

SASKATCHEWAN  
CO-OPERATIVE WHEAT  
PRODUCERS LIMITED

*Third*  
ANNUAL  
REPORT



PURVIS HALL  
LIBRARIES

SEP 1945

REGINA, SASKATCHEWAN

McGILL UNIVERSITY 1927

## *Proposed Agenda of Business for Annual Meeting*

---

- 1.—Appointment of Chairman.
- 2.—Notice Calling Meeting.
- 3.—Resolutions to Adopt Agenda.
- 4.—Minutes.
- 5.—Appointment of Resolutions Committee.
- 6.—Report of Board of Directors.
- 7.—Resolution to Receive Directors' Report.
- 8.—Discussion of Directors' Report.
- 9.—Financial Statement and Auditors' Report.
- 10.—Discussion of Financial Statement.
- 11.—Adoption of Directors' Report.
- 12.—Adoption of Financial Statement.
- 13.—Appointment of Auditors.
- 14.—Approval of Amendments to Articles of Association.
- 15.—Resolutions Tabled at last Annual Meeting.
- 16.—Report of Resolutions Committee.
- 17.—Discussion of Resolutions and other Pool Matters Introduced by Delegates.
- 18.—Adjournment.



# SASKATCHEWAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

---

## *Directors' Report*

Regina, Saskatchewan.

November 15th, 1927.

In presenting this Third Annual Report of the operations of the Saskatchewan Wheat Pool your Board of Directors has endeavored to outline fully the business of the organization during the crop year 1926-27, in the belief that the experience of the past year may be of assistance to the Delegates in formulating a constructive, progressive policy for the coming year.

### CONTRACTS AND ACREAGE

#### *Wheat—Old Contract*

At the Annual Meeting of Delegates held in Regina on October 26th to 30th inclusive the Annual Report indicated that there were 73,380 Wheat Pool Contracts on file in the Office of the Company. As at November 1st, 1927, these figures have been increased to 85,059 Contracts.

The Delegates will realise that there is a certain wastage in this acreage caused by Growers ceasing to farm, moving out of the Province, etc. Hitherto it has been impossible to arrive at an accurate figure as to the acreage lost in this way. A very thorough check-up is being carried on at the present time by our Field Service Staff which is enabling us to clear from our records much of the deadwood which has accumulated.

#### *Renewal Contracts*

At the Extraordinary General Meeting of Delegates held in this city on June 8th last, your Board was in a position to announce that the necessary acreage had been secured to guarantee the continuation of the Saskatchewan Wheat Pool. At that date there had been signed up 44,673 Contracts covering 6,491,464 acres. Since that time additional Contracts have been secured to the number of 8,691 covering 1,207,035 acres, so that at the present time 53,366 renewal Contracts covering 7,698,499 acres are on file in the office of the Company.

In view of the fact that the present Wheat Pool Contract does not expire until July 31st, 1928, your Board believes that the progress being made in connection with the new Contract can be considered as satisfactory.

In order to maintain our schedule it will be necessary to secure 350,000 acres before the end of the year. Our average acreage per Contract now stands at 144 acres. If this acreage is maintained, 2,500 additional Contracts will carry us to the 8,000,000 mark by the end of the year. On this basis sixteen Contracts per sub-district will reach this objective.

The Wheat Pool Committees in the Province have done splendid work in securing the new Contract. Pool Elevator Agents have also rendered valuable assistance and in most cases there has been splendid co-operation on this work between the Elevator Agent and the Committee.

As an example of the work done in securing Contracts by the Elevator Agents, at the time of the



Agents' Meeting held in Regina on August 17th and 18th, a special request was forwarded to each Agent to endeavor to bring with him some new acreage. When a check-up was made after the meeting, it was found that 1,204 renewal Contracts covering 170,092 acres, 112 old Contracts covering 13,692 acres and 39 Coarse Grains Contracts covering 3,466 acres, had been turned in by the Agents. Since that time the Elevator Agents have been personally responsible for:

588 Renewal Contracts covering .....	70,429 acres
395 Old Contracts covering .....	40,107 acres
154 Coarse Grains Contracts covering....	8,630 acres

As Delegates are aware, a commission of \$1.00 per Contract has been allowed in securing this new Contract. This commission is credited to the Committee representing the particular district in which the Contracts originated, and, unless otherwise directed by the Committee, is paid to them.

While there was some slight misunderstanding with reference to this commission when this policy was first adopted, this has entirely disappeared and the plan appears to work satisfactorily.

### DELIVERIES

During the crop year 1926-27 there was delivered to the Pool a total of 119,488,976 bushels of all grades of wheat. The deliveries for the crop year 1925-26 totalled 129,708,034 bushels, while for the crop year 1924-25 (the first year of the operation of the Saskatchewan Wheat Pool) there was delivered to the Pool a total of 50,251,181 bushels. Altogether there was marketed in Saskatchewan for the crop year 1926-27 a total of 209,382,668 bushels of wheat. This indicates that 57.7 per cent. of the total crop was marketed through the Pool as compared with 56 per cent. the previous year.

As in previous years the percentage of the total crop delivered to the Pool is less than the percentage which the acreage under Contract bears to the total acreage of the Province. It is probable that there have been some violations of Contract by Growers and in this connection your Board regrets the necessity of having to instruct that action should be taken against certain Growers in different parts of the Province for non-delivery to the Pool. For the most part, however, amicable settlement has been made with such Growers.

Considerable study has been given to the matter of deliveries this year. Your Board are satisfied that by far the greater part of the apparent non-deliveries can be ascribed to the operation of Crop Shares, etc., deliverable by Pool members to mortgage companies, non-Pool vendors, purchasers and landlords. Specific instances have come to the attention of the Board in the last few months where Pool members have been requested by mortgage companies to deliver certain grain in their name, outside the Pool, in order to cover past due payments, etc. In several cases Food and Supply Mortgages and even Bills of Sale, have been given to merchants and the grain delivered outside the Pool. This is now being checked up very thoroughly and all Wheat Pool Committees have been notified that while a Pool Member is authorized to mortgage or pledge his wheat after having signed a Contract, this is conditional upon delivery to the Pool.

Some progress is being made in securing Contracts from the larger Trust Companies, and at least one Colonization Company operating in the Province



insists that the settlers who are brought in to the Province should sign a Wheat Pool Contract.

### AVERAGE POOL PRICE

A final payment of 12 cents per bushel, basis One Northern, has been made, payable on October 19th. This makes the total payment on this year's crop \$1.42 per bushel on the basis of One Northern, Fort William.

For the information of the Delegates a schedule is attached hereto showing the total Pool prices paid on the principal grades of wheat since the inception of the Pool.

In spite of the fact that the average price realised for Pool grain during the past season is 3 cents per bushel under the previous year, your Board is satisfied that the past year has demonstrated more clearly than at any time since the inception of the Pool, the value of commodity co-operative marketing to the wheat growers of Saskatchewan.

The marketing of the Canadian crop during the past year presented many difficulties not experienced during the two previous years. On account of an early freeze-up grain movement by the Lake Route was closed down at an earlier period than at almost any time in the history of Lake navigation. This necessitated the movement of a larger proportion of the crop by the more expensive all-rail route. The large quantities of no grade, tough and damp grains also added to the difficulty.

In addition to this practically all of the principal wheat exporting countries, with the exception of Canada, had substantially larger exportable surpluses than in the previous year. This was particularly true of the Argentine and Australia. So far as production is concerned, in the last year Russia produced almost 95 per cent. of her pre-war wheat production although the Russian exports are still comparatively small.

On account of the Coal Strike in Great Britain much tonnage, usually available for the movement of the Canadian crop, was engaged in carrying coal to Britain, so that ocean freight rates in the early part of the crop movement were almost three times the normal rates for this season of the year.

The economic conditions engendered in Great Britain as a result of the cessation of the mining industry, following on the effect of the general strike, were such as to interfere materially with the movement and marketing of last year's crop.

Your Board is satisfied that the results obtained could only have been secured because a very large percentage of the crop was marketed under a system of co-operative marketing, and that without the influence which this organization was able to exercise on the markets of the world through the control of a substantial proportion of the Canadian Wheat crop, the prices received by Saskatchewan farmers would have been much lower.

### COARSE GRAINS

The last Annual Report indicated that at the time of the Annual Meeting there were 37,312 Contracts covering Coarse Grains on file in the office of the Company, covering a total of:

Oats.....	1,783,302 acres
Barley.....	371,333 acres
Flax.....	362,199 acres
Rye.....	109,500 acres

As at November 1st, 1927, there were on file in the office of the Company 38,972 Contracts covering:

Oats.....	1,833,365 acres
Barley.....	391,004 acres
Flax.....	392,020 acres
Rye.....	135,606 acres

### *Deliveries*

Deliveries of Coarse Grains to the Pool, as compared with last year, were as follows:

1925-26 Crop		1926-27 Crop	
	<i>Bushels</i>		<i>Bushels</i>
Oats.....	6,659,646	Oats.....	3,363,365
Barley.....	2,569,071	Barley.....	2,357,181
Flax.....	1,353,617	Flax.....	1,012,997
Rye.....	783,820	Rye.....	1,633,796
Total....	11,366,154	Total....	8,367,339

During the last crop year a total of 32,890,645 bushels was marketed in the Province of Saskatchewan. This indicates that 25.4 per cent. of all Coarse Grains grown in Saskatchewan was marketed through the Pool as compared with 28 per cent. of all Coarse Grains last year.

### *Pool Payments*

The final payments on the Coarse Grains Pool were made in August. The gross final payments were as follows:

	<i>Per Bushel</i>
2 C.W. Oats.....	12½c
3 C.W. Barley.....	13c
1 N.W. Flax.....	22c
1 C.W. Rye.....	15½c

The total gross prices, basis Fort William, were as follows:

1925-26		1926-27	
	<i>Per Bushel</i>		<i>Per Bushel</i>
2 C.W. Oats...	47½c	2 C.W. Oats...	60½c
3 C.W. Barley..	60¼c	3 C.W. Barley..	71c
1 N.W. Flax... 2.06		1 N.W. Flax... 1.92	
1 C.W. Rye.... 88½c		1 C.W. Rye.... 97½c	

For the information of the Delegates a schedule is attached hereto showing the total Pool prices paid on the principal grades of Coarse Grains for the last two years.

Your Board believes that the prices realised in the marketing of this season's Coarse Grains have demonstrated again the value of the Pool method of co-operative marketing.

