



CANADIAN OILSEED PROCESSORS ASSOCIATION

COPA Comments on Suspension of Mandatory Rail Volumes

April 2, 2015 – The Canadian Oilseed Processors Association (COPA) commented today on the suspension of mandatory volume requirements for rail transportation announced recently by Agriculture Minister Gerry Ritz and Transport Minister Lisa Raitt.

COPA supported the establishment of mandatory volume requirements to encourage adequate rail transportation for value added processed products when there was a clear need to do so. COPA continues to support the federal government's ability to establish volume requirements should rail service deteriorate and compromise the growth and prosperity of the oilseed processing industry.

“The minimum volume requirements kick-started increased rail service when it was badly needed,” says Patti Miller, President of the Canola Council of Canada “If similar circumstances arise, the government's ability to re-instate mandatory volumes may be required so that Canada can remain a reliable supplier of high quality oil and meal products.”

Complementary action by the federal government to facilitate improved rail service for shippers has also enabled oilseed processors to better meet customer needs. Expanding the interswitching distance to 160 km, facilitating improved transparency to measure railway performance, and enabling Service Level Agreements between shippers and railways are positive measures.

“Our members are hopeful that the federal government builds upon their efforts to allow shippers to sign meaningful Service Level Agreements with railways,” says Miller. “Holding railways accountable for poor service with financial penalties is essential for commercial relationships that enable oilseed processors to grow.”

COPA remains focused on achieving market-driven solutions to transportation concerns through the review of the Canada Transportation Act. Among its recommendations for the review panel led by the Hon. David Emerson, COPA supports the addition of reciprocal penalties within arbitrated Service Level Agreements between shippers and railways, the strengthening of level of service provisions by defining “suitable and adequate” service as that which meets the needs of the shipper, and the extension of limits for interswitching to 160km on a permanent basis.

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 2014, member companies processed 7.1 million tonnes of canola and 1.6 million tonnes of soybeans. Exports of oilseed products are highly reliant on rail. In 2014, Canada exported \$4.0 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.

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MEMBERS: ADM Agri-Industries Company; Bunge Canada; Cargill Limited;;Louis Dreyfus Commodities Yorkton Corp.; Richardson Oilseed Limited; TRT ETGO du Québec; Viterra Inc.