

GMP Dashboard

Table M-1	JUN 2017	2016-17 YTD	Var. from Last YTD
Western Canadian GHTS Performance (Days)			
Total Time in System	38.1	40.2	-4.5%
Average Days In Store – Country	23.0	24.5	-6.8%
Loaded Transit Time	4.6	5.2	7.5%
Average Days In Store – Terminal	10.5	10.5	-4.5%
Total Traffic ('000 tonnes)			
Primary Elevator Shipments	3,433.2	42,715.9	7.8%
Railway Shipments (all Western Canada traffic)	4,131.3	47,212.5	4.9%
Western Port Terminal Shipments	2,887.0	34,063.5	3.3%
Railway Performance			
Avg. Loads on Wheels (Cars)	8,130	10,363	6.4%
Total Western Port Car Cycle (days)	14.3	13.8	4.4%
Port Performance			
Western Port Unloads (Number of Cars)			
Vancouver	18,733	233,086	6.3%
Prince Rupert	4,300	61,871	-3.3%
Churchill	0	0	-100.0%[A1]
Thunder Bay	6,370	77,249	8.2%
Total	29,403	372,206	4.5%
Vessel Time in Port (days)	10.0	10.4	30.0%

- Order fulfillment measures have been removed from this table as comparative data is unavailable now.
 - YTD refers to the crop year to date (extending from August 1 through July 31).

Periodic revisions and corrections to the data received by the Monitor may result in the restatement of previously calculated measurement values. Where such differences arise, the values presented here should be considered to supersede those found in previous reports.

Overview

The 2016 harvest was particularly challenging due to persistent cool, wet conditions in Western Canada. As winter set in, estimates of unharvested acreage across the prairie range as high as 2.5 million acres, which would largely await until spring for harvest to continue.

Total Western Canadian rail shipments in the first eleven months rose by 4.9%, due largely to comparatively stronger showings in the last three months. Western port shipments for June totaled 2.9 MMT, a 17.4% decrease from May volumes, reflecting a modest retraction in the shipping programs on the St. Lawrence Seaway as well as at the West Coast. This was 15.9% greater than the amount shipped in June of last year. Accompanying the decline in shipments, is a 10.0-day average in the amount of time vessels spent in port in June, up from May's 7.3-day average.

With seeding complete and good germination across the prairie grain belt, eyes were turned skyward at the end of June in the hopes of general rainfall to spur crop development. Statistics Canada released seeded acreage estimates at the end of June indicating a 12% increase in canola and a massive 67% increase in soybean acreage in Western Canada. While wheat and peas were projected to be down a mere 3% each, lentil acreage is projected to be reduced by 25%. This reflects a return to 2015 levels after a 47% increase in seeded acres for lentils in 2016.

Highlights for June 2017

Traffic and Movement (page 2)

- Primary-elevator shipments were 42.7 MMT in the first eleven months of the 2016-17 crop year, 7.8% more than last year.
- Total rail shipments (including primary/process elevators & producer cars) to all destinations from Western Canada reached 47.2 MMT, up 4.9% from that handled in the same eleven-month period a year earlier.
- Crop year-to-date shipments from Western Canadian ports totaled 34.1 MMT, up 3.3% from the same period last year.

System Efficiency and Performance (page 4)

- Average weekly stocks in the country increased by 6.4% from the same period last year. The average days-in-store was down 6.8%.
- Average weekly port-terminal stocks decreased 3.8% from the same period last year, while average days-in-store fell 4.5%.
- Railcar cycle times through June remained consistent with previous months averaging 13.8 days to western ports; 20.8 days to eastern Canada; and 24.4 days to the US.
- The year-to-date average for vessel time in port is 10.4 days, a 30.0% increase from that observed in the previous crop year.
- Port-terminal out-of-car time held constant at 6.9% in June at Vancouver, while climbing from 0.3% in May to 14.2% in June at Prince Rupert and declining from 7.8% to 3.7% at Thunder Bay.

Commercial Relations (page 6)

- Average primary-elevation charges rose 1.1% in the first eleven months of the crop year.
- Both CN's and CP's single-car freight rates remained unchanged in June 2017.
- Average terminal-elevation charges rose 0.4% in the first eleven months of the crop year.

Infrastructure (page 6)

- The GHTS's country-elevator network saw a net increase of eight facilities in the first eleven months of the crop year, rising to 391 from 383, due largely to the licensing of several previously unlicensed facilities in Saskatchewan. This, along with other expansion efforts lifted the system's overall licensed storage capacity to almost 8.2 MMT from 7.8 MMT at the beginning of this crop year.
- The number of terminal elevators remains at 16. The recent 81,700-tonne expansion of the Richardson International terminal in Vancouver, resulted in the GHTS's total terminal storage capacity increasing by 3.8%, to almost 2.5 MMT from the 2.4 MMT in place at the end of the 2015-16 crop year.

Production and Supply

The estimate from Statistics Canada's November survey for 2016 crop production in Western Canada stands at 71.3 MMT, a 10.2% increase over that harvested in 2015 and the second largest crop in Western Canadian history. Notwithstanding the difficult harvest conditions in 2016, the November production estimate was increased 3.7 MMT from the July survey estimate.

