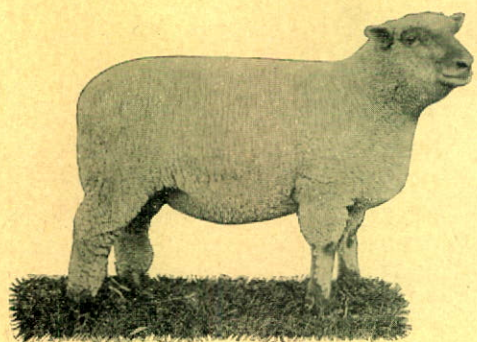
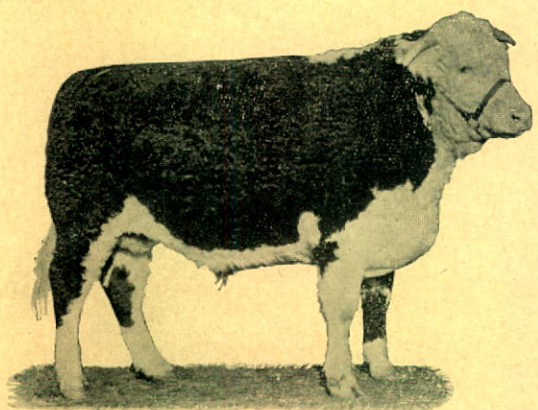
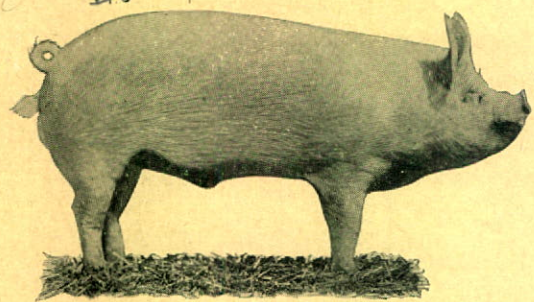


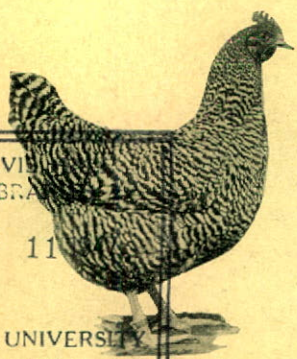
Corporation  
Ltd. *plack.*

*Plack*

# 20TH ANNUAL REPORT



**CANADA  
PACKERS  
LIMITED**



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AS AT 27TH MARCH, 1947





# CANADA PACKERS LIMITED

TORONTO, CANADA

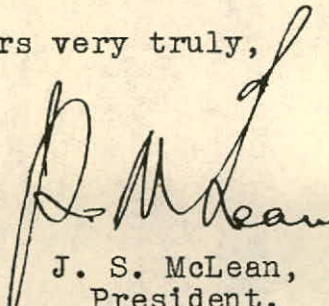
29th August, 1947.

Dear Sir :

The Annual Statement and Report of Directors of Canada Packers Limited is being mailed to Shareholders to-day. The Report includes a discussion of some phases of the Live Stock Industry of Canada, and as Live Stock is one of Canada's most important Industries I have thought you might be interested in reading it.

A copy is therefore enclosed herewith.

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



## 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



*Plants at*

TORONTO

MONTREAL

HULL

PETERBOROUGH

CHARLOTTETOWN

WINNIPEG

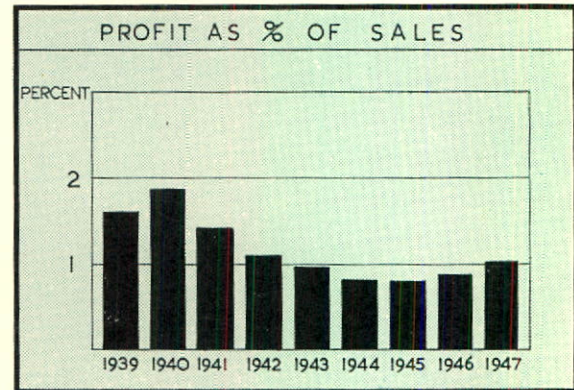
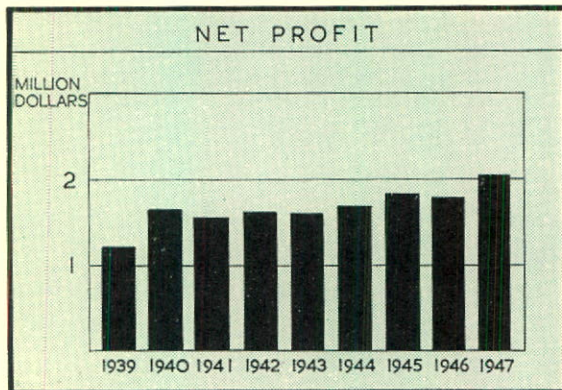
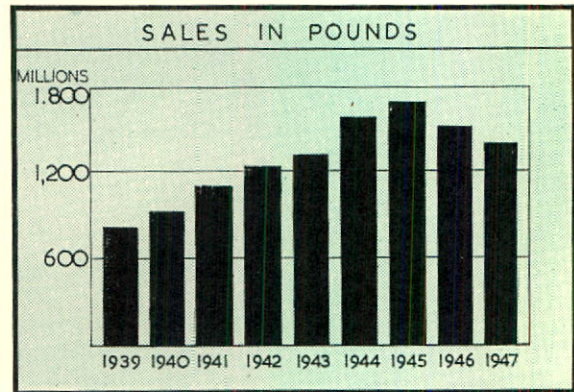
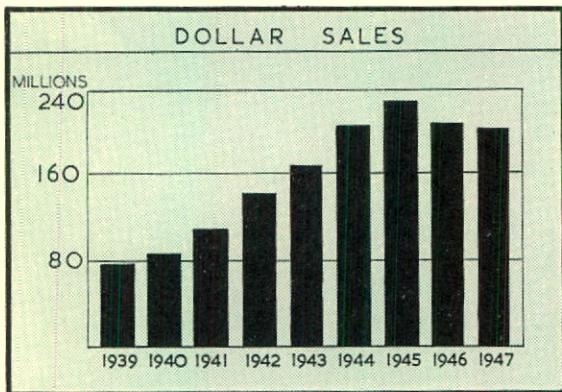
EDMONTON

VANCOUVER

CHICAGO

# C A N A D A P A C K E R S

## COMPARATIVE STATISTICS





# REPORT TO SHAREHOLDERS

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THE twentieth fiscal year of Canada Packers Limited closed March 27th, 1947.

