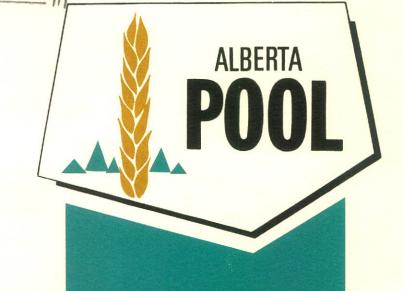
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## **ALBERTA WHEAT POOL ANNUAL REPORT 1969**



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## ALBERTA WHEAT POOL • ANNUAL REPORT 1969



Introduced at our 1968 Annual Meeting, this emblem is widely recognized as identification of Alberta Wheat Pool. A symbol of service to modern agriculture.

board	d of	dir	acto	re
DUGIE				

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

S. M. VICKERSON, Director of Administration

J. B. GANT, Grain Operations Manager

J. A. CRAWFORD, 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, Chief Accountant

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

## **DELEGATES**

Lethbridge — District One	405 McCormick, J. E. Byemoor
101 Gogolinski, B Orion	406 Petersen, Leslie M. Erskine
102 Norris, Fred A. Warner	407 Stone, John J. Alix
103 Kuehn, Herbert C. Skiff	408 Johnson, K. K. Red Deer
104 Dudley, George T. Magrath	409 Liivam, August Eckville
105 Patching, Harry R. Stirling	410 Wheeler, S. M. R. Ponoka
106 Williams, Kenneth Taber	
107 Konynenbelt, Evert J. Nobleford	Camrose — District Five
108 Binder, Arthur H Turin	501 Redmond, D. R Edgerton
109 Thurston, Clarence F. Bow Island	502 Dobson, Parke Paradise Valley
110 Bayer, Robert Schuler	503 Jackson, E. RIrma
	504 Flaade, Bennie Alfred Hardisty
Colgory District Two	505 Lefsrud, HaraldViking
Calgary — District Two	506 Christians, William H Donalda
201 Dyck, Nick Pincher Creek 202 O'Neil, James Jesse Claresholm	507 Drummond, Alexander New Norway
CALLER CO.	508 Pepper, Clifford G Ohaton
203 Coote, Donald H	509 Ness, Ingvald Kingman
204 Versluys, C. J. Champion	510 Rasmuson, Clarence H Gwynne
205 Jacobsen, Norman Arrowwood	
206 Christofferson, Karl B. Brant	Vegreville — District Six
200 Schwaltz C. M. Reiceler	601 Golightly, Robert C Streamstown
208 Schmaltz, C. M. Beiseker 209 Clayton, Clifford S. Airdrie	602 Peden, Ronald H Minburn
011	603 Goshko, M. D. Russell Vegreville
210 Richards, Ralph E Olds	604 Ropchan, Mike Willingdon
	605 Galloway, Kenneth D. Ft. Saskatchewan
Drumheller — District Three	606 Ziegler, Alex Winterburn
301 Muza, John E Empress	607 Montpetit, Paul M. Legal
302 Curry, Lyall A. Sunnynook	608 Melnyk, HenrySmoky Lake
303 Schindeler, Albert P. Brooks	609 Lamothe, Armand St. Paul
304 Axelsen, Eric Wayne	610 Davidiuk, William Grassland
305 Burne, G. W. Gleichen	
306 Cammaert, Emile J Rockyford	Peace River — District Seven
307 Olsen, Harvey W Three Hills	701 Parrent, Fred J Clyde
308 Hoppins, Frank J Huxley	702 Rimmer, Laurence Pibroch
309 Adie, John L. Drumheller	703 Hallowes, Arthur W. Sangudo
310 Nelson, Norman E Craigmyle	704 Galigan, Douglas
	705 Gummer, Howard F Buffalo Lake
Red Deer — District Four	706 Olson, I. H. Beaverlodge
401 Warwick, Ernest Oyen	707 Vandergrift, Lloyd F Dawson Creek
402 Smith, George F. Provost	708 Dufour, Gerard M Spirit River
403 Smith, Marcus Veteran	709 Lorencz, Nick M. Manning
404 Turner, H. H Alliance	710 Proctor, C. M. Fairview

## 1968 - 69 REPORT HIGHLIGHTS AND COMPARISONS

	1969	1968
Handlings — Country Elevators, in bushels	81,112,978	84,438,998
Forage Seed, in pounds	14,240,961	11,308,137
Cereal Seed, in pounds	40,110,581	21,459,970
Percentage of Alberta Grain Deliveries Handled	44.4%	46.6%
Gross Value of Board Deliveries and Other Sales	\$127,177,052	\$143,012,588
Seed and Fertilizer Division Sales (included above)	\$ 13,951,797	\$ 11,637,169
Total Revenues	\$ 21,225,160	\$ 21,886,951
Total Expenses	\$ 15,619,774	\$ 13,967,769
Capital Cost Allowances	\$ 2,832,423	\$ 2,387,283
Net Earnings	\$ 2,772,963	\$ 5,531,898
Current Assets	\$ 72,728,124	\$ 62,445,156
Current Liabilities	\$ 66,791,747	\$ 52,314,663
Working Capital	\$ 5,936,377	\$ 10,130,493
Capital Expenditures on Properties and Equipment	\$ 7,260,935	\$ 7,210,177
Total Invested in Capital Assets	\$ 54,222,000	\$ 47,663,337
Patronage Refunds Distributed (out of previous year's earnings)	\$ 5,201,880	\$ 6,837,255
Reserves Held by Members	\$ 23,542,113	\$ 22,245,431
Percentage of Member Business prior year	98.02%	98.08%
New Members	1,815	2,323
Total Membership	52,649	52,703
Number of Country Elevators	521	521
Elevator Capacity — in bushels — Country	47,198,800	46,257,700
Terminals	10,340,000	10,340,000
Average Number of Employees	1,303	1,264

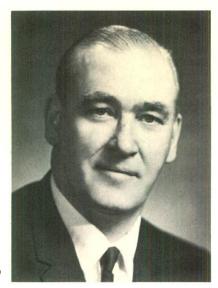
1967	1966	1965	1964
113,097,918	90,441,480	84,254,713	87,053,840
13,523,114	16,478,020	10,750,521	12,414,054
24,053,886	16,033,396	19,099,510	15,355,136
46.8%	45.6%	43.6%	44.1%
\$162,454,260	\$127,329,423	\$110,744,629	\$120,977,037
\$ 9,908,752	\$ 7,858,931	\$ 4,395,985	\$ 5,903,751
\$ 21,662,744	\$ 17,813,685	\$ 15,628,636	\$ 17,147,426
\$ 12,575,880	\$ 11,613,659	\$ 10,595,368	\$ 11,223,426
\$ 1,818,237	\$ 1,628,406	\$ 1,200,255	\$ 1,027,565
\$ 7,268,626	\$ 4,571,621	\$ 3,833,013	\$ 4,896,435
\$ 54,899,770	\$ 46,054,731	\$ 49,044,967	\$ 44,210,540
\$ 44,105,212	\$ 35,300,199	\$ 36,340,084	\$ 34,798,760
\$ 10,794,558	\$ 10,754,532	\$ 12,704,883	\$ 9,411,780
\$ 3,891,660	\$ 2,526,880	\$ 2,482,328	\$ 1,394,227
\$ 40,835,768	\$ 37,681,647	\$ 35,499,589	\$ 33,443,552
\$ 4,238,398	\$ 3,582,521	\$ 4,574,129	\$ 2,920,969
\$ 19,233,486	\$ 18,234,220	\$ 17,530,809	\$ 15,683,365
97.71%	97.39%	97.0%	97.2%
2,308	2,115	2,157	2,418
52,321	51,789	51,311	50,837
525	533	535	543
45,449,100	44,860,800	43,886,500	42,875,500
10,340,000	10,340,000	10,340,000	10,340,000
1,255	1,166	1,104	1,074
			5



#### REPORT OF BOARD OF DIRECTORS

#### ALBERTA WHEAT POOL

#### TO FORTY-SEVENTH ANNUAL MEETING OF DELEGATES



G. L. HARROLD

#### Gentlemen:

For the second year in a row the elevator handlings of your association declined. The drop was not serious and was caused partly by the limited exports of Canadian grain during the year, and the fact that elevator space was almost totally utilized throughout the entire crop year of 1968-69.

The construction and maintenance programme was continued at a high level during the year, resulting in increased elevator and storage space and extensive up-grading of facilities. Included was the provision of a large number of new homes for agents.

The usual services to the membership were continued, information extended to the public and active representation made on behalf of the grain producing industry throughout the year.

#### SUMMARY OF OPERATIONS

Grain handlings through the country elevators of your association totalled 81,112,978 bushels, a decrease of 3,326,020 bushels, or about four percent. This volume represented about 44.37 percent of Alberta marketings, in contrast to 46.62 percent in the previous year. Terminal unloads of grain at Vancouver of 48,158,976 bushels were 1,394,755 bushels less than the previous year. Handlings at Victoria were 6,825,625 bushels, a decrease of 2,009,671 bushels from the year earlier. Forage seed handlings totalled about 14,500,000 pounds, about three million pounds greater than the previous year,

and fertilizer sales approached 80,000 tons. Available for distribution from the year's operations are net earnings of \$2,772,936 before provision for income tax.

#### GRAIN MARKETING

Canadian grain exports during 1968-69 declined for the third year in a row. Export shipments of wheat and flour totalled 304,200,000 bushels during 1968-69, a decline of nearly 31 million bushels, or roughly ten percent, from the previous year, and about twenty-three percent below the average of the previous ten year period. Exports in the form of flour were 23.7 million bushels, the smallest figure since the 1938-39 crop year, while wheat itself was the lowest since the 1959-60 crop year. These exports represent a total slightly less than the average for the last thirty year period.

Preliminary figures issued by the Board of Grain Commissioners indicate that exports of Canada's six principal grains totalled 335,900,000 bushels, a drop of about 44 million bushels from the previous year. In addition to a decline in wheat exports, barley shipments at 21.2 million bushels were only about one half those of the previous year. Oat exports were nearly the same as the previous year at 2.3 million bushels, while rapeseed exported a total of 14.2 million bushels, an all time high.

The People's Republic of China, with purchases of 83.1 million bushels, returned to the number one position on the list of Canadian wheat markets, a place it last held during the 1964-65 crop season. Britain, the principal destination for Canadian wheat during the 1967-68 crop year, moved to second place during the 1968-69 crop year with imports of 55.7 million bushels. Japan moved from fourth place to third with purchases of 43.3 million bushels. Asian markets were by far the largest importers of Canadian wheat with a total of 145.9 million bushels or 53.2 percent of our exports for the year. Britain took 55.7 million bushels being 19.9 percent, while member nations of the E.E.C. accounted for 16.3 percent.

#### 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 1, 1968, in excess of 178,000,000 bushels. This amount was 245,161,991 bushels; and, therefore, under the provisions of the Act, The Canadian Wheat Board received, during the 1968-69 crop year, the sum of \$55,878,930, which has been allocated as follows:

	\$32,122,990 \$23,755,940
Total	\$55,878,930
The rate of carrying charges for the	he crop year

was .06245 cents per bushel per day.

#### Prairie Grain Advance Payments Act

The Prairie Grain Advance Payments Act was again in force during the crop year, amended to provide double the amounts in previous years. The maximum advance was set at \$6,000. on the basis of an increase in rates to \$1.00 per bushel on wheat, 40 cents on oats, and 70 cents 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 \$151,852,319, were made to 113,491 producers in the prairie provinces during the year. Of this amount, payments totalling \$39,438,939. were made to 29,989 producers in Alberta. Advances made by Alberta Wheat Pool amounted to \$19,073,898. to 13,777 producers.

The experience of your association in respect to these loans will be found appended to this report.

#### Farm Improvement Loans Act

During the year the Farm Improvement Loans Act which had expired on June 30, 1968, was renewed with certain amendments. While its provisions were broadened and clarified, the most important change concerned the rate of interest. From a flat five percent rate in the previous Act, provision was made for a revision in the rate every six months, effective each April 1st and October 1st. The rate is established on the basis of the average rate of certain Government of Canada medium term bonds plus one percent. The rate prevailing for the six month period starting October 1, 1969 has been set at eight and threequarters percent.

#### Farm Credit Act

Regulations respecting interest rates under the Farm Credit Act were also amended during

the year. The same formula applies as is now in effect for the Farm Improvement Loans Act. The effective rate thus established was eight and threequarters percent for the six month period beginning October 1, 1969.

#### **Interim Selling Price Guarantee**

As reported to you in the 1967 and 1968 annual meetings, an eleven month period of time elapsed ending June 30, 1968, during which there were no internationally agreed price levels in operation on wheat. The Government of Canada authorized payment to The Canadian Wheat Board of an amount equal to the difference between the minimum in the new International Grains Arrangement and the actual sale prices received below that level in this period. Funds provided under this guarantee amounted to \$9,741,611.16. Approximately \$8,000,000 of these funds was applicable to the 1967-68 pool account, and the balance applicable to the preceding and subsequent years.

#### **Canadian Transport Commission**

The Canadian Transport Commission, as we reported to you last year, spent most of the year 1968 developing a "railway costing formula". The results of its deliberations were published in the form of "orders" on August 5, 1969. Under these provisions the railways were directed to file with the Commission within thirty days, a "cost manual" containing a complete description of its costing methods and procedures.

The C.P.R. announced early in September that it planned to appeal to the Supreme Court of Canada against these new orders, contending that they violate the spirit of the Act under which the Commission was established.

Until this appeal has been heard and a judgement handed down, it appears that there will be no developments in respect to branch line abandonments.

#### PROVINCIAL LEGISLATION

#### The Marketing of Agricultural Products Act

Farmers in Alberta during the year utilized the provisions of this legislation for three major developments.

