



alberta wheat pool 1975 annual report

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alberta wheat pool
AND SUBSIDIARY COMPANIES

Corporate Information

BOARD OF DIRECTORS

G. L. HARROLD, *Lamont — President*
A. J. MACPHERSON, *Delia — 1st Vice-President*
G. W. BRAITHWAITE, *Lacombe — 2nd Vice-President*
ARNE JOHNSON, *Camrose*
HUBERT N. ANDERSON, *Barrhead*
H. R. PATCHING, *Lethbridge*
NORMAN JACOBSEN, *Arrowwood*

B. A. FRIESEN, *Secretary*

OFFICERS AND HEAD OFFICE PERSONNEL

J. W. MADILL, *General Manager*
G. S. AUSTIN, *Director Employee Relations*
A. W. BEATTIE, *Director of Public Relations*
J. B. GANT, *Director of Operations*
T. G. HENDRY, *Treasurer*
V. G. MACKAY, *Director of Marketing*
R. G. PALMER, *Comptroller*
K. M. RODGER, *Director of Terminal Facilities*
J. E. SHERWOOD, *Manager, Planning and Management Services*
M. G. WOOD, *Winnipeg Manager*

SOLICITORS

MacKIMMIE MATTHEWS

AUDITORS

CLARKSON, GORDON & CO.

BANKERS

BANK OF MONTREAL
THE BANK OF NOVA SCOTIA
THE ROYAL BANK OF CANADA
CANADIAN IMPERIAL BANK OF COMMERCE

HEAD OFFICE — Alberta Wheat Pool Building, 505 - 2nd Street S.W., Calgary, Alberta

Delegates

LETHBRIDGE — District One

101	Gogolinski, Barney	Orion
102	Schmitt, Ray C.	Milk River
103	Kuehn, Herbert C.	Skiff
104	Dudley, George T.	Magrath
105	Zaugg, Ferries B.	Stirling
106	Vaselenak, John	Coaldale
107	Konynenbelt, Evert J.	Nobleford
108	Binder, Arthur H.	Turin
109	Thurston, Clarence F.	Bow Island
110	Bayer, Robert	Schuler

CALGARY — District Two

201	Dyck, Nick	Pincher Creek
202	O'Neil, James J.	Claresholm
203	Coote, Donald H.	Cayley
204	Williams, S. Evan	Vulcan
205	Chambers, William E.	Lomond
206	Seney, Elden F.	Blackie
207	Stewart, Harold J.	Dalemead
208	Schmaltz, Clarence M.	Beiseker
209	Riddle, Jack C.	Carstairs
210	Richards, Ralph E.	Olds

DRUMHELLER — District Three

301	Lemare, Carl	Acadia Valley
302	Johnston, Vernon R.	Oyen
303	Volek, Joseph	Tilley
304	Axelsen, Eric	Drumheller
305	Burne, George W.	Gleichen
306	Roppel, Howard R.	Rockyford
307	Carney, Pat	Three Hills
308	Kober, Edward	Trochu
309	Adie, John L.	Drumheller
310	Nelson, Norman E.	Craigmyle

RED DEER — District Four

401	Warwick, Ernest	Oyen
402	Kloberdanz, John	Kirriemuir
403	Ulseth, Dean M.	Veteran
404	Hepp, Melvin F.	Castor

405	McCormick, Joe E.	Byemoor
406	Petersen, Leslie M.	Erskine
407	Wagner, Albert F.	Lacombe
408	Johnson, Kris, K.	Red Deer
409	Nelson, Glen R.	Bentley
410	Baker, Percy A.	Ponoka

CAMROSE — District Five

501	Redmond, Donald R.	Edgerton
502	Dobson, Parke	Paradise Valley
503	Livingstone, Douglas E.	Vermilion
504	Flaade, Bennie A.	Hardisty
505	Ash, Robert W.	Viking
506	Christians, William H.	Donalda
507	Baker, Donald W.	New Norway
508	Pepper, Clifford G.	Ohaton
509	Ness, Ingvald	Kingman
510	Klapstein, Albert L.	South Edmonton

VEGREVILLE — District Six

601	Golightly, Robert C.	Streamstown
602	Lichak, Frank	Innisfree
603	Goskho, M. D. Russell	Vegreville
604	Ropchan, Mike	Willingdon
605	Galloway, Kenneth D.	Ft. Saskatchewan
606	Ziegler, Alex	Spruce Grove
607	Slobogean, Joseph I.	Legal
608	Din, Alexander	Warspite
609	Lamothe, Armand	St. Paul
610	Davidiuk, William	Grassland

PEACE RIVER — District Seven

701	Parrent, Fred J.	Clyde
702	Rimmer, Laurence M.	Pibroch
703	Ulmer, Roy S.	Barrhead
704	Galigan, Douglas	Culp
705	Nikolaychuk, M.	Woking
706	Olson, Iver H.	Beaverlodge
707	Peirce, Albin B.	Dawson Creek
708	Erickson, Rae G.	Tangent
709	Lorencz, Nick M.	Manning
710	Morrison, D. James	Bluesky



1974-75 Report Highlights and Comparisons

	1975
Handling — Country Elevators, in bushels	145,614,639
— Forage Seed, in pounds	11,300,313
— Cereal Seed, in pounds	27,512,246
Percentage of Alberta Grain Deliveries Handled	66.9%
Gross Value of Board Deliveries and Other Sales	\$505,848,961
Marketing Division Sales (included above)	\$ 49,816,853
Total Revenues	\$ 54,387,217
Total Expenses	\$ 37,872,162
Capital Cost Allowances	\$ 3,426,873
Earnings before Taxes	\$ 13,774,957
Current Assets	\$159,917,409
Current Liabilities	\$148,651,377
Working Capital	\$ 11,266,032
Capital Expenditures on Properties and Equipment	\$ 5,629,359
Total Invested in Capital Assets	\$ 80,838,832
Patronage Refunds Distributed (out of previous year's earnings)	\$ 10,478,593
Reserves Held by Members	\$ 31,050,834
Percentage of Member Business prior year	97% Est.
New Members	3,034
Total Membership	55,963
Number of Country Elevators	819
Elevator Capacity — in bushels — Country	75,255,600
— Terminals	17,451,500
Number of Employees July 31	1,607

1974	1973	1972	1971	1970
157,134,785	164,440,215	129,550,690	120,270,887	93,759,147
15,564,771	14,004,129	12,991,414	16,477,246	10,723,792
33,518,677	31,337,897	30,061,269	35,972,857	30,837,862
67.3%	68.9%	56.8%	48.6%	46.7%
\$491,279,336	\$259,088,069	\$203,735,347	\$161,536,843	\$127,144,885
\$ 34,526,890	\$ 20,824,458	\$ 14,298,489	\$ 11,601,357	\$ 9,783,362
\$ 45,920,010	\$ 34,111,602	\$ 28,012,550	\$ 25,620,784	\$ 23,726,960
\$ 31,435,500	\$ 24,661,487	\$ 19,054,567	\$ 16,937,096	\$ 17,114,107
\$ 3,341,780	\$ 3,441,844	\$ 2,891,224	\$ 2,564,375	\$ 2,589,557
\$ 11,390,101	\$ 6,217,045	\$ 6,066,759	\$ 6,119,313	\$ 4,023,296
\$210,089,181	\$ 73,294,866	\$ 61,735,387	\$ 60,138,391	\$ 64,693,996
\$200,844,255	\$ 64,891,703	\$ 54,685,903	\$ 53,519,956	\$ 58,598,201
\$ 9,244,926	\$ 8,403,163	\$ 7,049,484	\$ 6,618,435	\$ 6,095,795
\$ 3,422,518	\$ 2,401,789	\$ 1,733,198	\$ 2,706,089	\$ 2,830,255
\$ 76,070,557	\$ 73,559,940	\$ 72,510,552	\$ 58,849,538	\$ 56,585,858
\$ 5,757,469	\$ 5,791,275	\$ 5,891,884	\$ 3,845,464	\$ 2,661,648
\$ 27,797,808	\$ 26,982,449	\$ 25,798,207	\$ 24,881,339	\$ 23,995,123
97.17%	96.90%	96.94%	97.39%	97.26%
2,487	4,927	2,716	1,850	1,469
55,032	54,203	51,057	49,857	52,337
836	858	899	517	520
75,675,300	77,002,000	78,988,000	47,889,100	48,311,300
17,451,500	17,451,500	17,451,500	10,340,000	10,340,000
1,576	1,612	1,685	1,202	1,227



Report of the Board of Directors

Seated left to right: Norman Jacobsen — Arrowwood, Director; A. J. Macpherson — Delia, 1st Vice President; G. L. Harrold — Lamont, President; Arne Johnson — Camrose, Director; Hubert N. Anderson — Barrhead, Director; G. W. Braithwaite — Lacombe, 2nd Vice President; H. R. Patching — Lethbridge, Director.

Gentlemen:

In reviewing the past year's activities, certain features appear particularly noteworthy. Work stoppages, rapidly rising costs, a bountiful harvest, although of somewhat lower than normal quality, good grain sales at satisfactory price levels and the formation of Alberta Food Products, highlighted the year.

A year ago the movement of grain had virtually ground to a halt as labour disputes continued to plague the industry. With the resumption of the grain movement, the outlook for the industry and your Association as a part thereof, improved greatly.

A very major step was undertaken in the formation of Alberta Food Products — a joint venture with Japanese partners for the crushing of rapeseed. As well, considerable expansion in fertilizer manufacturing and facilities was undertaken during the year. Rationalizing of the elevator system — building new plants as required, improving and modernizing others and closing uneconomic facilities, received emphasis in a continuing attempt to provide good service at the lowest practical cost possible.

Summary of Operations

Country elevator handlings by your Association in 1974-75 totalled 145,614,639 bushels, down 11,520,146 bushels from a year ago. Alberta Pool's percentage of provincial deliveries equalled 66.88%, virtually unchanged from last year.

Unloads at Vancouver Terminal No. 1 of 51,033,475 bushels and at Pacific Elevators Limited of 50,178,594 bushels were considerably reduced compared with last year, when they totalled 57,936,928 and 62,920,700 bushels respectively. Handlings at Victoria Elevator of 6,096,188 bushels are up 389,655 bushels from a year ago. Shipments to eastern destinations amounted to 39 million bushels.

Agro products sales continued to show favourable growth while sales of forage seed declined. Shortages in some product lines were experienced, especially in such items as nitrogen fertilizers. Total agro product sales of \$44,400,000 were 28% over last year. Forage seed sales totalled 11¼ million pounds, a reduction of 1¼ million pounds from a year ago.

Net earnings of \$13,464,581 were realized from the year's operations. A significant portion of the earnings was generated by non-grain operations, demonstrating the benefits of diversification. Earnings from grain handling, especially terminal operations, were most disappointing, reflecting the effects of work stoppages and the high cost of the legislated wage settlement.

This year's earnings are the highest dollar earnings on record. Taken as constant dollars however, their purchasing power is only marginally higher than were the earnings made by your Association in 1964 and again in 1967. Since that time, your Association has expanded and become more diversified. A considerable earning is necessary to meet the various commitments such as construction of country and terminal elevators and expansion of fertilizer distribution facilities as well as advancing equity capital to the rapeseed crushing project. Such activities require large amounts of capital. These earnings will however, permit continued growth to meet the needs of our membership.

Marketing Summary

Export sales of the principal Canadian grains, oilseeds and wheat flour during 1974-75 totalled 567.9 million bushels, a decrease of about 5% from a year ago, and from the previous ten-year average. Wheat (except Durum), flaxseed and rapeseed sales all registered declines from last year, while exports of barley increased from 118.6 million to 130.2 million bushels.



Total Grain and Wheat Flour
(millions of bushels)

	1974-75	1973-74	10-year Average 1964-65 to 1973-74
Wheat	323.5	353.8	378.1
Durum Wheat	52.3	46.5	36.4
Wheat Flour	19.1	18.8	27.0
Oats	1.4	.8	7.5
Barley	130.2	118.6	93.2
Rye	4.8	4.6	6.8
Flaxseed	10.5	15.5	17.7
Rapeseed	26.1	39.2	26.8
Totals	<u>567.9</u>	<u>597.7</u>	<u>593.4</u>

Source: Canadian Grain Commission.

China became the major Canadian wheat importer last year followed by the United Kingdom and Japan.

Major Importers of Canadian Wheat
1974-75 and Comparative
(millions of bushels)

	1974-75	1973-74	10-Year Average 1964-65 to 1973-74
China	82.4	53.7	78.9
United Kingdom ..	56.7	44.4	57.4
Japan	43.3	62.3	48.4
Brazil	31.6	30.9	7.6
India	13.5	18.1	20.4
Others	96.0	144.4	165.4
Totals	<u>323.5</u>	<u>353.8</u>	<u>378.1</u>

Source: Canadian Grain Commission

Canada's largest customer for all grains, oilseeds and wheat flour continues to be Japan. Approximately 42% of total exports went to Asian markets, while 25% was exported to the European Economic Community.

Major Importers of Canadian Grains
Oilseeds and Wheat Flour
(millions of bushels)

	1974-75	1973-74	1972-73
Japan	105.8	133.3	133.0
China	82.4	53.7	153.3
United Kingdom ..	61.0	49.5	58.4
Italy	54.5	43.4	64.2
Brazil	31.6	30.9	15.6
Others	232.6	286.9	397.2
Totals	<u>567.9</u>	<u>597.7</u>	<u>821.7</u>

Source: Canadian Grain Commission

Just over 55% of the overseas wheat clearances graded one and two Canada Western Red Spring Wheat compared with 80% in 1973-74 and 82% in 1972-73. A relatively large amount; 8.1% graded 3 Canada Utility compared with 0.1% in 1973-74.

Thirty-nine percent of overseas shipments (209.8 million bushels) were moved through Pacific Coast ports, while 44% of the shipments (238.8 million bushels) were ex St. Lawrence ports. Clearances through the Pacific Coast ports were the lowest since 1969-70 and also fell well below the previous 10-year average.

