Grain Monitoring Program Report for: May 2020

Release Date: June 18, 2020

GMP Dashboard

Table M-1	APR 2020	MAY 2020	2019-20 YTD	Var. from Last YTD
Western Canadian GHTS Performance (Days)				
Total Time in System	46.7	33.6	43.7	-2.5%
Average Days In Store – Country	25.4	18.3	25.2	-4.2%
Loaded Transit Time	7.5	6.7	7.5	-2.5%
Average Days In Store – Terminal	13.8	8.6	11.0	1.9%
Total Traffic ('000 tonnes)				
Primary Elevator Shipments	5,870.4	4,475.6	42,326.7	2.2%
Railway Shipments (all Western Canada traffic)	5,531.7	5,326.9	47,509.0	3.8%
Western Port Terminal Shipments	3,878.4	4,306.1	31,927.6	2.9%
Railway Performance				
Avg. Loads on Wheels (Cars)	14,019	12,253	11,425	-6.4%
Total Western Port Car Cycle (days)	15.1	14.3	16.5	3.4%
Port Performance				
Western Port Unloads (Number of Cars)	48,625	38,127	336,239	2.9%
Vessel Time in Port (days)	13.1	9.5	12.6	16.7%

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

Overview

Western Canadian grain shipments remained strong in May 2020 despite a 3.7% slip in tonnage, which fell to 5.3 MMT from 5.5 MMT a month earlier. Aided in part by the capacity freed as a result of COVID-19, this strong showing helped lift year-to-date shipments to just over 47.5 MMT, 3.8% above the 45.8 MMT forwarded in the same ten-month period a year earlier. This served to further overcome the earlier declines occasioned by a delayed harvest, an eight-day rail strike, blockades, and mainline washouts. Port shipments for May totaled 4.3 MMT, an 11.0% increase from April. Along with the increase in shipments has been a decrease in the average amount of time vessels spend in port – falling to 9.5 days in May from 13.1 in April, with the average for the first ten months of the crop year standing at 12.6 days.

Highlights for May 2020

Traffic and Movement (page 2)

- Primary-elevator shipments were 42.3 MMT in the first ten months of the 2019-20 crop year, 2.2% more 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 2019-20 crop year totaled 47.5 MMT, up 3.8% from the same period a year earlier.
- Bulk grain shipments from Western Canadian ports totaled 31.9 MMT, up 2.9% from the same period last year.

System Efficiency and Performance (page 4)

- The year-to-date average weekly primary-elevator stocks decreased by 1.5% while the average days-in-store fell by 4.2%.
- Average weekly port-terminal stocks increased 0.9% from the same period last year, while average days-in-store grew by 1.9% on a year-over-year basis.
- The car cycle for hopper-car movements to Western Canadian ports, which were adversely impacted by mainline washouts and widespread railway blockades in February, showed a third consecutive month of improvement, with the preliminary average for May 2020 decreasing to 14.3 days from 15.1 days in April. The year-to-date average rose by 3.4%, to 16.5 days from 16.0 days a year earlier. The average car cycle on movements to Eastern Canada also increased, rising by 4.3%, to 22.5 days, while that on movements to the US fell by 4.7%, to 25.1 days.
- The year-to-date average for vessel time in port is 12.6 days, 16.7% higher than that observed in the previous crop year.
- Port-terminal out-of-car time decreased to 4.1% at Vancouver in May from 7.7% in April. At Prince Rupert, out-of-car time increased to 9.9% in May from 1.9% in April and at Thunder Bay to 4.3%, up from 2.0% the month earlier.

Production and Supply

Statistics Canada's November survey for 2019 crop production in Western Canada stands at 73.5 MMT, a 2.4% increase from the 2018 harvest. This constitutes the second largest crop on record. This production estimate reflects a reduction of 1.7 MMT from the model-based estimate released by Statistics Canada in September, marking the challenging fall weather conditions and inability to complete harvest prior to the arrival of winter.

Coupled with carry-forward stock of 9.4 MMT at the end of July 2019, 9.3% less than in 2018, the overall grain supply is estimated to be 82.8 MMT. Year-end on-farm carry-forward stock was boosted 1.0 MMT in Statistics Canada's February release. The projected supply is 0.9% more than that of the previous year, and registers as the largest on record ensuring heavy demands on the GHTS throughout the balance of the crop year.

