

GMP Dashboard

Table M-1	SEP 2019	OCT 2019	2019-20 YTD	Var. from Last YTD
Western Canadian GHTS Performance (Days)				
Total Time in System	32.7	37.1	36.3	-16.9%
Average Days In Store – Country	17.6	20.6	19.8	-17.5%
Loaded Transit Time	5.3	5.7	5.7	-15.1%
Average Days In Store – Terminal	9.8	10.7	10.8	-16.3%
Total Traffic ('000 tonnes)				
Primary Elevator Shipments	3,596.9	5,343.4	12,264.9	-8.3%
Railway Shipments (all Western Canada traffic)	4,299.9	5,304.9	13,544.5	-3.8%
Western Port Terminal Shipments	2,925.7	3,477.2	9,098.7	-0.6%
Railway Performance				
Avg. Loads on Wheels (Cars)	7,638	10,871	8,777	-21.5%
Total Western Port Car Cycle (days)	15.8	14.5	15.4	1.4%
Port Performance				
Western Port Unloads (Number of Cars)	27,575	44,516	101,905	-6.2%
Vessel Time in Port (days)	8.6	9.5	8.5	-9.1%

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

Railway grain shipments from Western Canada rose sharply in October 2019, to just over 5.3 MMT, up 23.4% from September's 4.3 MMT. However, the gain could not offset earlier losses, with the year-to-date tonnage of 13.5 MMT falling 3.8% below the prior crop year's 14.1 MMT record. Cool, wet conditions persisted throughout September and October, impeding the harvest. At the end of the first quarter, a substantial amount of the 2019 crop remained in the field, with little hope of taking much more off. Port shipments for October totaled 3.5 MMT, an 18.9% increase from September volumes with substantial increases at the Pacific Seaboard, a modest decline at Thunder Bay and rising shipments from the port of Churchill. Year-to-date shipments from ports have declined by 0.6%. Accompanying the slowdown in shipments, is a 9.5-day average in the amount of time vessels spent in port in October, with the first quarter of the crop-year average measuring 8.5 days.

Highlights for October 2019 and First Quarter 2019-20 CY

Traffic and Movement (page 2)

- Primary-elevator shipments were 12.3 MMT in the first quarter of the 2019-20 crop year, 8.3% less than last year.
- Total Western Canadian rail shipments (from all primary/process elevators and producer-car sites) increased 23.4% from September, to just over 5.3 MMT. This stronger showing helped mitigate the initial losses arising from weaker volumes in August and September, with total shipments for the first quarter of the 2019-20 crop year amounting to 13.5 MMT; 3.8% less than the previous crop year's record of 14.1 MMT.
- Crop year-to-date shipments from Western Canadian ports totaled 9.1 MMT, down 0.6% from last crop year.

System Efficiency and Performance (page 4)

- Average weekly primary-elevator stocks decreased by 23.1% from last year. The average days-in-store was down 17.5%.
- Average weekly port-terminal stocks decreased 14.9% from the same period last year, while average days-in-store fell 16.3%.
- Railcar cycle times fell for a second consecutive month in October, with the preliminary average for Western Canadian movements decreasing to 14.5 days from 16.1 days in August. However, the average for the first quarter rose by 1.4%, climbing to 15.4 days from 15.2 days a year earlier.
- The first quarter average for vessel time in port is 8.5 days, a 9.1% decrease from that observed in the previous crop year.
- Port-terminal out-of-car time fell to 8.3% at Vancouver in October from 8.9% in September, and to 8.9% at Prince Rupert from 43.9%. At Thunder Bay the out-of-car time grew to 2.2% from 1.0% the previous month.

Commercial Relations (page 6)

- Average primary-elevation charges rose 0.9% over the course of the first quarter of the crop year.
- After initially reducing their single-car freight rates in August 2019, both CN and CP advanced successive increases in September and October. By the close of the first quarter CN had effectively lifted the rates on movements to the West Coast and Thunder Bay by 4.9% and 6.8% respectively. In comparison, CP's pricing actions raised rates on traffic destined to Vancouver and Thunder Bay by 6.7% and 6.5% respectively.
- Average terminal-elevation charges rose 3.1% during the first quarter of the crop year.

Infrastructure (page 6)

- No changes were recorded in the GHTS's country-elevator, railway, and terminal-elevator networks during the first quarter of the 2019-20 crop year. Even so, the GHTS is evolving to support an expanding network of loop-track facilities, with several more expected to be licenced during the next nine months.

Production and Supply

Statistics Canada's August 31st model-based estimate for 2019 crop production in Western Canada stands at 75.1 MMT, a 5.0% increase from the 2018 harvest. If this volume is maintained, it will constitute the second largest crop on record. This preliminary production estimate will be updated when the result of Statistics Canada's November survey of producers is released.

