



Wheat  
ALBERTA  
POOL

A Farmer-owned  
Cooperative

1991



ANNUAL  
REPORT



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◀ Quality customer service is a trademark of Alberta Pool. Rosedale Manager Bill Lewis (right) and Assistant Manager Larry Mastel (left) offer helpful advice to Dalum farmer Gunnar Mortensen.

## Strengthening Agriculture

*Alberta Pool is on a new road to the future. A future we see as strong and viable. Our business in 1990/91 focused on efficient and well-managed operations to benefit our farmer-owners and rural Alberta. Our new corporate slogan for the 90s is "Strengthening Agriculture... and proving it every day." To reach this goal we have changed the way we conduct business. A new business plan, reorganization, strong policy development, diversification and a commitment from our people are taking us in the right direction.*

*We are confident the road travelled in 1990/91 will take us towards our long-term goal of strengthening agriculture. And in our day to day operations, our people remain committed to proving it every day.*

**Strengthening Agriculture**  
... and proving it every day





# CORPORATE PROFILE

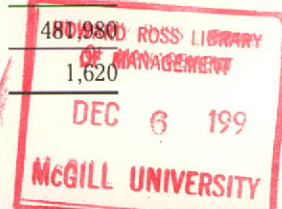
Alberta Pool is a farmer-owned cooperative. It handles grain as an agent of the Canadian Wheat Board and markets grain, oilseeds and specialty crops for its farmer-owners both domestically and internationally. A broad range of farm supplies and services are offered to farmers through Pool agro centres and elevators. Alberta Pool is also a world leader in developing grain handling technology and has introduced new, improved crop varieties to benefit farmers and develop new markets.

Alberta Pool is Alberta's largest co-operative and ranks fourth among Canadian co-operatives. For over 65 years, the farmer-owned Alberta Pool has made a significant contribution to the rural economy of Alberta. The organization contributes to the provincial economy by paying over six million dollars in taxes annually to local communities and also issues about 950 million dollars annually to farmers who deliver grain to Pool facilities.

Organized in 1923, Alberta Pool today has 57,967 members and employs 1,458 people in Alberta, northeastern British Columbia, Vancouver and Winnipeg. Since its creation, the Pool has handled approximately 166 million tonnes and has returned \$352 million to its farmer-owners.

## HIGHLIGHTS and COMPARISONS

	1991 (000's)	1990 (000's)	1989 (000's)	1988 (000's)	1987 (000's)
Grain Receipts (tonnes)	<b>6,129</b>	5,918	6,036	5,718	6,656
Percentage of Alberta Grain Deliveries Handled	<b>60.6</b>	60.1	61.4	62.2	63.5
Gross Value of Board Deliveries, Other Sales And Revenues	<b>\$1,069,165</b>	\$1,222,656	1,292,944	926,834	1,012,517
Earnings Before Taxes	<b>\$ 8,481</b>	\$ 6,405	13,269	9,101	3,731
Capital Expenditures on Properties & Equipment	<b>\$ 25,069</b>	\$ 31,754	18,168	15,398	5,969
Total Invested in Capital Assets	<b>\$ 331,109</b>	\$ 317,971	292,723	278,815	264,418
Working Capital Before Disposition of Earnings	<b>\$ 60,766</b>	\$ 73,489	89,113	80,801	92,663
New Members	<b>1,077</b>	1,337	1,263	1,318	1,302
Total Membership	<b>57,967</b>	58,988	60,115	60,296	60,308
Patronage Refunds Distributed (out of previous year's earnings)	<b>\$ 5,432</b>	\$ 11,568	7,322	2,957	2,915
Reserves Held By Members	<b>\$ 110,146</b>	\$ 108,886	102,244	99,031	103,740
Number of Country Elevator Operating Units	<b>269</b>	272	276	295	305
Elevator Capacity (tonnes) - Country	<b>1,442,720</b>	1,478,320	1,503,270	1,535,590	1,580,310
Elevator Capacity (tonnes) - Terminals	<b>481,980</b>	481,980	481,980	481,980	481,980
Number of Employees July 31	<b>1,458</b>	1,662	1,635	1,629	1,620





# BOARD REPORT

*With the help of good growing conditions across most of the province, Alberta farmers produced the province's second highest recorded crop during the 1990/91 crop year. However, the year was also marked by low commodity prices and continuing downward pressure on farm incomes across Canada. The Board of Directors of Alberta Pool worked closely with the Delegate body to formulate strong policy positions on major issues affecting the farm economy. Farm income, world trade and the use of export subsidies, the federal government's new safety net package, the environment and the future of transportation were the primary policy areas addressed by Alberta Pool.*

Good crop conditions produced an abundance of grain worldwide in 1990. This made competition in the export market intense and the use of export subsidies by the United States and the European Economic Community escalated. In the early part of the crop year, world

export prices fell substantially below initial prices set by the Canadian Wheat Board.

Negotiations over the use of farm export subsidies held the spotlight at world trade talks under the General Agreement on Tariffs and Trade (GATT). Alberta Pool took a strong stance on this issue by supporting the Canadian position at the GATT negotiations that called for the total elimination of all export subsidies, 50 per cent reduction in internal farm support and a one-third cut in tariffs. With little commitment from the United States or the European Community to reduce export subsidies, negotiations under GATT reached a stalemate and talks broke down completely in December 1990.

Today, the use of export subsidies continues to negatively impact world grain prices to the detriment of Prairie grain producers.

