

GMP Dashboard

Table M-1	JAN 2018	FEB 2018	2017-18 YTD	Var. from Last YTD
Western Canadian GHTS Performance (Days)				
Total Time in System	52.3	61.3	48.2	22.0%
Average Days In Store – Country	34.6	44.0	30.2	22.3%
Loaded Transit Time	6.3	7.7	6.2	17.0%
Average Days In Store – Terminal	11.4	9.6	11.8	24.2%
Total Traffic ('000 tonnes)				
Primary Elevator Shipments	3,799.7	2,679.4	26,366.5	-0.3%
Railway Shipments (all Western Canada traffic)	3,910.0	3,017.9	28,556.2	-4.4%
Western Port Terminal Shipments	2,317.3	1,801.3	19,856.9	-6.9%
Railway Performance				
Avg. Loads on Wheels (Cars)	12,048	11,248	11,320	7.0%
Total Western Port Car Cycle (days)	16.7	18.2	15.6	12.3%
Port Performance				
Western Port Unloads (Number of Cars)	30,431	19,213	220,256	-4.2%
Vessel Time in Port (days)	15.8	18.7	10.2	0.0%

- 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

Performance measures showed continuing deterioration during the month of February. Railway car cycles increased to 18.2 days in February, a level not seen since the 2006-07 crop year and average weekly country elevator stock levels reached an all-time high of 4.3 MMT, both pointing to a shortage of rail capacity being offered to the grain industry through this crop year. Although cold conditions across the prairies throughout February exacerbated operational problems, these problems were largely seen in shortfalls beginning earlier in the season, CN has been particularly challenged through this crop year, while CP continued a strong movement of grain through to the Christmas period.

Consequently, Western Canadian rail shipments fell for a fifth consecutive month in February 2018 in a reflection of railway service problems, reaching a low of 3.0 MMT, down 22.8% from January's 3.9 MMT and 19% lower than February 2017. Year-to-date shipments also declined when compared to last year, falling by 4.4% to 28.6 MMT. Western port shipments for February totaled 1.8 MMT, a 22.3% decrease from January volumes, and 19.5% less than February of 2017. Year-to-date shipments from ports declined by a lesser 6.9%. Accompanying the slowdown in shipments, is an 18.7-day average in the amount of time vessels spent in port in February, up from January's 15.8-day average.

At the start of the crop year, railways provided guidance to the grain industry upon which grain companies sales programs were based. The guidance included a reduction that reflects the impact of winter operations. Actual performance has consistently fallen below guidance levels since September on CN and since mid – January on CP. This has resulted in a sharp reaction from stakeholders across the supply chain whose interests are negatively affected.

Highlights for February 2018

Traffic and Movement (page 2)

- Primary-elevator shipments were 26.4 MMT in the first seven months of the 2017-18 crop year, 0.3% less than last year.
- Total Western Canadian rail shipments to all destinations (from all primary/process elevators and producer-car sites) in the first seven months of the crop year totaled 28.6 MMT, down 4.4% from that handled in the same period a year earlier. Total rail shipments in February were down 22.8% compared to January.
- Crop year-to-date shipments from Western Canadian ports totaled 19.9 MMT, down 6.9% from the first seven months last year.

System Efficiency and Performance (page 4)

- Year-to-date average weekly primary-elevator stocks increased by 18.6% from last year. The average days-in-store is up 22.3%.
- Average weekly port-terminal stocks increased 12.8% from the same period last year, while average days-in-store climbed 24.2%.
- Railcar cycle times spiked sharply in February 2018 due to broadening service problems. Corridor averages through the first seven months also remained elevated: 15.6 days for movements to western ports; 23.4 days to Eastern Canada; and 27.3 days to the US.
- The year-to-date average for vessel time in port is 10.2 days, the same as that observed in the previous crop year.
- Port-terminal out-of-car time climbed to 19.6% at Vancouver in February from 18.1% in January, and to 15.7% at Prince Rupert from 10.0% 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.

