



KEEPING CANADA'S GRAIN MOVING: WHY EXTENDED INTERSWITCHING MATTERS



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DEPARTURES				
CHINA	(VIA VANCOUVER)			DELAYED
JAPAN	(VIA PRINCE RUPERT)			DELAYED
ITALY	(VIA MONTREAL)			CANCELLED
EGYPT	(VIA THUNDER BAY)			CANCELLED
INDONESIA	(VIA VANCOUVER)			DELAYED

LACK OF RAIL COMPETITION DELAYS CANADA'S ECONOMIC GROWTH.
TELL YOUR MP YOU SUPPORT EXTENDED INTERSWITCHING FOR CANADIAN SHIPPERS.

FLIP THE SWITCH
Visit interswitching.ca

This social card was circulated as part of the "Flip the Switch" campaign that promoted the benefits of interswitching.

Rail transportation is the conductor of Canada's grain industry and forms the backbone of our agricultural supply chain. With 94% of Canadian grain relying on rail transportation, even a minor disruption can send shockwaves through the supply chain, affecting farmers, the economy, and our position as a reliable trading partner on the world stage.

Despite the crucial role that railways play, the current system is facing significant challenges that must be addressed to maintain the efficiency and reliability of grain transportation. One major issue is the limited scope of the extended rail interswitching pilot launched by the government in September 2023. This 18-month pilot increased the interswitching radius from 30 to 160 kilometres, aiming to boost competition, enhance service, and provide grain farmers with better access to markets. However,

the short duration of this pilot is insufficient to gather meaningful insights or create a lasting impact.

Farmers and shippers typically plan their operations a year ahead, and the pilot's brief window does not offer the confidence or stability they require. Many grain shippers are hesitant to rely on a temporary measure, especially when the future of the pilot remains uncertain, which could lead to potential backlash from rail service providers once it ends. This uncertainty underscores the urgent need for a more permanent and effective solution that can support the long-term stability of Canada's grain transportation network.

This is precisely where the "Flip the Switch" campaign comes into play. We are advocating for an extension of the pilot by 30 months, with a path to permanency. We are also pushing to extend the radius from

160 km to 500 km, and expand the program to the Peace River Country region of British Columbia. This proposal is not merely about extending a timeline—it is about providing grain farmers and shippers, particularly those in remote areas, with the tools they need to maintain smooth and reliable operations. Reliable rail options are not a luxury; they are a necessity, particularly when disruptions have the potential to threaten livelihoods and the broader economy.

The campaign also aims to dispel several myths circulating about extended interswitching. The Railway Association of Canada (RAC) has raised concerns, but the facts paint a different picture. Some claim that extended interswitching will result in jobs moving out of Canada. However, in reality, it drives competition that benefits Canadian workers. Railways are compelled to deploy more resources and hire additional

personnel within Canada, which strengthens the domestic economy.

There are also assertions that extended interswitching will redirect more Canadian grain through U.S. ports, but the data does not support this claim. During the previous pilot, less than 0.9% of grain was shipped to a third country via a U.S. port. This initiative is not about providing advantages to American railroads; it is about enhancing options for Canadian farmers. With major Canadian railways already operating extensive networks in the United States, extended interswitching helps level the competitive playing field and ensures that more business remains within Canada.

Concerns have been raised about the potential for extended interswitching to complicate logistics. However, extended interswitching provides shippers with greater flexibility,

allowing them to negotiate better deals and ensure their grain reaches its destination on time. Moreover, environmental concerns associated with extended interswitching are misplaced—more direct routes result in fewer emissions, making this initiative beneficial for both the economy and the environment.

The “Flip the Switch” campaign is about more than just addressing immediate concerns. It is about laying the groundwork for a stronger, more resilient grain industry in Canada. By pushing for a longer pilot and a broader interswitching radius, we are ensuring that grain farmers have the flexibility they need to navigate a complex rail system and keep their products moving efficiently, both domestically and internationally.

We urge the Government of Canada to take these critical steps without delay. By extending the

pilot by 30 months and extending interswitching to a radius of 500 kilometres and to the Peace River Country region of British Columbia, we can unlock the full potential of competition in the rail sector. This extension will provide the necessary time to gather meaningful data, understand the long-term benefits, and create a case for permanent extended interswitching.

The future of Canada’s grain sector depends on smart, forward-thinking solutions like extended interswitching. The “Flip the Switch” campaign is not just about addressing today’s problems—it is about preparing for tomorrow’s challenges. By advocating for these changes, we are committed to supporting the livelihoods of grain farmers and ensuring that Canada remains at the forefront of the global grain market. Visit interswitching.ca to learn more.





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