Coupled with carry-forward stock of 8.5 MMT at the end of July 2019, 18.6% less than in 2018, the overall grain supply is estimated to be 83.6 MMT. The projected supply is 2.0% greater than that of the previous year. While this is potentially the largest on record, the difficult, late harvest and prospect of substantial unharvested acres lead to expectations of a lower final number.

Table M-2:	2019	2018	Var. from Last Yr.
Production & Carry Over (000's tonnes)			
Western Canada Total Production – Preliminary*	75,127.9*	71,533.2	5.0%
Western Canada On Farm & Primary Elevator Carry Forward Stock	8,471.5	10,404.0	-18.6%
Total Grain Supply	83,599.4*	81,937.8	2.0%

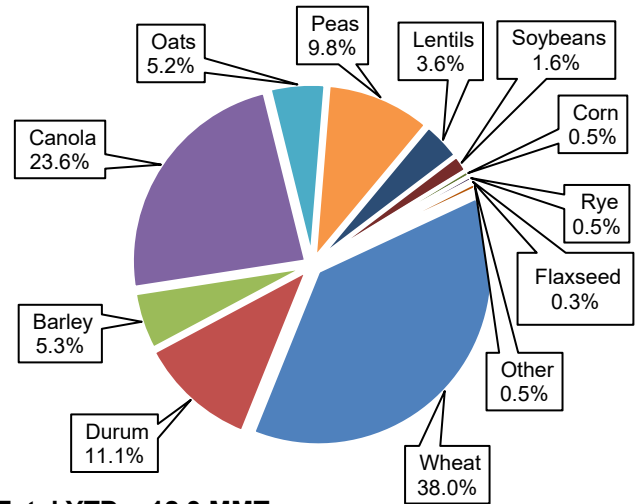
Traffic and Movement

Despite the slow pace of harvest, grain supplies finally boosted primary elevator deliveries. October deliveries increased, averaging 1.2 MMT per week. Average weekly primary-elevator stock levels built to 3.2 MMT, providing supply to meet the heavy export vessel line-up at ports.

Table M-3	OCT 2019	2019-20 YTD	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)			
Manitoba	948.4	2,719.1	-10.4%
Saskatchewan	2,805.8	6,387.9	-10.8%
Alberta	1,536.7	3,050.7	-0.5%
British Columbia	52.6	107.2	1.7%
Total	5,343.5	12,264.9	-8.3%
Western Canada Railway Traffic (000's tonnes)			
Shipments to Western Ports	4,329.8	10,856.4	-3.3%
Shipments to Eastern Canada	257.7	713.7	-12.6%
Shipments to US & Mexico	636.7	1,739.2	-4.2%
Shipments Western Domestic	80.8	235.2	5.0%
Total	5,304.9	13,544.5	-3.8%
Western Port Unloads (Number of Cars)			
Vancouver	24,902	62,422	-4.8%
Prince Rupert	6,806	12,326	-23.1%
Churchill	621	1,363	n/a
Thunder Bay	12,187	25,794	-4.4%
Total	44,516	101,905	-6.2%

Table M-3	OCT 2019	2019-20 YTD	Var. from Last YTD
Terminal Elevator Shipments (000's tonnes)			
Vancouver	2,085.7	5,588.5	-0.4%
Prince Rupert	560.0	1,077.4	-21.7%
Churchill	34.3	103.7	285.5%
Thunder Bay	797.2	2,329.1	8.7%
Total	3,477.2	9,098.7	-0.6%

Primary Elevator Shipments by Commodity

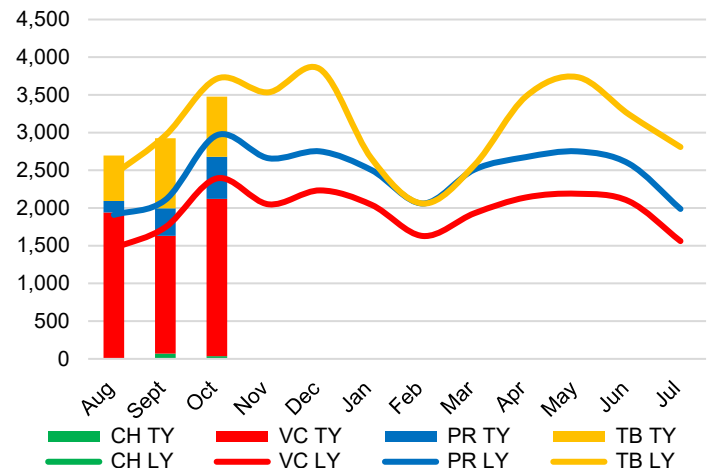


Total YTD = 12.3 MMT

GMP Data Table 2A-1

With harvest delays, grain shipments from primary elevators fell in the first quarter, registering 8.3% less than the crop-year-to-date total for the previous year. Wheat, including durum, and canola continue to constitute the largest proportion of the movement at 72.7%. Movement of peas and lentils retreated to account for 13.4% of the total, down from 17.3% in September.

