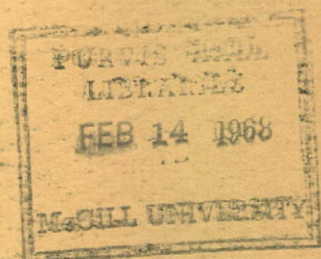
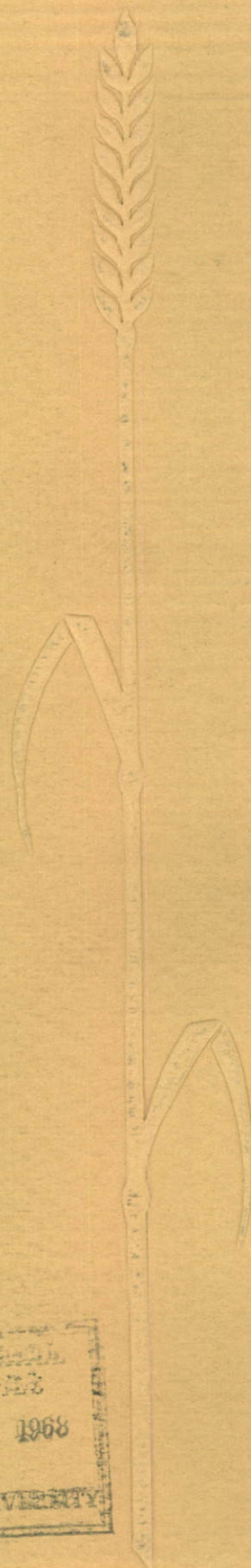


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**43rd Annual Report** SASKATCHEWAN WHEAT POOL  
— and subsidiary companies



**1967**









# SASKATCHEWAN WHEAT POOL

43rd

## ANNUAL REPORT

for year ended

July 31st, 1967

REGINA  
SASKATCHEWAN

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Chas. W. Gibbings,  
President

## A Message from the President

A complete reversal has overtaken the international wheat market in the last 12 months. It is revealed in a pattern of declining prices and falling world trade which developed during the first few months of the 1967-68 crop year. A number of factors contributed to the change, the most important being uniformly good harvests in all wheat-growing areas in 1966 and 1967.

The advent of a surplus of wheat in many countries at the same time and the reflection of this surplus in lower international prices and trade illustrate how unstable the international wheat market can be. It is evident now that, left to its own devices, the market is not all that different from what it was 50 years ago when western Canadian farmers fought to create a more stable marketing system through the Wheat Pools and the Canadian Wheat Board. The events of the past summer illustrate how very important it is to maintain an international agreement which sets reasonable boundaries within which the price of wheat is allowed to fluctuate.

The western Canadian wheat producer has more at stake in maintaining price stability than any other because, until very recently, he alone among world producers was obliged to bear the full burden of falling wheat prices.

Basically, it is his exposure to all the adverse winds of the market place that has given the western Canadian grain producer an abiding concern about the future of the world's wheat trade. Within the lifetime of many of those farming in Saskatchewan today, world trade in wheat has moved upwards from an average of about 500 million bushels a year in the 1930s to more than 2 billion bushels in the mid-1960s.



The capacity of the world to consume continues to expand. World population is rising at the rate of about 70,000,000 persons a year. It has been estimated that by 1980, the number of new persons in the world will require the equivalent of the total volume of cereals now being produced in the United States, Canada and Western Europe, or about 11 billion bushels.

By far the greatest part of this expanding demand will occur among the people in the developing nations. Unfortunately, their capacity to produce food is not rising as fast as the need for it. Indeed, the Food and Agriculture Organization recently noted that per capita food production in developing nations was four per cent less in 1966 than in 1964 and lower than in any year since 1957.

This is not to say that developing nations are doomed to perpetual hunger or that the developed nations must always feed nearly 45 per cent of the world's people. An alternative is suggested by Dr. R. B. Sen, Director General of FAO:

"It is becoming increasingly clear that, in spite of all the efforts now being made, time is still needed for the agricultural revolution in the developing countries to gather sufficient momentum. . . . The time that is needed must be bought by means of population control on the one hand and food aid

from the developed countries on the other, and in both of these fields there have recently been some more encouraging developments."

It is encouraging that another step in this direction was taken during 1967 in the negotiation of the new International Grains Arrangement as part of the Kennedy Round of tariff and trade discussions. Under one part of the arrangement, importing and exporting nations agree to provide 4,500,000 metric tons of cereals to developing countries in each of the next three years.

The task of helping people in developing countries achieve their rising expectations is urgent. The connection between hunger and the threat of famine on one hand and outbreaks of violence on the other must be clear to all.

The continuation of widespread hunger in the world is well documented. So is the capacity of many nations to produce more food. The world, I suggest, has the skills and knowledge to bridge the gap between hunger and plenty.

What is lacking is the determination to mount a massive international assault on poverty, and the will to bring about a condition in which the capacity to produce is better matched to the needs of humanity. These are challenges which men of goodwill can, with impunity, no longer ignore.

*Saskatchewan grew 325,000,000 bushels of wheat in 1967.*







BOARD OF DIRECTORS AND OFFICIALS, SASKATCHEWAN WHEAT POOL, 1967:  
 Front row, left to right: Ira K. Mumford, general manager; J. R. Stilborn, District 6; E. A. Boden, District 12, second vice-president; Chas. W. Gibbings, District 11, President; E. K. Turner, District 16, first vice-president; Arnold G. Pederson, District 1; J. O. Wright, Secretary;  
 Back row, left to right: J. Lindsay, District 2; E. J. Sjolie, District 8; Allan E. Grigg, District 5; S. M. Smith, District 13; D. M. Lockwood, District 10; J. W. Marshall, District 15; Walter Melrose, District 4; J. H. Harrison, District 7; W. R. Purslow, Treasurer; G. C. Anderson, District 3; H. F. McLeod, District 9.



# Policy of Saskatchewan Wheat Pool

A major concern of Saskatchewan Pool has been and is the price received for wheat on world and domestic markets. An important part of the organization's policy is to seek ways of getting the producer a better return. The concern is outlined in point one below and was backed up by a resolution passed at the 1967 delegates' meeting.

The delegates urged a federal support price of \$2.12 a bushel on all wheat plus an increase of \$1 a bushel to the consumer on wheat used for human consumption in Canada. Proceeds from the increased price to the consumer should be distributed among producers on a basic quantity of each grower's deliveries.

If the federal government does not act on the proposal, the meeting felt that support should be sought from other farm organizations to consider what further action might be required.

As for policy generally, some of the Pool's current concerns are new, because of changing circumstances in the world, in the Canadian economy and in the operation of Saskatchewan farming. Some are old but remain because suitable solutions have not yet been found.

Policies give attention to each of the following:

- (i) The Individual Farmer, because we seek to improve his economic and social welfare.
- (ii) The Industry of Farming, because we seek to make it both viable and dynamic, knowing that the rest of Canada is likely to become more prosperous if farmers also prosper.
- (iii) The World, because we know that famine and malnutrition are among the main causes of upheaval and may in fact spell the end of mankind itself.

## POLICY POINTS

We resolve:

1. That while the Government of Canada has intervened with wheat price support during the current year, we believe increased support is necessary, either through marketing subsidies related to production costs, or income supplements, coupled with a domestic price for wheat related to the price index of goods and services used by farmers;
2. That we continue support of the Wheat Board marketing system and urge both the Wheat Board and Canada to seek expanding sales of Canadian commercial wheat for export;
3. That we support the Government of Canada in acquiring a new International Wheat Agreement under conditions and prices accepted by the International Wheat Council;
4. That The Canadian Wheat Board's jurisdiction be extended to the marketing of rye, flax and rapeseed, with a producer plebiscite if necessary to assure the government of farmer support;
5. That the Saskatchewan crop insurance plan be extended to enable more farmers to participate, and more grains to be included for coverage;
6. That the Saskatchewan Government be urged to take early action to assist cattle herd development in terms of both quality and quantity, with improved credit arrangements as an early requirement;
7. That Saskatchewan Marketing Board legislation be amended to allow for establishment of alternative agencies such as marketing commissions, while retaining adequate powers for producer marketing boards;
8. That the Saskatchewan Government be urged to act on the Pool's recommendation to undertake a study of land tenure and transfer as soon as possible;
9. That we work closely with the Saskatchewan Government's committee to coordinate farm management services, to ensure that required services are provided and quality standards maintained;
10. That the Saskatchewan Wheat Pool extend every effort, in concert with other co-operatives, to meet the need for improved facilities and services in the agricultural industry;
11. That the Saskatchewan Wheat Pool continue to support the research required to improve understanding of the complex problems of farming and farmers, and to find solutions to these problems;
12. That the new Canadian Transport Commission be urged to conduct proper costing inquiries and hearings on a regional basis, to assure that all interested parties are heard, and that a rational rail service for Western Canada is developed;
13. That we impress on the Government of Canada that certain recommendations of the Carter Royal Commission on Taxation, if implemented without amendment, would create hardship for farmers in Western Canada, and would seriously disrupt the operation of co-operatives;
14. That the Saskatchewan Wheat Pool continue to press to have Canadian labour legislation changed to prevent disruption of unrelated Canadian economic activities through work stoppages in major industries. Some form of labour-management court may be required;
15. That we continue to urge support for programs which attempt to avert hunger and famine throughout the world, and press our Government to increase Canada's food and technical aid programs.





*Pool policy begins at formal and informal meetings.*

## RESEARCH ACTIVITIES

Tied in with Pool policy is the work of the Research Department. Studies are carried out and papers are prepared relative to matters of concern to the Pool. Papers are available to members as background to aid discussions in the policy area.

In 1966-67, the Research Department continued study of a number of long-term questions and began study of some new ones as well. A number of public documents were prepared for submission to royal commissions and study groups.

### **Agricultural Policy**

The Board of Directors and Pool officials continue to be concerned about a variety of policy questions affecting both farmers and farming. There were studies and material prepared on virtually all matters of farm policy under consideration during the year.

