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Corp file - Can Packers

# 19<sup>TH</sup> ANNUAL REPORT



# ANADA PACKERS LIMITED

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AS AT TWENTY-EIGHTH MARCH, 1946

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Although some of those who enlisted have not yet been demobilized, this seems the appropriate time to pay tribute to the men and women of the Company who served in the Armed Forces.

The muster-roll has been as follows:—

2,020 men and women enlisted.

106 died or were killed in action.

1,017 have returned to the Company.

512 are on study courses, or have taken employment elsewhere.

385 are still in the forces.

Especially we think of the 106 men who did not come back. To their mothers and fathers, and wives and families, once more we give assurance of our deepest sympathy.

To those who have returned, we again extend a hand-clasp of welcome.

We believe most of the returned men and women have adjusted themselves without difficulty to their peace-time jobs. If personal problems arise, we want them to feel that they are entitled to our sympathetic help,—by right of the sacrifices they have made.

To those who have taken up study courses, or who have accepted other employment, we say a cordial "Good Luck".

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# CANADA PACKERS LIMITED

TORONTO, CANADA

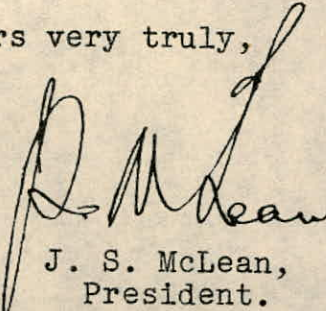
5th September, 1946.

- Annual Report -

A copy of the Annual Report of Directors of Canada Packers is enclosed herewith.

In addition to the usual review of the affairs of the Company, the Report contains a discussion of the outlook for Live Stock in the post-war years. It is hoped you may find this of interest.

Yours very truly,



J. S. McLean,  
President.

JSM:C.  
Encl.



# CANADA PACKERS LIMITED

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## OFFICERS

*President*

J. S. McLEAN

*Vice-President and  
Treasurer*

S. G. BROCK

*Vice-President*

S. G. BENNETT

*Vice-President and  
General Manager*

N. J. McLEAN

*Secretary*

C. WADGE

*Assistant Treasurer*

A. J. E. CHILD

*Assistant Secretary*

F. E. HAWKINS

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## DIRECTORS

S. G. BENNETT

J. S. McLEAN

S. G. BROCK

N. J. McLEAN

W. R. CARROLL

H. M. MURRAY

W. C. HARRIS

C. C. POLKINGHORNE

J. P. LABERGE

G. A. SCHELL

A. L. LAING

C. WADGE

F. A. WIGGINS

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*Plants at*

TORONTO

MONTREAL

HULL

PETERBOROUGH

WINNIPEG

EDMONTON

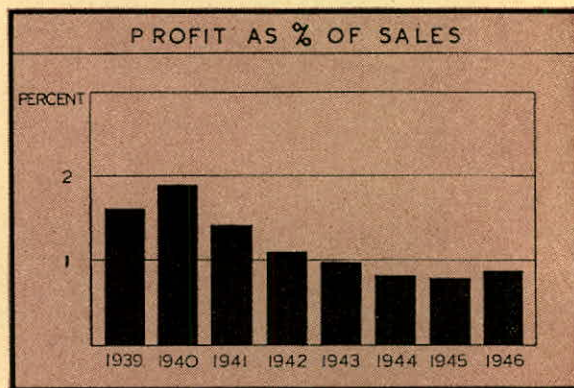
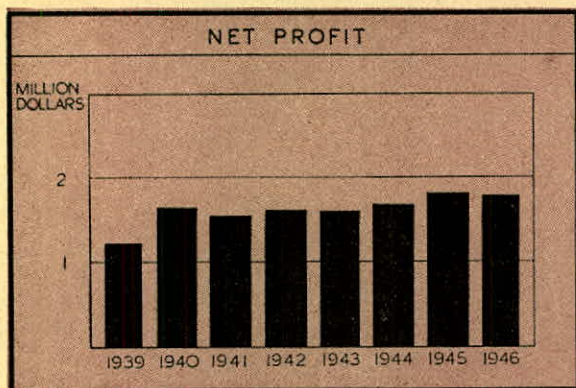
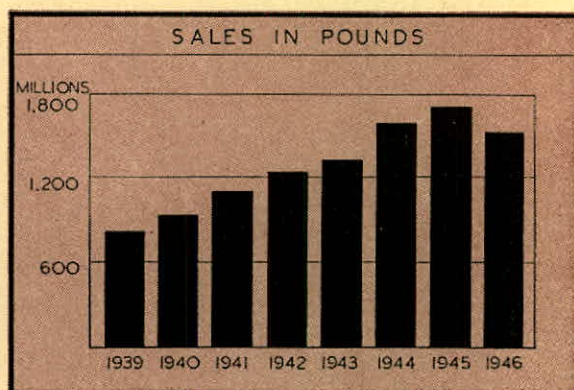
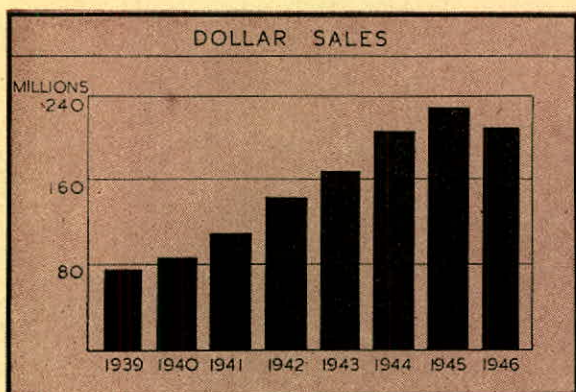
VANCOUVER

CHICAGO

# CANADA PACKERS

## COMPARATIVE STATISTICS

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# REPORT TO SHAREHOLDERS

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THE nineteenth year of Canada Packers Limited closed March 28th, 1946.

The following is a comparison of operations with those of the preceding year:—

|  | Year Ended<br>March 1946 | Year Ended<br>March 1945 | <u>Decrease</u> |
|--|--------------------------|--------------------------|-----------------|
| Dollar Sales - - - -   | \$ 208,997,520           | \$ 228,398,111           | 8.5%            |
| Tonnage.— lbs. - - -   | 1,526,000,000            | 1,698,000,000            | 10.1%           |
| Net Profit, after Taxes and<br>Depreciation, but before<br>Inventory Reserve - | \$1,816,781              | \$2,405,811              | 24.5%           |
| Net Profit, expressed as:—   |                          |                          |                 |
| Percentage of Sales -  | 0.87%                    | 1.05%                    | 17.1%           |
| Per lb. of product sold - approx.  | 1/8c per lb.             | 1/7c per lb.             | 16.0%           |

(During each of the war years—as explained in preceding Annual Reports,—a portion of the profit was set aside as Wartime Inventory Reserve. In year ended March 1945, the amount set aside for this purpose was \$581,000. In total the sums so set aside amount to \$4,000,000. It is hoped this total will prove sufficient. Accordingly, in the year under review, no reserve has been set aside for this purpose.)