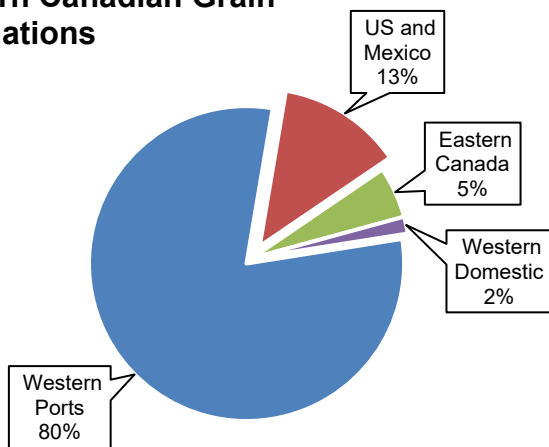
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Bulk shipments out of the western ports fell in the first quarter of the 2019-20 crop year, registering a 0.6% decrease on a year-over-year basis. Prince Rupert experienced the largest decline at nearly 22.0%, while Churchill recorded over 100,000 tonnes of shipping in the quarter.

Western Canadian Grain Destinations

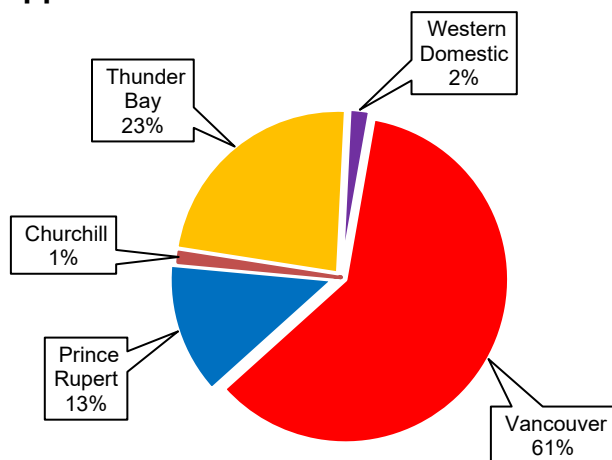


Total YTD = 13.5 MMT

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

Owing to a comparatively slow harvest, railway grain shipments from Western Canada in the first three months of the 2019-20 crop year amounted to 13.5 MMT, some 3.8% less than the record 14.1 MMT handled in the same period a year earlier. The majority, about 10.9 MMT, or 80%, was directed to Western Canadian ports in support of offshore sales; a 3.3% decrease from what had been handled a year earlier. Eastern Canadian shipments showed an even more substantive decline, with volumes off by 12.6%, while volumes to the US and Mexico slipped by 4.2%. Running counter to these general declines were shipments to Western Domestic destinations, which rose by 5.0%.

Western Canadian Destined Hopper Car Traffic

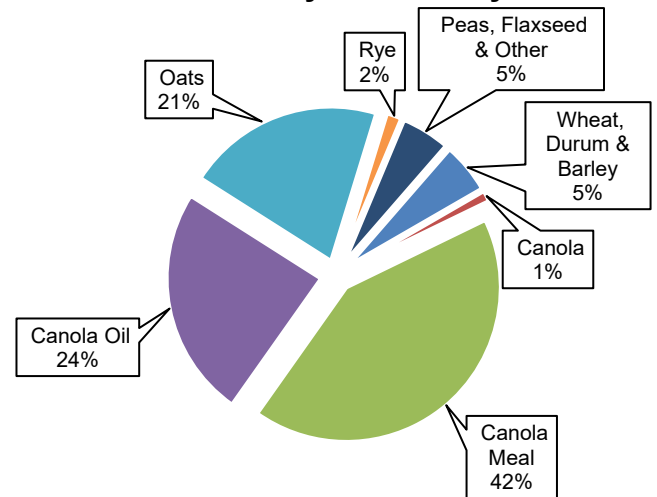


Total YTD - 10.6 MMT

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 quarter of the 2019-20 crop year this amounted to just over 10.6 MMT, down 2.7% from the same period a year earlier. On the receiving end, 61% of these hopper cars were destined to Vancouver, which remains the port of choice for exporting grain, given its ready access to Asia-Pacific markets, favourable logistical economics and year-round operations. Hopper-car shipments to Vancouver decreased by 3.4% during this period. West-Coast shipments through Prince Rupert saw a more substantive decline, with volumes falling by 13.9%. Running counter to these declines were increased shipments to Thunder Bay and Western Domestic destinations, which rose by 1.2% and 10.9% respectively.