### **Beef Industry Development**

The department assisted in preparation of a Pool statement to the Saskatchewan Government about the development of the beef industry. One point raised was the urgent need for examination of available credit facilities to determine how best they can accommodate the

rising demand for long-term credit for beef herd development. Another was the desirability of a province-wide conference to improve the general understanding by all facets of the industry of issues involved in developing and expanding the beef cattle industry in the province.

### **Carter Taxation Report**

A summary was made of the main conclusions and recommendations of the Carter Royal Commission on Taxation and was given wide circulation among Pool officials and representatives of other co-operatives and farm organizations. Assistance was given with a statement to the federal government on prairie Pools' reaction to the Carter proposals, especially as they would affect co-operatives and farmers.

### **Farm Machinery**

Early in 1967 the Pool presented a submission to the Barber Royal Commission on Farm Machinery. The submission was based in part on suggestions and comments offered in questionnaires completed by Wheat Pool committees and from a smaller group of farmers who do not patronize Pool facilities. The Royal Com-

mission later sought details about reported incidents in which farmers had encountered difficulties in getting machinery repair parts or in having their machines adequately serviced. The department provided these details.

### **Farm Management Services**

The department assisted in preparing for a meeting of representatives of government, university and farm organizations to discuss how best to meet an increasing demand among farmers for a comprehensive farm management service. A representative committee for the purpose of coordinating farm management services was later established.

### **Futures Trading in Live Beef**

The department studied in detail futures trading in live beef and the arguments for and against a system in Canada were given in a paper that received wide circulation.

### **Grain Transportation**

There was involvement in studies to provide the most efficient system possible for moving grain from the spout of the combine to the hold of the ship and also



to provide an economically sound system adequate to meet the long-term requirements of Canada.

### Marketing Legislation

The department assisted in the preparation of a statement by the Pool urging that legislation provide producer marketing boards with sufficient powers to meet their objectives effectively and that legislation also provide opportunity for establishment of marketing commissions and other alternatives.

### Parliamentary Committee

The department assisted in preparation of a detailed submission presented by the Wheat Pool to the Standing Committee of the House of Commons on Agriculture, Forestry and Rural Development when the Committee visited Regina in February 1967 during a Western tour. The submission dealt with all the major public policies which affect Saskatchewan farmers and made a number of proposals for change. The committee made its report to Parliament in May, recommending a number of the suggestions advanced by the Wheat Pool.

### Railway Transportation

The department continued its studies of questions relating to railway rationalization.

### Research for Co-operatives

A member of the department was active in the National Committee for Research on co-operatives and the Co-operative Development Association's co-operative research committee both of which were concerned during the year with how best to provide research resources for co-operatives.

### Surface Rights

The previous year the department had assisted in preparation of a submission by the Wheat Pool to the Friesen Royal Commission on Surface Rights and Pipeline Easements. During 1966-67 the commission issued its report, calling for new legislation which would change present practices many of which had been questioned in the Pool submission.

### U.S. Food and Fibre Commission

The Pool's president was the only Canadian invited to testify before the United States presidential commission on food and fibre which had been given

a wide mandate to study and appraise the economics of U.S. farming and to evaluate U.S. farm policies. Based largely on studies undertaken by the Research Department, the Pool statement dealt with the relative importance of grains to the Canadian and U.S. economies, national commodity pricing policies of the two countries, international commodity agreements, international trade and especially trade between the Free World and countries with Communist governments.

### Wheat Symposium

Studies by the department formed the basis of a major paper presented by the Pool president to the Centennial Wheat Symposium, a three-day scientific conference to examine questions relating to Canadian wheat production. Later a document was prepared to outline some of the discussion about the future for Canadian wheat and to record some of the outstanding questions which were raised by participants.

### World Hunger

The department prepared for publication by the Pool a paper entitled "Famine in the Future" by Dr. M. W. Menzies of Winnipeg.

*Pool policy is aimed at improving conditions on the farm.*





# Saskatchewan Wheat Pool

Consolidated Balance

## AUDITORS' REPORT

To the Shareholders,  
Saskatchewan Wheat Pool,  
Regina, Saskatchewan.

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 1967 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 consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the organization's affairs at 31st July 1967 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.

*Touche, Ross, Bailey & Smart*  
Chartered Accountants.

Regina,  
22nd September 1967.

## ASSETS

CASH	\$ 6,215,215
ACCOUNTS RECEIVABLE	6,761,328
PREPAYMENT ON 1966-1967 INCOME TAXES	337,264
STOCKS OF GRAIN	96,058,847
STOCK IN TRADE	6,829,297
MANUFACTURING SUPPLIES	168,085
PREPAID TAXES, INSURANCE AND OTHER EXPENSES	916,064

TOTAL CURRENT ASSETS \$117,286,100

ACCOUNTS RECEIVABLE DEFERRED	684,924
INVESTMENTS AND MEMBERSHIPS, at cost	9,027,716
FIXED ASSETS, at cost (Note 1)	

Sites, Buildings, Machinery and Equipment \$114,501,791

Less accumulated allowance for

depreciation 64,631,246 49,870,545

## DEFERRED CHARGES

Stocks of Repair Parts and Supplies 350,886

On behalf of the Board

*Chas. H. Lang* Director  
*E. H. Turner* Director

\$177,220,171

## NOTES TO CONSOLIDATED

- 1.—Provision for depreciation has been made for a full year on all depreciable assets by the diminishing balance method at the rate of 7.65% on country elevator buildings, 20% on automobiles, and at normal maximum rates allowed under income tax regulations. The rate applied to country elevator buildings arose from certain current governmental restrictions on capital cost allowed on new acquisitions.
- 2.—During the year the new capital structure of Saskatchewan Wheat Pool was implemented. The following shows the various accounts comprising Share Capital account, together with the changes which occurred during the year:

## Balances at 31st July, 1966

Capital	\$ 141,227
Elevator Deductions	21,159,925
Commercial Reserve	11,402,480
	\$32,703,632
Add allocated from 1965-1966 surplus, etc.	8,327,008
	\$41,030,640
Deduct purchased from eligible categories	1,284,308
	\$39,746,332
Deduct cancelled account addresses unknown, etc.	249,300
	\$39,497,032



# and Subsidiary Companies

Sheet at 31st July 1967

## DIRECTORS' REPORT ON CAPITAL STATEMENTS

### LIABILITIES AND CAPITAL

CHEQUES AND ORDERS OUTSTANDING	\$ 24,604,367	
BANK LOANS	34,250,000	
NOTES PAYABLE	15,490,000	
UNALLOCATED SURPLUS 1966-1967	10,187,580	
ACCOUNTS PAYABLE	29,400,512	
TOTAL CURRENT LIABILITIES	\$113,932,459	
MORTGAGES PAYABLE	87,733	
TERMINAL LOANS	9,677,615	
LIVESTOCK EXCESS CHARGES CREDITS	228,295	
CAPITAL (Note 2)		
Authorized		
50,000,000 shares of \$1 each	\$ 50,000,000	
Allotted and fully paid		
39,451,603 shares	\$ 39,451,603	
Allotted and partly paid		
91,059 shares	45,429	39,497,032
RESERVE		13,797,037
COMMITMENTS AND GUARANTIES (Notes 3 to 6)		
The notes to the consolidated balance sheet are an integral part of the balance sheet.		
		<u>\$177,220,171</u>

Copy of the Consolidated Balance Sheet approved by the Company's Auditors, appears on this page. This Statement sets out the combined financial position of the Saskatchewan Wheat Pool and its subsidiary companies as at 31st July 1967. Total current assets of the entire Pool organization amounted to \$117,286,100, and total current liabilities amounted to \$113,932,459. The difference between these two items, namely \$3,353,641, represents the current position of the Company at the end of the fiscal year, 31st July 1967.

The original cost of all fixed assets amounted to \$114,501,791. Over the years depreciation amounting to \$64,631,246 has been provided, leaving the net value of the fixed assets at \$49,870,545. This compares with a net valuation of \$36,947,530 for the previous year, which represents an increase of \$12,923,015.

Saskatchewan Wheat Pool spent \$16,527,485 on fixed assets during 1966-67 with current capital commitments of \$16,371,700 remaining at 31st July. This compares with \$7,189,379 expended and \$21,891,000 committed in the previous year. The major commitment of \$8,699,130 is for the Vancouver terminal.

There was a working capital position of \$3,353,641 as at 31st July 1967, before allocation of the 1966-67 surplus. Of this amount \$1,750,000 will be required for the redemption of share equities and special Terminal Loan by those members eligible to receive equity payments during the 1967-68 season. The balance of \$1,603,641 will be applied against capital commitments. Total capital commitments amount to \$21,971,700. This leaves a balance of \$20,368,059 which must be financed. Delegates agreed that a portion of this will be obtained from the 1966-67 unallocated surplus. The balance will have to be financed from future earnings or from outside sources.

### BALANCE SHEET—31st JULY 1967

- 3.—As at 31st July 1967 capital commitments totalled \$16,371,700, and included the undertaking of the Company to subscribe \$400,000 as an investment in Interprovincial Co-operatives Limited.
- 4.—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 eight years, together with annual payments of \$11,600 for approximately two 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 sixteen years.
- 5.—There is a liability of undetermined amount in connection with unexpired subscriptions to The Western Producer.
- 6.—There is a continuing guaranty in connection with loans made to Live-stock feeders by Saskatchewan Co-operative Credit Society Limited and various credit unions.



