

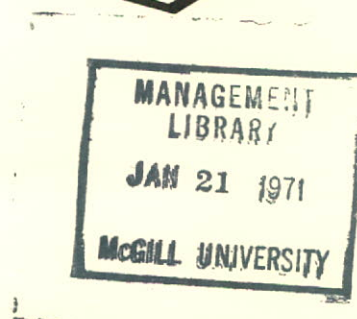
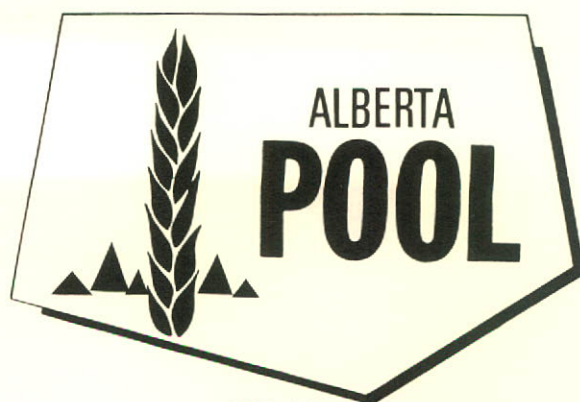
ALBERTA WHEAT POOL ■ ANNUAL REPORT 1970

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ALBERTA WHEAT POOL • ANNUAL REPORT 1970



ALBERTA WHEAT POOL

board of directors

G. L. HARROLD, *Lamont — President*
NELSON MALM, *Vauxhall — 1st Vice-President*
A. J. MACPHERSON, *Delia — 2nd Vice-President*
KEITH ROSENBERGER, *Balzac*
G. W. BRAITHWAITE, *Red Deer*
ARNE JOHNSON, *Camrose*
HUBERT N. ANDERSON, *Barrhead*

O. J. BROUGHTON, *Secretary*

officers and head office personnel

J. W. MADILL, *General Manager*
J. B. GANT, *Grain Operations Manager*
H. E. RIPLEY, *Elevator Operations Manager*
R. S. ENNIS, *Sales & Traffic Manager*
L. J. TRELEAVEN, *Construction & Maintenance Manager*
R. A. FINDLAY, *Seed & Fertilizer Manager*
T. G. HENDRY, *Treasurer*
R. G. PALMER, *Comptroller*
A. W. BEATTIE, *Public Relations Manager*

branch managers

H. K. MOEN, *Vancouver*
C. F. USHER, *Victoria Elevator Ltd.*
M. G. WOOD, *Winnipeg*
J. E. PARKS, *Edmonton*

solicitors

MacKIMMIE MATTHEWS

auditors

CLARKSON, GORDON & COMPANY

bankers

BANK OF MONTREAL
THE BANK OF NOVA SCOTIA
THE ROYAL BANK OF CANADA

HEAD OFFICE — Alberta Wheat Pool Building, 505 - 2nd Street S.W., Calgary 1, Alberta

DELEGATES

Lethbridge — District One

101	Gogolinski, B.	Orion
102	Norris, Fred A.	Warner
103	Kuehn, Herbert C.	Skiff
104	Dudley, George T.	Magrath
105	Patching, Harry R.	Stirling
106	Williams, Kenneth	Taber
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 Jesse	Claresholm
203	Coote, Donald H.	Cayley
204	Versluys, C. J.	Champion
205	Jacobsen, Norman	Arrowwood
206	Christofferson, Karl B.	Brant
207	Brander, John A.	Langdon
208	Schmaltz, C. M.	Beiseker
209	Clayton, Clifford S.	Airdrie
210	Richards, Ralph E.	Olds

Drumheller — District Three

301	Muza, John E.	Empress
302	Curry, Lyall A.	Sunnynook
303	Volek, J.	Tilley
304	Axelsen, Eric	Wayne
305	Burne, G. W.	Gleichen
306	Cammaert, Emile J.	Rockyford
307	Olsen, Harvey W.	Three Hills
308	Hoppins, Frank J.	Huxley
309	Adie, John L.	Drumheller
310	Nelson, Norman E.	Craigmyle

Red Deer — District Four

401	Warwick, Ernest	Oyen
402	Smith, George F.	Provost
403	Schwenk, Herman D.	Coronation
404	Turner, H. H.	Alliance

405	McCormick, J. E.	Byemoor
406	Petersen, Leslie M.	Erskine
407	Stone, John J.	Alix
408	Johnson, K. K.	Red Deer
409	Liivam, August	Eckville
410	Wheeler, S. M. R.	Ponoka

Camrose — District Five

501	Redmond, D. R.	Edgerton
502	Dobson, Parke	Paradise Valley
503	Jackson, E. R.	Irma
504	Flaade, Bennie Alfred	Hardisty
505	Lefsrud, Harald	Viking
506	Christians, William H.	Donalda
507	Drummond, Alexander	New Norway
508	Pepper, Clifford G.	Ohaton
509	Ness, Ingvald	Kingman
510	Rasmuson, Clarence H.	Gwynne

Vegreville — District Six

601	Golightly, Robert C.	Streamstown
602	Peden, Ronald H.	Minburn
603	Goshko, M. D. Russell	Vegreville
604	Ropchan, Mike	Willingdon
605	Galloway, Kenneth D.	Ft. Saskatchewan
606	Ziegler, Alex	Winterburn
607	Montpetit, Paul M.	Legal
608	Melnyk, Henry	Smoky Lake
609	Lamothe, Armand	St. Paul
610	Davidiuk, William	Grassland

Peace River — District Seven

701	Parrent, Fred J.	Clyde
702	Rimmer, Laurence	Pibroch
703	Hallowes, Arthur W.	Sangudo
704	Galigan, Douglas	Culp
705	Gummer, Howard F.	Buffalo Lake
706	Olson, I. H.	Beaverlodge
707	Vandergrift, Lloyd F.	Dawson Creek
708	Dufour, Gerard M.	Spirit River
709	Lorencz, Nick M.	Manning
710	Proctor, C. M.	Fairview

1969 - 70 REPORT HIGHLIGHTS AND COMPARISONS

	1970	1969
Handlings — Country Elevators, in bushels	93,579,147	81,112,978
Forage Seed, in pounds	10,723,792	14,240,961
Cereal Seed, in pounds	30,837,862	40,110,581
Percentage of Alberta Grain Deliveries Handled	46.4%	44.6%
Gross Value of Board Deliveries and Other Sales	\$127,144,885	\$127,177,052
Seed and Fertilizer Sales (included above)	\$ 9,783,362	\$ 13,951,797
Total Revenues	\$ 23,726,960	\$ 21,225,160
Total Expenses	\$ 17,114,107	\$ 15,619,774
Capital Cost Allowances	\$ 2,589,557	\$ 2,832,423
Net Earnings	\$ 4,023,296	\$ 2,772,963
Current Assets	\$ 64,693,996	\$ 72,728,124
Current Liabilities	\$ 58,598,201	\$ 66,791,747
Working Capital	\$ 6,095,795	\$ 5,936,377
Capital Expenditures on Properties and Equipment	\$ 2,830,255	\$ 7,260,935
Total Invested in Capital Assets	\$ 56,585,858	\$ 54,222,000
Patronage Refunds Distributed (out of previous year's earnings)	\$ 2,661,648	\$ 5,201,880
Reserves Held by Members	\$ 23,995,123	\$ 23,542,113
Percentage of Member Business prior year	97.26%	98.02%
New Members	1,469	1,815
Total Membership	52,337	52,649
Number of Country Elevators	520	521
Elevator Capacity — in bushels — Country	48,311,300	47,198,800
Terminals	10,340,000	10,340,000
Average Number of Employees	1,227	1,303

1968	1967	1966	1965
84,438,998	113,097,918	90,441,480	84,254,713
11,308,137	13,523,114	16,478,020	10,750,521
21,459,970	24,053,886	16,033,396	19,099,510
46.6%	46.8%	45.6%	43.6%
\$143,012,588	\$162,454,260	\$127,329,423	\$110,744,629
\$ 11,637,169	\$ 9,908,752	\$ 7,858,931	\$ 4,395,985
\$ 21,886,951	\$ 21,662,744	\$ 17,813,685	\$ 15,628,636
\$ 13,967,769	\$ 12,575,880	\$ 11,613,659	\$ 10,595,368
\$ 2,387,283	\$ 1,818,237	\$ 1,628,406	\$ 1,200,255
\$ 5,531,898	\$ 7,268,626	\$ 4,571,621	\$ 3,833,013
\$ 62,445,156	\$ 54,899,770	\$ 46,054,731	\$ 49,044,967
\$ 52,314,663	\$ 44,105,212	\$ 35,300,199	\$ 36,340,084
\$ 10,130,493	\$ 10,794,558	\$ 10,754,532	\$ 12,704,883
\$ 7,210,177	\$ 3,891,660	\$ 2,526,880	\$ 2,482,328
\$ 47,663,337	\$ 40,835,768	\$ 37,681,647	\$ 35,499,589
\$ 6,837,255	\$ 4,238,398	\$ 3,582,521	\$ 4,574,129
\$ 22,245,431	\$ 19,233,486	\$ 18,234,220	\$ 17,530,809
98.08%	97.71%	97.39%	97.0%
2,323	2,308	2,115	2,157
52,703	52,321	51,789	51,311
521	525	533	535
46,257,700	45,449,100	44,860,800	43,886,500
10,340,000	10,340,000	10,340,000	10,340,000
1,264	1,255	1,166	1,104



REPORT OF BOARD OF DIRECTORS

ALBERTA WHEAT POOL

TO FORTY-EIGHTH ANNUAL MEETING OF DELEGATES



Left to right, standing: — Directors ARNE JOHNSON, G. W. BRAITHWAITE and HUBERT N. ANDERSON.
seated: — Directors G. L. HARROLD, President; NELSON MALM, 1st Vice-President;
A. J. MACPHERSON, 2nd Vice-President and O. KEITH ROSENBERGER
Inset: — O. J. BROUGHTON, Secretary.

Gentlemen:

Reversing a two-year decline, elevator handlings of your association were sharply up in 1969-70, second only to the record established in 1966-67. The maintenance programme on properties of your association was continued on a high level during the year, but construction of new facilities for grain handling was curtailed. Provisions of new homes for agents continued at the same level as the last few years.

Membership services were continued on the same basis as previous years and your association was called upon for a much more active representation on behalf of its members and the grain producing industry than usual.

SUMMARY OF OPERATIONS

Grain handlings through the country elevators of your association totalled 93,759,147 bushels — an increase of 12,646,169 bushels over the previous year, or about 15.6%. This volume represented about 46.4% of Alberta marketings in contrast to 44.5% in the previous year. The country elevator space of your facilities was also utilized to a high degree throughout the year. Terminal unloads of grain at Vancouver of 58,192,434 were 10,033,458 bushels greater than the previous year. Handlings at Victoria were 5,529,410, a decrease of 1,296,215 bushels.

Forage seed handlings totalling nearly 11,000,000 pounds, though about three and a half million pounds lower than the previous year, still represented a good percentage of Alberta marketings.

Fertilizer sales were down substantially, being approximately 50,000 tons, and representative of a decreased useage in Alberta. Chemical sales were also lower than the previous year.

Available for distribution from the year's operations are net earnings of \$4,023,296.

GRAIN MARKETING

Canadian grain exports during 1969-70 improved after three declining years in a row. Export shipments of wheat and flour totalled 345,600,000 bushels, a gain of about 13% over the previous year, but about 14% below the average of the previous ten-year period. Exports in the form of flour amounted to 27.9 million bushels; an increase of about 4 million from the previous year.

Preliminary figures issued by the Board of Grain Commissioners indicate that exports of Canada's six principal grains totalled 449,800,000 bushels; an increase of about 115 million bushels over the low level of the previous year, and is the highest volume since 1965-66 when the total stood at 635.6 million. Wheat shipments alone

at 317.7 million bushels are an improvement over the last two years. Barley shipments of 82.7 million bushels were the best on record during the past fifteen years and were nearly four times better than the discouragingly low volume of 21.2 million in the previous year. These exports were our third largest on record. Oat shipments improved, amounting to 4.8 million bushels; more than double the previous year. Exports of Canadian flax amounted to 18.6 million bushels; the highest since 1965-66. Rapeseed exports amounted to 22.2 million bushels; by far the highest record to date and continued Canada's place the second year in a row as the largest exporting nation of this oilseed.

Japan became the largest export market by volume for Canadian grain, with a total of 78 million bushels. Britain remained our second best customer with total imports of 77.8 million bushels and the People's Republic of China, the previous year's largest market, continued as a major buyer with a total of 65.1 million bushels. In fourth place was the U.S.S.R., taking 47.3 million bushels and all of it in the form of wheat. The next two most important customers were Italy who purchased approximately 28 million bushels and the Federal Republic of Germany, just over 20 million bushels.

WHEAT POOL PRESENTATIONS

Canada Grain Act

On March 16, 1970, first reading was given in the House of Commons to Bill C-196, being a major revision of the Canada Grain Act. Your association made a submission to the Standing Committee on Agriculture of the House of Commons in respect to this Bill, pointing out the prestige of Canada's "Certificate Final" and the great value of the Canada Grain Act to the prairie grain industry and to this country. We concurred with provisions of this Bill to continually update our grading system based on market requirements. Greater flexibility in respect to grading standards was proposed through vesting in a proposed Canadian Grain Commission, authority now reserved for parliament.

Your association supported the provisions of the Bill whereby mixing in terminals would be restricted to authorization by the Canadian Grain Commission and we specifically requested provision for the producer to be able to order railway cars for shipment of grain similar to those contained in the car order book system. This Bill had not received third reading when parliament adjourned late in June. It is expected that a similar bill will be introduced at the current session.

Feed Grain Prices

During the year non-quota feed grains in Western Canada were being marketed at unreasonably low prices. The Standing Committee on Agriculture of the House of Commons made

an inquiry into the problem of these depressed prices and your association was invited to and made a submission thereon. Referring to the general situation prevailing, we felt that there was no pricing mechanism worthy of mention in effect during the season in Western Canada. We noted that the matter of pricing of feed grains for domestic use in Western Canada has been a problem for a great number of years and little has been proposed in the way of positive solutions. On this occasion we proposed that the federal government establish a policy whereby it would lend to a bona-fide grain producer, an amount per bushel on grain which he has in store over and above an amount which he expects to deliver to the Canadian Wheat Board and which he hopes to sell on a non-quota basis within the province. Our intention here was to establish a basic floor price for feed grains. The Committee made no report to the House of Commons.

Shortly after the time of these hearings, sales of feed grain, particularly barley, began to take an up-turn. In Saskatchewan and Manitoba, quotas for barley were opened up during the spring sufficiently to take all deliverable stocks. Accordingly, this raised domestic feed prices to a better level. Here in Alberta, additional quotas were not forthcoming, but large volume sales and the prospect of good deliveries have now strengthened the feed market. The urgency for federal government action on this matter is accordingly diminished for the time being.

White Paper on Taxation

In November, 1969 the Minister of Finance tabled in the House of Commons, proposals for tax reform in Canada in a white paper. This report contained Canada's proposals for reform of the income tax structure and led to considerable study over a period of several months. The House of Commons Standing Committee on Finance, Trade and Economic Affairs heard public representations on this subject in mid 1970.

Your association took a keen interest in this important document and made representation to the Standing Committee at its hearings in Edmonton late in July.

The major subjects of concern in our submission related to the proposed capital gains tax as it might affect members of Alberta Wheat Pool and the proposals relating to taxation of co-operatives.

Dealing with the proposed capital gains tax, we stated that we felt our country and our industry with its need for economic development would not benefit from a tax on capital gains as proposed at this time, and we feared that it might suffer unduly from such an imposition. This view parallels a presentation by the Alberta Wheat Pool to the Carter Royal Commission on Taxation in 1963.

Our brief also dealt with proprietorship of farms. Of some 440,000 proprietorships in Canada at present, nearly 300,000 are commercial farms of which roughly 200,000 are in the prairie provinces. The largest group consists of family owned and operated farm units. We estimated that approximately 80% of the capitalization of these units is in the form of owner-operator equity capital, and the remaining 20% in various forms of long- and short-term debt. Believing that this form of land tenure was desirable for the future, the imposition of additional tax, and particularly a tax on capital we felt would be an unbearable burden which would result in a rapid loss of ownership by family farm operators. Your association therefore registered a strong opposition to the proposal, notwithstanding its support of the principle that a tax on realized gains on capital investment may, under certain circumstances, be desirable.

