

POOL REPORT

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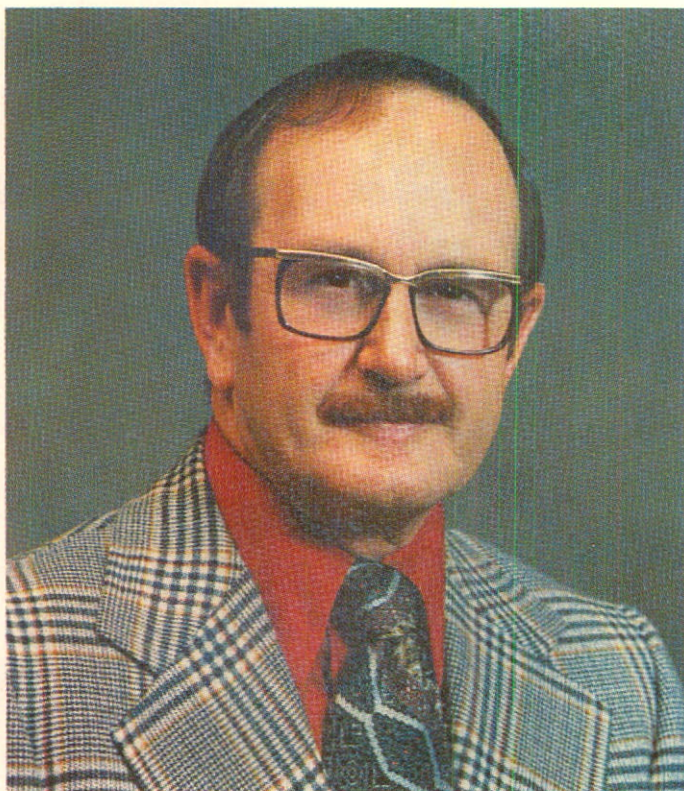
SASKATCHEWAN WHEAT POOL



**A condensed version of the
Saskatchewan Wheat Pool
Annual Report — 1972-1973**

A MESSAGE FROM THE PRESIDENT

*Excerpts from
Policy Address by E. K. TURNER,
President, Saskatchewan Wheat Pool,
to the Annual Meeting of Delegates,
Regina, November 1973.*



E. K. Turner

The events of the past eighteen months have surpassed anything which even the most optimistic among us could have imagined. We have experienced all-time records in the export of grains. We have seen selling prices for grains reach levels never before achieved in the history of Western Canada. Who among us would have predicted even a year ago now that Wheat Board selling prices for top grade bread wheat at Thunder Bay would have reached \$5.75 per bushel, or that durum wheat would be sold for \$9.00 per bushel? Who would have predicted fed steer prices of \$56.40 per hundred pounds at Saskatoon, or dressed hog prices of \$69.15 per hundred at Saskatoon? On the other hand who among us would have predicted that the index of farm costs would increase by some 13 percent from mid-1972 to the same time this year? It is an understatement to say we are in a new ball game.

Though several elements of the current situation seem temporary, some are in keeping with long-term trends. Demand for meat in the affluent nations of the world is increasing strongly. Demand for feedstuffs is rising. The possibility that Russia may become a large net importer of food and feed is especially significant. Perhaps the Green Revolution in the less developed countries of the world will be less significant than expected a few years ago. Hopes that Western Europe and Japan can be persuaded to adopt less protectionist farm policies have created great optimism in some circles about potential export markets for Canada.

But then again, 1972-73 may prove to be a temporary situation and the agricultural pendulum may swing

back to a more familiar position of surpluses. Therein lies the uncertainty, an uncertainty that any current planning for future policy must recognize.

It is difficult, if not impossible, to predict the future productive capacity of agriculture. The chances are good that surpluses will reappear in the next few years, though probably not on the scale of the past decade. In the light of inescapable uncertainties, however, we need in Canada a strategy capable of drawing forth agriculture's productive capacity should it be needed, and of dealing with overcapacity should it reappear. There is a need to give high priority to stabilization of supplies and prices as a policy objective. Events of the last few years have dramatically illustrated the consequences of having a little too much, or a little too little, product for the market. As agriculture becomes more heavily capitalized, uses more non-farm inputs, and is more closely integrated with adjacent economic sectors, it is less and less able to live with instability.

Anyone who has observed Western Canadian agriculture for a period of time is fully aware of the tremendous year-to-year variations we experience, which, in combination, act to create very serious instability for our industry. We are subject to wide variations in yields, sales volumes, prices, and cash receipts.

The business of running a farm is extremely difficult under such conditions. Cash flow predictions cannot be accurate, servicing of capital or operating credit is difficult, and farm budgeting becomes rather hit and miss. Too often, family expenditures must be postponed

in lean years and fitted in to the better years, regardless of the real needs of the farm family.

Farmers' income variability causes severe problems in the supply of goods and services which farmers need. It is extremely difficult for any agency to gear up to provide adequately for the supply of farm inputs such as fertilizers, herbicides, seed grain, and farm machinery, when sales volume varies as widely as it has in recent years.

Variations in supply and price of food products also tend to cause adverse reaction among consumers, and governments are becoming increasingly conscious of the pressures of "consumerism."

We must devote a good deal of attention to development of policies and techniques which will reduce the violent fluctuations in production volume and cash flow which have been characteristic of our industry over many years.

WHAT AGRICULTURE NEEDS

One section of the Pool's current policy position for agriculture refers to the need for a grain income stabilization plan. I think a realistic stabilization plan has much to offer prairie grain producers by easing the worst of the up and down swings in cash income from grain from year to year.

We are prepared at any time to enter discussions leading to implementation of such a plan. At the same time, because of the inter-relationship between grain and livestock, we see the need for some consideration of a stabilization plan for the livestock industry.

We need to find ways to encourage expansion and greater stability in livestock production in Western Canada.

We need to pursue all the available opportunities for processing of farm products in Western Canada, thus adding to the economic activity of the area, adding value to the products we ship out, and giving us more alternatives in the products we offer for sale.

INFLATION

No effective means has yet been adopted in Canada to control inflation. Farmers as a group are particularly sensitive to its effects because they are often unable to pass on the rising costs of production. Many of our farm products are sold on the export market where we must remain competitive with other countries, yet most of the inputs we use in production are manufactured and sold in the high cost Canadian economy. The extent of inflation in this sector is indicated by the increase of 13 percent in the index of total farm inputs for Canada in the last year.

The present rate of inflation in our economy is intolerable. I can see no alternative but for the federal government to take firm and decisive action on this vital question.

TRANSPORTATION

Transportation is a vital element in the movement of goods both to and from the prairie area. If our farmers are to be competitive in world markets we need a transportation system which is adequate, reliable and economic. This goal can only be accomplished through a national transportation policy which takes fully into account the particular situation and needs of Western Canada.

FEED GRAINS

The government's proposed marketing plan for 1974-75 and beyond contains several aspects which give cause for grave concern among Western feed grain producers. They include the following:

(i) The Wheat Board would continue to have marketing authority only in the **export market** for feed grains.

(ii) The Wheat Board would be required to give priority to domestic buyers of feed grains by providing supplies when and where they are wanted, and would be held responsible for supervision of all movement of feed grains, but would have no pricing authority or selling function for feed grains within Canada.

(iii) Feed dealers, brokers and other buyers of feed grains in Canada would be given freedom to bypass the Wheat Board and to buy grains on a direct basis in the West when it served their purposes.

(iv) There would be no quota system and no initial price guarantees for feed grains intended for the domestic market. The opportunity for producers to deliver unlimited quantities of feed grains at any time, regardless of the availability of elevator space, would virtually destroy the operation of the quota system as a method of sharing the available market, and could hopelessly clog the grain handling system, thereby interfering with the free movement of all grains.

We have examined the federal government's proposal for a long-term marketing plan from all possible angles and we agree with some of the stated objectives and some of the specific methods. For example, we agree with the principle that a feed grain marketing policy should not distort the normal competitive position of grain and livestock producers among the various areas of Canada. We agree with the suggestion that cash advances be raised, that some guarantee of minimum price levels is necessary, and that a permanent storage program for feed grains is needed. However, our examination of other aspects of the proposal leads us to the conclusion that they are not in the best interests of Western Canadian grain producers. We have various new proposals and will press with all vigor for their adoption in place of the government's plan.

HIGHLIGHTS OF POOL POLICY FOR 1974

1. Domestic Feed Grains Marketing

Saskatchewan Wheat Pool has examined the federal government's domestic feed grains marketing ideas on a system to become effective August 1, 1974 and is convinced many aspects are not in the best interests of prairie grain producers.

The Pool will support a program that:

- creates and maintains a system of **marketing** that is **orderly** in terms of deliveries from farms, transportation, maintenance of stock and pricing;
- establishes a **technique** for **pricing** that will:
 - (1) assure production of feed grains to meet the needs of Canada's livestock industry and to meet export opportunities;
 - (2) maintain a price relationship for feed grains among the various areas of Canada which reflect costs of transportation, handling, marketing and carrying costs;

(3) ensure that the pricing method is clearly understood by both producers and users of feed grains; and

(4) assure an adequate level of floor price protection to feed grain producers.

- does **not distort** the normal competitive position of grain and livestock producers among the various regions of Canada;
- **contributes to the growth** of Canada's grain and livestock industries.

Saskatchewan Pool considers it essential that the Canadian Wheat Board be retained as sole marketing agent for feed grains delivered by prairie producers to the commercial handling system. The Board could arrange producer deliveries of various grains under a quota system, schedule grain movement through the block shipping system, and establish grain stocks where needed, in a more adequate and orderly manner if it has responsibility for sales.

2. Canadian Wheat Board

The Pool feels:

- (a) The Canadian Wheat Board should be the sole marketing agency for wheat, oats, barley, rye, flax, rapeseed, including domestic feed grains.
- (b) The Canadian Wheat Board should consider grading and pricing wheat on the basis of protein content at country elevators.
- (c) The Canadian Wheat Board should maintain the principle of terminating delivery quotas and should avoid open quotas.
- (d) Inland terminal elevators should be approved as alternate delivery points provided quotas remain the same as at country elevators.

