



The North West Company is a leading retailer of food and everyday products and services to rural communities and urban neighbourhoods in Canada, Alaska, the South Pacific and the Caribbean.

FOR IMMEDIATE RELEASE

THE NORTH WEST COMPANY ANTICIPATES HIGHER SHIPPING COSTS TO CHURCHILL, MB DUE TO REDUCTION IN RAIL SERVICE

Winnipeg, February 9, 2016 – The North West Company (North West) anticipates rising shipping costs to its Northern store in Churchill, Manitoba due to the recent reduction in rail service from Winnipeg. OmniTRAX Canada, the current operator of the rail service to Churchill, reduced rail services last week from twice weekly shipments to only one shipment per week. The reduction in shipments will require North West to airlift in highly perishable food to its Northern store such as produce, fresh pastry and fresh meats among other items to ensure freshness and meet consumer demand. Many items that were previously shipped by rail will now be flown into the community - a much more expensive mode of transportation.

“We are disappointed in the latest news and will continue to work with the Province of Manitoba and other stakeholders to address this situation for the benefit of our customers and all Churchill residents. We recently collaborated with the Province on the AFFIRM subsidy program that resulted in lower dairy and produce prices in Churchill and will continue to work for our customers develop solutions to lower food prices” stated Christine Reimer, Vice President, Canadian Sales & Operations at North West.

“North West has decided that we will not adjust our prices to reflect the extra shipping costs as we remain hopeful that a solution will be found to this current challenge. We estimate prices on many perishable food items could eventually increase by 13% on average and even more on heavier items as a result of this service reduction. We will use our best efforts to ship heavier products using rail service to minimize shipping costs as we appreciate the importance of ensuring Churchill residents have access to healthy affordable food,” added Reimer.

About Northern and NorthMart

The North West Company is a leading retailer of food and everyday products and services to rural communities and urban neighbourhoods in Canada, Alaska, the South Pacific and Caribbean. North West’s Northern and NorthMart stores are the largest local private employer of Indigenous people in Canada, with over 3,100 employees and an annual payroll exceeding \$65 million.

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Northern

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