The following are the key figures, setting forth volume and profit, with the comparative figures of the previous year:—

	<u>Year Ending March 1947</u>	<u>Year Ending March 1946</u>
Sales - - - - -	\$204,068,650	\$208,997,520
Tonnage - - - - -	1,373,000,000 lbs.	1,526,000,000 lbs.
Profit after all charges except Income and E.P. Tax -	\$3,758,852	\$4,620,712
Income and E.P. Tax - - -	<u>1,699,208</u>	<u>2,803,931</u>
Net Profit - - - - -	\$2,059,644	\$1,816,781

Note:

1. Tonnage,—weight of product sold,—was down - - 10%
2. Dollar Sales were down only - - - - - 2.4%  
(reflecting an advance in average price of products sold of approximately 8%).
3. While Profit before Federal Tax was down approximately - - - - - \$860,000;  
nevertheless,—because of the reduction in Income and E.P. rates (applied to the lower Gross Profit),—  
Net Profit was up approximately - - - - - \$200,000.

# DISTRIBUTION OF SALES DOLLAR 1947

TO PRODUCERS  
FOR LIVE STOCK, ETC.  $80\frac{1}{4}\text{¢}$

TO EMPLOYEES  $9\frac{1}{8}\text{¢}$

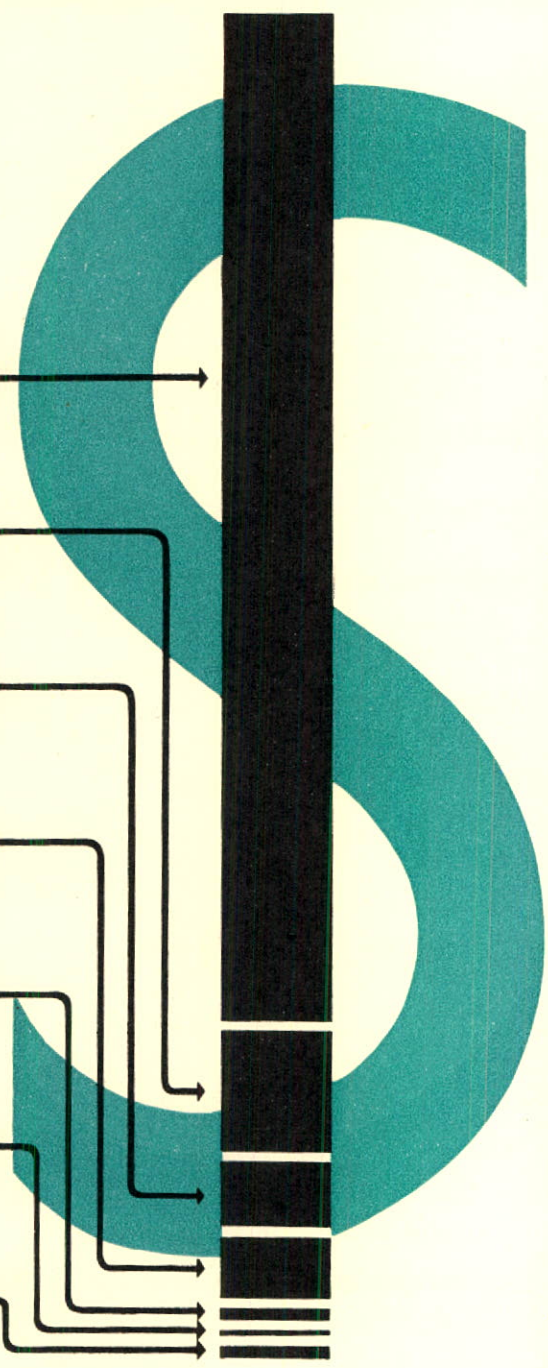
TO SERVICE ORGANIZATIONS  $4\frac{1}{4}\text{¢}$

TO SUPPLIERS  $4\text{¢}$

TAXES  $1\text{¢}$

DEPRECIATION  $\frac{3}{8}\text{¢}$

NET PROFIT  $1\text{¢}$





CANADA PACKERS LIMITED

On Page 20 appears the Profit and Loss Statement. For clarity in comparing years, each item is also expressed as a percentage of dollar sales. The following is a comparison of the main items with the corresponding figures of the previous three years.

	<u>1944</u>	<u>1945</u>	<u>1946</u>	<u>1947</u>
Out of each Sales Dollar there was paid:—				
For Raw Materials - -	83.60c	82.35c	81.33c	80.21c
For Wages plus Salaries - -	6.77	7.35	8.06	9.10
For Services (General Expense)	3.46	3.83	4.13	4.25
For Materials and Packages -	3.08	3.32	3.76	4.06
For Taxes (Municipal, Provincial, Federal) - - -	1.59	1.70	1.48	.98
For Wartime Inventory Reserve - - - - -	.24	.25	—	—
For Depreciation on Fixed Assets - - - - -	.45	.41	.40	.43
	<u>99.19c</u>	<u>99.21c</u>	<u>99.16c</u>	<u>99.03c</u>
Remainder,—Profit from Operations - - - - -	.81	.79	.84	.97
Income from Investments, etc. - - - - -	.01	.01	.03	.04
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Net Profit for the year, on each dollar of Sales - -	.82c	.80c	.87c	1.01c



**CANADA PACKERS LIMITED**

The products handled by the Company fall into four groups,—viz.:—

*LIVE STOCK PRODUCTS*, comprising all products derived from live animals:—

Meats,—Beef, Veal, Pork products, Lamb and Mutton;

By-products, —Hides, Skins, Tallow, Bones, Tankage, etc.

