

GMP Dashboard

Table M-1	NOV 2017	DEC 2017	2017-18 YTD	Var. from Last YTD
Western Canadian GHTS Performance (Days)				
Total Time in System	47.6	44.6	44.8	17.6%
Average Days In Store – Country	28.6	29.2	27.3	18.2%
Loaded Transit Time	6.3	6.3	6.0	18.0%
Average Days In Store – Terminal	12.7	9.1	11.5	16.2%
Total Traffic ('000 tonnes)				
Primary Elevator Shipments	4,620.5	3,596.8	19,914.4	0.9%
Railway Shipments (all Western Canada traffic)	4,293.0	4,285.2	21,628.2	-2.7%
Western Port Terminal Shipments	3,189.6	3,232.4	15,738.3	-1.8%
Railway Performance				
Avg. Loads on Wheels (Cars)	12,215	12,201	11,160	4.2%
Total Western Port Car Cycle (days)	15.0	14.8	15.0	12.1%
Port Performance				
Western Port Unloads (Number of Cars)	40,849	29,065	170,607	-2.1%
Vessel Time in Port (days)	8.6	10.6	8.7	-4.4%

- Order fulfilment measures have been removed from this table as comparative data is unavailable now.
- YTD refers to the crop year to date (extending from August 1 through to the end of this reporting period)

Periodic revisions and corrections to the data received by the Monitor may result in the restatement of previously calculated measurement values. Where such differences arise, the values presented here should be considered to supersede those found in previous reports.

Overview

Western Canadian rail shipments reached 4.3 MMT in December, down 0.2% from November. Year-to-date shipments also declined compared to last year, falling by 2.7% to 21.6 MMT. Western port shipments for December totaled 3.3 MMT, a 4.3% increase from November volumes, but 3.6% less than December of 2016. Year-to-date shipments from ports declined slightly by 1.8%. Accompanying the slowdown in shipments, is a 10.6-day average in the amount of time vessels spent in port in December, up from November's 8.6-day average. Extreme cold conditions in the latter part of December impacted GHTS operations. Continued strong sales programs are placing pressure on GHTS performance to meet the demands.

Highlights for December 2017

Traffic and Movement (page 2)

- Primary-elevator shipments were 19.9 MMT in the first five months of the 2017-18 crop year, 0.9% greater than last year.
- Total Western Canadian rail shipments to all destinations (from all primary/process elevators and producer-car sites) in the first five months of the crop year totaled 21.6 MMT, down 2.7% from that handled in the same period a year earlier. However, total rail shipments in December were down only 0.2% compared to November.
- Crop year-to-date shipments from Western Canadian ports totaled 15.7 MMT, down 2.1% from the first five months last year.

System Efficiency and Performance (page 4)

- Year-to-date average weekly primary-elevator stocks increased by 20.2% from last year. The average days-in-store was up 18.2%.
- Average weekly port-terminal stocks increased 14.2% from the same period last year, while average days-in-store climbed 16.2%.
- Railcar cycle times through December remained higher than the two-year average in all corridors: 15.0 days for movements to western ports; 21.3 days to Eastern Canada; and 25.8 days to the US.
- The year-to-date average for vessel time in port is 8.7 days, a 4.4% decrease from that observed in the previous crop year.
- Port-terminal out-of-car time climbed to 13.2% at Vancouver in December from 12.1% in November, to 20.5% at Prince Rupert from 18.4% and to 6.0% at Thunder Bay from 3.7% the previous month.

Production and Supply

The estimate from Statistics Canada's November survey for 2017 crop production in Western Canada stands at 71.9 MMT.

Production & Carry Over (000's tonnes) Table M-2	2017	2016	Var. from Last Year
Western Canada Total Production	71,911.9	72,580.9	-0.9%
Western Canada On Farm & Primary Elevator Carry Forward Stock	8,605.0	7,504.9	14.7%
Total Grain Supply	80,516.9	80,085.8	0.5%

This production estimate registers just 0.9% less than the 2016 production and ranks as the third largest crop grown in Western Canadian history. While Statistics Canada may incorporate further revisions into future releases, this constitutes the final estimate focused on the 2017 crop.