US Destined Grain by Commodity

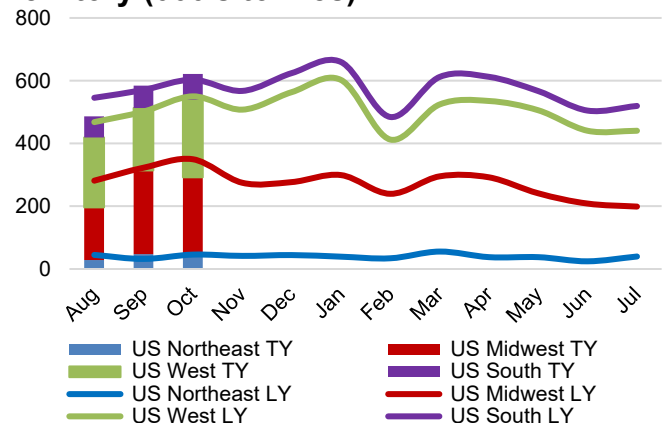


Total YTD - 1.7 MMT

GMP Data Table 2B-18

Total railway shipments into the US reached just under 1.7 MMT in the first three months of the 2019-20 crop year, a reduction of 1.6% from that handled in the same period a year earlier. About 80% of these shipments are directed into the Midwestern and Western US, with canola and canola products dominating.

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



GMP Data Table 2B-18

System Efficiency and Performance

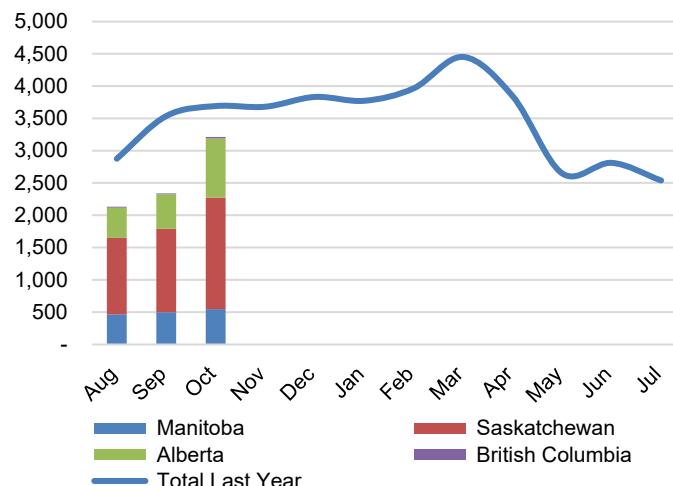
Average primary-elevator stocks grew steadily throughout the first quarter, climbing from 2.1 MMT in August to 3.2 MMT in October for a quarterly average of 2.6 MMT. Overall space in the country system was good. Country stocks utilized 63% of the working capacity of the network. By province, stocks ranged from 52% in Manitoba and 66% in both Saskatchewan and Alberta, and to 78% in British Columbia.

The average days-in-store in the primary-elevator system for the first quarter held fairly steady at 19.8 days. While registering an 17.5% decline from the first quarter of the previous crop year, these values are consistent with those seen at the end of the 2018-19 crop year.

Table M-4	OCT 2019	2019-20 YTD	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	3,211.1	2,609.7	-23.1%
Average Days in Store	20.7	19.8	-17.5%
Railway Operations (days)			
Cycle Time to Western Ports	14.5	15.4	1.4%
Cycle Time to Eastern Canada	20.6	21.6	1.3%
Cycle Time to US	23.1	24.7	-3.1%
Table M-4	OCT 2019	2019-20 YTD	Var. from Last YTD
Loaded Transit			
Loaded Transit to Western Ports	5.7	5.7	-15.1%
Loaded Transit to Eastern Canada	9.3	10.0	1.7%
Loaded Transit to US	7.7	8.0	-19.0%
Rail Fleet in Grain Service	21,667	18,876	-12.8%
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	1,072.4	1,028.9	-14.9%
Average Days in Store	10.7	10.8	-16.3%
Port Unloads (hopper cars)	44,516	101,905	-6.2%
Terminal Out-of-Car Time	6.9%	8.9%	-26.4%
Western Canada Port Operations			
Average Vessel Time in Port (days)	9.5	8.5	-9.1%

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

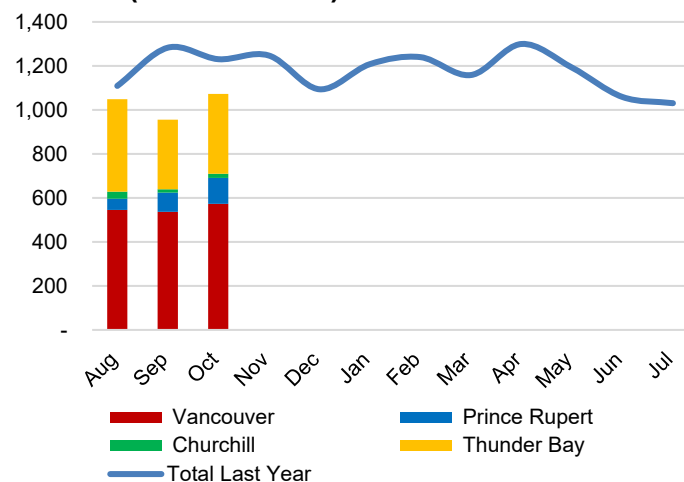
Average Weekly Primary Elevator Stocks (000's tonnes)