# THE FINANCIAL PICTURE

## OPERATING SURPLUS

Country Elevator Division—		
Grain .....	\$ 3,940,253	
Farm Service Department .....	873,989	
		\$ 4,814,242
Terminal Elevator Division .....		5,295,493
Flour Mill Division .....		74,494
Vegetable Oil Division .....		(110,101)
Livestock Division .....		199,702
Printing and Publishing Division—		
Job Printing Department .....	\$ 138,850	
The Western Producer .....	(225,100)	(86,250)
<b>Total Operating Surplus .....</b>		<b>\$10,187,580</b>

## ALLOCATION OF SURPLUS

The Pool delegates decided that after provision for reserves and income tax, the remaining \$9,121,399 be allocated as follows:

### 1.—GRAIN:

Patronage dividend at the rate of 3.19 cents per bushel to be applied in payment of shares to be allotted to the member pursuant to Article 19 of the Articles of Association of the Company, estimated ..... \$8,171,428

### 2.—LIVESTOCK:

Patronage dividend at the rate of 37 cents per head for cattle; 20 cents per head for calves; 8 cents per head for hogs; 9 cents per head for sheep and lambs, to be applied on the purchase of shares allotted to the member pursuant to Article 19 of the Articles of Association of the Company, estimated ..... \$ 165,908

### 3.—FARM SUPPLIES:

Patronage dividend at the rate of 6.25 per cent of sale price to the member to be applied on the purchase of shares allotted to the member pursuant to Article 19 of the Articles of Association of the Company, estimated ..... \$ 784,063

(Notwithstanding the foregoing, each member whose shares in excess of one share have heretofore been purchased by the Company, shall be paid his dividend in cash.)

Total patronage dividend ..... \$9,121,399

In the period 1924-1967, cash payments, credit to members and payments on their behalf amounted to \$129,079,268. Amount paid by the Pool for fixed assets is \$114,501,791. Total investment of members: \$49,402,942.





Pool logo brightens elevator.

## Country Elevator Division

### Earnings

Net earnings on grain operations amounted to \$3,940,253 compared to \$5,671,638 the previous year.

### Grain Operations

A record handling of 256,771,000 bushels of all grains was achieved by Pool country elevators in 1966-67. This was well above 1965-66 handling of 238,000,000 bushels. The previous record was 244,600,000 bushels in 1963-64. Another record was established as average handling per agent reached 270,000 bushels. This is well above any previous year.

Several factors contributed to the year's success. Open quotas prevailed from August 1 to August 21, 1966, bringing forth exceptionally heavy deliveries. The record crop harvested in autumn 1966 and a good outward movement of grain

contributed to the result. Staff are to be congratulated for the achievement.

Percentage of grain handled through Pool country elevators was fractionally lower than in the previous year, declining from 53.87 per cent to 53.77 per cent in the year under review. The percentage of wheat handled in 1966-67 was 54.82 compared to 54.79. Many Pool elevators were congested for parts of the year, thus limiting delivery opportunities. Average stocks in store throughout the year were 57,900,000 bushels compared to 56,400,000 the previous year.

### Mill Orders

During 1966-67 6,521 cars of wheat were shipped to flour mills as compared to 7,848 in the previous season. The decline is related to the closing of the mill at Moose Jaw.

### Breakdown of Receipts, Pool Country Elevators

	1966-67	1965-66
Wheat.....	212,714,000	190,641,000
Durum.....	10,484,000	8,612,000
Oats.....	6,840,000	10,601,000
Barley.....	16,756,000	18,762,000
Rye.....	3,171,000	3,306,000
Flax.....	2,941,000	2,761,000
Rapeseed.....	3,865,000	3,402,000
	<hr/> 256,771,000	<hr/> 238,085,000
Platform		
Handlings.....	82	59

In addition to the above grains, Pool country elevators handled in the 1966-67 season, 150,547 bushels of mustard seed and 34,680 bushels of sunflower seed.

Heaviest delivery—43,908,000 bushels—occurred in June. Lightest—4,991,000 bushels—was in February.



## Country Elevator Cleaning

During the 1966-67 season, 15,132,026 bushels of grain were cleaned in country elevators for Pool customers, compared to 14,176,221 bushels in the previous grain year.

## Malting Barley

The Malting Barley Department in Winnipeg was re-organized at the beginning of the year under review. It began selecting quality barley for Pool account.

## Consolidation of Elevator System

During the 1966-67 season, 82 stations were operated on a part-time basis and elevators were permanently closed at the following 14 stations: Dulwich, Albertville, Fishing Lake, Layco, Clashmoor, Veillardville, Pattee, Rak, Cleeves, Bolney, Ormeaux, Greene, Verulam and Thaxted.

Three stations were permanently closed in 1965-66.

## Dwellings

During the 1966-67 season, 35 dwellings were built, 5 purchased and 36 sold, making a total of 790 dwellings owned by the Company at July 31, 1967.

## Construction Department

The Construction Department is engaged in the largest building and repair program it has ever undertaken. Work is proceeding smoothly and on schedule. Changes in elevator design were introduced to increase efficiency, reduce costs and improve working conditions.

Work of this department covers all phases of construction, repair and maintenance of country elevators, annexes, farm service centres and warehouses and dwellings.

During the period August 1, 1966 to July 31, 1967, the Construction Department completed:

18 Elevators:	1 at 140,000 bushels
	1 at 125,000 bushels
	12 at 95,000 bushels
	1 at 80,000 bushels
	3 at 65,000 bushels
6 Crib Annexes:	1 at 100,000 bushels
	5 at 75,000 bushels
12 Circular Steel Annexes:	9 at 15,000 bushels
	3 at 12,000 bushels

The Board authorized expenditures as shown in the following statement:

	Capital	Repairs	Total
Elevator Facilities.....	\$5,062,392	\$1,031,090	\$6,093,482
Dwellings.....	738,050	111,950	850,000
Farm Service Facilities.....	894,277		894,277
Construction Department Equipment.....	171,000		171,000
	<u>\$6,865,719</u>	<u>\$1,143,040</u>	<u>\$8,008,759</u>

- 35 Modern 5-room dwellings;
- 4 Farm Service Centre buildings;
- 52 Two and three carlot farm supply warehouses;
- 20 14-ft. diameter Circular steel bins for farm supply warehouses; and
- 32 Circular steel bins for bulk handling of pedigreed seed.

Major repairs and improvements to existing facilities completed during the year were:

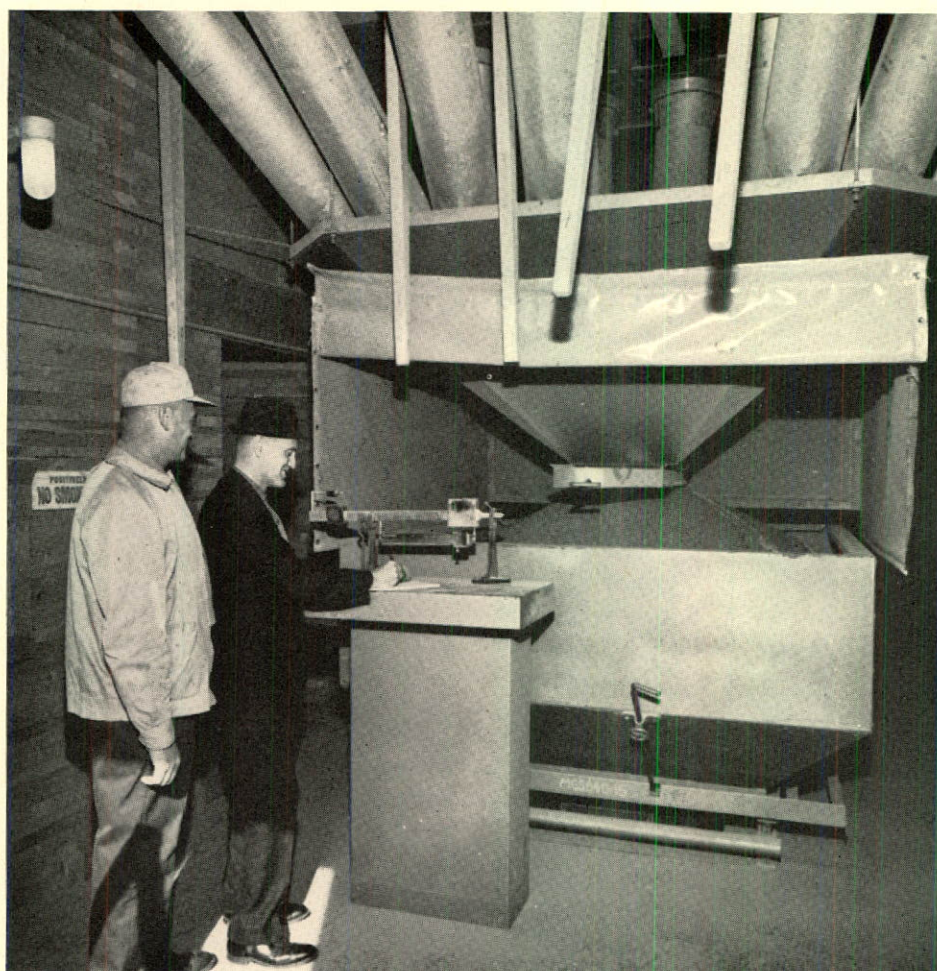
- 30 Elevators converted to multiple electric motors;
- 20 New 40-ton, 34-ft. scales installed;
- 97 Elevators and 71 annexes painted;
- 24 New cleaners installed;
- 6 Cleaners transferred;
- 10 Farm supply warehouses moved;
- 4 Buildings converted to farm supply warehouses;
- 204 Rejected scales repaired; and
- 35 Spouts for loading potash cars installed.

Country System Capacity	Bushels
1,201 Elevators.....	46,247,000
455 Crib annexes.....	16,386,000
437 Permanent frame annexes.....	15,837,000
554 Temporary annexes.....	11,565,000
99 Steel pin annexes.....	1,079,000
Total.....	<u>91,114,000</u>

## General

Several changes were made in elevator design to reduce costs while maintaining efficiency, for example, elevators are being built with a garner instead of spouts over the hopper scales.

Agent and traveller check scale.







*Pool certified seed is popular.*

## Farm Service Department

During the fourth year of operations in the farm supply business, sales were \$13,638,312, an increase of 73 per cent over 1965-66.

With increased experience, many Pool agents are making substantial sales at their stations. A number have doubled or tripled their sales each year. In general, they are developing a good deal of confidence in their sales ability.

