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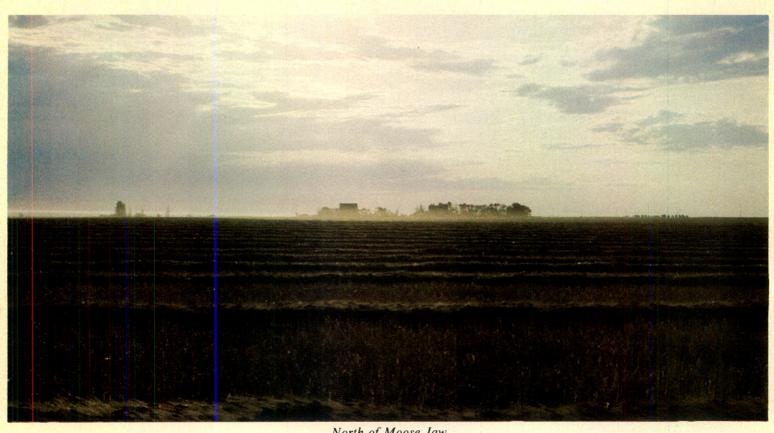
Saskatchewan Wheat Pool, Canada's largest agricultural co-operative, is one of the nation's major businesses. It provides services to about 70,000 farmer-owners annually and is actively engaged in promotion and development of agricultural policy on their behalf.



#### Saskatchewan Wheat Pool

Late in 1982-83, the Pool's Board authorized a consistent use of the company name and symbol. Beginning August 1, 1983 the combination as shown was introduced to provide a visual unity that gives company communications one basic element in common.

### A Review 1982-83



North of Moose Jaw.

Some measure of recovery occurred in the Canadian economy during 1982-83, as the nation began to come out of one of the most serious economic recessions since the 1930's.

For farmers, there were positive developments, such as reduced interest rates, increasing feed grain and oilseed prices, new grain production and export records, and optimism about exports in the coming year. Unfortunately, rising costs and low prices continued to put severe pressure on net farm income.

Crop production on the prairies climbed 8% from the year before, to a record 45.5 million tonnes. Record 28.3 million tonne exports of the six major grains again demonstrated that the Canadian Wheat Board can market more grain, and the handling system can move it when sufficient

demand and railway capacity are available. The Board was particularly successful in marketing Canada Feed wheat, of which there was a large supply after weather problems in 1982.

A significant factor in grain movement was a downturn in other bulk traffic, freeing rail capacity and hopper cars for grain movement.

Slaughter cattle supplies were slightly higher than normal in North America. Increased imports and culling of dairy herds dampened prices, which were again inadequate to sustain a healthy livestock industry.

An attitude of cautious restraint prevailed, and the Pool instituted cost reductions and exercised restraint where prudent. Lower interest rates reduced costs for all divisions, and contributed significantly to the earnings of the Farm Service Division. Despite restraint, Livestock Division suffered a loss in yet another difficult year for the livestock industry. Record grain handlings were somewhat offset by tariff increases which had consciously been set lower than cost increases in recognition of difficulties on the farm.

CSP Foods and Western Co-operative Fertilizers Limited experienced losses on the year while other associated companies (Pacific Elevators, Prince Rupert Grain, XCAN Grain and Co-enerco) achieved earnings.

Losses from associated fertilizer and oilseed companies also required actions which reduced the net earning.

The final earning on all operations was \$47.1 million, down \$7.5 million from the previous year.

McGILL UNIVERSITY

1001 Sherbrooks St., W.

# Operations 1982-83

#### COUNTRY ELEVATOR DIVISION

Grain deliveries were nearly 11.8 million tonnes, exceeding the 10.2 million tonne record set in 1972-73. The 1982-83 season began with considerable space in the system, but plants became congested once harvest was under way. The generally low quality of the 1982 crop over much of the province and wide grade variations at individual stations contributed to congestion problems all year. The lower quality also contributed to sporadic movement of grain from certain areas.

Installation of the Country
Elevator Management System
continued, with 189 units added.
At July 31, 1983, there were 236
CEMS units operating at 213
stations. All stations scheduled for
computer installation should be in
operation by the end of April,
1984.

During the year, protein testers at 129 locations were used on 59,830 samples. Twenty more testers were purchased at year end for use during the 1983 harvest season.

The contract crops program handled canary seed, lentils and peas in 1982-83, but did not offer contracts for either canary seed or peas in 1983 due to depressed prices and lack of grower interest. Contracts were also written for mustard production, and the Pool participated in the Canadian Wheat Board's contracting program for varieties of wheat and barley.

The elevator development plan made significant progress, including completion of seven new high throughput elevators, 23 major improvement projects, and three elevator moves with major improvements. Five crib annexes



Pool elevator at Pangman.



Terminals at Thunder Bay.

and nine steel bin annexes were erected, and four annexes moved and renovated. At year end, 411 metric receiving scales had been installed or authorized, and 510 elevators had been equipped with modern dust collection equipment, with 32 additional installations approved but not completed. There were 594 agents operating 595 units at 555 stations.

### TERMINAL ELEVATOR DIVISION

Thunder Bay and North Vancouver terminals combined for a record handling of 11.4 million tonnes, up from 10.6 million in 1981-82.

Shipments through the North Vancouver terminal were 2.17 million tonnes, another record, representing about 21.5 per cent of the port's grain shipments.

Improvements to oilseed, wheat and barley cleaning facilities were effected, with the result that the terminal can generally keep up with cleaning. Further improvements to give faster throughput and lower costs are planned or under way.

Renovation to the pellet plant resulted in production improvements. The by-product market was good, with prices somewhat lower than in the previous year, but higher than at Thunder Bay.

Pool terminals at Thunder Bay shipped 49.1 per cent of all grain out of the port, Terminals 4, 6 and 7 setting new handling records in the process. Pool terminals also loaded out about 64 per cent of the winter rail movement from the port.

Improvements to grain cleaning capacity were a major factor in the terminals' performance. A single-pass rotary cleaning battery handling 140 tonnes of wheat per hour came into service in 7B, while two batteries at 7A were converted to single pass cleaning, other equipment was replaced and a new by-product system was installed at Terminal 8. Further improvements are planned or under way at Terminals 4, 6, and 15, as well as 7A and 7B.

Revenue from by-product sales decreased, as a result of relatively weak prices. Import levies in the European Economic Community were a factor. The division had good results with a new screenings product containing more oilseeds.

Major capital projects were aimed at operating efficiency and health and safety. Repairs to pilings at Terminal 15 were completed.

Extensive employee training, upgrading and health programs were conducted. All employees were examined in the hearing conservation program, and 230 employees were examined under the medical surveillance program.

Developments emphasizing operating efficiency continued, including a new electrical control system at North Vancouver, increased automation at Thunder Bay, and improvements in the computer systems for division administration at Winnipeg.

#### FARM SERVICE DIVISION

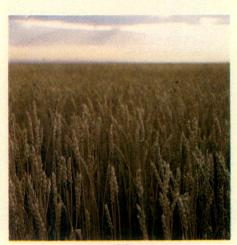
Farm supply sales were \$154,383,000 in 1982-83, down one per cent from the previous year. The sales year was extremely chaotic and competitive, with farmers holding off buying decisions. Fifty-two per cent of sales occurred in May and June, with new sales records both months.

Lower prices in some product categories and decreased volume in others influenced the sales volume, but decreased interest expense and continuing restraint helped maintain gross margins, as did changes to the volume discount program.

Competition was most evident in fertilizer as new Canadian production and surplus from the United States lowered prices. The final tonnage sold through the division was almost identical to the previous year, but less



Product Development farm at Watrous.



West of Regina.

fertilizer was sold in advance of use. Staff and suppliers were pushed to the limit to keep product available when seeding began.

It was also a difficult year for short line equipment manufacturers and retailers. Sales were down as producers repaired equipment, rather than replacing it. Demand for steel bins was reduced, partly due to an early frost in eastern Saskatchewan.

The chemical market was highly competitive, with the most significant increase in herbicide sales. Wild oat herbicides continue to dominate the field, indicating the importance of wild oat control.

Chemical sales volume reached a record level, \$67.7 million.

Livestock and poultry feed sales decreased slightly, as did sales of animal health products.