3. Grain Handling and Transportation

Pool policy calls for:

- (a) development of a rationalization program for a rail network in Western Canada based on an examination of transportation needs on a regional basis rather than a line by line basis;
- (b) governments to develop a Canadian transportation policy which will serve the needs of Western Canada, encourage development in the region and make it economically possible to move raw and processed products from the prairies to Canadian and overseas markets;
- (c) an early examination of methods to ensure continuous movement of grain and other goods, particularly to Pacific coast ports;
- (d) the federal government to see that at least 4,000 more hopper cars are provided for grain transportation.



4. International Agreements

The Pool favors an international grains agreement provided it:

- (a) covers wheat and feed grains;
- (b) contains fair minimum and maximum price levels;
- (c) co-ordinates domestic programs in exporting and importing countries to improve management of world grain supplies;
- (d) maintains adequate grain reserves for which costs will be shared by exporters and importers;
- (e) reduces barriers against international trade in grain and respects the right of farmers in all countries to an adequate income;
- (f) supports an expanded food aid program.

5. Stabilization

The Pool would accept a grain income stabilization program including the six major grains provided it includes the following features:

- (a) contributions by both farmers and the federal government;
- (b) a payout from the fund to all farmers in a region in years in which total grain receipts in that region fall below an agreed benchmark level which is subject to revision based on changes in an index of domestic prices;
- (c) the amount of payout received by each farmer should take account of the income from his average marketings for three years including the

current year with allowance for increase or decrease in acreage;

- (d) maximum contributions and payout levels should be determined by consultation with farm organizations;
- (e) is clearly identified as only part of the federal government's commitment to support of the grain industry and not an alternative to the existing policies.

6. Inflation

The Pool urges that maximum resources of the federal government be devoted to controlling inflation.

7. Storage

Pool policy is to urge the federal government to share with grain producers the cost of storing a carryover quantity of each grain necessary to meet anticipated market requirements, both domestic and export.

8. Trade

The Pool urges the Government of Canada to take a positive attitude toward negotiating removal of tariff and other artificial barriers to international trade and urges as well that the government's negotiators give full consideration to the importance of agricultural trade in relation to trade in manufactured goods and other products.

9. Livestock Marketing

Saskatchewan Pool encourages development of a livestock marketing program.

The Pool supports the Saskatchewan Hog Marketing Commission, but believes there should be a provision for hog producers in two or three years to indicate by plebiscite the form of marketing structure they prefer.



POLICY — CONTINUED

10. Labor-Management Disputes

Saskatchewan Wheat Pool believes that when labor and management find themselves unable to reach agreement in an industrial dispute, instead of a strike or walkout, the dispute be placed for settlement before an impartial body functioning in much the same manner as a judge in a civil action.

11. Industrial Development

The Pool believes that governments should develop a range of policies designed to encourage development in Western Canada of a variety of processing industries using agricultural products, or in manufacture and distribution of products and materials used by farmers, and to make it possible to export the products of such activity.

12. Energy

Saskatchewan Pool recommends that under any energy policy implemented in Canada, adequate supplies of fuel at minimal cost be available to all sectors of Canadian agriculture to assure continuation of maximum production of agricultural products.

Saskatchewan Wheat Pool pursues a great number of other policies as it operates as a farm organization dedicated to the improvement of social and economic conditions of Saskatchewan farm families. The Pool seeks to meet its objective by providing in the market place a variety of goods and services required by farmers and members and by representing the views of farm members in debate on formation of public policy for agriculture.

A more detailed version of Pool Policy is available to members by writing to Publicity and Advertising Division, Regina.

Pool farm policy is set by the Board of Directors after extensive consideration of recommendations from the delegates' annual meeting and of ideas advanced from Pool membership meetings.



Pool Policy Helps Farm Families

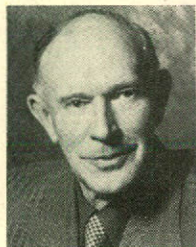


SASKATCHEWAN WHEAT POOL BOARD OF DIRECTORS AND OFFICIALS at July 31, 1973

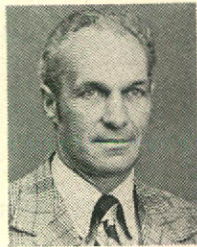
Back row (left to right): Avery K. Sahl, Mossbank, District 5; Don Sinclair, Regina, Assistant Secretary; James Lindsay, Limerick, District 2; Walter A. Kumph, Smiley, District 11; W. Bernard Mundell, Leroy, District 13; J. M. Fair, Regina, Treasurer; Ira K. Mumford, Regina, General Manager; J. O. Wright, Regina, Secretary; R. D. McKell, Regina, District 6; Gustave C. Anderson, Val Marie, District 3; J. A. Anderson, Cabri, District 4.

Front row (left to right): Erling O. Johnsrude, Weyburn, District 1; Gordon South, Melfort, District 14; J. Wm. Marshall, Wild Rose, District 15; E. A. Boden, 1st Vice-President, Regina, District 12; E. K. Turner, President, Regina, District 16; Donald M. Lockwood, 2nd Vice-President, Regina, District 10; Garfield Stevenson, Whitewood, District 7; Hugh F. McLeod, Leross, District 9; William Schutz, Saltcoats, District 8.

New Directors



Clifford Murch, Lancer, succeeds J. A. Anderson of Cabri as Director for District 4. Mr. Murch served as a committee member at Lancer from 1950 to 1958 and was elected delegate for sub 6 of District 4 in 1968.



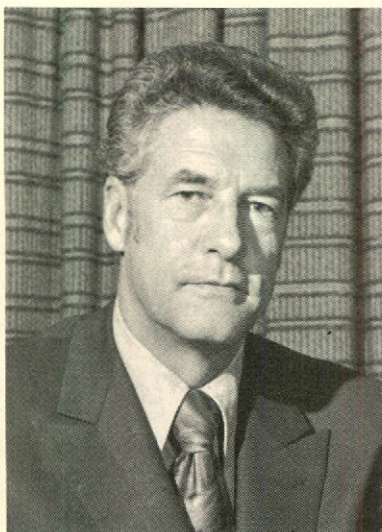
Aubrey Wood, Ruthilda, new director for District 12, succeeds E. A. Boden, former Pool 1st vice-president. Mr. Wood was elected to the Ruthilda Pool committee in 1954 and was elected delegate for sub 1 of District 12 in 1968.



Harold Yelland, Porcupine Plain, new director for District 14, succeeds Gordon South of Whitome. Mr. Yelland was a committee member from 1957 to 1960 and has been a delegate for sub 6 of District 14 since 1960.

Executive Changes — September 1, 1973

D. M. Lockwood, director, District 10, was elected 1st vice-president, succeeding E. A. Boden who resigned to become Saskatchewan's agent-general in Europe. J. W. Marshall, director, District 15, succeeded Mr. Lockwood as 2nd vice-president.



Ira K. Mumford

GENERAL MANAGER'S REPORT

THE INDUSTRY IN 1972-73

The year 1972-73 was an outstanding success for Saskatchewan farmers and the agricultural industry. It was a year of record achievements in farm income and in grain and livestock marketings and prices. A better-than-average crop was produced in 1972, initial prices were increased, export demand was exceptionally strong throughout the year, and grain marketings in western Canada reached close to one billion bushels for the second successive season. The livestock industry experienced similar conditions. The cattle population continued at a high level. Prices on slaughter and feeder cattle rose almost continuously during the year. Hog marketings in Saskatchewan declined, but prices followed the same upward trend as cattle during the year.

COMMERCIAL OPERATIONS, 1972-73

Operating results for the past year were highly successful in all divisions. Net earnings amounted to \$22.6 million, establishing a new record.

Country Elevator Division receipts totalled 395,925,401 million bushels, representing 67.68 percent of the Saskatchewan deliveries. This exceeds last year's record volume by 67,784,928 bushels.

Earnings from grain terminal operations in 1972-73 amounted to approximately \$10 million. Of this, a record \$7,625,436 was earned by the Terminal Elevator Division operations at Thunder Bay and Vancouver. The remainder represents our share of earnings from Co-op Terminals and Pacific Elevators Ltd.

Farm Service Division earnings were \$1,028,985. This was achieved on sales of \$23,901,105, an increase

of 38 percent over the previous year. In the ten years since its inception, the Farm Service Division has become the acknowledged leader in farm supply services in Saskatchewan.

The Industrial Division achieved new records in sales and earnings. Flour mill volume equalled the previous year, and oil mill production was increased by 50 percent, with near maximum utilization of the new 200-ton per day plant. Total earnings of the Division amounted to \$1,108,982.

Record marketings were again achieved by the Livestock Division in 1972-73, and earnings were increased to \$567,244. Our newly acquired Moosomin facilities were successful far beyond initial projections. At year-end, a new yard was being built at Kindersley to accommodate increased volumes. The new Yorkton market, the major project completed during the year, will vastly improve service to producers.

The Printing and Publishing Division had a very successful year in 1972-73. Commercial printing operations were profitable, but a modest deficit occurred in *The Western Producer*, leaving the Division with a net loss of \$183,945. This represents a very reasonable cost of communicating important farm policy views and agricultural information to our 150,000-odd subscribers.

GRAIN HANDLING AND TRANSPORTATION

During the past five years, the grain handling industry has been subjected to the most exhaustive series of studies imaginable.

There have been two basic concepts right from the start. The first and most spectacular envisages replacement of the present 3,200 operating units across western Canada by a system of 80 inland terminals equipped to clean the grain before shipment. The other concept proposes continuation of the pattern now being followed by the grain companies. This involves eliminating the small, uneconomic units as they wear out, and selective replacement of this capacity with high-throughput country elevators capable of handling between one and three million bushels annually.