In 1966-67, 91 per cent of total Pool sales were made by agents and 9 per cent direct from Farm Service Centres. This compares to 94 per cent and 6 per cent respectively in 1965-66. However, in addition to making direct sales to farmers, Farm Service Centres serve as convenient depots from which many of the products sold by agents are picked up.

A uniform pricing policy was maintained in all products throughout the season. At some local points there was pressure on prices, however no attempt

was made to meet this competition on a point-by-point basis. This policy seems to have been generally well accepted by the membership.

### Farm Service Centres

New Farm Service Centres at Wadena, Oxbow and Assiniboia were put into operation during the year to bring the total to 17. As this network spreads across the province the value of the Farm Service Centre, in providing service to agents and, in turn, to their customers, continues to be demonstrated. The needs of farmers for detailed specialized technical information becomes more important every year and the Farm Service Centre is being called on increasingly to supply this kind of service and to act in a consultative capacity.

During the season a major addition, including a bulk fertilizer plant, was completed at the Prince Albert Farm

Service Centre. A new Farm Service Centre was started at Unity.

The construction of 75 three and two-car warehouses was authorized and a number of these were built by July 31. On completion of this program, there will be approximately 375 farm supply warehouses at elevator points. The rated storage capacity of these warehouses in terms of fertilizer, plus the allocated fertilizer space at Farm Service Centres, is 39,000 tons.

### Seed Section

A major achievement during the season was the distribution of seed of the new wheat variety, Manitou. Because the Pool had control of a very large block of the total seed supply in the province, it was able to influence the retail price. As a result, Saskatchewan farmers were able to obtain high quality seed of this new superior variety at a reasonable cost.



Total handlings of cereal seed for 1966-67 was 1,018,487 bushels compared to 403,423 the previous year. Of the year's total more than 508,000 was handled in bulk.

Another important program undertaken was the contracting of zero erucic acid rapeseed for the vegetable oil plant.

The forage crop seed industry has been in a depressed state ever since the Pool started in this business in July 1964. Prices on export markets are low. There does not appear to be any particular trend toward increasing the hay and pasture acreage in the province.

The section has been purchasing seed from growers on both pooling and outright bases since 1964.

### Fertilizer Marketing Section

Fertilizer sales were 61,894 tons compared to 34,000 tons the previous year. About 2,500 tons or 4 per cent were sold in bulk. There is evidence of a trend to greater use by farmers of bulk fertilizer as more facilities become available. To take advantage of this swing, bulk plants were installed at Prince Albert and Humboldt Farm Service Centres.

The Pool undertook considerable promotional work in connection with the provincial soil testing program with the result that samples from 1,750 fields or 22 per cent of all samples sent to the laboratory at the University of Saskatchewan were forwarded in Saskatchewan Pool containers. Much work was done by the section with a Saskatoon manufacturer in developing a power probe that

will greatly reduce the time and labor involved in obtaining soil samples.

A fleet of 96 fertilizer spreaders owned by the Pool is available for rental by customers who wish to broadcast nitrogen fertilizers. An experiment in custom fertilizer spreading was initiated at the Melfort Farm Service Centre in 1967.

### Farm Supplies Section

Sales through this section totalled more than \$3,500,000 in 1966-67. A number of new products were added to the lines handled during the year. Among these new products were steel bins offered in late 1966 and a low-profile sprayer in the spring of 1967. Both items sold well. Additional safety products were added during the year.

*A fleet of fertilizer spreaders at your service.*







Record farm supplies sales mark Pool's year.

Sales of seed treatment chemicals declined for a second year.

General herbicide sales declined by 11 per cent as producers changed to more specialized products.

### Technical Services Section

This section provided consultative and informational services to staff members during the year and participated in many other technical programs. It was involved

in selection, preparation and editing of product bulletins and circulars made available to Pool agents.

More than 10,700 seed samples were tested for germination in the Laboratory at Moose Jaw. The section continued to publish the Crop and Weather report and to provide specific information to other departments. Close working relationships were maintained with the field crops extension specialist and assistance was given in the Farm Family Fair program and in weed sprayer demonstrations. The section represented the department at a number of provincial and national agronomic meetings.

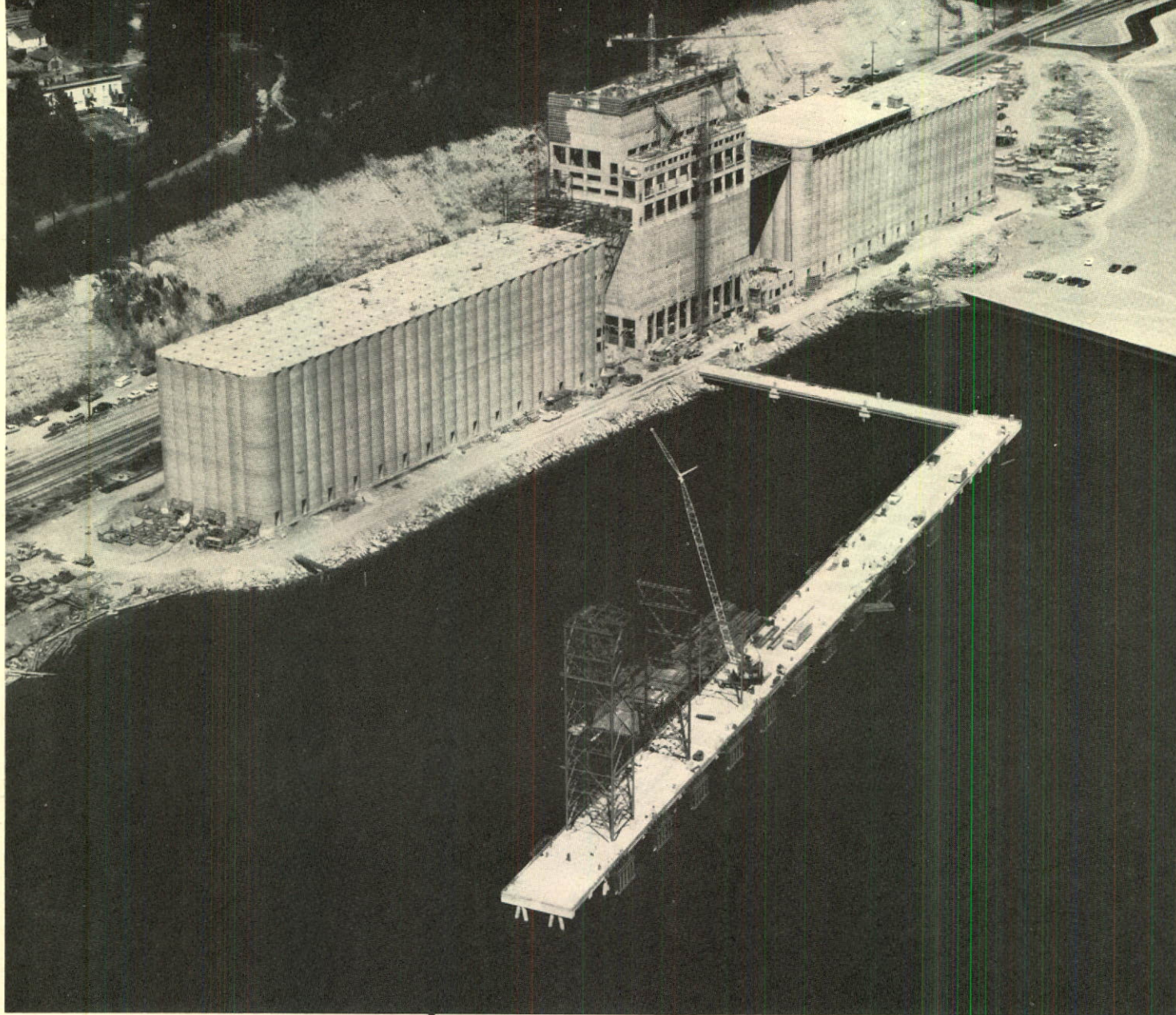
### Sales by product category:

	1966-67	1965-66	1964-65	1963-64
Fertilizer—	\$6,085,787	\$3,175,804	\$ 508,228	\$1,753,292
Chemicals—	2,731,285	2,258,845	1,557,813	826,760
Twine—	430,532	499,174	347,462	95,558
Miscellaneous—				
	369,861	105,488	28,771	
Cereal Seed—				
	3,367,380	1,150,876	978,450	801,897
Forage Crop				
Seed—	572,515	641,796	722,277	
Dehydrated				
Alfalfa—	80,952	51,498	12,809	
<b>Total—</b>	<b>\$13,638,312</b>	<b>\$7,883,481</b>	<b>\$4,155,810</b>	<b>\$3,477,507</b>

### General

The Pool feels confident that the increase in sales, services and savings achieved by this department is a strong indication that it is meeting the needs of members. This is a rapidly developing field and our objective will be to lead the industry in providing to producers the most efficient economical service possible.





*Pool's new 5,300,000 bushel Vancouver terminal, almost finished.*

## Terminal Elevators

### Earnings

Net earnings of the Division totalled \$5,295,493 or 2.486 cents per bushel. This compares to net earnings of \$4,882,279, or 2.392 cents per bushel the previous year.

For a second successive season, record terminal handlings have been achieved. Terminal handlings in 1966-67 were 213,048,611 bushels compared to 204,076,474 bushels the previous year, which was itself a record.

The percentage of all Lakehead receipts handled by the Pool set a new high of 37.5 per cent, as compared to 36.6 the previous year. At Vancouver the

Pool terminal handled 12.6 per cent of all Pacific Coast receipts up from 11.6 the previous season.

### Export Department

Export and domestic sales handled by the Department during the 1966-67 season totalled 17,808,788 bushels of all grains, compared to 14,573,997 bushels the previous year.

Carlot shipments totalled 856 cars compared to 149 cars the previous year.

### New Terminal, Vancouver

Work on the new terminal at Vancouver has generally progressed on

schedule. The new elevator will be ready to receive grain early in the new year.

