



CANADIAN
CATTLEMEN'S
ASSOCIATION

National Voice Of Cattle Producers



Industry Update

Teamsters Union votes in favour of strike action against CP Rail

March 3, 2022

Calgary, AB

Situation Snapshot:

Teamsters Union members, who work as engineers, conductors, trainpersons, and yardpersons for Canadian Pacific Railway (CP Rail) voted 96.7 per cent in favour of a strike mandate. The Teamsters Canada Rail Conference (TCRC) served a notice of dispute to the federal Labour Minister in early February, highlighting issue related to wages, benefits, and pensions. The Union has stated it will continue in the ongoing mediation process overseen by a federally-appointed mediator. Meetings are planned for March 11 – 16, 2022 with March 16 being the date of potential strike.

With the devastating impacts of the droughts in 2021 hitting western Canada, the prairies and parts of Ontario, cattle producers are reliant on feed shipments from the United States (U.S.). On February 1, 2022, there were 1.1 million head of cattle on feed in Alberta and Saskatchewan. According to Statistics Canada, Alberta and Saskatchewan corn imports in 2021 were up 400 per cent.

It is estimated that over 1,000 super-B trucks would be needed weekly to replace the volume of feed grain currently transported by CP trains. Given the severe shortages in trucking, this is not a viable solution.

The Canadian Cattlemen's Association (CCA) and National Cattle Feeders Association (NCFA) are highly concerned about the potential impacts of a rail strike on the ability of beef producers to feed their cattle with essentially no feed buffer within Canada at this time due to the significant drought this last summer and recent rail challenges that limited deliveries in January 2022. CP Rail consistently delivered an average 10 to 11 trains per week from January 24 to the current date, but this has not provided enough reserve of feed supplies to be re-built. Current estimates are that there is a 1 – 2 week supply of feed available within Western Canada. It is imperative that essential services are not interrupted, including the movement of agricultural products by rail.

CCA and NCFA are strongly encouraging both sides to reach a solution prior to the strike action deadline. In the event a solution cannot be reached, the parties should move directly to binding arbitration to avoid a strike and the resulting necessity of implementing back-to-work legislation. It is imperative to prevent the serious consequences that would arise from a shortage of critical feed supplies on Canadian beef operations.

Potential Paths Forward:

Straight to Binding Arbitration

CP rail has indicated that they would be willing to go directly to binding arbitration which would avoid an interruption in service. Usually, binding arbitration is implemented post enactment of back to work legislation. Under arbitration, the union and the employer submit what they are willing to accept a government-appointed arbitrator and the arbitrator reaches a compromise position that both parties must legally accept.

“Back to work” and “essential service” legislative initiatives

Back-to-work legislation is generally used to end a strike — or lockout — in an industry that the government decides is

essential to the operating of the economy. The legislation contains an enforcement section which typically includes fines. It is a unique piece of legislation - a specific law - that addresses a particular issue. The Back-to-work legislation is sponsored by the Minister of Labour, who is currently Seamus O'Regan. The act must be passed in House and in the Senate. It has been utilized a total of 39 times.

Once passed, this legislation imposes a binding arbitration process.

If needed, another avenue that will be pursued, is the Government of Canada can ban strikes by passing essential service legislation. Typically to be deemed an essential service, the service must prevent danger to life, health or safety as well as disruptions of the courts. However, the definition has broadened in response to economic concerns. As an example, the Government of Canada named a number of industries, including agriculture, as an essential service during the pandemic.

Overview

- The Union representing workers at CP Rail have voted in favour of strike action.
- The Union has stated it will continue in the ongoing mediation process that is overseen by a federally-appointed mediator. Meetings are planned for March 11 – 16, 2022.
- With the devastating impacts of the droughts in 2021 hitting western Canada, the prairies and parts of Ontario, cattle producers are reliant on feed shipments from the (U.S.).
- According to Statistics Canada, Alberta and Saskatchewan corn imports in 2021 were up 400 per cent.
- It is estimated that over 1,000 super-B trucks would be needed weekly to replace the volume of feed grain currently be transported by CP trains and trucking capacity is not available leaving no alternative solutions.
- Complications throughout the winter depleted the amount of feed grain storage
 - Covid-related sickness within rail and grain companies reduced available labour for movement and unloading of grain at elevators
 - Cold weather from the end of December into early January slowed train movement. The cold weather also brought increased feed consumption.
- CP Rail consistently delivered an average 10 to 11 trains per week from January 24 to the current date, but this has not provided enough reserve of feed supplies to be re-built.
- Current estimates are that there is a 1 – 2 week supply of feed available.

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