In assessing the two concepts, your organization has attempted to keep a completely open mind. We look at this in the interests of the grain producers alone, and we see the second alternative system as being the logical future course of action.

We intend to continue an active study and development program internally to assure producers an efficient country and terminal elevator system geared to the expanding needs of the grain industry in the future.

Over the past five years, between 90 and 100 points have been upgraded to first class operating status by construction of new elevators or annexes or major repair jobs. In addition, during this period we acquired 93 elevators and 123 crib annexes in the Federal purchase which are rated as "good" or "fairly good."

During 1972-73, the Country Elevator Development Program resulted in the closure of 59 stations and a systematic upgrading of adjoining facilities at a capital budget cost of more than \$3 million.

LOOKING AHEAD

The 1973-74 capital budget totals \$15.4 million, including Westland Elevators Limited. Of this, \$4.2 million plus an additional \$1.9 million in repair projects will be spent in the Country Elevator Division. Much of this will be spent in upgrading points for elevator development.

A massive capital program will be required for several years at Thunder Bay to modernize facilities and provide dust control. The budget for Pool terminals is \$5.8 million, and Westland involves another \$2 million.

In addition, our livestock, farm supply and printing facilities have continued demands for funds.

There are a number of potential developments in the food processing field which may be logical for our involvement, and these are under review by the Industrial Division.

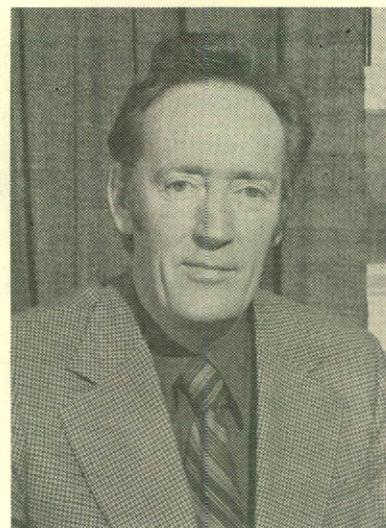
While the organization is now in a very strong financial position, we must be prepared within the next 12 months to slow down our development activity and give priority to projects which offer a good return or are required to maintain our operations.

We must anticipate a decline in grain handlings during the 1973-74 crop year. We have just come through two seasons of record deliveries in Saskatchewan, during which virtually the entire farm reserve stocks were liquidated. The reduction in handling will be coupled with unprecedented cost increases.

CO-OPERATION

We have continued exploratory talks concerning other commercial possibilities with a number of our sister co-operatives. We continue to examine potential areas for closer working relationships between the three Pools and with other co-operatives. There are many sound reasons why it is imperative that we work in greater unity if the interests of western farm producers are to be served most effectively.

SECRETARY'S REPORT



J. O. Wright

Saskatchewan Wheat Pool is in the 50th year of service to farmers of the province. The social and economic conditions which motivated people to form the organization have either been solved or have been replaced with new problems.

It is evident because of the declining number of farmers relative to other groups in society, the wide geographic area in which we live and the ever increasing centralization of power in the hands of corporations, labor organizations and governments, that the need for strong co-operatives has increased rather than lessened.

The Pool will continue to work toward increased participation in grain handling and processing, livestock marketing, farm supply manufacturing and distribution, secondary processing of farm products, and newspaper publishing in the interests of prairie farmers.

Representing the wishes of farmers in agricultural policy development will also continue as a major objective of the organization.

The Pool will co-operate with other organizations having similar objectives in the prairie region of Canada.

Achievement of continued progress will depend on the active patronage and interest of all of our members. It will also depend on the continued dedication and loyalty of staff at all levels in the organization.



Committee banquets consider Pool affairs

(picture taken at Vonda)

SASKATCHEWAN WHEAT POOL AND SUBSIDIARY COMPANIES CONSOLIDATED BALANCE SHEET AT 31st JULY 1973

ASSETS

	Year Ended July 31	
	1973	1972
Cash.....	\$ 3,221,053	\$ 6,738,366
Accounts Receivable	30,681,848	23,700,766
Inventories (Note 2).....	142,441,397	136,990,356
Prepaid Expenses.....	2,198,940	1,232,842
Prepayment on Income Taxes	894,665	549,863
TOTAL CURRENT ASSETS.....	\$179,437,903	\$169,212,193
Accounts Receivable—		
Deferred (Note 3)	1,807,901	1,595,728
Investments and Memberships		
at cost (Note 4).....	9,213,484	9,188,432
Fixed Assets, at cost (Note 5)		
Sites, Buildings, Ma-		
chinery and Equipment \$162,310,252		
Less accumulated al-		
lowance for		
Depreciation.....	98,086,553	64,223,699
		64,675,598
Deferred Charges		
Stocks of Repair Parts and Supplies	498,563	331,237
Goodwill at cost less amounts		
amortized	1,099,232	1,236,636
Other		
Excess of cost of shares of sub-		
sidiary company over the book		
amount of net assets acquired.....	665,927	665,927
	\$256,946,709	\$246,905,751

On behalf of the Board
E. K. TURNER, *Director*,
D. M. LOCKWOOD, *Director*

LIABILITIES AND CAPITAL

	Year Ended July 31	
	1973	1972
Cheques and Orders Outstanding	\$ 27,527,965	\$ 23,960,141
Bank Loans — Secured (Note 6)	58,280,000	60,930,000
Notes Payable.....	20,775,000	18,170,000
Unallocated Earnings.....	22,636,244	16,692,471
Accounts Payable.....	25,240,599	32,494,737
Current Portion of Debenture Loan		
(Note 7).....	1,325,000	—
Members' Term Loans due before		
July 31 next	1,649,408	6,180,404
TOTAL CURRENT LIABILITIES.....	\$157,434,216	\$158,427,753
First Mortgage Debenture Loan		
(Note 7).....	11,925,000	13,250,000
North Vancouver Terminal Loan	3,770,087	5,638,004
Members' Term Loans.....	8,424,852	2,739,659
Note Payable to Manitoba Pool		
Elevators	1,132,245	1,132,245
Minority Interest.....	111,611	111,572
	\$182,798,011	\$181,299,233
Capital (Note 8)		
Authorized 80,000,000		
shares of \$1 each	\$ 80,000,000	
Allotted and Fully Paid		
57,971,971 shares	\$ 57,971,971	
Allotted and Partly Paid		
81,465 shares	40,815	58,012,786
		49,406,840
Unallocated Earnings retained		
from prior years	16,135,912	16,199,678
	\$256,946,709	\$246,905,751

Commitments and Guaranties (Note 9)
The notes to the consolidated balance sheet
are an integral part of the balance sheet.

AUDITORS' REPORT

The Shareholders,
Saskatchewan Wheat Pool,
Regina, Saskatchewan.

We have examined the consolidated balance sheet of Saskatchewan Wheat Pool and its subsidiary companies as at July 31, 1973 and the statement of combined operations for the year then ended and have obtained all the information and explanations we have required. For each company our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and as shown by the books of the various companies, the accompanying financial statements presents fairly the financial position of the companies as at July 31, 1973 and the result of their operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

All the transactions that have come to our notice have, in our opinion, been within the objects and powers of the companies.

October 17, 1973.

TOUCHE ROSS & CO.
Chartered Accountants.

NOTES TO CONSOLIDATED BALANCE SHEET

31st July, 1973

1. Principles of Consolidation

The consolidated financial statements at 31 July 1973 include the accounts of the company and the following subsidiary companies:

Saskatchewan Pool Elevators Limited
Saskatchewan Pool Terminals Limited
Saskatchewan Co-operative Livestock Producers Limited
Modern Press Limited
Westland Elevators Limited

2. Inventories

	1973	1972
Stocks of Grain		
—Grain purchased for the account of The Canadian Wheat Board valued on the basis of Board prices less freight.....	\$ 64,769,497	\$ 97,159,738
—Owned grain, valued on the basis of cash closing prices or open sales contracts after allowance where necessary for freight (fully hedged).....	67,211,124	29,949,278
Stock in Trade	131,980,621	127,109,016
—valued at the lower of cost and net realizable value, or on the basis of open sales contracts.....	10,460,776	9,881,340
	<u>\$142,441,397</u>	<u>\$136,990,356</u>

3. Accounts Receivable — Deferred

In prior years full provision of \$804,173 had been made for possible loss in collection of deferred patronage loans receivable from Western Co-operative Fertilizers Limited. Due to the profitability of the operations of this company during the current year, an amount of \$204,173 has been reinstated and reflected in the statement of combined operations. This adjustment results in the total investment being valued on a basis which approximates the company's share of the underlying equity in Western Co-operative Fertilizers Limited.

4. Investments and Memberships

Included in investments and memberships are investments in XCAN Grain Ltd. and Pool Insurance Company, joint ventures with other co-operatives. The equity of the company in the net assets of these joint ventures is in excess of cost.

5. Fixed Assets

Provision for depreciation has been made for a full year on all depreciable assets in use at July 31, 1973 by the diminishing balance method at rates allowed under income tax regulations.

6. Bank Loans

Bank loans are secured by assignment of accounts receivable,

inventories, conditional sales contracts, and fire insurance policies, and by guarantee of Saskatchewan Pool Elevators Limited.

7. Long Term Liabilities

The First Mortgage Debenture Loan of \$11,925,000 plus \$1,325,000 included in current liabilities represents borrowings from Saskatchewan Co-operative Credit Society of \$8,250,000 and Co-operative Fire and Casualty Company of \$5,000,000, bearing interest at 7¼% and repayable at 10% per year commencing August 1, 1973 with the balance repayable August 1, 1980. The debenture is secured by an unregistered land mortgage and a registered chattel mortgage on Industrial Division properties in Saskatoon and by the hypothecation of Western Co-operative Fertilizers Limited bonds in the principal amount of \$8,000,000.