Coupled with carry-forward stock of 7.4 MMT, 18.9% less than in 2015, the overall western grain supply is projected to be 78.8 MMT, 6.6% greater than that of the previous year.

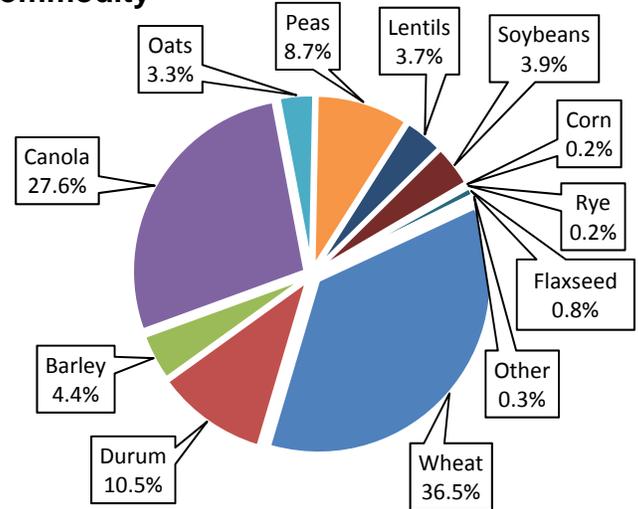
Production & Carry Over (000's tonnes) <i>Table M-2</i>	2016	2015	Var. from Last Year
Western Canada Total Production - Preliminary	71,336.8	64,738.6	10.2%
Western Canada On Farm & Primary Elevator Carry Forward Stock	7,428.9	9,162.6	-18.9%
Total Grain Supply	78,765.7	73,901.2	6.6%

Traffic and Movement

With seeding wrapping up, producer deliveries grew during June, averaging just below 1.0 MMT per week for the month. Average weekly primary elevator stock levels increased to 2.9 MMT, while continuing to provide adequate supply for the 2016-17 CY shipping program.

<i>Table M-3</i>	JUN 2017	2016-17 YTD	Var. from Last YTD
Primary Elevator Shipments (000's tonnes)			
Manitoba	572.2	7,197.3	6.7%
Saskatchewan	1,734.0	21,199.1	9.1%
Alberta	1,098.4	13,975.4	7.2%
British Columbia	28.6	344.1	-12.3%
Total	3,433.2	42,715.9	7.8%
Western Canada Railway Traffic (000's tonnes)			
Shipments to Western Ports	3,291.3	36,983.8	4.7%
Shipments to Eastern Canada	225.2	3,116.7	17.0%
Shipments to US & Mexico	557.0	6,551.5	0.8%
Shipments Western Domestic	57.8	560.4	10.6%
Total	4,131.3	47,212.5	4.9%
Western Port Unloads (Number of Cars)			
Vancouver	18,733	233,086	6.3%
Prince Rupert	4,300	61,871	-3.3%
Thunder Bay	6,370	77,249	8.2%
Total	29,403	372,206	4.5%
Terminal Elevator Shipments (000's tonnes)			
Vancouver	1,694.4	21,407.2	5.9%
Prince Rupert	448.9	5,438.2	-6.9%
Churchill	0	0	-100.0%
Thunder Bay	743.7	7,218.1	7.5%
Total	2,887.0	34,063.5	3.3%

Primary Elevator Shipments by Commodity



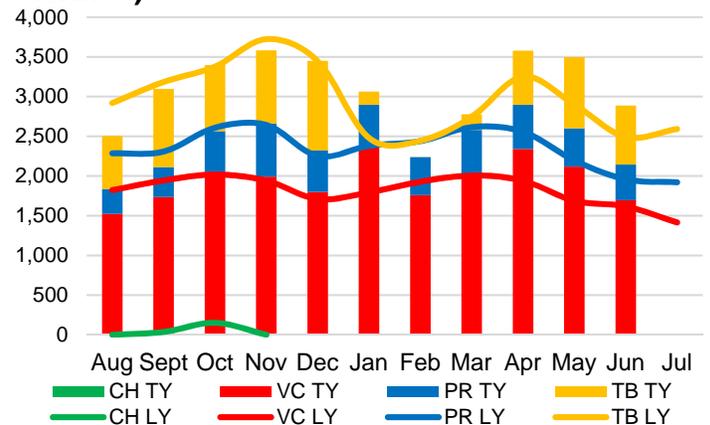
Total YTD = 42.7 MMT

[A2]

GMP Data Table 2A-1

Grain shipments from primary elevators remained steady in June achieving a level 7.8% higher than the previous crop year to date. Despite some quality challenges, shipments have held up very well. At this point last crop year, wheat and durum comprised 52% of total shipments, while making up only 47% this year. Conversely, canola and peas make up 36% of this year's total shipments as opposed to just 33% last year.

