

News release

Farm groups ask MPs to pass Bill C-49 as amended

April 26, 2018, OTTAWA - The Canadian Federation of Agriculture and its members representing prairie farmers today sent an open letter to Members of Parliament asking them to pass Bill C-49 (Transportation Modernization Act) as amended by the Senate last month.

CFA is working in close partnership with the Alberta Federation of Agriculture, the Agricultural Producers Association of Saskatchewan and Keystone Agricultural Producers of Manitoba to gain support for important changes that will help avert railway shipping backlogs, like the one grain farmers have been struggling through over the last five months.

Railway service delays have led to major cash-flow concerns, steep financial penalties, and risks to farmers' international customer base.

"Together with our members we maintain contact with federal departments and parliamentarians, providing insight into how complex policies can affect farmers," said CFA President Ron Bonnett. "Seeding season has already started, and producers need certainty to plan for delivering next year's crop. We are hopeful that the amended bill will be passed into law without further delay. "

An open letter asking MPs to pass Bill C-49 with amendments

Dear Members of Parliament:

For the second time in less than five years, grain elevators across the Prairies have been overflowing with quality products that can't be shipped to customers overseas. Once again, railways were unprepared to carry the available grain to port. If grain doesn't move, farmers don't get paid. This leads to a cash-flow crunch and enormous stress due to systemic flaws that are outside farmers' control. Farm groups estimate that more than 45,000 grain producers have been affected in the last year, either directly or indirectly.

It cannot continue.

How can Canada possibly build on its success as a world-class grain supplier - and meet the government's target of \$75 billion in exports by 2025 - when its rail transportation systems are repeatedly unreliable?

The costs are as mind-boggling as the lost opportunities.

In 2013-2014, a rail backlog cost western grain farmers and the rural economy more than **\$6.5 billion** [1] - a terrible loss to national prosperity overall. Passing Bill C-49, with key amendments, will help to resolve the challenges.

The Senate listened to comments from farmers and shippers regarding the original version of Bill C-49 and made amendments to address their concerns. Farm groups feel the amended Bill will help to stabilize our rail systems and provide the confidence needed to grow our international markets.

The amendments give the Canadian Transportation Agency more authority to investigate and to proactively seek solutions that can prevent bottlenecks. They also allow access to "interswitching," which provides grain companies with more competitive shipping options, leading to efficiencies that will benefit the entire supply chain.

Farmers are encouraged that these amendments will serve as a strong backbone to the legislation, and help avert future backlogs.

Please pass Bill C-49 as amended without further delay.

Sincerely,

Ron Bonnett, President, <u>Canadian Federation of Agriculture</u> Dan Mazier, President, <u>Keystone Agricultural Producers of Manitoba</u> Todd Lewis, President, <u>Agricultural Producers Association of Saskatchewan</u> Lynn Jacobson, President, <u>Alberta Federation of Agriculture</u>

[1] Gray, Richard. 2015. The economic impacts of elevated export basis levels on western Canadian grain producers 2012/13, 2013/14 and 2014/15. <u>Saskatchewan Wheat Development Commission</u>.

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