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.

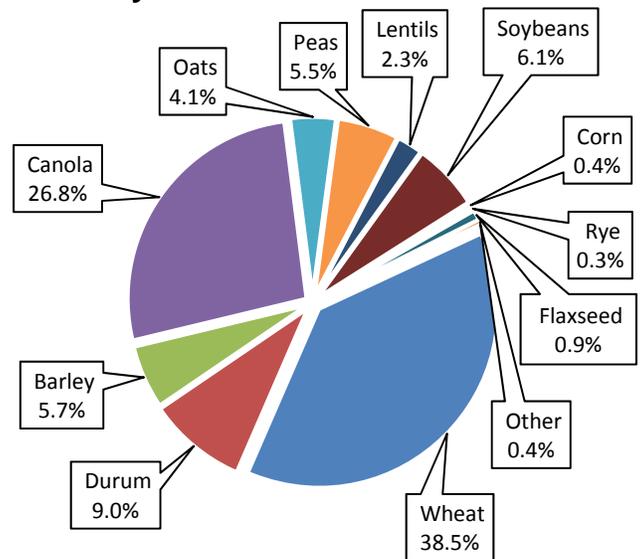
Production & Carry Over (000's tonnes) Table M-2			2017	2016	Var. from Last Yr.
Western Canada Production	Total		71,911.9	72,580.9	-0.9%
Western Canada On Farm & Primary Elevator Forward Stock	Carry		8,605.0	7,504.9	14.7%
Total Grain Supply			80,516.9	80,085.8	0.5%

Traffic and Movement

As the winter advanced with the onset of colder conditions, February producer deliveries dipped, averaging about 0.75 MMT per week for the month. Average weekly primary-elevator stock levels climbed to nearly 4.3 MMT, with facilities in some regions experiencing congestion limiting producer delivery opportunities.

Table M-3	FEB 2018	2017-18 YTD	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)			
Manitoba	393.4	5,288.5	14.2%
Saskatchewan	1,317.9	12,803.4	-3.3%
Alberta	954.7	8,098.4	-3.2%
British Columbia	13.4	176.2	-14.7%
Total	2,679.4	26,366.5	-0.3%
Western Canada Railway Traffic (000's tonnes)			
Shipments to Western Ports	2,108.9	21,464.8	-7.4%
Shipments to Eastern Canada	259.2	1,817.3	-16.3%
Shipments to US & Mexico	581.4	4,829.2	15.5%
Shipments Western Domestic	68.4	444.8	34.8%
Total	3,017.9	28,556.2	-4.4%
Western Port Unloads (Number of Cars)			
Vancouver	15,243	142,816	1.5%
Prince Rupert	3,755	33,196	-12.8%
Thunder Bay	215	44,244	-13.5%
Total	19,213	220,256	-4.2%
Terminal Elevator Shipments (000's tonnes)			
Vancouver	1,434.2	12,740.6	-3.7%
Prince Rupert	354.1	2,962.9	-12.8%
Churchill	0.0	0.0	n/a
Thunder Bay	13.0	4,153.4	-11.6%
Total	1,901.3	19,856.9	-6.9%