GOVERNMENT PROGRAMS
AND POLICIES

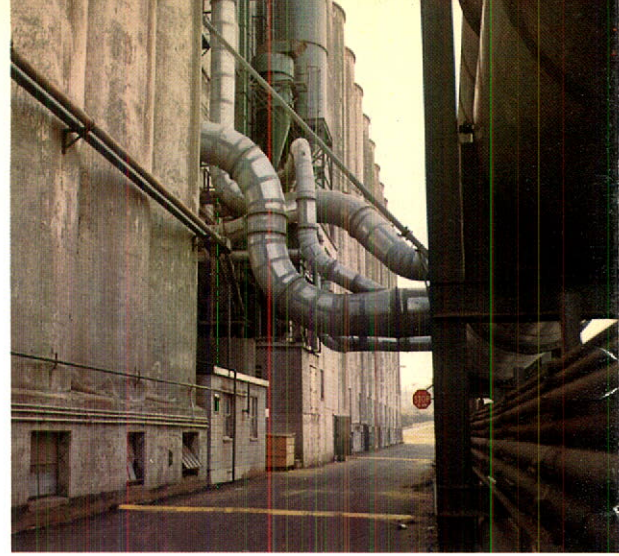
Some of the following government programs have received final government approval subsequent to our last annual meeting.

1. Final Payments

The amendment of the Canadian Wheat Board Act will ensure that final payments on grain deliveries in any one crop year shall not be made until on or after January 1st of the following calendar year.

2. Prairie Grain Advance Payments Act

Cash advance limits on farm stored grain have been increased from \$6,000 to \$15,000 for in-



dividual producers and to \$30,000 if there are two members of a unit and to \$45,000 where three are involved.

Provision has also been made in the Act where, through an Order-in-Council, advances can be paid on unthreshed grain.

3. Two-Price Wheat Payment

Over \$92 million was paid to the Canadian Wheat Board in July, 1975 as payment under the Two-Price Wheat Program in effect since 1973. The payment is for the August 1, 1974 to May 31, 1975 period and is based on the difference between the world market price and/or a maximum of \$5.00 (\$7.50 for Durum) and the \$3.25 per bushel domestic millers pay for top quality milling wheats.

This program is a direct government subsidy to Canadian consumers and it is estimated that at \$3.25 per bushel, the cost of wheat in a loaf is 7.5¢, whereas it would climb to 11¢ or 12¢ without the subsidy. In future, payments from the federal treasury to the Canadian Wheat Board will be made on a monthly basis and is being added to the producers' final payment.

Agricultural Stabilization Act

On July 30, 1975, the Federal Government gave Royal Assent to amendments to the Stabilization Act which will provide guaranteed returns to farmers for cattle, sheep, hogs, industrial milk and cream, corn and soy beans and oats and barley produced outside the Canadian Wheat Board area. These "named" commodities will have an annual fixed price guarantee of 90% of the five-year average weighted price adjusted according to trends and the cost of production index. Other farm products may be brought under the protection of the Act as "designated" commodities if recommended by the Agricultural Stabilization Board. It is estimated that this Act, in conjunction with such other legislation as the Western Grain Stabilization Act, the Two-Price Wheat Act and the Canadian Wheat Board Act will provide government stabilization programs guaranteeing returns to farmers for products representing 88% of farm cash income.

Provincial Government involvement is permitted under this Act. If a province, for example, wished to support the price for its producers at 95% of the five-year average, it could do so through a contributory arrangement. Flexibility in terms of the type of payment to producers as well as regionalizing the program for various commodities has been included in the amended Act.

Western Grain Stabilization Act

The Government's original intention was to make Bill C-41, the Western Grain Stabilization Act, law beginning early in 1975, but for various reasons, it had still not received third reading at the time of writing.

As part of the process, the Standing Committee on Agriculture toured the prairies to hear representations from interested parties. Your Association appeared before this Committee on June 17th, 1975, noting the resolution passed by delegates in 1974, stating our opposition to the program. In addition to objecting to the compulsory aspect of the program for starting farmers, it was also suggested that consideration be given to regionalizing the Stabilization Plan. Concern was expressed that the plan might cause production shifts and harm the livestock and processing industries.

The Canadian Federation of Agriculture, in its brief to the Committee, asked that standing authority to index any proceeds be provided; that farm-fed grain be declared eligible as part of the gross receipts; that depreciation be added as an expense item for calculating net grain sales and that the maximum be increased to \$35,000 per participant based on the general target of 90% participation.

Amendments to the Act have been introduced by the Federal Government which would make the plan totally voluntary and would permit the application of the plan on a regional basis if feasible. With these changes, and others still under consideration, the plan should become more acceptable and does provide the basis for at least some stabilization of grain producers' net receipts.



Farm Credit Act

Changes to the Farm Credit Act approved in May, 1975 were aimed primarily at helping persons under age 35 to get into farming. The former loan ceiling of \$100,000 was raised to \$150,000 and the equity requirements for competent farmers were changed to permit flexibility and the awarding of amounts in excess of 90% of the production value of land, livestock and equipment. In addition, the Farm Credit Corporation can now secure loans on second mortgages, an amendment made applicable to all farmers.

Domestic Feed Grains Policy

After a full year's experience with the Federal Government's domestic feed grains policy, it is evident that it has not fulfilled the objectives set forth. Complaints about parts of the policy have been expressed by feeders in many parts of the country.

One of the arguments given for instituting the policy was that prices would be established by the full interplay of supply and demand. Given the transportation and labour situation, among other things, prevalent in Canada, such a Utopia is unlikely ever to occur.

The Canadian Wheat Board was called upon both to ensure that adequate supplies were made available to get the program underway and later, when supplies dried up, to sell grain on the Winnipeg Commodity Exchange because the "open market" was unable to generate supplies. Prices on the open market set in relation to U.S. corn prices — a practice the Wheat Board had been following before this policy became operative, obviously were too low to encourage deliveries. It has become obvious that if two marketing systems are run side-by-side, one or the other will suffer. The threat to the Canadian Wheat Board marketing system is very real under these conditions.

Another objective of the policy was assurance of supplies for the domestic market. Eastern interests expressed concern that adequate supplies were not being made available through the open market. Without the actions by the Canadian

Wheat Board, supplies might well have run short. Under the former Board's policies, eastern feeders could be assured that adequate domestic supplies would be available from the Board at all times.

Allocation of space in the elevator system to ensure orderly domestic and export movement was still another aim of this policy. Grain handling organizations were instructed that no more than 10% of their total elevator space was to be allocated to domestic non-Board feed grains. Fortunately, initial prices for feed grains were increased and grain began to flow to the Board. Had this not occurred, some serious problems might have developed in areas where space was at a premium.

While it is true that the Canadian Wheat Board was given authority to implement delivery quotas for non-Board feed grains, they were in fact constrained from doing so. Had the Board on its own, attempted to proceed with quotas, proponents of the "open market" would immediately have accused it of interfering with the market.

The policy has created considerable difficulty for livestock producers and processors. When the program was announced, assurances were given that the Feed Freight Assistance Program would be eliminated. At the present time, it does not appear that this will occur. Combined with high costs for transporting meat to eastern markets, the effect is to provide eastern livestock producers with a decided comparative advantage. In view of the Government's interest in stabilizing farm incomes, it is ironic that it would implement a feed grain policy which creates instability in prices and production, and exposes producers to increased risk and uncertainty.

Transportation Policy

On June 16th, 1975, the Honourable Mr. J. Marchand, Minister of Transport, announced the Government's new transportation policy, indicating an increased government role in transportation. In his policy statement, Mr. Marchand noted the necessity of greater rail capacity to the West Coast and the continual problem of congestion at terminals such as Vancouver; the need to



modernize the grain handling system; and the problems which may arise because of the increased flow of products including grain, coal and iron ore to east central Canada. He further stated that the Canadian Transport Commission had been directed to establish low compensatory rates for moving rapeseed meal and oil. No elaboration or details about these problems was provided.

Alberta Land Use Forum

Extensive hearings were held throughout Alberta by the Alberta Land Use Forum in the spring of 1975 to obtain public opinion regarding land use. Your Association presented a brief to the hearing, stressing that land suitable for food production be retained for that purpose and that ownership and control of such land remain Canadian. Presentations by various other groups were made to the Forum dealing with such matters as the retention of the family farm, foreign ownership, corporate and commercial farming, land used for recreational and industrial purposes, etc. It is expected that a comprehensive report and policy statement on land use will follow in due course.

Nutritive Processing Grants

Grants from the Federal and Provincial Governments for agricultural processing plants are now available for the development of viable, new or enlarged nutritive processing plants, provided they are located outside the cities of Edmonton and Calgary. Assistance of up to 35% of the total capital costs for the project is available on the condition that at least 20% of the equity is provided by the applicant. Our rapeseed crushing plant did not qualify for assistance under this agreement.

All-Risk Crop Insurance

Major changes to the Alberta Crop Insurance Program in 1975 saw the establishment of 52 full-time offices throughout the province. If, because of unfavourable weather, acreage was left unseeded or unharvested, special coverage was made available. An attempt was made to change the program in the direction of coverage on an individual farmer's production experience.

Crop Research Centre

Early this year the Alberta Government announced its intentions to develop a plant breeding and crop adaptation centre at Lacombe. The Centre will provide research facilities for plant breeding and co-ordinate field trials for field crops, rapeseed and forages. It is proposed that these facilities will also be available on a service basis for private plant breeding programs.

CANADIAN WHEAT BOARD

Recent trends in grain marketing suggest a deliberate attempt to Americanize the Canadian grain handling and marketing system. Following the rapeseed plebiscite almost two years ago, we have seen the introduction of the domestic feed grains policy and the expansion of large international grain marketing organizations in Canada. Simultaneously we feel there has been a deliberate down-grading of the Canadian Wheat Board in its role and function as the farmers' grain marketing agency. In fact, it has been obliged to carry out government policy which cause a reduction in its control over such essential marketing features as pricing and the management of stocks.

The Canadian Wheat Board's value has been amply demonstrated over the years, but certainly in recent times. During this past year, United States interests deliberately attempted to beat down the price of grain to appease vocal consumer groups, and to help manage the U.S. inflationary problems. More recently, the large United States sales to Russia have become a hotly debated issue with labour unions refusing to load ships because of their fears that consumer food prices will rise and to force the use of more U.S. ships for moving this grain. The problems have become so intense in fact, that legislation is being proposed that would change the American agricultural export program to a system similar to Canada's with a central selling agency which, through its action in maintaining up-to-date information on all sales and supplies, can authorize further sales if warranted, yet at the same time, safeguard the consumer.



A system then, which acts to protect both the producer and consumer would seem to command the wholehearted support of the public and the politicians. Yet in Canada we find detractors who apparently think that they would be better off without the Canadian Wheat Board. We sincerely believe that such spokesmen are not speaking in the interests of most Alberta grain farmers.

The Board's actions in maintaining prices will result in good returns to producers again this year. This was done despite the problems encountered with the large quantities of low-quality grain and the numerous work stoppages which severely tested Canada's sales efforts.

We wish to compliment the Board for its performance.

Canadian Wheat Board Advisory Committee

The much heralded election of the eleven-member Canadian Wheat Board Advisory Committee resulted in the re-election of a number of its earlier members. Your President was re-elected to the Committee and at a subsequent meeting, also as its Chairman.

The Committee was established as an advisor to the Canadian Wheat Board. It is not a Board of Directors and does not have the responsibility or privilege of directing the actions of the Canadian Wheat Board. Members are consulted for their opinions, but should remain discreetly in the background while the Board carries out the marketing function. Some members of the newly elected Committee apparently are dissatisfied with their role as an advisor. Careful consideration of the role and function of an advisor should have preceded their election to the Committee.

CANADIAN GRAIN COMMISSION

One of the functions of the Canadian Grain Commission is to set the maximum elevation tariff allowable for terminal elevators. In most years, this is based on representation from grain handling organizations who are required to substantiate requests for increased tariffs. This year, the Commission set the maximum allowable rate well below

that requested by the grain companies, but in addition, introduced a maximum 5¢ per bushel primary or terminal cleaning charge to be assessed at the country elevator at the time of delivery. The major grain handling organizations had informed the Commission that they did not require a terminal cleaning tariff increase, since income from dockage was adequate to cover the costs of cleaning grain. Nevertheless, the Commission introduced the country cleaning charge and allowed only a ½¢ per bushel increase in the terminal elevation charge. Since this was well below that required by the grain handling organizations, the companies, including Alberta Wheat Pool, felt compelled to file a country cleaning charge to make up the shortfall.

We are not certain of the real intent of this procedure, but expect this is another deliberate step towards the Americanization of the Canadian grain handling system. It is regrettable that devious ways must be used to generate income to help pay the costs of the legislated labour settlement and other cost increases.

Producers' contracts have been a popular means by which the grain companies provide themselves with an assured supply of grain. These contracts should be approved by the Canadian Grain Commission, and we would encourage all producers to carefully read the fine print. Many contracts would appear, superficially, to offer security to the producer, but obscure clauses in some contracts when carefully analyzed, may show that the producer does not in fact have the protection he had expected. Before signing a contract, a producer would be well advised to make sure that the contract has been approved and registered with the Canadian Grain Commission and that it does provide the security sought by the producer.

INTERNATIONAL AGREEMENTS

The Wheat Trade Convention and the Food Aid Convention, the two parts of the International Wheat Agreement originally signed in 1971, have been instituted for another year to July 31, 1976. A special Preparatory Group has been appointed to



see if a basis exists for a new agreement to replace the existing one. One item to be investigated in a possible new agreement is the role of an international system for grain reserves.

The General Agreement on Tariffs and Trade negotiators from seventy countries have now agreed on a time table and methodology for the discussions to remove or relax trade restrictions. The current round of negotiations, called the "Tokyo Round" is expected to take up to two more years as each of the participating countries attempts to bargain for a preferred position. Particular problems are quotas and other restrictions on agricultural and textile goods.

At the World Food Conference held in Rome last year, Canada pledged to provide an average of one million tons of grain annually to aid needy countries for the next three years. Recently the Federal Government announced a change in its foreign aid policy. The revised policy will stress increased food production in needy countries rather than industrialization. Greater access to Canadian markets by Third World countries is also being proposed.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

Canadian Co-operative Wheat Producers Limited, an organization representing the three prairie Wheat Pools, continued to function primarily as a vehicle for co-ordinating activities of common interest. Close co-operation between the three Pools on interprovincial or national issues has been facilitated through this organization. In addition, a seminar on grain marketing was held to acquaint the Boards of Directors with current problems facing the industry.

AFFILIATIONS

Your Association has maintained its full membership in Unifarm and an associate membership in the British Columbia Federation of Agriculture. Through these organizations, it is also represented on the Canadian Federation of Agriculture. In addition, the Pool is an active

member of the Co-operative Union of Canada and the Canadian Feed Manufacturer's Association.

Decreasing direct farmer memberships in Unifarm are causing concern that some of the programs underway may have to be curtailed and fees increased. Unifarm, through REDA, has been actively supporting education programs for people in rural areas. As well, it has, with the co-operation of Alberta Agriculture, been monitoring farm input costs and the availability of specific commodities in the province. These and other programs and the fact that it does provide a forum for the many varied agricultural interests, justify the continued enthusiastic support for this unique farm organization.

