



The Western GHTS – Current Review

ICS Dry Bulk & Commodities Conference
November 17, 2016



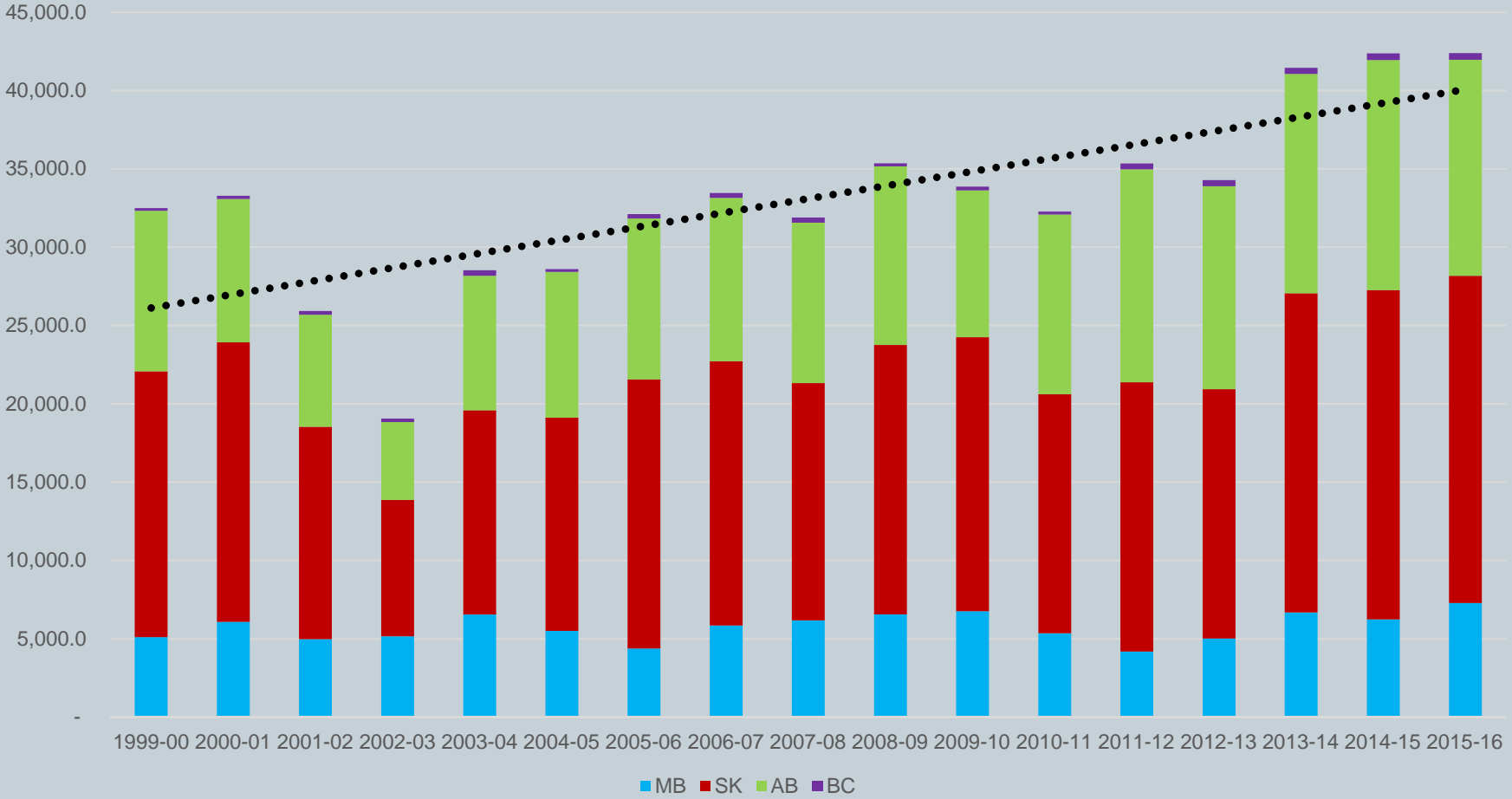
Total Supply (Western Canada Production and Carry In Stock)



