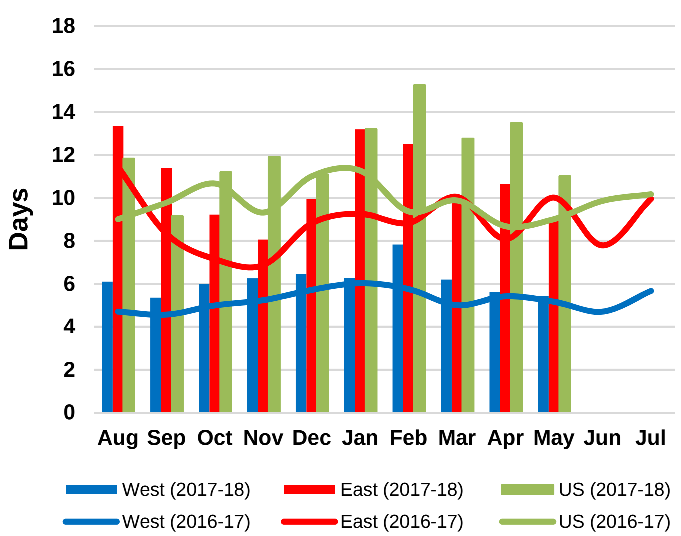



GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 15.6 days in the first ten months of the 2017-18 crop year, an increase of 12.4% over the previous crop year when car cycles averaged 13.9 days. This was largely the result of increases in the West-Coast corridors, with the Prince Rupert average rising by 21.6% and the Vancouver average by 13.3%. Running counter to these was the Thunder Bay average, which fell by 1.6%.

Car cycles to Eastern Canada also increased during this period, rising by 15.0%, to an average of 23.8 days from 20.7 days a year earlier. The car cycle for movements into the United States rose by a slightly lesser 14.7%, to an average of 28.0 days versus 24.4 days in the previous year.

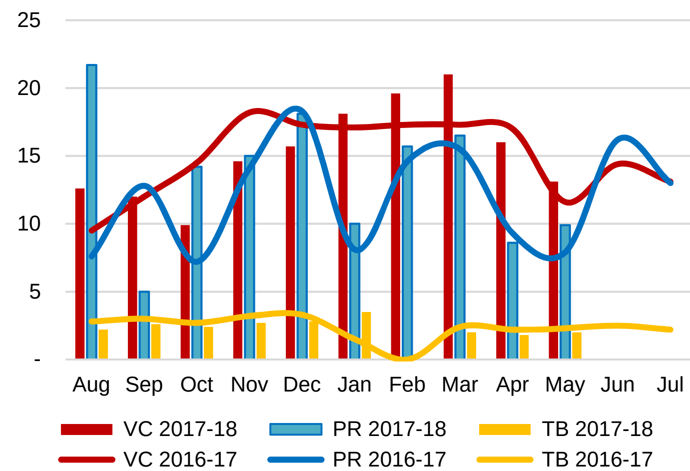
## Average Loaded Transit Times (days)




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

Loaded transit time for traffic destined to Western Canadian ports averaged 6.1 days in the first ten months of the 2017-18 crop year, up 15.4% from the 5.3-day average of a year earlier. This was primarily the result of increases in the Prince Rupert and Vancouver corridors, which rose by 27.4% and 15.7% respectively. This was partially offset by a modest 1.2% decrease in the Thunder Bay-corridor average. The average loaded transit time for movements into Eastern Canada also increased sharply, rising by 22.4%, to 10.7 days from 8.7 days a year earlier. The corresponding average for US-destined traffic saw a similar increase, rising by 22.6%, to 12.0 days from the 9.8-day average of twelve months earlier.

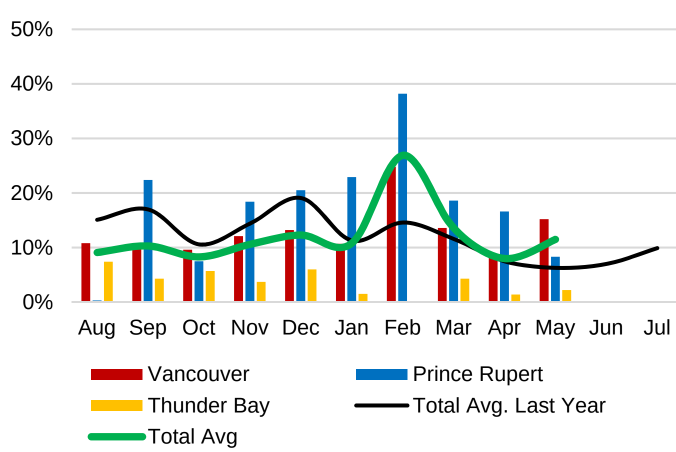
## Average Days in Port per Vessel




GMP Data Table 5D-1

In May, the overall average time vessels were in port waiting and loading grain was 8.3 days, 13.7% more than in May of 2017. Nonetheless, it was 13.5% less than that seen in April. Vancouver registered a decrease while moderate increases were seen and both Prince Rupert and Thunder Bay. In May, the days in port stood at 13.1 for Vancouver, 9.9 for Prince Rupert and 2.0 at Thunder Bay.