A special meeting on grains by the International Federation of Agricultural Producers held in Canada early this year was attended by Mr. Macpherson. The meeting approved a statement calling for remunerative prices for producers; some form of supply management on international markets; security of supply for consumers and an equitable system for meeting costs of holding stocks in any future international agreement on grains. It further stated that price stability in grains is important to the entire farm economy and that instability is particularly disruptive to the livestock industry. Indexing provisions to reflect rising costs might well be included in any grains arrangement, it concluded.

MEMBERSHIP

During the 1974-75 season, 3,034 new members were accepted by the Board as compared to 2,487 during the 1973-74 season.

A total of 626 deaths was reported and 1,477 memberships were cancelled.

The net increase in membership was 931, increasing the membership strength from 55,032 to 55,963.

MEMBERS' ACCIDENT INSURANCE

Members' accident insurance claims during 1974-75 totalled 77 as compared to 53 during the



previous season. To cover these claims a total premium of \$44,925.55 was paid to the insuring company. The premium is \$1,917.23 lower than that paid during the 1973-74 season. An estimated \$16,050.00 in claims is still pending.

Claims were paid for 42 deaths, twelve of which were persons under 18 years of age. Twenty-five of the cases were the result of traffic accidents; nine from operating farm equipment; three from drowning and five by other means. Thirty-one dismemberment claims and four loss-of-sight claims were paid.

Fifty applications for sponsored workers were received compared with 75 last year. One claim was paid for a sponsored worker.

The cost of the operation of the Accident Insurance Plan for seventeen years, from August 1, 1958 to July 31, 1975 totals \$1,130,056. Benefits have been paid for 4,349 accidents involving 630 fatalities (412 adults and 218 children), 396 dismemberment claims and 70 cases of loss of eyesight. Payments of \$15,947 were made in accidents involving 76 farm workers and their dependents.

IN MEMORIAM

We wish to note the passing of the following persons who served as elected officials of the Pool, and to acknowledge their contributions to the Association. Sincere sympathy is extended to the friends and relatives of the deceased.

Mr. W. A. Oliver of Warner passed away on November 19th, 1974 at the age of 87 years. Mr. Oliver served as delegate in sub-district 103 from 1949 to 1965.

On January 27th, 1975 Mr. Lester Lee of Cardston passed away at the age of 76. He served as delegate for sub-districts 104 and 105 from 1945 to 1964.

Mr. O. K. Rosenberger of Balzac passed away suddenly on June 22nd, 1975 at the age of 60 years.

Mr. Rosenberger served as delegate in sub-districts 206 and 208 from 1952 to 1960 when he was elected to the Board of Directors. He served on the Board continuously until his death, having been elected Second Vice-President in 1971. Mr. Rosenberger also served on the Board of Directors of other co-operatives and was active in a number of farm organizations.

On July 29th, 1975 Mr. G. A. Wallsten of Amisk passed away at the age of 63 years. From 1942 to 1948 he served as Elevator Manager at Amisk and as delegate in sub-district 504 from 1948 to 1953.

Mr. A. E. Sherratt of Mayerthorpe passed away on July 30th, 1975 at the age of 98 years. Mr. Sherratt served as delegate in sub-district E-5 from 1930 to 1933 and from 1945 to 1948.

ELECTION OF DELEGATES

Elections held this year in even-numbered sub-districts resulted in twenty-four delegates being elected by acclamation. Of these, two were elected for the first time — Mr. John Kloberdanz of Kirriemuir in sub-district 402 and Mr. Melvin F. Hepp of Castor in sub-district 404. Also elected for the first time were Mr. Ray Schmitt of Milk River in sub-district 102; Mr. John Vaselenak of Coaldale in 106; Mr. Evan Williams of Vulcan in 204; Mr. Albert Klapstein of South Edmonton in 510 and Mr. Frank Lichak of Innisfree in sub-district 602.

In sub-district 702 Mr. Laurence Rimmer of Pibroch was elected after an absence of two years.

Re-elected sitting delegates include Mr. Norman Nelson of Craigmyle in sub-district 310 and Mr. Mike Ropchan of Willingdon in sub-district 604.

In a by-election held in sub-district 206, Mr. Elden Seney of Blackie was elected by acclamation. The by-election in sub-district 205 necessitated by the election of Mr. Norman Jacobsen to the Board of Directors, saw Mr. William Chambers of Lomond elected by acclamation.



BOARD OF DIRECTORS

Following the 1974 annual meeting, officers of the Board of Directors were elected as follows:

President	G. L. Harrold
First Vice-President	A. J. Macpherson
Second Vice-President	O. K. Rosenberger

Following the death of Mr. Rosenberger, Mr. G. W. Braithwaite was elected Second Vice-President.

These same three directors were elected to the Boards of Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited and Pool Insurance Company. Messrs. Harrold and Macpherson were re-appointed to the Board of Western Co-operative Fertilizers Limited, to XCAN Grain Limited and were appointed to the Management Committee of Alberta Food Products.

Mr. Harrold continues to serve as President of Western Co-operative Fertilizers Limited, Western Pool Terminals Limited and as Chairman of the Board of Pacific Elevators Limited and Chairman of the Management Committee of Alberta Food Products.

Mr. Macpherson was elected to the Unifarm Board of Directors, and serves on its Executive Committee. He also serves as a Director of the C.F.A. Mr. Anderson also served on Unifarm's directorate with Mr. O. K. Rosenberger as alternate.

Mr. Braithwaite served on the Canadian Council on Rural Development.

Our General Manager served on the Boards of Western Co-operative Fertilizers Limited, XCAN Grain Limited, Western Pool Terminals Limited and Pacific Elevators Limited and on the Management Committee of Alberta Food Products.

The Secretary serves as a Director on the Interim Board of Directors of the P.O.S. Pilot Plant Corporation.

Directors and senior staff served on numerous industry-associated committees during the year.

PROPERTIES

During the year, The Board of Directors authorized the closure of Pool elevators at eleven points and approved the construction of new elevators at Pincher Creek, Carstairs and Girouxville. The Board of Directors approved a substantial capital budget for the construction of new facilities and modernization of others. This program includes the building of new elevators, annexes, dwellings, fertilizer sheds, remodelling of office space and installation of car movers and dust collectors.

The Board's objective in up-grading facilities as needed is to ensure that members may continue to receive the best service possible both now and in the future.

PUBLIC RELATIONS

The Public Relations Department has placed considerable emphasis on informing members and the public at large about the organization and its role in the agricultural industry. Many new members are unfamiliar with co-operatives and their responsibilities as members. Teaching, demonstrating and reporting on the value of membership in the organization have become major objectives. The Pool Representatives have, in addition to their regular duties, become involved in numerous public activities, including visits to farmers when elevator closures are planned.

STAFF

We wish to express our sincere appreciation to the staff who willingly performed their duties and as a result made possible the favourable earnings your Association has experienced. Many times their work was carried out under difficult circumstances and we are most appreciative of their dedication, loyalty and hard work.



ITEMS AT ISSUE

A number of recent developments will likely have a significant impact on many agricultural communities. The most important of these is likely to be the commission on Prairie Grain Handling and Transportation (Hall Commission) findings which will be released following hearings in many locations throughout the Prairies. This study, coupled with the ones undertaken by Mr. Snaveley and Mr. Mants, could have long-range repercussions for local communities, grain producers and your Association.

Many of the cornerstones upon which grain production, marketing and transportation on the Prairies has been based, will be unearthed, examined and redeployed. Service on rail branch lines, the Crows Nest legislated freight rates on grain and the boxcar allocation system are all being investigated and we can expect some changes to be recommended. Your Association has made representation to each of these Commissions, but for maximum effect, local communities and interest groups will have to make themselves heard.

In our first presentation to the Hall Commission, it was noted that the Alberta Wheat Pool is in the process of developing a consolidation plan based on a number of factors, many of which are beyond our control. Rationalization of the elevator system, it was pointed out, is dependent upon repairs needed, the degree of difficulty in obtaining railway cars, the volume of grain handled, inconvenience to members, and staffing at the point.

It was also noted in this presentation, that there is considerable difficulty in proceeding with rationalization because of the conflict between local interests and economic pressures.

The Commission on The Cost of Transporting Grain by Rail (Snaveley Commission) is much more technical in nature. We have been assisting the Commission in its investigation of the rail costing procedures as they relate to export grain.

A study of the boxcar allocation presently distributed under the Bracken Formula has been instituted. Mr. Mants is in charge of this inquiry. He has been asked to consider whether, for example, a few widely scattered elevators or new entrants into the field should be given special consideration and whether non-Board grain should be allocated boxcars on a different basis than is currently being done. Our response has been that while some changes might be appropriate, such as a provision for relief of congested elevators to permit producers to deliver to the elevator of their choice, the Bracken Formula as administered by the Canadian Wheat Board is still the fairest system available. We are concerned about the possible results of this study as it relates to the manner in which boxcars will in future, be allocated.

Amendments to the Alberta Wheat Pool Act necessitated by delegate action taken at the 1974 annual meeting were approved by the Alberta Legislature. Regretfully, considerable misinformation about the organization was given prior to its passage. The lack of understanding by some members of the Legislative Assembly about co-operatives and the Alberta Wheat Pool was most revealing, and demonstrated the pressing need to intensify our contact with elected government representatives. When amendments were being considered first by the Private Member's Bill Committee and later by the Legislature, considerable information about the organization was made available to M.L.A.'s. It soon became obvious that we could no longer assume that elected government officials are familiar with the democratic control of agricultural co-operatives. A continuing effort to foster understanding and co-operation between your Association and government, is, we believe, essential.

We are encouraged by the actions of the Federal Government which has set up a special section in Agriculture Canada for co-operatives. This section will provide much needed data and will act as a liaison between co-operatives and government. In Alberta, the Co-operatives Act has been



transferred from the Department of Agriculture to the Department of Consumer and Corporate Affairs. Co-operatives have as yet, not been accorded the status of a department of their own. The Provincial Government has stated however, that it plans to review the Co-operatives Act and is looking for suggestions from organizations such as the Alberta Wheat Pool.

As noted in a previous section, the Canadian Government is planning to change its emphasis for international development assistance. Famine in many parts of the world has been widely reported and special conferences and agencies have been organized to deal with the problem. The Pool wishes to commend the Canadian Government for the actions it proposes to take. The personal and organizational commitment to assist is a matter for your discussion.

Election of delegates in 1976 will be carried out under the revised sub-district boundaries as approved in 1974. A number of new delegates will be elected. A special Delegates' Information Program for first and second-year delegates was introduced this year with the objective of making newly elected delegates more familiar with the organization and their role as delegate. Considerable change has already occurred in the delegate body as thirty new delegates have been elected in the last three years. It is essential that control of the organization continues to rest with well informed elected representatives.

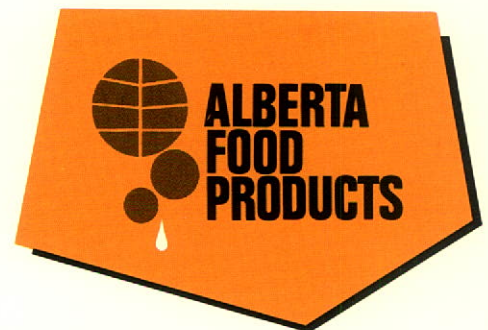
We are concerned that as the Pool continues to grow, members lose their sense of ownership, involvement and identity with the goals and purpose of their organization. An informed and involved membership is necessary to assist elected officials to carry out their role as the governing body of the organization.

On February 1st, 1977, the domestic operations of Canada's grain industry will be "going metric". After that date, grain will be bought and sold on the basis of tonnes and land area will supposedly be expressed in hectares. Special committees have been established to facilitate this change which may also require an amendment to the Alberta Wheat Pool Act.

Probably the major problem facing agriculture is the rapid rate of inflation which is showing no signs of abatement. According to Statistics Canada, the Farm In-Put Price Index for Western Canada rose approximately 11% between January, 1974 and January, 1975. The Alberta monitored price for a twelve-month period ended May, 1975, shows prices for tractors up 28.5%, combines 28%, anti-freeze 30% and mechanical repair costs (including labour) were increased 26%. Comparable escalating costs are facing your Association. Vigorous efforts to minimize costs have been frustrated by external factors. One of the few courses open to your Association is to continue the rationalization of the elevator system. When considered in the light of the Pool's objective to provide a high, yet efficient, standard of service with fair and equitable service to its members, this becomes a challenging issue.

Respectfully submitted,

G. L. Harrold
A. J. Macpherson
G. W. Braithwaite
A. Johnson
H. N. Anderson
H. R. Patching
N. Jacobsen



ALBERTA FOOD PRODUCTS

Alberta Food Products took form in October, 1974 when a partnership was created between Alberta Wheat Pool and Japan Alberta Oil Mill Co. Ltd. Alberta Wheat Pool owns 60 per cent of the partnership. Japan Alberta Oil Mill Co. Ltd. is made up of four Japanese companies — C. Itoh & Co. Ltd., Ajinomoto Co. Inc., Showa Sangyo Co. Ltd. and Fuji Oil Co. Ltd. The Cambrian Group was retained as the general project engineering company in November. The sod turning ceremony for the Alberta Food Products plant near Fort Saskatchewan took place in October, 1975 and involved G. L. Harrold, President of Alberta Wheat Pool and I. Yamada, President of C. Itoh & Co. (Canada) Ltd. The rapeseed crushing plant expects to receive the 1976 crop.



To the President and Directors
Alberta Wheat Pool

Gentlemen:

In review, the 1975 crop year was one of contrast. Outstanding results in marketing and a good performance in the country more than offset reductions in terminal earnings caused by labour strife. Protracted labour interruptions at both Vancouver terminals resulted in sharply reduced handlings at these plants.

In the country, early expectations for a good crop were altered by frost and inclement weather. This factor, along with some reduction in grain export markets, saw a slight decrease in country handlings. Nevertheless, an active demand for services and farm supplies by members was evident throughout the season. The unique position of your Organization in farm marketing, along with a strong country system, resulted in satisfactory overall performance for the year, as indicated by growth in earnings and in member service. Strength in grain handling, combined with a broad range of involvement in related activities, serves as the base for this performance trend.

General Crop and Market Conditions

Exports of the principal Canadian grains and oilseeds during the 1974-75 crop year totalled 548.3 million bushels, down some five percent from the previous year. Producers' deliveries during the year totalled 707.5 million bushels (all grains) compared to 886.1 million in 1973-74. Farm held grain stocks in the prairie provinces at July 31, 1975, amounted to only 160 million bushels, compared to 200.7 million a year earlier.

