



More rail competition vital for farm operations in Saskatchewan

May 29, 2023 (Regina, SK) – The Agricultural Producers Association of Saskatchewan (APAS) supports extended interswitching provisions included in Federal Bill C-47 to increase rail competition and lower costs for hauling farm commodities.

In a recent letter to the federal Minister of Transport, Omar Alghabra, and Chair of the Standing Committee on Finance, Peter Fonseca, APAS highlighted that access to competitive rail service is critical for shippers and agricultural producers to ensure supply chain efficiency and effectiveness, as well as guard against market failure when negotiating rail service terms and rates.

“Rail is the most effective way to get farm products to market,” APAS President Ian Boxall said. “Interswitching is a policy tool that encourages more rail competition by giving captive shippers greater leverage in their negotiations for service and rate terms. And farmers know they are the ones who ultimately pay freight and bear costs when there are disruptions in the system.”

“When this policy was in effect during the 2016 crop year, it is estimated that almost \$5 million in savings were achieved. And that’s money that stays with farmers,” Boxall notes. “Right now, ninety-nine percent of grain elevators in Saskatchewan are only served by one rail carrier. We want every producer to benefit from this policy, but the timeframe needs to be much longer than 18 months for shippers to take full advantage.”

The letter makes several recommendations to the federal government, including expanding the zone distance to a minimum 250 km, extending the trial period beyond the 18-months, and ensuring clear and transparent measures are in place for accountability.

APAS looks forward to continuing work with the federal government to ensure rail competition for Saskatchewan farm products.

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