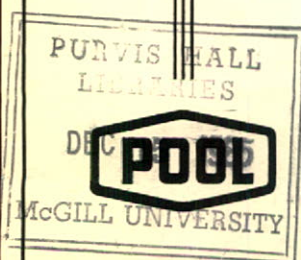


SASKATCHEWAN WHEAT POOL


and subsidiary companies

Regina



41st ANNUAL REPORT
Year Ending July 31,

1965



Aims and Objectives Saskatchewan Wheat Pool

AIM

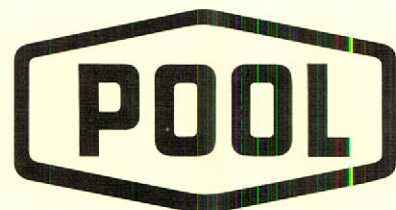
To be a farm organization dedicated to the improvement of the social and economic conditions of Saskatchewan farm families.

OBJECTIVES

1. To maintain a democratic structure which provides a forum for the development and promotion of agricultural policies.
2. To increase general understanding and knowledge of co-operative philosophy and to assist in the development of the Co-operative Movement in all its phases.
3. To maintain a well informed membership through educational and informational programs dealing with all aspects of agricultural production and marketing.
4. To promote and develop markets at adequate prices for the products of Saskatchewan farms.
5. To promote and provide co-operative and other services required by farmers in the production and marketing of agricultural products, thereby reducing speculation, manipulation and waste.
6. To create working conditions and training opportunities in which staff members will be encouraged to grow and develop with the organization.

CREDITS:

Ashley Crippen, Toronto: Page 4.
Cameron, Regina: Pages 2, 17.
Gibson, Saskatoon: Pages 1, 5, 7, 8, 13, 16, 21, 23, 27.
Hillyard, Saskatoon: Page 19.
Kish, Yorkton: Page 24.
Lockwood, Toronto: Front cover.
Macdonald, Saskatoon: Page 3.
Melville-Ness, Saskatoon: Pages 9, 20, back cover.
Ramsay, Regina: Pages 14, 15, 22.





**SASKATCHEWAN
WHEAT POOL**

**41st
ANNUAL REPORT**

for year ended
July 31st
1965

**REGINA
Saskatchewan**





IN MEMORIAM . . .

In this provincial Jubilee Year it is fitting that we pay tribute to those pioneers who built the foundations of the co-operative movement in Saskatchewan, and thereby contributed immeasurably to the growth and development of the province. Among this honored group were a number who served as Pool delegates. Your board records with regret the names of those whose deaths have been reported since the last Annual Meeting.

Mr. Harry T. Busby of Marriott served as delegate for District 11, Sub-District 7, from 1931 to 1940. He was born in England and came to Canada in 1903. He homesteaded at Marriott in 1905. Mr. Busby was reeve of the R.M. of Marriott during the 1930's and active in co-operative work. Following World War II he moved to Vancouver where he died December 29, 1964, at the age of 86 years.

Mr. David Dalglish of Goodwater represented the shareholders of District 1, Sub-District 8 from 1926 to 1928. He was born in Guelph, Ontario and came to Saskatchewan at the turn of the century. Mr. Dalglish died at Victoria one year ago at the age of 92 years.

Mr. R. W. Drysdale of Spring Valley served as delegate in District 6, Sub-District 4, from 1936 to 1960, a period of 25 years. He was born in Glasgow, Scotland and came to Saskatchewan to farm in 1913. He died in June, 1964, at the age of 78 years. Mr. Drysdale was a director of Moose Jaw and Spring Valley Co-operative Associations.

Mr. Anton W. Doyscher of Lake Lenore served as delegate for District 13, Sub-District 11, from 1945 until 1963. He was born in Minnesota and came to the Lake Lenore district in 1903. He became active in Pool affairs in 1924 and was chairman of the Wheat Pool Committee for more than 15 years, and a member of the Board of Lake Lenore Co-operative Association. Mr. Doyscher died at Fort Alberni, B.C., January 15, 1965, at the age of 76 years.

Mr. James H. Grubb of Eston served as delegate for District 11, Sub-District 3 in 1929-30. Mr. Grubb homesteaded in the Snipe Lake district in 1910. Mr. Grubb was secretary of the Snipe Lake Wheat Pool Committee for 22 years. He was president of the Eston Credit Union. He died at Eston, March 12, 1965, at the age of 75 years.

Mr. Carl Rasmussen of Canwood served as delegate for District 15, Sub-District 7, from 1942 to 1951. Mr. Rasmussen was born in Denmark and served in the Danish legislature. He was active in many co-operatives. Mr. Rasmussen died at Nanaimo, B.C., in 1963, at the age of 84 years.

Mr. Carl J. Strayer, 75, of Regina served as Wheat Pool delegate in District 6, Sub-District 6 from 1935 until 1962. He was director for District 6 for two terms during 1956 and 1957. Mr. Strayer died in Winnipeg on February 11, 1965, while attending the annual meeting of Canadian Co-operative Implements Limited, of which he was director and vice-president. At the time of his death, Mr. Strayer was president of Sherwood Co-operative Association and a delegate of Federated Co-operatives Limited. Mr. Strayer was born in Beatrice, Nebraska, and came to Saskatchewan in 1911. He farmed in the Drinkwater area.

P. B. Thompson of Bulyea, an original Wheat Pool delegate and a fieldman for 25 years, died in Regina on October 13, 1964. He was 81. Mr. Thompson was born in Norway and lived in the United States before coming to Bulyea in 1912. In 1924-25, Mr. Thompson was elected delegate to represent what was then District 8, Sub-District 6. He joined the fieldstaff of the Wheat Pool the next year. He was fieldman in District 9 until retirement in 1948. He later joined the Saskatchewan Department of Co-operation and Co-operative Development as assistant deputy minister.





President Chas. W. Gibbins

A MESSAGE FROM THE PRESIDENT

Saskatchewan grain producers are again enjoying one of the best years in the history of prairie agriculture. A near-record crop has been harvested even though the circumstances under which it was taken off were exceedingly difficult. The market outlook for the balance of the present crop year is bright. Our exports of wheat this year will certainly approach and may exceed the record established in 1963-64.

While we all recognize, I am sure, our good fortune in having a good crop coincide with good market prospects, we must all be conscious, too, of the uncertainties about wheat prices which persist. We have only to look back to January 1965 when the price of Canadian wheat dropped by as much as 12 to 20 cents a bushel in a few days to realize how precarious the wheat pricing system is.

This event was a reminder, too, that only the Canadian wheat producer bears the full brunt of price adjustments like this when they occur. Producers elsewhere enjoy price protection through the policies of their governments. The events of last January have demonstrated how urgently we need to improve the machinery by which international price stability is maintained.

A new element of uncertainty is being injected by the new domestic wheat policies being worked out in the United States. The Administration and Congress appear to be committed to a policy of offering wheat on the export market at whatever price it will bring while protecting the farmers' income through subsidies and a high price for wheat consumed at home. If this policy is applied ruthlessly, the interests of the Canadian wheat producers will be severely hurt because the Canadian farmer's price is set in the international market where the U.S. appears to be entering a phase of vigorous competition.

The situation has been a matter of concern throughout the summer. Representatives of the three western Wheat Pools have met representatives of farm organizations in the United States for frank exchanges of views about the international wheat situation. Each side has a better appreciation of the other's problems. Discussions have also taken place between the governments of the two countries. Much will depend on the manner in which the Administration in the United States applies the new wheat and other agricultural programs approved by Congress.

Cost-Price Relationship Obscured by High Sales

The Canadian wheat producer is especially vulnerable to any adverse price changes at the present time, I suggest, because of the steadily rising cost of factors that go into his production. The fact is that the exceptional volume of wheat prairie farmers have been able to sell in the last few years has obscured the real situation in cost-price relationships affecting the grain economy.

Canada has been exporting more than 400,000,000 bushels of wheat a year on the average for the last five years. Deliveries from farm to country elevators have been correspondingly high. This is more than 100,000,000 bushels above the average for the previous five years, that is from 1955 to 1960. And it is 125,000,000 bushels above the 30-year average from 1933 to 1963. It has been this 100,000,000 bushels of extra sales which have disguised the unfavorable cost-price relationship and have provided the measure of prosperity which has overtaken the prairie wheat economy.

We are entitled to assume, I think, that Canada's exports will not fall back to their former level. The world, it appears is committed to an international trade much in excess of that which prevailed even during the 1950's.

But can we assume with equal confidence that the export market will be able to generate a price adequate to meet the rising costs of things western farmers must buy to produce wheat? This does not seem to me likely to happen.



Nature's Bounty
To serve Mankind

It has, indeed, not been happening during the last five years in which world trade in wheat has so rapidly expanded. A very large proportion of the wheat going into export, more particularly that part of it which has been going to feed the hungry and distressed people of the world, has been paid for by others, notably by the people of the United States under Public Law 480 programs. It is unrealistic to expect that the present volume of world wheat trade can be maintained without such assistance.

Canada has been fortunate to find customers able to pay in cash or to provide adequate credits for the extra 100,000,000 bushels of exports. We will undoubtedly continue to sell substantial quantities to these customers. Some of it has been distress buying. We must look elsewhere for new customers if we are to maintain this 400,000,000 bushel average of exports or expand it to keep pace with our expanding productive capacity. And this is where the gap appears between the capacity to pay on the part of potential users of wheat and the needs of Prairie grain producers to meet rising costs.

In the United States the gap between the price the export market can generate and the price required to give producers a reasonable income is made up through subsidies, and concessional sales under Public Law 480. The American consumer pays a price reasonably related to farmers' costs. The United States has what is in effect a two-price system: One geared to the levels of incomes in export markets and one geared to the general level of the United States economy.

"Cheap food" Policy at Expense of Producer

In Canada the consumer is not asked to share any part of the gap through the cost of the food he buys. Our national agricultural policy is aimed at providing cheap food to the Canadian consumer. This may be a sound national policy. But it ought not to be achieved at the expense of the food producer. Yet this is what happens.

Prices paid the Canadian producer are set in highly competitive world markets governed to a considerable extent by low incomes prevailing there. The Canadian consumer reaps the benefits of cheap food. The Canadian consumer spends a smaller proportion of his income on food than he used to, and a smaller proportion than most other consumers.

The relationship which persists between Canadian wheat prices and the costs of things producers buy is one of the major challenges facing farmers and their organizations. If we cannot look to the export market—to the world of hungry people—to pay a price sufficiently high to meet farm costs under conditions of normal sales, then we must look to the government and the people of Canada to help provide a market abroad for enough wheat at an adequate price to meet the producers' costs in the Canadian economy. There is no one else who can.

This does not mean that Canadians must assume the burden of feeding the world in perpetuity. We can, and I believe we should, use our food resources as a tool to help less well developed countries achieve greater productivity. If you give a starving man a fish he may soon be hungry again. But if you teach a starving man to fish, and if you feed him while he's making his lines and fish hooks he may never want again.

This must be our approach to the hungry people of the world. We must help them toward more productive lives so that they can themselves improve their standards. If we and other fortunate people undertake this task and if we pursue it vigorously, we may look forward in confidence to an expanding international economy in which we, along with all other people, may enjoy a happier and more secure future.

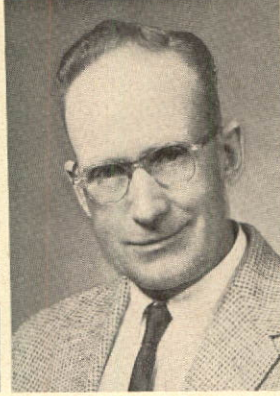
Saskatchewan Pool — Board of Directors 1964-65



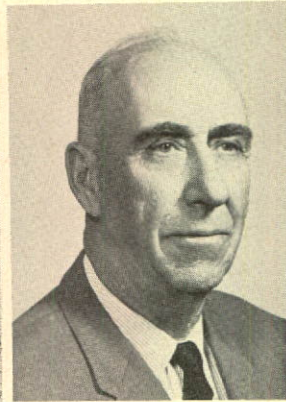
District 1—A. G. Pederson



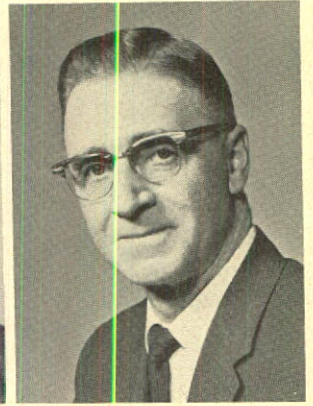
District 2—Clarence McKee



District 3—Gustav C. Anderson



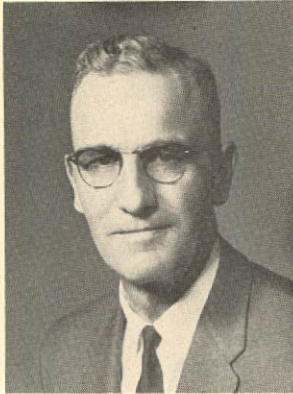
District 4—Walter Melrose



District 5—Allan E. Grigg



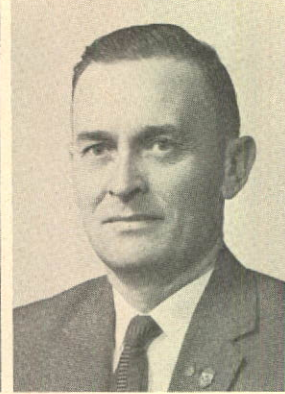
District 6—Jack R. Stilborn



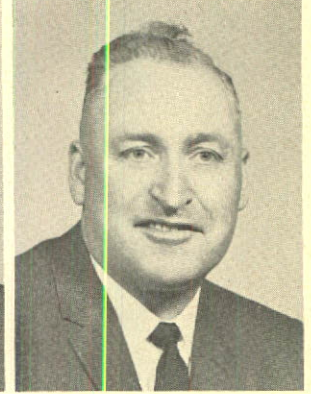
District 7—J. H. Harrison



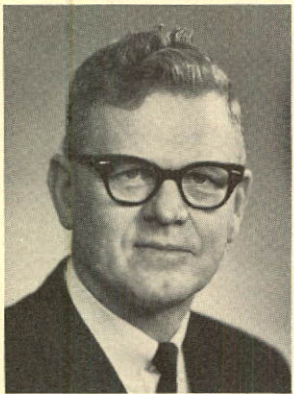
District 8—Elmer J. Sjolie



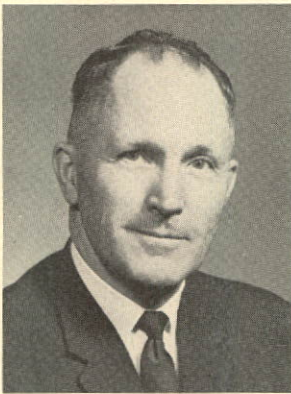
District 9—Hugh F. McLeod



District 10—Donald M. Lockwood



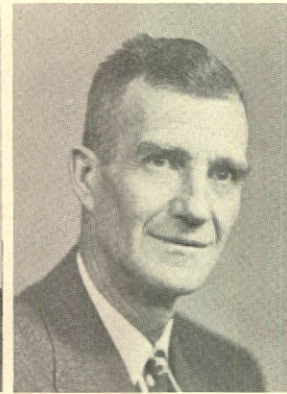
District 11—Chas. W. Gibbings



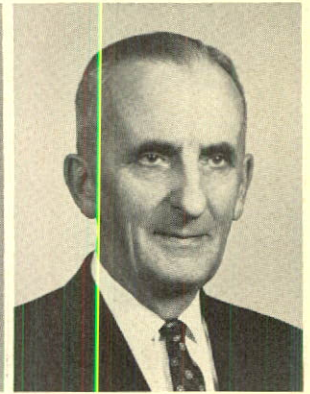
District 12—E. A. Boden



District 13—Stuart M. Smith



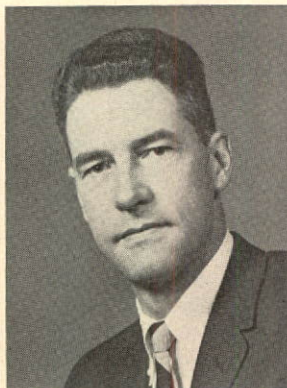
District 14—Wm. McK. Ross



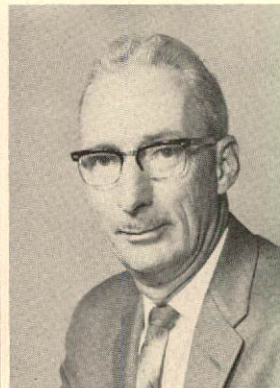
District 15—Louis A. Boileau



District 16—Edward K. Turner



Secretary—I. K. Mumford



Treasurer—E. J. Medhurst



Manager, Elevator Division—
W. J. Ball



Participation in formation of Pool policy can complement the quiet satisfaction a man gets from bringing in a good crop.

