

many producers this amount could make the difference not just between breaking even and making a profit but between breaking even and taking a loss.

This Committee agrees with the Senior Grain Transportation Committee that for farmers who have traditionally delivered grain to points on the 2,000 miles of branch lines identified, abandonment may cause some hardship.

- 4.4 The Committee urges the Minister of Transport to carefully consider the findings of the Senior Grain Transportation Committee concerning branch line abandonment.**
- 4.5 Should it be determined that compensation is warranted the Committee recommends that compensation be paid directly from the savings made from abandoned branch lines.**
- 4.6 The Committee further recommends that the compensation be paid directly to those deemed to have been hurt by branch line abandonment.**

E. Grain Cleaning

A number of witnesses, including the Government of Saskatchewan, presented positions on grain cleaning on the Prairies to the Committee.

The issue of shipping clean grain to export position, avoiding transportation costs for dockage and providing value-added industry to the Prairies, has been around for some time. The recent grain-handlers' strike at Thunder Bay proved that, at least for moderate volumes of grain, cleaning on the Prairies was possible. During the strike, 185,000 tonnes of grain were cleaned at terminal elevators and shipped as clean grain to point of export. The cost of cleaning at inland terminals was estimated to be similar to the cost of cleaning at export position. Screenings were also available at a less expensive cost as feed for livestock producers on the Prairies.

On this issue, as on others, there are varying points of view. The Government of Saskatchewan sees the advantages of cleaning on the Prairies. "Currently Saskatchewan grain for export is cleaned primarily at export terminals. The cleanings are then pelletized and occasionally some are returned to Saskatchewan to be used as livestock feed . . . this cleaning at export position is not an efficient practice and it discourages potential value-added production in Saskatchewan. Cleaning in Saskatchewan would also provide a valuable supply of feed in the form of pelletized screenings" (Brief to the House of Commons Standing Committee on Agriculture, May 13, 1987, p. 11-12).

If grain is delivered directly to an inland terminal where it is cleaned, one elevation charge is saved and country elevator storage charges can be significantly reduced. Added to that, the use of dry bulk handling terminals at the export points rather than major grain terminals could save farmers approximately \$6.00 per tonne in handling charges. The extra \$30 dollars per tonne cost of shipping uncleaned grain could be saved.

A representative of Prairie Pools Inc. presented the Committee with another side of the story: the cost of developing additional cleaning facilities on the Prairies, "... farmers have already made the investment at the port position, and it is a very substantial investment. If we were to turn around and start providing the same kind of system on the Prairies, farmers would have to pay for that system to do it on the Prairies" (Issue 20:12, 9-4-87).