8. Capital

The following statement shows the changes in Capital account during the year ended July 31, 1973:

Balance at July 31, 1972		\$49,406,840
Add: New shares allotted.....	\$ 11,902	
Allocated from 1971-72 earnings — net.....	10,823,030	10,834,932
Less: Purchased from eligible categories	\$ 2,228,953	\$ 60,241,772
Address unknown — cancelled —net	33	2,228,986
		<u>\$ 58,012,786</u>

By resolution of Delegates, Authorized Capital was increased from \$60,000,000 to \$80,000,000 during the year.

9. Commitments, Guaranties, and Contingent Liabilities

As at July 31, 1973, capital commitments to October 31, 1973 totalled \$4,634,600.

The company has guaranteed a bank loan of XCAN Grain Ltd. to a maximum of \$125,000.

Subsequent to July 31, 1973, the company guaranteed borrowings of Western Co-operative Fertilizers Limited to a maximum of \$2,000,000.

There is a liability of undetermined amount in connection with unexpired subscriptions to The Western Producer.

Future payments to the Employees' Retirement Plans in respect of past services have been actuarially determined to be \$6,027,465 and are required to be made in varying amounts over the next 19 years. During the year under review, payments totalling \$582,751 were made to the Plans. Approved amendments to the Retirement Plans which became effective August 1, 1973 will require additional payments in respect of past services of \$78,413 each year for the next 19 years, which aggregate \$1,489,847.

STATEMENT OF COMBINED OPERATIONS (YEAR ENDED JULY 31, 1973)

	1972-73	1971-72
REVENUE FROM SALES AND SERVICES	\$642,105,623	\$472,659,184
COST OF SALES AND SERVICES	604,229,011	441,655,219
	<u>\$ 37,876,612</u>	<u>\$ 31,003,965</u>
SELLING AND ADMINISTRATIVE EXPENSES	17,743,818	14,654,966
NET EARNINGS FROM OPERATIONS	<u>\$ 20,132,794</u>	<u>\$ 16,348,999</u>
NET EARNINGS BY DIVISION		
Country Elevator	\$ 9,977,092	\$ 9,552,809
Terminal Elevator	7,625,436	5,548,574
Farm Service	1,028,985	508,591
Industrial	1,108,982	490,523
Livestock	576,244	446,762
Printing and Publishing	(183,945)	(198,260)
	<u>\$ 20,132,794</u>	<u>\$ 16,348,999</u>
Earnings from Joint Terminal Operations		
Co-op Terminals	1,120,792	506,368
Pacific Elevators Limited	1,178,485	239,191
W.C.F.L. (Note 3)	204,173	(402,087)
CORPORATE NET EARNINGS	<u>\$ 22,636,244</u>	<u>\$ 16,692,471</u>

1973 Annual Meeting



ALLOCATION OF NET EARNINGS

Wheat Pool delegates decided that the net earnings for the year ended 31st July 1973, in the amount of \$22,636,244, be allocated as follows:

Grain:

Patronage dividend at the rate of 5.77c per bushel to be applied in payment of shares allotted pursuant to Article 19 of the Articles of Association of the Company, estimated \$19,748,124

Livestock:

Patronage dividend at the rate of \$1.03 per head for cattle, 59 cents per head for calves, 21 cents per head for hogs, and 31 cents per head for sheep and lambs, to be applied in payment of shares allotted pursuant to Article 19 of the Articles of Association of the Company, estimated..... 540,641

Farm Supplies:

Patronage dividend at the rate of 4.84 per cent of the value of farm supply purchases, to be applied in payment of shares allotted pursuant to Article 19 of the Articles of Association of the Company, estimated..... 966,610

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

Total Patronage Dividend, estimated.....	\$21,255,375
Provision for Income Tax, estimated.....	612,000
Transfer to Unallocated Earnings retained from prior years, estimated	768,869

TOTAL	\$22,636,244
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The delegates said that:

1. The sum of \$2,800,000 be used as required in 1973-74 for the purchase of the equities of members in all eligible categories.
2. A sum of approximately \$1,800,000 be provided for repayment of 50 per cent of the balance remaining in each members' North Vancouver Terminal Loan account.
3. After allocation to shares of the 1972-73 patronage dividend, and payment of withholding tax, a sum of approximately \$2,962,000, representing a 4 per cent purchase of share equity, be paid to all members having a share equity of \$100 or more.

It is noted that an estimated \$1,490,000 will be required to pay, in cash, dividends earned in the year under review by shareholders who have previously qualified to receive repayment of their equity. In addition, an estimated \$2,340,000 will be paid to the Receiver General for Canada as a prepayment of Income Tax on behalf of shareholders whose total dividends earned for the year exceeded \$100.

COUNTRY ELEVATOR DIVISION

Earnings

Net earnings for 1972-73 were \$9,977,092 compared with \$9,552,809 in 1971-72.

Grain Operations

Receipts of grains handled during the crop year totalled 395,925,401 bushels, an increase of 67,784,978 bushels from the 1971-72 crop year. For the second consecutive year, grain marketings and domestic consumption have exceeded production.

Among the several highlights in operations for 1972-73 were records in volumes of grain handled, agent's farm supply sales and earnings for the Division.

Preliminary figures show that the Division handled 67.68 percent of the grain marketed in Saskatchewan during the 1972-73 crop year.

At the beginning of the crop year, Saskatchewan Wheat Pool had 1,027 elevator agents. At year end the number was reduced to 992 by discontinuing dual agent operations at some points.

Non-Board Grains

A program for the production of special crops was initiated in 1971-72 and continued in 1972-73 with favorable results particularly with sunflowers. Efforts will continue to establish Saskatchewan Wheat Pool in this field and it is hoped that long-term arrangements can be established with major users of mustard seed in the future.

Special crop seeds handled in 1972-73 included 707,247 bushels of mustard seed, 38,209 bushels of buckwheat, 222,737 bushels of sunflowers and 5,614 bushels of canary seed.

During the latter half of 1972-73, open markets on flax and rapeseed became very volatile and at times caused great concern in hedging operations. However, the Division was able to continue buying these grains and the operating results were reasonably good.

Rapeseed marketing continues to be a problem because of the operations of two futures markets. The Pool Board of Directors believes farmers would be better served if these grains were controlled by the Canadian Wheat Board.

RECEIPTS AT POOL COUNTRY ELEVATORS

1971-72 and 1972-73

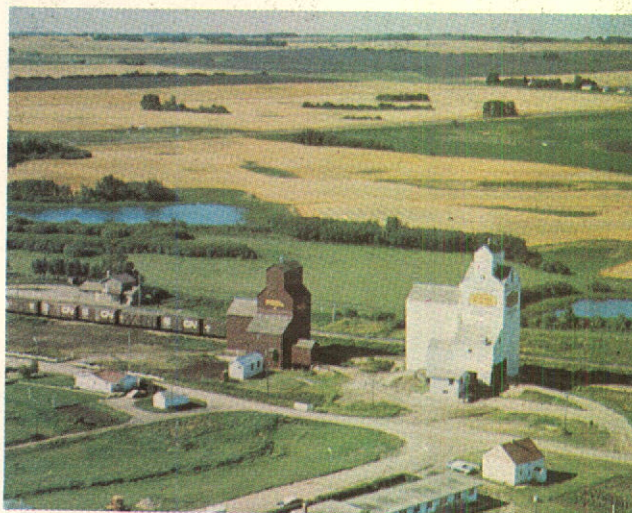
(Thousands of Bushels)

	1971-72	1972-73
Wheat.....	167,245	260,870
Durum	38,239	38,994
Oats	5,234	5,296
Barley	88,198	65,285
Rye.....	5,258	3,010
Flax	6,725	6,544
Rapeseed.....	17,237	14,609
Other Seeds	—	1,317
	<u>328,136</u>	<u>395,925</u>

Elevator Development Program

The introduction of a development plan for the elevator system proved valuable in planning elevator closures and construction. During the year, 42 non-competitive stations were closed and Pool facilities were sold to other companies at 14 stations. Pool facilities closed at three competitive stations. In total, operations were discontinued at 59 stations during the year and \$3,000,000 was spent to upgrade facilities at adjoining stations. The Pool bought facilities from its competitors at 14 stations.





Malting Barley

The volume of malting barley handled set a new record at 11,435,385 bushels compared with the previous high of 6,652,762 bushels last year. Two-row barley constituted the major portion handled.

Selection of barley by companies was as follows:

	Bushels
Saskatchewan Wheat Pool.....	4,720,170
Canada Malting Company.....	4,874,805
Dominion Malting Company.....	1,749,150
Other companies	91,260

11,435,385

Construction

With the heavy movement of grain through country elevators, the volume of work for the Construction Department was greater than in previous years and and some new crews were formed.

New construction completed during 1972-73 included two 95,000-bushel elevators, two 50,000-bushel elevators, two 75,000-bushel annexes, one 100,000-bushel annex and three new dwellings.

Major repairs and improvements to other facilities were also carried out.





Some Pool members inspected Vancouver terminal

TERMINAL ELEVATOR DIVISION

Earnings

Operations resulted in a surplus of \$7,625,436 compared with \$5,548,574 a year ago.

The increase in earnings is attributed to a significant improvement in returns from by-products and from effective processing and merchandising activities. Lower volume and lower elevation revenues were experienced at Thunder Bay, and as well, there were higher operating costs due mainly to higher wages at both Vancouver and Thunder Bay.

Handlings at Co-op Terminals at Thunder Bay, owned jointly with Manitoba Pool and managed by Saskatchewan Wheat Pool, totalled 64,000,000 bushels. Saskatchewan Wheat Pool's share of the earnings was \$1,120,792.

Pacific Elevators, owned jointly with Alberta Wheat Pool and managed by that company, handled 26,000,000 bushels of Saskatchewan Wheat Pool grain. Saskatchewan Wheat Pool received \$1,178,485 as its share of earnings from the operation.

Thunder Bay Operations

It was not possible to utilize the Thunder Bay terminals fully in 1972-73 because of transportation problems. The availability of ocean vessels on the lower St. Lawrence was the main problem. Because of long periods of congestion, rail car unloadings were limited.

