



Grain Monitoring Program

Summary of Export Basis and Producer Netback

The costs listed in this table represent the average actual costs for moving one tonne of Canadian Red Spring Wheat No. 1 from Prairie origins through to a vessel loading in a Western Canadian Port

	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	Chg. Since 99-00	
CWB Final Price 1 CWRS								
CWB Price								
Grain Price	192.43	202.58	217.02	250.20	211.14	205.10	7%	
CWB Costs	5.40	5.14	1.14	5.02	4.65	5.01	-7%	
ADJUSTED CWB FINAL PRICE	\$ 197.83	\$ 207.72	\$ 218.16	\$ 255.22	\$ 215.79	\$ 210.11	6%	
Calculation of Applicable Freight								
Average Rail Freight to Vancouver	36.09	34.68	35.91	36.99	36.67	37.71	4%	
Average Rail Freight to Thunder Bay	31.62	30.27	31.33	32.98	33.13	33.54	6%	
Freight Adjustment Factor	10.13	10.33	11.80	12.08	10.03	13.09	29%	
Applicable Freight	36.09	34.68	35.91	36.99	36.67	37.31	3%	
Weighted Applicable Freight	\$ 31.87	\$ 30.93	\$ 32.31	\$ 34.73	\$ 33.32	\$ 33.74	6%	
Calculation of Export Basis								
Freight Costs								
Weighted Applicable Freight	31.87	30.93	32.31	34.73	33.32	33.74	6%	
Churchill Freight Advantage Rebate		(0.09)	(0.07)	(0.11)	(0.07)	(0.05)	n/a	
Trucking Costs	5.94	6.10	6.10	5.94	5.94	6.54	10%	
TOTAL FREIGHT	\$ 37.81	\$ 36.94	\$ 38.34	\$ 40.56	\$ 39.19	\$ 40.23	6%	
Elevation and Cleaning								
Primary Elevation Costs	9.75	9.91	10.90	11.22	11.53	11.64	19%	
Dockage Costs	3.56	3.56	3.74	3.93	4.01	4.19	18%	
CGC Weighing and Inspection Costs	0.38	0.38	0.38	0.38	0.38	0.38	0%	
TOTAL ELEVATION AND CLEANING	\$ 13.69	\$ 13.85	\$ 15.02	\$ 15.53	\$ 15.92	\$ 16.21	18%	
Other Costs and Premiums								
CWB Costs	5.40	5.75	3.61	7.72	7.79	6.50	20%	
Trucking Premiums	(2.32)	(3.01)	(3.62)	(3.96)	(4.25)	(3.68)	59%	
CWB Transportation Savings	0.00	(0.61)	(2.47)	(2.70)	(3.14)	(1.49)	144%	
Other Deductions								
TOTAL OTHER COSTS AND PREMIUMS	\$ 3.08	\$ 2.13	-\$ 2.48	\$ 1.06	\$ 0.40	\$ 1.33	-57%	
TOTAL EXPORT BASIS	\$ 54.58	\$ 52.92	\$ 50.88	\$ 57.15	\$ 55.51	\$ 57.77	6%	
VISIBLE NETBACK TO PRODUCERS	\$ 143.25	\$ 154.80	\$ 167.28	\$ 198.07	\$ 160.28	\$ 152.34	6%	

Notes: 1) – The single-car railway freight rates employed reflect those found in posted tariffs at the end of each crop year (July 31).
 2) Report on the Identification of Producer Impacts Over and Above those Identified in the Producer Netback Methodology, May 2002, which can be downloaded from the Monitor's website (www.quorumcorp.net). The issue of trucking costs is discussed further in Section 5.5.
 3) – The costs published in the CWB's Annual Report are net of any transportation savings.
 4) – Various terms are used by grain companies to describe the premiums they offer to producers in an effort to attract deliveries to their facilities – i.e., trucking premiums, marketing premiums, and location premiums. The most common term, however, remains "trucking premium," and it is utilized generically in the calculation of the Export Basis.

Consumer Price Index (CPI) between August 1999 and August 2005 moved from 111.1 to 128.0, an increase of 14.07 % or an average of 2.3 % annually.
 The Farm Input Price Index for Crop Production in Western Canada (FIPI), moved from 122.4 in 1999 to 158.4 in 2004, an increase of 29.4% or an average of 5.9% per year. FIPI is an index prepared by Statistics Canada of all production costs for grain producers farming in Western Canada, including the cost of crop inputs such as seed, fertilizers and herbicides, fuel, machinery and the logistics costs of grain movement, amongst others.
 In consideration of FIPI increasing an average of 5.9%, and CPI by 2.3% annually on average, the average of 1.1% for the Export Basis reflects the market pressures and policy reforms impact on producers overall logistics costs.