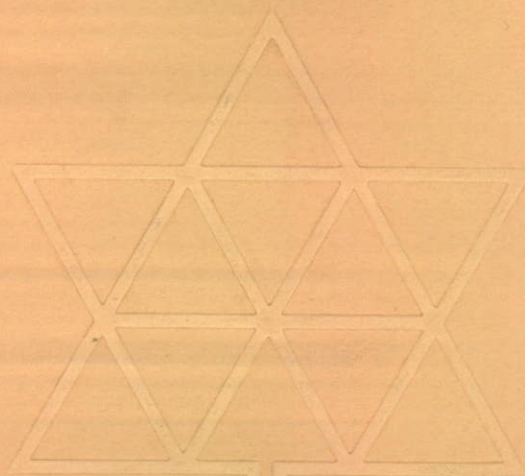
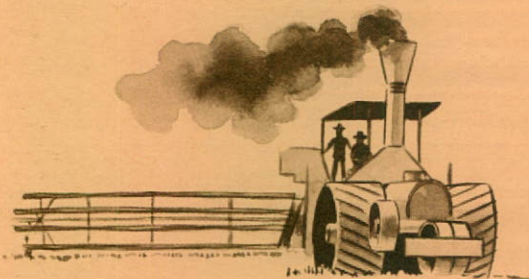
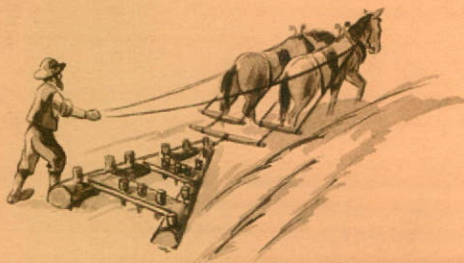
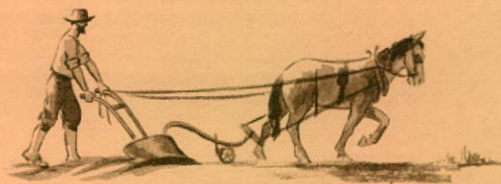
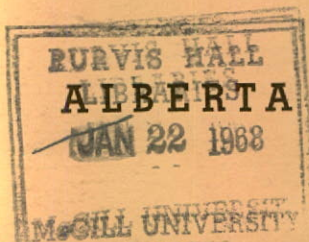
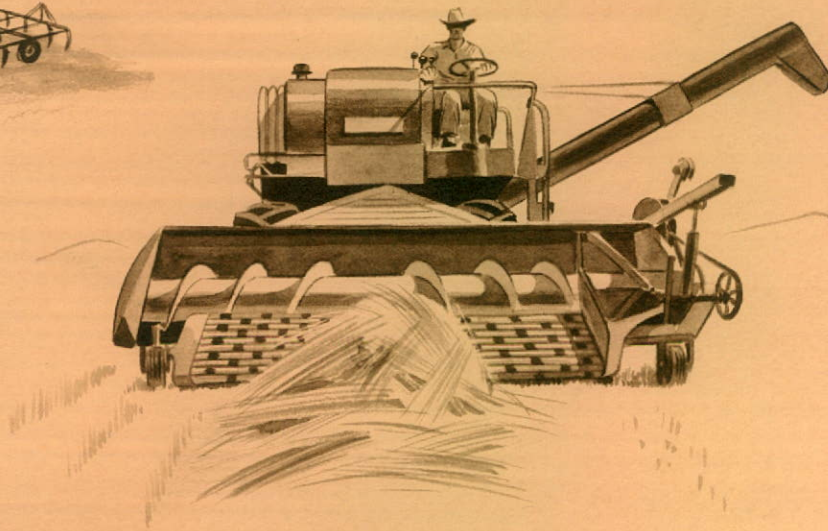
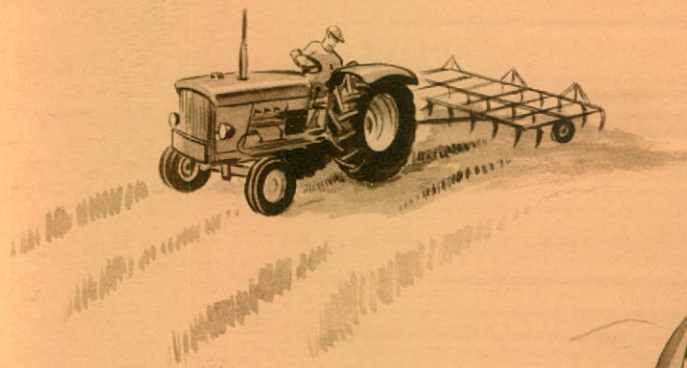


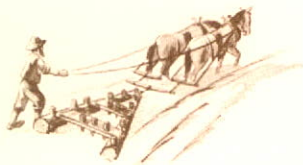
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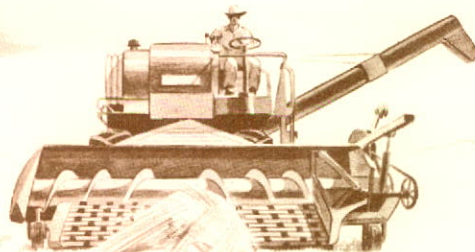
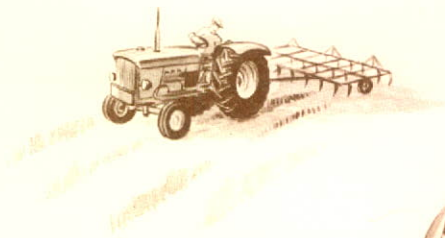
WHEAT POOL • ANNUAL REPORT • 1967



A Centennial Salute to Pioneer Farmers

From this stock has emerged today's
highly efficient food producer.

Their Pioneer Spirit Lives On!





ALBERTA WHEAT POOL

Board of Directors

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NELSON MALM, VAUXHALL — *1st Vice-President*
A. J. MACPHERSON, DELIA — *2nd Vice-President*
KEITH ROSENBERGER, BALZAC
G. W. BRAITHWAITE, RED DEER
FRANK WHITE, SPIRIT RIVER
ARNE JOHNSON, CAMROSE
O. J. BROUGHTON — *Secretary*

Solicitors

MACKIMMIE, MATTHEWS, WOOD, PHILLIPS & SMITH

Auditors

CLARKSON, GORDON & CO.

Head Office

ALBERTA WHEAT POOL BUILDING, CALGARY

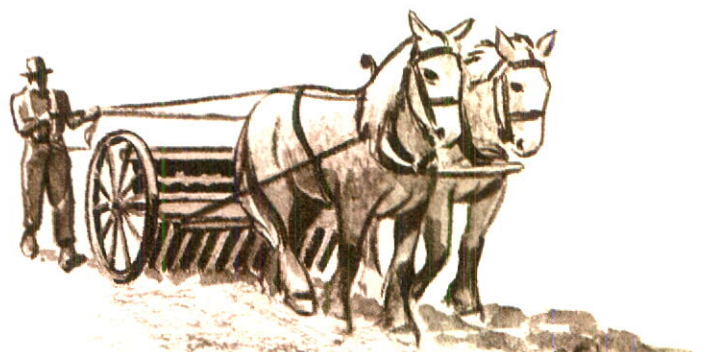
SEASON 1966 - 1967

Officers

A. T. BAKER, *General Manager*
J. W. MADILL, *Director of Operations*
C. L. NOWLIN, *Country Operations Manager*
J. S. HARBURN, *Sales and Traffic Manager*
T. G. HENDRY, *Treasurer*
S. M. VICKERSON, *Chief Accountant*
G. M. CHANDLER, *Office Manager*
H. K. MOEN, *Vancouver Manager*
C. F. USHER, *Victoria Manager*
J. B. GANT, *Winnipeg Manager*
J. E. PARKS, *Edmonton Manager*
R. A. FINDLAY, *Seed Division Manager*

Bankers

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



ALBERTA WHEAT POOL LIST OF DELEGATES

LETHBRIDGE — District One

101	Gogolinski, B.	Orion	106	Hallworth, Fred W.	Taber
102	Norris, Fred A.	Warner	107	Konynenbelt, Evert J.	Nobleford
103	Kuehn, Herbert C.	Skiff	108	Binder, Arthur H.	Turin
104	Newton, Kenneth E.	Del Bonita	109	Thurston, Clarence F.	Bow Island
105	Patching Harry R.	Stirling	110	Bayer, Robert	Schuler

CALGARY — District Two

201	Dyck, Nick	Pincher Creek	206	Christofferson, Karl B.	Brant
202	O'Neil, James Jesse	Claresholm	207	Bricker, Arthur G.	Calgary
203	Coote, Donald H.	Cayley	208	Schmaltz, C. M.	Beiseker
204	Versluys, C. J.	Champion	209	Clayton, Clifford S.	Airdrie
205	Jacobsen, Norman	Arrowwood	210	Richards, Ralph E.	Olds

DRUMHELLER — District Three

301	Muza, John E.	Empress	306	Cammaert, Emile	Rockyford
302	Curry, Lyall A.	Sunnybrook	307	Luoma, Sulo S.	Trochu
303	Schindeler, Albert P.	Brooks	308	Hoppins, Frank J.	Huxley
304	Arrison, Arthur W.	Bassano	309	Adie, John L.	Drumheller
305	Burne, G. W.	Gleichen	310	Nelson, Norman E.	Craigmyle

RED DEER — District Four

401	Warwick, Ernest	Oyen	406	Petersen, Leslie M.	Erskine
402	Smith, George F.	Provost	407	Stone, John J.	Alix
403	Smith, Marcus	Veteran	408	Johnson, K. K.	Red Deer
404	Turner, H. H.	Alliance	409	Phillips, J. Duane	Eckville
405	McCormick, J. E.	Byemoor	410	Wheeler, S. M. R.	Ponoka

CAMROSE — District Five

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

VEGREVILLE — District Six

601	Golightly, Robert C.	Streamstown	606	Ziegler, Alex	Winterburn
602	Peden, Ronald H.	Minburn	607	Montpetit, Paul M.	Legal
603	Goshko, M. D. R.	Vegreville	608	Melnyk, Henry	Smoky Lake
604	Ropchan, Mike	Willingdon	609	Lamothe, Armand	St. Paul
605	Galloway, K. D.	Fort Saskatchewan	610	Parson, Raymond R.	Boyle

PEACE RIVER — District Seven

701	Parrent, Fred J.	Clyde	706	McNab, James A.	Beaverlodge
702	Anderson, Hubert N.	Barrhead	707	Vandergrift, Lloyd F.	Dawson Creek
703	Hallowes, Arthur W.	Sangudo	708	Dufour, Gerard M.	Spirit River
704	Galigan, Douglas	Culp	709	Bulmer, A. R.	Berwyn
705	Gummer, Howard F.	Buffalo Lake	710	Proctor, C. M.	Fairview



1966 - 1967 THE YEAR IN REVIEW

Net Earnings	\$ 7,268,625
Country Elevator Handlings — in bushels	113,097,918
Forage Seed Handlings — in pounds	13,523,114
Percentage of Alberta Grain Deliveries Handled	46.75%
Gross Value of Board Deliveries and Other Sales	\$162,454,260
Capital Expenditures	\$ 3,891,660
Total Invested in Capital Assets	\$ 40,835,768
Working Capital	\$ 10,794,557
Patronage Refunds Distributed (out of previous year's earnings)	\$ 4,238,398
Percentage of Member Business in Previous Year	97.71%
Cumulative Total of Patronage Refunds Distributed	\$ 48,802,589
Cumulative Total of Reserves Purchased from Members	\$ 19,726,939
New Members	2,308
Total Membership	52,321
Number of Elevators — Country	525
Terminal	3
Elevator Capacities in Bushels — Country	45,449,100
Terminals	10,340,000
Average Number of Employees	1,255

COMPARATIVE SUMMARY

	1967	1966
Handlings — Country Elevators, in bushels	113,097,918	90,441,480
Forage seed in pounds	13,523,114	16,478,020
Cereal seed in bushels	506,578	323,093
Fertilizer Sales in tons	69,655	34,844
Gross Value of Deliveries to Canadian Wheat Board and Other Sales	\$162,454,260	\$127,329,423
Earnings Before Capital Cost Allowances	\$ 9,086,862	\$ 6,200,026
Net Earnings	\$ 7,268,625	\$ 4,571,620
Current Assets	\$ 54,899,769	\$ 46,054,731
Current Liabilities	\$ 44,105,212	\$ 35,300,199
Working Capital	\$ 10,794,557	\$ 10,754,532
Capital Expenditures on Properties and Equipment	\$ 3,891,660	\$ 2,526,880

REPORT OF BOARD OF DIRECTORS

ALBERTA WHEAT POOL

TO FORTY-FIFTH ANNUAL MEETING OF DELEGATES

Gentlemen:

For the second consecutive year your association enjoyed a record volume of business in its major activity of handling grain. The all-time high production of wheat in Alberta in 1966 resulted in record deliveries to country elevators by producers. Your association was able to handle an increasing amount and percentage of these deliveries. All properties and facilities were well maintained during the year, and the elevator replacement programme speeded up to the extent that construction labour was available. A new seed plant at Camrose was completed during the year, and expansion of the storage facilities for seed and fertilizer was continued. Your association maintained an active representation on behalf of the membership in all matters of direct interest and concern.

SUMMARY OF OPERATIONS

The grain handlings through country elevators of your association totalled 113,097,918 bushels during the year, an increase of 22,656,438 bushels or 25.05 per cent from the previous year. This volume represented about 46.7 per cent of Alberta marketings, an increase of 1.1 per cent from the previous year, but terminal handlings were somewhat down from the previous year.

Forage seed handlings were decreased from the previous year, but rapeseed handlings increased.

Available for distribution from the year's operations are net earnings of \$7,268,626, before provision for income tax, the highest net earning to date.

GRAIN MARKETING

Canadian wheat exports in the form of wheat and flour during 1966-67 amounted to 517.2 million bushels. While this figure represents a decline of some 63 million bushels from the record of the previous year, it is nevertheless the third highest shipment figure on record. Preliminary figures issued by the Board of Grain Commissioners indicate that exports of Canada's six principal grains totalled 580 million bushels, a figure exceeded only by the records of 1965-66 and 1963-64. Flour exports are estimated at the equivalent of 34.5 million bushels, which, when included, bring Canadian grain and flour exports to a total of 614.5 million bushels.

Exports of Canadian barley at 53.1 million bushels were substantially above the previous

year's total of 33.7 million bushels. This was the heaviest movement since the 1959-60 crop year. Shipments of oats declined to 3.8 million bushels, significantly below those of the previous year, which amounted to 15.3 million bushels. Export of rye at 10 million bushels was the heaviest movement of this grain since 1955-56. Flaxseed exports amounted to 16.6 million bushels, about 2.3 million bushels below that of the previous year. An all-time high in rapeseed exports was gained as 13.8 million bushels found their way to overseas destinations.

The USSR again was the major grain customer, taking 93.3 million bushels of wheat. Mainland China was the next highest importer with purchases of 90.5 million bushels. Japan during the year increased its purchases over the previous year by 19 million bushels, while Britain was a purchaser to the extent of 87.1 million bushels of all Canadian grains. India was the fifth largest customer during the year, receiving 43.5 million bushels of wheat and wheat flour.

WHEAT POOL REPRESENTATIONS

House of Commons Standing Committee on Agriculture, Forestry, and Rural Development

The House of Commons Standing Committee on Agriculture, Forestry, and Rural Development late in 1966, during consideration of the annual and supplementary reports of The Canadian Wheat Board for the years 1962-63, 1963-64, and 1964-65, decided to visit western Canada during the course of its deliberations. At its invitation, your association made representation during its Calgary visit on February 7, 1967. Our submission briefly reviewed the development of grain growing, marketing, and farmers' co-operative efforts in respect to legislation, market development, and the promotion of an orderly system of grain marketing within the nation and on the international scene. We presented your association's long-standing request for the marketing of flax, rye, and rapeseed by The Canadian Wheat Board, an improvement in the allocation of shipping orders to make it possible for farmers to more fully utilize their own grain marketing facilities, and a possible re-evaluation of the freight assistance policy on feed grains. In respect to grain movement from prairie farms to market, we reiterated our position that additional benefit to producers could result by further co-ordination of the various facilities and services involved in our present marketing system.