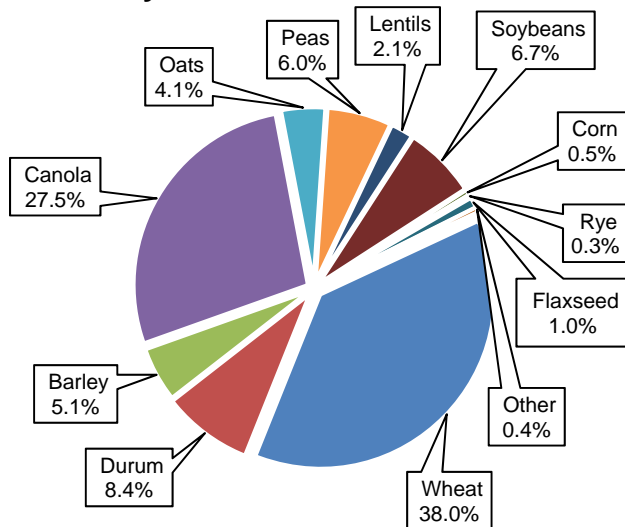
Coupled with carry-forward stock of 8.6 MMT, 14.7% more than in 2016, the overall grain supply is estimated to be 80.5 MMT, 0.5% more than that of the previous year and the second largest next to that seen in the 2013-14 crop year.

Traffic and Movement

With the closure of terminals over the holiday season and onset of colder winter conditions, December producer deliveries dipped, averaging about 0.75 MMT per week for the month. Average weekly primary-elevator stock levels held steady at over 3.8 MMT, continuing to provide adequate supply for the shipping programs.

Table M-3	DEC 2017	2017-18 YTD	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)			
Manitoba	597.8	4,430.4	19.3%
Saskatchewan	1,898.1	9,586.2	-2.7%
Alberta	1,071.3	5,772.0	-4.4%
British Columbia	29.6	125.8	-12.3%
Total	3,596.8	19,914.4	0.9%
Western Canada Railway Traffic (000's tonnes)			
Shipments to Western Ports	3,159.0	16,657.7	-5.7%
Shipments to Eastern Canada	329.1	1,209.7	-10.2%
Shipments to US & Mexico	726.3	3,462.5	16.1%
Shipments Western Domestic	70.8	297.3	26.8%
Total	4,285.2	21,628.2	-2.7%
Western Port Unloads (Number of Cars)			
Vancouver	18,334	104,160	5.0%
Prince Rupert	4,597	23,549	-13.2%
Thunder Bay	6,134	42,898	-10.4%
Total	29,065	170,607	-2.1%
Terminal Elevator Shipments (000's tonnes)			
Vancouver	1,997.2	9,498.3	4.4%
Prince Rupert	462.9	2,160.7	-9.9%
Churchill	0.0	0.0	0.0%
Thunder Bay	863.3	4,079.3	-10.0%
Total	3,323.4	15,738.3	-1.8%

Primary Elevator Shipments by Commodity

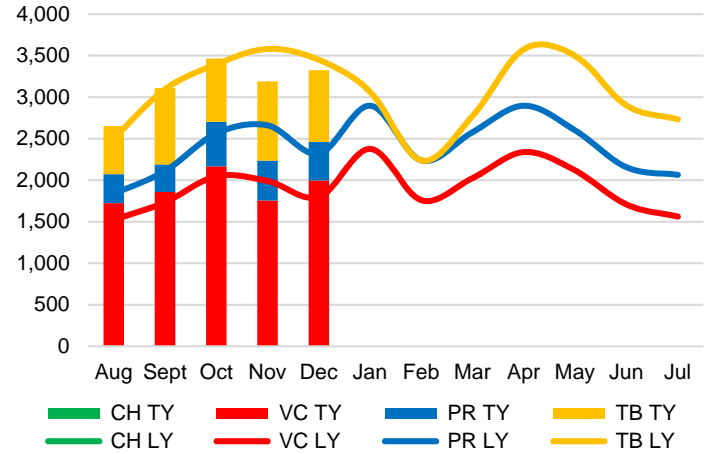


Total YTD = 19.9 MMT

GMP Data Table 2A-1

Grain shipments from primary elevators remained steady in December contributing to movement that registered 0.9% more than the crop-year-to-date total for the previous year. Wheat, durum and canola continue to constitute the largest proportion of the movement at 74%. Movement of peas and lentils have fallen dramatically, to 8.1% of total movements, compared to 19.4% a year earlier as both tariff and non-tariff trade barriers challenge the marketing of these pulse crops.