Primary Elevator Shipments by Commodity

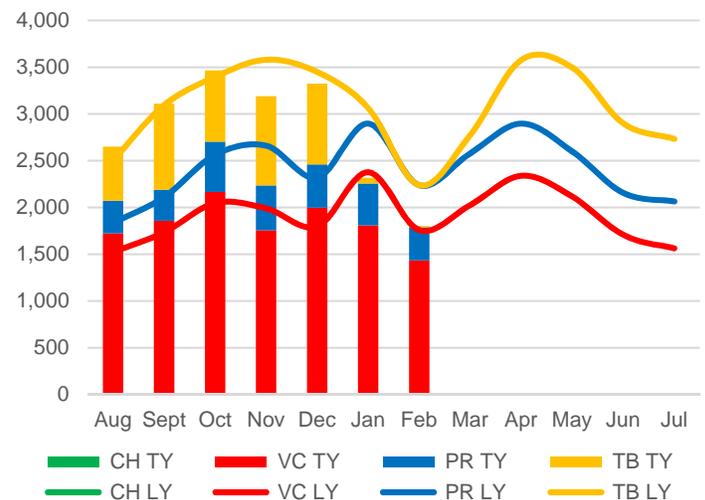


Total YTD = 26.4 MMT

GMP Data Table 2A-1

Grain shipments from primary elevators fell sharply in February contributing to movement that registered 0.3% less 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 7.8% of the total, from 14.0% a year earlier as both tariff and non-tariff trade barriers challenge the marketing of these pulse crops.

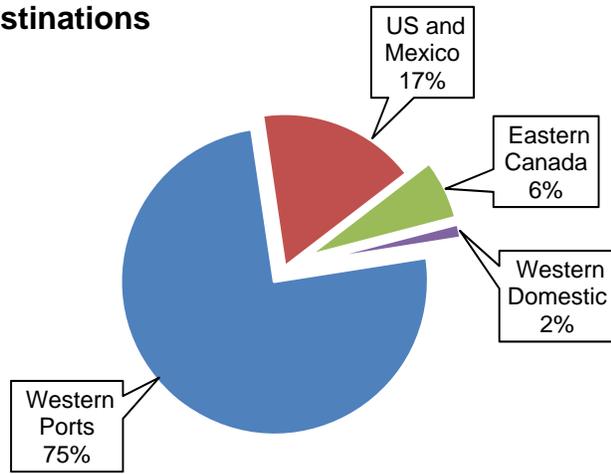
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Shipments out of the western ports fell in the first seven months of the crop year, registering a 6.9% decrease on a year-over-year basis. February shipments saw a 19.5% reduction from the tonnage shipped in the same month in 2017.

Western Canadian Grain Destinations

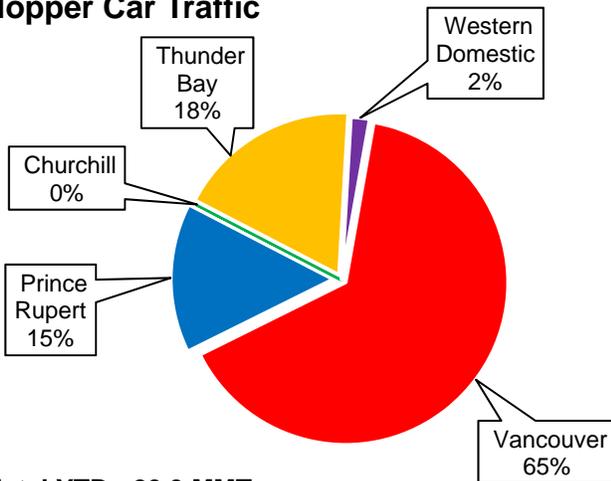


Total YTD = 28.6 MMT

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

Railway grain shipments from Western Canada totaled 28.6 MMT in the first seven months of the 2017-18 crop year, a 4.4% decrease from what was handled in the same period a year earlier. The majority, about 21.5 MMT, was directed to Western Canadian ports in support of offshore sales. This marked a 7.4% decline from what had been handled a year earlier. Shipments to Eastern Canada also declined, falling by a more substantive 16.3%. Running counter to these volume reductions were increases in: Western domestic shipments, up 34.8%; and US and Mexican shipments, up by 15.5%.

