Update on Western Canadian Grain – Crop Year 2024-25 Week 22

Summary:
CN continued its recovery from recent supply chain challenges that had affected CN's operational performance in recent weeks including limited terminal productivity during the port shutdowns during the New Year's Day statutory holiday in grain shipment week 22. A total of 514,000 metric tonnes of grain and processed grain products moved in grain shipment week 22, a 6% decrease from last week but nearly 60% above the recent three-year average.

CN Maximum Sustainable End-to-End Supply Chain Capacity Guidance

The capacity of Canada's grain supply chain varies through the crop year, and multiple factors place a real limit on the volume of grain that can move through the system at any point in time. The maximum sustainable capacity of the grain supply chain is also a function of the capacity and operational efficiency of the individual pieces of that supply chain, from origin to destination.

It is CN's view that on a sustained basis, the end-to-end grain supply chain can accommodate up to 6,250 cars per week (up to 595,000 metric tonnes per week) of bulk grain and processed grain products during winter, of which approximately 900 cars per week are anticipated to be shipments of processed grain products. These maximum end-to-end grain supply chain capacity levels on CN assume that multiple conditions must be in place to achieve these levels. These conditions include, but are not limited to, the conditions noted in the chart below:

Week 22 - end-to-end grain supply chain dashboard summary

Sufficient customer demand to reach guidance levels	
Grain supply chain fluidity across all major corridors	
Grain export terminal fluidity - west	
Grain export terminal fluidity - east	
Corridor balance	
Seven-day continuous operations at all major grain export facilities	
Ability to load vessels during inclement weather	
Normal rail operating conditions	
No mainline disruptions or other major supply chain disruptions	
No labour disruptions	

Figure 1. Weekly dashboard – conditions required to achieve maximum sustainable capacity guidance

Grain supply chain fluidity across all major corridors:

- CN continued to recover from the cold weather and reduced train lengths from recent weeks.

Grain export terminal fluidity - west:

- Some congestion at Vancouver and Prince Rupert grain terminals and reduced empty hopper returns as a result of December-end statuatory holidays.

Continuous operations at all grain export facilities:

- Prince Rupert Grain terminal does not operate 24/7.

Vessel loading during inclement weather:

- Limited ability to load vessels in rain.

No labour disruptions:

- Reduced terminal operations and labour due to December-end black stat day.

Bulk grain movement:

For grain shipment week 22, CN shipped 4,673 bulk hopper cars, representing 87% of the maximum sustainable supply chain capacity guidance of 5,350 bulk hopper cars.

CN continued to work through the outstanding traffic that had accumulated due to supply chain challenges experienced in recent weeks. Additionally, reduced port terminals operations on New Year's Day negatively impacted timing of empty hopper returns and required some planned orders to be held back from spotting in the country.

As temperatures drop to -25C and lower, train length is reduced to maintain safety across the network, but this requires more resources to move the same amount of volume. CN's winter situation report provides a snapshot of current weather conditions and restrictions across its network.

Bulk grain hopper car demand detail - week 22

Net demand for CN-supplied/private hopper cars	5,625
Maximum capacity	5,350
Planned movement	4,579
as % of maximum capacity	85.6%
Hopper cars shipped in the want week	4,673
as % of maximum capacity	87.3%

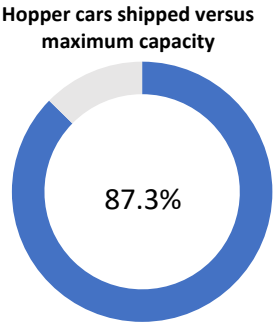


Figure 2. Bulk grain hopper car demand and demand fulfillment

CROP YEAR-TO-DATE SUMMARIES



Figure 3. Crop year-to-date shipments of grain and processed grain products from western Canada

CN moved 13.9 MMT of western Canadian bulk grain through week 22 of Crop Year 2024-25. This tonnage is 23% above the average of the prior three years, and 15% above last year.