### *New Coarse Grains Contracts*

The present Coarse Grains Contract expires on July 31st, 1928, at the same time as the old Wheat Contract.

The new Coarse Grains Contract has not yet been printed for distribution. Your Board was of the opinion that it was advisable to concentrate all our forces on the new Wheat Pool Contract and so guarantee the life of the Pool for an additional period of five years. The new Coarse Grains Contract, however, was drawn up and approved at the same time as the new Wheat Contract. Several resolutions have been received from Pool Committees in different parts of the country urging that the new Contract should be distributed in the country as soon as possible. It is the intention of your Board to have the new Coarse Grains Contract printed for distribution early in the New Year, so that the organized campaign, which will then be carried on to increase the Wheat acreage, will also be extended to the Coarse Grains Contract.



## HANDLING ARRANGEMENTS

### *Line Elevator Companies*

The Agreement now existing between the Pool and the Line Elevator Companies operating in the Province of Saskatchewan for the handling of Pool grain covers a period of three years. The terms of the agreement are practically the same as have been in force during the past three seasons with the exception that the terminal designation of carload shipments of grain is entirely in the discretion of the individual Pool member, in accordance with the amendments to the Canada Grain Act passed at the last session of the Parliament of Canada.

Full information in connection with the operations of what is popularly known as the "Campbell Amendment" to the Canada Grain Act has been sent to all Pool Delegates and Wheat Pool Committees.

In the early part of the season complaints were received from several Growers that, after complying with the terms of the Canada Grain Act Amendments by tendering payment of handling charges and surrendering storage receipts, Line Elevator Agents had refused to bill carloads of grain to Pool terminals in accordance with instructions from the Shipper. Every case reported to Head Office has immediately been checked up and in practically every instance the Elevator Company has billed grain in accordance with the instructions of the Grower.

It is the intention of your Board to insist that the rights of Growers, as secured by these amendments, will be available to all Pool Members.

While these amendments were before Parliament representatives of the Saskatchewan Wheat Pool, working in co-operation with the other Provincial organizations, were in attendance at Ottawa.

### *United Grain Growers Limited*

In 1924 a handling agreement was entered into with the United Grain Growers Limited for a period of three years. This agreement expired on July 31st, 1927, and an agreement, similar in terms to that in force with the Line Elevator Companies, has been completed with this organization.

## ELEVATOR POLICY

Continuing the policy in force during the last two seasons, your Board of Directors has continued to acquire country elevators at those points at which the sign-up was heaviest, and where deliveries to the Pool were on a satisfactory basis. With 588 elevators being operated during the season your Board was of the opinion that the minimum of 10,000 acres under Contract need not be as strictly adhered to as in the past.

In selecting locations for elevators this season, the Board took into consideration the acreage under the new Contract as well as the total acreage under the old Contract, and the deliveries to the Pool. Altogether a total of 145 elevators was acquired this year, as follows:

Elevators built.....	58
Elevators purchased.....	59
Elevators leased.....	19
Elevators under construction.....	9

A detailed list of locations is attached hereto.

Your Board would like to point out that this is one of the largest programmes of elevator extension

ever undertaken in a single year in this Province, and is of the opinion that this number probably represents the maximum programme which could be carried out under the conditions which existed this year. It was not found possible to serve all of the stations entitled to elevators. Points qualifying under the general policy, however, are already listed and the Board anticipates that next year's programme of elevator extension will be under way at an earlier date than has been hitherto found possible.

## SASKATCHEWAN POOL ELEVATORS LIMITED

Last season Saskatchewan Pool Elevators Limited operated 586 country elevators in Saskatchewan.

During the season Pool country elevators handled a total of 80,110,047 bushels of all grains, made up as follows:

Pool		Non-Pool	
	<i>Bushels</i>		<i>Bushels</i>
Wheat.....	69,848,254	Wheat.....	4,587,014
Oats.....	1,508,516	Oats.....	981,696
Barley.....	990,337	Barley.....	429,038
Flax.....	639,255	Flax.....	188,860
Rye.....	774,935	Rye.....	162,142
Total....	<u>73,761,297</u>	Total.....	<u>6,348,750</u>

or an average handling of 136,707 bushels per elevator.

In addition to this the Company handled over 10,000,000 bushels of platform grain making a total of all grain handled of 90,191,342 bushels. This is the greatest quantity of grain ever handled by a single organization through its own facilities in any country in the world.

In view of the large number of elevators which were acquired with the Saskatchewan Co-operative Elevator Company purchase last year, at points in the Province where the acreage under contract to the Pool was not as large as was the case at many points where no Pool elevators were operated, this handling can be recorded as a tribute to the loyalty of Pool Members who, in many cases, delivered their grain to their own elevators in spite of inducements held out to them by Line Elevator Companies.

On account of weather conditions the past season was a very difficult one. Considering the condition of much of the grain handled in the country elevators, it is gratifying to report that no serious losses were incurred on account of grain heating in the elevators or in transit.

In addition to the handling of grain in the usual way, Pool Elevators sold, under the direction of the Selling Agency, the following quantities of grain through country elevators:

Wheat.....	155,736 bushels
Oats.....	774,386 bushels
Barley.....	33,543 bushels
Flax.....	8,193 bushels
Rye.....	3,364 bushels

Practically all of this grain was purchased by farmers for seed or feed purposes.

The overages in the country elevators amounted to 387,407 bushels and the shortage to 17,394 bushels leaving a net overage of 370,013 bushels made up as follows:

Overages		Shortages	
	<i>Bushels</i>		<i>Bushels</i>
Wheat.....	360,638	Barley.....	3,546
Oats.....	23,251	Flax.....	13,848
Rye.....	3,518		



As there is a shrinkage allowance of one-half of one per cent. on all dry grain, and one per cent. on all tough and damp grain, this overage would appear to be very reasonable, representing as it does slightly less than one-half of one per cent. of the total volume handled. On the 74,027,296 bushels of wheat handled through Pool Elevators, the full shrinkage allowance would amount to 528,041 bushels.

The grade losses throughout the year amounted to \$457,848.41, and the grade gains \$37,965.00 leaving a nett loss of \$419,883.41.

#### *New Elevators*

New country elevators were acquired at 145 points in the Province, as follows:

By Construction.....	58
By Purchase.....	59
By Lease from U.G.G.....	19
By Lease from Scottish Co-op. Society ...	1
Still under Construction.....	9

#### *Agents' Residences*

Agents' residences were also acquired at 48 stations where no suitable living accommodation was available for Pool Elevator Agents.

#### *Meeting of Elevator Agents*

Following the practice established last year, a two-day meeting of all the Elevator Agents was held in Regina just prior to the opening of the elevators.

At this meeting the policy of the Pool in connection with the operation of Pool elevators was placed very fully before the Agents.

In the following month the Travelling Superintendents and Field Service Staff met with the Board of Directors to go more fully into Pool policies and to consider the problems which might arise during the coming season.

By holding meetings in this way the Board is able to place before the operating staff the information which they must have to assist them in offsetting anti-Pool propaganda, and also to help build up a better understanding of the principles of co-operative marketing.

### **SASKATCHEWAN POOL TERMINALS LIMITED**

In order that the warehouse receipts issued by Pool Terminals Nos. 4 and 6 (which are operated as public terminal elevators) might be registered so that the grain on hand in these elevators could, if necessary, be delivered on the option, it was deemed advisable by the Board to organize a subsidiary company for the operation of Saskatchewan Pool Terminals. The physical assets are owned entirely by Saskatchewan Pool Elevators.

The total amount of grain handled in Pool Terminals Nos. 4, 5 and 6 amounted to 75,791,075 bushels, made up as follows:

	<i>Bushels</i>
Elevator No. 4.....	29,863,431
Elevator No. 5.....	16,339,006
Elevator No. 6.....	29,588,638
<b>Total.....</b>	<b>75,791,075</b>

As at July 31st, 1927, there was a total of 4,608,066 bushels in store in the elevators, as follows:

	<i>Bushels</i>
Elevator No. 4.....	1,715,556
Elevator No. 5.....	63,913
Elevator No. 6.....	2,828,597
<b>Total.....</b>	<b>4,608,066</b>

As was intimated at the extraordinary meeting of Delegates held in June last, the construction of an additional million bushels storage space to Terminal No. 5 was authorised and this has now been completed.

The construction of additional Driers at Terminal No. 6 was also completed in time to handle part of the heavy stocks of tough and damp wheat which it was necessary to dry last season.

Under an agreement completed between the Canadian National Railways (the owners of Terminal No. 6) and Pool Elevators, the Railway Company undertakes to reimburse the Pool for this expenditure next year.

Altogether during the season a total of 7,883,901 bushels of wheat and coarse grains were dried as follows:

#### Elevator No. 4

	Bushels		Bushels
Damp Wheat.....	1,832,981	Tough Wheat.....	761,778
Damp Oats.....	135,543	Tough Oats.....	17,936
Damp Barley.....	732,928	Tough Barley.....	9,346
Damp Flax.....	20,257	Tough Flax.....	263,463
Damp Rye.....	39,229	Tough Rye.....	12,529
Damp Mixed Grain	8,675	Tough Mixed Grain	2,398
Total.....	<u>2,769,613</u>	Total.....	<u>1,067,450</u>

#### Elevator No. 6

	Bushels		Bushels
Damp Wheat.....	1,655,872	Tough Wheat.....	1,578,240
Damp Oats.....	110,613	Tough Oats.....	19,538
Damp Barley.....	507,638	Tough Barley.....	2,459
Damp Flax.....	18,685	Tough Flax.....	120,809
Damp Rye.....	15,825	Tough Rye.....	7,154
Damp Mixed Grain	6,063	Tough Mixed Grain	3,942
Total.....	<u>2,314,696</u>	Total.....	<u>1,732,142</u>

Total Damp Grain Dried, Elevators 4 & 6..	5,084,309
Total Tough Grain Dried, Elevators 4 & 6..	2,799,592
Total.....	<u>7,883,901</u>

A total of 1,753,051 bushels of Manitoba Pool grain and 441,887 bushels of Alberta Pool grain was handled through these terminals.

A total of 948,543 bushels of grain was special binned in Terminals Nos. 4 and 5 for account of Washburn Crosby Company.

## FINANCIAL REPORTS

### Pool Financial Statement

Attached hereto will be found a consolidated Balance Sheet showing the standing at the end of the financial year of the whole Wheat Pool organisation, including Pool and Pool Elevators Limited and Pool Terminals Limited.