Royal Commission on Farm Machinery

Representation was made to the Royal Commission on Farm Machinery at its hearings in Calgary on March 16, 1967. Our submission included a review of farm mechanization trends in Alberta and the changing structure of implement dealer organization and service in the province. It included broad recommendations in respect to standardization of parts and adequate parts service, additional field service by dealers, fewer model changes, reduction in non-productive items of equipment, interchangeability of parts, a farm machinery testing service, and greater use by farmers of their own co-operative implement manufacturing company.

Recently the Commission requested and your association agreed to mail a questionnaire to a sample of our membership in order to ascertain farmer difficulties and delays in securing repair parts and problems in getting machines adjusted for satisfactory performance.

It is estimated that about two years may yet be required for this Commission to complete its investigations and publish its report.

Royal Commission on Taxation

The Royal Commission on Taxation set up in 1962, submitted its report during the year. Representation had been made to this committee by your association in August, 1963, and a joint submission had been made by the three wheat pools in October of that year. In reply to an invitation from the federal minister of finance for a response from tax payers on the recommendations of the commission's report, Canadian Co-operative Wheat Producers Limited made a submission on September 30, 1967. This submission withheld endorsement of the proposed "Carter Tax Package" and commented specifically on several recommendations related to farmers as tax payers and the operation of your association. We favoured retention of the present Gift Tax and the Estate Tax rather than a capital gains tax which would affect farm lands transfer. On the proposed accrual basis of reporting for tax purposes, we favoured the present cash basis; and for purposes of capital cost allowances, we favoured the present straight-line basis rather than the declining balance method for farmers. We suggested retention of the provisions for a Basic Herd for those who wish to use it and the current provisions for farm home expenses. In respect to co-operatives, our long-standing and, we feel, sound position was reiterated that: "co-operative surplus which can be shown actually to belong to individual members of the co-operative association should not be taxed as though it were corporate income of the association."

"At and East" Freight Rates on Export Grain

Six years ago the Board of Transport Commissioners authorized a substantial increase in rail rates on bulk grain moving from the Georgian Bay and related ports to the Atlantic winter ports. Your association, along with the other two prairie wheat pools, has protested this authorization, and through Orders in Council, the effective dates of these increases have been repeatedly postponed until December 31, 1967. It is expected that these rates will be a matter for further consideration following the full establishment of the National Transportation Authority.

LEGISLATION

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, 1966, in excess of 178,000,000 bushels. This amount was 127,555,140 bushels, and, therefore, under the provisions of the Act, the Canadian Wheat Board received during the 1966-67 crop year the sum of \$24,294,357, which has been allocated as follows:

1965-66 Pool account	\$ 7,819,366
1966-67 Pool account	\$16,474,991
Total	\$24,294,357

Prairie Grain Advance Payments Act

The Prairie Grain Advance Payments Act was again in force during the crop year. This Act provides for an advance to grain producers on the basis of fifty cents per bushel on wheat, twenty cents per bushel on oats, and thirty-five cents per bushel on barley, which the permit holder has on his farm, and undertakes to deliver on a quota of six bushels per specified acre. The maximum advance to any one permit holder is \$3,000. 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 in an amount of \$36,668,270 were made to 36,953 producers in the prairie provinces. Of this amount payments totalling \$11,999,361 were made to 12,926 producers in Alberta. Advances made by Alberta Wheat Pool during the year amounted to \$5,596,129 to 5,679 producers.

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

National Transportation Act

Early in 1967 parliament established a national transportation policy for Canada with the passing of Bill C. 231. Only parts of that

legislation were immediately made effective. While the Bill was under consideration, your association and the other two wheat pools made representation to the government in October, 1966, on matters of particular interest to our membership. We are pleased to report that some favourable consideration resulted. At time of writing this report, the legislation had been proclaimed in full, and some developments can be expected in the near future. Of particular concern to our association at this time are the unprotected branch lines in western Canada.

Feed Grain Legislation

The Livestock Feed Assistance Act mentioned in our last report was passed by parliament during the year. Under its provisions a Canadian livestock feed board was established to provide assistance to livestock feeders in eastern Canada and British Columbia by ensuring the availability of feed grains and adequate grain storage space. Appointments were made to the Board and an advisory committee named in April, 1967, following which operations commenced.

PROVINCIAL LEGISLATION

A number of acts passed at the 1967 session of the Legislature are of interest and significance to the agricultural industry. Amongst these are the following:

The Farm Implement Act

This Act supersedes the Farm Machinery Act, and while essentially a revision, is much more elaborate. It provides for written sales agreements and warranties in respect to design, workmanship, performance, and durability. A supply of repair parts for any implement sold in the province must be maintained or assured for a period of ten years. This act came into force on November 1, 1967.

The Farm Purchase Credit Act

An amendment to the Farm Purchase Credit Act was made, raising the limit on the amount of advances to the Farm Purchase Revolving Fund from \$16,000,000 to \$21,000,000, reflecting the increased use of this legislation.

The Marketing of Agricultural Products Act

Amendments to this Act were made essentially to increase the authority to marketing commissions to deal with agricultural products, and to provide for an appeal in respect of decisions, orders, regulations, or directions made by producer boards, marketing commissions, or the Alberta Agricultural Products Marketing Council. Provision was also made for remuneration of marketing commission and producer board members.

The Estate Tax Rebate Act

This Act provides for a refund to estates of persons domiciled in Alberta at the time of their death of seventy-five per cent of the province of Alberta's share of the estate tax levied by the government of Canada. This Act became effective March 30, 1967.

The Ombudsman Act

This Act provides for the appointment of a commissioner of the legislature, called an ombudsman, to investigate administrative decisions and acts of officials of the government and its agencies for which there is no provision for appeal. It became effective July 1, 1967. In view of the large number of boards and agencies involved in matters affecting farming and farm land, this legislation will, no doubt, be of particular interest and importance to farmers. The existence of the office of ombudsman is an assurance to land owners of a right of appeal, the lack of which heretofore has been a source of considerable irritation.

INTERNATIONAL GRAINS ARRANGEMENT

Under the auspices of the General Agreement on Tariffs and Trade, discussions were held during the year on the subject of an international agreement on cereal grains. This series of negotiations, known as the Kennedy Round, had some sixty nations as participants representing over eighty per cent of the international commerce of the world. This was the first occasion when wheat and other cereals were included in general trade negotiations. The meeting concluded in May, 1967, agreement having been reached on the basic essentials of a wheat agreement. These would establish a basic price relative to No. 2 hard winter wheats at gulf ports in the United States rather than No. 1 Northern at the Lakehead in Canada. The price range would in present terms of Canadian currency increase the price approximately twenty-one cents per bushel over that prevailing in the last IWA. The conference also reached agreement in principle that all member nations should in future participate in food aid programmes. This principle, called "The Food Aid Convention," has as an objective the diversion of 4,500,000 metric tons of food annually to developing countries.

Following this meeting, the present members of the International Wheat Council met in Rome in August and later announced that agreement had been reached on a new International Grains Arrangement covering both the Wheat Trade Convention and the Food Aid Convention. The International Wheat Council established in 1949 will continue in being for the purpose of administering the new arrangement, and will retain the same general powers and functions. The voting

rights on the Council will be divided equally between importing and exporting countries. A Food Aid Committee will be established for examination of the way in which obligations undertaken under the Food Aid Programme have been fulfilled.

At time of writing this report, the agreement is open for signature by member countries, and if ratified, will be effective on July 1, 1968, for a period of three years.

The latest extension to the 1962 IWA having expired on July 31, 1967, we are as a result presently without an international wheat agreement, the first time since 1949. You are well aware of the uncertainty which developed in world grain marketings during the spring and summer months of this year. Canadian wheat prices lost some 22 cents per bushel between early April and September, and with reasonably good world stocks, importing countries have reacted slowly even with these price reductions. As a result of concern shown by Canadian farmers and farm organizations, the federal government on September 27, 1967, indicated plans to make up the difference between the agreed schedule of Geneva minimum prices of approximately \$1.95½ basis No. 1 Northern, the Lakehead, and any Canadian Wheat Board sales below that figure between August 1, 1967, and July 1, 1968. While this assurance is of some satisfaction, prairie grain producers are justifiably concerned about wheat marketings, both in respect to price and quantities in the near future. Your association, along with the other two Pools, had earlier favoured a re-negotiation rather than extension of the 1962 IWA beyond 1965. Concurrence was only given to extension as a result of the desire of Canada to participate in the Kennedy round of tariff negotiations, which at that time, it was felt, might lead to greater international trade in cereals. At this time it is uncertain whether present developments will be of value to prairie grain producers.

THE CANADIAN WHEAT BOARD

Grain producers established a new marketing record in 1966-67 with a delivery of all grains amounting to 820,600,000 bushels. This exceeded the previous record of 1965-66 by slightly over 50,000,000 bushels, and was approximately 212,000,000 bushels greater than the average for the previous ten-year period. Of the total, approximately 622,700,000 bushels were wheat, 110,000,000 barley, and 37,000,000 oats. Exports were good during the year, reaching approximately 614,500,000 bushels, the third highest figure on record, being exceeded only in the years 1965-66 and 1963-64.

The aggressive sales policy of The Canadian Wheat Board, its maximum utilization of the handling and transportation facilities, and its beneficial influence in international marketing,

further exemplifies the value of this institution and the orderly system of marketing of which it is capable. During the year The Canadian Wheat Board Act came up for renewal, and it was with gratification that we learned that this valuable legislation has been renewed with no termination date. Your association has for a long period of time requested this move.

It was also with satisfaction that we reviewed the sixth report of the House of Commons Standing Committee on Agriculture, Forestry, and Rural Development, which included the following complimentary reference as a result of its deliberations: "Your Committee must offer its congratulations to the Chief Commissioner and the staff of The Canadian Wheat Board for the excellent job they are doing selling Canadian grains. The esteem in which witnesses appearing before the Committee held the Board could not but impress your Committee."

HANDLING CHARGES

Your association has throughout its history maintained as one of its principal objectives efficiency in grain handling. It has concentrated on provision of elevator and terminal facilities to serve its members since deductions under the first marketing agreements began to accumulate funds. In more recent years, with a relatively good complement of handling facilities, our attention has been concentrated on the matter of handling tariffs. Notwithstanding continually increasing costs of operation, we have successively been able to operate within the existing tariffs; and not only maintain, but update, and increase, our elevator facilities. For the last several years we have in turn offered to operate at existing rates, or have discouraged increases. This favourable position has resulted, amongst other things, from the large crops and handlings of recent years and a capital structure reflecting the uncluttered nature and policies of our operations which have largely prevailed until this time.

For the 1966-67 crop year the Board of Grain Commissioners authorized an increase in the maximum charges at country elevators of one cent per bushel and an increase in the maximum elevation charges at terminal elevators of one cent per bushel, effective January 1, 1967. All terminal operators, including your association, took advantage of the terminal increase on that date. In respect to country charges, your association in discussions with the Canadian Wheat Board offered to carry on at the existing rates, and as a result the handling agreement was continued on that basis. At the beginning of the current crop year, the Canadian Wheat Board, after repeated requests from some sections of the grain handling industry, agreed to a substantial increase in the elevation charges. Your association only agreed to

this handling agreement on the basis that increased earnings would enable provision for replacement of, and additional, handling facilities.

RAPESEED ASSOCIATION OF CANADA

At a conference held during March, 1967, in Winnipeg, a decision was made to form a rapeseed association in Canada in view of the increasing importance of rapeseed as a commercial field crop on the prairies. The prime objective of the association is to promote sound production and marketing of rapeseed and its end products with the ultimate goal of developing and expanding both domestic and overseas markets. To attain these objectives, it will undertake trade development programmes, plant breeding, animal feeding research, market surveys, and the dissemination of information on production and marketing of rapeseed. Members of the association include representatives of growers' and farmers' grain handling organizations, the domestic crushing industry, exporters and shippers, seed growers, feed manufacturers, and oil seed processors, in addition to representatives of the grain trade and the provincial departments of agriculture. It is proposed to finance the association's activities by levies on exporters and shippers, crushers and processors, elevator handling companies, growers' organizations, and membership fees. Your President is a member of a twenty-five man board of directors. The association is patterned after the Soybean Council of America, which has been an influential organization in the U.S.

SEED DIVISION

1966 was only a fair year for the production of forage seeds in Alberta. Despite a somewhat poor crop in the previous year, marketing conditions for some of the major seeds were disappointing, reflecting competition from good crops in other countries. The late spring in 1967 also prompted increased demand for rapeseed.

We will be reporting to you later in the meeting on the progress made with your resolution favouring a marketing board for forage seeds. The predecessor of our Seed Division was an organization of farmers more than thirty years ago for the purpose of providing a marketing facility based on pooling operations. We have attempted to carry out this objective in the interest of producers and for their benefit, and we have maintained both pooling and outright purchase methods throughout the years. Our experience indicates that growers tend to avail themselves of an outright sale rather than a pooling basis when there is a substantial spread between the outright price and the initial price offered under a pooling arrangement. During the past year deliveries of forage seeds were about evenly divided between the two methods.

Total sales of fertilizer amounted to 69,655 tons. Final payments of \$83,049.24 were made on pooled seed handled, leaving a net earning in this division of \$202,389, exclusive of any patronage dividend forthcoming on fertilizer purchases. As reported elsewhere, substantial additions were made to the facilities of this division for seed cleaning and seed and fertilizer storage.

FERTILIZER

The fertilizer manufacturing facility jointly owned by your association with Saskatchewan Wheat Pool and Federated Co-operatives Limited completed its first full year of operations in 1966-67. Supplies of fertilizer were generally adequate, with a momentary gap in some formulas just prior to the 1967 growing season. The year enabled your association to more nearly ascertain its role in the supply of fertilizer to its members than has been possible heretofore.

The year's results of our sales operations will later be explained in detail. These results reflect an expanding market, increased retail prices on January 1, 1967, and favourable manufacturing costs resulting from advantageous arrangements for some raw materials. With expanding manufacturing capacity being added to the already surplus production in this area and a rapid build-up in distribution facilities, we expect intense competition in this field in the immediate years ahead.

Due to the seasonal nature of fertilizer sales, your association has been involved in extensive warehouse expansion during the year. Some expansion in this regard is also being considered by the manufacturing plant. During the year some experience was gained with our credit policy which was inaugurated on April 1, 1966. From the use made of this facility, it would appear that the provision of credit may become an integral part of the handling of this commodity.

INTERIOR FEEDS LIMITED

Interior Feeds Limited completed its seventh year in the domestic feed grain business in the province of British Columbia. This wholly owned subsidiary was formed to facilitate the handling of feed grains within the province of British Columbia through your association's facilities. It has enjoyed a substantial volume of business and has provided a useful service since its inception. Operating margins were somewhat lower than the previous year on the bulk grain handled, but the added volume more than made up for increased handling and storage charges. The largest handlings, as in previous years, were at Dawson Creek and Fort St. John, with lesser amounts at Pouce Coupe and at Creston. Your association received reimbursement for all necessary services rendered on the volume of grain handled by this company.

VICTORIA ELEVATOR LIMITED

The Victoria terminal was again used during the year entirely for handlings of wheat. Storage revenues were slightly greater than the previous year, and elevation income was up substantially, reflecting a one cent increase, effective January 1, 1967. The properties were kept in good repair, with some renovations and additional loading facilities and cleaning capacity. Full capital cost allowances were taken in arriving at our net position. This was the seventh year of operation of Victoria Elevator Limited as a wholly owned facility of your association. The purchase of this terminal was undertaken in view of its modest price and the growing importance of west coast ports in Canada's export grain movement. As a result of consistently heavy shipments in the last several years, this acquisition has proven a useful addition to our facilities. Full details on the operation of this company and of Interior Feeds Limited will be presented to this meeting.

MEMBERS' ACCIDENT INSURANCE PLAN

The year 1966-67 was the ninth year of operation of the members' accident insurance plan. During the year there were reports of 632 accidents, down considerably from the 741 accidents reported during the previous year, and there were 13 fewer fatal accidents with a resultant decrease in the amount of benefits paid. The sum of \$86,957 has been charged to 1966-67 operations to meet claims already settled and additional claims which are expected to arise from accidents already reported.

Files on 120 of the 632 reported accidents have been closed because no claim papers are being filed, the medical expenses in most of these cases falling short of \$50. Claims on 299 accidents have been paid, or are in the course of settlement. No claim papers have been submitted yet on the remaining 213 accidents. Fatal accidents claimed the lives of 25 adults and 13 children. There were 28 cases of dismemberment and four of lost eyesight.