The Board of Directors Reports on Pool Policy

In the year in which Saskatchewan marks its 60th anniversary it is well for the membership of Saskatchewan Wheat Pool to reaffirm their principal aim which is to be a farm organization dedicated to the improvement of the social and economic conditions of Saskatchewan farm families. Just a year ago the Pool marked an anniversary of its own and celebrated the completion of 40 years of service to farmers and farming.

In 41 years your Pool has grown from an idea in the minds of a few progressive farmers to an economic and social reality which seeks to work for all farmers. Pool undertakings now are vast and diversified.

The Pool's first marketing concern was grain. The principal Pool objective was to improve methods and reduce costs of marketing, to reduce speculation, manipulation and waste of all unnecessary transactions and to increase consumption, build up new markets and develop new uses for grain.

The Pools began by merchandizing grain in the principal markets of the world. But when farmers found the voluntary Pool could not maintain their position in world grain markets, Pool farmers agitated for and eventually acquired the Canadian Wheat Board.

Support for the Wheat Board remains a

first concern. Wheat Board supervision of both the farmer delivery system and the actual selling function has become the ideal for all world grain producing countries and its continuation and improvement is of vital importance. The Board of Directors will continue to seek extension of Wheat Board jurisdiction to include the marketing of rye, flax and rapeseed.

The Canadian government with the full support of the Pools played a major role in establishing the first International Wheat Agreement in 1949 and Canada remains in full support of continuation of world grain marketing by agreement. The current I. W. A. was to expire July 31, 1965 but has been extended because of international discussions directed to the expansion of agreement principles to the other grain crops. Your Pool supports these informal extensions but remains concerned



Basic objective of the Pool is to help farm families to achieve a more agreeable, secure future.

because the formal renegotiating conference has been postponed.

Your organization has advanced a number of proposals to improve Canada's position in both commercial and non-commercial wheat markets. Constant pressure will be maintained to ensure that governments, grain marketing agencies, farmers and others continue imaginative and vigorous programs to improve Canada's position on the world grain markets.

Many of the same farmers who organized the Pool helped to establish a provincial livestock marketing co-operative. In 1944 the Pool and the livestock co-operative joined forces and your organization has continued the co-operative marketing of cattle, hogs and sheep. Pool agencies handle an increasing percentage of total marketings and now operate at eight locations in Saskatchewan.

Your organization has been concerned for years about improvement in quality, production and marketing of livestock and

in recent years has participated in a number of studies relating to these questions.

Planned to Expand Markets

The Pool established a vegetable oil processing plant in 1947 and a flour mill in 1949, both designed to expand demand for primary farm produce and improve the farmers' opportunity to market crops.

Pool membership can take pride in the work to improve the edibility of rapeseed oil and the acceptance of rapeseed meal as a livestock feedstuff.

Management of your Pool Flour Mill has played an active role in the Canadian milling industry to improve conditions generally and to assist foreign importers to appreciate how to make the best use of Canadian grain in their mills.

The question of the Pool establishing a

meat processing operation has been under study for some time. Your Board of Directors has decided not to undertake processing activities in this direction at the present time.

Your organization is not only a co-operative; it believes in co-operating with others who have similar objectives. The Pool helped to organize the Canadian Federation of Agriculture and the Co-operative Union of Canada and actively supports each nationally as well as the provincial organization. Local producer and consumer co-operative associations, and a variety of provincial, regional and national co-operatives to provide merchandizing credit and financing, insurance and other services are actively supported by Pool membership and officials. Your Board of Directors works in many ways to increase general understanding of co-operative philosophy and to assist in the development of the co-operative movement in all its phases.

Summary of Pool Policy — 1966

A dynamic agricultural industry is constantly begetting and resolving problems. Farmers individually or collectively through their co-operative organizations can attack some of these problems by themselves. Western Canadian farmers have an enviable record of self-help.

But there is another wide range of matters about which farmers can do little by themselves. In this area they must seek rational and progressive governmental policies. As a farm organization, the Pool is non-partisan but through the years it has come to be recognized as an effective critic of government policies and programs and a progressive advocate of change.

Following is a summary of policy declarations put forward by the Board of Directors and approved by delegates of Saskatchewan Wheat Pool in their 41st annual meeting. These questions require special attention in 1966.

1. Establishment of the Canadian Wheat Board on a permanent basis and extension of its jurisdiction to include rye, flax, and rapeseed.
2. Renegotiation of the International Wheat Agreement pending creation of a world cereal agreement.
3. More intensive efforts by government, Canadian Wheat Board and grain

marketing services to retain traditional wheat markets, acquire new markets and promote new uses for Canadian wheat.

4. Government action to maintain and expand the domestic market for prairie feed grains.
5. Support for and use of the services of provincial, national and international Co-operative Unions and Federations of Agriculture to achieve policies in the best interest of farm people.
6. Assistance in the development of the co-operative movement and promotion of more general understanding of co-operative philosophy and practices.
7. Expansion of International trade between Canada and other countries.
8. Adoption of policies to improve the net income position of farmers.
9. Co-operation with other agencies to obtain legislation assuring a rational transportation system serving the needs of western farmers through:
 - (a) Maintenance of statutory Crow's Nest grain rates free of tied subsidy;
 - (b) A new authority with sufficient powers and jurisdiction to effect railway rationalization;
 - (c) Effective rate controls to protect

industries in regions where competition between carriers is limited or non-existent.

10. Protection for the producers' interest with respect to St. Lawrence Seaway tolls.
11. Support for measures to improve quality, production, and marketing of livestock.
12. Improvement by the organization of its information and marketing services to livestock producers.
13. Support for measures to improve use of agricultural land including:
 - (a) Ownership and control of agricultural land by bona fide farmers;
 - (b) Expansion of rehabilitation and conservation programs under PFRA and ARDA;
 - (c) Land redistribution measures to provide farmers with an adequate productive base;
 - (d) Community participation in development of ARDA program: including relocation and retraining needs of rural people.
14. Maintenance of the Saskatchewan Wheat Pool as a responsive and responsible farm co-operative to ensure that its facilities and services meet the needs of its members.



AUDITOR'S REPORT TO SHAREHOLDERS

We have examined the consolidated balance sheet of Saskatchewan Wheat Pool and its subsidiary companies Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Saskatchewan Co-operative Livestock Producers Limited and Modern Press Limited as at 31st July 1965 and obtained all the information and explanations we required. For each company we have made a general review of the accounting procedures and such examination of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the various companies, the accompanying balance sheet is properly drawn up so as to exhibit in consolidated form a true and correct view of the state of the organization's affairs at 31st July 1965 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. In our opinion, all the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

Regina, 24th September 1965.

TOUCHE, ROSS, BAILEY & SMART,
Chartered Accountants.

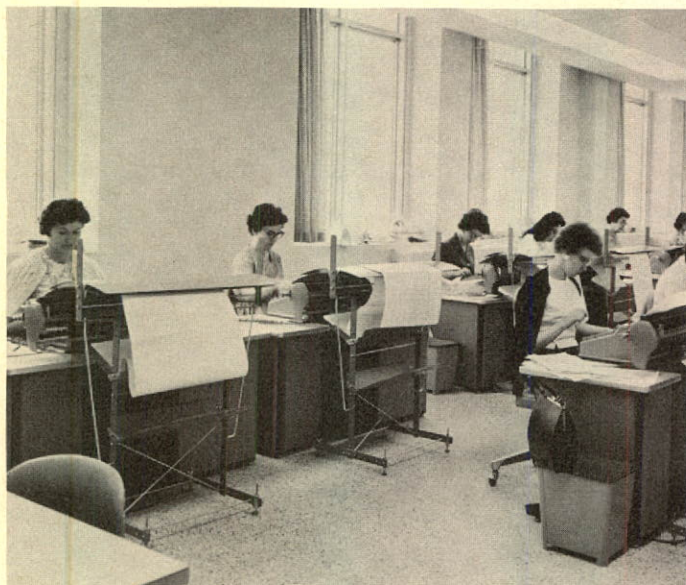
Saskatchewan Wheat Pool

CONSOLIDATED BALANCE

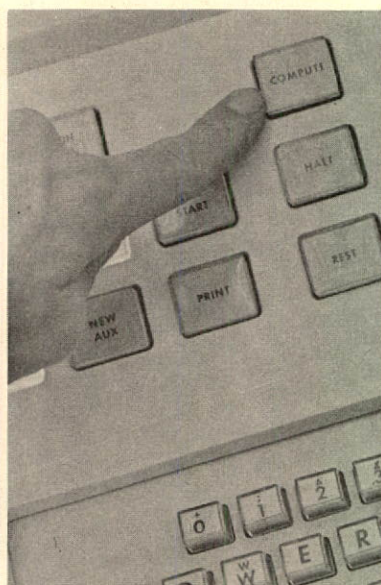
ASSETS	
CASH.....	\$ 9,836,016
ACCOUNTS RECEIVABLE.....	4,040,032
PREPAYMENT ON 1964-1965 INCOME TAXES.....	306,774
STOCKS OF GRAIN.....	98,424,991
STOCK IN TRADE.....	3,495,758
MANUFACTURING SUPPLIES.....	96,562
PREPAID TAXES, INSURANCE AND OTHER EXPENSES.....	647,867
Total Current Assets.....	\$116,848,000
ACCOUNTS RECEIVABLE DEFERRED.....	39,970
INVESTMENTS AND MEMBERSHIPS, at cost.....	5,935,684
FIXED ASSETS, at cost (Note 1)	
Sites, Buildings, Machinery and Equipment.....	\$92,312,097
Less accumulated allowance for depreciation...	58,528,259
	33,783,838
DEFERRED CHARGES	
Stocks of Repair Parts and Supplies.....	269,458
	<u>\$156,876,950</u>

Approved on behalf of the Board
Chas. W. Gibbings, Director
L. A. Boileau, Director

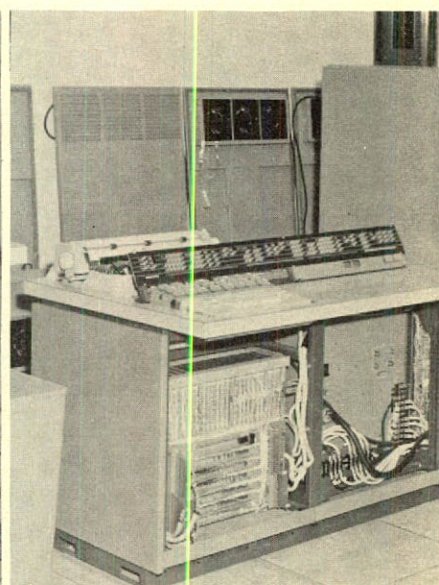
SASKATCHEWAN WHEAT POOL USES MODERN ELECTRONIC



PREPARE TAPES . . .



START . . .



COMPUTE . . .

and Subsidiary Companies

SHEET AT 31 JULY, 1965

NOTES TO CONSOLIDATED BALANCE SHEET

LIABILITIES AND CAPITAL

CHEQUES AND ORDERS OUTSTANDING.....	\$ 29,120,584
BANK LOANS.....	32,180,000
NOTES PAYABLE.....	10,500,000
PROVISION FOR 1965-1966 PURCHASE OF DEDUCTIONS.....	1,194,000
UNALLOCATED SURPLUS 1964-65.....	4,437,761
ACCOUNTS PAYABLE.....	26,951,910

Total Current Liabilities.....\$104,384,255

MORTGAGES PAYABLE.....	395,999
TERMINAL LOAN.....	7,498,958
ELEVATOR DEDUCTIONS.....	21,159,925
COMMERCIAL RESERVE.....	11,402,480
LIVESTOCK EXCESS CHARGES CREDITS.....	107,324

CAPITAL

Authorized

200,000 shares of \$1 each.....\$200,000

Allotted and fully paid, 141,227 shares.....141,227

RESERVE.....11,786,782

COMMITMENTS AND GUARANTIES (Notes 2 to 5).....

\$156,876,950

The notes to the consolidated balance sheet are an integral part of the balance sheet

1. With the exception of certain machinery used by the printing and publishing division on which depreciation was provided for at the rate of 10% per annum for the period in use, provision for depreciation has been made for a full year on all depreciable assets by the diminishing balance method at the rate of 20% on automobiles and at normal maximum rates allowed under income tax regulations on the other assets.

2. As at 31st July 1965 capital commitments totalled \$22,439,000 and included buildings and work under construction, equipment under purchase and an amount of \$4,000,000 representing the balance of the undertaking of the Company to purchase First Mortgage Bonds of Western Co-operative Fertilizers Limited.

3. Under the Improved Retirement Plan there is a liability for past services as valued by actuaries requiring annual payments of \$137,000 to Saskatchewan Wheat Pool Retirement Fund for the next ten years together with annual payments of \$11,600 for approximately four years in respect of hourly employees' past services. As a result of a revision of the Retirement Plans as at 1st January 1964 actuaries estimate that the increased liability for past services will require additional annual payments of approximately \$302,000 for the next eighteen years.

4. There is a liability of undetermined amount in connection with unexpired subscriptions to The Western Producer.

5. There is a continuing guarantee in connection with loans made to livestock feeders by Saskatchewan Co-operative Credit Society Limited and various credit unions.

DIRECTORS' REPORT ON CAPITAL STATEMENTS

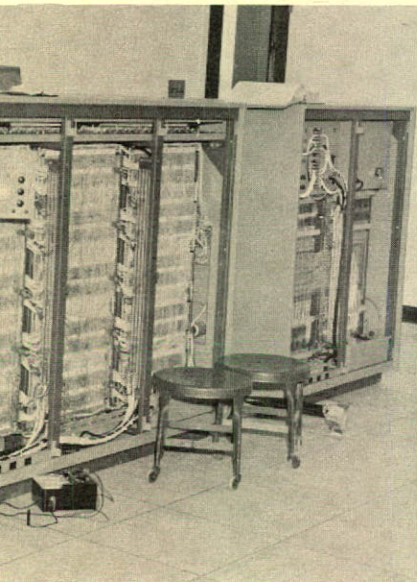
An amount of \$10,007,000 was spent on fixed assets and in the purchase of first mortgage bonds of Western Co-operative Fertilizers Ltd. during 1964-65 and current capital commitments at July 31, 1965 were \$22,439,000. This compares with \$4,240,756 expended and \$9,862,400 committed in the previous year.

A major part of the current commitment is \$15,550,626 for the Vancouver terminal. An amount of \$4,000,000 also remains as the balance of the undertaking to purchase first mortgage bonds of Western Co-op Fertilizers.

The financial report shows the current position for 1965-66 in the amount of \$12,463,745. This is \$9,975,255 less than current capital commitments. These commitments include the cost of the Vancouver terminal much of which will not be payable until 1966-67. If funds generated in the interim are insufficient to meet the outstanding balance of \$9,975,255, the difference will have to be financed by borrowing in the 1956-66 season.



PROCESSES TO SPEED ITS BUSINESS PROCEDURES ...