Following a plebiscite, ending September 16, 1968, an Alberta Egg and Fowl Marketing Board was established. Provisional members of the Board were appointed late in October and Regulations for the Board's operation were filed in January 1969.

The Alberta Hog Producers Marketing Board was established following a plebiscite ending November 18, 1968. The Provisional Board held its first meeting on February 19, 1969 and

filed Regulations in September to become operational on November 1st of this year.

The Alberta Cattle Commission was established under the auspices of this legislation with Provisional Board members being appointed on August 12, 1969. At the present time, Regulations are being drafted with a view to becoming operational early next year. No plebiscite was necessary for the establishment of this Commission.

#### Alberta Hail and Crop Insurance Corporation

Expansion has continued in Alberta's "allrisk" crop insurance program. In 1968, insurance was available to about two-thirds of the grain producers of Alberta and in 1969 it was available to about 90% of the grain farmers. Green canning or freezing peas grown under contract were insured in 1968 and in the current season rapeseed became insurable in four municipalities on a test basis. Other insurable crops are spring wheat, oats and barley.

1968 was relatively good in Alberta in terms of total grain production but it was a disaster year for many farmers in Central and Northern Alberta where drouth, frost and snow took a heavy toll. In the south of the province, several severe hailstorms caused extensive loss. As a result, nearly 10,000 field inspections were made and claims amounting to \$5,496,700 were paid to 4,212 farmers. Insurance totalling \$63,719,000 was carried by 15,661 policyholders. Losses exceeded the total premium of \$4,577,600.

On April 21, 1969, provincial legislation was passed merging the Alberta Crop Insurance Corporation and the Alberta Hail Insurance Board, both crown corporations of the Province, into a single organization known as the "Alberta Hail and Crop Insurance Corporation". The new organization was made responsible to the Minister of Agriculture and has a single Board of Directors. The purpose of the merger is to provide farmers with a more complete protection service under a common administration and on the most efficient basis possible. Hail and "all-risk" crop insurance continue to be offered through separate policies.

In the 1969 season, the Corporation insured 16,016 farmers under the crop insurance program. Very heavy losses have been sustained by policyholders as a result of drouth, frost, hail, wetweather and snow which at this time cannot be fully assessed. Many, possibly the majority, of the losses will not be finalized until the spring of 1970 due to the inability of farmers to complete harvest.

Under the hail program in 1969, 8,017 policies were written with a risk of \$31,270,000. Hail damage was heavier than in the previous two years with a number of very severe storms occurring. Losses paid amounted to \$1,070,600.

It is expected that a sizeable premium refund will be possible again this year.

## INTERNATIONAL GRAINS ARRANGEMENT

The International Grains Arrangement came into effect on July 1, 1968 on a declining world market with exporting countries holding large supplies of wheat. Competition was intense with the major exporting countries determined to maintain their shares of the market. As in the previous year, trading was influenced by various government subsidy programmes, efforts to reduce surpluses, special credit arrangements and other influences not normally considered part of commercial trade.

During the eleven month period previous to the agreement's inauguration, wheat prices had slumped to levels below the floor prices agreed upon. Under the new arrangement, prices were generally in line with the \$1.95-1/2 floor until early in March 1969. During that month it became evident that these floor prices would not stand up and on March 18th The Canadian Wheat Board followed the example of other exporters and lowered its prices, initially by about 2-1/2c. Prices gradually slipped to a level of approximately \$1.88-1/2-basis No. 1 Northern at the Lakehead at the end of the crop year, and were virtually the same at our west coast ports. Informal meetings were held on some occasions during the year between representatives of the exporters, during which the general feeling favoured adherence to the International Grains Arrangement price levels. No workable basis appears to have been found to achieve this intent and sales in the current crop year are below the I.G.A. minimums.

#### CANADA GRAINS COUNCIL

The proposed Canada Grains Council mentioned in our last report to you was formally organized on February 3, 1969. Its terms of reference are to direct attention "to co-ordinate Canada's effort to improve its share of the world markets for all grains and grain products" and to achieve the efficient utilization of grain and grain products in domestic markets.

It is expected to pursue grain market research, investigate the handling and transportation of grain in Western Canada, and generally concern itself with the marketing rather than the production aspect of cereal grains.

The Council has amongst its membership, representatives of elevator companies, the major railroads, the major commodity exchanges, seed trade representatives, various associations including rapeseed, the brewing and malting industry, millers, meat packers' council, feed manufacturing and, as non-commercial farm organizations.

the Canadian Federation of Agriculture and the National Farmers' Union.

A Board of Directors of twelve members, two of whom are appointed by the federal government, is responsible for the general direction and administration of the Council. Most of the current year has been spent on organizational matters and engagement of staff following the appointment of a Secretary General in July.

#### THE CANADIAN WHEAT BOARD

The past year has been a difficult one in the international grain marketing field. Lower volumes and declining prices have been noticeable and trading patterns were further influenced and aggravated by subsidies and barter arrangements, amongst other things. Elsewhere in this report are mentioned some of the developments of the year with an indication of the problems confronting any sales agency. These problems were further complicated during the past crop year by the adverse harvesting conditions in western Canada and the necessity of special arrangements for the handling of tough and damp grain.

Changing market requirements will, undoubtedly, have a bearing on our marketing activities in the near future. As a producer organization, we are fully confident that the current situation increasingly demonstrates the value of the orderly marketing procedures carried out by The Canadian Wheat Board. Without the stabilizing influence of Canada on wheat markets in the last year, the situation may have been considerably worse. While some changes are undoubtedly necessary in our marketing endeavours, we feel these can most advantageously be carried out under The Canadian Wheat Board. It becomes increasingly evident that a strong voice by western farmers in the matter of marketing is more necessary at the present time than it has been for several years.

#### UNIFORM PROTEIN CONTENT

As mentioned in last year's report, competitive selling conditions at the present time have focused attention on protein content in cargoes of wheat leaving west coast terminals. Buyers are well aware of the high quality of Canadian prairie milling wheats and the excellent reputation of Canada's grading system and Certificate Final. They have, however, shown a desire to have increasingly uniform protein content in their cargoes. With the encouragement of The Canadian Wheat Board and the Board of Grain Commissioners, your Association and Saskatchewan Wheat Pool arranged to exchange a certain number of cars at their west coast terminals in order to balance up the somewhat higher protein of southwest Saskatchewan shipments, with the

average of those from Alberta. Our programme was hampered during the winter by the extremely cold conditions and resulting interruption of freight schedules, and somewhat by the quantities of particular grains going to those terminals. The plan is being attempted again in the current year and we are hopeful that shipping conditions will permit a beneficial programme.

#### SEED DIVISION

The year 1968 produced one of the largest grass seed crops in the history of the province. Markets were under pressure throughout the season and prices for fescue and brome grass seeds remained on a relatively low level. On the other hand, legume seed production was poor due to the unfavourable weather during part of the crop season and particularly bad harvest conditions. Prices for these seeds were also depressed during the year.

One feature of the year was a relatively high demand for seed on the provincial market. In the case of forage crops this indicated some switching from grain to hay and pasture seedings. A good cereal market developed due, in may cases, to low quality grain being harvested in 1968.

Through intensive sales effort the large handlings of seed were moved during the year and after adjustments on those quantities bought on a pooling basis, a net earning was realized.

Conditions were unfavourable for fall sales of fertilizer in this crop year and volume of sales was uncertain until seeding time. Some problems of short duration were experienced but, generally, we were able to move supplies into position on short notice with a minimum of inconvenience to our customers. Sales reached a volume approaching 80,000 tons which we considered favourable under the conditions prevailing and the reduced total use of fertilizer in Alberta during the season.

This was the second year we handled chemicals for field crop use. The sales volume was satisfactory, although wet weather during the spraying season prevented a good deal of acreage from being sprayed and resulted in a larger carry-over of chemicals than we had hoped for. Net earnings of this division amounted to \$380,501.

#### **FERTILIZER**

The fertilizer manufacturing facility jointly owned by your association, Saskatchewan Wheat Pool and Federated Co-operatives Limited, operated on a continuous basis during the past year and adequately supplied our stock requirements. Despite some reduction in fertilizer usage and intense competition, operations continued on a satisfactory basis. Additional new manufacturing facilities in the prairie region, surplus grain and

a large accumulation of unsold stocks are, at the time of writing this report, indicating something less than full capacity production for a period of time. Additional information will be available to this meeting later.

#### INTERIOR FEEDS LIMITED

Interior Feeds Limited, our wholly owned subsidiary, completed its ninth year in the domestic feed grains business in the province of British Columbia. Handlings were over 60 per cent higher than the previous year, reaching a record volume of 4,100,642 bushels. Average prices paid to growers were at a lower level than in 1967-68 reflecting lower quality grain and declining prices by The Canadian Wheat Board. The year's business resulted in net earnings of \$16,104, after provision for income tax. The largest handlings, as in previous years, were through the Dawson Creek and Fort St. John elevators. Pouce Coupe supplied a substantial amount while the Creston handlings were relatively light. Your association received reimbursement for all necessary services rendered on the handlings of grain by this company.

#### VICTORIA ELEVATOR LIMITED

Wheat was again the exclusive handling at our Victoria terminal. The total of 6,825,625 bushels was about 2 million bushels less than the previous year due, in part, to lack of shipping orders and large quantities of tough and damp grain. The earnings, however, were high reflecting a considerable drying revenue and good storage earnings. The property was kept in good repair and substantial improvements made, including a mechanical unloading installation and additional dredging. The year's operations, after provision for full capital cost allowance, left net earnings of \$144,017., which is about 10 percent higher than the previous 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

Our claims experience on 750 reported accidents in the 1968-69 season was the highest on record, slightly over that of the 1965-66 season when 741 accidents were reported and considerably over claims for the 1966-67 and 1967-68 seasons when reported accidents were 632 and 614 respectively. To meet claims which have been settled and others which can be expected the sum of \$113,758 has been charged to 1968-69 operations.

Files on 219 of the 750 reported accidents have been closed because no claims are being filed. In most of these the medical expenses were

below the \$50 deductible figure. Claims in 314 cases have already been paid or are in the process of settlement. No claim papers have been received yet on the remaining 217 accidents. Fatal accidents claimed 32 lives (24 adults and 8 children under 18 years) and there were 30 cases of dismemberment, one of lost eyesight. Several of the dismemberment cases involved multiple finger losses. One member suffered the loss of a leg and several others lost arms or hands.

There was a further decrease in the number of farm workers covered. Applications for insurance on 523 workers were received, only a few more than the 517 workers covered in the 1959-60 season, the smallest number on record and down by 50 from the 573 workers insured in the 1967-68 season. Benefits of \$2,124 were paid on injuries to 6 workers and the son of another worker.

Since the inception of the insurance plan on August 1, 1958, the cost for the 11 years has been \$909,198. Benefits paid in 3,823 accidents included 394 fatalities (259 adults and 135 children), 248 cases of dismemberment and 46 of lost eyesight. Benefits of \$13,846 were paid in 73 accidents involving farm workers and their dependents.

#### CONSTRUCTION AND PROPERTIES

The extensive building program of the past several years was continued throughout 1968-69. Authorizations were granted for the construction of sixteen elevators of varying capacities. One of these was of a 60,000 bushel size, seven were of 70,000 bushels capacity, three each of a composite design were 113,000 bushel sizes, two were 130,000 bushel structures and three were of 170,-000 bushel capacity. One of the latter was a replacement for a serious fire loss at Milk River. An additional fire loss occurred at Holden on July 24, 1969 for which replacement facilities were authorized in August. The elevator at Fitzallan was permanently closed on September 14, 1968. Arrangements were made for the exchange of an elevator at one low handling point for one at an alternate point, giving us the total handling at the latter.

Annexes were authorized as an addition to the facilities at seven points. The dwelling improvement program was continued in a substantial manner during the year with new dwellings authorized for sixteen agents, one travelling superintendent, one district construction foreman and one seed warehouse manager. A dwelling was purchased at one additional station for the use of an incoming agent.

Warehouses for seed and fertilizer were authorized at twelve stations in the province and facilities for bulk fertilizer were established at thirteen stations. All properties were maintained in good operating condition and appearance. Various minor improvements were made in many facilities, including larger scales, car moving and dust collection equipment and in one instance, an additional elevating leg at a heavy handling point..

Work proceeded on the renovation and replacement program at Terminal No. 1 Vancouver, including new car dumpers, completion of the loading dock, and the beginning of an extensive dust control system to meet the requirement of a new city by-law.

In view of the unfavorable harvest conditions in the fall of 1968, we utilized drying facilities at two of the inland terminal elevators, at one commercial installation in Edmonton, and made arrangements for individual drying operations at a number of our elevators. No purchases of equipment for this purpose were made.

As a result of the year's construction, we had a net gain in licensed elevator space of 941,-100 bushels. Our total licensed country space reached the figure of 47,198,800 bushels as of July 31st, reflecting the extensive building program of the past several years. This space was fully utilized during the last year and is reflected in the high storage earnings position which we enjoy.

#### PUBLIC RELATIONS DEPARTMENT

The varied and extensive program of the Public Relations Department was carried on during the year. Extensive sponsorship of newscasts and other features over television and radio stations was maintained along with weekly newspaper releases and advertising. Increased demand for the "Budget" brought its circulation to an alltime high and indicated its popularity as an informative bulletin. Additional advertising was inaugurated during the year in regard to chemicals, fertilizer and seed.

The Public Relations Representatives located throughout the province maintained a full schedule of activities, involving delegates' committee and country meetings and numerous other endeavors in respect to agriculture, education and leadership training.

The new emblem of the Alberta Wheat Pool was used extensively and applied to all properties being repainted. Its acceptance appears to have been highly satisfactory.