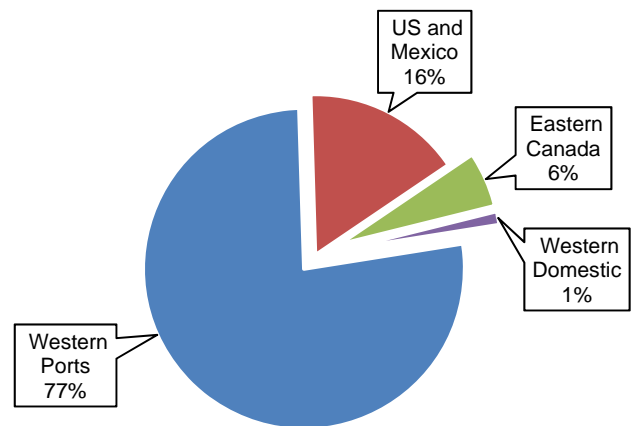
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Shipments out of the western ports fell in the first five months of the crop year, registering a 1.8% decrease on a year-over-year basis. December shipments saw a 3.6% reduction from the tonnage shipped in the same month in 2016.

Western Canadian Grain Destinations



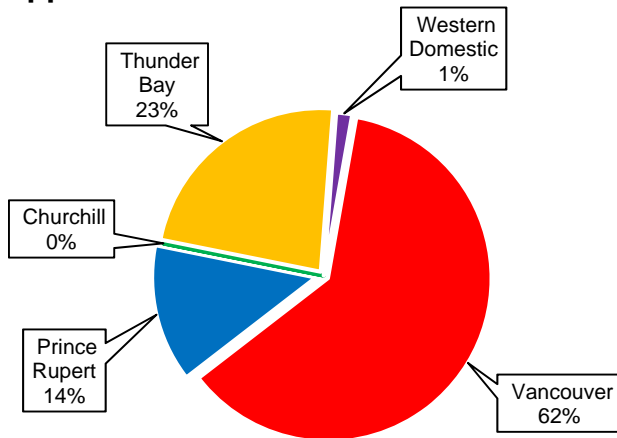
Total YTD = 21.6 MMT

GMP Data Tables 2B-1, 2B-8 & 2B-15

Railway grain shipments from Western Canada totaled 21.6 MMT in the first five months of the 2017-18 crop year, a 2.7% decrease from what was handled in the same period a year earlier. The majority, about 16.7 MMT, was directed to Western Canadian ports in support of offshore sales. This marked a 5.7% decline from what

had been handled a year earlier. Shipments to Eastern Canada also declined, falling by a more substantive 10.2%. Running counter to these volume reductions were increases in: Western domestic shipments, up 26.8%; and US and Mexican shipments, up by 16.1%.

Western Canadian Destined Hopper Car Traffic

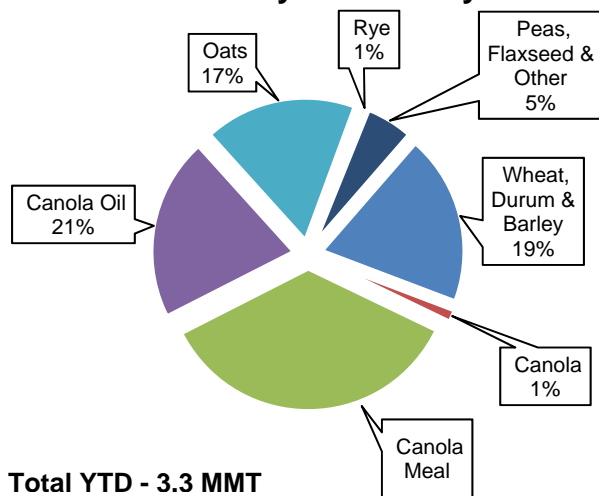


Total YTD - 16.2 MMT

GMP Data Tables 2B-3 to 2B-7

Over 95% of the tonnage directed to destinations within Western Canada moves in covered hopper cars. During the first five months of the 2017-18 crop year this amounted to just over 16.2 MMT, down 5.7% from that handled in the same period a year earlier. On the receiving end, 62% of these hopper cars were destined to Vancouver, which remains the unrivaled Canadian gateway for export grain given its ready access to Asia-Pacific markets, favourable logistical economics and year-round operations. Even so, hopper-car shipments through Vancouver during this period declined by 3.2%. Moreover, this reduction was eclipsed by steeper declines at Prince Rupert and Thunder Bay, which fell by 8.3% and 11.8% respectively.

