

GMP Dashboard

Table M-1	JUN 2019	JUL 2020	2019-20 YTD	Var. from Last YTD
Western Canadian GHTS Performance (Days)				
Total Time in System	34.9	34.6	41.8	-4.6%
Average Days In Store – Country	18.1	17.7	23.7	-6.5%
Loaded Transit Time	7.1	7.2	7.4	-0.6%
Average Days In Store – Terminal	9.7	9.7	10.7	-1.8%
Total Traffic ('000 tonnes)				
Primary Elevator Shipments	4,449.4	5,217.5	51,993.6	6.4%
Railway Shipments (all Western Canada traffic)	5,382.2	5,043.4	58,571.4	7.8%
Western Port Terminal Shipments	3,658.5	4,193.1	39,937.3	7.7%
Railway Performance				
Avg. Loads on Wheels (Cars)	12,291	12,378	11,584	-1.1%
Total Western Port Car Cycle (days)	15.7	14.8	16.3	1.6%
Port Performance				
Western Port Unloads (Number of Cars)	36,762	43,283	416,443	4.8%
Vessel Time in Port (days)	10.5	11.8	12.3	19.9%
<i>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.</i>				

Overview

Railway grain shipments from Western Canada fell by 6.3% in July 2020, to 5.0 MMT from June's 5.4 MMT. This strong finish helped lift total shipments for the 2019-20 crop year to a record 58.6 MMT, and overcome the backlog imposed by a delayed harvest, an eight-day strike at CN, as well as subsequent mainline washouts and blockades. Port shipments for July totaled 4.2 MMT, a 14.6% increase from June volumes as demand for shipping at both the West Coast and Thunder Bay stayed strong through the end of the crop year. Year-to-date bulk shipments from western ports stand 7.7% higher than the previous year. Accompanying the increase in shipments, is a 11.8-day average in the amount of time vessels spent in port in July, with the overall crop-year average measuring 12.3 days.

Highlights for July 2020 and Fourth Quarter 2019-20 CY

Traffic and Movement (page 2)

- Primary-elevator shipments were 52.0 MMT in the 2019-20 crop year, 6.4% more than the previous year.
- Total Western Canadian rail shipments (from all primary/process elevators and producer-car sites) totaled almost 58.6 MMT in the 2019-20 crop year, 7.8% above the previous crop year's record of 54.3 MMT. Despite the negative impacts of mainline washouts and blockades, larger second-half volumes more than offset traffic declines in first-half tonnage.
- Bulk shipments from Western Canadian ports totaled 39.9 MMT in the 2019-20 crop year, up 7.7% from the last crop year.

System Efficiency and Performance (page 4)

- Average weekly primary-elevator stocks decreased by 0.7% from last year-to-date. The average days-in-store was down 6.5%.
- Average weekly port-terminal stocks increased 3.3% from the same period last year, while average days-in-store fell 1.8%.
- Railcar cycle times fell in July, with the preliminary average for Western Canadian movements decreasing to 14.8 days from 15.7 days in June. However, the year-to-date average still rose by 1.6%, climbing to 16.3 days from 16.0 days a year earlier.
- The 2019-20 crop-year average for vessel time in port is 12.3 days, a 19.9% increase from that observed in the previous crop year.
- Port-terminal out-of-car time rose to 14.8% at Vancouver in July from 11.8% in June, and to 23.4% at Prince Rupert from 3.9%. At Thunder Bay the out-of-car time grew to 5.0% from 2.8% the previous month.

Commercial Relations (page 6)

- Average primary-elevation charges rose 2.3% over the course of the 2019-20 crop year.
- After initially reducing their single-car freight rates in August 2019, both CN and CP advanced successive increases in September and October. These rates remained largely unchanged until May 2020, when CN applied a 4.0% reduction. At the close of the fourth quarter CN had lifted its rates on movements to Vancouver, Prince Rupert and Thunder Bay by 0.9%, 2.8% and 2.4% respectively. In comparison, CP's year-end rates on traffic destined to Vancouver and Thunder Bay had risen by 6.7% and 6.5% respectively.
- Average terminal-elevation charges rose 0.1% over the course of the 2019-20 crop year.

Infrastructure (page 6)

- Several changes were recorded in GHTS infrastructure during the crop year, with the number of country elevators rising to 402 from 399. This lifted storage capacity to a record 8.9 MMT from 8.7 MMT. Much of this was tied to the licencing of four new loop-track facilities operated by G3 and GrainsConnect. Similarly, the licencing of the new G3 terminal in Vancouver offset the closure of the Western Grains By-Products facility in Thunder Bay, leaving total terminals unchanged at 17 but bolstering storage by 6.0%, to almost 2.7 million tonnes. Discontinuance of CP's Kelvington Subdivision shaved 14.2 route-miles from the railway network, which fell to a low of 17,265.7 route-miles.

