



Transportation Update

January 16, 2009

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Senior Manager, Ocean Freight and Terminal Operations

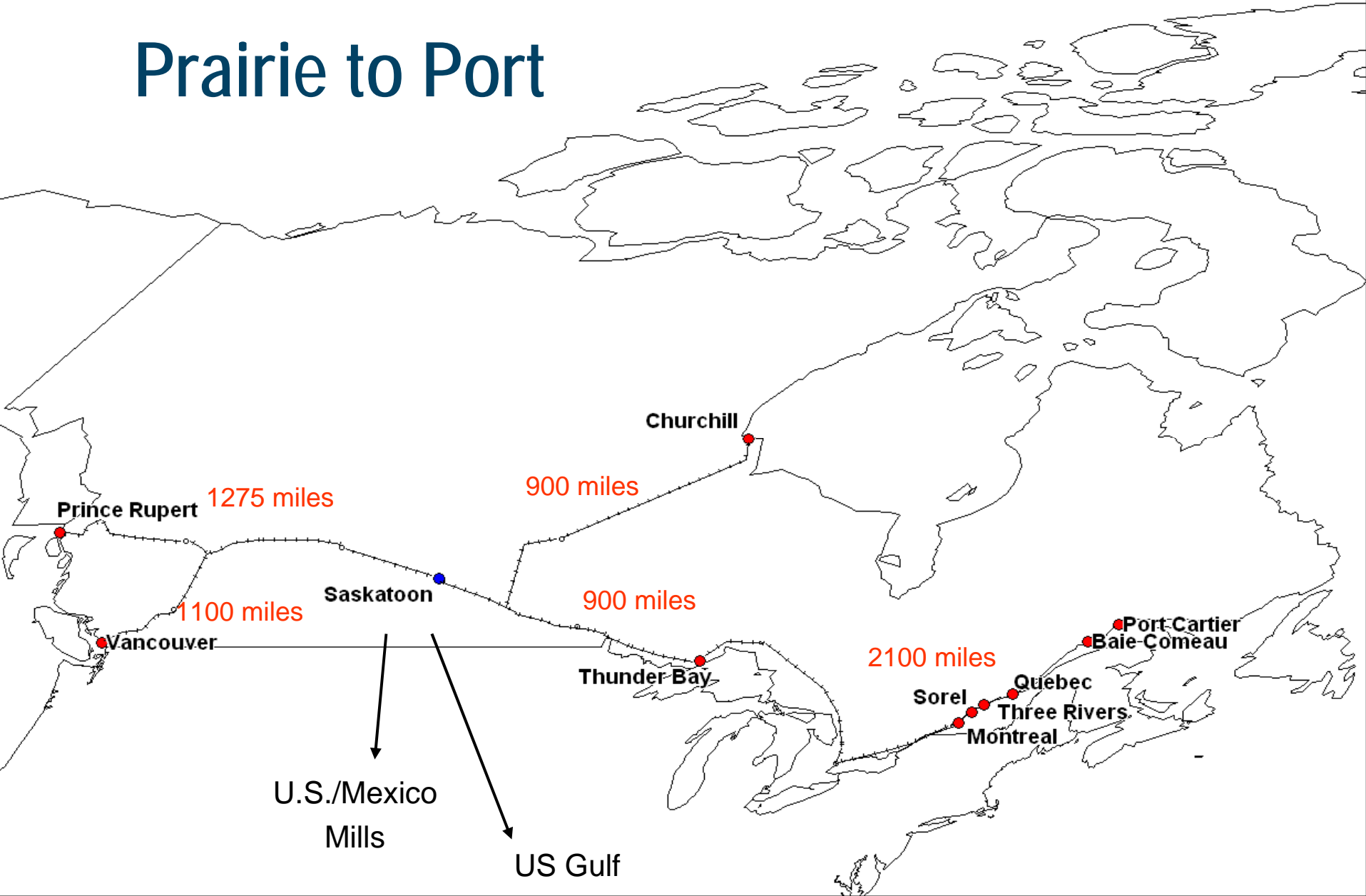


Prairie strong, worldwide

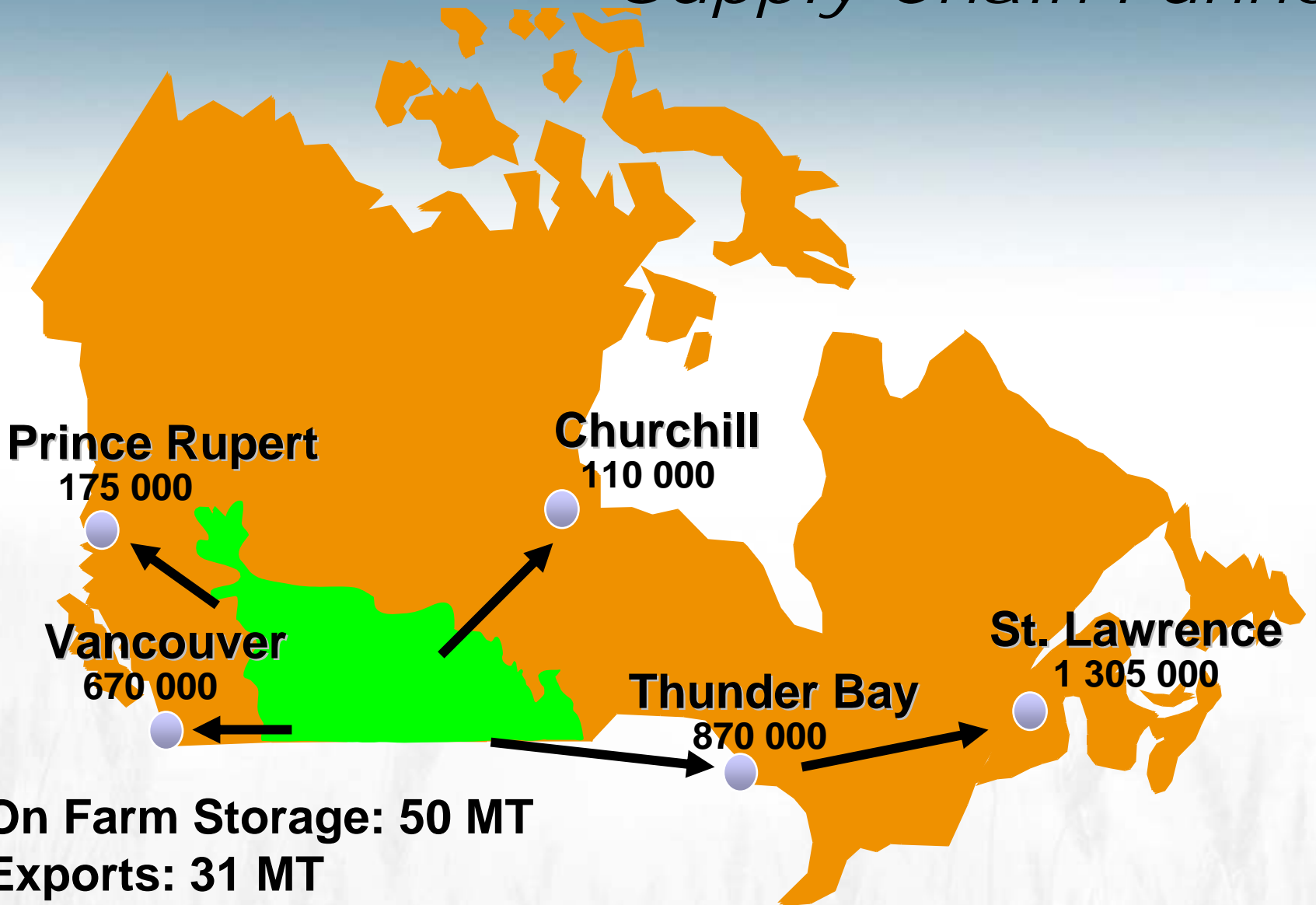