Members placed insurance on fewer farm workers in the 1966-67 season when they covered 729 workers, this being the smallest number since 1959-60 and down 180 from the high number of 909 insured in 1964-65. Claims on three injured farm workers have been paid in the total amount of \$745 and there are several other reported accidents involving farm workers on which benefits probably will be paid.

The cost of operation of the accident insurance plan for the nine-year period ending July 31, 1967, was \$711,395. Benefits were paid in 3,060 accidents in which there were 313 lives lost, 204 of these being adults and 109 were children. Dismemberment injuries were sustained in 190 cases and there were 41 cases of lost eyesight.

CONSTRUCTION AND PROPERTIES

Your association's properties were maintained in good operating condition throughout the year, and the expanded replacement programme of previous years continued. Authorizations were granted for the construction of twelve new elevators, eight of these being of the composite type of 120,000 bushels capacity, or greater; and four of the standard 75,000 bushel capacity. The year's programme also included authorization for annexes at six stations. One of these is an experimental building of unitized concrete slab construction. Twenty-one new dwellings were authorized for construction during the year. This number included some purchases and some for construction by contract. Included in these authorizations was provision for four mobile homes where location and other factors required consideration. Dust collection systems were authorized in twenty-one elevators and car movers at thirty-three. During the year fire losses occurred at two points. These were of major proportions, involving a serious loss at Acadia Valley and a total loss of facilities at Coronation. Some facilities beyond economic operation were dismantled for salvage, and others were sold. An extensive programme of seed and fertilizer warehouse construction was continued during the year. Twenty-nine new warehouses were authorized and bulk fertilizer plant facilities at six central distributing points. For bulk fertilizer handling at individual stations, authorizations were made for three round storage bins at each of 42 points. The new seed plant and storage facilities at Camrose were completed at the end of the crop year, and shortly thereafter a contract was awarded for the building of a cereal seed plant at Lethbridge. All properties were maintained in good operating condition and appearance. In view of the heavy programme and the limited labour force, a portion of the elevator construction will not be completed until the summer of 1968. Pursuant to the authorization of the last annual meeting, plans were developed and authorization granted early in the new year for some improvement to Terminal No. 1, Vancouver. Dock improvement and expansion, additional shipping facilities, and a change-over of the railroad car dumpers are underway at the present time.

PUBLIC RELATIONS DEPARTMENT

The Public Relations Department continued its various activities similar to recent years, with some additional features of a centennial nature. Excellent relations were maintained with the news media and continued favourable coverage on activities of the Pool was received throughout the year. The extensive sponsorship of newscasts and other features over radio and television was continued along with some weekly newspaper and special advertising. The continued popularity of the "Budget" resulted in an increased demand in its circulation during the year also. The Pool's

extensive involvement in the 4-H and youth programmes in the province was actively maintained during the year along with student awards and assistance in educational and development courses. In addition to our participation in the Alberta Agricultural Centennial Committee, the public relations representatives were involved in numerous centennial activities, including specially prepared floats in parades throughout the province. The Field Service staff was again heavily involved with the delegates' committees and country meetings throughout the winter months. During the year the department underwent a slight revision when it became directly responsible to the Board of Directors. The employee training responsibilities remained with the operational activities of the organization and advisory committee work was co-ordinated with that of the field service branch. In April Mr. T. J. Dabinett, Director of Field Services, retired, being succeeded by Mr. J. E. Ness. Mr. Allan M. Gibson continued his duties as manager of the department until late in the year to assist his successor, Mr. A. W. Beattie in his new appointment.

A full report on this department's activities will be presented to this meeting.

PROVINCIAL AND NATIONAL AFFILIATIONS

Your association maintained its affiliation during the year with the Alberta Federation of Agriculture, and thereby also with the Western Agricultural Conference and the Canadian Federation of Agriculture. Through the method of financing the AFA, which is based on membership of its affiliates, we are heavily committed to this organization, being responsible for approximately one-half of its budget, and in turn a substantial part of the budget of the CFA. The AFA, which your First Vice-President, Mr. Malm, continued to serve as president, held its annual meeting in Edmonton in January, 1967. Consideration was given to a wide range of resolutions submitted by member organizations. Those of a provincial nature were included in a submission to the provincial cabinet on February 6, 1967, while others of prairie or national significance were forwarded to and dealt with at the annual meetings of the Western Agricultural Conference and CFA, also held late in January. Reports to be submitted later to this meeting will include several of the activities of these bodies. Your association also continued its participation in the Farmers' Union and Co-operative Development Association and its informal liaison and relationship with the Farmers' Union of Alberta and numerous other organizations and departments of government.

MEMBERSHIP

During 1966-67 the membership in your association continued its upward trend with the acceptance of 2,308 new applicants. The year's

enrollment compares favourably with the average of the previous five seasons of 2,195. Cancellations resulting from retirement from farming numbered 1,156, while 620 memberships were terminated by death. These figures are slightly higher than those of the previous year. The net increase in membership amounted to 532 during the year. The membership at July 31, 1967 was 52,321, made up of 6,516 signers of the original marketing agreements and 45,805 members enrolled since 1939 under section 6 of the Alberta Wheat Pool Act. Information in respect to purchase of reserves during the year will be found appended to this report.

ELECTION OF DELEGATES

During the summer of 1967, elections were held in the even-numbered sub-districts. Twenty-nine delegates whose terms had expired were re-elected by acclamation and three new delegates were elected in districts where the previous delegate had retired. These were: A. H. Binder of Turin in sub-district 108, L. M. Petersen of Erskine in sub-district 406, and D. Galigan of Culp in sub-district 704. Henry Melnyk of Smoky Lake replaced sitting delegate John A. Boyko of Vilna in sub-district 608, and R. R. Parson of Boyle replaced sitting delegate Nicholas Hewko of Sarraill in sub-district 610. The late George B. Mead was re-elected by acclamation in sub-district 602. Following his untimely death on July 24, 1967, a by-election was held resulting in the election of Ronald H. Peden of Minburn.

IN MEMORIAM

We regret to record the passing during the past year of six of our members with varying periods of service as elected officials of our association:

Mr. William Mohler of Strome, former delegate from 1923 to 1928, passed away early in 1966.

Mr. Oliver Smith of Provost, former delegate from 1925 to 1928, passed away on September 16, 1966.

Mr. Sherman S. Judd, former delegate for Stettler from 1945 to 1956, passed away on December 18, 1966.

Mr. August W. Johnson of Walsh, former delegate from 1928 to 1932, passed away on January 15, 1967.

• Mr. George B. Mead of Vermilion, delegate for sub-district 602 from 1959 until his untimely death on July 24, 1967.

Mr. Walter Mueller of Spirit River, delegate from 1929 to 1933 and 1935 to 1949, and director from 1950 until December, 1962, passed away on August 2, 1967.

We wish to record our sincere appreciation

for the service and support these men extended to our association.

STAFF

The year's results of your operations again reflect the creditable performance of the staff to whom sincere appreciation is extended. We also wish to acknowledge with gratitude the services of those long-time employees whose careers ended in retirement during the year.

BOARD OF DIRECTORS

Following the 1966 annual meeting, the Board met and re-elected the following officials:
President G. L. Harrold
First Vice-President N. Malm
Second Vice-President A. J. Macpherson

The same three directors were nominated to and re-elected to the boards of the four central organizations: Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited, Pool Insurance Company, and Northern Canadian Seed Sales Limited, 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 and executive meetings on occasion. Twice during the year your directors met with the boards of Saskatchewan and Manitoba wheat pools, a long-standing procedure. Attendance was maintained at the annual meetings of the provincial and national federations of agriculture and at the Western Agricultural Conference. Your directors also attended the annual delegates' inspection of the terminals of Vancouver and Victoria. Mr. Harrold continued to serve on the advisory committee of The Canadian Wheat Board, amongst other activities. Mr. Malm was re-elected president of the Alberta Federation of Agriculture and in that capacity also served as a director and executive member of the Canadian Federation of Agriculture. He continued during the year also as a member of the board of Co-operative Insurance Services Limited. As in previous years, and with greater frequency, individual directors were called upon to attend various meetings respecting agriculture and farm organization matters in addition to their usual duties and obligations on behalf of the Alberta Wheat Pool.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

Canadian Co-operative Wheat Producers Limited in its role as a liaison and co-ordinating organization of the three prairie wheat pools was active during the year in many matters of mutual interest and concern. Amongst these were further representations to the federal government in regard to the establishment of a national transportation policy and analysis and representation to the federal government in respect to the recommend-

ations of the recent Royal Commission on Taxation. Its annual report which lists in detail its activities will be submitted to you in this meeting. Following the retirement of Mr. A. R. Stevens at the end of 1966, secretarial duties for the organization were assumed by the Secretary of Saskatchewan Wheat Pool, an arrangement which has proven satisfactory.

GENERAL

Continuing inflationary trends in the Canadian economy are cause for concern. Price increases in goods and services as measured by the consumer price index are up 4.4 per cent August, 1967 over August, 1966, and they show every indication of continuing at least at this level in the immediate future. These increasing prices are not demand-induced as they were at the start of the rapidly rising price cycle in 1965 but rather are being forced by increased costs including wages and salaries. Compounding the problem is the inflationary tendency of the American economy which is feeling the effects of the Vietnam conflict. However, generally lower productivity in Canadian industry has caused unit labour prices to rise even more quickly here than in the United States.

The impact of increasing input costs to farmers has been very noticeable. Costs of commodities and services used by western Canadian farmers increased 4.6 per cent from April, 1966 to April, 1967. At the same time average wholesale prices of all agricultural products in western Canada remained fairly constant but field crop prices in Canada showed a drop of 3.4 per cent from June, 1966 to June, 1967. International wheat prices have fallen nearly 10 per cent from the start of 1967. Canadian farmers have been forced to meet deteriorating international wheat prices while at the same time they are faced with increasing costs of inputs. Since farmers individually cannot control or manipulate prices of products they sell any reduction in market prices directly affects net farm income.

Competition in world wheat markets has intensified because of exceptionally large crops in a number of major exporting nations. The Canadian producer is faced with competition which, through the use of subsidies, favours producers in competing nations. It is all the more important, therefore, that Canadian farmers remain competitive but with the accelerated inflationary trends in Canada this is becoming increasingly more difficult.

THE ROAD AHEAD

This year our nation celebrated its centennial anniversary. It has been an occasion for reflection, review, and also a time for consideration of the future.

Without doubt, the past century has been the

most progressive in all recorded history for the entire world. Notwithstanding many unfortunate incidents, amongst them conflicts of national, international, and global proportions with their resulting toll of human suffering and economic loss, there have been remarkable advances in our civilization during this period.

The beginning of this century received great material benefits from the industrial revolution through utilization of additional sources of energy, the productivity of industrial manufacturing, adoption and use of engineering principles, and the furtherance and application of medical science, amongst other things. In particular, this era began to receive the benefits of an increased productivity in agriculture.

As late as the early 1800's man's struggle for existence was still mainly a struggle for food. With the development of better tools, scientific advancement, and an understanding of the nature of plant growth, progress in the efficiency of food production was rapid. A greater proportion of society was freed from the drudgery of providing the essentials for daily living as the art and science of agriculture developed. This in turn provided time for other endeavours of an economic, artistic, and scientific nature. While no country has attained an industrial status of any significance without efficient agriculture, few are likely to be as impressive in that regard as our own nation. Increasing efficiency and productivity in Canadian agriculture has probably contributed more to the economic progress and standard of living in this nation than has any other major economic activity.

While the farm work force in 1867 made up about seventy-five per cent of the national labour force, today it is approximately seven and one-half per cent. The benefits of this trend have been of even greater significance than the figures would indicate, as Canadian food supplies have improved in quality during this period and our volume of agricultural products available for export has increased substantially.

It might be noted as a further indication of progress that in terms of constant dollars the income of Canadians on the whole has increased five times during our first one hundred years, but the productivity per man engaged in agriculture has increased about ten times during that period. This trend has continued to the present time. Using the ten-year interval from 1949 to 1959, a period for which data is available, the productivity of all Canadian workers rose 118 per cent, while the output for each Canadian farm worker increased approximately 175 per cent. The whole nation has benefited from that increased productivity with the result that present annual income in terms of 1949 dollars is today 50 per cent higher than it was in 1949.

In respect to our own association, we feel that the record of accomplishment of our members

in their activities of grain growing and marketing have been good. The prairie wheat pools began operations only forty-four years ago, but in that time have pursued with vigour methods of improving efficiency in grain handling, revision and development of a marketing system in the interest of the producers, and promotion of world trade in grains of benefit to both producers and importing countries. The competitive position which we have been able to maintain against many obstacles is a favourable reflection on the resourcefulness and efficiency of the prairie grain producer and his co-operative efforts in the marketing field. The benefits to the domestic economy of the nation resulting from their efforts, when added to the substantial contribution which Canadian grain exports have made to our balance of payments position, cannot but impress any student of Canadian political and economic affairs.

In recent years, increasing concern has been felt with respect to ownership of Canadian business and our natural resources. It is with some satisfaction that members of our association can assess the situation at this time. On the production side, prairie agriculture and land ownership is largely in the hands of owner operators, one of the few major activities in Canada still enjoying this desirable position. In respect to grain handling, there cannot be much doubt that the organization of grain producers into the wheat pools is largely responsible for existing Canadian ownership of grain handling facilities.

While we can view with some satisfaction the accomplishments to date, many rapid developments at the moment are of concern. These include, amongst other things, the current uncertainty in respect to the wheat markets, the unfavourable income of the agricultural industry, and the serious implications to agriculture of the current inflationary position of the nation's economy.

On the broader scene a number of developments of national and international nature will in time have some influence on the operations of your association. Amongst these will be the effects of government on business, the rising influence of organized labour, and new trends in the mobilization of capital and consolidation of operational and directional talent in industry.

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

All of which is respectfully submitted,

G. L. Harrold
N. Malm
A. J. Macpherson
O. K. Rosenberger
G. W. Braithwaite
F. White
A. Johnson

REPORT OF THE GENERAL MANAGER

ON THE 1966-67 CROP YEAR

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

Gentlemen:

Alberta farmers harvested a bountiful crop of 471,800,000 bushels of all grains in 1966. This was more than 43 million bushels above the previous record established in 1952. Wheat averaged 29.4 bushels per acre and yielded 191 million bushels and other grains showed proportionately high yields. Fine weather, except in the Peace River area, allowed most of the grain to be harvested in good condition so that there were few serious handling problems. Eighty-three point six per cent of the wheat was in the top three grades.

The open quotas on all grains, which prevailed at the end of the previous crop year, were extended to August 20 permitting above average country deliveries early in the season. Good service by both railways kept the terminals supplied with enough grain to sustain the regular export shipments required to meet the Wheat Board's heavy sales commitments. As a consequence, the movement from the country was fairly continuous throughout most of the year and producers in Alberta and the Peace River bloc of B.C. were able to deliver 241,389,231 bushels of all grains to country elevators. With few exceptions there was space at every point for the general quota of 8 bushels per specified acre plus the supplementary quota of 5 bushels per acre seeded to wheat.

Country Operations

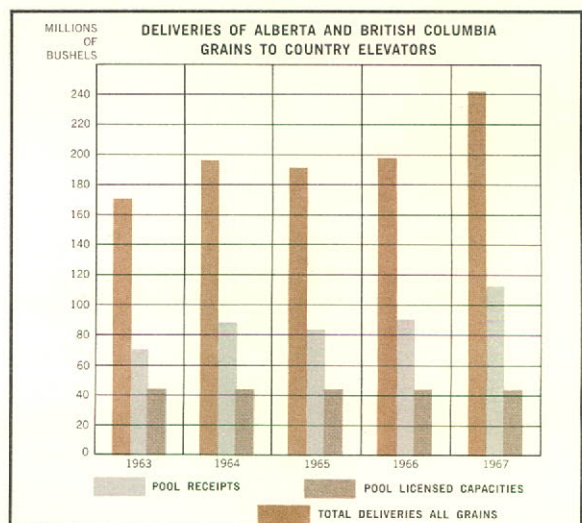
In the 1966-67 crop year deliveries of grain to Alberta Wheat Pool elevators exceeded 100 million bushels for the first time. Receipts were 113,097,918 bushels, which is 25 per cent greater than the previous record of 90,441,480 bushels set last year. This outstanding achievement was made possible by the fortunate coincidence of heavy sales, regular shipments for most of the year, an excellent terminal operation, good railway service and abundant stocks of grain on farms. For the first time in several years there was some space in our elevators in early August so that members were able to take advantage of the open quota. These circumstances gave Pool members greater opportunity to use their own facilities and our

percentage of the Alberta handling increased from 45.63 a year ago to 46.75.