Canadian farmers were introduced to a new stabilization plan in 1990/91. The safety net package, made up of the Gross Revenue Insurance Plan (GRIP) and the Net Income Stabilization Account (NISA), was developed as part of the federal government's agricultural policy review as a long-term solution to income stabilization in the farm sector. The Board assisted in the development of these two



▲ *Members of Alberta Pool's Board work closely with the Delegate body to develop strong policy positions on issues affecting the cooperative's farmer-owners.*

*From left to right:*

*H. N. Anderson, A. F. Wagner, Second Vice-President;  
J. F. Pearson, T. A. Graham, First Vice-President;  
P. J. Durnin, A. L. Aasen, R. C. Schmitt, President;  
A. L. D. Pidruchney, A. J. Oberg*



programs and was supportive of the recommendations made by the federal Grains and Oilseeds Safety Net Committee. Through Prairie Pools Inc. (PPI), the lobbying arm of the three Prairie Pools, Alberta Pool continued to stress the need for third line of defence funding to help farmers make the transition from adhoc programs to the stabilization concept. The Board felt the safety nets alone would do relatively little to address the cash flow problem because any positive impact would not be realized until the 1991/92 crop year.

Midway through the year it became evident there was a serious income shortfall among farm families in the province. Alberta Pool stepped up its calls for third line of defence funding and substantial effort was devoted to highlighting the severity of the cash flow crisis on the Prairies. With Alberta farmers still feeling the effects of a 45 per cent decline in farm income in the 1990 fiscal year, Alberta Pool called on the federal government to provide immediate third line assistance to allow farmers to plant a crop in the spring of 1991. Substantial lobbying was successful in the announcement of the Farm Support and Adjustment Measures Program (FSAM) in April of 1991. Highlights of the FSAM package included a reduction in GRIP premiums, additional producer incentives for participation in NISA, and the extension of interest-free cash advances under the Cash Flow Enhancement Program. Although generally supportive of the FSAM package as a good starting point, Alberta Pool continued to voice its disappointment at the failure of the package to deliver immediate cash assistance to farmers.

Recognizing the activities of the farm sector were coming under increasing environmental scrutiny, management established an Environmental Policy and Planning Department in 1990/91. With the assistance of this department, the Board responded to the proposed Alberta Environmental Protection and Enhancement Legislation developed by the provincial government. Members of the Board played an active role in the review process to ensure the proposed environmental controls were realistic and did not place the agricultural industry at an economic disadvantage. Alberta Pool continues to pursue the implementation of environmental policy that protects the fragile nature of the environment while keeping the economic interests of farmers in mind. The Board also gave its approval to Alberta Pool's Environmental Code of Conduct that outlines a strategic plan for the organization and will provide future guidance and audit of any corporate objectives that may impact on the environment.



◀ Alberta Pool facilities have been part of the landscape in small towns throughout Alberta and northeastern B.C. since the mid-1920s.

Farmers spend long days combining in August and September to get their crop off the land and into the elevator where it is then sold domestically or shipped via rail to export position. ▼



◀ Alberta Pool has always been directed by farmer elected Delegates and Directors. President Ray Schmitt (left) takes a break from consultations with Delegates at Alberta Pool's 1991 Spring Meeting held in Red Deer.



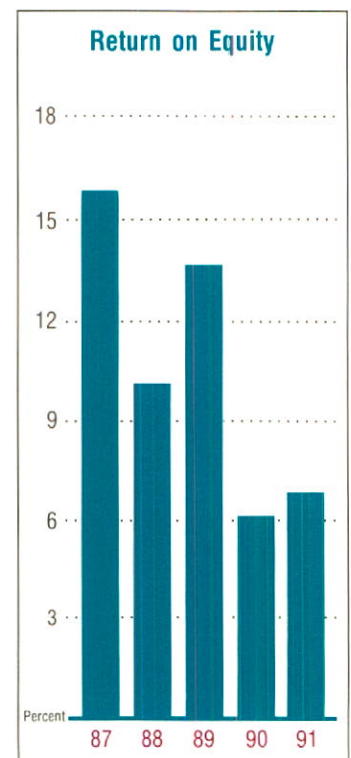
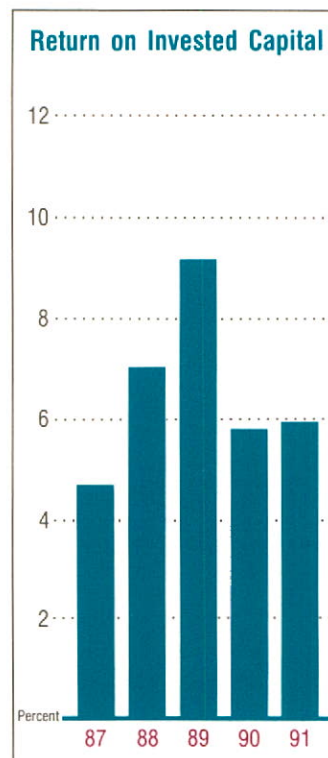
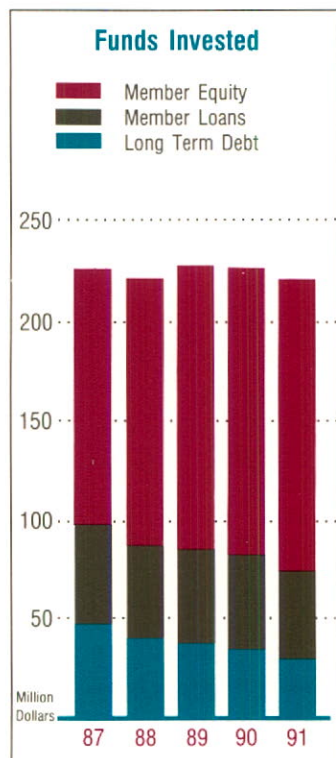