Production and Supply

Statistics Canada's estimate for 2019 crop production in Western Canada stands at 73.6 MMT, a 2.6% increase from the 2018 harvest. This constitutes the second largest crop on record. This production estimate reflects a reduction of 1.6 MMT from the model-based estimate released by Statistics Canada in September 2019, 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 82.9 MMT. Year-end on-farm carry-forward stock was boosted 1.0 MMT in Statistics Canada's February release. The projected supply is 1.1% more than that of the previous year, and registers as the largest on record consistent with the records registered in the crop-year traffic and movement data below.

Table M-2:	2019	2018	Var. from Last Yr.
Production & Carry Over (000's tonnes)			
Western Canada Total Production	73,567.4	71,723.6	2.6%
Western Canada On Farm & Primary Elevator Carry Forward Stock	9,367.5	10,329.6	-9.3%
Total Grain Supply	82,934.5	82,053.2	1.1%

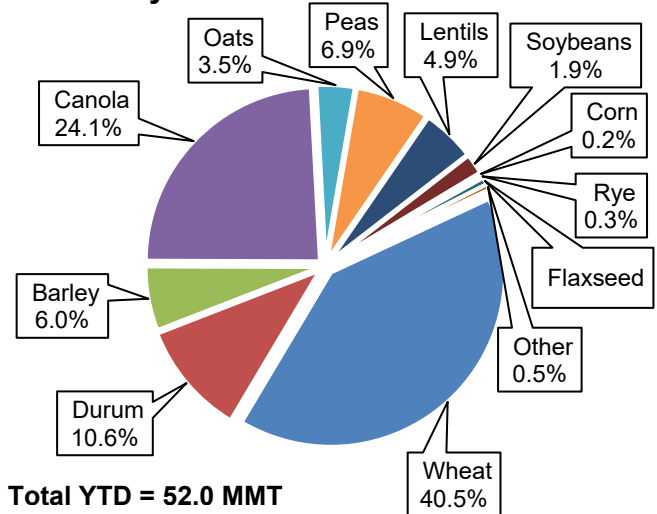
Traffic and Movement

As the crop year drew to an end, July deliveries remained strong, averaging 1.0 MMT per week. Average weekly primary-elevator stock levels held constant at 2.9 MMT, with good space and delivery opportunities in facilities across the prairies.

Table M-3	JUL 2020	2019-20 YTD	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)			
Manitoba	811.6	8,493.8	-5.9%
Saskatchewan	2,973.4	28,632.4	10.7%
Alberta	1,395.0	14,469.8	6.4%
British Columbia	37.5	397.6	3.9%
Total	5,217.5	51,993.6	6.4%
Western Canada Railway Traffic (000's tonnes)			
Shipments to Western Ports	4,269.3	46,501.8	8.9%
Shipments to Eastern Canada	204.5	3,822.6	2.6%
Shipments to US & Mexico	504.3	7,260.3	1.0%
Shipments Western Domestic	65.3	986.7	37.8%
Total	5,043.4	58,571.4	7.8%
Western Port Unloads (Number of Cars)			
Vancouver	27,665	264,996	4.5%
Prince Rupert	5,149	58,005	-9.1%
Churchill	0	1,434	n/a
Thunder Bay	10,469	92,008	15.3%
Total	43,283	416,443	4.8%

Table M-3	JUL 2019	2019-20 YTD	Var. from Last YTD
Terminal Elevator Shipments (000's tonnes)			
Vancouver	2,682.4	25,649.2	9.2%
Prince Rupert	539.2	5,361.3	-10.5%
Churchill	0.0	137.3	410.4%
Thunder Bay	971.5	8,789.5	15.9%
Total	4,193.1	39,937.3	7.7%

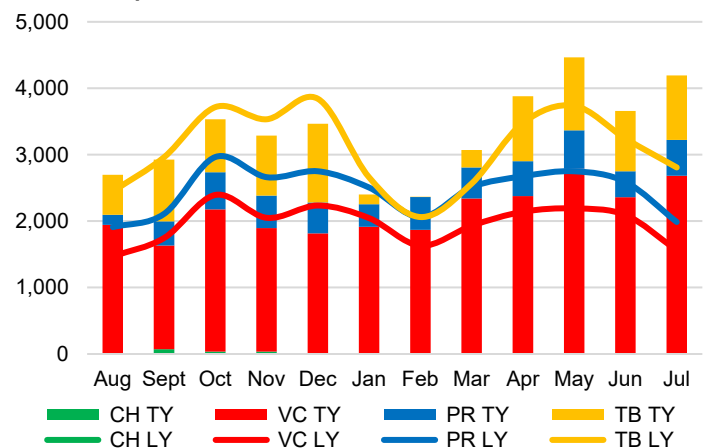
Primary Elevator Shipments by Commodity



GMP Data Table 2A-1

Grain shipments from primary elevators grew in the 2019-20 crop year, registering 6.4% more than the previous crop-year total. Wheat, including durum, and canola continue to constitute the largest proportion of the movement at 75.2%. Movement of peas and lentils contributed 11.8% of the balance.

