



Transportation Update

January 15, 2010

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Senior Manager, Supply Optimization



Agenda

- CWB Supply Chain
- 2009/10 so far...
- Churchill
- East and West Coast

CWB Logistic Overview

56,000 Farms



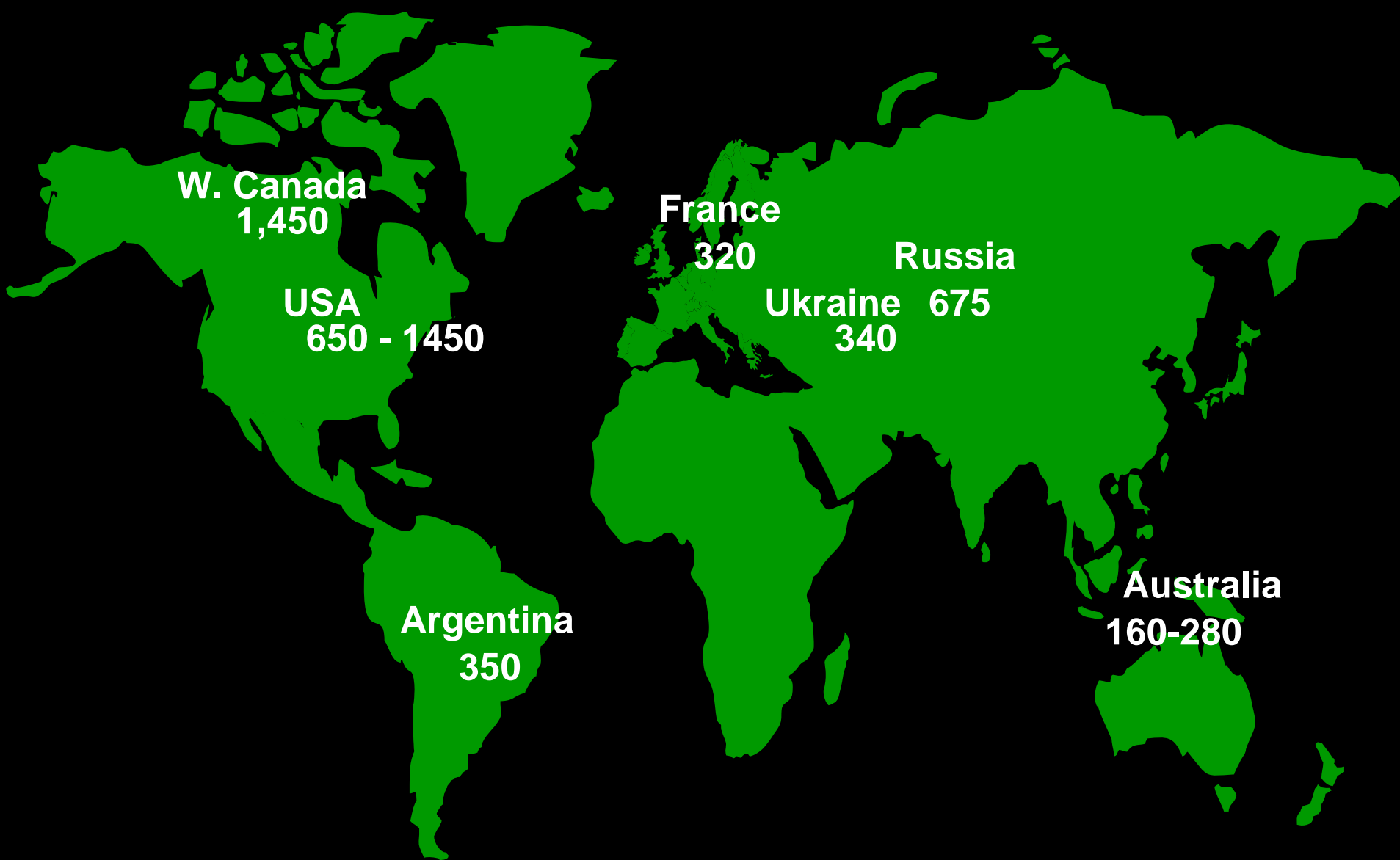
~295 Country Terminals/190,000
Railcars/3,725 cars per week



