

Grain Monitor's Presentation to Joint WBCA/ WCWGA AGM & Conference - 2005

Canmore, AB – February 17, 2005

... Monitoring the Western Canadian GHTS

Topics

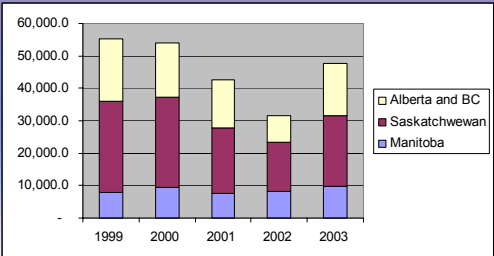
- GMP Overview
- GHTS System Performance
- Industry Issues at play
- Going Forward – Issues to watch

Grain Monitoring Program

- Provides an objective assessment of the performance of the GHTS over time through:
 - Collection of data and information from all affected industry stakeholders
 - Production of quantitative measures of performance across all aspects of the GHTS supply chain
 - Analysis of measures and determination of performance
 - Provision of quarterly and annual reports to the appropriate Ministers
- The Monitor shall carry out his mandate in a neutral and independent manner.

GHTS System Performance

Western Canada Annual Crop Production

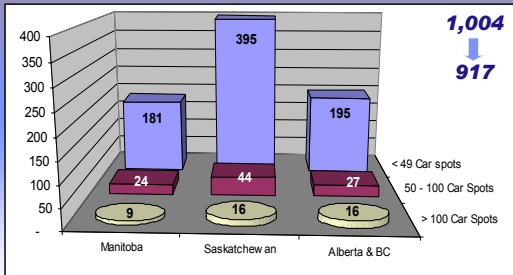


Year	Alberta and BC	Saskatchewan	Manitoba
1999	~18,000	~28,000	~8,000
2000	~18,000	~28,000	~8,000
2001	~15,000	~22,000	~8,000
2002	~10,000	~15,000	~8,000
2003	~15,000	~22,000	~8,000

System Performance

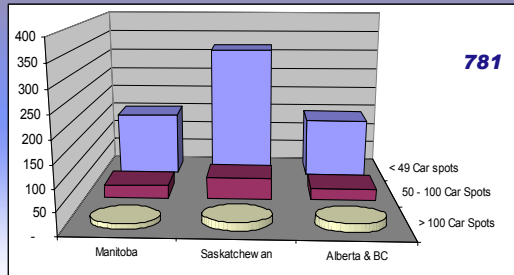
- Supply Chain - Time in System: ↓ 22%
 - Loaded Car Cycle (Transit Time): ↓ 12%
 - Time In Store – Country: ↓ 28%
 - Time in Store – Terminal: ↓ 12%
- Vessel Time in Port: ↓ 7%
- Elevator Turnover Ratio
 - Country: ↑ 49%
 - Terminal: ↑ 40%
- Total Car Cycle: ↓ 18%

Country Elevator Network 1999-2000 Crop Year



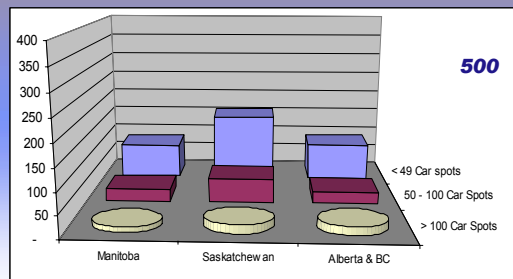
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Country Elevator Network 2000-2001 Crop Year



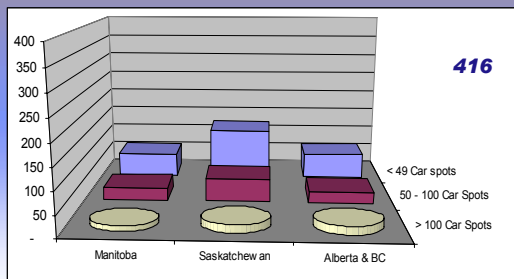
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Country Elevator Network 2001-2002 Crop Year



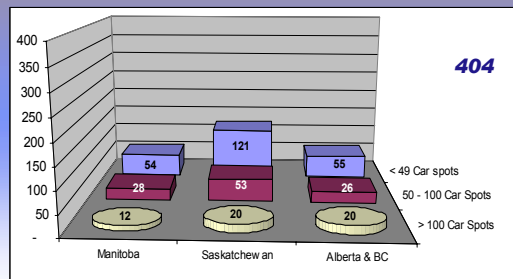
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Country Elevator Network 2002-2003 Crop Year



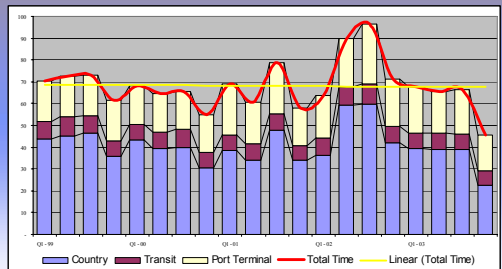
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Country Elevator Network 2003-2004 Crop Year



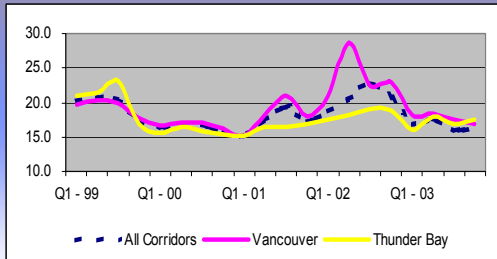
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Time in the Supply Chain



