



FERTILIZER CANADA

FERTILISANTS CANADA

907 – 350 Sparks, Ottawa ON K1R 7S8

T (613) 230-2600 | F (613) 230-5142

info@fertilizercanada.ca

fertilizercanada.ca | fertilisantscanada.ca

February 25, 2022

The Honourable Seamus O'Regan, P.C., M.P.
Minister of Labour
750-360 Laurier Avenue West
Narano Building
Ottawa, ON
K1P 1C8

Dear Minister,

Fertilizer Canada has become aware of a potential upcoming labour disruption at Canadian Pacific Railway, as the Teamsters Canada Rail Conference prepares to hold a strike vote by February 28th, 2022. This could allow the 3,100 represented running trade employees including locomotive engineers, conductors, and train/yard persons to strike as early as March 16, 2022. While Fertilizer Canada respects the collective bargaining process, we urge the Minister of Labour to take decisive proactive action to prevent or mitigate any negative impacts to our industry from a potential work stoppage at CP Rail. A strike in mid-March would compromise Canada's position as a leading fertilizer supplier at a critical time in the year when farmers are applying fertilizer products to their fields in the spring seeding season, and could potentially result in fertilizer production facilities and/or mines to be forced to shut-in production, impacting Canadian workers, the economy, and the current fragile supply and demand balance for fertilizer.

Fertilizer Canada represents manufacturers, wholesalers, and retail distributors of nitrogen, phosphate, potash, and sulphur fertilizers – the backbone of Canada's agri-food economy. Fertilizer is responsible for half of the world's current food production, and our industry is a major contributor to this global supply, supporting food security in Canada and around the world. We also contribute approximately \$24 billion annually to Canada's economic activity, and our industry has facilities across Canada supporting the employment of over 76,000 individuals throughout the supply chain. As 75 percent of all fertilizer produced and used in Canada is moved by rail, our members are critically dependent on rail service to move products across the country and into international markets.

Timely access to fertilizer products is essential in supporting Canada's food security and in maintaining our status as a major agricultural exporter. If the federal government allows supply chain disruptions to persist into the Spring fertilizer season, the impacts to our industry and to Canadian farmers will be devastating. Indeed, during critical fertilizer application periods in the Spring and again in Fall, periods that largely determine the course of farmers' harvest, any delay or disruption to fertilizer supply chains can prevent farmers from accessing the essential products they need to grow food for Canada and the world. Any limitations or disruptions to essential transportation infrastructure will cripple our



FERTILIZER CANADA

FERTILISANTS CANADA

907 – 350 Sparks, Ottawa ON K1R 7S8

T (613) 230-2600 | F (613) 230-5142

info@fertilizercanada.ca

fertilizercanada.ca | fertilisantscanada.ca

industry's ability to get essential fertilizer products to market when they are most needed, which would have severe consequences for our industry, farmers, and food security, both in Canada and globally.

It is imperative that the Government of Canada is prepared to act urgently to mitigate any impacts on our industry and our farmer-customers in the event of a strike being called, including through back-to-work legislation as was done in response to the April 2021 strike by longshoremen at the Port of Montreal.

In order to properly prepare for the peak spring fertilizer season, our member companies need certainty that supply chain fluidity will be maintained leading into March and April. We are particularly concerned about the potential impacts of a strike at CP Railway because similar situations in the past have had serious consequences for our industry. In November 2019, the strike by 3,200 CN Railway workers (also represented by the Teamsters Canada Rail Conference) continued for eight days, leading to the forced curtailment of production at a potash mine in Saskatchewan, layoffs in the sector, and an estimated economic impact to our members in the order of \$200 - \$300 million. Further, the impacts to rail service are seen beyond the exact duration of the strike. In the November 2019 CN Rail strike, the rail network was slowed down three days prior to the strike start, and it took three days post-strike to resume service levels, resulting in a full two weeks of rail service disruption from the eight-day strike. We expect to begin seeing the impacts of this potential action within weeks as railways could start to reduce service in anticipation of the strike being called.

The years since the 2019 CN Rail strike have been characterized by frequent supply chain disruptions, and, particularly in the context of the recent border blockades, Canada's supply chain cannot currently withstand additional major challenges, including any potential strike action by railways. The Canadian railroad network typically struggles to make up for delays and disruptions over the winter, which is a critical timeframe for our industry to get fertilizer products to market for the spring fertilizer application season. This year, the additive effects of extreme cold weather in Western Canada, and impacts from the BC floods, has meant the railroad network has still not fully recovered.

More generally, our industry is increasingly concerned about the challenges associated with an unreliable supply chain. This unreliability is a problem both for industry within Canada as we encounter challenges to distributing product domestically, and because these disruptions damage Canada's international reputation as a reliable source of goods. The number of collective agreements that are recently expired and expiring soon are a threat to reliability for shippers; this is not a one-off concern.

Fertilizer Canada asks all levels of government to work collaboratively with the fertilizer industry to seek more permanent solutions to supply chain issues, including designating



FERTILIZER CANADA

FERTILISANTS CANADA

907 – 350 Sparks, Ottawa ON K1R 7S8

T (613) 230-2600 | F (613) 230-5142

info@fertilizercanada.ca

fertilizercanada.ca | fertilisantscanada.ca

fertilizer as an essential good to ensure that Canada remains a reliable and cost-effective source for essential fertilizer products.

Should there be any questions or concerns about the comments outlined in this letter, please do not hesitate to contact us. Fertilizer Canada would be happy to schedule a virtual meeting to further discuss these comments if needed. Thank you very much for your attention to this important topic.

Sincerely,

Karen Proud
President & CEO
Fertilizer Canada

CC:

The Honourable Omar Alghabra, P.C., M.P., Minister of Transport
The Honourable Marie-Claude Bibeau, P.C., M.P., Minister of Agriculture and Agri-Food
The Honourable Jonathan Wilkinson, P.C., M.P., Minister of Natural Resources
The Honourable John Horgan, M.L.A., Premier of British Columbia
The Honourable Jason Kenney, M.L.A., Premier of Alberta
The Honourable Scott Moe, M.L.A., Premier of Saskatchewan
The Honourable Heather Stefanson, M.L.A., Premier of Manitoba
The Honourable Doug Ford, M.P.P., Premier of Ontario
The Honourable François Legault, M.N.A., Premier of Quebec
The Honourable Blaine Higgs, M.L.A., Premier of New Brunswick
The Honourable Tim Houston, M.L.A., Premier of Nova Scotia
The Honourable Dennis King, M.L.A., Premier of Prince Edward Island
The Honourable Andrew Furey, M.H.A., Premier of Newfoundland and Labrador



FERTILIZER CANADA

FERTILISANTS CANADA

907 – 350 Sparks, Ottawa ON K1R 7S8

T (613) 230-2600 | F (613) 230-5142

info@fertilizercanada.ca

fertilizercanada.ca | fertilisantscanada.ca