* Forecast



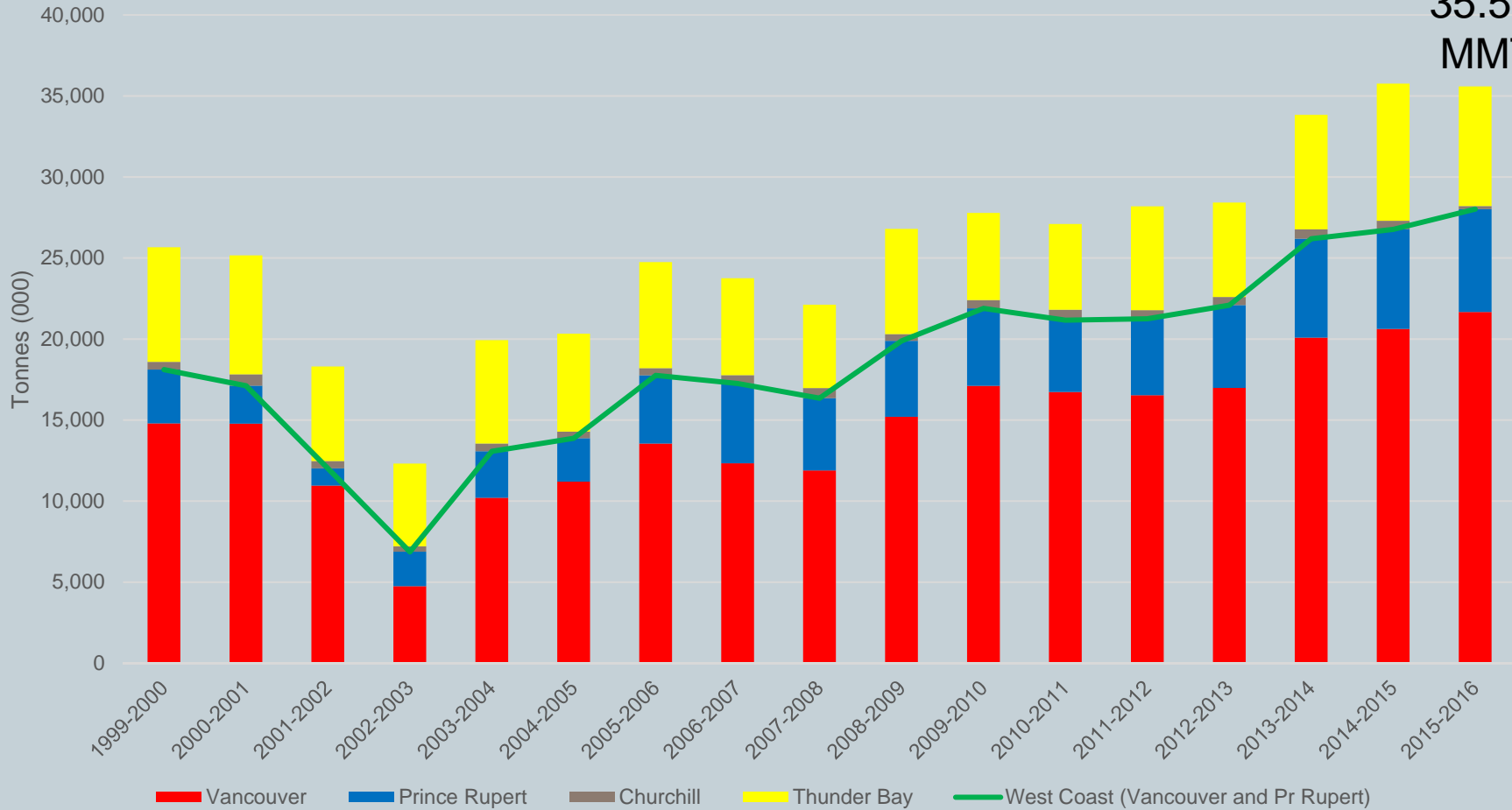
Shipments from Country Elevators



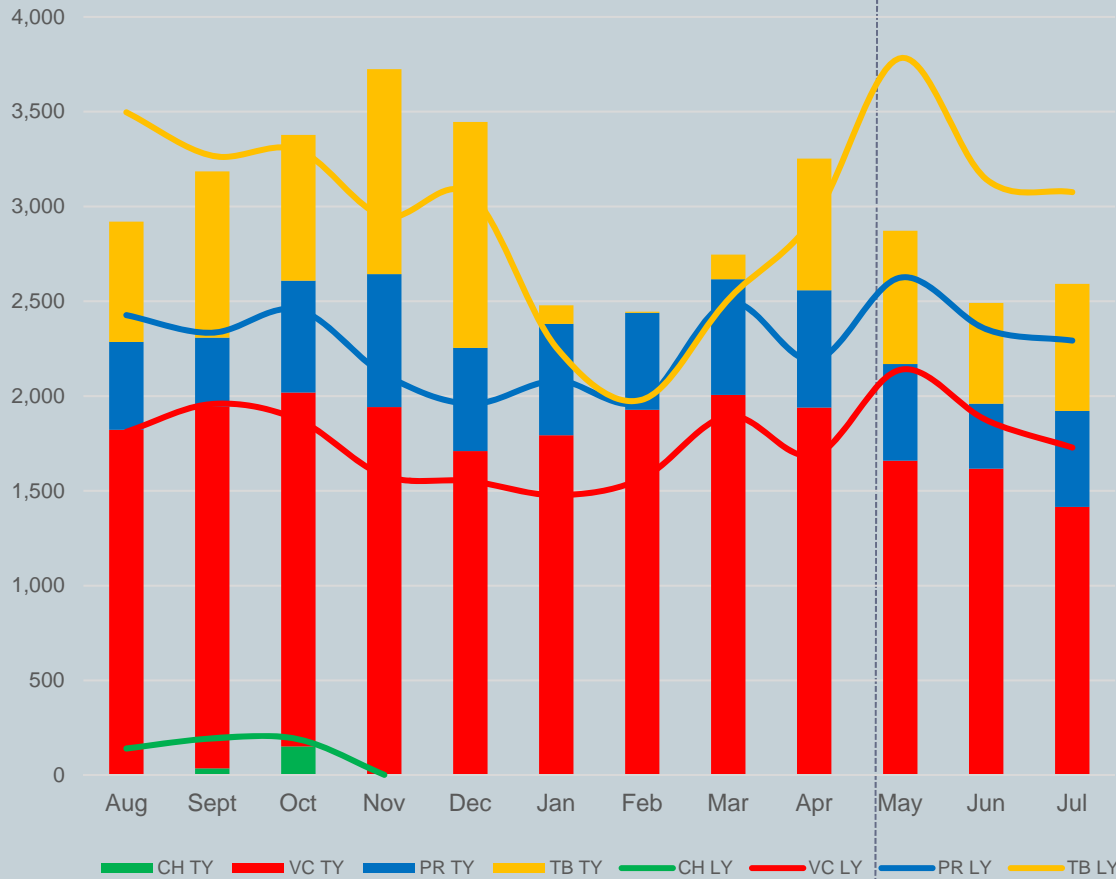
Shipments from Western Ports



35.59
MMT



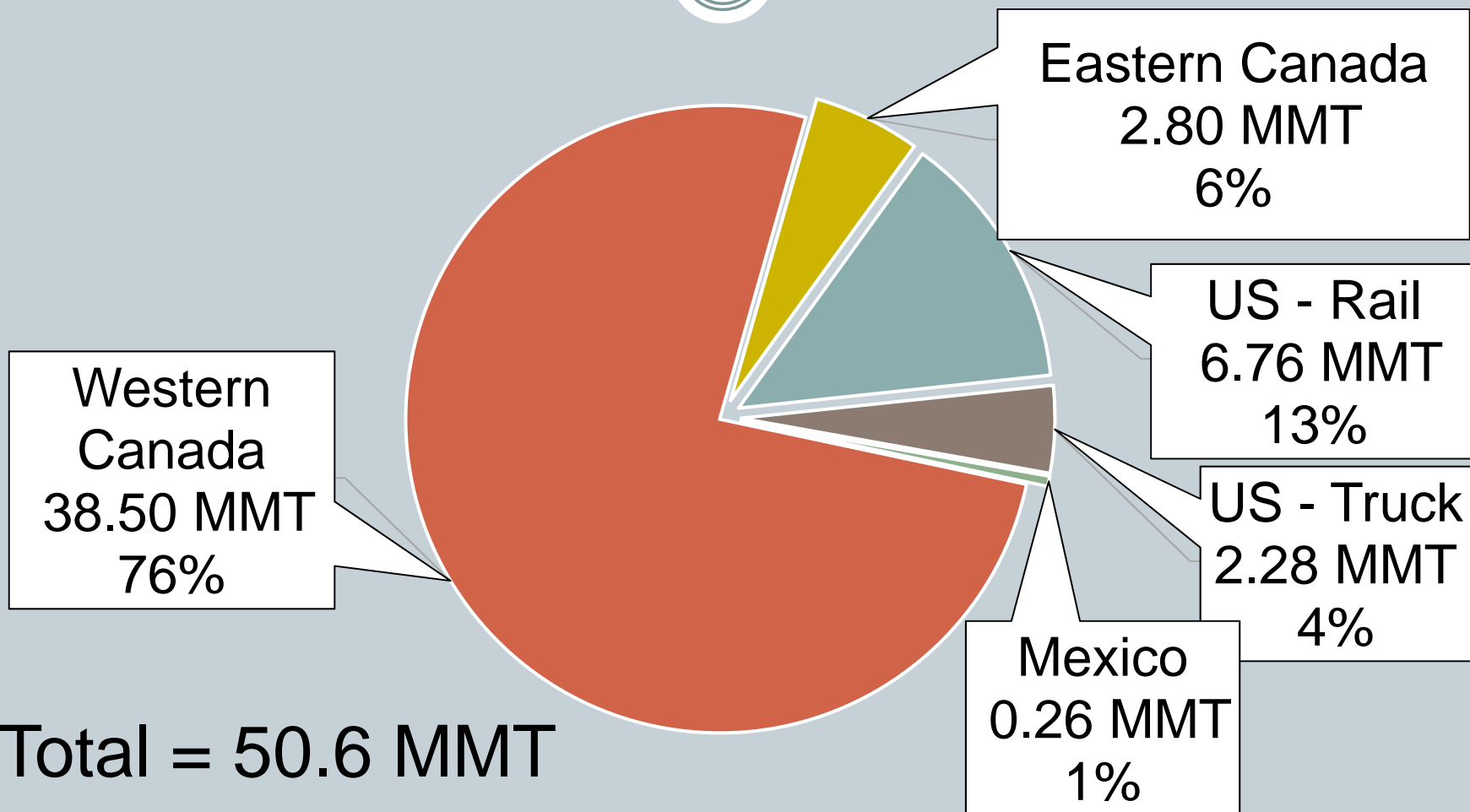
Shipments from Port: 2015-16



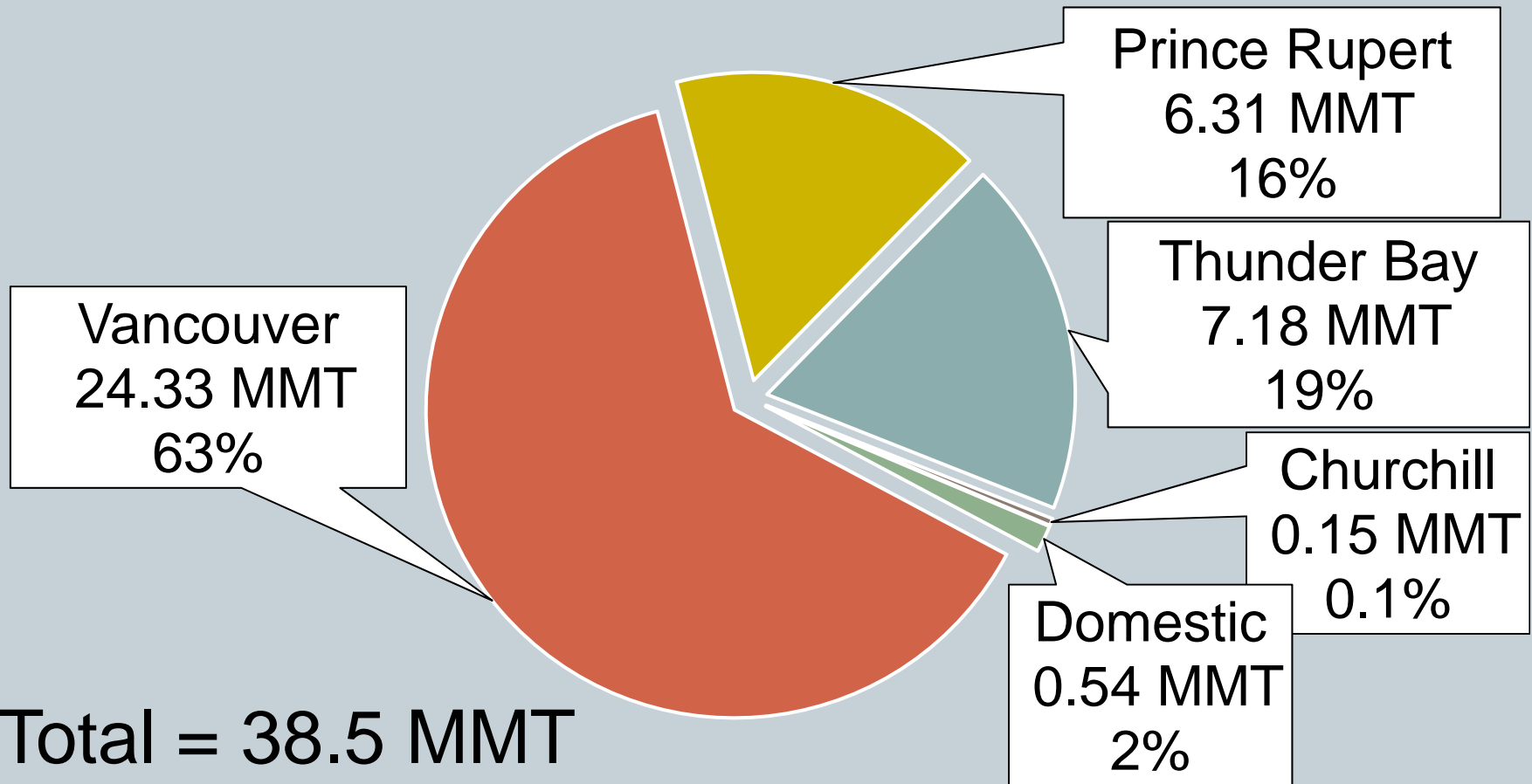