The 1974 crop was planted, matured and harvested under less than ideal conditions. Excessive rainfall in central and northern areas

delayed completion of seeding until mid-June. The late crop was struck by a severe mid-August frost, which reduced both yield and quantity. Inclement harvest weather resulted in the combining of heavy volumes of tough and damp grain.

Country Operations

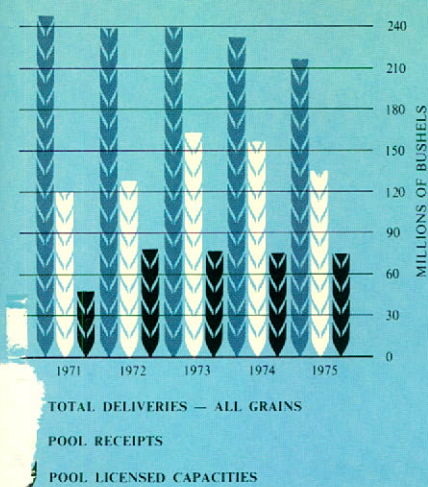
A lack of elevator space, mainly in central and northern areas of the province, significantly hampered our 1974-75 operations. Extended labour interruptions in West Coast terminals restricted grain shipments and saw us enter the crop year with 114 congested elevators. Large quantities of grain, not currently in demand for shipment, created further congestion problems in north central divisions.

Open quotas on rapeseed, flax, rye and non-Board feed grains placed heavy demands on shipping schedules and elevator space. Our monthly handling figures varied from about seven million bushels in February to 30 million in July. Deliveries in June and July represented 32% of our total handling throughout the crop year.

On August 1, 1974, the Government Feed Grain Policy became effective. Off-quota non-Board feed grain deliveries were permitted to utilize up to ten percent of our licensed elevator capacity. In the first year of operation under the new Feed Grain Policy, Alberta Wheat Pool handled a significant share of all non-Board grain deliveries in Alberta and British Columbia.

During 1974-75 the Canadian Wheat Board trucking program, from country elevators to inland terminals, moved a total of 6,488,174 bushels of wheat and barley to Government elevators at Edmonton, Calgary and Lethbridge.

Deliveries of all grains to Alberta Wheat Pool amounted to 145,614,639 bushels, down 11.5 million bushels from the previous crop year. Our



market share of all deliveries to licensed elevators, however, at 66.88%, was a slight decrease from the 67.31% of a year earlier. Our elevator at Sexsmith handled 1,037,600 bushels over the crop year while handlings at Oyen and Carstairs were 974,000 and 963,000 bushels respectively. Fifty-six Pool elevator managers handled over 500,000 bushels each during 1974-75; the average handling for all managers was slightly over 300,000 bushels.

Elevator shipments during the crop year reached 151.6 million bushels. Over the season our country elevators averaged 45 million bushels in store, or 60% of total capacity. This compares with 54% in the previous year.

Alberta Wheat Pool's total licensed capacity at July 31, 1975, was 75,255,600 bushels — a reduction of 637,700 bushels from the same date in 1974.

The Grading and Selection Department assessed 27,824 grain samples during the crop year, including 9,283 for malting, pot or pearling purposes. Protein tests were also undertaken on certain samples of wheat and barley. Alberta Wheat Pool received 65.6% of the over-quota malting barley permits issued in our marketing area.

Four grain driers were installed — at Fort St. John #1 and #2, High Level #2, and Dawson Creek #3.

At July 31, 1975, your Organization employed 486 elevator managers, 37 permanent assistant elevator managers, 56 assistant elevator managers and 111 helpers.

Two hundred and five cut-offs were completed in 1974-75. These weigh-ups indicated a gross overage of .066% — well within limits set by the Canadian Grain Commission and indicative of honest and accurate weighing by our elevator managers.

Terminal Operations

During the 1974-75 crop year total Pacific Coast terminal receipts fell to 212.3 million bushels compared to 251.3 million a year earlier. Shipments declined to 210 million bushels compared to 252.9 million in 1973-74.

Unloads at Alberta Wheat Pool Terminal amounted to 51,033,475 bushels compared to 57,936,928 a year earlier; Pacific Elevators Limited handled 50,178,594 bushels compared to 62,920,700 last year. Victoria Elevator Limited, with unloads of 6,096,188 bushels, was up very slightly over last year's experience.

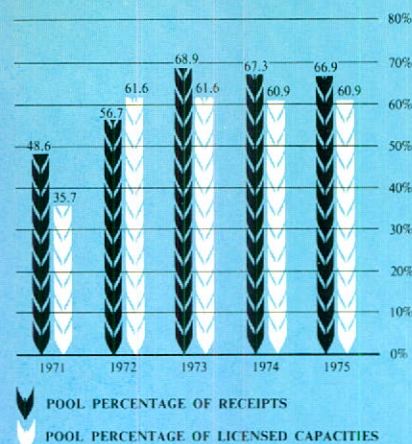
Alberta Wheat Pool shipments to Thunder Bay and other eastern destinations amounted to 38,807,338 bushels, compared to 21,959,678 in 1973-74.

At the West Coast, terminal operations were once again hampered by labour unrest. Vancouver Port was relatively unimpeded only during the last four months of the crop year. However, vessel clearances through June and July fell far short of Port capability because of damage to its reputation for reliability. Buyers went elsewhere because of their uncertainty of ability to get grain out of the Port.

During the year a number of studies and enquiries have been undertaken by various groups (Government and others) seeking ways and means to expedite the movement of grain through Vancouver. It should be noted that existing grain terminals at that Port have never really been tested. Past handlings indicate that, given a consistent flow of grain from the country and the same outward flow to vessels, Alberta Wheat Pool Terminal and Pacific Elevators Limited are capable of annually moving 100 million bushels each, with existing facilities.



PERCENTAGE OF GRAIN DELIVERIES
THROUGH ALBERTA POOL ELEVATORS



Vancouver grain operations have enjoyed industrial peace since April. We trust that situation may continue. We note there are eight Union contracts, with Unions involved in the grain movement, which expire before the end of this year. Our Union contract with terminal workers expires at the end of November. Negotiations toward a new contract are underway. Federal Government Wage and Price Control legislation will undoubtedly affect future contracts.

Your Organization has continued its capital and maintenance programs to expand its terminal elevator efficiency. At Alberta Wheat Pool Terminal the new concrete inbound trestle has been completed. Modifications to increase weighing, receiving and shipping capacity are nearing completion. The new rapeseed cleaning complex is complete; lunch room and washroom renovations have been carried out to Code standards. At Pacific Elevators Limited similar installation and expansion of production capability has been undertaken.

At Thunder Bay total handlings of the principal grains and oilseeds, at 440.9 million bushels in 1974-75, were down 36.4 million bushels from the previous year. Vessel shipments of 394.9 million were down 40.4 million bushels from 1973-74. Rail shipments of 43.4 million bushels compared closely with 43.3 million a year earlier.

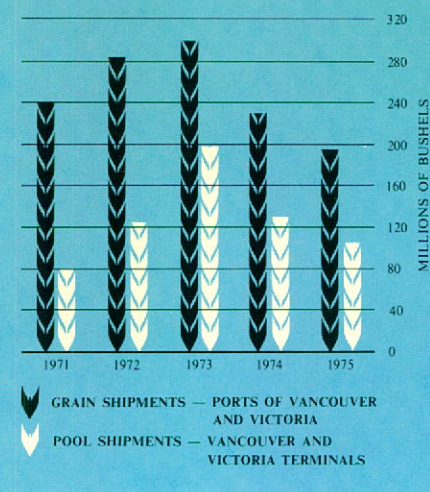
Alberta Wheat Pool shipments of selected malting barley to Thunder Bay and other Eastern destinations amounted to 3.02 million bushels, down from 3.4 million the previous year. Shipments of malting and pearling barley to domestic mills and maltsters climbed to 2.2 million bushels from 0.43 million a year earlier. Our unloads in Manitoba Pool Terminals in 1974-75 rose to 9.8 million bushels from 7.4 million a year ago, while our unloads in other Thunder Bay terminals reached 26.3 million compared with 12.7 million in 1973-74. All rail shipments east of wheat, oats and barley declined to 599,285 bushels from 781,720 during the previous crop year.

Our Thunder Bay terminal, Pool No. 9, operated under agreement with Manitoba Pool Elevators, was phased out during the year, and actually handled only 3.07 million bushels. In view of large capital requirements essential to keep Pool No. 9 in proper operating condition, the decision was taken to close down that facility. On July 31st, our mutually beneficial handling agreement with Manitoba Pool Elevators was terminated. A new agreement to handle Alberta Wheat Pool shipments to Thunder Bay has been negotiated with Saskatchewan Wheat Pool. Appreciation is expressed to Management of Manitoba Pool Elevators for their full attention to Alberta Wheat Pool interests during the tenure of our operating agreement with them.

Marketing Department

Alberta farmers used record amounts of production inputs in 1974-75, both in terms of volume and dollar value, a result of the increased incentive to produce that prevailed throughout the year. Farmers are using and accepting technology at levels never before experienced in Alberta. Many practices that were previously used by relatively few farmers are now becoming widely accepted. These conditions, and others, created an economic climate that allowed Alberta Wheat Pool to generate record sales and earnings in crop products for the third successive year. Total sales of crop products were 44.4 million dollars, an increase of approximately 28% from the previous year.

Fertilizer use remained stable in the prairie provinces compared to last year, but was up 3.3% in Alberta, a rate of growth much slower than one year ago. However, the demand for nitrogen fertilizers continued to exceed the available supply. Alberta Wheat Pool prices for fertilizer were as low as any in the world, due partly to Alberta Wheat Pool involvement in fertilizer manufacture. In many places outside of Canada fertilizer prices were in excess of \$350 a ton.



Alberta Wheat Pool achieved record sales in chemicals of \$9,795,000, an increase of 66.8% from the previous year. The sale of wild oat herbicides increased by 79.7% in dollar volume and now represents 63.1% of total chemical sales. While much of the growth was inflationary, Alberta Wheat Pool experienced real growth in the chemical market as well.

Activity in twine operations resulted in losses as a result of the rapidly decreasing world prices for raw fibre, forcing Alberta Wheat Pool to write down the inventory value at year-end.

Marketing of equipment and sundry items continued to grow and resulted in sales of \$1,242,000. During the year Alberta Wheat Pool added magnetic seed treaters and grain dryers to the product line.

The quality of the cereal seed crop in Alberta was poor due to frost in August. Commercial grain prices were at an all time high in late 1974 when seed purchases were made, resulting in higher priced seed than ever before experienced. Market conditions declined at year-end to such an extent that a write-down on inventory was necessary, resulting in a slight loss on cereal operations. Sales of forage seed in the provincial market were down from one year ago, mainly as a result of large acreages being plowed up in favour of larger potential returns from cereal grains.

In spite of the volatile nature and erratic behaviour of grain markets, unstable labour conditions, and the advent of large United States companies into the Canadian grain market, Alberta Wheat Pool was successful in marketing major quantities to member advantage. An all time high was achieved in the volume of malting barley handled, and during 1974-75 your Organization moved more feed grains than any other in Western Canada.

Total sales of non-Board grains and feed grains by our marketing officials exceeded 46

million bushels. In addition, Alberta Wheat Pool contracted approximately 30,000 acres of Soft White Spring wheat and moved this grain to eastern domestic buyers. In its overall marketing thrust, Alberta Wheat Pool, while vigorously pursuing export markets, has made every effort to see that domestic requirements are fully served.

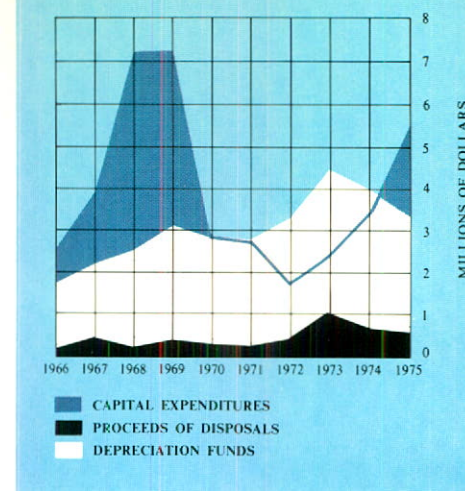
The Technical Services branch of the Marketing Department continued a wide range of activity in liaison with several researchers throughout Canada and the northern United States. Included in this year's program were a feasibility study on private plant breeding and developmental field work toward a new wild oat - wild millet herbicide.

During the 1974-75 crop year, your Organization handled approximately 15.6 million pounds of forage seeds. The four seed cleaning plants at Grande Prairie, Camrose and Lethbridge processed 9.95 million pounds of clean forage seed and 219,000 bushels of cleaned cereal seed. In addition, 85,000 pounds of forage seed and 30,000 bushels of cereal seed were custom cleaned in our plants.

Declining forage seed markets and prices were bearish on forage operations during the year. Due to lack of volume, our Grande Prairie #2 plant was shut down at the end of October, 1974.

Subsidiary Companies

For the second consecutive year various labour problems were the major factor resulting in an inadequate supply of grain to Victoria Elevator Limited. The handling of 6,096,200 bushels of wheat only slightly exceeded that handled in the previous year. Revenues and expenses both increased by approximately the same percentage and the total earnings, after provision for income tax of \$69,000, were \$113,946.



The only activity that took place in Interior Feeds Limited was disposal of the remaining stocks of grain. This company, following implementation of the Feed Grains Policy, is no longer required and remains dormant.

Western Pool Terminals Ltd. leases its owned Vancouver terminal facilities to Pacific Elevators Limited. Both of these companies are jointly owned with Saskatchewan Wheat Pool, which holds a one-third interest. Like all Vancouver terminal facilities, the handling of Pacific was reduced to 50,178,000 bushels. Earnings of the operating company were distributed to the signatory shippers in proportion to the volume of grain consigned to the Pacific terminal.

The partnership of Alberta Wheat Pool and Japan Alberta Oil Mill Co. Ltd., named Alberta Food Products, is in the preliminary stages of development of a rapeseed crushing facility located in Sturgeon County, east of Edmonton. Estimates for completion of the plant facilities are Spring, 1977. The accounts of this partnership are incorporated into the accounts of the parent organizations in proportion to ownership.

