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CanEst Transit to offer new grain containerization services

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By Brian Dunn

The former Elevator No. 3 at the Port of Montreal, closed over 10 years ago, has a new lease on life thanks to the creation of CanEst Transit Inc., a new company founded by La Coop Fédérée, Transit BD Inc. and MGT Holdings S.A.R.L., which owns Montreal Gateway Terminals Partnership (Racine and Cast Terminals). CanEst will specialize in the containerization of agricultural products and handling of bulk grain, protein and by-products from Quebec, Ontario, Western Canada and the U.S. Midwest, destined for Europe, Asia, Africa and Middle East.

The facility can accommodate up to 50 railcars, as well as receive product by truck, and is expected to open in mid-July, following a \$20 million modernization program. This will include the addition of specialized equipment for product cleaning, sifting, packaging and containerization, as well as handling of bulk or bagged grain and by-products to meet the export and local market needs of the new clientele that will use the company's services.

The port of Montreal handled 1.26 million tonnes of outbound grain shipments last year and CanEst expects to add to that figure by attracting new business. "Our business plan is to improve efficiencies in the supply chain of the agri-food export market which should bring new incremental business to the Port of Montreal," explained Michael Fratianni, Chief Financial Officer of MGT Holdings and a Director of CanEst. "We'll be approaching freight forwarders, as well as the major agricultural companies to provide product, so carriers (in Montreal) will have more containers to transport."

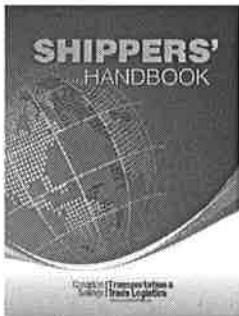
Most of the product will arrive in Montreal by hopper cars, loaded into containers and trucked to either Montreal Gateway or the Temont terminal, less than two kilometres away. "Montreal has always been a major shipping and receiving centre for agricultural products from Quebec, Ontario, Western Canada and the U.S. Midwest," said Réal Bélanger, General Manager of CanEst Transit. "With this facility, we will be able to offer a new service right at the port for the cleaning and containerization of agricultural products."

The new facility will have an initial storage capacity of 68,000 tonnes, divided among 56 silos of 900 tonnes each and 35 silos of 300 to 500 tonnes each. This is ideal for identity preservation (tracking the identity of the product from producer to end user) of all products being handled, said Mr. Fratianni.

While there are other companies providing containerized service for grain products, CanEst will be the only transloader in Quebec on port premises with a huge storage capacity, multiple interconnecting silos and a rail receiving capacity of 350 tonnes an hour, according to Mr. Fratianni. "We have our own dedicated rail tracks capable of staging 14 railcars and a similar amount out," he added.

The three investors are contributing their expertise, industry knowledge and the financing necessary for CanEst to succeed, he added. For example, Pierre Dagenais, who is part of holding company Transit BD, is President of CanEst and has over 40 years experience in all facets of the agri industry, while Coop Fédérée is the largest agri-food company in Quebec. "CanEst Transit intends to become the unchallenged leader in bulk warehousing and containerization services in Eastern Canada," said Mr. Dagenais.

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