Seed sales increased to 24 000 tonnes from 21 000 in 1981-82, with significant increases in cereals and forage seeds. Columbus and Leader wheats led the cereal increase, while forage sales were aided by export sales triggered by the United States' PIK program. Oilseed sales were down.

The Product Development Branch had an excellent year, continuing variety testing and development programs in wheat and sunflowers, evaluations of herbicides, equipment, and agronomic techniques, and carrying out extension programs to provide information on the results of its work. Part of the information is material available to producers; part is a tour program which had 650 visitors to the farm at Watrous in the summer. A new field lab was opened at the farm in July, 1983.

#### FLOUR MILL

The Saskatchewan Wheat Pool Flour Mill and Elevator are operated under a management contract by CSP Foods Ltd.

Flour sales increased 17 per cent on the year, to 56 510 tonnes. Household flour, bakery flour and export categories all showed increases. Good gains were experienced in "Great Plains" flour, introduced to the grocery store market a year ago. Gains were also achieved in the volume of bakery mixes sold, particularly in eastern Canada. Nine new bakery mixes were developed.

Increases in export sales were related to increased CIDA shipments.

#### LIVESTOCK DIVISION

1982-83 was a most difficult year for the Livestock Division. A major change in branch operations with its reduced sale-day concept, created a new marketing environment which affected all segments of livestock marketing in Saskatchewan.

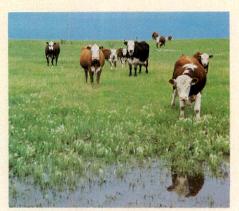
Lower cattle population, coupled with the loss of the majority of slaughter cattle to the Saskatchewan Beef Market Insurance program, meant fewer cattle through Pool yards.

The division handled 403,815 head of cattle and calves in 1982-83, down 15 per cent from the year before. Its branches assembled 20,888 head on behalf of the Beef Insurance Board. It handled 46,852 hogs, and assembled 71,396 for the Saskatchewan Hog Marketing Board.

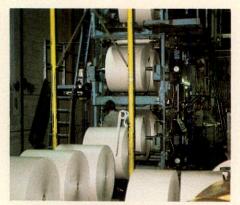
The reduced number of sale days lowered operating costs, and increased the number of active buyers at each sale. The division also expanded its automated system through the Saskatchewan branch locations to take advantage of increased efficiency offered by the system. The Talbotville, Ontario, operation, no longer as valuable to Saskatchewan producers as in past, was put up for sale.

The feeder finance program was fairly active, with lower interest rates, low grain prices and stocks of lower quality grain creating interest. There were 15,942 head of cattle, valued at \$6,144,000 out on the program at the end of the fiscal year. Producers purchased 28,459 head and sold 21,782 under feeder finance during the year.

Attending 4H sales was again a priority for the division during the summer. Staff attended 24 4H sales, purchasing 157 calves at a



Holdfast area.



Western Producer Publications.

cost of \$17,284, and otherwise assisting the 4H movement.

#### WESTERN PRODUCER **PUBLICATIONS**

The Western Producer published 51 regularly scheduled issues during the year, its 60th year of operation, despite severe damage to the plant in a storm June 24.

A large section of the roof above the main building was destroyed, dumping water and debris onto equipment, stock and work in progress. Damage and losses over one-half million dollars directly affected the division's financial results.

The supplement Western people

appeared in 48 issues of the newspaper, missing three because of production problems after the

A plant expansion program begun the previous year was completed, including installation of a new Nebiolo web press. The expansion added 24,000 square feet to the plant.

As part of the 60th anniversary, Western Producer identified more than 250 original subscribers and presented each with a commemorative plaque.

Grain freight rates were a major focus of both news and editorial treatment in 1982-83, including a special insert with the text of Bill C-155.

The Western Producer continued to explore issues affecting rural life through features and columns.

Open Forum drew 647 letters, of which 450 were printed.

Advertising volume in The Western Producer declined in line with the general economy, but the paper's share of the market held steady or increased. Revenues were up slightly.

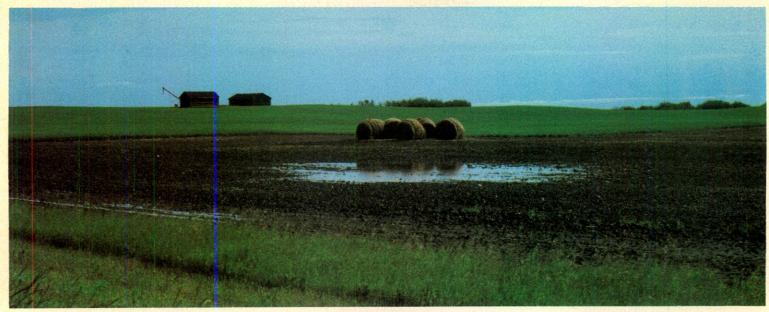
The Audit Bureau of Circulation reported net paid circulation of The Western Producer at 140,853 for the audited issue during the six month period ended June 30.

Western Producer Insurance Services, completing its 22nd year of operations, had 17,354 policies in force. It withdrew from life insurance during the year.

Commercial printing through Modern Press was adversely affected by economic recession and the storm damage, and showed a decrease in sales. Most of the reduction came early in the year, and the market began to improve as the year progressed.

Western Producer Prairie Books published 13 new titles in 1982-83, and brought out two reprints of former publications.

### Service Divisions



South of Watrous.

Saskatchewan Wheat Pool has eight service divisions whose functions are complementary to the organization's commercial and farm policy role.

Treasury Division is responsible for developing and managing programs in the areas of finance, taxation, insurance, financial planning, control, accounting systems and internal auditing in line with safeguarding the organization's assets and achieving financial policy objectives. In financial policy matters, Treasury reports to the Board of Directors.

Human Resources Division assists with manpower planning, training and recruitment in all divisions, is responsible for industrial relations programs, and other functions related to employee benefits programs.

Corporate Engineering Division provides project management support and technical information to the operating divisions, and helps to co-ordinate planning for future facilities and construction.

Management Information Services Division assists other divisions to develop and maintain efficient manual and machine supported information systems, and directs the operations of the company's computer facility.

Planning Services Division provides resources to help senior management and the divisions carry out operational and strategic planning.

Member Relations Division maintains the democratic structure of the Pool and assists members to work through their elected representatives. The primary role is to assist farmer members to understand agricultural issues and the operation of their organization and how to effectively reflect their views to and through their own organization.

Research Division is responsible for economic analysis on questions which affect the economic and social well being of farmers and their families and the development of background material on farm policy issues. The division also prepares feasibility studies, market analysis and background information for other divisions within the organization.

Communications Division is responsible for advertising, public relations, audio visual and public information services for the organization, including liaison with the public and members through distribution of media releases and production of programs on policy and business activities of the Pool.

## Associated Organizations

#### CSP FOODS LTD.

Worldwide recession, a record American soybean crop and a short Canadian canola crop, negative crushing margins and a production subsidy available to competitors in Alberta contributed to an unprofitable year for CSP Foods. Steps were taken to minimize losses including shutting down the Saskatoon operation.

The Harrowby plant was opened, and, like all other plants had intermittent shutdowns necessitating layoffs or worksharing agreements.

Research and development continues to be a major factor in maintaining CSP's position in the marketplace. Work continued in development of new canola varieties, as well as the sunflower breeding program operated jointly with Saskatchewan Wheat Pool.

### PRINCE RUPERT GRAIN LTD.

Progress on the new Prince Rupert terminal has been rapid and impressive since July, 1982, when the decision to build was finalized. The terminal is expected to be in operation in January, 1985

Mr. Michael Thompson has been appointed Chief Executive Officer.

Prince Rupert Grain continued to operate Terminal #1 (formerly owned by the Government of Canada) under a management agreement with Alberta Wheat Pool. It handled 1.38 million tonnes, establishing a new record.

Saskatchewan Wheat Pool provided 46.81 per cent of the grain delivered to Prince Rupert during the crop year.

# CO-OPERATIVE ENERGY CORPORATION

Co-Enerco was formed in 1982 by co-ops and credit unions across Canada and the federal government. It purchased the Canadian assets of Sabine Corporation to establish a base of operations.

Co-Enerco drilled 60 wells in the 18 months ending June 30, 1983. Most drilling was in Alberta, but some was in southeastern Saskatchewan, where the potential has been increased by a joint lease arrangement with Voyager Petroleum. Significant exploration on this land is planned over the next two and one-half years.