## PROVINCIAL AND NATIONAL AFFILIATIONS

Your association maintained its membership and affiliations during the year in the Alberta Federation of Agriculture, Western Agricultural Conference, and the Canadian Federation of Agriculture. The Alberta Federation of Agriculture, which your First Vice-President, Mr. Malm, continued to serve as president, made its annual submission to the cabinet on February 7, 1969. This submission included the major policy proposals from your 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.

During the year, the worsening wheat marketing picture was the subject of a special submission by the Canadian Federation of Agriculture to the federal cabinet. The major proposals included requests for immediate cash assistance to prairie grain producers and for regular and effective government-producer consultations on all aspects of grains policy.

#### ALBERTA FARM ORGANIZATION

Throughout the history of farm organization in Alberta, there has prevailed generally a good spirit of co-operation and liaison. In order to further strengthen the organized farm movement in the province, and particularly with a view to obtaining a strong voice with which to face the serious problems of agriculture, an attempt was made during the past year at unifying farm organization activities. At the 1969 annual meeting of the Alberta Federation of Agriculture, a joint committee was established between that body and the Farmers' Union of Alberta to prepare proposals with the view of establishing one strong body at the provincial level and one at the national level. A report was prepared and discussed at a meeting in Red Deer on August 15, 1969, outlining a tentative plan for the establishment of one farm organization. Details of this report have been circulated to the major farm organizations in Alberta and is expected to be dealt with at their forthcoming annual meetings and those of the Farmers' Union of Alberta and the Alberta Federation of Agriculture.

#### **MEMBERSHIP**

During the 1968-69 season 1,815 new members were accepted by the Board, the smallest number since the 1957-58 season and well under the average annual enrolment of 2,094 new members for the past 15 years. Following the purchase of reserves from 1,248 members no longer farming, their memberships were cancelled and 621 memberships were terminated by death.

The membership decreased by 54 to a total of 52,649 members at July 31, 1969. Under Section 6 of our Act, 46,908 of these members were enrolled since 1939 and the other 5,741

members were signers of the early marketing agreements.

#### **ELECTION OF DELEGATES**

Elections were held in the even-numbered sub-districts in 1969. Twenty-eight delegates whose terms had expired were re-elected by acclamation, and Mr. William Davidiuk of Grassland was elected by acclamation in sub-district 610, replacing retiring delegate Raymond R. Parson of Boyle. Five sitting delegates were re-elected; these being: Mr. Kenneth E. Newton of Del Bonita in sub-district 104, Mr. Leslie M. Petersen of Erskine in sub-district 406, Mr. Ronald H. Peden of Minburn in sub-district 602, Mr. Mike Ropchan of Willingdon in sub-district 604, and Mr. James A. McNab of Beaverlodge in subdistrict 706. Mr. William H. Christians of Donalda was elected in sub-district 506, following the retirement of long-time delegate, Mr. Charles P. Hayes. By-elections have been held in five subdistricts since the last annual meeting. The first one was in sub-district 304, where Mr. Eric Axelsen of Wayne was elected, replacing the late Mr. Arthur W. Arrison of Bassano. In sub-district 709, Mr. Nick M. Lorencz of Manning was elected following the retirement of Mr. A. R. Bulmer due to ill health. In a by-election in subdistrict 307, Mr. Harvey W. Olsen of Three Hills was elected to replace Mr. Robert Niemi who retired to further his education. Mr. George T. Dudley of Magrath was elected in sub-district 104 replacing Mr. Kenneth E. Newton who resigned as a result of his eligibility having been questioned, and Mr. Ivor H. Olson of Beaverlodge was elected in sub-district 706, replacing Mr. James A. McNab who retired in order to further his education.

#### IN MEMORIAM

We regret to report the passing during the past year of three members with varying periods of service as elected officials of our association.

The untimely death on November 14, 1968 of Arthur W. Arrison was a matter of special regret to his fellow delegates, other close associates and to our association. Mr. Arrison had been a delegate continuously from 1956. The public service of he and his family and their impressive farming record were acknowledged during the year in the form of a Master Farm Family Award.

Mr. Alfred W. Auten of Ponoka who had served as a delegate from 1954 to 1958 passed away on June 21, 1969.

Mr. John Wesley Eastman of Brownvale passed away on November 6, 1969. He had served as delegate from 1956 to 1962.

Although not an elected official, we wish to mention also at this time, the death on May 30, 1969 of Mr. Leonard D. Nesbitt at the age of 81. Mr. Nesbitt joined the staff of the Pool in 1926 as the first Director of Publicity and carried on those duties with distinction until his retirement in April of 1955. The prestige of the Pool throughout this period was greatly enhanced by the dedicated and conscientious efforts of Mr. Nesbitt.

We wish to record our sincere appreciation for the services and support these men extended to our association.

#### STAFF

The results of the year's operations again reflected the creditable performance of the entire staff to whom sincere appreciation is extended. We wish to acknowledge also, with gratitude, the commendable services of those long-time employees whose retirements occurred during the year.

#### BOARD OF DIRECTORS

Following the 1968 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 board of the three central organizations: Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited, and Pool Insurance Company; and Messrs. Harrold and Macpherson were also re-appointed directors of Western Co-operative Fertilizers Limited.

Regular meetings of the Board were held each month of the year. Twice your directors met with the directors of Saskatchewan and Manitoba Wheat Pools for informal discussions. The directors also attended annual meetings of the provincial and national Federations of Agriculture and of the Western Agricultural Conference. Mr. Harrold, amongst other activities, continued to serve on the advisory committee of the Canadian Wheat Board. Mr. Malm was reelected president of the Alberta Federation of Agriculture and in that capacity continued to serve as a director and executive member of the Canadian Federation of Agriculture. The directors joined the annual delegates' inspection of the terminals at Vancouver and Victoria and, as in previous years, were called upon to attend various conferences and discussions respecting agriculture and farm organizations.

## CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

The role of Canadian Co-operative Wheat Producers Limited as a joint medium for the three prairie Wheat Pools was extensively used again during the year. Representation was maintained before the Railway Committee of the Canadian Transport Commission in its discussions on costing proposals. Subsequent developments in regard to railway branch line abandonments and other matters will be closely watched by this Association.

Representation was made to the Government of Canada expressing concern over the decline of Canadian flour exports and suggesting increased effort through that medium of wheat disposal. The possibility of establishing a farmer owned grain exporting agency was also considered during the year under the auspices of this company. Encouragement was given the Canadian Federation of Agriculture through this organization in its attempts to get financial assistance for the prairie grain growers due to the marketing conditions experienced during the year. The annual report of Canadian Co-operative Wheat Producers Limited lists in detail its activities and will be submitted to you later in this meeting.

#### **GENERAL**

General economic conditions in Canada during 1968 were favorable, although some weaknesses were evident. Productivity gains were high in late 1968 and early 1969 with a resulting less rapid growth in per unit labor cost than had earlier been experienced. However, overall increases in costs of production (including increased labour costs) and higher per unit profits continued to exert a significant "costpush". Consumer prices rose at a rate of about four per cent during 1968 but climbed to a rate of approximately five per cent by mid-1969. External factors—mainly the inflationary trends in the United States economy, are complicating Canada's attempts at price stability. "Inflationary psychology" - the expectations and attitudes people have regarding price trends, has resulted in less resistance to price and cost increases.

While the overall economy was chalking up impressive gains, agriculture did not share in this general increase. Prices of farm products, on the average, remained virtually unchanged from a year ago—wheat, oats and barley generally lower priced but some increases were evident in livestock prices. Realized net farm income in the prairies increased 1.8 per cent over 1967 but costs of production as measured by the Price Index of commodities and services used by western farmers increased 4.6 per cent from April 1968 to April 1969. With the break in world wheat prices and with limited prospects for export

sales, the current outlook for grain producers is not a particularly bright one.

#### THE ROAD AHEAD

Restricted markets and reduced prices for Canadian wheat in the past two years, with the resulting decline in prairie farm income, have become matters of critical importance to the Canadian economy. The prairie wheat industry has been built on export markets, and fluctuations throughout its entire history have been more frequent than has stability. It was this feature more than any other which led to the development of the pooling system, later into organized marketing as carried out by The Canadian Wheat Board, and ultimately to international wheat agreements. We appear to have made considerable progress in the last half century in our marketing endeavors in wheat, only to find in the current period, new complications, uncertainties and formidable problems.

The current surplus position is a result of three successive exceptionally good harvests over much of the world's wheat growing area. Good weather was a major factor, but expansion of wheat acreage was another. More than one hundred million acres have been added to the nations' wheat lands since the early 1950's. The greater part of this has been in the Soviet Union, other Asian countries and Australia. Although there have been some fluctuations, North American wheat acreage has generally declined over this period. With expanding acreage, yields also have been increasing and very noticeably in some cases. Average yields in Europe, for example, have risen from about twenty-three bushels in the early 1950's to more than thirty-six bushels in the last few years. Soviet Union yields are reportedly fifty per cent better for the same period of time and, here in North America, an increase of nearly fifty per cent is also being enjoyed. While there has been, undoubtedly, an increase in usage of wheat due to an increasing world population, the greater productivity has out-paced the commercial market demand. International trade in wheat has been declining for the last three years, and the 1968-69 crop year ended with a record carryover of wheat on hand in the major exporting countries.

Some twenty-five years ago, a great deal of public interest was aroused in respect to hunger in the world. The quiet and determined message of John Boyd Orr, calling for recognition and assistance in feeding the densely populated and sometimes underprivileged people of the world, was heard and heeded in an amazing manner. Out of this concern there evolved some massive international assistance and development schemes over the past twenty years. These involved education, land development, cereal plant breeding, soil management, fertilizer application, weed con-

trol, irrigation development, and handling and distribution facilities, amongst other things. These were great humanitarian efforts in the highest tradition and were assisted and encouraged by our country in a substantial manner. The benefits of these programmes have become increasingly evident in the last few years and, notwithstanding any effect which they may be having on international trade in wheat, have the highest support of our association.

In the last two decades, world trade has increased substantially and accentuated the ageold problem of most countries, that of balanceof-payments. These and other reasons have led to domestic programs in many countries aimed at increasing their self-sufficiency in food and have gone beyond that with a view to exports and resulting commercial gain. Some of these programs have become multi-national efforts as in the case of E.E.C.

These developments have had a profound effect on international trade in wheat. Governments have, for various reasons and through various programs, become involved in international trade to the point where government subsidy, in many cases, dictates the winner on grain tenders.

From the production standpoint, grain producers of western Canada are amongst the most advanced in the world. In land utilization, adoption of new varieties, use of new technology, and general efficiency, we doubt they have any peer. The benefits of their efforts have, however, largely accrued to the consumer public and to the general welfare of this nation through the currency earnings of our exports. This suggests that in the market field we have largely failed to make any progress. Within the Province of Alberta and in many other provinces marketing is now, belatedly, receiving attention. Within the past few years, producers of several commodities have organized into marketing boards, commissions and various associations with a view to improvement of their position in the market place. The export market, however, is beyond the scope of such self-help programs. In wheat markets particularly, where we depend on exports for three-quarters of our sales, we believe that some national involvement is warranted. The Canadian grain producer at the present time finds himself doubly disadvantaged by selling on a declining market, and on the domestic front by rising cost factors, the result of a seemingly uncontrollable inflationary spiral.

Some changes in our production patterns may be necessary in the future and we believe prairie farmers will adjust as rapidly as possible. In the past year alone, reflecting current market conditions, prairie producers reduced their wheat acreage by fifteen per cent, a substantial adjustment by any standards. Without more specific indicators than we have at the present time, producers can hardly be expected to change much faster.

The economic conditions we have mentioned, working against the interests of agriculture will, in a short time we fear, not only ruin many farmers but have serious repercussions in the remainder of the Canadian economy. Indications are that current conditions and the problems involved are far too complex to be dealt with by farmers and farm organizations alone.

In view of the various national schemes in effect in Canada to bolster and improve lagging sectors of our economy and society, we believe some new national policies and programs, involving financial support, designed to ensure a viable agriculture and thereby a continuation of this industry's valuable contribution to the nation's economy, are not only justifiable but fully necessary.

We commend for your attention and consideration this matter 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

G. W. Braithwaite

O. K. Rosenberger

A. Johnson

H. N. Anderson

#### REPORT OF THE GENERAL MANAGER

#### ON THE 1968-69 CROP YEAR



J. W. MADILL

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

#### Gentlemen:

The 1968-69 crop year was one of the most difficult in recent history. Extremely adverse weather during harvest and declining markets combined to create problems for producers and the grain handling industry. Despite these problems the performance of your Organization was generally satisfactory. Favourable early season conditions resulted in production of a better than average crop, but heavy fall precipitation interfered with harvesting and reduced quality. General rains occurred late in July and persistence of cool, wet conditions, until mid-October, slowed crop development. As a result, it was not possible for all producers to complete harvesting before the onset of winter. Considerable grain was threshed in tough and damp condition, contributing to many serious problems in storing and handling through farm and commercial facilities. In contrast to the high quality of the crop harvested the previous year, approximately one-third of the wheat graded 3 Northern or better compared to 90% in 1967-68.

Wheat production in Alberta amounted to 166 million bushels compared to 145 million one year ago and a ten-year average of 129 million. The total production of all grains was also higher at 452 million bushels, or about 75 million bushels more than one year ago. All crops contributed to the increase, except rye and rapeseed. In general sub-soil moisture reserves limited over-all production in central regions, but there were

excellent crops in Southern Alberta and in the Peace River region.

Surplus wheat supplies in most exporting nations, and the reduced requirements of importers, have resulted in a continuing decline in Canadian grain exports. Clearances of major Canadian grains and wheat flour in 1968-69 totalled 359.6 million bushels, a drop of 44 million from a year earlier. Bulk wheat shipments of 280.5 million bushels were down from the 310.7 million moved in 1967-68 and represented the lowest clearances since the 1959-60 crop year of 234.7 million bushels. Wheat flour clearances at 23.7 million bushels reflect the smallest export levels since the 1938-39 crop year amounting to 20.7 million. In contrast, exports of rapeseed and flaxseed increased over 1967-68 and for rapeseed the 14.2 million bushels exported represent an alltime high.