The total cost of operating both the Wheat and Coarse Grains Pools amounted to \$646,102.90 as compared with \$546,735.56 last year. This works out at .50 of a cent per bushel as compared with .38 of a cent last year.

The following figures indicate the comparative cost of operation:

	1925-26	1926-27
Net Operating Expenses.....	\$546,735.56	\$646,102.90
Net Operating Expense per bushel.	.38 cent	.50 cent
Carrying Charges per bushel.....	.83	.99
	1.21 cents	1.49 cents
Credit from Non-Operating Expenses and Earnings.....	.02	.05
Net Amount per bushel deducted.	<u>1.19 cents</u>	<u>1.44 cents</u>



### *Elevator Financial Statements*

Financial Reports and Accounts, together with Auditors' Reports are attached hereto. These include a consolidated Balance Sheet as at July 31st, showing the standing and operations of Saskatchewan Pool Elevators Limited and Saskatchewan Pool Terminals Limited.

The Report indicates that the total operating earnings of the country elevator and terminal system amounted to \$2,495,814.54. After deducting interest due to the Liquidators of the Saskatchewan Co-operative Elevator Company and to the Saskatchewan Government, the surplus amounts to \$1,962,479.21. Out of this amount \$1,372,537.83 represents the amount credited to Growers delivering grain to Pool Elevators by way of return of excess handling and storage charges. This amount allows of a return of 1¾c per bushel on all grain handled through country elevators and 1c per bushel on all grain loaded over the platform and billed to Pool terminals, or loaded through other Elevator Companies and billed to Pool Terminals.

The nett profit of the system amounts to \$539,941.38. This amount may be subject to Income Tax. Out of this amount 6 per cent. is payable on the Capital Stock of the Company held by the Pool amounting to \$221,622.00. The balance of \$318,319.00, less any Income Tax which may be payable, is carried to reserve account.

At the last meeting of Delegates the Board was instructed that the excess handling and storage charges should be credited to individual Growers, and the amount retained for the purpose of developing the elevator system. In view of the fact that this decision was arrived at in the light of the possibility of arrangements being made to prepay the total amount due to the Liquidators of the Saskatchewan Co-operative Elevator Company, subject to a discount of 10 per cent., the Delegates may wish to review this decision and may consider recommending that a cash distribution of this amount be made.

### **ELEVATOR DEDUCTIONS**

Following out the instructions from the last Delegates' meeting, the full deduction of 2c per bushel for acquiring handling facilities under the Grower's Contract was made. This amounted to \$2,513,637.28.

The total amount of deductions made since the inception of the Pool now stands at \$6,205,898.76 and this has been invested with Saskatchewan Pool Elevators Limited.

### **COMMERCIAL RESERVE**

The full deduction of 1 per cent. as provided by the Grower's Contract for the purpose of creating a commercial reserve, was also made. This amounted to \$1,660,136.78. The total amount of the Commercial Reserve at the close of last season's operations amounted to \$3,362,936.87.

### **METHOD OF HANDLING DEDUCTIONS**

#### *Elevator Deductions*

At the last Annual Meeting of Delegates it was intimated that the full amount of the elevator deductions was credited to each Grower and that this would bear interest subject to the earning capacity of the Pool Elevator System at the rate of 6 per cent. It was intimated that the accumulated interest would be



paid in cash at the end of the Contract period, and that a certificate of beneficial interest covering the total deductions in each Grower's account made during the life of the present Contract would also be issued.

In view of the fact that, as intimated above, the Liquidators of the Saskatchewan Co-operative Elevator Company have declined to accept the offer of prepayment, and in view of the fact that the present Contract expires with the marketing of this year's crop, the Delegates might wish to review the position of the elevator deductions and commercial reserve.

After considering the matter very fully for the last three years your Board is of the opinion, and is prepared to recommend to the Delegates, that a revolving system should be adopted for the repayment of the elevator deductions.

While not yet in a position to submit a detailed plan, your Board recommends to the Delegates for their approval that a revolving plan should be worked out under which the policy of making the maximum deductions, as provided by the renewal Contract would be continued. As soon, however, as the elevator building programme is completed, which would be at some time before the termination of the next Contract, arrangements could be made to begin paying off the deductions made in the first year.

#### *Commercial Reserve*

As has been frequently pointed out the Commercial Reserve is in a different position from the Elevator Deductions. The latter deductions can only be used for the purpose of acquiring handling facilities for Pool grain, while your Board is of the opinion that the Commercial Reserve could properly be used for the development of other co-operative activities related to the Pool, as well as for the regularly recognized purposes of a Commercial Reserve. Your Board is of the opinion that this deduction should continue to be made, and that in the meantime, a certificate of beneficial interest in the reserve should be issued at the same time as the certificate covering Elevator Deductions, viz., at the end of the present Contract period

Again, while not prepared to submit definite details, your Board believes that when the necessary Commercial Reserve has been created the deduction for this purpose should be continued and provision made for the retiral of a Grower's interest in this reserve on the same revolving plan.

#### **PREPAYMENT OF SASKATCHEWAN CO-OPERATIVE ELEVATOR COMPANY PURCHASE**

In accordance with the decision of the Delegates at the special meeting held in June last, an offer to prepay the full balance of the unpaid purchase price was submitted to the Liquidators of the Saskatchewan Co-operative Elevator Company, provided a discount of 10 per cent. could be secured for such prepayment.

On October 8th we were notified that the Liquidators and Inspectors in the Liquidation had deemed it advisable to submit the question of prepayment to the shareholders of the Elevator Company for their opinion, and that, as such opinion was against the acceptance of the offer, they were obliged to decline the same.

#### **BUFFALO TERMINAL**

Last year the Transfer Terminal Elevator at Buffalo handled 27,981,088 bushels of all grains.



As Delegates are aware, this Terminal was operated during the year by Canadian Co-operative Wheat Producers Limited under agreement with Saskatchewan Pool Elevators Limited. The agreement in force last year has been cancelled and this elevator will be operated in future by Saskatchewan Pool Elevators.

## CENTRAL SELLING AGENCY

In order that the Delegates may have the fullest possible information regarding the operations of the Central Selling Agency for the past season, the Board has decided to incorporate, as part of their report to the Delegates, the report submitted by the Directors of Canadian Co-operative Wheat Producers Limited for the season 1926-27 to the Interprovincial Meeting of the Manitoba, Saskatchewan and Alberta Pools held in Regina last month. The report is as follows:

### CENTRAL SELLING AGENCY REPORT

In marketing that portion of the 1926 Western Canada wheat crop delivered to the Pool, the chief difficulties encountered were the Coal Strike in England and the condition of the crop occasioned by the wet weather during the threshing season.

The Coal Strike had a very serious effect on North Atlantic freight rates, which rose to the high level of 25 cents per bushel as against a normal rate of 9 cents per bushel. As rates on other steamship routes were not to the same extent affected the natural result was a cessation of our export business until a settlement was reached.

It is very probable that had there been no Pool in existence at this period, prices for wheat would have gone to a low level, due to the pressure of the crop in its natural flow to market.

The outlook during the year was, if anything, for lower prices, in view of the situation in wheat. The world production of wheat was as follows, as compared with previous years:

	<i>World Production. Bushels</i>	<i>Average Pool Price No. 1 Northern</i>
1923.....	3,792,080,000	\$1.01
1924.....	3,411,760,000	1.66
1925.....	3,886,000,000	1.45
1926.....	3,974,560,000	1.42

The condition of the wheat of last year's crop was a new factor in marketing. Never before has there been so large a proportion of tough and damp wheat. Total inspections for the year in the Western Inspection Division, of all wheat, were 335,500,000 bushels of which 179,950,242 bushels were delivered to the Central Selling Agency, or 53.6 per cent. of the total. Out of the Pool deliveries 82,279,328 bushels were graded tough and 769,235 bushels damp, or a total of 83,048,563 bushels of no grade wheat. The drying facilities available were entirely unable to cope with the volume of no grade grain, and it was necessary to develop a market in Europe for wheat shipped as tough. It was an entirely new departure for the United Kingdom miller to purchase tough wheat in any large quantity.

Your Directors are of the opinion that in view of the unsatisfactory methods used in drying wheat in Canada that the same should be regulated by the Board of Grain Commissioners, and that proper machines for use in this service should be licensed. The Canadian Research Council is at present engaged, in



conjunction with the Saskatchewan, Manitoba and Alberta Universities, in investigating the whole question of drying wheat, but at the time of writing have not yet published any report in connection with their work.

## DELIVERIES

The deliveries to the Central Selling Agency from the three Provinces for the 1926-27 season were as follows:

	East	West
	<i>Bushels</i>	<i>Bushels</i>
Alberta.....	18,415,310	25,866,829
Saskatchewan.....	119,031,250	428,228
Manitoba.....	16,208,625	.....
Total Deliveries.....	153,655,185	26,295,057
1925-26 Carryover.....	10,319,764	.....
Local Purchases.....	18,250,137	981,335
	<u>182,225,086</u>	<u>27,276,392</u>

Making a total handling of 209,501,478 bushels.

## SALES

Sales during the season were fairly regular, with the exception of the period of dislocation of business caused by the Coal Strike in England, as before mentioned. The monthly totals are undernoted as compared to the deliveries. It is important to note that in the early part of the season, deliveries have an important bearing on the sales of wheat:

	<i>Deliveries Bushels</i>	<i>Sales Bushels</i>
Carryover, 1926.....	10,319,764	.....
15-30 Sep., 1926.....	28,484,500	10,417,555
October, 1926.....	26,434,164	14,814,308
November, 1926.....	43,131,886	20,481,982
December, 1926.....	23,245,397	20,123,190
January, 1927.....	17,154,266	17,319,700
February, 1927.....	9,695,512	13,714,785
March, 1927.....	8,966,533	14,552,133
April, 1927.....	7,386,050	15,662,517
May, 1927.....	14,610,541	21,774,818
June, 1927.....	5,322,172	14,290,607
July, 1927.....	13,623,951	7,349,960
August, 1927.....	1,103,340	17,131,482
September, 1927.....	23,402	14,449,470
Carryover, 1927.....	.....	7,418,971
	<u>209,501,478</u>	<u>209,501,478</u>

There are two distinct markets, speaking generally, for Canadian wheat, viz., Domestic and Export.