In respect to pensions and retirement savings plans, Alberta Wheat Pool noted that a farmer is usually forced to neglect the establishment of a pension plan until he has built up an economically viable enterprise. This period of time usually coincides with the time of greatest family expense. We requested that farmers be provided with the opportunity in their later years, and in each year when there is disposable income for the purpose, to make lump sum payments into a plan without tax interference.

Provision for property transfer in the White Paper we felt, despite the good intent, would fail to serve a useful purpose in respect to farm lands. We noted that in Western Canada, the gain in dollar value in farm land in recent years has generally been a reflection of inflationary factors rather than a reflection of economic return on investment. If a capital gains tax were imposed, this differential should be recognized, and the difference between deemed gains and realizable gains reflecting the investment value be recognized. Otherwise a serious erosion of capital invested in farm land seems unavoidable.

Dealing with the tax proposals as they apply to co-operatives, we expressed enthusiasm that the main provision of the present taxation policy is to be retained, namely that patronage dividends are deductible in computing taxable income. We strongly recommended the elimination of the capital-employed formula because of its unfairness to investors of risk capital in co-operatives as compared to investors of risk capital in other forms of business enterprise.

Canadian Transport Commission

The Canadian Transport Commission during the year, heard a number of requests from the major railways for curtailment of passenger services, but so far as we are aware, did not concern themselves with applications for line aban-

donments. An appeal by the C.P.R. to the Supreme Court respecting the railway costing formula was heard on October 7th and 8th, 1970 and the case was rejected. No developments have occurred since that time, but it can be expected that the railways may now concern themselves with new applications for branch line abandonments.

LEGISLATION

Temporary Wheat Reserves Act

The Temporary Wheat Reserves Act remained in effect during the year, and under its provisions the federal treasury provided funds for carrying charges on the volume of wheat held by The Canadian Wheat Board on August 1st, 1969 in excess of 178 million bushels. On this amount, the Canadian Wheat Board received during the 1969-70 crop year under the provisions of the Act, the sum of \$71,329,837 which, it is estimated, will have been allocated in approximately these amounts:

1968-69 Pool account	\$56,000,000
1969-70 Pool account	15,000,000
TOTAL	\$71,329,837

Prairie Grain Advance Payments Act

The Prairie Grain Advance Payments Act was again in force during the crop year. The maximum advance continued at \$6,000.00 on the basis of \$1.00 per bushel on wheat, 40c on oats and 70c on barley, which the permit holder has on his farm and undertakes to deliver on a quota of six bushels per specified acre. The funds for advances made under this Act were provided by the Canadian Wheat Board to the elevator companies with interest charges absorbed by the federal government. Advances totalling \$272,777,316.00 were made to 122,080 producers in the Prairie provinces during the year. Of this amount payments totalling \$74,384,501.00 were made to 34,170 producers in Alberta. Advances made by Alberta Wheat Pool amounted to \$34,979,613.00 to 14,906 producers. The experience of your association in respect to these loans will be found appended to this report.

Deferred Delivery Permits

The Canadian Wheat Board, near the end of the previous crop year, indicated it was hopeful that sufficient space would be created in country elevators to enable producers to complete delivery of a five-bushel specified acreage quota by July 31, 1969. This it turned out, was not attainable and accordingly producers who had grain on hand and had not been able to deliver the five bushel quota were given a deferred delivery permit which would enable them to deliver up to one bushel per specified acre between August 1st, 1969 and July 31st, 1970.

Wheat Stock Reduction Programme

On February 27, 1970, the Honourable Otto E. Lang, Minister responsible for the Canadian Wheat Board, announced a programme to remove up to 22 million acres of crop land from production this year. Under its provisions, farmers were entitled to receive federal compensation payments of \$6 per acre for summer fallow, or \$10 per acre for perennial forage acreage on land taken out of wheat production and on farms on which fallow was increased by the same amount over the previous year. As a further incentive to reduce wheat acreage and to increase fallow, wheat delivery quotas, it was announced, would be based on total acreage of fallow and additions to forage land rather than on acreage seeded to wheat. This programme became known as "Operation Lift", (Lower Inventory for Tomorrow).

At the time of writing this report, no official summary had been issued indicating the extent to which farmers had taken advantage of this programme.

Delivery Quota System

On February 24th, 1970, a report was tabled in the House of Commons recommending changes in the delivery quota system for western Canadian grains. Prepared by a three-man committee appointed by the Honourable Otto E. Lang, Minister responsible for the Canadian Wheat Board, it recommended elimination of the existing unit quota and the specified acreage quota provisions in favour of specific quotas for each class or type of grain, to more nearly reflect market demands. The recommendations of this report were not adopted in full for the 1970-71 crop year, but some changes were made in conjunction with the Lift Programme and other considerations. More detail will be found appended to this report.

Two-Price System for Wheat

The crop year saw the inauguration of a long-time recommendation from prairie wheat producers; that of a two-price system for wheat. Effective August 1st, 1969, the federal government announced that all wheat used for human consumption in Canada was to be priced on the basis of \$1.95½ per bushel, (the minimum under the International Grains Arrangement) based on #1 Northern in store at Thunder Bay. While the level of price established in this respect is not believed to be comparable to the index of goods and services, it is nevertheless a recognition of the justification for a higher domestic price for wheat used in Canada than current world prices.

PROVINCIAL LEGISLATION

The Alberta Hail and Crop Insurance Corporation

The major change in Alberta's "All-Risk" Crop Insurance programme for 1970 was the

inclusion of rapeseed as an insurable crop in all areas where the insurance is offered. Another change makes provision in the settlement of claims for disregarding small appraisals on crops that are badly damaged and not worth harvesting.

Since the inception of the Crop Insurance Programme in 1965, premiums including federal contributions have amounted to \$15,354,000 and indemnities to policy holders, including an estimate for the current year, amounted to about \$14,700,000.

In 1970 when grain crops were generally good, with yields well above the long-term averages, main losses under the crop insurance programme were due to drought and pockets of drought. In addition, rapeseed turned out to be a disappointing crop for many farmers.

Losses under the hail programme of the Alberta Hail and Crop Insurance Corporation were the heaviest of any year since 1966, totalling \$1,340,000 for a loss-to-premium ratio of 73.2%. The most severe storms occurred in Central Alberta.

Crop Adjustment Assistance Programme

The Province of Alberta to encourage farmers in making adjustment from cereal production to forage, instituted an assistance programme for the period January 1st, to August 31st, 1970. Under its provisions, the province reimbursed farmers for 50% of the cost of forage seed used for establishing mixed forage stands. The limit to any one farmer was \$600 and in order to qualify, farmers must have been in the sheep or cattle business or planning to enter such an enterprise.

INTERNATIONAL GRAINS ARRANGEMENT

The International Grains Arrangement which came into effect on July 1, 1968, was inoperative during the year so far as actual pricing of wheat was concerned. As reported to you last year, floor prices contained in the agreement were departed from early in 1969, Canada being the last exporting country attempting to maintain these prices. The International Wheat Council did continue however, to record sales carried out by members of the Arrangement and to act as a forum for discussions. At a meeting in June 1970 in London, the Council members met to discuss the present state of the International Grains Arrangement and consider what alternatives may be open for its continuation or renewal. At this meeting, a Committee was formed representing the major exporting and importing countries. It met in Geneva in September to consider and set out alternatives or possible amendments to the Agreement for renewal. This Committee's recommendations were considered by the International Wheat Council at a meeting in London in late October. As a result, the Council agreed to pro-

ceed with a full negotiating conference and it is expected that this will get underway early in 1971.

Here in Canada, the Minister in charge of the Canadian Wheat Board has held some discussions with producer representatives with a view to formulating a position which Canada might take at forthcoming meetings to discuss a renewal of this Agreement.

CANADA GRAINS COUNCIL

The Canada Grains Council held its first annual meeting early in April 1970 and reported on its activities to date. Under its terms of reference, "To co-ordinate Canada's effort, improve its share of the world markets for all grain and grain products," it constituted a number of committees to investigate various facets of the grain industry. Its technical staff was extended during the year and its membership enlarged somewhat since its inauguration.

More detailed information on this Council will be available during the meeting by your association's representative, Mr. G. L. Harrold.

CANADIAN WHEAT BOARD

The international grain marketing field was again over burdened with supplies throughout this crop year, as a result of favourable production in many major producing areas. Prices were under pressure until late in the year and the International Grains Arrangement served little purpose as far as pricing was concerned. World wheat production for the year is estimated at about 5% less than the record crop of the year before, but was still the second best crop on record and well above the past five-year average. World trade in wheat for 1969-70 increased for the first time in four years. The largest gain was recorded in sales to eastern Europe and to Asia. Canada shared in the increase with exports of wheat and flour of about 40 million bushels greater than the previous year and substantial increases in barley and rapeseed.

The Canadian Wheat Board was operating under extremely difficult conditions for most of the crop year due largely to influences of an international nature and therefore beyond its control. Developments since spring of this year are appearing more favourable and there is now a general feeling of optimism which had been lacking in the last year and a half. It is becoming evident on this occasion as in the past, that the orderly system of marketing carried out by the Canadian Wheat Board is again showing up to good advantage. The Canadian Wheat Board suffered serious criticism, being credited on one hand as having put forward more intense effort than any other signatory country to make the I.G.A. operable and accused at home of having

sacrificed the prairie grain producer for this purpose. It appears to the producer that whatever sacrifices may have been made by Canada, they were in the first place an honest effort in respect to our commitment to the I.G.A. and thereby some orderliness in world wheat markets, and secondly may yet turn out to have been a good investment for the prairie grain producer. The Canadian Wheat Board did not offer grain at fire-sale prices during 1968-69 and the early part of this year. Had its large stocks been dumped on the market, they would likely have been sold only at disastrously low prices as buyers were scarce. These same stocks were beginning to move late in the crop year at prices better than the last season, thereby realizing the producer a greater return and enabling us to meet customer requirements.

We commend the federal government for the assistance made available to the Canadian Wheat Board early in 1970 by way of additional and improved credit arrangements, and we commend the Commissioners of the Canadian Wheat Board for the steady hand maintained throughout the depressing part of this crop year.

The inventory carrying assistance of the Temporary Wheat Reserves Act, the provision of cash to producers under the Prairie Grain Advance Payments Act, the initial prices feature of the Canadian wheat operations, are all part of an integrated grain handling and sales programme which, we believe is invaluable not only to the prairie grain producer but to the nation. The implementation of the Canadian Wheat Board Act and the subsequent operation of the Wheat Board with the aforementioned assistance, is we believe, the most valuable joint venture between industry and the federal government in the history of this nation. It justifies the full support of producers and the federal government in the future.

We wish to record at this time our appreciation and gratitude to Mr. W. C. McNamara who retired as Chief Commissioner of the Canadian Wheat Board on October 5th. During his long years of dedicated service to the grain industry of western Canada his personal integrity and conscientious attention to duty won world wide respect.

CO-OPERATIVE EXPORT AGENCY

Pursuant to the authorization given at last year's annual meeting, discussions were continued early in the year respecting a co-operative export agency for grain.

The three prairie wheat pools and the United Grain Growers Limited decided to proceed and a company was incorporated for the purpose in February, 1970 to be known as "XCAN Grain Ltd." The purpose is to promote the use and sale of both Canadian Wheat Board and non-board grains and oilseeds in the world markets to

the advantage of member organizations and producers. Commercial operations were started in mid-July following the purchase of an existing grain exporting company based in Winnipeg.

SEED DIVISION

A relatively poor production of forage seed crops in the province in 1969 resulted in a reduced handling through this division. The markets however, were also under pressure throughout the early part of the year. The domestic market for forage seed turned out favourably partly as a result of the Lift Programme, but fertilizer sales were sharply reduced, reflecting conditions prevailing in the prairie provinces. Chemical sales were also lower than the previous year partly due to less seeded acreage. This division continued to offer technical assistance to members in respect to fertilizer, chemicals and crop information. The Germination Laboratory at the Camrose plant was also expanded and its services extended to the membership.

Net earnings of this division during the year amounted to \$113,286.87.

FERTILIZER

The fertilizer manufacturing facility jointly owned by your association, Federated Co-operatives Limited and Saskatchewan Wheat Pool, operated on a less than full production basis for part of the year. A reduction in fertilizer usage in the prairie provinces led to a build-up in inventories and considerable sales pressure. On August 1, 1969, Manitoba Pool Elevators was admitted to partnership in this facility.

INTERIOR FEEDS LIMITED

This was the tenth year of operations for Interior Feeds Limited, your wholly-owned subsidiary carrying on a domestic feed grains business in the province of British Columbia. Handlings totalled 4,166,455 bushels, exceeding slightly the record of the previous year. Much of the grain handled was of poor quality, but relatively stable prices and the high volume resulted in earnings of \$36,000 after provision for income tax. The largest handling for the year was through the elevator at Pouce Coupe, followed by Dawson Creek and Fort St. John. Your association received reimbursement for all necessary services rendered on the operation of this company.

VICTORIA ELEVATOR LIMITED

The Victoria Terminal was again utilized entirely for the handling of wheat. The receipts of 5,529,410 bushels was about 19% less than the previous year, due in part to congestion for extended periods. A serious lack of shipping prevailed for a period and out-of-condition grain also affected operations. The property was kept in good repair but no major capital expenditures were made. The year's operations after provision

for capital cost allowance resulted in net earnings of \$125,650. This amount included results of a weigh-up at the end of the year. More details on the operation of this company and of Interior Feeds Limited will be presented later to this meeting.

MEMBERS' ACCIDENT INSURANCE PLAN

Following the introduction of the medicare plan in Alberta in the summer of 1969, the medical benefits section was deleted from our 1969-70 accident insurance policy and, as expected, this resulted in a sharp decrease in the number of accident claims. Files were opened on 107 accidents and the sum of \$35,288.99 has been charged to operations to meet claims already paid and others which are expected to arise from reported accidents. This amount reflects the reduction in coverage of the policy to capital payments and also a substantial credit for claims of previous years.

Claims have been paid, or are in the course of settlement, on 97 of the accidents. Claims were filed for the accidental deaths of 31 adults and 17 dependent children under 18 years of age, 3 cases of lost eyesight and 32 dismemberment injuries. The latter injuries were mainly finger losses, although one member lost an arm and another suffered the amputation of a foot. There were 14 accidents of a miscellaneous nature which occurred before the change in our insurance coverage and they involved medical expenses. Claim papers have not yet been received for 10 other accidents reported to include 1 adult fatality, 2 cases of lost eyesight and dismemberments of an unidentified nature.

In view of the reduced coverage, the premium for a sponsored worker was lowered from \$3.00 to \$1.50 but there was still a large decrease in the number of workers covered. Applications were received for coverage on 289 workers, compared with a previous low of 517 workers in the 1959-60 season and 523 workers a year ago. There were no reports of any accidental injuries to sponsored workers or their dependents.

On July 31, 1970, 12 years' operation of the accident insurance plan was completed at a total cost of \$944,488. Settlements were issued in 4,009 accidents which included 438 fatalities (285 adults and 153 children), 53 cases of lost eyesight and 283 cases of dismemberment. Benefits of \$14,347.00 were paid for injuries sustained by sponsored farm workers and their dependents in 74 accidents.

CONSTRUCTION AND PROPERTIES

For more than a decade your association has had an extensive building programme for elevators, annexes and dwellings. In addition, seed plants and seed and fertilizer storage warehouses have been built on a substantial scale and replacements for fire losses have been made.

In view of the good state of your association's facilities, the prospect of reduced earnings and some uncertainties facing the grain business during the year, the construction programme was curtailed to some extent.

Elevators were authorized for construction at Holden, as a replacement for a fire loss; Streamstown and Rosebud and at a new point known as Mile 18 on the P.G.E. railway extension north of Fort St. John, B.C. Only the point of Holden was proceeded with during the year.

An elevator was lost at Foremost due to fire during the year and our business was continued through the remaining elevators.

Dwellings for agents were authorized at ten points, one for a public relations representative and two for travelling superintendents.

Warehouses for seed and fertilizer were authorized at a number of stations including some facilities for bulk fertilizer and the handling of anhydrous ammonia.

Renovation work was continued at Terminal No. 1, Vancouver and preparation made for the installation of a new and extensive dust collection system to be completed in the next crop year. All properties were maintained in good operating condition and appearance. The new emblem of the Pool was used in the routine painting of all country properties.