Alberta Pool was an active participant in discussions surrounding grain transportation efficiencies. Through its involvement with PPI, Alberta Pool helped develop a response to the federal government's "Discussion Paper on Grain Transportation Efficiencies." During the winter and spring, the Board reviewed the efficiencies paper, looking for the best options for Prairie grains and oilseeds producers. This year long work culminated in a formal response that was presented to the federal government in June of 1991. Recommendations outlined in the position paper were made on the assumption that the current method of paying the Crow Benefit to the carrier of grain continued. Other guiding principles that helped formulate PPI's position were:

- the grain transportation system must continue to be regulated
- the current level of federal funding must remain
- farmers need a predictable policy environment

The paper also outlined policy positions on branch line abandonment, costs and productivity, the freight rate structure and the future of the Western Grain Transportation Act.

At the provincial level, the Alberta government introduced a proposal that advocated paying the Crow Benefit subsidy to the producer by offering individual bonds to Western Canadian farmers. The province introduced its pay the producer concept in a paper called "Freedom to Choose." Delegates rejected this proposal because it did not follow the agreed to guiding principles outlined in a 1989 study on the method of payment prepared jointly by Alberta Pool and the Alberta Government. In November of 1990, the Delegate body gave a clear indication to the Board that Pool policy should state the Crow Benefit subsidy be paid to the carrier of grain. Alberta Pool continued to consider any and all other alternatives on the method of payment issue that addressed the following guiding principles:





- payment of the loss caused by dilution;
- maintenance of the Crow Benefit payment to the provinces of Alberta and B.C.;
- assurance of rail capacity and efficiency improvements;
- creation of a mechanism that will minimize market distortion and live up to Canada's international trade obligations;
- the administration of the subsidy must be feasible and cost-effective.

Other activities initiated by the Board during 1990/91 focused on the cooperative's farmer-owners. As part of its mandate to familiarize themselves with the diversity of the province, the Board toured parts of southern Alberta during the July Board meeting. Farmers were given the opportunity to meet with Board members in their local communities and discuss concerns they had regarding their cooperative.

The Board of Directors also gave its support to a new Equity Plan for members in 1990 following Delegate approval. The plan was developed in response to member requests for a change in the existing reserve structure. Members wanted a plan that was more responsive to their needs and allowed them the opportunity to invest in their cooperative. Through the formation of a member equity committee, the Equity Plan will be further refined and improved in 1991/92.

In step with Alberta Pool's corporate theme of "Strengthening Agriculture ... and proving it every day" the Board participated in the development of the cooperative's Business Plan for 1990/91. The business plan was designed to help the organization decrease costs and increase revenue while continuing to provide top quality service to our farmer-owners. We support management in its efforts to make Alberta Pool a field-driven organization, focused on customer service and marketing. A close relationship between the Board of Directors and management created a team atmosphere that has generated many new ideas and business opportunities. Major steps were taken in the area of diversification. The Board gave its approval to the purchase of Byers Flour Mill and the purchase of a fifty per cent ownership in Drummond Brewing Company during the crop year. We also recognized our responsibility to our farmer-owners and new developments were reviewed with Delegates and conveyed to all members. Again in 1991, the Board will formulate key objectives to ensure the cooperative is strengthened and positioned for future growth.

The Board of Directors focused its efforts in 1990/91 on voicing member concerns at both the federal and provincial level. The changing state of the agricultural industry made active participation and interaction with federal and provincial representatives essential and the Board responded by tackling several key issues impacting on the farm community. We also devoted considerable time and effort to planning for the future by working closely with management to adopt new goals and objectives. As we head into 1991/92, the Board of Directors remains committed to strengthening agriculture and improving the environment in which our farmer-owners work and live.



**R. C. Schmitt**  
*President*

**T. A. Graham**  
**A. F. Wagner**  
**A. L. Aasen**  
**H. N. Anderson**

**P. J. Durnin**  
**A. J. Oberg**  
**J. F. Pearson**  
**A. L. D. Pidruchney**



# CHIEF EXECUTIVE OFFICER'S REPORT

*Alberta Pool was faced with an unprecedented challenge to generate profitability in 1990/91. A surge of shipping to the Soviet Union that favoured east coast versus west coast movement and regulatory issues that disadvantaged our organization made it difficult to generate shipping and cash flow throughout much of the crop year. By the end of the first quarter, we faced significant operating losses that would be catastrophic if they were allowed to continue.*



▲  
**Chief Executive Officer Don Heasman (left) & President Ray Schmitt (right) discuss corporate objectives while reviewing the 1991 Business Plan.**

Strong measures had to be implemented if the organization was to generate positive earnings in 1990/91. The most significant cost control measure was the reduction of employees through layoffs and early retirements. This was an extremely difficult decision for management to make because we had traditionally maintained staff levels during slow periods. However, the financial situation we faced made it impossible to continue this practice. Even with these substantial cuts, we struggled to show a positive earning throughout the second and third quarter. Additional cost control measures within administration and aggressive marketing generated profit in the fourth quarter and allowed Alberta Pool to achieve a modest return of \$7.7 million for 1990/91.

