

## Importance of Shortlines to Business

December 24, 2020

Keystone Agricultural Producers (KAP) is Manitoba's general farm policy organization, providing a unified voice for farmers on issues that affect agriculture. KAP represents and promotes the interests of 4,500 farmers and 21 commodity associations.

Transport Canada is surveying farmers to better understand the value shortline railways provide for Canadian farmers. The submission below is guided by KAP policy and input from KAP's transportation policy committee.

Shortline railways provide an alternative for farmers to move their product to domestic and international markets. According to the Railway Association of Canada, one in five carloads on Canadian railways originate on a shortline. Shortline railways provide additional shipping options for farmers, add competition in the grain supply chain and create options for rural economic development. For example, near Manitou, Manitoba, some farmers rely heavily on the shortline networks to have their oats and soybeans reach international destinations. Additional advantages of shortlines include elevator cost savings, service variety, flexibility, availability, and a simplified shipping process.

Canadian Grain Commission (CGC) data shows a slight decrease in producer car allocation for the 2019/20 crop year when compared to 2018/19. Many producer car allocations occur on shortlines where administrators such as G3 and transloading facilities may be involved in this process. The Canadian Grain Commission (CGC) plays a key role in producer car allocation and KAP advocates for their continued responsibility in creating an efficient and effective administrative process.

KAP members who rely on shortline railways have expressed concern over the lack of government funding made available for this rail class. Shortlines are a critical part of the supply chain and KAP advocates that both the provincial and federal government make funds available for shortline infrastructure investments. Adequate funding ensures that shortline rail companies have the opportunity to expand market share while at the same time creating a safe and efficient rail network.

KAP will continue to advocate for the valuable role shortline railways play in the province. KAP encourages further dialogue between industry and government to ensure the sustainable growth of shortline railways that will be beneficial and advantageous for all stakeholders.