The most important buyer in the Domestic Market is the Milling industry; other buyers comprise American Millers, Exporters and Shippers and Brokers acting for their principals.

We have sold, during the past year, 77,947,199 bushels in the Domestic Market.

One of the most important developments of the Pool has been in the Export Market. During the past season we have exported direct the following quantities:

	<i>Bushels</i>
Via Eastern Canada.....	107,802,000
Via Western Canada.....	16,333,308
	<u>124,135,308</u>

It has been the policy of the Company to foster as much as possible direct sales of wheat to consuming interests, taking into consideration the financial disabilities which some European countries still labor under. We have, during the past year, shipped grain direct to 24 countries through 60 ports. A table of the shipments and quantities is appended herewith,



In order to give you an idea of the international business in which your Company is engaged.

	<i>Bushels</i>
United Kingdom.....	50,152,558
Ireland.....	1,220,000
Germany.....	10,424,000
Holland.....	13,423,454
Belgium.....	10,280,781
Italy.....	14,584,547
Sicily.....	120,000
Sardinia.....	140,000
North Africa.....	560,000
South Africa.....	32,000
Mexico.....	300,000
Malta.....	16,000
Portugal.....	1,952,000
Spain.....	168,000
Greece.....	1,816,000
Argentina.....	40,000
Brazil.....	520,000
Sweden.....	1,480,000
Norway.....	320,000
Denmark.....	690,000
Latvia.....	64,000
France.....	8,119,411
China.....	1,289,729
Japan.....	6,422,828
	<hr/>
	124,135,308

### *Gross Proceeds*

The gross proceeds of the wheat sold during the season amounted to \$295,750,764.57. It is necessary to add \$13,995,527.75, being the amount of the inventory taken as at 22nd September, in order to enable us to determine our final payment. This item will be referred to in detail in succeeding paragraphs. These sums give us a gross return of \$309,746,292.32 from the sale of wheat in all positions.

### DEDUCTIONS

From the gross proceeds of the wheat, the following expenses were incurred in the process of marketing the handling of the Pool:

*Local Purchase* \$43,149,921.94

This is the corresponding deduction to a similar total embodied in the sales proceeds and represents what may be termed "cross" entries:

	<i>Bushels</i>	
1925-26 Inventory:		
Lake Ports and Seaboard,		
plus costs.....	8,695,491)	
Fort William.....	1,624,273)	\$15,017,605.42
Local Purchases to complete		
shipments.....	2,691,472)	
Deliveries on option a-c.....	16,540,000)	28,132,315.62
		<hr/>
		\$43,149,921.04

In order to enable the Management to determine the final payment as soon as possible, the stocks of wheat are valued and taken over for sale by the next Pool. Every effort is made to strike a value that it is possible to realize upon without loss and at the same time avoid a large surplus. This method avoids the rapid realization of comparatively large quantities of wheat and would appear to be a common-sense method of avoiding pressure on the market on the eve of a new crop.

The next item is the purchase of small quantities of wheat from time to time, in order to complete shipments of any particular grade.

Deliveries to us on option account amounted during the past year to 16,540,000 bushels. In explanation we may say that we accumulate options from time to time in exchange for the cash wheat. These options are treated as part of our stocks of grain, together with our wheat, and are realized upon from time to time as conditions warrant.

Due to the selling policy being followed, and in order to avoid unduly depressing the market, delivery was accepted of this quantity of wheat in the clearing house.

### GRAIN CHARGES

*Lake and Rail* \$12,696,973.96

This represents the physical cost of moving your wheat from Fort William to the seaboard, or into market position in Canada.

*Elevation* \$1,994,109.81

This represents the elevation charges at Lake ports and seaboard. Of this sum, \$1,574,000.00, approximately, was paid to Pool owned facilities.

*Superintendence* \$1,127,620.04

This is the cost of having our export grain checked at unload.

The Central Selling Agency engages a company to check the outturns of all cargoes exported to Europe. This company guarantees the outturns of each cargo and the total of all checking costs on approximately 75 million bushels exported to Europe, exclusive of Great Britain, was the sum named above. This is a similar cost to the outturn insurance mentioned below, applying only to the outturns from terminal elevators.

*Chartering* \$210,799.71

The commissions and brokerages paid for the chartering of the lake vessels employed by us in moving the wheat to market.

*Ocean Charges* \$10,134,173.59

This sum is the total amount of freight and seaboard charges paid out in exporting our grain.

*Brokerage* \$154,058.03

This item represents brokerage charges on the sales for cash wheat on the domestic market or on consigned wheat on the export market. The item is to a certain extent a book entry, because the brokerage charge, wherever paid by the Central Selling Agency, is always figured in the price which is asked the buyer.

*Option Brokerage* \$19,897.58

This sum represents brokerage charges on all options disposed of by the Central Selling Agency after they have been accumulated in exchange for cash wheat, as already explained.

*Telegrams and Cables* \$104,941.53

This sum is the cable cost in connection with the sale of wheat.

*Pool Terminal Charges* \$629,023.40

This sum represents the raise in grade earned by Terminal Nos. 1, 2, 3 and 5.

*Storage* \$2,897,380.23

The storage charges on our stocks of grain in all positions are included in this figure. Of this amount, \$864,450.00 was paid to Pool owned facilities.

*Insurance* \$911,790.05

This figure covers our outlay for all insurance—ocean, lake, storage, outturns, employees' bonds, etc., etc.

The very large quantities of grain in storage or in transit and held by the Central Selling Agency, are always insured. Further the outturn of grain from the



terminal elevators where Pool wheat is stored for the winter months, or during a portion of the year, is also insured. Employees are bonded where necessary and the total cost of all this insurance is as indicated above.

*Bank Charges \$1,858,037.14*

All sums paid to banks are included in this item. Interest amounts to \$1,375,000, and the sum of \$479,000 represents commission, exchange charges, custody of documents, etc., etc., affecting Central.

*Diversion Premiums \$142,570.51*

By agreement between the Provinces, all premiums earned by the Central Selling Agency on the diverting of wheat from Pool owned terminals were credited to the terminal from which the grain was diverted. This sum represents the return to the Pool terminals in this connection.

*Premiums on Western Shipments \$471,098.63*

Under the agreement between the three Provinces, which constitutes the basis upon which Central was organized, the Vancouver premium earned over and above the price obtainable at Fort William on any one day is allocated to the Provincial Pool earning the same as on its deliveries at that port. During the past season this amounted to the above sum, earned provincially as follows: Alberta, \$462,023.93; Saskatchewan, \$9,074.70.

*Administrative Expense \$312,926.52*

The office and administrative expense is substantially on the same basis as last year, or at the rate of one-fifth of a cent a bushel. There are, however, several features which would be of benefit to point out:

In the course of developing our policy of providing our own services in connection with the sale and movement of our wheat, we have opened branch offices at strategic points where the volume of our business warranted the expansion. The cost of running these offices has heretofore been included in the general administrative expenses, with the result that a true perspective of the savings effected at these offices has not come to our members.

During the past year, had our Branch Offices been allotted credit for the regular port charges for the services they rendered us, they would have shown the following results:

	<i>Savings Effected</i>
Vancouver.....)	
Prince Rupert.....)	\$39,103.06
New York.....)	55,745.51
	<hr/>
	\$94,848.57

In future accounting of the results of the year's operations, this information will be available in order that you may have clearly before you the value of these Branch Offices to the whole organization. Every care and attention is being given to the maintaining of our overhead at the lowest possible level consistent with efficiency.

A detailed statement of the administrative expense is appended in Schedule "A."

*Toronto Office*

During the year we sold through this office 9,622,902 bushels of wheat, 2,097,053 bushels Coarse Grains, and 9,000 tons of screenings. The Branch has been of material assistance to us in enabling us to maintain a close contact with our customers in Ontario.

### Paris Office

This office sold for us 4,902,500 bushels of wheat and has been most effective in fostering direct selling with the French Mills.

### INVENTORY \$13,995,527.75

In order to determine the final payment at as early a date as possible, stocks of grain on hand have been valued on the basis and price ruling for October wheat on the 22nd September. This was on the basis of 1.33½ Fort William. Since that date these stocks have been cleaned up without loss. The gross total of the inventory at that date was 10,559,423 bushels from which is to be deducted the open sales amounting to 3,140,452 bushels leaving a net carry-over of 7,418,971 bushels.

Open sales are merely sales on which the grain has not yet been delivered or paid for. This grain was still in the stocks of the Central Selling Agency, and therefore included in the inventory.

### NET PROCEEDS CROP

After deduction of the foregoing expenses we have as the net proceeds available for distribution amongst the three Provinces \$232,930,969.65. This sum has been distributed as follows:

Initial Payment Pool Deliveries . . . . .	\$160,978,350.22
First Interim Payment . . . . .	25,409,731.25
Second Interim Payment . . . . .	27,165,155.24
Final Payment . . . . .	19,160,324.41

leaving a net surplus of \$217,408.53 to provide for any outstanding expenses for which no provision has been made.

### FINANCIAL STATEMENTS

Financial statements, duly certified by the Auditors, are appended herewith.

### COARSE GRAINS DIVISION

The marketing of coarse grains through the Pooling method presents many problems quite distinct from those in connection with wheat. In the first place the volume is lacking which with wheat has so much influence on the market; the markets for coarse grains are also largely domestic and very often local. We believe, however, that the results attained this year clearly demonstrate that by using the Pool methods and marketing the grain through an organization such as our own very considerable economies are effected for the producer, which are reflected in his final payment.

### OATS

The total deliveries of oats amounted to 5,443,965 bushels to which must be added the carry-over of 1,022,352 bushels from the 1925-26 Pool. There are also local purchases, to complete shipments of 529,402 bushels, giving a total handling for the season of 6,995,719 bushels. These were sold as follows:

	<i>Bushels</i>
Local . . . . .	4,668,471
Eastern . . . . .	2,004,307
Export . . . . .	28,235
1926-27 Carryover . . . . .	294,706

The sales termed "Local" include a very large proportion of the total which were sold to farmers in the West. The eastern sales were largely to Ontario and eastern Canada farmers, and the small exports to the United Kingdom.

The carry-over this year amounted to 294,706 bushels which was valued for the purpose of determining the final payment and has since been realised upon practically the basis of valuation.