Western Canadian Destined Hopper Car Traffic



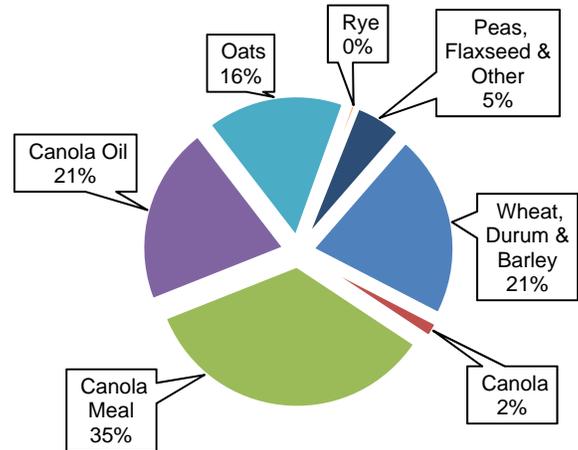
Total YTD - 20.9 MMT

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 seven months of the 2017-18 crop year this amounted to almost 20.9 MMT, down 7.3% from that handled in the same period a year earlier. On the receiving end, 65% 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 5.8%. Moreover, this reduction was eclipsed by steeper declines at Prince Rupert and Thunder Bay, which fell by 7.8% and 14.7% respectively.

US Destined Grain by Commodity

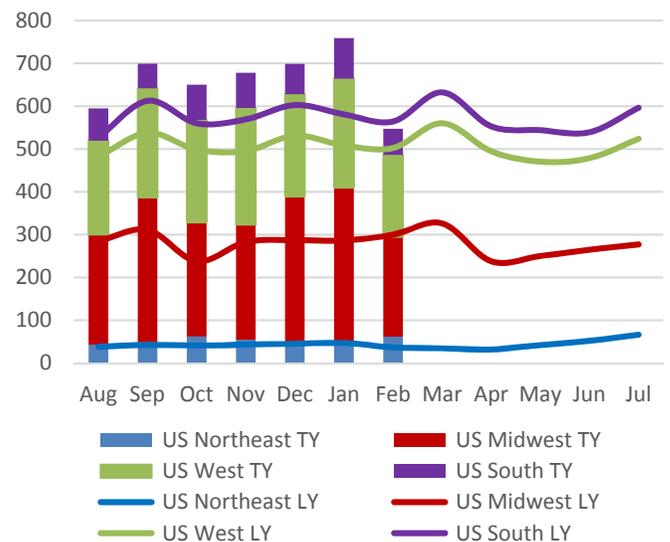


Total YTD - 4.6 MMT

GMP Data Table 2B-18

Total railway shipments into the US reached 4.6 MMT in the first seven months of the 2017-18 crop year, a gain of 15.2% 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 climbed to record high levels this month. After holding for five months at 3.8 MMT, country stocks spiked to 4.3 MMT in February. Overall space in the country system was tight with some areas experiencing congested elevators. Country stocks utilized 89% of the working capacity of the network. By province, stocks ranged from 86% and 88% of working capacity in Manitoba and Saskatchewan respectively, to 94% in Alberta and 100% in British Columbia.

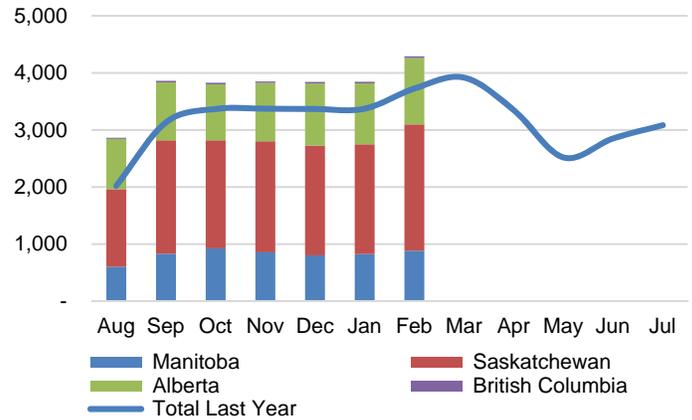
The average days-in-store in the primary-elevator system for the seven-months period increased substantially from last year, climbing 22.3%.