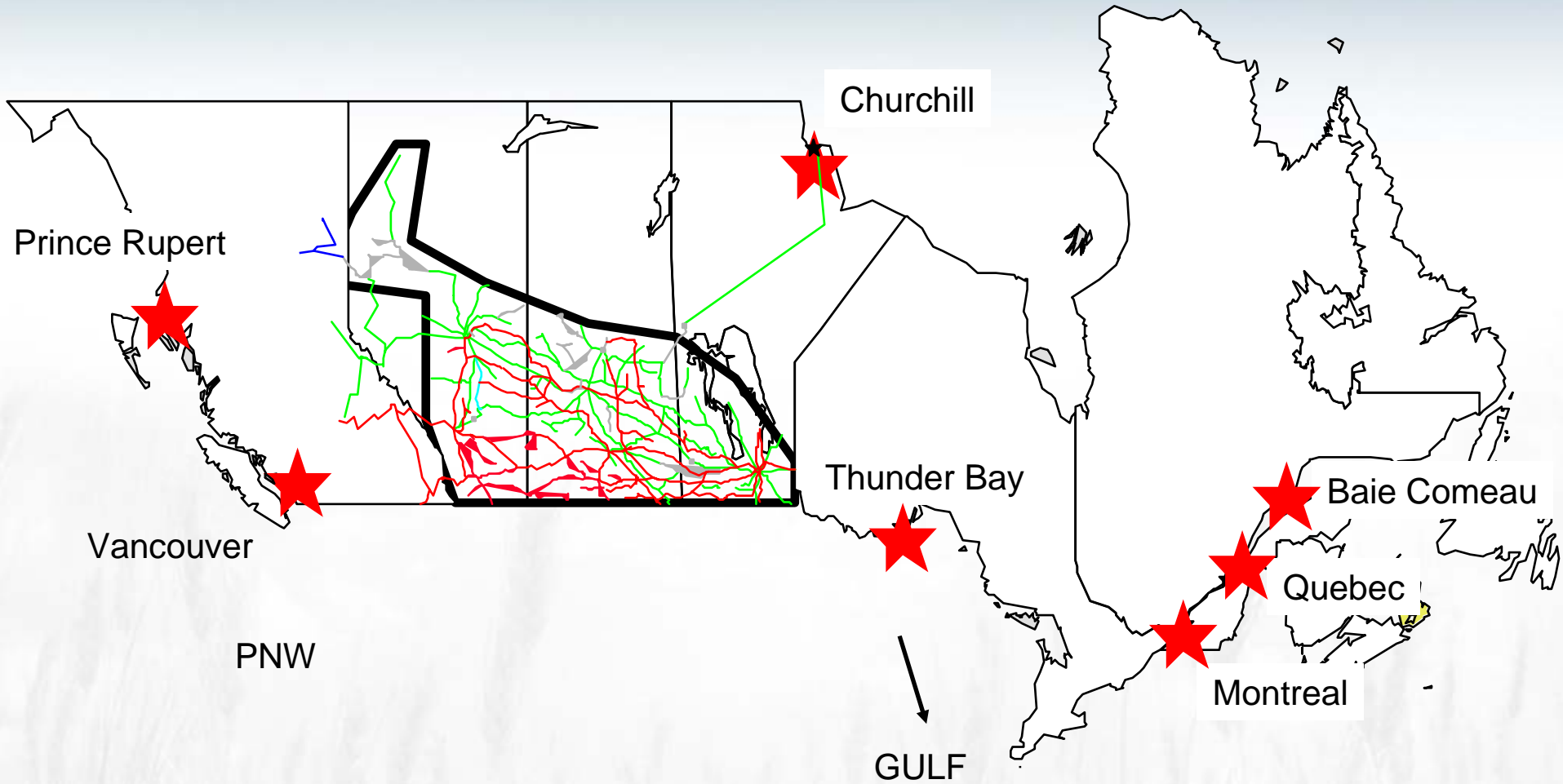
6 Corridors/Ports

Growing Region Distance from Water

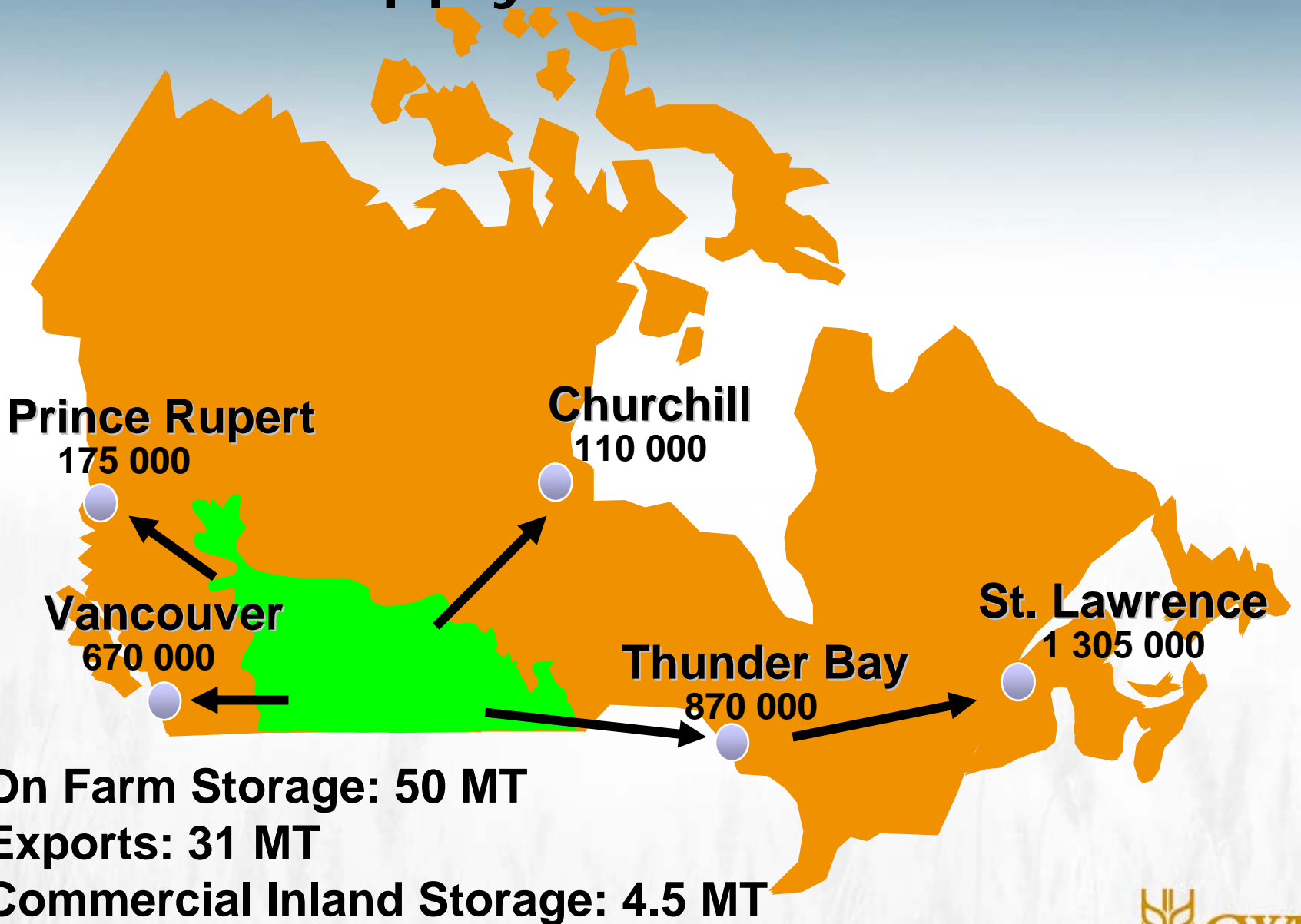
(kms from center of growing region to port)



Prairie to Port

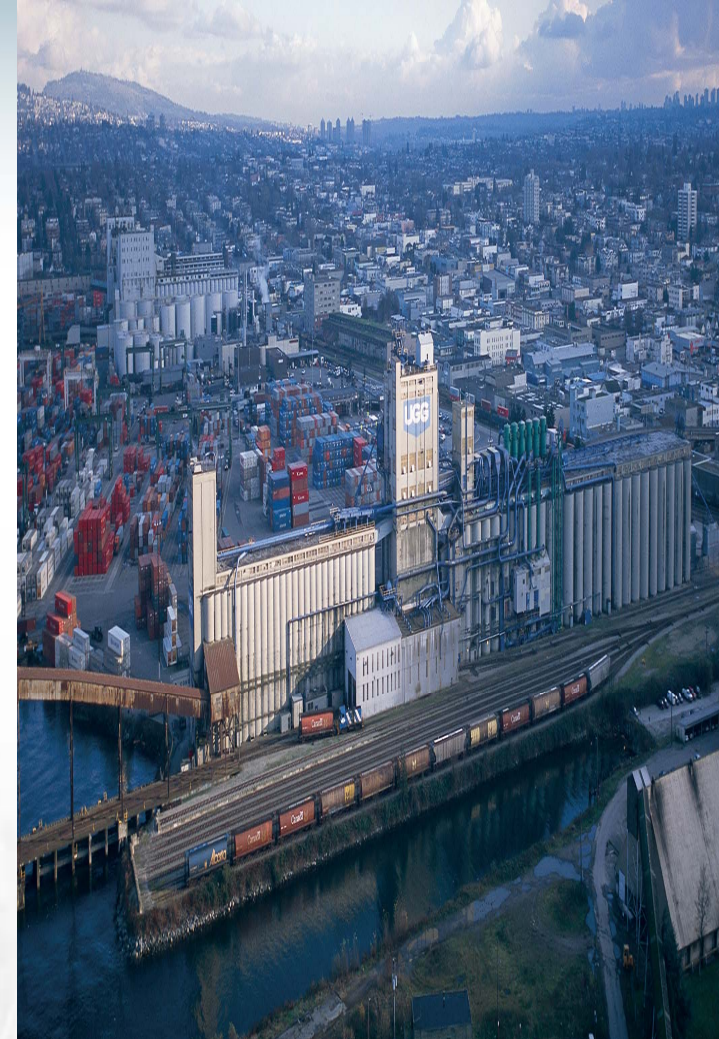


Supply Chain Funnel



Supply Chain Strategic Objectives

- **Customer Service**
 - consistent quality & supply
 - flexibility
- **Create Value For Farmers**
 - increase revenue
 - lower cost (leverage supply)
- **Farmer Service**
 - contracts/movement

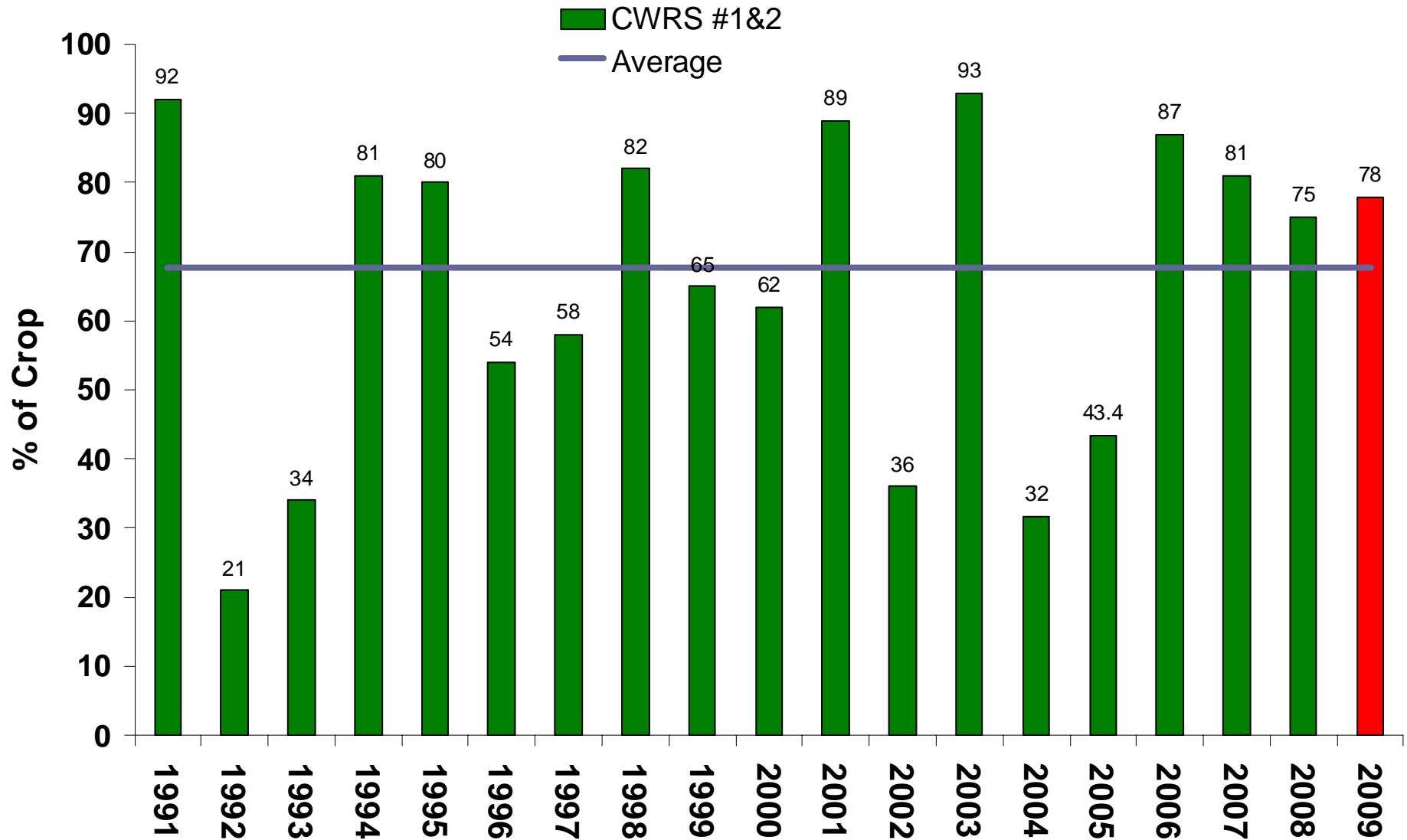




2009/10 so far...