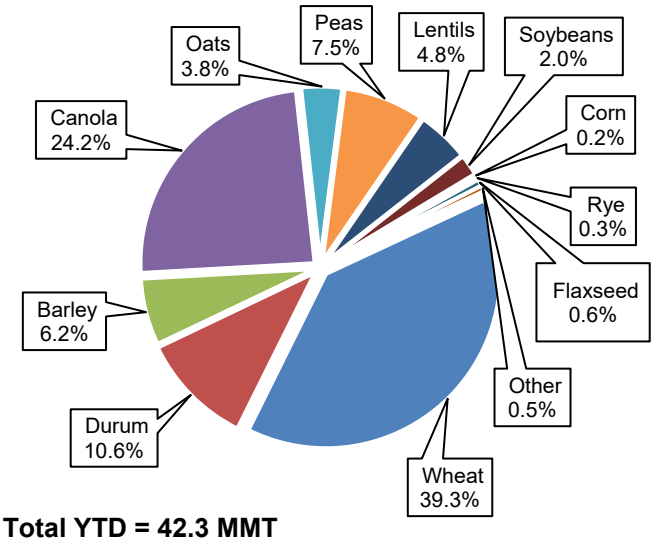
Table M-2	2019	2018	Var. from Last Yr.
Production & Carry Over (000's tonnes)			
Western Canada Total Production	73,455.2	71,723.6	2.4%
Western Canada On Farm & Primary Elevator Carry Forward Stock	9,367.5	10,329.6	-9.3%
Total Grain Supply	**82,822.7**	**82,053.2**	**0.9%**

Traffic and Movement

With farmers focused on seeding, May producer deliveries averaged under 0.8 MMT per week. Average weekly primary-elevator stock levels fell to 3.0 MMT, as heavy outward shipments exceeded delivery levels.

Table M-3	MAY 2020	2019-20 YTD	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)			
Manitoba	676.5	6,989.6	-5.3%
Saskatchewan	2,449.4	23,221.0	4.4%
Alberta	1,319.3	11,777.1	2.5%
British Columbia	30.4	339.0	9.1%
Total	**4,475.6**	**42,326.7**	**2.2%**
Western Canada Railway Traffic (000's tonnes)			
Shipments to Western Ports	4,489.3	37,179.3	3.7%
Shipments to Eastern Canada	245.5	3,352.9	4.8%
Shipments to US & Mexico	529.9	6,117.8	0.0%
Shipments Western Domestic	62.1	859.0	42.6%
Total	**5,326.9**	**47,509.0**	**3.8%**
Western Port Unloads (Number of Cars)			
Vancouver	24,787	214,597	1.9%
Prince Rupert	5,223	47,822	-9.5%
Churchill	0	1,434	n/a
Thunder Bay	8,117	72,386	14.1%
Total	**38,127**	**336,239**	**2.9%**
Terminal Elevator Shipments (000's tonnes)			
Vancouver	2,629.4	20,449.5	3.1%
Prince Rupert	578.4	4,432.0	-12.6%
Churchill	0.0	137.3	410.4%
Thunder Bay	1,098.3	6,908.8	13.1%
Total	**4,306.1**	**31,927.6**	**2.9%**

Primary Elevator Shipments by Commodity

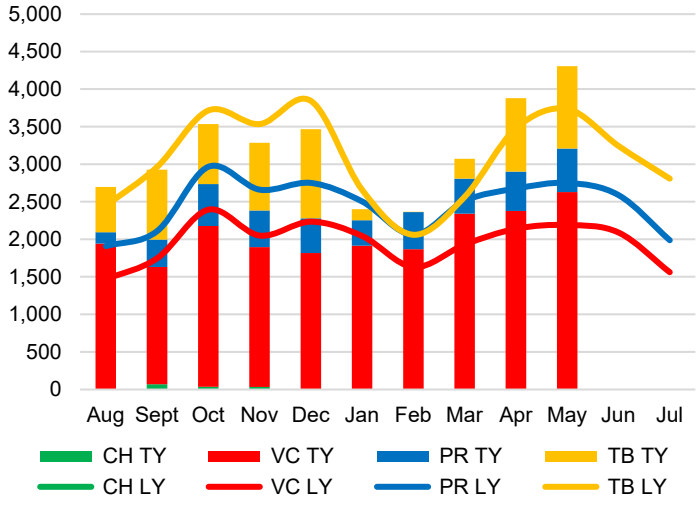


Total YTD = 42.3 MMT

GMP Data Table 2A-1

Grain shipments from primary elevators grew in the first ten months of the crop year, registering 2.2% more 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 74.1%. Movement of peas and lentils were relatively consistent, constituting 12.3% of the total.

