

May 21, 2024

Ginette Brazeau Chairperson, Canadian Industrial Relations Board <u>CIRB-Filing-CCRI-Depot@tribunal.gc.ca</u>

## RE: CPKC, CN and TCRC (Board file numbers 037673-C and 037674-C)

Dear Ginette Brazeau:

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 pleased to respond to the Canadian Industrial Relations Board about the impacts a potential strike at CN and CPKC would have on the movement of agricultural product.

CN and CPKC play an indispensable role in movement of agricultural product across Canada. During the last crop year both railways moved a combined total 55.68 MMT of grain throughout Canada. Although much of this grain was destined for overseas markets, there is still a considerable amount of grain moved by rail for domestic use. For example, domestic millers are reliant on railway shipments to produce flour with the finished product shipped by truck or moved by rail to the final destination. Additionally, railways are relied upon to ship other food products (e.g., chilled meat) as well as to deliver potash, sulphur and fertilizer to regions across the country.

The movement of goods in Canada is dependent upon a just-in-time supply chain. If one link of the supply chain is missing (e.g., Canada's two largest rail carriers), then it becomes increasingly difficult for other links of the supply chain to function. In competitive marketplace buyers and sellers have ample options in the sale and movement of their products. However, there exists a lack of competition among class one railways. This means that most shippers are serviced either by CN or CPKC. This reality presents an untenable situation for the movement of agricultural product in the cessation of rail movement by both CN and CPKC. Shippers prefer railways due to their cost effectiveness and their ability to move large quantities at once. Without movement of agricultural product.

Consequently, a work stoppage at both CN and CPKC would have a negative impact on the movement of domestic agricultural product in Canada and food security for Canadians across the country. This could also result in Canada's image abroad as a reliable provider of agricultural products to be damaged, which in turn could see international customers seeking alternative markets and job losses with Canadian companies who serve those customers.

The possibility of a strike involving railway workers would shock and harm an already fragile supply chain system. The discourse in the last few years has focused on securing our supply chains and improving food security. There is perhaps no better time than now for the Canadian Industrial Relations Board to make a timely decision that would support our supply chain, agricultural producers, and food security.

Thank you for the opportunity to provide feedback on this important issue. If you have any questions about this letter, please contact KAP policy manager Neil Van Overloop at <u>neil.vanoverloop@kap.ca</u>.

Sincerely,

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Jill Verwey President, Keystone Agricultural Producers Inc.