Nobody likes to downsize an organization. Our owners and management want to continue to grow. But successful management cannot rely on wishing for things to improve. We realized layoffs and other cost control measures would not be popular but were convinced this was the correct course of action. Our farmer-owners could not tolerate additional tariff increases so we had to learn to do more with less. This was an impressive challenge for management and one we met on many fronts.

The business plan adhered to during the year focused on planning and cost control. Increased emphasis was placed on customer service, diversification and enhanced profitability. Without profit, from both core operations and diversified activities, we cannot maintain the type of customer service our farmer-owners demand.



▲  
**High technology facilities built of steel and concrete like this one at Lyalta are replacing many of Alberta Pool's older facilities.**

The plan provided strong guidance for each division and resulted in significant progress throughout the organization. Operating costs were successfully decreased by close to \$10 million in 1990/91. The Finance and Administration Division examined ways to improve administrative services and financial reporting systems while reducing costs. The completion of the AT&T computer installation project in our country elevator system provides quicker and more concise information to our country elevator staff and offers an advanced level of service to our customers.



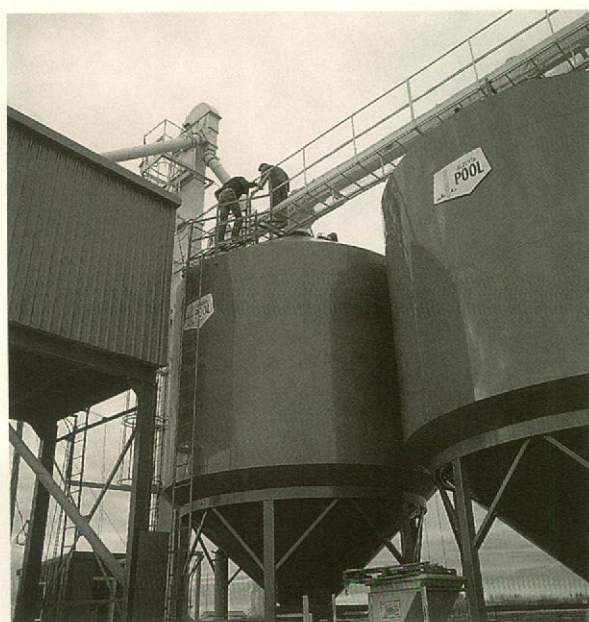
The most significant accomplishment for Alberta Pool in 1990/91 was a comprehensive six month review of our country operations system that culminated with the completion of the Country Task Force Report. The report recommended a long-term capital plan that allows us to strategically build new facilities as capital becomes available, manage operations with less supervision and more on-the-spot decision making capability, be more competitive in grain marketing and pricing, enhance profitability in agro marketing, and refocus on customer service.

The report was successful in identifying several significant opportunities for our organization and along with our strategic renewal process, it is incorporated into our long-range plans. The future impact of changes arising from this report will enhance our solid financial standing and allow us to emerge as one of Alberta's most progressive organizations.

Although the Country Task Force Report was instrumental to improving performance in every area of the organization, our Country Operations Division was most visibly affected by its recommendations. The process of decentralization continued with the establishment of an "operating unit" structure in the Grande Prairie and Edmonton regions. Marketing specialists were placed in regional offices in Edmonton and Lethbridge to focus on potential growth in the farm supplies business. Other structural changes included the development of the Seed Business Unit in Camrose, discontinuing the agro equipment line and introducing a strict inventory management program. Changes made today and in the future will give our country system a dramatically different look. Continuing reorganization within the Country Operations Division will present us with many challenges, but there will also be considerable opportunities for both employees and the organization.



▲ **Strong communication with farmers, management and Delegates helps Alberta Pool address member concerns. CEO Don Heasman (right) listens to the advice of Pool Delegate Jim Holmberg from Rosalind.**



◀ **New bulk blending facilities like this one at Olds allow Alberta Pool to service customers better and faster.**

The Country Operations Division handled a total of 6.1 million tonnes in the 1990/91 crop year. Agro sales were \$150.1 million. Unusually wet weather during the critical post-emergent herbicide application period and lower than expected revenue in the export seed area were the primary contributors to lower earnings. On a more positive note, malt barley sales were double the budgeted amount and the quantity of special crops sold reached almost twice the tonnage of the previous year.

▼ **Alberta Pool offers a variety of products and services to its customers including anhydrous ammonia fertilizer and custom application equipment.**





Alberta Pool's west coast terminal achieved a total handling for the year of 3.1 million tonnes. Handlings for Pacific Terminals totalled 2.8 million tonnes. Slow first quarter movement and falling prices for both screenings and pellets had a negative impact on the Terminal Operations Division. We continued with the automation/modernization project throughout the year with the goal of increasing the volume handled through Alberta Pool and Pacific Elevator Terminals.

Many youth programs across the province such as 4-H and the Agriculture Ambassador Program are sponsored by Alberta Pool. ▶

Extensive research aimed at developing new and improved crop varieties is conducted at various test plots across the province. Summer student Barb Fackelmyer (left) and Pool employee Sonya Isley (right) bag and tie samples for future testing. ▼



Significant effort was devoted to improving our corporate image among both rural and urban populations in 1990/91. Through creative advertising, communication and presence, the Corporate Affairs Division made members and employees aware of important developments within the organization. Special emphasis was placed on promoting a "team" concept among our people and enhancing the organization's visibility through high-profile programs such as Conservation 2000 and Sharing the Dream.