- 0.5% lower overall than last year
- 10% higher than 5 year average
- West Coast set a new record at **28.01 MMT** – 5% higher than 14-15; 13% higher than 5 year average



Where does Western Grain Go? (2015-16)

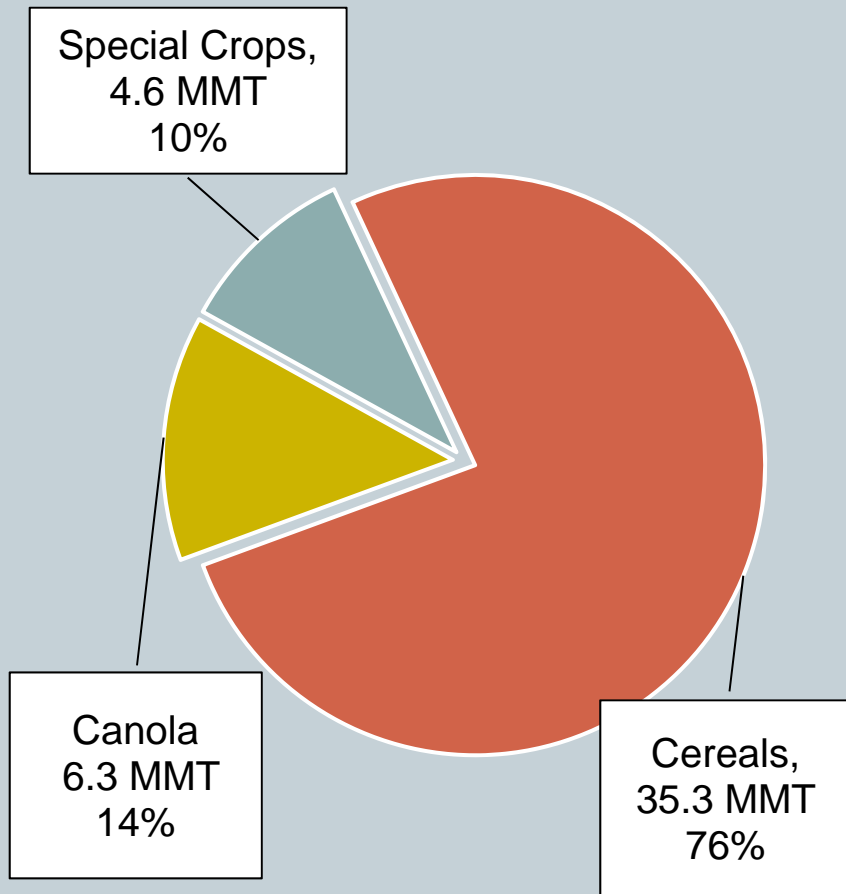


Western Canada Rail Traffic (2015-16)