The completion of the new Pool terminal at Vancouver, with its capacity of 5,300,000 bushels will add measurably to Canada's ability to meet export commitments, particularly in the Pacific market. The increasing importance of this market is illustrated in the higher percentage of clearances through Pacific ports in 1966-67. In the year just concluded, 37 per cent of Canada's exports went from the Pacific compared to 34 per cent the previous year.





*Rapeseed crops: an attractive sight.*

## Vegetable Oil

### General

Low prices in the industry brought about by severe competition from imported oils and from other processors resulted in an operating loss. (See financial statement.)

### Rapeseed Operations

During the 1966-67 season the plant operations were confined to rapeseed, operating 239 days compared to 268 operating days the previous season. This represents 72.41 per cent of the possible operating time.

During the year 978,572 bushels of rapeseed were processed, down 35,900 bushels.

Production amounted to 19,477,512 pounds of rapeseed oil and 13,870 tons of meal. Production in 1965-66 was 19,436,000 pounds of oil and 14,475 tons of meal.

Plant production per day increased during 1966-67. As a combined result of a drier crop and better operating efficiency, the percentage of oil recovered also improved.

No flaxseed was processed during the year.

A small quantity of zero erucic rapeseed was processed and the oil sold for pilot studies. The buyers have expressed interest in additional quantities. One ton of the meal was shipped to a processor for experimental purposes.

About 45 days' operation on zero erucic rapeseed is anticipated in the new year. This will permit a true market test of this selection.

*Rapeseed plant processed zero erucic variety for experiments.*





# Flour Mill

## Earnings

The statement shows that the Flour Mill Division earned a net surplus of \$74,494 for the year. In the previous year, mill operations resulted in a loss of \$66,659. The improvement is attributed mainly to improved margins on some products and to increased sales.

## Canadian Flour Industry

Significant shifts in Canadian flour milling capacity occurred during the year. The net effect is to move a greater proportion of Canada's milling capacity to eastern Canada. The trend toward integration of milling, baking and macaroni industries continued.

Canadian flour production declined from 37,000,000 to 34,000,000 hundred-weights up to the end of May 1967. It is estimated that exports may drop 1,800,000 cwt. this year as export opportunities decline.

The most serious decline has taken place in the United Kingdom where Canadian sales will be about 1,200,000

cwt. lower than a year ago. Among factors contributing to lower sales have been the more wide-spread use of new baking processes which reduce the need for strong, high protein flours and increased milling capacity in the market.

Canadian food aid programs have moved flour into some overseas markets.

## Storage

Total receipts for the season were 2,284,838 bushels, an increase of 25,943 bushels from the previous year.

## Flour Mill Operations

The total operating time amounted to about 245 days, an increase of nearly six days over the previous year representing 81.58 per cent of the possible operating time. Flour production showed an increase and average production per day was higher.

## Sales

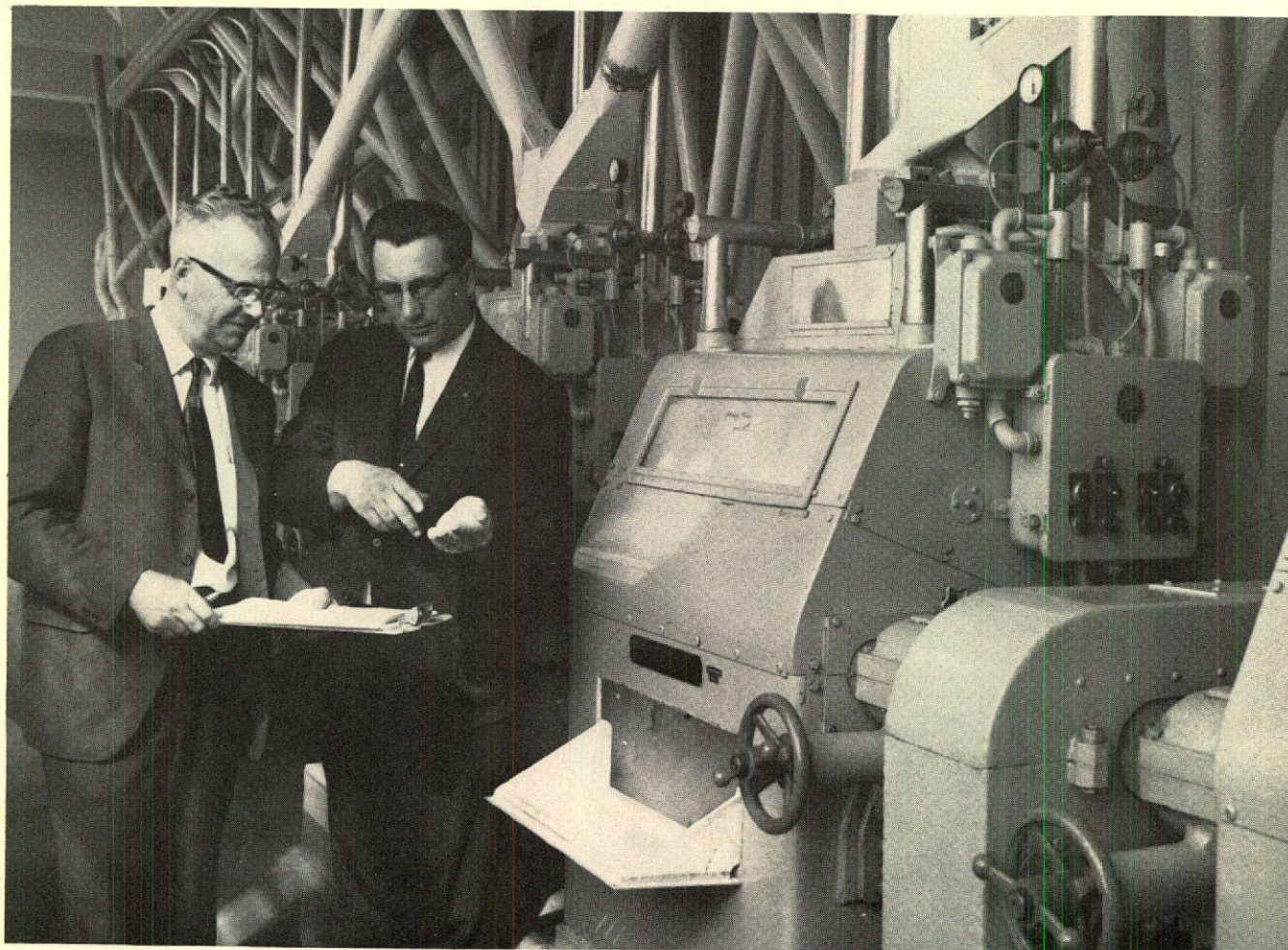
The Flour Mill Division achieved increases in sales of all classes of flour during 1966-67 over the previous year.

The increase in flour for home baking was small, but encouraging in the light of continued declines in the use of household flour throughout the industry. Bakery flour showed a good increase and slightly more flour was exported than in previous years. Sales in a number of overseas markets showed small increases which more than offset declines in sales to the United Kingdom and elsewhere.

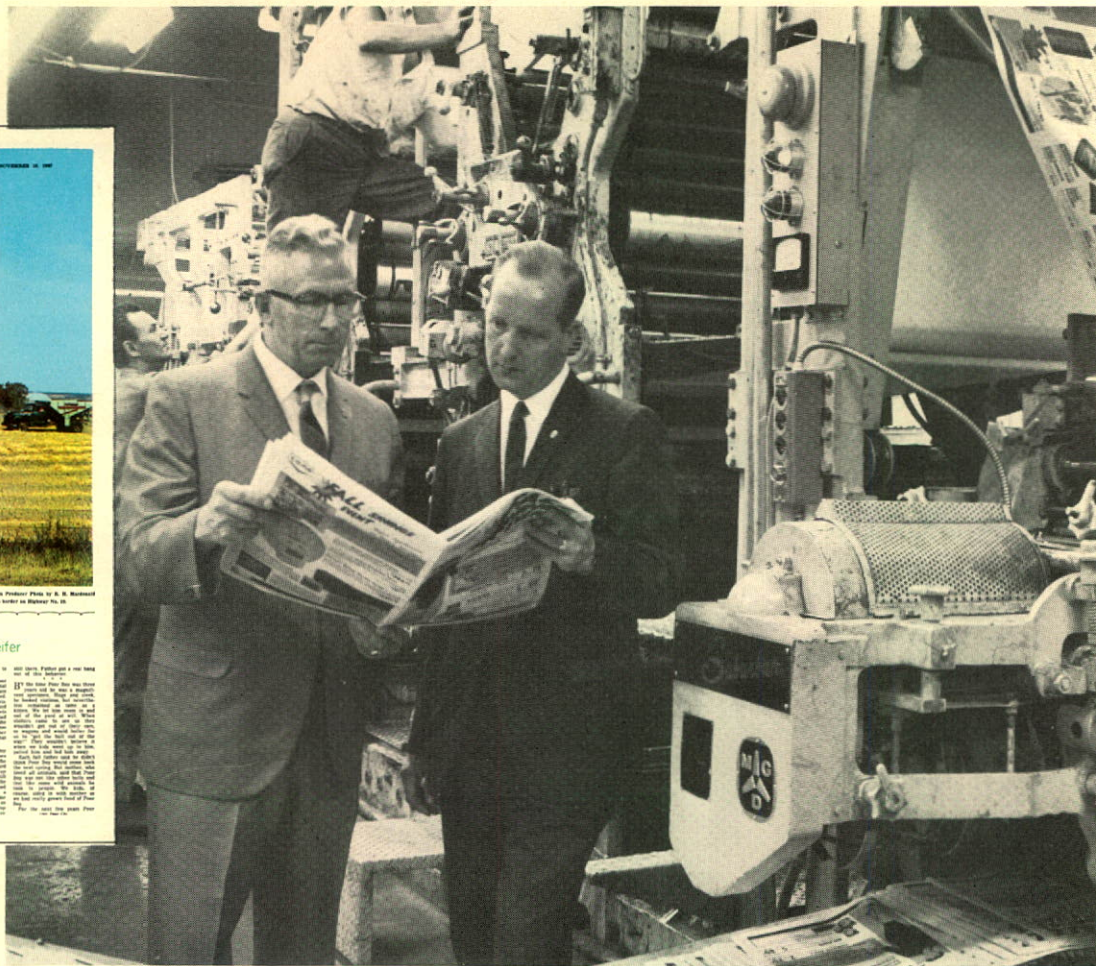
The mill made food aid shipments to several countries.