. . . .

The Share structure of the Company is:—

400,000 'A' Shares

which carry a cumulative preferential dividend  
of \$1.50 per Share.

800,000 'B' Shares

non-cumulative,  
present dividend 50c per Share.

Net Profit (\$1,816,781) therefore is equivalent to:—

On 'A' Shares     \$4.54 per Share.  
On all Shares     \$1.51 per Share.

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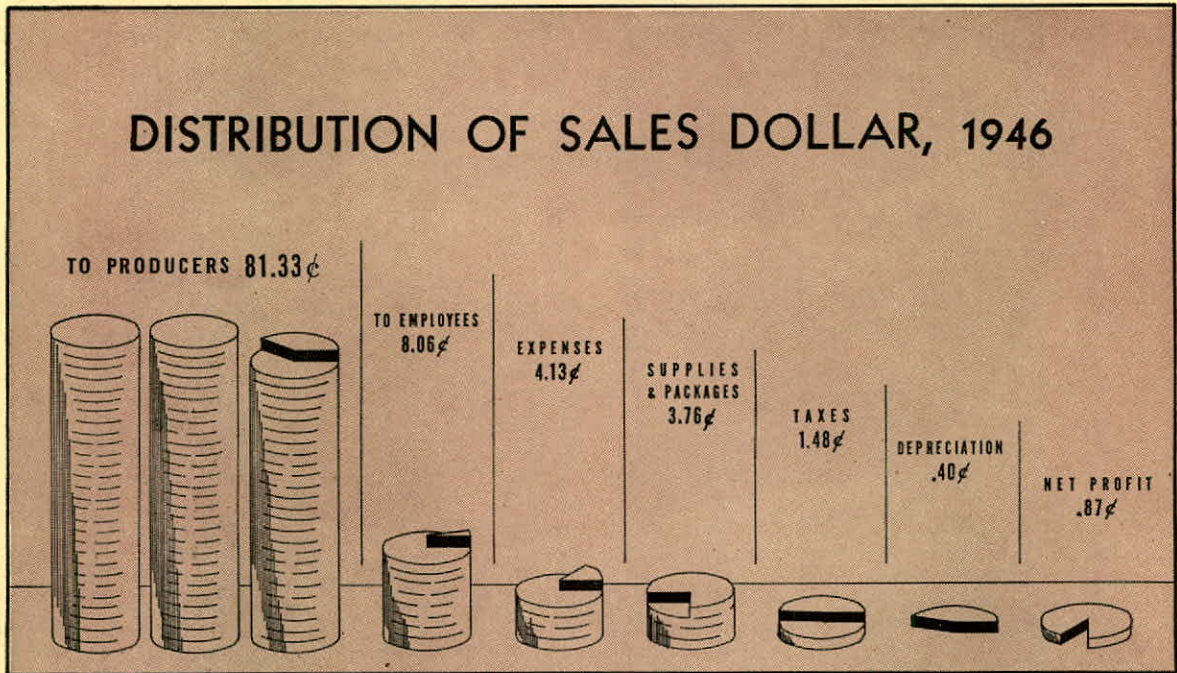
On Page 13 appears the Profit and Loss Statement. This sets forth the record of the year's operations in terms of Sales.

It will be seen that:—

Out of each Dollar of Sales there was paid:—

|  | <u>This Year</u> | <u>Last Year</u> |
|--|------------------|------------------|
| For Raw Materials, chiefly live stock - - - -  | 81.33¢           | 82.35¢           |
| For Expenses, consisting of wages and salaries,<br>materials, packages, sundry charges and taxes - | 17.43            | 16.20            |
| For Depreciation - - - - -   | .40              | .41              |
| Total for Raw Materials and Charges - - -  | <u>99.16¢</u>    | <u>98.96¢</u>    |
| The remainder, Profit on Operations, is - - -  | .84              | 1.04             |
| Sundry Income,—from Investments, etc. - - -  | .03              | .01              |
| Total available for Shareholders - - - - -   | <u>.87¢</u>      | <u>1.05¢</u>     |
| Set aside for Wartime Inventory Reserve - -  | —                | .25              |
| Net available for distribution - - - - -   | <u>.87¢</u>      | <u>.80¢</u>      |
| Dividends paid - - - - -   | <u>.48</u>       | <u>.39</u>       |
| Remainder out of each Sales Dollar, left in the<br>business for its expansion and improvement - -  | .39¢             | .41¢             |

## DISTRIBUTION OF SALES DOLLAR, 1946





The operations of the Packing Industry are of importance to all groups of the community. Inasmuch as meat is an essential food, the welfare of all citizens is involved,—as consumers. Their interest requires that the meats should be processed in the most palatable manner, and that all nutritional elements should be safeguarded.

(In respect of nutrition, exigencies of the war period have led to important advances. Food elements of high value are now being saved for human consumption, which formerly were used chiefly in feeds for live stock. Most of these are at present being shipped to Europe in the form of canned meats, and are being distributed through the UNRRA organization.)

Besides its interest as consumer, one group is specially interested on the economic side,—viz. the producers of live stock.

|   |           |             |
|---|-----------|-------------|
| In the year under review, out of each sales dollar, producers received                        | - - - - - | 81.33 cents |
| This is less than the return of the preceding year, which was                                 | - - - - - | 82.35 cents |
| The lower return to the producer* was due to an increase in the cost of materials and wages:— |           |             |
| Last year   | - - - - - | 16.20 cents |
| This year   | - - - - - | 17.43 cents |
| The sum available for Shareholders is also reduced:—  |           |             |
| Last year   | - - - - - | 1.05 cents  |
| This year   | - - - - - | .87 cents   |

. . .

V-E Day was May 8th, 1945.

V-J Day was August 15th, 1945.

So that, at the close of the Company's fiscal year (March 28th, 1946), the war in Europe had been over 10½ months; that in the Pacific 7½ months. Nevertheless, conditions within the Food Industry were still being determined by factors deriving from war, more completely than in any war year proper.

\*Although the Producer received a less percentage of the Packer's Sales Dollar, nevertheless the actual prices paid for live stock were higher; as appears from the following table.

|                                   | Average Prices for Month |            |            |           |
|-----------------------------------|--------------------------|------------|------------|-----------|
|                                   | March 1939               | March 1945 | March 1946 | July 1946 |
| Good Steers, live, Toronto - -    | 6.78                     | 11.54      | 12.12      | 13.22     |
| Hogs, B-1 dressed, Toronto - -    | 12.25                    | 19.42†     | 19.35†     | 21.87†    |
| Lambs, live, Toronto - - -        | 9.10                     | 14.92      | 14.94      | 16.91     |
| Eggs, 'A' Large, Toronto - -      | .21½                     | .35        | .35        | .46       |
| Creamery Butter, Toronto - -      | .21¾                     | .43½†      | .44½†      | .48½†     |
| Cheese, f.o.b. factory, Ontario - | .11                      | .26¼†      | .26¼†      | .26¼†     |

†Prices of Hogs, Butter and Cheese include Federal and Provincial subsidies.