As a result of the year's construction, we had a net gain in licensed country storage space of 1,112,500 bushels.

PUBLIC RELATIONS DEPARTMENT

An extensive and varied programme of the Public Relations Department continued throughout the year. Good relations were maintained with the news media resulting in considerable and favourable publicity on the activities of our association. The "Budget" continued to enjoy its long-standing popularity as a neat, informative publication. Your association's involvement in 4-H, youth and leadership programmes in the province was maintained during the year. The Public Relations Representatives in their respective districts had a full schedule of activities involving delegates' meetings and a wide range of other activities in respect to agriculture, the co-operative movement and leadership training. A full report of this department's activities will be presented to this meeting.

UNIFARM

At the annual meetings of the Farmers' Union of Alberta and the Alberta Federation of Agriculture held in December, 1969 and January, 1970 respectively, approval was given to the development of one voice for agriculture in

Alberta through the amalgamation of these two organizations.

The new organization entitled, "Unifarm" has as its basic objectives the economic well being of rural people, the maintenance of the family farm structure, an advancement of interest of farmers and farmers' organizations and a high standard of living for all citizens.

Membership in this association will consist of individual farm memberships as previously held in the F.U.A. and organizational memberships including farm co-operatives, commodity groups and marketing boards organized and controlled by producers. A board of directors of 33 members was provided for with an annual meeting representation of approximately 600. The organization adopted a policy statement at its founding convention generally covering the existing policies of the founding organizations. This will be subject to continuous up-dating through annual meetings and at other times as occasion arises. Present financing arrangements are equally borne by the direct memberships and representatives on the organizational side. It is hoped that future financing can be arranged through a check-off on the sale of all agricultural products.

PROVINCIAL AND NATIONAL AFFILIATIONS

Alberta Wheat Pool renewed its membership during the year in the Alberta Federation of Agriculture and thereby its affiliation with the Western Agricultural Conference and the Canadian Federation of Agriculture.

With the amalgamation of the Farmers' Union of Alberta and the Alberta Federation of Agriculture effective May 1st, 1970, our affiliation with the A.F.A. was continued through the Commodity Section of the new organization, Unifarm. Your First Vice-President, Mr. N. Malm, continued as President of the Alberta Federation of Agriculture until that date. The two organizations made a joint submission to the provincial cabinet early in 1970 and included the major policy proposals from our last annual meeting, which were provincial in nature. Those of wider significance were pursued during the annual meetings of the Western Agricultural Conference and Canadian Federation of Agriculture.

The new organization, Unifarm, maintained the membership and affiliation formerly held by the Alberta Federation of Agriculture in the Western Agricultural Conference and the Canadian Federation of Agriculture. Mr. Malm was elected as a director and executive member and continued his term of office also as executive member of the Canadian Federation of Agriculture on behalf of Unifarm. Mr. A. J. Macpherson was elected Vice-President of Unifarm at its founding convention, representing the Commodity Section. Mr. G. L. Harrold was also elected a director representing grain.

MEMBERSHIP

There was a further decline in membership enrolments during the 1969-70 season, with the acceptance by the Board, of 1,469 new members. With respect to retirement from farming 1,036 memberships were cancelled and 745 memberships were terminated by death.

The membership decreased by 312 during the season to a total of 52,337 members at July 31, 1970. Under the provisions of our Act 46,953 of these members were enrolled since 1939 and the other 5,384 members were signers of the early marketing agreements.

ELECTION OF DELEGATES

Elections were held in the odd-numbered sub-districts in 1970. Twenty-seven delegates were elected by acclamation. Six sitting delegates were re-elected; these being Mr. B. Gogolinski of Orion in sub-district 101, Mr. R. C. Golightly of Streamstown in sub-district 601, Mr. M. D. R. Goshko of Vegreville in sub-district 603, Mr. P. Montpetit of Legal in sub-district 607, Mr. A. W. Hallowes of Sangudo in sub-district 703 and Mr. L. F. Vandergrift of Dawson Creek in sub-district 707. Two new delegates were elected, being Mr. J. Volek of Tilley succeeding Mr. A. P. Schindler of Brooks, and Mr. H. D. Schwenk of Coronation replacing retiring delegate Marcus Smith of Veteran.

IN MEMORIAM

On March 2nd, 1970 the death occurred of George E. Pelletier of Pincher Creek, retired delegate of your association. Mr. Pelletier had served as a delegate from 1951 until his retirement in 1962, and also had a long record of public service in his community.

We wish to record our sincere appreciation for his service to our association.

STAFF

The operations of your association were carried on under difficult conditions of various kinds during the year. Sincere appreciation is extended to the staff for the meritorious service and beneficial results of the year's operations.

BOARD OF DIRECTORS

Following the 1969 annual meeting, the directors met and re-elected the following officials:

President G. L. Harrold
First Vice-President N. Malm
Second Vice-President A. J. Macpherson

The same three directors were nominated to and re-elected to, the boards of Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited, and Pool Insurance Company. Messrs. Harrold and Macpherson were also re-appointed directors of Western Co-

operative Fertilizers Limited and Mr. Malm continued to serve as a director of CIS Insurance Limited.

Regular meetings of the board were held each month of the year and informal meetings were held twice with the directors of Saskatchewan and Manitoba Wheat Pools.

Through the various affiliations, your directors spent considerable time attending meetings of a provincial and federal nature, numerous conferences and a greater number of representations to governments than in the past few years.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

During the year Canadian Co-operative Wheat Producers Limited continued its role as a co-ordinating medium of the three prairie wheat pools on topics of common concern. These matters included attention to developments respecting the Canadian Transport Commission, seaway tolls, and a number of continuing activities. This organization also provided a basis for discussion leading to establishment of a co-operative grain export agency.

GENERAL

Canada's economy, after making sizeable gains in 1969 and pushing the Gross National Product up by 9.3% over 1968, stagnated in early 1970. The slowdown resulted in a reduction of the inflationary pressures but was accompanied by an alarming increase in unemployment. Consumer price increases averaged 4.5% during 1969 but by mid 1970 had slowed down to an annual rate of increase of under 3%. Nevertheless, the high rates of inflation have reduced the value of \$1 by 16½ cents during the last five years. Wages in most industries have generally kept pace with or exceeded price increases; however, by mid 1970 personal disposable income actually declined — the first such decline since 1961.

Agriculture fared badly in 1969. Realized net farm income on the prairies was down 30% from 1968. Price increases in western Canada, as measured by the Price Index of Commodities and Services Used by Farmers increased by 2.8% January 1969 over January 1970 — a slowdown from the 6.5% rate of increase experienced a year earlier. Prices received for products sold by Alberta farmers increased by 2.3% during 1969 but this was due primarily to the favourable prices paid for livestock as grain prices remained depressed. Revaluation of the Canadian Dollar set back grain prices which had begun to strengthen earlier in the year. Lowered initial payments for grain and the absence of any final payment, except for Durum hit hard at grain producers. Implement dealers in Alberta felt the shock waves as sales of equipment and repairs declined by

nearly 12% in 1969 and then fell another 36% in the first half of 1970. Improved grain sales coupled with rising prices have reversed the pessimistic outlook and engendered renewed optimism for the future.

THE ROAD AHEAD

The year has been a good one for your association as a grain handling organization. From the standpoint of income to the grain producer however, it was a disappointment. As indicated earlier in the number and nature of representations made during the year, we were acutely aware of the deteriorating financial position and other problems of the farmer. Depressed marketing conditions led to restricted quotas during the year and a disorganized domestic feed grain situation resulted in the lowest feed grain prices in western Canada in thirty years.

Criticism was heard about various aspects of the handling and selling facilities in western Canada and in particular, the country elevator system. It was suggested that by virtue of its size and age alone it is costly and inefficient. We recognize that most of this criticism has been made by individuals uninvolved in grain production or grain handling and without any investment anywhere in this industry. Regardless of the contents of their remarks, we feel there is ample justification for the country elevator facilities we have on the prairies. In the first place, they were all established and paid for by investors who foresaw business opportunities in providing elevator facilities. These investors include farmers themselves, and currently nearly 60% of the country elevator system is owned by actual grain producers' companies and associations. Farmers have apparently felt justified in building these facilities to provide a service for themselves one step beyond the farm gate. The results we believe, have been favourable. It is possible that some orderly up-dating of these could be made in view of better local transportation, the extensive and acceptable use of a quota system of grain deliveries, the capability of inventory data and inventory control through modern office equipment and procedures; and these we had in mind in our 1961 report on this subject. Through attrition, considerable change has occurred in the past decade and we believe it will continue. We do not foresee any appreciable benefit accruing to the producer through any wholesale demolition or curtailment of present country elevator facilities and the resultant writeoff of investment which this would imply, particularly if new money were needed to provide alternate facilities for serving the same purpose. In fact, costs could quite easily increase if new facilities were built.

No one amongst the critics, so far as we are aware, has attempted to show where inefficiencies

exist or where any improvements in the handling of grain at the local level could be made through reorganization of these facilities. A measure of the efficiency of the present system is the per-bushel handling charge which has not increased appreciably over the years. Notwithstanding an obvious necessity to work toward an up-dating of these facilities, opportunities for improving the effectiveness of Canadian grain marketing, we believe, are much greater beyond this stage of the system.

Another matter of even more serious concern to the farmer during the past year has been the report of a Federal Task Force on Agriculture.

Early in 1967 the federal cabinet decided to appoint a Task Force on Canadian agriculture, "... to analyse the problems of the Canadian agricultural industry and to make recommendations to the government with respect to public policy." "The most important objective was to outline policy measures which would lead to developing a viable industry over the coming decade." A five-man Committee was constituted for this purpose and submitted its report to the Minister of Agriculture on December 31st, 1969. Its contents were available to the public in May of this year and have been a matter for discussion since that time.

The Minister of Agriculture announced on July 8th the convening of a Canadian Agricultural Congress in Ottawa on November 25th, 26th and 27th, 1970 to discuss this report. Your association, along with several other organizations, requested a delay in this Congress to enable some formation of opinion on its contents at our respective annual meetings. The Minister did not see fit to delay the meeting and we were therefore faced with the task of representing the membership of our association on this matter prior to this annual meeting. Accordingly, we arranged for each Director to hold a meeting with his respective delegates to discuss the contents of this report. These were all carried out in late September and early October. Jointly with the Manitoba and Saskatchewan Wheat Pools, we summarized as briefly as possible the viewpoint of our association and this will be submitted in the form of a brief position paper to the forthcoming Congress. Specifically on behalf of Alberta farmers, Unifarm will also be represented at this Conference, with a submission covering the major items of concern.

We recognize that the Task Force group assembled a good deal of valuable information in its report. Its recommendations, we find, were profoundly disappointing!

In our analysis of this report it appears that the Task Force members had an underlying feeling that agriculture in Canada was more of a liability than an asset. They established, it seems,

a set of objectives for their guidance which pre-determined that

(1) "The primary and continuing role of government should be to produce a desirable economic and social climate for farmers and agribusiness;

(2) The farmer be made self-reliant;

(3) The agricultural industry be self-sustaining and

(4) Advice for policy making in agriculture should be vested in a Ministerially-appointed council."

Bearing in mind the unfavourable position of Canadian agriculture in international trade as well outlined in Chapter 4 of the report, it seems fairly obvious that agriculture in Canada, and particularly in western Canada, must be considered relative to our peculiar circumstances and in light of the contribution of this industry to the entire nation's economy.

Far from being a liability, the agricultural industry of this nation and particularly western agriculture is unquestionably a national asset. The eighty-five million acres of farm land between the Great Lakes and the Rockies and the 200,000 farmers owning and operating them are an annual source of new wealth of considerable value to Canada's domestic economy and as an annual source of foreign exchange. This industry has provided the nation with relatively cheap food and the domestic economy has benefited from the large input requirements of Canadian farmers in addition to substantial export earnings, particularly from wheat. Accordingly, we strongly urge that Canadian agriculture be considered as a great national asset.

Grain

In respect to wheat, feed grains and oilseeds, the Task Force repeatedly stressed the viewpoint, "Never again must the Canadian Wheat Board adopt policies which result in the creation of a surplus as large as that which accumulated in 1969." Accordingly, they recommended various changes in the market guidelines for both wheat and coarse grains, essentially aimed at disposing of all stocks within each crop year. They also recommended a price stabilization programme as a replacement for the Temporary Wheat Reserves Act, lower initial prices for wheat and elimination of initial prices for barley and oats. These recommendations, along with others, were in support of their objectives of self-reliance on the part of the individual farmer in a self-sustaining industry of agriculture.

These objectives we feel are in direct conflict with the viewpoint of western producers who have worked and supported the development of an orderly marketing system. In any discussion on the marketing of prairie grains, it must be acknowledged at the outset that an orderly market-

ing system, as carried out by the Canadian Wheat Board, has the overwhelming support of prairie grain producers. More than 60 years of intense effort have gone into the development of marketing facilities and procedures aimed at ensuring a reliable and up-to-date grading system, a continuity of supply and the best possible returns to producers.

The suggestion that Canadian farmers be self-reliant and the industry self-sustaining would be a laudible one in a self-reliant and self-sustaining nation. Prairie farmers have long been advocates of free trade and still are. They feel that if Canada were entirely a free trading nation, we would enjoy a favourable place in the economy. Given however, the economic structure which we have in Canada today, the idea of any one industry and the individual members in it having to be self-reliant insofar as income is concerned, is preposterous to say the least. The contribution of Canadian agriculture to the economic life blood of this nation is out of all proportion to the benefit gained by its member participants.

Our heavy dependence on export markets, particularly for wheat, has required the development of institutions, procedures and facilities probably unique in this field. While continuous changes are necessary, an institution such as the Canadian Wheat Board with its ability to (a) pro-rate the markets to a degree amongst producers, (b) hold inventories at certain times, (c) pool various grains on an annual basis, (d) provide a uniform initial price, and (e) deal with all customers on a relatively uniform basis, is an absolute essential.

Institutional Structure of Agriculture

In respect to the institutional structure of agriculture, the report recommends some basic changes in the relationship between farmers, their organizations and the federal government. In contrast to the present informal relationship, the report recommends the creation of a National Agricultural Advisory Council to act as the highest level farm and agribusiness council in the nation. Its members would be appointed by the Minister of Agriculture and it in turn would appoint commodity councils to act in an advisory capacity to it and to their corresponding statutory marketing boards. As a complement the report recommends the creation of a National Agricultural Marketing Board responsible to the federal cabinet and operating "so as to benefit agriculture without serious adverse effects on the national economy." Appointments to this board would be made by the federal government and drawn from several walks of life. This board would take direct responsibility for all statutory national or federal marketing boards and its advisory groups would be commodity councils and members of

each would be appointed by the National Agricultural Advisory Council.

We doubt that these recommendations will find any favour with the members of our association. The basis for these recommendations probably stems from the Task Force members' viewpoint of farm organizations, "Unfortunately, the capacity of the conventional wisdom and the established institutions and many of their top officials to deal adequately with the relevant problems is in doubt."

We doubt very much that the members of the Task Force had any appreciation of the history and value of western farm organizations.

Here in Alberta, farm organizations have a long, and reputable record. They preceded the actual creation of the province of Alberta, and even such valuable institutions as political parties. They have been at all times voluntary associations of producers inspired by and formed out of necessity. Beginning with the earliest beef producer associations, they have been involved in a wide range of beneficial activities in the form of co-operative ventures, the obtaining of favourable legislation, the development of marketing institutions and facilities, provision of telephone and rural electrification services, feeders' associations, seed marketing facilities and a wide range of related activities in the interest of the commercial aspects of agriculture.

Any suggestions that their role, whether it be for internal purposes or consultation with government, be replaced by appointees to National and Commodity Councils, will be viewed by the farmer as undemocratic and a retrograde step.

Marketing Boards

We recognize that agriculture finds itself in difficult circumstances in different regions of Canada. We are of course concerned with our specific area and our specific circumstances. As grain producers, we are dealing with a non-perishable product and in commodities for which we are highly dependent on export markets. This of course, results in requirements, so far as marketing boards are concerned, vastly different than may be required or desirable for perishable products and for which there is a large or total captive local market. Marketing boards in Alberta and co-operative marketing institutions are in each case voluntary endeavours. The marketing legislation in this province is permissive legislation only, and so far as we are aware, producers in Alberta have shown no inclination for any other arrangement except in the case of the Canadian Wheat Board. It is therefore difficult for us to agree with the proposed National Agricultural Marketing Board as outlined. Its acceptance would amount to a direct reversal of the principle that producers should have the right to

voluntarily organize themselves into marketing institutions to operate in their own interests. We realize that legislation for this purpose, be it provincial or federal, will of necessity make provision to safeguard "the public interest."

