

CN's Grain Plan for 2019–20 Consultation



CONSULTATION for CN's
GRAIN PLAN FOR 2018-19



Q1 CN will file its grain plan for crop year 2019–20 with Transport Canada by August 1, 2019, and we would like interested stakeholders to provide their views on opportunities for the movement of grain.

We believe a collaborative approach to the transportation of grain will improve results for the supply chain, which is why we are asking for your opinion.

Thank you for your input in preparing our grain plan for crop year 2019–20.



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Estimating the grain supply for 2019-20

In transportation, determining the volume of traffic to be moved is the first step toward adequate planning.

However, crop production and carry-in supply represent just one piece of the puzzle. CN moves a portion of the overall grain crop, and designing grain service comes down to the origin and destination level that in turn drives resource planning.

We would appreciate your input.

YOUR FEEDBACK:

What will be the size of the crop and overall supply availability this year?

What impact has weather had on the crop so far this year?

What will demand look like on the CN network down at the origin – destination level?

What will the carry-out be for 2019–20?



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Establishing the capacity of Canada's grain handling system

The capacity of Canada's grain handling system varies throughout the crop year.

CN moves grain in three main corridors (Vancouver, Prince Rupert and Thunder Bay). The closure of Thunder Bay during winter (which removes the equivalent of roughly 1,000 CN unloads per week at peak fall demand) significantly affects the overall capacity of the system.

We would like to hear your opinion on the capacity of the grain supply chain and would appreciate any comments that could assist us in planning our service.

YOUR FEEDBACK:

How do you see the capacity of the supply chain, taking into account the constraints of Thunder Bay and winter?



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Q15 Establishing CN's capacity. The 2018–19 crop year saw record grain movement on CN. With investment made in locomotives, network capacity, and people in 2018, the resiliency of the CN network stood up well to winter weather through January 2019, but unprecedented extreme cold weather reduced grain supply chain capacity in February and March 2019.

Over the past two years, CN has invested heavily in capital projects in western Canada such as double tracking, yard enhancements, and siding additions/extensions to improve network resiliency. CN has purchased 260 high horsepower locomotives, acquired 500 new generation hopper cars to-date, and invested heavily in human resources.

YOUR FEEDBACK:

Have you seen an improvement in grain movement on CN year-over-year?

What are your views respecting CN's investments?



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CN's grain marketing programs

In recent years, CN has moved from a general car allocation program to various commercial programs tailored to the specific needs of its customers.

After consulting with its customers, CN developed programs that enable customers to secure capacity. For example, CN has fleet programs allowing customers to integrate private cars into its fleet in return for priority car supply.

Reciprocal penalties are also provided in case either party fails to honour its commitments. CN anticipates that, for the 2019-20 crop year, over 90% of its fleet capacity will be subscribed under its commercial programs.

CN invites you to comment on its marketing programs with a view to improving its offering in a manner consistent with the needs of its customers.

YOUR FEEDBACK:

What would you like to see in our grain marketing programs?

Is there anything else you would like to see in our Grain Plan?