### PACIFIC ELEVATORS LTD.

Pacific Elevators is the Vancouver terminal owned by the three Pools and operated by Alberta Wheat Pool. Its handling for the year was 2.16 million tonnes, 21.7 per cent of the grain unloaded in Vancouver.

Studies are underway to determine the practicality of dredging to enable Pacific to handle larger ships.

#### ENERSEARCH

A joint venture of Federated Co-operatives Limited, CSP Foods and Saskatchewan Wheat Pool, Enersearch was formed to develop alternative renewable fuels and useful feed and food products from biomass resources in western Canada. The venture is operating at a very low level, but achieving promising results.

#### WESTERN CO-OPERATIVE FERTILIZERS LTD.

The year was one of the most difficult for the entire fertilizer industry, and WCFL experienced its largest operating loss. A refinancing arrangement involving sale of surplus land to an associated company was concluded, improving the overall financial situation of WCFL.

The Medicine Hat plant was shut down for most of the year, and total dry fertilizer production decreased to 293 000 tonnes from 441 000 the previous year.

Canadian Fertilizers Ltd. supplied 215 000 tonnes of nitrogen products to WCFL, compared to 166 000 tonnes a year earlier.

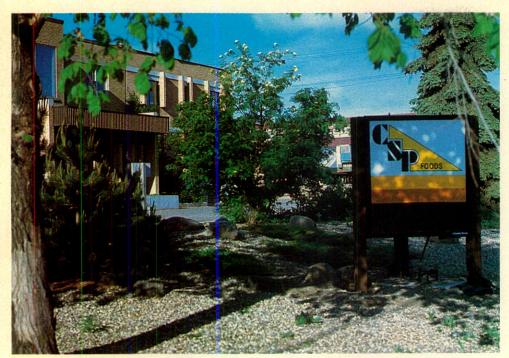
Notice was received that Federated Co-operatives Limited, one of the four principals, would be withdrawing from direct fertilizer marketing.

In mid-year, Alberta Wheat Pool was assigned interim management responsibilities for WCFL.

#### XCAN GRAIN LTD.

Total sales for XCAN Grain, the grain exporting firm owned by the three Pools, amounted to 1.8 million tonnes. It returned a patronage dividend despite lower margins on export sales into a highly competitive market.

The performance of the subsidiaries, XCAN Far East Ltd., XCAN Grain (Europe) Ltd. and XCAN Shipping were again satisfactory and contributed greatly to overall activities. XCAN Shipping continues to charter all vessels for the export operation.



CSP Ltd. head office in Saskatoon.

### INTERPROVINCIAL CO-OPERATIVE LTD.

This is a joint venture owned jointly by regional co-operatives across Canada involved in the wholesale and retail food and farm supply businesses. It is managed by Federated Co-operatives Limited. The organization was established to manufacture and acquire products sold by members, and is active in agricultural chemicals, feed and food products.

#### **POOL INSURANCE**

The Pool is part of Canadian Pool Agencies and Pool Insurance Company, through which the three Pools insure facilities and inventory.

### CO-OP AND FARM ORGANIZATIONS

The Pool has played a prominent role in development of the co-op movement in Canada. Its objectives identify promotion and development of co-operatives as a means for improving social and economic conditions of Saskatchewan farm families.

Saskatchewan Wheat Pool is represented on the board of the Co-operative Union of Canada, which represents the interests of the co-operative movement in relations with the federal government, and is also the agency through which Canadian co-operative assistance to international development is co-ordinated.

Membership is maintained in the Co-operative College of Canada, an organization established to provide education and training programs for co-operative leaders, management and staff throughout Canada.

Saskatchewan Wheat Pool is a shareholder in Canadian Farm Management Co-operative, formerly Canfarm Co-operative Services Ltd.

The Pool was one of the original members, and continues as an active shareholder, of the Saskatchewan Co-operative Credit Society, the Canadian Co-operative Credit Society, the Co-operative Trust Company of Canada, and The Co-operators insurance company.

Saskatchewan Wheat Pool pursues agricultural issues through the Saskatchewan Federation of Agriculture, in addition to policy matters considered through Canadian Co-operative Wheat Producers, and direct initiatives taken with governments and government agencies.

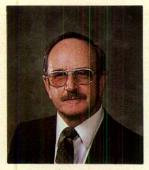
National and international policy matters emanating from provincial federations are considered by the Canadian Federation of Agriculture. Canadian farm organizations are represented internationally through the International Federation of Agricultural Producers.

Difficult economic times in agriculture and the stress of dealing with complex policy issues has caused problems in general farm organizations provincially, nationally and internationally.

Saskatchewan Wheat Pool continues to believe that a strong viable general farm organization or federation is essential and remains committed to support of and participation in these structures wherever possible.

At the same time, as major agricultural co-operatives, the three prairie wheat pools are increasing their involvement in direct information and government relations activities at the national level.

# **Board of Directors**



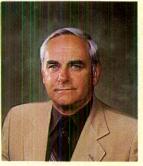
E. K. (Ted) Turner

President
Director, District 16

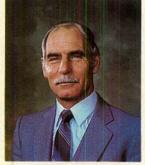
Elected: Delegate 1957; Director 1960;
First Vice-President 1966; President 1969.



G. (Garf) Stevenson
First Vice-President
Director, District 7
Elected: Delegate 1959; Director 1968;
Executive Committee 1971; Second
Vice-President 1981; First
Vice-President 1982.



A. K. (Avery) Sahl
Second Vice-President
Director, District 5
Elected: Delegate 1962; Director 1968;
Executive Committee 1972; Second
Vice-President 1982.



H. G. (Harold) Yelland

Executive Committee
Director, District 14

Elected: Delegate 1960; Director 1973;

Executive Committee 1981.



G. A. (George) Siemens

Executive Committee
Director, District 11

Elected: Delegate 1963; Director 1978;
Executive Committee 1983.



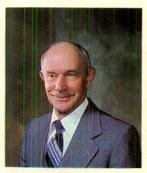
B. M. (Blain) Hjertaas
Director, District 1
Elected: Delegate 1978; Director 1983.



O. E. (Orville) Dahl
Director, District 2
Elected: Delegate 1959; Director 1980.



G. A. (George) Sanderson
Director, District 3
Elected: Delegate 1975; Director 1981.



C. E. (Cliff) Murch
Director, District 4
Elected: Delegate 1968; Director 1973.



B. (Booker) Cornea
Director, District 6
Elected: Delegate 1979; Director 1982.



M. (Maurice) Kostichuk
Director, District 8
Elected: Delegate 1969; Director 1980.



L. (Larry) Gislason
Director, District 9
Elected: Delegate 1980; Director 1983.



K. W. (Ken) Elder
Director, District 10
Elected: Delegate 1972; Director 1982.



A. B. (Aubrey) Wood
Director, District 12
Elected: Delegate 1968; Director 1973.



E. (Ed) Schulte
Director, District 13
Elected: Delegate 1983; Director 1983.



L. J. (Leroy) Larsen
Director, District 15
Elected: Delegate 1970; Director 1981.

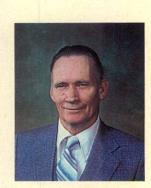


R. W. (Ray)
Luterbach
Executive Committee
\*Director, District 1
Elected: Delegate 1970;
Director 1976; Executive
Committee 1982;
Delegate 1983.



G. A. (Gerrit)
Buitenhuis
\*Director, District 9
Elected: Delegate 1969;
Director 1981; Delegate 1983.

(\*until April, 1983)



W. B. (Bernard)
Mundell
\*Director, District 13
Elected: Delegate
1953-83; Director
1968-83.

# Delegates

As of November 15, 1983



Pool President E. K. Turner addressing the 59th Annual Meeting of Delegates.



Bud Thomson of Alsask.



Delegates from District 11.



First Vice-President Garf Stevenson of Whitewood.

#### (Subdistrict noted in brackets)

#### DISTRICT 1

Director: Blain Hjertaas

Left to right: Murray Firth (1); John Kish (3); Ray Luterbach (2); Alvin Adamson (8); Donald Dean (9); Peter Wiens (4); Paul Cameron (6); Blain Hjertaas (7); Marvin Shauf (5).