Properties

As at August 1, 1974, your Organization owned and operated 836 country elevators, 1,147 annexes, 4 seed cleaning plants, 810 agro products warehouses, 12 anhydrous ammonia facilities, 45 sheds and 3 terminal elevators. Two elevators, 5 annexes, one upright bulk fertilizer facility, one agro products warehouse and 7 dwellings were constructed during the year. One elevator, an annex, 4 agro warehouses and 3 dwellings were purchased while 2 elevators, 5 annexes, 3 warehouses, 2 coalsheds and 20 dwellings were sold. An elevator and a dwelling were lost by fire. Eighteen scales, 23 car movers, 18 dust collectors and 56 spouts for loading hopper cars were installed in elevators during the year. Licenses for 14

elevators and 23 annexes were cancelled and the dismantling of closed elevators continued throughout the year. Programmed regular maintenance keeps our facilities in efficient operating condition.

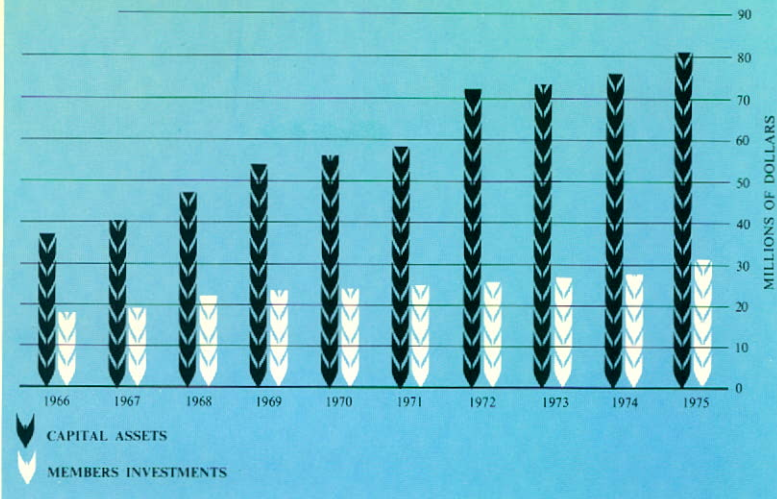
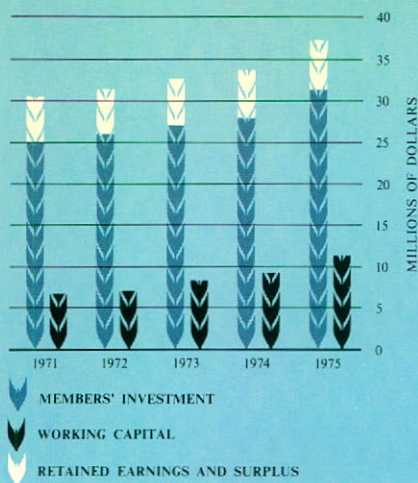
Assets in operation as at July 31, 1975, included 819 elevators, 1,131 annexes, 4 seed cleaning plants, 865 agro products warehouses, 12 anhydrous ammonia facilities, 547 dwellings, 43 sheds, one supply warehouse, 2 terminal elevators and an office building. Although the facility remains on the books as an asset pending disposition, operations at Pool #9, Thunder Bay, were terminated at the year-end. The Calgary parking lot was sold during the year. Licensed capacity of the country system totalled 75,037,600 bushels.

Operating Results

Consolidated earnings of Alberta Wheat Pool and its subsidiary companies amounted to \$13,774,957 before provision for income tax. This amount included an extraordinary item of \$416,399 which was a gain on sale of property. The contribution from grain operations was affected by reduced earnings from all terminal operations, resulting from a series of labour problems encountered during the year. Earnings derived from grain marketing and sale of crop products were a major contribution for the second consecutive year.

Earnings of the prior year were disposed of following the instructions of the Delegate Body and comprised of a total refund of \$10,478,593, of which \$4,397,014 was paid in cash. Reserves were purchased from the estates of deceased members, from members retired from farming, from certain members who had attained age 66 and who had not participated in a previous purchase, and from members who had joined the Pool between May 1946 and July 1947. The results of these transactions increased the reserve structure by \$3,253,026

MEMBERS' EQUITY AND WORKING CAPITAL



to \$31,050,834. This growth was the major contributing factor in increasing working capital by \$2,021,106 to \$11,266,032.

Administration

During the year several important programs were initiated. A Responsibility Accounting System has been adopted which is designed to assist individual managers in assessing and managing revenue and controllable costs. In addition, significant improvements were made in budgeting techniques which are essential to effectively manage resources in today's business climate.

Planning activity throughout the year continued to emphasize assessment of current and long-term opportunities as well as providing forecasts, projections and information pertinent to day-to-day operations.

Considerable emphasis is placed on providing employee relations programs necessary to support growing needs of the employees and of the Organization. More attention has been placed on labour relations, staff training and development and on safety, as well as many other employee relations programs this past year than at any time in the history of your Organization.

We were saddened by the death of Mr. Hilmar K. Moen, Director of Terminal Facilities, on December 2, 1974. Mr. Moen served the Organization well for 38 years. His record of service includes senior positions such as Travelling Superintendent, Manager, Seed and Fertilizer Division and Win-

nipeg Manager prior to his appointment to his most recent position as Director of Terminal Facilities. His loyalty and dedication to the Organization, and his broad knowledge of the grain business, as well as his counsel and friendship, are greatly missed. His outstanding contribution serves as an example of the importance of our staff to a successful operation.

In its 52nd year of service to farm people, your Organization faces a broad range of challenge and opportunity. In grain handling and marketing, in fertilizer and seed operations, and in the provision of farm inputs and related agro-products, your Management has expanded its expertise and operational strength. Within the co-operative policies established by the agricultural producers who own and control this enterprise, your Management is confident that performance trends already evident will continue to maintain your Alberta Wheat Pool as the leader in farmer service and agri business in Alberta.

In conclusion, we express appreciation to our staff whose competence and loyalty were a significant contribution to another successful year of progress.

Respectfully submitted,

General Manager



Consolidated Balance Sheet

July 31, 1975 and 1974

	<u>1975</u>	<u>1974</u>
ASSETS		
Current:		
Cash in banks, on hand and in transit	\$ 1,738,172	\$ 914,369
Stocks of grain (Note 1)	121,798,457	175,347,736
Stocks of seed, fertilizer and supplies (Note 1)	10,657,696	9,158,394
Accounts and accrued items receivable	24,727,994	23,609,880
Prepaid expenses	995,090	1,058,802
	<u>159,917,409</u>	<u>210,089,181</u>
Fixed — at cost (Note 1):		
Buildings, sites, operating machinery and equipment	80,838,832	76,070,557
Less accumulated capital cost allowances	48,722,392	45,709,679
	<u>32,116,440</u>	<u>30,360,878</u>
Investments — at cost:		
Shares and bonds of affiliated companies	6,815,190	7,815,190
Grain Exchange and association memberships	15,999	15,999
	<u>6,831,189</u>	<u>7,831,189</u>
Other:		
Deferred accounts receivable	3,808,699	2,325,719
Excess of cost of investment in subsidiary company over book value at date of purchase	155,420	155,420
Goodwill, at cost less amortization (Note 1)	713,129	756,024
Development and pre-operating costs	71,176	—
	<u>4,748,424</u>	<u>3,237,163</u>
	<u>\$203,613,462</u>	<u>\$251,518,411</u>

See accompanying notes.

LIABILITIES

	<u>1975</u>	<u>1974</u>
Current:		
Outstanding cheques, cash tickets and orders	\$ 72,037,408	\$ 80,006,706
Bank loans (Note 2)	40,245,000	73,230,000
Call and short term loans	4,477,700	16,765,200
Accounts payable and accrued charges	15,177,151	16,915,774
Staff savings	2,967,910	2,509,232
Current maturities of long term debt (Note 4)	281,627	274,613
Net earnings for the year (Note 1)	<u>13,464,581</u>	<u>11,142,730</u>
	<u>148,651,377</u>	<u>200,844,255</u>
Term Loans from Members and Co-operatives (Note 3)	<u>9,906,676</u>	<u>8,325,294</u>
Long Term Debt (Note 4)	<u>7,487,659</u>	<u>8,696,326</u>
Reserves and Surplus:		
Reserves —		
Authorized (Note 5) <u>\$50,000,000</u> (1974 — <u>\$30,000,000</u>)		
Issued to members (Note 6)	31,050,834	27,797,808
Earnings retained from prior years	<u>6,516,916</u>	<u>5,854,728</u>
	<u>37,567,750</u>	<u>33,652,536</u>
Commitments and Contingencies (Notes 7 and 8)		
	<u>\$203,613,462</u>	<u>\$251,518,411</u>

On behalf of the Board:

G. L. HARROLD, Director.

A. J. MACPHERSON, Director.

See accompanying notes.



Consolidated Statement of Operations

Years ended July 31, 1975 and 1974

	<u>1975</u>	<u>1974</u>
Operating revenues	\$54,387,217	\$45,920,010
Deduct:		
Country facilities operating expenses	14,332,309	12,991,121
Terminal operating expenses	4,116,265	3,423,474
Office, administration and supervisory expenses (Note 1)	9,830,377	7,441,308
Interest — net	9,593,211	7,579,597
Capital cost allowances (Note 1)	3,426,873	3,341,780
	<u>41,299,035</u>	<u>34,777,280</u>
Earnings before extraordinary item	13,088,182	11,142,730
Extraordinary item — gain on sale of land net of income taxes of \$40,000	376,399	—
Net earnings for the year	<u>\$13,464,581</u>	<u>\$11,142,730</u>

See accompanying notes.

Consolidated Statement of Earnings Retained From Prior Years

Years ended July 31, 1975 and 1974

	<u>1975</u>	<u>1974</u>
Balance at beginning of year	\$ 5,854,728	\$ 4,601,240
Add:		
Net earnings for the previous year before income taxes	11,390,101	6,078,271
Less income taxes	247,371	67,291
	<u>11,142,730</u>	<u>6,010,980</u>
Retained earnings appropriated in a prior year in respect of the investment in Western Co-operative Fertilizers Limited	—	1,000,000
	<u>16,997,458</u>	<u>11,612,220</u>
Deduct:		
Patronage refunds —		
In cash	4,397,014	2,400,277
In members' reserves	6,081,579	3,357,192
	<u>10,478,593</u>	<u>5,757,469</u>
Adjustment to income taxes paid on earnings for the previous year	1,155	—
Sundry adjustments	794	23
	<u>10,480,542</u>	<u>5,757,492</u>
Balance at end of year	<u>\$ 6,516,916</u>	<u>\$ 5,854,728</u>

See accompanying notes.

Consolidated Statement of Changes in Financial Position

Years ended July 31, 1975 and 1974

	<u>1975</u>	<u>1974</u>
Working capital at beginning of year	\$ 9,244,926	\$8,403,163
Sources of working capital:		
Net earnings for the previous year	11,142,730	6,010,980
Deduct —		
Patronage refunds paid in cash	4,397,014	2,400,277
Members' reserves purchased	2,829,117	2,541,797
Other	1,155	—
Net earnings for the previous year retained	3,915,444	1,068,906
Current year's capital cost allowances	3,426,873	3,341,780
Amortization of goodwill	42,895	42,895
Decrease in investments	1,000,000	760,510
Proceeds from disposal of fixed assets	446,924	690,499
Additional long term debt	254,210	93,208
Additional term loans from members and co-operatives	1,581,382	926,100
	<u>10,667,728</u>	<u>6,923,898</u>
Applications of working capital:		
Additions to fixed assets	5,629,359	3,405,453
Increase in deferred accounts receivable	1,482,980	1,216,457
Development and pre-operating costs	71,176	—
Repayment of long term debt	1,181,250	1,181,250
Current maturities of long term debt	281,627	274,613
Other	230	4,362
	<u>8,646,622</u>	<u>6,082,135</u>
Working capital increase during the year	2,021,106	841,763
Working capital at end of year	<u>\$11,266,032</u>	<u>\$9,244,926</u>

See accompanying notes.



Notes to Consolidated Financial Statements

July 31, 1975

1. Summary of principal accounting policies

Investment in subsidiary companies —

The consolidated financial statements include the accounts of the Alberta Wheat Pool and all its subsidiary companies.

Stocks of grain —

Stocks of Board wheat, oats and barley, which must be sold to the Canadian Wheat Board, have been valued at Canadian Wheat Board delivery prices and stocks of other grains including feed grains have been valued at market or open sales contract prices where applicable. Allowance has been made for handling and other charges.

Stocks of seed, fertilizer and supplies —

Stocks of forage and cereal seeds, fertilizer and supplies have been valued at lower of cost and net realizable value.

Fixed assets —

Capital cost allowance recorded in the accounts is provided on the diminishing balance basis at varying rates from 4% to 30% which are designed to amortize the cost of the assets over their estimated useful lives.

Goodwill —

Goodwill is being amortized over a period of twenty years.

Patronage refunds —

Net earnings for the year are shown as a current liability pending action by the delegates at the annual meeting regarding patronage refunds.

Income taxes —

Income taxes of \$270,376 have been provided on earnings for the current year and are included with administration expenses.

2. Bank loans

Bank loans are secured by stocks of grain, seed, fertilizer and supplies and accounts receivable. Alberta Pool Elevators Limited, a wholly-owned subsidiary, has also guaranteed the bank loans.

3. Term loans

Substantially all term loans from members and co-operatives are on a demand basis. However, experience has shown that such loans are outstanding for longer than one year and accordingly they are not included in current liabilities.

4. Long term debt

Details of long term debt are as follows:

	<u>1975</u>	<u>1974</u>
National Harbours Board 6% mortgage repayable in annual instalments of \$462,918 including interest (against which buildings and equipment have been pledged)	\$5,283,640	\$5,389,503
Bank loan bearing interest at ¾% over prime	1,012,500	2,362,500
Advance payable to the Saskatchewan Wheat Pool	1,473,146	1,218,936
	7,769,286	8,970,939
Less current maturities	281,627	274,613
	<u>\$7,487,659</u>	<u>\$8,696,326</u>

Repayments of long term debt in the next five years ending July 31 will be as follows: 1976 — \$281,627; 1977 — \$1,128,329; 1978 — \$128,329; 1979 — \$136,830; and 1980 — \$145,895.

4. Long term debt (continued)

Although the bank loan is payable on demand, the bank agreed to repayment terms extending over a period of five years. The company is in advance of these repayment terms so that the balance of \$1,012,500 is not due until the 1977 fiscal year.

5. Members' reserves

During the year the company obtained approval from the Government of Alberta increasing the authorized members' reserves to \$50,000,000.

6. Reserves issued to members

Details of these reserves are as follows:

	<u>1975</u>	<u>1974</u>
Balance at beginning of year	\$27,797,808	\$26,982,449
Deduct:		
Members' reserves purchased	2,829,117	2,541,797
Adjustments of prior years	(564)	36
	<u>24,969,255</u>	<u>24,440,616</u>
Add patronage refunds in members' reserves	6,081,579	3,357,192
Balance at end of year	<u>\$31,050,834</u>	<u>\$27,797,808</u>

7. Commitments

The construction of certain fixed assets which has been authorized by the directors of Alberta Wheat Pool was uncompleted to the extent of approximately \$3,785,000 at July 31, 1975.