Agenda

- CWB Supply Chain
- 2008/09 so far...
- Ocean Freight Market Review

Prairie to Port

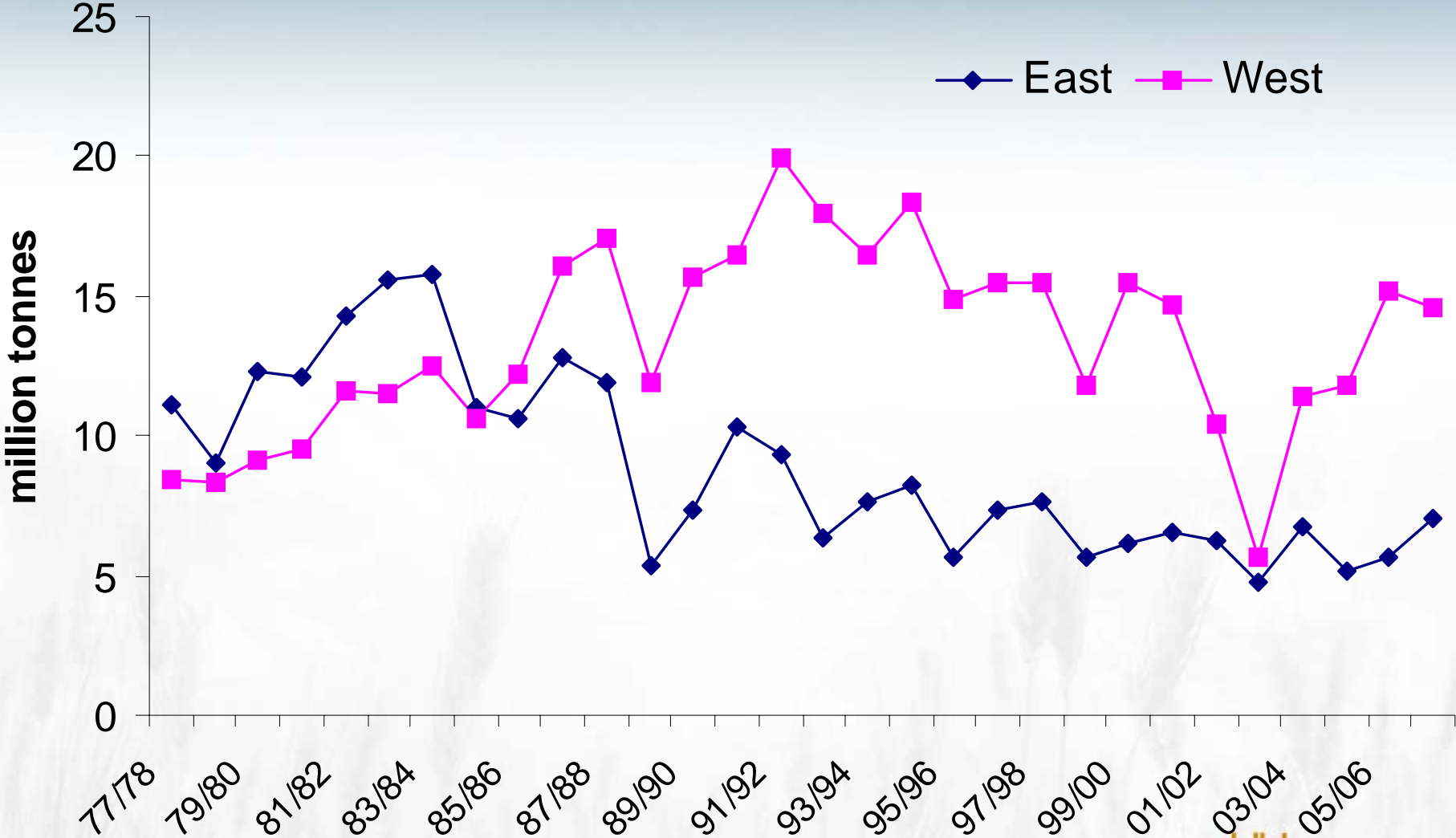


Supply Chain Funnel



On Farm Storage: 50 MT
Exports: 31 MT
Commercial Inland Storage: 4.5 MT