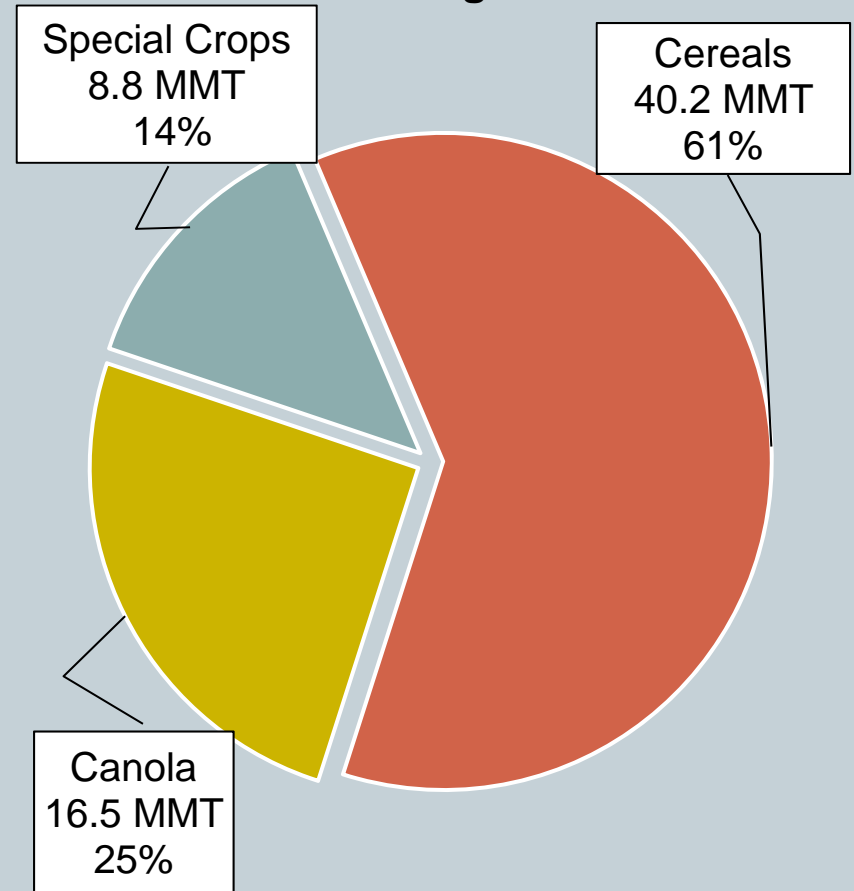


Increased Volume and Diversity in Crop Types

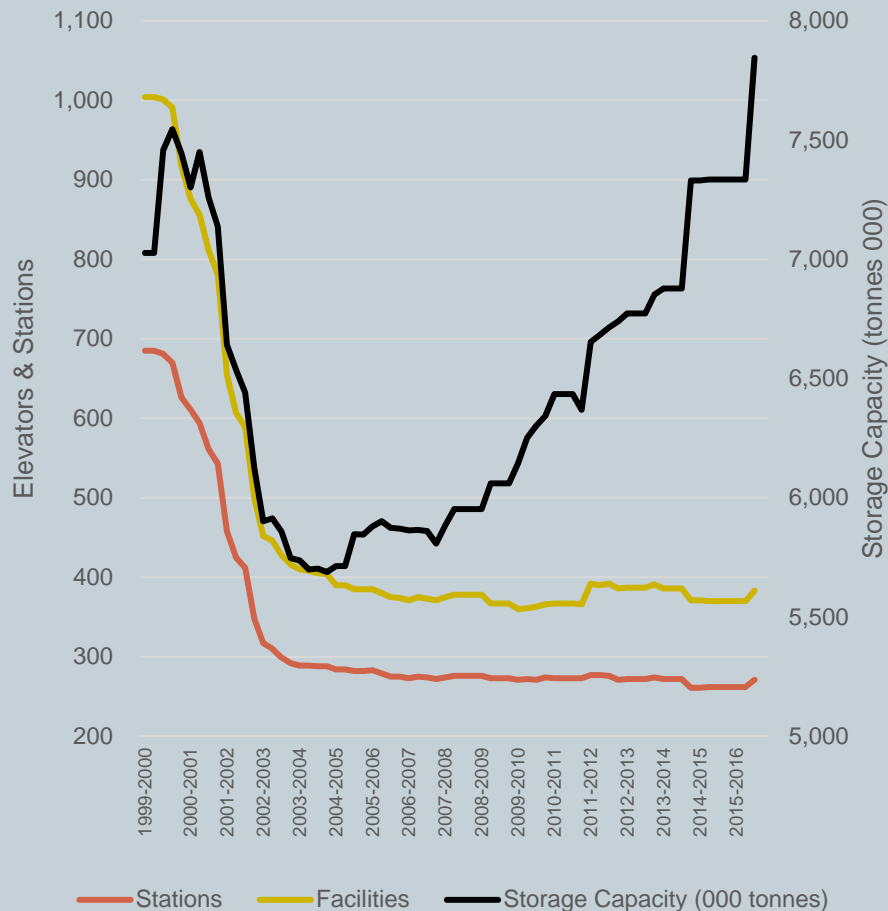
1999-2003 Average: 46.2 MMT



2012-2016 Average: 65.6 MMT



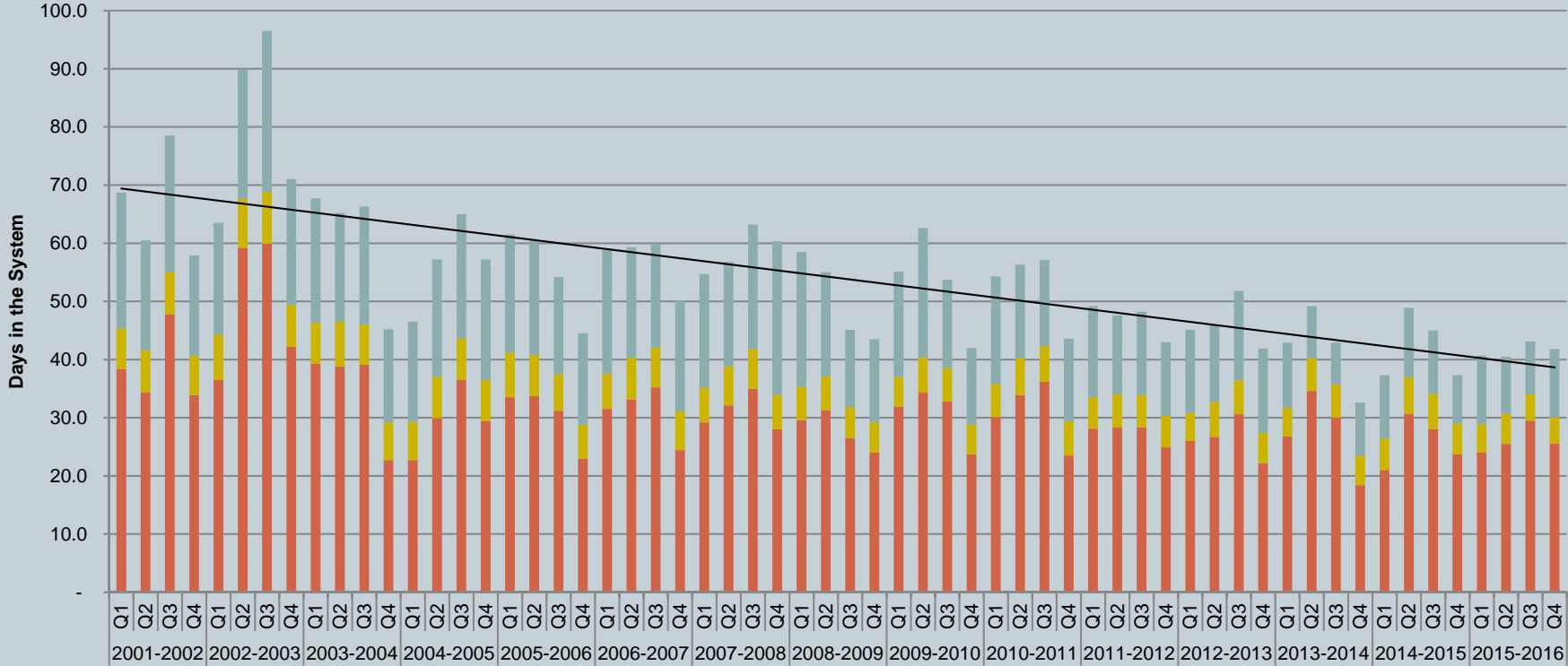
Capacity in Country



- Stations from 685 to 271
- Facilities from 1,004 to 383
- Storage from 7.03 to 7.8 MMT
- 60% are with the major companies (down from 94%)
- 53% are HTP facilities (up from 12% in 1999)
- 7 new builds on stream in next 12 months



Time in the System (Days)