As at December 31, 1974, the date of the last actuarial revaluation, an experience deficiency of approximately \$1,848,000 existed under the company's retirement plan. A payment of approximately \$608,000 was made during the year ended July 31, 1975 and the balance will be funded by annual instalments over a maximum period of five years from December 31, 1974. These payments are charged to operations as incurred.

8. Contingencies

The company is contingently liable as guarantor of long term debentures of Western Co-operative Fertilizers Limited up to a maximum of \$2,000,000.

The company is also contingently liable as guarantor of certain liabilities of Canadian Co-operative Implements Limited up to a maximum of \$2,000,000.

On October 8, 1974 a partnership was formed, in which the company has a majority interest, for the construction and operation of a rapeseed crushing plant. No material contracts for the construction of the plant have been entered into pending completion of certain engineering studies.

AUDITORS' REPORT

To the Members of Alberta Wheat Pool

We have examined the consolidated balance sheet of Alberta Wheat Pool and subsidiary companies as at July 31, 1975 and the consolidated statements of operations, earnings retained from prior years and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at July 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Calgary, Canada.
October 17, 1975.

CLARKSON, GORDON & CO.
Chartered Accountants.



Directors Report 1974-75

To the Shareholders
Canadian Co-operative Wheat Producers
Limited, Regina, Saskatchewan

Gentlemen:

This report to the Shareholders of Canadian Co-operative Wheat Producers Limited for the crop year 1974-75 will outline joint policy activities of the three Pool organizations, will discuss the world food situation from the farmers' viewpoint and will provide comment and statistics on production, delivery and domestic and export marketing of grains. The report will review some of the current problems of production and marketing of agricultural products in western Canada in the context of present inflationary trends in the Canadian and world economy.

The economic situation in Canada as it affects western Canadian farmers in 1975-76 contains elements of continued optimism, combined with some disturbing undercurrent and uncertainty about the future.

Although grain exports in 1974-75 were down by 5 percent it is expected that the farm income position will again reach record levels in 1975. However these projections must be qualified since a large portion of 1975 income is a result of record Canadian Wheat Board final payments and deferred grain settlements arising from grain produced and sold in 1973-74. Grain producers still face considerable uncertainty relative to the level of future prices and market prospects. The current crop year now looks increasingly promising as a result of large grain sales to the U.S.S.R. Beef cattle producers face continuing prospects for little or no profit over the next year or so. Improved prices for hog producers should restore a reasonable level of profitability to the hog industry.

While cash receipts have increased substantially, many of the inputs farmers require to carry on their production have increased by an even larger percentage. A continuation of this trend could place many farmers in a serious cost-price squeeze, particularly if commodity prices decline. The rapid escalation in land values and increasing levels of credit needed to finance land purchases could pose serious problems for future repayment.

Over the past two years there has emerged a greater recognition of the importance of agriculture and food production in the world. Farmers are capable of responding to meet the food needs of the world, provided their returns are compensatory. A major and important element in the food production chain is transportation to move farm commodities to export markets. During the past

two years grain exports have been hampered by strikes, and our reputation as a reliable supplier is at stake. The future for 6,283 miles of Prairie branch lines is currently under review and the outcome will have a significant bearing on the grain handling and transportation system that will evolve.

In this atmosphere of combined optimism and uncertainty in the fall of 1975 your Board dedicates itself, through the elected representatives of these major producer co-operatives, to continued leadership in finding solutions and providing services of benefit to farm families.

STRUCTURE AND ACTIVITIES

Structure

The Board of Canadian Co-operative Wheat Producers acts as a central organization for the three provincial Pools. It co-ordinates policy and action of the Pools on matters affecting the production, marketing of grain and the level of farm income in western Canada.

The Board consists of the President, Vice-Presidents, or Executive member, from each of the three organizations. Secretarial services are provided by the Secretary of the Saskatchewan Wheat Pool. This Board meets two or three times a year and the executive, consisting of the three Presidents, meets as the need arises.

The officers of Canadian Co-operative Wheat Producers elected at a meeting held in Winnipeg on February 25, 1975 were as follows:

Executive

E. K. Turner - Chairman
G. L. Harrold - Vice-Chairman
H. B. Sneath - Third Executive Member

Directors

H. B. Sneath	E. K. Turner
J. D. Deveson	D. M. Lockwood
W. W. Fraser	J. W. Marshall
G. L. Harrold	
A. J. Macpherson	
O. K. Rosenberger	

It is with the deepest regret that your Board advises of the untimely passing of Mr. O. K. Rosenberger. Mr. Rosenberger, Second Vice-President of the Alberta Wheat Pool, passed away at the age of 60 years on June 22, 1975.

Mr. G. W. Braithwaite was appointed to represent Alberta Wheat Pool, replacing Mr. Rosenberger.

Activities

Your Board of Directors took the following action and sponsored the following activities during the past year:

1. Continued membership in the C. D. Howe Research Institute with specific concern and involvement in the Canadian-American Committee.
2. Discussed the relationships of the Pool organizations with the Co-operative Union of Canada, the Canadian Federation of Agriculture and the International Federation of Agricultural Producers.
3. Approved membership in the Great Lakes Waterways Development Association and appointed Messrs. E. K. Turner and H. B. Sneath to represent the three Pool organizations.
4. Continued support for the Canadian Hunger Foundation. The Secretary is a member of the Board of Trustees of this organization.
5. Continued membership in the Canadian Council on 4-H Clubs and named L. M. Henwood of Manitoba Pool Elevators as representative.
6. Renewed support of the Western Rural Safety Conference with a grant towards 4-H Leaders' travelling expenses.
7. Provided a bursary, to the value of \$2,200, to be administered by the Co-operative College of Canada.
8. Continued sponsorship of the Flax Trophy at the Royal Agricultural Winter Fair in Toronto.
9. Maintained a corporate membership in the Canadian Water Resources Association.
10. Approved a grant towards publication of an Annual Wheat Newsletter, co-edited by the University of Manitoba.
11. Approved a corporate membership in the Canadian Institute of International Affairs.
12. Publicized a Grain Variety survey covering the three provinces during the current crop year.

Interprovincial Pools

The Boards of Directors of the three Pool organizations also met at semi-annual Interprovincial Board meetings. The January meeting reviewed recommendations from each of the three annual meetings of delegates, and discussed action on agricultural policy at Government levels. The July meeting considered the marketing situation for the current year. The highlights of operations of each of the Companies were reviewed for the Boards by the three General Managers.

Subjects that received close attention at the meetings included:

1. Labour problems at the West Coast noting one operating year in the last ten lost to labour interruptions, with one-third of this as a result of Terminal employee-management bargaining.
2. Establishment of an Oil Seeds Processing Consortium by the Alberta Wheat Pool.

3. Formation of CSP Foods Ltd. by Saskatchewan Wheat Pool and Manitoba Pool Elevators, after the Altona Co-operative Vegetable Oils amalgamation with Manitoba Pool Elevators.

4. Western Co-operative Fertilizers Limited expansion program.

5. Operations of XCAN Grain Ltd. in the export field.

The three Boards also held question and answer sessions with the Canadian Grain Commission and The Canadian Wheat Board. Strong representations were made to the Canadian Grain Commission to examine the feasibility of splitting the No. 3 Canadian Utility wheat grade on a quality basis.

Operations of Canadian Government Elevators and their value to the industry were discussed with the Commission. Strong objections were raised with the Commission with respect to tariff proposals at terminal and country elevators. Board members suggested that current Commission tariff proposals were designed to support operations of inland terminals to the disadvantage of companies with fully balanced operations.

The Canadian Wheat Board was advised that the three Pools were strongly in favour of applying the quota system to all grains to assure equity and proper car allocation among producers.

A Marketing Seminar was organized and conducted by staff members of the three Pools to review the marketing practices and policies of the three Pools and XCAN Grain Ltd. A general discussion followed on the papers submitted on marketing strategy in the marketing of grains, oilseeds and special crops. Areas of future collaboration and activity were identified.

POLICY FOR AGRICULTURE

The following areas of concern to producers in the three western provinces have been pursued in depth by your Board of Directors.

Grain Handling

The three Pool organizations will continue to give leadership in the development of grain handling systems having the capability to assemble and move Canadian grains to markets both in Canada and abroad with speed and efficiency, and without excessive cost to grain producers.

One of the main concerns is the future of the country and terminal elevator system. Rail line rationalization, rising costs, changing market conditions, and changing production patterns in agriculture are some of the principal factors to be considered. It is recognized that some changes are desirable, however the primary concern of your Board is that the interests of grain producers are properly recognized and protected in the future development of the system.

In recent years the three Pools have done a great deal to improve their elevator system by removing inefficient or uneconomic units. Recognizing that producers require adequate service

within a reasonable distance, the consolidation program has been accompanied by a program of renovation and reconstruction.

To develop a grain handling system that meets the needs of its member producers, your Board considers it important that grain handling facilities be owned and controlled by farmers.

Grain Marketing

The Board of CCWP supports the single selling agency role of The Canadian Wheat Board in the marketing of Western Canadian grain. Your Board is concerned about the erosion of the Wheat Board's marketing powers and the expansion of the open market for feed grain. It is incompatible to operate the two diverse systems parallel, with each system having partial control over the same grains.

The equity enjoyed by producers through the operation of the Wheat Board is lost when quotas are not uniformly applied or when grain is moved forward to meet futures contracts instead of real sales commitments.

There is a danger that export grains handled by the Board could become a residual movement in terms of priority within Canada, and destroy the effectiveness of the Board as a marketing agency.

On August 1, 1974 the Federal Government implemented a national Feed Grains Policy to take the place of the interim policy which had been in effect for the previous year.

The policy requires the Wheat Board to maintain supplies of feed grains for domestic buyers within Canada, and to give priority to them in preference to export buyers. Since futures market prices are said to be based on supply and demand, an assured supply tends to have a depressing effect on the price to feed grain producers. Feed buyers from across Canada are able to buy feed grains in the West from producers, by-passing The Canadian Wheat Board. At the same time the Wheat Board is expected to supervise and co-ordinate the movement of all grains.

This program has been imposed on farmers despite repeated warnings that it would result in increased administration costs, inefficient use of handling and transportation facilities, as well as opportunity for speculative profit and manipulation in the market place.

Your Board believes that the interest of both producers of feed grains in the Prairie region and consumers of these products in other regions, will not be well served by this imposed marketing change.

The three Pools will continue to press for a feed grains policy based on quota and marketing control through The Canadian Wheat Board.

Your CCWP Board holds the view that both producers and consumers of grains can benefit from the existence of a realistic and strong international agreement for the marketing of wheat and feed grains.

The Pool favours a stronger International Grains Agreement which requires a serious commitment by both exporting and importing countries. Future agreements should include both

wheat and feed grains and contain price provisions which can be periodically reviewed and are equitable for both producers and consumers. Provision for adequate reserve stocks should be recognized; however it should be noted that efforts to build grain reserves must take into consideration all the questions of how they are financed, when they are built up and when they are released, in order to avoid seriously undermining producer prices in periods of surplus.

Your Board was represented during the year at a special International Grains meeting called by IFAP, held in Winnipeg in January, 1975. The report from this meeting recommended that IFAP members in all countries contact their Governments to highlight the concern of producers that efforts to achieve world food security through building reserve stocks be integrated with efforts to achieve a meaningful International Grains Agreement with serious provisions for price and market stability.

Government Support for Agriculture

1. Grain income stabilization has been discussed for several years in Canada. In September 1974 the Federal Government prepared a working paper for discussion with farm organizations, outlining the details of a proposed Western Grain Stabilization Program.

The three Pool organizations took advantage of a visit of the Agricultural Committee of the House of Commons to Western Canada, to submit opinions individually in Winnipeg, Regina and Calgary, respecting the proposed Western Grain Stabilization Program. While farmer support for the Bill has been less than enthusiastic, some satisfaction was gained through the introduction of amendments to satisfy proposals put forward at these centres. The Bill is still before Parliament.

2. Minimum Carryover Policy for Grains

The grain marketing situation in the current year amply demonstrates the value of a reserve of grain to offset normal fluctuations in production caused mainly by weather variations.

When the new Feed Grains Policy was announced it made references to a grain storage program for up to 160 million bushels at an annual cost of \$40 million and to additional grain storage at the West Coast, interior terminals, Great Lakes, St. Lawrence and Maritime locations. However, no further details have been made available.

In the view of Pool organizations, the Federal Government should share with grain producers the cost of storing a carryover quantity of each grain necessary to meet anticipated market requirements, both domestic and export.

3. Guaranteed Domestic Price for Wheat

Your Board holds the view that the price paid to producers for wheat consumed on the domestic market should be related to the cost of production, plus a reasonable return for labour and management.

As provided for in the legislation, the agreement between the Federal Government and The Canadian Wheat Board on the domestic price of

wheat for food use in Canada and the present consumer subsidy level should be immediately revised to reflect changes in production costs.

Transportation

1. National Transportation Policy

On June 16, 1975 the Hon. Jean Marchand tabled his recommendations related to changes in the Canadian Transportation Policy. Many of the recommendations will require new legislation. It would appear that the new policy has correctly identified some of the shortcomings of the National Transportation Act. The general philosophy of the new policy is best indicated by a direct quotation from the Minister's statement:

"Canada is a mix of both developing and economically mature regions, of both frontier and market place. Similarly, transportation is a range of services, varying as to degree of competition and maturity. Many services are just developing as new regions are opened or as new technology is introduced. Given the nature of commodities moving and the geography over which they are transported, many services will never face a significant degree of competition. An approach is required that takes into account to a much greater extent than does the present National Transportation Act, the variety of services and the varying degrees of competition that exists."

Canadian Co-operative Wheat Producers maintain that an adequate and economical transportation system is essential to the development of the Prairie economy and that the lack of an effective National Transportation Policy has contributed to current problems and freight rate inequities which exist in Western Canada.

Your Board considers it vitally important for the Federal Government to proceed with the desirable changes in the National Transportation Act. These changes should recognize the following principles:

- (i) Freight rates which encourage maximum processing of primary products in the region of production, and which will protect the interest of captive shippers.
- (ii) Sufficient rolling stock and motive power to ensure adequate rail capability to move anticipated volumes of Canadian commodities.
- (iii) Maintenance of a rail network adequate for the needs of Western Canada.
- (iv) Integration of railway operations to the extent required to assure efficient and reliable rail transportation in Western Canada.