The end of the war found world reserves of food at the lowest level of modern times. On the other hand, it threw upon the Allies the duty of feeding the populace of enemy as well as of allied countries. The food so urgently needed had to come from the surplus-producing countries. Of these, Canada is one of the chief.



No one would claim that Canada has done all possible to cope with this food crisis. In a world in which hundreds of millions are undernourished, and in which scores of millions are living on the verge of starvation, consumption of food in Canada is at a higher level than ever before.

This is not due to indifference. In a country where food is abundant, it is easy to forget that, thousands of miles away, food is scarce. Besides, Canada is herself feeling the pinch of scarcity in certain foods, especially edible fats and sugar. This fact tends to obscure her overall abundance.

Canada's contribution has been substantial. She has curtailed (by rationing) her consumption of certain foods—especially meats and butter. And in total very large quantities of foods have been shipped to Great Britain and Europe. For the year 1945, these shipments included:—

|  |                                   |
|--|-----------------------------------|
| Bacon - - - - -  | 447,000,000 lbs.                  |
| Other Pork products - - - - -                                | 10,000,000 lbs.                   |
| Beef - - - - -   | 184,000,000 lbs.                  |
| Cheese - - - - -   | 133,000,000 lbs.                  |
| Canned Meats - - - - -                                       | 95,000,000 lbs.                   |
| Mutton and Lamb - - - - -                                    | 7,000,000 lbs.                    |
| Evaporated Milk, Milk Powder and<br>Condensed Milk - - - - - | 25,000,000 lbs.                   |
| Shell Eggs - - - - -   | 60,000,000 lbs.                   |
| Dried Eggs - - - - -   | 24,000,000 lbs.                   |
| Canned Fish - - - - -  | 57,000,000 lbs.                   |
|  | 1,042,000,000 lbs. — 521,000 tons |

The above is the list of 'protective' foods. Canada's major contribution in 1945, however, was in the form of cereals. Shipments of these were:—

|                       |                     | <u>Tons</u>    |
|-----------------------|---------------------|----------------|
| Wheat                 | 181,300,000 bushels | 5,438,000      |
| Oats                  | 13,400,000 "        | 228,000        |
| Barley                | 4,000,000 "         | 97,000         |
| Flour                 | 9,900,000 barrels   | 970,000        |
|                       |                     | 6,733,000 tons |
| Grand Total - - - - - |                     | 7,254,000 tons |

In no previous year had the enormous potentialities of Canadian Agriculture been so fully demonstrated.

**LIVE STOCK MARKETINGS**

Compared to the previous year, Cattle slaughterings during 1945 were heavy, while Hog slaughterings were light. The following table gives the record of Canadian Inspected Slaughterings for the war years.

|            | Cattle    | Hogs      |
|------------|-----------|-----------|
| 1939 - - - | 873,000   | 3,628,000 |
| 1940 - - - | 890,000   | 5,455,000 |
| 1941 - - - | 1,004,000 | 6,274,000 |
| 1942 - - - | 970,000   | 6,196,000 |
| 1943 - - - | 1,021,000 | 7,174,000 |
| 1944 - - - | 1,354,000 | 8,766,000 |
| 1945 - - - | 1,820,000 | 5,684,000 |

Examination of this table reveals a striking divergence of trend as between Cattle and Hog deliveries.

In the early war years, Hog marketings increased rapidly:—

from - - - 3,628,000 in 1939  
to a maximum of 8,766,000 in 1944

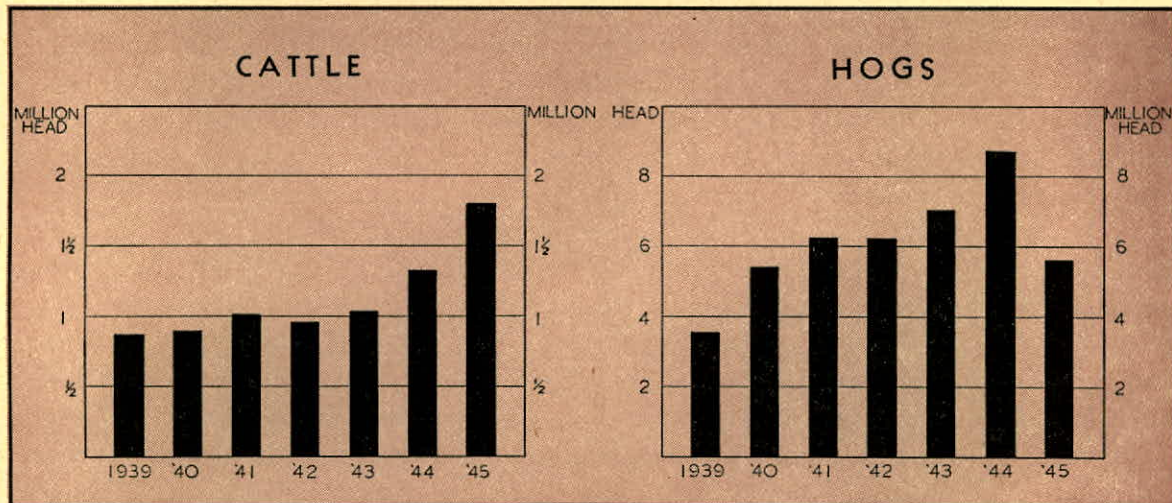
An increase of - 5,138,000 — 142%

Following 1944, a decline set in. In 1945 the decline was - 3,082,000 Hogs — 35%  
This decline has continued in 1946.

To the end of July, the comparison is:—

|                                      |                      |
|--------------------------------------|----------------------|
| January to July, inclusive, 1945 - - | 3,625,000 Hogs       |
| “ “ “ “ 1946 - -                     | 2,601,000 Hogs       |
| Decrease 1945 to 1946 - -            | 1,024,000 Hogs — 28% |
| “ 1944 to 1946 - -                   | 3,049,000 Hogs — 54% |

**CANADIAN INSPECTED SLAUGHTERINGS**



Cattle marketings, on the other hand, in the early war years increased slowly. By 1944 the increase (as compared to 1939) was - - - - - 55%

However, in 1945 inspected slaughterings of Cattle reached an all-time high,—viz. - - - - - 1,820,000 head

This was an increase over 1944 of - - - - - 34%  
and an increase over 1939 of - - - - - 109%

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In retrospect, this variation in trend (as between Cattle and Hog production) is easy to understand.