Tonnage of this group - - - - - 460,000,000 lbs.

*OTHER FARM PRODUCTS*, comprising,—

Butter, Eggs, Cheese, Poultry, Frosted Foods, Fruit, Vegetables, etc.

Tonnage - - - - - 207,000,000 lbs.

*NON-FARM PRODUCTS*, comprising,—

Edible Oils, Shortening, Soap, Fish, Fertilizers, Stock Foods, etc.

Tonnage - - - - - 576,000,000 lbs.

\**MANUFACTURING*, comprising,—

*Canned Meats* (sold chiefly to UNRRA) and *Canned Fruits* and Vegetables.

Tonnage - - - - - 130,000,000 lbs.

1,373,000,000 lbs.

The outstanding feature of the year's result was the extremely small profit derived from the first two groups,—viz. Live Stock Products, and Other Farm Products. Total weight of products in these groups was 667,000,000 lbs.

Net profit for the two groups was - - - - - \$233,592.00

equivalent to - - - - - 3½c per 100 lbs.

otherwise - - - - - 1/30c per lb.

Profit as percentage of Sales - - - 1/6 of 1%.

\*Although the foods processed in this department are farm products,—meats, vegetables, fruits,—nevertheless the operation is one which does not form a necessary, or customary, part of packinghouse operations. The plant required for the processing is specialized and expensive. It is for these reasons that these operations are segregated as 'Manufacturing'.



CANADA PACKERS LIMITED

On the other two groups, totalling 706,000,000 lbs., net  
profit was - - - - - \$1,752,673.00  
equivalent to - - - - 24.8c per 100 lbs.  
otherwise - - - - - ¼c per lb.  
Profit as percentage of Sales - - - 2.6%.

The very low profit on Live Stock and Other Farm Products was due to conditions arising out of war controls. On all these products, especially meats and poultry, supply was much below demand, and prices paid by black market operators were, for long periods, above the equivalent of the established ceiling prices.

During those periods, processors who respected the ceilings were forced either to buy the live stock at prices involving loss, or to withdraw from operations. For the regular firms in the Packing Industry to cease purchasing live stock was, of course, impossible. Therefore, the losses had to be taken.

In this situation, the record of the Packing Industry as a whole was a highly creditable one. With only rare exceptions, inspected packers, large and small, scrupulously adhered to the regulations and did everything in their power to assist the officials of the Wartime Prices and Trade Board.

On their part the directing officers of the Board made a strenuous and continuous effort to enforce ceilings. But the task was a difficult one.

The difficulty was that of securing evidence. Only two persons, the seller and the buyer, knew the facts of illicit transactions. As both these persons were exposing themselves to heavy penalties, they were most undependable witnesses. The record of the illicit transactions, in the accounts of seller and buyer, furnished no evidence. Goods were invoiced at ceiling prices. Payments in excess of ceiling were in currency, and were made 'under the counter'.

In the main, violations were confined to processors on the fringe of the Industry. These persons found themselves in a position to greatly increase their volume, at margins of profit much higher than normal. The fact that they were spread throughout the cities, towns and villages of all Canada made the task of catching up with them a very difficult one. In relation to offences, there were extremely few convictions.





## CANADA PACKERS LIMITED

Under war conditions, steps had to be taken to ensure an even distribution of the available food. The necessary war effort could not otherwise have been sustained.

The Wartime Prices and Trade Board was set up for this purpose. It was directed at the top by a group of men of the highest ability and character. The job they did was one of the most essential of Canada's total war effort. On the whole it was highly successful. But its enforcement of ceilings in respect of food left much to be desired.

The following notes are set down in the hope they may prove useful in the field of animal products, if the necessity to establish controls should again arise:—

1. When food is scarce and purchasing power high, enforcement of ceilings is a most difficult task. The public may unreservedly endorse the principle of price control, but public opinion, of itself, cannot be counted upon to check illicit operations.
2. Only by an alert and firm Enforcement Branch, can controls be made effective. The post of Chief Enforcement Officer calls for a man with the highest qualifications of ability, courage and cool judgment.
3. In respect of meats, illicit transactions begin at the stage where the meats pass from the processor to the retailer. But the retailer is clearly an unwilling participant. He does not wish to pay more than the ceiling price, and with intelligent leadership could be secured as an ally of the Enforcement Branch.
4. Enforcement is bound to fail unless penalties are severe enough to deter offenders. (A fine of a few hundred dollars is no deterrent to a violator who is making illicit profits of thousands.)
5. Cancellation of licence is the ultimate and the only effective deterrent. This is a drastic penalty which should be imposed only in case of flagrant and repeated violations, involving the head or principal officers of the firm.

Only a few cancellations would be necessary.





One result of black market operations was that producers received a higher price for their live stock than the equivalent of the ceiling.

It is only just to point out that this involved no breach of the regulations, either technical or moral, on their part. Their animals were sent to market as usual, and were sold on the market, openly, to the highest bidder. No other system was possible.

The Wartime Prices and Trade Board wisely refrained from imposing ceilings on live stock. This was tried in United States and proved completely unworkable.



In view of the extremely poor results on live stock and other farm products, it was fortunate that volume in the other two groups was high, and profits normal (one-quarter cent per lb.).

In the fourth group the chief product was one developed in the Laboratories of Canada Packers, viz. Canned Blood Sausage. All this product was sold to UNRRA. As suggested by the name, the product contains a substantial percentage of cooked blood (from inspected animals). This gives it a high protein content. Other ingredients add important calcium and carbohydrate values. Because of its high nutritional value, convenient form, and comparatively low cost, Canned Blood Sausage was a very useful food for UNRRA distribution.