Schemes of this nature which provide that a National Agricultural Marketing Board be responsible to the federal cabinet rather than to producers and that "appointments to the N.A.M. Board should be made by the federal government and should be drawn from several walks of life", are departures which we do not think our members, at this time, are prepared to endorse.

Amongst the problems of western agriculture, the most important has always been one of levels of income, and we expect it will be in the future. In this regard, the Task Force report's recommendations in total are not only unpromising, but aimed in the wrong direction. In respect to grain alone, it recommends a price stabilization programme of a nature which has, so far as we are aware, failed to gain any acceptance whatsoever with prairie grain producers. A more recent proposal has been made and while details are lacking, it has no appeal in its present form.

While some stability of income is desirable, actual levels of income are much more important to the farmer and are a matter of first concern. If incomes are good, western grain producers, by their own instincts of thrift and providence, will make provision for year-to-year fluctuations in their income by the carrying of inventory in some cases, by diversification of enterprises and through the provision whereby tax returns can be filed on a cash rather than accrual basis, and possibly other means. If incomes are low, a stabilization programme restraining them to low levels and restricting annual improvements by levies in those years, is unlikely to receive support from the majority of western farmers producing grain for sale.

What we need much more urgently than a prairie grain price stabilization programme, is a better floor price guarantee programme than we have at present and larger programmes involving federal financial assistance in the carrying of grain inventories in times of surplus.

We commend for your attention and consideration these matters and those which have arisen in your districts during the year in respect to the internal affairs and direction of your association.

All of which is respectfully submitted.

G. L. Harrold
N. Malm
A. J. Macpherson
O. K. Rosenberger
G. W. Braithwaite
A. Johnson
H. N. Anderson

REPORT OF THE GENERAL MANAGER ON THE 1969-70 CROP YEAR



J. W. MADILL

To The President and Directors,
Alberta Wheat Pool, Calgary, Alberta.

Gentlemen:

Marketing conditions and the economic situation were the dominant features affecting operations in 1969-70. On the marketing front a spectacular turn around in export sales occurred late in the crop year. After a slow, early season performance, and a pessimistic outlook, grain shipments increased to above average levels. A substantially greater volume in total was moved than last year. In contrast the economic climate reflected rising costs, producer income problems and numerous industry investigations, all of which contributed to a difficult operating environment. Despite these problems, net results were satisfactory and the year was one of progress.

Excellent soil moisture reserves characterised the beginning of the crop season in Alberta. Although most seeding was completed in May, and early season growing conditions were suitable, a damaging frost affected many regions in mid-June causing a severe set-back to growing crops. In addition, drought occurred in eastern and northern regions, but heavy July rainfall alleviated the situation. These wide variations in growing conditions, however, resulted in considerable second growth and uneven maturity. Southern regions experienced little or no problem with the

harvest, but adverse weather for the second consecutive year delayed operations until October and November in other regions. Approximately 20 - 25% of the crop was left unharvested until spring with some loss in yield and quality. Slightly more than half of the wheat graded 3 Northern or better compared with about one-third last year.

Total grain production in Alberta amounted to 471 million bushels, 19 million more than in 1968. All grains except wheat contributed to this increase with flax and rapeseed nearly doubling over year-ago levels. Alberta wheat production amounted to 140 million bushels, which was 16% less than in 1968. Average yields were better at 26.4 bushels per acre, but wheat acreage declined.

Although a considerable amount of tough and damp grain was harvested, there were fewer storage and handling problems than the year before. An even flow of deliveries and shipments permitted programming of all facilities, including drying, to effectively cope with the situation. A delivery quota of 4 bushels per specified acre for wheat, oats and barley was in effect at all points in the province at the end of the crop year. Not all producers were able to deliver this amount prior to July 31, 1970, but as a result of deliveries extending into the new crop year virtually all producers were able to eventually meet the four-bushel level.

Country Operations

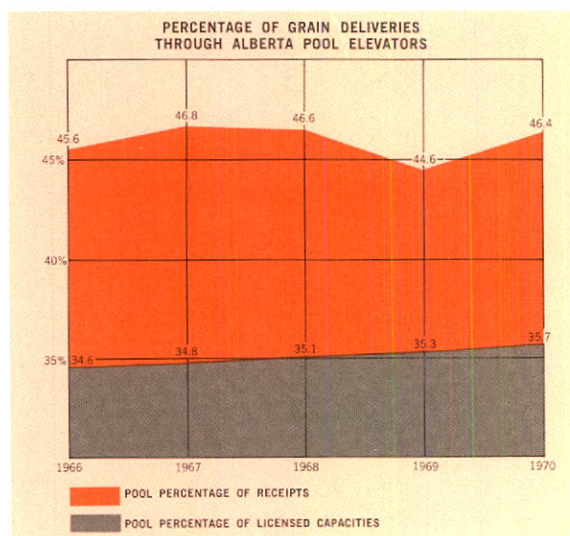
A marked increase in handlings to the second highest level on record combined with a sizeable gain in market penetration were the highlights of the 1969-70 season. Much of this increase occurred late in the crop year as volume of shipments improved. Country elevators were badly congested at the beginning of the season with 43,453,165 bushels in store out of a total capacity of 47,416,800 bushels, which is the largest amount on record. This heavy stocks position was gradually reduced during the year. Although export sales and shipments were slow for the first few months, a more orderly movement of grain due to implementation of the Block System helped alleviate the problem of congestion. At December 31, 1969 stocks in store were

down to 38,743,000 bushels and a similar decline occurred throughout the industry. The creation of more working space in the country system set the stage to deal with the heavy grain movement later in the year. By mid-March it became apparent that a good shipping programme was required for the Lakehead and that a sizeable feed barley movement had materialized for both Eastern and Western destinations. The need for grain to meet these requirements was not immediately reflected in the country. Only in the last 3½ months of the crop year did shipments increase to the high levels required to meet sales commitments before the year end. As a result your Organization handled nearly half of the total volume for the year after April 15th.

In total, handlings for 1969-70 amounted to 93,759,147 bushels, up 15.6% from last year. The percentage of grain handled rose from 44.56 to 46.39. Due to heavy deliveries, grain in store amounted to 41,581,868 bushels at July 31, 1970 out of a total capacity of 48,529,300 bushels. Average utilization of working capacity for the year amounted to 85%.

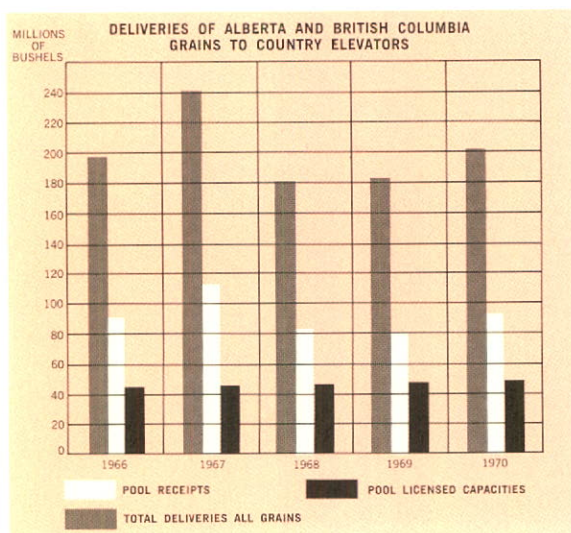
During the season the operation of the Block System was expanded from 9 shipping blocks to a total of 18 covering the entire province by the first week of December 1969. It is doubtful that without a programmed approach to shipping combined with the establishment of a reasonable level of working space, the industry could have responded to sudden increases in the grain movement as effectively as it did at the close of the year. There were, however, some blocks in

Southern Alberta where little or no working space was created during the year and in which congestion remained a problem. Producers in these areas did not have the same opportunity to deliver to the elevators of their choice as in other regions. This points out the need for a uniform approach to create adequate working space in all areas. Once again in 1969-70, eight agents handled more than one-half million bushels of grain and two over 1 million bushels. Average handlings per elevator amounted to 181,002 bushels in 1969-70 compared to 157,807 bushels in 1968-69. A total of 163 weigh-ups at 158 stations were taken with a net overage of .060%, indicating a high degree of accuracy.



Terminal Operations

Larger volumes handled through West Coast ports improved terminal operations in 1969-70. Total Pacific clearances, excluding screenings and mustard seed, amounted to 197 million bushels, up from levels of the previous two years but below the five-year average of 208.6 million bushels. These ports handled 41.4% of Canada's total exports in 1969-70. The pattern of West Coast shipments in recent years shows a reduction in the proportion of wheat and an increase in other grains. Barley exports at 35.3 million bushels are three times greater than the previous year with flax and rapeseed also showing increases. The Alberta Wheat Pool Vancouver Terminal received 58,192,434 bushels of grain during the crop year, up over 10 million bushels from the 48,158,976 bushels one year ago. Shipments, excluding screenings, totalled 56,777,669



bushels compared to 48,050,149 bushels in 1968-69. Operations show a recovery of the previous share of business enjoyed in the port, which was reduced slightly in the past two years due to the dock expansion programme and other renovations which, while under way, limited the plant's capacity.

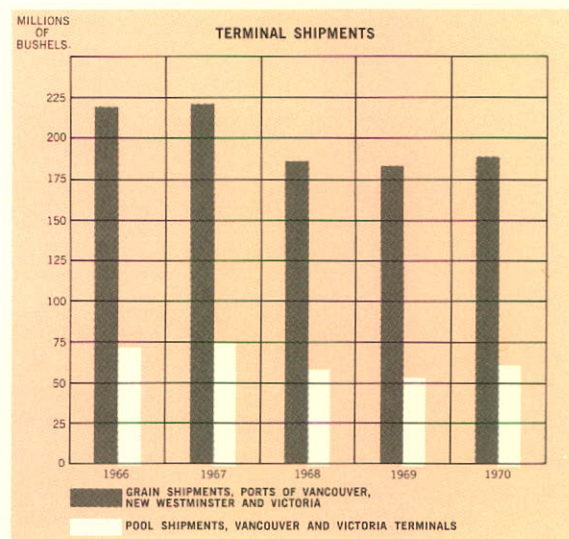
A programme of exchanging cars with other terminals continued throughout the year. Vancouver Terminal received barley from the United Grain Growers and oilseeds from Saskatchewan Wheat Pool. This arrangement worked reasonably well for all parties concerned and assisted in promoting maximum throughput at the West Coast. In addition, the Pool's Vancouver Terminal received 1,715,000 bushels of grain from shippers without terminal facilities at the port. Rapeseed handlings increased by 900,000 bushels with about one-fifth of the handling amounting to receipts of clean seed from other operators. Once again a heavy programme of grain drying was carried out, in which 12,000,004 bushels were dried at the Alberta Wheat Pool Vancouver Terminal. A significant number of railway hopper cars were handled during the year. The experience with these cars was favourable and indicates their advantages for grain transportation. The trend to larger outward grain cargoes continued. The average of all cargoes out of the Pacific coast was 16,429 long tons in 1969, with an average of 26,593 long tons reported on a Chinese contract. The renovations to receiving and dock facilities that have been completed in the past two years at the Vancouver Terminal, with other minor modifications, would put this plant in a favourable position to handle solid trains of hopper cars and ship to large ocean bulk carriers.

The usual programme of maintenance and equipment improvement was carried out during the year. Dryers at Vancouver were converted to natural gas operation. In addition, basic engineering was completed on dust collection equipment, which is to be installed by May 1971.

Shipments of Alberta Wheat Pool grain to the Lakehead and other Eastern destinations were almost twice the 1968-69 volume. These totalled 22,792,277 bushels compared to 12,240,798 bushels the previous year. Eastern selected barley shipments for the Organization amounted to 4,714,053 bushels compared to

2,131,208 bushels for 1968-69. Malting barley shipped to other selectors of malting and pearling barley amounted to 1,696,288 bushels.

As a result of the heavy Eastern movement, a satisfactory season was recorded for the Alberta Wheat Pool Thunder Bay Terminal, which continues to be operated by Manitoba Pool Elevators. Minor improvements to the plant are planned including conversion of the dryer to natural gas and upgrading of electrical equipment.



Seed & Fertilizer Division

Although total sales are down from last year, due to reduced demand for fertilizer, the Seed & Fertilizer Division operations were satisfactory. Total sales from all products amounted to \$9,783,362, with net earnings of \$113,286.

The merchandising and processing of forage seed remains as one of the high risk areas of the entire operation. During June 1969 the province experienced one of the most severe frosts in history. Although many reports indicated that little damage was done, it was not until the harvest season began that the full impact of the spring frost became known. Creeping Red Fescue harvested amounted to one-quarter of the previous year's total, and Brome production was only one-third of the 1968-69 level. The estimated total crop of Fescue harvested in the fall of 1969 was only 7,000,000 pounds. However, with the large farm carryover, a total of 14,000,000 pounds was marketed. This was more than enough Fescue to take care of domestic and export needs and prices declined sharply later in

the year. In early September, Clover crops were excellent, but with poor harvest conditions only about one-half of the potential was harvested and sold to the trade. Forage seed deliveries totalled 10,700,000 pounds, with 80% purchased on an outright basis and 20% pooled.

Operation LIFT substantially affected spring sales. Alberta Wheat Pool was able to retain enough supplies to sell over 200,000 pounds more Brome on the provincial market than in any given year despite shortages which occurred later on. To supplement supplies of Alfalfa several carloads were purchased in the United States and sold provincially with no increase in price to the member. Since the entire crop of Brome was sold on the local market, the growers who pooled their seed received a final payment of 10c per pound, the largest final payment ever paid on Brome.

Cereal seed sales were slow early in the year. Growers were uncertain as to plans for spring planting and very few sales were made until late in the season. Some wheat orders that were placed early in the fall were cancelled when Operation LIFT was announced. Rapeseed and rye sales showed a slight increase over the previous year while all other grain showed a decrease. However, the Division experienced the second largest sale of cereal seed in thirteen years of operation. The germination laboratory at Camrose was expanded and 6,138 samples of grain were tested for members.

Fertilizer usage reflected earlier declines in grain marketing. Western Canada fertilizer sales were drastically reduced and Alberta Wheat Pool sales declined accordingly. Sales of chemicals also dropped in the 1969-70 season. Factors contributing to the reduction in the sale of chemicals were the additional fallow created during the year and reduced farm income.

The Division's technical service continues to expand and more information is being made available to our country personnel. A total of fifteen releases dealing with fertilizer, herbicides and seed were distributed. In addition to the information being sent to country personnel, visits were made to experimental stations at Winnipeg, Lethbridge, Lacombe and Beaverlodge, as well as the Universities of Alberta, Saskatchewan and Manitoba. The Picture Butte Alfalfa project was continued during the year. The seed yield from

some of these strains appears promising, but more work is required on selection. A hybrid barley project was initiated this past season in co-operation with Ram-Bar Corporation of Phoenix, Arizona and the University of Alberta. Approximately 100 hybrid barley varieties were tested at the University of Alberta in Edmonton with some potential indicated.

Subsidiary Companies

Receipts of grain at Victoria Elevator Limited were confined to wheat and amounted to 5,529,410 bushels. A reduction of 19% in the handling from the previous year can be attributed to extended periods of reduced shipping, particularly during the early months of the crop year. Approximately half of the grain handled was out of condition. A weigh-up of the terminal was completed late in July, indicating satisfactory results in terms of acceptable overage.

Earnings were \$125,650 before taxes, the majority of which, after income tax, will be paid to the Parent Organization as a patronage refund. Cash paid to the Pool for screenings, diversion premiums, management fees and other charges amounted to \$167,008.

Interior Feeds Limited purchases non-Board grain for the British Columbia feed market, and handled a record 4,166,455 bushels of feed grains. Average prices paid during the year were \$1.18 per bushel for wheat, 50c for oats and 73½c for barley. Earnings before taxes were \$73,856, of which \$37,959 has been provided for income tax, leaving a balance of \$35,897 retained in the business. Payments to the Parent Organization for elevator handling charges, storage, service and management amounted to \$247,203.