Other activities of the Corporate Affairs Division were aimed at heightening the awareness of our organization among business and community leaders in the province.

We continued to be strongly represented in the area of agricultural policy. Our Policy and Planning Division worked closely with Prairie Pools Inc. (PPI), to formulate positions on issues such as the Special Grains Program, farm finance, international trade and transportation. We also made a strong



Alberta Pool's terminal at the port of Vancouver loads grain onto vessels for delivery to foreign customers throughout the world. ▶





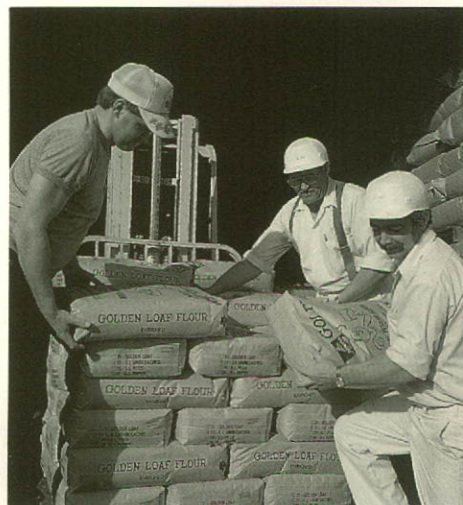
commitment to be environmentally responsible for the protection of farmers, their communities and the public. The newly formed Environmental Policy and Planning department developed an Environmental Code of Conduct for the organization and responded to proposed legislative and regulatory changes affecting our industry. In the area of research and development, our Ultrabred program produced two Canola varieties that were among the top performers in the 1990 co-op tests. Experimental varieties in Korea, Japan, Mexico, the U.S. and Denmark also hold considerable promise.

The move to increase revenue through diversification proved to be a highlight for Alberta Pool in 1990/91. Our acquisition of value-added businesses significantly raised our profile and began a process that will reduce our dependence on a single commodity and the risk it entails.

We actively pursued a number of business opportunities throughout the year with the primary aim of generating increased capital and an acceptable rate of return on our operations. Not only would new acquisitions generate revenue outside of the organization's core operations, but they also offered tremendous potential for our members by opening up new markets for their products.

Alberta Pool's first step into the value-added food industry was taken in April 1991 with the purchase of Byers Flour Mill of Camrose, Alberta. The mill was renamed Prairie Sun Grains Ltd. and became the first acquisition for Prairie Food Holdings Ltd., the company established to help diversify our business and Alberta's agricultural economy. Prairie Sun Grains successfully processes high quality grains for flour, cereal and pancake mixes.

Our second value-added venture led us into the brewing industry. In early July, Alberta Pool and Drummond Brewing Company Ltd. announced the formation of a new business partnership that gave Alberta Pool 50 per cent ownership of Drummond. This "farm to the fridge" association fits perfectly with Alberta Pool's goals of integrating primary grain production with value-added processing.



▲ Golden Loaf Flour is loaded out of Alberta Pool's Prairie Sun Grains mill in Camrose, Alberta. The flour is used by bakeries and large institutions.



◀ The purchase of a 50 per cent ownership in Drummond Brewing Company Ltd. was a perfect fit for Alberta Pool. Drummond uses top quality malt barley grown by farmers to produce its line of products.

▲ Sunny Boy Cereal has been a prairie breakfast-time tradition since 1929. Sunny Boy products can be found in grocery stores across Western Canada.





Both these acquisitions played a part in strengthening the organization and the economy of rural Alberta. Further diversification efforts will continue to provide us with the increased equity necessary to expand services and facilities for our farmer-owners and help us fulfil our commitment to becoming a key participant in adding value to farm-produced commodities.

All our goals and achievements during the year would have been impossible without a strong commitment from our people. Our employees are absolutely vital in achieving business success and providing top quality service to our customers. We are proud of our employees

and the resolve they displayed during the past year. Their dedication, creativity and innovation pulled us through some challenging times and we will continue to draw on the strength of our people in the future.

The Human Resources Division played a key role in enhancing the skills and qualifications of our employees in 1990/91. Our business relies on providing first class service to our customers and to ensure this level of service is delivered, we must have informed, knowledgeable and dedicated people in every position within the organization. An extensive review of our education and training programs was initiated with the goal of developing programs aimed at customer service, communication, management and knowledge of the industry.

*Seed testing labs in Grande Prairie, Camrose, and Lethbridge ensure only the best quality seed is sold to Alberta Pool customers. Naomi Nahirny an employee at the Camrose seed plant records incoming samples.*



▲ Olds Manager Ralph Rowell reviews invoice with customer Jenny Layden.



◀ Teaching the public about the past history and present day accomplishments of agriculture helps raise the awareness of farming in society. At Alberta Pool's Grain Academy, Curtis Royer (left) shows a group of school children how wheat is ground into flour.



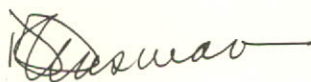
▲ Alberta Pool Managers make the extra effort to ensure the needs of their customers are met. Halkirk farmers Kent Johnson (left) and George Rowland (right) have equipment checked by Halkirk Manager Jan Koenraadt (center).