PRINT

Statement of Combined Operations

OPERATING SURPLUS

The financial result of the combined operations of all divisions of the Pool, as shown in the Auditors' Report, is as follows:

Country Elevator Division—			
Grain.....	\$3,331,389		
Farm Service Department.....	(30,138)	\$3,301,251	
<hr/>			
Terminal Elevator Division.....	2,654,994		
Flour Mill Division.....	(34,835)		
Vegetable Oil Division.....	(322,891)		
Livestock Division.....	195,128		
Printing and Publishing Division—			
Job Printing Department.....	\$ 54,996		
The Western Producer.....	(216,882)	(161,886)	
<hr/>			
Total Operating Surplus.....	\$5,631,761		

ALLOCATION OF SURPLUS

The Board of Directors recommends that surplus earnings for the year ended July 31, 1965 amounting to \$5,631,761 be allocated as follows:

Excess Charges Refund—Season 1964-65.....	\$4,342,500	
Provision for Income Tax—estimated.....	570,000	
Transfer to Reserve Account—estimated.....	719,261	
<hr/>		
Total.....	\$5,631,761	

DISTRIBUTION OF EXCESS CHARGES

The Board recommends that surplus earnings for the year ended July 31, 1965, allocated to Excess Charges Refund and amounting to \$4,342,500, be distributed on deliveries of grain and livestock during the year on the following basis:

1. GRAIN:

- (a) Patronage dividend at the rate of 6/10c per bushel to be credited to members (estimated) \$1,194,000

(Proceeds to be used to purchase equities of members in eligible categories as previously determined by the Board, provided that members whose equities have heretofore been purchased shall be paid their share in cash.)

- (b) Patronage dividend at the rate of 1.5c per bushel to be credited to members and retained as special loan for terminal construction (estimated).....\$2,985,000

(Members whose equities have heretofore been purchased shall be paid their share in cash.)

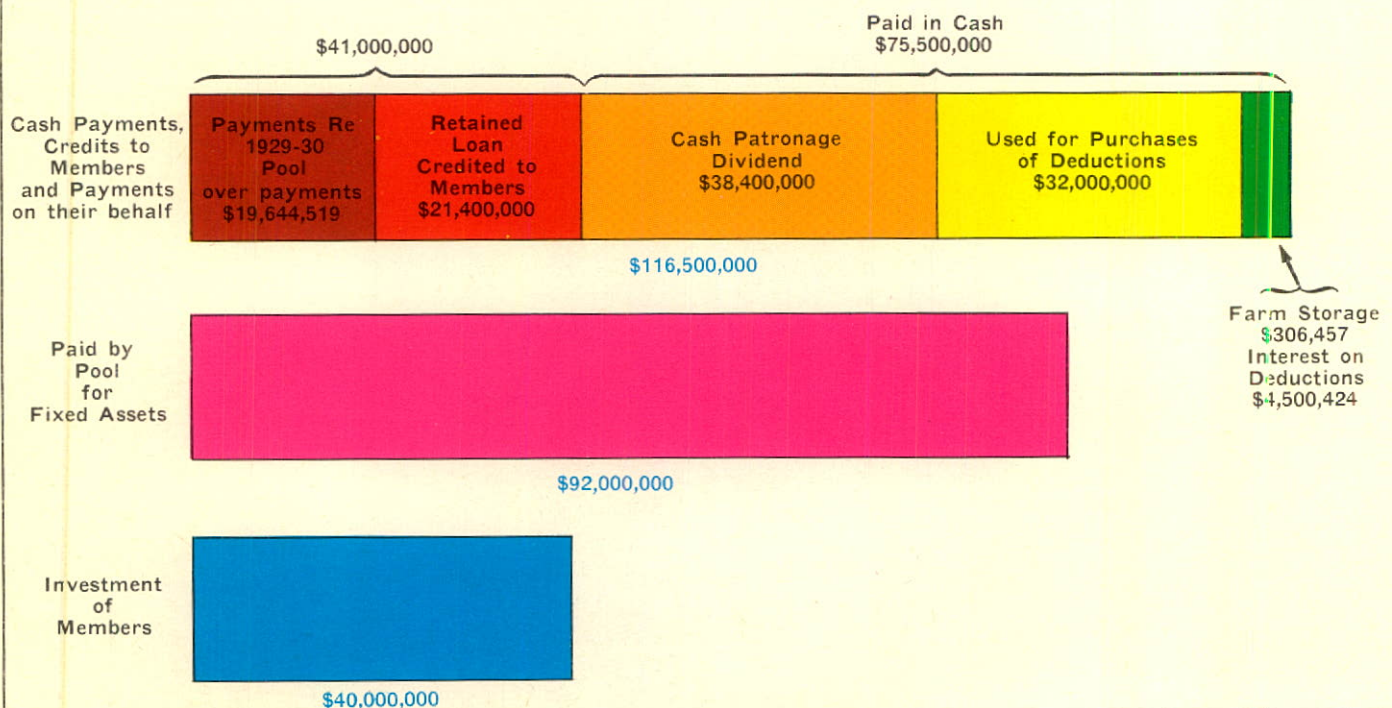
2. LIVESTOCK:

Patronage dividend to be credited to members at following rates per head: Cattle 38c, calves 19c, hogs 9c, sheep-lambs 10c and retained as loan (estimated).....\$ 163,500

(Patronage refund will be paid in cash to members whose equities have heretofore been purchased and to others when retained livestock refund amounts to \$5.00 or more.)

TOTAL.....\$4,342,500

THE FINANCIAL RECORD 1924 — 1965





More than 1200 Pool Country Elevators serve Saskatchewan producers.

Country Elevator Division

Saskatchewan farmers delivered 197-365,000 bushels of all grains to Wheat Pool elevators during 1964-65. This compares to 244,660,000 bushels during the previous crop year. However, the figures for 1964-65 were fourth highest in the 41 year history of the organization.

Pool elevators' share of total grain deliveries in Saskatchewan showed a modest increase during the year. On the basis of preliminary figures for total deliveries, Pool elevators handled 53.99 per cent of the grain marketed in the province compared to 53.52 per cent in the previous year. (See adjoining table for more detailed figures.)

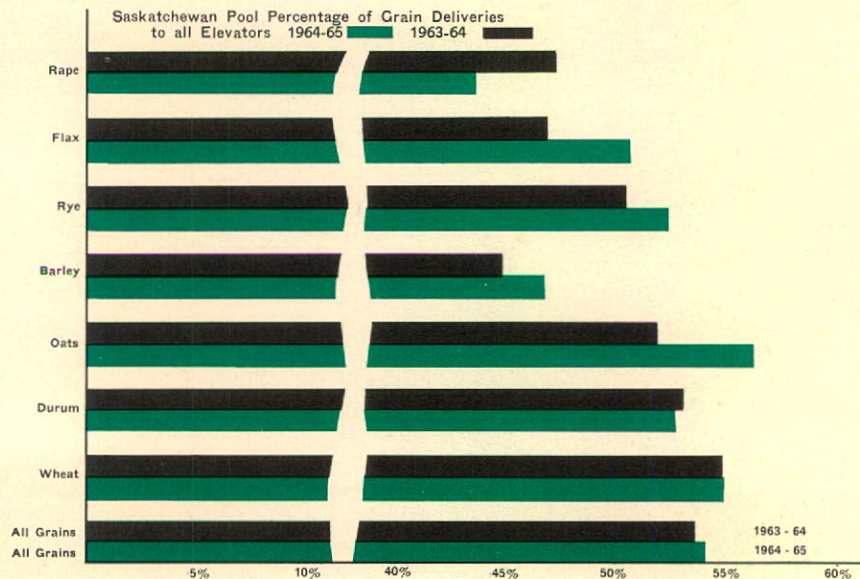
Net earnings of the country elevator division for 1964-65 were \$3,301,000 compared to \$7,964,000 the previous year. Earnings per bushel handled were 1.67 cents in 1964-65 and 3.21 cents in 1963-64. Rising costs in all phases of elevator operation and lower average stocks in store during 1964-65 were major

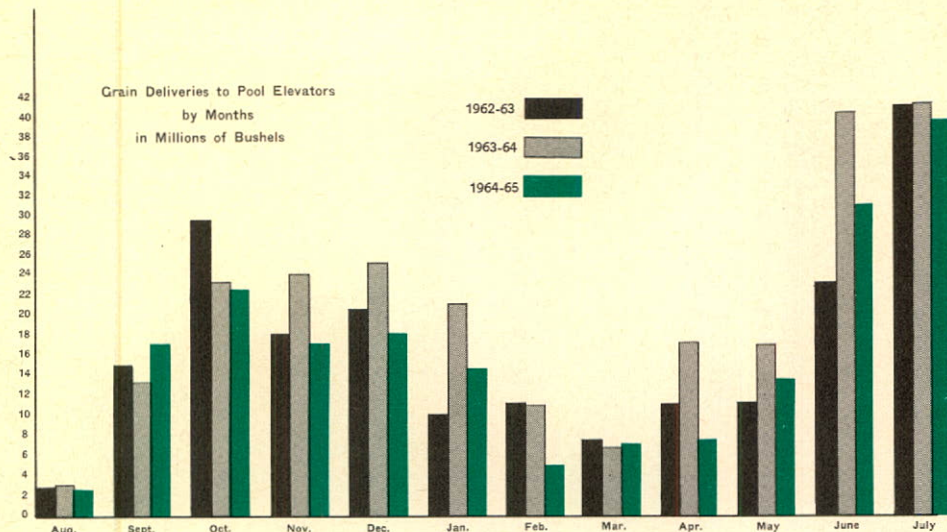
factors responsible for the difference in earnings per bushel.

Deliveries to Country Elevators

While deliveries to country elevators were relatively high during 1964-65, they fluctuated widely from month to month.

(See adjoining chart showing deliveries by month). July deliveries, it will be noted, accounted for 20 per cent of the year's handlings. Less than five per cent of the year's receipts were delivered in each of the months of August, February, March and April. An especially severe winter was a





factor in settling the pattern of the year's deliveries.

During much of the year there was ample space in Saskatchewan Pool elevators for additional deliveries. At the beginning of the season, stocks in store were about 68,000,000 bushels. By mid-October, these had declined to slightly more than 43,000,000. They remained in the range of 45,000,000 to 60,000,000 until late July, 1965, when they rose again to 70,000,000 bushels of all grains.

The daily average stock-in-store of all grains during 1964-65 was 52,979,996 bushels as compared to 64,217,095 the

previous year. Low utilization of country elevator space during a part of the year was a major factor in reducing net earnings per bushel handled during 1964-65. This has caused your board much concern.

Elevator Investment Program

An active program of elevator renovation and maintenance was carried out during the year. Total appropriations for construction, re-construction and repairs to elevators, annexes and dwellings amounted to \$4,630,000. Of this amount \$3,160,000 was allocated to construction of new ele-

vators and annexes and reconstruction and improvement of existing elevators. More than \$1,000,000 was spent on maintenance and repair of elevators. Construction and improvements to agents' dwellings accounted for \$438,000.

Highlight of the year's elevator construction program was the erection of the 170,000 bushel elevator at Moose Jaw. This is the largest country elevator in the Pool system. Eight other new elevators were authorized during the year, one of them at Pelly to replace an elevator destroyed by fire.

When the year's construction program is completed, total capacity of Saskatchewan Pool country elevators and annexes will be 89,700,000 bushels. Capacity at the close of construction in 1964 was 88,400,000 bushels, giving an increase for the year of 1,300,000 bushels.

Improvements to the country elevator system to give better service to producers and to improve operating efficiency included installation of 16 new grain cleaners, transfer of eight other cleaners and installation of 80 car movers.

Your board recognizes the importance of maintaining the country elevator system at peak operating efficiency. It is only in this way that the needs of its farmer-members can be adequately met. It is concerned, however, at the increasing cost

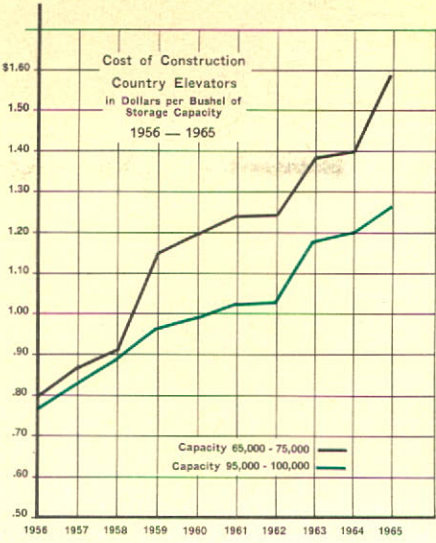


Pool construction crew nears top of Pool's largest country elevator—Moose Jaw 170,000 bushels.

of construction and repair work. The cost per bushel of storage capacity of building a 100,000 bushel elevator has risen more than 60 per cent in the last 10 years and by almost 130 per cent since 1950. Changes in design have improved the efficiency of today's elevators compared to those of 10 or 15 years ago, but the fact remains that increased construction costs must be recovered from the producer in handling and storage charges.

Slightly more than 13,500,000 bushels of grain were cleaned in Saskatchewan Pool elevators during the year. This was a little more than in the previous year.

Malting barley premiums of 5 cents per



bushel were obtained for growers on 2,216,000 bushels of consigned barley. Total premiums amounted to \$110,808.

Quality of the 1964 Canadian wheat crop was somewhat below the previous year. Of 252,700 carlots inspected at all points in Canada, 67 per cent were in the contract grades. Comparative figure for the previous year was 86 per cent.

Average dockage for the year on graded receipt at country elevators was 2.51 per cent. Average dockage on this grain going into terminals was 2.3 per cent or a gain of .21 per cent. Net grade gains amounted to \$163,500 in 1964-65 compared to \$789,000 the previous year.

Farm Service Department of Elevator Division



Weyburn's Pool Farm Service Centre is one of fourteen set up to handle farm supplies and seed more efficiently.

Volume of sales through the Farm Service Department of the Pool's Country Elevator Division increased nearly 20 per cent in its second year of operation. The increase was achieved in spite of a serious shortage of fertilizer throughout the year. Sales of other commodities such as herbicides, seed dressings and insecticides nearly doubled. Total sales through the department amounted to \$4,100,000 compared to \$3,477,000 in 1963-64.

The farm service department was established August 1, 1963, to provide more convenient co-operative service to members of the organization through local Pool elevator agents or at strategically located service centres. During its two years of operation, the department has established 14 Farm Service Centres, 11 of them during

the year under review, and has provided warehouse space near Pool elevators at 205 points throughout the province.

A summary of the volume and value of sales through the department is shown in the adjacent panel. (Table I).

Summary of Sales Volume		1964-65		1963-64	
		Amount	Value	Amount	Value
Fertilizer	(tons).....	5,098	\$ 508,228	22,982	\$1,753,292
Chemicals	(gals).....	263,894	1,557,813	113,763	826,760
Chemicals	(lbs).....	11,581		4,513	
Twine	(bales).....	39,632	347,462	8,340	95,558
Seed Grain	(bus.).....	306,206	978,450	294,988	801,898
Forage Seeds	(lbs.).....	2,981,374	722,277	—	—
Miscellaneous		28,771		—
			<u>\$4,143,001</u>		<u>\$3,477,508</u>

The Farm Service Centres are staffed by a manager and a full time or part time warehouse man. The centres act as regional distribution points serving nearby elevator agents and in their first year of operation have demonstrated their usefulness in providing faster service to producers who buy their farm supplies at Pool elevators. There is also every indication that they will develop a large volume of direct business in the communities in which they are situated.

Forage Seed Section

Saskatchewan Wheat Pool offered forage seed to producers through the forage seed section for the first time in 1964-65. Retail sales amounted to more than 1,000,000 pounds valued at \$276,275.

Total handlings by the section during the year were 3,856,113 pounds. Of this quantity, 2,318,858 bushels were accepted on a pooling basis and the balance was bought outright.

Total sales of forage seed for the year were 2,980,000 pounds of which 1,963,000 was sold at wholesale. Inventory carried into the new year was 874,739 of which 234,190 consisted of Rambler alfalfa from California.

Total sales from the forage pool for the year were valued at \$1,040,000.

Forage seed was offered at retail in convenient units suitable for seeding 5 or 10 acres at recommended ratio. Recommended crops and mixtures were stocked at appropriate Farm Service Centres to be readily available to fill orders through elevator agents or directly to producers.

The volume of seed handled during the year was less than expected because of the poor crop in 1964. It is anticipated the



Forage seed section aids farmers in production of better hay and pasture crops.

large quantities of seed will be distributed as the service becomes better known.

Cereal Seed Section

Total purchases of cereal seed by the section during the year amounted to 414,390 bushels compared to 312,400 the previous year. Sales amounted to 306,000 bushels leaving an inventory of 108,000 to be carried into 1965-66.