Director: Orville Dahl

Left to right: Orville Dahl (3); Brian Nast (5); Michael Wanner (6); Julian Lohse (1); Tim Coulter (9); Stan Kozachuk (2); Darrell Dunn (8); Keith Wiggins (7); Gerald Muldoon (4).



#### **DISTRICT 3**

Director: George Sanderson

Left to right: Rod Morrison (10); Gus Anderson (3); Stan Onerheim (4); Murray Janis (9); Gary Wellbrock (7); Herb Anderson (6); Claude Prefontaine (1); George Sanderson (5); George Murphy (8); Anton Stengler (2).



#### DISTRICT 4

Director: Cliff Murch

Left to right: David Oleksyn (2); James MacAulay (8); Marvin Wiens (1); Cliff Murch (6); Tillmann Moe (9); Elnatan Schneider (5); Peter Sehn (4); James Anderson (7); Andrew Lockhart (3).

### DISTRICT 5 Director: Avery Sahl

Left to right: Lorne Jackson (9); Leander Buhr (4); Avery Sahl (1); Don Robinson (7); Dan Hook (2); James Mann (3); Darl Hicks (8); Paul Beach (5); Don Hill (6).



#### DISTRICT 6

Director: Booker Cornea

Left to right: Andre Perras (1); Eric Kramer (9); Booker Cornea (3); Lillian Fahlman (2); Robert McKell (4); Donald Olson (6); William Relf (7); David Weber (5); Barry Senft (8).



#### DISTRICT 7

Director: Garf Stevenson

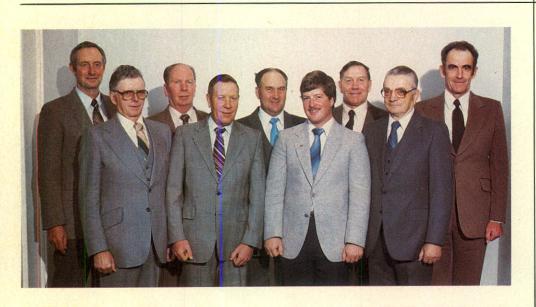
Left to right: David Sefton (3); Garf Stevenson (2); Roy Cuthill (1); Robert Schmidt (9); William Bearden (6); Ron Pilipow (7); Edwin Mitrenga (8); Brian Cooper (5); Anthony Petracek (4).





Director: Maurice Kostichuk

Left to right: David Zbeetnoff (6); Maurice Kostichuk (3); Terry Zavislak (7); Andrew Kazakoff (5); Ken Mitchell (9); Raymond Galye (1); Anthony Hladyboroda (4); Tom Wood (2); Steven Hrynkiw (8).



#### DISTRICT 9

Director: Larry Gislason

Left to right: Glen Lowndes (9); Russell Young (3); Carl Gudnason (5); Gerrit Buitenhuis (2); Emil Wacker (4); Thaddeus Trefiak (1); Larry Gislason (6); Gayhart Bottcher (7); Duncan MacDonald (8).



#### DISTRICT 10

Director: Ken Elder

Left to right: Michael Summerfeldt (6); Wendell Jensen (5); Ken Elder (1); Albert Thoen (8); Alex Thompson (2); Vic Murray (7); Bob Buness (4); Barry Rugg (9); George MacDonald (3).

Director: George Siemens

Left to right: Ritz Reynolds (8); Bud Thomson (3); William Marjerrison (1); George Siemens (5); Wayne Nargang (4); Audrey Walker (6); Ray Howe (2); Jacob Epp (9); Grant Whitmore (7).



#### **DISTRICT 12**

Director: Aubrey Wood

Left to right: Ray Burwash (5); Ron Kraft (4); Ray Schwebius (7); Aubrey Wood (2); Roy Atkinson (3); Cletus Scherman (8); Charles Weir (1); Cyril Sawtell (9); Jack Lewin (6).



#### DISTRICT 13

Director: Ed Schulte

Left to right: Joseph Hinz (3); Ken Bodnarchuk (8); Ernest Gay (9); Elwood Harvey (6); Raymond Demong (4); Mich Ozeroff (7); Leonard Hamoline (5); Lawrence Rueve (2); Ed Schulte (1).





Director: Harold Yelland

Left to right: Glen Bone (5); David Voldeng (3); Bill Weighill (7); Louis LaPaire (6); Lorne McConaghy (9); Leo Hleck (8); Archie Groat (4); Harold Yelland (1); Wayne Black (2).



#### DISTRICT 15

Director: Leroy Larsen

Left to right: Harry Romanchuk (8); Alex Postnikoff (4); Creston Story (5); Tony Maruschak (9); Leroy Larsen (6); Leo Moore (7); Marshall Lawrence (1); Arnold Giles (3); James Boyd (2).



#### DISTRICT 16

Director: Ted Turner

Left to right: Peter Loewen (8); Ted Turner (1); Chester Olson (9); Russel Arnold (7); Walter Campbell (5); Dennis van der Haegen (3); Robert Iverson (4); George Finlay (6); Walter Jess (2).

### Senior Officers



J. M. (MILT) FAIR, Chief Executive Officer, is responsible to the Board of Directors for all commercial operations and related services.



J. O. (JIM) WRIGHT, Corporate Secretary, is responsible to the Board for co-ordination of the farm policy activity and for the programs of Member Relations, Communications and Research Divisions.



C. R. (RON) KASHA, Treasurer, is responsible to the Board for financial policy and to general management for general treasury operations.

# Corporate Information

as of July 31, 1983

#### DIVISION DIRECTORS

R. B. (DICK) PITFIELD, Corporate Engineering Division

R. (BOB) VIRGO,
Management Information Services
Division

G. L. (GERRY) LISKI, Planning Services Division

D. B. (DAVID) WARTMAN, Human Resources Division

R. D. (DUANE) BRISTOW, Member Relations Division

A. D. (ALLAN) McLEOD, Research Division

IAN BICKLE, Communications Division

#### DIVISION GENERAL MANAGERS

J. M. (JOHN) McCANN, Country Elevator Division

J. K. (JIM) MacDONALD, Terminal Elevator Division

H. A. (HAROLD) WHYTE, Farm Service Division

S. W. (STU) MacDONALD Livestock Division

R. H. D. (BOB) PHILLIPS, Western Producer Publications

#### SOLICITORS

R. A. MILLIKEN
(Balfour, Moss, Milliken, Laschuk
& Kyle, Barristers and Solicitors)

#### AUDITORS

TOUCHE ROSS & CO.

#### BANKERS

The Royal Bank of Canada Canadian Imperial Bank of Commerce Bank of Montreal The Bank of Nova Scotia The Toronto-Dominion Bank Credit Union Central of Saskatchewan

#### **HEAD OFFICE**

Saskatchewan Wheat Pool, 2625 Victoria Avenue, Regina, Saskatchewan S4T 7T9. Telephone (306) 569-4411, Telex 071-2284, TWX 610-721-1340.

### Allocation of Net Earnings

The Board of Directors decided that the net earnings for the year ended July 31, 1983, in the amount of \$47,137,000 be allocated as follows:

Grain: Patronage dividend at the rate of \$3.45 per tonne, estimated	(in thousands) \$41,003
Farm Supplies:	
Patronage dividend at the rate of 1% of the net sale price	
of farm supply purchases by shareholders, estimated	1,395
Total patronage dividend, estimated	42,398 1,385 3,354
Total	\$47,137

An estimated total of \$5,557,000 will be paid to the Receiver General for Canada as a prepayment of income tax on behalf of shareholders whose total dividends earned for the year exceed \$100 and the balance of the patronage dividend, estimated at \$36,841,000 will be applied in payment of shares allotted.

The Board of Directors also decided that:

- 1. The sum of approximately \$9,542,000 be used as required in 1983-84 for the purchase of equities of members in all eligible categories, namely estates, retirements, and with the exception of qualifying shares, repayment in full to members (upon application) who reach the age of 70, repayment of 20% of share equity to members (upon application) who reach the age of 65 by December 31, 1983, and repayment of 7% of share equity to corporate members.
- 2. After allocation to shares of the 1982-83 patronage dividend, and payment of withholding tax, a sum of approximately \$9,610,000 be paid, representing a 4% purchase of share equity to members not attaining the age of 65 by December 31, 1983, and farming corporations.