In the early war years, the pressure in respect of live stock production was to increase Hog numbers. When Britain's supplies of Bacon from Europe were cut off (in June, 1940), Canada became the sole external source of supply for Wiltshire Sides. Canadian Farmers were urged to produce every Hog possible.

A further factor counted heavily. On Canadian farms, and in Canadian elevators, was stored a vast quantity of grain,—wheat, oats, barley,—for which no cash market existed. The only way in which this grain could be converted to cash, was through the medium of live stock. Moreover, in those years, Hogs brought back to the Farmer a higher return for the grain fed than did other forms of live stock.

This combination of factors culminated in the phenomenal Hog marketings of 1944.

However, by the middle of 1944, the reserves of grain had been much reduced. There was not enough feed in the country to continue Hog production on the scale of that year. Moreover, an eager demand had sprung up in United States (at high prices) for every bushel of feed grain which Canada was willing to let go. By this time, the swing towards Cattle production had already set in. For Cattle could be produced (relatively) with little grain. They could be fattened on the grass in Summer and carried over the Winter on 'roughage',—hay, straw, and corn stalks.

Moreover, by 1944, Cattle prices had caught up with Hog prices. Cattle were bringing back to the Farmer a return equal to or better than that for Hogs.

And the final and decisive factor was that the labour involved in raising Cattle was much less than that required for Hogs. Hogs had to be fed twice daily,—365 days of the year. On the other hand, Cattle could be turned on to the pastures in Summer, and roughed in Winter.

By 1944 the Farmer was feeling the strain of the war effort. In response to constant appeals, he had enormously increased production, in spite of the fact that farm manpower had been reduced more than 20 per cent. And he naturally swung to the less laborious form of live stock production.

The result has been that, at the present time, Cattle marketings are at an all-time high, whereas Hog marketings for the first seven months of 1946, while still 46% above those of 1939, are 54% below the peak of 1944.

. . .

This reversal in trend, as between Cattle and Hog production, was natural. But it carries a hazard to the long-term interest of Canadian Agriculture which the Farmer should have very much in mind. For Hogs and not Cattle are the keystone of Canada's Live Stock Industry. This statement is based upon fundamental economic factors.

Canada can produce Hogs in competition with the world. And she cannot so produce Cattle.

. . .

Canada is a country of vast agricultural areas, and relatively sparse population. She produces, and must continue to produce, a great agricultural surplus. More than upon any other factor, her economic welfare depends upon the prosperity of her Agriculture. And the prosperity of her Agriculture depends upon marketing the 'surplus' through the medium of those products

- (a) for which an adequate world market exists;
- (b) for which the world price will return a profit to the Canadian producer.

Those products are determined by Canada's soil, climate and geography. In the main, they are Wheat and Bacon.

In the past (particularly in the 1920's) Canada has at times sought to market her surplus almost entirely in the form of Wheat. This policy brought disaster, because the world market could not absorb all of her Wheat. And, though for the moment the demand is unlimited, it would eventually bring disaster again.

But world markets will absorb Canada's total agricultural surplus if presented chiefly in the form of Wheat plus Bacon. For Bacon, the open market of the world is Great Britain.

For sixty years Canada has had a place in the British Bacon Market, but never better than second place,—and often worse.

The circumstances of the war have placed her at the moment in undisputed first position. And the maintenance of that position should be the main objective of Canadian agricultural policy.

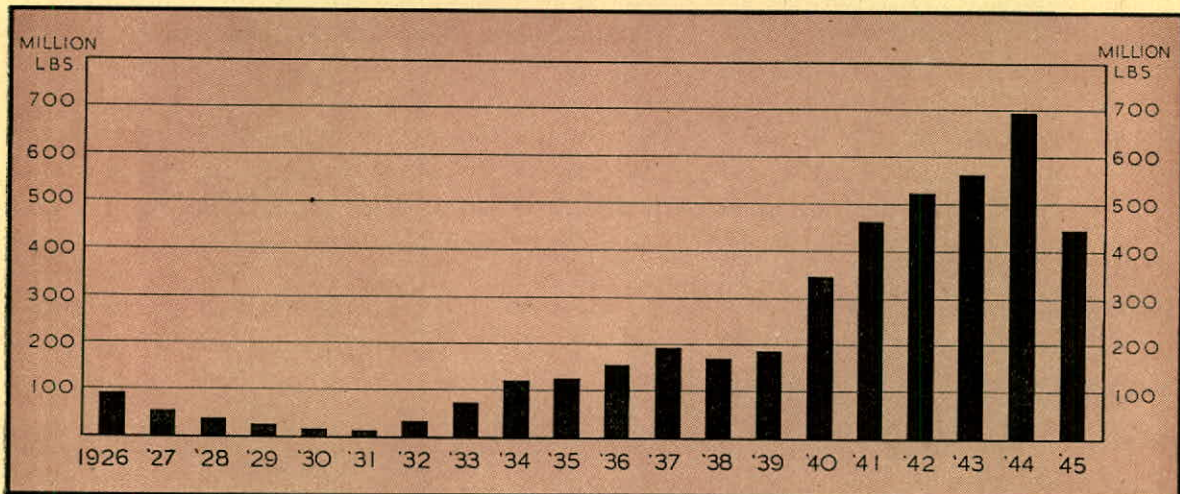
Is this objective attainable?

The answer is:— Yes, but not without a careful and intelligent long-term plan. Such a plan must include:—

1. Constant improvement of the quality of Canadian Hogs. Much has been accomplished, but much remains to be done.
2. Improvement of methods of husbandry;—to produce Hogs at the lowest possible cost. In this the chief factor is the feeding of a balanced ration.
3. To increase production to a level—
  - (a) which can be maintained year by year;
  - (b) which will permit exports to Britain in quantities sufficient to maintain Canada as her chief source of supply.
4. To send the Bacon forward in even week-to-week shipments. The Canadian Meat Board has already proved that this can be done, a fact never before demonstrated.

Of this programme the first and fundamental step is to reverse the trend of the last two years, and restore Hog production to an adequate level. That level should be such as to supply Canadian requirements of Pork products and, in addition, provide shipments to Great Britain of 400/500 million pounds yearly.

EXPORTS OF BACON, CANADA TO GREAT BRITAIN



**PROSPECT FOR CATTLE PRICES**

Cattle marketings are now at an all-time high. Does it follow, (from the argument of the preceding section), that in respect of Cattle production Canada is now in an unsafe position?

Not, at any rate, for three years. The Minister of Agriculture has indicated in Parliament (March 26th, 1946) that the United Kingdom will require all the Beef which Canada can spare in 1946 and 1947 and probably in 1948, and that discussions were continuing for the extension of the current contract to the end of 1947.

