



For Immediate Release

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Farm-Industry Partnership Collaborates on Hopper Car Solution

The Western Canadian Wheat Growers Association (WCWGA), the Western Barley Growers Association (WBGGA) and the Saskatchewan Canola Growers Association (SCGA) have put forward a proposal for an industry-based group to acquire the federal government's hopper car fleet of approximately 12,400 cars. The farm groups have consulted with the Inland Terminal Association of Canada (ITAC) and the Western Grain Elevator Association (WGEA) on technical aspects, and as a result have garnered their support.

ITAC, representing thirteen farmer-controlled inland grain terminals, and WGEA's nine members have endorsed the proposal. Randy Hoback, Chair of the WCWGA says, "I am pleased with the collaboration that is evident throughout the industry, and the development of this proposal shows that with common objectives, a positive outcome is possible."

The proposal was first presented to Transport Canada and key federal Cabinet Ministers on December 7. Government officials have indicated the federal government may soon be making a decision with respect to the disposition of its hopper car fleet.

The following are the key elements of the Partnership proposal:

- The cars would be transferred to an industry-based company.
- There would be no increase in freight rates to producers due to this transfer.
- There would be orderly replacement of the aging hopper car fleet.
- Car apportionment among the railways would be in accordance with commercial principles.

"We believe our proposal is attractive because car allocation among shippers would be based on commercial (i.e. market-driven) terms and not political considerations," noted Albert Wagner, Alberta producer and Past-President of the Barley Growers. "In this manner, producers in one region would not be favoured over those in another region, nor would growers of certain commodities be favoured over others."

The proposal is also defensible to trade challenges, as it includes a lease-to-buy option, rather than the transfer of cars for a nominal sum. "This is an important aspect of this proposal," said Darin Egert, Vice President of the Saskatchewan Canola Growers. "Canola enjoys tariff free access to the US market, and we need to maintain that. This proposal presents us with far less risk than if the cars were acquired for one dollar." The "free" provision of government hopper cars on Canadian export movements of hard red spring wheat to the US was one factor that contributed to the prohibitive US duty on Canadian HRS wheat.

The Partnership has offered the proposal to two House of Commons Standing Committees, the Standing Committee on Agriculture and Agri-Food and the Standing Committee on Transport, and has requested the opportunity to appear before these two Committees to further explain the details of its proposal.

- 30 -

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