The inventory was transferred to next

year's business at market value less 20 per cent to provide for price fluctuations, breakage and spoilage.

Of the 414,000 bushels delivered to the section during the year, seed growers delivered 290,020 on a pooling basis. Growers sold the balance to the section at an outright price.

A comparison of sales of cereal seed in the first two years' operation of the section is shown in the accompanying panel.

Cereal Seed Section

Sales

	1964-65		1963-64	
	Bushels	Value	Bushels	Value
Sales of pooling basis seed	246,784	\$ 720,542	205,503	\$538,378
Sale of outright seed	59,422	257,909	89,485	263,519
Inventory—				
Pooled	44,236	237,687	17,408	32,747
Outright	63,947			
Total	414,389	\$1,216,138	312,396	\$834,644

Technical Services Section

A Technical Services Section was established during the year to provide technical information to operating personnel and to keep abreast of technological changes. Field trials and demonstrations may be undertaken through the section.

The section is responsible for the Pool crop report. It will be responsible for moisture and germination testing service. In 1964-65, 18,400 samples were received for germination tests compared to 10,000 the previous year:

Terminal Elevator Division

The volume of grain handled through Saskatchewan Pool terminals at Vancouver and the Lakehead during 1964-65 was somewhat lower than the previous year, reflecting the general trend of Canadian wheat exports.

Handlings for all Pool terminals were 157,000,000 bushels last year compared to 184,000,000 the year before. Net earnings amounted to \$2,655,000 compared to \$3,000,000 in 1963-64. Net earnings per bushel increased, however, from 1.636 cents in 1963-64 to 1.691 cents last year.

Saskatchewan Pool operates eight terminals at Fort William-Port Arthur with a total capacity of about 36,000,000 bushels. These elevators moved nearly 136,000,000 bushels in 1964-65 compared to 155,000,000 the previous year. At Vancouver, where the Pool operates one terminal of 1,650,000 bushels capacity, handlings declined from 29,000,000 to 21,000,000 during the year. Part of the reduction was the result of a strike during the latter part of the crop year and part

of it was the result of lower grain movements through the West Coast port.

Pool terminals handled 35.57 per cent of all grain moving through the Lakehead during the year. This was a slight increase over the previous year's experience. At Vancouver, the Pool's share of the handlings declined from 13.34 per cent in 1963-64 to 11.79 per cent last year. Much of the effort at the Vancouver Pool terminal during the year was directed to the movement of durum wheat for Mainland China.

Large amounts of grain reached both Lakehead and West Coast terminals out of condition. At Vancouver, the Pool terminals dried 10,800 bushels of damp grain and 1,800,000 bushels of tough. At the Lakehead, the division's terminals dried 680,000 bushels of damp and 11,000,000 bushels of tough grain during the year.

During the year, the export department of the country elevator division was closed. Export business is now being handled by the terminal division.

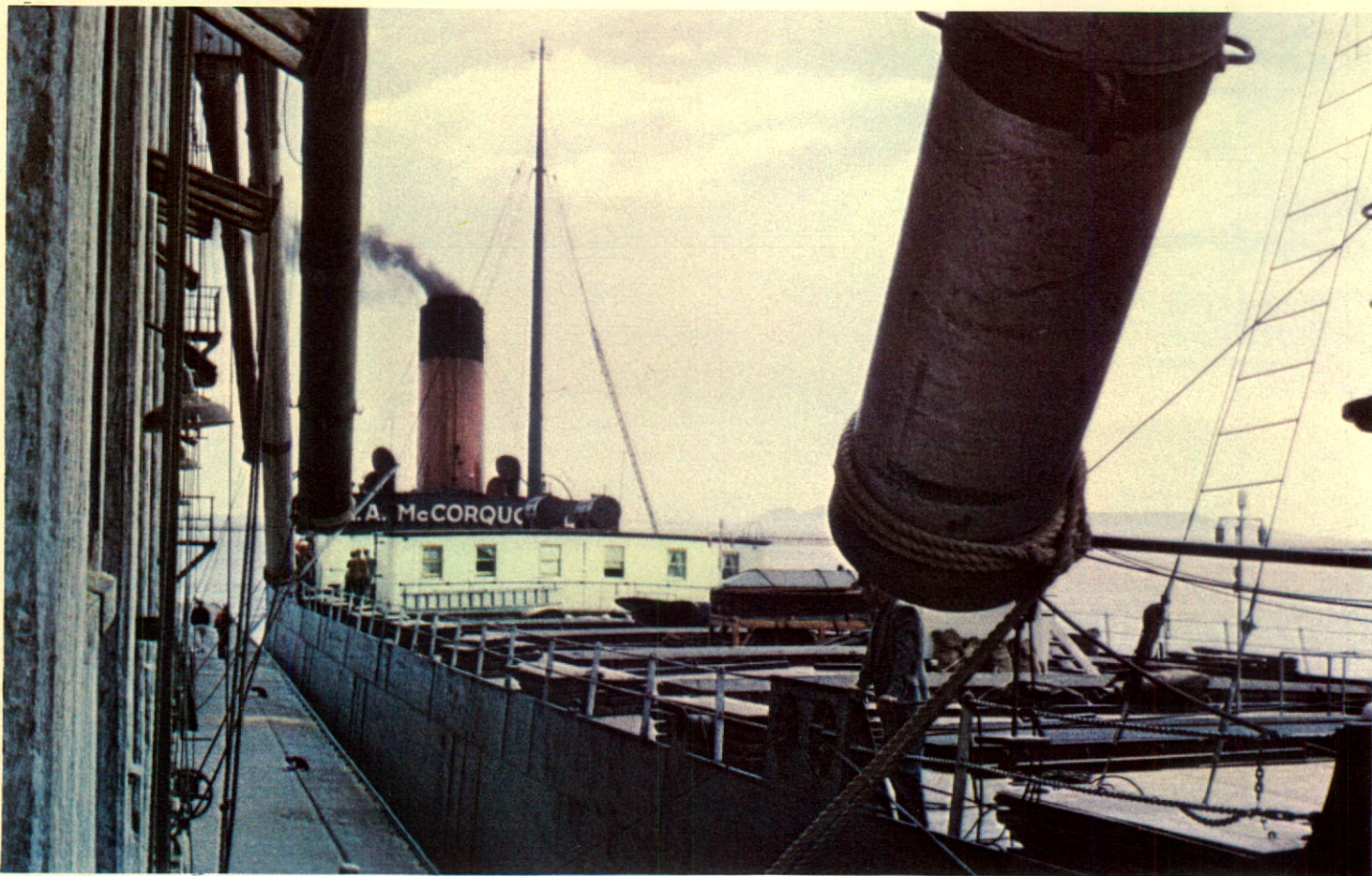
New Vancouver Terminal

The importance of the West Coast as an outlet for Canadian wheat was confirmed during the year. Shipments to China and other markets bordering on the Pacific continued high.

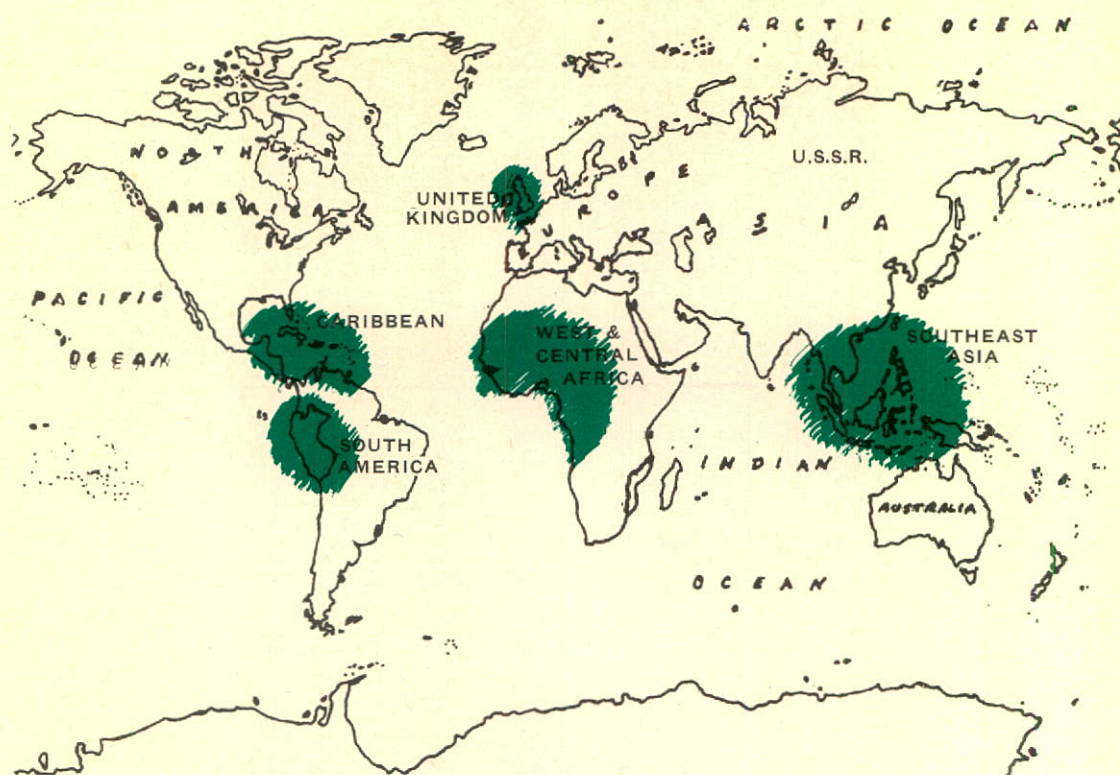
Site of the Pool's 5,500,000 bushel elevator in North Vancouver became available in early summer. Preliminary work clearing the site was started in June. Crews began putting down piles for the new elevator early in July and soon after two shifts were employed to speed the project. It is expected that tenders will be called for construction of workhouse and annexes by the end of November and construction of this will be underway by February 15, 1966. Target date for completion of the project is June 15, 1967.

The elevator will be equipped with the most modern machinery available. Much of the equipment for handling grain will be automated to achieve maximum efficiency. Total cost of this project is expected to be \$15,750,000.

Pool terminals are tuned to meet Canada's huge export commitments.



Industrial Division — Flour Mill



Flour from farmer-owned mill in Saskatchewan goes to many markets around the world.
(Pool export markets are shown in color.)

The Canadian milling industry faced sharp adjustments in its production early in 1964-65 following completion of the large flour export to Russia the previous year. The cut-back affected western Canadian mills more severely than others because much of the previous year's shipments to Russia had been made from Pacific ports.

The situation was aggravated by continued decline in the demand from Far Eastern and Central American markets as a result of further industrialization in these areas. In consequence, western mills fared badly during the year.

Canadian exports of flour to the United Kingdom also declined during the year. Up to June 30, exports to the United Kingdom were 600,000 hundredweight below the previous year.

Declines in the export market brought about increasing competition in the domestic flour market keeping competitive prices keen throughout the year.

Saskatchewan Pool flour mill faced these adverse market conditions along with other mills. Operating time at the Pool mill in 1964-65 was about 75 per cent of the possible operating time. Pro-

duction was about 30 per cent less than the record previous year.

Sales of all grades of flour in domestic market showed an encouraging increase during the year. Sale of mill feeds was reduced because of the lower volume of wheat processed during the year compared to 1963-64.

The reduced milling time gave the staff an opportunity to carry out essential maintenance work which had been postponed because of exceptional activity in the previous year. Several improvements including the installation of a 50-ton hydraulic truck dumper were carried out.

One of the major renewal jobs undertaken at the mill during the year was restoration and repainting of the concrete walls of the mill and the vegetable oil plant. About 90 per cent of the work was finished at July 31, 1965.

Mill operations resulted in a deficit of \$34,800 during the year. Last year under the stimulus of the large sale of flour to Russia, the mill showed a surplus of \$296,000.

Flour Exports Barriers

Continued decline in Canadian export

markets is causing considerable anxiety in the milling industry. One of the major factors in the decline is the spread of industrialization in newly-developing countries. In Central America, for example, both Panama and Nicaragua have sufficient milling capacity for their own requirements. These markets can now be considered closed to Canadian flour exports. In the Far East, Thailand and Malaysia have restricted flour imports and it is expected that these markets will disappear within two years.

The situation in the United Kingdom is also causing concern. Canada's exports of basic flour dropped sharply during the year under review. Some of the decline was apparently occasioned by changes in baking procedures which allow bakeries to be less dependent on high protein flours. This may ultimately have implications not only for the sale of Canadian flour but for Canadian wheat as well in the United Kingdom.

A bright spot in the export market is Africa. Pool flour sales in Africa increased nearly 60 per cent during the year. Special attention will be devoted to this market during the coming year.

Industrial Division — Vegetable Oil Processing

Operating results at the vegetable oil plant during 1964-65 were disappointing. Throughout most of the year the heavy export demand for rapeseed increased the price of seed to a point where it was not economical to process rape at prevailing prices for oil in the Canadian markets.

As a result, operations at the plant were reduced to the point where they would meet sales commitments entered into early in the year. No new sales were made after mid-December when it became clear that the price of oil would not cover the cost of seed at export prices.

The net result of the year's operation was a loss of about \$323,000 as compared to a loss of \$384,000 sustained the previous year.

Purchase of rapeseed will in 1965-66 be made on another basis. A cost analysis of the plant's operation has been undertaken to provide a more accurate assessment of its operating potential.

Because of the unfavorable relation between the price of rapeseed and the price of oil, the plant was operated 196 days in 1964-65 compared to 250 days the previous year. Of the 196 operating days, 35 days were spent on processing flax and 161 on rapeseed.

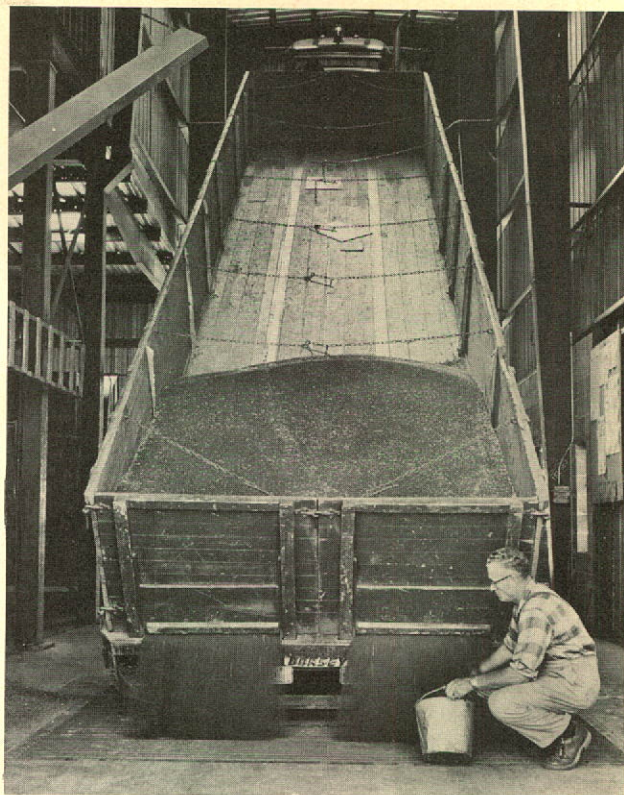
Processing of flax amounted to 98,400 bushels compared to 90,000 the previous year. Processing of rape seed accounted for 582,000 bushels compared to 784,000 in 1963-64.

Sales of linseed oil during the year under review were about 1,680,000 pounds compared to 1,910,000 the year before. Stocks of oil on hand at the end of the year were 550,000 pounds, up about 280,000 pounds from the year before.