Table M-4	FEB 2018	2017-18 YTD	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	4,290.0	3,740.5	18.6%
Average Days in Store	44.0	30.2	22.3%
Railway Operations (days)			
Cycle Time to Western Ports	18.2	15.6	12.3%
Cycle Time to Eastern Canada	23.9	23.4	13.7%
Cycle Time to US	32.2	27.3	13.8%
Loaded Transit to Western Ports	7.7	6.2	17.0%
Loaded Transit to Eastern Canada	11.9	11.0	29.7%
Loaded Transit to US	15.7	11.6	16.2%
Rail Fleet in Grain Service	21,137	21,356	2.2%
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	1,195.6	1,214.0	12.8%
Average Days in Store	9.6	11.8	24.2%
Port Unloads (hopper cars)	19,213	220,256	-4.2%
Terminal Out-of-Car Time	26.9%	11.9%	-18.7%
Western Canada Port Operations			
Average Vessel Time in Port (days)	18.7	10.2	0.0%

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



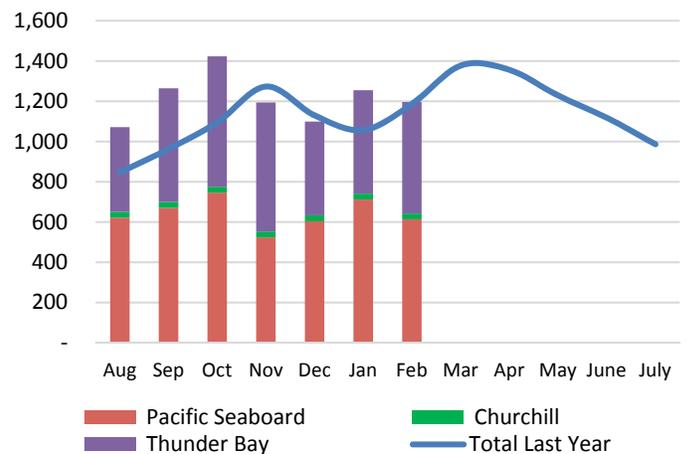
Average Weekly Primary Elevator Stocks (000's tonnes)



GMP Data Table 5A-2

Following a decline to 2.9 MMT in August, average country elevator stocks reversed direction and rose to 4.3 MMT in February. The overall average weekly stock level in the first seven months of the crop year was 3.7 MMT, an 18.6% increase from that seen a year earlier. 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.

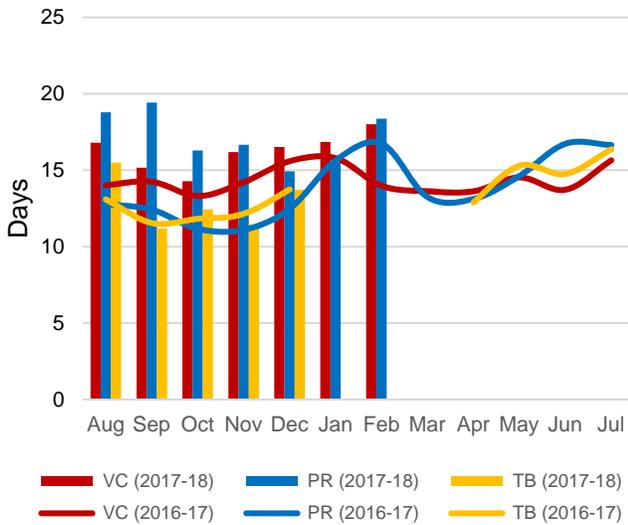
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

5% less than the level seen a month earlier. Stock levels fell at the Pacific Seaboard (Vancouver and Prince Rupert) while building slightly at Thunder Bay. Wheat, including durum, and canola stock, comprises over 77% of the total stock. Abundant vessel arrivals at the Pacific Seaboard ports are waiting for grain arriving from prairie positions. In February, western ports utilized only 69% of their overall working capacity.

