



August 2, 2024

The Honorable Kody Blois  
Chairman  
Standing Committee on Agriculture and Agri-Food  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Chairman Blois:

I write to express concerns regarding a potential significant disruption to the Canadian and North American supply chains. The Canada Industrial Relations Board is expected to decide no later than August 9 on whether a work stoppage by the Teamsters Canada Rail Conference would impact residents' health and safety. If it is determined that there is no health and safety risk, workers can legally strike 72 hours later. As representatives of U.S. and Canadian agribusinesses that rely on rail transportation, we strongly urge action to avoid significant economic damage to North American supply chains and further uncertainty for rail customers if a new labor agreement is not reached before the end of the 72-hour period.

The National Grain and Feed Association (NGFA), established in 1896, consists of grain, feed, processing, exporting and other grain-related companies that operate more than 8,000 facilities handling Canadian and U.S. grains and oilseeds. Its membership includes grain elevators; feed and feed ingredient manufacturers; biofuels companies; grain and oilseed processors and millers; exporters; livestock and poultry integrators; and associated firms that provide goods and services to North America's grain, feed and processing industry. Many of these firms rely on rail services that transit to and via Canada, which would lead to ripple effects across the entire industry.

If a labor agreement is not reached, the NGFA urges you to take action to prevent a rail strike or lockout that would lead to shutdowns or slowdowns of rail-dependent facilities resulting in harmful consequences for Canadian and American agricultural producers, the industry, and both domestic and global food security. The ability to soften the blow of a strike varies by industry. Importing industries are arguably able to better prepare for a rail stoppage by diverting vessels to U.S. ports. However, the impact of a strike would be particularly severe on bulk commodity exporters in both Canada and the United States as trucking is not a viable option for many agricultural shippers due to their high-volume needs and the long distances for many of the movements.

Agriculture is particularly dependent on rail and exposed to rail stoppages due to a sizable livestock industry that depends on rail for the timely delivery of corn and other feed grains, dried distillers grains, and further feed ingredients. There also are many facilities, such as biofuels operations, flour mills and other grain processors that require uninterrupted rail

service. In the event of an interruption, they quickly run out of storage capacity and incur shortages of incoming raw materials. In addition, shutdowns and restarts of such facilities are complex operations, meaning that even a short-term disruption could stop production for several weeks.

The timing is particularly troublesome as it coincides with the wheat, canola, barley and oats harvest when rail transportation needs are at their peak. Canada is the world's largest exporter of canola and oats, third largest exporter of wheat, and fifth largest for barley. Canada's agricultural export facilities are primarily served by rail and a stoppage of rail service would materially harm farmgate prices for commodities, ag shippers and exporters and global customers.

Operational railroads are essential on both sides of the border for the integrated North American supply chain. While we believe a negotiated solution is always the preferred outcome, the government should be prepared to move quickly if negotiations fail. The NGFA thanks you for your responsiveness to this imminent threat to the Canadian and North American supply chains.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Seyfert". The signature is written in a cursive, flowing style.

Michael J. Seyfert  
President and Chief Executive Officer  
National Grain and Feed Association