

Farmers criticize federal grain-by-rail act

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New federal legislation tabled Wednesday and aimed at easing a grain transportation logjam appears to have done little to lessen the animosity many Western farmers feel toward Canada's rail companies.

While some prairie farm groups thanked Agriculture Minister Gerry Ritz for introducing the act, others said Thursday it doesn't go far enough to address what they say has been a serious breakdown in grain shipping capacity this winter.

Several farm leaders also lashed out at Canadian National Railway chief executive Claude Mongeau for saying Wednesday that the government was using heavyhanded legislation to satisfy farmers and "placate a vocal constituency."

"That statement just proves that we need more competition in this industry - we need more competition on the rails," said Alberta Barley chair Matt Sawyer. "For (Mongeau) to say that, it's concerning to me," said Levi Wood, president of the Western Canadian Wheat Growers Association. "Because I think the railways choose their own constituencies too. We've seen grain transportation suffer quite significantly this year, while at the same time we've seen their ability to ship other commodities increase."

The Fair Rail for Grain Farmers Act would give the government the ability to mandate the amount of grain railways must ship and imposes financial penalties for non-performance. It also expands shippers' abilities to choose a different railway by extending "interswitching" limits.

Canadian Pacific Railway was still reviewing the legislation Thursday, but CN was quick to criticize it after it was introduced. Mongeau said Wednesday the bill could undermine rail viability and open their business to unfair poaching by U.S. railways.

But Wood said even with the new rules, up to 20 million tonnes of grain will likely remain stuck in bins and elevators, carried over until this fall's harvest.

He said the logjam has already cost Prairie farmers an estimated \$2 billion, and added he doesn't believe the penalties or minimum volumes imposed by the federal government are enough.

"The penalty of \$100,000 a day, we don't think that's sufficient. And we really don't feel the car numbers are sufficient," Wood said.

"It's a start, but we've got a ways to go, I think, before we're really happy."

Sawyer said he welcomes the legislation as an interim solution, but the federal government needs to look at long-term ways of ensuring Canada has a "reliable and transparent" transportation system.