Railway Cycle Times to Western Ports (days)

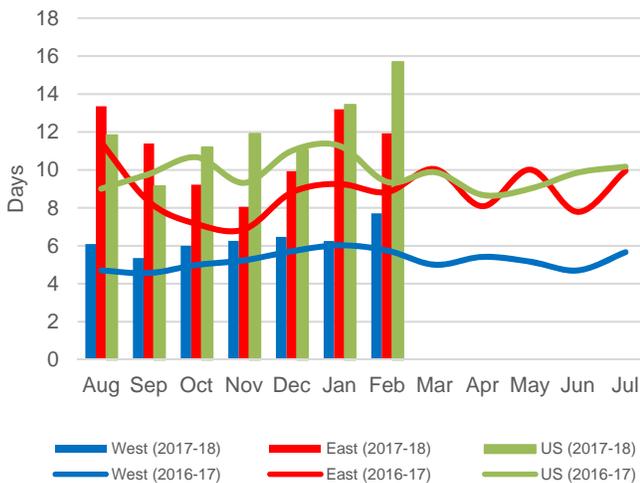


GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 15.6 days in the first seven months of the 2017-18 crop year, an increase of 12.3% from the 13.9-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 28.3%; Vancouver by 11.2%; and Thunder Bay by 0.7%.

Car cycles to Eastern Canada showed a slightly greater increase during this same period, rising by 13.7%, to an average of 23.4 days from 20.6 days a year earlier. Similarly, the car cycle for movements into the United States rose by 13.8%, to an average of 27.3 days from the 24.0-day average posted the previous crop year.

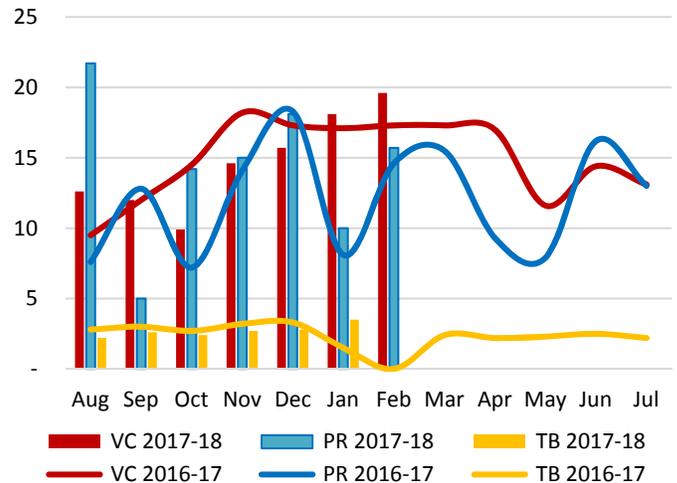
Average Loaded Transit Times (days)



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

Loaded transit time for traffic destined to Western Canadian ports averaged 6.2 days in the first seven months of the 2017-18 crop year, up 17.0% 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 35.2% and 15.6% respectively, but supported by a 1.9% increase in the Thunder Bay-corridor average as well. The average loaded transit time for movements into Eastern Canada also increased sharply, rising by 29.7%, to 11.0 days from 8.5 days the year previous. The corresponding average for US-destined traffic saw a much lesser increase, rising by 16.2%, to 11.6 days from the 10.0-day average posted twelve months earlier.

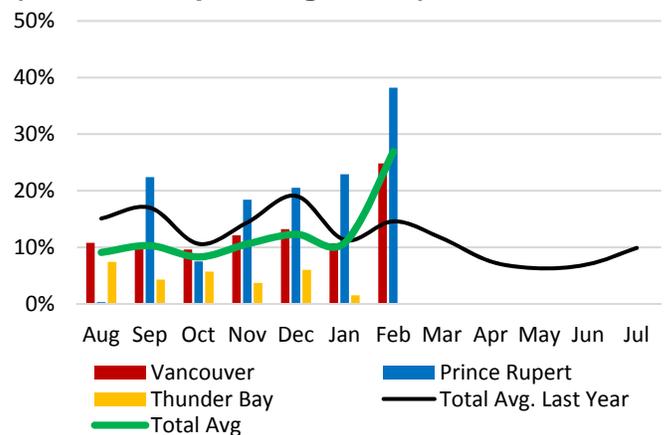
Average Days in Port per Vessel



GMP Data Table 5D-1

In February, the overall average time vessels were in port waiting and loading grain was 12.0% more than in the same month of the previous year, while rising 18.4% from that seen in January. Increases were registered at both Vancouver and Prince Rupert; with the later port posting a more substantial month-over-month gain. In February, the days in port stood at 19.6 for Vancouver, and 15.7 for Prince Rupert.