Once this product had been accepted by UNRRA, the Canadian Meat Board directed that the formula should be passed on to all Canadian plants equipped to produce it. Shipments of Blood Sausage formed a very important part of Canada's total sales to UNRRA. During 1946 total shipments from Canada were 63,000,000 cans.

While this quantity was small in relation to UNRRA's over-all relief shipments, nevertheless it is gratifying that a product developed entirely in a Canadian laboratory should have played even as substantial a part in the relief programme of 1946.

With the winding up of UNRRA, orders for Canned Blood Sausage have ceased. It was essentially an emergency food. Notwithstanding its high nutritional value and low price, its colour subtracts from its appeal to the civilian consumer.





The experience of this year proves again the wisdom of the Company's policy of diversification. In 1927 when Canada Packers was formed, live stock plus other farm products comprised 79% of the Company's total volume. In the year under review, the corresponding percentage was 49%. More than half the volume and 85% of the profit were contributed by groups three and four.



It will be recalled that following World War I, deflation of food prices set in during July 1920,—approximately eighteen months after Armistice Day. That deflation was brought about by the fact that, by July 1920, food supplies had begun to catch up with effective demand.

Following World War II, it was expected that the greater destruction of property and the greater displacement of population, in Europe, might result in a more prolonged period of dislocation. However, it seemed likely that the restoration of normal food conditions might follow the same general pattern as in 1919/20;—i.e. a period of advancing prices, to be followed at some time either by a slide or a collapse.

[It is important to remember that the world's food supply is produced from year to year. If one year's crop is inadequate, hunger (perhaps starvation) may be the result. However, a bountiful world crop in the following year can at once restore normal conditions. The hunger of the previous year does not carry over.]

World War II ended with V-J Day, August 15th, 1945. That is a full two years ago.

But, as yet, world food supplies have not caught up with demand. Prices of most staple foods are not only above those of V-J Day, but actually, in the case of many essential foods, are still at an all-time high.

The following table gives a comparison of prices (in Canada) of animal products and cereals from 1939 to 1947.



CANADA PACKERS LIMITED

CANADIAN FARM PRICES, 1939—1947

	Average March 1939	Average March 1941	Average March 1943	Average March 1945	Average July 1947
Good Steers, live, Toronto -	6.78	8.62	11.77	11.54	14.47
Hogs, B-1 dressed, Toronto -	12.25	11.33	17.16 32}* 17.80 1.62}* 22.01 .97}* }	17.80 1.62}* 22.01 .97}* }	22.01 .97}* }
Lambs, live, Toronto - -	9.10	11.14	15.91	14.92	17.21
Chickens, Milk Fed A, Toronto	24½	28½	32½	35	39
Eggs, 'A' Large, Toronto -	21½	20½	33½	35	39¾
Creamery Butter, Toronto -	21¾	35	35 8½}* 35 8½}* 50½	35 8½}* 35 8½}* 50½	50½
Cheese, f.o.b. Factory, Ontario -	11	14½ 1}* 22¾ 1}* 20 3}* 25½ 3}* }	22¾ 1}* 20 3}* 25½ 3}* }	20 3}* 25½ 3}* }	25½ 3}* }
Wheat, No. 1 Nor., Ft. Wm. -	59½†	76¼	97⅛	1.25‡	1.55‡
Oats, No. 2 C.W., Ft. Wm. -	28½	35¼	51	51½ 10}§ 65	65
Barley, No. 1 Feed, Ft. Wm. -	35½	50¾	61⅝	64¾ 22½}§ 93	93
Corn, Ontario Yellow, Toronto	65	86⅜	1.17	1.27	1.27

\* Subsidies, Federal plus Provincial.

† Official Wheat Board price, March 1939, 80c.

‡ Wheat Board to make participation payment in 1950.

§ Equalization payments.

It will be seen that each price in July 1947 is at the high point of the eight-year period.

But all these prices would be higher still except for the operation of controls. The chief control exists in the fact that (by mutual governmental agreement) Canadian foods are not permitted to move to the United States.

In that country, prices for the same products throughout the same period are shown in the following table.



UNITED STATES FARM PRICES, 1939—1947  
(Chicago Market)

	Average March 1939	Average March 1941	Average March 1943	Average March 1945	Average July 1947
Steers, 1200/1500 lbs. - - - -	11.50	11.30	15.95	16.25	30.68
Hogs, light (live) - - - -	7.70	7.80	15.60	14.75	26.00
Lambs, live - - - -	9.25	10.90	16.30	16.40	24.46
Chickens, Spring - - - -	22½	22½	28	29	31
Eggs, Standards - - - -	16¾	17¾	38	34¼	43⅞
Butter, 90 score - - - -	23¾	30¾	47¾	41½	65¾
Cheese, twins - - - -	11⅜	14¾	23¼	23½	33½
Wheat - - - -	70⅞	91¾	1.49	1.76⅜	2.36
Oats - - - -	32¾	39½	64¾	82¼	1.01⅞
Barley - - - -	47	57	92	1.24¾	1.75
Corn - - - -	51¼	69½	1.02	1.20½	2.19⅞



The startling fact regarding the two preceding tables is that United States and Canada are two of the chief food-surplus countries of the world. That prices in these two 'surplus' countries should have remained at these record levels is due to three main factors:—

1. The pull on North American supplies due to the acute shortage of food in Europe. (This shortage is aggravated by the fact that political disharmonies prevent certain natural movements of food;—e.g. grain from Eastern to Western Germany.)
2. The fact that in United States and Canada, purchasing power,—and consequently domestic demand for foods,—is at an all-time high.
3. The further fact that, in the face of this record demand (export plus domestic), production of live stock in United States and Canada seems definitely headed downward. Inspected slaughterings of Cattle and Hogs for the last three years have been as follows:—

	<i>United States</i>		<i>Canada</i>	
	<u>Cattle</u>	<u>Hogs</u>	<u>Cattle</u>	<u>Hogs</u>
1944	13,960,337	69,016,982	1,354,104	8,766,441
1945	14,538,405	40,959,809	1,820,127	5,683,727
1946	11,413,325	44,393,920	1,666,310	4,253,511





Is it possible to forecast the course of live stock prices in Canada for the years immediately ahead?