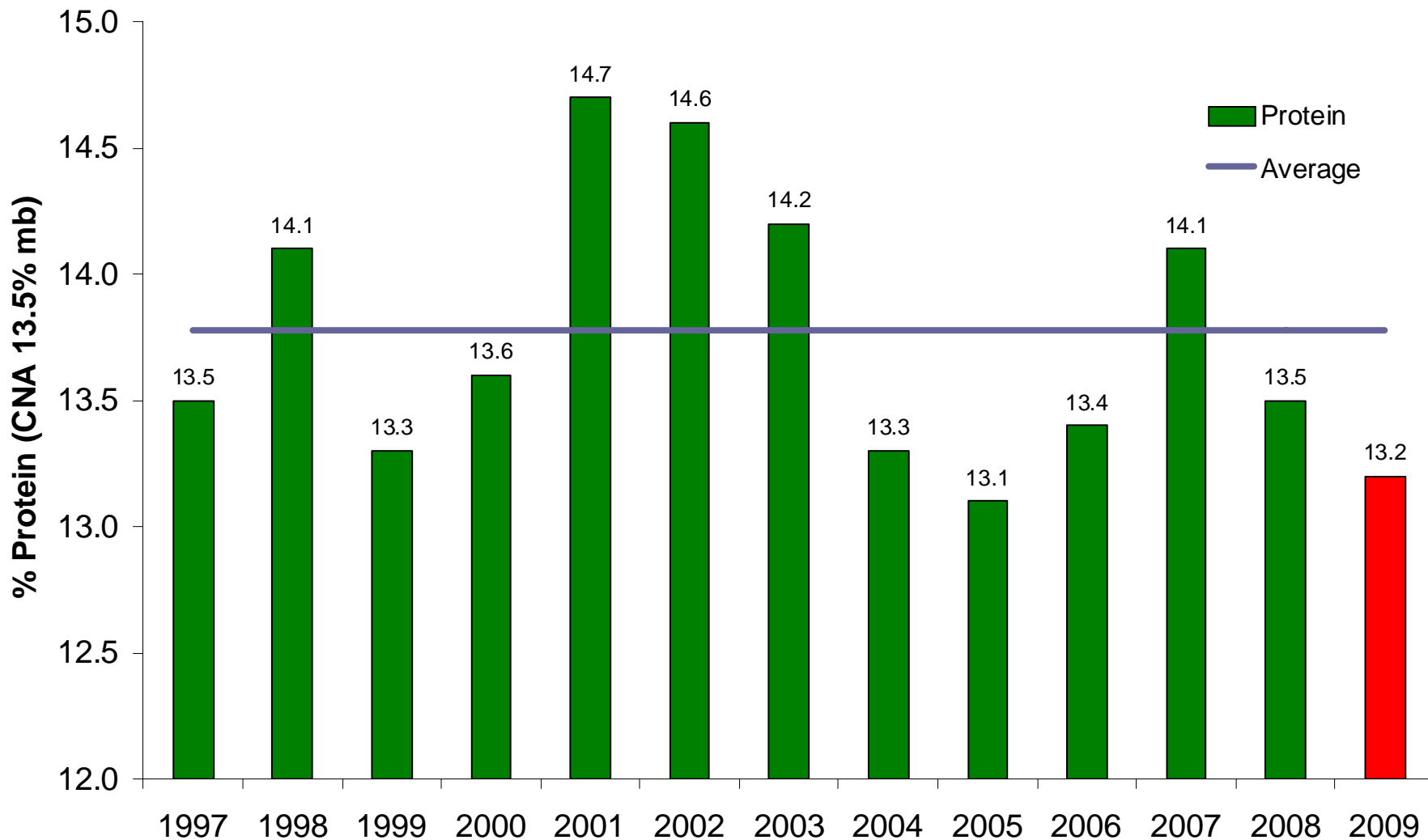
2009 CWRS Grade Pattern

Per cent of CWRS Grading #1 and 2



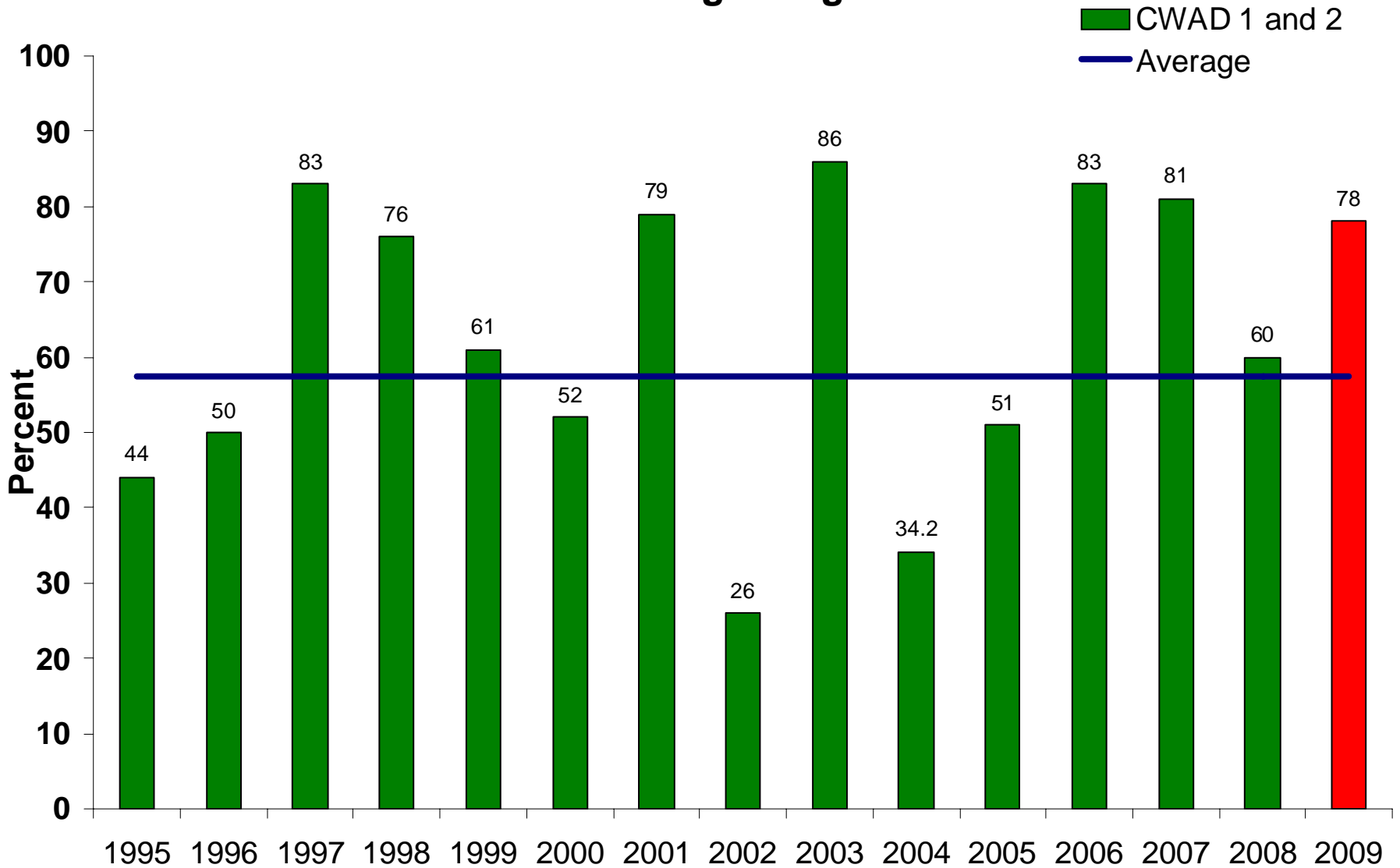
2009 CWRS Protein

CWRS Protein Content



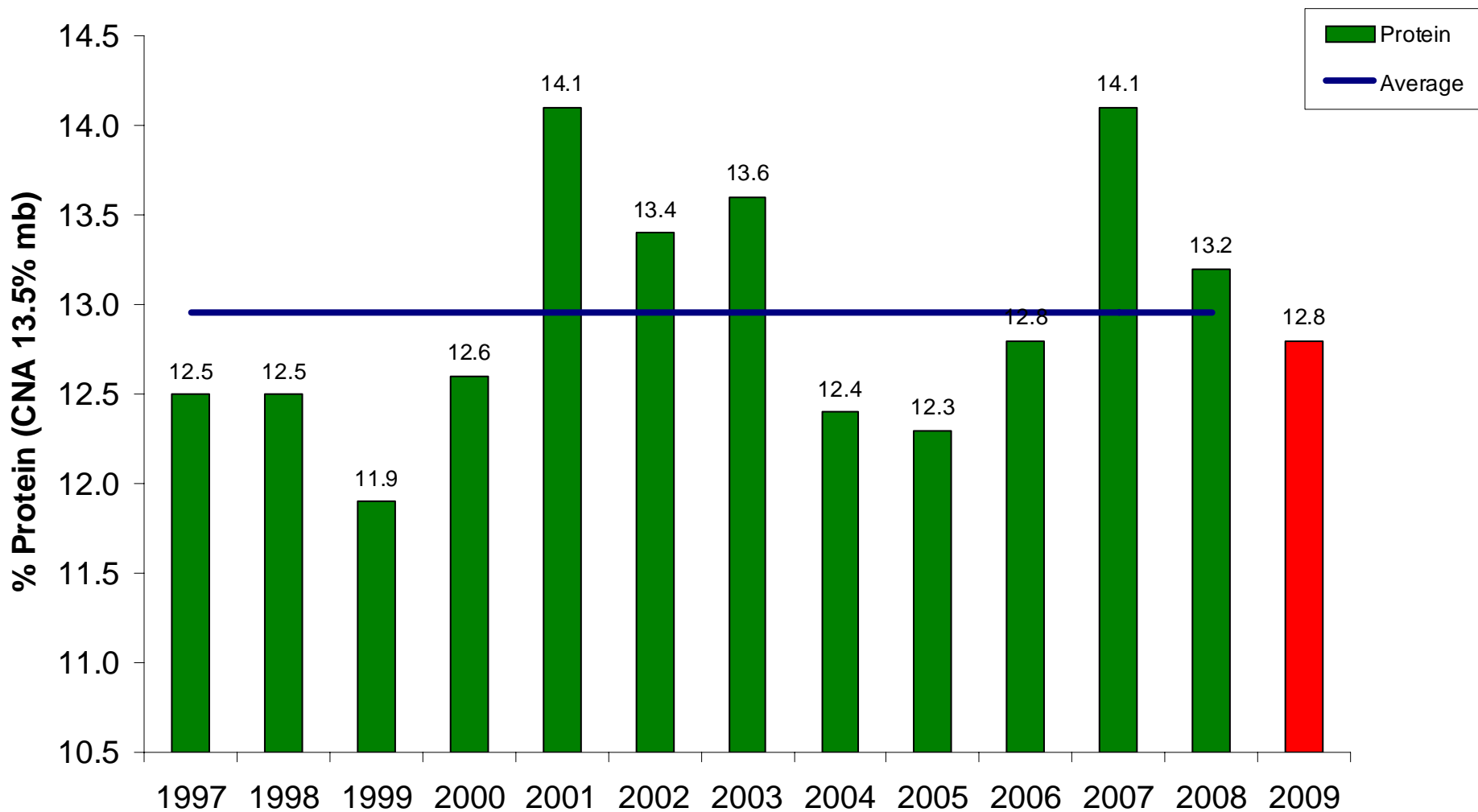
2009 CWAD Grade Pattern

Total CWAD grading #1 or #2



2009 CWAD Protein

CWAD Protein Content



Western Canadian Crop 2009

(MMT)	08/09	09/10	Change
Wheat	20.0	18.9	(-6%)
Spring	18.0	17.8	(-1%)
Winter	2.0	1.1	(-45%)
Durum	5.5	5.4	(-2%)
Barley	11.2	8.9	(-21%)

CWB Exports

(MMT)	08/09	09/10*	Change
Wheat	13.2	13.5	(+2%)
Durum	3.6	3.5	(-3%)
Barley	<u>1.5</u>	<u>1.7</u>	<u>(+13%)</u>
Total	18.3	18.7	(+2%)

* Projected

CWB Export Forecast by Corridor

(MMT)	08/09	09/10*	Change
West Coast	10.2	11.2	(+10%)
East Coast	5.4	5.0	(-7%)