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

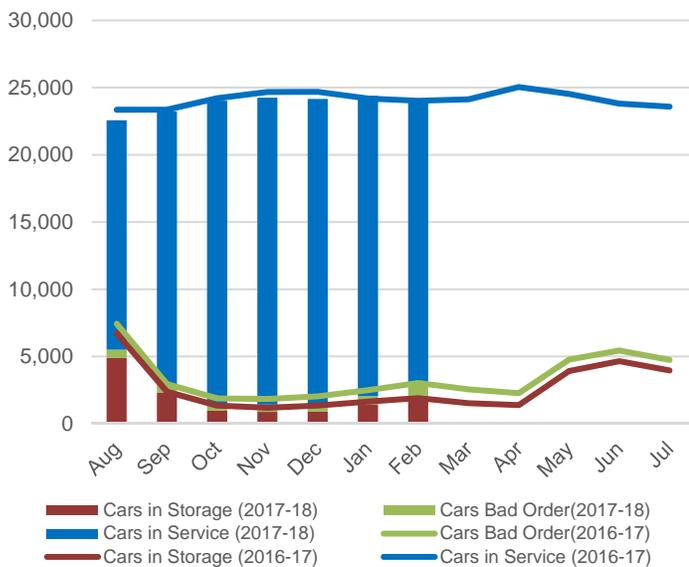


GMP Data Table 5C-5

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. Deteriorating service resulted in the aggregate measure for all ports spiking to 26.9% in February from 10.8% in January. Terminal out-of-car time at Vancouver rose to 24.8% in February, and to 38.2% at Prince Rupert, levels comparable to those experienced in the 2013-14 crop year. Thunder Bay operations are largely wound down for the winter.

Railway Grain Fleet Size and Utilization



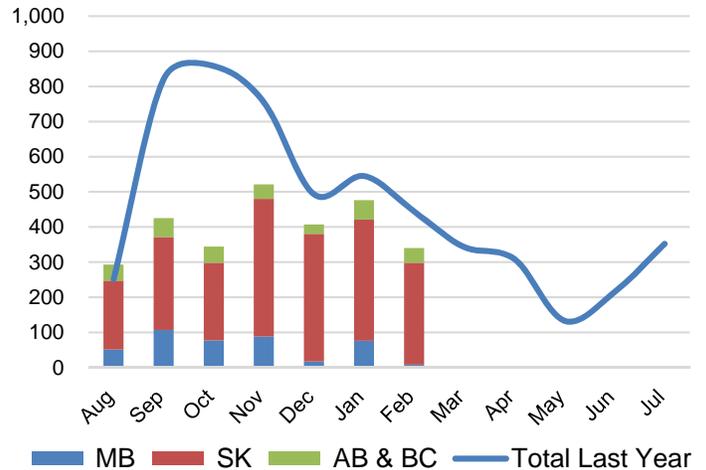
GMP Data Table 3B-2

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 22,826 per week in November before declining to an average of 21,137 per week in February, encompasses 88% of the overall fleet. The balance of the fleet, comprising 12% of the rail cars, is in storage or repair status (bad order).

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 seven months of the 2017-18 crop year continue to reflect this trend, with the traditional commodities comprising only 72% of the total. Special crops such as peas, lentils and chickpeas contributed 17% of the volume.



Quorum Corporation
 Suite 701, 9707 – 110 Street
 Edmonton, AB T5K 2L9
 Email: info@quorumcorp.net
 Web: www.grainmonitor.ca
 Phone: (780) 447-2111

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