Despite these restrictions, a slight increase in percentage of total receipts was achieved and Co-op Terminals were operated to good advantage.

Shipments from Saskatchewan Wheat Pool's Thunder Bay terminals were reduced by 20,500,000 bushels during the crop year and there was a substantial reduction of barley shipments compared to 1971-72.

By-products from the terminals sold from \$40 to \$45 a ton.

Vancouver Operations

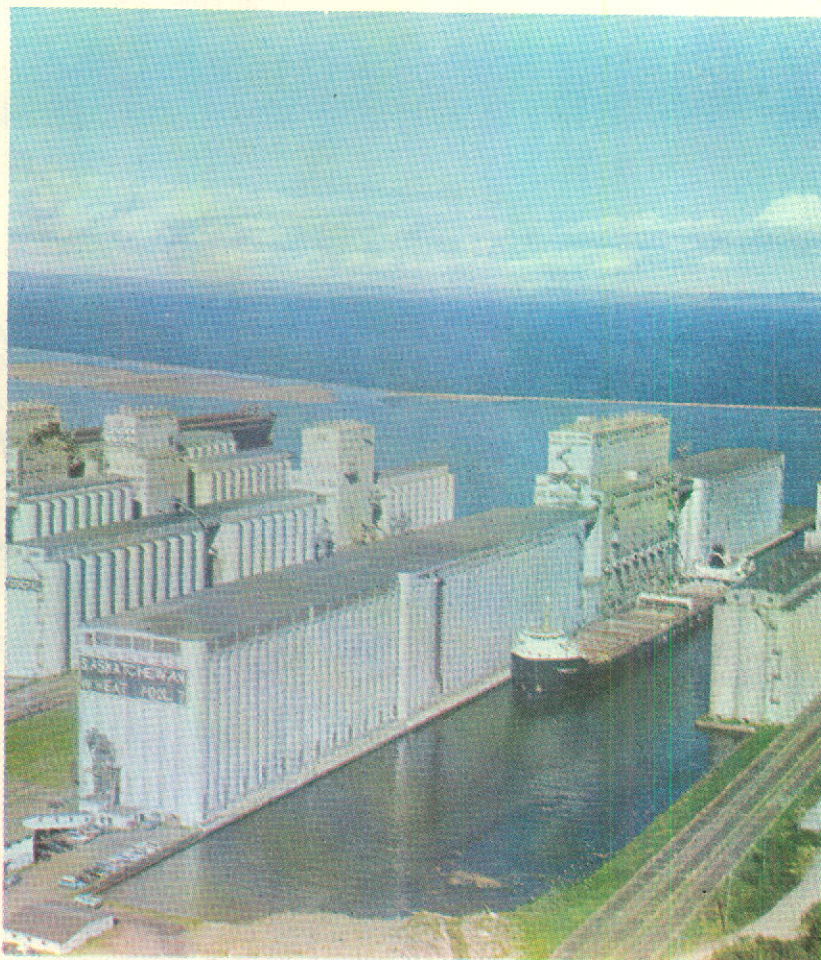
The volume of handlings through the North Vancouver terminal, although slightly in excess of the estimated figure of 70,000,000 bushels, was achieved in spite of continued railway problems. A substantial volume of barley handled during the last two months of the crop year plus the handling of sunflower seeds added to the problem of achieving greater volumes.

To December 31, 1972, Saskatchewan Wheat Pool had unloaded more cars than any other west coast terminal. Railway labor problems on the CNR started early in February 1973 and continued for the balance of the crop year with the result that the plant finished the year with a reduced percentage of total receipts compared with 1971-72.

Although the movement of grain from country elevators was not enough this crop year to result in long periods of pressure on cleaning facilities, it could be the phase of operations that would limit handlings if sufficient cars were spotted for maximum unloads on a continuous basis. Installation of additional cleaners and related structures has been planned when and if the volume warrants.

General

There are many outside influences creating a need for significant capital investments and increased costs of operation at terminal elevators. Some of the factors are environmental regulations, safety codes and health and labor laws. These, along with regular cost increases, have and will continue to create a need for increased handling tariffs.



XCAN GRAIN LIMITED

The operations of XCAN Grain Limited showed a net surplus of \$286,329 for the year under review.

The annual report of XCAN noted that the year under review was characterized by an entirely different set of market conditions from those that prevailed at the time of its formation in 1970. It said the market conditions of 1972-73 made it very difficult for XCAN to increase its volume of handling and violent price fluctuations during the year made trading extremely hazardous. Fortunately, serious trading losses were avoided and an excellent earning was realized.

Within Canada, XCAN continues to be a supplier of western feed grains to Maritime Co-operative Services Limited and to play a role through other eastern Canadian co-operatives in the domestic feed grain market.

Although XCAN was established in a period of surpluses and sagging markets with the primary objective of maximizing the sale of Canadian grains and oilseeds internationally, the very excellent financial results of the past year's operations served to demonstrate the important direct economic advantage which can accrue to XCAN's producer-owners through the use of their own export organization.





INDUSTRIAL DIVISION

Operations

Combined operating results of the Flour Mill, Oil Mill, and Mill Elevators resulted in a surplus of \$1,108,982 compared to \$490,523 in 1971-72.

Improved earnings were achieved because of maximum utilization of the new oil plant and improved prices for rapeseed meal, mill feeds and export seed. Offsetting the favorable factors were general cost increases and lower world prices for vegetable oils.

Flour Mill

Sales declined during 1972-73 because of lower export sales that could only be partly offset with increased sales in the domestic market.

Wheat processed was of generally good quality, although of lower protein. It was necessary to change milling procedure to accomplish better protein recovery and these changes have both enhanced the value of the product and its quality.

Pelleting operations added significantly in diversifying sales of by-products and in utilization of screen-

ings. Sixteen thousand tons of mill feeds and 11,000 tons of rape meal were pelleted. Extensive sales of millfeed pellets were made to Japan at higher prices than were available in the domestic market.

Oil Mill

Throughout the year, the new plant encountered problems in maintaining continuous operation because of minor "working in" adjustments. Improvements are expected in the current year.

Almost all of the rapeseed processed during the year was of the low erucic variety.

For the first time, the industry entered into serious export of rapeseed products during the year. This development can alter the pattern of the industry.

The freight rates case on rapeseed products resulted in improvement in rapeseed meal rates, no improvement in the domestic oil rates, and little change in export rates. This became a landmark case for western agricultural processing and, following the interim judgement, the question is still being pursued by the provincial governments and the industry.

Sales

Total sales during the year represented 77.5 per cent of the maximum capacity of the plant and actually almost all of the available capacity not used for maintenance and repairs was utilized.

Mill Elevators

Protein testing of street deliveries of wheat began. The system will be worked on further and consideration given to faster testing equipment.

Another first has been established in introducing a mini-computer to handle the 12 to 15 thousand cash tickets handled per year by the Division.

Street Receipts and Handling

Direct purchasing of both wheat and rapeseed were higher than the previous year rising to 4,270,000 bushels. Total handlings were over 7.5 million bushels or about 10 times effective capacity of the elevators.

Gristing receipts were down sharply, primarily due to better farm income and open quotas, combined with a situation where gristing was unfavourable during much of the year due to the \$1.95½ price for domestic wheat.

Elevator Sales

A major contract to supply low erucic acid for export was undertaken at the beginning of the last crop year. This long-term contract proved to be favourable in terms of returns and steady operations.



LIVESTOCK DIVISION

Operations

Operations resulted in a surplus of \$576,244 compared to \$446,762 for 1971-72.

Volume handled by the Division set a new record with dollar sales reaching \$223,000,000. The increase is credited to more cattle being marketed and a 30 percent increase in the value of livestock. During October and November, 1972, most of the yards operated beyond their capacity when over 200,000 head were handled.

Cattle Marketing

The Pool livestock yards in Saskatchewan handled 619,063 head of cattle in 1972-73, an increase of 81,866 head from 1971-72. The Pool handled about 46.5 percent of the cattle marketed in Saskatchewan.

The Pool policy used to maintain prices was applied to 156,032 head and resulted in a net surplus of 21.2 cents per head. This policy is an essential tool to ensure conformity between Pool markets and other Canadian terminal markets, as well as United States' markets, to the benefit of producers.



Hog Marketings

Hog marketings at Pool yards for the year were 205,196 head. This is slightly less than the volume handled last year.

The Division worked closely with the new Saskatchewan Hog Marketing Commission and following the year end, the Division role became one of assembling and, in some cases, trucking.

Feeder Finance Program

During 1972-73, the Pool Feeder Finance Program financed the purchase of 74,666 cattle with a dollar value of \$18,241,688. The program reached a peak of \$9,087,207 in July, 1973 as compared with an average monthly balance of \$6,988,318 for the year. Purchases during this season exceeded sales by 2,880 head and leaves the year-end cattle on hand at 39,274.

Facilities

The construction program during 1972-73 was centered around a new market in Yorkton, which was completed in April. The Moosomin sales yard was also purchased and operated for a full year and at year end, construction had begun at Kindersley on a new yard to accommodate increased volume. The new Yorkton yards will be a tremendous improvement and Moosomin, although newly acquired, has more than exceeded expectations.

4-H Sales

In line with company policy, the Division again took a very active part in attending and supporting 4-H sales. The Division purchased 494 calves at 35 various 4-H sales.



FARM SERVICE DIVISION

Operations

Operations resulted in a surplus of \$1,028,985 for the year compared with a surplus of \$508,591 for the 1971-72 season.

Sales

Sales of \$23,901,105 during the year represent a 38 percent increase from the previous record high set in 1971-72. Improved cash flow and prospects for better markets encouraged farmers to buy more production inputs, particularly fertilizer and chemicals.