GMP Data Table 5A-2

Primary elevator stocks ended the last crop year averaging 2.5 MMT in store. In August, they pulled back further to average 2.1 MMT before reversing direction and rising to average 3.2 MMT by October. Wheat, including durum, and canola, comprise 73% of the total stock. At 19% of the stock, barley, oats and peas made up much of the balance.

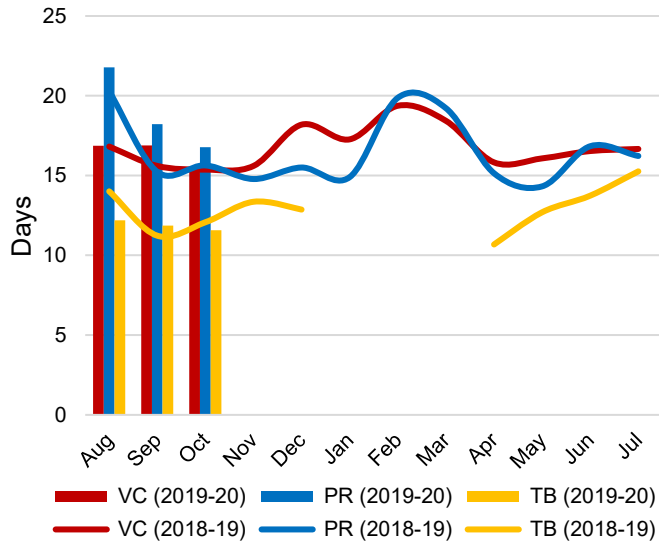
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

Overall terminal elevator stocks averaged 1.0 MMT in the first quarter of the crop year, 14.9% less than the previous crop year. In October, stock levels built at all ports as harvest progressed and producer deliveries increased. Churchill stock increased to supply the third and fourth vessels of the shipping season. Wheat, including durum, and canola, comprise over 79% of the total stock. In October, western ports utilized only 60% of their overall working capacity.

Railway Cycle Times to Western Ports (days)

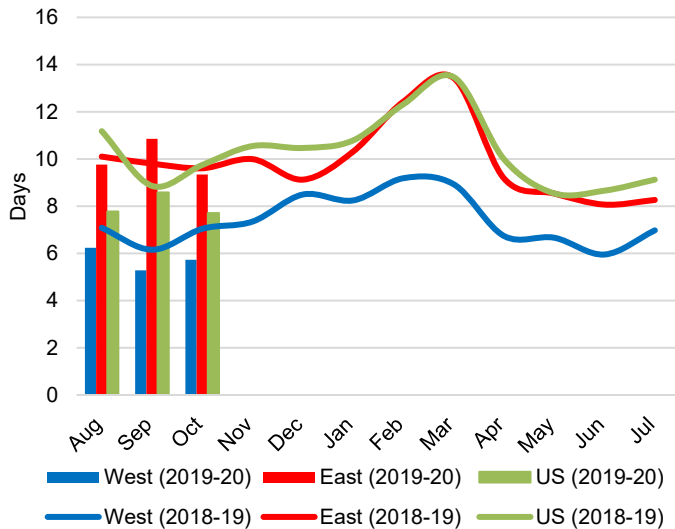


GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 15.4 days in the first three months of the 2019-20 crop year, up 1.4% from the 15.2-day average posted in the first quarter of the previous crop year. This result was primarily shaped by increases in the Vancouver and Prince Rupert corridors, which increased by 3.3% and 8.2% respectively. Movements in the Thunder Bay corridor posted a 4.7% decrease.

Car cycles to Eastern Canada showed a comparable increase, rising by 1.3%, to an average of 21.6 days from 21.3 days a year earlier. Conversely, the car cycle for movements into the United States fell by 3.1%, to an average of 24.7 days from the 25.5-day average posted in the first quarter of the previous crop year.