It is with deep regret that we record the death on December 28, 1966, of Mr. C. S. Fisher, manager of the Pool flour mill since its inception and, as well, manager of the vegetable oil plant from August 1964. Mr. Fisher was appointed manager of the flour mill in 1948 and guided its development from the time it opened until his death. Mr. Fisher was highly regarded in international milling circles and had held high office in associations of millers. He served members of Saskatchewan Wheat Pool with devotion and distinction.

*Flour Mill's production showed increase.*







Quality color is Modern Press feature.

## Printing and Publishing

### Commercial Printing Department

The Commercial Printing Department again enjoyed a gratifying year from the viewpoint of sales volume and operating return. Sales of most classes of work produced in the plant showed gains.

Increased volume of printing was obtained from many sources. There was a gain in the amount of printing done for co-operatives which now represents about 40 per cent of the work in the plant.

### The Western Producer

Net paid circulation was 156,032 at the year end. New records were established in the sale of both classified and display advertising linage.

The number of books sold by Prairie Books Department rose from 9,114 in 1965-66 to 9,712 in the year under review. In addition, the department sold more than 12,000 Farm Account books.

Sales of new policies through the Insurance department were disappointing in 1966-67.

### Editorial

There has been special emphasis on the subject of the role of Canada and other affluent nations in a world where increasing population threatens to outstrip man's ability to produce adequate food supplies.

Among topics that were given a greater than average amount of attention on the editorial page included the Carter Commission Report on Taxation; trends in government and farm organization policy proposals for agriculture; Geneva Conference and International Wheat Agreement; labor management relations and related matters; the co-operative movement; the cost-price squeeze in agriculture.





*Marketing through Pool enhances producer's bargaining power.*

## Livestock Division

### Earnings

Net earnings amounted to \$199,702 compared to \$192,266 the previous year.

### Marketings

The Division handled 548,846 cattle and calves, representing 56.7 per cent of provincial deliveries during the year under review. Total provincial cattle deliveries were 968,324 in 1966-67, down 29,217 from the previous year.

Hog deliveries of 129,872 in 1966-67 represent 23.2 per cent of provincial deliveries. Total Saskatchewan hog deliveries increased by 29 per cent and marketings through the Division increased by 26 per cent over the previous year.

In addition to operations at its yards, the Pool conducted 35 country cattle sales in conjunction with local agricultural organizations, at Tompkins, Climax, Consul, Piapot and Meadow Lake. Total handlings at these sales were 15,675 head, an increase of more than 1,000 over the previous year.

The Pool's livestock services have been greatly improved in recent years. In late October, 1966, the Division officially opened its completely renovated livestock yard in Swift Current. During the year the Board approved construction of new livestock facilities in a new location at North Battleford.

In the present marketing system, producer-owned agencies operating on auction markets provide the only effective factor working to enhance the producers' bargaining power. The Pool believes that, along with good breeding and management practices, producers can improve their livestock income through greater use of their own livestock marketing facilities.

### Market Stabilization

The policy of supporting prices on all grades of cattle, hogs, and sheep has been continued at all branches. While the policy was not required for any particular period in the year under review, it was necessary to take action periodically to support prices. During the year about

61,000 cattle were bought under the stabilization program. Losses amounted to \$36,730 or 60 cents per head.

### Exports

Exports of feeder cattle to the United States have been substantially lower in the year under review than in previous years. The generally stronger American markets on various classes of cattle permitted export of some classes every month during the year.

### Feeding Co-operatives

A moderate increase occurred during 1966-67 in the number of cattle on feed under the feeding co-operative program. Three associations were dissolved during the year. Of those remaining, 10 were inactive leaving 24 active associations at the year's end.

The feeding co-operatives program has again demonstrated its usefulness. Number of cattle on hand at July 31 was 14,186, compared to 12,385 a year earlier.



**CANADIAN LIVESTOCK CO-OPERATIVE  
(WESTERN) LIMITED**

The operating surplus for the fiscal year ended 31st July 1967 was \$123,689. This surplus was allocated on the basis of patronage to the members.

During the year under review, Canadian Livestock Co-operative (Western) Limited, handled 298,454 head of livestock, of which 122,666 originated in Saskatchewan, and 175,788 in Manitoba.

The gross value of livestock handled by Canadian Livestock Co-operative (Western) Limited, amounted to \$41,842,805 as compared to \$40,658,656 for the previous year. In spite of decreased volume, the increase in gross value reflects higher livestock prices.

In a continuing attempt to obtain the highest possible returns for our patrons, 6.66 per cent of the cattle and calves offered for sale were passed on first showing and 773 were pooled for resale on other markets. This compares with 5.9 per cent passes and 2,169 pooled in the year previous.

The current year's operations of C.L.C. included for the first time that of the Brandon Division.

The volume of sales through the Brandon market was 57,125 head of cattle, calves, hogs, sheep and lambs. That compares with 53,564 in 1965-66.

**LIVESTOCK POPULATION ON FARMS  
(At June 1, 1967)**

	Cattle and Calves	Hogs	Sheep and Lambs
<b>Saskatchewan</b>			
1962	2,080,000	429,000	174,000
1963	2,147,000	423,000	164,000
1964	2,300,000	505,000	165,000
1965	2,340,000	405,000	150,000
1966	2,253,000	428,000	138,000
1967	2,368,000	565,000	120,000
<b>Canada</b>			
1962	12,075,000	4,973,000	1,433,000
1963	12,305,000	5,210,000	1,340,000
1964	12,817,000	5,620,000	1,286,500
1965	13,001,000	5,136,000	1,167,000
1966	12,546,000	5,443,000	1,094,000
1967	12,781,000	6,012,000	962,500

Source: Dominion Bureau of Statistics.

*Pool livestock services have greatly improved in recent years.*







*Farms and farm people are the central Pool interest.*

## Extension Department

### District Reorganization

Reorganization of district and sub-district boundaries was completed during the year. Objectives of the re-distribution were:

1. To try to equalize the workload for delegates;
2. To equalize representation by population for delegates; and
3. To give members the opportunity to vote for the delegate serving the member's shipping point.

The reorganization provides for 146 sub-districts in the 16 districts.

An extensive review and updating of membership records was conducted by the department in co-operation with elevator agents. Procedures are now being established to keep these records current.

### Local Annual Meetings

The 1966 annual meeting program was designed to provide members with information on key issues of concern to agriculture; to present a brief report on the Saskatchewan Wheat Pool operations; and to obtain member opinions on questions concerning the future development of Pool services and farm policy. Workshops were held with delegates by fieldmen.

### Committees

There were 1,016 committees on July 31, 1967, compared to 1,033 a year earlier and 1,173 at the high point in 1946.

The Saskatchewan Wheat Pool committee system is the best yet devised for

keeping a large centralized co-operative in close contact with its members. No other large co-operative enjoys the same degree of member participation.

The responsibilities of the committees are increasing. Their leadership role grows as technological changes in agriculture make solutions to farm problems more complex.

### Banquet Conferences

Attendance at Committee Banquet Conferences this year was 15,396, up slightly from a year ago. The program provided for a panel of committee representatives to raise questions for discussion by the delegate, director, and other Saskatchewan Wheat Pool representatives present. Committees met prior



to the conference to prepare questions for their representatives to present. The interest and participation in this program were exceptionally good.

### Staff Training

There was considerable activity in this area, including a one-day sectional meeting program for agents, agents' introductory correspondence course, an agent trainer course, a head office agents' course and management development programs.

### Field Crops Extension

This was the second year in which Farm Family Fairs—a program of crop and livestock production information—was organized for farmers. Thirty-one fairs were held with a total attendance of 2,445. This is down substantially from the attendance of a year ago.

During the year a program was introduced to keep current the agricultural information service for members on the elevator and farm service centre display boards.

Several new brochures and pamphlets were produced, updated, or developed

in consultation with related co-operatives or agricultural extension agencies. Pamphlets developed included—Ergot Control, Feeding Precautions, Herbicide Spraying Guide, Fertilizer Tables, Fertilizer for Lawns and Gardens.

### Livestock Extension

Five livestock bulletins on topics of current interest to livestock producers were produced and distributed during the year. The circulation of this bulletin is about 5,000.

In co-operation with the University a new livestock scale was developed. Twelve working models were produced and are now being tested on selected farms in the province.

### Farm Management

The department has had this matter under study for the past year and plans are being formulated for an intensified program in co-operation with representatives of organizations and agencies interested in farm management.

### Co-op Schools

Eleven co-operative schools were held in 1967, with a total attendance of 709.

The department was involved in this program, as it was in programs for overseas students, courses for teachers at Co-op College and in co-operative information and leadership courses in parts of the province.

### General

The Pool recognizes that the pace of change in agriculture presents many challenges to the Saskatchewan Wheat Pool. New ways must be found to relate co-operative organization to today's youth, particularly young farmers. Leadership must be provided to coordinate agricultural extension so that reliable production, management and marketing information is readily available. Staff resources must be developed through training to continue providing leadership in efficient farm services. More members must be involved in discussion of farm policy and decisions regarding the future growth of Pool services to members. Action in these areas will influence in large measure the future growth and development of the organization.



*Some local committee members in an informal session.*



*Courses for agents are important.*



# Secretarial Division

During the year under review the Board placed the Extension Department, for purposes of coordination with other departments, under the responsibility of the Secretary, along with Research, Publicity and Advertising, corporate secretarial and administrative services.

The Division assures that procedures for democratic control are maintained and provides liaison between the Board of Directors, delegates, appointed officials, the membership and general public.

In areas of extension, training, public relations, advertising and research, the Division provides services to all operating divisions of the Company, as well as to the Board and the delegate body.