No attempt at a comprehensive answer to this question will be made. But all the following factors have a bearing.

Prices cannot continue to advance indefinitely. At some point they must level off, and at a later date a substantial decline seems inevitable.

However, the immediate trend in Canada seems upward rather than downward.

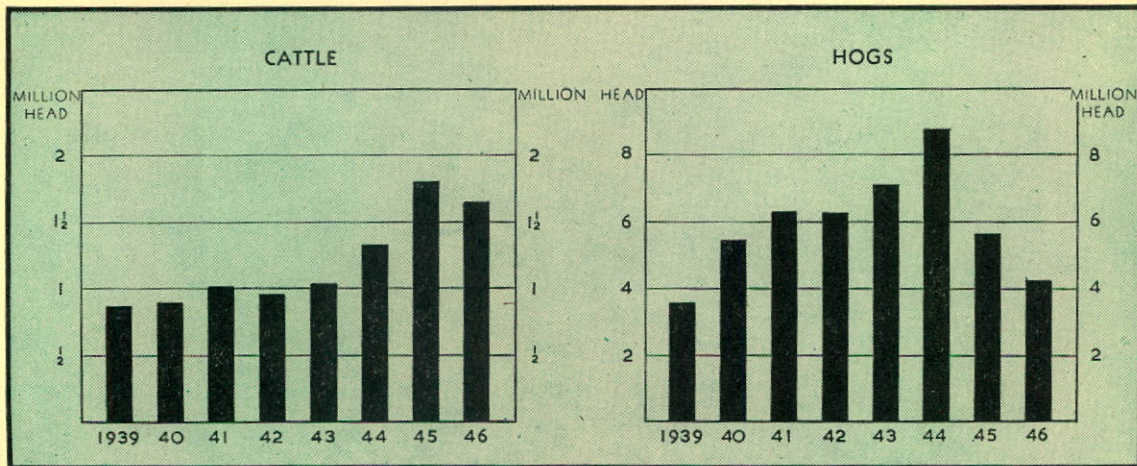
This is certainly the case in respect of Hogs. An advance of 2c per lb. in the price of Wiltshire Sides has been announced for September 1st. The present Bacon contract with England would seem to ensure the maintenance of the September 1st level until the expiry date of the contract, — viz. December, 1948.

As to Cattle, the fact that Steers in United States are selling at twice the Canadian price would indicate that the immediate price trend might also be upward.

It must be remembered, however, that the great Beef exporting areas of the world are South America and Australasia. In both these areas, Cattle prices are much lower even than the present Canadian level. When transportation facilities are restored, prices of Beef on the open world markets may soon be brought to a level based upon costs in the exporting countries.



CANADIAN INSPECTED SLAUGHTERINGS





## CANADA PACKERS LIMITED

In the present period of acute shortage and record prices, it seems difficult to recall that the ten-year period immediately before the war was one of burdensome surpluses and ruinous prices.

The war crisis brought about a clearer realization of the fact that a nation's chief asset is the physical health of its citizens. An understanding of problems of nutrition has been advanced as in no previous period. Each nation will make the better feeding of its people a main objective. Except for widespread economic breakdown, the world demand for food will be higher than in the pre-war period.

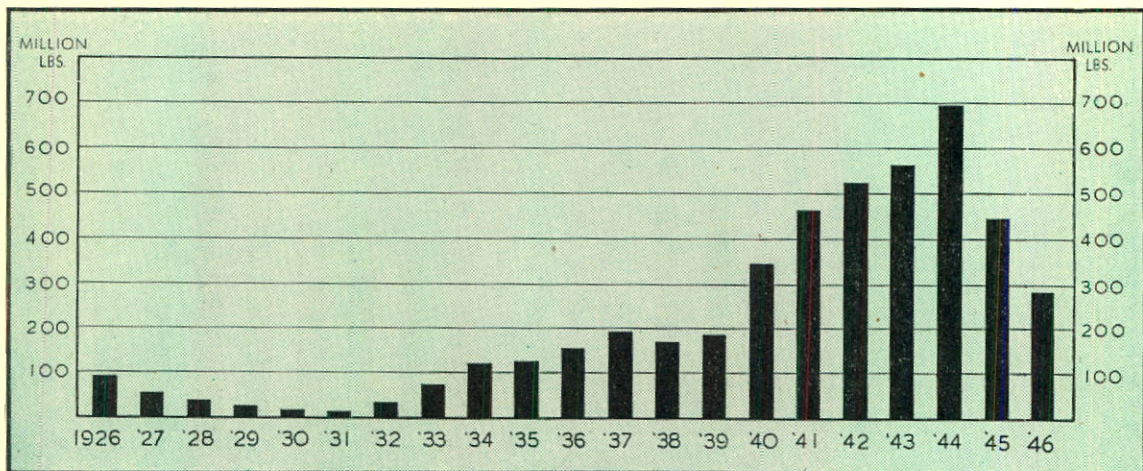
Whatever happens, it is unlikely that the ruinous food prices of the 1930's will ever recur.

Nevertheless, a time will undoubtedly come when food-surplus countries will have to 'compete' for the available world markets. When that time comes, each food-exporting country will be forced to offer its surplus in the form of those products which it can produce most efficiently.

In the case of Canada,—one of the chief food-surplus countries,—two products stand out. These are the two food products which, above all others, Canada can produce in competition with the world.

They are Wheat and Bacon.

### EXPORTS OF BACON, CANADA TO GREAT BRITAIN





There seems little danger of Canada reducing her Wheat production. But the record of the last two years is proof that a serious danger does exist in the case of Hogs.

Between 1944 and 1946, inspected Hog killings were cut in half. Only by increasing and maintaining Hog production can Canada make her Agriculture safe.