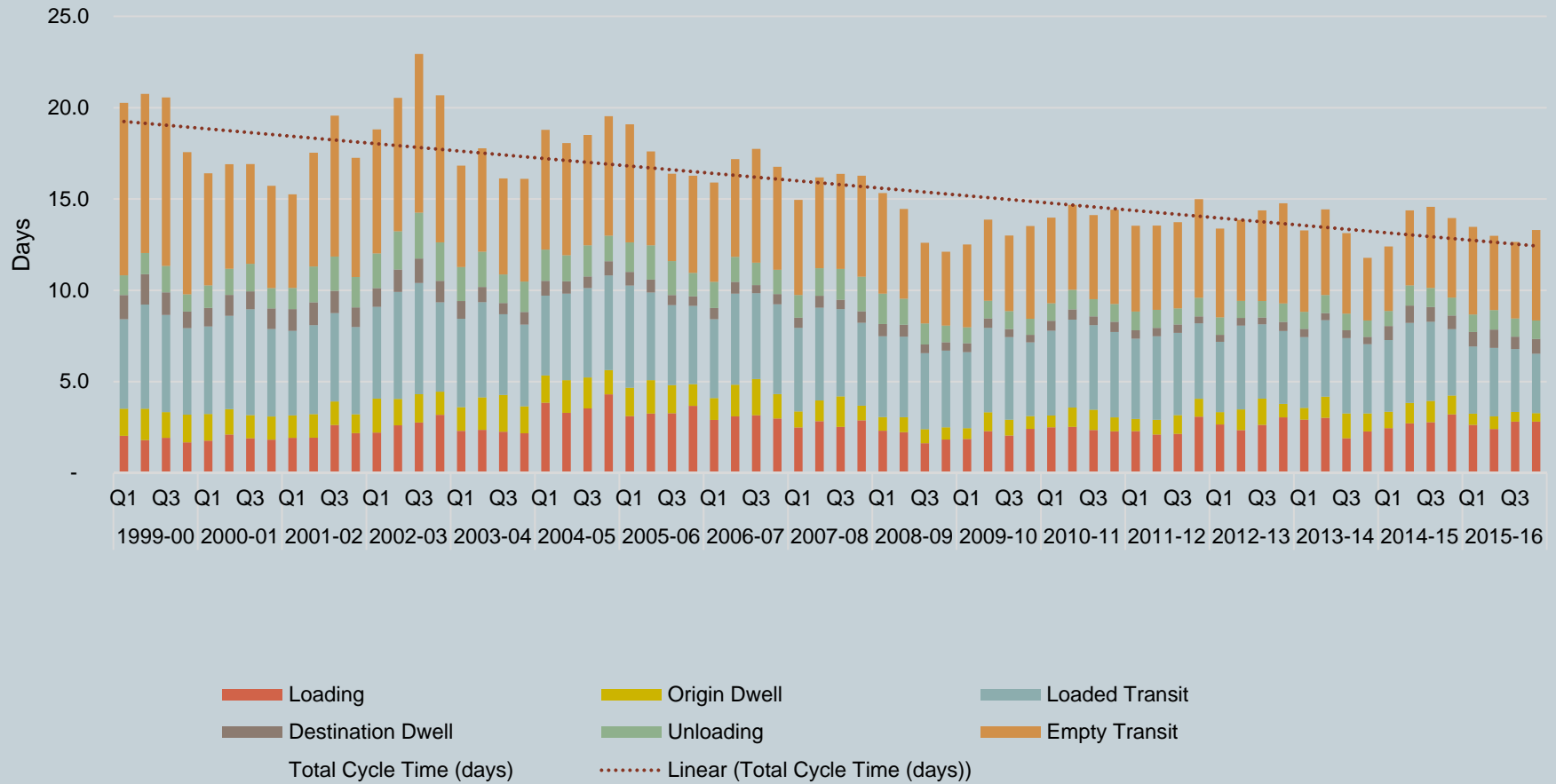
■ Country Elevator Storage
 ■ Railway Loaded Transit
 ■ Terminal Elevator Storage
 — Linear (Total (days))