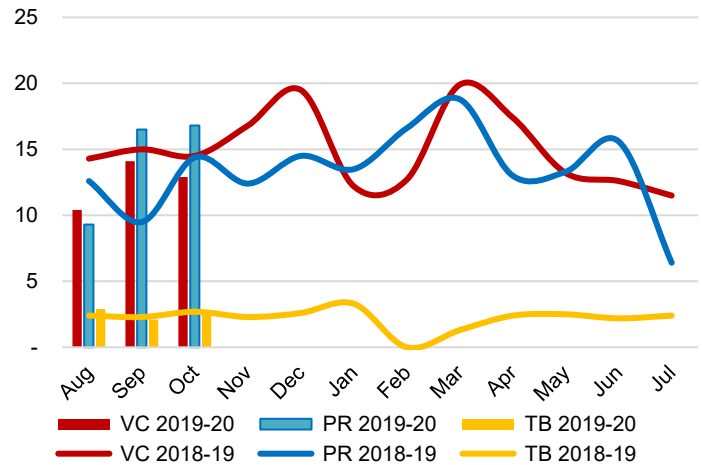
Average Loaded Transit Times (days)



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

The loaded transit time for traffic destined to Western Canadian ports averaged 5.7 days in the first quarter of the 2019-20 crop year, down 15.1% from the 6.8-day average posted in the same period a year earlier. This resulted from reductions in all three primary corridors, with the Vancouver average down by 12.1%, the Prince Rupert average by 13.9%, and the Thunder Bay average by 23.6%. In contrast, the average loaded transit time for movements into Eastern Canada increased modestly, rising by 1.7%, to 10.0 days from 9.8 days the year previous. The corresponding average for US-destined traffic declined by a more substantive 19.0%, to 8.0 days from the 9.9-day average posted twelve months earlier.

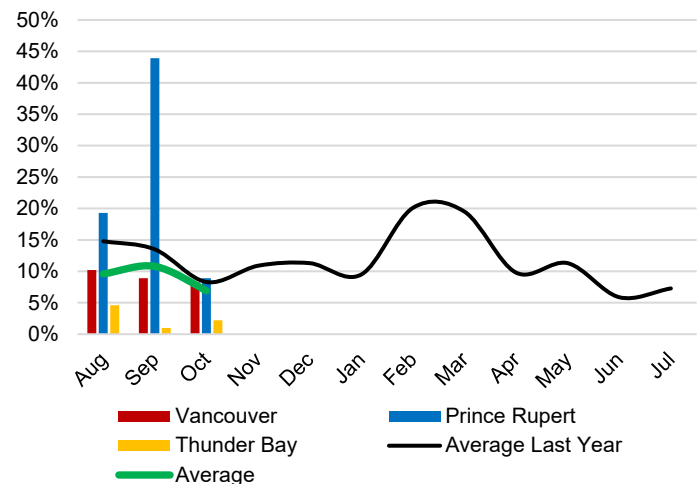
Average Days in Port per Vessel



GMP Data Table 5D-1

In October, the overall average time vessels were in port waiting and loading grain grew to 9.5 days from 8.6 days the month before. The crop-year average stands at 8.5 days, 9.1% lower than that registered in the previous crop year. While Vancouver registered a modest month-over-month decrease, the other ports were all up. For the month of October, days in port stood at 12.9 for Vancouver, 16.8 for Prince Rupert and 2.5 for 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).

The aggregate measure for all ports declined to 6.9% in October from 10.8% in September. Terminal out-of-car time at Vancouver fell to 8.3% in October and to 8.9% at Prince Rupert while rising to 2.2% at Thunder Bay.

Commercial Relations

Table M-5 Rates: \$CDN per tonne	Q1 2019-20	Index (1999=100)	% Change YTD
Avg. Primary Elevation	16.38	136.6	0.9%
Rail to Vancouver			
CN	58.62	159.9	4.9%
CP	60.71	164.4	6.7%
Rail to Pr. Rupert			
CN	58.62	141.2	6.8%
Rail to Thunder Bay			
CN	57.50	178.1	6.7%
CP	51.82	172.8	6.5%
Average Terminal Elevation	14.83	162.6	3.1%

Note: Commercial rates are measured on a quarterly basis, the above table refers to rates at the close of the first quarter of the 2019-20 crop year (as at 31 October 2019). Railway freight rates reflect average published single-car rates, and do not include multi-car incentives (\$8/tonne for 100+ car blocks).

After initially reducing their single-car freight rates in August 2019, both CN and CP advanced successive increases in September and October. CN's August reductions ranged from 3.0% in the Prince Rupert corridor to 5.0% in the Thunder Bay corridor. These were reversed in September with corridor-specific increases that ranged from 4.9% to 7.0%, with an across-the-board follow-up escalation of 5.0% in October. By the close of the first quarter CN had effectively lifted the rates on movements to the West Coast and Thunder Bay by 4.9% and 6.8% respectively. In comparison, CP followed its initial 5.0% reduction with increases approaching 7.0% in September, and 5.0% in October. At the end of the period these actions had raised the rates on traffic destined to Vancouver and Thunder Bay by 6.7% and 6.5% respectively.