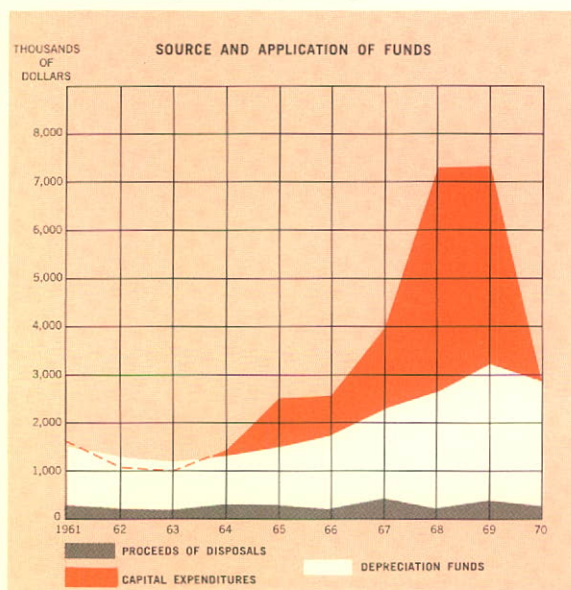
Properties

Capital expenditures were \$2,830,255 in 1969-70, compared to \$7,260,935 in 1968-69. This decrease reflected a reduction in construction of new country facilities necessitated by the need to build working capital in order to pursue an aggressive programme once Government planning for the industry is clarified. Last year's capital expenditures included \$2,298,000 to complete the terminal expansion project at Vancouver.

In the past three years working capital has decreased substantially as a result of heavy capital expenditures. Levels must be built up and maintained to provide an adequate margin to meet current operating requirements from year to year.

On August 1, 1969 the Organization owned 521 elevators. During the year 11 new elevators were built, of which 7 were the composite type with a total licensed capacity of 900,000 bushels. The other 4 were conventional elevators of 70,000 bushel capacity each. Three elevators were purchased. One elevator was dismantled, 11 converted to twins and 2 sold. Fire destroyed the elevator at Foremost #1, along with a cribbed annex and balloon annex. Eight cribbed annexes were constructed during the year. Capacity of country storage facilities increased by 1,112,500 bushels to a total of 48,311,300 bushels, which represents 35.7% of the licensed country elevator space in Alberta and British Columbia. Ten seed and fertilizer warehouses were built and 2 purchased. Three warehouses were sold. Eleven dwellings were constructed, 5 purchased and 12 sold. Fourteen car movers and 12 dust control units were installed during the year. Necessary repairs and maintenance were carried out as usual to keep the physical facilities in satisfactory operating condition and appearance.

As at July 31, 1970 the Organization owned 520 elevators at 410 points, 654 annexes, 399 dwellings, 4 seed cleaning plants, 375 seed and fertilizer warehouses, 3 terminal elevators, a Head Office building and a parking lot.

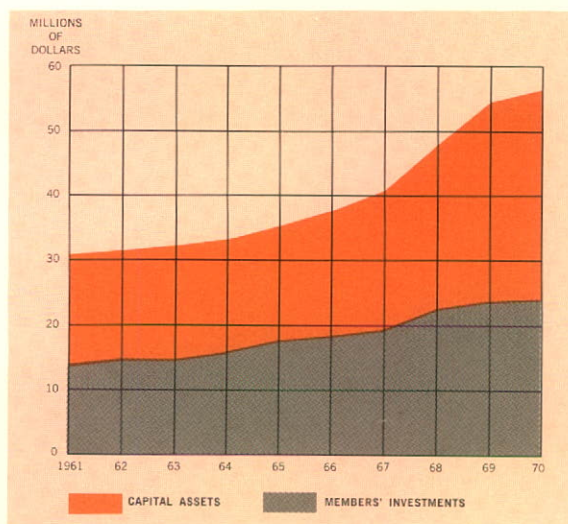


Operating Results

This is a consolidated report on the operations and earnings of the Alberta Wheat Pool and its wholly-owned subsidiaries, Victoria Elevator Limited and Interior Feeds Limited. Reference to capital assets relates to Alberta Pool Elevators Limited, another wholly-owned subsidiary which owns all of the physical assets of your Organization except the Terminal at Victoria, which is owned by Victoria Elevator Limited.

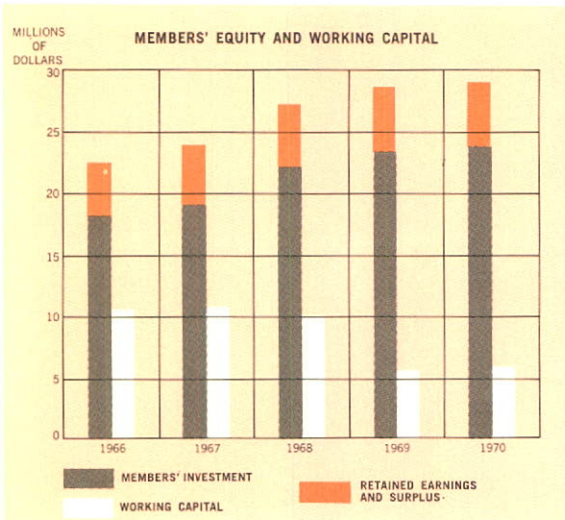
Consolidated earnings before income taxes were \$4,023,296, after provision for capital cost allowances at the maximum permissible rates of \$2,589,557. The increase in earnings over the previous year was \$1,250,333. Higher volumes of handling and shipping in the country elevator system, and the Vancouver and Thunder Bay Terminals, were the major factors in the increased earning. Seed & Fertilizer Division earnings were smaller due to reduced sales of fertilizer and chemicals. Expenses continued to increase, but savings were made in some areas. Country and terminal repairs were reduced by \$177,000 and capital cost allowances by \$243,000. Adjustment to the members' accident insurance plan also reduced that expense by \$78,000.

Patronage refunds from the prior year's earnings, distributed in accordance with the wishes of the delegate body, amounted to \$2,661,648. Of this amount, \$1,028,658 was cash and the remaining \$1,632,990 was credited to reserve accounts. Reserve purchases for the year were \$1,188,138



resulting in an increase of \$444,852 in members' reserves, giving a total of \$23,995,123 at July 31st.

Capital expenditures were reduced considerably from the record \$7,260,935 of last year to \$2,830,255 and when offset by recoveries of \$293,463 were slightly less than capital cost allowances.



Staff

More than the usual amount of credit is due to the staff for their part in the completion of another successful year. Many additional responsibilities were undertaken and carried out satisfactorily under difficult conditions. In particular, new duties were imposed as a result of policies adopted by the Canadian Government. The implementation of Operation LIFT resulted in extra work, particularly for country employees. Furthermore, these added responsibilities coincided with a heavy shipping programme resulting in a need to work many long hours. It is gratifying to note that the results contributing to a successful year largely occurred at a time when these difficulties were greatest. I would like to thank our staff for the achievement of a level of performance which made success during the year possible.

Respectfully submitted,

General Manager

FINANCIAL STATEMENTS

Auditors' Report

Consolidated Balance Sheet

Consolidated Earnings

***Consolidated Earnings Retained
From Prior Years***

***Consolidated Source And
Use Of Funds***

***Notes To Consolidated
Statements***





AUDITORS' REPORT

CLARKSON, GORDON & CO.
Chartered Accountants

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, 1970 and the consolidated statements of earnings, earnings retained from prior years and source and application of funds 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 financial statements present fairly the financial position of Alberta Wheat Pool and subsidiary companies at July 31, 1970 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson, Gordon & Co.

Chartered Accountants.

Calgary, Canada.
October 23, 1970.

ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

JULY 31, 1970 AND 1969

ASSETS

Current:

	1970	1969
Cash in banks, on hand and in transit	\$ 822,128	\$ 1,052,641
Stocks of grain (Note 2)	54,638,232	61,255,196
Stocks of seed, fertilizer and supplies (Note 3)	2,232,377	2,511,797
Advances on grain	13,409	30,852
Accounts receivable	5,781,953	6,414,026
Accrued items receivable	455,850	702,382
Prepaid expenses	750,047	761,230
Total current assets	64,693,996	72,728,124

Fixed—at cost:

Buildings, sites and operating machinery	55,485,235	53,138,576
Less accumulated capital cost allowances	33,990,747	31,717,654
	21,494,488	21,420,922
Elevator and office equipment, autos, trucks and miscellaneous equipment	1,100,623	1,083,424
Less accumulated capital cost allowances	556,087	515,940
	544,536	567,484
Net fixed assets	22,039,024	21,988,406

Investments—at cost:

Shares and bonds of affiliated companies	8,398,100	8,371,530
Grain Exchange memberships and trade associations	11,152	11,152
Co-operative associations	2,380	2,105
	8,411,632	8,384,787

Other:

Deferred accounts receivable	992,442	1,129,527
Excess of cost of investment in subsidiary company over book value at date of purchase	155,420	155,420
	1,147,862	1,284,947
	\$96,292,514	\$104,386,264

See accompanying notes

LIABILITIES

Current:

	1970	1969
Outstanding cheques, cash tickets and orders	\$10,545,218	\$ 8,263,682
Bank loans (secured)	32,490,000	48,020,000
Call and short term loans	6,118,900	3,823,963
Accounts payable	2,653,731	1,422,695
Staff savings	1,883,564	1,796,785
Income tax payable	46,639	12,575
Accrued items payable	715,111	546,350
Growers' outstanding payments	198,371	173,609
Net earnings — current year less estimated minimum income tax (Notes 4 and 5)	3,946,667	2,732,088
Total current liabilities	<u>58,598,201</u>	<u>66,791,747</u>

Term Loans From Members and Co-operatives (Note 6)	<u>8,469,630</u>	<u>8,730,030</u>
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Reserves and Surplus:

Reserves (Note 7)		
Authorized —	<u>\$30,000,000</u>	
Issued to members —		
Members' investments	23,995,123	23,542,113
Surplus retained from earnings of prior years (Note 9)	5,229,560	5,322,374
	<u>29,224,683</u>	<u>28,864,487</u>

Commitments (Note 10)

	<u>\$96,292,514</u>	<u>\$104,386,264</u>
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ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED EARNINGS

YEARS ENDED JULY 31, 1970 AND 1969

	1970	1969
Operating revenues (Note 8)	\$23,726,960	\$21,225,160
Deduct:		
Elevator and seed plant operating expenses	7,060,724	6,976,146
Office, administration and supervisory expenses	3,784,494	3,508,427
Terminal elevator operating expenses	2,518,294	2,350,042
Interest — net	3,750,594	2,785,159
	<u>17,114,106</u>	<u>15,619,774</u>
Earnings before capital cost allowances	6,612,854	5,605,386
Capital cost allowances	2,589,557	2,832,423
Net operating earnings	<u>\$ 4,023,297</u>	<u>\$ 2,772,963</u>

STATEMENT OF CONSOLIDATED EARNINGS RETAINED FROM PRIOR YEARS

YEARS ENDED JULY 31, 1970 AND 1969

	1970	1969
Balance at beginning of year	\$ 5,322,374	\$ 5,037,898
Add:		
Earnings from previous year before income taxes	2,772,963	5,531,898
Gains arising from disposal of properties (Note 9)	103,382	94,064
	<u>8,198,719</u>	<u>10,663,860</u>
Deduct:		
Patronage refunds—		
In cash	1,028,658	2,137,176
In members' investments increased	1,632,990	3,064,704
	<u>2,661,648</u>	<u>5,201,880</u>
Income taxes paid on previous years' earnings	83,039	139,611
Write down of investment in affiliated company	223,599	
Sundry adjustments	873	(5)
	<u>2,969,159</u>	<u>5,341,486</u>
Balance at end of year	<u>\$ 5,229,560</u>	<u>\$ 5,322,374</u>

See accompanying notes to consolidated financial statements.

ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

YEARS ENDED JULY 31, 1970 AND 1969

	1970	1969
Working capital at beginning of year	\$ 5,936,377	\$10,130,493
Source:		
Prior year's earnings after income taxes	2,732,088	5,456,564
Deduct:		
Patronage refunds paid in cash	1,028,658	2,137,176
Members' reserves purchased	1,180,508	1,768,022
	2,209,166	3,905,198
Prior year's earnings retained	522,922	1,551,366
Current year's capital cost allowance not involving an outlay of funds	2,589,557	2,832,423
Proceeds of disposals of fixed assets	293,463	380,906
Sundry adjustments	(346)	5
	3,405,596	4,764,700
Application:		
Additions to fixed assets —		
Buildings, sites and operating machinery	2,654,716	6,918,552
Equipment	175,539	342,383
Increase in investments	108,045	71,282
Increase in deferred accounts receivable	5,314	1,050,415
Decrease in term loans from members and co-operatives	260,400	511,907
Adjustment of prior years' income taxes	42,164	64,277
	3,246,178	8,958,816
Working capital increased (decreased) during year	159,418	(4,194,116)
Working capital at end of year	\$ 6,095,795	\$ 5,936,377

See accompanying notes to consolidated financial statements.

ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 1970

- 1 — The consolidated financial statements include the accounts of the Alberta Wheat Pool and its wholly-owned subsidiary companies, Alberta Pool Elevators Limited, Victoria Elevator Limited and Interior Feeds Limited.
- 2 — Stocks of wheat, oats and barley have been valued at Canadian Wheat Board delivery prices and stocks of other grains at market or open sales contract prices where applicable. Allowance has been made for handling and other charges.
- 3 — Stocks of forage and cereal seeds, fertilizer and supplies have been valued at lower of cost or market, or where applicable, at open sales contract prices less costs of handling.
- 4 — Current year's net earnings, less estimated minimum income tax, are shown as a current liability pending action by the delegates at the annual meeting regarding patronage refunds.
- 5 — Income tax has been provided on the current year's earnings at the estimated minimum amount under the provisions of the Income Tax Act.
- 6 — 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.
- 7 — Ownership in Alberta Wheat Pool is by investment in the reserves of the organization. Funds to make this investment have been provided from patronage refunds.
- 8 — Revenues accrue from grain, seed and fertilizer handlings, terminal operations and diversion premiums, carrying charges, storage and interest, rentals from office building and agents' dwellings, etc.
- 9 — It is the practice of the Company to credit or charge gains and losses on disposal of fixed assets, directly to surplus rather than operations.
- 10 — The construction of certain fixed assets, which had been authorized by the Directors of Alberta Wheat Pool, was uncompleted to the extent of approximately \$2,650,000 at July 31, 1970.

Certain facilities are being leased from other parties under long term agreements at rentals approximating \$40,000 annually.

DIRECTORS' REPORT

1969-70

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

Gentlemen:

Your Board of Directors is pleased to submit the report of Canadian Co-operative Wheat Producers Limited for the year ended 31st July, 1970.

It has been a year of great anxiety for members of your Board as, indeed, it has for all western grain producers. The crisis in international wheat marketing continued unabated throughout most of the year with brighter news coming only late in the season. The squeeze on farm income intensified as inflation continued its upward spiral and delivery opportunities lagged badly during the first six months of the crop year.

The introduction of a wheat acreage adjustment plan through the Lower Inventory for Tomorrow program created new anxieties for grain producers. The report of the Task Force on Agriculture added new dimensions to discussions about the future of western production.

During the year a massive assault on the principles of orderly marketing developed. It came not only from the traditional opponents of the Canadian grain marketing system, but from other groups usually less concerned about grain sales. To some degree, similar criticisms were voiced by farmers impatient at low delivery quotas and uncertain about future market prospects.

These matters gave your Board much concern which is reflected in steps taken by Canadian Co-operative Wheat Producers Limited and the Pool organizations, which are its members, to discover policies to meet the challenges of an anxious year.

Grain Production in Canada

Canada in 1970 embarked on a policy designed to reduce acreage devoted to wheat with a view to bringing supply more closely into balance with anticipated demand. The program was designed to encourage producers to divert acreage from wheat to summerfallow or forage crops. The acreage reduction program will be discussed later in this report.

As a result of this program and other factors, acreage devoted to wheat in the three prairie provinces was cut in half from the previous year. The September estimate by the Dominion Bureau of Statistics put 1970 wheat acreage on the prairies at 12,000,000. The 1969 acreage was 24,400,000.

Following a slow start in the spring of 1970, the growing season was a good one so that the estimated yield of 25.9 was only fractionally below the 1969 figure of 27.3 bushels per acre. The slightly lower yield, combined with the sharp reduction in acreage, resulted in an estimated prairie production of 311,000,000 bushels, considerably less than half the 665,000,000 bushels produced in 1969.