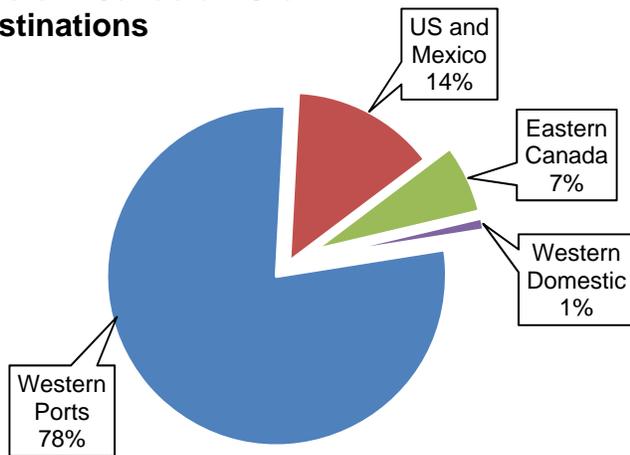
Terminal Elevator Shipments (000's tonnes)



GMP Data Table 2C-1

Shipments out of the western ports grew in the first eleven months of the crop year, registering a 3.3% increase on a year-over-year basis. Early-season challenges matching supply with the waiting vessel nominations, due to quality concerns during harvest were largely overcome as the crop year progressed. The 2016 season did not see any shipments from the Port of Churchill as the port's US-based owner, OmniTRAX, closed the grain terminal for the season.

Western Canadian Grain Destinations



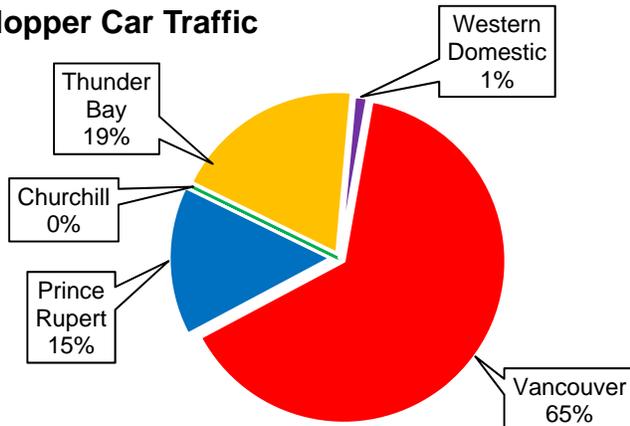
Total YTD = 47.2 MMT

GMP Data Tables 2B-1, 2B-8 & 2B-15

About 78% of the grain shipped by rail from the prairies was directed to Western Canada's four ports in support of offshore sales. Total rail shipments to these ports in the first eleven months of the 2016-17 crop year amounted to 37.0 MMT, up 4.7% from that handled in the same period a year earlier. In comparison, Western Domestic shipments grew by 10.6%. Shipments to Eastern Canada rose by an even greater 17.0%, buoyed by larger movements of wheat, canola and other commodities.

Over 95% of the volume destined to Western Canada moves in covered hopper cars, with about 65% of this traffic being directed to Vancouver. Year-round operations, favourable economics and better access to major Asia-Pacific markets combine to favour this gateway over all others. Even so, reduced movements into Prince Rupert offset other gains, effectively limiting the overall rise to 4.0%. Hopper-car shipments through the first eleven months of the crop year increased over last year by 6.8% for Vancouver and 5.3% for Thunder Bay, but fell by 5.9% for Prince Rupert.

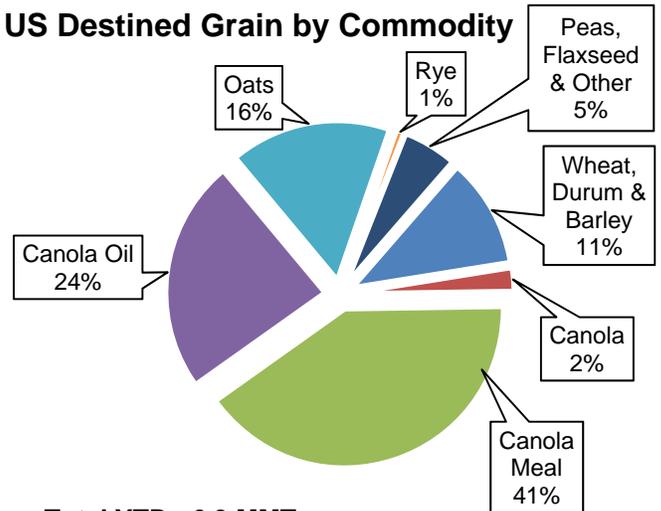
Western Canadian Destined Hopper Car Traffic