Canadian Grain Export Pattern 1977/78 – 2007/08

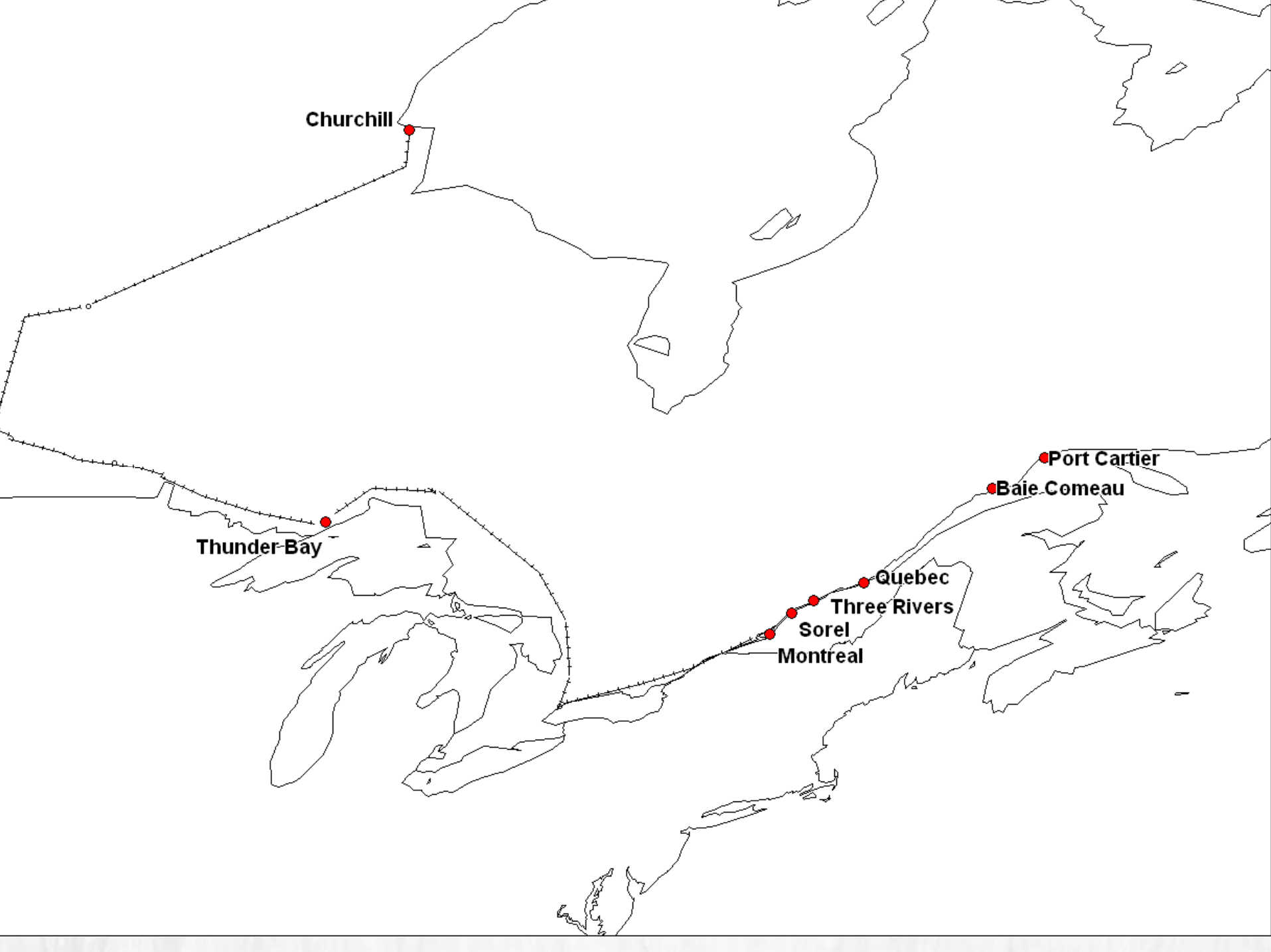


Avalanche on CP Line



East Coast Logistics





Churchill

Thunder Bay

Montreal

Sorel

Three Rivers

Quebec

Baie Comeau

Port Cartier

Welland Canal













2008/09 so far...