SALES VOLUME

	1971-72	1972-73
Fertilizer	\$ 4,032,881	\$7,484,575
Chemicals	5,587,103	6,637,809
Livestock Supplies	827,803	1,586,850
Cereal Seed and		
Forage Seed	4,003,496	4,639,277
Misc. Equip. & Service....	1,923,829	2,087,799
Twine	649,120	1,168,986
Alfalfa Meal	—	—
Sundry.....	295,182	295,809
	<u>\$ 17,319,414</u>	<u>\$23,901,105</u>

During the year, a branch outlet was opened at Melville, the third in the system. It serves as a supply depot for 20 elevator points adjacent to Melville.

Major expansion projects at Regina, Prince Albert, Saskatoon and Moose Jaw are currently under study or construction. Additional outlets, improved warehousing, bulk fertilizer facilities, and improved delivery and handling equipment will be necessary to provide the kind of service demanded by an increasingly complex and automated agricultural industry.

Fertilizer Marketing

Fertilizer sales of 73,460 tons established an all-time high for Saskatchewan Wheat Pool and is an increase of 70 percent over the previous year. It is estimated that the Division sold 34.7 percent of the 212,000 tons marketed in Saskatchewan during 1972-73.

Chemical and Livestock Products Marketing

Excellent sales of nearly all chemicals and livestock products were achieved during the year under review. Seed treatment sales increased for the third consecutive year largely as a result of increased incidence of wireworms over the past two years. A second season of substantial Bertha armyworm infestations in rapeseed crops in 1972 combined with a grasshopper epidemic during the spring and summer of 1973 resulted in insecticide sales in excess of \$1,000,000 for the second year in a row.



Wild oat control chemicals continued to be the herbicide line showing the most dramatic sales increase during the 1972-73 season.

During the year, substantial growth continued in the three major livestock product lines of animal health, feeds, and livestock equipment.

Twine sales were very good during the season, the result of a higher than normal yielding hay crop and some pre-purchasing to avoid expected higher prices.

Seed Marketing

Seed sales of \$4,639,277 represent a 16 percent increase over the last year. Forage seed sales made up 43 percent of the total sales and are 74 percent higher than the previous year. About 67 percent of the total cereal sales were made in bulk form.

Technical Services

Activities generally were of three types: day-to-day consultation with Division people, supporting on-going marketing activities, and the investigation of new products or services which promise to be of value to Saskatchewan farmers and the Pool.

Wild oat control projects were extensive.

The seed testing laboratory, located at the Moose Jaw Farm Service Centre, handled nearly 15,000 seed samples. Eighteen percent had low germination, mainly due to frost damage.



WESTERN CO-OPERATIVE FERTILIZERS LIMITED

Sales of 320,053 tons of product were made during the year which included 64,747 tons that were purchased from other manufacturers.

Preliminary retail sales figures for the three prairie provinces estimate total sales at 954,000 tons of fertilizer. If these figures are accurate, the co-operative share of the market in 1972-73 would be 33.5 percent.

It became evident early in the year that fertilizer demand for 1973-74 would far exceed WCFL's production capacity and ability to purchase products from other suppliers. To overcome this problem, changes were made in the present plant to speed operations and increase capacity and the Northwest Nitro Chemicals Plant at Medicine Hat was purchased. The Northwest Plant provides another 130,000 tons of fertilizer a year, however, part of the purchase agreement included a contract to provide 90,000 tons of product a year for the next five years to an American co-operative in Portland.

Production from the two plants in 1974 is estimated at 520,000 tons and WCFL expects to be short of nitrogen fertilizer.

Net earnings of Western Co-operative Fertilizers Limited for the year under review were \$1,700,000.



PRINTING AND PUBLISHING DIVISION

The combined operations of the Printing and Publishing Division resulted in a loss of \$183,945, an improvement of \$14,315 from 1971-72.

Commercial Printing Department

Operations of the commercial printing department resulted in a surplus of \$110,394.

Competition continued to be keen with a result that margins on certain types of work were below desirable levels.

A high level of activity was maintained in most departments. Rising costs of labor, stock and production material were experienced.

The Western Producer

Net paid circulation at July 31, 1973 was 151,032 compared to 148,667 in 1971-72. Circulation increased in all areas except British Columbia.

(The paper celebrated its 50th Anniversary, August 23, 1973.)

Editorial

Day-to-day events and developments in agriculture were thoroughly covered by The Western Producer during the year under review. The topic of orderly marketing of farm products was given greater than usual exposure. Transportation, developments in international grain trade, price changes in farm products, and related matters were given increased attention.

The usual close attention was paid to the affairs of farm organizations with particular stress on proposed changes in Saskatchewan.

There was increased emphasis on the position of the primary producer in food price increases and on the fact that raw food prices were not excessive. The stand was taken that farmers, for too many years, have been the victims of a cheap food policy and that prices had only advanced to levels that would pay operating expenses leaving a minimal return for labor and investment.





CANADIAN CO-OPERATIVE WHEAT PRODUCERS

Events of the last year dramatically illustrate the consequence of having a little too much, or not enough, production to meet demand. As agriculture becomes more heavily capitalized and more closely integrated with the economics of the region, it becomes less able to live with instability.

If the present demand for food can be attributed to growth in high-protein markets created by global prosperity, then farmers in Western Canada may look for unprecedented market stability. If on the other hand, today's market conditions are simply part of a world cyclical problem, farmers may face a return to surpluses and low prices in a very short period of time.

Grain Production in Canada

Canadian wheat production in 1972-73 is estimated at 622 million bushels. Total Canadian production of the six major grains is estimated at about 1,503,000,000 bushels.

Grain Deliveries From Western Canada

Grain delivered from farms in Western Canada totalled 957.4 million bushels in the 1972-73 crop year. This is an increase of 5 million bushels from 1971-72 and was made possible because of the heavy carryover of grain in store on farms.

Canadian Grain Exports

Canadian grain exports set a new all-time high of 823.8 million bushels, an increase of 7.5 million from the previous year.

International Wheat Trade

At the end of July, the International Wheat Council estimated the 1973-74 exportable grain supplies among the 10 leading exporters at 670 million bushels below demand. Based on the best available projections,

importers around the world will be looking for between 2.18 and 2.55 billion bushels of wheat in the new crop year. The 10 leading exporters, on the other hand, are not likely to have more than between 1.88 and 2.33 billion bushels of wheat for sale. Given the best possible crop conditions in wheat growing areas and given good crops of the other food grains such as rice, a small surplus a year from now of about 150 million bushels could result. But if growing conditions are uniformly poor, there could be a shortage of as much as 670 million bushels.

In any case, the carryover at the end of the current crop year in exporting countries will be small. The International Wheat Council estimated that there is just over a billion bushels in all countries, the smallest year-to-year carryover in 20 years.

The Food and Agricultural Organization and a World Food Bank

An effort is underway through the Food and Agricultural Organization of the United Nations to establish a sort of world food bank. FAO has been involved in such schemes for 25 years without success. This past year, with shortages and soaring food prices, inflation and confused farm policies, FAO has re-introduced the subject with a new sense of urgency.

The U.S. and Canada still have a tremendous capacity to supply the world's breadbasket but in other countries agricultural development has been disappointing.

Traditionally, Canada and the U.S., by piling up surplus stocks, have been able to meet most of the world's demand for grains on the commercial market and on the aid market which is becoming increasingly recognized.

SECRETARIAL DIVISION

Research

The Division was involved in a wide range of projects relating to policy issues, commercial operations, and communications.

It assisted with briefs and submissions to federal and provincial government agencies on a variety of topics. Among special projects were those related to rapeseed marketing, the future grain handling and rail transportation system, delegates' policy manual, and a Western Producer supplement pertaining to 1973 seeding.

The Division maintains a research and educational library and administers the organization's scholarship and bursary program.

Publicity & Advertising

Among major study and writing assignments were the federal government's domestic feed grains marketing program, rapeseed marketing, and the transportation and handling question.

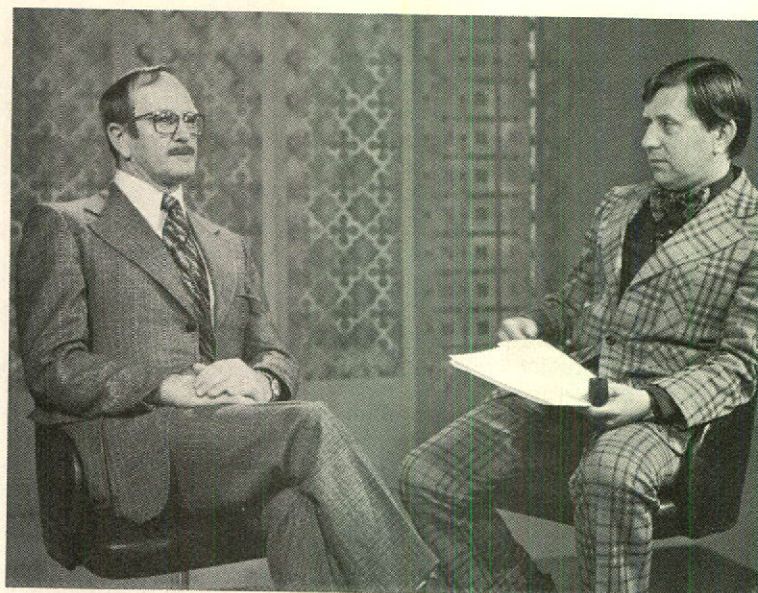
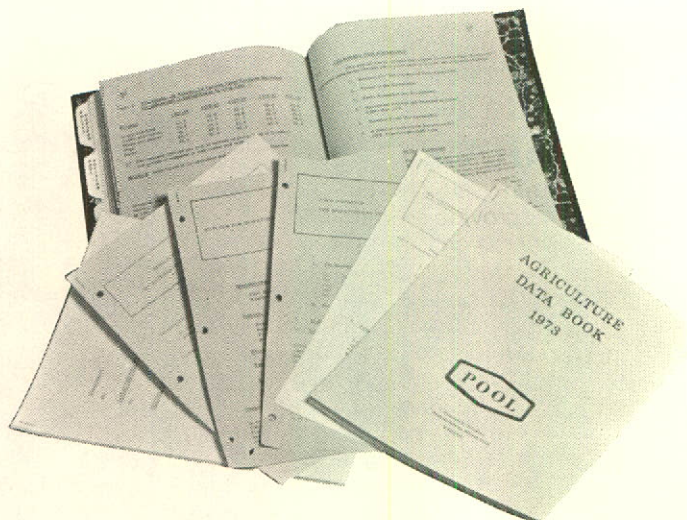
Press releases numbered 338 compared with 276 in 1971-72. Pool material in The Western Producer took up the equivalent of 30 pages.