Churchill	.424	.529	(+25%)
Interior	<u>2.3</u>	<u>2.0</u>	<u>(-13%)</u>
Total	18.3	18.7	(2%)

* Projected

A Series Acceptance

CWRS	80%
Durum	40%
Prairie Spring Red (CPSR)	100%
Prairie Spring White (CPSW)	100%
Red Winter (CWRW)	100%
Soft white (SWS)	100%
Extra Strong	100%
Hard White Spring	100%

Delivery Calls

- Factors considered: space, sales, inventory, weather, road bans
- Current Calls:

1/2 CWRS – 50%	1/2 CWRW – 75%
3 CWRS – 80%	1/2 CPSR – 100%
4 CWRS – 80%	1/2 CWES – 100%
3/4 CWHWS – 100%	1/2 CPSW – 100%
1/2/3 CWAD – 40%	1/2/3 CWSWS – 25%

Pace of Producer Receipts to January 3, 2010

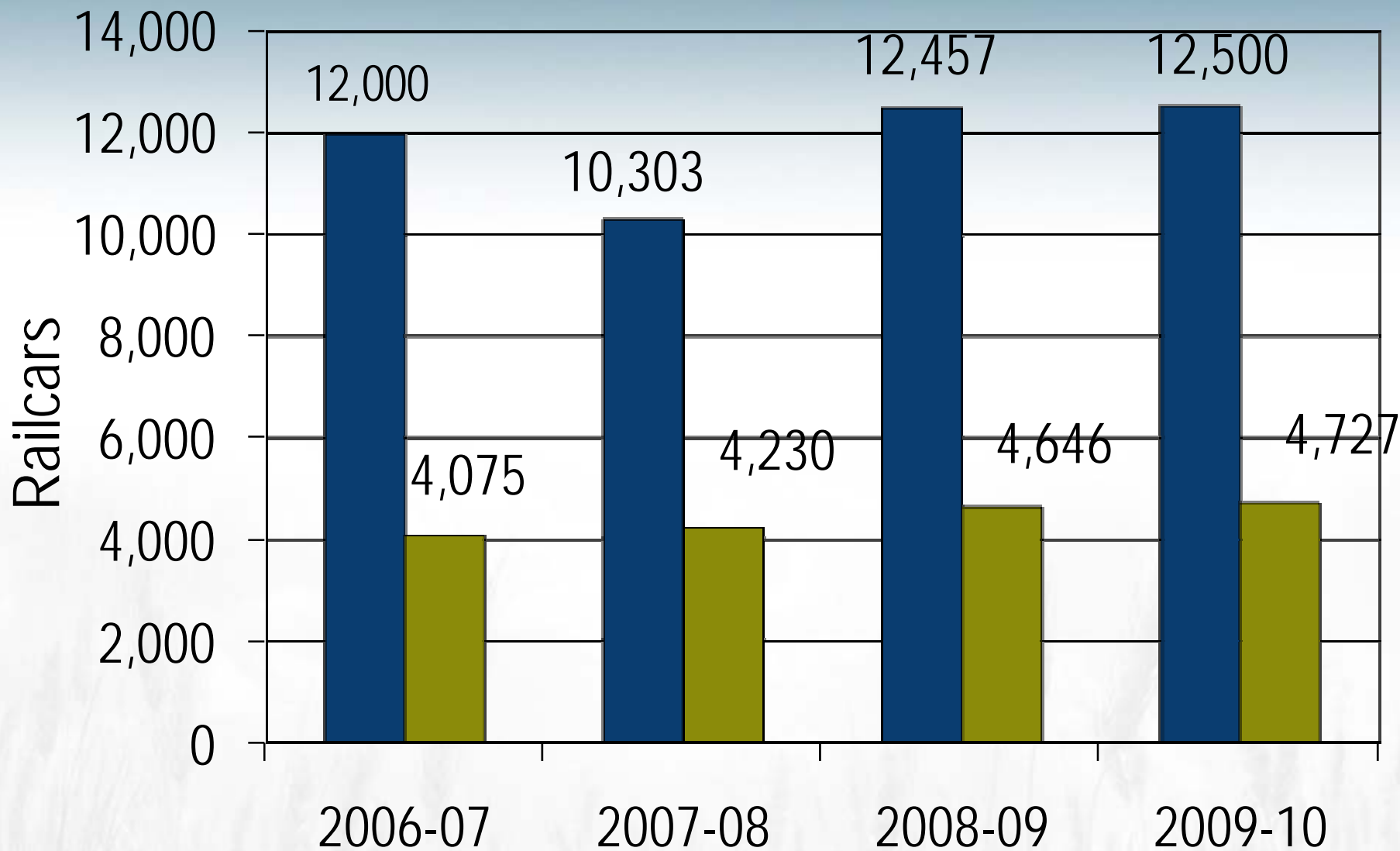
	2009-10	2008-09
	(to Jan 3/10)	(to Jan 3/09)
Wheat	6 293	5 961
Durum	1 386	1 631
Barley	815	998
Canola	4 574	4 489
Total	13 068	13 079

