

# Russian ship starts new era for Churchill

By Adrian Ewins  
Saskatoon newsroom

It was a scene guaranteed to warm the heart of supporters of the port of Churchill.

One vessel was berthed at the port's big grain terminal loading 40,000 tonnes of wheat destined for South Africa.

A hundred metres away, another vessel was unloading nitrogen fertilizer imported from Russia.

Farther down the wharf sat about 60 recently unloaded containers, filled with goods for Arctic communities.

Business was booming at the long-ignored Hudson Bay port.

"It was definitely a good sight to see," said Bill Drew, executive director of the Churchill Gateway Development Corp.

This has been a memorable year for the northern Manitoba port, which has assumed a new prominence in light of the federal government's emphasis on northern issues.

There was the first ever shipment of milling wheat from Churchill to domestic customers. In fact, two such shipments were made, both destined for Halifax.

There was record traffic from Arctic supply ships, which delivered more than 400 containers of goods for Nunavut.

There was news that \$68 million will be spent to fix up the rail line to Churchill and infrastructure at the

port, including \$24 million each from the Manitoba and federal governments and \$20 million from OmniTrax, which owns the port and the railway.

There was an export program of more than 600,000 tonnes of wheat and durum, the second-highest total in 25 years.

Finally, there was last week's arrival of the *Kapitan Sviridov* carrying about 10,000 tonnes of bagged ammonium nitrate from Russia, marking the first import of foreign cargo through Churchill in many years.

After unloading, the ship was to pick up 20,000 tonnes of wheat to take to Italy.

**"This shows the world that it is possible to conduct two-way trade through Churchill."**

— Mike Ogborn,  
OmniTrax Canada

Proponents of the northern export route say all those developments taken together have created a new feeling of optimism about the port's future, which has at times in recent years appeared shaky.

Mike Ogborn, managing director of OmniTrax Canada, said perhaps the most important development was the *Kapitan Sviridov*.

"This is a significant episode in the history of the port," he said.

"This shows the world that it is possible to conduct two-way trade through Churchill."

It represents the culmination of months of planning and complex negotiations involving a number of companies and organizations in two countries, including Omnitrax, Farmers of

North America (FNA), the Churchill development corporation, the wheat board, ConAgra, Italian millers, Acron Fertilizer, Murmansk Shipping Co. and the Canadian, Manitoba and Russian governments.

Wheat board spokesperson Maureen Fitzhenry said the fact that everyone managed to work together to pull it off bodes well for the future.

"It was really a cooperative effort and that's the kind of thing that's got to happen if we want Churchill to remain a viable option," she said.

"We wanted to show that it is possible. It's one thing to talk about it, it's another to actually demonstrate it."

## Link formed

The fertilizer deal was the inaugural shipment under the "Arctic Bridge," a plan to create a strategic shipping link between Russia and Western Canada.

The fertilizer was brought in by FNA and will be shipped by rail to locations across Western Canada for sale to FNA members at a discount to domestically produced fertilizer.

"Our plan is to make this a permanent supply line so there is an ongoing alternative for farmers," said FNA vice-president Glenn Caleval.

He said the fertilizer will be sold to members at the going local price. At a later date, they will receive a rebate reflecting the lower price of the imported product.

The system is designed to prevent



Fitzhenry



It has been a good year for the Churchill port, with 600,000 tonnes of wheat and durum exports, the second highest amount in 25 years. (Photos courtesy Hudson Bay Port Company)

domestic fertilizer companies from matching or undercutting the cheaper imports at time of sale.

Drew said the fertilizer imports wouldn't have made economic sense unless the vessel could pick up a return cargo.

He said the wheat board and its accredited exporter ConAgra worked hard to find a buyer in a suitable destination who was prepared to take de-

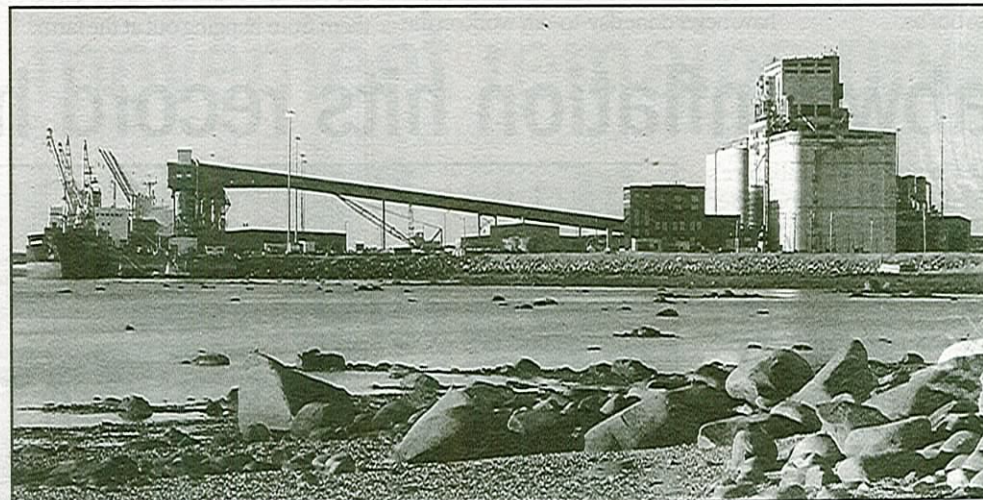
livery from Churchill within the right time frame.

He said there's no reason two-way traffic can't become a permanent feature at Churchill.

The port is in an ideal location to be a hub for two-way trade in agricultural products, oil industry equipment and ore concentrates, although improvements will have to be made to unloading and storage capacity.



The Russian ship *Kapitan Sviridov* marked the first arrival of foreign cargo to Churchill in many years.



The Churchill Gateway Development Corp. hopes two-way traffic will become a permanent feature at the Churchill port.