

Voluntary Report – Voluntary - Public Distribution

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Report Name: Simultaneous Railway Strikes Could Begin August 22

Country: Canada

Post: Ottawa

Report Category: Agricultural Situation, Agriculture in the News, Oilseeds and Products, Grain and Feed

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Report Highlights:

On August 9, 2024, the Canada Industrial Relations Board (CIRB) announced its ruling that work stoppage due to strike or lockout, from Canada's two major railway companies, Canadian National (CN) Railway and Canadian Pacific Kansas City Limited (CPKC), would not present a threat to public health and safety. With this announcement, if a negotiated settlement cannot be completed, CN and CPKC are cleared to strike as early as August 22, after a 13-day cooling period mandated by CIRB. Both CN and CPKC have stated their intention to initiate an employee lockout if no contract settlement or binding arbitration agreement is in place by August 22.

On May 1, the union, Teamsters Canada Rail Conference (TCRC), representing over 9,200 railroad workers from Canada's two largest railway companies, CN Railway and CPKC, announced a vote in favor of a simultaneous strike that would start as early as May 22, 2024. However, on May 13th, Canadian Labor Minister Seamus O'Regan referred the dispute to the CIRB, which indefinitely paused any possible work stoppage until the CIRB issued a decision on whether a double rail strike would impact public safety.

On August 9, CIRB issued their decision that a strike or lockout would pose no "immediate and serious danger" to the safety or health of the public. CIRB also ruled that CPKC and CN will not be expected to maintain service in the event of a strike or lockout as rail service is not considered "essential" under Canada's Labour Code. Considering this decision, if parties can not reach a negotiated settlement, a strike or lockout can occur beginning August 22. In the event of work stoppage on either side, there must be 72 hours advance notice provided, meaning an announcement made by August 19. Negotiations between all parties are ongoing but CN and CPKC have announced their intention to lock out employees if no deal is reached by August 22.

If there is rail work stoppage, agricultural producers in Canada, particularly of grains and oilseeds, would be heavily impacted, as over 90 percent of their products move by rail. In 2023, 25 percent of all value derived from Canada's agricultural and related product exports to the United States were by rail, averaging over \$40 million USD per day. During the first half of 2024 (January – June), Canada similarly exported a daily average of over \$38 million USD in agricultural and related products by rail, ahead of their even higher-shipping harvest period (September – October). While Canada has suffered rail interruptions in the past, this is the first time the country has faced closure of both major rail companies at the same time. The economic repercussions of rail work stoppage of this magnitude would be devastating locally, and given the interconnectivity, consequently impact the movement of goods in United States and beyond.

Attachments:

No Attachments.