



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

October 26, 2023

The Honourable Seamus O'Regan, P.C., M.P.

Minister of Labour

750-360 Laurier Avenue West

Narano Building

Ottawa, ON

K1P 1C8

Re: St. Lawrence Seaway Management Corporation-Unifor Labour Strike

Dear Minister,

Fertilizer Canada and our member companies are very concerned with the disruption resulting from the labour dispute between the St. Lawrence Seaway Management Corporation (SLSMC) and Unifor. Fertilizer Canada fully supports the rights of workers to engage in collective bargaining activities and we believe that the best deals are reached at the table. However, our industry also has significant concerns about the impact of this disruption on vital crop nutrients being imported and exported through the St. Lawrence Seaway.

Canada's fertilizer industry contributes approximately \$24 billion annually to Canada's economic activity, supporting the employment of over 76,000 individuals throughout the supply chain. Fertilizer is responsible for half of global food production and Canada is a major contributor to the global supply of fertilizer products, with over 75 countries rely on Canadian fertilizer exports. Canada is the largest producer and exporter of potash in the world and accounts for approximately 12 per cent of all fertilizers produced around the world. Canadian potash is made with an average of 50 percent fewer greenhouse gas emissions than potash produced in Russia and Belarus (the second and third largest producers in the world), and 95 per cent of the potash we produce is exported to global markets. Potash is second only to gold in export value, contributing about \$5.52 billion to GDP annually.

In addition to potash exports, imports of nitrogen products and other vital crop nutrients into eastern Canada will be impacted if there is not a quick resolution to the disruption. Delays for these shipments, which are already loaded onto vessels and on route to Canada, can have significant consequences for Canadian farmers who are relying on these products to be available in time for the spring 2024 growing season. Each year many Canadian farmers depend on a secure, reliable, and productive fertilizer supply chain in the St. Lawrence Seaway to sustainably grow their crops and feed the world, and the majority of this fertilizer is shipped in during the fall season before the Seaway closes for winter. Timely access to fertilizer products is essential in supporting Canadian and global food security and in maintaining Canada's reputation as a reliable exporter to our trading partners. Without a quick resolution to this strike, recovery from shipment delays and backlogs could be impeded by the Seaway's winter closure, which would prevent crucial fertilizer products from being in place for the 2024 spring season.



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Canada's supply chains have been challenged by significant disruptions for the last several years, and this year alone has already seen a major disruption in the ILWU-BCMEA strike on the west coast in July. The fertilizer industry was heavily impacted by the delays caused by the west coast strike, and our members have relied on Canada's eastern ports, in particular the Port of Thunder Bay, to support the recovery. Indeed, shipment volumes through the Port of Thunder Bay have increased in recent years, highlighting the port's growing importance in the supply chain. Currently, our members have five vessels inbound, already loaded and en route to the Seaway, and several more shipments scheduled in the coming weeks. Without a quick resolution to this work stoppage, our members are again facing shipment delays as well as thousands of dollars a day in demurrage charges as vessels wait. Additionally, shipping companies may begin to charge for lost time and revenue, which would increase the overall cost of this disruption exponentially.

These immediate costs are on top of the long-term costs of delays, backlogs, missed shipments that cannot be made up as well as overall reputational costs of an unreliable supply chain. If shipping to and from Canada is seen as risky, shipping companies can increase rates or refuse shipments in the future. It is vital that the labour negotiations are resolved as soon as possible to minimize the compounding consequences of the disruption on the west coast.

We have been increasingly concerned about the unreliability of Canada's supply chains, and we strongly support the National Supply Chain Task Force recommendation to urgently convene a council of experts to develop a new collaborative labour relations paradigm that would reduce the likelihood of strikes, lockouts, or disruptions that risk the operation of fluidity of the transportation supply chain. The federal government must support the expeditious resolution of this disruption to protect Canada's imports and exports that contribute significantly to global food security as well as our reputation on the world stage as a reliable trading partner.

We encourage you to take the necessary steps to help bring this disruption to a swift resolution. We would welcome an opportunity to meet with you to further discuss this important issue. Thank you very much for your attention and I look forward to hearing from you.

Sincerely,

Karen Proud
President & CEO
Fertilizer Canada



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CC:

The Honourable Pablo Rodriguez, P.C., M.P., Minister of Transport