However, Canadian Beef can not hold a permanent place in the British market. For Canada can not produce Cattle in competition with South America and Australasia. At some date, it seems likely that the pre-war situation will be restored, when two outlets only will be available for Canadian Cattle—

1. The domestic Beef market.
2. An outlet for a limited number of Cattle in United States.

The domestic market will be a much broader one than in the pre-war period. In the last three years consumption of Beef in Canada has averaged  $64\frac{1}{2}$  lbs. per capita per annum. The corresponding figure for the three pre-war years was 55 lbs. This increase in domestic consumption amounts to 112,000,000 lbs. yearly, equivalent to approximately 240,000 Cattle. And a still further expansion of the domestic market is possible, through a programme of co-operation between Producers and Packers.

The outlet in United States is restricted but most valuable. And it is hoped that when the time arrives to renew the (now suspended) trade agreement, an increase in this movement may be arranged.

On the whole, the near-term outlook for Cattle prices in Canada is more promising than in any preceding 'peace' period. For the long future, however, the big fact is that Hogs and not Cattle are the live stock medium through which Canada's surplus must be cleared.

Since the close of the war, efficiency of plant operations has steadily improved. This has been due chiefly to the return to employment of experienced workmen following release from the Armed Forces. An important additional factor has been the

attitude of co-operation which has replaced the somewhat disturbed atmosphere of the war period.

For this, the officers of the Company wish to express their thanks and appreciation to employees of all ranks.

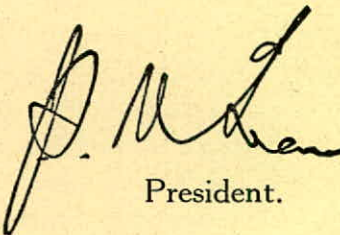
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As in previous years, an important share of the profits was distributed to employees in the form of Bonus.

The sum distributed at the year-end was - - - - - \$1,200,000  
 That this was a substantial distribution is evident from comparison with the following figures:—

|  |             |
|--|-------------|
| Net Profit was - - - - -                 | \$1,816,781 |
| Dividends to Shareholders were - - - - - | \$1,000,000 |

Since the policy of Bonus distribution was begun (11 years ago), total distribution has been - - - - - \$7,368,000

  
 President.

Toronto, August 23rd, 1946.



# CANADA PACKERS LIMITED

and its Subsidiaries

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDING 28th MARCH, 1946

|  |                      | PERCENTAGE<br>TO SALES |
|--|----------------------|------------------------|
| Invoice value of Sales - - - - -   | \$214,967,452        |                        |
| <i>Less</i> Transport Charges - - - - -  | 5,969,932            |                        |
| Value of Sales—F.O.B. plants - - - - -   | <u>\$208,997,520</u> | 100.00%                |
| Cost of Live Stock and all other Products - - - - -                                    | \$169,966,217        | 81.33%                 |
| Salaries, Wages and Bonus - - - - -  | 16,854,898           | 8.06                   |
| Expenses—Selling, Advertising, Repairs, Renewals and General Operating Costs - - - - - | 8,641,515            | 4.13                   |
| Supplies and Packages - - - - -  | 7,853,887            | 3.76                   |
| Provision for Taxes:   |                      |                        |
| Municipal Taxes, etc. - - - - -  | \$ 293,659           |                        |
| Income and Excess Profits Taxes - - - - -  | 2,803,931            | 1.48                   |
| Provision for Depreciation of Fixed Assets - - - - -                                   | 828,214              | .40                    |
|  | <u>\$207,242,321</u> | <u>99.16%</u>          |
| Profit from Operations - - - - -   | \$ 1,755,199         | .84%                   |
| Income from Investments - - - - -  | \$ 37,011            |                        |
| Profit on disposal of Investments and Properties - - - - -                             | 24,571               | .03                    |
| Net Profit for the Year - - - - -  | <u>\$ 1,816,781</u>  | <u>.87%</u>            |
| Note: The expenditure for the year includes the following:                             |                      |                        |
| Directors' fees - - - - -  | Nil                  |                        |
| Remuneration to Executive Officers and Directors - - - - -                             | \$183,820            |                        |
| Legal Fees and Expenses - - - - -  | 21,512               |                        |

## STATEMENT OF CONSOLIDATED EARNED SURPLUS

|   |                     |
|---|---------------------|
| Balance at credit 29th March, 1945 - - - - -                            | \$12,197,251        |
| Net Profit for the Year - - - - -                                       | 1,816,781           |
|   | <u>\$14,014,032</u> |
| Dividends paid or payable for the year:                                 |                     |
| Two Dividends of 75c each per Share on 400,000 Class A Shares - - - - - | \$600,000           |
| Two Dividends of 25c each per Share on 800,000 Class B Shares - - - - - | 400,000             |
|   | <u>1,000,000</u>    |
| Balance at credit 28th March, 1946 - - - - -                            | <u>\$13,014,032</u> |

# CONSOLIDATED BALANCE SHEET

(Incorporated under the  
AND ITS SU  
AS AT 28th

## ASSETS

|  |             |              |
|--|-------------|--------------|
| CASH ON HAND - - - - -   |             | \$ 42,339    |
| INVESTMENTS:   |             |              |
| Dominion of Canada Victory Loan Bonds at cost—which is less than market value - - - - -  | \$1,033,685 |              |
| Other Bonds and Shares at cost less amounts written off—which is less than market value - - - - -  | 1,789,501   |              |
|  |             | 2,823,186    |
| ACCOUNTS RECEIVABLE:   |             |              |
| Usual Trade Accounts (after provision for losses) - - - - -  | \$6,300,377 |              |
| Government Accounts - - - - -  | 1,789,908   |              |
| Balances Receivable from Employees for Victory Loan Bonds purchased on their behalf (secured) - - - - -  | 722,412     |              |
|  |             | 8,812,697    |
| INVENTORIES:   |             |              |
| Products, Materials and Supplies on hand and in transit—as determined and certified by the Management and valued at the lower of cost or market, after deduction of Inventory Reserves - - - - - |             | 10,353,890   |
| Life Insurance (cash surrender value) - - - - -  |             | 578,096      |
| Prepaid Expenses - - - - -   |             | 146,115      |
| Sundry Advances, Mortgages, Deposits, Balances Receivable and Advances to Employees for Expenses, etc. - - - - -   |             | 123,045      |
| TOTAL CURRENT - - - - -  |             | \$22,879,368 |
| Investments in and Advances to and from Subsidiary Companies not consolidated herein:  |             |              |
| Investments at cost less reserve - - - - -   | \$2,140,000 |              |
| Less Current Accounts (net) - - - - -  | 423,940     | 1,716,060    |
| Portion of Taxes refundable under The Excess Profits Tax Act (estimated) - - - - -   |             | 890,000      |
| FIXED ASSETS—Land, Buildings, Leasehold, Plant and Equipment - - - - -   |             | 24,205,267   |
| Fixed Assets which have been appraised are shown at their depreciated appraisal values, and other fixed assets are shown at not exceeding cost.  |             |              |
| The appraisals were made by—   |             |              |
| Dominion Appraisal Company Limited—31st March, 1927.   |             |              |
| Canadian Appraisal Company Limited—31st March, 1919, October 1919 and 30th September, 1922.  |             |              |
| American Appraisal Company—1st October, 1919.  |             |              |
| Goodwill - - - - -   |             | 1            |
|  |             | \$49,690,696 |

