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**national farmers union**  
*In Union Is Strength*

**FOR IMMEDIATE RELEASE**

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**FRCC PURCHASE OF HOPPER CARS WILL BENEFIT FARMERS, SAYS NFU**

The long-awaited transfer of the railway hopper car fleet to the Farmer Rail Car Coalition (FRCC) will benefit farmers in the long run by stabilizing costs to farmers and ensuring sufficient capacity, says Stewart Wells, President of the National Farmers Union (NFU).

An agreement-in-principle was announced November 24 between the federal government and the FRCC. Under the arrangement, the Government of Canada will lease 12,000 grain cars to the FRCC for five years, leading to a permanent transfer at the end of that period. The transfer price will be \$205 million, consisting of lease payments over five years totaling \$65 million, a credit of \$35 million for car refurbishment work to be done by the Coalition, and a final payment of \$105 million over a further eight year period.

Wells said the transfer of the cars could potentially mark the first step in returning economic power to farmers, as recommended in the recent government report entitled: "Empowering Canadian Farmers In the Marketplace". That report, noted Wells, recommended governments invest in mechanisms that improve farmers' market power.

"The NFU was a founding member of the FRCC coalition, and our representatives, Nettie Wiebe and Jim Robbins, have worked hard to achieve the transfer of the cars," explained Wells. "It is vitally important that farmers gain greater control over grain transportation - since it is so important to our bottom line."

Robbins, who is Vice-President of the FRCC, noted the FRCC's ownership of the fleet will ensure that maintenance and renewal costs associated with the hopper car fleet are minimized. "Because farmers will pay the costs of owning and maintaining the hopper car fleet, we're the ones with the incentive to minimize those costs," he said. "The FRCC is committed to upgrading the existing car fleet in the short term and replacing it with higher weight and cubic capacity cars in the medium and long term, a plan which could save farmers \$50 to \$75 million per year in the long run."

The NFU was also supportive of the announcement November 25 that the Canadian Wheat Board (CWB) intends to purchase 1660 used rail grain hopper cars. The cars, currently leased by the federal Government, will increase the CWB fleet to 3,510.

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