

A man in a brown shirt is shown in profile, looking out over a vast, rolling landscape at sunset. The sky is a mix of deep blue and orange, with the sun low on the horizon. The landscape below is green and hilly, with a few buildings and a road visible in the distance. The overall mood is contemplative and serene.

# Knowledge Insider

Tips, tools and strategies | **Transportation edition**

## Where do I start?

<p><b>Learn</b> Read, scan and take advantage of free resources.</p>	<p><b>Network</b> Meet with others in the same type of value chain.</p>	<p><b>Partner</b> Sit down with the partners in your value chain and talk about your needs.</p>
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## Ready to take more control?

<p><b>Leverage technology</b></p> <p><b>Use logistics</b> Logistics is the process of moving products from one point to another, using the most efficient rates, modes and service within the time and cost allowed.</p> <p><b>Use technology</b> Global positioning technology and transponders such as RFID tags can help you cross borders quicker, track shipments and improve efficiencies.</p>	<p><b>Consider new business models</b></p> <p><b>Look for alternate markets and delivery mechanisms</b> Reduce your freight cost, or achieve economies of scale.</p> <p><b>Do it yourself</b> Invest in your own assets, storage facilities that allow you to time the movement of goods, a fleet of trucks or partner with others to keep a short-line railway.</p> <p><b>Take advantage of new opportunities</b> Niches open up when big companies dominate the main market.</p> <p><b>Organize your value chain</b> Invest time and effort to build trust within your transportation network.</p> <p><b>Move</b> Move some production or expertise closer to processing points or end customers. Move some production closer to inputs.</p>	<p><b>Look at local markets</b></p> <p><b>Supply locally</b> Consumers want fresh, locally produced food.</p> <p><b>Match domestic supply and demand</b> Supply-managed businesses have advantages.</p>
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Potential solutions



# My transportation needs are complex

## What you can do

Logistics is the process of moving products from one point to another, using the most efficient rates, modes and service within the time and cost allowed. Third party logistics (3PL) and 4th party logistics (4PL) companies are standard in the export or import business. They specialize in getting anything from origin to destination with minimum time and hassle.

You can address the need for logistics by employing logistics professionals, using integrated logistics teams or contracting out. Solutions can be customized to your needs. Sometimes you may participate in a highly complex logistics system and not even know it.

Logistics get complicated when products cross international and interprovincial borders. Think about all the variables:

- Different countries have different labour standards, scheduling, transportation infrastructure, import restrictions, health and safety codes, taxes, security issues and disease management regulations.
- Different provinces have different rules for road weights and oversized loads that must be taken into account. And when disease like Avian flu or BSE hits part of the industry, supply chain management is even more complex.

A third party service provider can help you cut through the red tape.

Global Positioning technology and transponders such as RFID tags can help you cross borders quicker, track shipments and improve efficiencies.

## Making it work

The more actual and cultural distance there is between you and the end customer, the more difficult it is to build a strong, loyal relationship.

Bissma Pacific produces, processes, trades and distributes pulse crop, oilseeds, grains and natural gums. The 100-year-old Canadian company with roots in Egypt operates in Europe, North Africa, the Middle East, China, India and Pakistan. When Canada became the world's largest pulse exporter, their head offices were moved here.

Martin Chidwick, Senior Vice President, Canada/International Operations, says their success is based on personal knowledge of local conditions, crop production, logistics, local prices, quality and other factors related to exporting or importing agriculture commodities. They have physical operations in exporting and importing nations where they do business. While they don't own transportation vehicles, they have end-to-end ownership of each contract. Company owners never lose sight of how important it is to build decades-long relationships and focus on long term outcomes.

## Notes

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# I am ready to take more control

## What you can do

You could move some of your production or expertise closer to processing points or the end customers by partnering with others or investing with others. If it makes sense for your business, you could move some production closer to inputs. Weigh the risks against the opportunities. Regulations, culture, lifestyle and often language must be considered.

You can gain more control over the impact of transportation on your business by owning a fleet of trucks or partnering in transportation ventures. Or, you can outsource or broker your own transportation.

Make it a point to invest in building good relationships within your transportation network. Your efforts will pay back in collaboration and innovative ideas. Encourage your industry association to use a value chain mentality. If you are in horticulture, does your association meet with the province's trucking association or USDA border services?