The main objective of Canadian agricultural policy should be immediately to build up her Hog population. For her Wiltshire Bacon there is an immediate, and a continuing market,—namely Great Britain. And Great Britain needs Canada's Bacon more urgently than ever before.

Ontario and Alberta are the two chief Hog-producing Provinces. In both these Provinces the Departments of Agriculture have recently launched active campaigns to stimulate Hog production. The Ontario Hog Producers' Association and the Alberta Livestock Co-operative Limited have joined actively in these campaigns. It is to be hoped other Provinces will take similar measures, especially Saskatchewan, Manitoba and Quebec.



It is felt that this year a more extended reference than usual should be made to Labour relations.

The Directors recognize, without reserve, that the first claim on the earnings of the Company should be that of Employees,—the men and women of all ranks whose working lives are spent in the Company's service.

Plant Employees are represented by their Union,—the United Packinghouse Workers of America. With the Union, except at times when negotiations are under way, relations have been cordial and co-operative. This is mentioned because widely published threats to strike, each time an agreement is being negotiated, may have given Shareholders,—and the public generally,—a wrong impression.

During the war period, wage advances have been frequent and substantial.

Following is a summary of the advances:—



CANADA PACKERS LIMITED

During 1941, 1942 and 1943, Cost of Living Bonuses reached a total for men of \$4.60 per week; and for women, 18.4% of their wages. In 1944 these were converted to permanent hourly increases of - -

<u>Men</u>	<u>Women</u>
9½c per hr.	7 c per hr.

In addition to this the following successive general increases were negotiated:—

In the agreement of 1943 - - -	5 c per hr.	5 c per hr.
In the agreement of 1945 — 6.8%, equivalent to - - - - -	5 c per hr.	3½c per hr.
In the agreement of 1946 - - -	<u>10 c per hr.</u>	<u>10 c per hr.</u>
Total rate increases from 1939 to 1946	29½c per hr.	25½c per hr.

In addition, there have been many upgradings and individual increases. These with the above general increases have resulted in raising *average* rates per hour as follows:—

	<u>Men</u>	<u>Women</u>
August, 1939, average rate per hour -	50.8c	32.8c
March, 1947, average rate per hour -	<u>88.1c</u>	<u>63.5c</u>
Increase - - - - -	37.3c	30.7c
Percentage increase - - - - -	73.4%	93.6%

The average advance in hourly rates throughout all Canada, for the same period, as published by the Dominion Department of Labour, has been - - - - - 54.6%\*

The increase in hourly rates does not, of course, represent a corresponding advance in 'real' income,—that is, in income measured by purchasing power. Subtractions must be made for increase in the cost of living, also for Income Tax;—the latter offset to some extent by Family Allowance payments.

It is probable, too, that the actual increase in the cost of living is somewhat greater than that reflected in the official table of the Dominion Bureau of Statistics,—viz. - - - - - 34.8%†

\*Preliminary figure for October, 1946, reported in Department of Labour News Release No. 3,000 of June 19th, 1947.

†Dominion Bureau of Statistics Cost of Living Index for July 1st, 1947, basis August 1939 = 100.



CANADA PACKERS LIMITED

However, when all allowances have been made, the increase in *real income* of Plant Employees, as compared to 1939, is certainly not less than 15%.

And this in spite of a substantial reduction in number of hours worked (1939,—average weekly hours 46¼; 1946,—average weekly hours 42½). If hours worked had been the same, increase in *real income* would have been at least - - - - - 22%.

Over and above these rate increases, important supplementary privileges have been granted. These include:

Improved vacation schedule;—now { after 1 year —1 week,  
after 5 years—2 weeks,  
after 20 years—3 weeks.

Rest periods with pay—10 minutes, morning and afternoon.

Night work premium—5c per hour over corresponding day rates.

Guaranteed minimum of 37½ hours work per week—or pay in lieu of work.

Pay for eight public holidays.

These supplementary privileges represent an annual cost to the Company of approximately - - - - - \$850,000,  
equivalent to - - - - - 7.4c per hour.



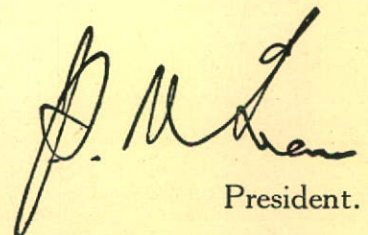
Following the practice of previous years, an important share of the profits was distributed to Employees in the form of Bonus.

The sum distributed at the year-end was - - - - - \$1,250,000.  
(Bonus distributed in March, 1939, was - - - \$ 216,000.)

The practice of profit sharing has been in operation for thirteen fiscal years. Within that period, total profit-sharing payments have been - - - - \$8,910,000.

Total Dividends to Shareholders within the same period have been - \$9,550,000.

Total Sales for the same period have been - - - - - \$1,716,000,000.

  
President.

Toronto, August 29th, 1947.



# CONSOLIDATED BALANCE SHEET

(Incorporated under the  
AND ITS SU  
AS AT 27th

## ASSETS

CASH ON HAND - - - - -		\$ 54,459
INVESTMENTS:		
Bonds and Shares at cost less amounts written off—which is less than market value - - - - -		2,961,466
ACCOUNTS RECEIVABLE:		
Usual Trade Accounts (after provision for losses) - - - - -	\$7,523,097	
Government Accounts - - - - -	<u>1,763,337</u>	9,286,434
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 - - - - -		15,043,024
Life Insurance (cash surrender value) - - - - -		609,052
Prepaid Expenses - - - - -		174,237
Sundry Advances, Mortgages, Deposits, Balances Receivable and Advances to Employees for Expenses, etc. - - - - -		<u>109,970</u>
TOTAL CURRENT - - - - -		<u>\$28,238,642</u>
Investments in and Advances to and from Subsidiary Companies not consolidated herein:		
Investments at cost - - - - -	\$2,748,917	
Less Current Accounts (net) - - - - -	<u>1,365,650</u>	1,383,267
Portion of Taxes refundable under The Excess Profits Tax Act (estimated)		890,000
FIXED ASSETS—Land, Buildings, Leasehold, Plant and Equipment - -		25,616,295
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 - - - - -		<u>1</u>
		<u>\$56,128,205</u>

## AUDITORS' REPORT

We have examined the Consolidated Balance Sheet of Canada Packers Limited and its Subsidiaries as at 27th March 1947, and incorporated the returns from the Branches certified by Branch Officials. We did not make a detailed audit of the transactions as the we considered sufficient, a review of the Company's system of accounting procedure and control, and of the reports of the audit conducted

We report that in our opinion, based upon our examination, the above Consolidated Balance Sheet and the related statements of the Companies' affairs at 27th March 1947 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 July, 1947.



