



May 6, 2024

The Honourable Devin Dreeshen
Minister of Transport and Economic Corridors
transportation.minister@gov.ab.ca

The Honourable RJ Sigurdson
Minister of Agriculture and Irrigation
agric.minister@gov.ab.ca

Re: Impacts of a CN and CPKC work stoppage on Alberta's crop sector

Dear Minister Dreeshen and Minister Sigurdson,

Alberta's crop sector farmers are aware of the negotiations taking place between the Teamsters Canada Rail Conference (TCRC) and both the Canada National Railway (CN) and the Canadian Pacific Kansas City (CPKC) railways. Of concern is the announcement that close to 10,000 workers have voted to authorize strikes and unless the parties reach an agreement there could be a work stoppage as early as May 22, 2024.

Any work stoppage presents a serious threat to the trade-dependent agricultural sector. Farmers depend on reliable and consistent rail service to receive critical crop inputs and deliver their grains to elevators and to ports for export to our many global customers. Farmers at this time of year schedule deliveries to move carryout stock off farm to make room for new crops and receive cash flow required for input procurement for the 2024 growing season. Last month CN shipped 2.77 million metric tonnes (MMT) of Western Canadian grain and processed grain products. A disruption of even a few days can cause systematic backlogs that have an ongoing impact on rail service that reverberates throughout the supply chain. An entire rail shutdown by both railways could create a national crisis.

Over 80 percent of our crop commodities are transported by rail to port for export. If contracted crops fall behind schedule and can't be delivered and loaded onto vessels waiting at port, demurrage fees are incurred for each day that the ships wait and can range from \$10,000 - \$15,000 per day. While these fees are initially paid by grain handling companies, they are ultimately passed on to farmers.

International markets demand reliability and predictability of the delivery of our commodities for in-market use. We have witnessed the devastating effects of rail service disruptions during the crisis in the 2012-13 harvest year. Not only did it have a crippling effect on farmers, but on the reputation of Canada as reliable supplier of commodities and this single event is still on the minds of our international buyers today. We are seeing challenges year after year, with actual or threatened labour disruptions that send concerning signals to our customers about our reliability as supplier and negatively impact our competitiveness in international markets.

In recent labour disputes we have seen the federal government slow to intervene and facilitate a resolution before labour action occurs or to provide a more permanent mechanism that allow for the continuation of





service during the collective bargaining process.

We know we can count on your ongoing support and advocacy for Alberta farmers and the agricultural sector, and we encourage you to reach out to your federal counterparts to urge them to proactively facilitate a resolution prior to a work stoppage occurring.

Sincerely yours,

Tara Sawyer, Chair
Alberta Grains

Curtis Miedema, Chair
Alberta Beekeepers

Roger Chevrax, Chair
Alberta Canola Producers Commission

Shane Strydhorst, Chair
Alberta Pulse Growers

Tracy Niemela, Chair
Alberta & BC Seed Growers

Gary Tokariuk, Chair
Alberta Sugar Beet Growers

Alison Davie, Chair
Potato Growers of Alberta

CC:

Honourable Matt Jones, Minister of Jobs, Economy and Trade
Jason Hale, Deputy Minister, Agriculture and Irrigation
Bryce Stewart, Deputy Minister, Transportation and Economic Corridors

