



For Immediate Release

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Wheat Growers Support Comprehensive Review of Grain Transportation

The Western Canadian Wheat Growers Association is calling on the federal government to undertake a comprehensive review of railway pricing and service issues relating to the transportation of prairie grain.

“Shipping problems for all grain commodities have increased in recent years and our industry needs to get a better handle on the root causes,” says Cheryl Jolly-Nagel, President of the Wheat Growers. “Any such review should examine the returns earned by railways and measures needed to improve railway service.”

Transport Canada is currently developing the terms of reference for a railway level of service review, however the review covers all sectors and so may not focus on the specific challenges facing grain shippers.

The last comprehensive review of the western Canadian grain transportation system was conducted by Justice Estey in 1998. One of the key recommendations of his report was the institution of the railway revenue cap on the shipment of western grain to east/west ports. Another recommendation, which was not adopted, was to require the Canadian Wheat Board to acquire all of its export supplies at port.

“The development of good grain transportation policies can only happen if we examine price and service issues together,” says Con Johnson, Wheat Grower director and chair of the Association’s transportation committee. “We need to create a policy environment that encourages railways to provide improved service at reasonable rates.”

The Wheat Growers note that an important long-term solution to grain transportation problems is to reduce our dependency on shipping grain by rail. Currently, about 50% of prairie grain production is shipped by rail in raw form.

“We need policies that encourage greater use of grain in local markets, whether that’s the livestock industry, biofuels, or grain processing,” says Jolly-Nagel. “Greater use of grain in western Canada lessens our dependence on the railways and reduces our vulnerability to high ocean freight rates and trade barriers.”

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For further information please contact:

Cheryl Jolly-Nagel
President
WCWGA
(306) 354-2517

Con Johnson
Chair, Transportation Committee
WCWGA
(306) 293-2902

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