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

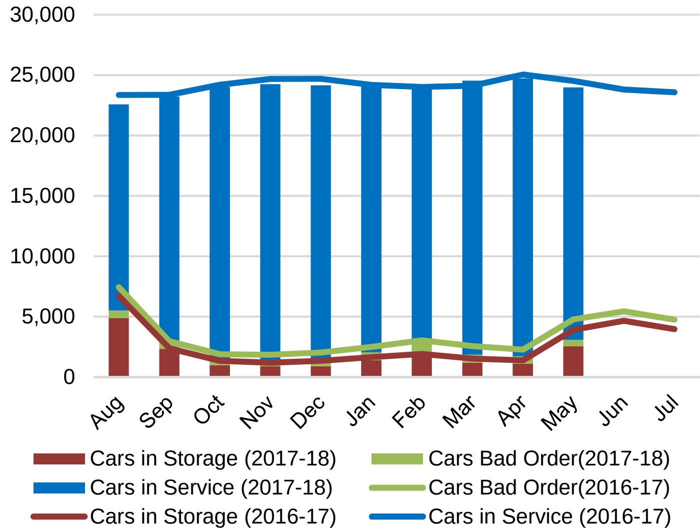



GMP Data Table 5C-5

The port terminal out-of-car time measure represents the total number of hours terminal elevator 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).

Notwithstanding some fluctuation, the percentage of time terminals are out of cars has charted a trend of improvement from its high of 29.8% in January of 2015. The aggregate measure for all ports grew to 11.5% in May from 8.0% in April. Terminal out-of-car time at Vancouver climbed to 15.2% in May, and to 2.2% at Thunder Bay while falling to 8.3% at Prince Rupert.

### Railway Grain Fleet Size and Utilization

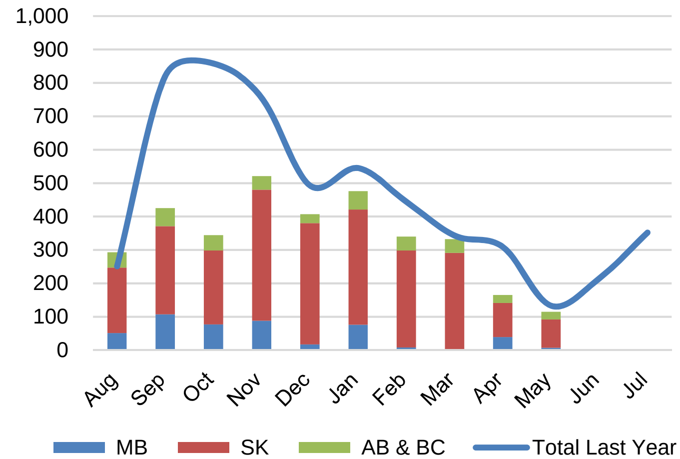



**GMP Data Table 3B-2**

During times of heavy demand for grain hopper cars, nearly all of the hopper-car fleet is placed in service. It is normal practice for railways that as traffic volumes decrease in the latter months of the crop year, railways began the process of moving cars into storage. This was the case in the 2016-17 crop year as in July 2017, a weekly average of 18,832 cars, representing 80% of the fleet was in active service. With growing demand, the cars in service rose throughout this crop year to average 23,013 per week in April before declining to an average of 20,899 per week in May, encompassing 87% of the overall fleet. The balance of the fleet, comprising 13% of the rail cars, is in storage or repair status (bad order).

## Producer Cars

### Producer Cars Scheduled by Province




**GMP Data Table 6B-2**

Producer car shipments have shifted from primarily being wheat, durum, and oats to reflect a significant increase in the number of cars carrying special crops. Shipments throughout the first ten months of the 2017-18 crop year continue to reflect this trend, with the traditional commodities comprising only 70% of the total. Special crops such as peas, lentils and chickpeas contributed 16% of the current volume.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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 our address by either phone or email