Total YTD - 36.0 MMT

GMP Data Tables 2B-3 to 2B-7

US Destined Grain by Commodity



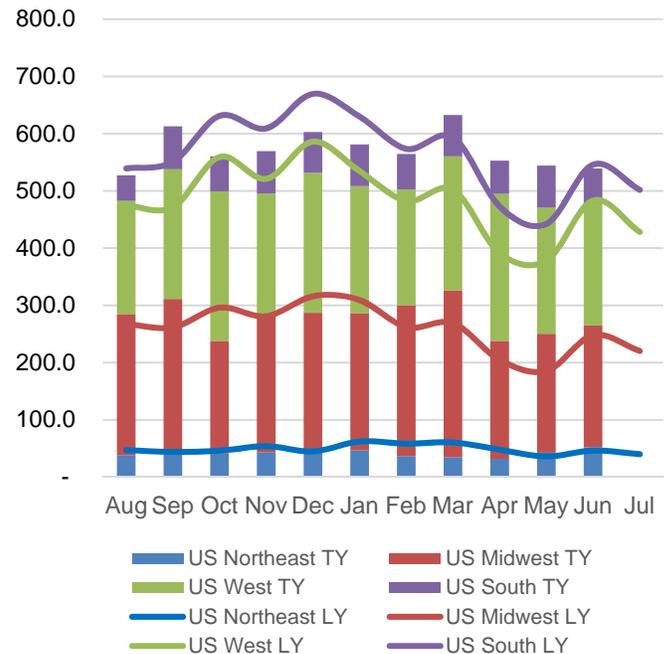
Total YTD - 6.3 MMT

GMP Data Table 2B-18

Rail shipments into the US, which totaled 6.3 MMT in the first eleven months of the crop year, increased by 0.4% from that handled in the same period a year earlier. The movement is dominated by canola and canola products, which accounted for 67% of the total tonnage. Over 80% of this US-bound tonnage is directed into markets in the Midwest and West.

Rail traffic from Western Canada to Mexico through June totaled 266,300 tonnes, a gain of 11.3% over that reported in the same eleven-month period a year earlier.

US Destined Grain by Destination Territory (000's tonnes)



GMP Data Table 2B-18

System Efficiency and Performance

Primary elevator stocks built up during June with steady country shipping remained steady to meet sales programs. As producers wrapped up seeding elevator deliveries increased. The weekly average grew to 2.9 MMT from 2.5 MMT in May. Country elevator stocks utilized 60% of the working capacity of the network. By province, stocks ranged from 56% of working capacity in Saskatchewan to 63% and 66% in Manitoba and Alberta respectively and 98% in British Columbia.

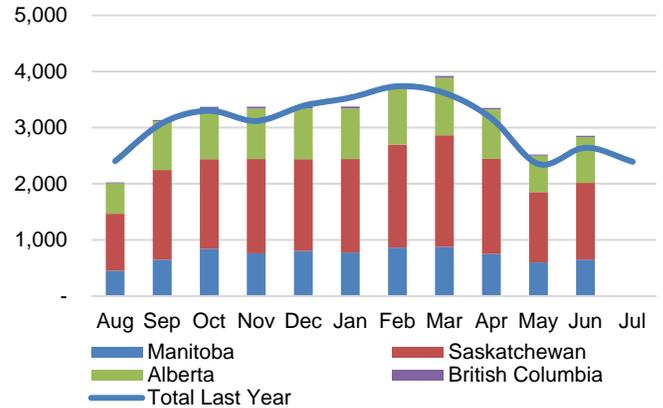
Year-over-year average days-in-store in the primary-elevator system for the crop year thus far shows an improvement from past performance, falling 6.8% from that experienced last year.

Table M-4	JUN 2017	2016-17 YTD	Var. from Last YTD
Primary Elevator			
Average Weekly Stocks (000's tonnes)	2,852.3	3,158.4	1.2%
Average Days in Store	23.0	24.5	-6.8%
Railway Operations (days)			
Cycle Time to Western Ports	14.3	13.8	4.4%
Cycle Time to Eastern Canada	21.9	20.8	-11.1%
Cycle Time to US	26.3	24.4	-8.6%
Loaded Transit to Western Ports	4.6	5.2	7.5%
Loaded Transit to Eastern Canada	7.3	8.7	-12.4%
Loaded Transit to US	9.2	9.8	-12.9%
Traffic in 50-car+ blocks (Q3)	83.3%	83.8%	-1.9%
Western Canada Terminal Elevator			
Average Weekly Stocks (000's tonnes)	1,117.7	1,152.1	-3.8%
Average Days in Store	10.5	10.5	-4.5%
Port Unloads (hopper cars)	29,403	372,206	4.5%
Terminal Out-of-Car Time	7.0%	12.2%	4.5%
Western Canada Port Operations			
Average Vessel Time in Port (days)	10.0	10.4	30.0%

Car order and order fulfillment data is not complete from both railways and will not be reported until further notice.



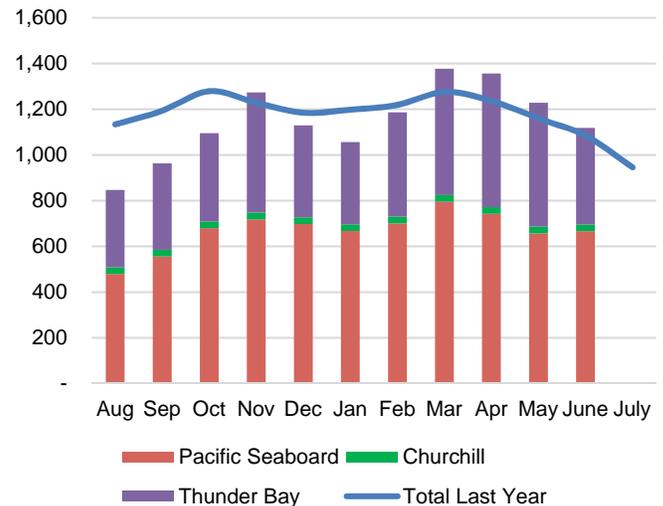
Average Weekly Primary Elevator Stocks (000's tonnes)



