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**national farmers union**  
*In Union is Strength*

Randall Meades, Executive Director  
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January 28, 2015

Dear Mr. Meades,

**Re: National Farmers Union Comments on Canada Transportation Act Review**

The National Farmers Union (NFU) would like to thank the Canada Transportation Act Review Panel and the Secretariat for the opportunity to participate in the CTA review process. The NFU generally endorses the joint submission put forward to the panel by the Saskatchewan Wheat Development Commission, the Saskatchewan Barley Development Commission, and the Agriculture Producers Association of Saskatchewan. This document is entitled "The Case for Producer Involvement in Grain Transportation." Indeed, we would like to expand on some of the points raised by that submission.

We know that railway profits have been excessive for many years and respected railway analyst John Edsforth has shown this in a number of studies. In the 2007/2008 crop year he showed that railways received an extra \$4.61 per metric tonne over and above the generous 20% contribution in excess of their volume related variable costs. In the 2008/2009 crop year this had gone up to \$8.81 per metric tonne. We know that this number is much higher now, as the composite price index has been re-calculated many times and this has resulted in an upward movement of this number. If we take an average crop of 47 million tonnes and multiply this with the excess contribution level of 2008/2009 (\$8.81 per tonne), you come up with an aggregate number of \$414,070,000.00. This is money that rightfully belongs to prairie farmers. The entire prairie crop is not exported, and not all of it shipped by rail, nevertheless when one looks at the bumper crop of 2013 which exceeded 61 million metric tonnes, this number is very conservative.

We would suggest that in the section of the three-party brief on Rail Oversight and Planning, the recommended Rail Oversight Group be composed of seven elected farmers: two from each of the three prairie provinces, and one from the Peace River district of northern Alberta and B.C. They would serve in conjunction with one railway representative from each of the two major railways, and one grain company representative, along with two independent appointees. The farmer majority on this body is necessary, as there are so many places for the other representatives to exercise power and ignore farmer interests in the overall functioning of the transportation system.

We know that the Canadian Grain Commission mandate to act in the grain producers' interests is incredibly important, and that this above-mentioned body should act in concert with the CGC, particularly around producer cars. The producer car is an important right for grain producers, and we would call for stopping the delisting and closure of producer car loading sites by the railways. We would also call for the provision of the right of a group of producers to petition the Agency to have new loading sites established.

Again, we appreciate the opportunity to comment and participate in the review, and reiterate our support for the SWDC, SBDC, and APAS joint submission.

Respectfully submitted by

Terry Boehm on behalf of the National Farmers Union