US Destined Grain by Commodity

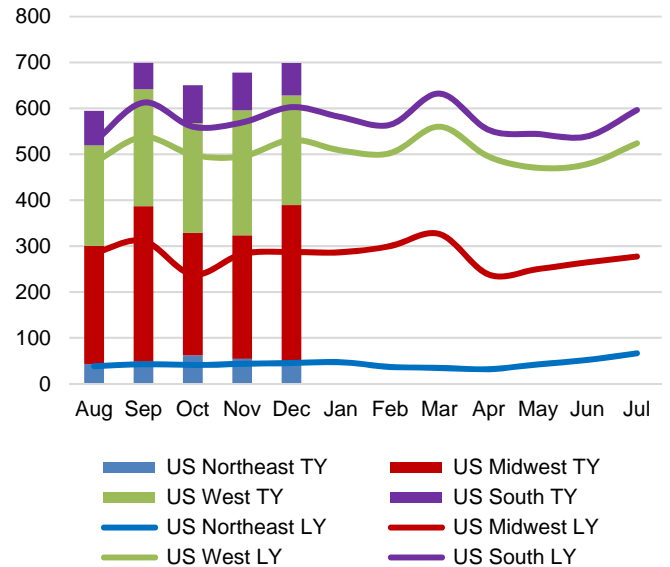


Total YTD - 3.3 MMT

GMP Data Table 2B-18

Total railway shipments into the US reached 3.3 MMT in the first five months of the 2017-18 crop year, a gain of 15.6% over that handled a year earlier. Over 80% of these shipments are directed into the US Midwest and West and are dominated by canola and canola products.

US Destined Grain by Destination Territory (000's tonnes)



GMP Data Table 2B-18

System Efficiency and Performance

Primary elevator stocks continued to be relatively high compared to the previous crop year's level. For the third month in a row, stocks remained at 3.8 MMT during December which was only slightly below the 3.9 MMT registered in September. Overall space in the country system was fair with some areas experiencing congested elevators. Country stocks utilized 80% of the working capacity of the network. By province, stocks ranged from 77% of working capacity in Manitoba and Saskatchewan to 87% in Alberta and 100% in British Columbia.

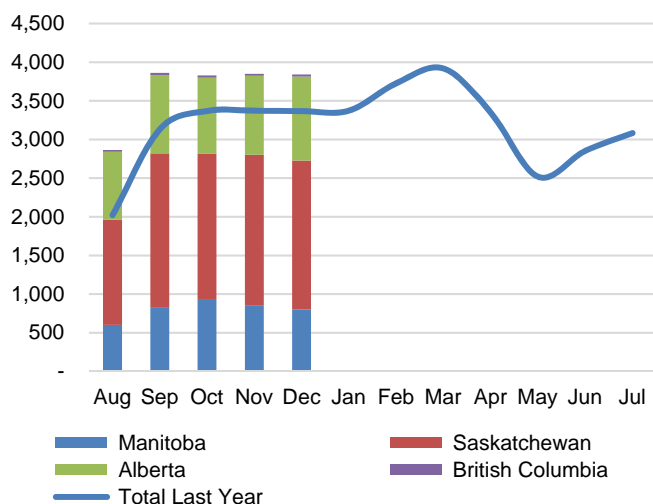
The average days-in-store in the primary-elevator system for the first five months of the crop year increased substantially from last year, climbing by 18.2% to 27.3 days.



Table M-4	DEC 2017	2017-18 YTD	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	3,840.5	3,611.2	20.2%
Average Days in Store	29.2	27.3	18.2%
Railway Operations (days)			
Cycle Time to Western Ports	14.8	15.0	12.1%
Cycle Time to Eastern Canada	19.7	21.3	8.3%
Cycle Time to US	26.8	25.8	9.7%
Loaded Transit to Western Ports	6.3	6.0	18.0%
Loaded Transit to Eastern Canada	9.2	9.8	23.0%
Loaded Transit to US	10.7	10.8	8.4%
Rail Fleet in Grain Service	22,730	21,167	2.3%
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	1,098.7	1,207.6	14.2%
Average Days in Store	9.1	11.5	16.2%
Port Unloads (hopper cars)	29,065	170,607	-2.1%
Terminal Out-of-Car Time	12.3%	10.1%	-33.9%
Western Canada Port Operations			
Average Vessel Time in Port (days)	10.6	8.7	-4.4%

Car order and order fulfillment data is not complete from both railways and will not be reported until further notice.

