

## Grain Handling and Transportation

### **What will happen to grain handling and transportation after the changes to the Canadian Wheat Board (CWB) come into effect?**

- In the open market, the grain handling and transportation system is expected to perform similarly to how it performs for canola and other non-board crops. A similar volume of grain will be moved to port position, but that grain will be owned by different companies, including the CWB.

### **What will happen to producer cars?**

- Producers will continue to have the right to use producer cars. Producer cars are administered by the Canadian Grain Commission and this is unchanged in the move to an open market.
- Previously, the CWB was very influential with producer car allocation and provided logistical and sales support when using producer cars. In the future, it is uncertain what the demand will be for producer cars and if the CWB will be as prominent in this area.

### **What is the tendering process for grain cars?**

- Rail car allocation is a commercial process. Railways will allocate cars based on demand, car supply, weather, port congestion and an individual shipper's history of performance.
- Previously, the CWB was influential in railcar allocation since it determined when and where all wheat would be delivered. In the future, it is expected rail car allocation will perform in the same way it does for canola and other non-board crops.

### **I've heard about a service review regarding grain transportation. What is this and what is the status?**

- Some grain shippers have complained about poor service from the railways. In an attempt to address service complaints, the federal government initiated the Federal Rail Freight Service Review. This review was launched two years ago and has resulted in several recommendations that the government is considering implementing.
- A facilitated process is underway between shippers and railways to design a template for a service agreement. This should be completed by Summer 2012.
- This template could be used by the federal government to introduce legislation that will give shippers the right to access this service agreement.
- For more information, contact the Canada Transportation Agency at <http://www.cta-otc.gc.ca/eng/home>.

### **Will I be able to haul my grain to the US?**

- The CWB will no longer have the sole responsibility for exporting wheat and barley. If market conditions warrant, individual farmers will now be able to export to the US and to other destinations without acquiring an export permit from the CWB.
- To export to the US, there are a number of paperwork requirements including origin certificates, prior notice of shipments, trucking regulations and perhaps CFIA requirements. It is

recommended that farmers hire a customs broker to guide you through the process and ensure all requirements are met before shipping to the US for the first time.

**Does any grain move by containers?**

- Containers are a small but growing component of grain shipments.
- Containers are especially useful for crops that are easily damaged by repeated handling or need to be kept identity preserved from normal bulk shipping.
- As markets and grain transportation continue to evolve, more grain may ship by containers if it is economical to do so.