

August 19, 2024

The Right Honourable Justin Trudeau P.C., M.P.
Prime Minister of Canada
80 Wellington Street
Ottawa, Ontario K1A 0A3

Dear Prime Minister:

Our members represent a broad array of the agricultural supply chain that relies on freight rail transportation from the Canadian National Railway Company (CN) and CPKC, and we write to express concerns regarding a potential significant disruption to the North American supply chains. We request that you take action to ensure railroad operations continue before a lockout or strike occurs to prevent serious damage to the Canadian and U.S. economies.

A lockout or strike would lead to shutdowns or slowdowns of rail-dependent facilities resulting in harmful consequences for Canadian and American agricultural producers, the agricultural 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 ships more than 25,000 cars per week and this figure will go to zero during a strike or lockout. There are even higher volumes that would be lost during harvest. Agricultural facilities have no viable alternative transportation options to supply Canada's international customers and the inability to cycle products through the supply chain could limit producers' ability to deliver harvested crops. Costs from delayed shipments and lost sales will be amplified and carried by all system participants, as well as Canadian consumers in the way of higher grocery store prices. A work stoppage of any length of time means lost shipping opportunities that will never be recovered.

Agriculture is particularly exposed to rail stoppages due to robust fertilizer and other agricultural input trade and a sizable livestock industry that depends on rail for the timely delivery of feed grains, dried distillers grains, and further feed ingredients. Additionally, many facilities, such as biofuels operations, flour mills and other agricultural operations 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, shutting down and restarting these facilities are complex operations, meaning that even a short-term disruption could stop production for several weeks.

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, your government should be prepared to move quickly if negotiations fail.

We thank you for your responsiveness to this imminent threat to the North American supply chains.

Sincerely,

Agricultural Retailers Association
Agriculture Transportation Coalition- AgTC
American Farm Bureau Federation
American Feed Industry Association
AmericanHort
American Malting Barley Association
American Soybean Association
Consumer Brands Association
Corn Refiners Association
Forest Resources Association
Growth Energy
Hardwood Federation
International Fresh Produce Association
Midwest Dry Bean Coalition
National Aquaculture Association
National Association of State Departments of Agriculture
National Barley Growers Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Grain and Feed Association
National Oilseed Processors Association
National Pork Producers Council
National Sunflower Association
North American Export Grain Association
North American Millers' Association
North American Renderers Association
Pet Food Institute
Renewable Fuels Association
Soy Transportation Coalition
Specialty Soya and Grains Alliance
The Fertilizer Institute
USA Rice
U.S. Canola Association
U.S. Grains Council

cc:

The President of the United States of America
The Honourable Steven MacKinnon, Minister of Labour and Seniors
The Honourable Pablo Rodriguez, Minister of Transport

The Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food
The Honorable Pete Buttigieg, Secretary of Transportation
The Honorable Tom Vilsack, Secretary of Agriculture
The Honorable Robert Primus, Chairman of Surface Transportation Board