



## Rail Access Feasibility Study, May-November 2013

### PRAD Funding Final Report

The goals and Objectives of this study, as laid out in the original application, were to determine the feasibility of South Peace Grain installing a rail siding and what market opportunities existed for such a facility.

Attached is the complete report of the findings, but in summary we were able to determine that the facility **can be viable** and there **are market opportunities** for our members. The three biggest factors influencing the viability of the facility are total volume of product handled, the per tonne handling rate and the financing/debt structure. Serecon, the consulting firm selected to conduct the study, was able to provide us with different economic scenarios by changing those three factors. We were quite careful not to overstate or overinflate the financial viability of the facility. Even with what we consider to be fairly conservative numbers, the report would suggest that a facility such as we are proposing would be a viable one providing new market opportunities for producers in the Peace Region.

The project was on budget, with consulting costs totaling \$30000.00. The in-kind contributions made by SPG may be bit higher than originally stated but well within reason.

Through the process of completing this initial study we have already established relationships with grain end users, buyers and producers. They have all verbally communicated their willingness to use our proposed facility. Based on the evidence this completed study has provided us, the membership of South Peace Grain Cleaning Coop has decided to proceed to the next phase of project development, which is the formation of a business plan.

Funding sources such as PRAD have been, and will be, key to the success of initiatives like ours. From the management and board of the South Peace Grain Cleaning Coop we would like to extend a very sincere thank you to the B.C. Peace River Grain Industry Development Council for your support.

Yours Truly,

Shaun Grant, General Manager

South Peace Grain Cleaning Cooperative

## South Peace Grain Feasibility Project Actual vs. Estimated Costs

Project Deliverable/Activity Areas	Time Frame	Cash Costs							Subtotal Cash Cost	In-Kind	Total
		Salaries	Equipment & Supplies	Travel	Consultant	Misc.	Admin				
<b>1</b>											
1 Working group establishment	January	0			\$1,000.00			\$1,000.00	\$1,500.00	\$1000.00	
2 Hiring Consultant	January	\$750.00						\$750.00	\$1,000.00	\$1,500.00	
2.1 Feasibility of installing rail	Jan/Feb	\$2,500.00			\$14,500.00			\$17,000.00		\$19,000.00	
2.2 Determine Market opportunity	Jan/Feb	2,500.00			\$15,000.00			17,500.00		\$10,500.00	
2.3 Working group review plan		\$1,500.00			\$1,000.00			\$2,500.00	\$1,500.00	\$3,000.00	
Site visits westlock/sexsmith		\$ 900.00		\$850.00				\$1750.00			
Direct mail, website changes and meals		\$200.00				\$700.00	\$750.00	\$1650.00			
<b>Estimated total</b>		<b>\$8,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$34,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$42,000.00</b>	<b>\$4,000.00</b>	<b>\$46,000.00</b>	
<b>Actual Total:</b>		<b>\$8350.00</b>	<b>\$0.00</b>	<b>\$850.00</b>	<b>\$31,500.00</b>	<b>\$700.00</b>	<b>\$750.00</b>	<b>\$42150.00</b>	<b>\$4,000.00</b>	<b>\$46,150.00</b>	

### Notes:

Travel expenses were for one site visit to Westlock terminals and two visits to Sexsmith site. Some travel costs are for local project business accrued as mileage.

We sent out two direct mailouts to members regarding this project and changed our website to be able to upload the results for people to read.

The Miscellaneous category mostly reflects meals purchased for meetings including a portion of the AGM luncheon and supper for guest speakers after AGM.