The Division hosted numerous visiting delegations that were sponsored by the Canadian Wheat Board or by governments of various countries.

Extensive advertising was carried out in diverse publications to highlight the Pool as an important farm policy organization.

The Division continued its regular radio and television programs during the year and according to surveys, the programs reach more than half Saskatchewan's population on a regular basis.

Several publications were issued.



Extension

The Division worked closely with Wheat Pool Committees and other Divisions of the Pool throughout the year in implementing a development plan for the future country elevator system.

A special effort was made to increase member participation in the Pool control structure and policy decisions and to encourage the participation of youth.

Thirteen new committees were organized during the year at single elevator points that had previously been served by Federal Grain. Thirty-one committees were disbanded during the year leaving a total of 881 committees at July 31.

Ten newsletters were sent to local committees during the year in order to assist committee members to carry out their work at the local point.

The Division was involved in eight youth seminars. A number of districts experimented with weekend seminars for young farm couples. The purpose varied according to the interests of the groups. In all cases, however, the people involved had adopted farming as a career and were interested in looking at the relevance of co-operatives and farm organizations to their needs.

Several fieldmen conducted sessions for high school history or economics classes. These were arranged through the local principals and teachers.



PERSONNEL AND ORGANIZATION

The Personnel and Organization Division continues to provide assistance to all Divisions in (a) matters of recruitment and placement of staff, (b) organization, planning and development, (c) design and implementation of employee compensation and benefit programs, and (d) co-ordination of the Company's industrial relations programs.

The Division is also responsible for the administration of the office services function.

During the year, a Safety Department was established because of the many demands placed on the company by the Canada Labor Safety Code and the Saskatchewan Occupational Health Act.

At July 31, 1973, Saskatchewan Wheat Pool had 4,027 employees in regular employment.

CORPORATE ENGINEERING

During the year under review, the Pool Board of Directors approved development of a Corporate Engineering Division in Saskatchewan Wheat Pool.

The role of the Division is to provide leadership and technical guidance in planning and development of overall policy standards and programs in corporate engineering. It is also to provide guidance and leadership to operating divisions in assessing planning, developing, and constructing facilities to meet present and future operating needs. The Division also provides engineering expertise in evaluating and assessing the feasibility of proposed, new, or expanded facilities.

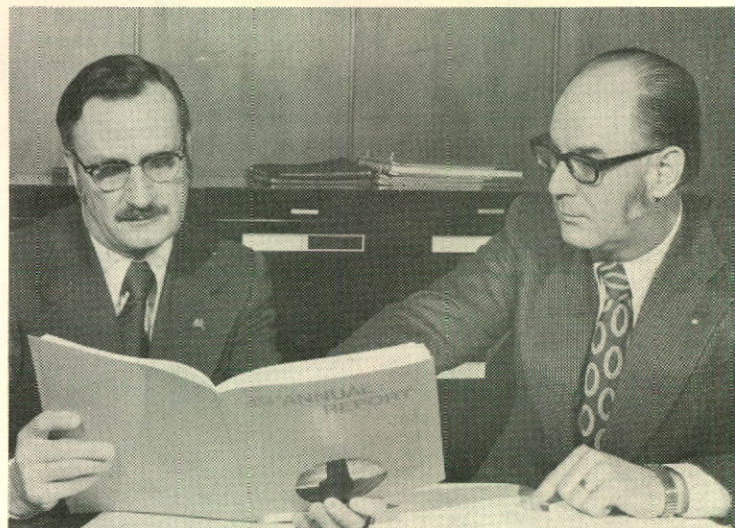
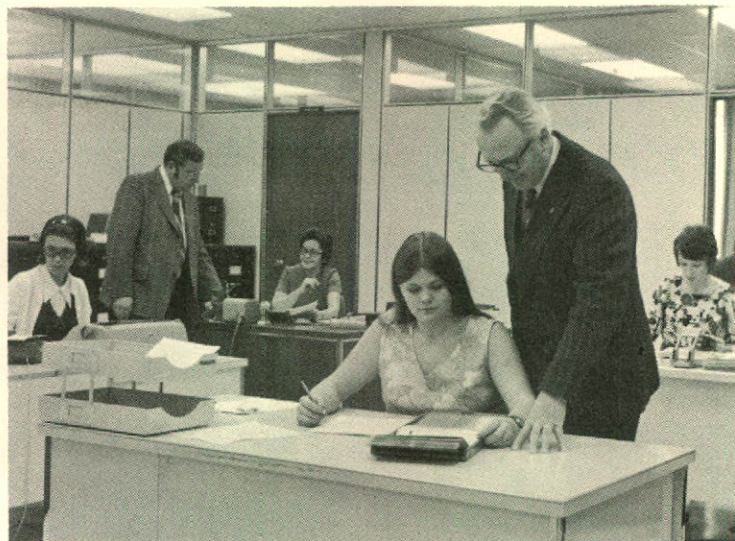
The corporate engineer works closely with operating management personnel and the engineers in the various Pool divisions.

TREASURY

The aim of the Division is to assist in the development and maintenance of sound corporate financial policies and to provide for an effective system of accounting, budgeting and financial analysis. In order to achieve this aim, the following objectives have been developed:

- (1) to develop and supervise long and short-term financial plans and programs to meet the organization's requirements;
- (2) to develop and maintain the Pool's accounting records to provide budgetary control and accurate timely information to facilitate formulation of sound policies and decisions;
- (3) to direct and supervise preparation of financial statements for submission to the Board of Directors and the annual meeting of delegates;
- (4) to ensure the safeguarding and control of the organization's funds and other assets;
- (5) to select and develop a competent staff.

Financial planning for the organization was extremely difficult in the year under review because of the dramatic fluctuations in commodity markets, increased interest rates, and fluctuations in requirements of financing due to grain delivery patterns.



SASKATCHEWAN WHEAT

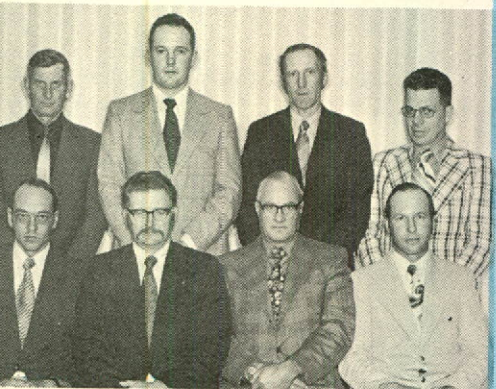
1972



District 1

back row, from left—
Warren Hjertaas, Wauchope;
Douglas Wilmot, Carnduff;
Raymond Luterbach, Lampman;
Ray Walton, Benson

front row, from left—
Douglas Bryson, Estevan;
Harold Vochting, Tribune;
Erling Johnsrude, Weyburn;
Harold Crossman, Stoughton



District 2

back row, from left—
T. C. Jacques, Khedive;
Gerald Muldoon, Crane Valley;
Kenneth Elder, Coronach;
Oswald O'Neill, LaFleche

front row, from left—
Gary Gording, Rockglen;
Orville Dahl, Viceroy;
James Lindsay, Limerick;
Jay Larsen, Radville



District 3

back row, from left—
Herbert Anderson, Shaunavon;
Gene Busse, Eastend;
Hugh McDonough, Cadillac;
Charles Rapley, Climax

front row, from left—
Verner Ross, Hazenmore;
Gustave Anderson, Val Marie;
R. A. Thomson, McCord;
George Murphy, Neville



District 4

back row, from left—
Clifford Murch, Lancer;
Hilbert Yackel, Leader;
George Toews, Waldeck;
Arthur Myroli, Fox Valley

front row, from left—
R. W. Benjamin, Swift Current;
J. A. Anderson, Cabri;
Donald MacKay, Swift Current;
Vernon Sawby, Maple Creek



District 5

back row, from left—
Allan Grigg, Moose Jaw;
Edward Bowler, Palmer;
Homer Beach, Ermdorf;
Darl Hicks, Marquis

front row, from left—
George Schmidt, Hodgeville;
Avery Sahl, Mossbank;
Robert Langdon, Moose Jaw;
Bowyer Bradford, Central Butte



District 6

back row, from left—
J. W. Russell, Craven;
Herbert Wilke, Yellow Grass;
Harold Nicholson, Abernethy;
Wesley Brunskill, Pense;
Roger Gray, Indian Head

front row, from left—
Robert McKell, Regina;
A. P. Kambeitz, Sedley;
J. M. Hubbs, Milestone;
Stanley Petruic, Avonlea



District 7

back row, from left—
Robert Johnson, Corning;
Edwin Knuttila, Rocanville;
Neil McConachie, Wawota;
Verner Freed, Dubuc;
Stephen Pask, Atwater

front row, from left—
Lloyd Merkel, Broadview;
Regis Ferraton, Montmartre;
Garfield Stevenson, Whitewood;
Wesley Glydon, Kipling



District 8

back row, from left—
Maurice Kostichuk, Insinger;
Donald Sklaruk, Canora;
James Harasen, Wroxton;
Eddy Selland, Melville;
Carl Lukey, Norquay

front row, from left—
Elmer Sjolie, Sturgis;
William Schutz, Saltcoats;
T. W. Wood, Yorkton;
Peter Horkoff, Kamsack