Source: CGC

Pace Of Exports To January 1, 2010

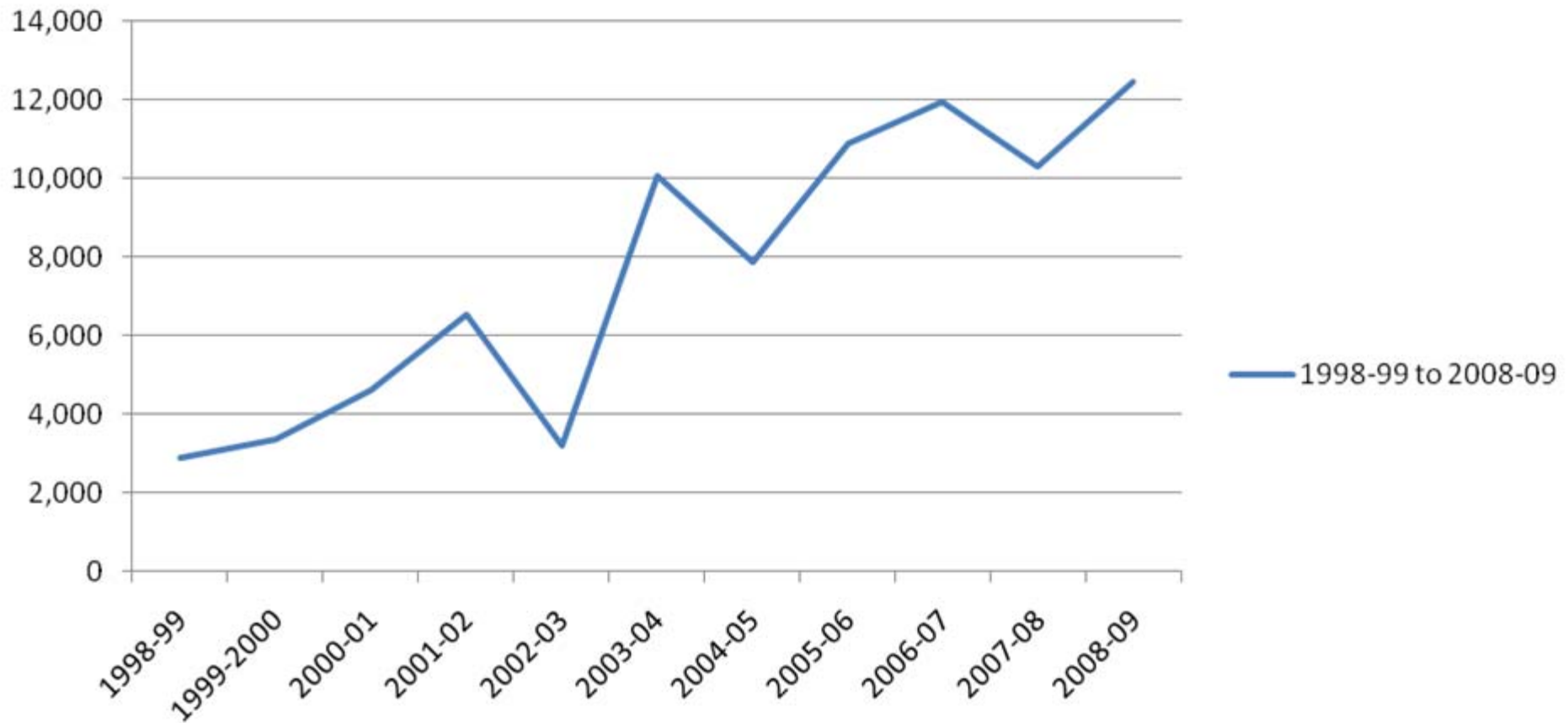
	2009-10	2008-09
	(to Jan 1/10)	(to Jan 1/09)
Wheat	5 442	4 711
Durum	1 446	1 272
Barley	648	550
Canola	2 969	3 060
Total	10 505	9 593

CWB Producer Car Movement



CWB Producer Car Movement

Producer Car Movement 1998-99 to 2008-09



Wheat Storage Program

- Gives farmers a direct role in protecting premium quality wheat.
- Primary market is Japan.
- No. 1 CWRS with 14.5 per cent protein and higher to enable significant blending ability.
- 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 – August 2009 to November 4, 2009
- Capped at 150 000T.
- Sign-up available at all points across Western Canada. Farmers must sign up a minimum of 80 tonnes.
- Farmers can choose what pool year to price their grain



Avalanche on CP Line



Derailment On CN Line





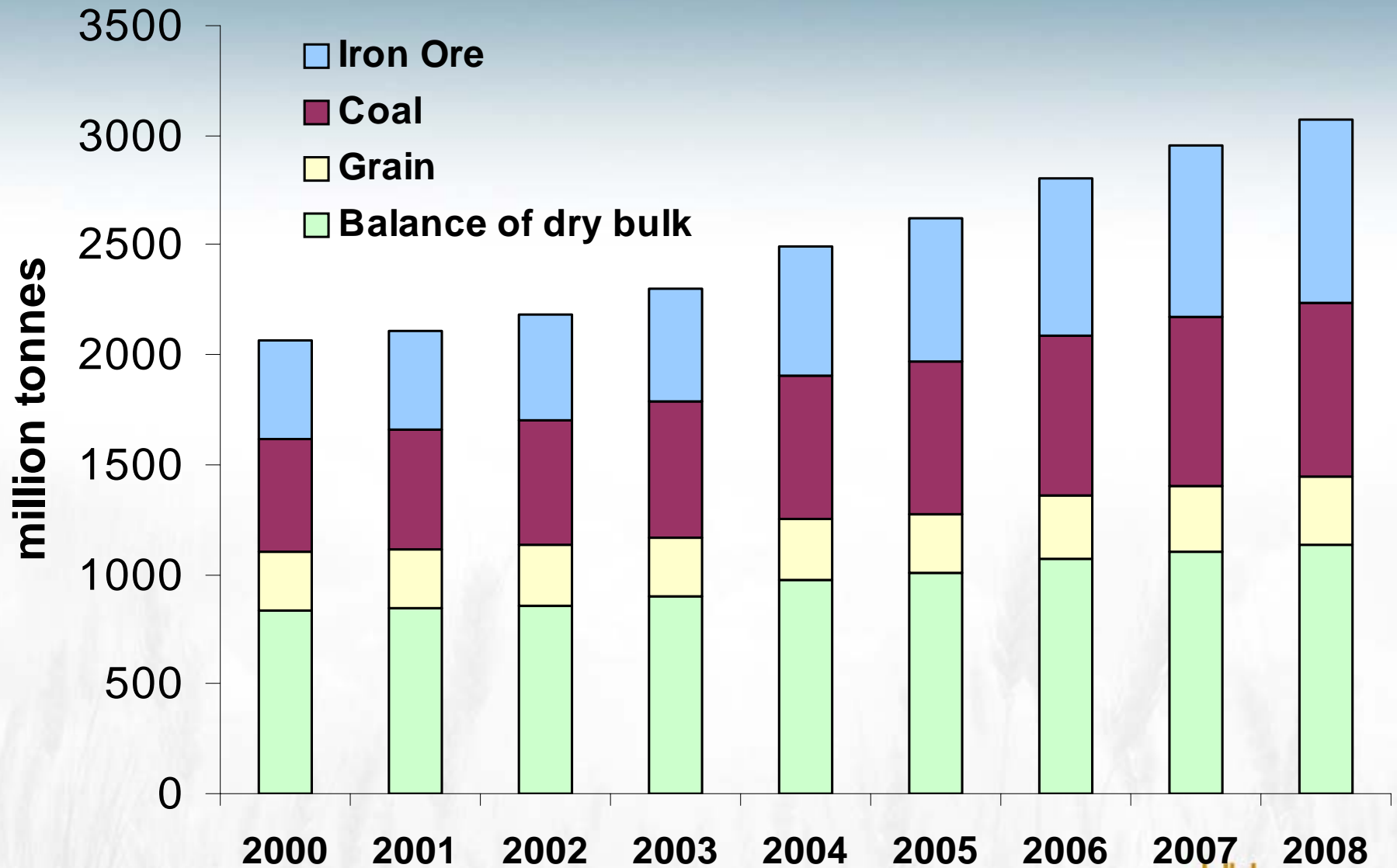
Ocean Freight



Handysize daily hire Pacific round voyage



Dry bulk shipping by vessel since 2000



Churchill



Working Capacity 110,000t

Churchill Business Facts

- Navigation Season (Aug – Oct)
- CWB Volume
 - 400 – 600 kmt / year
- Infrastructure Support
 - \$68 million (3 years)