Average Weekly Primary Elevator Stocks (000's tonnes)

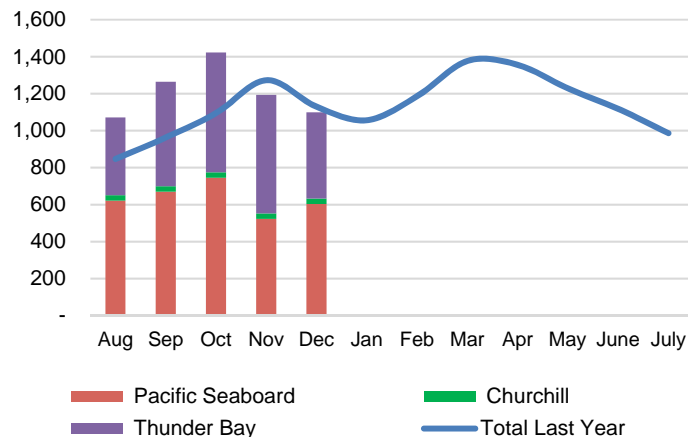


GMP Data Table 5A-2

Following a decline to 2.9 MMT in August, average country elevator stocks rose to 3.6 MMT in late September, a 20.2% increase from that seen a year earlier. They remained at that level until December which saw another rise to 3.8 MMT. Wheat, including durum, and canola stock, comprise over 72% of the total stock. At 16% of the stock, barley, oats and peas made up much

of the balance. Of the remaining commodities, soybeans, constituting 6% of primary elevator stock, is the most substantial.

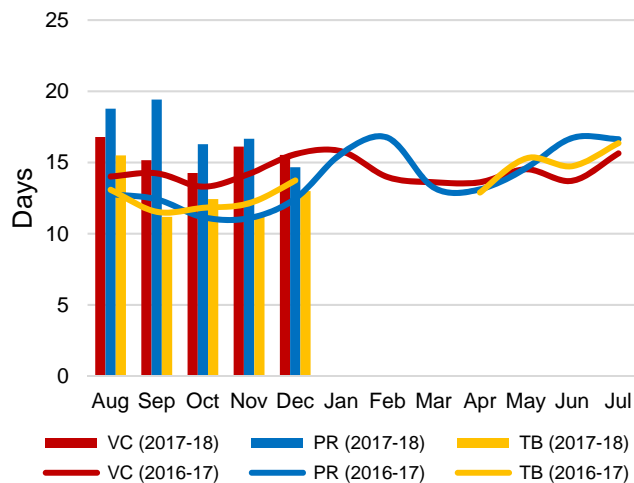
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

Overall terminal elevator stocks averaged 1.1 MMT in December 8% less than the level seen a month earlier. Stock levels fell at Thunder Bay while building steadily at the Pacific Seaboard (Vancouver and Prince Rupert). Wheat, including durum, and canola stock, comprises over 81% of the total stock. Abundant vessel arrivals, especially at the Pacific Seaboard ports, are providing a ready outlet for arriving grains. In December, western ports utilized only 63% of their overall working capacity.

Railway Cycle Times to Western Ports (days)

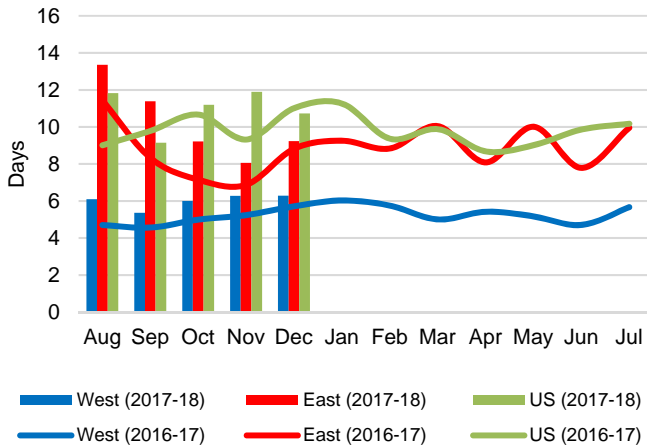


GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 15.0 days in the first five months of the 2017-18 crop year, an increase of 12.1% from the 13.4-day average posted in the same period of the previous crop year. This result was shaped by increases in all corridors, with the Prince Rupert average rising by 43.5%; Vancouver by 8.8%; and Thunder Bay by 0.3%.