Limited export demand, serious congestion of country elevators combined with the problem of moving, drying and storing damp grain interfered with producer opportunities to deliver during the year. Although the Canadian Wheat Board announced a three-bushel advance quota for high moisture grain early in the season in an effort to alleviate producer problems, this added to congestion in the country and resulted in a heavy build up of cars of low grade damp grain to West Coast ports. There were occasions later in the crop year when sales of 2 Northern and feed barley materialized and vessel loadings were delayed over a month, in some cases, since these grades were not available in terminal position. Extreme cold weather in January and February also interfered with the rail movement, adding to these problems. At the end of the crop year there were 473 points in Alberta on a five-bushel quota and 36 at the four-bushel level. A significant number of producers were not able to deliver this amount before the end of the crop vear.

#### **Country Operations**

Congestion, inadequate shipping and damp grain all had an effect on country operations during the year. Total receipts of 81,112,978 bushels were not greatly different from the 84,438,998 bushels handled one year ago. However, the percentage of grain handled in Alberta and the B.C. bloc by Alberta Wheat Pool was reduced from 46.62 to 44.37 in 1968-69. Lack of space was one of the contributing factors. Grain in store in Pool country elevators totalled 36,881,000 bushels at the beginning of the crop year with 200

elevators congested. Country storage amounted to 43,453,165 bushels at July 31st out of a total capacity of 47,416,800 bushels, which is the largest volume on record for your Organization. To further indicate the severity of congestion, 280 elevators, which is over half of the Pool total, were unable to accept grain by the end of July 1969 and average utilization of working capacity for the year amounted to 86%.

Inadequate shipping to relieve congested conditions and box car distribution were other major items contributing to a decline in percentage during the year. In Northern and East Central Alberta, cars were not provided in proportion to the historical percentage of business, resulting in serious declines for the Pool in those areas. Furthermore, little preference was given to servicing congested elevators, although regular congested applications were about the same as one year ago. Only 1,031 cars were shipped on Order 1000 as compared to 3,342 the previous year. The Canadian Wheat Board issued Open Order 1500 in May 1969 to meet the need for shipment of No. 2 Northern and feed barley to the West Coast. While this emergency measure enabled the Board to meet export commitments, it interfered with quota equalization. Barley was moved at points where shipping was not required but where train service could be easily arranged. Consequently, many points in traditional barley areas of the Province, from which shipping was badly needed, received no car service during the life of Order 1500. Throughout the period of open shipping, it was not possible to provide box cars on the basis recommended by the Bracken Commission.

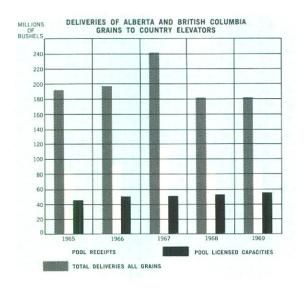
Lack of sales resulted in a continuation of inadequate shipping from country elevators for the remainder of the crop year. Towards the end

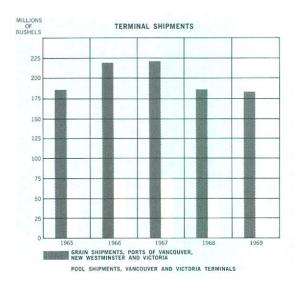
of 1968-69 the Canadian Wheat Board followed the policy of withholding shipping orders from any elevators, which were not yet in the Block System, where there was sufficient space at the point to handle a five-bushel quota. This policy was designed to utilize all available space but, because there was less space in Pool elevators than others, it resulted in further loss of opportunities for members to use their own facilities. Handlings averaged 157,807 bushels per elevator compared to 162,383 bushels one year ago. Eight agents handled over 500,000 bushels and two in excess of 1 million bushels. An average overage of .083% from weigh-ups at 114 stations indicates a high degree of accuracy in agents' weighing methods. Facilities to dry the out-of-condition crop were programmed to maximum capacity. Additional drying was arranged at country elevators and in Edmonton, as well as the use of regular facilities at Vancouver and Victoria, and Government elevators.

In February 1969 the Block Shipping System was introduced in the Medicine Hat sub-division of Canadian Pacific Railways. This system was developed by the Technical Group of the Grain Transportation Committee and has been under study since early 1967. It is designed to establish a greater degree of control over the movement of grain by relating country loadings to export requirements. The Block System will be in effect for the West Coast shipping area, including Alberta, by the end of November 1969.

#### **Terminal Operations**

Heavy dockage and high moisture grain created some problems for West Coast Terminal operations during 1968-69. For the first two





months of the year car arrivals were slow due to the tie-up of rail equipment at the Lakehead and for the Churchill movement. As these cars were released later in the year, most were loaded in Saskatchewan before first arriving at West Coast destinations. The priority given to the three-bushel advance quota for damp grain resulted in a substantial movement commencing in October. Drying took longer than usual due to the high moisture content of this grain, much of which required two drying operations to reduce moisture to required levels. Therefore, West Coast ports and rail facilities became heavily congested with damp grain and these conditions persisted until January 1969. It was during this period that shortages for No. 2 Northern wheat occurred, and later in the year there was a shortage of vessels. Overseas clearances of Canadian grain from Pacific ports at 187.3 million bushels, compared to 193.2 million in 1967-68, were down for the third successive year. However, this reduction was less than for all Canadian exports reflecting a larger share for West Coast ports, which amounted to 56% of Canada's total compared to 52% last year.

Vancouver Terminal shipments totalled 48,050,149 bushels compared to 50,359,936 one year earlier. Receipts at 48,158,976 bushels were down approximately 1.4 million bushels from last year. The percentage of cars unloaded at the Vancouver Terminal has continued to decline. With more grain drawn from Saskatchewan, the share of unloads for Saskatchewan Wheat Pool Terminal increased while the proportion for Alberta Wheat Pool Terminal has dropped. In addition, only one berth was available for eleven months of the year due to renovation of dock facilities, and this limited the amount of grain that could be shipped and handled. A total of 4,678 cars from other companies were unloaded at the Vancouver Terminal while 1,067 Pool cars were unloaded by other companies. Throughout the year a large volume of cars required special machine separations, which amounted to approximately 44% of flax and 21% of rapeseed. Canadian Wheat Board sales were virtually restricted to 2 Northern, 4 Northern and 5 wheat on the export market. The Board ruled that, after May 1st, 1969, no invoicing of No. 1 Northern and No. 3 Northern wheat would be accepted. Under the Block System tighter controls will be exercised and only grains as called for shipment can be invoiced.

Historically there has been a problem with low protein in milling wheat at the Vancouver Terminal, since supplies are drawn from a large area in Northern Alberta where protein is traditionally low. In the past a system of car exchange with the Saskatchewan Wheat Pool showed some degree of success in balancing protein with average port levels and in removing some of the

variability between cargoes which is of concern to buyers of Canadian wheat. With the problems in moving damp grain during the 1968-69 crop year and with interruptions in rail service, this system of balancing protein was not effective. Implementation of the Block System will provide means of obtaining an improved protein balancing.

A heavy programme of maintenance and capital improvement continued throughout the year. Lower tolerances established under the Vancouver Pollution By-law will necessitate the future installation of a filter system for dust collection by May 1971. An engineering study is now in progress.

Alberta Wheat Pool shipments to the Lakehead and other Eastern destinations for 1968-69 totalled 12,240,798 bushels compared to 13,109,970 one year earlier. Operation of the Port Arthur Terminal by Manitoba Pool Elevators continues on a satisfactory basis.

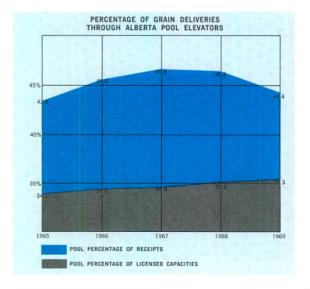
#### Seed & Fertilizer Division

The Seed & Fertilizer Division experienced a successful year in all areas of operation. Total sales amounted to \$13,900,000 with net earnings of \$380,501, which is one of the highest on record. After including patronage refunds from Western Co-operative Fertilizers Limited and Interprovincial Co-operatives Limited, total earnings amounted to \$743,145.

Excellent grass crops were threshed before the arrival of poor weather resulting in one of the largest harvests in history. Although Fescue prices were firm early in the season, large supplies caused price declines of up to 7c per lb., with a similar experience in Brome. Late maturing legumes did not escape the poor harvesting weather and prices increased early in the season, but declined later due to the persistence of a large carryover position. In spite of these marketing problems, average seed earnings were satisfactory and final pooling payments totalled \$92,717. Good provincial sales of forage materialized reflecting some shift in acreage resulting from grain marketing problems. As in the past forage seed was purchased on a Pooling and Outright basis. Cereal seed sales surpassed all expectations due to the large amount of damp grain harvested and dried artificially. Many producers took advantage of over-delivery privileges to purchase pedigreed seed and obtain assured germination. With this active demand shortages of particular varieties occurred. Some delays were in evidence during the peak season in May, since adequate stocks could not be maintained for the heavy movement, which was double the amount usually marketed. Arrangements to handle certified seed in bulk were made at several points. A satisfactory experience indicates that larger volumes will likely be marketed in this manner in the future.

Difficult harvesting conditions, unfavourable grain marketing prospects and a shortage of farm storage contributed to some uncertainty in the fertilizer market earlier in the season. As a result, fall sales were light. In spite of these conditions, an active sales programme aimed at member needs was maintained throughout the year. Due to additional effort in this area by agents, warehousemen and Head Office staff, commendable results were achieved in the spring marketing season so that an increase in over-all sales and market penetration occurred. Particularly heavy sales materialized in May with 45% of the total movement during this month. Adequate supplies and a co-ordinated movement kept delivery delays to a minimum during the rush season.

Anhydrous ammonia distribution tanks were installed at five locations, and one temporary rail unloading site was utilized to provide for distribution of this product to members during the year. In addition, 20 mobile nurse tanks were made available for transportation of anhydrous ammonia by producers to applicator equipment. In spite of the fact weather conditions had some effect on over-all usage, the volume and percentage of farm chemicals marketed by the Pool increased slightly compared to last year. An active promotional and educational programme continued throughout the year. Courses were scheduled to keep agents and warehousemen informed on the marketing of seed, fertilizer and chemicals. Promotional activities included continuation of the Alfalfa research programme with the University of Alberta. In mid-June a research plot was established at Picture Butte with 14,000 seedlings from the University of Alberta. The Seed & Fertilizer Division operated three experimental plots in the Peace River region, one in Edmonton and one



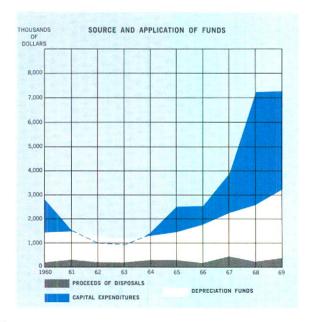
with Western Co-operative Fertilizers Limited in Calgary.

#### **Subsidiary Companies**

Wheat was the only grain shipped to Victoria Elevator Limited and amounted to 6,825,625 bushels, a substantial reduction from the 8,835,296 bushels for the previous year. The main reason for the reduced handling was congestion due to lack of ocean shipping. Another major contributing factor was the considerable volume of tough and damp grain that had to be dried to export condition.

Earnings increased to \$144,017 from \$130,964 due to considerable revenue from drying operations. From earnings, \$7,198 has been provided for income tax and the majority of the remainder will be paid to the Parent Organization as a patronage refund. Cash paid to the Pool during the year for screenings, diversion premiums, and management fees was \$197,335. In addition, \$100,000 was paid as a common share dividend. (See page 68).

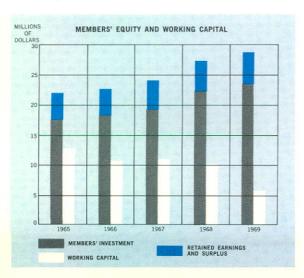
Interior Feeds Limited, the subsidiary set up for the buying and selling of non-Board grain in British Columbia, handled a record 4,100,642 bushels of wheat, oats and barley, an increase of 62.4% from the previous year. Average prices paid to growers were lower at \$1.53 for wheat, 68c for oats, and 82c for barley. Earnings before taxes were \$33,781 and from this amount \$17,677 income tax will be paid, leaving \$16,104 to be retained. Payments to Alberta Wheat Pool for elevator handling charges, storage, service and management amounted to \$233,761.



#### **Properties**

Work continued throughout the 1968-69 season on the heavy construction programme initiated in 1967-68. Capital expenditures were \$7,260,935 compared to \$7,210,177 in 1967-68. Construction of country facilities was accelerated by contracting a number of elevators and dwellings which resulted in the completion of a substantial portion of the backlog of authorizations. The repair and maintenance programme has been continued at the same satisfactory level of the past few years. As elevators become due for regular painting, the new colour and emblem are being used.

On August 1, 1968 we owned 521 country elevators. During the year 16 new elevators were built of which 9 were the composite type with a licensed capacity of 1,125,000 bushels. The other 7 were conventional elevators of 70,000 bushel capacity each. Six elevators were dismantled, 7 converted to twins and 1 sold. Fire destroyed the elevator at Holden and the No. 1 elevator at Milk River. A 130,000 bushel composite elevator will be built at Holden and a 170,000 bushel composite at Milk River to replace these facilities. Seven cribbed annexes were constructed and one was destroyed by fire at Holden. The net result was an increase in the capacity of our country storage facilities of 941,100 bushels to a total of 47,198,800 bushels, representing 35.3% of the licensed country elevator space in Alberta and British Columbia. Twenty-six seed and fertilizer warehouses were built and three purchased. Thirteen bulk cereal bins, and the same number of bulk fertilizer bins, were purchased and placed at various points. The warehouse at Mallaig was sold. Eighteen dwellings were constructed, 6 purchased (including one mobile home) and 23 were sold. A dwelling was built at Lethbridge for the Seed & Fertilizer Division warehouseman. Twenty car movers and 7 dust control units were installed at heavier points.