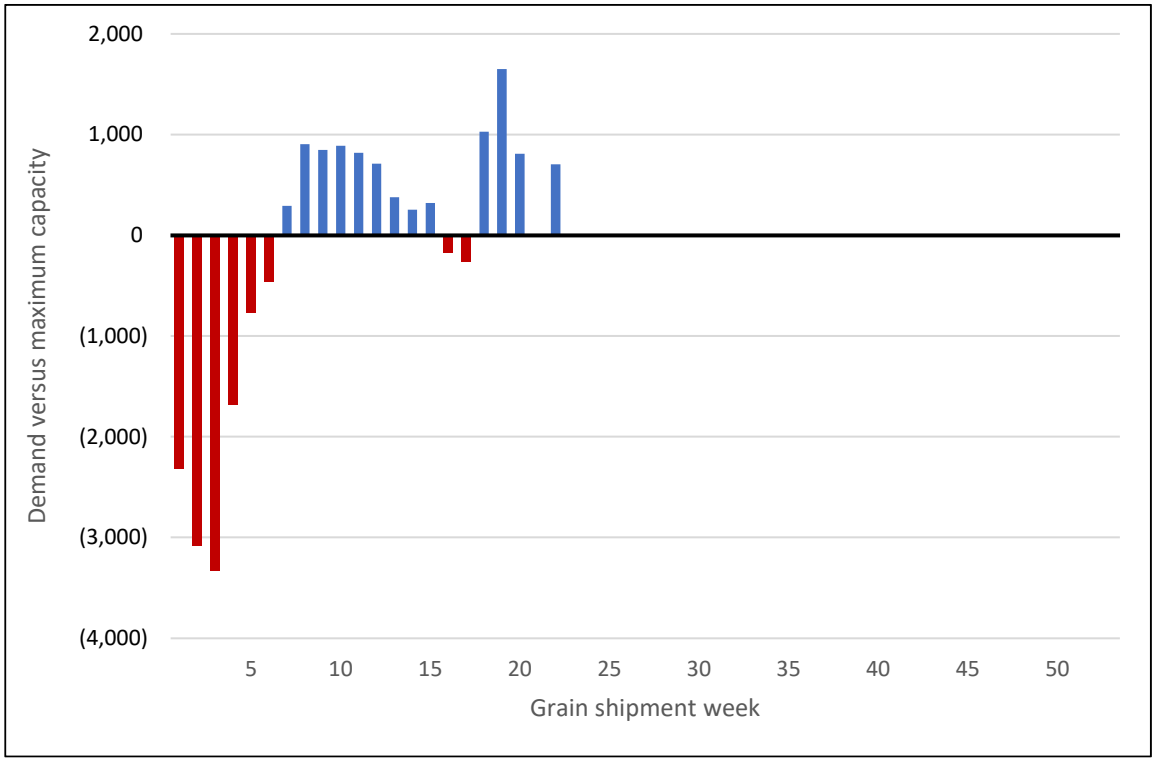


Figure 4. Customer demand for bulk grain movement via hopper car in relation to maximum end-to-end sustainable supply chain capacity on CN for bulk grain movement

Approximately 2,500 hopper cars worth of available grain supply capacity on CN went unutilized through 22 weeks of the crop year, representing approximately 0.2 million metric tonnes.