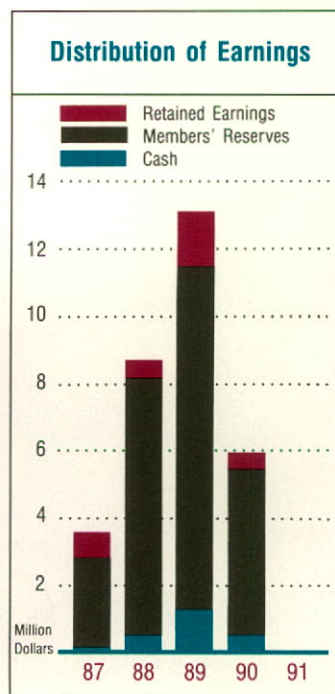
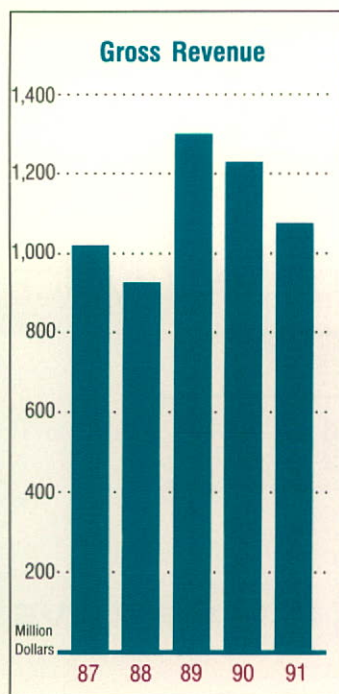
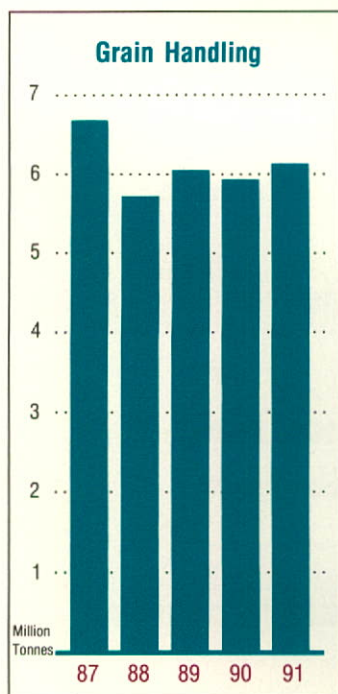
Our evaluation and compensation policies were also reviewed to ensure our employees receive fair and equitable remuneration for the services they provide. To develop and attract quality people we must have the necessary systems in place to acknowledge excellence. The Human Resources Division reviewed and refined our systems for measuring employee performance. We now have a program in place that recognizes top employees for meeting specific objectives and contributing to the overall goals and objectives of the organization.

Educating our employees, preparing them to meet future challenges and explaining how they fit within the organization resulted in significant improvements in the level and quality of service offered to our customers. We are confident our continued emphasis on education and development will result in a more competitive, service-oriented Alberta Pool in years to come.

The changes initiated over the course of the year were many. Many more will follow as we continue to adapt to challenges that face our organization. Following the recommendations outlined in the Country Task Force report will significantly alter the look of Alberta Pool in years to come. Our new business plan for 1991/92 continues to build on the principles of customer service, growth, profitability, diversification and employee development. Strong leadership and dedication to these principles will guarantee continued success for Alberta Pool and its farmer-owners as we head into another year with renewed optimism and confidence in the future.



**D. S. Heasman**  
Chief Executive Officer





# AFFILIATED COMPANIES

**CO-ENERCO** - Co-enerco experienced substantial growth in 1990 through exploration, development and acquisitions. Production of oil and liquids increased 36 per cent. High prices, a result of the Persian Gulf crisis, and record oil production volumes combined to yield improved financial results for the year.

**INSURANCE COMPANIES** - Canadian Pool Agencies produced \$574,000 of patronage dividends in 1990. The agency's prime function is to market general insurance coverage for the Pools which cannot be placed with Pool Insurance Company. The Pool Insurance Company refunded \$2.8 million to its policy holders in 1990. Losses and adjustment expenses were \$4.9 million this year compared with \$7.7 million earned in premiums.

**PACIFIC ELEVATORS LIMITED** - Pacific Elevators Limited, the company that operates Pacific Elevators Terminal in Vancouver, earned a net income of \$11.8 million in 1990/91. Slow grain movement at the start of the crop year affected earnings.

**PRINCE RUPERT GRAIN LTD.** - The Prince Rupert Grain terminal continued to set performance records during the year and shipped 4.6 million tonnes of wheat and barley to 15 countries around the world.

**WESTERN COOPERATIVE FERTILIZERS LTD.** - The fertilizer purchase and distribution activities of WCFL produced an increased positive net earning during the 1990/91 crop year. The major financial contribution came from Canadian Fertilizers Limited, operators of a world scale plant in Medicine Hat that produces ammonia and urea. Although total fertilizer sales were down this year, more farmers chose to buy their fertilizer from the three Prairie Pools. WCFL's Calgary plant remains closed and Sherritt Gordon Ltd. has maintained its option to purchase the facility.