Nevertheless, there is still evidence suggesting that in total the Pool gets fewer shipping orders than are required to take care of the grain members wish to deliver to their elevators. On the other hand, competitors, as a group, receive more orders than their business warrants with the result that they accumulate space. Pool elevators fill up and are removed from competition while others have space. This denies our members the benefits of competition and the right to use their own facilities. The formula used by the Wheat Board in allocating orders seems to lack the flexibility necessary to reflect the changing preferences of producers.

Other factors also contributed to a record year. An active sales programme for flax, rye and rapeseed was planned and carried out for maximum orderly shipping, consistent with the ability of the terminals to prepare grain for export. Good progress was made in merchandising malting barley which resulted in an increase in handlings. The movement of all coarse grains was surprisingly good during the year. Mustard acreage was not contracted but 173,000 bushels of customers' seed were handled on a special bin basis, for the account of dealers.

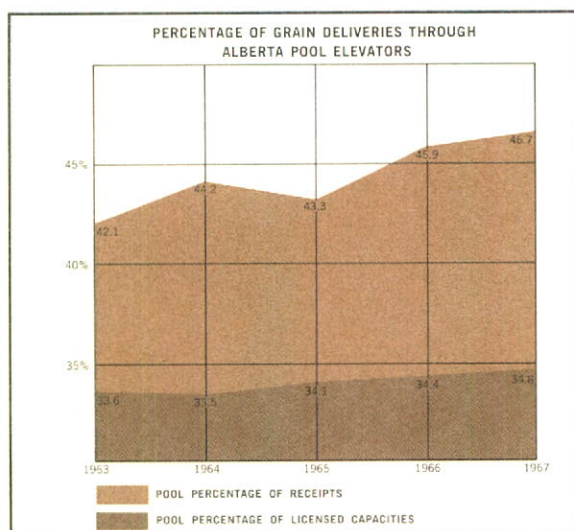
Despite a satisfactory overall experience, there were some problems. In July our country elevators rapidly became filled and the season closed with about 200 elevators unable to receive grain. The year ended with 37,700,000 bushels in store and our elevators, filled to 87 per cent of



working capacity, were critically congested. The grades required to fill sales commitments were not always available at all stations making relief of congestion difficult. However, a substantial amount of grain, of grades not required, was ordered out to maintain uniformity of quotas. This accumulation of unwanted grades in the terminal created serious marketing and storage problems for the Wheat Board and terminals. Strikes by non-operating railway employees early in the crop year and longshore foremen at the West Coast in November temporarily interfered with the grain movement. The railways and terminals maintained a maximum operation once work stoppages ended, which lessened the effects of these delays.

In the latter part of the year some loss of deliveries occurred, mostly attributable to the railways' failure to recognize the application for cars to relieve congestion, as they followed closely the Wheat Board list of car requirements to equalize quotas. A comparison of the agents' estimates of grain still to be delivered, with the capacity of cars supplied in the last two weeks of July, indicates that the loss at most points was not excessive and probably considerably less than in previous years. However, any denial of the privilege of delivering to the elevator of their choice is serious to producers.

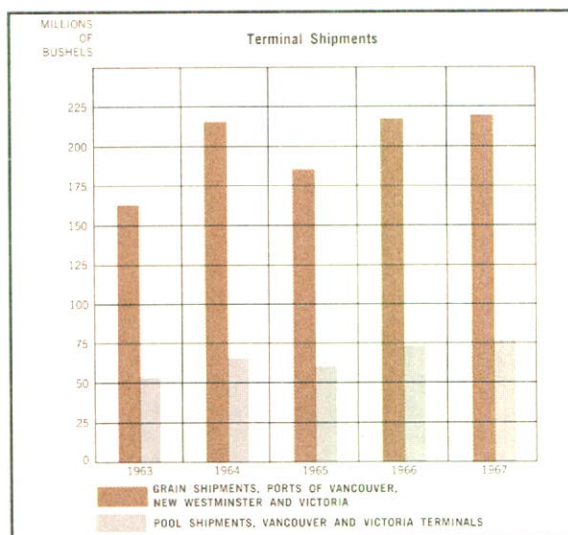
An average of 214,607 bushels per elevator was received as compared to 170,598 last year. Thirty-two agents handled more than 500,000 bushels and Fort St. John No. 1, for the second time, exceeded one million bushels. Weigh-ups at 213 stations showed an overage of 0.105 per cent and indicated accurate weighing by our agents.



Terminal Operations

The continuing importance of West Coast ports as outlets for Western grain was again demonstrated by total shipments of 230,905,000

bushels, down only slightly from the record set last year. Our terminals accounted for 32.7 per cent of this amount with 63,856,683 bushels going from Vancouver and 11,524,434 bushels from Victoria, an all-time high for both plants. Over 7 million bushels of Tough or Damp grain were dried. The quantity of mixtures requiring multiple separations to obtain grain of export standards is increasing rapidly and poses serious operational problems.



This excellent achievement was accomplished in spite of several interruptions which prevented the handling of an even greater volume. In August no grain was received during the eleven-day strike by the non-operating railway employees. Our Vancouver and Victoria Terminals continued to load ships from stocks in store as long as supplies of grain in demand were available. The consequent reduction in stocks made it practical to take the first weigh-up at Vancouver since August 1962. Results of this audit indicated a satisfactory operation. Some major repair work was completed during the strike period.

When unloading of boxcars resumed on September 12, after the weigh-up, the supply was limited initially but by mid-October a good reserve had been built up and this was maintained throughout the remainder of the year. However, a strike by longshore foremen slowed down terminal operations from November 19 to 28 and brought about a complete work stoppage until the strike was settled December 9. It was necessary to lay off a large number of terminal employees for the interval.

Operations in May were highlighted by the arrival of the super cargo ship "Sig Silver" which took on 1½ million bushels of No. 1 Northern at our Vancouver Terminal. This vessel's cargo of over 3 million bushels was completed at other

terminals to make up the largest single shipment ever to go from the Port of Vancouver.

Commencing in June and continuing for the remainder of the season, there was a shortage of ships which became acute in July. This greatly slowed down the export movement and the resulting congestion impaired efficient terminal operation. Large stocks of No. 1 Northern wheat for which there was no market compounded the problem.

Until recently our Vancouver berths comfortably accommodated two grain ships at a time. Now, however, there is room for only one of the new large ships which are coming into service and this often seriously slows down ship loading. Also, the depth of water is inadequate for a fully-loaded large ship so that it must go to other berths to complete its cargo. Plans are under way for extending and improving the dock and gallery facilities to accommodate large vessels and increase the shipping capacity. Tidal currents have been a hazard to ships in the west berth. This problem was overcome by the construction of an earth-filled dyke extending from the shore line to the dock. A second drier was installed and work completed on the final stages of the flax cleaning installation. This increased our oilseeds cleaning capacity and released several machines for cleaning other grains. Some special cleaning equipment was also added which gave the plant better balance. Tenders were awarded for two new box-car dumpers to replace original equipment in service for thirty-nine years. At Victoria two new cleaners were installed, one to replace obsolete equipment and one to provide additional capacity. These improvements and a programme of careful, regular maintenance will enable our terminals to provide maximum service and to keep pace with the demands of modern transportation in the future.

Our plant at Port Arthur is operated as part of the Manitoba Pool Elevators Terminal complex. This is a most satisfactory arrangement as it permits the efficiencies resulting from specialization. Our organization shipped 20,342,284 bushels to the Lakehead and other Eastern destinations.

In January the Vancouver office staff moved into the Baxter Building where more appropriate quarters provided improved lighting, air conditioning and general office facilities.

Seed and Fertilizer Division

During the year operations of the Seed and Fertilizer Division continued to expand. Combined handlings of forage and cereal seed, seed treatment compounds, fertilizer and fertilizer applicator equipment resulted in the largest volume ever moved through warehouse facilities.

The marketing of forage seed is hazardous because there is not available enough statistical and other information on world-wide production, movement and demand. This makes pooling a dangerous practice unless the initial payments are set low enough to provide a reasonable margin of safety. When set at safe levels they may be unattractive to producers. Furthermore, there are no facilities for hedging these products which are subject to wide and unexpected price fluctuations. The production of Creeping Red Fescue was less than normal in Canada and dry weather generally lowered yields of legumes and seriously cut-back Alfalfa production. This, however, did not bring higher prices. The volume of competing grasses produced in Europe and the United States was heavy resulting in an overall price decline for Fescue. Clover prices also declined due to increased European production and reduced U.S. demand.

Forage deliveries for the year amounted to 13,523,114 pounds. Slightly more than half of this was purchased on a Pooling basis with final payments totalling \$83,049. Except for Creeping Red Fescue, the prices received for seed delivered on a Pooling basis compared favourably with the average Outright price during the year.

The net earning of the Division was \$202,389 compared to \$338,537 last year. The reduction was due to the difficulties of operating in a declining forage seed market. A loss was sustained on the inventory carried over from the previous year and the seed purchased early in the season at high prices was ultimately sold at prices which gave little earning. Western Co-operative Fertilizers Limited credited us with a patronage refund of \$475,203 which is not included in the earning reported above.

Cereal seed sales amounted to 448,036 bushels, which was higher than a year ago. The increase in part resulted from domestic interest in two new varieties, Manitou wheat and Galt barley. There was also a good movement of oats and barley to the Eastern Canadian and United States markets. Sale of rapeseed for seed increased when it became apparent that the late spring made further wheat seeding risky.

Our fertilizer sales were approximately double those of last year. With the exception of a brief period when ammonium nitrate was in short supply, W.C.F.L. was able to meet our requirements. Distribution facilities are being steadily expanded as the need becomes apparent. A good increase in the sale of fertilizer application equipment can also be recorded. No doubt some of the increase in sales can be attributed to our credit policy which is being widely used with a satisfactory experience to date. Seed and fertilizer operations were actively supported by an agronomy programme which provided educational and technical services to employees and customers.

Subsidiary Companies

The revenues of Victoria Elevator Limited were higher than ever before due to the large receipts and shipments reported previously and the one-cent increase in elevation charges effective January 1, 1967. Expenses also were up due to the larger handling, higher wage rates and the general increase in most costs. Out of the net earnings of \$261,203, provision is made for the payment of income taxes of \$130,568 leaving \$130,635 to be retained. Payment of \$379,140 was made to the parent organization for diversion premiums, allowances for screenings, management fees and interest on debentures. In addition, \$100,000 was paid in common share dividends. The Company's long-term debt remains at \$40,000, represented by bonds held by the Pool.

A record volume of 3,067,938 bushels of non-board grain was purchased by Interior Feeds Limited, an increase of 41.4 per cent over the previous year. Much of this grain was of low grade and in poor condition, and was most difficult to handle. Net earnings are slightly higher than last year, but did not increase in proportion to the volume due to higher handling and storage charges. Out of the net earnings of \$29,316, the sum of \$14,658 will be paid as income tax and a similar amount retained. Payments to the Pool for elevator handling charges, storage, interest and other charges were \$183,077. A common share dividend of \$25,000 was also paid to the parent company.

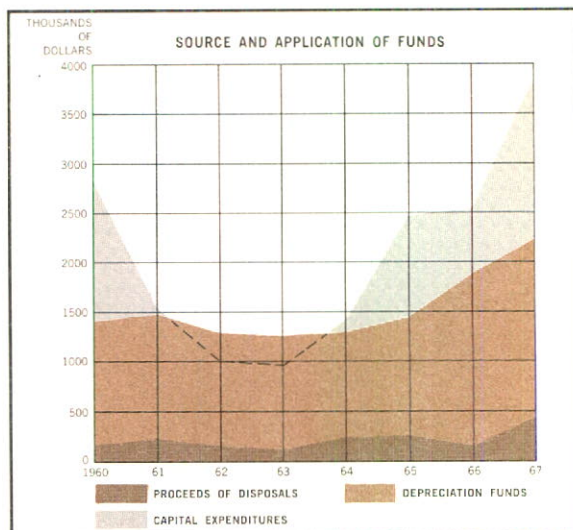
Properties

During the past two years an expanded capital programme has been required to replace obsolete properties and to fulfil a need for additional space at some points. The construction department has been considerably augmented and the rate of construction increased. It has, however, not been possible to hire skilled construction workers in sufficient numbers to complete all of the facilities authorized, with the result that there is a substantial backlog of new construction. In spite of the very large volumes of grain handled, and the growing rate of obsolescence of many of our old properties, repairs and maintenance have been kept at a satisfactory level.

At the commencement of the 1966 crop year we owned 533 country elevators. During the year 11 new elevators were built of which 7 were the composite type with a licensed capacity of 922,000 bushels. The other 4 were conventional elevators of 70,000 bushel capacity each. One elevator was purchased, 7 dismantled, 7 converted to twins, 2 sold and one used by the Seed and Fertilizer Division. Fire destroyed 2 elevators at Coronation and one at Acadia Valley. New facilities are to be built at both points. Five cribbed annexes were constructed, 3 dismantled and 2 destroyed by fire. The net result was an increase in the

capacity of our country storage facilities by 588,300 bushels to a total of 45,449,100 bushels, representing 34.6 per cent of the licensed country elevator space in Alberta and British Columbia. Twenty-two seed and fertilizer warehouses were built and 2 purchased. Thirty-six bulk bins were purchased and located at various points. Twelve dwellings were constructed, 5 purchased and 24 sold. Thirty-three car movers and 20 dust control units were installed at heavier points. The programme of modernizing dwellings, except at stations which seem likely to disappear, is practically complete.

Our properties now consist of 525 elevators at 415 points, 633 annexes, 383 dwellings, 3 seed cleaning plants, 214 seed and fertilizer warehouses, 8 flour sheds, 8 coal sheds, 2 construction warehouses, 3 terminal elevators and a Head Office building and parking lot.



Operating Results

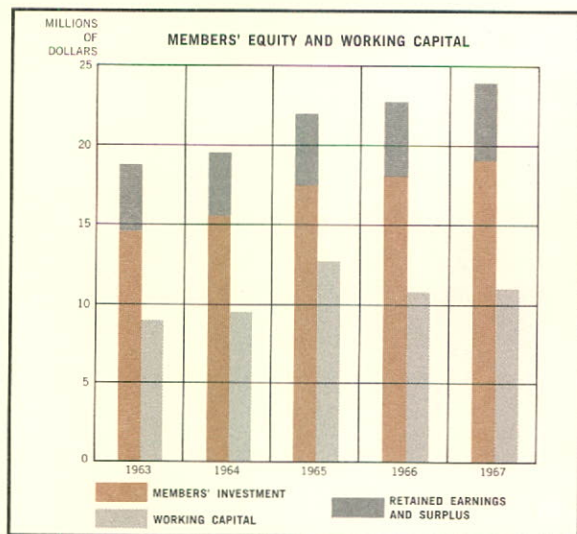
This is a consolidated report on the operations and earnings of the Alberta Wheat Pool and its wholly-owned subsidiaries Victoria Elevator Limited and Interior Feeds Limited. The net earning of \$7,268,626, after provision of \$1,818,237 for capital cost allowances, was about \$2,697,000 greater than the earning of last year.

Several factors contributed to the substantial increase in earnings, the record handlings being the main one. Terminal earnings were augmented by the one-cent increase in elevation charges effective January 1, 1967. W.C.F.L. paid a large patronage refund reflecting a full year of fertilizer sales. The storage earning was not much changed as the country facilities were, on the average, filled to about 75 per cent of licensed capacity both years.

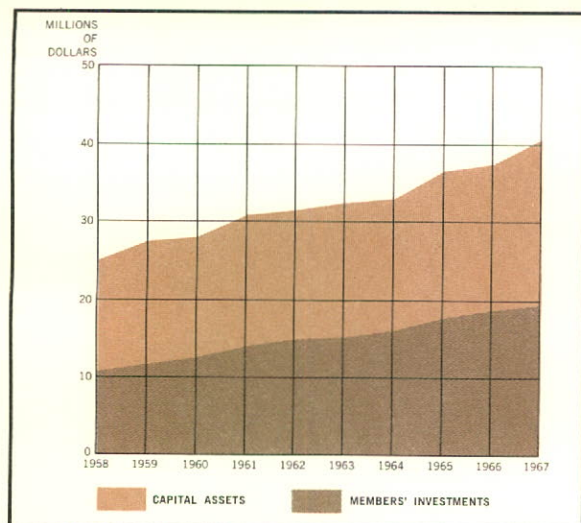
All major items of expense, particularly salaries, wages and repairs, were up. The final

payment of \$116,777 was made to the pension fund to liquidate the liability created by the 1964 amendments to the employees' pension plan.