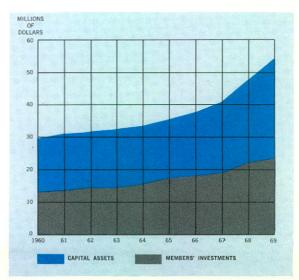
The Terminal expansion project at Vancouver was completed during the year with the new shipping galleries and dock becoming operative in June. The installation of hopper car unloading pits was almost complete as at July 31, 1969. Work commenced on installation of a new by-product reclaiming system for the Vancouver Terminal and completion is expected in January 1970. Augermobile car unloading equipment was installed at Victoria Elevator Limited during the 1968-69 season. This facility went into operation in August 1969. Dredging of the shipping berth at Victoria was also completed, increasing the water depth to 35 feet. Construction of the Calgary office building addition, which began in 1967-68, was completed during the year.

Our properties at the end of the crop year included 521 elevators at 409 points, 640 annexes, 395 dwellings, 4 seed cleaning plants, 364 seed and fertilizer warehouses, 7 flour sheds, 6 coal sheds, 3 terminal elevators and the Head Office building and parking lot. A new construction warehouse was built at Calgary to increase the total to three as at July 31, 1969. The two existing warehouses will be demolished at a later date.

#### **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. Any reference to capital assets relate 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.

Combined net earnings before income taxes were \$2,772,963 after provision for capital cost



allowances totalling \$2,832,423. In the previous year the earnings were \$5,531,898 and the capital cost allowance \$2,387,283. The reduction in earnings is accounted for by lower volume of handlings and shipments, higher operating expenses, increased capital cost allowance and a lower patronage refund from Western Co-operative Fertilizers Limited. Country storage earnings were higher than last year and facilities were on the average filled to about 82% of licensed capacity compared to 80% in 1967-68.

A patronage refund of \$5,201,880 was distributed from 1967-68 earnings. Of this amount \$2,137,176 was paid in cash and \$3,064,704 credited to members' reserve accounts. Reserves in the amount of \$1,775,508 were purchased from estates of deceased members, from members who had retired from farming, and from members 66 years of age and older, and 8% of their reserves was also purchased from corporate members of five years standing. Members' reserves increased \$1,296,682 and now stand at \$23,542,113. Capital expenditures amounted to \$7,260,935 and were approximately the same as last year. This far exceeded the funds provided through capital cost allowances and the proceeds of disposal of capital assets. The necessary funds were taken from working capital.

#### Staff

The structure of any organization changes with time. The Alberta Wheat Pool is at a point in history when a number of long-service employ-

ees, some of whom have been with the Organization almost since its inception, are retiring, or will be retiring shortly. We owe a debt of gratitude to these people for their part in building the Organization through its formative stages to the present position it now enjoys in the agricultural and business community. For those of us who remain, they leave a heritage and a responsibility to continue the established tradition and pattern of progress. One who has had a large part in shaping progress has been our former General Manager, Mr. A. T. Baker who retired on July 31, 1969. The success enjoyed by your Organization during his term of office is indicative of the leadership provided, not only for the Pool but for all of Alberta agriculture.

The problems of adverse marketing conditions and handling out-of-condition grain weigh heavily on employees as well as producers. This responsibility has been carried out favourably and efforts put forth by the staff, under these difficult conditions, are appreciated.

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, 1969 and the statements of consolidated earnings, consolidated earnings retained from prior years and consolidated 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, 1969 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 & C.

Chartered Accountants.

Calgary, Alberta. October 16, 1969.



AND SUBSIDIARY COMPANIES

## **CONSOLIDATED BALANCE SHEET**

JULY 31, 1969 AND 1968

#### **ASSETS**

Current:	1969	1968
Cash in banks, on hand and in transit	\$ 1,052,641	\$ 1,082,504
Stocks of grain (Note 2)		52,590,699
Stocks of seed, fertilizer and supplies (Note 3)		2,509,798
Advances on grain		60,013
Accounts receivable		4,432,834
Accrued items receivable		1,069,194
Prepaid expenses		700,114
Total current assets	72,728,124	62,445,156
Fixed—at cost:		
Buildings, sites and operating machinery	53,138,576	46,659,968
Less accumulated capital cost allowances		29,323,178
	21,420,922	17,336,790
Elevator and office equipment, autos, trucks and	-	-
miscellaneous equipment	1,083,424	1,003,368
Less accumulated capital cost allowances	515,940	493,422
	567,484	509,946
Net fixed assets	21,988,406	17,846,736
Investments—at cost:		
Shares and bonds of affiliated companies	8,371,530	8,300,523
Grain Exchange memberships and trade associations		11,152
Co-operative associations		1,830
	8,384,787	8,313,505
Other:		
Deferred accounts receivable	1,129,527	79,112
Excess of cost of investment in subsidiary company over book value at date of purchase	155,420	155,420
	1,284,947	234,532
	\$104,386,264	\$88,839,929

LIABILITIES				
Current:	1969	1968		
Outstanding cheques, cash tickets and orders	\$ 8,263,682	\$ 8,152,531		
Bank loans (secured)	48,020,000	32,500,000		
Call and short term loans	3,823,963	2,240,263		
Accounts payable	1,422,695	1,533,087		
Staff savings	1,796,785	1,730,764		
Income tax payable	12,575	20,048		
Accrued items payable	546,350	469,693		
Growers' outstanding payments	173,609	211,713		
Net earnings—current year less estimated minimum income tax (Notes 4 and 5)	2,732,088	5,456,564		
Total current liabilities	66,791,747	52,314,663		
Term Loans from Members and Co-operatives (Note 6)	8,730,030	9,241,937		
Reserves and Surplus: Reserves (Note 7)				
Authorized \$30,000,000				
Issued to members	23,542,113	22,245,431		
Members' investments	Action to the control of the control			
Surplus retained from earnings of prior years (Note 9)	5,322,374	5,037,898		
	28,864,487	27,283,329		
Commitments (Note 10)				
	\$104,386,264	\$88,839,929		

AND SUBSIDIARY COMPANIES

#### STATEMENT OF CONSOLIDATED EARNINGS

**YEARS ENDED JULY 31, 1969 AND 1968** 

	1969	1968
Operating revenues (Note 8)	\$21,225,160	\$21,886,950
Deduct:		13/12/12/13
Elevator and seed plant operating expenses	6,976,146	6,348,780
Office, administration and supervisory expenses	3,508,427	3,343,453
Terminal elevator operating expenses	2,350,042	2,046,867
Interest—net	2,785,159	2,228,669
	15,619,774	13,967,769
Earnings before capital cost allowances	5,605,386	7,919,181
Capital cost allowances	2,832,423	2,387,283
Net operating earnings	\$ 2,772,963	\$ 5,531,898

## STATEMENT OF CONSOLIDATED EARNINGS RETAINED FROM PRIOR YEARS

**YEARS ENDED JULY 31, 1969 AND 1968** 

	1969	1968
Balance at beginning of year	\$ 5,037,898	\$ 4,751,711
Add:		
Earnings from previous year before income taxes		7,268,625
Gains arising from disposal of properties (Note 9)	94,064	63,313
	10,663,860	12,083,649
Deduct:		
Patronage refunds—		
In cash	2,137,176	2,336,300
In members' investments increased	3,064,704	4,500,955
	5,201,880	6,837,255
Income taxes paid on previous years' earnings	139,611	208,321
Sundry adjustments	(5)	175
	5,341,486	7,045,751
Balance at end of year	\$ 5,322,374	\$ 5,037,898
	and the same of th	

See accompanying notes to consolidated financial statements.

AND SUBSIDIARY COMPANIES

## STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

YEARS ENDED JULY 31, 1969 AND 1968

	1969	1968
Working capital at beginning of year	\$10,130,493	\$10,794,557
Source:		
Prior year's earnings after income taxes	5,456,564	7,053,392
Deduct:		
Patronage refunds paid in cash	2,137,176	2,336,300
Members' reserves purchased	1,768,022	1,489,148
	3,905,198	3,825,448
Prior year's earnings retained	1,551,366	3,227,944
Current year's capital cost allowance not involving an		
outlay of funds	2,832,423	2,387,283
Proceeds of disposals of fixed assets	380,906	206,553
Decrease in deferred accounts receivable		9,304
Increase in term loans from members and co-operatives		708,401
Adjustment of prior year's income taxes		6,912
Sundry adjustments	5	(284)
	4,764,700	6,546,113
Application:		
Additions to fixed assets—		
Buildings, sites and operating machinery	6,918,552	6,954,275
Equipment	342,383	255,902
Increase in investments	71,282	
Increase in deferred accounts receivable	1,050,415	
Decrease in term loans from members and co-operatives	511,907	
Adjustment of prior years' income taxes	64,277	
	8,958,816	7,210,177
Working capital decreased during year	4,194,116	664,064
Working capital at end of year	\$ 5,936,377	\$10,130,493

See accompanying notes to consolidated financial statements.

AND SUBSIDIARY COMPANIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 1969

- NOTE 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.
- NOTE 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.
- NOTE 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.
- NOTE 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.
- NOTE 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.
- NOTE 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.
- NOTE 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.
- NOTE 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.
- NOTE 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.
- NOTE 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 \$2,300,000 at July 31, 1969.

# DIRECTORS' REPORT 1968-69

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, 1969.

It has been the most difficult and depressing year western wheat producers have experienced in recent times. Excessive rainfall over most of Western Canada during the 1968 harvest period created a problem with damp grain of unusual proportions. The scope of it is reflected in official figures published in mid-January 1969. These showed that, while 42 million bushels had been dried to that date, an estimated 217 million bushels in commercial storage or on farms remained to be dried. Commercial drying capacity to the year-end was estimated at 100 to 150 million bushels. It was only through co-operative effort by producers assisted by the three Pool organizations that a major disaster was averted.

The emergence of excessively large world stocks of wheat accompanied by a falling off in demand put world wheat prices under heavy pressure throughout the year. The new International Grains Arrangement which had come into effect a month before the crop year began proved unequal to the strains exerted upon it and for much of the year world prices were below

the floor.

The lower prices and reduced delivery opportunities intensified an already serious prairie farm income situation. Your Board has been deeply concerned about adverse economic trends in the world grain situation which became more evident during the year under review and which appear likely to persist throughout the current year.

#### Production in Canada

The excellent grain crop produced on the prairies in 1969 was the only bright spot in an otherwise dismal year. The average wheat yield for the three provinces, according to the September estimate by the Bureau of Statistics, was 27.3 bushels per acre up from 21.8 the previous year and well above the long-term average for the area.

Acreage devoted to wheat was about 4.5 million acres below the previous year so that spring wheat production rose by only 5 per cent in spite of higher yields. Spring wheat production for 1969 was estimated at 665 million against 629 million bushels in 1968. Average production for the previous 10 years was 540 million.

Production of other grains in Western Canada was correspondingly higher in 1969. Increased acreage devoted to flaxseed and rapeseed pushed production of these crops to 31.0 and 36.7 million bushels respectively.

Total wheat production in Canada increased from 649.8 million in 1968 to 684.8 million bushels in 1969. Details of acreage, yield and production are shown in Tables 1 and 2 attached to this report.

#### Grain Deliveries from Western Farms

Producer deliveries of wheat to country elevators in western Canada declined for the second year in succession. On the basis of preliminary figures, wheat deliveries for 1968-69 were 400 million bushels, down 56 million from the year before and the lowest in any year since 1961-62. The record high was in 1966-67 at 632.3 million bushels.

Deliveries of all grains including wheat were 553.7 million bushels in 1968-69, down from 609 million the previous year. The only grains showing increased deliveries were oats and flax-seed. Details of deliveries are shown in Table 3.

Canadian Grain Exports

Exports of all Canadian grains in 1968-69 declined about 44 million bushels from the level of the previous year. This followed a drop of nearly 209 million the year before. Hardest hit was wheat which was down about 30 million bushels followed by barley where the drop in exports was about 17 million. Exports of flaxseed and rapeseed showed gains of one and two million bushels respectively.

Wheat and wheat flour exports for 1968-69 were 304.2 million bushels with other grains accounting for 55.3 million bushels to bring total grain exports to 359.5 million. Comparative figures for exports in 1967-68 were wheat 334.9 million and 403.8 million for all grains. Export

details are shown in Tables 6, 7 and 8.

Canada's sales of wheat to the Soviet Union and other eastern European countries dropped

from 60.7 million to 7.9 million or a loss of nearly 53 million bushels. This loss was partially offset by an increase of about 31 million bushels in sales to Mainland China to bring the year's exports to that country to 83 million bushels.

Sales of wheat (excluding flour) to the United Kingdom were down about 6.5 million, to India about 7 million and to Western Germany about 5 million. Italy and Japan each took slightly more in 1968-69 than in the pre-

vious year.

The large movement of wheat to fill Chinese requirements increased shipments from the Port of Vancouver from 143.5 to 154.1 million bushels. Exports from St. Lawrence ports fell to 79 million bushels reflecting the reduction in exports to eastern Europe. Exports through Churchill rose by 1 million to a total of 22.6 million bushels for the year.

#### World Supply and Demand-1968-69

The world entered the 1968-69 crop year with a record supply of wheat on hand or in prospect from a phenomenal crop then in the making. World production (excluding Mainland China) for 1968-69 has been estimated by the International Wheat Council at a new record of more than 12 billion bushels. In addition, the seven major exporting countries carried over stocks estimated at 1.6 billion giving a total available world supply for the year of more than 13.6 billion bushels. This was about 2.5 billion higher than the previous year.