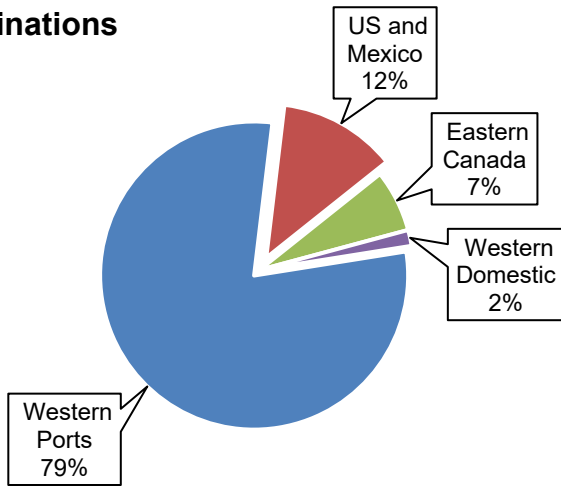
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Bulk shipments from western ports grew in the 2019-20 crop year, registering a 7.7% increase on a year-over-year basis. Shipments were up from all ports except Prince Rupert which experienced a decline of 10.5%. Thunder Bay recorded an increase of 15.9% from the previous crop year.

Western Canadian Grain Destinations

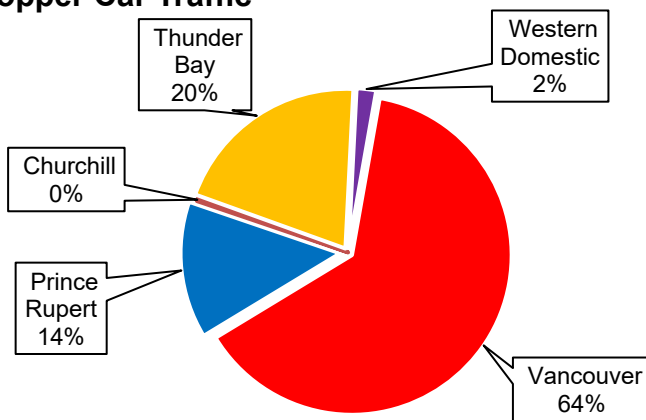


Total YTD = 58.6 MMT

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

Owing to a particularly strong second half, railway grain shipments from Western Canada rose to a record 58.6 MMT in the 2019-20 crop year, 7.8% more than the 54.3 MMT handled a year earlier. The majority, about 46.5 MMT, or 79%, was directed to Western Canadian ports in support of offshore sales; 8.9% over what had been handled a year earlier. Shipments to the US and Mexico also increased by 1.0%. Movements to Eastern Canada as well as Western Domestic destinations rose more substantively, with gains of 2.6% and 37.8% respectively.

Western Canadian Destined Hopper Car Traffic



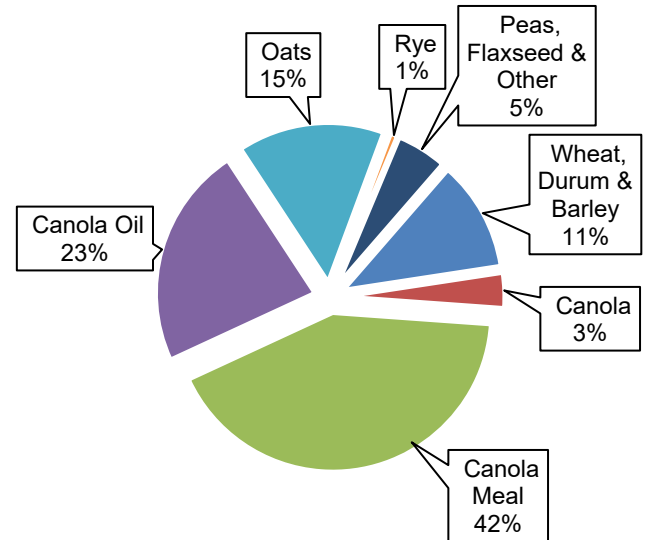
Total YTD - 45.2 MMT

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 2019-20 crop year this amounted to just over 45.2 MMT, up 9.4% from the previous year. Sixty-four percent 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. An 8.3% increase in hopper-car shipments to Vancouver was largely responsible for shaping the broader growth in traffic. This was supported by more substantive gains on shipments to Thunder Bay and Western Domestic destinations, which rose by 22.6% and 46.8% respectively, as well as the reopened port of Churchill. Running counter to these increases, however, was a decline in shipments to Prince Rupert, which fell by 6.1%.