GMP Data Table 5A-2

Following a sharp decline to 2.0 MMT in August, average country elevator stocks reversed direction and climbed to 3.9 MMT by March. Robust shipping programs in April and May saw these stocks drawn down to 2.5 MMT before rebounding to 2.9 MMT in June. Weekly producer deliveries averaged just under 1.0 MMT throughout June as spring seeding drew to a close.

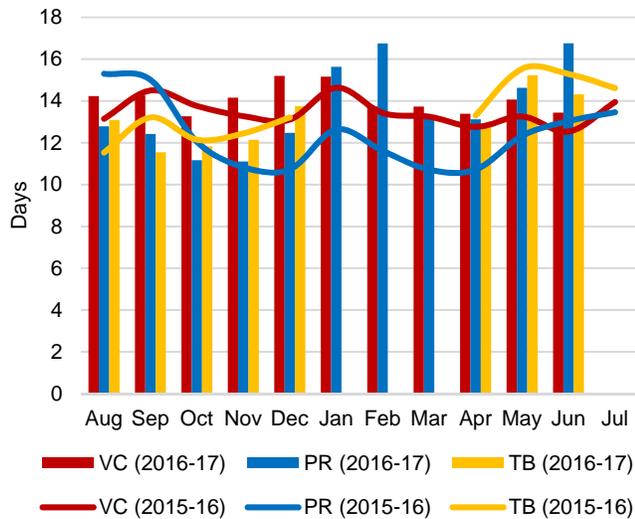
Average Weekly Terminal Elevator Stocks (000's tonnes)



GMP Data Table 5C-2

Overall terminal elevator stocks averaged 1.1 MMT in June, a decline from the level seen a month earlier. Stock levels held relatively constant at the Pacific Seaboard while falling at Thunder Bay. Wheat, including durum and canola stock, comprise the majority at over 83% of the total stock. Vessel arrivals continue to be sufficient to keep port operations fluid as the last quarter of the crop year progresses. Currently, western ports are utilizing just 64% of their overall working capacity.

Railway Cycle Times to Western Ports (days)

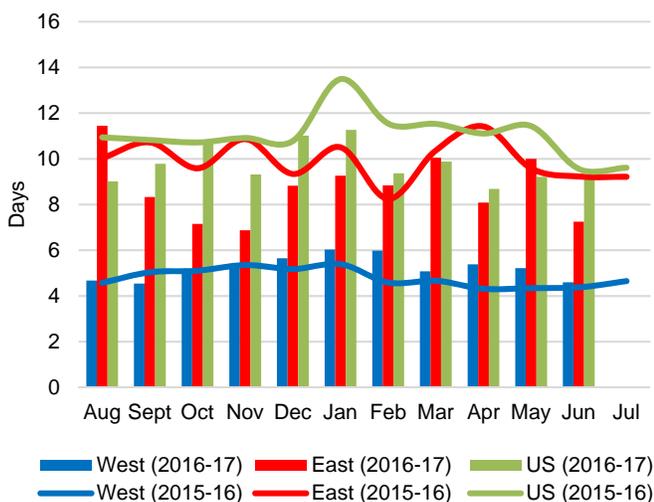


GMP Data Table 5B-1

Railway car cycles to Western Canadian ports averaged 13.8 days through June 2017, an increase of 4.4% from the 13.2-day average posted in the same eleven-month period a year earlier. This result was largely shaped by increases in the Vancouver and Prince Rupert corridors, which rose by 4.2% and 11.4% respectively. Car cycles in the Thunder Bay corridor fell by 0.5%.

Car cycles to Eastern Canada posted a decrease during this period, falling by 11.1%, to an average of 20.8 days from 23.4 days a year earlier. Similarly, the car cycle for movements into the United States declined by 8.6%, to an average of 24.4 days from the 26.7-day average posted in the same period of the previous crop year.

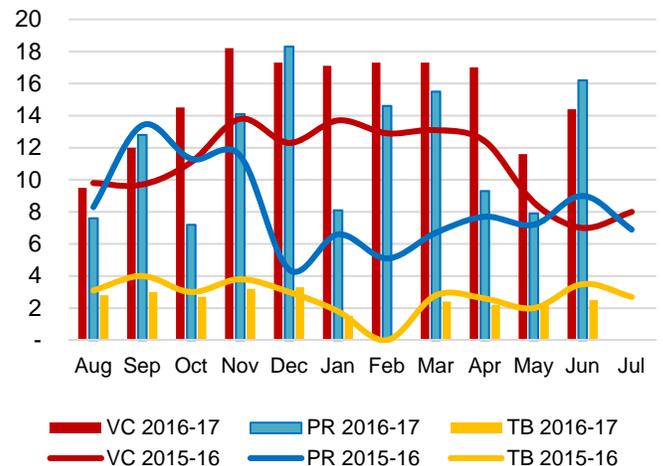
Average Loaded Transit Times (days)



