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national farmers union
In Union Is Strength

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**ELEVATOR CHARGES UP AGAIN:
THE BENEFITS OF EFFICIENCY?**

COLONSAY, Sask.—“Grain companies toppled and burned wooden elevators and told farmers that this destruction would create a more efficient system and save farmers money. Government deregulation paved the way for elevator closure and branchline abandonment,” said NFU Board member Terry Boehm. He continued: “As elevator handling charges rise again, farmers are asking corporate and government leaders: Where are the savings?”

Taking wheat as an example, many companies' tariffs for “receiving, elevating, and loading out” are up, with Agricore United in Manitoba leading the increases at 10.9%: from \$11.00/tonne at Manitoba Agricore elevators last August, to \$12.20 this year. Saskatchewan Wheat Pool also raised tariffs: up 8.2% or 88¢ per tonne. Cargill's receiving, elevating, and loading tariffs for wheat remained unchanged. Agricore United, Sask. Wheat Pool, and Cargill handle approximately 75% of the western crop.

Tariffs for “removal of dockage” are also up: Cargill up 11.5%; Sask. Wheat Pool up 8.19%; and Agricore United up approximately 3%. Storage charges also rose at many elevators, with charges at some Agricore United elevators up 90%.

Grain companies have slashed the number of elevators in western Canada. In 1970, western Canada had 4,984 elevators. Today, fewer than 600 remain. Boehm pointed out that: “This huge restructuring, however, has not yielded huge savings, nor even small ones. Farmers now pay over eight times as much as they did 30 years ago, despite the “consolidation” of 88% of the elevator network. *Grain companies handling tariffs rose at twice the rate of inflation* despite increases in volume and gains in efficiency that increased average per-elevator grain throughput twelve-fold.”

“This year's tariff increases come near the end of the most rapid and dramatic consolidation of the elevator network in history—the network has been cut nearly in half in just five years. These tariff increases prove, again, that there will be no savings for farmers. We will pay more for trucking and to fix shattered roads, and then we will pay more at the elevator for handling tariffs,” said Boehm.

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