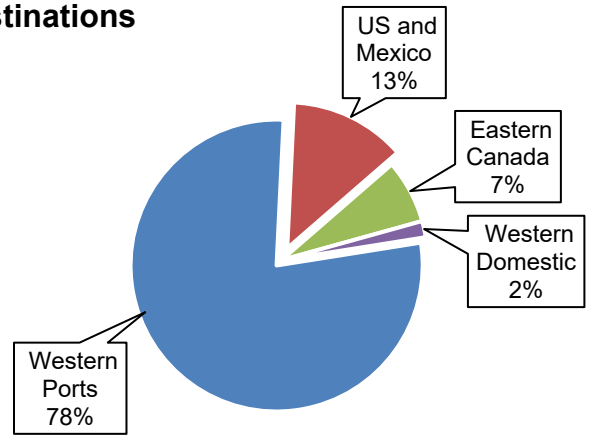
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Bulk shipments out of the western ports grew in the first ten months of the 2019-20 crop year, registering an increase of 2.9% on a year-over-year basis. Prince Rupert is the only port to experience a decline, down 12.6%. Vancouver is up 3.1% while Thunder Bay shipments recorded an increase of 13.1% from the previous crop year, following a burst of activity at the opening of the 2020 shipping season.

Western Canadian Grain Destinations

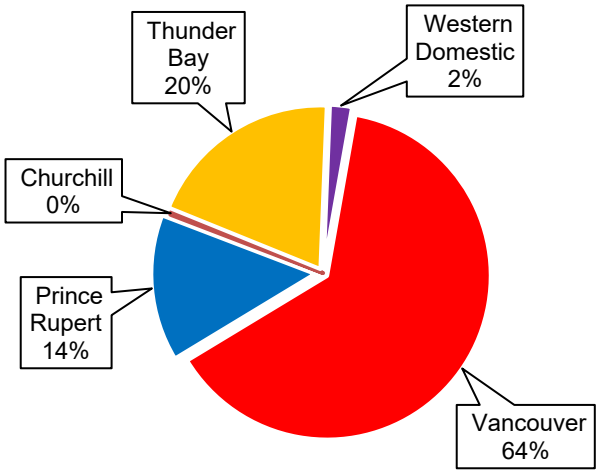


Total YTD = 47.5 MMT

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

Railway grain shipments from Western Canada totaled just over 47.5 MMT in the first ten months of the 2019-20 crop year, a 3.8% increase over the 45.8 MMT handled a year earlier. The majority, about 37.2 MMT, was directed to Western Canadian ports in support of export sales. This represented a 3.7% gain over what had been shipped the previous year. Sharper increases were noted in Eastern Canadian and Western Domestic traffic volumes, with year-over-year gains of 4.8% and 42.6% respectively. Shipments to the US and Mexico remained effectively unchanged.