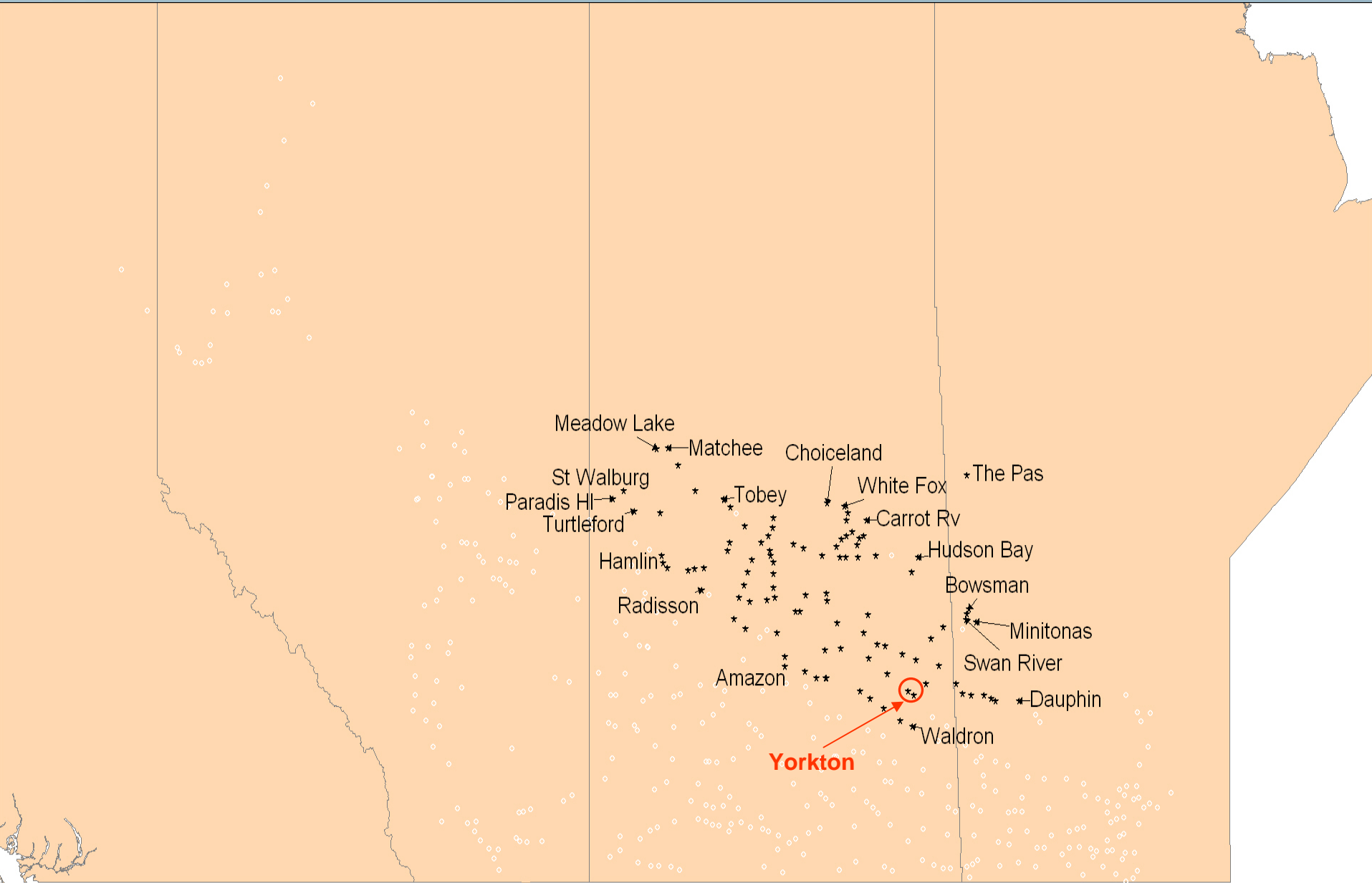


Churchill Storage GDC Program

- Rewards farmers, located in the Churchill catchment, for holding back their deliveries for later shipment through the Port of Churchill
- Program open to No. 1 and 2 CWRS. Additional products could be offered in future years, depending on the sales program
- Premium: \$2.50 per tonne
- Storage: \$1.00 per tonne per month
- Sign-up – August 2009 to November 4, 2009
- Available to all elevators and producer car loading sites within the Churchill catchment
- Capped at 400 000 tonnes

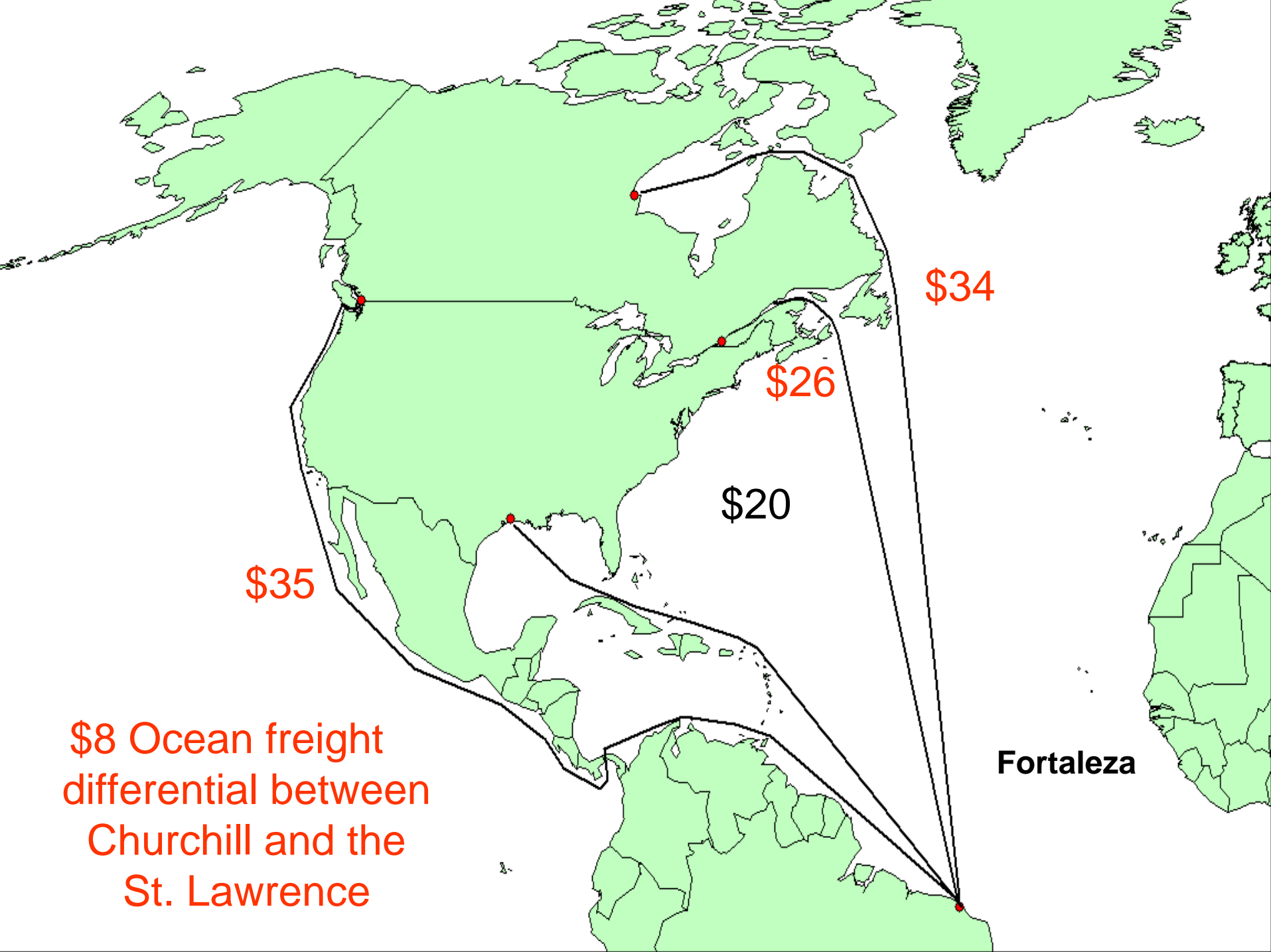


Churchill Storage Program



Sailing Distances (days)

	CH	QC
Veracruz, Mexico	14.0	10.0
Puerto Cabello, Venezuela	13.0	8.5
Fortaleza, Brazil	15.5	12.0
Antwerp, Belgium	10.5	9.0
Savona, Italy	14.0	12.0
Port Sudan, Sudan	19.5	17.5



\$34

\$26

\$20

\$35

\$8 Ocean freight differential between Churchill and the St. Lawrence

Fortaleza

Yorkton to Fortaleza

	<u>FOB CH</u>	<u>FOB VC</u>	<u>FOB QC</u>
Yorkton	\$42	\$52	\$66
Savings		\$10	\$24

Ocean Freight	\$34	\$35	\$26
Differential		+\$1	-\$8

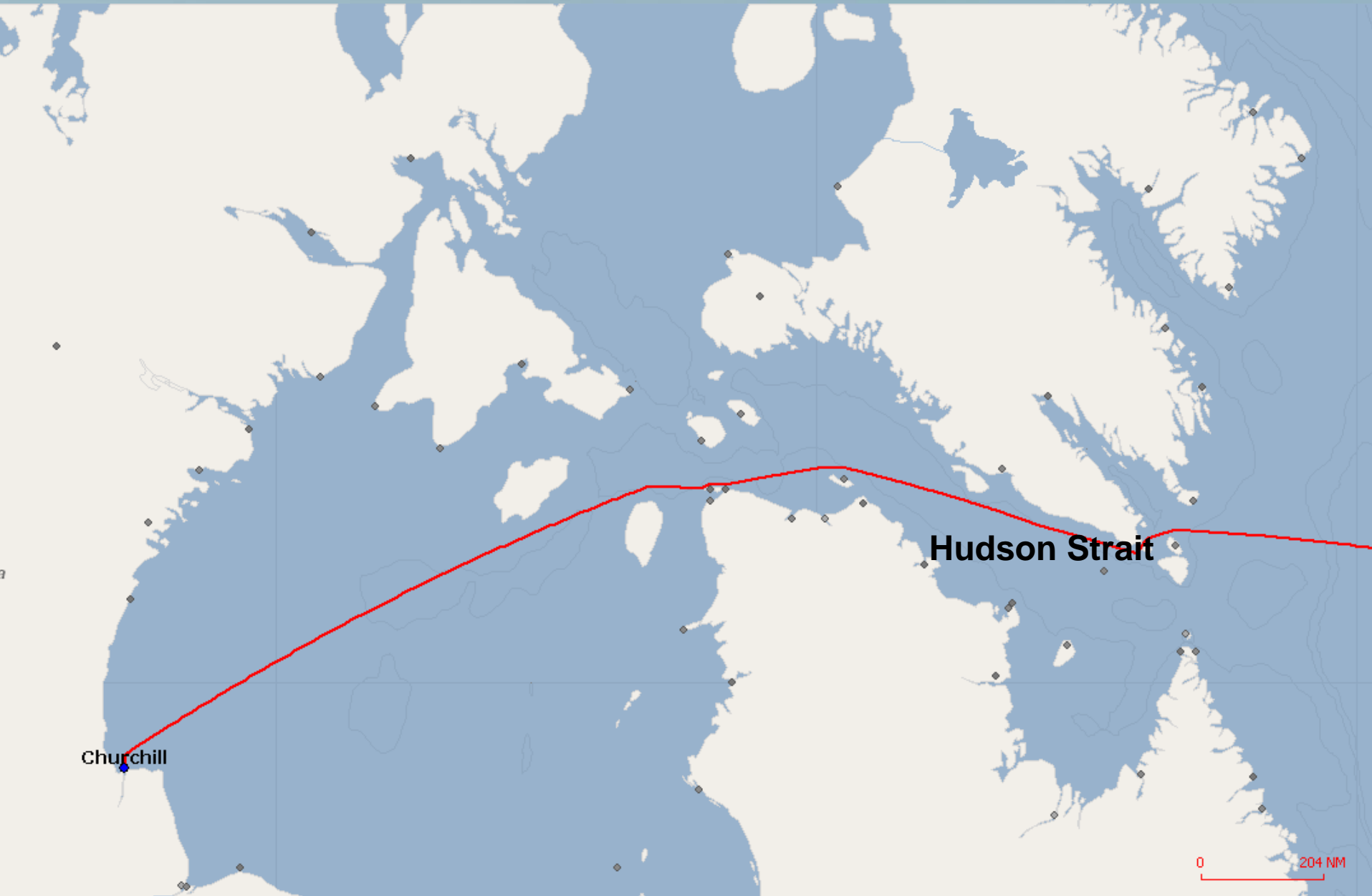
Churchill Savings		\$11	\$16
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Transportation Economics