*Pool floats appeared in a record 154 parades.*

## Publicity Department

*A Pool TV commercial is made.*



The Publicity Department continued to serve the organization in three major areas in 1966-67:

1. Providing information about the Wheat Pool and about agriculture in Saskatchewan to members and non-members through mass media;
2. Conducting public relations programs to maintain and improve the image of the Pool and its relations with other organizations; and
3. Planning and administering an advertising program for the Pool and all its operating divisions.

### Services

The Pool's farm radio news service on seven stations was continued during the year.

Two programs were presented in the Prairie Journal series on television during the year. The Talent Program was continued on CKBI radio and television in Prince Albert.

The Pool Notes column and its companion, "Mainly About People", were continued in The Western Producer.

Press releases are distributed to newspapers, radio and television stations and other media.

Institutional advertising was continued in The Western Producer and on radio and television. Emphasis was on the importance of agriculture to the national economy and some of the problems facing the grain industry.

The volume of product advertising continues to increase with the greater activity in the Farm Service Department.

Community observations of centennial year resulted in an exceptionally heavy float program being carried out. Parades featuring Pool floats numbered 154.

### Library

The Pool's lending library distributed 10,396 books during the year compared to almost 11,300 the previous year.

There was more interest in the reference section of the library.

## RESEARCH DEPARTMENT

Details on this department, a part of Secretarial Division, are found on pages six and seven.



# Junior Activities

## Bursaries and Scholarships



RECENT FIRST-YEAR WINNERS OF POOL BURSARIES IN SCHOOL OF AGRICULTURE, UNIVERSITY OF SASKATCHEWAN

Left to Right:

FRONT—Gerald F. Kohlert, Gordon M. Shantz, Ralph E. Marchildon, Gordon L. Parkinson, Wilfred B. Buhler, Douglas A. Alberts.  
BACK—Garry N. Lofgren, Donald R. Meyer, Kenneth Peutert, Duane L. Rathwell, Victor H. Willems, Douglas E. Martin, Stanley G. Bethune, Gary E. Gheysen. MISSING—Dale O. Nostbakken, Dennis W. Lynch.

The organization continued its active support of young people's educational programs through the 4-H Club movement at all levels.

A special Centennial grant of \$10,000 toward the capital cost of Camp Rayner was given to the Saskatchewan 4-H Foundation. An operating grant of \$8,000 was made to the Foundation in 1966-67. Pool Board continues to be represented on the National and Provincial 4-H Councils and on the Board of Trustees of the Foundation.

The organization provides assistance at the district level through active participation by extension staff in rallies, fairs, selection interviews and other projects. Name badges for tours, rallies and

camps are provided. Wheat Pool representatives serve on District 4-H Councils.

Wheat Pool Committees provide an inestimable service to the overall program by sponsoring 4-H Clubs in their communities. Many Wheat Pool members and staff provide club leadership. Committees provide trophies and awards to clubs for achievement days.

The organization continued to provide banquets for provincial council and leadership functions and to participants in summer camps held at exhibitions.

### Bursaries and Scholarships

A new graduate scholarship was established in 1967 to honor the memory of the late Dr. John H. Wesson, former president of the Wheat Pool. The scholar-

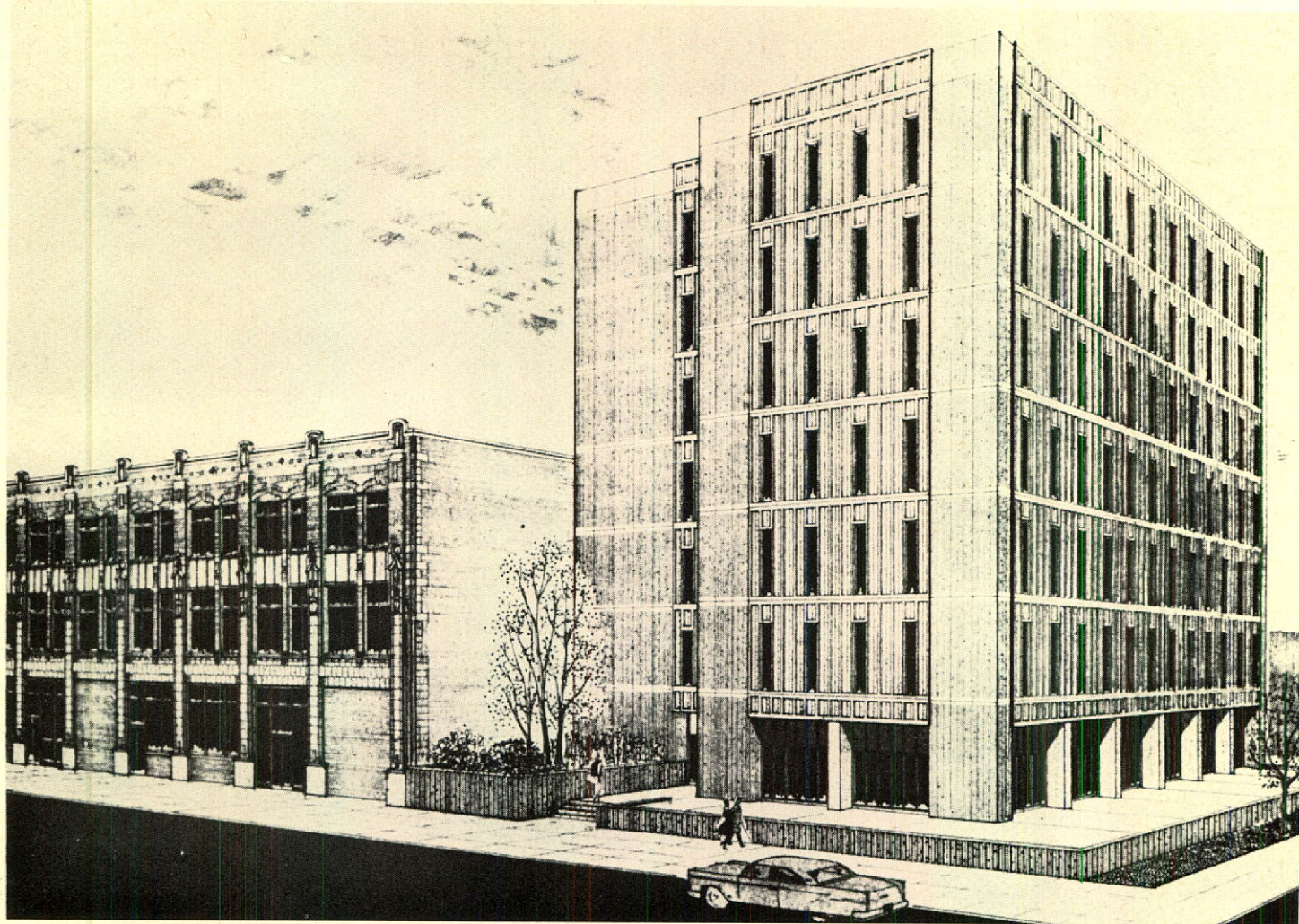
ship is for students proposing to pursue post-graduate study in adult education or extension and is valued at \$2,000.

The Pool also provides the Geo. W. Robertson Memorial Scholarship, an award for graduate study valued at \$1,200 a year, established to honor the Pool's first secretary.

Two awards valued at \$500 each, established some years ago to honor the late A. J. McPhail, the Pool's first president, are made available to girls attending the Farm Girls' Camps.

Saskatchewan Wheat Pool makes available annually a total of 32 bursaries valued at \$250 each to students attending the two-year School of Agriculture course at the University of Saskatchewan.





Architect's sketch of addition to Pool head office building, scheduled for completion late 1968.

## Personnel Department

Recruiting, testing and evaluating applicants for positions at all levels continued to be one of the major services provided by the Department. Rapid technological advances in practically all areas of the Pool's operations demand well-qualified staff. The recruitment of staff, as well as the training program, must reflect this situation.

All phases of wage and salary administration, plus the fringe benefits provided to all staff, required continuous attention and review.

The Department continued to provide assistance and direction in the training and development of staff. A high degree of co-ordination was maintained with the Extension Department in this area. Records indicate that interest in up-grading courses has been maintained at a satisfactory level.

Western Co-operative College at Saskatoon provided one-week courses for selected supervisory personnel. Staff members from Regina, Saskatoon, Winnipeg and Port Arthur were enrolled.

Throughout the year, other training and orientation courses were conducted by this Department with resource personnel being supplied from within the organization.

The company continues to encourage employees to up-grade their skills and knowledge by refunding in full, the tuition fees for approved courses successfully completed.

The Pool feels that industrial relations throughout the organization continue to be satisfactory.

## POOL STAFF

The following table shows the distribution of staff by divisions as at July 31, 1967. The total employee force on this date was 3,327. Figures in brackets are for 1966.

	Monthly		Hourly	
Head Office .....	97	(72)		
Country Elevator Division, including Commission Department, Winnipeg.....	326	(336)		
Agents, Assistants and Helpers.....	1,102	(1,109)		
Farm Service Department:				
(a) Office.....	38	(36)		
(b) Seed Plants and Centres...	62	(40)		
Construction.....	38	(36)	481	(405)
Terminal Elevator Division:				
(a) Port Arthur and Winnipeg.....	55	(57)	624	(634)
(b) Vancouver.....	14	(14)	63	(58)
Industrial Division:				
(a) Flour Mill.....	46	(46)	61	(57)
(b) Vegetable Oil.....	31	(33)	3	(3)
Printing and Publishing.....	67	(62)	109	(83)
Livestock.....	110	(95)		
	1,986	(1,931)	1,341	(1,240)



# Canadian Co-operative Wheat Producers Limited

## Directors' Report 1966-67

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

### Production in Canada

Much of western Canada experienced a severe drought during the 1967 growing season. Nevertheless, because of ample moisture reserves, favorable temperatures, and improved cultural practices, total production of wheat in the Prairie Provinces amounted to 574,000,000 bushels according to the September forecast by the Dominion Bureau of Statistics. This was better than an average crop for the Prairies, but far below the 807,000,000 bushels harvested in 1966.