Western Canadian Destined Hopper Car Traffic

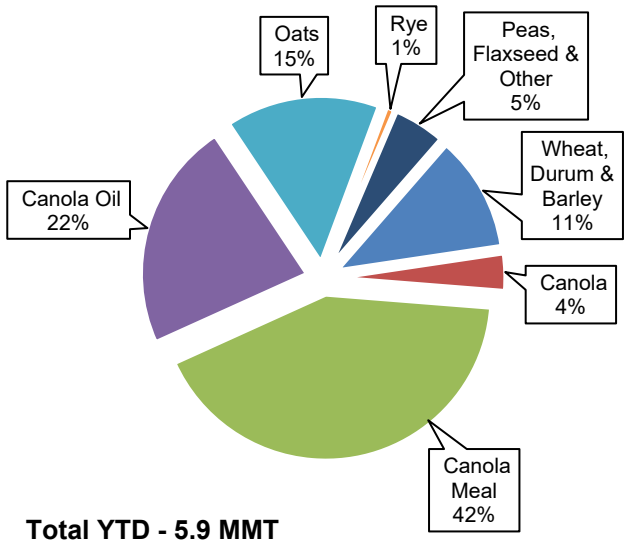


Total YTD - 36.2 MMT

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 2019-20 crop year this amounted to 36.2 MMT, up 4.3% from a year earlier. Sixty-four percent of these hopper cars were destined to Vancouver, which remains the busiest grain-exporting port owing to its ready access to Asia-Pacific markets, favourable logistical economics and year-round operations. Hopper-car shipments through Vancouver during this period rose by 2.4%. However, Prince Rupert saw a 9.2% decline, with delayed rail shipments having spurred longer vessel lineups and an increase in their time spent in port. Thunder Bay and Western Domestic traffic posted more substantive gains, of 18.6% and 52.4% respectively, with shipments through the reopened port of Churchill also contributing to these increases.

US Destined Grain by Commodity

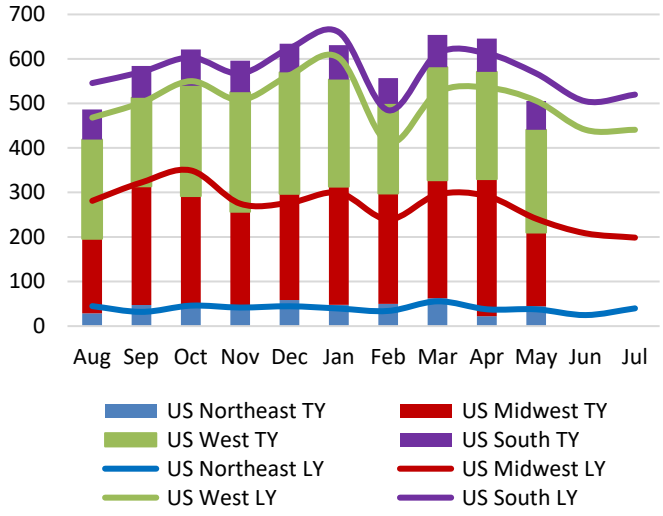


Total YTD - 5.9 MMT

GMP Data Table 2B-18

Total railway shipments into the US reached over 5.9 MMT in the first ten months of the 2019-20 crop year, up 1.1% from the tonnage moved in the same period a year earlier. Almost 80% of these shipments were directed into the US Midwest and West, with canola and canola products being dominant.

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



GMP Data Table 2B-18

System Efficiency and Performance

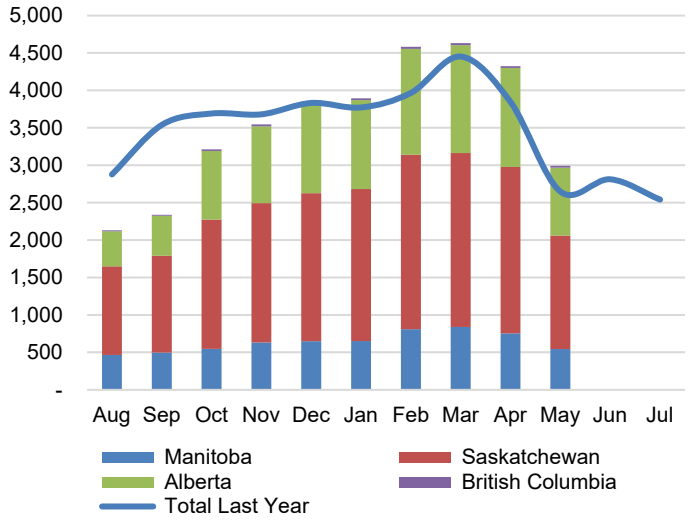
Primary elevator stocks fell in May, averaging 3.0 MMT with heavy outward shipments countered by declining deliveries during spring seeding. Overall space in the country system was good. Country stocks utilized 58% of the working capacity of the network. By province, stocks ranged from 52% of working capacity in Manitoba, to 58% and 62% in Saskatchewan and Alberta respectively, and 87% in British Columbia.

The average days-in-store in the primary-elevator system for the first ten months of the crop year decreased from last year, falling 4.2% to 25.2 days.