**XCAN GRAIN LTD.** - XCAN continued to aggressively market crops for the three Prairie Pools and maintained its distinction as Canada's number one exporter of malting barley, flax, oats, special crops and terminal by-products. XCAN shipped 2.3 million tonnes of these crops in a fiercely competitive market environment. XCAN's role in marketing specialty crops in many world markets was expanded with the acquisition of Elders inventories and contracts during the year.



▲ *Alberta Pool conducts many joint projects with its affiliated companies to raise money for local charity organizations. Larry Mogck, Agro Manager at Carstairs (left) presents cheque to Stars Air Ambulance representative Ian Lucas while Keith Anderson (right) of Westco Fertilizers looks on.*



POOL INSURANCE COMPANY



PRINCE RUPERT GRAIN LTD.



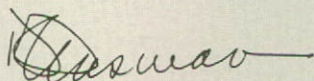
# MANAGEMENT REPORT

The accompanying condensed consolidated financial statements of Alberta Wheat Pool and its subsidiaries, and all information in this annual report, are the responsibility of management and have been approved by the Board of Directors.

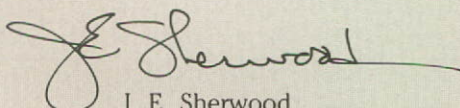
This responsibility includes selecting appropriate accounting principles and making judgements and estimates consistent with generally accepted accounting principles in Canada. Systems of internal control are maintained to provide reasonable assurances of the reliability of financial information and the safety of all assets controlled by the Association. Internal controls are reviewed and evaluated by internal audit programs which are subject to further review by members' auditors.

The Board of Directors carries out its responsibility for the financial statements in the annual report principally through its Audit and Finance Committee, consisting of four Directors. The Audit and Finance Committee reviews the Association's consolidated financial statements and recommends their approval by the Board of Directors. The members' auditors have full access to the Audit and Finance Committee, with and without management being present.

These condensed consolidated financial statements have been examined by the members' auditors, Deloitte & Touche, and their report is presented separately.



D. S. Heasman  
Chief Executive Officer



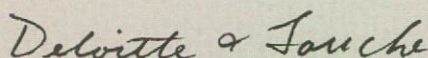
J. E. Sherwood  
Chief Financial Officer

## REPORT OF INDEPENDENT CHARTERED ACCOUNTANTS

We are auditors of Alberta Wheat Pool. We have examined, in accordance with generally accepted auditing standards, the consolidated statement of financial position of Alberta Wheat Pool as at July 31, 1991 and the consolidated statements of operations, earnings retained from prior years and changes in financial position of the year then ended, and in our auditors' report dated October 16, 1991, we expressed an unqualified opinion on those consolidated financial statements.

The information set forth in the accompanying condensed consolidated financial statements has been compiled from the information contained in the above-mentioned annual financial statements of Alberta Wheat Pool. A copy of those annual financial statements is available at the offices of Alberta Wheat Pool.

In our opinion, the accompanying condensed consolidated financial statements fairly summarize the information as to operations and financial position of the Association for the year ended July 31, 1991.



Calgary, Alberta  
October 16, 1991

Deloitte & Touche  
Chartered Accountants





# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ALBERTA WHEAT POOL  
AS AT JULY 31, 1991

	1991 (000's)	1990 (000's)
<b>Current Assets</b>		
Cash	\$ 11,928	\$ 12,864
Inventories	157,718	154,284
Accounts receivable	108,602	109,062
Prepaid expenses	7,378	6,217
	<b>285,626</b>	<b>282,427</b>
<b>Current Liabilities</b>		
Bank and short-term loans	\$178,536	\$161,116
Accounts payable	44,281	44,799
Current maturity of long-term debt	2,043	3,023
	<b>224,860</b>	<b>208,938</b>
<b>Working Capital</b>	<b>60,766</b>	<b>73,489</b>
Property and equipment	136,922	129,968
Investments and memberships	21,744	22,349
Other assets	1,849	1,301
<b>Funds Invested</b>	<b>\$221,281</b>	<b>\$227,107</b>
<b>Financed by</b>		
Loans from members, staff and co-operatives	55,673	63,000
Long-term debt and obligations	17,795	19,856
	<b>73,468</b>	<b>82,856</b>
<b>Members' Equity</b>		
Reserves - issued to members	110,146	108,886
Retained earnings	37,667	35,365
	<b>147,813</b>	<b>144,251</b>
	<b>\$221,281</b>	<b>\$227,107</b>

Approved by the Board

  
R. C. SCHMITT, Director

  
T. A. GRAHAM, Director



# CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

ALBERTA WHEAT POOL  
FOR THE YEAR ENDED JULY 31, 1991

	1991 (000's)	1990 (000's)
<b>Revenue</b>		
Sales and other operating revenue	<b>\$1,069,165</b>	\$1,222,656
Cost of sales	<b>893,040</b>	1,040,445
	<b>176,125</b>	182,211
<b>Expenses</b>		
Country and marketing operations	<b>66,508</b>	71,142
Terminal operations	<b>32,901</b>	33,912
Administration	<b>29,968</b>	30,566
Interest	<b>21,539</b>	21,580
Depreciation and amortization	<b>15,225</b>	16,591
Other charges	<b>2,250</b>	2,508
	<b>168,391</b>	176,299
<b>NET EARNINGS</b>	<b>7,734</b>	5,912
Retained earnings at beginning of year	<b>35,365</b>	41,021
Less patronage refunds	<b>5,432</b>	11,568
Retained earnings at end of year	<b>\$ 37,667</b>	\$ 35,365