GMP Data Tables 5B-4, 5B-8, 5B-12

Loaded transit time for traffic destined to Western Canadian ports averaged 5.2 days through the first eleven months of the 2016-17 crop year, up 7.5% from the 4.8-day average posted a year earlier. This result was primarily shaped by increases in the Vancouver and Prince Rupert corridors, which rose by 8.6% and 21.2% respectively. These were tempered by a 6.8% reduction in the Thunder Bay-corridor average. The average loaded transit time for movements into Eastern Canada declined sharply, falling by 12.4%, to 8.7 days from 9.9 days the year previous. The corresponding average for US-destined traffic decreased markedly as well, falling by 12.9%, to 9.8 days from the 11.2-day average posted twelve months earlier.

Average Days in Port per Vessel



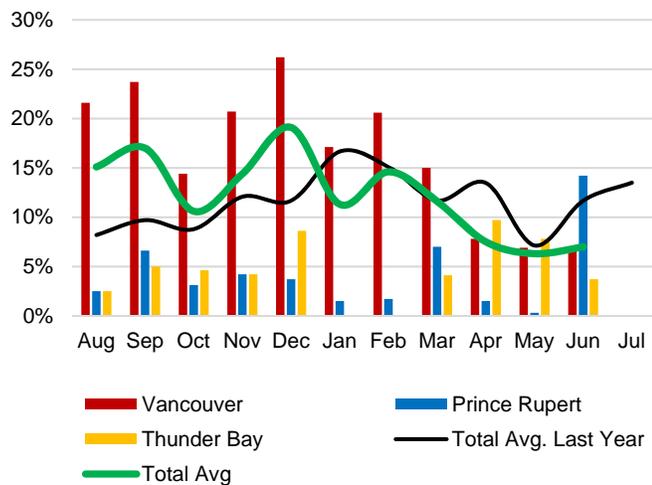
GMP Data Table 5D-1

For the crop year-to-date, the average time vessels were in port waiting and loading grain was 30.0% greater than in the same period of the previous year. The average for all ports was 10.0 days in June 2017, 66.7% higher than the average registered in June of the 2015-16 crop year. This divergence is primarily the result of the lineup of vessels waiting at Vancouver and Prince Rupert.

During the 2015-16 crop year, the average time vessels spent in port at Vancouver fluctuated between 10 and 15 days, dipping below that level as the year ended. At Prince Rupert, the last crop year started with averages in that range but moderated by December, with the time in port fluctuating between 5 and 10 days for the balance of the year. Thunder Bay's average hovered in the two to four-day range. The 2016-17 crop year has seen the Thunder Bay average hold steady while that for Vancouver and Prince Rupert has increased. While the average number of days vessels are spending at Vancouver and Prince Rupert has fluctuated somewhat, the two west coast ports experienced monthly increases to over 18 days in November and December. While time in port moderated somewhat by May, it again jumped up in June. Movement from country to port has been relatively smooth thus far this year, although the increase in time in port was a cause of concern throughout the winter shipping period.



Port Terminal Out-of-Car Time (% of total operating hours)



GMP Data Table 5C-5

The port terminal out-of-car time measure represents the total number of hours terminal elevator facilities are open and staffed (including overtime hours) and the corresponding number of hours that terminals have no rail cars available to unload. The measure is expressed as a percentage (hours without cars to the total number of hours working).

Notwithstanding some fluctuation, the percentage of time terminals are out of cars has charted a trend of improvement from its high of 29.8% in January of 2015. Following a decline to 10.6% in October 2016, the aggregate measure for all ports climbed steadily to 19.1% in December before pulling back to 7.0% by June. Terminal out-of-car time at Vancouver held at 6.9% in June, declined to 3.7% at Thunder Bay, but jumped up to 14.2% at Prince Rupert.

Commercial Relations

Table M-5 Rates: \$CDN per tonne	Q3 2016-17	Index (1999=100)	% Change YTD
Avg. Primary Elevation	\$16.15	134.7	1.1%
Rail to Vancouver			
CN	\$50.40	136.6	3.3%
CP	\$49.62	133.7	-1.3%
Rail to Pr. Rupert			
CN	\$50.40	120.7	2.4%
Rail to Thunder Bay			
CN	\$50.39	157.3	4.7%
CP	\$42.77	143.0	-1.6%
Average Terminal Elevation	\$14.35	157.3	0.4%

Note: Commercial rates are measured on a quarterly basis, the above table refers to rates at the close of the third quarter of the 2016-17 crop years. Rail rates are as at April 30, 2017, and reflect an average of the published single-car rates. They do not include multi-car incentives (\$4/tonne for 50 + car blocks and \$8/tonne for 100 + car blocks).