US Destined Grain by Commodity

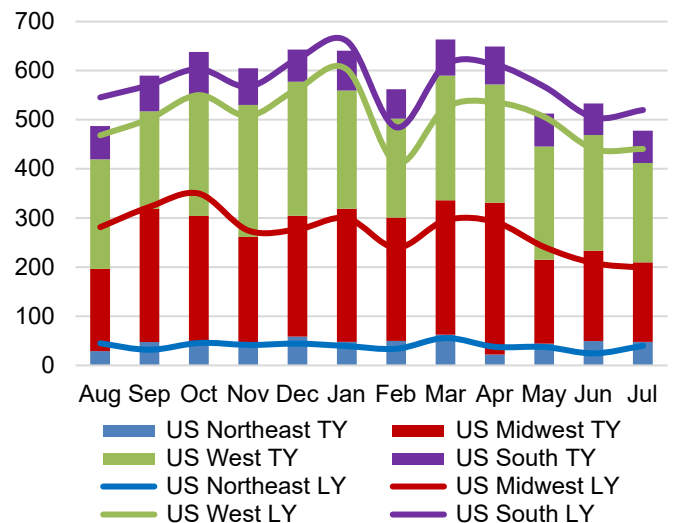


Total YTD - 7.0 MMT

GMP Data Table 2B-18

Total railway shipments into the US reached slightly over 7.0 MMT in the 2019-20 crop year, a gain of 1.9% over that handled 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

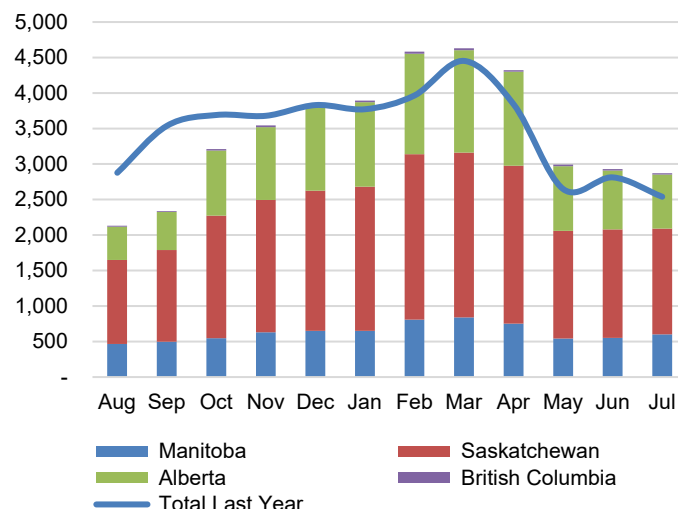
Primary-elevator stocks grew steadily through much of the crop year, climbing from 2.1 MMT in August to 4.6 MMT in March, before pulling back to 2.9 MMT in July. The overall crop-year average is 3.4 MMT. Space in the country system was good during July. Country stocks utilized 56% of the working capacity of the network. By province, stocks ranged from 52% in Alberta, to 57% and 58% in Saskatchewan and Manitoba respectively and 69% in British Columbia.

The average days-in-store in the primary-elevator system for the crop year decrease from last year, falling 6.5% to 23.7 days.

Table M-4	JUL 2020	2019-20 YTD	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	2,870.1	3,433.3	-0.7%
Average Days in Store	17.7	23.7	-6.5%
Railway Operations (days)			
Cycle Time to Western Ports	14.8	16.3	1.6%
Cycle Time to Eastern Canada	28.8	22.9	7.3%
Cycle Time to US	26.0	25.4	-2.7%
Loaded Transit to Western Ports	7.2	7.4	-0.6%
Loaded Transit to Eastern Canada	16.2	10.9	6.9%
Loaded Transit to US	11.9	9.8	-9.1%
Rail Fleet in Grain Service	22,562	22,382	0.5%
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	1,224.9	1,222.1	3.3%
Average Days in Store	9.7	10.7	-1.8%
Port Unloads (hopper cars)	43,283	416,443	4.8%
Terminal Out-of-Car Time	13.4%	10.6%	-7.8%
Western Canada Port Operations			
Average Vessel Time in Port (days)	11.8	12.3	19.9%
<i>Car order and order fulfillment data is not complete from both railways and will not be reported until further notice.</i>			