W. Canadian Crop 2008

(MMT)	07/08	08/09	Change
Wheat	18.4	25.5	(+39%)
Spring	13.4	18.0	(+34%)
Winter	1.3	2.0	(+54%)
Durum	3.7	5.5	(+50%)
Barley	10.3	11.2	(+9%)

CWB Exports

(MMT)	07/08	08/09F	Change
Wheat	11.4	12.65	(+11%)
Durum	3.1	3.35	(+8%)
Barley	2.8	1.6	(-57%)
Total	17.3	17.5	(+1.2%)

A Series Acceptance

CWRS	80%
Durum	60%
Prairie Spring Red (CPSR)	80%
Prairie Spring White (CPSW)	80%
Red Winter (CWRW)	100%
Soft white (SWS)	80%
Extra Strong	100%
Hard White Spring	100%

Current Delivery Calls

1/2 CWRS	50%
3 CWRS	25%
CWRW	50%
CPSR	50%
CWES	100%
CPSW	100%
SWS	50%
CWAD	45%

Wheat Storage Program

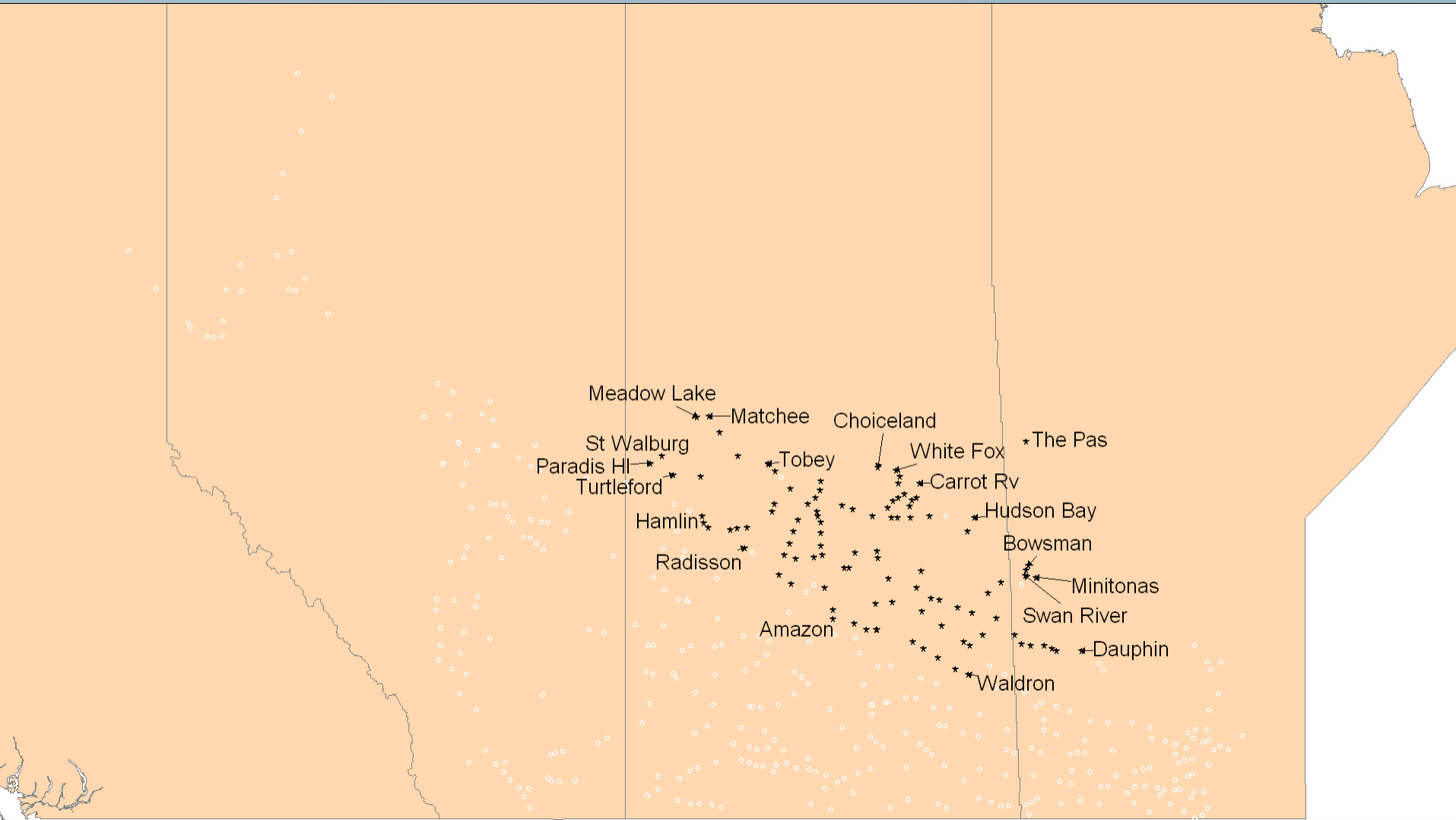
- 1 CWRS 14.5% protein+ - targeted for blending Japan sales
- Premiums:
 - 15.0 protein - \$15.00 per tonne
 - 14.5 - 14.9 protein - \$10.00 per tonne
- Storage \$1.00 per tonne per month
- Sign-up deadline March 20, 2009
- Sign-up available across Western Canada - minimum 80 tonne sign-up
- 100% acceptance