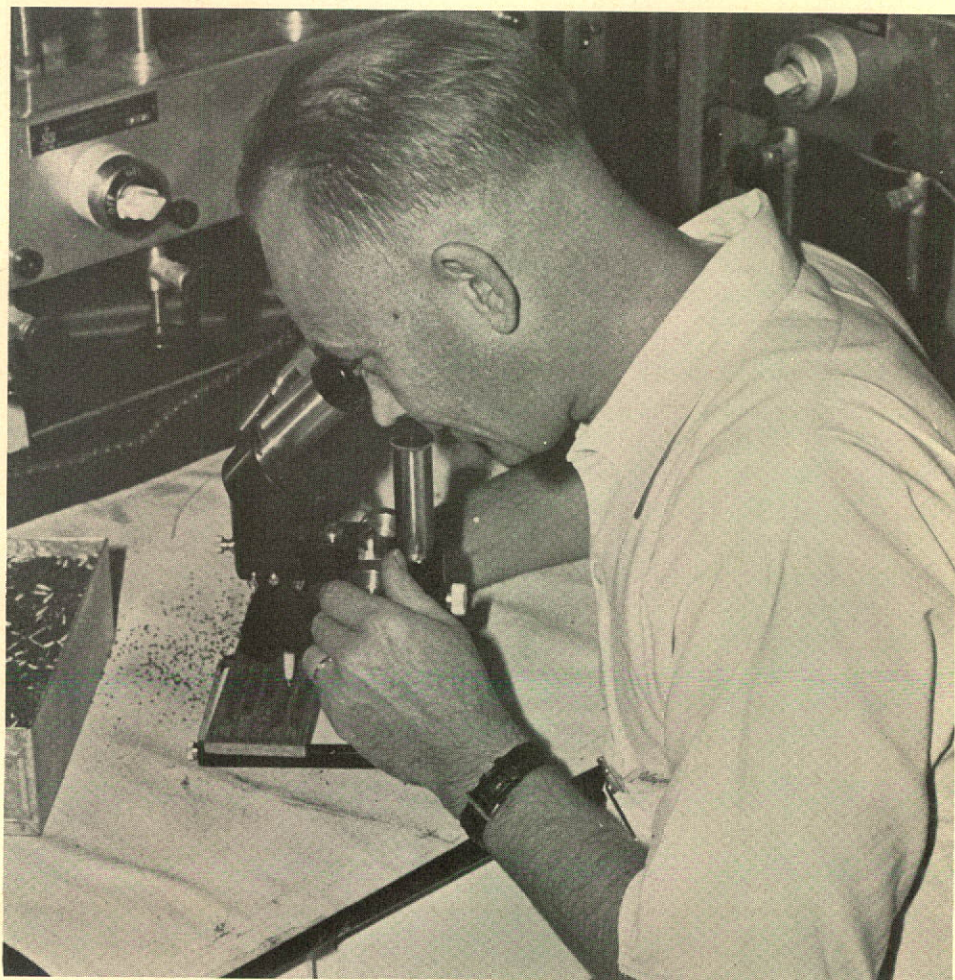
Sales of rapeseed oil in 1964-65 were nearly 11,000,000 pounds compared to 14,000,000 the previous year. Stocks of oil at the end of the year were 730,000 pounds compared to more than 1,100,000 in 1963-64.

The elevator at the vegetable oil plant took in more than 860,000 bushels of grain during the year. Of this amount, 522,000 bushels came direct from farms and the balance was received in carlots. Farm deliveries of rape seed amounted to 475,000 bushels.

Vegetable Oils: Rapeseed is delivered to the processing plant elevator;



Chemist examines rape seed through binocular microscope.



Printing, Publishing Division

An outstanding new area of service to Western Producer readers was inaugurated February 11, 1965, with the publication of its first full-color magazine insert. No single innovation in the history of the newspaper has brought as much favorable response from its readers.

Introduction of full-color reproduction to The Western Producer greatly increases the newspaper's opportunities for effective communication with farm people. The excellent quality of the color process promises a most useful extension of the service to the western farm audience.

The Western Producer continued throughout the year to place prime emphasis in its general news columns on topics of special interest to western farm people. Such subjects as rail rationalization, discussions of the proposed Eastern Feed Grain Agency, the break in wheat prices which occurred early in 1965 and the question of aid to underdeveloped countries received detailed attention.

News about agriculture and the co-operative movement have always received special attention in the columns of The Producer. This year a special effort was made to publish news of the world "out-reach" of the co-operative movement.

Western Producer Insurance Service

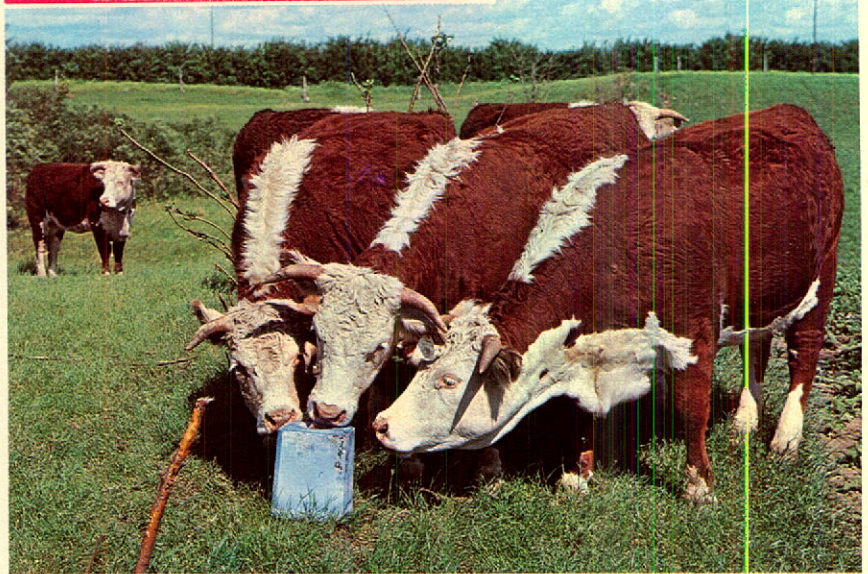
Total claims paid by the insurance service since it was started in 1958 amount to more than \$902,000. This has provided economical insurance protection to readers in convenient manner.

Returns from the operation of the service showed a considerable improvement over the previous year, in spite of the fact that new policy sales declined 40 per cent in Saskatchewan and more than 55 per cent in Alberta.

Advertising Shows Upward Trend

The number of lines of advertising carried by The Western Producer and the revenue from this source were higher than in previous years. Income from advertising was about \$469,000 or nearly \$27,000

WP Photocolor Section



"SALT BREAK"

—Western Producer Photos by T. R. Melville-Ness

Let's Be Better Conservationists

by T. R. Melville-Ness

THERE was a time when only a few people worried about how Prairie lands were used. There seemed to be so much land. It didn't matter that it took 30 or more acres of grass to feed a cow, or an acre to produce, year in, year out, 15 bushels or less of wheat. Markets were limited and there was a tendency to "think small." Better farming methods, better land use would only mean lower prices and bigger unmarketable surpluses. The technical know-how was there, but there seemed to be little point in putting it to use just to store grain in farm granaries, or produce more cattle to break the market and head for bankruptcy.

There has lately been a change in thinking, not only on the part of the experts, but also on the part of the farmer. At home, a steadily advancing standard of living means that more people are eating bigger quantities of more expensive foods, such as beef. On the world scene, some of the old barriers are being broken down, and the "have" nations are finding ways to distribute more food to those who lack it.

It's an agonizingly slow process, but if one examines what has happened in the past 10 years, there's no question about progress hav-

ing been made. Not enough, but enough to suggest that our hearing has improved to the point that we do hear, faintly, the voices of people in want, and that we are beginning to feel at least a few pangs of conscience.

All of which leads to a situation in which more and more people are asking: Can we meet the challenge—can we produce enough food to meet the need that, it is predicted, will place an almost unbelievable burden on farm production not too many years hence?

We have pretty well run out of land resources. Perhaps there are a few thousand acres on the outer fringes of present Prairie settlement that can be brought into production, but the area would be insignificant in the face of new needs. The obvious answer is to make the most of each acre now under cultivation, and that is what many experts are saying.

They are questioning the overstocking of range lands and encouraging attempts to improve native pastures. They are suggesting that some practices—summerfallow for instance—are wasteful and unnecessary. They are promoting new crops and new techniques that are de-

signed to improve production. And the suggestions of the experts are being picked up by some farmers, perhaps faster than ever before in the history of agriculture in this country. Scientific advancement is such that it is now theoretically possible to make every acre on every farm more productive.

The question is, are present incentives enough to inspire every farmer to get the most out of every one of his acres? Perhaps the answer still must be no; the time for unlimited, uninhibited farm production has not yet arrived. Many of the problems of distribution remain to be solved, and perhaps the pressures of population have not yet reached the stage when the needs of others weigh heavily enough on our conscience.

But surely the time is close enough when this will happen. The time is now when we ought to be looking hard at every means of improving the conservation and use of the acres we have. Sooner than we think, we may face a brand new situation; the need for food in volume beyond all imagining. Can we hope to meet the situation without adequate planning and preparation?

Front page of The Western Producer's New full-color magazine supplement opens new opportunities for effective communication with readers.

higher than in 1963-64. Space purchased by eastern Canadian and United States accounts increased sufficiently to offset a slight decline in purchases by western advertisers. The new color section carried more than 10 pages of advertising.

Prairie Books department published two new books: "Hoofprints and Hitching Posts" and "Unbind the Sheaves". Sales were 5,473 books of all titles compared to 3,800 the previous year. Pride of the Prairies calendar also established a new sales record.

Commercial Printing Department

New equipment installed in the commercial printing department of the division during the year added significantly to the

capacity of the plant and kept it in a position where it could compete for all classes of work. Temporary difficulties were experienced during the year as a result of the introduction of new equipment and shortages of qualified craftsmen.

Commercial printing sales at \$934,000 were 4.2 per cent below the previous year. This was partially offset by the increased value of work in progress at the year end. Surplus on operations for 1964-65 amounted to \$55,000.

A loss of nearly \$217,000 was experienced in Western Producer operations for the year. The loss on combined operations was \$162,000 compared to \$95,000 in 1963-64.



The livestock industry in Saskatchewan is playing a larger role in farm production planning. Cattle population now exceeds 2,300,000.

Saskatchewan's livestock industry enjoyed a good year in 1964-65. The Pool's Livestock Division kept pace by establishing a number of new records.

The number of cattle and calves on Saskatchewan farms reached a new high

—2,340,000—during the year. Cattle sales climbed from 655,000 to nearly 812,000 head.

Marketings through the Livestock Division also reached new records both in the numbers sold and the percentage of total

marketings handled. Surplus earnings for the division at July 31, 1965 were \$195,000 compared to last year's surplus of \$85,600.

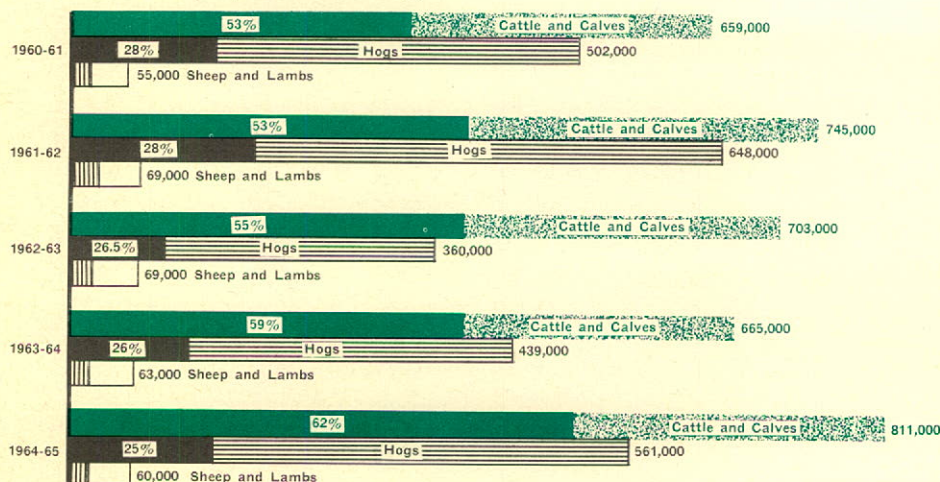
The number of cattle and calves sold through the Pool rose from 393,000 in 1963-64 to more than 500,000 in the year just closed. This was an increase of 27 percent while provincial cattle sales went up only 24 percent. The division handled 61.63 percent of all the cattle and calves offered for sale in the province. This was the highest percentage of co-operative sales on record. The division's share of the market the previous year was 59.12.

Provincial hog marketings showed a 28 percent increase in 1964-65 over the previous year and amounted to 561,000 animals. Co-operative marketings through the Livestock Division rose from 115,000 the previous year to 140,000 in 1964-65. This was an increase of 22 percent. In spite of the increase, however, the division's share of total Saskatchewan hog marketings dropped from 26.23 to 25.01 percent.

The number of sheep and lambs sold in

SASKATCHEWAN LIVESTOCK MARKETINGS

percent through Livestock Division
shown by solid portions
(Sheep and Lambs—35 to 38%)



the province in 1964-65 declined from 63,000 to 60,000 and the number handled through the division from 23,000 to 21,000. Percentage handled co-operatively was 35.43. (Details of marketings during the last five years are shown in chart on Page 21.)

The division operates its own yards at Regina, Moose Jaw, Swift Current, North Battleford and Yorkton. It has sales agencies on the yards at Saskatoon, Prince Albert and Lloydminster. Livestock shippers serve a number of points in the province.

Market Stabilization Aids Producers

The Livestock Division continued its policy of supporting the prices of all grades of cattle, hogs and sheep at all Saskatchewan markets during the year. This policy has had the effect of maintaining reasonably uniform price levels at all the markets. The Livestock Division is in a position to offer this kind of service to the producer because it is organized on a province-wide basis and because it is owned by the producers themselves.

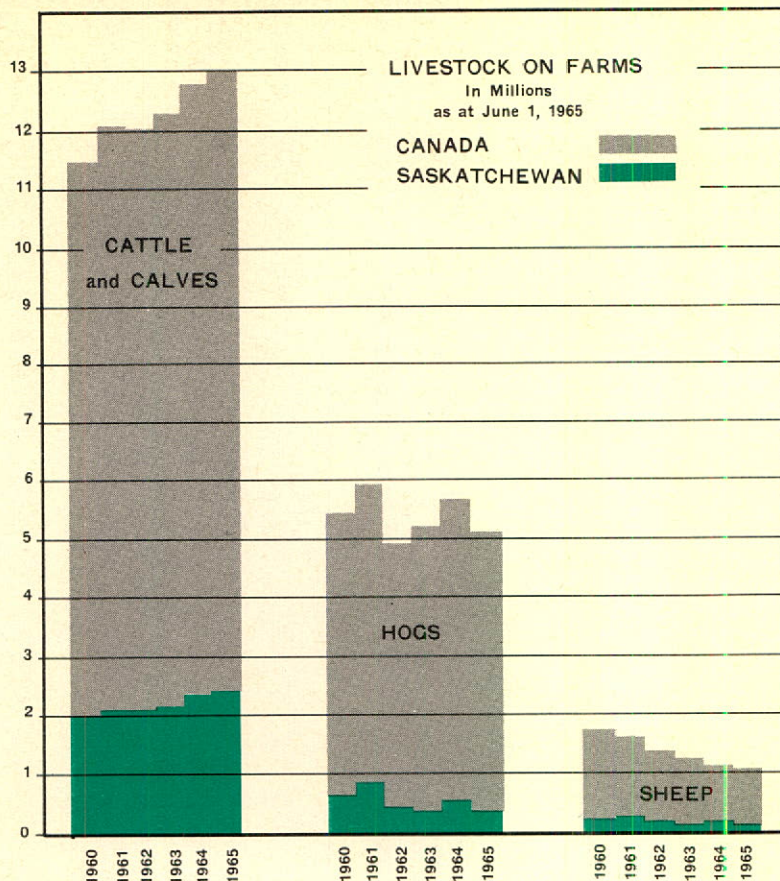
An example of this kind of service occurred in the fall of 1964. The dry summer with its consequent shortage of feed and fodder in some parts of the province resulted in large numbers of cattle coming on the market in early fall. The division continued to buy cattle when other buyers appeared to be reluctant to make offers.

By making use of market outlets in Eastern Canada and the United States, the division was able to pool its purchases and move them to other markets. It is estimated that this pooling operation may have saved Saskatchewan producers from \$400,000 to \$500,000 in an eight to ten week period. The pooling operation involved purchase of about 75,000 head of livestock at a cost of \$56,800 or about 76 cents per head.

Services Expanded, Improved

The Livestock Division undertook a major expansion of its service during the year and improved a number of its facilities.