## BARLEY

The total delivery of barley was 11,681,171 bushels to which is added 657,090 bushels carry-over from 1925-26, local purchases of 516,048 bushels to complete shipments, giving a total handling of 12,864,309 bushels. The disposition of this grain was as follows:

	<i>Bushels</i>
Local.....	9,339,714
Eastern.....	1,866,240
Export.....	1,461,257
1926-27 Carryover.....	187,098

Local sales were largely to maltsters and local dealers. Eastern sales were to a certain extent to farmers for feeding purposes.

A considerable export business is being developed with Germany, mostly in feed barley.

We are endeavoring to develop a trade with the United Kingdom in malting barleys of special type which, if it is practicable, should result in increased returns to the areas in Western Canada which find barley a profitable crop. We are indebted to Mr. J. H. Newman, the Dominion Cerealists, for bringing this to our attention.

## FLAX

Total deliveries of flax were 1,365,918 bushels to which must be added 52,357 bushels carry-over from the previous year, and 89,545 bushels of local purchases to complete shipments, giving a total handling of 1,507,820 bushels. This grain was sold as follows:

	<i>Bushels</i>
Local.....	1,385,276
Eastern.....	49,250
1926-27 Carryover.....	73,295

Almost the entire trade in flax was local, the Canadians still suffering from the competition of Argentine flax.

## RYE

Total deliveries of this cereal were 2,550,345 bushels to which must be added the 1925-26 carry-over of 8,781 bushels, local purchases, to complete shipments, of 175,967 bushels, giving a total handling of 2,735,093 bushels. This grain was sold as follows:

	<i>Bushels</i>
Local.....	1,959,766
Eastern.....	414,790
1926-27 Carryover.....	360,537

Canadian rye has hitherto been sold for mixing purposes, the Canadian standard being unknown in Europe. We are taking steps to establish our standards in Europe and expect in the coming year to be able to start a direct export business in rye.

We feel that in view of the growing importance of this crop in Western Canada we will be of considerable assistance to the farmer by developing this market.

The average prices obtained were as follows:

Oats, 2 C.W.....	60 ½ cents
Barley, 3 C.W.....	71 cents
Flax, No. 1 N.W.....	1.92
Rye, 2 C.W.....	97 ½ cents

The relative spreads on the other grades have already been furnished to you.

## ADMINISTRATION EXPENSE

As the coarse grains are handled with the same machinery as the Wheat Division a flat charge of ¼ cent per bushel was levied on them. This very closely approximates the actual cost to the Company of handling this Division.

Complete financial statements are attached hereto (Schedule "C").

All of which is respectfully submitted.

## PRESIDENT'S REPORT

A report submitted to the Interprovincial Meeting by Mr. A. J. McPhail, President of Canadian Co-operative Wheat Producers Limited, is as follows:

I beg to present to you a report of the Directors of the Canadian Co-operative Wheat Producers for 1926-27. Attached to this is the Financial Report of the year's operations.

Perhaps the most important development during the past year, so far as the Board is concerned, was the appointment of a Resident Director in the Head Office—Mr. Ramsay. This appointment has enabled the Board to keep more intimately in touch with all the operations of the organization than was possible in the past. The value and full effects of Mr. Ramsay's work are only now coming to be felt.

After careful consideration, the Board decided to open an office in London with Mr. D. L. Smith in charge. It is felt this office can be of great value in gathering information and keeping the Head Office informed, particularly regarding conditions in Europe and the United Kingdom, in keeping a more direct contact between the Head Office and our Continental Agents, on handling consigned wheat and chartering, and in making recommendations to the Board and Head Office regarding improvements in the manner of handling and selling our wheat.

Considerable re-organization has taken place in the past few months. In making changes, the Board have followed the policy of promoting men within the organization. Mr. McIvor has been appointed General Sales Manager. Mr. Buchanan, formerly in charge of the Vancouver Office, has taken Mr. McIvor's former position as Western Sales Manager in Calgary. Mr. McIntyre has been appointed Eastern Sales Manager and Mr. Folliott, Coarse Grain Sales Manager. Mr. Gibson, formerly Accountant in the Calgary Office, is placed in charge of the Vancouver Office.

The Board feels that every officer in an important position should have an assistant who could step up in the event of anything happening to the man in charge. The work of training assistants to those officers has already started.

A Branch Office was opened in Montreal last June, to look after our interests in that port. Apart from the most important consideration of controlling our own business, it is anticipated that a considerable saving will be effected in overhead by its operations. Mr. Johnson, formerly Manager of the New York Office, is in charge.

In order to insure the obtaining of reliable information regarding crop conditions in the Argentine, Mr. W. J. Jackman, formerly a member of the Alberta Co-operative Wheat Producers Limited Board, was appointed representative in that country. The satisfactory results from Mr. Jackman's visit last year decided the Board to continue the service.

Mention might be made of the two Branch Offices where our representatives are selling direct to millers—Paris and Toronto. Both offices are doing first class work. The accounts will show the amount of business transacted in each office during the past year.

Last year Mr. MacLeod was appointed Director of Publicity, and as a result of his work and that of the provincial publicity man the aims and objects of our organization are being fairly well disseminated wherever it is necessary to do so.

I had the opportunity, together with Mr. McIntyre, of visiting the United Kingdom and some points



on the Continent, and investigated conditions as they affect the business of our organization. I would emphasize the value of such visits by members of the Board.

The final net average price returned from the Central Selling Agency to the Provinces for distribution was on a basis of \$1.42 Fort William for No. 1 Northern.

The Board would recommend that these two reports be very carefully considered by the Delegates so that, in meeting with Growers and Wheat Pool Committees, they may be in a position to give accurate information to the Pool Membership and thus off-set much of the anti-Pool propaganda which is chiefly directed against the operations of the Central Selling Agency at the present time.

### GRADING INVESTIGATION

In the early part of the last grain season a large number of complaints were registered by growers in connection with the matter of grading.

At the December meeting of the Directors a Committee of the Board was appointed to investigate fully the whole matter of grading and to submit to the Board such recommendations as they deemed advisable looking towards the improvement of the grading system.

This committee has investigated the grading and warehousing of Canadian grain at Winnipeg, Fort William, Port Arthur, Buffalo, Montreal, New York, Portland, Baltimore and Philadelphia, and also investigated the system of grading in force at Minneapolis.

In the early stages of this investigation the committee was in touch with the Canadian Research Council. This body is in a position to command the services of the scientists in the Provincial Universities. At the request of the committee the Research Council has undertaken to investigate and report on the following questions:

1. To ascertain the relative values of the various grades of wheat in relation to their flour value.
2. To ascertain the action of weather conditions on wheat such weather conditions to include frost, moisture, rust, hail and drought.
3. To determine the effect of drying grain and the result of drying on the milling value both as to quality and flour yield.
4. To ascertain the possibility of adjusting the spreads on grain graded tough and damp, such spreads to be based on the actual percentage of moisture in the grain.

In view of the scope of the above programme it was later decided that the work of the Research Council for the year 1927 would be confined to questions relating to no grade, tough and damp grain, with particular reference to the drying of wheat and the establishment of discounts on tough and damp grades in relationship to the milling value of the wheat.

So far the Research Council have not yet submitted a report on this work.

It is understood that as soon as the drying problem is finally settled that other items outlined in this programme will be carried out.

As a result of their investigation at the Head of the Lakes the Committee recommended that the necessary steps should be taken to see that the out-turn grades of grain shipped from terminal elevators should be of the same standard as that in use at primary inspection points.

In view of the large amount of grain grading no grade, tough and damp the committee recommended that grain of a similar moisture content should be special binned and sold separately from the other tough grain with a view to determining the actual selling value of this type of grain.

As a further experiment, in view of certain complaints having been registered against the quality of three Northern wheat by importers the committee have recommended that shipments of contract grades of grain, the identity of which should be preserved, should be offered for sale on the European markets as Pool grades in an effort to determine if it would be in the best interests of the Pool to ship a higher standard of wheat than the general run of export wheat from this country.

In connection with the handling of Canadian grain at Buffalo the committee have recommended to the Board that all Pool grain shipped from the Head of the Lakes should be billed directly to our own elevator at that port, and that control of diversions of any cargoes which cannot be handled through this elevator be vested in the manager of the Buffalo elevator.

After visiting grain handling facilities at the seaboard the committee are recommending that any shipments of special grades should go through either Baltimore, Portland or Philadelphia, as these ports appear to be better equipped to preserve the identity of such shipments.

At the June meeting of the Board of Directors the question of operating Pool elevators on a cost basis was considered, and the grading committee was asked to investigate this question and submit a report to the Board.

The investigation has not proceeded far enough to enable the committee to make definite recommendations.

## COUNTRY ORGANIZATION

Your Board believes that the best defense against attack which the Pool has is a well informed membership. The Wheat Pool Committees throughout the country have rendered very valuable service in keeping the individual Contract Signer in close touch with the work of the Pool.

### *Wheat Pool Committees*

At the end of the fiscal year a total of 1,055 Wheat Pool Committees were in existence throughout the Province. During the last year 90 Wheat Pool Committees were organized. A total of 161 Wheat Pool Committees have not reported reorganization during the present year but from inquiries made it is believed that most of these Committees have reorganized and have simply neglected to report. This is being checked through the Secretaries and Delegates, and also through the Field Service Department.

Attached herewith is a statement showing the total number of Committees by district, and also a statement showing the number of Committees organized during 1926-27.

### *Committee Conventions*

During the summer 120 Committee Conventions were held at different points in the Province. There was an average afternoon attendance of forty. The evening session, which was usually in the nature of a public meeting, showed an attendance on the average of from 125 to 140. Keen interest was shown by the



Committee men in the matters which were discussed in the afternoon, and a general desire was expressed at most of these gatherings that the holding of such conventions should be continued next year.

### *Field Service*

During the year the Field Service Staff has been composed of eighteen men. At a number of points temporary canvassers have been engaged particularly in those districts where the renewal sign-up was not up to the average of the Province. A total of 1,650 meetings were held by the Field Force with a total attendance of almost 70,000. In addition to holding meetings, over 24,500 farmers were visited and approximately 7,500 business men. Country elevators were visited over 3,800 times in the course of the year's work. In addition to this the Field Men personally secured 6,584 Contracts and also did considerable work in securing subscriptions for *The Western Producer*.

During the summer the Field Men were also in attendance at many of the picnics organized by the United Farmers of Canada.

Arrangements were also made so that the Field Men could be in attendance at many of the Teachers' Conventions held throughout the Province, as well as the Agricultural Societies' Fairs and Field Days.