The build-up in world supplies followed three successive exceptional harvests. Much of this is accounted for by unusually good growing weather over the whole of the world's wheat growing area. But there were other factors as

well.

World wheat acreage has been expanding steadily. More than 100 million acres have been added to the world's wheat fields since the early 1950's. The greater part of the increase has occurred in the Soviet Union, Asia and Australia. Acreage in North America has tended to expand or contract in response to market demand especially in the United States where strict controls have been established. In general, North American wheat acreage has declined since 1950.

While acreage has been expanding, yields have apparently been increasing, sometimes quite dramatically. Average yields in Europe, for example, have risen from 22.8 bushels in the early 1950's to 36.1 in the mid-1960's. Yields in the Soviet Union increased from 12.5 to 18 bushels and in North America from 17.6 to 25.7 in the same period. There is an apparent breakthrough in yields in India, Pakistan, Turkey and other Asian countries which does not yet show up in statistical averages. These figures must be read cautiously because it is difficult to distinguish between fortuitous circumstances and a genuine increase in productivity. Nevertheless, it is reasonably clear that greater productivity is a factor in the current build-up in world wheat supplies and is something that must be

considered in future planning.

On the demand side, the picture is much more difficult to assess. Certainly, there has been a falling off in each of the last three years in the volume of wheat entering international trade. Some of this decline reflects increased availability of supplies in such countries as the Soviet Union, India and Pakistan where higher production at home has met more of each country's

total requirements.

There is considerable evidence that world food needs are being more adequately met in most of the developing countries. More emphasis is being placed on expansion of food production in many countries and the development programs undertaken in the past are beginning to pay off in higher production and less wastage. The global good weather which helped to boost wheat supplies also favored other food production. In general, 1968-69 saw further improvements in the world food situation which were reflected in a reduction in the amount of wheat required to avert starvation in parts of the less-developed world.

#### World Wheat Trade-1968-69

The volume of wheat entering world trade in 1968-69 continued the decline which started three years ago. While final figures are not yet available from the International Wheat Council, the United States Department of Agriculture has estimated world trade for 1968-69 at 1.7 billion bushels. This is about 200 million bushels below the figure for 1967-68 and more than 550 million below the peak of 2.2 billion achieved in 1965-66. Details of world wheat exports are shown in Tables 18 and 19.

Much of the year's decline in world trade is accounted for by reduced markets in eastern Europe, India and Pakistan. Purchases by Communist countries from western suppliers are estimated to be down by 55 million bushels. Canadian exports alone to these countries were about 53 million lower. Exports from the United States to India and Pakistan for 1968-69 were 183 million bushels below the previous year's level. The United States exported less to Japan during the year and experienced a slight decline in sales to South America. Its exports to Italy and other western European countries were slightly higher. Total US exports dropped from 761 million to about 542 million bushels in 1968-69.

Australian exports for the year are expected to be about 53 million bushels less than in 1967-68. Australia shipped 38 million bushels less to Mainland China and 25 million less to India while increasing its sales to Japan by 19 million and to Western Europe by 9 million.

French exports to other EEC countries more than doubled, increasing to about 195 million bushels. France also entered the Japanese and Taiwan markets during the year and increased its sales to the United Kingdom. Some of the increased business obtained by France was in

feed and denatured wheat which became a significant factor in international trade according to reports from the US Department of Agriculture. Britain was reported to have bought 19

million bushels of denatured wheat.

With exporting countries each holding large supplies of wheat in a declining world market, competition was particularly fierce throughout 1968-69. Each exporter was determined to hold or increase its share of the market to relieve the pressure of an overabundance of wheat at home. For some of them maintaining a price was less important than clearing surpluses because domestic subsidy programs insulated their producers from the effects of price reductions.

This was the atmosphere in which the new International Grains Arrangement came into effect in June, 1968. The new Arrangement had been negotiated in the summer of 1967 with a price floor of \$1.95\frac{1}{2}\$ basis No. 1 Northern at the Lakehead for Canadian wheat and different floors for basic grades from other countries. However, it was not possible to make it effective for the 1967-68 crop year and its introduction was set

over to 1st June, 1968.

During the year in which no agreement existed, evidences of price cutting by several of the exporters appeared and in the end all exporters reduced prices below the floor which had been agreed upon just a few months earlier. As the time approached for the introduction of the new international arrangement, prices generally worked back to or slightly above the \$1.95½ floor. And there they remained until early in March 1969. Throughout the year numerous alarming rumors kept circulating about sales at special prices by some exporters and it was evident that importers were becoming increasingly concerned about wheat price levels in the face of existing surpluses.

Two factors influencing the world demand for wheat became increasingly evident during the year. Some of the developing nations through adoption of high-yielding new varieties and more effective use of irrigation and fertilizer were beginning to come much closer to self-sufficiency in cereal production and now appear likely to reach their goal in the near future. This change was dramatically illustrated in both India and Pakistan but it was also coming in other countries such as Turkey. Similar advances in rice-growing technology were occurring in other parts of the less-developed parts of the

world.

The second unsettling factor concerned the steadily expanding use of new baking processes which allowed mills in developed countries such as Britain and Japan to use larger proportions of lower grades of wheat. This was not a new development for its use had been expanding for some time. However, it posed a growing threat of further erosion in the market for Canada's high quality wheat.

All of these adverse factors bore heavily on the price of wheat in the international market. By mid-March, 1969, it was evident that the International Grains Arrangement could not withstand the pressures that were building up on its floor prices. On March 18, The Canadian Wheat Board followed the example of other exporters and lowered its price to  $$1.93\frac{1}{4}-2\frac{1}{2}$$  cents below the IGA floor.

International prices continued downward during the balance of the year so that by July 31, the Wheat Board was offering No. 1 Northern out of the Lakehead at \$1.88½. Prices have continued to decline in the current crop year so that at September 2, the Canadian price was

\$1.83\frac{1}{4} at the Lakehead.

The changing competitive situation was further reflected in the price of Canadian wheat out of Vancouver. For several years, the Vancouver price has been above the comparable grade at the Lakehead. By early September, 1969, prices at the two locations were the same.

Your Board deeply regrets the conditions which forced the abrogation of an international arrangement designed to maintain a reasonable level of price stability in the international wheat trade. Your Board is conscious of the part that Canadian farm organizations and the Canadian government played in creating the first International Wheat Agreement in 1949 to provide a measure of stability to wheat producers everywhere.

Your Board urges continued efforts by farm organizations, The Canadian Wheat Board and the Government of Canada to seek re-establishment of a realistic floor price for international trading in wheat. It believes that stability in the price of the world's major food commodity in international trade is essential to the stability of agricultural prices everywhere.

#### World Trade in Feed Grains

After a period of rapid expansion which lasted for about 15 years, world trade in feed grains has remained relatively stable in the last three years for which figures are available.

For the five years from 1951 to 1956, world trade in feed grains averaged about 15 million metric tons per year. This was followed by a 10-year period of fairly consistent growth to a peak of 42.6 million tons in 1966-67. In the following year it declined to 41.4 million and there are indications that the 1968-69 figure may be slightly lower.

Major market for feed grains is Western Europe which accounted in 1967-68 for 26.7 million tons or nearly 65 per cent of the total trade. Among these countries, the United Kingdom was the largest importer at 8 million tons. The Japanese market has been growing rapidly, increasing from 5.2 to almost 8 million tons in

the last three years.

Much of this increase in trade is a reflection of the growing number of meat-producing animals. The Food and Agriculture Organization has reported an increase in world cattle numbers from about 787 millions in 1947-52 to slightly more than 1 billion in 1967-68. In the

same period the number of hogs had doubled from 300 to 600 million.

#### The Outlook for Food and Trade

A year ago, Dr. A. H. Boerma, director general of the Food and Agriculture Organization, indicated that the world food situation had reached a stage of "transition and hope". New cereal varieties, new technologies and a new recognition of the importance of agriculture had placed a number of developing countries in a position where they could look for more rapid increases in food production.

The general outlook remains much the same. Some of the hopes have been fulfilled. India and Pakistan are expected to harvest good crops again in 1969 and may attain new records in wheat production. But, in spite of the gains, it is not to be supposed that the world's food prob-

lems have been solved.

Outcome of race between increasing food production and population in developing countries is still uncertain. It is noteworthy that the per capita amount of food available in 1968 was no greater than in 1964. In other words, it took two years of good growing conditions to recover the ground lost in the poor years of 1965 and 1966. More recent figures are not available.

The International Federation of Agricultural Producers has pointed out that the very large gains in the total volume of food produced in developing countries during the last 20 years have been offset by excessive rates of population growth. Moreover, the principal factor in increased food supplies has been the increase in harvested acres rather than increased yields. Experts are doubtful that the rate of expansion in tropical land use can match in the next 20 years the experience of the past 20.

Spectacular increases in yield will be required to maintain a satisfactory growth in per capita food production, an IFAP report suggests. A reasonable food-population balance in large parts of the world remains a distant goal.

As far as the immediate outlook for improvement in the volume or the price of wheat entering world trade is concerned your Board believes it is difficult to be optimistic. Some slight increase in the volume of world trade may occur during the present marketing year. Parts of Europe, the United Kingdom and Japan may want more wheat than in the year just closed, according to forecasts of some observers.

But a dramatic change in world demand is not expected. Conditions in those parts of the world where broad swings in demand have occurred in recent years—India, Pakistan, Eastern Europe and the Soviet Union—are relatively good and no great shift appears likely

in the short run.

Considerable resistance to price increases has developed among a number of the world's importers. As long as the current large surpluses continue in the hands of major exporters, it will be difficult to negotiate any substantial in-

crease in price levels. The outlook is that the world surplus will become greater rather than smaller during the current year.

Income and Costs—Wheat Bears The Brunt

Farm cash income in the three prairie provinces for 1968 at \$2,085 million was about \$60 million below the level of the previous year. Cash receipts from the sale of wheat dropped \$153 million in the same period. The difference was accounted for chiefly in higher receipts from livestock, higher deferred payments from The Canadian Wheat Board and the receipt of more money through cash advances. There were comparable declines in cash receipts from the sale of other prairie grain crops. Details of the cash income position are shown in Table 10.

The net income position (Table 11) of prairie farmers rose from \$797 million to slightly more than \$1 billion reflecting the large increase in grain inventory that piled up on farms during 1968. Farmers borrowed \$151.8 million in cash advances and repaid \$99.4 million, leaving a balance of \$52.4 million unpaid at the end of the year. This amount is shown in farm cash income

for 1968.

The amount of cash received by western wheat producers from the sale of wheat declined in each of the three years from 1966 to 1968 inclusive. Cash received from the initial sale of wheat in 1968 was \$197 million below the figure for 1966. This difference occurred in spite of an increase on 1st of August, 1967 of 20 cents per bushel in the initial payment. At the same time, it should be noted that final payments from The Canadian Wheat Board rose from \$200 million in 1966 to \$270 million in 1967 and to \$315 million in 1968.

It is evident that the situation is much more serious in 1969 and will be revealed when the income figure for the year is tabulated. The low level of wheat deliveries has continued. The amount available for distribution as a final payment in March, 1969, was \$60 million against \$315 million the year before. The final realized price for the 1967-68 crop basis No. 1 Northern at the Lakehead was \$1.81432, down from \$1.874

the previous year.

Against the desperate income situation which has developed, farm costs continued to rise during the year. The composite index of prices for goods and services required by western farmers (including their living costs) rose from 314.0 in 1967 to 330.0 in 1968. The rising spiral continued into 1969 with Bureau of Statistics index numbers showing 332.6 and 346.0 for January and April respectively. Figures for a partial year are not directly comparable with the annual averages, however, it is clear that the upward trend is continuing.

While the rise in the cost index adversely affects all farmers, it bears most heavily on the grain producer whose income is shrinking because of reductions both in the volume of his sales and in the prices he receives for his commodities. The gap between costs and prices is

steadily worsening. It is a trend which has persisted for a long time in the grain economy but it is reaching the point where the whole fabric

of the industry is being threatened.

Your Board has been acutely conscious of the deteriorating position of the grain industry in the Canadian economy and has pressed for remedial action on a number of occasions during the year.

#### **Board of Directors**

Several changes in officers and membership of the Board of Directors of Canadian Cooperative Wheat Producers Limited occurred

during the year.

Dr. W. J. Parker, vice-president, retired after serving 28 consecutive terms on the Central Board. G. L. Harrold was elected vice-president at the Board's annual meeting on February 25 and H. B. Sneath was named third member of the Executive Committee. At the same time, J. D. Deveson was elected to the Board to replace Mr. Parker.

In July, President Chas. W. Gibbings resigned from the Board to accept an appointment as commissioner of The Canadian Wheat Board. E. K. Turner was elected president to succeed Mr. Gibbings on July 25. D. M. Lockwood was named to the Central Board on the same date.

Composition of your Board at the year-end was: President: E. K. Turner; Vice-President: G. L. Harrold; Executive member: H. B. Sneath; Board members for Manitoba: G. E. Franklin and J. D. Deveson; for Saskatchewan: E. A. Boden and D. M. Lockwood; and for Alberta: Nelson Malm and A. J. Macpherson.

Arrangements were continued whereby J. O. Wright, secretary of Saskatchewan Wheat Pool, served as secretary of Canadian Co-operative

Wheat Producers Limited.

Your Board met three times during the year to review a number of issues of particular importance to the three member-organizations. Some of the topics discussed are outlined below.

The possibility of establishing a farmerowned grain exporting agency was given close consideration throughout the year. A committee consisting of one representative of each of the three Pools was set up in October 1968 to explore all aspects of the proposal. Purpose of the exporting agency, as set out in the minutes of the Board meeting of February 25 was "to achieve higher sales of Canadian grains within the structure which would maintain orderly marketing and controls of The Canadian Wheat Board." Discussions were continuing at the year-end.