CN's single-car freight rates remained unchanged in June 2017, after having been decreased by about 4.9% two months earlier. In conjunction with the pricing adjustments advanced by the carrier in August, October and December 2016, this left CN's rates on westbound movements into Vancouver 3.3% higher than at the close of the previous crop year. Similarly, the net increase on its rates into Prince Rupert and Thunder Bay during this period amounted to about 2.4% and 4.7% respectively. As with CN, CP's single-car rates remained unchanged in June; having been cut in May by about 2.8% in the Vancouver corridor and 6.0% in the Thunder Bay corridor. These latter reductions followed earlier pricing actions that by the close of April 2017 had already produced net rate reductions amounting to 1.3% and 1.6% for westbound and eastbound movements respectively.

Commercial Developments

Fewer seeded acres devoted to wheat: Following a trend first identified over a decade earlier, wheat, durum and barley has steadily given way to an increase in the production of other field crops. Data released by Statistics Canada in June 2017 revealed that the seeding of land in 2017 for canola and soybeans approached a record 30.1 million acres, exceeding the combined 28.2 million acres devoted to the more traditional plantings of wheat, durum and barley for the first time ever. The cropping decisions that have gradually led to this reversal reflect the economic realities of an environment in which emergent producers – such as the nations of the former Soviet Union – now compete directly with Canada in its traditional export markets. Moreover, the surging demand for plant-based oils has spurred the production of non-traditional commodities. This shift, which shows no sign of abating, has already fostered a significant investment in crushing facilities across Western Canada.

Infrastructure

The GMP measures on infrastructure changes are reported in the data tables on a quarterly basis with the exception of the railway car fleet. Only modest changes were noted to the GHTS's infrastructure through the first eleven months of the 2016-17 crop year. This resulted in a 2.1% increase in the total number of country elevators, which by the close of June 2017 had risen to 391 from 383. This increase was largely shaped by the licensing of several previously unlicensed facilities, many of which are now operated by AGT Food and Ingredients, Canpulse Foods, EGT Commodities and Providence Grain Group. But it also includes a new loop-track equipped high-throughput facility operated by Paterson Grain at Daysland, Alberta. Coupled with other expansion initiatives, this served to lift the GHTS's licensed storage capacity by 4.1%, to a record of almost 8.2 MMT from the 7.8 MMT in place at the close of the 2015-16 crop year.

Following the establishment of Forty Mile Rail in southern Alberta along with CN's decision to abandon the last remaining 12.0-route-mile section of its Athabasca Subdivision, the railway

network in Western Canada was reduced by less than 0.1%, falling to a total of 17,276.1 route-miles from the 17,288.1 route-miles in place at the close of the 2015-16 crop year.

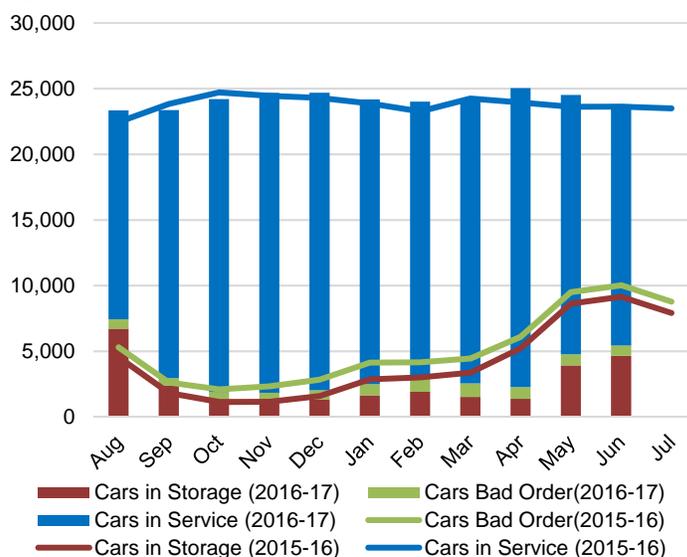
The relicensing of the MobilEx Terminal facility at Thunder Bay again increased the GHTS's terminal elevators to 16 from 15. This, along an 81,700-tonne expansion of the Richardson International terminal in Vancouver, raised the system's total licenced storage capacity to almost 2.5 MMT from the 2.4 MMT in place at the close of the previous crop year.

Table M-6	Q3 2016-17	Index (1999=100)	% Change YTD
Country Elevator			
Primary and Process Elevators (Count)	391	38.9	2.1%
Storage Capacity (000's tonnes)	8,163.2	116.2	4.1%
Railway			
Route Miles - Major Carriers	14,606.5	98.5	-0.4%
Route Miles - Shortline Carriers	2,669.6	57.5	1.7%
Route Miles - Total	17,276.1	88.7	-0.1%
Average Weekly Total Hopper Car Fleet Size*	23,806	n/a	1.3%
Terminal Elevator			
Terminal Facilities (Count)	16	114.3	6.7%
Storage Capacity (000's tonnes)	2,485.0	97.2	3.8%

* Hopper Car Fleet Size represents all cars in all statuses for the month of June 2017.