The Field Force also rendered valuable service in assisting in securing deliveries to Pool Elevators. They have also been instrumental in settling a number of complaints and difficulties which developed in their districts, as well as checking over outstanding certificates, checking up deliveries and investigating reports of breach of contract.

### **RE-DISTRIBUTION OF DISTRICTS AND SUB-DISTRICTS**

The Articles of Association provide that the Province shall be sub-divided into not less than nine nor more than sixteen districts, and that in the drawing up of these districts due regard shall be given to a reasonable equality of acreage and number of contracts as between the various districts. The Articles of Association also provide for the sub-division of the districts into ten sub-districts on the same basis.

At the present time there is an average of twenty-two rural municipalities in each district, but the range is from ten municipalities in District 9, to thirty-five municipalities in District 16. Conditions have changed materially since the Province was laid out in districts. The districts which were low in acreage and contracts have increased in sign-up very materially so that the present standing of the districts and sub-districts does not carry out the views expressed in the Articles of Association.

In view of the fact that the present Contract period expires at the end of the present year, the Board recommends to the Delegates for their consideration, that a redistribution of districts and sub-districts be made during the coming summer, prior to the time of the next election of Delegates, and that in addition a sub-district should be composed of approximately two rural municipalities. By reducing the size of the sub-district it will be possible for the delegates to become known to the great majority of Contract Signers in their districts, and will enable the Delegates to better represent the views of the Growers and get acquainted with actual conditions.



If this recommendation is accepted it will work out approximately as follows:

	<i>Present Number of Municipalities</i>	<i>Number under Proposed Change</i>
District 1.....	31	21
District 2.....	23	21
District 3.....	28	24
District 4.....	23	23
District 5.....	18	20
District 6.....	20	20
District 7.....	33	24
District 8.....	15	20
District 9.....	10	20
District 10.....	12	20
District 11.....	15	20
District 12.....	13	20
District 13.....	13	20
District 14.....	24	20
District 15.....	32	26
District 16.....	35	26
Total.....	<u>345</u>	<u>345</u>

In compiling this list all the out-lying, unorganized territory has been eliminated.

## PUBLICITY

### *The Western Producer*

The arrangements entered into between The Western Producer and the Pool at the inception of the operations of the Pool, have been maintained and continue to work out very satisfactorily. During the year we have continued to supply almost two pages of Pool News each week. By accepting orders on Pool payments for subscriptions to the paper the Pool has endeavored to co-operate with the paper to increase the circulation. At the present time this stands at 35,155 copies each week, by far the greater proportion of the subscribers being Pool members. A special co-operative edition of The Producer is now in course of preparation and will be distributed the week following this Annual Meeting.

### *Country Weekly Newspapers*

The Country Weekly Newspapers have also continued the same friendly attitude which they have maintained towards the Pool since its inception. Most of the papers are publishing Wheat Pool notes each week, and many of them have rendered valuable assistance to the development of co-operation by publishing editorials in support of the Pool movement.

### *Non-English Publicity*

Pool material is forwarded regularly to most of the newspapers circulating in the Province, printed in other than the English language. Arrangements are being made at the present time to compile a mailing list of all Pool Members speaking other than the English language. As soon as this has been completed and the mailing list is set up by languages, it is proposed to mail to all Growers on this list certain information regarding the operations of the Pool in their own native language. By this means it is hoped that we will be able to carry Pool news into the homes of Growers who at the present time are not receiving the information necessary to a proper understanding of the organization.

### *Exhibits at Fairs*

The exhibit which was used at the Class A and some of the Class B Fairs last year proved very successful. Arrangements are now under way to very materially supplement these exhibits during the coming year.



## *Radio Broadcasting—CJBR*

Early in April arrangements were completed for a weekly Broadcasting Service. It was found possible to link up stations in Saskatoon and Regina, and broadcast by remote control from the Head Office Building. This experiment was endorsed by Pool Members all over the Province and the Board approved the installation of our own Broadcasting Studio, as well as the registration of our own Call Letters—CJBR.

Broadcasting was discontinued during part of the summer, but the work has again been started and each Thursday evening will find CJBR on the air from 7.30 p.m. to 8.30 p.m. It may interest the Delegates to know that the entire entertainment part of the programme has been carried on by members of the Head Office Staff.

### STAFF

The Board wishes to take this opportunity to express its appreciation of the loyalty and efficiency of the whole Pool Staff, both in the Head Office and subsidiary offices, and in the country. The acquisition of a large number of additional elevators last year necessitated the engagement of a large staff of men without any previous experience in the Pool method of doing business, entailing heavy responsibility. The loyalty of the travelling superintendents and elevator operators to the organization as a whole, however, helped to overcome many difficulties. The Office Staff has rendered splendid service to the organization. On account of the nature of the work carried on it has been necessary for every member of the Staff to work many hours of overtime.

In the Elevator Department, during the heavy grain delivery season, the Staff must of necessity work extra time almost every day. The same is true in the Pool office, particularly when interim and final payments must be made. It is the policy of the organization that no allowance for overtime is paid to the Office Staff. Last year, at the end of the year, a bonus of one-half month's salary, with a maximum amount of \$100.00, was paid to all members of the Staff.

### GROUP INSURANCE

The matter of Group Insurance for the employees of the Pool was discussed and approved at the last Annual Meeting of the Delegates.

Under a Group Life Insurance Policy, male employees may be insured for \$1,000.00 and female employees for \$500.00, without medical examination. The premium payable is based on the average age of the insured and changes annually. The present rate is \$9.02 per \$1,000.00. Of this amount the employee contributes, by monthly deduction from salary, \$7.20 per \$1,000.00 per year. At the time the second annual premium is paid, and as each annual premium thereafter is paid, the Company will be credited with such policy dividend as the Directors of the Insurance Company may declare. It is estimated that these dividends will approximately cover the Company's contribution.

Our Group Insurance Policy now covers 1,016 employees, as follows:

Head Office and Field Staff.....	292
Winnipeg Office.....	74
Terminal Employees.....	122
Elevator Agents.....	528
	<hr/>
	1,016



## UNITED FARMERS OF CANADA

Your Directors are glad to acknowledge the loyal assistance and support given by the United Farmers of Canada (Saskatchewan Section) in the campaign to sign up the renewal Wheat Pool Contract. As in previous years, close co-operation has been established and maintained between the Pool's Field organization staff and the Field staff of the farmers' educational body. The Pool has been glad to co-operate with and recognize the very great value of an educational organization of this kind by making arrangements to accept orders on the proceeds of grain delivered by Pool Members for the amount of their membership fee. The arrangement thus entered into has worked quite satisfactorily from the point of view of the Pool.

### CO-OPERATION WITH REGISTERED SEED GROWERS

A committee of the Board has been appointed to co-operate with a committee of the Saskatchewan Registered Seed Growers Limited to work out a plan under which the latter body might render even greater service in the distribution of good and registered seed to Saskatchewan farmers.

Improving the quality of the commodity being marketed is, in the opinion of the Board, a proper function of a co-operative marketing association such as the Saskatchewan Wheat Pool. The Board will welcome an expression of opinion from the Delegates as to how far such co-operation should be carried.

### INTERNATIONAL CO-ORDINATION

A second International Conference of Wheat Pools was held at Kansas City in May of the present year. At this Conference, representatives were present from all of the United States pooling organizations, four Australian Pools, the three Canadian Pools, and the Central Selling Agency. All of the Russian co-operative organizations were also represented by eight delegates. An official observer for the Commonwealth of Australia, and also a representative of the International Institute of Agriculture, were also in attendance at the Conference.

A printed copy of the proceedings of this Conference has already been mailed to all of the Delegates.

Arising from the Conference was a proposal to establish an International Bureau which would co-ordinate the activities of co-operative wheat marketing associations the world over. Such a Bureau would be invaluable in assembling and distributing to the organizations responsible for its creation information relative to crop conditions in the representative countries of the subscribing associations. It would also be in a position to build up co-operative morale on an international scale. Already an experiment is being conducted in gathering crop and grain reports from producer sources. This information will be forwarded to Winnipeg each week from the United States, Australia, Canada, Russia and the Argentine. It is there assembled and reported back without delay to the various reporting countries.

Arrangements have been made to hold a third International Conference in the city of Regina early in June, 1928. At this Conference, it is anticipated that a definite decision will be arrived at in connection with the establishment of an International Bureau. It is also anticipated that the four countries participating in the last Conference will again be represented, and that representation will also be in attendance



from the Argentine and also from the other Eastern European states which produce an exportable surplus of wheat.

### CONCLUSION

In conclusion, your Board would like to remind the Delegates, and Pool Members generally, that there is an essential difference between the successful operation of a private commercial enterprise and a co-operative marketing organization such as the Saskatchewan Wheat Pool.

The private company depends for its successful development upon its ability to continue to pay satisfactory dividends to its shareholders who usually manifest but little interest in its existence so long as the dividends are forthcoming. A co-operative marketing association depends for its very life on the intelligent loyalty and support of its membership to their organization,—not particularly to the men who constitute its directors and officials, but to the organization itself which, in the face of many difficulties and great opposition, they have created, and to the ideals of self-help and service for which this farmers' organization stands.

After all, the essential reason for the organization of a co-operative marketing association, such as the Saskatchewan Wheat Pool, was to provide a means for wheat growers in this Province to get together and, by working together, to work out their own salvation, and the "working" part of the word "co-operation" is just as important as the "together" part. The most important asset of a successful co-operative organization is not found in its Balance Sheet. It is the keen personal interest which each individual member of the association must take in the affairs of his association,—the willingness of the individual member to accept his full share of responsibility for the successful development of the association—which makes for a truly successful co-operative organization.

The ultimate success of the Saskatchewan Wheat Pool cannot be gauged solely by a money standard. It will continue to succeed in the highest degree only in proportion as the true spirit of co-operative effort is built up in the Province of Saskatchewan. It is the development of the co-operative spirit amongst our membership which will build up the right kind of reserve to carry the organization over the difficulties which will surely develop in the future.

Your Board of Directors is glad to record its sincere belief that so long as the members of the Saskatchewan Wheat Pool continue to evidence the same keen interest in the future as has been shown in the past three years in the affairs of their organization,—so long as the spirit of co-operation continues to extend amongst the membership in the future as it has since the inception of the organization—the outlook for the continued success of co-operative marketing in Saskatchewan is exceedingly bright.