Mode / Distance	160 km	1,770 km	8,850 km
Truck	\$9/MT	-	-
Rail	-	\$51/MT	-
Vessel	-	-	\$49/MT
\$/km	\$.056/km	\$.028/km	\$.005/km



Vessel Navigation



**ICE ANALYSIS
ANALYSE DE GLACE**

Northern Hudson Bay
Baie d'Hudson nord

V 1800Z

16 JUL/JUI 2009

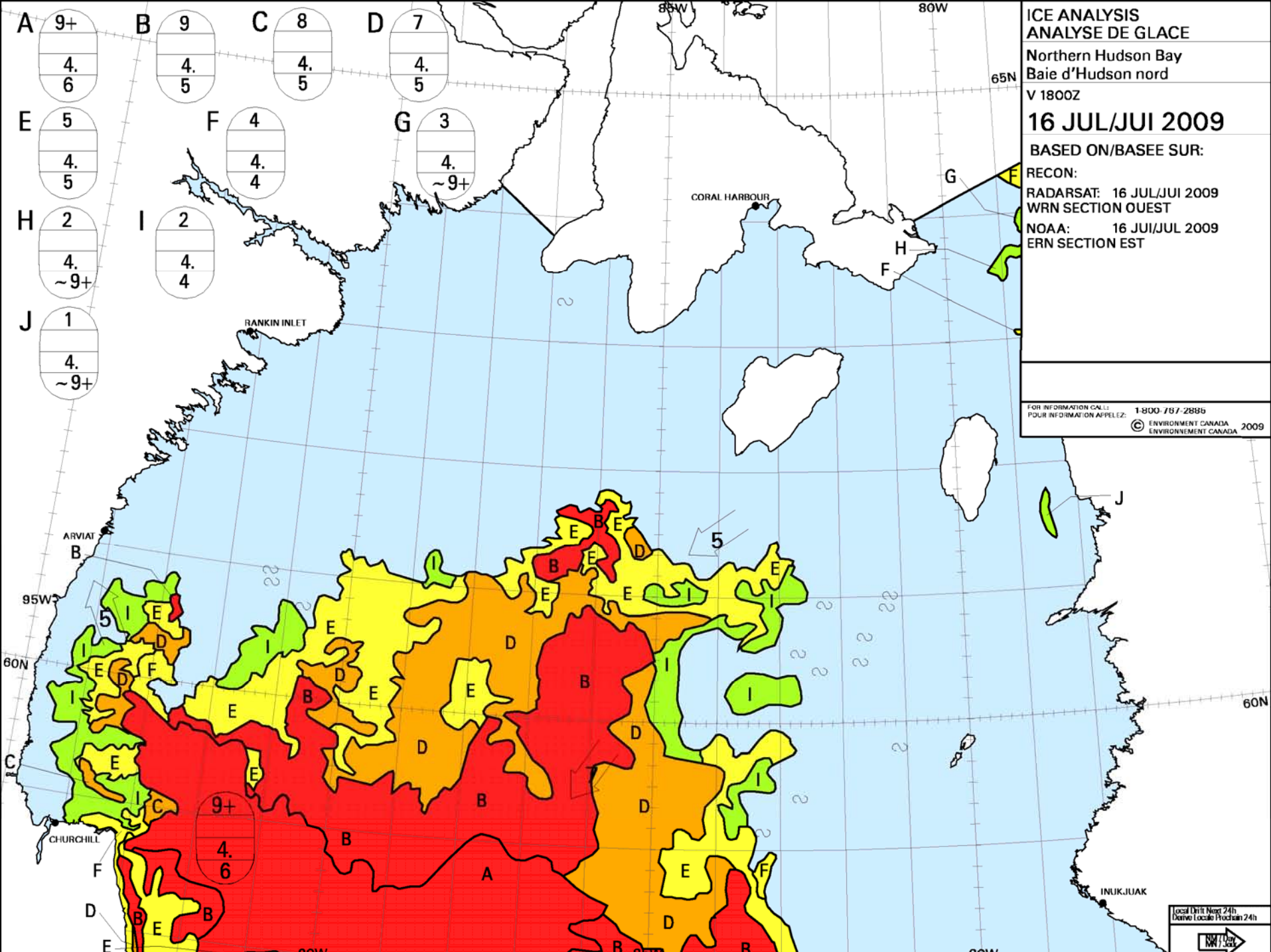
BASED ON/BASEE SUR:

RECON:

RADARSAT: 16 JUL/JUI 2009
WRN SECTION OUEST

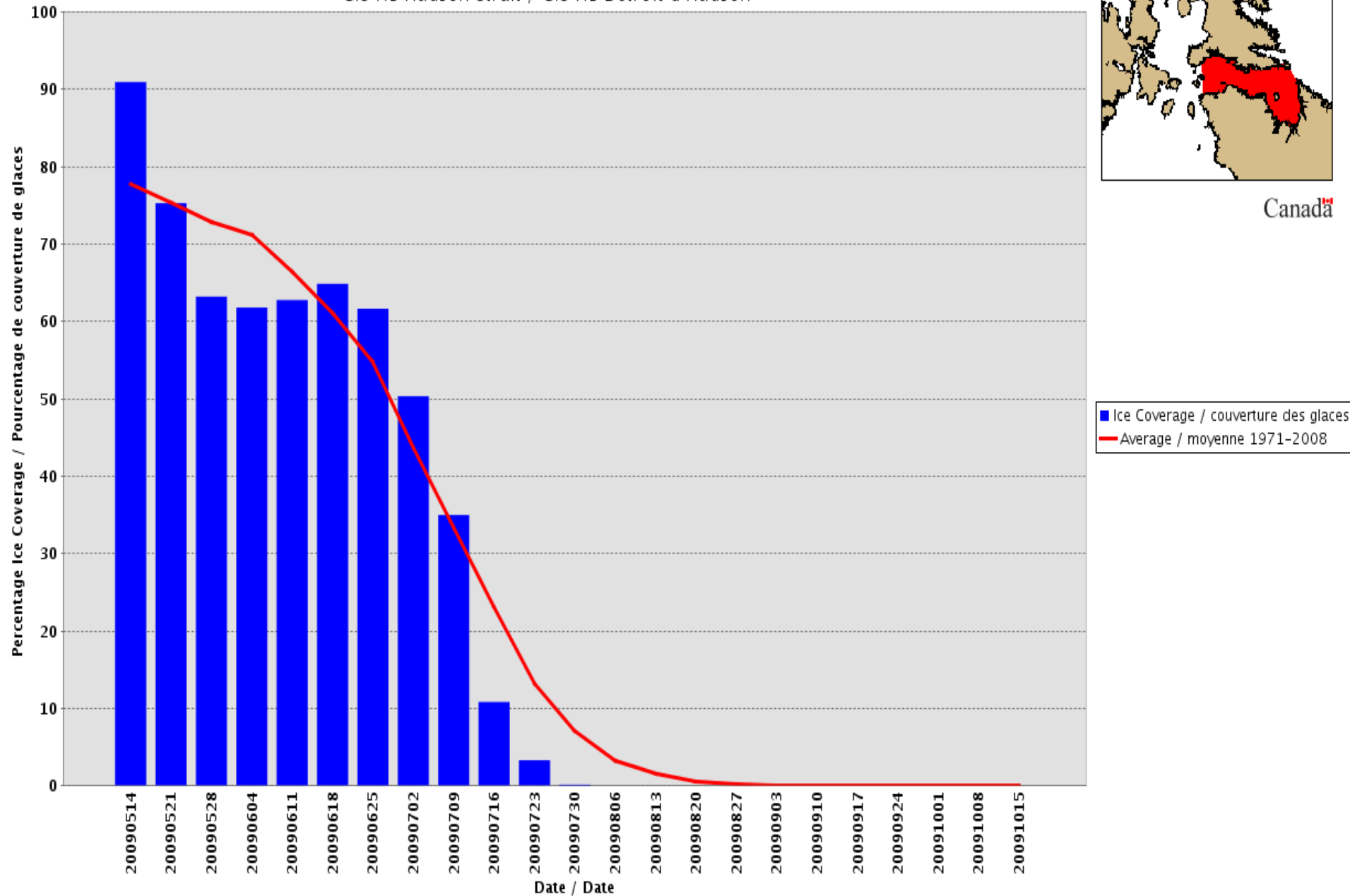
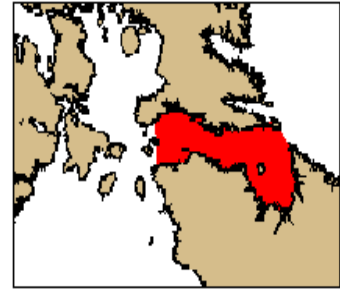
NOAA: 16 JUL/JUL 2009
ERN SECTION EST