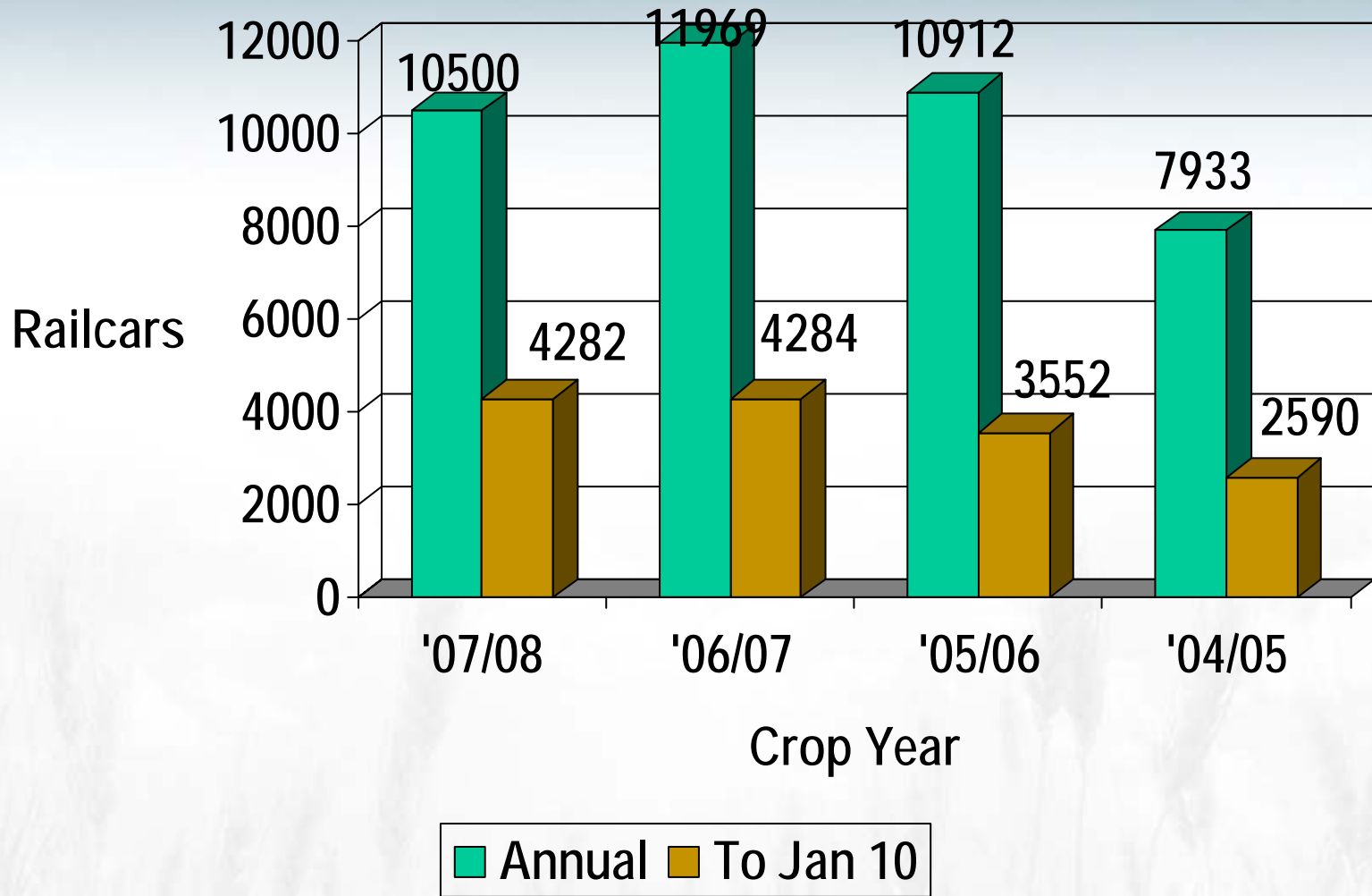
Churchill Storage GDC Program

- Open to farmers in the Churchill catchment area for holding back deliveries for shipment through the Port of Churchill
- No. 1 and 2 CWRS
- Premium: \$2.50 per tonne
- Storage: \$1.00 per tonne per month
- Sign-up deadline January 30, 2009