One of the striking features of the year's production was the large increase in acreage and production of rapeseed. Plantings almost doubled from about 2,000,000 acres in 1969 to just under 4,000,000 in 1970. An increase in yield from 16.6 to 18.1 bushels per acre, combined with the higher acreage raised production to an estimated 71,600,000 bushels of rapeseed compared to 33,400,000 the previous year.

Acreages devoted to barley and flaxseed increased significantly and, with higher yields for each grain, production was well above the previous year. Barley production went up from 355,000,000 to 389,500,000 bushels and flaxseed from 27,300,000 to 47,600,000 bushels.

Details of acreage, yield and production are shown in Tables 1 and 2.

Deliveries from Western Farms

Prairie wheat deliveries for 1969-70 were disappointing and the delivery pattern caused many frustrations both at the beginning and end of the crop year. Delivery opportunities for wheat declined for the third year in succession. Preliminary estimates by the Board of Grain Commissioners put the figure at 378,400,000 bushels in 1969-70, down from 423,100,000 the previous year, a drop of more than 44,000,000 bushels. The record high was in 1966-67 at 632,000,000 bushels.

Movement of other grains was more active. Farm deliveries of barley almost doubled over the previous year, rising from 81,800,000 to 161,400,000 bushels in 1969-70. Flaxseed deliveries rose about 6,500,000 bushels to reach 21,800,000 and rapeseed marketings went up

nearly 11,000,000 bushels to 28,200,000 for the year. As a result of the increased delivery opportunities for barley and oil seeds, the movement of all grains from the prairie provinces reached 616,500,000 bushels, an increase of more than 33,000,000 bushels over the previous year.

Wheat deliveries were exceedingly slow during the first six months of the crop year. By the end of January 1970, wheat deliveries amounted to little more than 110,000,000 bushels and quotas were correspondingly low. The pace of the movement began to pick up so that during the last three months of the crop year, farmers were able to deliver about 175,000,000 bushels. At 31st July, many producers had not been able to complete delivery of their four-bushel quota and some anxiety was felt until the quota was generally cleared up during the "long, long weekend."

Detailed delivery figures are shown in Table 3.

Canadian Grain Exports

Exports of Canadian wheat and other grains showed remarkable recovery over the low figures for the previous year. Exports of wheat and flour abroad rose about 40,000,000 bushels to reach an estimated 345,600,000 bushels. Barley exports were up by more than 60,000,000 bushels, rapeseed increased 8,000,000, and flaxseed 5,000,000 bushels. Sales abroad of all grains in 1969-70 amounted to 477,700,000 bushels for an increase of 117,000,000 bushels over the previous year's figure of 360,400,000 bushels.

Much of the improvement in wheat exports was attributable to the purchase by the Soviet Union of 47,300,000 bushels against the previous year's purchase of less than 2,000,000 bushels. Sales to the Peoples' Republic of China at 65,100,000 were down by 17,000,000 bushels from the year before. Declines were also recorded in sales to the United Kingdom, Japan and Italy. Offsetting these reductions, sales were increased in a number of smaller markets and some new markets were opened. Asian countries continued to be the most active market for Canadian wheat taking more than 41 per cent of total exports or 131,200,000 bushels.

Export of 82,700,000 bushels of barley was the third highest clearance of this grain on record and the largest since 1953-54. Principal customers were Britain at 19,500,000 and Japan at 16,900,000 bushels. Rapeseed exports of 22,200,000 bushels set an all-time high record. Japan took 14,400,000 bushels, an increase of 33 per cent.

Pacific ports loaded the largest volume of Canadian grains at 197,700,000 bushels up 10,000,000 from the previous year. St. Lawrence ports increased their grain loadings from 82,600,000 bushels in 1968-69 to 173,600,000 last year. Shipments through Churchill at

22,000,000 bushels were down slightly from the previous year.

Details of Canada's grain exports are shown in Tables 7, 8, 9 and 10.

World Food Situation

Much of the world continues to be undernourished most of the time.

The Food and Agriculture Organization maintains a running check on changes in food production and the steady growth of world population. In its most recent tabulation (1968), indices show a fairly steady growth in world food production of about 3 per cent a year. Population grows at about 2 per cent a year. So the net increase in food production available to improve the diets of hungry people works out at 1 per cent a year. It will be a long while before everyone is well fed, unless the world can achieve a breakthrough in either food production or population control.

The situation in many of the developing countries is much more tragic than the world figures above indicate. The FAO report suggests that the increase of food production in developing countries in 1968 was only about 2 per cent against a population growth of 2.7 per cent. Either the people in those countries got a little bit hungrier or they had to import more food.

These figures may be too early to reflect the effect of the "Green Revolution" of which so much has been written lately. The "Green Revolution" with its new and higher yielding varieties of wheats and rice, and new techniques, brings promise of better things to come and is, in fact, bringing results in many of the developing countries of Asia. In 1968 production in this region rose from 5 per cent so that FAO was able to report:

"Output per head of population regained most of the loss of 1965-66, and most food importing countries of the region were able to move toward greater self-sufficiency in food grains, and to improve their stock position."

It is evident that the race between increased food production and population growth has not been won for much of the developing world. Students of population trends are now predicting that world population may double in the next 30 years, that is, it will be somewhere between 6.5 and 7 billion people in the year 2,000. Of these, five-sixths will live in what are now regarded as the less-developed countries. The question is being asked: Can the world feed so many? And at what level of nutrition?

These questions strongly point up what Dr. A. H. Boerma, Director General of FAO, called "the need for more vigorous national and international action to step up the flow of external resources to the poor countries."

Canada has begun to step up its contribution to the World Food Program of the United Nations. At a recent pledging conference, Canada announced a 50 per cent increase in its pledge bringing the total for 1971-72 to \$30,000,-

000. Total pledges by 49 countries at the conference amounted to \$215,224,000 (U.S.). A few additional pledges were expected later.

In addition to its contributions to the World Food Program, Canada makes large additional quantities of food available through bilateral arrangements and through voluntary agencies and special grants. In 1967-68 Canada allocated more than \$68,000,000 to its food aid program for developing countries. Most of the food aid was given in wheat and flour.

International Developments—Wheat

World wheat production for 1969-70 is estimated by the International Wheat Council at 11.4 billion bushels on 535.7 million acres. These are preliminary figures subject to revision as world harvests are completed.

This estimate suggests a drop of almost 5 per cent from the record crop of 11.9 billion bushels in 1968-69. If this crop materializes, it will still be the second largest crop on record being well above the 10.8 billion crop in 1967-68 and the average of 11.0 billion for the past previous five years.

The reduction in estimated production for 1969-70 is the result of reduced plantings and a slightly lower yield of 22.1 bushels per acre, down from 22.7 the previous year.

World wheat acreage in 1969-70 dropped about 16,000,000 acres below the record level of 494,000,000 the previous year. This was the first time in 20 years that world wheat acreage showed a decline. In previous years, reduction in acreage in one or more countries was offset by increases elsewhere.

The buildup in world wheat acreage, yield and production began in the 1940s. According to a study of trends by the International Wheat Council,

"the picture has been one of continued growth in area, yield and production. . . . Taking the world, excluding the USSR and Mainland China, and making an overall comparison between 1949-50 and 1968-69, area has increased by 16.2 per cent, yields by 55.2 per cent, and production by 79.7 per cent. Over the period, the most marked increase in yield and production occurring since 1963-64. . . . The rise in yields between 1963-64 and 1968-69 was nearly 15 per cent with a temporary check in 1967-68."

Trends toward larger wheat acreage have been more pronounced in developing countries and in those with centrally planned economies such as Russia.

Increases in yields have occurred in all parts of the world: 47 per cent in developed countries, 49 per cent (from a lower level) in centrally planned countries and 34 per cent in developing countries. The most striking statistical gain, the Council reports, occurred in Eastern European countries where the increase in yield was 76 per cent.

It is evident that trends resulting in the huge surpluses of 1968-69 had been in the making for some time. To a considerable degree,

the trend to higher production had been matched by a growth in the world consumption of wheat so that burdensome surpluses were evident only for limited times during the period. The trend was partially obscured, too, by uneven distribution of good and poor crops in many years. Famines in India and Pakistan, crop failures in Russia and China tended to create special markets to absorb high production elsewhere so that at the year-end stocks in the five major exporting countries tended to level out.

The pattern is probably most clearly illustrated in the record of world carryovers during the late 1960s as shown in Table 17A. From 1964 through to 1968, carryover stocks held by the five major exporters, ranged from 1.2 to 1.7 billion bushels. Suddenly in 1968-69 year-end stocks increased by 700 million bushels to reach 2.3 billion. At the same time every country harvested a good crop and required less imports. The sudden change was enough to break the market and all the traditional exporters were in trouble.

World Trade 1969-70

World trade in wheat for 1969-70 increased for the first time in four years. The United States Department of Agriculture has estimated trade for the year at 1.8 billion bushels, an increase of almost 200 million over the previous year. The increase is considerably less than the decline that occurred between the two previous years, and the 1969-70 export figure is well short of the record of nearly 2.3 billion in 1965-66.

Gains were recorded in world sales to Eastern Europe, 88 million bushels; Communist Asia, 62 million bushels and India and Pakistan, 30 million bushels. Canada's share in these markets was discussed in an earlier section. Exports of wheat for feed continued to expand during the year. The United Kingdom increased its imports of feed wheat by about 17 million bushels to reach a total of 36 million, mainly from EEC countries.

The United States increased both its commercial and concessional sales of wheat during the year. Its commercial sales rose from 293 to 326 million bushels with Japan taking 85.5 million or 26 per cent of the total. Commercial exports to Latin America at 78 million bushels were also up from the year before. Concessional sales for 1969-70 amounted to about 284 million bushels.

Australian exports at about 280 million bushels were up 19 per cent for the year. This included sales of about 95 million to Communist Asia and 83 million bushels to non-Communist countries in Asia. Both markets showed substantial percentage increases.

Sales by the European Common Market countries, principally France, showed substantial gains during the year. Exports from the group rose from 172 to 246 million bushels. France made considerable gains in sales to

Mainland China, raising its exports from 9 to 27 million bushels. It experienced considerable growth in trade with the United Kingdom in denatured wheat for feed. Sales in this market amounted to about 36 million bushels. Exports from the Soviet Union at 150 million bushels were down slightly from the previous year.

Prices for wheat during the year remained below the floor of the International Grains Arrangement. In spite of increased world trade, stocks of wheat on hand in three of the principal exporting countries remained high. It is estimated that Canada, Australia and the United States will carry 2.4 billion bushels into the 1970-71 crop year compared to the 1969 carry-over of 2.1 billion bushels. Stocks of this size will continue to influence international price levels.

While the price of wheat remained below the floor of the International Grains Arrangement during 1969-70, the exporting members continued to meet on occasion to review the situation and exchange views. These meetings appeared to have a stabilizing effect upon the market.

The International Wheat Council which has the responsibility for administering the terms of the IGA, was kept intact and continued to receive and publish information about the international wheat trade and transactions carried out under IGA. During the year, committees of the Council met to initiate discussions for renewal of the Arrangement when it expires in midsummer 1971. Further meetings are planned under the auspices of the United Nations which will open the way to participation by such countries as the Soviet Union which is not now a signatory to the IGA.

Your Board hopes that the Government of Canada will continue to play a leading role in the negotiation of another agreement as broadly based among producing and consuming nations and as strong as can be achieved under present circumstances.

The Canadian Wheat Board's asking price for No. 1 Northern remained well below the International Grains Arrangement floor price of \$1.95½ throughout the year under review. In early August, 1969, the Board's price ranged around the \$1.86½ mark. By late November it was down around \$1.82 and by March, 1970 to a fraction less than \$1.80.

On 1st June, 1970, the Government of Canada announced that the Canadian dollar would no longer be pegged at or near 92½ cents but would be allowed to find its own level. This had an immediate effect on the Wheat Board's asking price which that day was lowered from \$1.79⅞ to \$1.74⅞, reflecting the change in the value of the Canadian dollar. Since that date the price has fluctuated not only in response to the competitive situation in world grain markets, but in response to daily quotations on the value of the Canadian dollar. At 31st July, the price for No. 1 Northern at the Lakehead was \$1.72,

about 14 cents below the price at which the year began.

In anticipation of the lower world prices likely to be in effect during the 1969-70 crop year, the government reduced the initial payment on wheat by 20 cents a bushel to \$1.50 for No. 1 Northern at the Lakehead.

At the same time, the government introduced the two-price system for Canadian wheat, with the price of wheat for human consumption in Canada being pegged at the IGA floor of \$1.95½ for the duration of the crop year. Producers and farm organizations, while supporting this principle, urged that the domestic price reflect domestic price indices on costs of production.

The Minister in charge of Wheat Board operations announced in early March that there would be no final payment on wheat, oats or barley delivered to the 1968-69 pools, except for distribution of about \$6,000,000 on durum wheat. Initial payments to producers had amounted to more than realized prices on the other grains so that the government was left to make up the deficit in each pool. This was the first occasion since the Wheat Board had assumed responsibility for selling all Western wheat in 1943 that there had been no final payment on wheat.

International Developments— Coarse Grains

Detailed production and trade figures for coarse grains in 1969-70 were not available when this report was prepared. However, some observations on changes in the coarse grain situation for 1968-69 are appropriate.

World production of coarse grains in 1968-69 was estimated at 491 million tons, only slightly larger than in the previous year which had established a new record. International trade in feed grains dropped about 4 million tons during the year to stand at 35 million. This was the second successive year to record a decline in world trade from a peak of 42.6 million tons in 1966-67.

Because large supplies were available in many countries, it was a buyers' market in 1968-69. Prices declined and importers took only the kinds and quantities needed for immediate use. Imports into Western Europe and the European Economic Community both declined. Britain's imports remained about the same as the previous year in volume, but there was a marked movement away from imported U.S. corn to barley from Canada and Australia.

Japan was one of the few markets to increase imports of feed grain. Total imports for 1968-69 amounted to 8 million tons or about 23 per cent of the total world trade in feed grains, thus maintaining its position as the leading importer. Corn imports from the United States and South Africa both increased. But the largest shift in the Japanese market occurred in barley. Exports of barley from EEC countries and

Australia captured 95 per cent of the Japanese market, replacing Canadian and U.S. exports which had held 84 per cent of the market the previous year. Canada returned to the Japanese barley market in 1969-70 with sales of nearly 17,000,000 bushels or about 370,000 metric tons.

Responding to Surpluses

As the magnitude of the world wheat surplus became more apparent during the summer of 1969, nervousness in the international market increased. For the fourth year in succession, world production appeared likely to exceed 10 billion bushels. On top of this, major exporters were carrying forward from previous crops about 2.3 billion bushels—an amount roughly equal to the highest level of world exports on record for any year.

Buyers became even more reluctant to enter the market in the light of the pressures such large surpluses might exert on sellers to start unloading at any price. World trade ground down to the movement of only the most essential supplies required by importers. It was, in short, a buyers' market.

Moreover, the whole international wheat situation was in a state of flux. At the production end, new high-yielding varieties were being introduced in some of the developing countries; the use of fertilizers and irrigation in combination with the new varieties was promising self-sufficiency in countries traditionally short of food, improvements in storage and distribution systems were reducing spoilage and the application of other new production techniques were all contributing to the prospect that more importing countries could, and soon would, be growing more of their own food.

Canada's hard wheat production was facing another set of challenges at the processing level. New milling and baking techniques had been introduced in several important markets, which permitted the effective use of larger percentages of soft wheats in the production process. Thus, Canadian wheat was being squeezed at both ends of the production-consumption cycle.

The situation called for measures to restore some semblance of balance to the international situation. The United States which had accumulated considerable experience in attempting to control supply, instituted new acreage reductions. France diverted considerable amounts of its surplus wheat to livestock feeds both for export and domestic consumption. Australia instituted its first quota system.

In Canada where the surplus was edging toward a two-year supply of normal exports, it became evident that farmers would voluntarily shift some wheat land to other production, such as oil seeds or feed grains, and there was a movement toward more livestock production, notably hogs, to use up some of the surplus grain. There was a danger that the process might go too far too fast and thus create embarrassing surpluses in other commodities.

In this situation the Canadian government offered a Wheat Reduction Program designed to divert land from wheat production to summerfallow or perennial forage crops. The program was designed as a one-year emergency measure. Under it, farmers could receive \$6 an acre on land diverted from wheat to summerfallow or \$10 over two years for diverting to perennial forage. The wheat quota base was changed from specified acres to a combination of summerfallow and increased forage acreage to give producers increased delivery opportunities on the basis of compliance with the program. The program had the additional advantage of making some cash available to producers through summerfallow and forage payments.