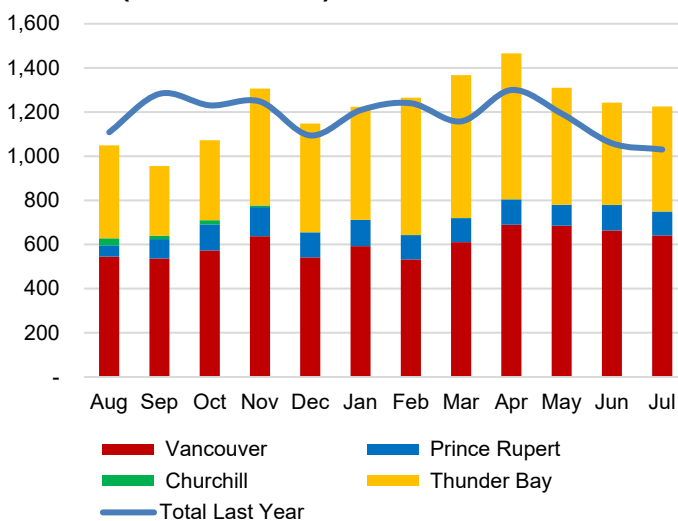
Average Weekly Primary Elevator Stocks (000's tonnes)



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 July 2020, the stock level retreated to 2.9 MMT. Wheat, including durum, and canola, comprise 75% of the total stock. At 17% of the stock, barley, oats and peas made up much of the balance.

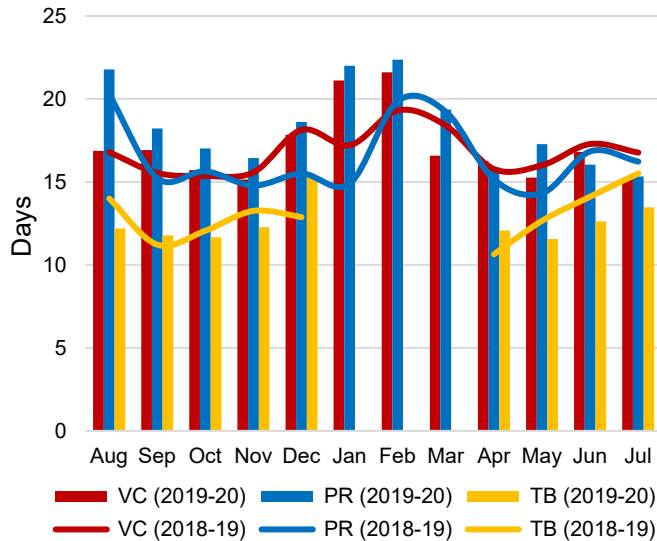
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

Overall terminal elevator stocks averaged 1.2 MMT in the 2019-20 crop year, 3.3% greater than the previous year. While holding constant with June 2020, July stock levels at all ports were 18.9% higher than in the same month in 2019. Wheat, including durum, and canola, comprise over 84% of the total stock. In July, western ports utilized 65% of their overall working capacity.

Railway Cycle Times to Western Ports (days)

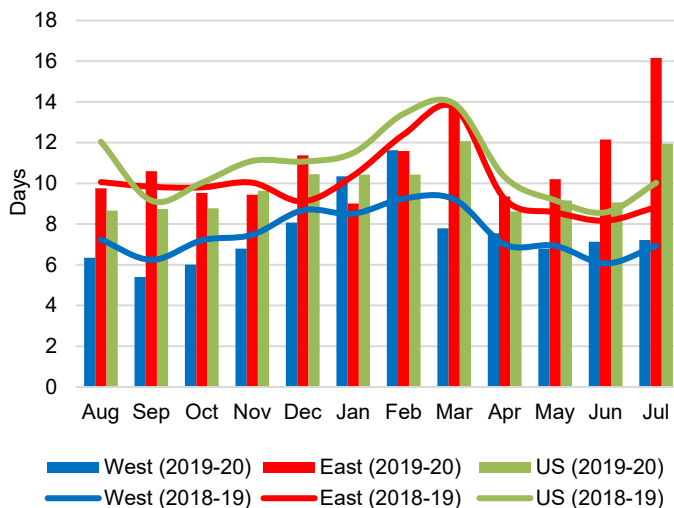


GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 16.3 days in the 2019-20 crop year, up 1.6% from the 16.0-day average posted in the previous crop year. This result was largely shaped by increases in the Vancouver and Prince Rupert corridors, where the average car cycle rose by 1.0% and 11.0% respectively. These increases were marginally offset by a 1.3% decline the Thunder Bay average.

The average car cycle to Eastern Canada showed a more substantive increase, rising by 7.3%, to an average of 22.9 days from 21.3 days a year earlier. Conversely, the car cycle for movements into the United States fell by 2.7%, to an average of 25.4 days from the 26.1-day average posted in the previous crop year.

