

Summary of Export Basis and Producer Netback

Corporation			a	OI EXP	Ort Busi	o una i		
The costs listed in this table represent the average actual costs for moving one tonne of Canadian Red Spring Wheat No. 1 from Prairie origins through to a vessel loading in a Western Canadian Port		1999- 2000	2000- 2001	2001- 2002	2002- 2003	2003- 2004	2004- 2005	Ch Since
WD Daile			С	WB Final P	rice 1 CWR	S		
WB Price								
Grain Price	The price for 1 Canada Western Red Spring Wheat and 1 Canada Western Amber Durum are the Final Realized Prices in-store at Vancouver or St. Lawrence as reported by the CWB in the Statistical Tables accompanying its Annual Report. Since Final Realized Prices are expressed net of CWB operating costs, and the Export Basis includes a separate provision for these costs, CWB Costs, freq! are added back to produce Adjusted CWB Final Prices. The price here is the CWB final realized price for 1CWRS wheat 13.5% protein in store St. Lawrence or Vancouver.	192.43	202.58	217.02	250.20	211.14	205.10	
CWB Costs	CWB Costs (net) reflect an in-store Vancouver or St. Lawrence sales position (net of Transportation Savings), consistent with CWB reporting procedures prior to the 2002-03 Annual Report.	5.40	5.14	1.14	5.02	4.65	5.01	
DJUSTED CWB FINAL PRICE	The Final Price used in the GMP Producer Netback Calculation is adjusted to remove the net CWB costs from the stated CWB Final Price	\$ 197.83	\$ 207.72	\$ 218.16	\$ 255.22	\$ 215.79	\$ 210.11	
alculation of Appli	cable Freight							
Average Rail Freight to	The average published single car rate by both railways from points in in Western Canada destined to Vancouver	36.09	34.68	35.91	36.99	36.67	37.71	
Vancouver								
Average Rail Freight to Thunder Bay	The average published single car rate by both railways from points in in Western Canada destined to Thunder Bay	31.62	30.27	31.33	32.98	33.13	33.54	
Freight Adjustment Factor	Freight Adjustment Factors (FAF) were introduced in the 1995-96 crop year to account for a change in the eastern pooling basis point, from Thunder Bay to the Lower St. Lawrence, and for the location advantage of accorded shipments from delivery points near Churchill and markets in the United States. FAF are established prior to the beginning of each crop year to reflect changes in sales opportunities, cropping patterns and Seaway freight rates.	10.13	10.33	11.80	12.08	10.03	13.09	
Applicable Freight	Applicable freight is either Thunder Bay rail freight plus freight adjustment factor or Vancouver rail freight, whichever is less. Rail freight is posted single car tariff rate.	36.09	34.68	35.91	36.99	36.67	37.31	
Neighted Applicable Freight	For every station in a given geographic area, the producer pays the lesser of either the single-car railway freight rate to Vancouver ¹ , or that of the corresponding rate to Thunder Bay plus the Freight Adjustment Factor (FAF). The applicable freight rate depicted is a weighted average for the area as a whole based on the proportion of deliveries made to each of the stations included in the area.	\$ 31.87	\$ 30.93	\$ 32.31	\$ 34.73	\$ 33.32	\$ 33.74	
alculation of Expo	rt Basis							
eight Costs								
agiii Gosis								
Weighted Applicable Freight	From Applicable Freight (above)	31.87	30.93	32.31	34.73	33.32	33.74	
	The Churchill Freight Advantage Rebate was introduced in the 2000-01 crop year as a mechanism to return the market sustainable freight advantage to farmers in the Churchill catchment area.		(0.09)	(0.07)	(0.11)	(0.07)	(0.05)	
Trucking Costs	The trucking costs are based on the commercial short-haul trucking rates for an average haul of 40 miles as presented	5.94	6.10	6.10	5.94	5.94	6.54	
OTAL FREIGHT	in GMP Measures Table 3A-1.	\$ 37.81	\$ 36.94	\$ 38.34	\$ 40.56	\$ 39.19	\$ 40.23	
vation and Cleaning		Ψ 01.01	Ψ 00.01	ψ 00.01	ψ 10.00	Ψ σσ.1σ	Ψ 10.20	
Primary Elevation Costs	Primary elevator licensees are required to post primary elevation tariffs with the CGC at the beginning of each crop year, and at any time the rates for elevation, dockage (cleaning), storage, and related services change. The costs depicted for primary elevation are based on the applicable provincial average presented in Table 3B-6 as at August 1	9.75	9.91	10.90	11.22	11.53	11.64	