2. Railway Rationalization

On December 23, 1974 the Federal Government made an important announcement about the future of the Prairie rail line network. The statement designated three major categories of rail lines on the Prairies.

Category 1: consists of 12,423 miles on the Prairies which are guaranteed to the year 2000.

Category 2: consists of 6,283 miles. The lines in this category are guaranteed until December 31, 1975. The future of these lines is to

be determined through examination of regional enquiries.

Category 3: consists of 525 miles on the Prairies which are no longer used and which are to be referred to the Canadian Transport Commission for a decision in 1975.

On May 13, 1975 the Federal Government named the members of a Commission on Prairie Grain Handling and Transportation, under the chairmanship of Hon. Emmett Hall. The Commission will hold hearings throughout the Prairie area, at which interested people and organizations will be given an opportunity to present their views about the future of the Category 2 lines.

The three Pools support the development of a rationalization program for the rail network in Western Canada based on examination of transportation needs on a regional basis, rather than line by line, in response to application by the railway companies to abandon individual branch lines.

Each of the Pools has undertaken an extensive amount of research on the rail system, in an attempt to determine what sort of rail network is needed to adequately serve the transportation requirements of its members.

Your Board believes that the Government of Canada should clearly indicate its commitment to several key policy objectives in order that the Hall Commission and the people of Western Canada can address themselves to the task of identifying the nature of rail service required for the future.

These issues include:

1. A clear commitment to continuation of the present statutory grain rates.
2. A commitment for provision of necessary capital investment to upgrade and maintain the rail system which is determined to be essential for service to the region.
3. A commitment to the removal of bottlenecks which have already been identified as causing serious inadequacies in the transportation system between the Prairie region and the port areas.

On May 13, 1975 the Federal Government appointed a Commission under the chairmanship of C. M. Snavely to examine the cost of transportation of grain by rail which is subject to statutory rates. The results of this study will be made available to the Government and the Hall Commission before any decisions are made on Category 2 lines. The Pools have made proposals to the Snavely Commission regarding the techniques and costing procedures used and have employed a consultant to assist in placing the position of the Pools before the Commission.

Your Board is committed to the retention of the present statutory grain rates, although recognizing that the railways may need additional revenue to meet necessary levels of capital investment required in the years ahead. On the condition that the Crow's Nest Pass rates for grain are maintained, the Pools will support other forms of assistance to the railways such as:

- (i) Purchase of hopper cars by producers and Government.

- (ii) Government assistance for repair of box-cars.
- (iii) Improvement in efficiency of railway operation in the Prairie area through measures such as reduced numbers of country elevators and increased car spotting capacity at remaining elevators.
- (iv) Federal Government responsibility for upgrading and maintenance of needed railway roadbeds.
- (v) A continuation of branch line subsidies to maintain essential service on lines which are considered uneconomic.

Industrial Disputes

From time to time, over the years, the movement of grain to markets has either been slowed or stopped by disputes between labour and management. In addition, strikes have at times caused extended disruption in the supply of services or

transportation of products required by farmers. The increasing frequency and duration of these disputes is upsetting the rhythm of grain movement and Canada's reputation as a reliable supplier of export grain has already been damaged. There is evidence that the Canadian economy is moving into an era of increased confrontation between labour and management as indicated by the number of lost man days due to strikes and lock-outs. In the calendar year of 1974 a total of 9.25 million man days were lost in Canada due to strikes, an increase of 60 percent and the second worst record in the Western world, next to Italy. In the first quarter of 1975 the Canadian record has not improved, with 1.31 million days lost compared to 1.12 million at the same date in 1974.

The following table supplied by the B.C. Grain Shippers' Clearance Association shows stoppages of grain movement from 1965-75 through the Port of Vancouver:

Year	Strike	Duration	Days on Strike	Days Lost For Year
1965	Grain Handlers Union/A.W.P.	June 2 — July 15	43	
	Grain Handlers Union/Vancouver Terminals	July 15 — Aug. 16	32 =	75
1966	Employees CPR & CNR.....	Aug. 26 — Sept. 6	11	
	Local 514 ILWU (Foremen).....	Nov. 17 — Dec. 9	22 =	33
1967	Nil			0
1968	Nil			0
1969	ILWU Longshoremen	Sept. 25 — Nov. 10	47 =	47
1970	ILWU Longshoremen.....	Feb. 6 — Feb. 12	6	
	ILWU Longshoremen.....	Mar. 30 — Mar. 31	2 =	8
1971	Employees CPR & CNR.....	Jan. 27 — Feb. 3	7 =	7
1972	ILWU Longshoremen Work Stoppage	Aug. 7 — Aug. 23	16	
	ILWU Longshoremen Strike	Aug. 23 — Sept. 4	12 =	28
1973	B.C. Coast Pilots	Feb. 16 — Feb. 20	4	
	Employees CPR & CNR.....	July 28 — Sept. 10	44 =	48
1974	Grain Handlers Union	Aug. 26 — Oct. 10	45	
	Federal Government Grain Inspectors.....	Oct. 28 — Oct. 29	2	
	Federal Government Grain Inspectors.....	Nov. 23 — Dec. 4	11 =	58
1975	Federal Government Samplers & Weighmen.....	Feb. 17 — Mar. 24	35	
	ILWU Longshoremen	Mar. 1 — Mar. 27	26	
	Local 514 ILWU (Foremen).....	Mar. 22 — Mar. 27	5 =	38
TOTAL NUMBER OF DAYS LOST 1965-75.....				342 days
AVERAGE NUMBER OF DAYS LOST PER YEAR..				31 days
TOTAL DAYS ON STRIKE.....			370 Days	

	Private Grain Trade	Federal Govt. Grain Employees	Longshore Employees	Maritime Employees	Railway Employees	Total
Total Days on Strike by	120	48	136	4	62 =	370 Days
Percentage of Blame.....	32%	13%	37%	1%	17%	100%

The Board of CCWP would recommend a complete re-examination of the collective bargaining process and of labour legislation in Canada, with a view of implementing changes which would bring improvement and be supported by the parties involved.

Inflation

No effective measures have yet been taken in Canada to control inflation. An effort is being expended in developing techniques to cope with inflation such as indexing of transfer payments and cost of living clauses in labour contracts, but there has been little action to control and reduce inflation. The effect of inflation falls most heavily on those groups in Canada whose incomes are relatively fixed and on those who depend on export markets. Farmers, as a group, are particularly sensitive to the effects of inflation because they are often unable to pass on the rising costs of items they use in production. While prices for some agricultural products in Canada have been buoyant, the benefit to producers is being reduced by sharply rising costs of goods and services. Statistics Canada Farm Input Price Index at the end of the first quarter of 1975 was 12 percent higher than the year earlier and 31 percent higher than at the same time two years ago.

If the Canadian Government finds itself unable to control inflation more effectively than it has done to date, it should introduce a program of agricultural price supports at realistic levels subject to periodic adjustment to take account of change in relative costs and prices in the Canadian economy.

WORLD FOOD GRAIN SITUATION

This review of the crop year 1974-75, for the shareholders of Canadian Co-operative Wheat Producers Limited, includes comment on the world food situation as outlined at the World Food Conference in Rome in November, 1974, some of the discussions of the International Wheat Council and an analysis of recent statistics on grain production and marketing at home and abroad.

World Food Conference

The most important accomplishment of the World Food Conference was to focus public attention on the problem. Governments of the world tend to move only when public opinion forces them to do so. There is currently widespread concern about the future of food production in the world and whether it will be adequate to meet the needs of mushrooming world population.

Another accomplishment was the result of a meeting of the exporting nations with FAO Secretary General A. H. Boerma. Agreement was reached that countries with surplus grain would hold back from commercial sales sufficient to

meet food aid needs in Bangladesh, India, Pakistan, Nigeria, Sri Lanka and twenty-four other countries where severe malnutrition problems exist. In simple terms, this means there is no real reason for starvation anywhere in the world, though snags can and will develop in moving the grain to hungry people.

The Food Conference also agreed on a continuing program of food aid to maintain adequate nutrition until the recipient countries either become self-sufficient in food production or come as close to it as possible.

The Conference helped focus attention on the fact that unless farmers receive an adequate income, production of food isn't likely to increase.

There will still be pressure on Governments to keep consumer prices reasonable and to check inflation, but there were encouraging indications at Rome that the role of the food producer is to be upgraded in the eyes of the world.

International Wheat Council

The International Wheat Council Meeting later in the year recommended to participating countries the extension of the 1971 International Wheat Agreement for one more year to June 30, 1976. The Council said the requirements were satisfied for entry into force of the two protocols, the Wheat Trade Convention and the Food Aid Convention which constitute the 1971 Agreement. Member countries agreed to the extension for one more year.

The objectives of the Wheat Trade Convention, 1971 are, in brief:

- (i) To further international co-operation in connection with world wheat problems;
- (ii) To promote the expansion of international trade in wheat and wheat flour;
- (iii) To contribute to the fullest extent possible to the stability of the international wheat market;
- (iv) To provide a framework for the negotiation of a new International Wheat Agreement.

An important feature of the Wheat Trade Convention is the work of the Advisory Subcommittee on market conditions, which keeps the world market situation under continuous review. The results of these reviews are released to the public in the form of monthly reports. There are at present forty-eight members, including nine exporting members, thirty-eight importing members and the European Economic Community, with its nine member States, which is both an exporting and an importing member.

The Food Aid Convention - 1971 is the successor to the Food Aid Convention - 1967, which came into effect on July 1, 1968 as part of the International Grains Arrangement, 1967. The parties to the Convention agreed to contribute food aid to developing countries in the form of wheat, coarse grains or products derived therefrom, suitable for human consumption, or the cash equivalent thereof. The minimum annual contributions of the nine donor members for the current year (1975-76) are as follows:

	Metric Tonnes
Argentina.....	23,000
Australia.....	225,000
Canada.....	495,000
European Economic Community.....	1,287,000
Finland.....	14,000
Japan.....	225,000
Sweden.....	35,000
Switzerland.....	32,000
United States of America.....	1,890,000
Total.....	<u>4,226,000</u>

Since the inception of the Food Aid Convention on July 1, 1968 over 27 million tonnes of food aid, in terms of wheat equivalent, have been supplied under its provisions to about ninety developing countries in Africa, Asia and Latin America. Part of the aid is channelled through multilateral organizations, such as the World Food Program. The obligations under the Convention have been maintained despite the substantial increases of latter years in world prices of wheat and other grains.

The preparatory group of the Council continued examination of various ideas which could probably provide bases for a new International Arrangement to replace the current International Wheat Agreement. Among the major topics discussed was an internationally administered system of nationally held grain stocks and possible mechanisms for establishing and releasing these.

Sixty million tonnes were proposed as a global grain reserve at the November World Food Conference in Rome. Opinion since then seems to have centred on a stock of between thirty and thirty-five million tonnes of basic food grains, comprising of wheat, rice and coarse grains for food, as providing an adequate buffer against serious world shortages.

Grain Acreage, Yield and Production

(Tables 1 and 2)

Wheat acreage in Canada in 1975 was 23.4 million acres or 1.3 million acres more than in 1974. The average yield was 25.4 bushels per acre compared with 22.1 bushels last year so that total production in 1975 is estimated at 595 million bushels or about 106 million bushels more than the 1974 level of 489 million bushels.

The 1975 wheat acreage on the Prairies was 22.8 million acres or 1.3 million acres more than in 1974. The average yield in 1975 was 24.8 bushels per acre, up from 21.6 bushels per acre in 1974. Expected wheat production in 1975 is 566 million bushels or about 100 million bushels more than in 1974.

Canadian oats production in 1975 is estimated at 293 million bushels compared with 255 million bushels in 1974. The 1975 oats production on the Prairies is estimated at 232 million bushels compared with 198 million bushels last year.

Production of barley in Canada in 1975 is estimated at 427 million bushels compared with 404 million bushels in 1974. Prairie barley production in 1975 is estimated at 397 million bushels compared with 379 million bushels last year. The projected 1975 Prairie barley yield, at 38.2 bushels

per acre, is significantly higher than the 1974 yield of 33.8 bushels per acre.

Canadian rye production in 1975 is estimated at 20 million bushels compared with 19 million bushels last year. Rye production on the Prairies in 1975 is estimated at 18 million bushels compared with 17 million bushels last year.

Canadian flaxseed production in 1975 is estimated at 18 million bushels compared with 14 million bushels last year. Virtually all of Canadian flaxseed production is in the Prairie Provinces.

Canadian rapeseed production in 1975 is estimated at 74 million bushels compared with 51 million bushels last year. Rapeseed production on the Prairies in 1975 is estimated at 72.5 million bushels compared with 50 million bushels last year.

Grain Deliveries from Western Canada

(Table 3)

Deliveries of grain from farms in the Prairie Provinces during the 1974-75 crop year were 693.2 million bushels compared with 877.1 million in 1973-74. Deliveries of all grains with the exception of rye, showed a sharp decline in the year under review. A large percentage of the grain produced and marketed during the past year was of poorer quality due to frost damage and excessive moisture during the harvest season in 1974.

Grain Stocks in Canada (Tables 4, 5 and 6)

Canadian grain stocks at the 31st July 1975 of 583.2 million bushels, are in excess of 100 million bushels lower than the carryover from 1974. This is by far the lowest level of grain carryover at year-end and is significantly below the approximate 900 million bushel average for the previous ten years.

Tables 5 and 6 show estimates of the amount of grain stocks held on Canadian and Prairie farms at the 31st July 1975. Of the total 184 million bushels estimated to be on Canadian farms at that date, 158 million bushels were on the farms in the Prairie Region.

Canadian Grain Exports (Tables 7, 8, 9 and 10)

Exports of Canadian wheat and flour, oats, barley, rye, flaxseed and rapeseed at 567.9 million bushels was reduced sharply from the all-time record set in 1972-73 of 821.6 million bushels. Exports of spring wheat at 323.5 million bushels were significantly reduced below the record export level of 492.8 million bushels set in 1972-73 and also well below the ten-year average of 378.1 million bushels for the 1964-65 to 1973-74 crop years. All other grains showed the same trends in export except that exports of Durum wheat and barley did exceed the ten-year average.

Tables 8, 9 and 10 provide information on grain exports, port handlings and destinations of exports by major regions and countries. It should be noted that Japan continues to be by far the largest importer of Canadian grains, oilseeds and wheat flour, with the People's Republic of China in second place.

CONCLUSION

This annual report is prepared in the hope that it will help elected leaders in the three Pools, and others concerned with the state of the Prairie grain economy, to understand the current situation and to develop services and policies which will benefit the producer.