Car cycles to Eastern Canada showed a slightly lesser increase during this same period, rising by 8.3%, to an average of 21.3 days from 19.7 days a year earlier. Similarly, the car cycle for movements into the United States rose by 9.7%, to an average of 25.8 days from the 23.5-day average posted the previous crop year.

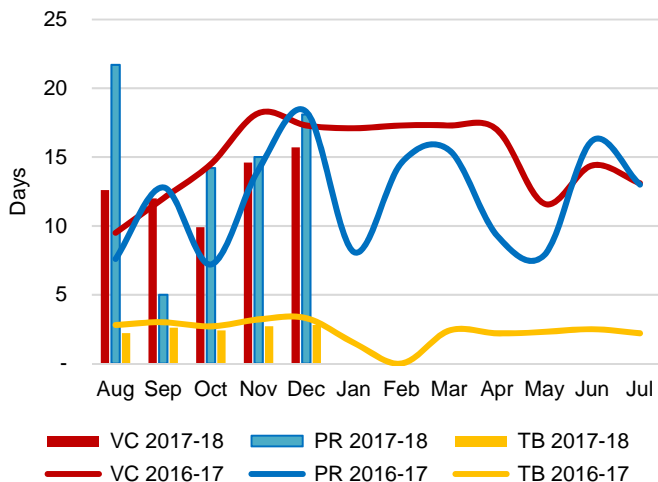
Average Loaded Transit Times (days)



GMP Data Tables 5B-4, 5B-8, 5B-12

Loaded transit time for traffic destined to Western Canadian ports averaged 6.3 days in the first five months of the 2017-18 crop year, up 18.0% from the 5.3-day average posted a year earlier. This result was primarily shaped by increases in the Prince Rupert and Vancouver corridors, which rose by 43.5% and 8.8% respectively, but also supported by a 0.3% increase in the Thunder Bay-corridor average. The average loaded transit time for movements into Eastern Canada also increased sharply, rising by 23.0%, to 9.8 days year to date from 8.0 days the year previous. The corresponding average for US-bound traffic saw a much lesser increase, rising by 8.4%, to 10.8 days year to date from the 10.0-day average posted twelve months earlier.

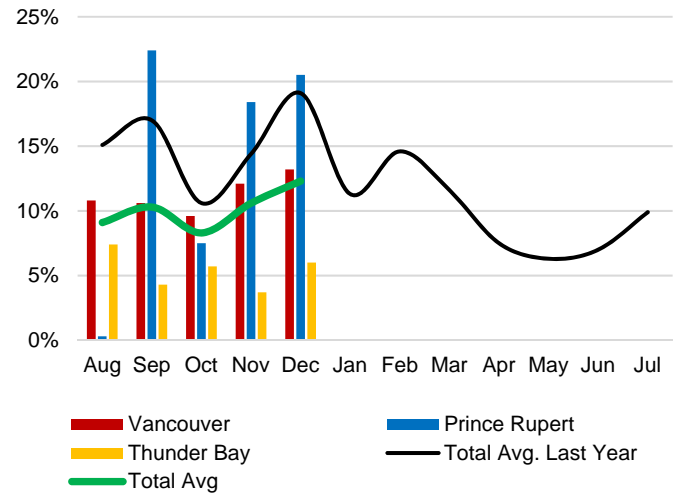
Average Days in Port per Vessel



GMP Data Table 5D-1

In December, the overall average time vessels were in port waiting and loading grain was 3.9% more than in the same month of the previous year, despite rising a greater 23.3% from that seen in November. While modest increases were registered at Vancouver and Thunder Bay, Prince Rupert posted a more substantial month-over-month gain. In December, the days in port stood at 15.7 for Vancouver, 18.1 for Prince Rupert and 2.8 for Thunder Bay.