The plan met considerable initial resistance. Western farmers have not been accustomed to programs designed to take land out of production. It was considered risky to keep land in summerfallow for two consecutive years. And there was a good deal of misunderstanding about the program and its objectives.

The wheat reduction program was moderately successful. Based on information provided in applications by 178,357 permit books issued to September 30, 1970, the Wheat Board estimates wheat acreage in the three Western provinces declined from 24,400,000 in 1969 to about 13,200,000 acres in 1970. It will be some time before a full assessment of the program can be made but it is evident that significant changes in production took place in 1970.

It is worth noting that world wheat acreage in 1970 declined for the first time in more than 20 years. However, major adjustments remain to be made in wheat production in a number of countries if the world market is to attain tolerable degree of stability.

Ferment on the Policy Front

The year just closed has been a particularly busy one on the farm policy front. Probably at no other time in its history has agriculture been subjected to such close scrutiny by such an array of talent as it has in the last two years. And farmers themselves, either through existing farm organizations or through new ones, have given more than usual attention to the future of agriculture in the national economy and their position in it.

The first, and possibly the most ambitious, of the inquiries into the state of agriculture in Canada, was launched in September, 1967 when the then Minister of Agriculture announced the appointment of the Federal Task Force on Agriculture. Its terms of reference were to assess Canadian agriculture in terms of its contribution toward the achievement of national goals and to study and make recommendations concerning agricultural policies required to achieve long-range national and agricultural goals taking account of the interests of farmers and consumers.

The report of the Task Force was placed

before the country during the year under review. Farm groups have been intensively considering its recommendations in the last few months in preparation for a second Agricultural Congress late in November. Your Board has expressed concern about the timing of the Congress and has urged that more time should have been allowed for farmers to establish within their own organizations a policy position on the many issues and recommendations in the report.

In February, 1969, representatives of all aspects of the grains industry in Canada came together to form the Canada Grains Council. It is designed as a continuing organization "to co-ordinate Canada's efforts to improve its share of world markets for all grains and grain products, and to achieve the efficient utilization of grains and grain products in the domestic market."

This group has assembled a staff and launched a number of studies relating to matters within its terms of reference. The organization held its first annual meeting in 1970 and received progress reports from several of its committees. The Council will maintain on-going studies of a number of matters relating to Canadian grain problems. There are broad philosophical differences separating representatives of farm organizations and other members of the Council. Farmers are not likely to turn over to this type of organization any responsibility to speak on their behalf on matters of general farm policy.

During the year, a new group emerged within the government itself. This is the Government Grains Group made up of representatives of the Departments of Agriculture, Industry, Trade and Commerce, Transport and agencies related to these departments. The group operates on a continuing basis to co-ordinate research, planning and operations within the framework of government policy with respect to grains. It has launched a number of studies in depth concerning the movement and marketing of Canadian grain. It has been working closely in its studies with many organizations in the grain trade, including the three prairie Wheat Pools.

Toward the end of the crop year, The Canadian Wheat Board named a six-man committee of international grain marketing specialists to review and evaluate Canada's grain export marketing system and its policies. The committee is composed of persons with international experience in many aspects of the grain trade. The three Pool organizations will submit their views to this committee. Its report is expected early in 1971.

Inflation and Farm Income

Farm cash income in the prairie provinces in 1969 declined for the fourth year in succession. The preliminary estimate of cash income from all sources at \$1.8 billion was the lowest figure recorded since 1964. Cash income from wheat,

including both sales and Canadian Wheat Board payments, dropped nearly \$380 million from the previous year or about 47 per cent. Cash income from all sources was \$1.8 billion compared to \$2.0 billion the previous year.

Income from barley in 1969, including Wheat Board payments, was \$88.9 million, down more than \$25 million from the previous year. Cash receipts from sales of cattle and calves declined about \$35 million. Cash income from flaxseed increased by about \$30 million and for rapeseed by \$17 million. Details of the cash income situation with comparative figures are shown in Table 11.

The most striking change in cash income figures between the years 1968 and 1969 was in the returns from wheat which declined \$380 million in the year. Three factors contributed to the drop: the initial price was reduced by 20 cents a bushel on 1st August 1969; deliveries were slow from August to the end of December; and the final wheat payment from The Canadian Wheat Board declined from \$315 million in 1968 to about \$60 million in 1969. The decline in the cash income from wheat was partially offset by an increase in cash advance payments from \$52.6 million in the calendar year 1968 to an estimated \$157 million in the calendar year 1969. (See also Table 20 for crop year data.)

The decline in cash income to prairie farmers created many problems for other groups in the community. Farm purchases, except for essential goods and services, declined sharply and was reflected in a drop in general business. Both provincial and municipal government revenues were affected. The need to inject additional cash income into the farm sector was evident in almost every facet of the prairie economy. Your Board and the member organizations in CCWP took advantage of every opportunity to impress this need on the federal government.

The net income position of Western farmers (Table 12) also deteriorated during the year falling to \$873.9 million from \$1,002.3 million in the previous year. This figure takes account of changes in inventory on the farm, hence it reflects the generally good crop harvested in 1969, but unable to be sold during the calendar year.

The pace of inflation showed little inclination to slow down during 1969 so that prairie farmers continued to be confronted with steadily rising prices for most of the goods and services required for living and to carry on production. The composite index of goods and services required by farmers, including their living costs, rose from 314.0 in 1967 to 330.2 in 1968 and 344.3 in 1969.

The spread between the costs farmers were required to pay for the things they needed and the price they received for their commodities continued to broaden throughout most of the year. The grain producer was also the victim of at least one of the steps to control inflation.

When the government unpegged the dollar in June, 1969, the price received by the producer for wheat and other commodities automatically declined because of competitive factors in the international market. The government was urged by many farm leaders to take this into account in its calculating of steps necessary to maintain a viable Western agricultural community.

Canadian Co-operative Wheat Producers Limited

Your Board of Directors held two meetings during the year to conduct the affairs of the organization and to consider matters of concern to its member co-operatives.

Composition of the Board and the officers elected by it were: President, E. K. Turner; Vice-President, G. L. Harrold; Executive Member, H. B. Sneath; along with Board members, G. E. Franklin, J. D. Deveson, E. A. Boden, D. M. Lockwood, Nelson Malm and A. J. Macpherson. Secretarial arrangements were continued whereby J. O. Wright, Secretary of Saskatchewan Wheat Pool, acted as Secretary of CCWP.

During the year XCAN Grain Ltd. was organized with Manitoba Pool Elevators, Saskatchewan Wheat Pool, Alberta Wheat Pool and United Grain Growers Ltd. as equal partners. The new company is chartered by the Government of Canada to carry on business of exporting grains and, generally, "to sell agricultural products." Authorized share capital was set at \$1,000,000. G. L. Harrold was elected President, and A. M. Runciman, Vice-President. The new company began business 1st August, 1970. It will work closely with The Canadian Wheat Board and within the structure of Canada's orderly marketing system.

The farmer-owned grain exporting company, XCAN Grain Ltd., was a direct outgrowth of studies initiated some time ago by your Board of Directors. Your Board believed it was important that grain producers acting jointly through their co-operatives could establish their own presence more efficiently in the export field to acquire more information about the export phases of the grain business, to create a co-operative channel from producer to consumer and to provide machinery for the discovery of new markets and the expansion of existing ones. After nearly two years of thorough investigation, a committee established by the Board of CCWP, was successful in creating XCAN Grain Ltd.

The attention of your Board was directed at its September meeting to the question of continuing over-quota delivery privileges for the purchase of seed grain. It urged that the privilege be continued and that every effort be made to remove the possibility of abuses and infractions.

Canadian Co-operative Wheat Producers Limited continued during the year to represent its member organizations in appearances before

the Supreme Court of Canada relating to the railway costing order which was challenged by the CPR. The case is continuing.

Proposals in the White Paper on Taxation were considered by your Board and it was agreed that Manitoba and Saskatchewan would make a joint presentation of their viewpoints and that Alberta would make a separate presentation.

It was also decided that each of the member organizations of CCWP would make individual presentations concerning revisions of the Canada Grain Act, but that there should be close co-ordination among them.

On the question of feed grain marketing, Manitoba and Alberta made separate appearances before the parliamentary committee while Saskatchewan appeared with the Canadian Federation of Agriculture.

On the question of rapeseed marketing, each of the three Pool organizations submitted their views to a committee established by the Federal Government Grain Group, which was formed to study and make recommendations on the marketing system for this crop.

Your Board approved a request to the Government of Canada that an opportunity for public comment on a study of Seaway tolls be provided before a final decision is made.

Your Board also requested the government to delay its proposed Congress on the Agricultural Task Force report beyond the suggested November date to give farmers a better opportunity in which to establish policy through their farm organizations and to avoid conflict with scheduled annual meetings of many farm groups.

Your Board renewed its membership in the Canadian Council on 4-H Clubs, The Private Planning Association, The Crop Quality Council, The Canadian Hunger Foundation, Great Lakes Waterways Development Association and Canadian Water Resources Association.

Interprovincial Pool Meetings

The Boards of Directors of the three Pools held joint meetings as Interprovincial Pool on two occasions during the year. The first meeting was held in Winnipeg to coincide with meetings of the Western Conference on Agriculture, in January, and the second in Calgary, 23rd and 24th July.

Considerable time was spent at each meeting with members of The Canadian Wheat Board in reviews of the international grain situation with particular emphasis on market outlook and questions relating to equity in the movement of grain from prairie shipping points.

At its meeting in January, Interprovincial Pool members carried on an extensive review of policy suggestions submitted from the annual meetings of each organization with a view to making representations at the annual meetings of the Western Conference on Agriculture and the Canadian Federation of Agriculture.

The meeting discussed railway rationalization and its continuing representation before the Railway Committee of the Canadian Transport Commission.

The meeting expressed concern that a satisfactory method of achieving a fully competitive position at individual shipping points under the block shipping system be sought by each Pool to assure producers their right to patronize the elevator facilities of their choice.

The meeting agreed to request the federal government to extend into 1970 the policy whereby accelerated rates of capital cost allowance could be taken by farmers on construction of grain storage facilities on their farms.

At its July meeting, Interprovincial Pool expressed its concern that all producers be given an opportunity to deliver all of their four-bushel quota. It discussed the movement and marketing of rapeseed and the advantages of a central selling agency for this grain.

Canadian Federation of Agriculture

The three Western Wheat Pools which make up Canadian Co-operative Wheat Producers Limited, worked closely with other farm organizations in the Canadian Federation of Agriculture during the year to draft policies for the benefit of all agricultural groups in Canada. CFA presented its views on national farm policy to the Government of Canada during the year and maintained a close liaison at all times with government departments to present the positions of farm groups across the country.

In its annual presentation to the Cabinet, CFA made the following points with respect to the grains industry:

"We acknowledge the current initiative by the government in the grains sector, including the recently announced Inventory Control Program, together with its short-term adjustment features; the revisions of the quota regulations; and the revision of the Canada Grain Act. The urgency of the problem has been recognized and this momentum for improvement in the grains policy must be maintained."

The Federation went on to urge continued and expanded efforts to increase Canada's export sales.

It urged the need for increased cash flow for grain producers and asked:

"A guaranteed minimum price of \$1.95½ per bushel, basis No. 1 Northern at Thunder Bay, for wheat moving into international trade; and
"A price differential, related to Canadian price indices, in favor of wheat used for domestic flour."

On the question of feed grain, CFA opted for quota control over the movement of feed grain within each province to feed mills, commercial feed lots and other merchants "with pricing being left to the market." It expressed strong support for the principle of orderly marketing through The Canadian Wheat Board.

The Federation urged early implementation of the recommendations of the Barber Commission report on farm machinery.

It urged the government also to seek freer trade on industrial goods and that it make special efforts to negotiate the reduction of unreasonably high tariffs and other non-tariff restrictions.

As a national farm organization, the Canadian Federation of Agriculture made presentations on many other matters affecting the position of other farm groups. In all these, representatives of the three Pools took an active part in helping to draft national policy.

International Federation of Agricultural Producers

The International Federation of Agricultural Producers' 17th General Conference was held in October, 1969 in Tokyo, Japan.

The nine-man Canadian delegation included the following representatives of the Pool organizations: G. L. Harrold, N. Malm and A. J. Macpherson of the Alberta Wheat Pool; H. B. Sneath of Manitoba Pool Elevators; E. A. Boden of Saskatchewan Wheat Pool; and J. O. Wright, Secretary, CCWP.

Production trends, international trade and national or regional policies affecting various agricultural products were reviewed by delegates and a policy position adopted by the International Federation.

It was noted that farm organizations around the world are recognizing the inter-relatedness of policies, markets and prices between the major farm products. The question of national supply management programs, supported by international commitment and agreement, is receiving increasing attention and was noted as a key to future progress in improving farm income on a world wide basis.

Current problems in the world grain market were noted and it was agreed that all countries should make extensive efforts to bring international co-operation and agreement back into trade in this important commodity.

Your Secretary served as Vice-Chairman of IFAP's Standing Committee on Agricultural Co-operatives and participated in July, 1970 at Malmo, Sweden, in a joint meeting of this Committee with the Education Committee of the International Co-operative Alliance.

Purpose of the meeting was to study co-operative and agricultural education in Sweden, to establish guidelines for effective programs of aid to farmers and co-operatives in developing countries and to prepare for participation in a world conference on agricultural education sponsored by the FAO of the United Nations.

Conclusion

The year just concluded was an anxious and frustrating one for most grain producers and one of financial hardship for far too many. Yet it was also a year in which gains were made in dealing with some of the problems facing the grains industry. Revisions of the Canada Grain Act, the introduction of greater co-ordination

in the movement of grain and the improvement of Canada's position in international feed grain markets were a few of the events that will be remembered as positive factors.

Your Board recognizes that many more changes and adjustments continue to confront the grains industry in Canada and elsewhere. We are acutely aware that farmers and the groups that represent them must be alert to assist in directing changes which will undoubtedly come about. Together, we must be strong to assure that the adjustments contribute to greater efficiency, that they do not add unduly to the burdens borne by producers, and that the way is kept open for producers to exercise ownership and control over the facilities that serve them. These are goals to which your Board commits itself.

As new sales opportunities open up after two years of difficult markets, it is once more made abundantly clear that the world wheat

market is still subject to the great swings which have characterized it for so long. Your Board believes that every effort must be made through national and international policies to introduce a greater degree of stability into world markets. We recognize that this will require a high degree of international co-operation on the broadest possible scale. Your Board will continue to press vigorously for the adoption of policies designed to achieve greater stability in world grain markets.

Respectfully submitted,

E. K. TURNER	}	<i>Executive</i>
G. L. HARROLD		
H. B. SNEATH		

E. A. BODEN
D. M. LOCKWOOD
G. E. FRANKLIN
J. D. DEVESON
NELSON MALM
A. J. MACPHERSON

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Table 1

GRAIN: ACREAGE, YIELD, PRODUCTION CANADA,

1970 (September Estimate) and 1969 (Final)

	1970 (September Est.)			1969 (Final)		
	Acreage (Mil- lions)	Yield (Bush- els)	Prod. (Mil- lions)	Acreage (Mil- lions)	Yield (Bush- els)	Prod. (Mil- lions)
Wheat—	12.4	26.5	330	24.9	27.4	684
Oats—	7.2	51.4	374	7.6	48.5	371
Barley—	10.0	41.3	415	9.5	39.7	378
Rye—	1.0	22.3	22	0.9	17.8	16
Flaxseed—	3.3	14.2	47	2.3	11.8	27
Rapeseed—	3.9	18.1	72	2.0	16.6	33

Source: DBS September Forecast Production
Principal Field Crops

Table 2

GRAIN: ACREAGE, YIELD, PRODUCTION PRAIRIE PROVINCES, 1970 (September Estimate) and 1969 (Final)

	1970 (September Est.)			1969 (Final)		
	Acreage (Mil- lions)	Yield (Bush- els)	Prod. (Mil- lions)	Acreage (Mil- lions)	Yield (Bush- els)	Prod. (Mil- lions)
Wheat—	12.0	25.9	311	24.4	27.3	665
Oats—	5.4	52.5	283	5.6	49.4	278
Barley—	9.5	41.0	389	9.0	39.4	355
Rye—	0.9	21.5	20	0.8	17.1	14
Flaxseed—	3.3	14.2	48	2.3	11.8	27
Rapeseed—	3.9	18.1	72	2.0	16.6	33

Source: DBS September Forecast Production
Principal Field Crops

TABLE 3

PRODUCER MARKETINGS, PRAIRIE PROVINCES

August 1 to July 31

	(millions of bushels)				
	1969-70(1)	1968-69	1967-68	1966-67	1965-66
Wheat—	378.4	423.1	456.0	632.4	569.4
Oats—	19.4	41.6	30.8	38.4	51.7
Barley—	161.4	81.8	87.3	112.7	93.9
Rye—	7.3	3.8	6.9	11.0	12.1
Flaxseed—	21.8	15.3	7.9	20.1	23.7
Rapeseed—	28.2	17.6	20.0	20.8	18.7
Total	616.5	583.2	608.9	835.4	769.5

(1) Preliminary.