FOR INFORMATION CALL: 1-800-767-2889
POUR INFORMATION APPELEZ: ENVIRONNEMENT CANADA
ENVIRONNEMENT CANADA 2009



Weekly Ice Coverage for Season 2009 Couverture des glaces hebdomadaire pour la saison 2009

CIS HB Hudson Strait / CIS HB Détroit d'Hudson



■ Ice Coverage / couverture des glaces
— Average / moyenne 1971-2008



2009 10 14



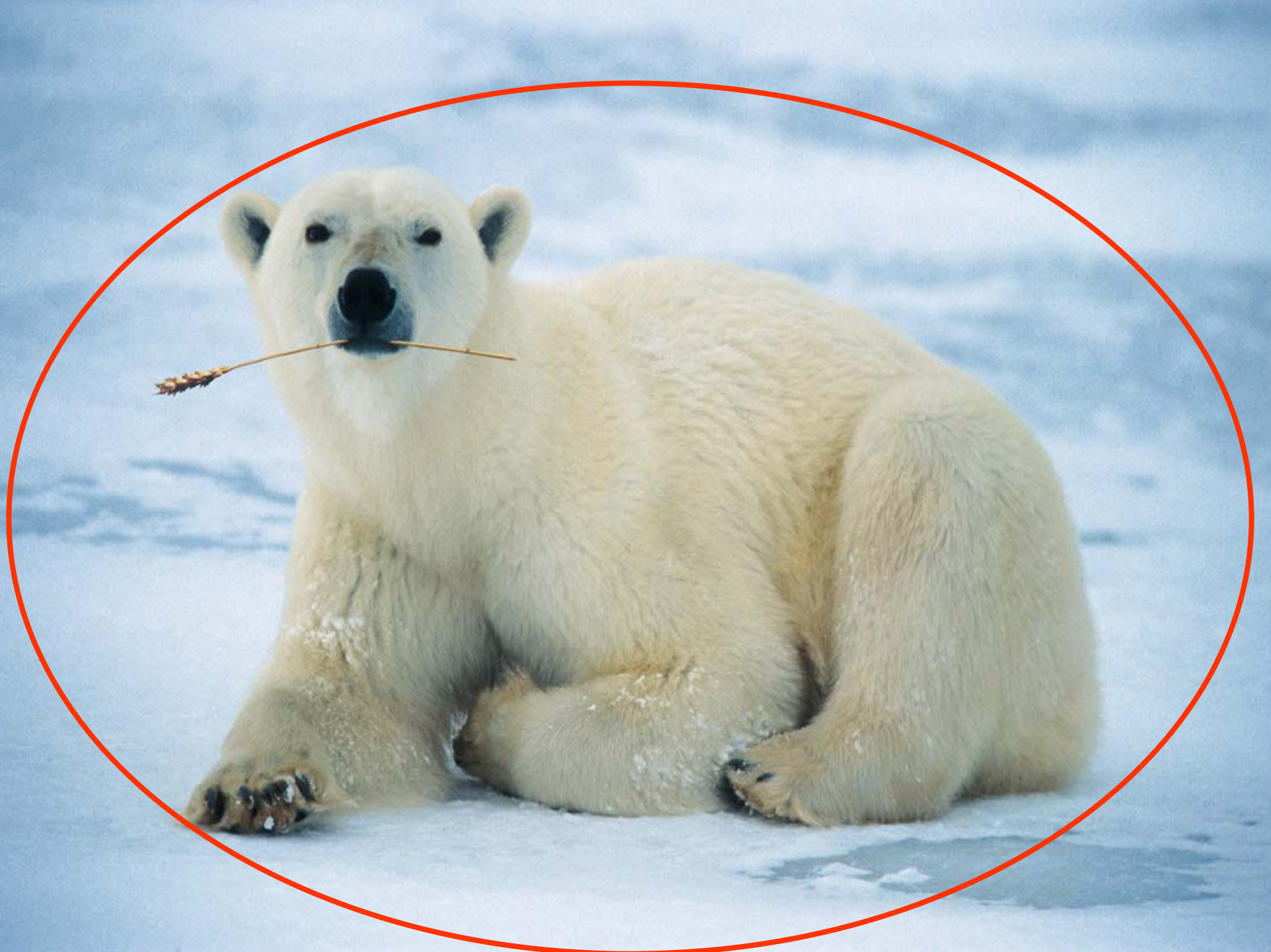
SAGA DISCOVERY

2009 10 16



Churchill





Vancouver



Vancouver - Alliance Grain Terminal



Working Capacity 75,000t

Cascadia Terminal



Working Capacity 225,000t

Cargill Terminal



Working Capacity 180,000t

Richardson Terminal



Working Capacity 75,000t

Prince Rupert



Working Capacity 175,000t

CWB East Coast Operations



Thunder Bay To The St. Lawrence

LOCKS

- 1 St. Lambert
- 2 Cote Ste. Catherine
- 3 Lower Beauharnois
- 4 Upper Beauharnois
- 5 Snell
- 6 Eisenhower
- 7 Iroquois
- 8 Welland Canal (8 locks)
- 9 Soo Locks

LEGEND

- PORTS
- CANADIAN LOCKS
- UNITED STATES LOCKS



Thunder Bay



Capacity 870,000t

Mission Terminal



Working Capacity 85,000t

Viterra Terminal



Richardson Terminal



Cargill Terminal





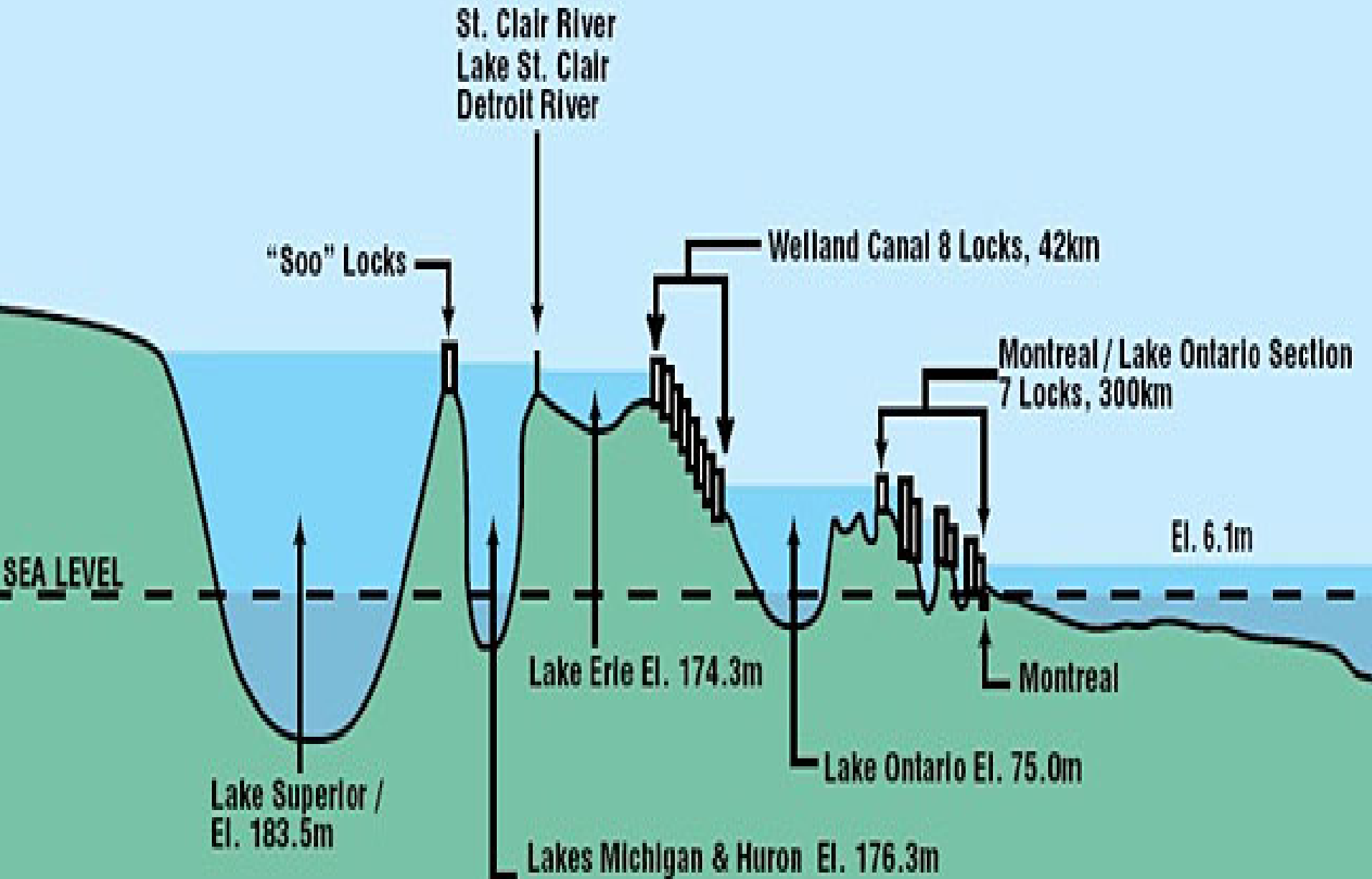








Great Lakes St. Lawrence Seaway







Welland Canal



Welland Canal



Welland Canal







Transfer Elevators



Port of Montreal



Trois Rivières



Quebec City



Working Capacity 150,000t

Baie Comeau



Working Capacity 265,000t

Journey's End

- Industry partners work together to get the right grain to the right place at the right time.





Questions?