Payments totalling approximately \$24,709,000 will be made to or on behalf of members during the 1983-84 year.

## Auditors' Report

Touche Ross & Co.

Chartered Accountants

The Shareholders Saskatchewan Wheat Pool

We have examined the balance sheet of Saskatchewan Wheat Pool as at July 31, 1983 and the statements of operations, unallocated earnings retained and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances. In our opinion, these financial statements present fairly the financial position of the Company as at July 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan October 11, 1983 TOUCHE ROSS & CO. Chartered Accountants

# **Balance Sheet**

At July 31

	1983	1982
Assets		ousands)
Current assets	(III thi	usanus)
Cash	\$ 3,670	\$ 6,43
Accounts receivable	231,692	200,64
Inventories (Note 2a)	471,270	316,06
Prepaid expenses	5,983	5,32
Prepayment of income taxes	7,151	4,6
	719,766	533,1
rvestments and memberships (Notes 2c & 3)	42,702	50,8
ixed assets (Note 2d)	187,297	170,9
	\$949,765	\$754,9
Liabilities		
Outstanding cash tickets and cheques	\$281,834	\$183,7
Bank loans (Note 4)	106,044	51,9
Notes payable	28,150	14,2
Accounts payable	143,630	134,6
Long term debt due within one year	14,490	9,4
Unallocated earnings (Note 2e)	47,137	54,6
	621,285	448,6
Long term debt (Note 5)	48,661	55,4
	669,946	504,0
Members' Equity		
hare capital (Note 6)	224,370	204,5
Inallocated earnings retained	55,449	46,2
	279,819	250,8

On behalf of the Board

E. K. TURNER, Director

E.K. Jum

G. (GARF) STEVENSON, Director

The notes to the financial statements are an integral part of the statements.

# Statement of Operations

Statement 2	For the year ended July 31	198	3 in thous	1982 sands)
		\$2,273,7 2,162,8		\$2,255,764 2,143,993
Selling and administrative expen	ses	110,9 55,9		111,771 59,730
		\$ 54,9	999	52,041
Terminal Elevator Farm Service Flour Mill Livestock Western Producer Publication	ns Ltd.	(1,1 (20 54,5	532 978 983 176) 63)	\$ 26,484 26,455 (1,859) 154 (508) 1,315 52,041 289
Share of earnings Pacific Elevators Limited			201 745	1,781
Provision for possible loss on pa		\$ 59,6 (12,4		54,634
Net earnings		\$ 47,1	37	54,634

### Statement of Unallocated Earnings Retained

Statement 3	For the year ended July 31	1983 (in thou	1982 (sands)
Unallocated earnings retained, beginning of year		\$46,270	\$37,838
Prior year's earnings		54,634 (2,094)	72,744 (3,430)
SharesCash		(35,132) (2,839) (5,705)	(50,050) (3,417) (8,370)
Balance retained		8,864	7,477
Adjustment of prior years' income ta		(167)	361
Net proceeds in excess of original co on disposal of fixed assets	ost	482	594
Unallocated earnings retained, end of year		\$55,449	\$46,270

# Statement of Changes in Financial Position

For the year ended July 31

S	tatement 4		
		1983	1982
		(in thousands)	
V	Vorking capital was provided by:		
	Prior year's earnings	SEA 624	672 744
	Charges against current operations not	\$54,634	\$72,744
	requiring the use of funds		
	Depreciation	22,447	20,303
	Provision for possible loss on	22,44	20,303
	patronage loans receivable	12,485	
	Decrease in investments	3,766	
	Increase in long term notes payable	5,700	10,800
	Increase in members' term loans	_	4,180
	Other sources	495	607
		93,827	108,634
V	Vorking capital was used for:		
	Fixed asset additions — net	38,818	38,708
	Payments to or on behalf of members		
	Share redemptions (Note 6a)	15,318	18,769
	Cash	2,839	3,417
	Withholding taxes	5,705	8,370
	Increase in investments	8,107	20,200
	Decrease in members' term loans	2,351	
	Current maturity of debenture loans	1,400	1,400
	Current maturity of notes payable	3,000	2,550
	Income taxes on prior years' earnings	2,261	3,069
		79,799	96,483
		12,122	70,103
I	ncrease in working capital	14,028	12,151
V	Vorking capital, beginning of year	84,453	72,302
V	Vorking capital, end of year	600 401	004 453
*	orking capital, thu or year	\$98,481	\$84,453

# Notes to Financial Statements

For the year ended July 31, 1983

1.	Saskatchewan	Wheat P	Pool is	incorporated	by special
	Act of the Sasl				

#### 2. Accounting policies

a) Inventories

1983 1982 (in thousands)

Grain purchased for sale to
The Canadian Wheat Board
valued on the basis of
established selling prices after
allowance for costs yet to be
incurred......

\$368,101 \$254,790

Grain valued on the basis of open sales contracts, futures contracts, or in the case of unhedged grain, at the lower of cost, futures prices and net realizable value, after allowance for costs yet to be incurred. Grain stocks are hedged where conditions permit, in order to protect against market fluctuations ....

45,725 7,150

Other inventory valued at the lower of cost (principally average cost) and net realizable value.....

**57,444** 54,120

**\$417,270** \$316,060

#### b) Recognition of earnings

The basis of valuing grain stocks results in a net handling margin being included in earnings when grain is purchased by the Corporation. This practice is followed in order to achieve the objective of matching earnings and resulting patronage dividends with purchases from members.

#### c) Investments and memberships

The Corporation follows the cost method of accounting for its investment in companies over which it has significant influence. Under this method the Corporation's investment is carried on the balance sheet at cost and its share of earnings is reflected in income when determined and authorized for distribution. This method is used because these companies have historically distributed a major portion of their earnings to shareholders on a patronage basis.

The companies accounted for under this method and the Corporation's share of ownership therein are as follows:

Canadian Pool Agencies Limited	. 331/3%
CSP Foods Ltd	
Pacific Elevators Limited	30%
Pool Insurance Company	
Prince Rupert Grain Ltd.	30%
Ridley Grain Ltd	
Western Co-operative Fertilizers Ltd	25%

Western Co-operative Investments Ltd 40	1%
Western Pool Terminals Ltd30	)%
XCAN Grain Ltd33½	3%

Other investments and memberships are also valued at cost. The Corporation's share of earnings is reflected in income when dividends are received.

#### d) Fixed assets

The major compone	nts of fixed	assets are	e:
	1983	1982	Rate of
	(in thou	usands)	Depreciation
Cost			
Sites, trackage			
and paving	\$ 13,201	\$ 12,349	0 - 8%
Buildings	206,167	186,952	5 - 10%
Machinery and			
equipment	163,961	141,302	20 - 30%
Vehicles	6,568	6,046	30%
Work under			
construction	5,693	13,108	nil
	395,590	359,757	
Less accumulated			
depreciation	208,293	188,831	
Net book value	\$187,297	\$170,926	

Depreciation is provided on fixed assets on a diminishing balance basis at the rates indicated.

#### e) Unallocated earnings

Net earnings for the year before providing for income taxes are included as a current liability called unallocated earnings. These earnings are allocated by the Board of Directors after the annual meeting of delegates. Income taxes on current earnings retained cannot be determined until after the allocation to members has been made.

#### 3. Investments and memberships

a) Investments and memberships are summarized as follows:

Companies over which the Corporation has significant influence:	1983 1982 (in thousands)	
SharesNotes and loans	\$ 4,332	\$ 4,249
receivable	33,573	29,383
Provision for possible loss on patronage loans receivable	37,905 (12,485)	33,632
Other investments, principally shares in co-operatives	25,420 17,235	33,632
Memberships	47 \$42,702	47 \$50,846

b) Summarized financial information for companies over which the Corporation has significant influence is as follows:

	A CONTRACTOR OF THE PARTY OF TH	1982 ousands)
Assets	\$530,039	\$401,013
Liabilities	492,517	368,425
Undistributed earnings	22,912	18,003
Revenue	844,417	939,980
Net earnings (loss)	(15,847)	4,526
Net earnings distributed	18,458	14,816

The net loss in 1983 does not reflect a \$39,340,000 gain on disposal of land.

c) Certain notes and loans receivable with a face value of \$17,966,000 due from companies over which the Corporation has significant influence, have been postponed in favour of other creditors of these companies.