Table M-4	MAY 2020	2019-20 YTD	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	2,991.8	3,551.0	-1.5%
Average Days in Store	18.3	25.2	-4.2%
Railway Operations (days)			
Cycle Time to Western Ports	14.3	16.5	3.4%
Cycle Time to Eastern Canada	19.6	22.5	4.3%
Cycle Time to US	21.3	25.1	-4.7%
Loaded Transit to Western Ports	6.7	7.5	-2.5%
Loaded Transit to Eastern Canada	9.6	10.6	1.3%
Loaded Transit to US	8.5	9.7	-11.6%
Rail Fleet in Grain Service	23,440	22,361	-1.9%
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	1,309.7	1,220.2	0.9%
Average Days in Store	8.6	11.0	1.9%
Port Unloads (hopper cars)	38,127	336,239	2.9%
Terminal Out-of-Car Time	4.8%	10.4%	-16.8%
Western Canada Port Operations			
Average Vessel Time in Port (days)	9.5	12.6	16.7%

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

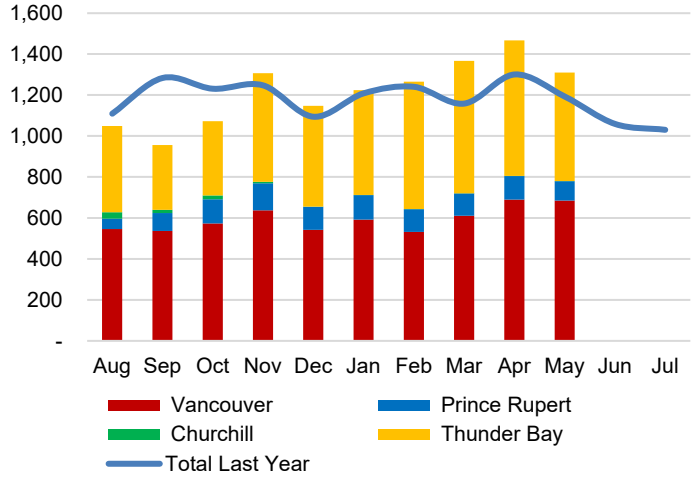
Average Weekly Primary Elevator Stocks (000's tonnes)



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 4.6 MMT in March. By May, average stocks had fallen to 3.0 MMT. Wheat, including durum, and canola, comprise 70% of the total stock. At 18% of the stock, barley, oats and peas made up much of the balance.

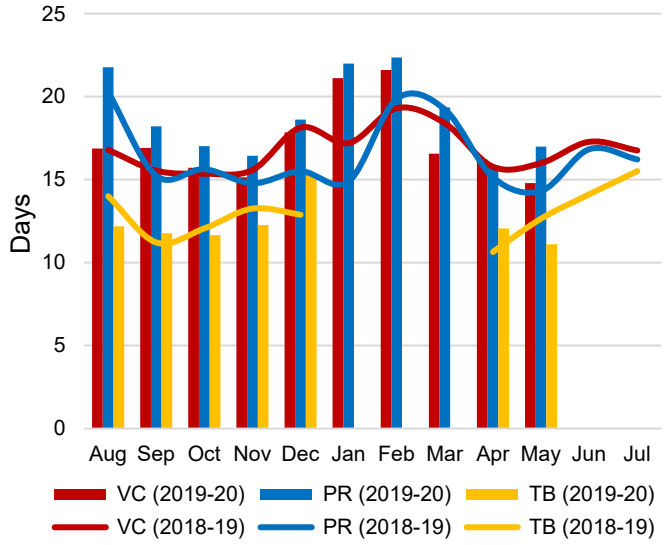
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

Overall terminal elevator stocks averaged 1.3 MMT in May, 11% less than a month earlier. Average weekly stock levels held constant at Vancouver while falling at Prince Rupert and Thunder Bay. The decline at Thunder Bay reflects strong outward shipments at the opening of navigation for the season. Overall, stocks registered 9.8% higher than in May 2019. Wheat, including durum, and canola, comprise just under 80% of the total stock. In May, western ports utilized 69% of their overall working capacity.