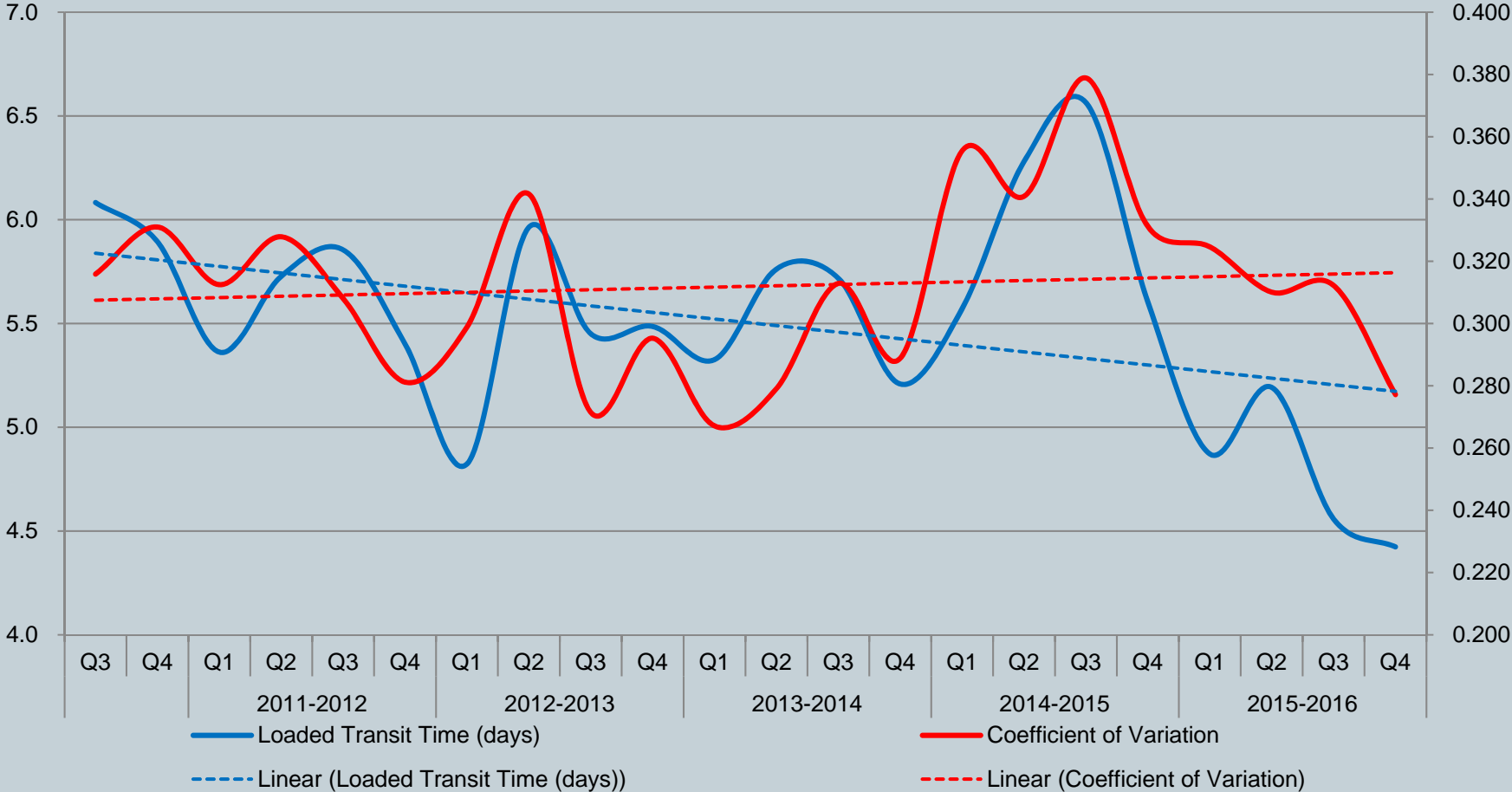
Country and Port Turnover Ratios



Railway Car Cycles



Loaded Transit Time

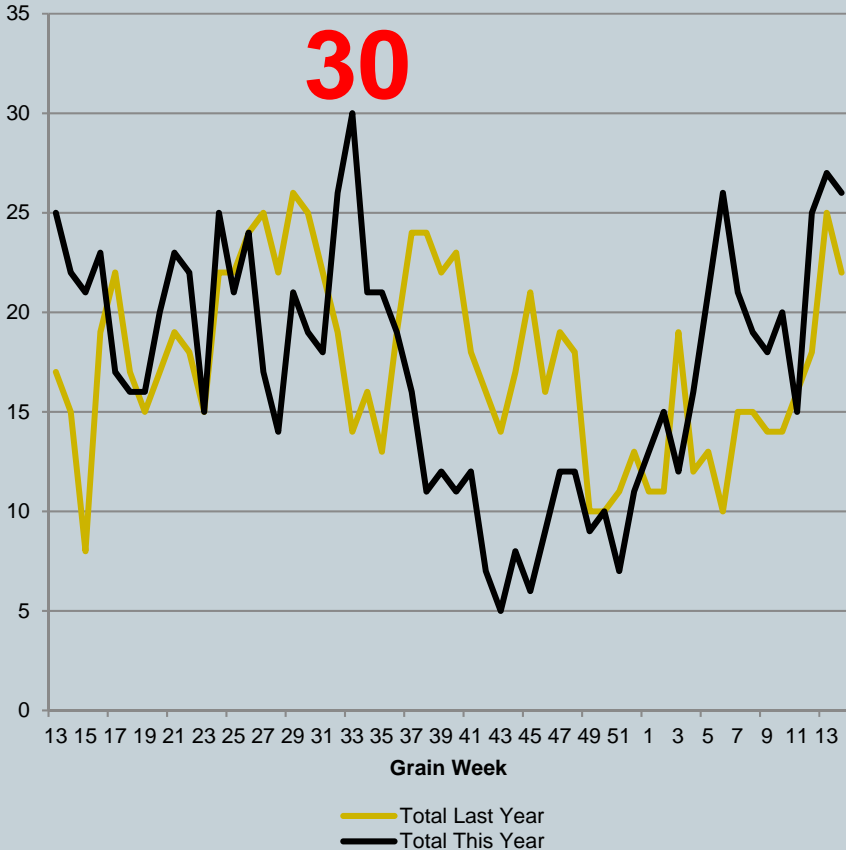


Railcar Fleet Size

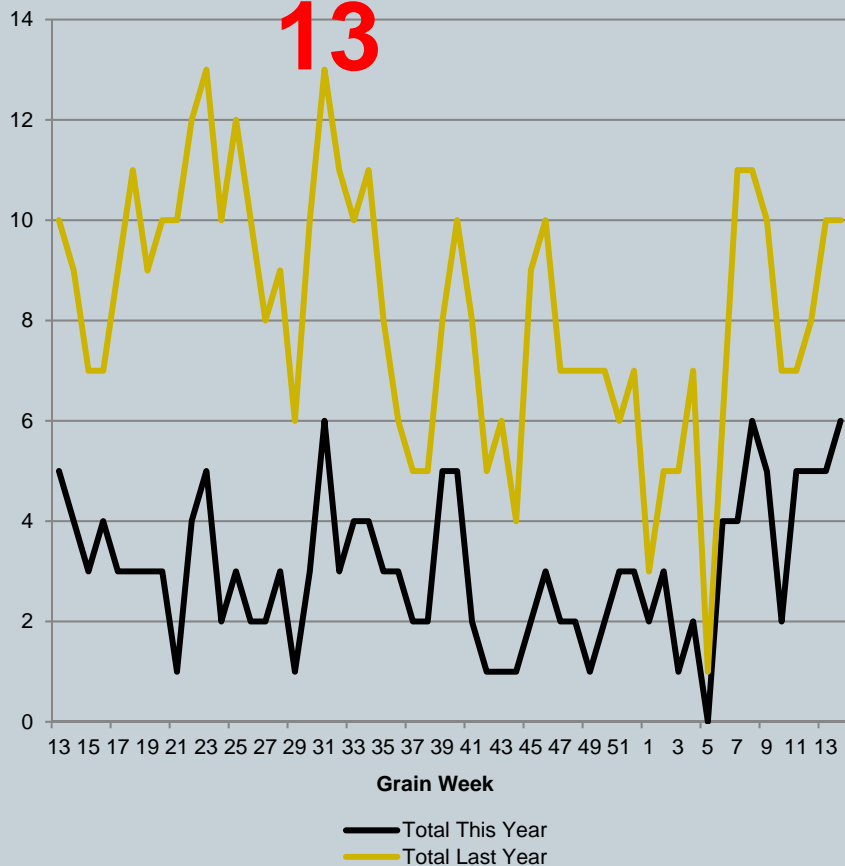


West Coast Vessel Lineups (last 12 months)