A patronage refund of \$4,238,398 was distributed from the 1965-66 earnings. Of this amount \$1,864,184 were paid in cash and \$2,374,214 credited to members reserve accounts. Reserves in the amount of \$1,374,700 were purchased from estates of deceased members, from members who had retired from farming and from members 68 years of age and older, and 5½ per cent of their reserves was also purchased from corporate members who joined the Pool prior to 1962. As a result of these transactions, the members' reserves increased by approximately \$1 million and now stand at \$19,233,486.



Capital expenditures of \$3,891,660 exceeded the previous year by \$1,365,000 due largely to the construction of the Camrose seed cleaning plant. The amount by which capital expenditures exceeded capital cost allowances was provided from working capital.



Personnel

Competition is becoming keener in all areas of our business, but particularly so in fertilizer sales. If we are to improve, or even maintain, our position in the industry our employees must be equally as well trained and knowledgeable as competitors. To this end continued use is made of the educational facilities of the Banff School and the Western Co-operative College, and the activities of the personnel department have been expanded to include employee training. One hundred and eighty-seven agents attended courses at Head Office or throughout the province and supervisory personnel attended various other courses.

There is a great difference between the working and living conditions, and the responsibilities, of country and office employees. The increasing complexity of our business and good management practice demand that special attention be given to employee relations for each group. Efforts were made to identify the fundamental differences in each group's working environment and problems so that assistance could be given to the various departments in the areas of recruitment, appraisal, salary administration and staff benefits.

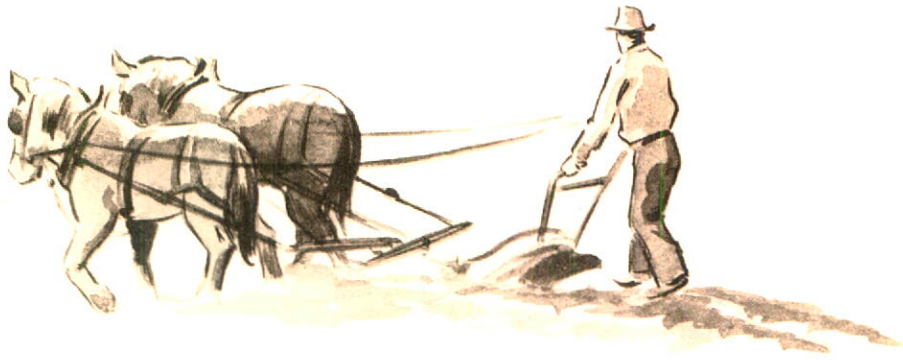
Staff

It is a pleasure to express commendation and thanks to the staff for their efforts in making possible the results reported for your consideration. Without close co-operation between all departments, and dedication by many individuals, the record achievement of the past year would have been impossible. The ten per cent bonus granted by the Board was a generous, tangible recognition much appreciated by the staff.

Respectfully submitted,

A. T. Baker

General Manager.



Clarkson, Gordon & Co.
Chartered Accountants
Calgary

AUDITORS' REPORT

To the Members of
ALBERTA WHEAT POOL

We have examined the consolidated balance sheet of Alberta Wheat Pool and subsidiary companies at July 31, 1967 and the statements of consolidated earnings, consolidated earnings retained from prior years and consolidated source and application of funds for the year ended on that date. 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 the aforementioned financial statements present fairly the financial position of Alberta Wheat Pool and subsidiary companies at July 31, 1967 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson, Gordon & Co.

Calgary, Alberta.
October 23, 1967.

CLARKSON, GORDON & CO.
Chartered Accountants.



ALBERTA W and Subsidie

CONSOLIDATED AS AT JULY 31, 1967 and

ASSETS

Current:

	1967	1966
Cash in banks, on hand and in transit	\$ 853,818	\$ 600,980
Stocks of grain (Note 2)	47,037,335	41,106,989
Stocks of seed, fertilizer and supplies (Note 3)	1,847,775	1,308,274
Advances on grain	95,743	34,745
Accounts receivable	3,629,494	2,126,309
Accrued items receivable	837,805	305,722
Prepaid expenses	597,799	571,712
Total current assets	54,899,769	46,054,731

Fixed — at cost:

Buildings, sites and operating machinery	39,912,836	36,833,493
Less accumulated capital cost allowances	27,208,749	25,787,964
	12,704,087	11,045,529
Elevator and office equipment, autos, trucks and miscellaneous equipment	922,932	848,155
Less accumulated capital cost allowances	459,937	462,570
	462,995	385,585
Net fixed assets	13,167,082	11,431,114

Investments — at cost:

Shares and bonds of affiliated companies	8,300,502	8,300,502
Grain Exchange memberships and Trade associations	11,152	11,152
Co-operative associations	1,604	1,680
	8,313,258	8,313,334

Other:

Deferred accounts receivable	88,416	61,796
Excess of cost of investment in subsidiary company over book value at date of purchase	155,420	155,420
	243,836	217,216
	\$76,623,945	\$66,016,395

See accompanying notes to consolidated financial statements.

HEAT POOL

ary Companies

BALANCE SHEET

comparison with July 31, 1966



LIABILITIES

Current:

	1967	1966
Outstanding cheques, cash tickets and orders	\$ 8,546,644	\$ 8,721,787
Bank loans (secured)	17,200,000	13,540,000
Call and short term loans	6,671,663	3,983,463
Demand loans from members	1,691,556	1,986,408
Accounts payable	2,152,139	1,921,965
Income tax payable	114,934	68,045
Accrued items payable	479,970	491,638
Growers' outstanding payments	194,914	183,317
Net earnings — current year less estimated minimum income tax (Notes 4 and 5)	7,053,392	4,403,576
Total current liabilities	44,105,212	35,300,199
Term Loans from Members and Co-operatives	8,533,536	7,998,474

Reserves and Surplus:

Reserves (Note 6) —		
Authorized	\$20,000,000	
Issued to members —		
Members' investments	19,233,486	18,234,220
Surplus retained from earnings of prior years	4,751,711	4,483,502
	23,985,197	22,717,722

Commitments (Note 9)

\$76,623,945	\$66,016,395
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See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED EARNINGS

YEARS ENDED JULY 31, 1967 and 1966

	1967	1966
Operating revenues (Note 7)	<u>\$21,662,744</u>	<u>\$17,813,685</u>
Deduct:		
Elevator and seed plant operating expenses	5,879,179	5,268,974
Office, administration and supervisory expenses	3,074,337	2,740,852
Terminal elevator operating expenses	2,304,364	1,914,559
Contribution to employees' pension plan — re past services	116,777	506,717
Interest charges	<u>1,201,225</u>	<u>1,182,557</u>
	<u>12,575,882</u>	<u>11,613,659</u>
Earnings before capital cost allowances	9,086,862	6,200,026
Capital cost allowances	<u>1,818,237</u>	<u>1,628,405</u>
Net operating earnings	<u><u>\$ 7,268,625</u></u>	<u><u>\$ 4,571,621</u></u>

See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED EARNINGS RETAINED FROM PRIOR YEARS

YEARS ENDED JULY 31, 1967 and 1966

	1967	1966
Balance at beginning of year	\$ 4,483,502	\$ 4,385,669
Add:		
Earnings from previous year	4,571,621	3,833,013
Gains arising from disposal of properties	97,190	17,484
	<u>9,152,313</u>	<u>8,236,166</u>
Deduct:		
Patronage refunds —		
In cash	1,864,184	1,609,236
In members' investments increased	2,374,215	1,973,284
	<u>4,238,399</u>	<u>3,582,520</u>
Income taxes paid	162,535	169,892
Sundry adjustments	(332)	252
	<u>4,400,602</u>	<u>3,752,664</u>
Balance at end of year	<u><u>\$ 4,751,711</u></u>	<u><u>\$ 4,483,502</u></u>

See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

YEARS ENDED JULY 31, 1967 and 1966

SOURCE	1967	1966
Prior year's earnings	\$4,403,576	\$3,691,401
Deduct:		
Patronage refunds paid in cash	1,864,184	1,609,236
Members' reserves purchased	1,374,755	1,270,014
	<u>3,238,939</u>	<u>2,879,250</u>
Prior year's earnings retained	1,164,637	812,151
Current year's capital cost allowance not involving an outlay of funds	1,818,237	1,628,405
Proceeds on disposals of fixed assets	434,645	157,054
Increase in term loans from members and co-operatives	535,062	1,021,214
Adjustment of prior years' income taxes	5,510	(28,280)
Sundry adjustments	213	(109)
Decrease in working capital	—	1,950,351
	<u>\$3,958,304</u>	<u>\$5,540,786</u>

APPLICATION

Additions to fixed assets —		
Buildings, sites and operating machinery	\$3,597,199	\$2,309,210
Equipment	294,460	217,670
Increase in deferred accounts receivable	26,620	13,906
Investment in bonds of Western Co-operative Fertilizers Limited	—	3,000,000
Increase in working capital	40,025	—
	<u>\$3,958,304</u>	<u>\$5,540,786</u>

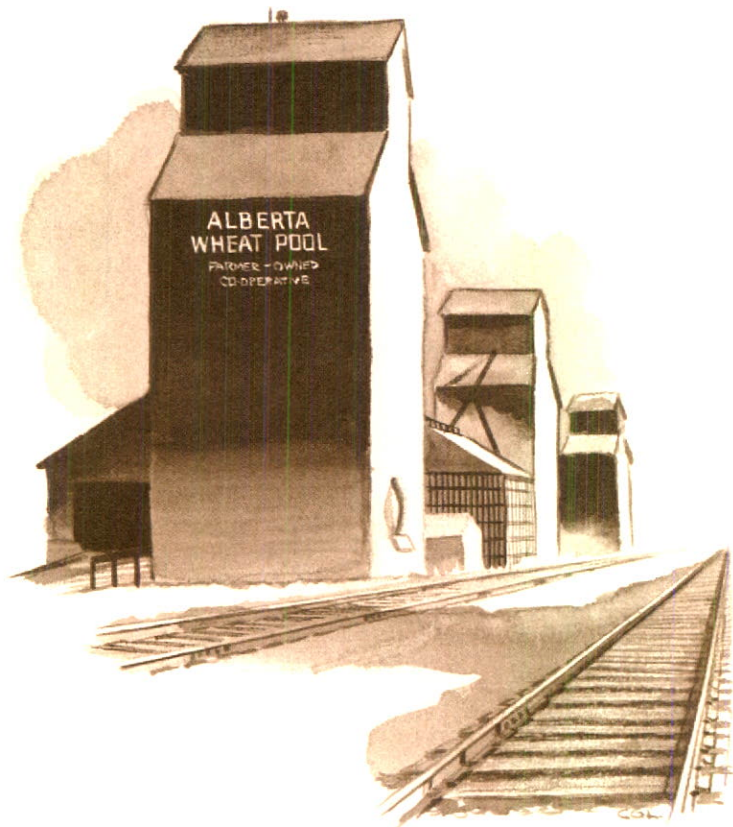
See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 1967

- 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 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 7 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 8 Earnings of the previous year, after provision for income tax, were made available for distribution in the current year giving effect to action taken at the last annual meeting. See also Note 4.
- NOTE 9 The construction of certain fixed assets, which had been authorized by the Directors of Alberta Wheat Pool, was uncompleted to the extent of \$6,163,503 at July 31, 1967.





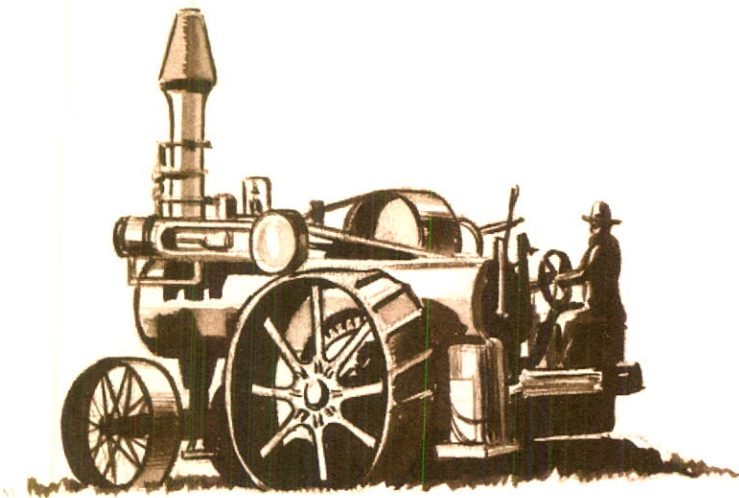
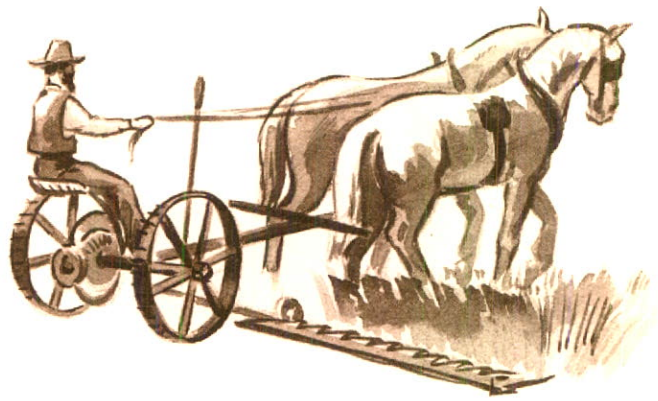
RECORD OF PROGRESS

Income Statistics

Year Ending	Bushels Handled	Total Earnings	Total Expenses	Capital Cost Allowances	Patronage Refunds	Earnings Retained
1967	113,097,918	\$21,662,744	\$12,575,882	\$1,812,237	(See Note 4)	
1966	90,441,480	17,813,685	11,613,659	1,628,406	\$4,238,398	\$163,651
1965	84,254,713	15,628,636	10,595,368	1,200,255	3,582,521	108,724
1964	87,053,840	17,147,426	11,223,426	1,027,565	4,574,129	175,290
1963	70,765,924	13,220,241	9,019,640	1,009,660	2,920,969	142,777
1962	60,104,981	12,913,333	9,018,268	1,107,296	2,584,894	114,126
1961	59,802,637	13,929,055	9,830,341	1,238,306	2,526,905	177,518
1960	59,849,309	12,724,923	9,068,946	1,229,468	2,192,499	124,074
1959	61,980,782	12,709,152	8,254,234	1,146,324	3,083,089	100,523
1958	56,888,650	11,553,430	7,804,335	1,383,490	2,185,165	82,168

Balance Sheet Statistics

Year Ending	No. of Elevators	Capital Investment	Current Assets	Current Liabilities	Working Capital	Retained Surplus
1967	525	\$40,835,768	\$54,899,770	\$44,105,212	\$10,794,558	\$4,751,711
1966	533	37,681,647	46,054,731	35,300,199	10,754,532	4,483,502
1965	535	35,499,589	49,044,967	36,340,084	12,704,883	4,385,669
1964	543	33,443,552	44,210,540	34,798,760	9,411,780	4,141,322
1963	548	32,484,730	42,949,570	34,050,036	8,899,534	3,964,043
1962	559	31,884,697	31,124,651	22,248,013	8,876,638	3,824,062
1961	563	31,227,253	43,424,884	35,004,001	8,420,883	3,596,258
1960	567	29,921,931	48,680,149	40,383,881	8,296,268	3,417,568
1959	533	27,470,298	44,521,860	36,071,846	8,450,014	3,296,224
1958	533	25,218,934	41,333,292	31,559,635	9,773,657	3,177,428



DIRECTORS' REPORT

1966-67

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

Gentlemen:

We take pleasure in submitting the report of Canadian Co-operative Wheat Producers Limited for the year ended 31st July, 1967.

The year began with the harvest of a record crop in 1966 and with the assurance of buoyant markets. It ended on a much less favorable note.

The growing season of 1967 was marked by widespread drought on the Prairies so that production in 1967 was substantially reduced. The market climate changed during the year so that the short run outlook for large sales at adequate prices was in doubt at the year's end.