Railway Cycle Times to Western Ports (days)

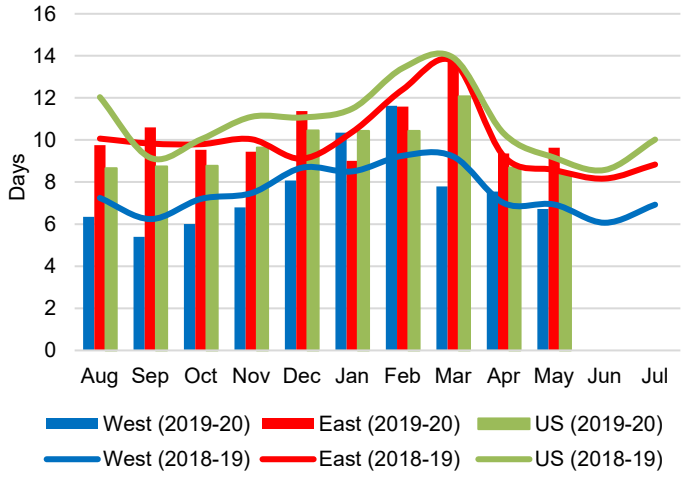


GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 16.5 days in the first ten months of the 2019-20 crop year, up 3.4% from the 16.0-day average reported in the same period a year earlier. This was largely the result of increases in the Vancouver and Prince Rupert corridors, which saw increases of 2.3% and 14.2% respectively. These were supported by a 1.7% increase in the Thunder Bay average.

Car cycles to Eastern Canada also increased during this period, rising by 4.3%, to an average of 22.5 days from 21.6 days a year earlier. The car cycle for movements into the United States fell by 4.7%, to an average of 25.1 days from 26.3 days.

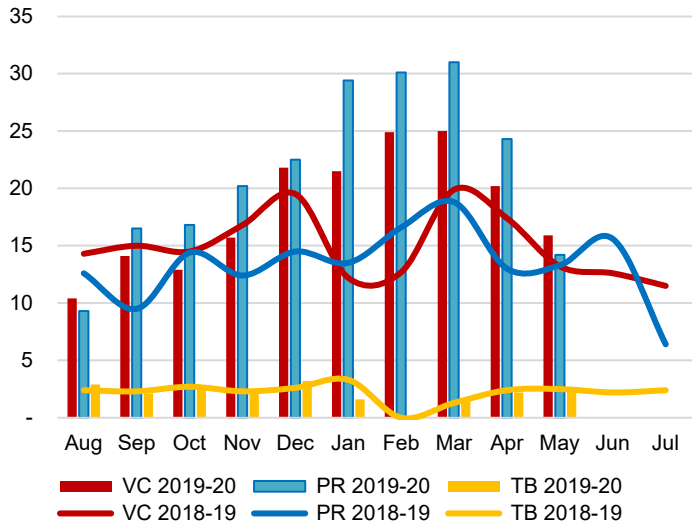
Average Loaded Transit Times (days)



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

Loaded transit time for traffic destined to Western Canadian ports averaged 7.5 days in the first ten months of the 2019-20 crop year, down 2.5% from the 7.7-day average posted a year earlier. This was primarily the result of decreases in the Vancouver and Thunder Bay corridors, which fell by 4.2% and 8.5% respectively. Running counter to these was an increase in the Prince Rupert average, which rose by 15.8%. The average for US-destined traffic posted a deeper decline, falling 11.6%, to 9.7 days from the 11.0-day average posted a year earlier. Conversely, movements into Eastern Canada rose by 1.3%, with the average increasing to 10.6 days from 10.5 days.

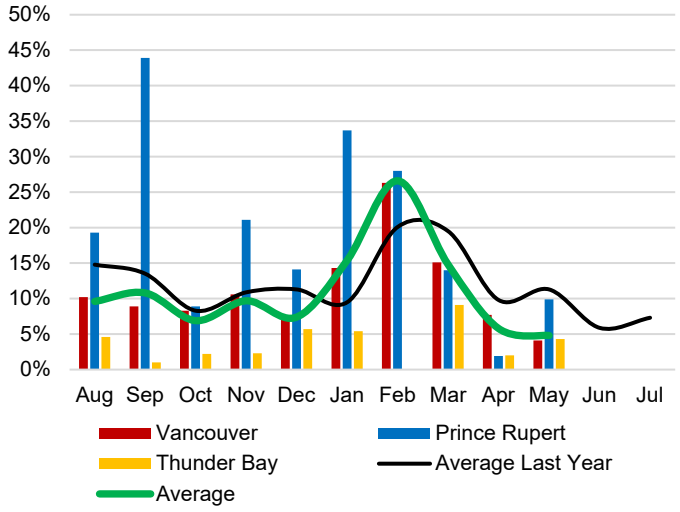
Average Days in Port per Vessel



GMP Data Table 5D-1

In May, the overall average time vessels were in port waiting and loading grain was 9.5 days, 11% more than it was in May 2019. Despite this elevated level, the average is 27.5% lower than that seen in the previous month, due in part to strong Thunder Bay shipments. Both west coast ports registered declines from April. In May, the average days in port stood at 15.9 for Vancouver, 14.2 at Prince Rupert and 2.4% at Thunder Bay.