Source: Board of Grain Commissioners for Canada,
Canadian Grain Position, 31st July, 1970.

Table 4

CARRYOVER STOCKS OF GRAIN IN CANADA(1) at 31st July, 1968-70 and Averages 1960-69

	(millions of bushels)			
	1970(2)	1969	1968	Average 1960-69
Wheat.....	986.9	851.8	665.5	557.3
Oats.....	140.6	128.7	77.0	119.7
Barley.....	196.9	199.4	130.9	115.5
Rye.....	10.1	8.7	7.5	7.3
Flaxseed.....	5.8	4.9	4.7	6.8
Rapeseed.....	3.6	5.1	9.9	—
Total.....	1,343.9	1,198.6	895.5	806.6

(1) Excluding Newfoundland for which data not available.

(2) Preliminary estimate.

Source: DBS Stocks of Canadian Grain at 31st July, 1970.

Table 5
FARM STOCKS ALL GRAINS IN CANADA
at 31st July
(million bushels)

	1970	1969	10-Year Average
Wheat.....	542.7	372.2	158.1
Oats.....	123.0	94.5	86.4
Barley.....	122.0	138.5	59.1
Rye.....	4.7	5.0	2.3
Flaxseed.....	0.6	0.1	1.2
Rapeseed.....	0.2	0.7	—

Source: DBS Stocks of Canadian Grain at 31st July, 1970.

Table 6
CARRYOVER STOCKS OF GRAIN ON FARMS,
PRAIRIE PROVINCES
at 31st July, 1970 (Estimated)
(million bushels)

	Man.	Sask.	Alta.
Wheat.....	40.0	400.0	100.0
Oats.....	30.0	40.0	36.0
Barley.....	9.0	32.0	74.0
Rye.....	0.7	3.2	0.8
Flaxseed.....	0.2	0.3	0.2
Rapeseed.....	—	—	—

Source: DBS Stocks of Canadian Grain at 31st July, 1970.

Table 7
EXPORTS OF ALL GRAINS AND WHEAT FLOUR
(millions of bushels)

	1969-70(1)	1968-69	10-Year Average 1959-60 to 1968-69
Wheat.....	317.7	280.5	369.2
Flour.....	27.9	24.6	33.6
Wheat and Flour.....	345.6	305.1	402.8
Oats.....	4.8	2.3	8.8
Barley.....	82.7	21.2	36.5
Rye.....	3.8	4.2	5.6
Flaxseed.....	18.6	13.4	14.0
Rapeseed.....	22.2	14.2	9.2
Total.....	477.7	360.4	476.9

(1) Preliminary.

Source: Board of Grain Commissioners for Canada,
Exports of Canadian Grain and Wheat Flour.

Table 8
SEABOARD HANDLINGS, ALL GRAINS
(millions of bushels)

Port:	1969-70	1968-69	1967-68
Pacific.....	197.7	187.1	193.1
St. Lawrence.....	173.6	82.6	120.9
Atlantic.....	32.7	21.3	15.5
Churchill.....	22.0	22.6	21.5
Thunder Bay (Direct).....	10.6	12.3	20.8

Source: Exports of Canadian Grain and Wheat Flour.

Table 9
EXPORTS OF CANADIAN WHEAT(1)
BY REGION AND SELECTED COUNTRIES
1967 to 1970
(millions of bushels)

	1969-70	1968-69	1967-68
WESTERN EUROPE			
West Germany.....	5.4	8.2	13.8
Other EEC.....	26.8	24.1	23.2
Total EEC.....	32.2	32.3	37.0
United Kingdom.....	51.0	55.3	61.6
Others.....	6.9	5.9	5.4
Total West. Europe.....	90.1	93.5	104.0
EASTERN EUROPE			
USSR.....	47.3	1.7	48.6
Poland.....	3.8	3.3	4.5
Others.....	4.3	2.9	7.6
Total East. Europe.....	55.4	7.9	60.7
AFRICA.....	7.6	4.6	3.0
ASIA			
China, Communist.....	65.1	83.0	52.0
Japan.....	39.0	42.6	40.5
India.....	16.5	15.3	22.4
Others.....	9.3	7.9	4.8
Total.....	129.9	148.8	119.7
WEST. HEMISPHERE AND OCEANIA.....	16.5	7.0	9.9
Total All Countries(1).....	299.5	261.8	297.4

(1) Does not include Durum (17.9 million bushels) or
wheat flour (27.9 million bushels).

Source: Board of Grain Commissioners for Canada,
Exports of Canadian Grain and Wheat Flour.

Table 10
EXPORTS OF CANADIAN WHEAT
BY MAJOR IMPORTERS
1968 to 1970, and 10-Year Average
(millions of bushels)

	1969-70	1968-69	10-Year Average 1959-60 to 1968-69
China, Communist.....	65.1	82.0	56.5
Britain.....	51.3	55.7	71.5
USSR.....	47.3	1.7	51.3
Japan.....	39.0	43.3	48.6
India.....	16.5	15.3	12.7
Italy.....	12.1	15.2	7.6
Others.....	86.4	67.3	121.0
Total.....	317.7	280.5	369.2

Source: Board of Grain Commissioners for Canada,
Exports of Canadian Grain and Wheat Flour.

Table 11
FARM CASH RECEIPTS FROM FARMING
OPERATIONS
THREE PRAIRIE PROVINCES, 1967-1969
(in thousand dollars)

	1969 (1)	1968	1967
Wheat.....	\$ 453,308	\$ 577,809	\$ 736,259
Wheat, CWB Payments	60,199	315,302	270,192
Oats.....	21,544	17,404	19,193
Oats, CWB Payments	4,815	8,420	12,331
Barley.....	84,932	77,961	92,772
Barley, CWB Payments	3,501	35,750	29,256
Rye.....	4,814	5,722	7,647
Flaxseed.....	56,467	25,536	45,190
Rapeseed.....	50,544	33,247	44,173
Other Crops.....	58,753	61,528	49,345
Net Cash Advance			
Payments.....	157,906	52,616	6,569
Total	\$ 956,783	\$1,211,295	\$1,312,927
Cattle and Calves.....	467,264	502,031	487,304
Hogs.....	163,162	143,662	141,164
Sheep and Lambs.....	3,093	3,772	3,620
Other Livestock and			
Products.....	187,977	174,465	173,288
Total Livestock			
and Products..	821,496	823,930	805,376
Other Sources (2).....	28,756	30,897	27,890
Total Cash			
Receipts.....	1,807,035	2,066,122	2,146,193
Total Canada (3)	\$4,205,528	\$4,363,216	\$4,385,803

- (1) Preliminary.
(2) Includes supplementary and deficiency payments, forest and maple products.
(3) Except Newfoundland.
Source: DBS Farm Cash Receipts, 1969.

Table 12
TOTAL NET FARM INCOME (1), 1962-1969
(in million dollars)

	Three Prairie Provinces	Canada Except Newfoundland
1962.....	\$ 910.3	\$1,525.8
1963.....	957.4	1,521.1
1964.....	746.8	1,292.1
1965.....	958.4	1,566.7
1966.....	1,118.3	1,948.8
1967.....	797.4	1,496.0
1968.....	1,002.3	1,743.1
1969.....	873.9 (2)	1,688.4 (2)

- (1) Takes account of changes in inventory.
(2) Preliminary.
Source: DBS Farm Net Income, 1969.

Table 13
PRAIRIE FARM ASSISTANCE ACT
1968-69 Crop Year

	1% Levy	Awards	Payments
Manitoba.....	\$ 708,807	1,519	\$ 332,486
Saskatchewan.....	3,643,761	16,994	5,428,329
Alberta.....	1,564,814	9,548	2,404,458
British Columbia	—	540	126,722
Total	\$ 5,917,382	28,601	\$ 8,291,995
1939-40 to 1968-69			
Manitoba.....	\$ 27,456,159	163,881	\$ 30,762,302
Saskatchewan.....	118,897,614	890,559	239,403,229
Alberta.....	55,568,571	469,132	106,037,696
British Columbia	—	10,487	2,055,432
Unallocated.....	4,207	—	—
Total	\$201,926,551	1,534,059	\$378,258,659

Source: Report of Activities under the Prairie Farm Assistance Act for the Crop Year 1968-69.

Table 14
FARM CREDIT CORPORATION, 1969-70; LOANS
PRAIRIE PROVINCES AND PURPOSES
(thousands of dollars)

	Fiscal Year 1968-69		Fiscal Year 1969-70	
Province	No.	Amount	No.	Amount
Alberta.....	2,055	\$ 48,178,200	1,492	\$ 42,767,700
Saskatchewan.....	2,853	64,364,300	1,488	38,602,300
Manitoba.....	935	21,098,600	604	17,295,900

Source: Farm Credit Corporation Annual Report 1969-70.

Table 15
FARM CREDIT CORPORATION LOANS
APPROVED 1965 TO 1970

Year	Number	Amount
1965-66.....	11,049	\$201,687,642
1966-67.....	11,632	234,447,269
1967-68.....	11,559	251,228,049
1968-69.....	9,117	205,341,841
1969-70.....	5,743	158,017,992

Source: FCC Annual Report 1969-70.

Table 16
FARM MACHINERY SYNDICATES CREDIT ACT
LOANS APPROVED 1969-70 AND JANUARY 1,
1965 TO MARCH 31, 1970.

	Fiscal Year 1969-70		Total January 1, 1965 to March 31, 1970	
Branch	No.	Amount	No.	Amount
British Columbia...	2	\$ 12,800	22	\$ 133,342
Alberta.....	87	917,623	297	2,625,851
Saskatchewan.....	14	119,891	76	478,897
Manitoba.....	35	924,222	105	1,371,526
Ontario.....	21	306,591	108	1,081,797
Quebec.....	30	421,149	128	1,339,809
Atlantic.....	13	186,133	21	274,848
Total	202	\$2,888,409	757	\$7,306,070

Source: FCC Annual Report, 1969-70.

Table 17
WORLD (1) WHEAT: ACREAGE, YIELD,
PRODUCTION, SELECTED YEARS

	Average 1949-54	Average 1959-64	1967-68	1968-69	1969-70 (2)
Acres (3)...	385	443	483	494	478
Yield (4)...	15.7	18.3	20.6	22.7	22.1
Prod. (5)...	6,041	8,110	9,957	11,206	10,572

- (1) Excluding Mainland China.
(2) Provisional.

- (3) Millions of acres.
(4) Bushels per acre.
(5) Millions of bushels.

Source: World Wheat Statistics 1970, International Wheat Council.

Table 17A
WORLD WHEAT: CARRYOVER STOCKS
OF WHEAT AT JULY 1
EXPORTING COUNTRIES—1964-70
(millions of bushels)

	Five Major Exporters (1)
1964-65.....	1,680.7
1965-66.....	1,225.1
1966-67.....	1,289.8
1967-68.....	1,571.2
1968-69.....	2,318.0
1969-70.....	2,400.0 (2)

- (1) Argentina, Australia, Canada, European Community, U.S.A.
(2) USDA Estimate of Stocks in Canada, Australia and U.S.A. at 1st July, 1970.

Source: International Wheat Statistics 1970.

Table 18

**WORLD WHEAT
EXPORTS: WHEAT AND WHEAT FLOUR
WORLD TOTAL 1954 TO 1970**

	BUSHEL (Millions)
Average 1954-59.....	1,183
Average 1959-64.....	1,665
1963-64.....	2,070
1964-65.....	1,879
1965-66.....	2,293
1966-67.....	2,060
1967-68.....	1,911
1968-69.....	1,635
1969-70.....	1,800(1)

(1) Preliminary.

Source: World Wheat Statistics 1970, International
Wheat Council USDA Wheat Situation,
August, 1970.

Table 19

**SUMMARY OF TRADE IN WHEAT AND WHEAT
FLOUR BY MEMBERS OF IWA (1)
1965-66 to 1968-69
(millions of bushels)**

	1965-66	1966-67	1967-68	1968-69
Commercial.....	1,533.6	1,348.4	1,217.0	1,051.0
Special (2).....	785.1	677.9	644.2	392.8
Total.....	2,318.7	2,026.3	1,861.2	1,443.8

(1) Includes trade with non-member countries.

(2) Includes food aid, sales for foreign currency, etc.

Source: World Wheat Statistics 1970,
International Wheat Council.

Table 20

PRAIRIE GRAIN ADVANCE PAYMENTS

Western Canada	1969-70	1968-69	
No. of Applications.....	122,080	113,491	
Amount Advanced.....	\$272,776,419	\$151,852,319	
Amount Repaid.....	\$134,978,193	\$147,321,148	
Average Advance.....	\$ 2,234	1,338	
Percentage Repaid.....	49.4%	97.0%	
Amount Outstanding, 31st July, 1970.....	\$137,798,226	\$ 4,531,171	
	Number of Loans	Amount Advanced	Percentage Refunded
1958-59.....	45,341	\$ 34,369,653	99.9
1959-60.....	52,356	39,518,344	99.9
1960-61.....	76,089	63,912,550	99.9
1961-62.....	22,342	16,656,713	99.9
1962-63.....	39,683	29,251,526	99.9
1963-64.....	63,427	62,136,418	99.9
1964-65.....	38,375	32,961,844	99.9
1965-66.....	43,505	40,600,386	99.9
1966-67.....	36,953	36,668,270	99.9
1967-68.....	45,810	47,280,533	99.9
1968-69.....	113,491	151,852,319	97.0
1969-70.....	122,080	272,776,419	49.4

In addition to the regular advance payment made in
1969-70 there were also Provisional Advance Payments
as follows:

Provisional Advance Payments 1969-70

Number of Applications.....	1,086
Amount Advanced.....	\$1,206,109
Amount Repaid.....	\$ 393,088
Average Advance.....	\$ 1,110
Percentage Repaid.....	32.5%
Amount Outstanding, 31st July, 1970	\$ 813,021

Source: The Canadian Wheat Board.

Table 21

**SEEDED ACREAGE AND QUOTA ACRES
FOR PRAIRIE PROVINCES 1970**

SEEDED ACREAGE

Grains	Manitoba	Sask.	Alberta	Total
Wheat.....	1,454,667	6,391,768	2,447,698	10,294,133
Durum.....	104,516	2,402,318	432,463	2,939,297

Soft White				
Spring Wheat	1,427	4,702	44,966	51,095
Oats.....	1,341,604	2,159,001	2,368,461	5,869,066
Barley.....	1,535,495	3,518,654	5,122,257	10,176,406
Rye.....	136,747	423,553	250,580	810,880
Summerfal.....	4,468,072	24,838,559	9,947,311	39,253,942
New Breaking	23,430	64,774	103,982	192,156

Perennial				
Forage.....	1,394,077	2,968,494	4,956,706	9,319,277
Flaxseed.....	1,113,832	1,507,538	611,928	3,233,298
Rapeseed.....	386,618	2,153,426	1,471,559	4,011,603
Misc. Crops.....	376,549	190,575	224,503	791,627

Uncultivated				
Land.....	3,410,493	10,086,501	9,358,762	22,855,756

QUOTA ACRES

Wheat—Inc.				
Durum.....	4,905,787	29,442,128	10,010,268	44,358,183

Soft White				
Spring Wheat	2,225	7,180	77,015	86,420
Oats.....	1,695,058	2,275,611	2,696,210	6,666,879
Barley.....	1,934,130	4,151,780	7,311,758	13,397,668
Rye.....	185,938	495,186	288,310	969,434
Flaxseed.....	1,272,964	1,552,077	679,794	3,504,835
Rapeseed.....	440,144	2,470,636	2,104,193	5,014,973

(1) Based on the information provided by the producers
in the applications for the 178,357 permit books to
September 30, 1970.

Source: The Canadian Wheat Board.