# OF CANADA PACKERS LIMITED

*Dominion Companies Act)*

BSIDIARIES

MARCH, 1947

## LIABILITIES

Borrowings from Bankers (secured \$243,000) - - - - -	\$ 6,434,068
Accounts Payable and Accrued Charges - - - - -	6,313,153
Provision for Income, Sales, Municipal and Other Taxes - - - - -	3,853,801
Dividends Payable on Class A and B Shares, 1st April 1947 - - - - -	500,000
TOTAL CURRENT - - - - -	\$17,101,022
Funds Held in Trust - - - - -	532,498
Provision for Depreciation of Fixed Assets - - - - -	17,319,293
Surplus on Appraisals - - - - -	5,663,432
 CAPITAL:	
Authorized and Issued—	
400,000 Class A Shares of no par value) - - - - -	\$1,438,284
800,000 Class B Shares of no par value)	
Earned Surplus - - - - -	14,073,676
	15,511,960

On behalf of the Board

J. S. McLEAN, *Director*

S. G. BROCK, *Director*

\$56,128,205

### TO THE SHAREHOLDERS

the related statements of consolidated Profit and Loss and consolidated Earned Surplus for the year ended on that date, in which are Company maintains an Internal Audit Department for this purpose. We did, however, carry out, in a manner and to the extent which by the Internal Audit 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

27th March 1947, of the Subsidiary Companies not consolidated herein has been included in the accounts of Canada Packers Limited.

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

# CANADA PACKERS LIMITED

and its Subsidiaries

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED 27th MARCH, 1947

		PERCENTAGE TO SALES
Invoice Value of Sales - - - - -	\$209,011,703	
Less Transport Charges - - - - -	4,943,053	
Value of Sales—f.o.b. plants - - - - -	<u>\$204,068,650</u>	100 %
Cost of Live Stock and all other Products - - - - -	\$163,687,466	80.21%
Salaries, Wages and Bonus - - - - -	18,568,021	9.10
Expenses—Selling, Advertising, Repairs, Renewals and General Operating Costs - - - - -	8,663,964	4.25
Supplies and Packages - - - - -	8,286,306	4.06
Provision for Taxes:		
Municipal Taxes, etc. - - - - -	\$ 301,878	
Income and Excess Profits Taxes - - - - -	1,699,208	.98
Provision for Depreciation of Fixed Assets - - - - -	875,542	.43
	<u>\$202,082,385</u>	<u>99.03%</u>
Profit from Operations - - - - -	\$ 1,986,265	.97%
Income from Investments less \$69,926 held in reserve - - \$	50,958	
Profit on disposal of Properties - - - - -	22,421	.04
Net Profit for the Year - - - - -	<u>\$ 2,059,644</u>	<u>1.01%</u>
Note: The expenditure for the year includes the following:		
Directors' Fees - - - - -	Nil	
Remuneration to Executive Officers and Directors - -	\$189,133	
Legal Fees and Expenses - - - - -	22,018	

## STATEMENT OF CONSOLIDATED EARNED SURPLUS

Balance at credit 28th March, 1946 - - - - -	\$13,014,032
Net Profit for the year - - - - -	2,059,644
	<u>\$15,073,676</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 27th March, 1947 - - - - -	<u>\$14,073,676</u>



## 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	2,360,223	2,100,513	4,460,736
1947*	1,601,000*	1,018,000*	2,619,000*

\*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	6,196,850
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	1,666,310	752,817	1,209,545	4,253,511
1947*	665,000*	460,000*	317,000*	2,503,000*

\*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	286,029,100	2,364,876
1947*	128,011,400*	1,057,945*

\*6 months

## CASH INCOME FROM THE SALE OF FARM PRODUCTS

	CASH INCOME FROM SALE OF LIVE STOCK EXCLUDING POULTRY	CASH INCOME FROM ALL FARM PRODUCTS	DIRECT† GOVERNMENT PAYMENTS	TOTAL INCLUDING DIRECT GOVERN- MENT 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	513,828,000	1,828,483,000	17,681,000	1,846,164,000
1945	526,390,000	1,697,698,000	6,439,000	1,704,137,000
1946	503,362,000	1,742,341,000	16,970,000	1,759,311,000

†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".)