Following a fire which severely damaged the yards owned by Southern Saskatchewan Co-operative Livestock Yards at Moose Jaw, the division made an offer to purchase the pioneer stockyards organization. This offer was accepted and the Pool took over the operation of the Moose Jaw yard early in the year under



review. Facilities were rebuilt and the new yard opened August 25, 1965.

Feeding Co-operatives

Thirty-three feeding co-operatives were active at July 31 with about 13,900 head of cattle on feed. A year ago the number was 16,430. A new association was formed at Churchbridge-Langenburg during the year. Associations at Somme and Laird dissolved in 1964-65.

Saskatchewan Co-operative Credit Society reported \$1,327,000 on loan to associations at July 31, 1965, compared to \$1,750,000 the year before. Saskatchewan Wheat Pool guarantees 25 per cent of any losses sustained by the Credit Society on loans to feeder co-operatives.

Insurance claims were paid on 524 head or 4.07 percent of the number of cattle purchased during the year. Percentage of loss the previous year was 2.33 percent. The compulsory insurance feature of the program was terminated at July 31, 1965.

Canadian Livestock Co-operative (Western) Limited

During the year under review, Canadian Livestock Co-operative (Western) Ltd. handled nearly 354,000 head of livestock of all classes. Of these 114,500 originated in Saskatchewan and more than 212,000 in Manitoba.

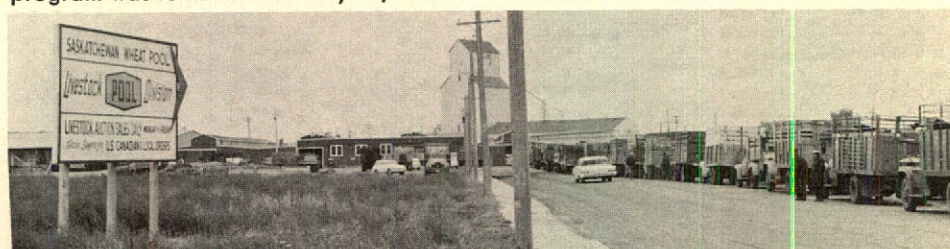
Gross value of livestock handled by C.L.C.W. Ltd. was \$34,600,000 compared to \$33,000,000 the previous year.

Canadian Livestock Co-operative handlings expressed as a percentage of total handlings at St. Boniface for the year were:

	Cattle	Calves	Sheep Lambs
1965.....	59.65%	32.92%	76.57%
1964.....	58.09%	30.00%	76.07%

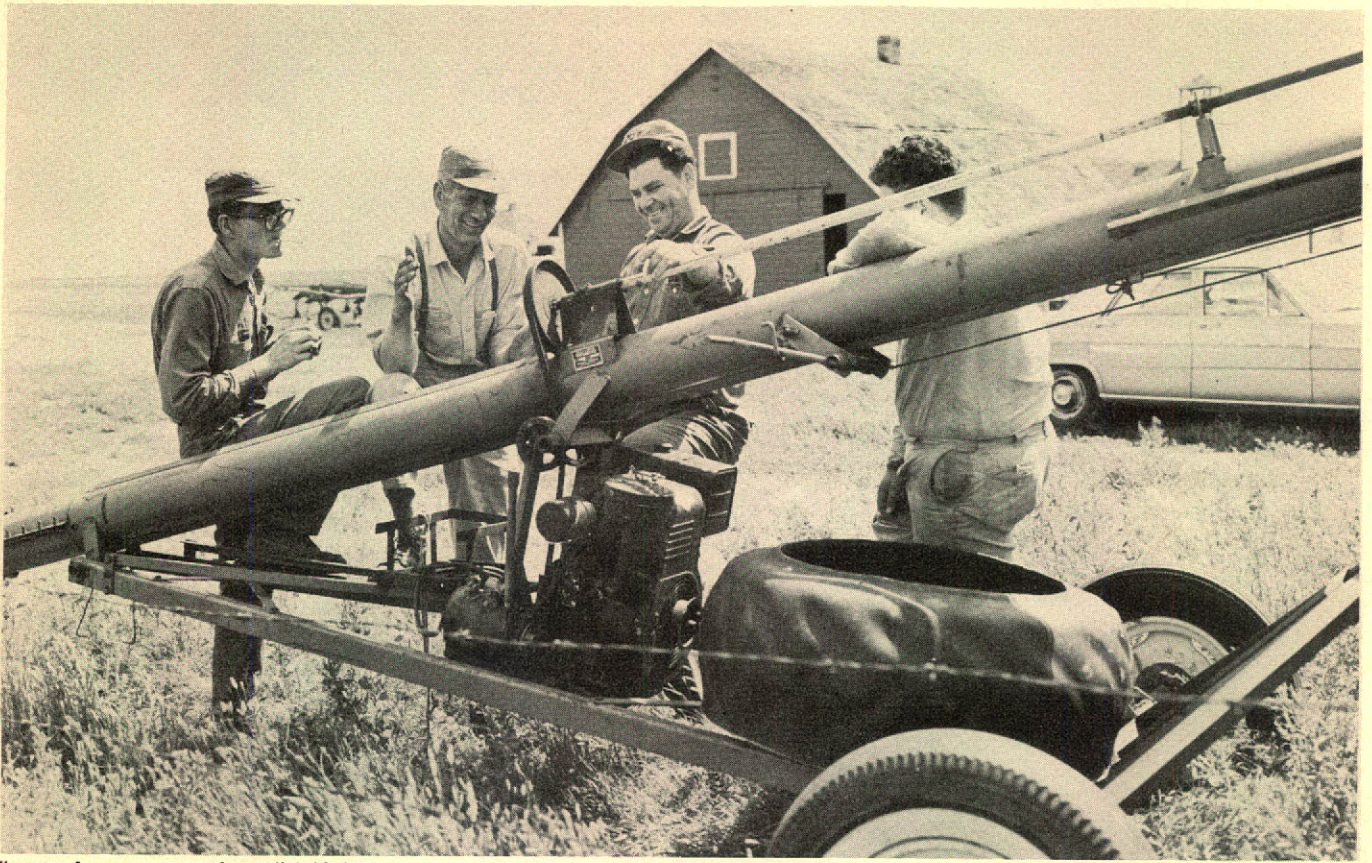
This represents a combined figure of 50 per cent of all cattle and calves. Figure for the previous year was 49.4 per cent.

Operating surplus for 1964-65 was \$127,900. This was allocated to Manitoba Pool Elevators: \$79,500 and to Saskatchewan Pool Livestock Division: \$48,400.



Farm trucks line up to deliver to Pool livestock yard in Regina. Livestock division handled more than 61 percent of cattle and calf marketings in 1964-65.

Country Organization Department



Wherever farmers get together, talk is likely to turn to weather and crops. The Pool Country Organization Department keeps in close contact with farm people to help develop a better understanding of the Wheat Pool and the Co-operative Movement.

An extensive educational program involving delegates, committee members and Wheat Pool members at large was organized through the Country Organization Department during the year. Workshops, banquet conferences and training courses were some of the tools used in the department's extension program.

The department is the country educational arm of the Wheat Pool. Its responsibilities are:

- "To develop understanding of co-operative philosophy and promote co-operative development;

- "To maintain an effective democratic structure within the Saskatchewan Pool;

- "To develop understanding and support of the aims, objectives and policies of the Pool; and

- "To promote maximum use of the services and facilities of the organization by developing effective extension programs."

Much of the work of the department is done through the Wheat Pool committee structure. At July 3, 1965, there were 1,041 committees active in the province. This is somewhat less than the num-

ber of the same date the previous year. There has been a gradual decline in the number of active Pool committees as farm population declines and as changes take place in the rural community. High point in the number of committees was 1,173 in 1946.

Committees are the best means yet developed for keeping a large co-operative like the Wheat Pool closely in touch with its membership. They provide an opportunity for leadership development and an effective means of communication between all levels within the organization. Your board believes that every effort must be made to attract and develop leaders at this level.

Long Service Pins for Delegates

Recognition of the service of Pool committee men who have served the organization for many years was approved by delegates in annual meeting in 1964. A pin marking 25 years of service was designed and made available for distribution during the year. Up to the end of July, 1965, 266 pins had been presented

to committee members with 25 years or more of service.

The banquet conference program involving committee members and new members of the organization followed the theme "New Horizons in Agriculture". Attendance at these meetings was 14,900. This was about the same as the previous year.

More than 800 young people attended 10 co-operative schools held during the summer. About the same number attended in 1964. One new school was organized at Marievale in District 7. A junior Co-op School for boys and girls aged 13 to 15, organized in co-operation with the Co-operative Union of Saskatchewan, was carried out in District 9. This program may be extended to other districts if suitable accommodation is available.

The department organized more than 600 workshop meetings to study the aims and objectives of the Saskatchewan Wheat Pool. The meetings were conducted by delegates and fieldmen and more than 5,000 committeemen participated in the discussions. A similar program on mem-

ber information and committee responsibilities is planned.

Eighteen delegates attended a special course at Western Co-operative College during the year. A number of directors also attended courses on leadership and policy.

Department personnel was active along with travelling superintendents and representatives of the farm service department in organizing a series of three special training courses for Pool elevator agents. Forty-eight agents have enrolled in the senior co-operative correspondence course given through Co-op College and 15 have completed it. Much attention is being paid to training elevator agents as their responsibilities increase to meet new demands from members in the country.

Educational Program

Department personnel also carried out an educational program outlining the development of the Saskatchewan Wheat Pool and the co-operative movement in each of the Livestock Division branches.

The branch office in Saskatoon continues to play an important role in liaison with the University of Saskatchewan and Western Co-operative College. It is conducting a survey of Wheat Pool membership within the city to bring the organization's record up to date and to maintain contact with these members.

Field crop and livestock extension specialists within the department are providing members with the latest information in these specialties. Numerous country meetings and close co-operation with other extension workers and other groups is maintained.

The rapid changes which are taking place in rural Saskatchewan constantly present challenges to the department to develop new programs and new techniques which will serve members most effectively. Your board is aware of these challenges and encourages the development of programs to maintain the closest possible links between members and their organization.

Personnel Department

More than 3,000 persons were employed by Saskatchewan Wheat Pool, at July 31, 1965. Of these, about 1,800 were engaged on a monthly basis and 1,200 on hourly rates. Most of the latter were employed at the terminals, in construction or industrial operations.

The department has carried out in-service training courses for office employees each year since 1962. During 1964-65 these courses were offered for the first time to employees in the Winnipeg office.

Courses offered have been the history and development of Saskatchewan Wheat Pool and the co-operative movement on principles of personnel management. More than 300 office and supervisory employees have participated.



Wheat Pool committees are the heart of the organizations democratic structure. They provide local leadership in co-operative affairs and maintain strong ties between the Pool's operations and its members.

Pool Publicity Department

A broad range of information and advertising programs relating to all divisions of the organization were presented by the Publicity Department through television, radio, newspapers and magazines. The department also conducts a public relations program maintaining a regular liaison between the Wheat Pool and many other organizations.

The television program *Prairie Journal*, prepared and produced within the department, was presented on all Saskatchewan stations on six occasions. The program specializes in topics of special interest to farm audiences.

A second major television presentation is the talent program which is broadcast from Prince Albert both on television and radio. This half-hour program every two weeks features talented young people selected from the station's listening area.

The department prepares and broadcasts 10-minute farm news programs over six Saskatchewan stations twice a week during the winter and once a week during the summer. The purpose of these programs is to maintain a regular communication with farm people and to provide useful information about major events in agricultural developments and news about the Wheat Pool.

A regular program of advertising in *The Western Producer*, Saskatchewan weekly newspapers and selected magazines was maintained to acquaint the public with the purposes of the Pool and the wide variety of services it offers. Some advertising was carried out in publications printed in other parts of Canada to emphasize the valuable contribution the wheat economy makes to national welfare.

The department also carried out an extensive advertising program to stimulate sales of commodities offered through the Farm Services Department of the Country Elevator Division. This program was in addition to regular advertising programs for Pool flour.

One of the highlights of the department's public relations program was the successful Open House program organized to show the public the remodelled head office building. The truly remarkable co-operation received from staff members in every head office department was the major factor in the success of the event.

The large amount of public attention

directed to Canada's wheat industry since the large sale to the Soviet Union in 1963 has brought an increasing number of inquiries about agriculture from all kinds of news media. The department takes special pains to assist inquirers.

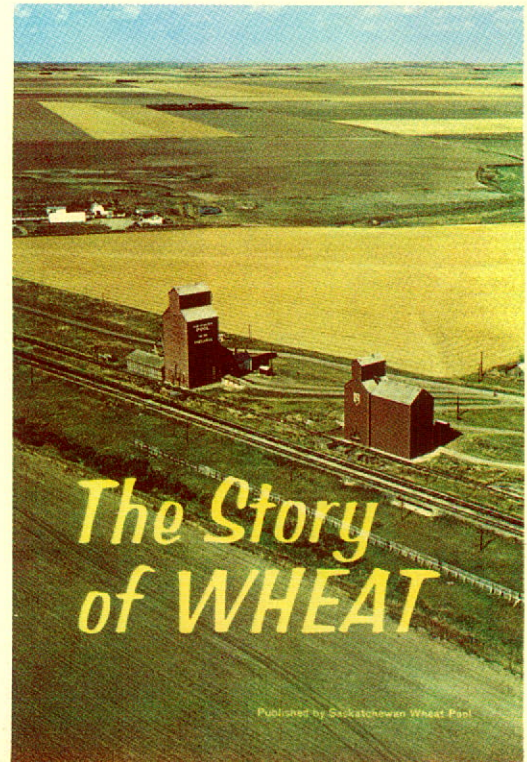
In order to promote a better understanding of some of the problems affecting western agriculture, your president undertook a series of meetings with leading journalists in Montreal, Ottawa and Toronto last December. The Publicity De-

partment assisted in arranging these meetings. Their usefulness was indicated by the number of special articles appearing in leading newspapers shortly after the meetings and by a considerable increase in the number of requests for information which have come to the department subsequently.

The department has been active in helping to entertain Canadian Wheat Board missions visiting Saskatchewan as well as many other visitors.

One of several
Wheat Pool
pamphlets
widely used
in school
classrooms

Visitors to Pool's
Open House received
souvenir of event



SASKATCHEWAN WHEAT POOL
HEAD OFFICE



Open House

Wheat Pool
Building

Regina, Sask.
October 1964

Research Department

The Research Department was set up in 1962 to serve those within the Pool charged with making operational and policy decisions. It studies economic, political and social factors affecting production and marketing of grain, livestock and their products and other related matters.

Work in connection with some of the studies is carried out within the department. Other projects are undertaken by outside researchers and consultants on a fee or grant basis.

An exceptionally broad research program was carried out through the department during 1964-65. Research projects touched most divisions of the organization and many significant areas of farm policy. A few of the studies completed and published recently are shown in the panel adjoining.

The department assisted in preparation of much statistical and research material on many aspects of farm policy to assist the Board of Directors during the year. Studies were begun on the pattern of deliveries to country elevators and an analysis of country elevator costing was undertaken in co-operation with the elevator division and the treasury department.

Two university studies relating to the livestock industry were published. Each study was assisted by the Saskatchewan Wheat Pool. One publication related to livestock supply and demand in the province and the other to the developing structure of the meat packing industry in Saskatchewan.