The steady erosion of Canada's flour exports was brought to the attention of the Board of Directors. Your Board in a letter to the Government of Canada, expressed concern at the loss of wheat markets reflected in the decline. It requested the government to assist the flour milling industry to place it in a competitive position with subsidized mills in other countries and in this way to help regain some of the export

markets which had been lost.

Your Board continued to be represented at hearings before the Railway Committee of the Canadian Transport Commission in relation to costing procedures to be used in branch line abandonment applications, freight rate control and other regulations. The Committee published its costing order during the summer of 1969 and invited comment from interested groups before making it effective. The Board will continue to act as spokesman for grain producers.

The Board renewed its memberships in the Crop Quality Council, the Canadian Hunger Foundation, and the Private Planning Association. It agreed to underwrite up to a maximum of \$5,000 the cost of publishing the proceedings of the World Symposium on Infectious Diseases in Livestock to be held at the College of Veterinary Medicine, University of Saskatchewan, in

1969.

Your Board notes with great satisfaction the parts played by the three member-organizations in presentations to members of the House of Commons committee on agriculture during its tour of Western Canada. Each organization made good use of its opportunity to place the views of its farmer-members before the agricultural committee members and others who visited the West.

#### Interprovincial Pool Meetings

Interprovincial Pool meetings at which the Boards of Directors of each of the three provincial Wheat Pools come together for common discussions were held on two occasions during the

year.

The first meeting was in Winnipeg January 22 and 23 to coincide with meetings of the Western Agricultural Conference. Policy resolutions approved by annual meetings of the three Pools were placed before the meeting before being submitted to the Western Conference.

The Pool Boards were unanimous in asking that the following resolution be distributed to members of parliament and of western legis-

latures:

"WHEREAS the cost of production is steadily increasing and the price of wheat has increased very little:

"RESOLVED that the Canadian government establish a two-price system on wheat, the price of that portion of Canadian grain used for domestic human consumption to be increased by an amount that bears a fair relationship to the cost of production; and further that this amount be charged to the consumer by increasing the price to the flour mills on that portion of their wheat purchases."

The resolution, accompanied by supporting material, was sent to members of the House of Commons, the three western legislatures and to other farm organizations following its adoption by the Canadian Federation of Agriculture.

The January meeting also urged amendments to the Prairie Grain Advance Payments Act and to regulations proclaimed under it which would:

 Make it clear that farmers have the right to exercise freedom of choice in selecting the elevator through which to deliver grain in repayment of the advance;

Enable permit holders to obtain an advance on owned land without obtaining co-signatures from others having interests in other lands covered by the same permit book; and

3. Allow a producer to obtain a cash advance on his own grain without per-

mission of the landlord.

The three Boards also gave consideration to the proposal to establish a farmer-owned export agency at each of its meetings. In July the Boards met jointly and separately to discuss the matter.

The interprovincial meeting expressed grave concern at alleged violations of Canadian Wheat Board shipping orders and urged the Wheat Board to apply penalties at individual points and to companies where such violations occurred. It was recognized that the introduction of the block system will avoid many of the problems arising from this cause but Saskatchewan Pool representatives pointed to the unfairness of basing initial percentages on the records of a year in which so many violations were believed to have occurred.

Each meeting of Interprovincial Pool Boards reviewed the international wheat situation with representatives of The Canadian Wheat Board. Members expressed growing concern at trends in the international market that developed

during the year.

Canadian Federation of Agriculture

Members of the three organizations making up CCWP worked closely with other farm organizations through the Canadian Federation of Agriculture to develop a national policy for the grains industry. The policy was presented to the Government of Canada with the full support of farm organizations across Canada.

The policy called for three approaches:

Immediate cash assistance to prairie grain producers;

2. A policy for the grain industry by the end

of 1969; and

 In depth, continuing consultations with the Federation on a formal basis . . . to keep all aspects of grains policy under review and active improvement.

To meet the immediate cash situation the Federation urged payments to producers of \$2 per acre up to a maximum of \$2,000; a forward minimum price guarantee at the floor of the International Grains Arrangement on all export wheat; and a price of \$2.95½ per bushel on wheat used in Canada for human consumption.

The Federation policy asked for a federal adjustment fund beginning at \$160 million in the first year (1970) and declining by \$40 million subject to annual review in subsequent years "to be used for assistance, development and adjustment of the prairie farm economy."

Finally it requested establishment of a regular consultative framework between the government and the Federation to maintain a two-way flow of information between government and producers about needs and policies.

Members of your Board were active in working with the Federation in development and presentation of these policies for the grains

industry.

IFAP Meeting

Representatives of farm organizations in member-countries of the North American Region of the International Federation of Agricultural Producers met in Washington in May, G. L. Harrold, Nelson Malm, H. B. Sneath and J. O. Wright were among the members of the Canadian delegation in attendance. Representatives of farm organizations in the United States and Mexico also attended.

The meeting reviewed operations of the International Grains Arrangement in detail and expressed the hope that ways would be found to make the agreement work effectively in the interest of wheat producers in all countries. The Canadian delegation was gratified that the United States had ratified the agreement and expressed the hope that the US Government would give strong support and leadership in attacking the problems which appeared to be undermining its effectiveness as an instrument of international trade stability.

Involvement of co-operatives in the United States in the government's international development program was outlined. Canadian delegates expressed the view that similar co-operative activity might be fostered in Canada.

Other discussions concerned the farm program of the United States Congress and problems relating to Mexican migrant workers in the United States.

#### Conclusion

Seldom in the history of the Canadian farm movement has so much attention been paid by so many people to the problems of the Canadian farmer. This is a reflection of the magnitude of the problems facing the agricultural industry and the individual producers engaged in it.

The wheat industry with which the members of the organizations making up Canadian Cooperative Wheat Producers Limited are primarily concerned is undergoing tremendous strains not only in Canada but throughout the world. Basic adjustments are occuring at an alarming pace in every phase of the industry through production, handling, marketing and consumption. And each change anywhere triggers the need for further adjustments everywhere because the international wheat and grains market is becoming increasingly a single unit.

The essence of the problem facing the Canadian wheat producer and the organizations that represent his interests is to discover what rational adjustments may be required to meet

a constantly changing world grains situation and to implement such adjustments fairly and with due regard to the dignity of those who may be most gravely affected.

Your Board is firmly of the opinion that certain basic criteria must be observed in this

process:

1. That the principles of orderly marketing must be maintained at the international level through international agreements and at the national level through the

Wheat Board system of marketing expanded to cover all grains;

2. That producers through their farm organizations must be totally involved in the development of all adjustment programs; and

3. That the Government of Canada must assume financial responsibility for protection of the individual whose income may be adversley affected by such ad-

justments as may be necessary.

#### Respectfully submitted,

E. K. TURNER
G. L. HARROLD
H. B. SNEATH
G. E. FRANKLIN
J. D. DEVESON
E. A. BODEN
D. M. LOCKWOOD
N. MALM
A. J. MACPHERSON

#### STATISTICAL TABLES

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- Exports of All Grains and Wheat Flour, 1968-69, 1967-68 and 30-Year Average.
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- Exports of Canadian Wheat by Region and Selected Countries, 1966 to 1969.
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- World Wheat: Acreage, Yield, Production, Selected Years.
- World Wheat—Exports: Wheat and Wheat Flour, World Total 1954 to 1969.
- Summary of Trade in Wheat and Wheat Flour by Members of IWA, 1964-65 to 1967-68.
- 20. The Agricultural Stabilization Board, 1968-69.
- 21. The Agricultural Stabilization Board, 1958-69.
- 22. Prairie Grain Advance Payments.

Table 1
GRAIN: ACREAGE, YIELD, PRODUCTION,
CANADA,
1969 (September Estimate) and 1968 (Final)

	1969 (8	(September Est.)		1968 (Revised)		
	Acreage (Mil- lions)	Yield (Bush- els)	Prod. (Mil- lions)	Acreage (Mil- lions)	Yield (Bush- els)	Prod. (Mil- lions)
Whea	at—					
	25.0	27.4	685	29.4	22.1	650
Oats-	_					
	7.9	48.5	381	7.6	48.0	363
Barle	y—				9721 67	
	9.5	39.9	381	8.8	36.8	325
Rye-						
	0.9	18.1	17	0.7	19.2	13
Flaxs	eed—					
-	2.4	12.8	31	1.5	12.9	20
Rape	seed—	10.0	0.55		10 1	10
	2.0	18.2	37	1.1	18.4	19

Source: DBS September Forecast Production Principal Field Crops

Table 2
GRAIN: ACREAGE, YIELD, PRODUCTION,
PRAIRIE PROVINCES,
1969 (September Estimate) and 1968 (Final)

	1969 (September Est.)		1968 (Revised)			
7771	Acreage (Mil- lions)	Yield (Bush- els)	Prod. (Mil- lions)	Acreage (Mil- lions)	Yield (Bush- els)	Prod. (Mil- lions)
Whea	24.4	27.3	665	28.8	21.8	629
Oats	5.8	48.9	285	5.3	46.6	249
Barle Rye-	9.0	39.7	357	8.3	36.1	301
	0.8 seed—	17.4	15	0.6	18.4	11
	2.4 seed—	12.8	31	1.5	12.8	19
rape	2.0	18.2	37	1.0	18.4	19

Source: DBS September Forecast Production Principal Field Crops

## Table 3 PRODUCER MARKETINGS, PRAIRIE PROVINCES August 1 to July 31 (millions of bushels)

3371	1968-69(1)	1967-68	1966-67	1965-66	1964-65
Whea	400.0	456.0	632.4	569.4	524.5
Oats-	40.3	30.8	38.4	51.7	41.0
Barle	77.5	87.3	112.7	93.9	75.0
Rye-	3.6	6.9	11.0	12.1	7.3
Flaxs	eed— 15.2	7.9	20.1	23.7	16.8
Rape	seed— 17.0	20.0	20.8	18.7	_
Tota		608.9	835.4	769.5	664.6
Tota	====	====	====	109.5	004.0

(1) Preliminary.

Source: Board of Grain Commissioners for Canada, Canadian Grain Position, July 31, 1969. Sanford Evans—Grain Trade Year Book, 1967–68.

Table 4
CARRYOVER STOCKS OF GRAIN IN CANADA(1)
at July 31, 1967-69 and Averages 1959-68
(millions of bushels)

	1969(2)	1968	1967	Average 1959–68
Wheat	848.3	665.5	576.8	531.1
Oats	128.1	77.0	109.8	119.9
Barley	198.0	130.9	131.8	108.6
Rye	8.5	7.5	8.3	7.2
Flaxseed		4.7	11.8	7.0
Rapeseed	4.9	9.9	_	
Total On farms Commercial		895.5 367.2 528.3	838.5 356.7 481.8	773.8 278.4 495.4

- Excluding Newfoundland for which data is not available.
- (2) Preliminary estimate.

Source: DBS Stocks of Canadian Grain at July 31, 1969.

### Table 5 CARRYOVER STOCKS OF GRAIN ON FARMS, PRAIRIE PROVINCES at July 31, 1969 (Estimated)

(millions of bushels)

	Mani- toba	Saskat- chewan		Total 1969	Total 1968
Wheat	40.0	245.0	85.0	370.0	233.0
Oats	25.0	26.0	29.0	80.0	42.0
Barley	20.0	48.0	66.0	134.0	68.0
Rye		3.0	1.0	5.0	1.9
Flaxseed		0.4	0.2	0.8	0.6
Rapeseed	0.1	0.4	0.2	0.7	
Total Total 1968	86.3 39.3	322.8 207.3	181.4 98.9	590.5	345.5

Source: DBS Stocks of Canadian Grain at July 31, 1969.

#### Table 6 EXPORTS OF ALL GRAINS AND WHEAT FLOUR (millions of bushels)

30-Year

		Average 1938–39
1968-69	1967-68	to 1967–68
280.5 23.7(1)	310.7 24.2	266.6 44.5
304.2	334.9	311.1 25.2
21.2 4.2	36.1	39.9
13.4 14.2	12.6 12.3	8.0 3.0
359.5	403.8	393.7
	280.5 23.7(1) 304.2 2.3 21.2 4.2 13.4 14.2	280.5 23.7(1) 24.2 304.2 334.9 2.3 3.1 21.2 36.1 4.2 4.8 13.4 12.6 14.2 12.3

(1) Estimated. Source: Board of Grain Commissioners for Canada, Exports of Canadian Grain and Wheat Flour

#### Table 8 EXPORTS OF CANADIAN WHEAT(1) BY REGION AND SELECTED COUNTRIES 1966 to 1969

(in million bushels)

	1968-69	1967-68	1966-67
WESTERN EUROPE	0.0	12.0	12.0
West Germany	8.2	13.8	13.0
Other EEC	24.1	23.2	24.6
Total EEC	32.3	37.0	37.6
United Kingdom	55.3	61.6	67.4
Others	5.9	5.4	8.4
Total West. Europe	93.5	104.0	113.4
EASTERN EUROPE			
USSR	1.7	48.6	88.7
Poland	3.3	4.5	11.3
Others	2.9	7.6	14.5
Total East, Europe	7.9	60.7	114.5
AFRICA	4.6	3.0	11.1
ASIA			
China, Communist	83.0	52.0	90.0
Japan	42.6	40.5	59.8
Ĭndia	15.3	22.4	41.9
Others	7.9	4.8	11.6
Total	148.8	119.7	203.3
WESTERN HEMISPHER			10 5
AND OCEANIA	7.0	9.9	13.7
Total All Countries (1)	261.8	297.4	456.1

Does not include Durum (18.6 million bushels) or wheat flour (23.7 million bushels).
 Source: Board of Grain Commissioners for Canada,

