

#### Commodities

- Barley
- Malt Barley
- Wheat
- Pulses (Peas, Beans, Lentils, Chick Peas)
- Canary Seed
- Flax
- Mustard
- Canola
- Soya Beans









## **Economics – Agriculture Market**

- Commodity "Perfect" Competition
- Globalization
  - Crop Year / Yield Canadian Prices
  - Exchange Rates
- Price Regulation Canadian Wheat Board
  - Two Sides
    - As a collective the independent has more clout
    - An independent should be free to access whatever markets

#### **Economics – Transportation Market**

- Bulk Rates
- Container Availability
  - Source Loading
  - Transloading
- Vessel Allocation
  - Size of Vessel
  - Consistent shippers
- Inventory Costs and Storage Infrastructure

- Daily Railcar Pipeline Report
  - Used to Identify New Orders and Trace current
    Cars
- Customers Send Booking Information from the Steamship Line
- A Few Days Before Railcar Arrival Containers are Released
  - Container Numbers
  - Off Dock CY containers are located

- Truck Dispatched to Pick Up Empties
  - Key to try and Not Deadhead
  - Key to try and Maximize Chassis Configuration
  - Key for Drivers to Pre- Inspect Containers
- Containers Removed from Chassis and Prepared
  - Full Inspection
  - Grain Doors (Bulk Head)
  - Liner Bag

- Generally 3 Ways Containers Loaded
  - Gravity Fed (Bulk Loaded)
  - Spray Trimmer Fed (Bulk Loaded)
  - 25kg or 50kg bags (Labour Loaded)
- Bulk Loaded Must have Receiving infrastructure
  - Tilt Deck or Vacuum
- Bags Effective to Reach Small Customers;
  Remote Areas; or Where Labour is not \$\$\$

- Hopper Rail Cars Arrive and are Dumped into a Loading Pit
- Samples Taken
- Elevated into a Garner and then to a Scale
- Prepared Containers Loaded onto Tilt
  Chassis or Directly into Plant on a Tilt Deck
- Container End Hoisted Up and Elevated Grain Gravity Feeds from Scale into Containers
- Container Lowered, Doors Closed, Seal app.

- Trucked to the Deep Sea Port of Discharge
- Loaded onto Container Ship
- Montreal and Vancouver
  - Montreal
    - Europe, Middle East & South America
  - Vancouver
    - Asia Pacific, India, South America
    - 30 Days Transit Time to Asia
    - 21 Days to South America

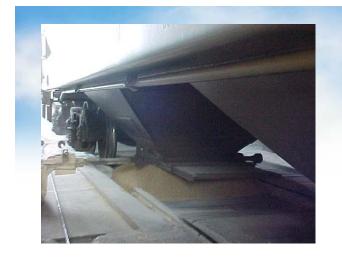
- Bulk Containers
  - Trucked from Deep Sea Port of Arrival to Customer Location
  - Placed on Tilt Platform Front of Container lifted
  - Doors Open and Bulk Head Slashed with Utility Knife
- Containers with 25kg or 50kg bags
  - Trucked to Cross Dock
  - Shipped LTL to Final Destination

# Logistics – Advantage Container

- Smaller Order Quantities
  - Less Inventory Smaller Orders for Consumers
  - More Independence for Sellers
  - More Frequent Order Cycles
    - Bulk 3- 4 Months
    - Container 3-4 Weeks
  - Higher Grade
- Door to Door
- Less Handling
- Backhaul Rates Major imbalance

## **Challenges & Opportunities**

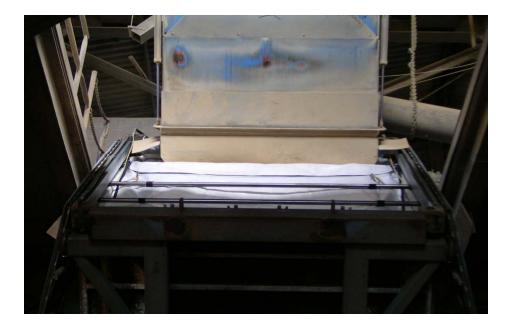
- Economic Variables Make Forecasting Difficult
- JIT Philosophy Therefore Windows are Tight
- Steamship Line Cut Offs and Releases
- Heavy Dependence on Railway Service
- Road Weights Differ From Country to Country
- Food Grade = Increased Documentation
  - Trace to Origin
  - HACCP
- Port Security = Increased Documentation
- Truck Congestion Especially at Ports = Bottlenecks













System # 1 – Malt Primary

