An International Grains Agreement with higher floor and ceiling prices than prevailed in the fifth International Wheat Agreement, which it succeeded, was negotiated as part of a broader program to reduce trade barriers. An attempt to extend the agreement to other cereals was not successful. But as part of the general approach to greater international co-operation with respect to agriculture and industry, a majority of members of the International Wheat Council were able to conclude an agreement under which both exporters and importers will participate in food aid to less developed countries.

At home, steadily increasing prices for goods and services required by farmers more than offset gains from exceptional grain deliveries and slightly higher returns per bushel. The price squeeze tightened and concern about farm income mounted.

Through it all, Canadians enthusiastically welcomed the beginning of the second century of their nation. Few people or communities remained untouched by centennial programs. Farm people and farm organizations were as deeply involved as others. And they, along with all Canadians, shared the opportunities for re-dedication to the national purposes of this expanding land.

Production in Canada

Much of western Canada experienced a severe drought during the 1967 growing season. Nevertheless, because of ample moisture reserves, favorable temperatures, and improved cultural practices, total production of wheat in

the Prairie Provinces amounted to 574,000,000 bushels according to the September forecast by the Dominion Bureau of Statistics. This was better than an average crop for the Prairies, but far below the 807,000,000 bushels harvested in 1966.

Production of other grains, too, was down in western Canada so that the total of all grains harvested was 1,042,000,000 compared to 1,410,000,000 a year ago. Details of this year's production are shown in Table 1 appended to this report.

Total production of wheat in Canada was estimated in September at 593,000,000 bushels compared to 827,000,000 the previous year.

Producer Marketings

Grain producers achieved a new marketing record in 1966-67. Total amount of all grains delivered reached 820,600,000 bushels. This was the first time Prairie marketings exceeded the 800-million bushel mark. It was more than 50,000,000 bushels above the record established in 1965-66 and more than 212,000,000 bushels above the average for the previous 10 years.

Deliveries of wheat during the year amounted to 622,700,000 bushels or about 76 per cent of total grain marketings. Barley at almost 110,000,000 bushels was in second place and was more than 15,000,000 bushels above the 10-year average. Details are shown in Table 3.

Canadian Grain Exports

The export market for Canadian grains and flour remained active during the year under review, but did not achieve the levels of 1965-66. Exports of all grains and flour totalled an estimated 614,500,000 bushels. This was the third highest year on record, being exceeded only in 1965-66 when total grain exports were 671,000,000, and in 1963-64.

Export shipments of rapeseed at 13,800,000 bushels were the highest on record. Barley exports at more than 53,000,000 were almost 20,000,000 above the previous year and substantially above the 10-year average of about 38,000,000.

Exports of bulk wheat for the year were 482,700,000 bushels. This was among the highest clearances on record. Average for the previous 30 years was about 249,000,000. Details are shown in Table 6.

The pattern of Canada's exports of all grains remained much the same as the previous year. The Soviet Union and the Peoples Republic of China, with more than 90,000,000 bushels each, were the two major importers as in 1965-66. Exports to both Japan and India scored major gains in 1966-67. The increase in exports of all grains to Japan was nearly 21,000,000 bushels to bring the total to 88,200,000 bushels, of which 60,000,000 bushels were wheat. India took 43,500,000 bushels of all grains or 16,000,000 more than the previous year. India's wheat imports from Canada were 42,000,000 bushels.

St. Lawrence ports continued to handle the largest amount of wheat going into the export market. Last year, the percentage was slightly over 49 compared to 52 the previous year. Shipments through West Coast ports rose from 34 per cent of the Canadian total to about 37 per cent in 1966-67. Churchill shipments at 21,000,000 in 1966-67 were down about 4,000,000 from the previous year.

Details of export movement are shown in Tables 7 to 9.

World Wheat Situation, 1966-67

World wheat market prospects were most encouraging as the 1966-67 crop year began. International trade in wheat and wheat flour had reached the unprecedented level of 2,297,000,000 bushels in 1965-66. International prices were still rising. Demand continued strong.

Producers in many countries rejoiced in exceptionally good harvests. Total world production (excluding China) rose to a record 10.4 billion bushels as 1966-67 crops were harvested. This was up from about 8.8 billion the previous year.

The impact of the better world harvest began to be felt in the market place early in 1967. Sales to Communist countries declined from 790,000,000 bushels to about 475,000,000 for the year 1966-67. Concessional sales from the United States also declined. Some of these declines were offset by higher imports by Japan, North Africa and Latin America.

Total world movement of grain through commercial and concessional sales in 1966-67 reached 2,000,000,000. This was about 13 per cent less than the previous year, but was still the third largest trade on record being exceeded only in 1963-64 and 1965-66.

The decline in exports and the prospect of good crops in many countries in the 1967 growing season (Canada is an exception) brought out new pressures on international prices. In April, prices began moving uncertainly and by the middle of May, a definite downward trend had been established.

The price of U.S. hard winters, 13 per cent protein, at Gulf ports declined 19½ cents between April 6 and July 13. It continued to go down until the reduction under the April 6 price

reached 27 cents on August 30. Subsequently, there was some recovery. The Canadian price was moved down much more slowly so that by early September it had lost 22 cents from April 6, but was once more closely competitive with American quotations.

As the 1967-68 crop year began, the United States Department of Agriculture was forecasting a moderate increase (5 per cent) in the world demand for wheat above the level of the previous year. It also pointed out that export availabilities would be somewhat greater in the new year. The Wheat Review (Canada D.B.S.) estimated quantities available for export and carryover by the four major exporters at July 31, 1967, at nearly 1,308 million bushels. At the same date in 1966, the estimate was 1,158 million.

The Food Gap

The modest increase in the amount of wheat available in exporting countries in 1967 is small in comparison to basic world food needs. A year ago, Dr. B. R. Sen, Director-General of the Food and Agriculture Organization, declared: "The world food situation is now more precarious than at any time since the period of acute shortage immediately after the Second World War. . . ." His comment was based on the disparity between the rate at which world population is increasing and the rate at which food production improves.

It is estimated that world population is rising at a rate of about 2 per cent a year or 70,000,000 persons. Against fairly consistent increases in population, food production moves erratically. In 1965-66, for example, FAO estimated no change in total production from the previous year. This, it pointed out, meant an actual decline of about 2 per cent in production per capita because of the increase in population.

The situation was more serious in the countries where the need is the greatest. Taking the developing countries as a whole, FAO reported, only the Middle East showed an increase in food supplies in 1965-66. Elsewhere, production dropped about 2 per cent which meant a reduction of 4 to 5 per cent per capita in the amount of home-grown food available. Disaster was only averted in India and parts of Africa with the help of massive supplies of grain from North American surpluses.

In the longer term, the outlook is not all that much better. Improvement depends on a combination of three major factors: Reduction in the rate of population growth; improvement in the rate of food production; a general rise in the level of incomes. If these three things can be achieved, Doctor Sen has suggested that, by 1985, "The food problem in terms of calorie intake would be very near adequate control." In the meantime, however, hunger will continue to be the lot of far too many of the world's under-fed 45 per cent.

Aid To Developing Countries

Economic assistance to developing countries has tended recently to level off at about \$6 billion a year or two-thirds of one per cent of the Gross National Product of its members, according to a report from the Organization for Economic Co-operation and Development. The World Bank estimates that developing countries could use effectively from \$3 to \$4 billion more than they are receiving.

Aid channeled through economic assistance programs is designed to stimulate economic growth with a view to improving incomes in the developing countries. Donor countries are putting increasing emphasis on efficiency in the use of aid funds and on assuring that recipients adopt "self-help" measures designed to improve their own home food production.

The use of food in aid programs is increasingly being directed toward the goal of stimulating economic growth except in emergencies where the first priority must be the relief of starvation.

Canada's role in the international food aid program expanded substantially under the impetus of the emergency needs arising from the two-year drought in India. In 1965-66 this country expanded its food aid program by \$13,000,000 to bring the total to about \$25,000,000. In 1966-67, Canada proposed to spend \$75,000,000 on food aid.

Some of this was directed to the relief of famine in India. But other bilateral programs included things contributing to improved production such as: fishing vessels, farm machinery, pesticides, fertilizers, food storage warehouses, refrigeration units, equipment and aircraft for crop spraying.

In addition, Canadian resources have been used to develop irrigation, land reclamation projects and river basin development. Large numbers of co-operative advisors and agricultural and fisheries experts have been sent overseas and many students from abroad have been trained in Canada as part of its aid program.

These measures are directed toward the goals of improving production of food overseas and of stimulating economic growth to provide better incomes to the people in developing countries. It is through measures such as these that national economies in the developing world can arrive at the point where they become effective members of a world trading community.

IWA and GATT

More than 60 nations representing over 80 per cent of the world's international commerce moved in 1966-67 a long stride closer to the goal of free trade for which western Canadian farm organizations have striven throughout their history. And for the first time in general trade negotiations, wheat and other cereals became part of the discussions.

The occasion was the completion in Geneva on May 17 of the Kennedy Round of negotiations under the General Agreement on Tariffs and Trade. The agreement on industrial products and some agricultural products when ratified will become effective January 1, 1968. Canada was a participant in the Kennedy Round and representatives of Canadian Co-operative Wheat Producers joined the Canadian delegation at various times when discussions related to wheat and cereals.

Achievements of the Kennedy Round included:

- (1) Conclusion of a basic agreement on wheat, setting higher floor and ceiling prices and establishing a multilateral food aid program of 4,500,000 metric tons a year with contributions from both importing and exporting countries;
- (2) Negotiation of far-reaching tariff reductions amounting in most instances to 50 per cent on wide ranges of industrial and manufactured goods; tariff cuts were agreed to by many countries on agricultural and fisheries items to be fully effective over a five-year period;
- (3) Conclusion of a new anti-dumping code providing detailed rules and procedures for administering anti-dumping regulations; and
- (4) Acceptance of special measures to reduce tariffs on products of special interest to developing countries without requiring full reciprocity in return.

Wheat and the Kennedy Round

Wheat has been traded under a set of international rules since 1949 when the first International Wheat Agreement was signed. The agreement came about as a result of consistent pressures from farm organizations seeking to avoid a repetition of the cut-throat competition of the 1930s.

A fifth International Wheat Agreement was negotiated in 1962 for a three-year period. However, in 1965, with the proposal for a general cereals agreement already under discussion in the Kennedy Round, the fifth International Wheat Agreement was extended for one year. It was extended again in 1966 to permit a conclusion to be reached in the talks at Geneva.

The inclusion of cereals in the Kennedy Round discussions was designed to enlarge international trade in cereals other than wheat by removing both tariff and non-tariff barriers. One objective was to assure greater access to all markets for grains. It appeared that these purposes might be more easily achieved in the context of a negotiation which included industrial and manufactured goods than in the narrower context of agricultural products.

It proved impossible to negotiate a cereals agreement. For one thing, technical difficulties

in balancing one cereal against another which might substitute for it proved almost insurmountable. There were other difficulties as well. However, an agreement was reached in principle that all nations should participate in food aid programs involving the distribution of both wheat and other grains to assist developing countries.

Subsequently, 52 nations meeting in Rome under the auspices of the International Wheat Council approved the basic agreement reached at Geneva and endorsed what is now known as "The Food Aid Convention." The convention is designed to channel 4,500,000 metric tons of food annually into aid programs. It is the first time that traditional importers have joined with exporters in an attempt to use a part of the world's cereal production to feed the hungry.

In addition to discussions on wheat and other cereals, new lower tariffs on other agricultural products were negotiated during the Kennedy Round. Canada, for example, received tariff concessions on agricultural trade estimated at \$110,000,000. Tariffs were reduced on items making up about \$200,000,000 of Canadian imports.

International Grains Agreement

The agreement on international trade in wheat reached during the Kennedy Round and subsequently endorsed by other countries that did not participate in the Geneva negotiations, modifies some of the terms of former wheat agreements. The objective, however, remains the same, namely to encourage the highest possible level of world trade in wheat at prices within a framework reasonably satisfactory to both exporters and importers.

In all previous agreements, the basic price accepted by importers and exporters was quoted in terms of No. 1 Northern in store Fort William-Port Arthur. The new agreement puts the base price in terms of No. 2 Hard Winters ordinary protein at Gulf ports in the United States.

The price range in the new agreement is a floor of \$1.73 and a ceiling of \$2.13 Basis Hard Winters at Gulf ports in U.S. funds. These figures translate into Canadian prices as follows: \$1.95½ per bushel for No. 1 Northern in store at the Lakehead and \$2.38 at the ceiling. This is an increase over the 1962 agreement of 21 cents a bushel at the floor when prices are converted to Canadian currency. In addition to general floors and ceilings, recognized differentials have been established among 10 major world wheat grades.

As in 1962, importers committed themselves under the Grains Agreement to take a predetermined percentage of their total wheat requirements from the exporting countries which adhere to it. Because of the uncertainty of Russia's position with respect to the new agreement, the basic import quantity is set at 80

per cent if Russia fails to join and 90 per cent if the Soviet Union comes in. Some of the importing countries have lower percentage obligations because of other traditional sources.

Following the completion of negotiations at Geneva, members of the International Wheat Council met in Rome to permit countries which had not participated in the Kennedy Round an opportunity to join the new agreement. The meeting was attended by representatives of 52 nations as delegates or observers and, on August 19, 1967, it was announced that agreement had been reached on the new International Grains Agreement covering both wheat and the Food Aid Convention. However, for technical reasons the agreement cannot come into effect until July 1, 1968.

Farm Income and Costs

The Prairie Provinces have set new records for farm cash receipts in each of the last three years. In calendar year 1966, farm cash receipts in the three provinces went above the \$2 billion mark for the first time.

Cash income from wheat (including each year's Canadian Wheat Board payment on a previous pool) has also been buoyant—running above \$900 million in each of the last three years and reaching \$979 million in 1966.

All components entering into farm cash receipts have been showing gains over the last three-year period as indicated in Table 10.

Net farm income for the three provinces was also a record in 1966. Based on preliminary figures the net farm income, after taking account of inventory changes, reached \$1,175 million. This was the first time the net income figure for the region topped \$1 billion. It compares to \$638 million in 1960 (Table 11).

None of these figures, considered by itself, gives a realistic picture of the economic position of grain producers because income cannot be divorced from cost factors, from the essentially uncertain nature of grain production on the Prairies, or from market opportunities.

In each of the four years prior to July 31, 1967, grain producers in the Prairie Provinces delivered an average of 534,000,000 bushels of wheat. The 10-year average of deliveries was 432,000,000. Farmers have been delivering wheat at the rate of 100,000,000 bushels above the average or, to put it another way, they have delivered almost the equivalent of five years' average marketings in four. As your Board has pointed out on several occasions, these good marketing years have disguised the real economic situation of western agriculture.