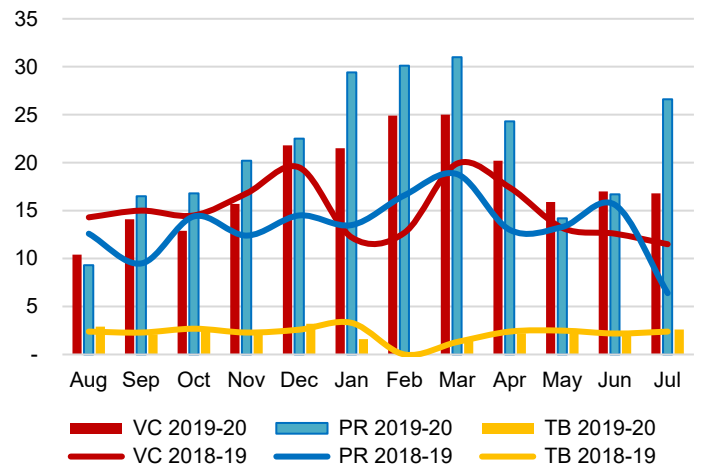
Average Loaded Transit Times (days)



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

The loaded transit time for traffic destined to Western Canadian ports averaged 7.4 days in the 2019-20 crop year, down 0.6% from the 7.5-day average posted a year earlier. This resulted chiefly from reductions in the Vancouver and Thunder Bay corridors, which fell by 2.8% and 3.3% respectively. In contrast, the Prince Rupert average rose by 15.5%. The average for US-destined traffic also declined, but by a more substantive 9.1%, to 9.8 days from the 10.8-day average posted twelve months earlier. Running counter to these was the average loaded transit time for movements into Eastern Canada, which increased by 6.9%, to 10.9 days from 10.2 days.

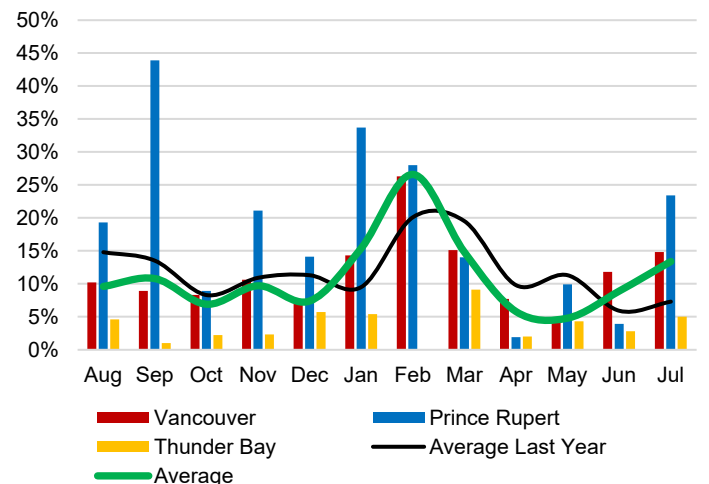
Average Days in Port per Vessel



GMP Data Table 5D-1

In July, the overall average time vessels were in port waiting and loading grain rose to 11.8 days from 10.5 days the month before. The crop-year average stands at 12.3 days, 19.9% higher than that registered in the previous crop year. While Vancouver experienced a small decline, both Prince Rupert and Thunder Bay saw month-over-month increases from June levels. For the month of July, days in port stood at 16.5 for Vancouver, 26.6 for Prince Rupert and 2.6 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 climbed to 13.4% in July, with a total-crop-year average of 10.6%. Terminal out-of-car time at Vancouver rose to 14.8% in July, to 23.4% at Prince Rupert and to 5.0% at Thunder Bay.

Commercial Relations

Table M-5 Rates: \$CDN per tonne	Q4 2019-20	Index (1999=100)	% Change YTD
Avg. Primary Elevation	16.60	138.4	1.3%
Rail to Vancouver			
CN	56.44	153.9	0.9%
CP	60.64	164.4	6.7%
Rail to Pr. Rupert			
CN	56.44	135.9	2.8%
Rail to Thunder Bay			
CN	55.17	170.9	2.4%
CP	51.90	172.8	6.5%
Average Terminal Elevation	14.40	157.9	0.1%

Note: Commercial rates are measured on a quarterly basis, the above table refers to rates at the close of the fourth quarter of the 2019-20 crop year (as at 31 July 2020). 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. These rates remained largely unchanged until May 2020, when they were again reduced by 4.0%. At the close of the fourth quarter CN had effectively lifted the rates on movements to Vancouver, Prince Rupert and Thunder Bay by 0.9%, 2.8% and 2.4% respectively. In comparison, CP followed its initial 5.0% reduction with increases approaching 7.0% in September, and 5.0% in October. Unlike CN, CP retained these rates unchanged through July 2020. At the end of the fourth quarter these actions had raised the rates on traffic destined to Vancouver and Thunder Bay by 6.7% and 6.5% respectively.