#### 4. Bank loans

Bank loans comprise borrowings from chartered banks and Credit Union Central and are secured by accounts receivable, inventories, conditional sales contracts and fire insurance policies on stocks of grain.

5. Long term debt

a) The long term debt of the Corporation is as follows:

ionows.	1983 (in the	1982 ousands)
Members' term loans	\$27,701	\$25,459
debentures series A	27,200	28,600
Notes payable	8,250	10,800
Portion due within one	63,151	64,859
year	14,490	9,447
	\$48,661	\$55,412
		CALL DAY

- b) Members' term loans range from two-year to ten-year terms with interest rates from 9½% to 19%. Each loan is repayable at maturity with interest payable semi-annually.
- c) The sinking fund debentures require payments to be made in each of the next fourteen years for the retirement of \$1,400,000 principal amount annually, with the issue maturing on August I, 1997. The issue is secured by a floating charge on all property and assets of the Corporation.
- d) Notes payable consist of non-interest bearing notes payable to the Cooperative Energy Corporation which required payments of \$2,550,000 during the year ended July 31, 1983 and future quarterly installments of \$750,000 thereafter until April 1, 1986.

e) The maturities of long term debt during each of the next five years ending July 31 are as follows:

1984	\$14,490,000
1985	12,369,000
1986	4,180,000
1987	4,408,000
1988	6,759,000
	\$42,206,000

#### 6. Share Capital

 a) Details of changes in share capital during the year are as follows:

	1983	1982
	(in thousands)	
Balance, beginning of year	\$204,543	\$173,249
Add: New shares allotted Allocated from prior	13	13
year's earnings	35,132	50,050
	35,145	50,063
Less share redemptions: Purchased from eligible		
categories	3,843	4,055
Authorized annual redemptions	11,484	14,714
	15,318	18,769
Balance, end of year	\$224,370	\$204,543

b) The number of shares issued to members is as follows:

	1983	1982
Fully paid (par		
value \$1 each)	224,331,966	204,505,305
Partially paid	75,420	75,984

#### 7. Commitments and contingencies

a) Western Co-operative Fertilizers Limited, in which the Corporation has a 25 per cent interest, has a 50 per cent interest in a phosphate mining and processing operation.

Included in the financing of this transaction are debt instruments totalling U.S. \$43,750,000 (Cdn. \$54,513,000) as at July 31, 1983, repayable in annual installments until 1996. Up to one-third of the annual payments of principal and interest on these loan agreements are guaranteed by the Corporation, until the acquisition financing has been discharged, through a contract to purchase specified annual quantities of phosphate rock. This 'take or pay' contract has been assigned to Western Co-operative Fertilizers Limited for its acquisition of raw materials in its normal course of business.

- b) The Corporation is contingently liable for 40 per cent of any deficiency in security pledged against a loan of \$40,000,000 due by Western Co-operative Investments Ltd. in 1988. The loan is secured by land which has an estimated market value of less than \$40,000,000.
- c) The Corporation has also guaranteed other borrowings and obligations of companies in which it has an investment to maximum amounts aggregating \$11,512,000.
- d) As a member of a consortium, the Corporation owns 30 per cent of the common shares in Prince Rupert Grain Ltd. and Ridley Grain Ltd. New terminal elevator facilities are under construction at Prince Rupert, British Columbia, and are being financed by consortium members and the Government of Albert. On the basis of estimated construction costs the Corporation will invest a total of \$17,000,000 in Ridley Grain Ltd., of which \$11,250,000 has been invested at July 13, 1983. This investment will be reduced by the Corporation's share of investment tax credits which are anticipated to be \$6,500,000, of which \$3,800,000 has been recognized at July 31, 1983.
- e) At July 31, 1983, planned future expenditures on authorized capital programs were approximately \$17,375,000.
- f) The Corporation has been reassessed for income taxes with respect to the inventory allowance on grain purchased for sale to The Canadian Wheat

The Corporation has objected to and is involved in legal proceedings with regard to this matter. A potential income tax liability of \$8,300,000 for prior years has not been reflected in these financial statements.

#### 8. Related party transactions

The Corporation operates as a co-operative and as such conducts a significant portion of its business activities with related parties, consisting primarily of the Corporation's shareholder members and

companies owned by the Corporation in concert with other Western Canadian co-operatives and over which it has significant influence. In addition to transactions with members including grain purchases, sale of farm products, livestock handling and financing transactions, the Corporation acquires from and sells to other related parties certain other goods and services.

In addition to amounts disclosed separately, the Corporation has amounts due from members of \$52,131,000, and from other related parties of \$6,443,000 included in accounts receivable; and amounts payable to members of \$99,094,000 and to other related parties of \$720,000, included in accounts payable.

#### 9. Subsequent event

Subsequent to July 31, 1983 the Corporation advanced \$5,000,000 in short term financing to a company over which it has significant influence.

#### 10. Additional information

Included in the statement of operations are the following revenues and expenses, not disclosed separately:

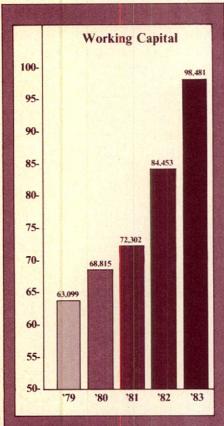
	1983	1982
	(in thousands)	
Revenues		
Interest recovered from		
The Canadian Wheat		
Board	\$30,301	\$48,279
Investment income	2,129	3,237
Patronage dividends	1,651	1,781
Expenses		
Depreciation	22,447	20,303
Interest on long term debt	6,344	6,082
Other interest	17,603	33,177

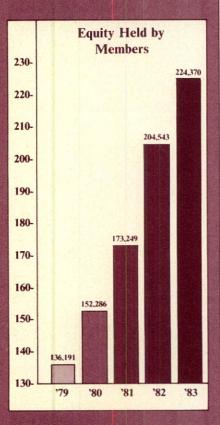
#### 11. Comparative figures

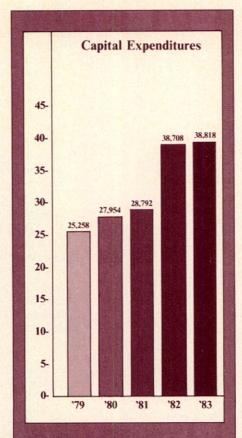
Certain 1982 amounts have been reclassified to conform with the 1983 presentation.

