



## CANADIAN OILSEED PROCESSORS ASSOCIATION

### **Oilseed Processors Applaud House Transport Committee's Call for Extended Interswitching Limits**

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The Canadian Oilseed Processors Association (COPA) commends the House of Commons Standing Committee on Transport, Infrastructure and Communities on its recently tabled recommendations pursuant to its study of the *Fair Rail for Grain Farmers Act*. COPA applauds the committee for its thorough study resulting in a set of recommendations that support the creation of a more competitive rail transportation environment for oilseed processors and all of Canada's rail-reliant sectors.

"Oilseed processors are particularly pleased to see the Committee's top recommendation was to make the existing extended interswitching limits permanent through legislation," said COPA Executive Director Chris Vervaet. "Having competitive options made available through extended interswitching limits has introduced a level of competition into the system that we have never seen before, allowing COPA members to negotiate better rates and service from rail carriers."

Canada's oilseed processors serve the entire value chain and notably farmer customers by creating consistent and reliable demand year-round for their canola and soybeans. Canadian oilseed processors ship to locations in Canada, all 48 continental U.S. states and around the world.

"The oilseed processors' need for reliable rail service is essential as plants operate on a continuous 24/7 schedule and like most manufacturers require just-in-time delivery on in-bound seed and shipment of out-bound vegetable oils and protein meals," explained Vervaet. Extended interswitching is an uncomplicated and transparent mechanism that is well understood and has allowed competitive forces to function in a natural way without the government having to intervene in a more prescriptive manner."

Oilseed processors are of the view that by extending interswitching limits permanently, Canada's value-added shippers will be able to continue to solidify existing sales relationships through consistent and cost effective delivery of their products. Furthermore, this provision provides new opportunities to ship to North American customers that previously have not been accessible given logistical constraints.

COPA also noted that there are many other important issues of interest discussed in the Committee's report including financial penalties to be covered in Service Level Agreements to address service failures. The report also contains a recommendation to redefine the overall service obligations of the railways to meet the needs of the marketplace via shippers under the definition of adequate and suitable. COPA will continue to provide its views to the government on these important elements as Minister Garneau prepares to introduce legislation in the Spring of 2017.

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*The Canadian Oilseed Processors Association (COPA) is a federally incorporated non-profit industry association that works in partnership with the Canola Council of Canada to represent the interests of the major oilseed processors in Canada.*

*COPA MEMBER COMPANIES: ADM Agri-Industries Company, Bunge Canada, Cargill Limited, Louis Dreyfus Company Yorkton Trading LP, Richardson Oilseed Limited, Viterra Inc.*