Commercial Developments

G3 opens Vancouver grain terminal: On 8 July 2020 G3 Canada Limited officially opened its new terminal elevator in North Vancouver. Construction of the facility, which denotes the first all-new grain terminal to be built at the Port of Vancouver since the 1960s, began in 2017 with an estimated budget of about \$500 million. The complex, which has been accepting test shipments of grain for nearly four months, encompasses 48 grain bins, each 14

stories tall, and a 79-metre tall workhouse that can accommodate the storage of some 183,000 tonnes of grain. The facility also boasts an extensive set of loop-tracks that can receive up to three 150-car trains. Its dock can also accommodate the loading of Capesize vessels and employs three ship-loaders (most other terminal has only one per berth) designed to discharge up to 6,500 tonnes of grain per hour. Together, these elements unite to make the G3 Vancouver Terminal potentially the most efficient in Canada. Moreover, when fully employed to receive grain from the company's still-expanding network of inland elevators, it holds the promise of significantly improving the movement of grain through its supply chain.

CN orders 1,500 additional hopper cars: On 21 July 2020, the Canadian National Railway Company (CN) announced that it had ordered an additional 1,500 high-capacity hopper cars with delivery beginning in January 2021. The order follows the carrier's initial purchase of 1,000 cars from National Steel Car in 2018 and brings the cumulative acquisition to 2,500 cars. These next-generation hopper cars are largely being used to supplement and rejuvenate what had been an aging fleet, and phase-out much of the lower-capacity equipment employed in grain service for almost half a century.

Approval given to Prince Rupert terminal expansion: The Port of Prince Rupert received final regulatory approval allowing DP World to expand its Fairview container terminal to an annual capacity of 1.6 million TEUs, up from the current 1.4 million TEUs. The project is expected to be completed in late 2021 or early 2022. A second expansion project to boost Fairview's capacity to 1.8 million TEUs is planned for late 2022. The projects include an expanded container yard, additional on-dock rail capacity, and the purchase of an eighth gantry crane.

Infrastructure

Apart from the railways' car fleet, GMP measures relating to infrastructure are reported on a quarterly basis. The 2019-20 crop year saw some notable changes to the GHTS's physical infrastructure.

The country-elevator network grew modestly through the fourth quarter, to 402 facilities from 399. This gain was the product of various licencing changes, including four newly constructed loop-track facilities operated by G3 and GrainsConnect. This helped lift total storage capacity to a record 8.9 MMT from 8.7 MMT. During this same period, Parrish and Heimbecker also assumed formal control over the ten facilities it acquired from Louis Dreyfus.

Discontinuance of CP's Kelvington Subdivision in the third quarter shaved 14.2 route-miles from the overall railway network, which fell to a low of 17,265.7 route-miles, with 84.6% of it being operated by CN and CP.

The terminal elevator network saw one of its most significant changes under the GMP, with the licencing of the new G3 terminal in Vancouver. This offset the closure of the Western Grains By-

Products facility in Thunder Bay to leave the total number of facilities unchanged at 17 but lifting total storage by 6.0%, to almost 2.7 million tonnes.

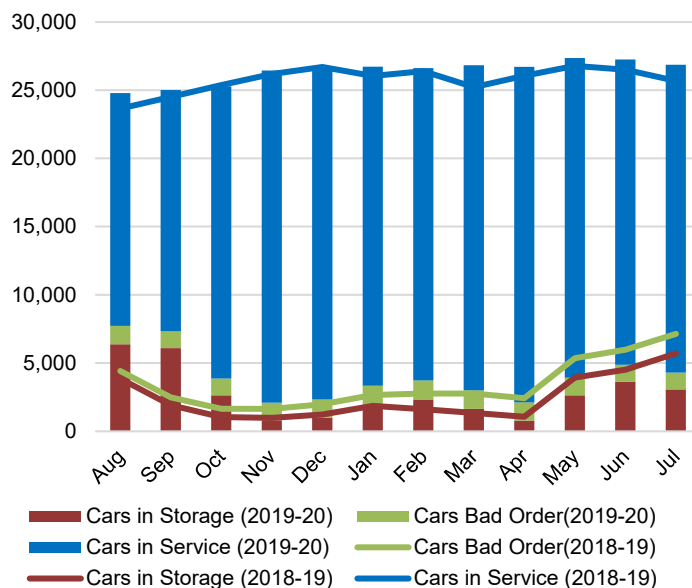
Table M-6	Q4 2019-20	Index (1999=100)	% Change YTD
Country Elevator			
Primary and Process Elevators (Count)	402	40.0	0.8%
Storage Capacity (000's tonnes)	8,875.4	126.3	1.8%
Railway			
Route Miles - Major Carriers	14,596.1	98.4	-0.1%
Route Miles - Shortline Carriers	2,669.6	57.5	0.0%
Route Miles - Total	17,265.7	88.7	-0.1%
Average Weekly Total Hopper Car Fleet Size*	27,136	n/a	2.5%
Terminal Elevator			
Terminal Facilities (Count)	17	121.4	0.0%
Storage Capacity (000's tonnes)	2,695.5	105.4	6.0%

