



NEWS RELEASE

“The Voice of Manitoba Farmers”

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KAP Predicts Another Record Year for Railways

Winnipeg – Keystone Agricultural Producers (KAP) is appalled that the railway revenue cap for grain transportation will be increasing another 8% in the upcoming crop year. After years of making profits on the backs of farmers, this revenue cap increase will only make the transfer of money from the farm to rail shareholder pockets happen more quickly.

“Studies have shown that the railways are already making tens of millions of dollars in excess revenue from shipping our grain,” says KAP President Ian Wishart. “It’s unbelievable that they’ve been given a license to increase the burden on farmers again, well beyond the level of inflation.”

As part of the revenue cap, the increased fuel and labour costs should be minimized by the simple fact that the revenue cap is based on fuel and labour costs from 1992. While actual fuel and wages have increased, they have been counter-acted by more efficient locomotives, fewer kilometers of track, and a significantly reduced work force. However, the current revenue cap formula does not allow for any of these efficiencies to be passed back to farmers in the way of lower costs.

KAP continues to call on the federal government to launch a full costing review so that all stakeholders, including farmers, can get a better handle on the railways’ actual current costs are for shipping grain. Farmers are not asking for increasing regulation in the transportation system, but are calling for the information in the current formula to be updated.

“Only a full costing review will help to bring transparency and accountability back into grain transportation,” says Wishart. “Farmers cannot continue to be slowly bled through a revenue cap formula that puts the advantage squarely in the railways’ court. We need an efficient, competitive railway system to get our products to market on time and in a cost-effective manner.”

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Keystone Agricultural Producers is Manitoba's largest general farm policy organization, representing over 7,000 farm families and 20 commodity groups throughout the province.

Our strength is our democratic structure, and our mission is to represent and promote the interests of the province's farm families.