CCGA
CANADIAN CANOLA
GROWERS ASSOCIATION

Helping Farmers Succeed

May 13, 2026

Labour Program
Employment and Social Development Canada
Place du Portage, Phase II
165 de l'Hôtel-de-Ville Street
Gatineau QC J8X 3X2
Email: esdc.nc.labour.consultations-travail.nc.edsc@hrsdc-rhdcc.gc.ca

RE: Consultation for Building Canada Strong for All - Powered by Canada's Workers

Canadian Canola Growers Association welcomes the consultation from Employment and Social Development Canada to strengthen labour relations and support workers. We look forward to labour policy reform that strengthens Canada's reputation as a reliable supplier of high-quality canola.

CCGA represents 40,000 canola farmers on national and international issues, policies, and programs that impact their farm's success. Canola is the largest source of crop farm cash receipts, earning Canadian farmers $12.9 billion in 2025. The value of canola to the Canadian economy has more than doubled in the past decade and now contributes an average of $43.7 billion annually to Canada's GDP. The canola sector accounts for 206,000 Canadian jobs and $16.3 billion in wages. Exports are a strong contributor to canola's success – more than 80% of all canola grown in Canada is exported as seed, oil, or meal: valued at $12.6 billion in 2025 alone.

Overview of the Issue

Canola farmers are burdened with the current state of labour relations in Canada's federally-regulated railways and ports. In 2023 and 2024, Canadian railways and ports experienced a series of unprecedented work stoppages due to a breakdown of the collective bargaining process within the *Canada Labour Code* (the Code) costing the grain sector hundreds of millions of dollars. In late August 2024, both of Canada's Class 1 railways (CN and CPKC) experienced labour disruptions at the same time, effectively shutting down Canada's railway-dependent supply chains. These labour disruptions caused severe economic harm to the grain sector, including farmers, handlers, exporters and processors.

Approximately 94% of Canadian grain is transported by rail and approximately 70% of Canada's total annual grain production is exported with over 80% of canola exported as either seed, oil or meal. No other economically or physically viable options exist for the transportation of grain other than by Canada's two Class 1 railways within and across the country to port position. When a railway or port experiences a labour disruption, the impacts can be severe and can take weeks to return to normal even following a short interruption.

Economic Impact of Railway and Port Labour Disruptions on Canada's Grain Sector

The Canadian grain sector is proud to supply high quality grain and grain products to markets domestically and around the world, but when supply chain disruptions delay the ability to get to export position and loaded onto vessels according to schedule, our global reputation is at risk. Earlier this year, grain sector groups commissioned an economic analysis of the impacts of railway and port work stoppages on the sector.[1] The study confirmed a well-known truth, labour disruptions cause severe economic damage to Canada's grain industry. The key findings of the report are as follows:

1. **Supply chain shutdowns create massive economic losses** – a one-week shutdown of railway and port operations during peak grain export season costs the Canadian grain sector approximately $540 million in lost earnings.

2. **Rail disruptions cause major harm** – due to the Canadian grain supply chain's reliance on railway transportation, a one-week shutdown of the two major railways costs the industry approximately $507 million.

3. **Lost sales drive most of the damage** – more than 90% of the economic impact from transportation disruptions comes from lost export sales, which cannot be recovered once shipments are missed.

4. **The economic impact begins before a labour disruption even occurs** – grain movement slows as soon as a disruption appears likely, leading up to approximately $112 million in lost sales before a work stoppage even begins.

5. **Repeated disruptions damage Canada's reputation** – repeated shutdowns weaken Canada's standing as a reliable global supplier, risk that international buyers may permanently shift to other countries.

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[1] Anderson Economic Group LLC [AEG] (February 2026). *Economic Impacts of Transportation Labour Disruptions on Canada's Grain Sector.* Report available at https://www.keepgrainmoving.ca

<u>The Solution – Targeted Amendment of the Canadian Labour Code</u>

A modernized legislative framework governing federally-regulated labour relations in Canada is required. The economic impacts of these disruptions to the Canadian grain sector are not acceptable and government is in a position to address the issue and provide long-term stability to the Canadian economy. The use of back to work legislation, referral of issues to the Canadian Industrial Relations Board for consideration and other avenues at government's disposal within the Code are often subject to drawn out timelines, political calculations and the willingness of the governing party to use specific policy levers. This creates an environment of uncertainty for all stakeholders and often encourages brinkmanship by those parties at the negotiating table.

Greater stability of the process can be achieved by implementing two minor changes to the existing legislative framework to give the Minister clear authorities to better guide contentious processes and avoid the breakdown of labour negotiations, if the particular circumstance warrants this intervention. The overarching goal is to have the parties achieve agreement without negatively affecting the Canadian grain supply chain:

1. **A Special Mediator be appointed to oversee the entire collective bargaining process, control the timeline, and ensure progress is being made in good faith.**

   Using the 2024 simultaneous disruptions at both Class 1 railways in Canada as an example, the Minister would have been made aware of the expiring contracts at the end of 2023, the nature of the labour bargaining units (e.g., all train conductors and engineers), the fact that it was occurring at both CN and CPKC in parallel and the potential economic impact if there was a strike or lockout (e.g., complete shutdown of freight railway operations in Canada). The Minister would have directed a Special Mediator to become involved in the bargaining process to oversee the direct bargaining, prior to the notice of dispute being filed.

2. **Amend the *Canada Labour Code* to provide the Minister with the clear authority to consider the economic harm of the labour action and its likely disruption on the railway or port operations and refer the parties to binding arbitration if the collective bargaining process appears to be unable to achieve an agreement with the assistance of the Special Mediator.**

   If the Minister deems that the specific circumstances of a dispute were of potential significant economic harm to the nation, and on the recommendation of the Special

Mediator that the parties are at an impasse, the Minister could direct the use of binding arbitration to achieve an outcome. This would protect the national economy from undue harm of a potential shutdown while the negotiating parties would remain focused on the outcome of the agreement, as opposed to using available procedural tactics and gamesmanship to strategically advance their particular interests. The consultation document notes that in the past Labour Ministers have used section 107 in broad ways, including to impose binding arbitration. Amending the Code to clearly give the Minister the discretion to use this policy lever is required.

The Canadian economy cannot have a repeat of the successive labour disruptions at railways and ports that occurred in 2023 and 2024. Implementing these recommendations to modernize existing Canadian labour law will ensure this does not occur in the future, to the benefit of the whole grain sector and the entire Canadian economy.

We thank you for the opportunity to provide comment to this important consultation.

Sincerely,

Originally signed by

Rick White
President & CEO