Commercial Developments

Parrish and Heimbecker to acquire Louis Dreyfus elevators: On 4 September 2019 Winnipeg-based grain handler Parrish & Heimbecker (P&H) announced that it had reached a deal with Louis Dreyfus Commodities (LDC) to acquire ten of the latter company's Western Canadian elevator facilities. Specifically excluded from the transaction are LDC's grain terminal in Port Cartier, Quebec, and its canola crushing plant and refinery in Yorkton, Saskatchewan. The purchase marks yet another milestone in P&H's efforts to improve the scope and competitiveness of its grain-gathering network, which will grow to

32 licenced elevators with close to 1.1 million tonnes of storage capacity. This would vault P&H ahead of Cargill as the third largest owner of elevator facilities in Western Canada. The transaction, which is subject to regulatory approval and other conditions, is expected to be finalized before the close of 2019.

Ilta Grain assets sold: The grain-handling assets of Ilta Grain, a special-crops dealer headquartered in Surrey, British Columbia, that filed for creditor protection in early July 2019, were effectively sold off during the first quarter. Viterra, which had entered into an agreement to acquire Ilta's two-year-old loop-track facility at Belle Plaine, Saskatchewan, prior to the filing, was the first of three purchasers. Their acquisition was followed in October by Mississauga-based ETG Commodities' purchase of the company's processing facilities in North Battleford, Cut Knife, and Swift Current. Finally, DG Global, a Toronto-based exporter, acquired Ilta's loop-track facility at Saskatoon. It remained to be determined whether grain producers would be fully compensated for deliveries they made to Ilta, with the Canadian Grain Commission stating that more than 300 claims had been filed by farmers for a portion of the \$150 million in outstanding debts left by the company.

Ceres Global Ag seeks private share placement: On 20 September 2019, Ceres Global Ag Corp., owner of the Northgate, Saskatchewan, grain terminal, announced that it was planning to raise \$12.6 million though the private sale of nearly 2.8 million common shares. Net proceeds from the private placement are earmarked for the repayment of existing debts and growth-related projects. Much of the company's financial need stem from a recent \$8.2 million legal settlement with Scoular as well as the assumption of \$7.6 million in debts owed by Delmar Commodities, a Winkler-based grain merchandising it acquired in August 2019.

Infrastructure

Apart from the railways' car fleet, GMP measures relating to infrastructure are reported on a quarterly basis. The first quarter of the 2019-20 crop year produced no changes to the GHTS's physical infrastructure.

The country-elevator network remained unaltered throughout the first quarter, with 399 facilities having a combined 8.7 MMT in associated storage capacity.

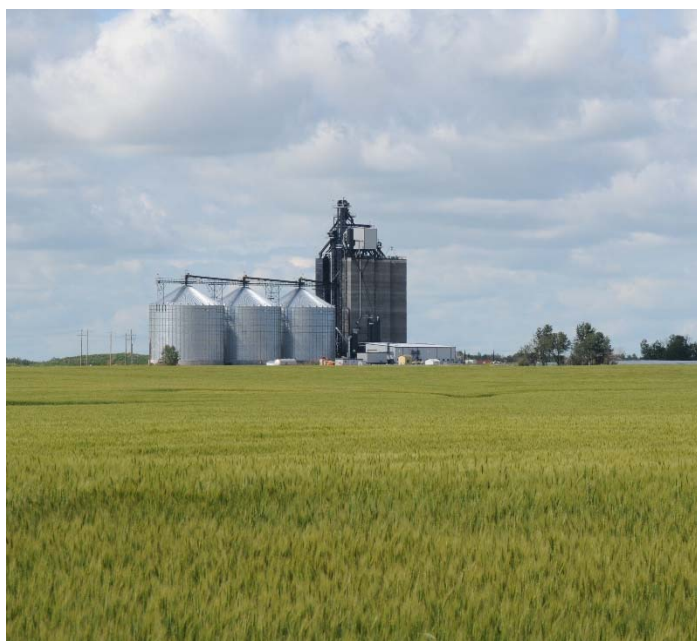
No alterations to the railway network were noted during the first quarter of the 2019-20 crop year, which remained unchanged at 17,279.9 route-miles, with just under 85% of it operated by CN and CP.

The terminal elevator network also remained unaltered throughout the first quarter, with 17 facilities having a combined 2.5 MMT in associated storage capacity.