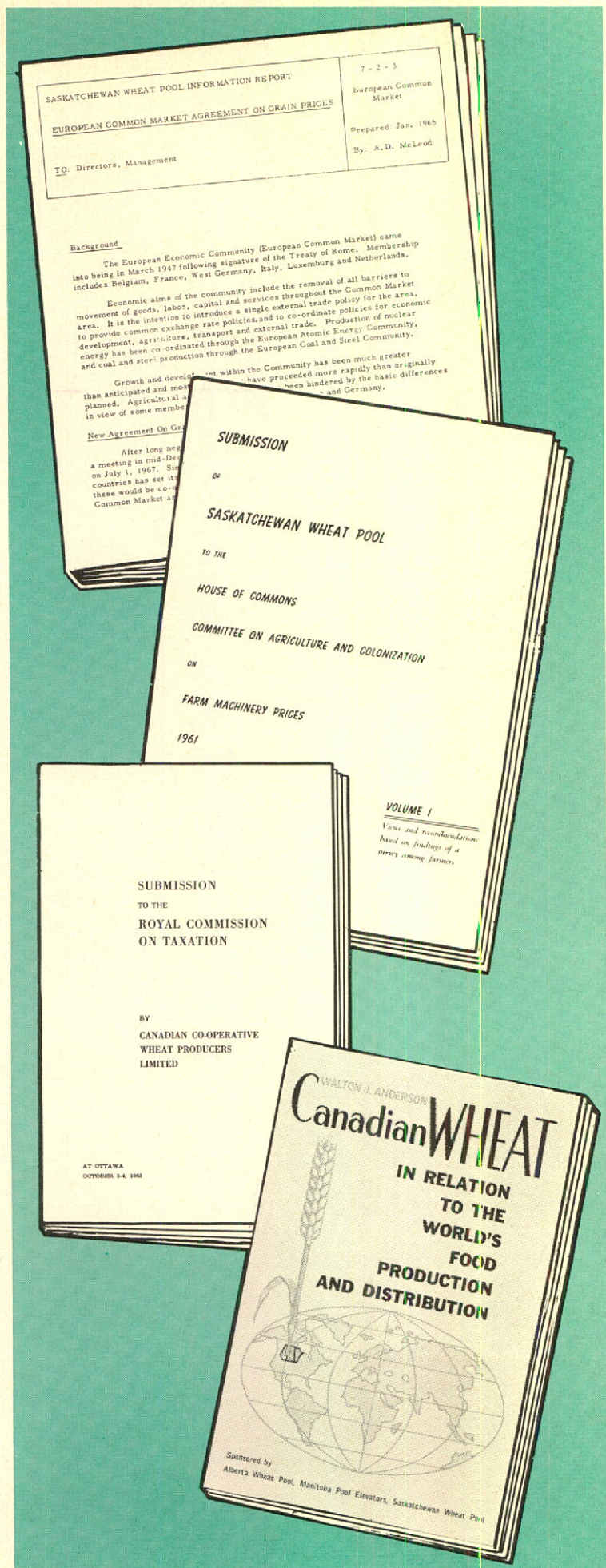
The department worked with the Livestock Division and other interested groups in completing a study of on-farm cattle herd development. It is beginning a study looking to possible improvements in hog marketing.

A study which has been underway at the University to explore the possibilities of using rapeseed oil as an industrial lubricant was completed. The Wheat Pool assisted in financing this study.

The department has been concerned with two areas in the field of transportation. Much attention was given to the question of railway rationalization. A number of submissions have been prepared for governments and study papers on related programs were submitted to a number of conferences. The question of tolls on the St. Lawrence Seaway continued to occupy the department's attention.

A study of Canadian wheat in relation to the world's food production and distribution, commissioned by the three Wheat Pools, was completed and given wide distribution in Canada and abroad. Papers concerned with improving wheat utilization were prepared for the Board of Directors.

The board's research committee was also active. This committee consists of representatives of the Board of Directors, the secretary, treasurer, manager of the Country Elevator Division, directors of Country Organization, Publicity and Research Departments. The president is chairman of the committee. Its function is to consider farm policy matters, research projects undertaken outside the Wheat Pool, and to advise managers about these projects when consulted.



Assistance to Young People



FIRST YEAR WHEAT POOL BURSARY WINNERS: *Front Row*—Left to right: Glen R. Surridge, Wapella; Reuben P. Wiens, Kinley; Dwight W. Brown, Rockhaven; A. James Grout, Star City; Larry G. Thompson, Vantage; J. Richard Bellamy, Birch Hills; *Back Row*—Left to right: Lorne T. McConaghy, Beatty; Wayne C. Kallio, Tantallon; Hugh E. McDonough, Crichton; Manfred J. Homann, Gull Lake; Ralph M. Howes, Moose Jaw; Herbert J. Rooke, Saltcoats; John F. Heggie, Leross; Edgar E. Massey, Kindersley; Dennis L. Fladeland, Gladmar.



SECOND YEAR WHEAT POOL BURSARY WINNERS: *Front Row*—Left to right: William C. Latrace, Tessier; Vernon P. Retterath, Maple Creek; Leonard B. Russell, Melfort; James F. Zelmer, Antler; Robert J. Froh, Khedive; Gary A. Pederson, Broderick; *Back Row*—Left to right: Herbert S. Martin, Regina; Terrille W. Moore, Bapaume; Victor A. Hult, Waseca; Cyril L. Edwards, Evesham; Fred Duke, Eastend; Marvin H. Morvik, Dollard; Alan L. Anderson, Shaunavon; Gary N. Johnson, Domremy; Robert A. Jorgensen, Pambrun; Barry J. Good, Fillmore.

Saskatchewan Wheat Pool's interest in helping young people realize their full individual potentialities expresses itself in a number of ways.

The Pool's interest in the development of the 4-H movement in Saskatchewan has been of long standing. It has made a direct grant to the Extension Department of the University of Saskatchewan to enable the department to maintain an active leadership program. In 1964-65 the grant was \$10,000.

At district and local levels, members of Saskatchewan Pool field staff, elevator agents, and Pool members are active in helping with special events, providing leadership for local clubs and otherwise offering much personal assistance to the 4-H clubs. Many of the clubs are sponsored by Wheat Pool committees. Many committees offer special awards for proficiency in 4-H work.

The 4-H movement has been enjoying a steady growth in recent years. Since 1962, the number of boys and girls enrolled has increased from 9,600 to almost 12,600. The number of clubs has declined slightly in the same period. The number of leaders engaged in 4-H work rose from 2,200 in 1964 to 2,700 in 1965.

An event of historic significance took place on July 4, 1965, when the official sod-turning ceremony for the provincial 4-H camp took place at Hitchcock Coulee. The camp will be known as Camp Rayner in honor of the late Professor John G. Rayner of the University of Saskatchewan who was associated with youth work from 1918 to 1952. Construction of the camp will get underway in 1966.

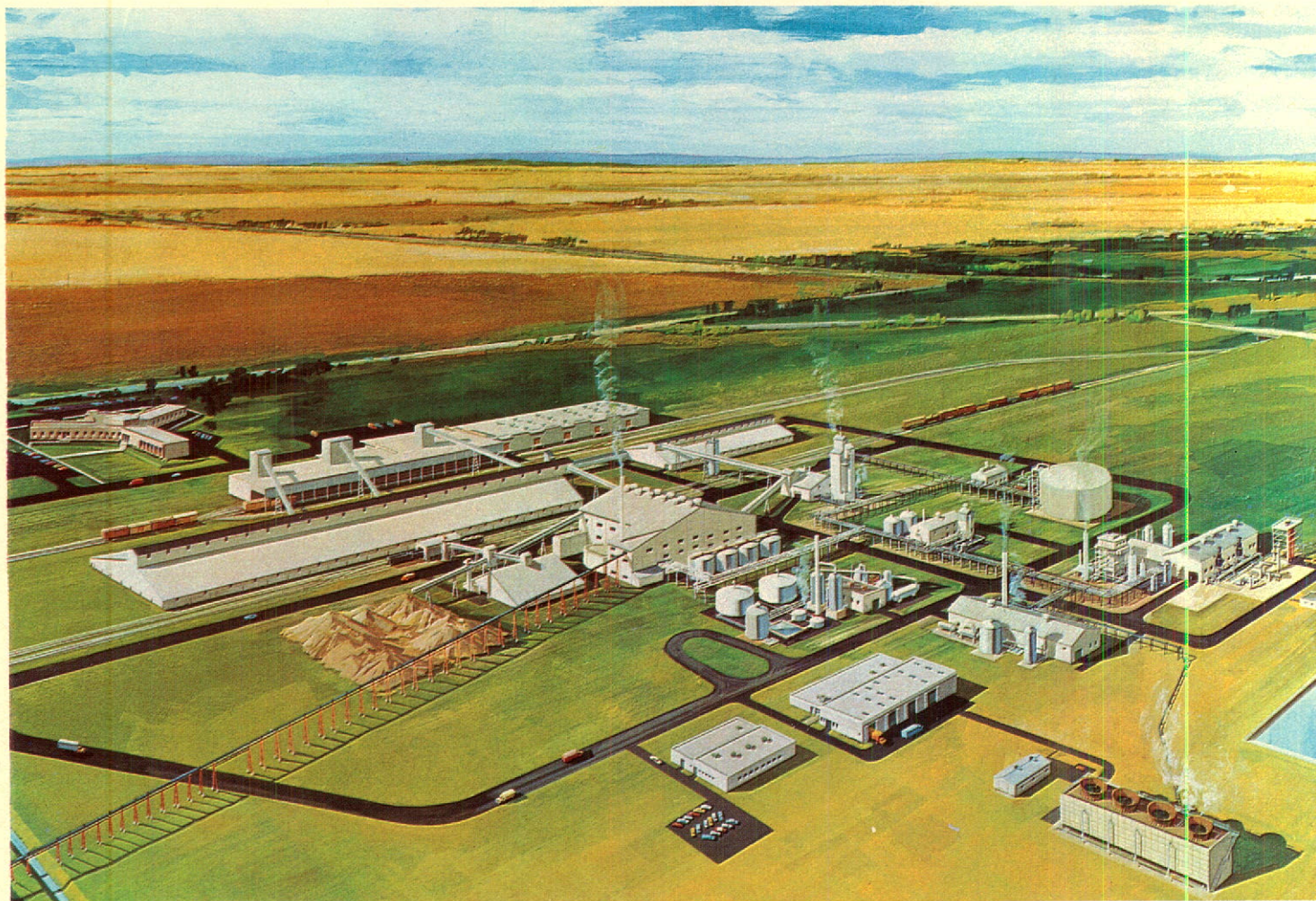
In addition to its interest in 4-H work, Saskatchewan Wheat Pool makes a number of bursaries and a scholarship available to Saskatchewan young people.

It provides 16 bursaries valued at \$250 to students entering the School of Agriculture at the University of Saskatchewan. These bursaries are renewable for a second year.

The McPhail Memorial Bursary Fund in memory of the late A. J. McPhail, first President of Saskatchewan Wheat Pool, provides two annual bursaries for girls attending farm camps, one at Regina and the other at Saskatoon. The bursaries were originally valued at \$200 each. In 1965, the Board of Directors increased the value to \$500.

The George W. Robertson Memorial Scholarship is valued at \$1,200 and is renewable. It was established by the Board to be used for post graduate study at an approved university in any branch of agriculture, cereal chemistry, economics, political science or sociology and is open to students normally resident in Saskatchewan.

Farmer-owned Fertilizer Complex



Co-operative Fertilizer Complex Serves its Farmer-owners.

Canada's first wholly co-operative fully integrated fertilizer manufacturing complex, Western Co-operative Fertilizers Ltd., began operation in mid-summer 1965. It came to full operating capacity soon after its official opening on October 9.

Saskatchewan Wheat Pool is one of three co-operatives owning Co-op Fertilizers. The other two partners are Federated Co-operatives Ltd., and Alberta Wheat Pool. Ownership thus goes directly back to the tens of thousands of farmer-consumer members of the three co-operative organizations, who will be the principal users of products from the Complex.

Discussions leading to the construction of the new plant began in 1963 when several co-operatives became interested in providing an expanding service to their members.

Western Co-operative Fertilizers Ltd., was incorporated in February 1964. Each of the partners named three persons to the board of directors of WCFL. Mr.

David E. Stewart of Federated was elected president. Mr. Chas. W. Gibbings of Saskatchewan Pool and Mr. A. T. Baker of Alberta Pool were named first and second vice presidents.

Exhaustive studies of market possibilities, plant location, technical procedures and other related matters had been commissioned while the project was under discussion. On the basis of these reports, the board of WCFL in April 1964 negotiated a contract with Chemical and Industrial Corporation of Cincinnati, Ohio, for construction of the consumer-owned manufacturing complex, on a 320 acre site in Calgary. Work was begun almost immediately and the first units of the plant went on stream in July 1965.

Plant Capacity 225,000 Tons

The plant has a capacity of 225,000 tons of fertilizer a year. It is designed to produce all the fertilizer products commonly in use in western Canada. It is

planned so that it can expand to meet future needs as the market develops.

WCFL complex takes the raw materials such as phosphate rock, sulphur, natural gas and performs all the chemical and physical processes required to turn out the finished fertilizer. The whole process, therefore, is integrated through co-operative channels from the raw product to the ultimate users.

The co-operative complex is highly automated. It incorporates a number of new features to make it one of the most efficient processors in the country. All advantages of this efficiency will be available to be passed on to its owners—the people who use its products.

Mr. Duncan A. Sim, a Canadian who was educated at the University of British Columbia and who gained experience in co-operative fertilizer manufacturing plants in the United States is manager. He has recruited a skilled team of scientists and technologists to operate the plant.

New Challenges Face Board and Management

Rapidly changing farm conditions have brought about demands involving new and improved services for Pool members. These demands require prompt and careful attention by your board and management to ensure that the facilities and services of your organization are in tune with the times.

Country information procedures must reflect quickly and accurately the views and needs of Pool members—both in matters of farm policy and in commercial operations.

In the past year, your board has devoted continued attention to these matters. New services and facilities have been provided, and existing ones improved. Administrative and control structures have been examined to ensure that maximum co-ordination exists between the various branches of the organization. New procedures have been introduced to maintain maximum efficiency. Above all, the job of maintaining the Pool as a responsive and responsible farm co-operative has been recognized to be of paramount importance.

In meeting the challenges your Board acknowledges the

dedicated support of Pool members, and the wise counsel of this delegate body. Your Board also wishes to record its sincere appreciation for the capable and faithful service of management and members of the staff in all branches of the organization.

In its 41-year history the Pool has achieved remarkable success. With the same loyal support, it will continue to achieve the goals and objectives sought by Saskatchewan farm people in the years ahead.

All of which is respectfully submitted.

ARNOLD G. PEDERSON

CLARENCE McKEE

G. C. ANDERSON

WALTER MELROSE

ALLAN GRIGG

J. R. STILBORN

J. H. HARRISON

ELMER J. SJOLIE

HUGH F. McLEOD

DONALD M. LOCKWOOD

CHAS. W. GIBBINGS

E. A. BODEN

STUART M. SMITH

WM. McK. ROSS

L. A. BOILEAU

E. K. TURNER

Associated Co-operative Services

Pool Insurance Company

Pool Insurance Company was organized 27 years ago by the three western Wheat Pools to insure their own properties and contents including grain. In recent years the company has followed the policy of carrying 60 per cent of the risk itself and re-insuring the balance with other companies. The company carries full risk on dwellings.

As a result of favorable experience, Pool Insurance reduced its premium rates on country elevators and grain by 20 per cent on August 1, 1964. Total premiums collected in 1964 were \$1,400,000 compared to nearly \$1,700,000 the previous year.

Total insurance in force during 1964 amounted to \$302,000,000, which was down slightly from the previous year because of lower amounts of grain in storage.

Losses during the year were heavier than usual as a result of six elevators being destroyed and partial losses being sustained in five other elevators. Surplus for 1964 was \$700,000 compared to more than \$1,000,000 in 1963.

Pool Insurance carries on an active year-round program of fire prevention and inspections of insured properties.

Canadian Pool Agencies Ltd.

Canadian Pool Agencies Limited is wholly owned by the three western Wheat Pools to serve each organization in placing its insurance business most advantageously. It shares facilities and staff with Pool Insurance Company.

Surplus earnings of Pool Agencies in 1964 amounted to more than \$91,000 compared to \$75,500 the previous year. Surplus is returned to the three participating Wheat Pools on a patronage basis.

Interprovincial Co-operatives Ltd.

Saskatchewan Wheat Pool became a shareholder in Interprovincial Co-operatives Limited in 1964 purchasing \$10,000 of share capital. Mr. E. A. Boden, second vice-president of Saskatchewan Pool, was named a director of Interprovincial Co-operatives.

Decision to become a shareholder in Interprovincial Co-operatives followed the Pool's entry into the farm supply business. It was apparent that the farm services department would be getting many of its commodities such as herbicides, twines and other essential supplies through the national co-operative organization. Hence, it

was logical to become a shareholder. In 1964-65, the Farm Services Department of Country Elevator Division bought chemicals and twine through Interprovincial to the full extent that these could be supplied.

