



**KEYSTONE
AGRICULTURAL
PRODUCERS**
1984 - 2024

August 22, 2024

Keith Creel
President and CEO
Canadian Pacific Kansas City

Dear Keith Creel:

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 all Manitoban farmers and 19 commodity associations. KAP is writing to express our concerns and the need for an immediate resolution involving the current railway lockout at Canadian Pacific Kansas City.

CPKC plays an important role in movement of agricultural product across Canada. The lockout of over 3200 conductors, locomotive engineers, rail traffic controllers, and yard workers is very concerning for Manitoba farmers. Currently, farmers in the province rely on CPKC to receive farm inputs along with using the CPKC rail line to move their commodities to buyers.

We are quite concerned how this lockout will affect the value of Canadian product, considering that harvest is well underway. Moreover, a reduction in cash flow—due to the lockout—would harm a farmer's ability to pay bills and purchase inputs. Demurrage costs and delays on both the west and east coasts created by the lockout would ultimately be passed onto the farmer. All these factors influence the reputation of the Canadian brand with our customers: reliability is a key component of the Canadian brand. The inability to meet the expectation of international buyers—such as in 2013/14—continue to resonate with customers.

The effects of the lockout are already being noticed—grain deliveries to elevators are being rationed or have stopped; vessels are limiting cargo to Canada; and disruption has occurred at Canada's ports. Conductors, locomotive engineers, rail traffic controllers, and yard workers play an important role in Canada's supply chain. KAP is requesting that CPKC continue to negotiate with Teamsters Canada Rail Conference and find an immediate solution to this challenging situation.

Sincerely,

Jill Verwey
President, Keystone Agricultural Producers Inc.