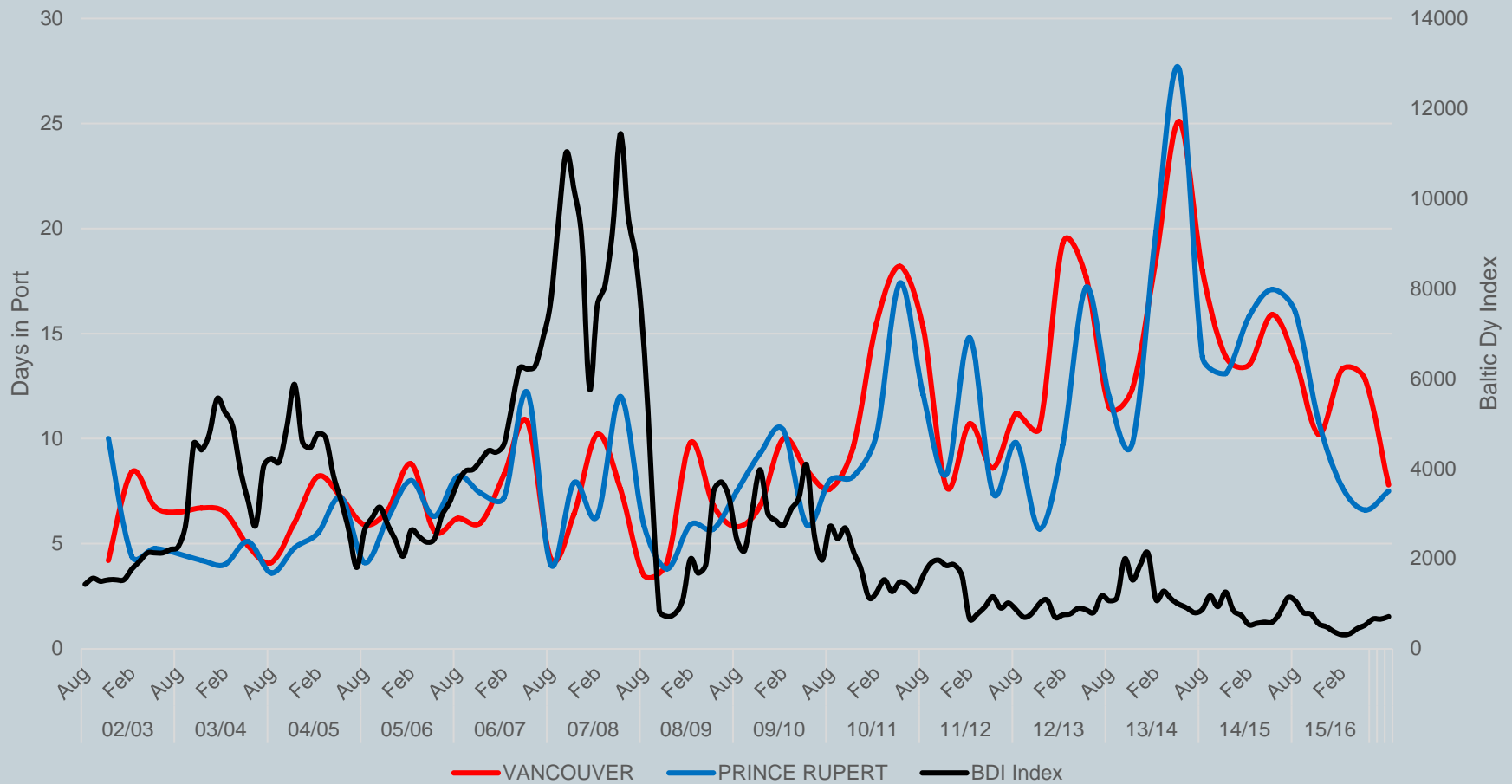
Vancouver



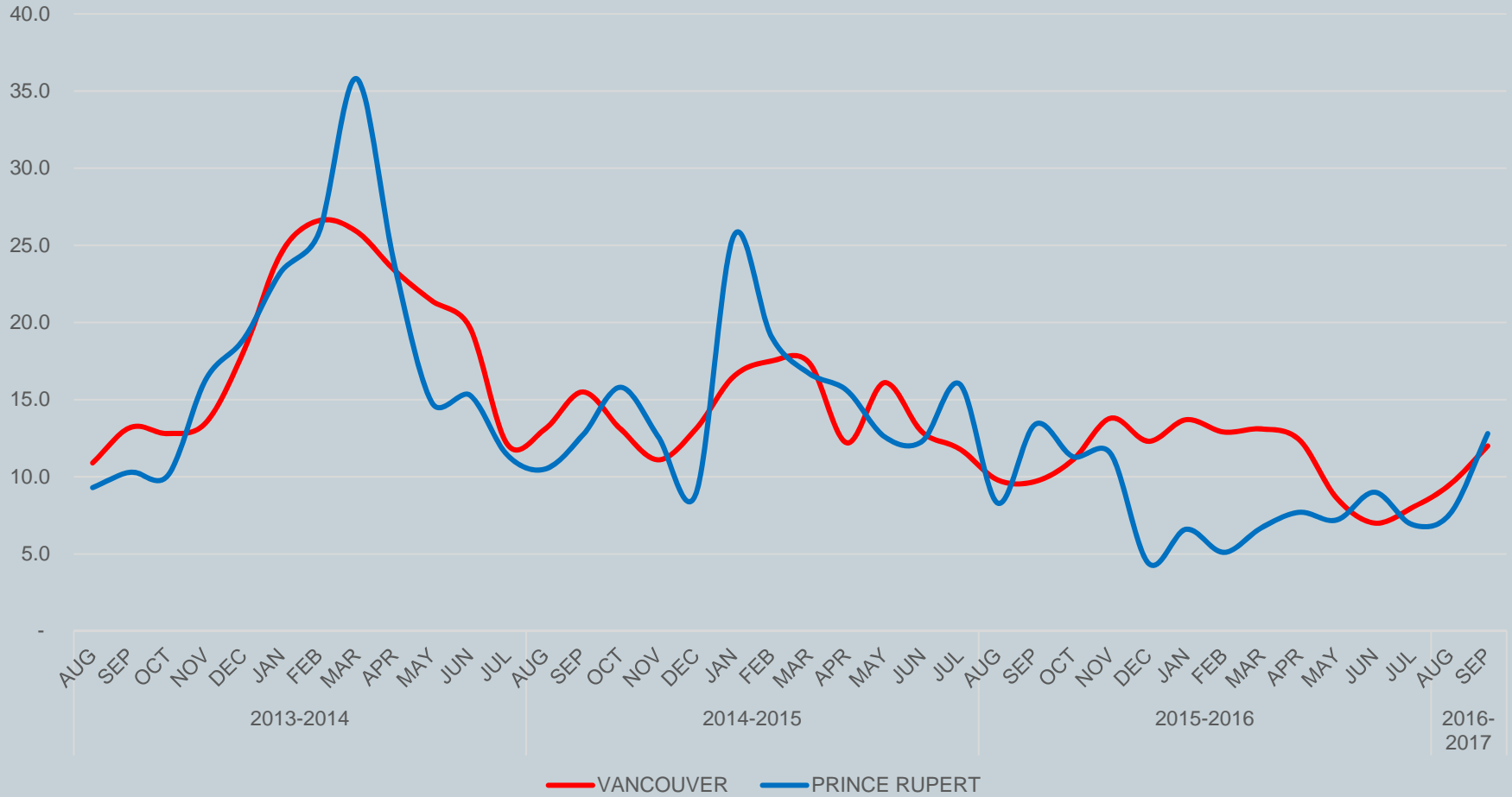
Prince Rupert



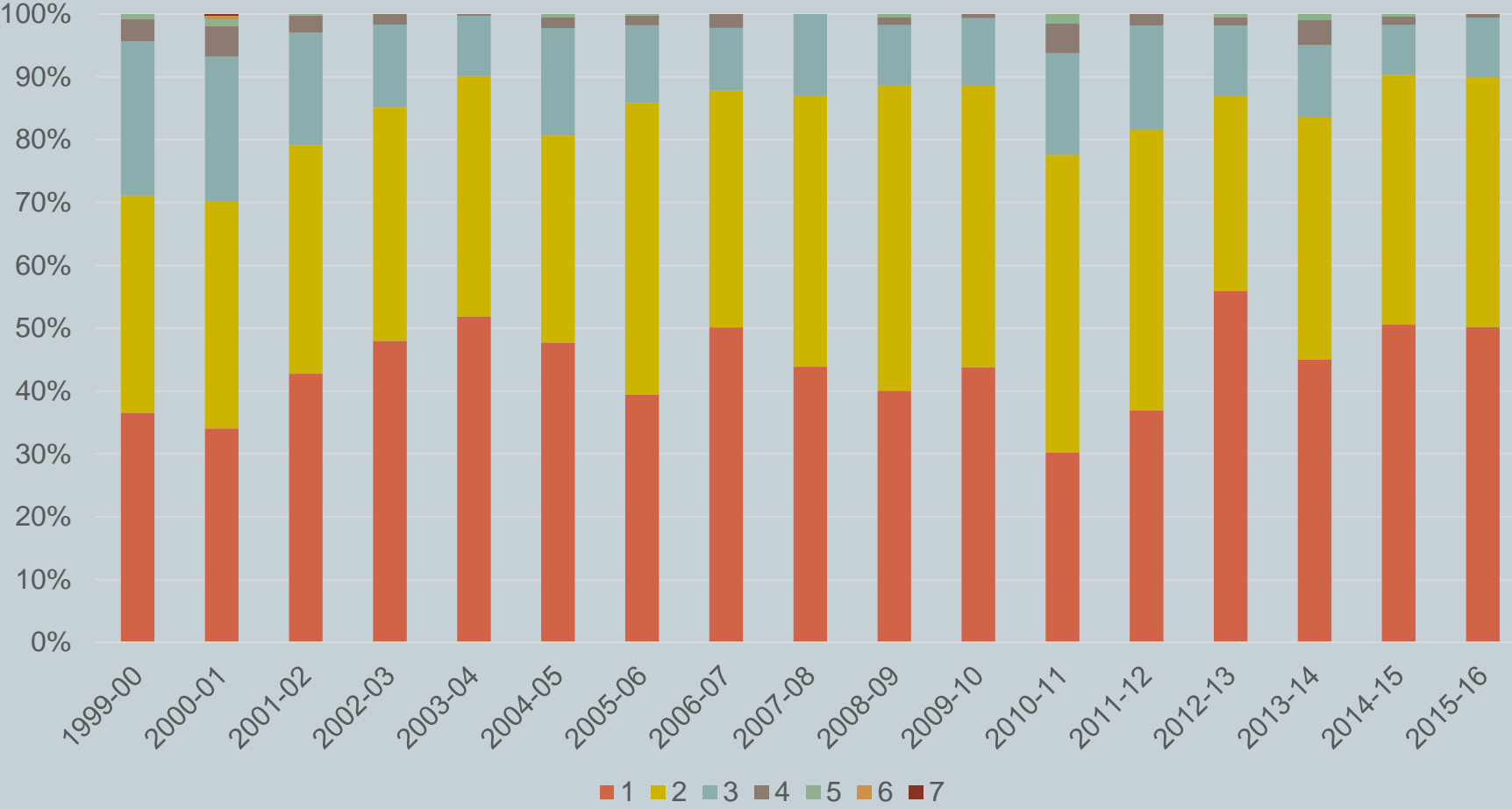
BDI vs. Days in Port (by Quarter: 2002- 2016)