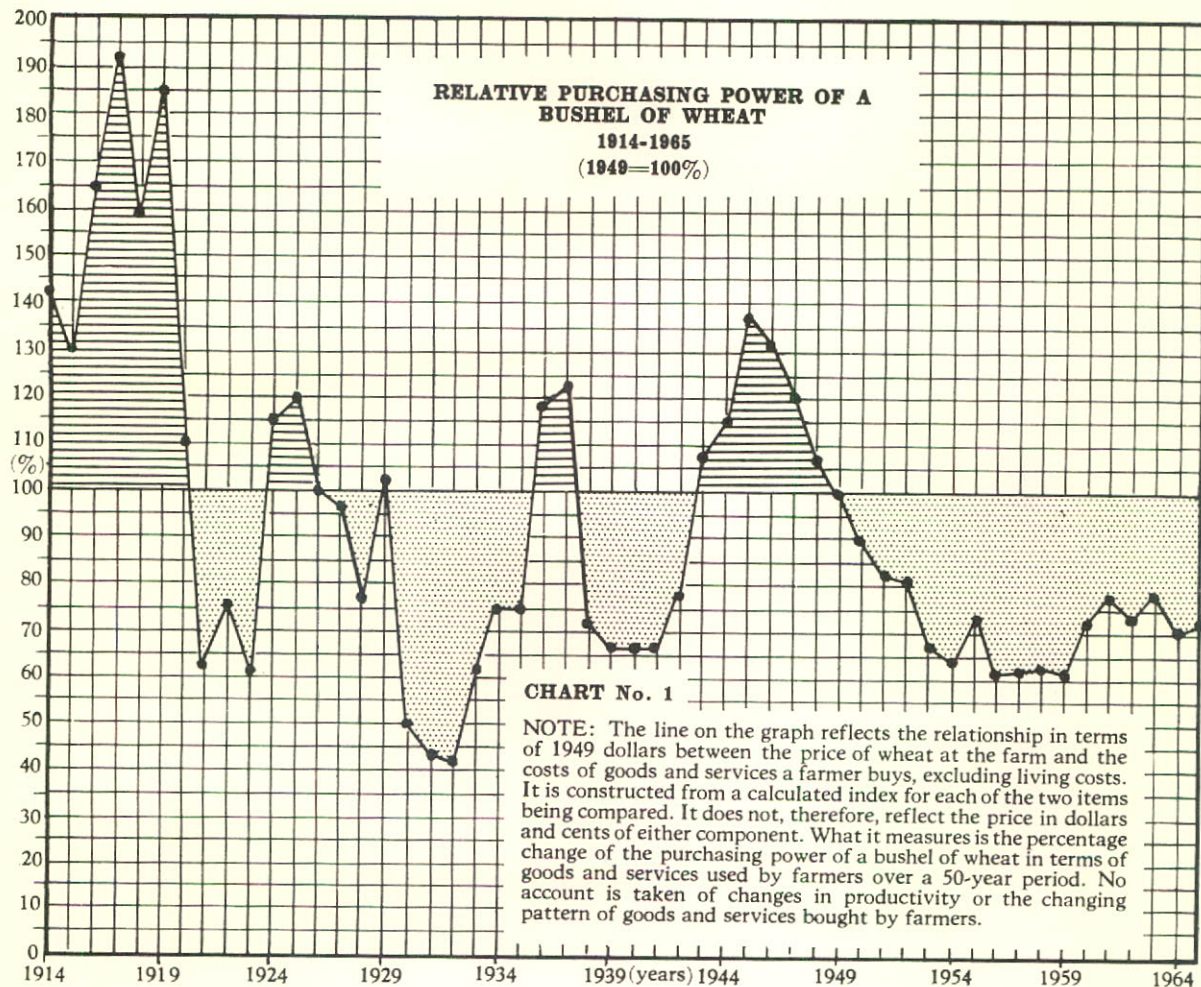
Another factor which must be taken into account in assessing the total picture is the cost-price relationship.

As in other industries, the costs of commodities and services farmers must buy, have been rising steadily. The cost index for things western Canadian farmers must buy (not including living

costs) was 199.2 in 1949. By 1963, it was 298.6 and by 1966, it was 331.6. The index started out in January 1967, at 333.8. While this figure is not strictly comparable to the yearly averages above, it suggests that the upward spiral is continuing.

The wheat producer has not been able to pass his increased costs along to the consumer. Between 1949 and 1966, the index of farm costs rose 132.4 points or about 66 per cent. The

realized price for wheat, Basis No. 1 at the Lakehead, went from \$1.874 to \$1.997 or less than 9 per cent. Even between 1963 and 1966 when wheat prices were at their most buoyant, the index of farm costs went up 12 per cent compared to 6.6 per cent for the price of wheat. The interplay between the cost of things farmers must buy and the price of a bushel of wheat is shown graphically in the adjacent chart.



The persistently unfavorable relationships between costs and prices shown above has been made tolerable recently by two circumstances: In the last four years grain producers have experienced better-than-average production, combined with an export demand which has permitted them to deliver five years' crop in four.

The implications of this set of circumstances prompted your Board to stress repeatedly in statements on farm policy:

1. That public policy must be developed so that individual farmers can make the necessary adjustments to achieve the highest possible degree of efficiency in production of grain;

2. That the search for new markets abroad must be maintained so that the maximum level of exports may be achieved; and

3. That a higher price for wheat should be achieved in the re-negotiation of the International Wheat Agreement which was scheduled for early 1967.

Board of Directors

The Board of Directors of Canadian Co-operative Wheat Producers consists of three executive officers of Manitoba Pool Elevators, Saskatchewan Wheat Pool and Alberta Wheat Pool. During the year under review, Chas. W. Gibbings, President of Saskatchewan Wheat Pool, was President of the Central Board, and W. J. Parker, President of Manitoba Pool Elevators was Vice-President. These two, along with Gordon L. Harrold, President of Alberta Wheat Pool, made up the Executive Committee of the organization.

The Board of Directors held two meetings during the year to transact business of common interest to the three Pool organizations. Discussions in its meetings ranged over a wide variety of subjects relating to the welfare of farm people in the three Prairie Provinces and of great concern to the member organizations.

A change in administration of the organization was approved when the Secretary, A. R. Stevens, indicated a desire to retire at December 31, 1966. The Board appointed I. K. Mumford, then Secretary of Saskatchewan Wheat Pool, as Secretary of Canadian Co-operative Wheat Producers Limited. Subsequently, J. O. Wright, who had succeeded Mr. Mumford as Saskatchewan Wheat Pool Secretary, was named to the position.

The Board approved continuation of the research project on "Co-operative principles, their practice, problems and potentials" being carried out under the direction of Prof. T. D. Harris of the University of Manitoba.

The Board urged negotiation of a new International Wheat Agreement through the International Wheat Council if countries participating in the Kennedy Round of tariff negotiations under the General Agreement on Tariffs and Trade were unable to conclude on a cereals agreement.

Two statements relating to transportation were authorized during the year under review.

In October 1966, Mr. Gibbings, President of Canadian Co-operative Wheat Producers Limited, presented a statement on matters concerning Bill C-231 to the Standing Committee of the House of Commons on Transport and Communications on behalf of the members of the three Pools. Matters brought to the attention of the committee included:

(i) the provision of an advisory function so that regional and special interests can be taken into account in matters of national transportation policy;

(ii) the possibility that the new look in Canadian transportation offered by the Canadian Transport Commission may be upset or thwarted if the Commission's membership comes mainly from existing transport agencies with their traditions and precedents;

(iii) the opportunity for interested parties to be heard by the Commission whenever the future economic position of branch lines or the likelihood of their abandonment is being considered;

(iv) the provision of some form of persuasion to encourage the railway companies to act on Commission recommendations which seek to improve railway operations in other ways than abandonment;

(v) the opportunity for interested parties to be heard by the Commission whenever it is determining the components of cost in any railway operation;

(vi) the desirability of providing some form of assurance to railway users in areas where the railways have the least competition that there will be effective protection against prejudicial acts or omissions of railway companies as a result of the new freedom in rate making and from unjust discrimination and undue preference;

(vii) the desirability of maintaining the Crow's Nest Pass statutory grain rates as an instrument of national policy under the control of Parliament;

(viii) the phasing out over time of the Bridge subsidy if it is to be removed so as to result in the least dislocation and inconvenience;

(ix) the provision that the new Canadian Transport Commission report to Parliament regularly and in such a manner so that members of Parliament and the nation may be kept abreast of changes that develop in Canadian transportation under the new national transportation policy;

(x) the possibility of parts of Bill C-231 coming into force at various times and in such a way as to upset the fulfilment of the stated objectives of the new transportation policy.

On August 8, 1967, the Board of Transport Commissions for Canada called a conference of interested groups in Winnipeg to discuss procedures with respect to "Hearings to consider railway applications for the abandonment of 'unprotected lines' in western Canada." Again, on behalf of the members of the three Pools, Canadian Co-operative Wheat Producers Limited made a submission.

The document re-emphasized the principles your Board had placed before the Standing Committee of the House of Commons. Further, it stated in greater detail its position with respect to specific items. In conclusion, the statement said:

"This does not appear to the Wheat Pools to be the best time to consider wholesale removal of railway trackage in western Canada unless adequate and efficient alternatives are available for receiving the grain from the farmer, storing it until the market requires its movement and then actually transporting it from Prairie communities to seaboard locations."

Your Board approved membership by Canadian Co-operative Wheat Producers Limited in these organizations:

Private Planning Association of Canada;
Western Canada Conservation and Reclamation Association;
Canadian Council on 4-H Clubs;
Canadian Hunger Foundation; and
Great Lakes Waterways Development Association.

Interprovincial Pool Meetings

The Boards of Directors of the three western Wheat Pools met jointly on two occasions.

Among the recommendations approved by the joint meetings were:

That Canada should increase food and technological aid programs to developing coun-

tries to a minimum of one per cent of the gross national product;

That the International Wheat Agreement should be renewed at substantially higher floor and ceiling prices;

That a producer plebiscite be held to determine support for marketing flax, rye and rapeseed through the Canadian Wheat Board;

That the Government of Canada adopt the two-price system for wheat;

That the initial price paid to producers on all grains should be increased;

That Labor-Management Courts be established to provide for compulsory arbitration in industries of special national importance;

That the statutory Crow's Nest Pass rates on grain be maintained;

That present or lower toll levels be maintained on cargoes using the St. Lawrence Seaway and that the Welland Canal remain toll-free;

That the possible hardships to farmers be taken into account in railway branch line abandonment hearings;

That the organization press for establishment of a grain marketing, research and promotion board to be financed by deductions of 1/10 of one per cent on the value of all grain handled by the Canadian Wheat Board.

The Executive of Canadian Co-operative Wheat Producers Limited was empowered to submit a statement to the Minister of Finance, outlining the views of the three Pools on the report of the Carter Royal Commission on Taxation. (The Executive considered this submission after the close of the year under review.)

Western Agricultural Conference

The Western Agricultural Conference met in Winnipeg on January 20 and 21, 1967. Representatives of the Farm Federations of Manitoba, Saskatchewan and Alberta, the three western Wheat Pools, and the United Grain Growers Limited were in attendance.

Officers elected were: President, W. F. Forrester, Manitoba Farm Bureau; Vice-Presidents, Nelson Malm, Alberta Federation of Agriculture and Vice-President of Alberta Wheat Pool, and E. A. Boden, Saskatchewan Federation of Agriculture and second Vice-President of Saskatchewan Wheat Pool

The meeting considered 42 resolutions submitted by the member organizations. Many of those approved were transmitted to the Canadian Federation for consideration by the national body. Resolutions respecting the International Wheat Agreement, the need for higher grain prices, and calling for Canadian Wheat Board marketing of flax, rye and rapeseed or providing opportunities for a producer-plebiscite on the subject were among those approved and sent along to the Canadian Federation.

Canadian Federation of Agriculture

Representatives of farm organizations from all parts of Canada met in Winnipeg on January 23-25, 1967, in the 31st annual meeting of the Canadian Federation of Agriculture. Recommendations arising from this truly national farm policy conference were presented to the Government of Canada on February 22, 1967. The scope and significance of CFA's annual meeting are suggested in the following review of only a few of the topics presented to the Government.

The presentation declared: "The most crucial and most immediate farm policy objectives of Canadian agriculture at this time are:

- "1. The negotiation of an improved international wheat or cereals agreement at substantially higher price levels, and
- "2. The provision of adequate prices to producers in the dairy industry."

The Federation's brief emphasized that these were not the only areas of agriculture with price and marketing problems and called attention to the intensified efforts of producers of many commodities to improve price and marketing systems.

Another area of immediate concern the Federation said, was to improve agricultural productivity through a system of capital grants to assist the adjustment and technological improvement of farms and through more intensified and better co-ordinated research programs.

It suggested a national conference to review and assess agricultural goals. Focus of such a conference, the brief urged, should be the question of farm income.

The final area of concern presented to the Government had to do with increasing Canada's role in helping to meet the mounting world food crisis. To this end it was suggested that Canada should devote one per cent of its Gross National Product to foreign aid.

Among a great many specific proposals presented to the Government, these are some of special interest to members of the three western Pools:

That the marketing of flax, rye and rapeseed in western Canada should come under the Canadian Wheat Board and that a plebiscite should be held on the question;

That the price of wheat sold for human consumption in Canada should be set at a higher and adequate level;

That the initial price of wheat, oats and barley should be increased;

That changes are required in the marketing, grading and inspection of seeds in Canada;

That winter storage subsidies on western feed grains held in public storage in eastern Canada should be restored;

That the retention of the Crow's Nest Pass freight rate structure as a statutory feature of national agricultural and trade policy is noted with pleasure;

That there should be no increase in tolls on the St. Lawrence Seaway and that the policy of toll-free waterways on a comprehensive basis be re-instituted as a part of national policy;

That in industries of special national importance, a system of arbitration and negotiation is required that would rule out the necessity of strike action.

International Federation of Agricultural Producers

The Executive Committee of IFAP met in Montreal June 5-7 to review the implications for agriculture of the agreements reached during the Kennedy Round of tariff negotiations. The committee welcomed the agreements on wheat and on multilateral sharing of the burdens of food aid programs.

The IFAP committee looked beyond what had been accomplished and invited its member organizations to seek broader international arrangements for more agricultural commodities. It urged an international cereals agreement including "reference to the levels of production required to achieve market balance and price stability." It suggested setting up an International Dairy Council in which producers and governments could work. And it recommended periodic consultation on the situation and outlook in the world meat trade leading to co-ordinated action to ensure orderly development of the world meat industry.

North American members of IFAP renewed the suggestion that regional commodity arrangements concerning trade in certain commodities between Canada, the United States and Mexico, would be desirable.

Agricultural Economics Research Council of Canada

The fifth annual meeting of the Agricultural Economics Research Council of Canada was held in June 1967. Work of the Council is directed by a Board consisting of representatives of the federal and provincial governments, business and industry associated with agriculture and of farm organizations and the national Conference of Canadian Universities. Financial support is derived from each of the groups represented.

Some of the studies now under way as recorded in the Council's annual report are:

The feed grain-livestock economy in Canada concerning factors affecting the supply of feed grain and livestock;

The agricultural labor market in relation to the Canadian labor market;

Structure, formation and financing of capital on Canadian farms;

The economic effects of quotas as applied to agricultural products; and

Implications of the Carter Report to Canadian agriculture.

Grants have been made by the Council to support the following projects, with the work being done by the institution named:

A study of economic growth in agriculture (University of Alberta);

The market effect of production expansion (University of Saskatchewan);

The cost of grain storage on farms (University of Manitoba);

Exports of Canadian oilseeds and oilseed products (University of Manitoba);

Implications of the South Saskatchewan dam on interregional competition in marketing of selected agricultural products (University of Saskatchewan);

Weather cycles and crop production (University of Manitoba);

Criteria for evaluation and allocation of finances by co-operatives (University of Manitoba);

Assembling grain from farm to ports (University of British Columbia).

A number of other studies of particular interest elsewhere in Canada are also under way.

The Council is concerned with co-ordinating research in Canada and has sponsored the development of a Canadian electronic farm record system. The system will enable three research groups already active in the field to pool their efforts in developing a single system applicable to all of Canadian agriculture.

Conclusion

Your Board is gratified to be able to present a report in which so many achievements by grain producers have been recorded. New levels of grain production and marketing were established in 1966-67. Farm income reached a new benchmark and continued buoyant into 1967.

The immediate outlook, however, must be viewed less optimistically. World demand for wheat is showing some uncertainty. There appears to be a lack of confidence among buyers. Recent declines in the price of wheat have been disturbing. And farm prices, though moderately high in relation to past experience, continue to lag behind rising costs.

All of these things point up the continuing tasks that confront organizations representing farmers. The complexity and remoteness of such problems emphasize the need for strong, representative farm organizations to speak on behalf of the individual. To this end, your Board will do its utmost to bring about close co-operation among its member-organizations and to work diligently with other farm groups in the interest of the producer.