Production of other grains, too, was down in western Canada so that the total of all grains harvested was 1,042,000,000 compared to 1,410,000,000 a year ago.

### Canadian Grain Exports

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

The pattern of Canada's exports of all grains remained much the same as the previous year. The Soviet Union and the Peoples Republic of China, with more than 90,000,000 bushels each, were the two major importers, as in 1965-66. Exports to both Japan and India scored major gains in 1966-67.

### World Wheat Situation, 1966-67

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

The price of U.S. hard winters, 13 per cent protein, at Gulf ports declined 19½ cents between April 6 and July 13. It continued to go down until the reduction under the April 6 price reached 27 cents on August 30. Subsequently, there was

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

### The Food Gap

Many developing countries are still short of food. Improvement depends on a combination of three major factors: Reduction in the rate of population growth; improvement in the rate of food production; a general rise in the level of incomes. If these three things can be achieved, it has been suggested that, by 1985, the food problem in terms of calorie intake would be very near adequate control. In the meantime, however, hunger will continue to be the lot of far too many of the world's under-fed 45 per cent.

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

Canada's role in the international food aid program has expanded substantially.

### Wheat and the Kennedy Round

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

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

The price range in Canadian terms is: \$1.95½ per bushel for No. 1 Northern in store at the Lakehead and \$2.38½ at the ceiling. This is an increase over the 1962 agreement of 21 cents a bushel at the floor.

As in 1962, importers committed themselves to take a pre-determined

percentage of their total wheat requirements from the exporting countries which adhere to it.

For technical reasons the International Grains Arrangement cannot come into effect until July 1, 1968.

Also in the Kennedy Round, an agreement was reached in principle that all nations should participate in food aid programs involving the distribution of both wheat and other grains to assist developing countries.

### Farm Income and Costs

The persistently unfavorable relationship between costs and prices has been made tolerable recently by the fact that in the last four years grain producers have experienced better-than-average production and there has been an export demand which has permitted them to deliver five years' crop in four.

The implications of this set of circumstances prompts Canadian Co-operative Wheat Producers to stress repeatedly in statements on farm policy:

1. That public policy must be developed so that individual farmers can make the necessary adjustments to achieve the highest possible degree of efficiency in production of grain;
2. That the search for new markets abroad must be maintained so that the maximum level of exports may be achieved; and
3. That a higher price for wheat should be achieved in the re-negotiation of the International Wheat Agreement which was scheduled for early 1967.

### Board of Directors

The Board of Directors of Canadian Co-operative Wheat Producers consists of three executive officers of Manitoba Pool Elevators, Saskatchewan Wheat Pool and Alberta Wheat Pool. During the year under review, Chas. W. Gibbings, President of Saskatchewan Wheat Pool, was President.

The Board says the complexity and remoteness of farm problems emphasize the need for strong, representative farm organizations to speak on behalf of the individual. To this end, the Board will do its utmost to "bring about close co-operation among its member-organizations and to work diligently with other farm groups in the interest of the producer."





Pool Farm Service Centre personnel visit Western Co-operative Fertilizers Limited plant in Calgary.

## Associated Co-operative Activities

### Canadian Pool Agencies Ltd.

This is a wholly-owned subsidiary of the three western Pools and it places insurance on behalf of the principals, receiving commissions. Amount available for payment of patronage dividends in 1966-67 was \$66,366, compared to \$72,629 a year earlier. Saskatchewan Pool's share is \$45,114.

### Pool Insurance Company

Owned by the three Pools, the company has carried insurance on their property for 29 years. The year 1966, the 28th year of business activity, was very successful. A surplus of \$958,868 was produced as compared with \$536,242 in 1965. Fire losses were light.

Saskatchewan Wheat Pool received \$542,852 in patronage dividends.

As well as insuring against fire losses, the Pool Insurance Co. has five inspectors to superintend properties.

### Co-operative Insurance Services Limited

Continued expansion of Co-operative Insurance Services Limited is reflected in

an increase in the first eight months of 1967 of \$102,000,000 of life insurance in force.

The increase in the same period last year was \$67,000,000. The total now stands at \$847,000,000.

Co-operative Fire and Casualty Insurance written premiums amounted to \$12,200,000 in the first eight months of 1967. This was an increase of 25 per cent. Credit union loan and life savings insurance also showed a substantial gain.

Invested assets of the companies continued to grow and now stand at more than \$36,000,000, an increase of \$3,100,000 during the year.

Saskatchewan Wheat Pool is a major shareholder in the insurance company.

### Interprovincial Co-operatives Limited

In its 21st year of operations, Interprovincial Co-operatives Limited sales volume will reach \$42,000,000 and net savings should almost double last year's results of \$207,000. Total assets of \$11,-

000,000 will be increased by \$5,000,000 in 1968 through the expansion of the Saskatoon Chemical Complex now under-way.

IPCO's role is being expanded to assist producer co-operatives in marketing of their products, expansion of export markets and a wider range of private label merchandise under CO-OP and other labels.

### Western Co-operative Fertilizers Limited

The year 1966-67 was the first full year of operation of the complete complex.

Total production of finished product as of June 30, 1967 amounted to a total of 247,723 tons.

Competitive pressure on prices to the consumer eased considerably compared to the previous year.

The total use of fertilizer by the Western Canadian farmer in the three prairie provinces increased from 684,211 tons to 874,144 tons, a gain of 189,933 tons or 27.75 per cent.



## Conclusion

Saskatchewan Pool experienced a very successful year of operations. The year brought a significant change in organizational structure. The purpose will remain to keep progressing in activity, efficiency and influence.

It is worthy of note that the philosophy, aim and objectives of the organization continue to direct its actions to the improved position of the individual farmer member, consistent with the national interest and the general welfare of all peoples of the world.

The importance and the benefits of co-operative action in the purchasing of supplies and the marketing of products continues to be demonstrated. As farms expand in terms of capital investment, off-farm input requirements and volume marketed, the need for bargaining power and policy influence become even more critical.

The Board believes that these challenges can and will be met, at least in part, by continuing and expanding activities of the Saskatchewan Wheat Pool.

The capable and loyal service of management and staff, the guidance of this delegate body and the dedicated support of Pool members is acknowledged by the Board of Directors:

**Arnold G. Pederson**  
**J. Lindsay**  
**G. C. Anderson**  
**Walter Melrose**  
**Allan E. Grigg**  
**J. R. Stilborn**  
**J. H. Harrison**  
**E. J. Sjolie**  
**H. F. McLeod**  
**D. M. Lockwood**  
**Chas. W. Gibbings**  
**E. A. Boden**  
**S. M. Smith**  
**Gordon South**  
**J. W. Marshall**  
**E. K. Turner**

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*Seeding assisted by C C I L.*

FROM SEEDTIME TO HARVEST . . .  
AND THE REST OF THE YEAR, TOO,

Saskatchewan Wheat Pool serves the interests  
of Saskatchewan agriculture and farm families.



SIGN OF SERVICE



# AIM AND OBJECTIVES

## 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.

*Another crop season draws to a close.*





## IN MEMORIAM

As this Centennial Year draws to its close, it is appropriate that organizations such as this should recall with gratitude and pride the host of pioneers who built the farm movement in this province and in Western Canada. They were many; they were strong; they were visionary. The Board of Directors wishes to recognize in particular the contributions to this organization of the men who have served it as delegates and whose deaths have occurred since the last Annual Meeting of Delegates. It is with deep regret that your Board records their passing.

MR. ANTON ANHOLT of Kenaston, was Pool delegate for District 10, sub-district 9, from 1953 to 1955. Mr. Anholt was a long-time resident of the Kenaston district where he was active in farm and community organizations and in the Lutheran Church.

MR. T. F. BJORNSON of Wynyard, was one of the original Wheat Pool delegates, representing District 14, sub-district 2, and District 9, sub-district 10, from 1924 to 1929. He was active in many community affairs in the Leslie district and served as local school trustee for numerous terms. In 1929, Mr. Bjornson joined the Wheat Pool staff as elevator agent and served at McKim from 1932 to 1946 when he retired and moved to Wynyard.

MR. GEORGE ALEXANDER DUNBAR of Estevan, was delegate representing District 1, sub-district 4, for 27 years from 1936 to 1963. He took an active interest in early farm organizations and was vice-president of the Estevan Agricultural Society for several years. He was an early leader in Boys' Grain Club work at Estevan.

MR. HARVEY STUART FILSON of Woodrow, served as delegate for District 2, sub-district 6, from 1958 to 1961.

He was a member of the Woodrow Wheat Pool Committee from 1924 to 1945 and, for many years, its chairman. Mr. Filson was the first secretary of the Woodrow Co-operative Association in the early days and its president in 1916.

MR. ANDREW MURRAY of Aneroid, represented District 3 as delegate from 1926 to 1928, and from 1931 to 1947. He was active in the organization of Saskatchewan Co-operative Elevators, Ltd., and of the Wheat Pool and in the local co-operative association. He was, for many years, president of the Aneroid Agricultural Society.

MR. HECTOR ROBERGE of North Battleford, represented District 12, sub-district 10 as Wheat Pool delegate for 24 years, from 1928 to 1952. Mr. Roberge was active in many community organizations. Mr. Roberge also served on the North Battleford City Council.

MR. ROBERT A. ROBINSON of Rowatt, served the Pool as delegate for 33 years and as director for 12 years, representing District 6, sub-district 7 until his retirement in 1960. Mr. Robinson served as director of Saskatchewan Co-operative Wholesale Society, Co-op Life Insurance Company, and Federated Co-operatives.

MR. J. HASKETT ROBSON, formerly of Feudal, represented District 10 on the provisional board of Saskatchewan Wheat Pool when it was organized in 1924. In 1933, he joined the field staff of the Country Organization Department and was stationed in District 2 until he retired in 1949.

MR. JAMES WOODBURN, formerly of Maple Creek, was delegate for District 4, sub-districts 2 and 8, from 1927 to 1937 and a member of the Board from 1931 to 1937. He left the province in 1939 to settle at Salmon Arm, B.C.