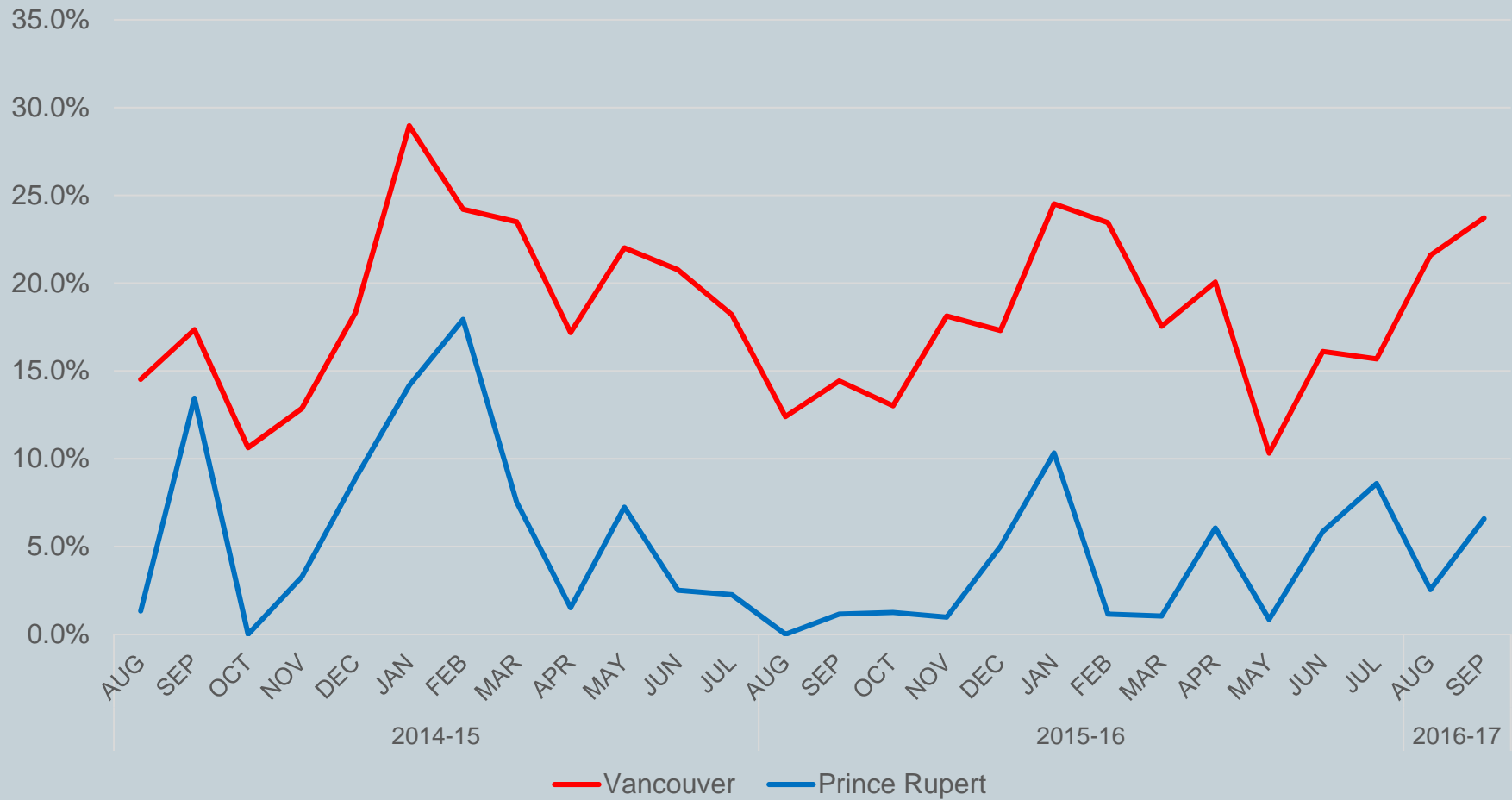
Days in Port (2013-2016 by month)



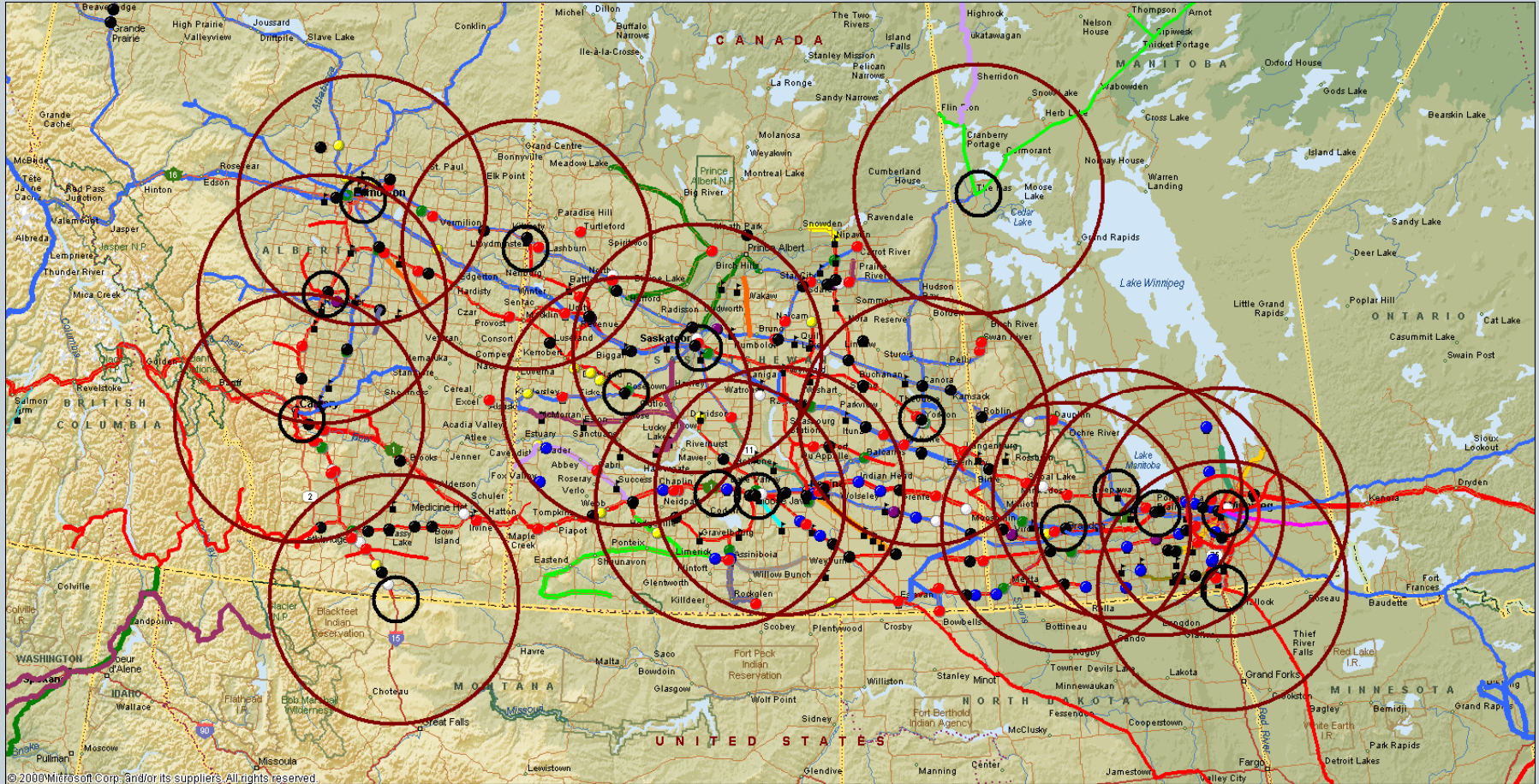
Multiple Berths: Vancouver



Terminal “Out of Car Time”



Extended Interswitching



Legislative & Regulatory Issues “On the Table”



- Reciprocal Penalties
 - By contract
- Maximum Revenue Entitlement
 - (MRE or Revenue Cap)
- Definition of Adequate and Suitable
- Extended Interswitching
- Minimum Volume Thresholds



Summary



- The 2016-17 Crop Year movement to the west coast is going well (so far)
- 2015-16 movement was exceptional with operational efficiency measures showing improvement on almost fronts
 - There has been improvements in the communications between railways, grain companies and terminals
- Regulatory change is in the wind and will have an impact



Thank You