Churchill Catchment



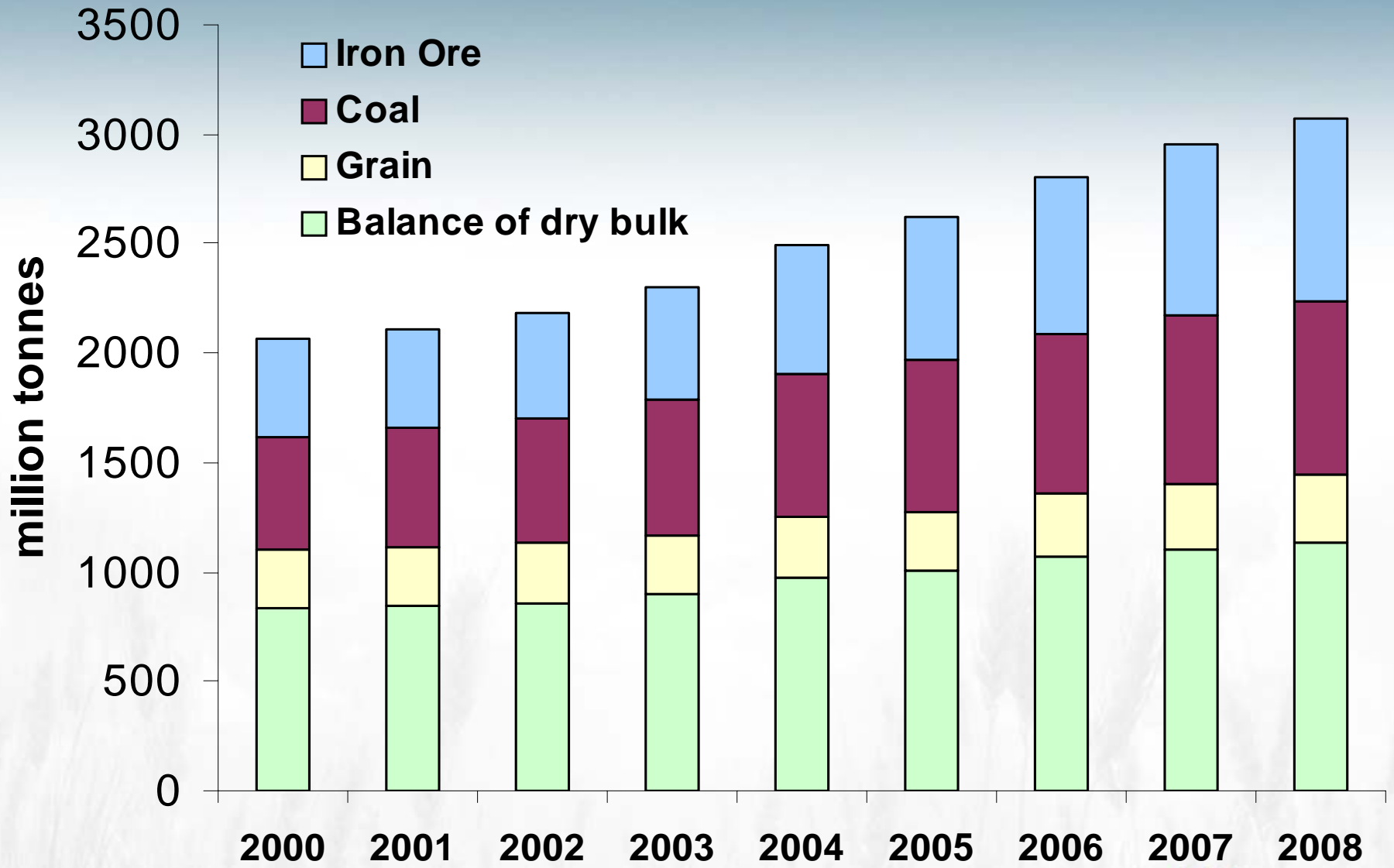
Producer Cars



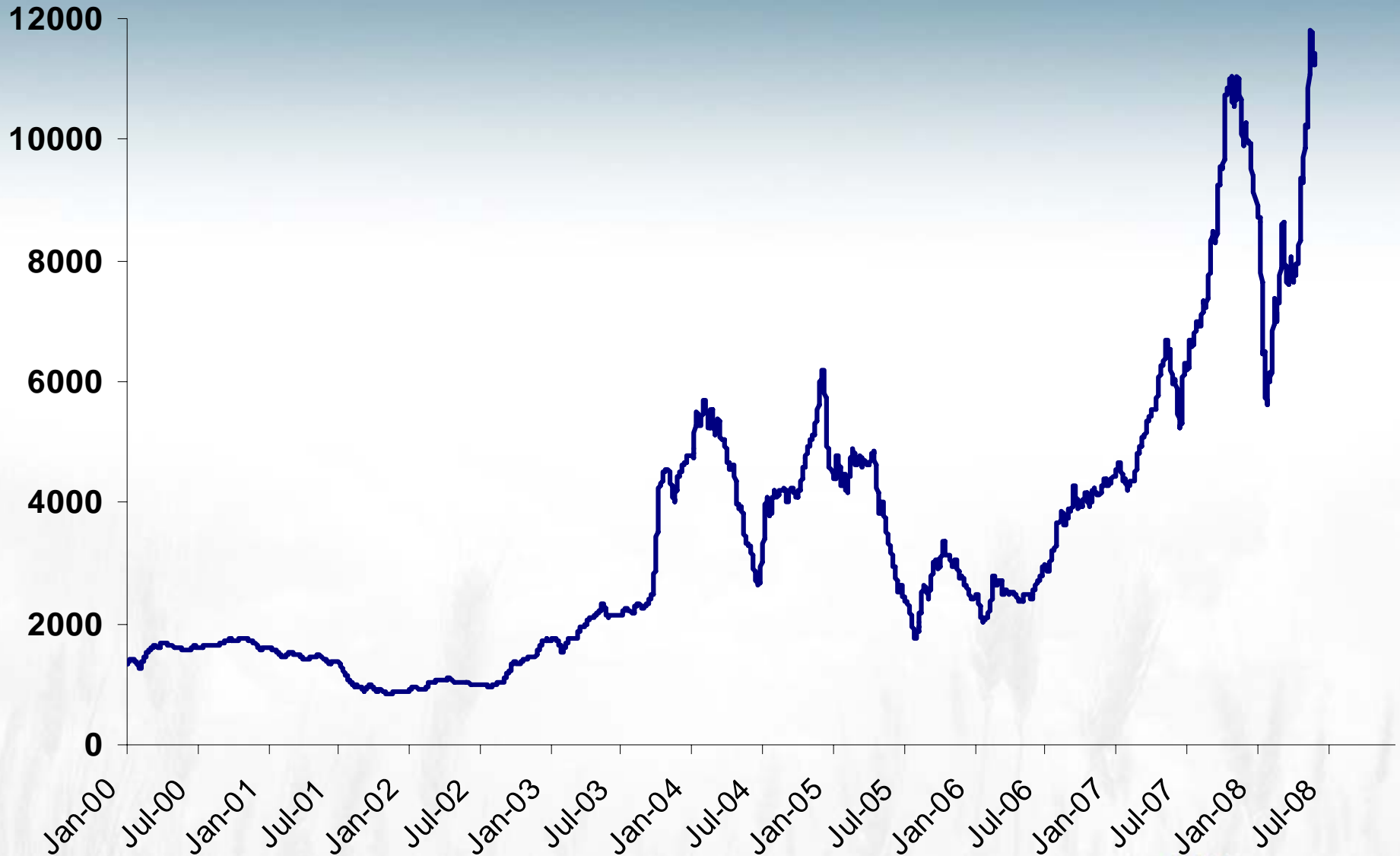
Ocean Freight Market Overview



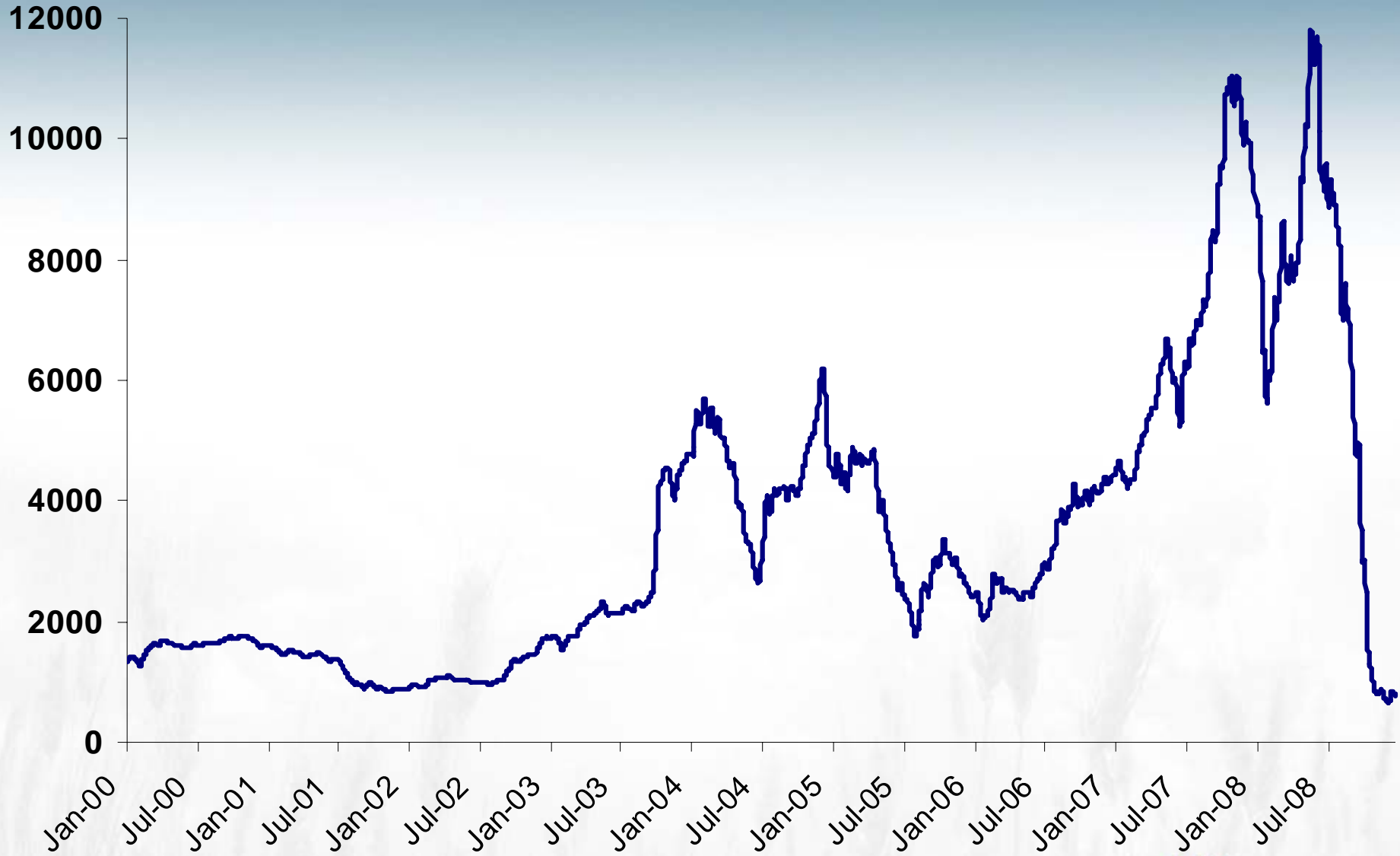
Dry bulk shipping by vessel since 2000



Baltic Dry Index



Baltic Dry Index



Panamax Pacific Round Voyage Daily Hire



\$75,000/day

Jan 14/09
\$1,693 per day