Dockage Costs	of each crop year. Primary elevator licensees are required to post primary elevation tariffs with the CGC at the beginning of each crop year, and at any time the rates for elevation, dockage (cleaning), storage, and related services change. The costs depicted for dockage are based on the applicable provincial average presented in Table 3B-6 as at August 1 of each crop year.	3.56	3.56	3.74	3.93	4.01	4.19	
GC Weighing and Inspection Costs	The costs of CGC weighing and inspection are assessed in various ways by the individual grain companies. Some include a provision for this in their primary elevation tariffs. Others deduct this amount directly from their cash tickets. The per-tonne average deduction from cash tickets used here has been adjusted in order to avoid an overlap with the tonnage already covered under the primary elevation tariffs, and a possible distortion of the export basis.	0.38	0.38	0.38	0.38	0.38	0.38	
TAL ELEVATION AND	CLEANING	\$ 13.69	\$ 13.85	\$ 15.02	\$ 15.53	\$ 15.92	\$ 16.21	
er Costs and Premiun	15							
CWB Costs	CWB Costs (gross) represent the per-tonne operating costs of each pool account at an in-store export port position,	5.40	5.75	3.61	7.72	7.79	6.50	
Trucking Premiums	plus the apportioned value of its overall transportation savings. ³ Grain companies report on the trucking premiums they pay to producers at each of the facilities identified in the sampling methodology. ³ The amounts depicted reflects the average per-tonne value of all premiums paid for the	(2.32)	(3.01)	(3.62)	(3.96)	(4.25)	(3.68)	
	designated grade of wheat or durum within the reporting area. The CWB Transportation Savings is an apportioned per-tonne amount representing the total financial returns to the							
CWB Transportation Savings	pool accounts as a result of grain-company tendering, freight and terminal rebates, and any penalties for non- performance. Other deductions, such as drying charges, GST on services, etc., may also be applied to, and appear as an itemized	0.00	(0.61)	(2.47)	(2.70)	(3.14)	(1.49)	
Other Deductions	orner reductions, sour as drying charges, GST on services, etc., may also be apprect to, and appear as an itemized entry on the cash ticket of, any grain delivery. No attempt is made to capture these deductions within the framework employed here							
TAL OTHER COSTS A		\$ 3.08	\$ 2.13	-\$ 2.48	\$ 1.06	\$ 0.40	\$ 1.33	
TAL EXPORT BASIS		\$ 54.58	\$ 52.92	\$ 50.88	\$ 57.15	\$ 55.51	\$ 57.77	
IBLE NETBACK TO PR	RODUCERS	\$ 143.25	\$ 154.80	\$ 167.28	\$ 198.07	\$ 160.28	\$ 152.34	
Notes:	1) – The single-car railway freight rates employed reflect those found in posted tariffs at the end of each crop year (July 31). "Report on the Identification of Producer Impacts Over and Above those Identified in the Producer Netback Methodology," May 2002, which can be downloaded from the Monitor's website (www.quorumcorp.net). The issue of trucking costs is discussed further in Section 5.3. 3) – The costs published in the CWB's Annual Report are net of any transportation savings.	Consumer Price Index (CPI) between August 1999 and August 2005 moved from 111.1 to 128.0, an increase 14.07 % or an average of 2.3 % annually. The Farm Input Price Index for Crop Production in Western Canada (FIPI), moved from 122.4 in 1999 to in 2004, an increase of 29.4% or an average of 5.9% per year. FIPI is an index prepared by Statistics Card all production costs for grain producers farming in Western Canada, including the cost of crop inputs suseed, fertilizers and herbicides, fuel, machinery and the logistics costs of grain movement, amongst other appropriate of EIRI largeogies are pursued of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually an average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% and CRI but 3.0% capsually are average of 5.0% capsually are average of 5.0% capsually are average of 5.0% capsually are average						
	deliveries to their facilities – i.e., trucking premiums, marketing premiums, and location premiums. The most common term, however, remains "trucking premium," and it is utilized generically in the calculation of the Export Basis.		In consideration of FIPI increasing an average of 5.9%, and CPI by 2.3% annually on average, the average for the Export Basis reflects the market pressures and policy reforms impact on producers overall costs.					