Co-operative Insurance Services

Saskatchewan Wheat Pool is a shareholder in Co-operative Insurance Services Ltd., owning 20 common shares at \$10 each and preferred shares to the par value of \$205,000.

Co-operative Insurance Services was formed in 1963 by Co-operative Life Insurance Company and Co-operative Fire and Casualty Company to make sure that control over the companies was kept in the hands of co-operative organizations and credit unions, and to create a more democratic pattern of control. The new company was incorporated under Part I of the Dominion Companies Act. It is owned by major co-operative organizations and credit unions in the six regions of Canada where it operates.

Mr. Chas. W. Gibbings, president of the Pool, is a director of CIS.

Canadian Co-operative Wheat Producers

In recent years world wheat production has been increasing and in 1964 reached an all-time high of 9,170 million bushels compared to the previous record set in 1962 of 8,760 million bushels. North American wheat production in 1964 was 1,965 million bushels.

Wheat crop in Western Europe in 1964 was estimated at a near-record 1,570 million bushels. In spite of such heavy world production there seems to be a steadily increasing demand for food grains to keep pace with world population growth.

The pattern of Canadian wheat exports is changing in response to many changes in the world situation. Some traditional customers are buying less wheat, and new markets emerging.

The Board of Directors of Canadian Co-operative Wheat Producers Ltd., held three meetings during the year. Among matters discussed were:

Railway Rationalization, Fundamental Research in Co-operation, International Wheat Agreement, International Federation of Agricultural Producers, support of the Canadian Council on 4-H Clubs, opposition to seaway tolls on the St. Lawrence Seaway and Welland Canal, Royal Commission on Taxation, the grading and testing of forage crop seeds, support for the income of grain producers, opposition to certain sections of the Labour Code, Bill C-126, as it affected grain elevator agents, and requests for government action to prevent the further deterioration of grain prices after they took a steep drop in the latter part of January 1965.

Price Adjustments Cause Concern.

During the week of January 25, the Canadian Wheat Board began a series of price adjustments in all grades of Canadian wheats ranging from 11½th cents a bushel to 20¾th cents a bushel. The reason for this decrease was to keep Canadian wheat competitive in international trade at a time when other exporters were offering wheat at reduced prices.

The Board of Canadian Co-operative Wheat Producers Limited in session on February 24 agreed to recommend to the Government of Canada that the Prime Minister, Rt. Hon. L. B. Pearson and Hon.

MAJOR SALES TO CHINA, U.S.S.R. AND EASTERN EUROPE 1964-65.

DATE	QUANTITY (000 omitted)	SHIPPING PERIOD	TERMS
		POLAND	
Aug. 13 / 64.....	7,400	Aug./Nov. '64	10% cash balance 3 years
		BULGARIA	
Aug. 13 / 64.....	1,800	Aug./Oct. '64	10% cash balance 3 years
Mar. 12 / 65.....	2,500	May '65	Export Credits Insurance
		SOVIET UNION	
Oct. 26 / 64.....	10,600	Nov./July '65	Cash
Jan. 27 / 65.....	9,400	Mar./Dec. '65	Cash
Mar. 12 / 65.....	2,150	May/July '65	Cash
Aug. 5 / 65			
Aug. 11 / 65.....	187,000	Aug./July '66	Cash
		HUNGARY	
Nov. 2 / 64.....	3,700	Dec./Mar. '65	10% cash balance 3 years
		REPUBLIC OF CHINA	
Jan. 25 / 65.....	27,000	Feb./June '65	25% cash balance 18 months
Jan. 27 / 65.....	3,700	Same	Same
May 26 / 65.....	58,700	July '65 / April '66	Same
July 21 / 65.....	83,300	July '65 / July '66	Same

N.B.—A new agreement with the Republic of China was announced October 28, 1965, covering the next three-year period. Minimum quantity will be 122,000,000 bushels and maximum 187,000,000. The agreement may be converted to a five-year term.

EXPORTS OF WHEAT AND FLOUR IN TERMS OF WHEAT

From the Four Principal Exporting Nations
(Dominion Bureau of Statistics)

—in million bushels—

Year	Total	Argentina	Australia	United States	Canada	Canada's % of Total
1958-59.....	939.0	106.2	82.7	455.6	294.5	31
1959-60.....	984.7	76.5	117.8	513.1	277.3	28
1960-61.....	1,291.6	62.9	198.0	677.5	353.2	27
1961-62.....	1,377.5	95.5	219.8	704.2	358.0	26
1962-63.....	1,234.3	66.3	186.2	650.6	331.2	26
1963-64.....	1,827.3	106.5	274.0	852.3	594.5	32
1964-65.....	1,544.2	174.5	245.1	725.2	399.4	26

Mitchell Sharp, Minister of Trade and Commerce, should seek an early session with President Johnson and O. L. Freeman, U.S. Secretary of Agriculture, to discuss the whole question of recent price cuts in wheat with a view to heading off any further price cutting.

In the early summer, on June 1 and 2, representatives of the three Pools took the lead in arranging a conference in Regina with representatives of Great Plains Wheat Incorporated. The purpose of the meeting was to enlist the support of the Great Plains Association in recogniz-

ing the futility of price cutting as a means of increasing sales of grain on the world market. Five members of the Board of Directors of Canadian Co-operative Wheat Producers Limited including the President, Vice-President and Executive Member, attending the Conference. Out of this Conference came the suggestion that further meetings would be helpful from time to time in order to maintain liaison on all matters of common interest in the marketing of grain.

On July 30 a similar meeting was held between executive officers of Canadian

**PRODUCERS' MARKETINGS AT COUNTRY, INTERIOR PRIVATE AND MILL
ELEVATORS, INTERIOR SEMI-PUBLIC TERMINALS AND PLATFORM LOADINGS**

	1964-65	1963-64	1962-63	1961-62
Wheat.....	525.4	568.6	474.3	305.3
Oats.....	41.1	49.7	89.0	28.2
Barley.....	75.5	91.9	80.5	59.3
Rye.....	7.3	8.0	9.4	3.4
Flaxseed.....	16.9	17.4	13.5	12.0
TOTAL.....	666.2	735.6	666.7	408.2

The Canadian Wheat Board states that approximately 17.1 million bushels of wheat, oats and barley, were delivered under their regulations, to feed mills.

AGRICULTURAL STABILIZATION BOARD—SUPPORT PRICES

COMMODITY	BASE PRICE	SUPPORT PRICE	% OF BASIC
Creamery Butter.....	58c per pound	55c per pound	94.3
Cheddar Cheese.....	33c per pound	35c per pound	104
Eggs.....	36c per dozen	34c per dozen	94
Hogs (Gr. A).....	\$26.44 Cwt.	\$23.65 Cwt.	89.4
Steers (Good).....	\$22.29 Cwt.	\$17.85 Cwt.	80
Lambs (Good).....	\$19.79 Cwt.	\$18.80 Cwt.	95
Wheat.....	\$1.65 bus. No. 2	\$1.32 bus. No. 2	80
(Not under Wheat Board)			
Oats.....	70c per bus.	80c per bus.	80
(Not under Wheat Board)			
Barley.....	\$1.00 bus.	80c bus.	80
(Not under Wheat Board)			
Wool.....	43c per pound	60c per pound	137.7

**PRAIRIE FARM ASSISTANCE ACT
1964-65 CROP YEAR**

	1% Levy	Awards	Payments
Manitoba.....	\$ 1,325,311.69	2,033	\$ 355,638.50
Saskatchewan.....	6,329,939.89	28,122	7,997,023.50
Alberta, Peace River Block & B.C.....	2,798,841.18	18,368	4,301,286.00
TOTAL.....	\$10,454,092.76	48,523	\$12,653,948.00

1939-40 TO 1964-65

	1% Levy	Awards	Payments
Manitoba.....	\$ 23,418,467.93	157,830	\$ 29,434,494.77
Saskatchewan.....	95,170,304.39	845,143	225,601,831.03
Alberta.....	45,304,535.94	428,029	96,053,188.05
British Columbia.....	—	8,625	1,659,429.75
Unallocated.....	4,207.99	—	—
TOTAL.....	\$163,897,516.25	1,439,627	\$352,748,943.60

Co-operative Wheat Producers Limited and officials of the National Farmers Union of the United States and the American Farm Bureau. The meeting was held at St. Paul, Minn.

Research on Co-operatives

Canadian Co-operative Wheat Producers Limited, in association with the Co-operative Promotions Board of Manitoba and Federated Co-operatives Limited,

have sponsored a fundamental research study on Co-operation, at the University of Manitoba. The research is being conducted by the Economics Division of the Faculty of Agriculture, University of Manitoba.

In late August, 1965, it was learned that the St. Lawrence Seaway Authority was planning a program of works at the Welland Canal that would necessitate keeping the Canal closed until April 10, 1966. A strong letter of protest against this procedure was lodged with the Seaway, with particular emphasis placed on the fact that owing to the Russian purchase of 187 million bushels of wheat it would require all the facilities to work full time to complete the movement of grain on time.

Interprovincial Pool meetings

During the year under review, the boards of directors of the three Pools met in joint session on two occasions. These meetings were held January 20-21 and July 22-23. A number of important matters affecting the welfare of Pool members came before the meetings.

The question of railway rationalization received close attention during the period when a proposed rationalization bill was before the House of Commons. Board members of the three Pools made strong recommendations about the initiative to be exercised by the Authority proposed under the act. They re-endorsed the area approach to rationalization and stressed the importance of allowing railway users to be heard in establishing criteria to be used in phases of abandonment proceedings.

Other matters of concern to producers were discussed at Interprovincial Pool meetings. Members of the three Pool boards took an active part in meetings of the Western Agricultural Conference and the Canadian Federation of Agriculture and were represented at the 1964 meeting of the International Federation of Agricultural Producers in New Zealand.

Canada Participates in Aid

Canada's contribution to the World Food program since it began in 1963 has amounted to nearly \$7,000,000. Two-thirds of the contribution has been in commodities and the balance in cash. When the program was established its goal was \$100,000,000. Nearly \$94,000,000 has been contributed by participating nations. Largest contribution was by the United States—\$50,000,000.

The program provides three types of aid:

- (1) Disaster relief;
- (2) Assistance in pre-school and school food programs; and
- (3) Food as an aid to economic and social development.

In addition to the World Food Program, Canada participates in the work of a number of United Nations agencies designed to assist developing countries. A summary of Canada's contributions follows:

	\$ Millions
Bilateral grants and aid.....	60.5
Bilateral development loans.....	50.0
Food Aid.....	22.0
Bilateral export credit.....	76.0
Multilateral grants.....	9.6
International Development Assoc.....	7.9
	<hr/>
	\$226.0

Canada's contributions to Commonwealth countries under the Colombo plan from 1951 through 1964-65 have been nearly \$529,000,000. A further contribution of \$7,000,000 has been made to the Indis Basin Development Fund.

International Wheat Agreement

The 5th International Wheat Agreement which was due to expire on July 31, 1965, was extended for one year on the recommendation of the International Wheat Council after sufficient countries had ratified the proposal. The Agreement will therefore expire on July 31, 1966.

The three Pool Boards in session at the Interprovincial Pool meeting approved of a one year extension but were reluctant to agree to any longer than one year.

The International Wheat Council reported registration of sales for the year 1964-65 of 597,845,000 bushels of wheat by 8 exporting countries.

The following shows the registered sales of each of the 8 exporting countries:

Canada.....	207,981,000
Argentina.....	119,621,000
Australia.....	66,200,000
France.....	39,525,000
Italy.....	6,510,000
Spain.....	2,406,000
Sweden.....	7,406,000
U.S.A.....	145,624,000

Conclusion

As this report was being prepared, farmers in the prairie provinces had started to harvest what was forecast as the second highest wheat crop, of 697 million bushels. Exceedingly poor harvest

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weather brought harvesting to a complete standstill for nearly six weeks, which resulted in the deterioration of the grades and resulted in much tough and damp grain being threshed.

In spite of the fact that farmers in Canada have been stepping up their use of fertilizers, the current bumper crop is more attributable to weather factors than to any other single cause.

The important lesson in this is the evidence that while farmers can and have improved their farm technology they are still subject to the vagaries of climate. It is essential that agricultural policies must be so framed as to guarantee to the agricultural industry a fair return on labour and investment.

It is coincidental that this year, for a second time in the last three years. Canada produced a bumper crop in a year when there was an exceptional demand for wheat and flour from China, the USSR and other satellite countries.

By the extension and expansion of world markets for grain, Canada can

bolster its agricultural economy. The development of two-way trade would go far in stabilizing the world market for agricultural products.

Respectfully submitted

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Dr. JOHN HENRY WESSON, C.B.E.

Dr. John Henry (Jack) Wesson, C.B.E., president of Saskatchewan Wheat Pool for 23 years and one of its original delegates, died in hospital in Regina November 13, 1965, after a long illness. His death came the day after the 41st annual delegates' meetings ended. It was the first delegates' meeting Mr. Wesson had not attended either as delegate or visitor.

Mr. Wesson was born in Sheffield, England, in 1887 and came with his family to farm in the Maidstone district of Saskatchewan in 1907. He soon began to take an active interest in the farm movement speaking on behalf of the Saskatchewan Grain Growers' Association of which he later became a member of the board of directors. He was active, too, in helping to form Saskatchewan Co-operative Elevators Ltd.

His association with Saskatchewan Wheat Pool began in 1923 and 1924 when the Pool was being organized. In 1924 he was elected delegate in the Maidstone district and was selected by his fellow delegates to represent the north-western part of the province on the Pool Board of Directors. He was delegate for sub-district 5, District 16, and the district director when he retired in 1960.

Mr. Wesson was elected president of Saskatchewan Wheat Pool in 1937 at the death of Mr. L. C. Brouillette. He was president of Canadian Co-operative Wheat Producers, Canadian Pool Agencies, and Pool Insurance Co. Ltd. at his retirement in 1960.

Mr. Wesson was the first president of the Canadian Federation of Agriculture serving from 1936 to 1940. Mr. Wesson was one of the Canadian representatives to the Empire Producers Conference in Sydney, Australia, in 1938, and attended a number of conferences of the International Federation of Agricultural Producers. He played a part in the conferences leading to the adoption of the first International Wheat Agreement and was a member of the Canadian delegation to each IWA conference from its inauguration until he retired from the Pool presidency.

His concern for the welfare of the farmer was demonstrated in his leadership of mass delegations of producers to Ottawa in 1942 and 1959. On many other occasions he conferred with government leaders to achieve more equitable conditions for producers.

In 1946, he was named "Commander of the British Empire" in recognition of his service to agriculture during the war years. He was granted the honorary degree of Doctor of Laws by the University of Saskatchewan in 1961.

The citation for his honorary degree noted Mr. Wesson's "devoted and vigorous service" to agriculture and continued: "His voice became the voice of the Prairie wheat farmers and, upon occasions, the voice of the whole Canadian agriculture. With purpose and dignity he spoke, and was listened to, in provincial, national and international councils. Wherever the welfare of the Canadian farmer was being discussed, John Wesson was to be found and the weight of his judgment and influence were to be felt."

Mr. Wesson is survived by Mrs. Wesson, three sons, four daughters, a brother and six sisters. His funeral was from St. Paul's Anglican Church, Forest Bank which is near his Maidstone farm.



Tribute by Chas. W. Gibbings, President, Saskatchewan Wheat Pool

"The death of Dr. J. H. Wesson has left all of us who were associated with him at the Wheat Pool with a deep sense of personal loss. In the many years he was connected with the organization he inspired respect and affection among us.

"Mr. Wesson's contribution to the Canadian farm movement has been immeasurable. He spent a lifetime in service to agriculture in farm organizations from the community level to the international. His leadership at all levels was marked by moderation coupled with great determination and vigor. As president of the Saskatchewan Wheat Pool for more than 20 years he worked persistently for improvements in the economic well-being of farm people.

"Those of us who worked closely with him will always remember Mr. Wesson's good humor and his unfailing kindness.

"My sympathy goes to Mrs. Wesson and to other members of the family in their bereavement."