Port Terminal Out-of-Car Time (% of total operating hours)



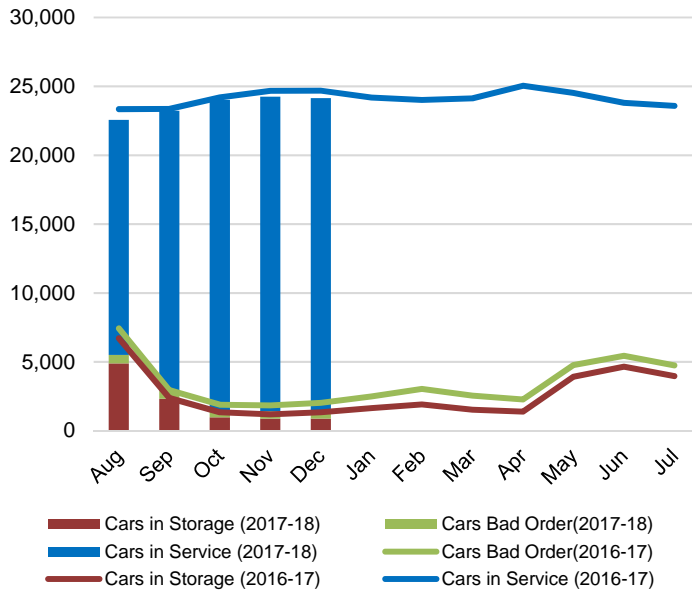
GMP Data Table 5C-5

The port terminal out-of-car time measure represents the total number of hours terminal elevator facilities are open and staffed (including overtime hours) and the corresponding number of hours that terminals have no rail cars available to unload. The measure is expressed as a percentage (hours without cars to the total number of hours working).

Notwithstanding some fluctuation, the percentage of time terminals are out of cars has charted a trend of improvement from its high of 29.8% in January of 2015. The aggregate measure for all ports rose to 12.3% in December from 10.6% in November. Terminal out-of-car time at Vancouver rose to 13.2% in December, and to 20.5% at Prince Rupert and 6.0% at Thunder Bay.



Railway Grain Fleet Size and Utilization

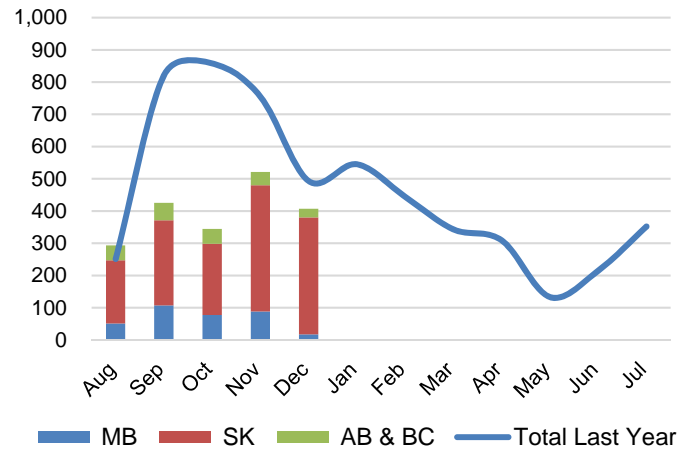


GMP Data Table 3B-2

During times of heavy demand for grain hopper cars, nearly all of the hopper-car fleet is placed in service. As traffic volumes decreased in the latter months of the 2016-17 crop year, railways began the process of moving cars into storage. In July 2017, a weekly average of 18,832 cars, representing 80% of the fleet was in active service. With growing demand, the cars in service rose to average 22,730 per week in December, now encompassing 94% of the overall fleet. The balance of the fleet, comprising 6% of the rail cars, is in storage or repair status (bad order), a substantial decline from 20% in July.

Producer Cars

Producer Cars Scheduled by Province



GMP Data Table 6B-2

Producer car shipments have shifted from primarily being wheat, durum, and oats to reflect a significant increase in the number of cars carrying special crops. Shipments throughout the first four months of the 2017-18 crop year continue to reflect this trend, with the traditional commodities comprising only 71% of the total. Special crops such as peas, lentils and chickpeas contributed 19% of the total volume.



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This report provides a summary of the data developed under the Grain Monitoring Program. Detailed monthly Data Tables can be found in Excel format on Quorum's website at: www.grainmonitor.ca

Quorum welcomes questions and comments on the reports and data. Please contact us at our address by either phone or email