* Hopper Car Fleet Size represents all cars in all statuses for all four quarters 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, to 17,062 before reversing direction and rising to 24,343 by December. Winter operations saw a pull-back to 22,905 cars in service in February before increasing again to 24,599 in April. By July, the number of cars in service had once again retreated to 22,562. The overall-average car fleet in service during the 2019-20 crop year was 22,382 cars, encompassing 85% of the fleet. The balance of the fleet, comprising 15% of the rail cars, was in storage or repair status (bad order), considerably less than 28% in July 2019.



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 2019-20 crop year. The total number of available producer-car loading locations at the end of July stands at 272.

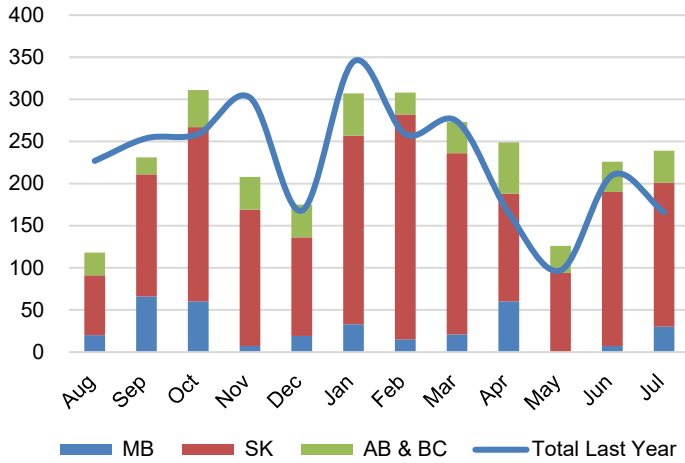
Table M-7	Q4 2019-20	Index (1999=100)	% Change YTD
Producer Car Loading Sites			
Class 1 Carriers	142	22.2	0.0%
Shortline Carriers	130	200.0	0.0%
All Carriers	272	38.3	0.0%

Table M-8	Q4 2019-20	2019-20 YTD	Var. from Last YTD
Producer Cars Scheduled			
Manitoba	37	338	33.6%
Saskatchewan	448	1,984	-1.3%
Alberta & B.C.	106	449	-2.8%
Total	591	2,771	1.7%

Producer cars scheduled for July 2020 were 44.0% more than in July 2019, marking an overall crop-year upturn of 1.7% from the previous year. The 2019-20 crop year has seen the first year-over-year increase in total producer cars scheduled since the 2013-14 crop year.



Producer Cars Scheduled by Province

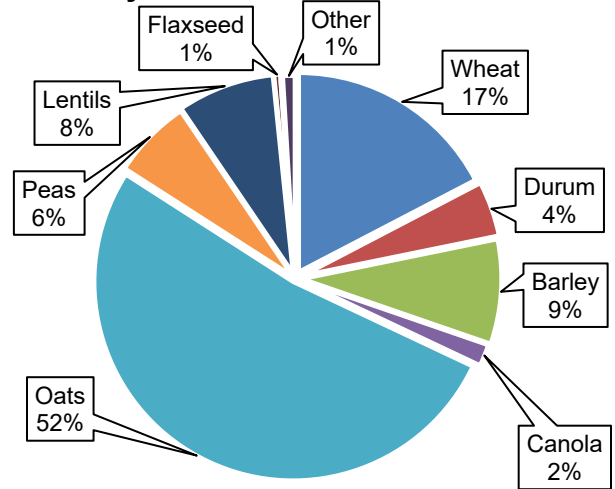


GMP Data Table 6B-2

The proportion of producer-car shipments devoted to oats has continued to grow while a decrease has been registered in the number of cars carrying other cereal grains. Shipments throughout the 2019-20 crop year continue to reflect this trend, with oats

shipments comprising 52% of the total, while wheat, durum and barley combined comprise only 30%. Special crops such as peas, lentils and chickpeas contributed 15%, while oilseeds rounded out the final 3% 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