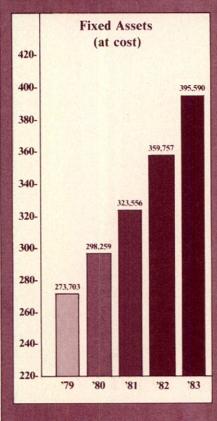
# Five Year Summary

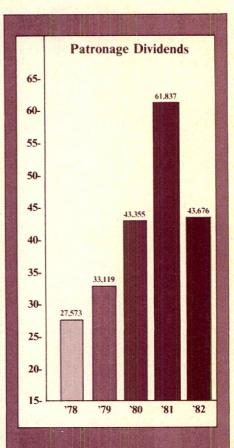
in thousands of dollars

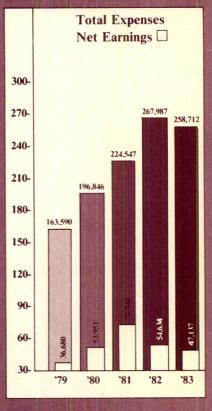


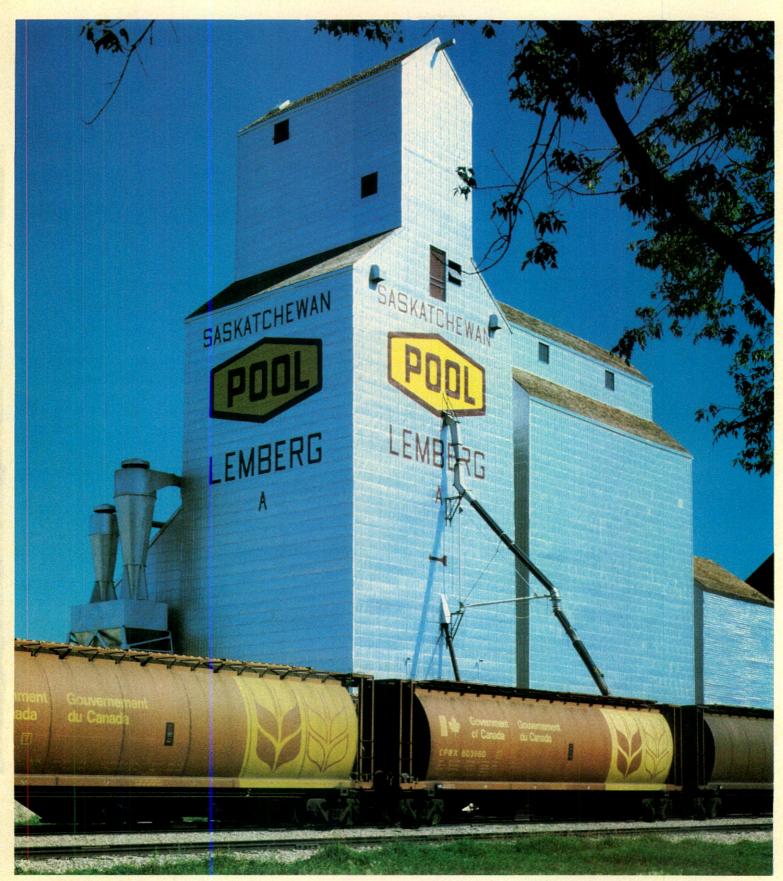












Pool elevator at Lemberg.

### Operational Outlook 1983-84

Some measure of economic recovery was evident in 1982-83. If it is to be sustained, interest rates must be reduced further, and there must be assurance of stability.

World grain production is expected to be down about two per cent. World wheat stocks are expected to increase about 12 per cent, so prices are not likely to change dramatically.

Prairie production of the six major grains in 1983 was between 41 million and 42 million tonnes. Canola production was up 29 per cent and barley down 22 per cent.

The Payment In Kind program in the U.S. and severe summer drought reduced the available supply of oilseeds and feeds.

Resultant price increases carried into the new crop year.

Some hopper cars used for grain movement in 1982-83 will return to potash movement in 1983-84, but the Grain Transportation Authority has estimated that there is rail capacity to move 33.6 million

tonnes of grain without railway owned hoppers, assuming no major interruptions. Major increases in coal or sulphur to the extent of impeding grain movement are not expected during the year.

Country elevators expect to handle about 10 million tonnes. Tariff increases were held to two per cent in recognition of economic pressure on farmers, though cost increases are expected to run from six to eight per cent.

Terminal handlings are projected at 10.7 million tonnes. Tariff increases have been implemented at five per cent, also below the expected cost increases.

Farm Service Division sales are expected to increase. The relatively early harvest and potential for fall fertilizer movement should help the division's marketing programs.

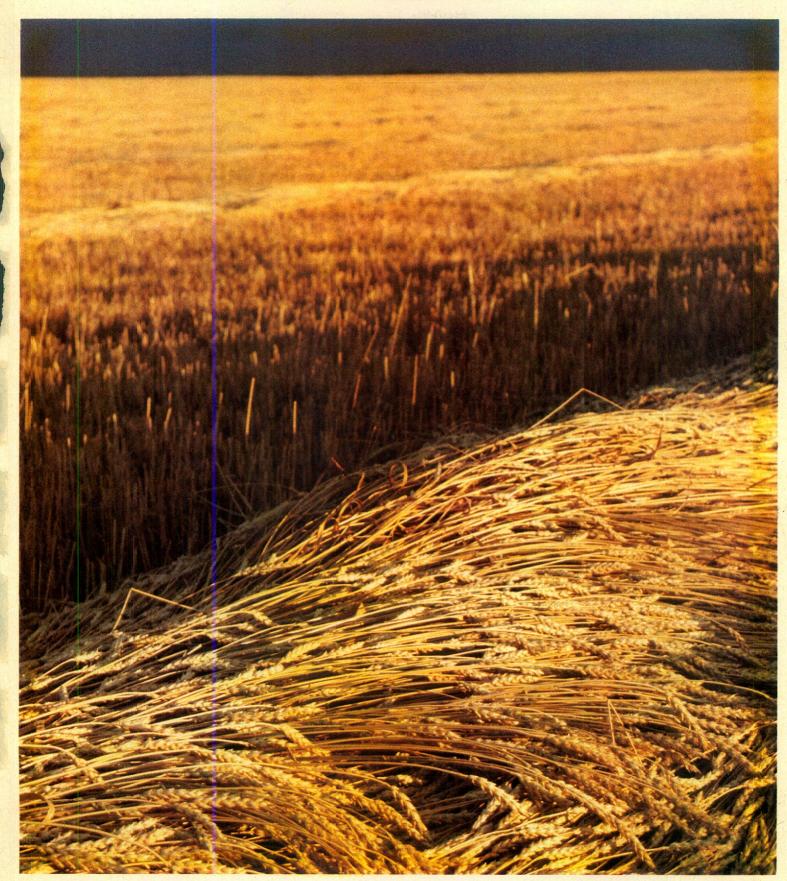
The Livestock Division, operating in a changing industry, has the opportunity to become the major marketer of stocker and feeder cattle in Saskatchewan, and will be exploring innovative sales techniques with a view to improving total handlings.

Western Producer Publications should improve its position significantly during the coming year, while flour milling operations should again achieve a reasonable earning.

The associated organizations will again reflect the realities of their own sectors. Oilseed crushing and fertilizer manufacturing are expected to experience losses.

In summary, all grain related operations should produce satisfactory earnings, though somewhat reduced because of lower tariff increases and lower anticipated handlings. Farm supplies, livestock and printing results will depend upon the responses to the economic conditions of each sector.

Throughout the Pool, there will be an emphasis on innovative and aggressive measures to return the best possible combination of service and earnings to members while meeting the challenges of the 80's.



West of Regina.

# Saskatchewan Wheat Pool 1984 Major Public Policy Issues

During the year, Pool members and elected representatives discuss public policy issues at hundreds of meetings in all parts of Saskatchewan. Resolutions arising from these meetings are debated at the annual meeting of delegates, and form the basis for Saskatchewan Wheat Pool's public policy for agriculture.

#### Transportation of Grain

The Western Grain
Transportation Act was passed in the House of Commons on
November 14, and received royal assent soon after. Pool delegates, at their 1983 annual meeting, expressed serious concern that the legislation fails to accommodate a number of the important elements contained in Saskatchewan Wheat Pool's transportation policy. They expressed this concern in resolutions asking for repeal or delay of the legislation.

Delegates and the Board of Directors developed a policy statement with the objective of attaining the best possible transportation system at the lowest possible cost to grain producers.

Efforts are beginning as the new legislation is implemented. Close attention will be devoted to the review in 1985-86.

#### **Immediate Concerns**

1) The Pool will participate aggressively on the Senior Grain Transportation Committee to bring about improved co-ordination and effectiveness in grain movement. It will support system changes which increase capacity and reduce overall cost, but will oppose changes which simply shift cost from other system participants to farmers.

- 2) The legislation allows introduction of variable rates on a limited basis until 1986-87. These sections of the Act must be removed. In the interim, there must not be special advantage to individuals, companies, or individual shipping points.
- 3) Saskatchewan Wheat Pool strongly opposes any suggestion that the present method of payment directly to the railways be changed in any way. The payment should remain a transportation subsidy, not become a farm production subsidy.
- 4) The Pool will carefully examine all regulations to ensure that the legitimate interests of grain producers are adequately protected.
- 5) The Act declares that the duties and functions of the Administrator "do not restrict the powers of the Canadian Wheat Board under The Canadian Wheat Board Act respecting the purchasing and selling of grain". The Pool regards the control of transportation through the block shipping system as an essential part of the Wheat Board's marketing function and strongly opposes any attempt to remove this function from Board control.
- 6) The Senior Grain
  Transportation Committee, the
  Minister of Transport and the
  Canadian Transport Commission,
  must be vigilant and forceful to
  assure producers that adequate
  rail performance is achieved. That
  will mean enforcing clauses which
  deal with measurement of railway
  performance and provide for
  withholding funds in the event of
  inadequate performance.
- 7) The legislation refers to system changes "with the objective of maximizing returns to producers" or "in the best

interests of grain producers".

