

## Need for speed is the key to Vegreville's two new elevators

BY GLENN CHEATER FEBRUARY 28, 2017

Viterra's and GrainsConnect Canada's new facilities will both be able to load huge unit trains in little more than half a day



GrainsConnect Canada's four new elevators and loop tracks — all virtually identical to the one currently under construction at Maymont, Sask. — are designed to greatly speed the transportation of Prairie grain. SUPPLIED

---

Vegreville will soon be home to two new high-throughput elevators, and the demise of the Canadian Wheat Board is a big reason why, says the head of GrainsConnect Canada.

The company's two owners — Japan's Zen-Noh Grain Corp. and Australia's GrainCorp — both want access to Prairie grain and that prompted the decision to spend \$120 million on four grain terminals in Alberta and Saskatchewan, said Warren Stow.

“It’s very difficult in Western Canada, given that you have a closed loop supply chain,” Stow said from his Calgary office. “We don’t have access to Viterra’s supply chain or Richardson’s or Cargill’s, P&H’s, and Paterson’s. In order to access the grain, you pretty much need to build out a supply chain of your own.

“That’s become very apparent in the last three or four years post-deregulation and I think that’s why you’re seeing a number of folks spend some capital to access that grain.”

Just days after GrainsConnect announced its plans for Vegreville, Viterra said it, too, will build a new elevator near the town of 5,700. Both facilities will feature a loop track rail system, have a storage capacity of 35,000 tonnes, and be able to load 130 or so rail cars in little more than half a day.

In fact, all four of GrainsConnect’s facilities will be largely identical. The first one, at Maymont, Sask., is due to be operational this fall, while Vegreville and one at Wilkie, Sask. are slated to be completed in 2018. An announcement on a second Alberta location will happen by mid-April or earlier, Stow said. (The company previously announced plans to build near Bowden before putting that project on hold last fall.)

While his company’s bid to have “the first site in the region with a 130-car rail loop” will now depend on who finishes construction first, the key issue is that these types of facilities will change the nature of grain transportation, Stow said.

“We have a vision to change how grain moves out of Western Canada, and CN is very supportive of that vision. These loop tracks and 135-car unit trains will be the most efficient way to move grain to the West Coast.”

Stow predicted competition between grain companies will intensify further and more elevators will be built.

“For us, it will be get out there; get out early; start engaging the community and the growers; and work hard to deliver service to the growers.”

Viterra said it plans to start construction in spring while Grains-Connect is looking at a start in mid-year.

Vegreville’s closest federally licensed high-throughput elevator is Richardson Pioneer’s facility at Lavoy, about 15 kilometres southeast of town. Viterra operates high-throughput elevators at Star (65 kilometres to the northwest), Killam (100 kilometres south) plus smaller elevators at Vermilion and Camrose.