Timing and future thinking are important. Transport Canada commissioned MariNova Consulting to look at efficiencies and regulatory issues related to the use of empty containers moving through Canada's west coast ports. Quorum Corporation published a follow-up study on the work, focusing on inland terminals, shipper associations, cooperatives and issues relative to the tariff on international containers.

Robert Bryson, Director of Eastern Canadian Grain Operations for Parrish and Heimbecker, believes that producers can benefit from being informed and proactively managing their transportation needs. A few years ago, he got involved with CITA

to learn about shippers' rights. He learned that producers who are connected to the system can help their shippers in forecasting and scheduling. This level of involvement often leads to efficiencies that are shared throughout the chain.

Any Canadian shipper can get connected through an organization like CITA. Industry associations help you understand policy so you can decide on what approach to take.

## Making it work

Farm businesses can harness the power of their expertise, people and equipment to earn extra money by providing transportation solutions for other businesses.

Bill Richardson and his parents, Blaine and Betty, operated a cash crop farm in Arthur, Ontario. About 20 years ago they started a provincial trucking business. Today they serve long-term, loyal customers including the Goderich salt mines, local grain producers selling to grain depots, crushing plants and elevators and an industry leader in horticulture and composting products. Their midwest Ontario location is ideal, with a concentration of industry, agriculture, manufacturing and lake ports all within reach.

They own a small fleet and use brokerage services for most of their work, so hiring drivers hasn't been a challenge. By taking advantage of third party expertise, they can mix and match equipment and routes on demand.

Why diversification into the trucking business? In 1993, farming was becoming a challenge, so they gradually started a trucking business. Their secret to success? Work hard, especially on your relationships. If you can create loyal customers, you can make a good life.







# Knowledge Insider tools

What you'll find	Web address
Transport Canada review of a safe and secure, efficient, affordable, integrated and environmentally-friendly transportation system	<a href="http://www.tc.gc.ca/en/menu.htm">http://www.tc.gc.ca/en/menu.htm</a>
The Canadian Transportation Agency administers transportation legislation, policies and regulations	<a href="http://www.cta-otc.gc.ca/index_e.html">http://www.cta-otc.gc.ca/index_e.html</a>
The importance of transportation in Canada	<a href="http://www.westac.com/pdfs/transportationguide.pdf">http://www.westac.com/pdfs/transportationguide.pdf</a> archives
<b>Strategies: Gateways, containers, intermodal and inland ports</b>	
Transport Canada's Asia-Pacific Gateway strategy	<a href="http://www.tc.gc.ca/canadagateways/apgci/index.htm">http://www.tc.gc.ca/canadagateways/apgci/index.htm</a>
The Use of Containers in Canada (2007)	<a href="http://www.tc.gc.ca/pol/EN/Report/Containers2006/Menu.htm">http://www.tc.gc.ca/pol/EN/Report/Containers2006/Menu.htm</a>
Quorum's extensive and colourful report on Container Use in Western Canada (2007)	<a href="http://www.quorumcorp.net/Downloads/SupplementalReports/ContainerUseWesternCanada.pdf">http://www.quorumcorp.net/Downloads/SupplementalReports/ContainerUseWesternCanada.pdf</a>
Sask AgriVision	<a href="http://www.agrivision.ca/">http://www.agrivision.ca/</a>
Read about the Canadian Intelligent Super Corridor and its inland port, hubs and gateway strategies	<a href="http://www.ciscorport.com/">http://www.ciscorport.com/</a>
<b>Talk/Learn: Associations and events</b>	
Many conferences	<a href="http://www.tc.gc.ca/ctrp-prtc/en/300.aspx">http://www.tc.gc.ca/ctrp-prtc/en/300.aspx</a>
Canadian Industrial Transportation Association, The National Voice of The Shipper	<a href="http://www.cita-acti.ca/english/View.asp?x=1">http://www.cita-acti.ca/english/View.asp?x=1</a>
International Air Cargo Association	<a href="http://www.tiaca.org/">http://www.tiaca.org/</a>
Canadian Trucking Association	<a href="http://www.cantruck.com/">http://www.cantruck.com/</a>
Railway Association of Canada	<a href="http://www.railcan.ca/">http://www.railcan.ca/</a>
Chamber of Marine Commerce	<a href="http://www.cmc-ccm.com/cmc/english/index.asp">http://www.cmc-ccm.com/cmc/english/index.asp</a>
Looking for information on Canada's railways? Canadian Pacific Railway Canadian National Railway	<a href="http://www8.cpr.ca/English/default.htm">http://www8.cpr.ca/English/default.htm</a> <a href="http://www.cn.ca/productsservices/en_index.shtml">http://www.cn.ca/productsservices/en_index.shtml</a>
Explore building profitable value chain partnerships with FCC's workshop. Free for customers, fee for non-customers	<a href="http://www.fcc-fac.ca/en/LearningCentre/workshops_e.asp#vcm-learn-to-work-differently">http://www.fcc-fac.ca/en/LearningCentre/workshops_e.asp#vcm-learn-to-work-differently</a>
Global experts in transportation value chains	<a href="http://www.transystems.com/industry_presentations.asp?industry_id=8">http://www.transystems.com/industry_presentations.asp?industry_id=8</a>
Great Lakes – St. Lawrence Seaway system	<a href="http://www.greatlakes-seaway.com">www.greatlakes-seaway.com</a>