# DELEGATES 1991-92

## District One

101	Sauer, Richard	Maleb
102	Lindeman, Brian	Milk River
103	Zobell, John W.	Raymond
104	McGlynn, Dallis H.	Twin Butte
105	Bennett, Burnell	Taber
106	Hougen, David C.	Foremost
107	Zeinstra, John	Picture Butte
108	Jacobson, Lynn	Enchant

## District Two

201	Paulsen, Howard	Stavely
202	Williams, S.	Evan Vulcan
203	Monner, Michael	Milo
204	Sutherland, Wilson	High River
205	Lausen, Bill	Strathmore
206	Moutlton, Gordon	Hussar
207	Bird, Lionel M.	Carstairs
208	Duhn, Robert	Delacour

## District Three

301	Fischer, Marvin H.	Hilda
302	Bamber, Robert D.	Esther
303	Skriver, Gordon	Tilley
304	Smillie, Gordon R.	Bassano
305	Axelsen, Eric	Drumheller
306	McNaughton, Mel	Rumsey
307	Brinkman, Edward D.	Craigmyle
308	Kloberdanz, John	Kirriemuir

## District Four

401	Degenhardt, Terry-Lee	Hughenden
402	King, D. Ronald	Wainwright
403	Haydu, Richard	Paradise Valley
404	Kelly, John D.	Lloydminster
405	Anderson, Allen	Minburn
406	Ash, Robert W.	Viking
407	Ponto, Robert	Galahad
408	Thomas, Harvey R.	Alliance

## District Five

501	Schmaltz, Clarence M.	Beiseker
502	Parry, Brian	Three Hills
503	Schaefer, Vernon F.	Innisfail
504	Silver, Neil D.	Huxley

## District Five (cont'd)

505	Scheerschmidt, Douglas	Stettler
506	Northey, Robert E.	Red Deer
507	Hilman, Perry	Red Deer
508	Doupe, Ronald P.	Ponoka

## District Six

601	Lawrence, John A.	Clandonald
602	Gordeyko, Pat	Two Hills
603	Ziegler, Arden	Vegreville
604	Fedun, David	Andrew
605	Galloway, Peter	Ft. Saskatchewan
606	Forcade, Loenard	Legal
607	Zacharko, Michael J.	St. Paul
608	Shalka, Kenneth R.	Fort Kent

## District Seven

701	Lundy, Donald W.	Forestburg
702	Holmberg, James S.	Rosalind
703	Rasmuson, Earl	Gwynne
704	Loov, C.W. (Bill)	Bluffton
705	Rude, Lars E.	Tofield
706	Appleby, Kenneth	Tofield
707	Bittner, Norman D.	Thorsby
708	Hagman, Earl	Mayerthorpe

## District Eight

801	Carson, W.D.	Waskatenau
802	Ewaskow, Russel F.	Thorhild
803	Jenkins, Charles L.	Grassland
804	Trueblood, Brian	Dapp
805	Nanninga, Dennis	Barrhead
806	Adolphson, Norman	Valleyview
807	Galigan, Douglas	Falher
808	Gunning, John	Peace River

## District Nine

901	Erickson, Rae, G.	Tangent
902	Balderston, Gilbert	Sexsmith
903	Harris, Peter W.	Beaverlodge
904	Smolik, Garry	Dawson Creek
905	Vander Linden, Dale	Clayhurst
906	Moskalyk, Ralph G.	Fairview
907	Sydnes, Kenneth J.	Brownvale
908	Fedeyko, William S.	High Level



# CORPORATE INFORMATION

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## Board of Directors

R. C. Schmitt  
President  
Milk River

T. A. Graham  
First Vice-President  
Spirit River

A. F. Wagner  
Second Vice-President  
Lacombe

A. L. Aasen  
Rainer

H. N. Anderson  
Barrhead

P. J. Durnin  
Kathryn

A. J. Oberg  
Forestburg

J. F. Pearson  
Donalda

A. L. D. Pidruchney  
Myrnam

J. R. Anderson  
Corporate Secretary

## Management Executive

D. S. Heasman  
Chief Executive Officer

G. J. Dewar  
General Manager  
Terminal Operations

B. D. DuPont  
Director  
Human Resources

B. A. Friesen  
Director  
Policy Development & Planning

A. K. Froehlich  
General Manager  
Country Operations

D. V. Riddell  
Director  
Corporate Affairs

J. E. Sherwood  
Chief Financial Officer

A. Kowalchuk  
Senior Advisor  
Country Operations

T. M. Volk  
Senior Advisor  
Corporate and Business Development

## Legal Counsel

MacKimmie Matthews

## Auditors

Deloitte & Touche

## Bankers

Bank of Montreal  
Toronto Dominion Bank

## Head Office

Alberta Pool  
505 - 2nd Street S.W.  
Box 2700  
Calgary, Alberta, Canada  
T2P 2P5

Telephone: (403) 290-4910

Facsimile: (403) 290-5550

Telex: 038-21643

## MISSION STATEMENT

*"Together, our Mission is to competitively produce, process and aggressively market diverse, world class agricultural products, and to respond to the changing demands of our customers and our environment with integrity so we share in an enhanced social and economic future."*





# Strengthening Agriculture

*... and proving it every day*



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*This year's annual report was printed on environmentally friendly paper that uses straw pulp. Straw, usually considered a waste product of grain harvesting, is ideal for the production of high quality paper stock.*