December 15, 2017

The Honourable David Tkachuk, Senator
Chair, The Standing Senate Committee on Transport and Communications
The Senate
Ottawa, Ontario
K1A 0A4

Re: Bill C-49 An Act to amend the Canada Transportation Act and other Acts

Senator Tkachuk,

Canadian Canola Growers Association (CCGA) is pleased to see your Committee launch its study on Bill C-49 this week. While giving the Bill due consideration, we encourage you to pass the Bill in a timely fashion.

CCGA represents 43,000 canola growers and is governed by a Board of farmer directors representing all provinces from Ontario west to British Columbia. In 2016, canola generated the highest farm cash receipts of any agriculture commodity in Canada. Approximately 90% of canola grown in Canada is exported (in the form of seed, oil or meal), and farmers are dependent on Canada’s railways to move grain to export position – we have no alternative.

Canola is reliant on global trade; we export to over 50 countries annually, creating an industry in Canada that exceeds $26 billion annually. This year, Canadian farmers harvested over 21 million tonnes of canola seed, a new record. And the industry has set ambitious growth targets to produce 26 million tonnes by 2025.

Through the structure of the grain sector, transportation and logistics costs, whatever they may be, are passed back and paid for by the farmer. This is a fundamental difference from other primary commodities where the producer is often in control of the logistics and marketing functions and has some ability to pass-through transportation costs to downstream or end users.

Reliable and cost-effective service is essential as breakdowns in the supply-chain impact grain market pricing for our products, above and beyond freight rates. It also impacts Canada's reputation in export markets if we are not getting our products to destinations as contracted. Shippers of our products are ready to try to use the new competitive tools contained in the Bill once it becomes law.

Should the Committee hear further testimony on this Bill, we would be very pleased to appear and share the canola farmer perspective.

Sincerely,

Jack Froese
President, Canadian Canola Growers Association

cc: Members of the Standing Senate Committee on Transport and Communications
    The Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food
    The Honourable Marc Garneau, Minister of Transport