### AUDITORS' REPORT

We have examined the Consolidated Balance Sheet of Canada Packers Limited and its subsidiaries as at 28th March, 1946, and the returns from the Branches certified by Branch Officials. We did not make a detailed audit of the transactions as the Company maintains a review of the Company's system of accounting procedure and control, and of the reports of the audit conducted by the internal Audit

We report that in our opinion, based upon our examination, the above Consolidated Balance Sheet and the related statements of the Companies' affairs at 28th March, 1946, and of the results of their operations for the year ended on that date, according to the best of explanations we required.

As required by the Dominion Companies Act, 1934, Section 114, we report that no portion of the Net Profit for the year ending Toronto, Canada, 10th August, 1946.

# OF CANADA PACKERS LIMITED

*Dominion Companies Act)*

BSIDIARIES

MARCH, 1946

## LIABILITIES

|  |                     |
|--|---------------------|
| Borrowings from Bankers (secured \$550,000) - - - - -                | \$ 2,360,599        |
| Accounts Payable and Accrued Charges - - - - -                       | 4,802,356           |
| Provision for Income, Sales, Municipal and Other Taxes - - - - -     | 4,972,427           |
| Dividends Payable on Class A and B Shares, 1st April, 1946 - - - - - | 500,000             |
| <b>TOTAL CURRENT - - - - -</b>                                       | <b>\$12,635,382</b> |
| Funds Held in Trust - - - - -  | 482,498             |
| Provision for Depreciation of Fixed Assets - - - - -                 | 16,457,068          |
| Surplus on Appraisals - - - - -                                      | 5,663,432           |
| <b>CAPITAL:</b>  |                     |
| Authorized and Issued—   |                     |
| 400,000 Class A Shares of no par value )                             |                     |
| 800,000 Class B Shares of no par value )                             | - \$ 1,438,284      |
| Earned Surplus - - - - -   | 13,014,032          |
|  | <u>14,452,316</u>   |

On behalf of the Board

J. S. McLEAN, *Director*

S. G. BROCK, *Director*

\$49,690,696

### TO THE SHAREHOLDERS

related statements of consolidated Profit and Loss and consolidated Earned Surplus for the year ended on that date, in which are incorporated an internal Audit Department for this purpose. We did, however, carry out, in a manner and to the extent which we considered sufficient, Department.

consolidated Profit and Loss and consolidated Earned Surplus have been drawn up so as to exhibit a true and correct view of the state of our information, the explanations given us and as shown by the books and returns from Branches. We received all the information and

28th March, 1946, of the subsidiary companies not consolidated herein has been included in the accounts of Canada Packers Limited.

CLARKSON, GORDON & CO., *Chartered Accountants.*

## TOTAL CANADA HOG GRADINGS

| CALENDAR YEAR | EASTERN CANADA | WESTERN CANADA | TOTAL      |
|---------------|----------------|----------------|------------|
| 1926          | 1,644,940      | 1,109,565      | 2,754,505  |
| 1927          | 1,770,949      | 1,077,439      | 2,848,388  |
| 1928          | 1,699,184      | 1,140,966      | 2,840,150  |
| 1929          | 1,491,889      | 1,230,999      | 2,722,888  |
| 1930          | 1,228,871      | 1,111,865      | 2,340,736  |
| 1931          | 1,329,268      | 1,326,012      | 2,655,280  |
| 1932          | 1,555,697      | 1,586,173      | 3,141,870  |
| 1933          | 1,556,807      | 1,628,397      | 3,185,204  |
| 1934          | 1,324,634      | 1,713,521      | 3,038,155  |
| 1935          | 1,360,801      | 1,608,510      | 2,969,311  |
| 1936          | 1,879,392      | 1,866,106      | 3,745,498  |
| 1937          | 2,125,731      | 1,800,579      | 3,926,310  |
| 1938          | 1,989,911      | 1,249,887      | 3,239,798  |
| 1939          | 2,082,490      | 1,618,571      | 3,701,061  |
| 1940          | 2,797,458      | 2,652,168      | 5,449,626  |
| 1941          | 2,853,793      | 3,362,414      | 6,216,207  |
| 1942          | 2,473,843      | 3,754,320      | 6,228,163  |
| 1943          | 2,656,066      | 4,491,480      | 7,147,546  |
| 1944          | 3,168,358      | 5,694,820      | 8,863,178  |
| 1945          | 2,487,309      | 3,374,768      | 5,862,077  |
| 1946*         | 1,334,880*     | 1,418,229*     | 2,753,109* |

\*7 months

## TOTAL CANADA SLAUGHTERINGS AT INSPECTED ESTABLISHMENTS

| CALENDAR YEAR | CATTLE    | CALVES  | SHEEP AND LAMBS | SWINE     |
|---------------|-----------|---------|-----------------|-----------|
| 1926          | 739,822   | 374,175 | 545,769         | 2,491,425 |
| 1927          | 733,357   | 414,675 | 618,057         | 2,540,342 |
| 1928          | 699,384   | 415,990 | 638,752         | 2,547,024 |
| 1929          | 701,866   | 414,781 | 725,004         | 2,353,161 |
| 1930          | 602,017   | 376,237 | 745,119         | 1,926,325 |
| 1931          | 592,036   | 371,076 | 820,891         | 2,242,765 |
| 1932          | 553,342   | 383,449 | 788,222         | 2,722,825 |
| 1933          | 654,000   | 438,428 | 868,679         | 2,802,377 |
| 1934          | 804,290   | 542,842 | 854,222         | 2,871,980 |
| 1935          | 789,711   | 586,851 | 861,228         | 2,805,825 |
| 1936          | 920,228   | 602,616 | 830,975         | 3,562,534 |
| 1937          | 923,961   | 702,405 | 821,758         | 3,802,141 |
| 1938          | 859,260   | 676,579 | 801,679         | 3,137,203 |
| 1939          | 872,574   | 679,922 | 786,274         | 3,628,369 |
| 1940          | 889,898   | 703,779 | 763,982         | 5,454,930 |
| 1941          | 1,004,101 | 719,168 | 830,963         | 6,273,951 |
| 1942          | 970,315   | 666,645 | 825,288         | 6,195,850 |
| 1943          | 1,021,334 | 594,385 | 889,269         | 7,173,550 |
| 1944          | 1,354,104 | 660,556 | 949,096         | 8,766,441 |
| 1945          | 1,820,127 | 781,817 | 1,169,124       | 5,683,727 |
| 1946*         | 775,713   | 468,243 | 397,755         | 2,600,667 |