During times of heavy demand for grain hopper cars, nearly all of the grain hopper car fleet is placed in service. As traffic volumes slowed in the later months of the 2015-16 crop year, railways began the process of moving cars into storage. In July 2016, a weekly average of only 14,724 cars, representing 63% of the fleet was in active service. The cars in service rebounded to a degree during August, climbing to 15,918. As harvest progressed and sales of the new crop advanced, the weekly average of cars in service climbed, reaching 22,834 in November. While the number of cars in service retreated during the winter months, it grew again to reach 22,773 in April before retreating to 18,365 by June, now encompassing 77% of the overall fleet. This is 35% higher than in June last year. The balance of the fleet, comprising 23% of the rail cars, is in storage or repair status (bad order), a steep decline from 37% in July.

Railway Grain Fleet Size and Utilization



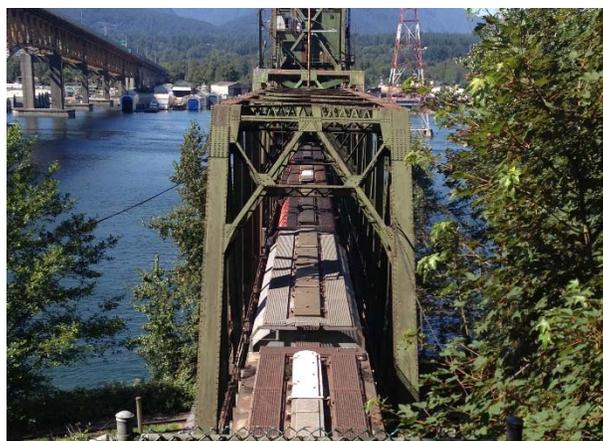
GMP Data Table 3B-2

Producer Cars

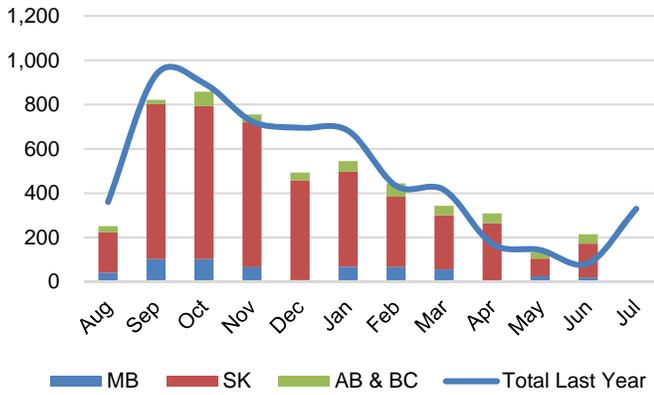
Table M-7	Q3 2016-17	Index (1999=100)	% Change YTD
Producer Car Loading Sites			
Class 1 Carriers	159	24.7	-11.2%
Shortline Carriers	130	200.0	-5.1%
All Carriers	289	40.8	-8.5%

Table M-8	JUN 2017	2016-17 YTD	Var. from Last YTD
Producer Cars Scheduled			
Manitoba	20	565	-27.9%
Saskatchewan	152	4,015.4	-3.4%
Alberta & B.C.	43	448	-1.5%
Total	215	5,916.7	-6.7%

Producer cars scheduled this year-to-date are down 6.7% from the previous year. Delays in harvesting the 2016 crop contributed to a reduction of 7.9% in producer car applications received thus far this crop year.



Producer Cars Scheduled by Province

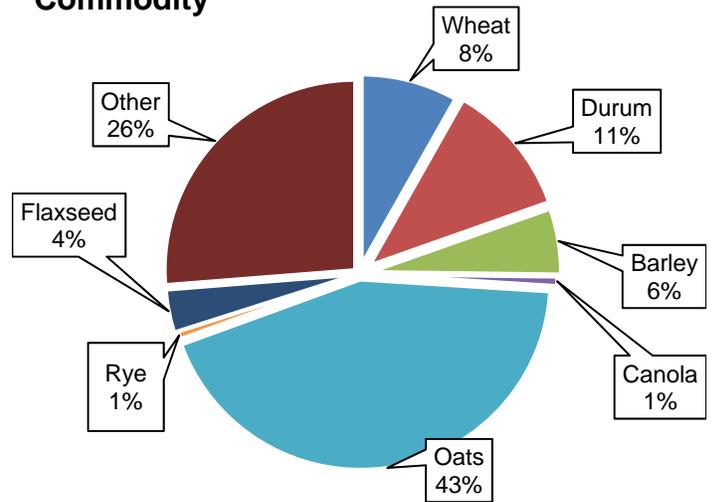


GMP Data Table 6B-2

Producer car shipments have shifted from primarily being wheat, durum and oats to reflect a significant increase in the number of cars carrying special crops. Shipments in the first eleven months of the crop year continue to reflect this trend, with the traditional

commodities comprising only 62% of the total. The balance consists primarily of peas and lentils.

Producer Cars Scheduled by Commodity



GMP Data Table 6B-2



Construction of the G3 Terminal in North Vancouver (Quorum - July 2017)



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This report provides a summary of the data developed under the Grain Monitoring Program. Detailed monthly Data Tables can be found in Excel format on Quorum's website at: www.grainmonitor.ca

Quorum welcomes questions and comments on the reports and data. Please contact us at our address by either phone or email