



APAS President calls for railways to pay demurrage costs for grain shipment delays

Delays costing farmers between \$11,000 and \$13,000 per day

March 28, 2018 – For Immediate Release – Todd Lewis is asking the railways to cover the steep financial penalties that grain farmers are paying because of CN and CP's failure to get their product to port.

Shipping companies charge producers demurrage fees for each day that their vessels sit empty at port, waiting to load. There are now more than 30 ships stuck at ports in BC because of delayed grain shipments from Canadian farmers.

Lewis, President of the Agricultural Producers Association of Saskatchewan, has written Federal Transport Minister Marc Garneau and Federal Agriculture Minister Lawrence MacAulay, calling for Canada's railway companies to pay those demurrage charges, which range between \$11,000 and \$13,000 a day.

"Given that the railway companies are responsible for these delays, APAS is proposing that in any week that grain shipments fall below 85% on hopper car deliveries, both railways share the cost of demurrage. We have asked that these payments be retroactive to January 1st, 2018, when the problems became severe," Lewis said, adding that neither of the grain shipment plans tabled by the railroads discussed cooperation between the two companies in order to clean up the backlog.

During the last grain transportation backlog in 2013/2014, Prairie producers paid more than \$40 million in demurrage fees.

"Recently, a major Canadian Railway described the current disastrous grain shipping season as a "fictitious grain backlog," Lewis said. "However, for producers that are paying half a million dollars in penalties each day, those charges are anything but fictitious, they are real money."

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For more information or to arrange an interview, please contact:

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Background: APAS is Saskatchewan's general farm organization – formed to provide farmers and ranchers with a democratically elected, grassroots, non-partisan, producer-run organization based on rural municipal boundaries. As the united voice of thousands of agricultural producers and ranchers in Saskatchewan, we strive to represent the views of a wide variety of agricultural stakeholders in order to form comprehensive policies that can benefit all sectors of society. APAS is a member of the Canadian Federation of Agriculture.