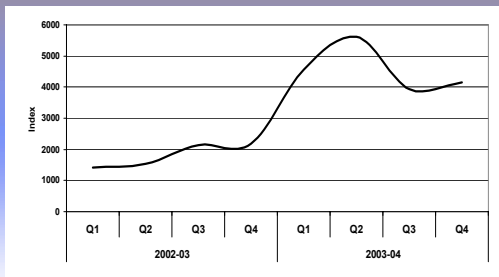
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Western Canada Car Cycles

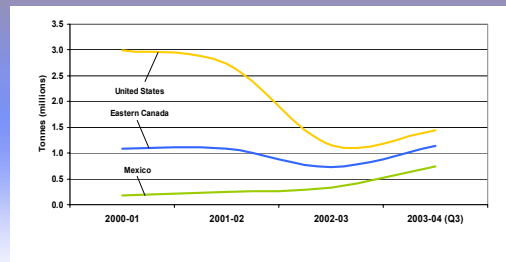


Industry Issues at Play

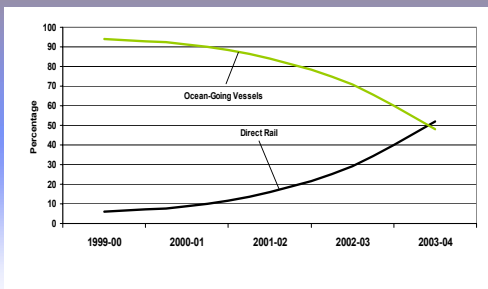
Baltic Dry Index of Ocean Rates



Grain Movements beyond Western Canada



Canadian Grain Exports to Mexico

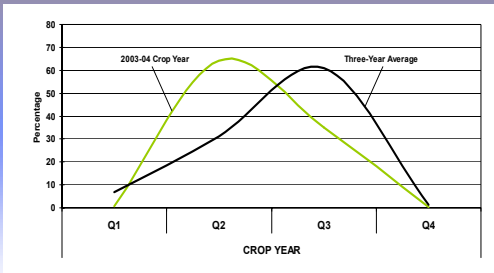


Impact of Logistics changes

	<u>Vancouver</u>	<u>Mexico</u>
Car Cycle	16.7	40.0
Tonnes	1.0 M	1.0 M
Carloads	11,236	11,236
Car Days	187,640	449,438

- 140% higher car requirement
- Equivalent of 780 additional cars required

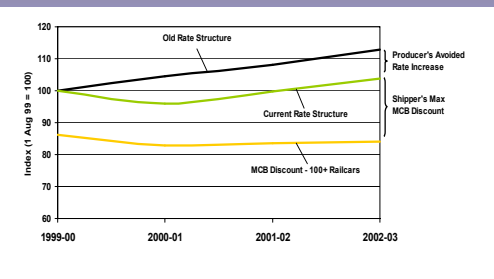
Distribution of Eastern Canadian Rail Shipments



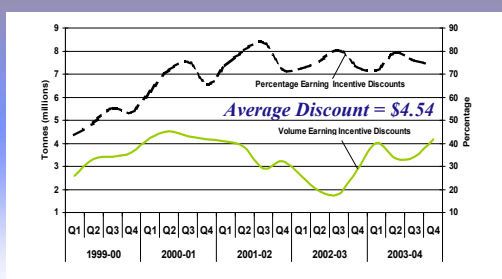
Rail Rate Structures

- Differential between CP and CN Incentive and general rate structures
 - CN SCR Index at 105.3 (Van) 104.7 (T Bay)
 - CP SCR Index at 104.1 (Van) 104.6 (T Bay)
- Management of Revenue Cap becoming more dependant on incentive structure ...

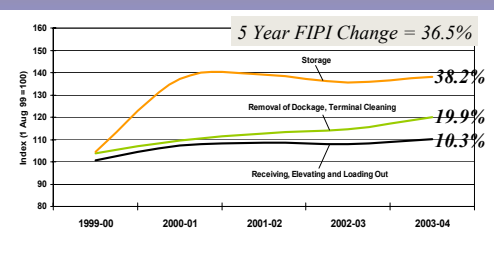
The Revenue Cap and Railway Rate Structures



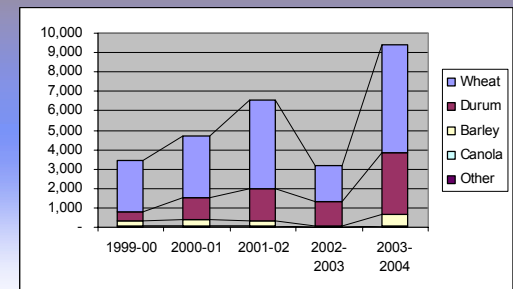
Railway Volume Incentive Rates



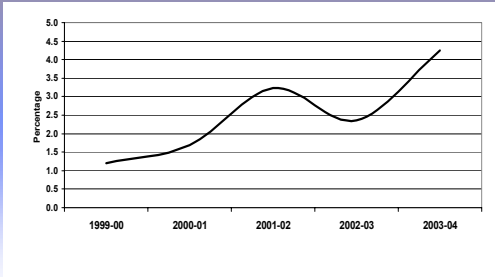
Elevator Tariffs



Producer Car Volumes



Market Share of Producer Car Shipments



Going Forward – 2004-05

- Government Hopper Cars
- Supply of Hopper Cars
- Rail Rate Structures
- Bio Safety Regs impact on border movements
- Trade Disputes
- Improvements in System Efficiency

Thank You