This objective must be kept clearly in view. The Pool will promote and support such things as joint running rights, further purchases of hopper cars, exchanges of track ownership, new track linkages and similar improvements, which are in the best interests of producers.

#### **Longer Term Concerns**

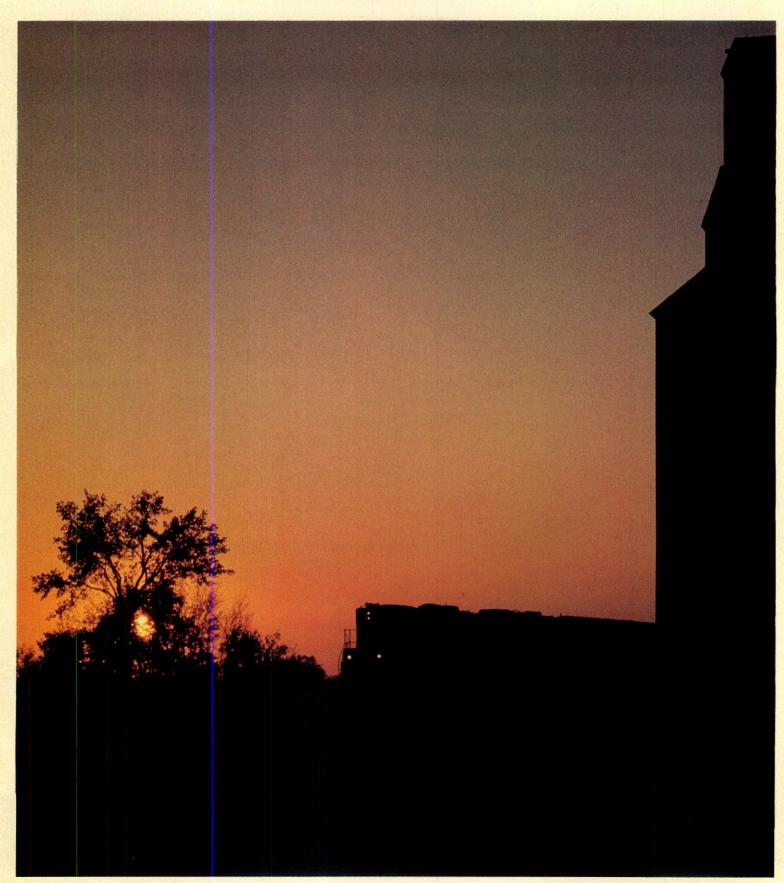
The Act calls for a major review during 1985-86. The Pool will strive for improvements in the legislation then.

- 1) Removal of those sections which could permit variable rates.
- 2) Removal of the volume cap which limits the government's financial participation at 31.5 million tonnes.
- 3) The safety net provisions in the Act, while acceptable in principle, are inadequate.
- a) The measurement should be based on the weighted average farm gate price.
- b) The percentage relationship between maximum freight costs and the average price of grain beginning in 1986 needs to be lowered.
- 4) Government should bear responsibility for all future cost increases.

The review must take full account of the geographic and economic factors affecting western Canadian agriculture, and the need to protect farmers from transportation cost increases which go beyond a reasonable relationship to producers' ability to pay.

#### **Other Related Concerns**

1) Saskatchewan Wheat Pool will continue to press the government to accept responsibility for completion of the necessary rehabilitation of



Sunset at Tregarva

those branch lines identified as part of the permanent network.

2) The Pool's objective remains to achieve minimum compensatory rates beyond Thunder Bay for processed grain products. The prairie processing industry and its owners need to achieve equity with processors in other regions through legislation or regulation.

or regulation.

3) The problems of feed grain users on the prairies should be addressed by improving access to feed grains within the region, and by livestock stabilization and marketing programs designed to assure a healthy and growing livestock sector. The Pool is prepared to work with governments or others to search for viable solutions.

High priority will be placed on these policy and operational concerns.

#### Grain Receipts Stabilization

The Western Grain
Stabilization Program was
designed to protect grain
producers in western Canada from
extreme fluctuations in income
from grain markets. It is now
evident that under the present
plan grain prices can drop
significantly in a single year
without triggering a payment.

In view of the widespread concern about the build-up of funds and the absence of a payout, the Pool urges the federal government to carry out a thorough analysis of the plan and of the implications of amendments to it. It is important that producers and their organizations be given an opportunity to participate in such an evaluation.

#### **World Grain Markets**

Canada's export volume of grains has expanded at remarkable rates in recent years. Expansion of the market will require continuing development efforts by the Canadian Wheat Board and implementation of supportive policies by the federal government.

Saskatchewan Wheat Pool would support and encourage the federal government and others to bring about discussions among the world's major exporters of grain, on an on-going basis, to avoid the sort of unilateral actions which can disrupt the world market.

#### Domestic Feed Grain Policy

Saskatchewan Wheat Pool has had a long-standing policy position that all grains, including domestic feed grains, should be marketed by the Canadian Wheat Board.

There are a number of aspects of the current dual system of feed grain marketing which producers find objectionable.

Feed grain production in eastern Canada has expanded rapidly in recent years, and that area could become self-sufficient. The Government of Canada, the Canadian Wheat Board and western Canadian producers need to develop alternative policies and marketing strategies with greater emphasis on the prairie market and exports.

### Wheat Board Responsibility

The Canadian Wheat Board has done a commendable job of marketing and is highly respected in the grain markets of the world. Canadian export volumes have been expanded at remarkable levels, with new records established year by year. A large majority of Pool members strongly support the Board and want it to market all their grain.

The Pool will press the government to determine the wishes of grain producers with regard to expanding Canadian Wheat Board responsibility to all

grains.

### Preservation of Soil Quality

There is growing awareness about problems of deterioration and depletion of farmland in the province.

There may be a need to consider some form of tax incentive policy which would encourage land owners to undertake conservation practices which, though costly in the short term, offer longer term benefits in improved soil quality.

Saskatchewan Wheat Pool will support any efforts to focus greater attention on the existing problems of soil quality and to find solutions which will bring about long term improvement to the important farmlands of the province.



Qu'Appelle valley north of Wolseley. -

### Livestock Production and Marketing

It appears that the existence of price support and stabilization plans has not resulted in any significant increase in production of either cattle or hogs, although there has been some increase in feeding of cattle within the province.

During 1983, discussions were held among provincial governments in an attempt to develop some form of livestock stabilization plan which could be adopted nationally. A proposal developed by four provinces and the federal government has been prepared for discussion with other provincial governments and with producer organizations. The plan would be financed equally by the federal government, provincial governments and participating producers.

The Pool's position has been that national stabilization programs are preferable to separate provincial programs which vary from province to province. The new proposal must be examined carefully since it seems to offer fewer benefits to livestock producers than do the plans now in place for Saskatchewan cattle and hog producers.

#### Inflation

Low commodity prices have contributed to a slower rate of increase in food prices and to the financial difficulty of many farmers. Farm input costs have remained virtually unchanged over the past year even though some major items such as interest rates and fertilizer prices have fallen.

The static farm input costs have resulted in financial losses for input manufacturers and suppliers. When the economy improves, those suppliers will attempt to raise prices to recoup losses and return to a profitable position. If commodity prices do not rise to offset the effects of rising costs, the financial position of farmers will remain precarious.

The Pool urges governments at all levels to maintain policies which help to contain inflation, and to use particular caution not to contribute to increased inflation.

#### **Energy for Agriculture**

Prairie farmers are highly dependent on fossil fuels as the only practical source of portable energy. Means to achieve energy self-sufficiency should continue to receive high priority.

Agriculture is important to the economy of the country and needs relief from the heavy burden of taxes and royalties on farm fuels and fertilizers.

The Pool will press for selective policies which will reduce this burden on farm producers.

#### Agricultural Research

Farm organizations have participated in establishing a foundation for grain research in western Canada. The board of the new Grain Research Foundation will determine policies and procedures for support of crop research through the fund.

Saskatchewan Wheat Pool supports the efforts of the new foundation and has one representative on the board of directors. It is important that funding through the foundation be in addition to, rather than a replacement for, funding of agricultural research by federal and provincial governments. The Pool will continue to press governments to increase manpower, equipment and facilities in agricultural research, beyond the levels required to keep pace with inflation.

More attention needs to be paid to communication of research results so producers can apply the new techniques and practices.