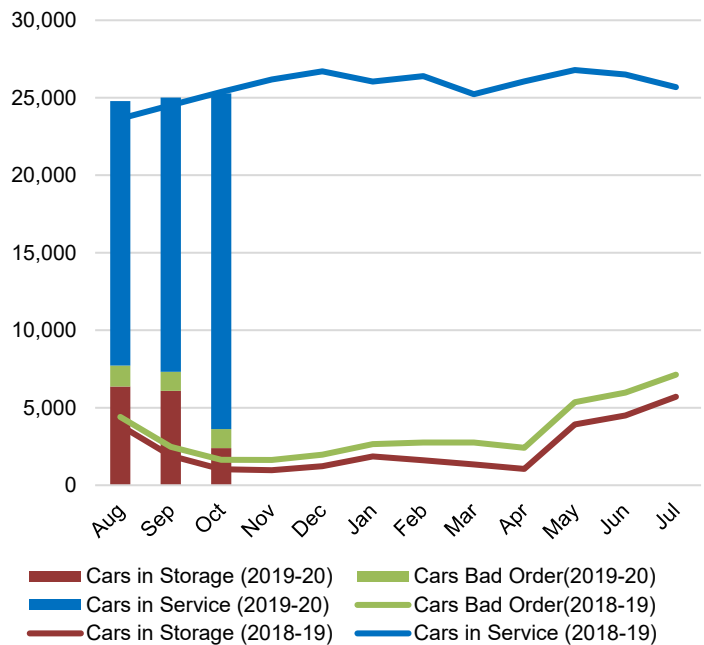
Table M-6	Q1 2019-20	Index (1999=100)	% Change YTD
Country Elevator			
Primary and Process Elevators (Count)	399	39.7	0.0%
Storage Capacity (000's tonnes)	8,717.9	124.1	0.0%
Railway			
Route Miles - Major Carriers	14,610.3	98.5	0.0%
Route Miles - Shortline Carriers	2,669.6	57.5	0.0%
Route Miles - Total	17,279.9	88.8	0.0%
Average Weekly Total Hopper Car Fleet Size*	25,042	n/a	2.2%
Terminal Elevator			
Terminal Facilities (Count)	17	121.4	0.0%
Storage Capacity (000's tonnes)	2,542.5	99.4	0.0%

* Hopper Car Fleet Size represents all cars in all statuses for the first quarter of the 2019-20 crop year.

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 to move cars into storage as traffic volumes decrease in the latter months of the crop year. This was the case in the 2018-19 crop year as in July 2019, a weekly average of 18,548 cars, representing 72% of the fleet was in active service. Cars in service fell further in August and September as the new-crop harvest was delayed. The fleet-size average reversed direction in October, rising to 21,667 cars. The overall-average car fleet in service during the first quarter of the 2019-20 crop year was 18,876 cars, encompassing 75% of the fleet. The balance of the fleet, comprising 25% of the rail cars, was in storage or repair status (bad order), somewhat less than 28% in July 2018.



Railway Grain Fleet Size and Utilization



GMP Data Table 3B-2

Producer Cars

No change was registered in the number of producer-car loading sites in the first quarter of the 2019-20 crop year. The total number of available producer-car loading locations at the end of the first quarter stands at 272.

Table M-7	Q1 2019-20	Index (1999=100)	% Change YTD
Producer Car Loading Sites			
Class 1 Carriers	142	22.2	0.0%
Shortline Carriers	130	200.0	0.0%
All Carriers	272	38.3	0.0%

Table M-8	Q1 2019-20	2019-20 YTD	Var. from Last YTD
Producer Cars Scheduled			
Manitoba	146	146	17.7%
Saskatchewan	423	423	-12.8%
Alberta & B.C.	91	91	-30.5%
Total	660	660	-10.8%

Producer cars scheduled this year to date are down 10.8% from the previous year. To date, the 2019-20 crop year has seen another reduction in producer-car applications received by the Canadian Grain Commission in part due to the delays in harvesting.



Producer Cars Scheduled by Province

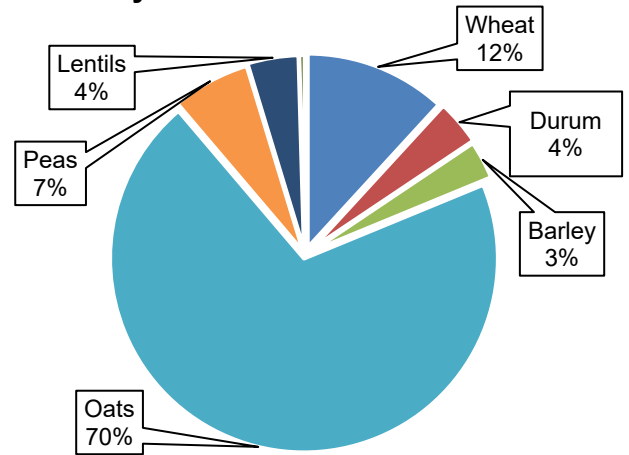


GMP Data Table 6B-2

The proportion of producer-car shipments devoted to oats has continued to grow as a decrease has been registered in the number of cars carrying other cereal crops. Shipments throughout the first quarter of the 2019-20 crop year continue to reflect this

trend, with oats shipments comprising 70% of the total, while wheat, durum and barley combined comprise only 19%. Special crops such as peas, lentils and chickpeas contributed the remaining 11% of the total volume.

Producer Cars Scheduled by Commodity



GMP Data Table 6B-2



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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