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

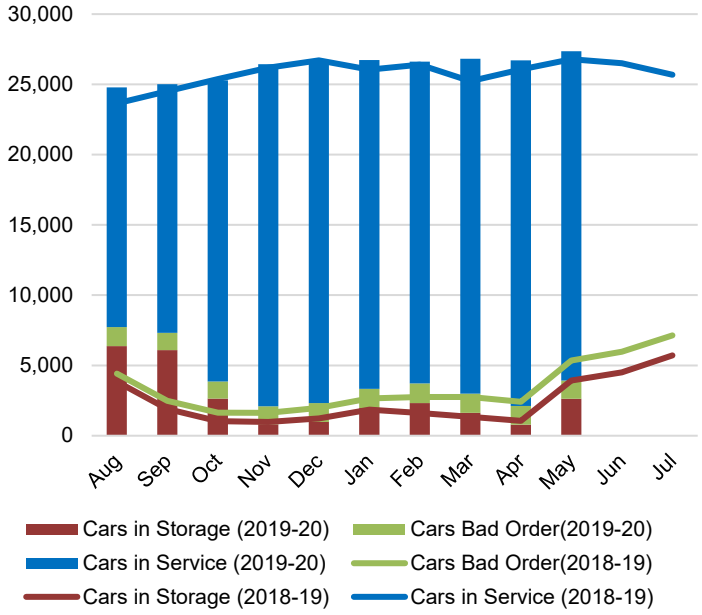


GMP Data Table 5C-5

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).

The aggregate measure for all ports fell to 4.8% in May from 5.8% in April. Terminal out-of-car time at Vancouver decreased to 4.1% while increasing to 9.9% at Prince Rupert. Thunder Bay registered an increase to 4.3% for time out-of-cars.

Railway Grain Fleet Size and Utilization

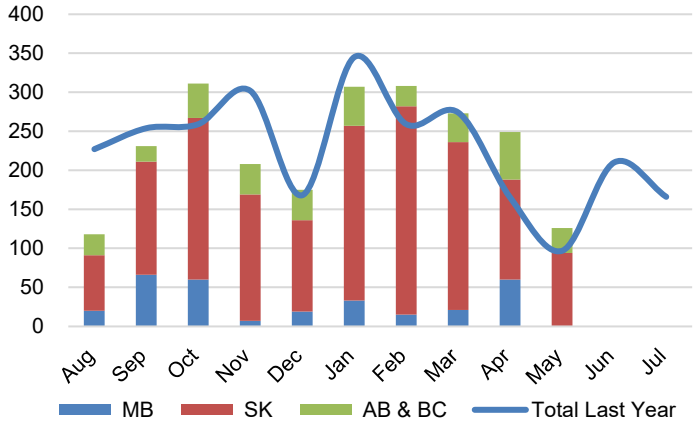


GMP Data Table 3B-2

During times of heavy demand for grain hopper cars, nearly all 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, to 17,062 before reversing direction and rising to 24,343 by December. While winter operations saw a pull-back to 22,905 cars in service in February, the fleet once again increased to 23,440 cars in May. The overall-average cars in service for the first ten months of this crop year is 22,361 per week, representing 85% of the total fleet. The balance of the fleet, comprising 15% of the rail cars, was in storage or repair status (bad order).

Producer Cars

Producer Cars Scheduled by Province



GMP Data Table 6B-2

While producer car shipments scheduled for May 2020 were 30% higher than those in May a year ago, the ten-month total for the crop year to date has fallen 1.9% as the number of applications placed with the Canadian Grain Commission declined. Year-to-date shipments saw oats comprising 53% of the total, while wheat and durum made up 20% of the movement. Special crops such as peas, lentils and chickpeas contributed 14% of the volume.

Quorum Corporation
Suite 701, 9707 – 110 Street
Edmonton, AB T5K 2L9
Email: info@quorumcorp.net
Web: www.grainmonitor.ca
Phone: (780) 447–2111

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

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