Exports of Canadian Grain and Wheat Flour

#### Table 8a EXPORTS OF CANADIAN DURUM WHEAT BY SELECTED REGIONS

(in million bushels)

WESTERN EUROPE	1968-69	1967-68
EEC		6.5
Other West. Europe	3.7	2.9
EASTERN EUROPE	0.1	2.7
ALL OTHERS	1.4	1.0
Total	18.6	13.1

#### Table 9 EXPORTS OF CANADIAN WHEAT BY MAJOR IMPORTERS 1966 to 1969 (millions of bushels)

	1968-69	1967-68	1966-67
China, Communist	83.1	52.0	90.5
Britain	55.7	62.1	67.7
Japan	43.3	40.8	60.2
Ĭndia	15.3	22.4	42.0
Italy	15.2	10.2	9.5
Germany, Federal			
Republic of	12.8	17.5	22.6
Others	55.1	105.7	190.2
Total	280.5	310.7	482.7

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

### Table 7 EXPORTS OF CANADIAN WHEAT BY CANADIAN PORT OF EXIT(1) (millions of bushels)

Port:	1968-69	1967-68	1966-67	1965-66	1964-65
Pacific	154.1	143.5	181	188	155
St.Lawrence	79.0	116.9	239	288	151
Atlantic	20.3	15.5	33	39	34
Churchill	22.6	21.5	21	25	22
Lakehead					
(direct)	4.5	13.2	9	5	4

(1) Does not include flour or US imports. Source: Board of Grain Commissioners for Canada, Exports of Canadian Grain and Wheat Flour

# Table 10 FARM CASH RECEIPTS FROM FARMING OPERATIONS THREE PRAIRIE PROVINCES, 1966-1968 (in thousand dollars)

	1968(1)	1967	1966
Wheat	\$ 582,656	\$ 736,259	\$ 779,077
Wheat, CWB Payments	315,302		200,151
Oats	18,636	19,193	29,085
Oats, CWB Payments	8,420	12,331	6,850
Barley	79,332	92,772	77,823
Barley, CWB	17,002	,,,,,,	11,023
Payments	35,860	29,256	22,218
Rye	5,859	7,647	15,035
Flaxseed	25,976		61,097
Rapeseed	32,966	44,173	45,950
Other Crops	64,019	49,345	
Net Cash Advance	04,019	49,343	50,666
	52,616	6 560	1.000
Payments	52,010	6,569	-4,667
Total Crops	\$1,221,642	\$1,312,927	\$1,283,285
Cattle and Calves	511,131	487,304	466,105
Hogs	143,299		
Sheep and Lambs	3,902	3,620	3,717
Other Livestock and	,	,	-,
Products	174,465	173,288	176,854
Total Livestock	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	-10,05
and Products	832,797	805,376	789,689
Other Sources (2)	30,897	27,890	23,202

- (1) Preliminary.
- (2) Includes supplementary and deficiency payments, forest and maple products.

Receipts......... 2,085,336 2,146,193 2,096,176 **Total Canada**(3)............. \$4,393,346 \$4,385,803 \$4,295,196

(3) Except Newfoundland.

Total Cash

Source: DBS Farm Cash Receipts, 1968.

## Table 11 TOTAL NET INCOME(1), 1962-1968 (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	1.947.7
1967	797.4	1,496.8
1968	1,030.9(2)	1,796.7(2)

- (1) Takes account of changes in inventory.
- (2) Preliminary.

Source: DBS Farm Net Income, 1968.

## Table 12 PRAIRIE FARM ASSISTANCE ACT

1967-68 Crop Year

	1% Levy	Awards	Payments
Manitoba Saskatchewan Alberta British Columbia	\$ 961,213 6,379,548 2,765,426	654 19,799 10,671 986	\$ 155,595 5,962,707 2,556,563 211,098
Total	\$ 10,106,187	32,110	\$ 8,885,963
	1939-40 to	1967-68	
	1% Levy	Awards	Payments
Manitoba Saskatchewan Alberta British Columbia Unallocated	\$ 26,747,354 115,253,854 54,003,757 4,207	162,362 873,565 459,584 9,947	\$ 30,429,812 233,974,896 103,633,236 1,928,707
Total	\$196,009,172	1,505,458	\$369,966,651

Source: Report of Activities under the Prairie Farm Assistance Act for the Crop Year 1967-68.

### Table 13 CROP INSURANCE, PRAIRIE PROVINCES, 1966-69

1966-67	Alberta	Manitoba	Sask.
Contracts Acreage	4,408	12,915	6,989
Acreage	979,500	1,921,000	1,346,000
Insurance in effect	\$13,392,000	\$25,909,000	\$12,125,000
Farmers' share of			
Farmers' share of Premium	\$ 802,800	\$ 1,756,500	\$ 803,000
Number of Claims Amount of Claims	455	1,619	161
Amount of Claims	\$ 315,000	\$ 796,000	\$ 107,978
1967-68			
Contracts	9,892	14,116	8,211
Acreage	2,271,000	2,215,551	1,806,000
Contracts Acreage Insurance in effect.	\$38,000,000	\$33,268,000	\$15,910,000
Farmers' share of			
Premium	\$ 1.934.000	\$ 2,065,000	\$ 1,029,000
Number of Claims Amount of Claims	1,709	1,379	887
Amount of Claims	\$ 1,267,734	\$ 729,116	\$ 497,118
1968-69			
Contracts	16,016	14.481	12.343
Acreage	3,556,751	2.268.142	2.991.000
Insurance in effect	\$56,878,811	\$36,417,625	\$27,163,000
Farmers' share of			
Premium	\$ 3,060,248	\$ 2,324,400	\$ 1,873,000
Number of Claims Amount of Claims	4,212	3,618	1,710
Amount of Claims	\$ 5,496,729	\$ 2,288,456	\$ 1,613,000
<b>1969-70</b> (1)			
Contracts	_	14,242	-
Acreage		1,874,749	
Contracts	\$ —	\$32,179,257	
ranners share of			
Premium	\$ -	\$ 1,962,956	

(1) Preliminary.

Source: Crop Insurance Boards, three provinces.

## Table 14 FARM CREDIT CORPORATION, 1968-69; LOANS PRAIRIE PROVINCES AND PURPOSES

(thousands of dollars)

Fiscal Year 1968-	Fiscal Year 1969-76 (to August 15, 1969			
Province	No.	Amount No. Amou		
Alberta Saskatchewan Manitoba	2,055 2,853 935	48,178,200 64,364,300 21,098,600	956 1,073 421	26,987,300 27,961,500 12,515,100

## ANALYSIS OF THE PURPOSES FOR WHICH LOANS WERE APPROVED

Fiscal Year 1968-69 (thousands of dollars)

Purpose	Alberta \$	Sask.	Manitoba \$
Land Purchase	26,449,832	41,965,523	12,722,456
Land Debt	12,574,510	15,769,253	5,105,861
Improvements	5,636,849	4,634,230	2,109,860
Livestock	819,029	193,093	189,887
Equipment	240,891	128,729	126,592
Other Debts	1,108,099	450,550	358,676
Miscellaneous	1,348,990	1,222,922	485,268
Total	48,178,200	64,364,300	21,098,600

Source: Farm Credit Corporation.

## Table 15 FARM CREDIT CORPORATION LOANS APPROVED 1964 TO 1969

Year	Number	Amount	Average Loan
1964-65	. 10,142	\$154,814,000	\$15,270
1965-66	. 11,238	208,985,000	18,600
1966-67	. 12,167	247,947,000	20,380
1967-68	. 11,954	263,236,000	22,020
1968-69	9.159	208.330.000	22,750

Source: FCC Annual Report, 1968-69.

## Table 16 FARM MACHINERY SYNDICATES CREDIT ACT LOANS APPROVED 1968-69 AND JANUARY 1, 1965 TO MARCH 31, 1969

				,	Total
			Year	January 1, 1965	
	1968	3-09	,		rch 31, 1969
Branch	No.	A	mount	No.	Amount
British Columbia	9	\$	63,174	21	\$ 128,542
Alberta	88		556,825	220	1,880,882
Saskatchewan	25		179,382	69	381,156
Manitoba	31		271,920	71	448,364
Ontario	27		298,747	89	785,746
Quebec	29		258,209	99	919,660
Atlantic	4		43,975	8	88,715
Total	213	\$1	,672,232	577	\$4,633,065
	===	-			

Source: FCC Annual Report, 1968-69.

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

1	Average	Average			
	1949-54	1959-64	1966-67	1967-68	1968-69(2)
Acres (3)	385	443	466	475	487
Yield (4)	15.7	18.3	22.2	21.0	23.1
Prod. (5)	6,041	8,110	10,366	9,957	11,271

- (1) Excluding Mainland China.
- (2) Provisional.
- (3) Millions of acres.
- (4) Bushels per acre.
- (5) Millions of bushels.

Source: World Wheat Statistics 1969, International Wheat Council.

## Table 18 WORLD WHEAT EXPORTS: WHEAT AND WHEAT FLOUR, WORLD TOTAL 1954 TO 1969 BUSHELS

		BUSHELS
		(millions)
Average	1954-59	1,183
	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	1,730(1)

(1) Preliminary.

Source: World Wheat Statistics 1969, International Wheat Council.
USDA Wheat Situation, July 1969.

SUMMARY OF TRADE IN WHEAT AND WHEAT FLOUR BY MEMBERS OF IWA(1)
1964-65 to 1967-68

(millions of bushels)

Commercial	1.154.8	1965-66 1,533.6 785.1	1.348.4	1,217.0
Total	1,935.7	2,318.7	2,026.3	1,861.2

- (1) Includes trade with non-member countries.
- (2) Includes food aid, sales for foreign currency, etc. Source: World Wheat Statistics 1969, International Wheat Council.

#### Table 20

#### THE AGRICULTURAL STABILIZATION BOARD 1968-69

(Summary of dollar value of operations during the fiscal year 1968-69 with calculation of net cost of each program based on production or support year.)

Product CheeseSubsidy and Deficiency Payments	rogram Year 1966	Purchases and Costs Added During Year \$ 41,806	Value of Sales During Year \$ 35,959	Net Cost or Payment During Year \$ 5,847
1966–1967 Dairy Program				600 to 600 20
Manufacturing Milk		349 Cr	•	349*
Cream		2,839		2,839
Fluid Milk		1,306		1,306
Fluid Cream		13 Cr.		13*
Wool	66-1967	15		15
Wool	67-1968	97.247		97,247
Wool	68-1969	665,827		665,827
Eggs		140,935		140,935
Potatoes	1966	438		438
Potatoes	1967	2,492,324		2,492,324
Sugar Beets.	1965	14 Cr		14*
Sugar Beets	1967	3,381,612	•	3,381,612
Sugar Beets	1968	2,286,828		2,286,828
Transfer to Canadian Dairy Commission19		134,843,084		134,843,084
Loss Carried Forward From 1967–1968.	00 1707	1,476,129		1,476,129
		1,710,129		1,710,129
Total		\$145,430,014	\$ 35,959	\$145,394,055

<sup>\*</sup>Indicates a profit on operations.

Source: Annual Report, Agricultural Stabilization Board, 1968-69.

Table 21

#### THE AGRICULTURAL STABILIZATION BOARD 1958-1969

Agricultural Stabilization Board costs to stabilize the prices of commodities during the first II years of the program, to 31st March 1969, were as follows:

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 22. 23. 24.	Product Butter Cheese Dry Skimmilk Casein Milk for Manufacturing Cream for Manufacturing Fluid Milk Fluid Cream Eggs Fowl Hogs Lamb Wool Tomatoes Potatoes Apples Peaches Raspberries Asparagus Soybeans Sugar Beets Sunflower Seed Honey Sour Cherries Transferred to Canadian Dairy	Net Cost of Programs \$136,433,550 7,240,183 15,517,250 3,973,099 160,964,395 83,057,482 6,890,594 18,319 14,202,754 74,147,434 1,702,540 10,429,287 183,130 6,347,317 768,374 357,214 292,074 106,021 2,084,627 34,316,923 444,377 538,386 300,401
	Commission	258,957,066 \$812,536,601

The following are mandatory commodities under the Agricultural Stabilization Act: butter, cheese, eggs, hogs, cattle, sheep; and also wheat, oats and barley grown out-

side the area designated by The Canadian Wheat Board Act. In the 1968-69 fiscal year sugar beets, manufacturing milk and cream, and potatoes, were also included under the Act. Funds for the support of dairy products were transferred by the Board to the Canadian Dairy Commis-sion for the administration of the dairy price stabilization program. Such funds amounted to \$134,843,084 in 1968-69, and are included in the last item of the above table. Source: Annual Report, Agricultural Stabilization Board, 1968-69.

Table 22 PRAIRIE GRAIN ADVANCE PAYMENTS

1968-69

1967-68

No. of Applications	S	113,484		45,810
Amount Advanced	\$151		Φ.	47,280,533
Amount Repaid	\$ 00	436 400		
Amount Repaid	ф 99,			17,172,014
Average Advance.	\$	1,338	\$	1,032
Percentage Repaid		65.49	0	99.7%
Amount Outstandi	ng		~	70
July 31, 1969	\$ 52,	410,737	\$	108,519
	No. of	A		Donassit
		Amour		Percentage
	Loans	Advanc	ed	Refunded
1958–59	45,341	\$ 34,370	,000	99.9%
1959–60	52,356	39,518	,000	99.9
1960–61	76,089	63,913		
1961–62	22,342	16,657	,000	
1962–63	39,683	29,252	,000	99.9
1963-64	63,427	62,136	,000	99.9
1964–65	38,375	32,962	,000	99.9
1965–66	45,505	40,600	,000	99.9
1966–67	36,953	36,668	,000	99.9
1967–68	45,810	47,280	,000	99.7
1968–69	113,484	\$151,847	,000	65.4%
Source: The Canad	dian Whea	t Board.		

Western Canada