\*7 months

## EXPORTS OF BACON, CANADA TO GREAT BRITAIN

| CALENDAR YEAR | POUNDS      | IN TERMS OF HOGS |
|---------------|-------------|------------------|
| 1926          | 90,843,600  | 757,030          |
| 1927          | 53,059,100  | 442,159          |
| 1928          | 37,078,600  | 308,988          |
| 1929          | 25,822,900  | 215,191          |
| 1930          | 13,011,400  | 108,428          |
| 1931          | 10,961,700  | 91,347           |
| 1932          | 30,693,400  | 255,778          |
| 1933          | 71,524,700  | 596,039          |
| 1934          | 119,707,600 | 997,565          |
| 1935          | 124,327,900 | 1,036,065        |
| 1936          | 154,768,800 | 1,289,740        |
| 1937          | 192,058,700 | 1,600,488        |
| 1938          | 169,463,600 | 1,412,188        |
| 1939          | 186,473,000 | 1,553,941        |
| 1940          | 344,147,100 | 2,867,892        |
| 1941          | 460,800,200 | 3,840,002        |
| 1942          | 524,951,900 | 4,374,599        |
| 1943          | 560,304,800 | 4,669,207        |
| 1944          | 692,310,300 | 5,769,252        |
| 1945          | 446,069,300 | 3,656,305        |
| 1946*         | 169,175,300 | 1,409,800        |

\*7 months

### CASH INCOME FROM THE SALE OF FARM PRODUCTS

|      | CASH INCOME FROM SALE OF LIVE STOCK EXCLUDING POULTRY | CASH INCOME FROM FARM PRODUCTS | DIRECT GOVERNMENT PAYMENTS | TOTAL INCLUDING DIRECT GOVERNMENT PAYMENTS |
|------|---|--------------------------------|----------------------------|--|
| 1926 | \$193,253,000   | \$ 957,558,000                 |                            | \$ 957,558,000                             |
| 1927 | 194,538,000   | 934,038,000                    |                            | 934,038,000                                |
| 1928 | 210,445,000   | 1,063,774,000                  |                            | 1,063,774,000                              |
| 1929 | 214,904,000   | 926,659,000                    |                            | 926,659,000                                |
| 1930 | 157,747,000   | 632,112,000                    |                            | 632,112,000                                |
| 1931 | 111,789,000   | 445,088,000                    |                            | 445,088,000                                |
| 1932 | 79,844,000  | 383,515,000                    |                            | 383,515,000                                |
| 1933 | 83,761,000  | 396,551,000                    |                            | 396,551,000                                |
| 1934 | 111,507,000   | 485,288,000                    |                            | 485,288,000                                |
| 1935 | 130,020,000   | 511,300,000                    |                            | 511,300,000                                |
| 1936 | 155,064,000   | 578,238,000                    |                            | 578,238,000                                |
| 1937 | 194,991,000   | 645,742,000                    |                            | 645,742,000                                |
| 1938 | 164,273,000   | 664,317,000                    |                            | 664,317,000                                |
| 1939 | 185,368,000   | 722,334,000                    | \$ 1,686,000               | 724,020,000                                |
| 1940 | 245,288,000   | 765,845,000                    | 9,691,000                  | 775,536,000                                |
| 1941 | 320,925,000   | 914,039,000                    | 29,478,000                 | 943,517,000                                |
| 1942 | 372,786,000   | 1,100,942,000                  | 54,944,000                 | 1,155,886,000                              |
| 1943 | 447,485,000   | 1,409,561,000                  | 31,414,000                 | 1,440,975,000                              |
| 1944 | 514,984,000   | 1,826,493,000                  | 17,681,000                 | 1,844,174,000                              |
| 1945 | 523,378,000   | 1,685,846,000                  | 6,439,000                  | 1,692,285,000                              |

†Includes payments made under the Wheat Acreage Reduction Act, the Prairie Farm Assistance Act and the Prairie Farm Income Act.

(Other farm subsidies paid by Dominion and Provincial Governments are included under "Cash Income from Farm Products".)

## PER CAPITA CONSUMPTION OF MEAT IN CANADA BY CIVILIANS

|      | BEEF | VEAL | MUTTON<br>AND LAMB | PORK | OFFALS | CANNED<br>MEATS* | TOTAL  |
|------|------|------|--------------------|------|--------|------------------|--------|
|      | lb   | lb   | lb                 | lb   | lb     | lb               | lb     |
| 1926 | 55.2 | 7.8  | 4.9                | 53.5 | †      | ‡                | 121.4§ |
| 1927 | 54.5 | 7.8  | 5.6                | 54.5 | †      | ‡                | 122.4§ |
| 1928 | 50.5 | 8.2  | 5.5                | 58.4 | †      | ‡                | 122.6§ |
| 1929 | 51.1 | 8.1  | 5.8                | 58.0 | †      | ‡                | 123.0§ |
| 1930 | 49.1 | 9.5  | 6.5                | 52.8 | †      | ‡                | 117.9§ |
| 1931 | 48.5 | 8.5  | 5.9                | 51.9 | †      | ‡                | 114.8§ |
| 1932 | 45.5 | 8.5  | 6.1                | 55.3 | †      | ‡                | 115.4§ |
| 1933 | 45.8 | 9.1  | 5.7                | 52.0 | †      | ‡                | 112.6§ |
| 1934 | 50.6 | 10.4 | 6.0                | 47.4 | †      | ‡                | 114.4§ |
| 1935 | 53.6 | 9.8  | 6.0                | 39.3 | 5.5    | 1.7              | 115.9  |
| 1936 | 55.1 | 10.2 | 5.6                | 41.4 | 5.9    | 2.0              | 120.2  |
| 1937 | 54.6 | 11.9 | 5.6                | 42.5 | 6.2    | 2.0              | 122.8  |
| 1938 | 57.2 | 10.3 | 5.4                | 37.7 | 5.7    | 1.7              | 118.0  |
| 1939 | 53.2 | 10.4 | 5.4                | 38.4 | 5.1    | 2.1              | 114.6  |
| 1940 | 54.5 | 10.8 | 4.5                | 44.7 | 5.5    | 1.5              | 121.5  |
| 1941 | 58.3 | 11.1 | 4.9                | 46.3 | 6.0    | 3.2              | 129.8  |
| 1942 | 60.1 | 10.8 | 5.0                | 53.3 | 6.4    | 3.1              | 138.7  |
| 1943 | 69.3 | 10.2 | 4.6                | 61.0 | 7.3    | 3.1              | 155.5  |
| 1944 | 62.4 | 11.0 | 4.8                | 61.4 | 7.4    | 2.8              | 149.8  |
| 1945 | 61.6 | 12.1 | 4.9                | 50.8 | 4.4    | 2.7              | 136.5  |