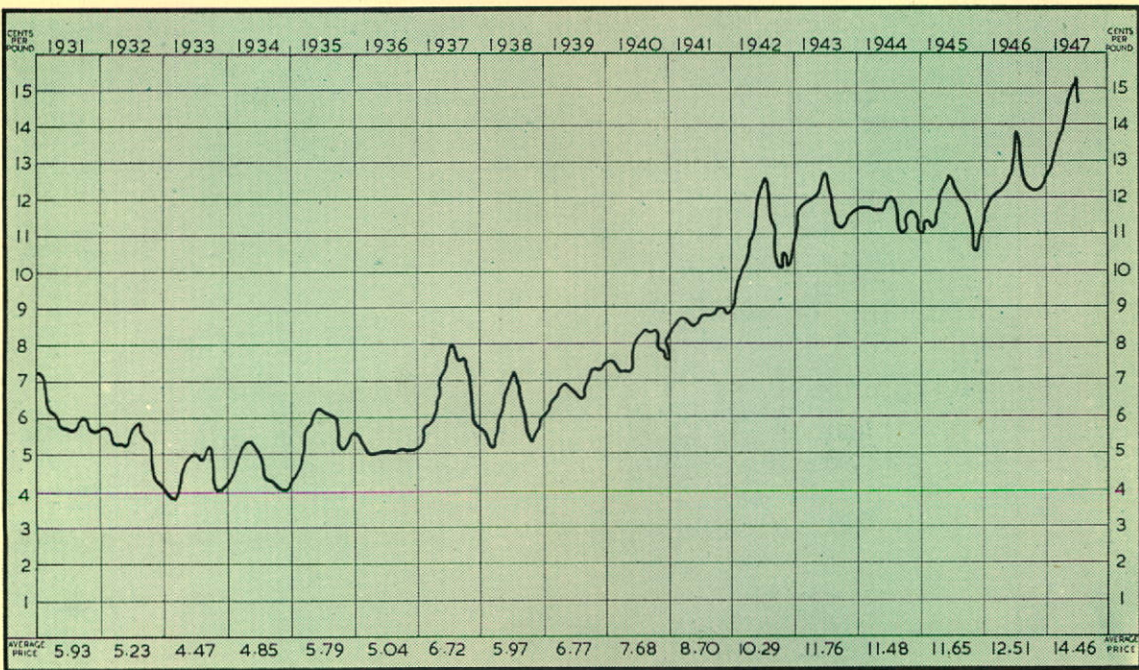


## PER CAPITA CONSUMPTION OF MEAT IN CANADA BY CIVILIANS

	BEEF	VEAL	MUTTON AND LAMB	PORK	OFFALS	CANNED 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.....	66.6	11.0	4.8	61.4	7.4	2.8	154.0
1945.....	64.6	11.9	4.7	50.9	6.0	4.8	142.9
1946.....	67.2	10.5	4.8	37.9	4.9	4.7	130.0

\* Canned meats expressed in terms of carcass weight.  
 † Estimate not available.  
 ‡ Included with other meats.  
 § Total figures prior to 1935 do not include offals.

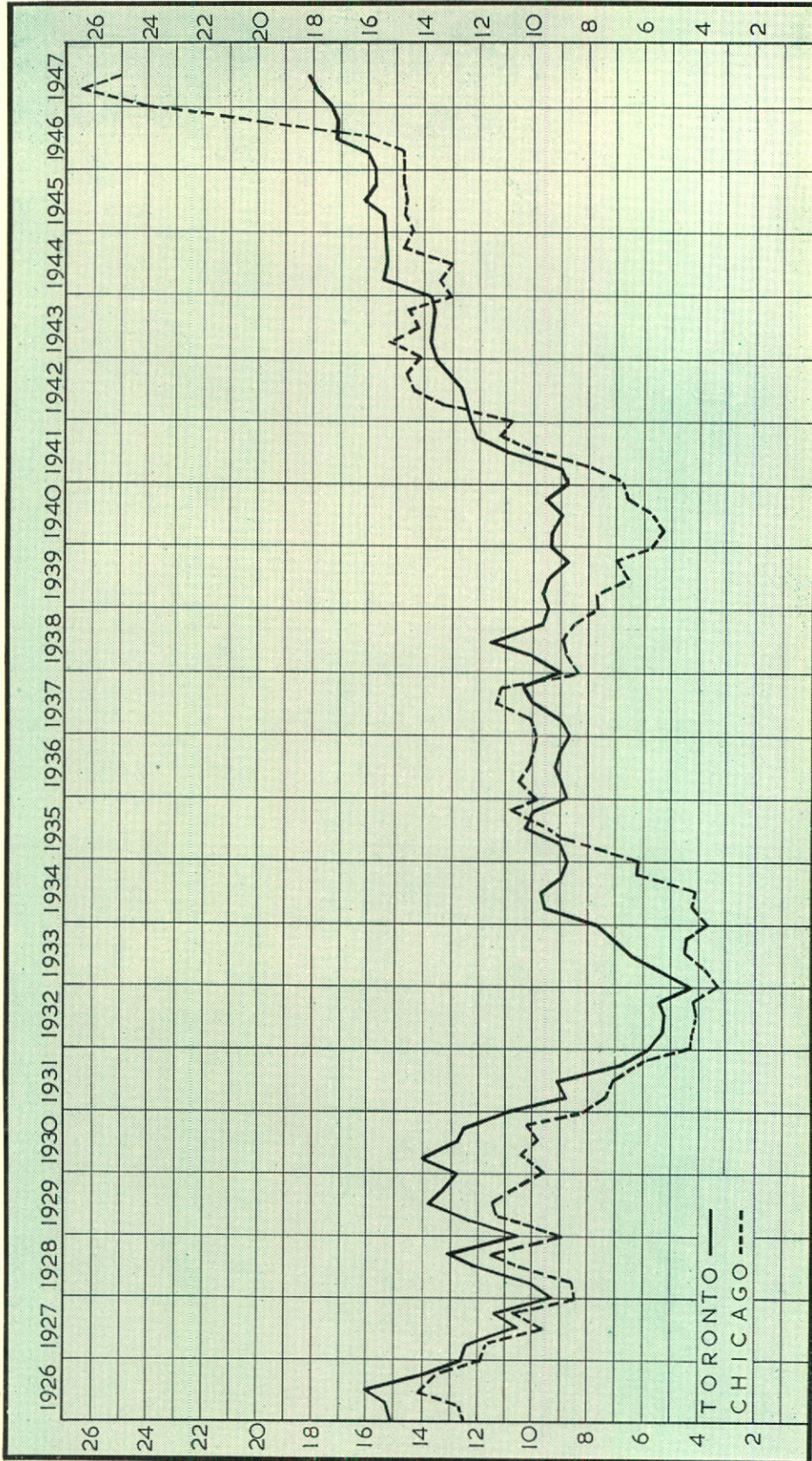
### GOOD STEERS—1050 POUNDS DOWN, TORONTO AVERAGE MONTHLY PRICE





# 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.