All of which is respectfully submitted.

A. J. McPHAIL,  
*President.*

L. C. BROUILLETTE,  
*Vice-President.*

E. B. RAMSAY.  
A. F. SPROULE.  
HERB SMYTH.  
THOS. BALDWIN.  
C. W. COATES.  
JOHN STRAIN.  
A. E. WILSON.

F. WOTHERSPOON.  
D. G. CRAGG.  
BROOKS CATTON.  
P. H. KENNEDY.  
H. MARSH.  
R. J. MOFFAT.  
J. H. WESSON.

**Saskatchewan Co-operative Wheat Producers Limited**  
**CONSOLIDATED BALANCE SHEET AS AT JULY 31st,**  
**1927—INCORPORATING SUBSIDIARY**  
**COMPANIES**

**ASSETS**

**Current Assets:**

Cash on hand, at Banks and in hands of Payors	\$ 553,960.39
Sundry Accounts Receivable	428,368.01
Grain Proceeds in hands of Canadian Co-operative Wheat Producers Limited	22,219,467.27
Due by Canadian Co-operative Wheat Producers Limited to Pool, Pool Elevators and Pool Terminals	3,445,359.52
Notes, Receivable—Poultry Pool	3,000.00
Stocks of Grain held by Pool Elevators and Pool Terminals	111,362.00

**Investments:**

Rural Telephone Companies	\$ 235.00
Canadian Co-operative Wheat Producers, Limited	50,000.00
	50,235.00
Deferred Expense and Inventories	500,626.49

Total Current Assets..... \$27,310,373.68

**Fixed Assets:**

Country Elevators	\$6,965,605.22
Terminals	5,854,703.29
Head Office Building and Site	218,476.11
Farmers' Building	166,772.50
Agents' Residences, etc.	89,933.30
Buildings under Construction	306,494.94
Real Estate	271,353.94
	13,873,341.30

Office Equipment, Autos, etc.	206,499.17
	<u>\$41,390,219.15</u>

**LIABILITIES**

**Current Liabilities:**

Outstanding Cheques	\$11,755,390.83
Due to Growers by Pool	7,406,145.30
Due to Shippers by Elevator Company	1,373,896.88
Grain and Expense orders	258,276.17
Cash Tickets outstanding	35,571.67
Accounts Payable	176,889.27
Deposit Accounts	41,623.47
Payments due August 1st, 1927:	
Co-operative Elevator Company Limited	\$1,418,182.18
Province of Saskatchewan	404,060.90
Head Office Building	52,268.50
	1,874,511.58

Total Current Liabilities..... \$22,922,305.17

**Deferred Liabilities:**

Co-operative Elevator Company Limited	\$5,969,703.60
Province of Saskatchewan	1,792,770.05
Head Office Building	100,000.00
	7,862,473.65
	<u>\$30,784,778.82</u>

**Deductions from Growers:**

Elevator Deductions	\$6,462,192.45
Commercial Reserve	3,362,936.87
	9,825,129.32
	<u>\$40,609,908.14</u>

**Capital and Reserves:**

Growers' Capital	\$ 83,195.00
Pool Operating Reserve	70,000.00
Elevator Reserve	627,116.01
	780,311.01
	<u>\$41,390,219.15</u>

Contingent Liability in respect of buildings, etc. under construction by Elevator Company—estimated	\$231,000.00
---	--------------

We have prepared the above Consolidated Balance Sheet from the audited statements of the Saskatchewan Co-operative Wheat Producers Limited, Saskatchewan Pool Elevators Limited, and Saskatchewan Pool Terminals Limited, and certify that, in our opinion, the same correctly exhibits the assets and liabilities of these Companies as at July 31st, 1927.

G. C. ROOKE & CO.  
O. J. GODFREY & CO.

*Chartered Accountants.*

Auditors for Saskatchewan Co-operative Wheat Producers Limited

Regina, Saskatchewan,  
October 18th, 1927.



# Schedule 1

## STATEMENT SHOWING POOL PRICES ON WHEAT

	1924-25	1925-26	1926-27
No. 1.....	1.66	1.45	1.42
No. 2.....	1.61	1.41 1/2	1.37 1/4
No. 3.....	1.55	1.36 1/2	1.31
4.....	1.47	1.26 1/4	1.21 1/2
5.....	1.33	1.16 1/4	1.09
6.....	1.19	1.08 1/4	.97 1/2
Feed.....	1.01	1.00 1/4	.86 1/4
Tough 1.....	1.58	1.36 1/2	1.35 1/4
Tough 2.....	1.53	1.33 1/2	1.29 1/4
Tough 3.....	1.47	1.28 1/2	1.23 1/4
Tough 4.....	1.39	1.18 1/4	1.14 1/4
Tough 5.....	1.25	1.08 1/4	1.02
Tough 6.....	1.11	1.01 1/2	.91 1/4
Tough Feed.....	.94	.92 1/4	.79
Damp 1.....	....	1.27 1/4	1.26 1/2
Damp 2.....	1.44	1.24 1/4	1.22 1/4
Damp 3.....	1.38	1.20 1/4	1.16
Damp 4.....	1.30	1.10 1/4	1.08
Damp 5.....	1.16	1.00 1/4	.95 1/2
Damp 6.....	1.05	.93 1/4	.85 1/2
Damp Feed.....	.88	.85 1/4	.73
1 Amber Durum.....	1.55	1.35 1/4	1.45
2 Amber Durum.....	1.49	1.32 1/4	1.40 1/2
3 Amber Durum.....	1.44	1.29 1/4	1.37
4 Amber Durum.....	1.40	1.18 1/4	1.25
5 Amber Durum.....	1.23	1.08 1/4	1.13
Tf. 1 Amber Durum.....	....	1.28 1/4	1.40
Tf. 2 Amber Durum.....	1.43	1.25 1/4	1.35 1/2
Tf. 3 Amber Durum.....	1.39	1.20 1/4	1.30 1/4
Tf. 4 Amber Durum.....	1.32	1.10 1/4	1.18 1/4
Tf. 5 Amber Durum.....	1.19	....	1.03 1/4
1 Kota.....	1.53	1.33 1/4	1.34
2 Kota.....	1.48	1.30 1/4	1.31 1/2
3 Kota.....	1.44	1.25 1/4	1.27 1/2
Tf. 1 Kota.....	....	1.25 1/4	1.27 1/4
Tf. 2 Kota.....	1.42	1.22 1/4	1.23 1/4
Tf. 3 Kota.....	1.39	1.17 1/4	1.19 1/4
1 Red Durum.....	1.26	1.29 1/4	1.39
2 Red Durum.....	1.26	1.26 1/4	1.26
3 Red Durum.....	1.26	1.21 1/4	1.21 1/4
Tf. 1 Red Durum.....	....	....	....
Tf. 2 Red Durum.....	1.21	1.18 1/4	1.20
Tf. 3 Red Durum.....	1.20	....	1.15 1/4

Basis in store Fort William.

# Schedule 2

## STATEMENT SHOWING POOL PRICES ON COARSE GRAINS

	1925-26	1926-27
<b>Oats</b>		
2 C.W.....	.47 1/2	.60 1/2
3 C.W.....	.43 1/4	.56
Ex. 1 Feed.....	.42 1/4	.56
1 Feed.....	.40 1/2	.54
2 Feed.....	.38 1/2	.51
Tough 2 C.W.....	.44 1/2	.56 1/2
Tough 3 C.W.....	.40 1/4	.52 1/2
Tough Ex. 1 Feed.....	.39 1/2	.52 1/2
Tough 1 Feed.....	.38 1/2	.51
Tough 2 Feed.....	.36 1/2	.48 1/2
<b>Barley</b>		
3 C.W.....	.60 1/4	.71
4 C.W.....	.56 1/2	.68
Feed.....	.52 1/4	.64
Tough 3 C.W.....	.56 1/4	.67 1/2
Tough 4 C.W.....	.54 1/4	.65 1/2
Tough Feed.....	.51 1/4	.62
<b>Flax</b>		
W.....	2.10	1.92
W.....	2.06	1.88
W.....	1.95	1.74
Tough 1 N.W.....	1.98	1.78
Tough 2 C.W.....	1.94	1.74
Tough 3 C.W.....	1.83	1.60
<b>Rye</b>		
1 C.W.....	.88 1/2	.97 1/2
2 C.W.....	.88 1/2	.97 1/2
3 C.W.....	.82 1/2	.94 1/2
Tough 1 C.W.....	.82	.93 1/2
Tough 2 C.W.....	.81 1/2	.93 1/2
Tough 3 C.W.....	.80	.90 1/2

Basis in store Fort William.

### Schedule 3

#### LIST OF ELEVATORS ACQUIRED 1927 Elevators Built

Astum	Fenton	Langenburg	Resource
Antler	Froude	Lakenheath	Ridpath
Anerley	Frobisher	McTaggart	Ratcliffe
Adanac	Heward	Macoun	Sintaluta
Arcola	Hughton	Moseley	Storthoaks
Alameda	Holdfast	Maxstone	Summerberry
Alida	Hawthorne	Neudorf	Swinburne
Bromhead	Killaley	Nalsberry	Stonehenge
Bexhill	Kingsford	Outram	Tuxford
Cloan	Kipling	Pasqua	Whitewood
Corinne	Kendal	Pangman	Wilkie
Downe	Lanigan	Patrick	Windthorst
Delmas	Lineacre	Pickthall	Wolseley
Ettington	Lake Alma	Qu'Appelle	
Evesham	Lindquist	Redvers	

#### Elevators Purchased

Avonhurst	Caron	Jay's Siding	Richardson
Asquith Pit	Cathkin	Khedive	Sturgis
Amulet	Driver	Lorlie	St. Brieux
Bremen	Davin	Leross	Stenen
Belbeck	Duck Lake	McNutt	Spruce Lake
Brightmore	Duff	Manor	Sidewood
Crestwynd	Echo	Marengo	Smale's Siding
Constance	Englefeld	Macklin	Stelcam
Candiac	Forgan	Marchwell	Togo
Crichton	Findlater	Norquay	Tullis
Corning	Hubbard	Pym	Tribune
Cando	Horizon	Phippen	Vance
Cheviot	Hatfield	Peterson	Winro Siding
Court	Hoosier	Ritchie	Wartime
Claydon	Jasmin	Reford	