“Bulk Rates Crash Spills Blood”

“Catastrophic losses are spreading from operator to operator as the bulker charter-rate crisis deepens.”

Tradewinds (3 October 2008)

“ArcelorMittal hit by writ in time charter ‘breaches’ bonanza”

“... high-profile miners and traders sued for allegedly breaching time charter contracts for ships hired during the troubled final quarter of 2008.”

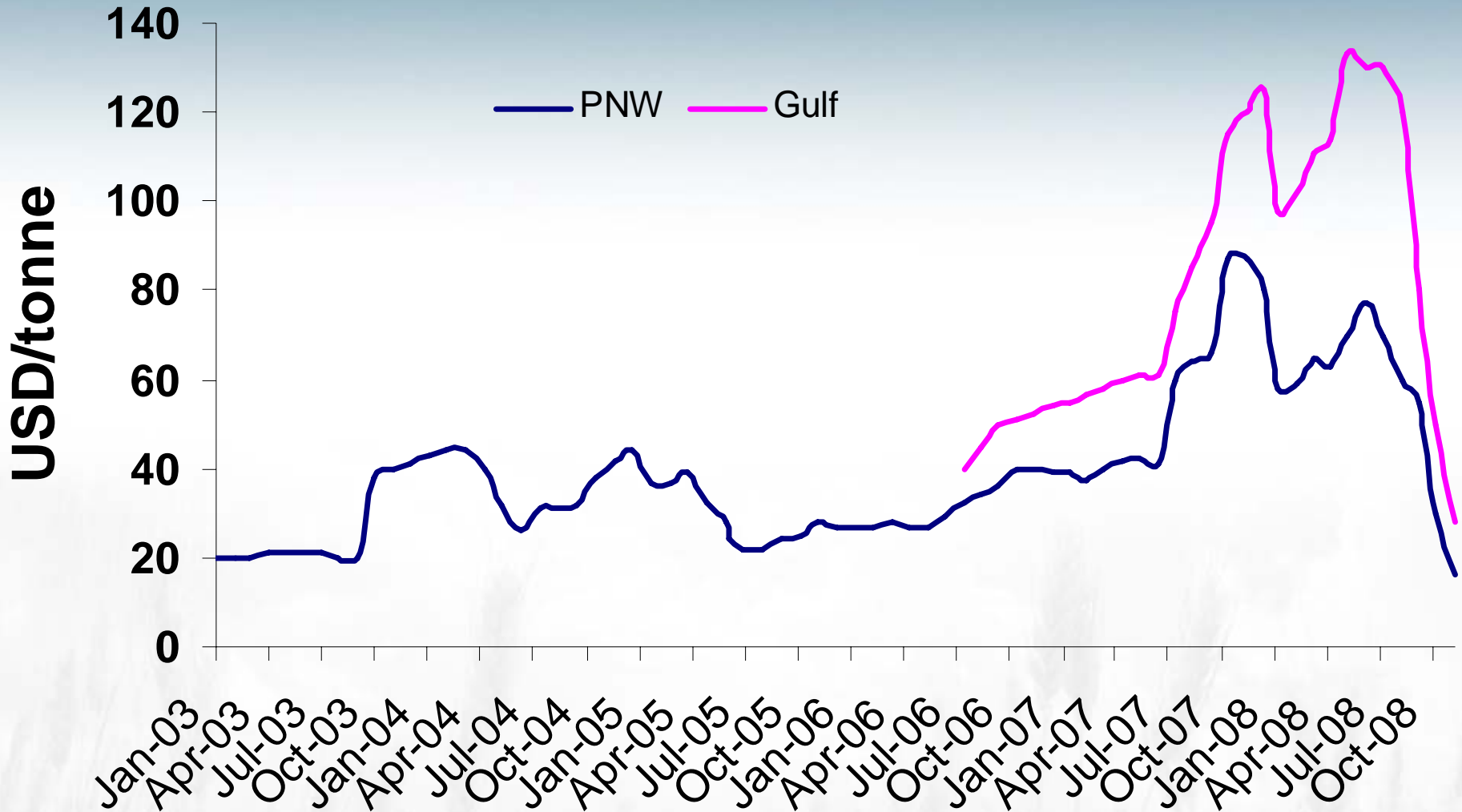
Lloydslist (16 December 2008)

“Loan Defaults to Turn Bankers into Shipowners”

“...record drop in rental rates for commodity carriers leaves clients unable to pay back loans...”

Lloydslist (15 January 2009)

Ocean freight spreads narrowing...



Adapted from USDA Grain Transportation Report



Questions