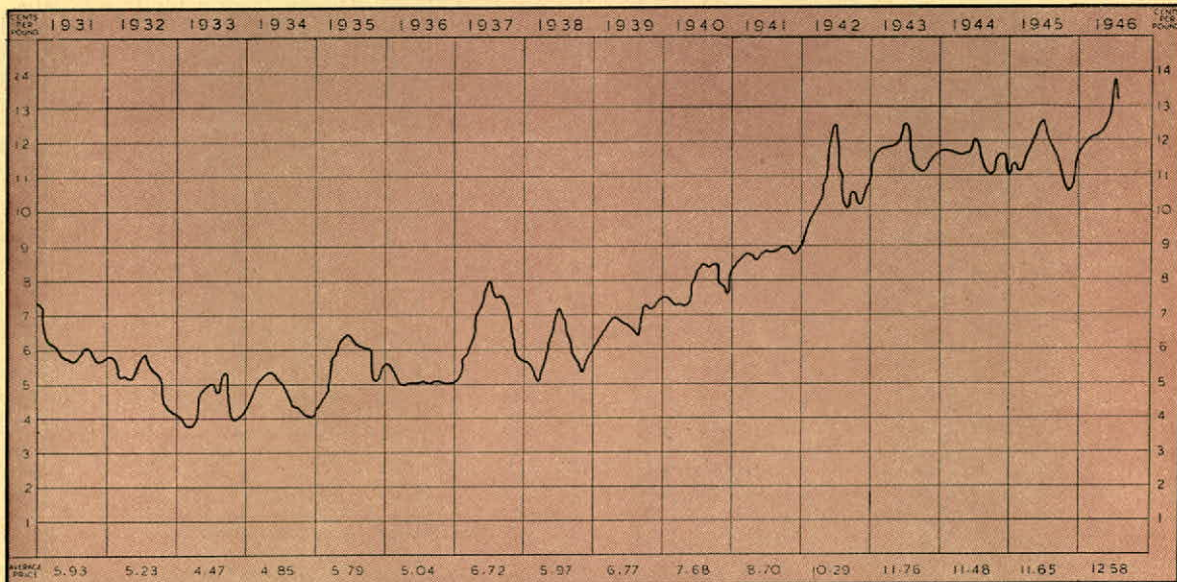
\* Canned meats expressed in terms of carcass weight.

† Estimate not available.

‡ Included with other meats.

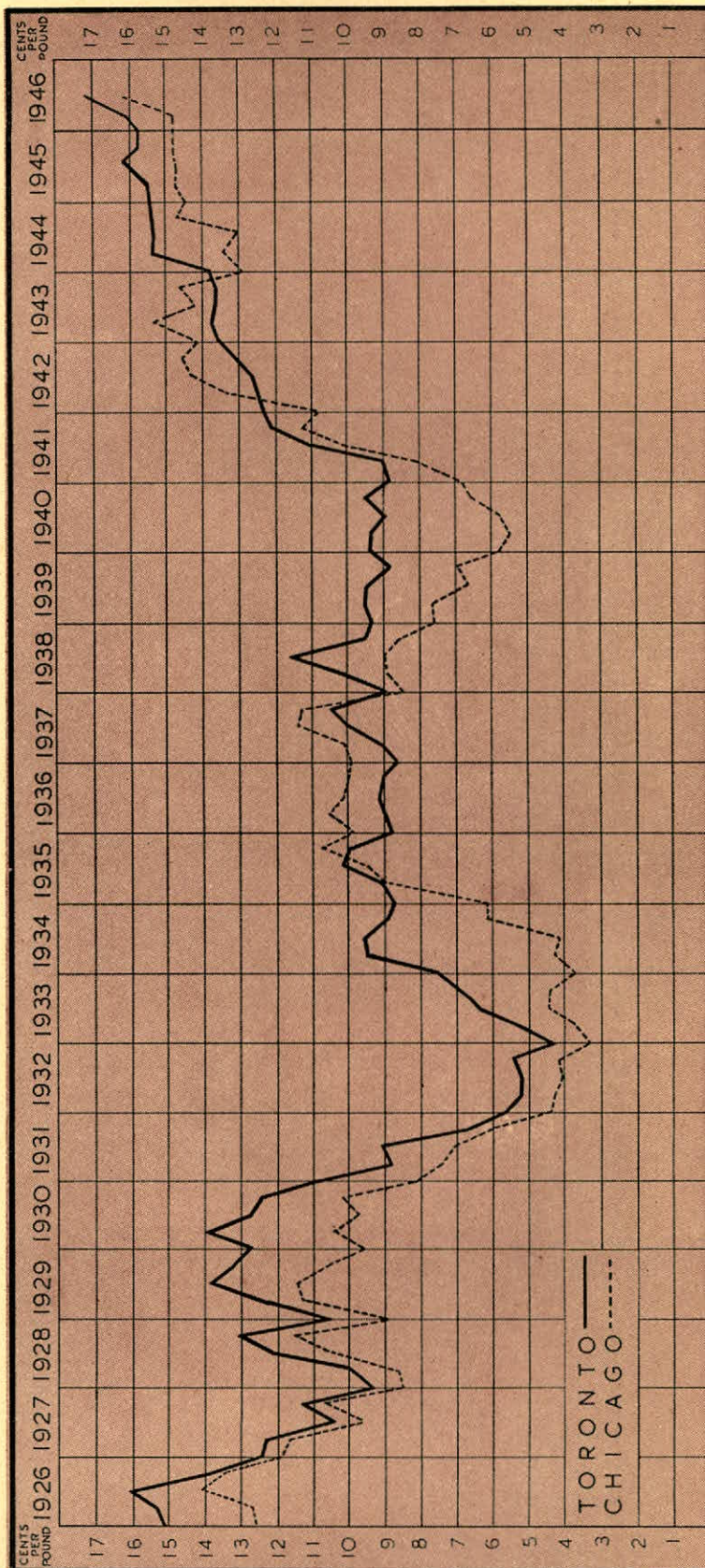
§ Total figures prior to 1935 do not include offals.

### GOOD STEERS — 1050 POUNDS DOWN, TORONTO AVERAGE MONTHLY PRICE



# COMPARATIVE LIVE HOG PRICES

TORONTO\* AND CHICAGO  
TOP GRADES



\*Since July, 1939, Hogs on the Toronto Market have been bought on a dressed (rail grade) basis. From that date, the live price has been arrived at by conversion from the dressed price of Grade A Hogs, assuming a yield of 75%. Bonuses are included in the price.