Respectfully submitted,

CHAS. W. GIBBINGS	} Executive
W. J. PARKER	
G. L. HARROLD	
E. K. TURNER	
E. A. BODEN	
G. G. JAMIESON	
A. J. MACPHERSON	
N. MALM	
H. B. SNEATH	

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Table 1
GRAIN: ACREAGE, YIELD, PRODUCTION,
CANADA, 1967 and 1966 (September Estimate)

	1967 (September Est.)			1966 (1)		
	Acre- age (millions)	Yield (bush- els)	Prod. (mill- ions)	Acre- age (millions)	Yield (bush- els)	Prod. (mill- ions)
Wheat—	30.1	19.7	593	29.6	27.9	827
Oats—	7.4	40.5	301	7.9	47.3	375
Barley—	8.1	30.5	248	7.4	40.4	301
Rye—	0.7	17.7	13	0.7	23.7	17
Flax—	1.1	9.2	10	1.9	11.5	22
Rapeseed—	1.7	15.4	26.5	1.5	16.9	26

(1) Revised on basis of 1966 Census acreage data
Source: D.B.S. September Forecast Production
Principal Field Crops

Table 2
GRAIN: ACREAGE, YIELD, PRODUCTION,
PRAIRIE PROVINCES, 1967 and 1966
(September Estimate)

	1967 (September Est.)			1966 (1)		
	Acre- age (millions)	Yield (bush- els)	Prod. (mill- ions)	Acre- age (millions)	Yield (bush- els)	Prod. (mill- ions)
Wheat—	29.5	19.4	574	29.1	27.7	807
Oats—	5.0	37.5	191	5.4	47.3	258
Barley—	7.6	30.1	229	7.0	40.4	283
Rye—	0.7	16.9	12	0.6	23.4	15
Flax—	1.0	9.1	10	1.8	11.4	21
Rapeseed—	1.7	15.4	26.5	1.5	16.9	26

(1) Revised on basis of 1966 Census acreage data
Source: D.B.S. September Forecast Production
Principal Field Crops

Table 3
PRODUCER MARKETINGS, PRAIRIE PROVINCES
August 1 to July 31

	10-year Average 1956-57 to 1965-66			
	1966-67	1965-66	1964-65	1963-64
Wheat—	622.7	569.4	524.5	568.6
Oats—	37.1	51.7	41.0	49.7
Barley—	109.8	93.9	75.0	91.9
Rye—	10.6	12.1	7.3	8.0
Flax—	20.1	23.7	16.9	17.4
Rapeseed—	20.4	18.7	10.9	6.8
Total	820.6	769.5	675.6	742.5

Source: D.B.S. Grain Statistics Weekly

Table 4
CARRYOVER STOCKS OF GRAIN IN CANADA
at July 31, 1965-67 and Averages 1957-66
(millions of bushels)

	1967 (1)	1966	1965	Average 1957-66
Wheat.....	573.6	420.1	513.0	545.0
Oats.....	109.6	127.1	130.1	138.1
Barley.....	131.1	97.7	88.8	108.4
Rye.....	8.1	10.5	8.3	7.9
Flax.....	11.8	11.1	7.1	6.5
Total	834.2	666.5	747.3	805.9
On farms.....	356.7	228.3	238.3	306.2
Commercial.....	477.5	438.2	509.0	499.7

(1) Preliminary estimate
Source: D.B.S. Wheat Review, July 1967.

Table 5
CARRYOVER STOCKS OF GRAIN ON FARMS,
PRAIRIE PROVINCES
at July 31, 1967 (Estimated)
(millions of bushels)

	Manitoba	Saskatchewan	Alberta	Total 1967	Total 1966
Wheat—					
Oats—	7	155	40	202	98
Barley—	8	32	25	65	67
Rye—	3	29	31	63	31
Flax—	0.3	1.2	0.7	2.2	2.4
	0.1	1	0.4	1.5	1.9
Total	18.4	218.2	97.1	333.7	200.3
Total 1966...	19.7	111.2	69.4		

Source: D.B.S. Wheat Review July, 1967.

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

	1966-67	1965-66	30-year Average 1936-37 to 1965-66
Wheat.....	482.7	546.0	249.3
Flour.....	34.5 ¹	36.0	42.9
Oats.....	3.8	15.3	25.3
Barley.....	53.1	33.7	37.9
Rye.....	10.0	8.1	6.0
Flaxseed.....	16.6	18.9	7.0
Rapeseed.....	13.8	13.6	2.6
Total.....	614.5	671.6	371.0

¹ Estimated

Source: B. of G.C. 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:	1966-67	1965-66	1964-65	1963-64	1962-63
Pacific.....	181	188	155	172	139
St. Lawrence.....	239	288	151	280	111
Atlantic.....	33	39	34	54	18
Churchill.....	21	25	22	22	22
Lakehead (direct)	9	5	4	7	8

(1) Does not include flour or U.S. Imports

Source: Board of Grain Commissioners Statistics Division

Table 8
EXPORTS OF CANADIAN WHEAT (1)
BY REGION AND SELECTED COUNTRIES
1964 to 1967
(in million bushels)

	1966-67	1965-66	1964-65
WESTERN EUROPE			
West Germany.....	13.0	22.8	20.5
Other E.E.C.....	24.6	25.1	28.4
Total E.E.C.....	37.6	47.9	48.9
United Kingdom.....	67.4	69.9	70.3
Others.....	8.4	14.5	10.8
Total West. Europe	113.4	132.3	130.0
EASTERN EUROPE			
U.S.S.R.....	88.7	198.4	8.8
Poland.....	11.3	13.2	18.8
Others.....	14.5	19.9	51.3
Total East. Europe	114.5	231.5	78.9
AFRICA	11.1	0.9	1.6
ASIA			
China, Communist.....	90.0	77.9	62.3
Japan.....	59.8	49.5	50.1
India.....	41.9	25.9	7.2
Others.....	11.6	6.5	14.6
Total.....	203.3	159.8	133.6
WESTERN HEMISPHERE AND OCEANIA	13.7	21.0	22.3
Total all Countries (1)	456.1	546.7	368.0

(1) Flour not included but including bagged seed

Source: Compiled from Board of Grain Commissioners Exports of Canadian Grain and Wheat Flour

Table 9
EXPORTS OF CANADIAN WHEAT AND FLOUR
BY MAJOR IMPORTERS
1964 to 1967
(millions of bushels)

	1966-67	1965-66	1964-65
U.S.S.R. (Russia).....	93.3	198.4	8.8
China, Communist.....	90.5	74.0	62.4
Britain.....	68.1	69.9	70.4
Japan.....	60.2	49.6	50.1
India.....	42.0	26.0	7.3
Germany, Federal Republic of.....	22.1	22.9	20.5
Belgium and Luxemburg.....	13.9	10.7	15.5
Poland.....	13.8	13.3	18.9
Others.....	78.8	81.2	128.3
Total.....	482.7	546.0	382.2

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, 1964-1966

	1966 (1)	1965	1964
	(in thousand dollars)		
Wheat.....	\$ 779,079	\$ 638,478	\$ 711,897
Wheat, CWB Payments	200,151	271,974	199,744
Oats.....	28,479	24,008	25,341
Oats, CWB Payments..	6,851	4,707	10,673
Barley.....	77,230	74,926	68,788
Barley, CWB Payments	22,218	20,093	14,092
Rye.....	15,039	9,349	7,875
Flaxseed.....	61,633	45,426	58,815
Rapeseed.....	43,838	26,772	17,957
Other Crops.....	51,265	54,274	44,170
Net Cash Advance			
Payments.....	4,667	5,997	12,123
Total Crops.....	\$1,290,450	\$1,176,004	\$1,171,475
Cattle and Calves.....	457,559	385,139	302,666
Hogs.....	141,667	130,940	109,257
Sheep and Lambs.....	3,996	4,250	4,404
Other Livestock and			
Products.....	172,672	170,219	166,089
Total Livestock and			
 Products.....	775,894	690,548	582,416
Other Sources (2).....	24,415	19,360	10,418
Total Cash Receipts.....	2,081,425	1,885,912	1,740,004
Total Canada (3).....	\$4,273,575	\$3,818,281	\$3,499,373

(1) Preliminary

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

(3) Except Newfoundland

Source: D.B.S. Farm Cash Receipts, 1966.

Table 11
TOTAL NET FARM INCOME (1), 1960-1966
(in million dollars)

	Three Prairie Provinces	Canada Ex. New- foundland
1960.....	\$ 638.2	\$1,191.2
1961.....	362.0	935.3
1962.....	886.0	1,491.6
1963.....	931.1	1,495.4
1964.....	727.9	1,280.9
1965.....	941.2	1,565.2
1966.....	1,175.9(2)	1,977.8(2)

(1) Takes account of changes in inventory

(2) Preliminary

Source: D.B.S., Farm Net Income, 1966.

Table 12
PRAIRIE FARM ASSISTANCE ACT
1965-66 Crop Year

	1% Levy	Awards	Payments
Manitoba.....	\$ 1,293,184	2,324	\$ 503,245
Saskatchewan.....	6,315,327	5,019	1,263,305
Alberta.....		14,131	3,323,180
Peace River			
Block and B.C.	2,722,873	166	24,349
Total.....	\$ 10,331,386	21,640	\$ 5,114,080
1939-40 to 1965-66			
	1% Levy	Awards	Payments
Manitoba.....	\$ 24,711,652	160,154	\$ 29,936,729
Saskatchewan.....	101,485,632	850,213	226,876,819
Alberta.....		442,296	99,405,633
British Columbia	48,027,409	8,943	1,713,722
Unallocated.....	4,207	—	—
Total.....	\$174,228,902	1,461,606	\$357,932,904

Source: PFAA Annual Report

Table 13
CROP INSURANCE, PRAIRIE PROVINCES, 1964-67

	Alberta (1)	Manitoba	Saskatchewan
1964-65			
Contracts.....		6,141	2,357
Acreage.....		998,000	463,500
Insurance in			
effect.....		\$13,600,000	\$4,000,000
Farmers' share			
of Premium		\$ 940,700	\$ 289,000
Number of			
Claims.....		583	240
Amount of			
Claims.....		\$ 279,300	\$ 137,800
1965-66			
Contracts.....	1,312	8,610	3,172
Acreage.....	250,000	1,369,600	570,500
Insurance in			
effect.....	\$ 3,139,000	\$18,680,000	\$4,566,000
Farmers' share			
of Premium	\$ 232,000	\$ 1,296,000	\$ 307,000
Number of			
Claims.....	117	791	301
Amount of			
Claims.....	\$ 48,000	\$ 398,800	\$ 123,300
1966-67			
Contracts.....	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 Premium	\$ 802,800	\$ 1,756,500	\$ 803,000
Number of			
Claims.....	455	1,619	160
Amount of			
Claims.....	\$ 315,000	\$ 796,000	\$ 107,978
1967-68 (2)			
Contracts.....	9,892	14,141	8,100
Acreage.....	2,271,000	2,100,000	
Insurance in			
effect.....	\$38,000,000	\$28,000,000	
Farmers' share			
of Premium	\$ 1,934,000	\$ 1,788,000	

(1) Insurance program for Alberta began in 1965-66

(2) Figures cited here are preliminary.

Other figures for Saskatchewan not available when table compiled.

Source: Crop Insurance Boards, three provinces.

Table 14
FARM CREDIT CORPORATION, 1966-67: LOANS
PRAIRIE PROVINCES
(Thousands of Dollars)

Fiscal Year 1966-67			Fiscal Year 1967-68 (to August 31, 1967)	
Province	No.	Amount \$	No.	Amount \$
Alberta.....	2,844	62,409	1,909	43,359
Sask.....	3,656	72,047	2,424	52,396
Manitoba....	1,122	22,160	815	18,386

**ANALYSIS OF THE PURPOSES FOR WHICH
LOANS WERE APPROVED**

Fiscal Year 1966-67
(Thousands of dollars)

Purpose	Alberta \$	Saskatchewan \$	Manitoba \$
Land Purchase.....	34,449	48,631	13,407
Land Debt.....	14,853	16,355	5,119
Improvements.....	7,737	4,107	2,149
Livestock.....	1,186	216	199
Equipment.....	312	216	155
Other Debts.....	2,746	1,441	908
Miscellaneous.....	1,123	1,081	222
Total.....	62,409	72,047	22,160

Table 15
FARM CREDIT CORPORATION LOANS
APPROVED 1962 to 1967

Year	Number	Amount	Average Loan
1962-63.....	7,438	90,924,000	12,220
1963-64.....	8,689	108,009,000	12,430
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

Source: F.C.C. Annual Report—1966-67

Table 16
FARM MACHINERY SYNDICATES CREDIT ACT
LOANS APPROVED 1966-67 AND JANUARY 1,
1965 TO MARCH 31, 1967

Branch	Fiscal Year 1966-67		Total January 1, 1965 to March 31, 1967	
	No.	Amount	No.	Amount
British Columbia	4	\$ 11,700	8	\$ 52,900
Alberta.....	35	298,900	94	828,600
Saskatchewan.....	12	56,900	40	176,300
Manitoba.....	19	72,400	35	135,300
Ontario.....	28	258,400	42	346,800
Quebec.....	26	283,700	40	413,600
Atlantic.....	2	17,700	3	34,200
Total.....	126	999,100	262	1,988,000

Source: F.C.C. Annual Report, 1966-67

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

	Average 1954-59	1965-66	1966-67 (1)
Acres (2).....	426.2	468.4	469.0
Yield (3).....	16.9	18.8	22.2
Production (4).....	7,218.2	8,791.5	10,427.3

- (1) Provisional
- (2) Millions of acres
- (3) Bushels per acre
- (4) Millions of bushels

Source: World Wheat Statistics 1967, International Wheat Council

Table 18
WORLD WHEAT
EXPORTS: WHEAT AND WHEAT FLOUR,
WORLD TOTAL 1954 TO 1966

	BUSHEL (millions)
Average 1954-59.....	1,183.2
Average 1959-64.....	1,665.1
1962-63.....	1,597.3
1963-64.....	2,070.0
1964-65.....	1,880.0
1965-66.....	2,293.3
1966-67 (Est.).....	2,000.0

Source: World Wheat Statistics, 1967; International Wheat Council

Table 19
SUMMARY OF TRADE IN WHEAT AND WHEAT
FLOUR BY MEMBERS OF I.W.A. (1)
1962-63 to 1965-66

	1962-63	1963-64	1964-65	1965-66
Commercial	844.1	1,453.3	1,156.1	1,534.1
Special (2)	708.3	620.2	782.0	785.3
Total	1,552.4	2,073.5	1,938.1	2,319.4

- (1) Includes Trade with non-member countries.
- (2) Includes food aid, sales for foreign currency, etc., approximately one-half of trade under special terms was with non-member countries.

Source: World Wheat Statistics 1967; International Wheat Council.

Table 20
AGRICULTURAL STABILIZATION BOARD
1966-1967

(Summary of dollar value of operations during fiscal year 1966-67 with calculation of net cost of each program.)

Commodity	Program Years	Net Cost or Payment in 1966-67
Butter.....	1960-66	\$ 68,701 (1)
Cheese.....	1964-66	1,347,731 (2)
Pork.....	1959-60	50,799 (3)
Cream and milk.....	1965-66	454,483 (4)
Wool.....	1965-67	647,872 (5)
Eggs.....	1959-65	19,789 (6)
Sugar Beets.....	1965 and 1966	10,150,211 (7)
Dairy Program.....	1966-67	75,915,653 (8)
Total	1966-67	88,655,193

Notes:

1. Represents costs incurred during 1966-67 in payment of subsidy of 59 cents per pound and in liquidation of stocks from previous years, reducing inventory from 5,277,000 pounds at March 31, 1966 to 2,050,000 pounds at March 31, 1967.
2. Cost of purchase and resale of 31,000,000 pounds, some of which was carried over from previous years (1964 and 1965).
3. Costs for storage, transportation and final disposal of stocks from 1959-60. No deficiency payments in 1966-67.
4. Subsidy on milk and cream used for creamery butter at 10.9 cents per pound of butterfat. These expenditures carried over from 1965-66 dairy assistance program.
5. Deficiency payment on 1966-67 program and carryover of \$75,000 from previous programs.
6. Paid on balance of 1965-66 program. No support payment in 1966-67.
7. Deficiency payment on 1965 crop—\$6,843,000. Advances to producers against final estimated deficiency payments on 1966 crop to March 31, 1967—\$3,306,000.
8. Payments to producers under the 1966-67 manufacturing milk and cream price stabilization program to March 31, 1967, including surplus fluid milk.

Source: Annual Report, Agricultural Stabilization Board, 1966-1967.

Table 21
AGRICULTURAL STABILIZATION BOARD
1958-1967

Agricultural Stabilization Board costs to stabilize the prices of commodities during the first nine years of the program, to March 31, 1967, were as follows:

Product	Net Cost of Programs
Butter.....	\$136,473,707
Cheese.....	6,699,609
Dry Skimmilk.....	15,517,250
Casein.....	3,973,099
Milk for Manufacturing.....	155,196,288
Cream for Manufacturing.....	81,128,877
Eggs.....	14,048,273
Hogs.....	74,089,800
Lamb.....	1,702,540
Wool.....	8,732,540
Potatoes.....	1,388,404
Soybeans.....	2,084,627
Sugar Beets.....	23,210,040
Others.....	3,151,405 (1)
Total	\$527,396,455

- (1) This included support paid on: Fowl, tomatoes, apples, peaches, raspberries, asparagus, sunflower seed, honey, and sour cherries.



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