



Canada Industrial Relations Board (CIRB)
C.D. Howe Building
240 Sparks Street – 4th Floor West
Ottawa, Ontario K1A 0X8
Via CIRB-Filing-CCRI-Depot@tribunal.gc.ca

May 21st, 2024

Re: Board file no. 037673-C

A referral concerning Canadian Pacific Kansas City Railway Company (CPKC) and two bargaining units represented by the Teamsters Canada Rail Conference (TCRC)

and

Re: Board file no. 037674-C

A referral concerning the Canadian National Railway Company (CN) and TCRC

Grain farmers across Canada are concerned regarding the impacts of propane access for grain drying from railway work stoppages. We are further concerned about a work stoppage's impact on access to fertilizer, and the effects on domestic and international markets. A work stoppage may ultimately lead to crop failures, food security challenges, cashflow issues for farmers, and strain our trade relationships.

As the national voice for Canada's grain farmers, Grain Growers of Canada (GGC) represents over 65,000 cereal, pulse, and oilseed producers through our 14 grower groups. Our members are trade-oriented, sustainable, and innovative. As a farmer-driven association for the grain industry, GGC advocates for federal policy that supports the competitiveness and profitability of grain growers across Canada.

Propane Shipments

After crops have been harvested, grain farmers use an essential process called grain drying to reduce the moisture content. If the grain is not dried properly, harmful fungi and bacteria will begin to grow and destroy the integrity of the crop. In this situation, the crop will have to be disposed and will not reach a final food or feed market. Grain dryers are predominately fueled by propane on individual farms, which is a key commodity shipped by rail transportation. Without grain dryers, food spoilage is inevitable, jeopardizing national and international food security.

There are extremely limited alternative options for propane grain dryers in the case of a railway work stoppage. Some farmers may be located on a natural gas line and may use natural gas-powered grain dryers. Others may ship their grain to a local elevator to dry it, though this is only feasible if the elevator uses natural gas, and this process substantially increases the cost of production for producers. In short, grain farmers would be directly impacted without access to propane to dry their grain post-harvest.

Fertilizer Shipments

We stress that in addition to propane shipments, a work stoppage will have immediate and adverse effects on grain farmers across Canada. Key inputs to produce crops, such as fertilizer, rely on rail transportation to reach grain farmers. Fertilizer is used throughout the growing season, and without reliable access, crops will not grow as intended, which may lead to crop failure. Potash in particular is

difficult to transport via truck because of its chemical properties, leaving little to no alternatives. A shortage in fertilizer is also particularly concerning due to the seeding and growing season having just begun in many parts of Canada.

Domestic and International Market Access

To deliver grain to market, individual farmers transport their grain to a local grain elevator for sale, which is then transported mostly via rail to domestic processors or to port for export positions. Grain elevators have finite storage capacity, and in the case of a work stoppage, they will have to turn farmers away even if they have contracts in place for delivery. Grain farmers will be left without a mechanism to sell their product, which will result in cashflow issues, which are key to purchasing seed, fertilizer, and fuel throughout the year. We note that grain farmers are continuing to deliver grain to elevators in the spring and into the summer from the 2023 crop, and in the fall, they will begin hauling the 2024 crop to elevators. If a work stoppage occurs in the fall, grain farmers will have insufficient storage space on their operation to hold the excess grain. They will be left stockpiling grain in their yards, exposed to animals and pathogens that may contaminate the product.

Furthermore, if grain elevators are unable to ship products to domestic markets, it will create domestic food security issues. For instance, there are many flour mills and bakery manufacturers located across Canada that source wheat from the Prairies for bread production. In the event of a work stoppage, these bakeries will have to pause production, leading to domestic food shortages in our local grocery stores. Internationally, grain farmers will be unable to ship grain to export positions. This will result in an estimated loss of at least \$35 million per day and harms our long-term trade relationships.

We hope that the CIRB will ensure that grain farmers across Canada will have consistent and reliable access to propane and fertilizer in the event of a work stoppage. We also hope that maintenance of activities provisions are considered for grain shipments in the interest of domestic and international food security. If you have any further questions, feel free to reach out to me at kyle@graingrowers.ca or 613-233-9954.

Sincerely,

Kyle Larkin, Executive Director
Grain Growers of Canada