



CANADIAN OILSEED PROCESSORS ASSOCIATION

COPA Comments on new Transportation Regulations

August 1, 2014 – The Canadian Oilseed Processors Association (COPA) commented today on the announcement regarding the mandatory volume requirements for rail transportation announced earlier today by Agriculture Minister Gerry Ritz and Transport Minister Lisa Raitt.

COPA supports the federal government’s decision to maintain mandatory volume requirements for grain movement in the short term and the establishment of minimum volumes of 536,250 tonnes of grain per week for each of the railways.

The new mandatory volume requirements, which will be in place from August 3 to November 29, 2014, treat all grains and oilseeds the same. Value-added processed products, such as canola and soybean oil and meal, have different transportation requirements than the bulk grains, which account for the majority of grains-related traffic. COPA recommends that separate minimum volumes be set for processed products to ensure adequate rail transportation for these value-added products. Oil and meal customers rely on Canadian processors to provide products on a just-in-time delivery basis in smaller, higher value units. “We will be closely monitoring rail performance for the oilseed processing sector from now through November under these new volume requirements”, said Jim Everson, Executive Director of the Canadian Oilseed Producers Association (COPA), “to ensure the unique requirements of processors are adequately fulfilled”.

“Volume requirements are necessary in the short term to ensure Canada maintains its status as a reliable supplier of high quality oil and meal products”, said Everson. “The upcoming Canada Transportation Act review provides an opportunity for change to ensure a more market-driven system can be relied upon to move Canada’s growing supply of grains and oilseeds”.

COPA represents the oilseed processing sector in Canada which produces canola and soybean oil and meal and is comprised of seven companies operating thirteen facilities in five provinces. In 2013, member companies processed 6.5 million tonnes of canola and 1.6 million tonnes of soybeans. Exports of oilseed products are highly reliant on rail. In 2013, Canada exported \$4.3 billion of oilseed oil and meal products.

Value added oilseed processing is expanding in Canada with over \$1 billion invested in oilseed plant construction in the last six years, creating economic growth in Canada. The Canola Council of Canada forecasts significant further expansion of processing in the coming years, based on strong international demand. “Reliable rail service is a critical component of growth in our industry”, said Everson.

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