Navigating the border	
Canadian Border Services Agency	<a href="http://www.cbsa-asfc.gc.ca/menu-eng.html">http://www.cbsa-asfc.gc.ca/menu-eng.html</a>
U.S. Homeland Security	<a href="http://www.dhs.gov/xcommtrad/">http://www.dhs.gov/xcommtrad/</a>
Learn how to become FAST certified. FedEx tells all.	<a href="http://www.fedex.com/ca_english/international/customservices/fastprogram.html">http://www.fedex.com/ca_english/international/customservices/fastprogram.html</a>
Security seals and the technology that will help you export is at E.J.Brooks Industries Ltd.	<a href="http://www.ejbrooks.com/">http://www.ejbrooks.com/</a>
Technology and suppliers	
ROE Logistics Consulting	<a href="http://www.roelogistics.com/services/index.html">http://www.roelogistics.com/services/index.html</a>
Total Logistics Group of Companies	<a href="http://www.totallogistics.com/en/">http://www.totallogistics.com/en/</a>
Delmar Consulting	<a href="http://www.delmar.ca/english/introduction.htm">http://www.delmar.ca/english/introduction.htm</a>
MariNova is a firm specializing in marine transport	<a href="http://www.marinova.com/index.html">http://www.marinova.com/index.html</a>
High speed rail freight strategy (European)	<a href="http://www.infra.kth.se/jvg/Rapporter/0512_inlaga.pdf">http://www.infra.kth.se/jvg/Rapporter/0512_inlaga.pdf</a>
Check out Wikipedia to learn about high speed train technology or containerization	<a href="http://en.wikipedia.org/wiki/High-speed_rail">http://en.wikipedia.org/wiki/High-speed_rail</a> <a href="http://en.wikipedia.org/wiki/Containerization">http://en.wikipedia.org/wiki/Containerization</a>
Radio Frequency Identification (RFID): Industry Canada examines RFID technology and it's application	<a href="http://strategis.ic.gc.ca/epic/site/dsib-logi.nsf/en/h_pj00115e.html">http://strategis.ic.gc.ca/epic/site/dsib-logi.nsf/en/h_pj00115e.html</a>
Domestic food consumption and 'eat local'	
100-mile diet	<a href="http://100milediet.org/category/about/">http://100milediet.org/category/about/</a>
Food sovereignty, Ontario and Canada versions	<a href="http://www.farmgate5.org/">http://www.farmgate5.org/</a> , <a href="http://farmsandfood.ca/">http://farmsandfood.ca/</a>
Global news	
A comprehensive review of recent news, economic forecasts and politics for some of Canada's global competitors	<a href="http://www.economist.com/countries/?CFID=2006987&amp;CFTOKEN=92560773">http://www.economist.com/countries/?CFID=2006987&amp;CFTOKEN=92560773</a>
NAFTA	<a href="http://www.nafta-sec-alena.org/DefaultSite/index.html">http://www.nafta-sec-alena.org/DefaultSite/index.html</a>
Detailed information and forecasts on many key grain commodities from the USDA Economic Research Service	<a href="http://www.ers.usda.gov/Briefing/">http://www.ers.usda.gov/Briefing/</a>



Farm Credit Canada is proud to present Knowledge Insider, a semi-annual publication offering thought-provoking information to producers and other agriculture entrepreneurs. Trends described in this document are supported with facts and figures and examined in the context of what's on the horizon for Canadian agriculture.

Please direct questions and comments to FCC's Customer Service Centre at 1-888-332-3301 or email [csc@fcc-fac.ca](mailto:csc@fcc-fac.ca)

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