

NEWS RELEASE

SUPPORT FOR RAIL CASE RIPPLING ACROSS THE PRAIRIES

Farm groups all aboard as case against CN steams ahead

Nampa, Alberta, April 19 2007 – Farmer groups and grain industry organizations from across Western Canada are supporting Great Northern Grain (GNG) in its case against the Canadian National Railway (CN).

“This case has obviously ignited an issue that has been simmering across the Prairies,” said Bruce Horner, CEO of GNG, an inland grain terminal in Nampa, Alberta, which last month launched a major level-of-service complaint with the Canadian Transportation Agency (CTA) against CN. “I am encouraged by the unified and broad level of support we’re seeing for our rail-service concerns, which are clearly shared throughout this industry.”

The Province of Alberta has also filed a formal submission in support of GNG’s complaint, citing “serious negative economic consequences” for Alberta agricultural shippers and producers from lack of assurance of adequate CN rail transportation.

Producer groups including the Canadian Federation of Agriculture, the Agricultural Producers’ Association of Saskatchewan, the National Farmers’ Union and the Saskatchewan Association of Rural Municipalities have applied for intervener status in the case, which was launched by GNG on March 8 with the support of 10 grain-industry corporations. Pulse Canada has also made a submission to the CTA, along with Briercrest Grain, the Battle River Producer Car Group, R&J Wiens Farms and Pulse Depot Rosetown.

They have joined the Canadian Wheat Board, Great Sandhills Terminal, Northeast Terminal, Northwest Terminal, Parrish & Heimbecker, Paterson Grain, Prairie West Terminal, Providence Grain Group, Southwest Terminal and Weyburn Inland Terminal. Other interested parties are expected to file submissions as the case proceeds.

“This is an issue that affects all of Western Canada, all farmers and all shippers,” said CWB CEO Greg Arason. “Our concerns as a marketing organization are system-wide, centering on efficiencies, costs and equitable delivery opportunities for farmers.”

GNG intends to show, through its case, that CN is failing to fulfill its level-of-service obligations under the *Canada Transportation Act*. At issue is a recent change made to CN’s advance-product program that is preventing smaller grain companies and single-point shippers from securing enough rail capacity to stay viable. It is also a serious concern for farmers who face added costs, marketing challenges and delivery disadvantages from reduced flexibility in rail transportation.

“Allowing CN to reduce service to smaller grain handlers and producer-car users will result in less competition, thus increasing the burden for western Canadian farmers,” the Canadian Federation of Agriculture states in its application.

--more--

Pulse Canada, which represents five provincial pulse grower organizations and the Canadian Special Crops Association, says in its submission that CN's general distribution car supply is not adequate to meet industry requirements. "This shortfall is highly prejudicial to the great majority of pulse crop shippers who are not able to access rail cars allocated to CN's advance products."

For the 2006-07 crop year, CN eliminated opportunities to advance-book guaranteed supplies of rail cars in units of 50 (except for a limited supply of cars available through cash bids). The railway now offers only blocks of 100 cars, which must essentially be booked to one destination for 42 consecutive weeks to secure supply. This is impossible for single-point shippers and smaller companies. Only 22 per cent of primary grain elevators in Western Canada have a rail car spot for 100 cars or more.

Alberta Agriculture, in its submission to the CTA, urges the Agency to fully consider the potential negative consequences of the current rail policy on car distribution. "(We) ask that you use (your) powers to establish a competitive service balance between large and small grain companies, and a reliable and effective car allocation system for GNG and the other interveners," the submission states.

CN is one of two Class One railways, which are critical to the movement of grain. Grain is one of Canada's largest-volume exports, worth billions of dollars a year to farmers, the grain industry and the economy. Delays and inefficiencies in railway performance can lead to significant extra costs for shippers.

Background information and documents related to this case can be found at www.gngt.com and at www.cwb.ca/public/en/hot/rail/ .

For more information, please contact:

Bruce Horner or Perry Pellerin, Great Northern Grain
(403) 475-6586
(403) 464-1007 (cell)

Maureen Fitzhenry, CWB
(204) 983-3101
(204) 227-6927 (cell)