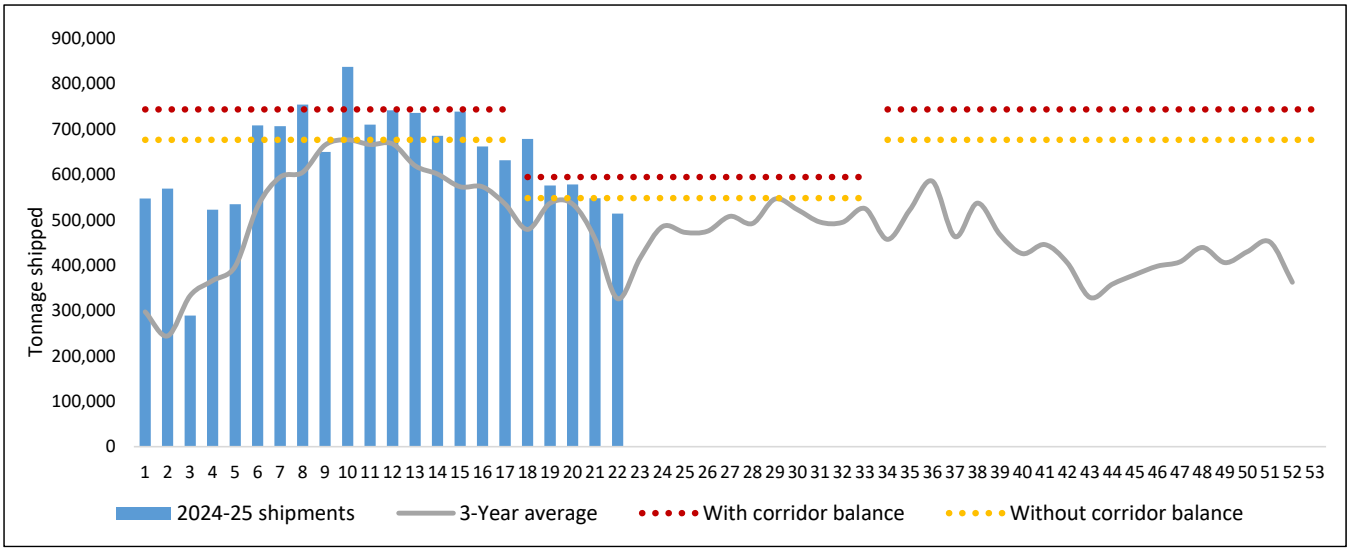


Figure 5. Weekly shipments of grain and processed grain products from western Canada on CN versus maximum end-to-end sustainable supply chain capacity guidance

GRAIN SHIPMENT WEEK 22 – SHIPMENTS OF GRAIN AND PROCESSED GRAIN PRODUCTS

Week 22 (metric tonnes)	Vancouver	Prince Rupert	Thunder Bay	Churchill	N. America Domestic	Total	Carloads
All Grain Supply Chains	289,531	88,519	28,040	0	107,842	**513,931**	**5,385**
YTD Shipments *(million metric tonnes)*							
Common Hopper Fleet	5.4	2.1	1.5	0.0	0.8	**9.7**	**101,598**
Customer-supplied equipment [1]	2.7	0.1	0.1	0.0	1.3	**4.2**	**44,004**
Total[2,3]	**8.1**	**2.2**	**1.6**	**0.0**	**2.1**	**13.9**	**145,602**

[1] includes bulk and processed grain moving in hopper cars and vegetable oil moving in tank cars

[2] Totals above exclude bulk or processed grain shipped in intermodal containers

[3] Totals may not add up due to rounding

Figure 6. Shipments of grain and processed products from Western Canada on CN by primary destination and equipment type

COMMON CN-SUPPLIED HOPPER FLEET DETAIL

A. Car Demand and Order Planning

- Week 22 net car orders were 4,737. Changes to grain shipment demand in week 22 included:
    - 1,046 orders rationed.
    - 433 orders cancelled throughout week 22.

	Common Hopper Fleet	Week 22 Complete (Dec 29 to Jan 04) Vancouver	Prince Rupert	Thunder Bay	Churchill	N. America Domestic	Totals	Week 23 Latest	Week 24 Preliminary
Demand	Total Customer Orders	2,345	1,377	404	0	1,044	**5,170**	**4,546** (2)	**5,005** (2)
	Invalid Customer Orders	0	0	0	0	0	**0**		
	Terminal Authorized Orders(1)	2,345	1,377	404	0	1,044	**5,170** (1)		
	Cancelled Orders	(223)	(104)	(100)	0	(6)	**(433)**		
	Total Net Orders	2,122	1,273	304	0	1,038	**4,737**		
	Contracted Orders						**4,253**		
	Spot Orders						**484**		
Planning	Net Planned Orders	1,678	957	204	0	852	**3,691**		
	Planned Contracted Orders						**3,691**		
	Planned Spot Orders						**0**		
	% of Net Orders that were Planned						***78%***		

Note:

(1) New customer requests vetted for validity as per grain car ordering rules in CN Tariff 9000

(2) Number of cars requested before order cut-off time for want week - yet to be reviewed for validity

Figure 7. Summary of customer orders for CN-supplied hopper cars

B. Car Spotting Performance

- 4,028 empty cars spotted in week 22.
- 74% spotting performance against the current week's plan.
- 87% of planned orders spotted in the want week or within 24-72 hours of the end of the want week.

Year 2024 Week 22 Spotting Performance	Spot Plan			Cars Spotted			Spotting Performance	Unfilled orders rolled to next week
	Planned	Cancelled	Net Plan	Last Week	Current Week	Total Spotted		
Current Week Plan Authorized New Orders	4,124	(433)	**3,691**	0	2,730	**2,730**	74%	**961**
Prior Week's Orders (rolled forward to current week)	1,171	(128)	**1,043**	-	909	**909**	87%	**134**
"Add-in" Cars Ordered after weekly plan is set	-	-	**-**	-	123	**123**		
Pre-Spots Early spotting of next week's orders	-	-	**-**	-	0	**0**		
Railway shuttles	-	-	**-**	-	266	**266**		
Total	**5,295**	**(561)**	**4,734**	**0**	**4,028**	**4,028**		

Figure 8. CN spotting performance in relation to confirmed and planned orders for CN-supplied hopper cars