



New federal transportation strategy headed in right direction

Farm groups urge government to maintain and update MRE regulation

OTTAWA, November 3, 2016 -- Farm leaders attending today's announcement by Transport Minister Marc Garneau of a new overarching transportation strategy were pleased to see that the plans include measures to resolve longstanding issues linked to service agreements between shippers and railways. However, it remains unclear what the government's intentions are for the Maximum Revenue Entitlement (MRE) regulation that protects farmers, who lack competitive options when it comes to shipping grain.

Agriculture and Agri-Food Minister Lawrence MacAulay held a teleconference meeting with farm leaders immediately following Minister Garneau's announcement, during which he emphasized that the government will consult with farmers as it continues to examine the MRE program and prepares legislation to be tabled in the spring of 2017.

While farmers commend the government's focus on service obligations, CFA and its members reiterate that an updated MRE regulation is an essential component of modernizing the Canadian Transportation Act. The MRE, introduced by the federal government in 2000, limits the fees that could be charged by Canada's two western railways, which operate in a near-monopoly.

"Transportation costs represent a significant portion of western grain farmers' expenses. That's why farm groups have been advocating for a full costing review, which would lead to an accurate and up-to-date MRE," said Bonnett. "We are still waiting for the government to fulfill their promise to launch the costing review, as they had stated they would, prior to the 2015 election."

"We are pleased that Minister Garneau and his department consulted with prairie agricultural producers before releasing this plan, and have committed to some of the policy priorities that we advocated for, and we await further details and more opportunities to share our thoughts," added Norm Hall, president of the Agricultural Producers Association of Saskatchewan.

"Manitoba grain farmers are grateful for recent opportunities to contribute to consultations on transportation systems, and we strongly urge the government to engage farmers as they add more detail to plans announced today," said Dan Mazier, president of Keystone Agricultural Producers of Manitoba.

"Renewing the grain transportation system is vital not only for farmers, but also the rural communities they live in, seeing as the economic gains in the grain industry strengthen rural economies. Take the figures from the 2013-2014 backlog in grain shipping as an example - losses to the prairie economy were estimated at more than \$5 billion," added Lynn Jacobson, president of the Alberta Federation of Agriculture.



CFA and its members will continue to work in partnership with industry and government stakeholders to propose opportunities for improvement and make certain that farmers' views are part of the national discussion.

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Media Contacts

Canadian Federation of Agriculture
Janice Hall
Director of Communications
613-236-3633 ext. 2322
communications@canadian-farmers.ca

Keystone Agricultural Producers
Val Ominski
Communications Co-ordinator
204-697-1140
val.ominski@kap.mb.ca

Agricultural Producers Association of Saskatchewan
Norm Hall
President
306 530-3886
president@apas.ca

Alberta Federation of Agriculture
Lynn Jacobson
403-789-9151