#### Elevators Leased from United Grain Growers Limited

Brancepeth	Eldersley	Montmartre	Traynor
Cory	Fuslier	Neilburg	Valparaiso
Carruthers	Gallivan	Onward	Wolfe
Dulwich	Gunworth	Pelly	
Delisle	Marsden	Prongua	

Tatsfield

Leased from Scottish Co-operative Society

#### Elevators Under Construction

Siding No. 3 on Maxstone Extension (Stonehenge)  
Siding No. 4 on Maxstone Extension (Wood Mountain)  
Mile 12.4 on Melfort Extension (Fairy Glen)  
Mile 17.8 on Melfort Extension  
Gye  
Siding No. 2 on the Asquith Extension  
Siding No. 4 on the Asquith Extension  
LeClair  
Weyburn-Radville Extension (2nd Siding)

### Schedule 4

#### TOTAL NUMBER OF COMMITTEES 1926-27

##### Sub-Districts 1-10

	1	2	3	4	5	6	7	8	9	10	Total
District 1..	16	10	12	14	8	8	8	15	10	4	105
District 2..	15	10	5	14	11	8	6	7	5	4	85
District 3..	2	4	7	5	5	4	2	5	8	8	50
District 4..	10	4	4	3	4	6	3	7	5	5	51
District 5..	11	9	9	9	4	2	5	6	10	5	72
District 6..	7	10	11	9	4	6	10	9	8	7	81
District 7..	13	5	7	15	13	13	9	5	7	10	97
District 8..	7	6	3	6	5	3	..	3	3	6	42
District 9..	3	2	..	4	4	6	2	3	8	..	32
District 10..	5	3	7	4	1	9	4	8	3	4	48
District 11..	11	7	3	6	6	6	4	8	4	9	64
District 12..	2	4	3	4	2	12	10	2	5	9	53
District 13..	2	5	6	9	6	7	7	2	2	8	54
District 14..	4	10	5	11	12	10	5	10	8	4	79
District 15..	11	7	7	5	4	7	10	4	10	4	69
District 16..	2	3	3	10	11	12	11	12	4	7	75

Total in Province

1,055

11th August, 1927.



# Schedule 5

## **COMMITTEES ORGANIZED 1926-27** **Sub-Districts 1-10**

	1	2	3	4	5	6	7	8	9	10	Total
District 1..	..	..	1	2	..	..	..	5	2	..	10
District 2..	1	..	..	5	..	1	1	..	..	..	8
District 3..	..	..	1	..	..	..	..	1	1	..	3
District 4..	..	2	..	..	..	3	..	1	..	..	6
District 5..	..	..	..	1	1	..	..	2	..	1	5
District 6..	1	..	..	..	..	..	..	..	..	1	2
District 7..	..	..	..	2	..	2	..	1	..	2	7
District 8..	2	1	..	..	..	1	..	..	..	1	5
District 9..	..	..	..	..	2	1	1	..	1	..	5
District 10..	..	..	..	..	..	..	..	2	..	..	2
District 11..	..	..	..	1	..	..	1	..	..	1	3
District 12..	..	1	..	..	..	..	1	1	..	1	4
District 13..	..	..	..	..	..	..	..	..	..	5	5
District 14..	1	..	..	1	3	2	..	2	..	..	9
District 15..	1	1	2	..	..	2	3	1	1	..	11
District 16..	..	..	..	3	1	..	..	1	..	..	5
Total for Province										-	90

# CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

---

## Schedule "A"

---

### ADMINISTRATIVE AND GENERAL EXPENSES

General Expense.....	\$ 24,778.30	
Office Supplies.....	14,373.38	
Office Travelling.....	8,005.59	
Directors' Fees and Expenses.....	35,338.35	
Rent and Light.....	18,465.06	
Salaries.....	223,237.10	
Telephones and Telegrams.....	13,050.07	
Legal and Audit.....	22,940.41	
Publicity.....	17,001.96	
Business Tax.....	968.53	
International Conference.....	602.81	
		<u>\$378,761.56</u>
Less Coarse Grains.....		65,835.04
		<u>\$312,926.52</u>

A. J. McPHAIL, *President.*  
E. B. RAMSAY, *Managing Director.*

Winnipeg, 1st November, 1927.

Certified in accordance with our Report of this date.

JOHN SCOTT & CO.,  
*Chartered Accountants.*



# **Schedule "B"**

## **CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED** **Season 1926-27 Pool**

### **Statement of Grain Operations from 15th September, 1926, to 22nd September, 1927**

<b>Sales:</b>		
Eastern.....		261,717,950.16
Export via East.....	164,866,774.00	
Domestic East.....	96,851,176.16	
	<hr/>	
	261,717,950.16	
Western.....		34,032,814.41
Export via West.....	21,070,698.06	
Domestic West.....	12,962,116.35	
	<hr/>	
	34,032,814.41	
	<hr/>	
		295,750,764.57
<b>Costs Deductible from Sales:</b>		
Local Purchases (Exclusive of Pool Deliveries).....	43,149,921.94	
Grain Charges.....	33,352,474.21	
Lake and Rail.....	12,696,973.96	
Elevation (L.S.C.A.).....	1,994,109.81	
Superintendence.....	1,127,620.04	
Chartering.....	210,799.71	
Ocean Charges.....	10,134,173.59	
Brokerage.....	154,058.03	
Option Brokerage.....	19,897.58	
Telegrams and Cables.....	104,941.53	
	<hr/>	

## Schedule "B"—Continued

Pool Terminal Charges.....	629,023.40		
Storage.....	2,897,380.23		
Insurance.....	911,790.05		
Bank Charges.....	1,858,037.14		
Premiums on Western Shipments.....	471,098.63		
Diversión Premiums.....	142,570.51		
	<u>33,352,474.21</u>		
Administrative Expenses.....		312,926.52	
			<u>76,815,322.67</u>
<b>Net Proceeds from Sales Available for Distribution Appropriated and Distributed to Provincial Pools:</b>			<u>218,935,441.90</u>
Pool Deliveries.....	160,978,350.22		
First Interim Payment.....	25,409,731.25		
Second Interim Payment.....	27,165,155.24		
Final Payment.....	19,160,324.41		
			<u>232,713,561.12</u>
<b>Stocks of Grain Held for Account of Provincial Pools.....</b>			<u>13,778,119.22</u>
			<u>13,995,527.75</u>
<b>Surplus at Credit of Season 1926-1927 Pool.....</b>			<u>217,408.53</u>
Winnipeg, 1st November, 1927.			

Certified in accordance with our Report of this date.

JOHN SCOTT & CO.  
Chartered Accountants.

A. J. McPHAIL, *President.*  
E. B. RAMSAY, *Managing Director.*



## Schedule "C"

## COARSE GRAINS DIVISION

## Statement of Grain Operations—From 6th August, 1926, to 31st July, 1927

Sales:	Oats	Barley	Flax	Rye
Local.....	2,831,965.84	6,352,411.53	2,775,303.22	1,924,632.28
Eastern.....	1,150,893.01	1,364,467.89	101,024.06	413,727.89
Export.....	14,720.52	1,335,250.20	.....	.....
	<u>3,997,579.37</u>	<u>9,052,129.62</u>	<u>2,876,327.28</u>	<u>2,338,360.17</u>
Options.....	Dr. 5,222.50	185,305.00	1,583.75	40,296.25
	<u>3,992,356.87</u>	<u>9,237,434.62</u>	<u>2,877,911.03</u>	<u>2,378,656.42</u>
<b>Costs Deductible from Sales:</b>				
Local Purchases (Exclusive of Pool Deliveries).....	978,397.49	917,239.60	289,716.37	204,834.81
Grain Charges:				
Lake and Rail.....	45,246.20	228,293.02	1,062.50	16,086.53
Elevation.....	22,774.79	45,589.10	1,142.00	7,251.91
Superintendence and Chartering.....	1,835.10	17,452.06		488.25
Ocean Charges.....		111,954.55		
Brokerage.....	5,546.39	12,051.66	615.16	2,657.59
	<u>75,402.48</u>	<u>415,340.39</u>	<u>2,819.66</u>	<u>26,484.28</u>
Pool Terminal Charges.....	Cr. 7,143.81	Cr. 19,352.72		Cr. 2,370.53
Storage.....	117,456.21	113,789.46	40,947.94	39,613.84
Insurance.....	1,413.98	8,953.11	94.96	721.32
	<u>187,128.86</u>	<u>518,730.24</u>	<u>43,862.56</u>	<u>64,448.91</u>
Interest.....	1,165.66	2,361.31	292.32	546.10
Administrative and General Expenses.....	13,609.91	29,202.92	3,414.79	6,375.86
	<u>1,180,301.92</u>	<u>1,467,534.07</u>	<u>337,286.04</u>	<u>276,205.68</u>
<b>Net Proceeds from Sales Available for Distribution</b>	<u>2,812,054.95</u>	<u>7,769,900.55</u>	<u>2,540,624.99</u>	<u>2,102,450.74</u>

## Schedule "C"—Continued

## Appropriated and Distributed to Provincial Pools:

Pool Deliveries.....	1,798,337.58	5,220,323.89	2,104,130.57	1,629,230.17
First Interim Payment.....	117,710.91	866,681.20	246,685.63	284,830.21
Second Interim Payment.....	372,936.31			
Final Payment.....	667,232.13	1,821,439.05	317,739.90	499,079.27
	<u>2,956,216.93</u>	<u>7,908,444.14</u>	<u>2,668,556.10</u>	<u>2,413,139.65</u>
Stocks of Grain held for Account of Provincial Pools at 31st July, 1927.....	144,161.98	138,543.59	127,931.11	310,688.91
	<u>129,229.32</u>	<u>124,287.32</u>	<u>138,666.05</u>	<u>320,706.47</u>
Surplus for Account of Provincial Pools established on a Distributive Basis.....	Dr. 14,932.66	Dr. 14,256.27	10,734.94	10,017.58
<b>ADD</b>				
Surplus 1925-1926 Season's Pool.....	24,610.01	18,201.54	Dr. 1,685.15	1,919.86
<b>NET SURPLUS AT CREDIT OF PROV. POOLS ....</b>	<u>9,677.35</u>	<u>3,945.27</u>	<u>9,049.79</u>	<u>11,937.42</u>

Winnipeg, 1st November, 1927.

Certified in accordance with our Report of this date.

JOHN SCOTT & CO.  
Chartered Accountants.A. J. McPHAIL, *President.*  
E. B. RAMSAY, *Managing Director.*