It continues to be evident that application of co-operative principles to economic areas is as sound and as necessary for producers today as at any time in history. The challenge is to keep the farmer-owner of these enterprises interested and informed so that he participates effectively in the direction of these organizations. In the final analysis this is a unique feature of a co-operative enterprise as compared to other forms of ownership.

Farmers, like all others in our modern society, are faced with a constant flow of conflicting information and advice. Your Board believes that increasing attention must be given to the communications and involvement process with members.

During the year under review, Manitoba Pool Elevators completed its 50th year of operations

on behalf of farmers and their families in that province. It is appropriate that all the shareholders now turn their attention to the next period of history.

Joint activities in the policy area and the development of jointly owned enterprises such as WCFL, XCAN Grain Ltd. and CSP Foods Ltd., appear to be the challenges in years to come.

Action to protect the interests of producers on such basic questions as the freight rate structure for export grains, and the subsequent redevelopment of the rail network and of the grain handling system, will require the closest co-operation between the Pools.

Your Board will continue to identify and to pursue common objectives and goals in a coordinated manner wherever it is evident that members will benefit from such an approach.

Respectfully submitted,

E. K. Turner

G. L. Harrold

H. B. Sneath

J. D. Deveson

W. W. Fraser

D. M. Lockwood

J. W. Marshall

A. J. Macpherson

G. W. Braithwaite

Executive

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TABLE 1

GRAIN: ACREAGE, YIELD, PRODUCTION — CANADA 1975 (August Estimate) and 1974 (Revised)

	Acreage (Millions)	Yield (Bushels per Acre)	Prod. (Million bushels)	Acreage (Millions)	Yield (Bushels per Acre)	Prod. (Million bushels)
Wheat	23.4	25.4	595.0	22.1	22.1	488.5
Oats for Grain	6.2	47.6	293.1	6.1	41.7	254.7
Barley for Grain	11.0	38.7	426.8	11.8	34.3	404.3
Rye	0.8	25.5	20.1	0.8	22.4	18.9
Flaxseed	1.4	12.6	17.7	1.5	9.5	13.8
Rapeseed	4.0	18.3	73.7	3.2	16.2	51.3

Source: Statistics Canada, 22-002

TABLE 2

GRAIN: ACREAGE, YIELD, PRODUCTION PRAIRIE PROVINCES 1975 (August Estimate) and 1974 (Revised)

	Acreage (Millions)	Yield (Bushels per Acre)	Prod. (Million bushels)	Acreage (Millions)	Yield (Bushels per Acre)	Prod. (Million bushels)
Wheat	22.8	24.8	566.0	21.5	21.5	465.0
Oats for Grain	4.9	47.8	232.0	4.8	41.2	198.0
Barley for Grain	10.4	38.2	397.0	11.2	23.8	379.0
Rye	0.7	25.0	18.2	0.8	22.0	17.4
Flaxseed	1.4	12.6	17.7	1.5	9.5	13.8
Rapeseed	4.0	18.4	72.5	3.1	16.3	50.4

Source: Statistics Canada, 22-002

TABLE 3

PRODUCER MARKETINGS, PRAIRIE PROVINCES 1st August to 31st July 1970-75

(Millions of Bushels)

	1970-71	1971-72	1972-73	1973-74	1974-75 (1)
Wheat	384.3	517.5	633.3	536.3	404.0
Oats	58.3	32.3	32.5	39.8	36.3
Barley	235.9	295.5	236.8	235.1	195.4
Rye	11.6	15.5	9.3	7.4	9.3
Flaxseed	33.7	21.6	18.3	15.4	10.1
Rapeseed	61.5	69.8	62.9	43.8	38.1
Total	785.3	952.2	993.1	877.8	693.2

(1) Preliminary

Source: Canadian Grain Commission
Grain Statistics Weekly

TABLE 4

CARRYOVER STOCKS OF GRAIN IN CANADA (1) at 31st July 1973-75 and 1963-72 Average

(Millions of Bushels)

	Average 1963-72	1973	1974	1975(2)
Wheat	630.1	365.4	385.7	296.3
Oats	128.7	79.7	77.4	70.5
Barley	139.6	193.0	208.4	178.6
Rye	9.4	10.3	10.5	12.6
Flaxseed	9.9	7.7	7.9	8.1
Rapeseed	—	20.7	12.4	17.1
Total	917.7	676.8	702.3	583.2

(1) Excluding Newfoundland

(2) Preliminary

Source: Statistics Canada,
Stocks of Canadian Grain at 31st July 1975.

TABLE 5

FARM STOCKS ALL GRAINS IN CANADA at 31st July 1973-75

(Millions of Bushels)

	1973	1974	1975
Wheat	115.0	96.0	75.0
Oats	65.0	58.0	48.0
Barley	88.0	66.0	51.0
Rye	1.6	2.5	3.5
Flaxseed	0.6	1.5	2.5
Rapeseed	0.4	1.5	4.0

Source: Statistics Canada,
Stocks of Canadian Grain at 31st July 1975.

TABLE 6

CARRYOVER STOCKS OF GRAINS ON FARMS PRAIRIE PROVINCES at 31st July 1973-75

(Millions of Bushels)

	1973	1974	1975
Wheat	115.0	90.0	70.0
Oats	50.0	45.0	35.0
Barley	72.0	60.0	45.0
Rye	1.6	2.5	3.5
Flaxseed	0.6	1.5	2.5
Rapeseed	0.4	1.5	4.0

Source: Statistics Canada,
Stocks of Canadian Grain at 31st July 1975.

TABLE 7
EXPORTS OF ALL GRAINS AND WHEAT FLOUR
(Millions of Bushels)

	1974-75 (1)	1973-74	10-Year Average 1964-65 to 1973-74
Wheat (Except Durum)	323.5	353.8	378.1
Durum Wheat	52.3	46.5	36.4
Flour	19.1	18.8	27.0
Wheat and Flour	394.9	419.1	441.5
Oats	1.4	0.8	7.5
Barley	130.2	118.6	93.2
Rye	4.8	4.6	6.8
Flaxseed	10.5	15.5	17.7
Rapeseed	26.1	39.2	26.8
Total	567.9	597.8	593.5

(1) Preliminary.

Source: Canadian Grain Commission,
Exports of Canadian Grain and Wheat Flour.

TABLE 8
SEABOARD HANDLINGS, ALL GRAINS
(Millions of Bushels)

Port:	1974-75	1973-74	1972-73
Pacific	209.8	252.7	349.0
St. Lawrence	238.8	248.9	336.5
Atlantic	29.7	22.3	34.8
Churchill	22.7	18.8	25.3
Thunder Bay (Direct)	31.6	20.2	36.7

Source: Canadian Grain Commission,
Exports of Canadian Grain and Wheat Flour.

TABLE 9
MAJOR IMPORTERS OF CANADIAN GRAINS, OILSEEDS AND WHEAT FLOUR
(Millions of Bushels)

	1974-75	1973-74	1972-73
Japan	105.8	133.3	133.0
People's Republic of China	82.4	53.7	153.3
United Kingdom	61.0	49.5	58.4
Italy	54.5	43.4	64.2
Brazil	31.6	30.9	15.6
Others	232.6	286.9	397.2
Total	567.9	597.7	821.7

Source: Canadian Grain Commission,
Exports of Canadian Grain and Wheat Flour.

TABLE 10
EXPORTS OF CANADIAN WHEAT (EXCEPT DURUM) TO MAJOR IMPORTERS
(Millions of Bushels)

	1974-75	1973-74	10-Year Average 1964-65 to 1973-74
People's Republic of China	82.4	53.7	78.9
United Kingdom	56.7	44.4	57.4
Japan	43.3	62.3	48.4
Brazil	31.6	30.9	7.6
India	13.5	18.1	20.4
Others	96.0	144.4	165.4
Total	323.5	353.8	378.1

Source: Canadian Grain Commission,
Exports of Canadian Grain and Wheat Flour.

TABLE 11
FARM CASH RECEIPTS FROM FARMING OPERATIONS THREE PRAIRIE PROVINCES
(In Thousand Dollars)

	1972	1973	1974
Wheat	\$ 799,317	\$ 842,336	\$1,454,886
Wheat, CWB Payments	118,426	325,795	479,086
Oats	21,512	25,148	39,298
Oats, CWB Payments	5,314	12,861	—
Barley	209,347	218,230	399,776
Barley, CWB Payments	2,966	100,800	96,069
CWB Cash Advances	23,249	29,947	48,106
CWB Cash Advance Repayments	(50,698)	(23,476)	(36,684)
Deferred Grain Receipts	—	(305,246)	(566,360)
Liquidation of Deferred Grain Receipts	—	—	305,246
Rye	11,929	19,570	23,945
Flaxseed	53,716	119,063	134,862
Rapeseed	151,220	252,278	335,631
Other Crops	79,370	130,099	165,148
Total Crops	\$1,425,668	\$1,747,405	\$2,879,009

Cattle and Calves	\$ 628,245	\$ 813,069	\$ 782,965
Hogs	247,556	366,934	315,290
Sheep and Lambs	3,973	4,729	4,764
Other Livestock and Products	215,694	287,962	325,187

Total Livestock	\$1,095,468	\$1,472,694	\$1,428,206
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Other Sources (1)	\$ 86,832	\$ 86,353	\$ 63,619
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Total Cash Receipts	\$2,607,968	\$3,306,452	\$4,370,834
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TOTAL CANADA (2)	\$5,463,322	\$6,801,106	\$8,448,140
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(1) Includes supplementary and deficiency payments, forest and maple products

(2) Except Newfoundland

Source: Statistics Canada, Farm Cash Receipts.

TABLE 12
TOTAL NET FARM INCOME (1)
1965-1974
(In Million Dollars)

	Three Prairie Provinces	Canada Except Newfoundland
1965	\$ 958.4	\$1,566.7
1966	1,118.3	1,948.8
1967	792.2	1,475.3
1968	989.0	1,710.1
1969	803.4	1,564.3
1970	640.8	1,421.1
1971	1,009.7	1,680.2
1972	927.8	1,846.4
1973	2,045.4	3,343.9
1974	2,342.7	3,783.0

(1) Takes account of changes in inventory.

Source: Statistics Canada, Farm Net Income, 1974.

TABLE 13
FARM CREDIT ACT, LOANS APPROVED PRAIRIE PROVINCES
(Thousands of Dollars)

Province	Fiscal Year 1973-74		Fiscal Year 1974-75	
	No.	Amount	No.	Amount
Alberta	1,580	\$ 73,560.0	1,526	\$78,923.8
Saskatchewan	2,527	106,380.6	1,932	88,193.2
Manitoba	744	27,518.1	682	28,136.9

Source: Farm Credit Corporation
Annual Report

TABLE 14

**FARM CREDIT ACT, LOANS APPROVED
FOR ALL CANADA**

(Thousands of Dollars)

Year	Number	Amount
1970-71	4,117	\$115,213.3
1971-72	4,035	114,715.8
1972-73	5,296	186,276.2
1973-74	9,041	400,658.1
1974-75	8,093	398,814.1

Source: Farm Credit Corporation,
Annual Report

TABLE 15

**FARM SYNDICATES CREDIT ACT
LOANS APPROVED 1974-75
and 1970-71 to 1974-75**

(Thousand Dollars)

Province	Fiscal Year 1974-75		1970-71 to 1974-75	
	No.	Amount	No.	Amount
British Columbia	3	\$ 203.3	13	\$ 424.7
Alberta	73	1,141.7	270	3,683.0
Saskatchewan	9	176.5	35	443.0
Manitoba	34	376.6	151	2,551.2
Ontario	73	1,389.7	218	4,379.5
Quebec	37	710.9	141	2,370.1
New Brunswick	1	11.9	2	19.4
Nova Scotia	—	—	3	15.1
Prince Edward Island	4	90.4	11	199.8
Newfoundland	—	—	—	—
CANADA	234	\$4,101.0	844	\$14,085.8

Source: Farm Credit Corporation,
Annual Report

TABLE 16

**WORLD WHEAT: ACREAGE, YIELD, PRODUCTION
SELECTED YEARS**

Year	Area (Million Hectares)	Yield (Quintals/Ha.)	Production (Million Metric Tonnes)
1965-66	214.0	12.2	262.2
1966-67	215.4	14.2	305.0
1967-68	220.7	13.4	294.5
1968-69	225.6	14.5	326.5
1969-70	216.1	14.3	308.1
1970-71	207.2	15.0	311.7
1971-72	212.9	16.2	344.0
1972-73	211.9	15.9	336.9
1973-74	219.6	16.7	366.8
1974-75 (Provisional) ..	224.7	15.5	348.1

Source: International Wheat Council,
World Wheat Statistics

TABLE 17

**WORLD WHEAT: CARRYOVER STOCKS
OF WHEAT AT END OF CROP YEAR
EXPORTING COUNTRIES (1)**

(Million Metric Tonnes)

Year	Stocks
1964-65	47.4
1965-66	35.7
1966-67	37.6
1967-68	45.5
1968-69	64.6
1969-70	67.3
1970-71	52.0
1971-72	51.8
1972-73	29.0
1973-74	27.2

(1) Includes Argentina, Australia, Canada, United States, Spain, Sweden and the EEC. Data for the EEC includes the original six members to 1967-68 and the nine members thereafter.

Source: International Wheat Council,
World Wheat Statistics

TABLE 18

**WORLD EXPORTS OF WHEAT AND
WHEAT FLOUR**

Year	Amount (Million Metric Tonnes)
1964-65	50.5
1965-66	62.0
1966-67	55.8
1967-68	51.2
1968-69	45.7
1969-70	50.7
1970-71	54.3
1971-72	52.5
1972-73	68.3
1973-74 (Provisional) ..	63.1

Source: International Wheat Council,
World Wheat Statistics

TABLE 19

PRAIRIE GRAIN CASH ADVANCES

Year	Number of Loans	Amount Advanced
1958-59	45,341	\$ 34,369,653
1959-60	52,356	39,518,344
1960-61	76,089	63,912,550
1961-62	22,342	16,656,713
1962-63	39,683	29,251,526
1963-64	63,427	62,136,418
1964-65	38,375	32,961,844
1965-66	43,505	40,600,386
1966-67	36,953	36,668,270
1967-68	45,810	47,280,533
1968-69	113,491	151,852,319
1969-70	122,080	272,777,516
1969-70 (1)	1,086	1,204,852
1970-71	51,332	91,105,890
1971-72	34,303	68,142,360
1972-73	9,092	20,754,104
1973-74	12,510	35,196,387
1974-75	14,136	46,635,399

(1) Provisional Advance due to the delayed harvest in northern Alberta.

Source: Canadian Wheat Board.



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