POOL DELEGATES

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District 9

back row, from left—
Donald McMartin, Elfros;
Milton Ewart, Drake;
J. M. Olafson, Dafoe;
Stanley Klus, Ituna;
Russell Young, Cymric

front row, from left—
W. A. Day, Bulyea;
Harry Baan, Punnichy;
Hugh McLeod, Leross;
Brock Turner, Cupar



District 10

back row, from left—
Paul Paulsen, Hanley;
Kenneth Elder, Simpson;
P. D. Wensley, Wiseton;
D. A. Murray, Young

front row, from left—
Roy Bristow, Strongfield;
Donald Baxter, Beechy;
Donald Lockwood, Regina;
Gilbert Robbins, Laura



District 11

back row, from left—
Robert Thomson, Alsask;
Wayne Nargang, Kindersley;
Gary Mack, Dodsland;
Ray Howe, Eston;
George Siemens, Fiske

front row, from left—
Robert Greer, Sovereign;
Walter Kumph, Smiley;
William Marjerrison, Elrose;
Melvin Egeland, Kyle



District 12

back row, from left—
Earl Ternan, Luseland;
Donald Wallace, Unity;
Larry Bingham, Cut Knife;
Cletus Scherman, Battleford

front row, from left—
Ronald Gartner, Macklin;
Aubrey Wood, Ruthilda;
Francis Barnsley,
Rivercourse, Alta.;
Chris Haas, Landis



District 13

Ervin Wiebe, Langham;
George Burton, Humboldt;
Richard Gerwing, Lake Lenore;
John Kurysh, Vonda;
Bernard Mundell, Leroy;
Albert Thoen, Viscount

front row, from left—
George Wilson, Saskatoon;
Stuart Smith, Allan;
Joseph Buchinski, Cudworth;
Kenneth Bunn, Perdue



District 14

back row, from left—
Leo Hleck, Codette;
F. G. Adames, Tisdale;
Glen Bone, Tisdale;
Lloyd Loyns, Lac Vert;
Archie Groat, Melfort;
Harold Yelland, Porcupine Plain

front row, from left—
Harry King, Quill Lake;
Gordon South, Melfort;
Sydney Joseph, Hudson Bay;
Glen Lowndes, Kelvington



District 15

back row, from left—
Robert Riekman, Rosthern;
Leonard Parker, Choceland;
Colin Belt, Spruce Home;
Leroy Larsen, Canwood;
Dennis Banda, Marcelin;
Neil Hazelwood, Prince Albert

front row, from left—
Lorne Hansen, Weldon;
Harry Bastness, Hagen;
William Marshall, Regina;
F. J. Myers, Meath Park



District 16

back row, from left—
Gordon Ross, Paynton;
Rosaire Ouellette, Spiritwood;
G. R. Warrington, Mervin;
Leonard Weber, Vawn;
Alan Harbin, Lastburn

front row, from left—
W. N. Stroman, Meadow Lake;
E. K. Turner, Regina;
Y. M. Kotyk, Richard;
Frank Seidle, Medstead

SASKATCHEWAN WHEAT POOL

Country Elevator Division

Schedule of Handling Charges — 1927-1974

Year	Wheat	Oats	Barley
1927-28*	c	c	c
1928-29*	4	3	4
1929-30*	4	3	4
1930-31*	4	3	4
1931-32	4	3 1/2	4
1932-33	4	3 1/2	4
1933-34	4	3 1/2	4
1934-35	4	3 1/2	4
1935-36**	4 1/2	-	-
1936-37	4	3 1/2	4
1937-38	5 1/2	4 1/2	5 1/2
1938-39**	5	4	5
1939-40**	5	4	5
1940-41**	5	4	5
1941-42**	5	4	5
1942-43	3	2 1/2	3
1943-44	3	2 1/2	3
1944-45	1	1	1 1/2
1945-46	3	3	3 1/2
1946-47	3	4	4 1/2
1947-48	3 1/2	5	6
1948-49	4 1/2	4 1/2	5 1/2
1949-50	4 1/2	3 1/2	4 1/2
1950-51 to	4 1/2	3 1/2	4 1/2
1951-52 to	4 1/2	3 1/2	4 1/2
1952-53 to	4 1/2	3 1/2	4 1/2
1953-54 to	5	3 3/4	4 3/4
1954-55	4 1/2	3 1/2	4 1/2
1955-56	4 1/2	3 1/2	4 1/2
1956-57	4 1/2	3 1/2	4 1/2
1957-58	4 1/2	3 1/2	4 1/2
1958-59	5 1/4	4	5 1/4
1959-60	5 1/2	4 1/4	5 1/2
1960-61	5 3/4	4 1/2	5 3/4
1961-62	5 3/4	4 1/2	5 3/4
1962-63	5 3/4	4 1/2	5 3/4
1963-64	5 3/4	4 1/2	5 3/4
1964-65	5 3/4	4 1/2	5 3/4
1965-66	5 3/4	4 1/2	5 3/4
1966-67	5 3/4	4 1/2	5 3/4
1967-68	5 3/4	4 1/2	5 3/4
1968-69	5 3/4	4 1/2	5 3/4
1969-70	5 3/4	4 1/2	5 3/4
1970-71	5 3/4	4 1/2	5 3/4
1971-72	5 3/4	4 1/2	5 3/4
1972-73	5 3/4	4 1/2	5 3/4
1973-74	6 1/4	5	6 1/4

*Saskatchewan Pool charges during Pooling years.

**In these years, handling charges for Canadian Wheat Board grain differed from charges on open market grain. The higher figure has been selected in all cases.

Country Elevator Facilities and Handlings

Year	Number at August 1	Storage Capacity Millions	Total Handlings (000)
1924-25			50,251
1929-30	1,048	35.4	85,447
1934-35	1,082	36.5	53,777
1939-40	1,093	38.1	117,357
1944-45	1,135	64.4	159,817
1949-50	1,163	63.2	122,918
1954-55	1,142	75.0	132,939
1959-60	1,146	84.6	145,835
1964-65	1,224	89.7	197,366
1969-70	1,226	98.4	178,980
1970-71	1,198	92.1	218,681
1971-72	1,726	125.4	328,136
1972-73	1,665	123.2	395,925

Distribution of Earnings From Grain 1951, 1973

Year	Savings Credited To members (c)	Repaid to Members in Cash (c)
1951-52	3.25 per bushel	1
1952-53	3	1
1953-54	2.44	1
1954-55	2.5	1.25
1955-56	2.19	1
1956-57	2.33	.5
1957-58	.3	1
1958-59	3.5	1
1959-60	2.6	1
1960-61	3.1	1.3
1961-62	2.25	.65
1962-63	3.5	1.5
1963-64	4.15	-
1964-65	2.1	-
1965-66	3.89	-
1966-67	3.19	-
1967-68	.16	-
1968-69	-	-
1969-70	1.66	-
1970-71	4.24	4% of member equity
1971-72	4.72	4% of member equity
1972-73	5.77	4% of member equity

CANADIAN WHEAT BOARD PAYMENTS

Initial Final Total

Wheat — (No. 1 Northern Basis Lakehead)

1967-68	\$1.70	.114	1.814
1968-69	1.70	-	-
1969-70	1.50	.072	1.572
1970-71	1.50	.171	1.671
1971-72 (1 C.W. New Grading System)	1.46	.136	1.596
1972-73 (1 C.W. New Grading System)	1.76	-	-

Oats — (2 C.W. Basis Lakehead)

1967-68	.60	.175	.775
1968-69	.65	-	-
1969-70	.60	.98	.698
1970-71	.60	.08	.68
1971-72	.60	.08	.68
1972-73	1.10	-	-

Barley — (1 Feed Basis Lakehead)

1967-68	.97	.038	1.008
1968-69	.97	-	-
1969-70	.93	.21	.951
1970-71	.81	-	-
1971-72	.96	-	-
1972-73	1.50	-	-

LIVESTOCK DIVISION HANDLINGS

Saskatchewan Wheat Pool

Year	Cattle & Calves	Hogs	Sheep
1960-61	348,714	142,522	21,077
1961-62	391,644	178,944	25,851
1962-63	388,140	95,491	24,146
1963-64	393,478	115,111	23,319
1964-65	500,353	104,443	21,336
1965-66	583,719	103,344	17,157
1966-67	548,846	129,872	15,302
1967-68	585,870	165,260	18,499
1968-69	520,379	150,983	19,714
1969-70	489,016	171,975	14,903
1970-71	498,513	237,753	12,094
1971-72	588,764	216,577	14,618
1972-73	669,145	205,196	12,774

EXPORTS OF ALL GRAINS AND WHEAT FLOUR

(millions of bushels)

	1972-73	1971-72
Wheat	552.8	478.1
Flour	25.4	24.7
Wheat and Flour	578.2	502.8
Oats	6.7	10.2
Barley	156.8	224.3
Rye	8.2	10.8
Flaxseed	19.6	25.7
Rapeseed	54.1	42.6

TOTAL 823.6 816.4

Sources: Canadian Grain Commission, Exports of Canadian Grain and Wheat Flour.

EXPORTS OF CANADIAN WHEAT TO MAJOR IMPORTERS, 1971-73

(millions of bushels)

	1972-73	1971-72
China	144.1	100.0
U.S.S.R.	147.9	91.3
Japan	50.6	50.2
Britain	43.3	46.5
India	16.1	23.0
Others	90.8	103.4
TOTAL	492.8	414.4

Sources: Canadian Grain Commission, Exports of Canadian Grain and Wheat Flour.



SASKATCHEWAN WHEAT POOL

AIM:

To be a farm organization dedicated to the improvement of the social and economic conditions of Saskatchewan farm families.

OBJECTIVES:

1. To maintain a democratic structure which provides a forum for the development and promotion of agricultural policies.
2. To increase general understanding and knowledge of co-operative philosophy and to assist in the development of the Co-operative Movement in all its phases.
3. To maintain a well-informed membership through educational and informational programs dealing with all aspects of agricultural production and marketing.
4. To promote and develop markets at adequate prices for the products of Saskatchewan farms.
5. To promote and provide co-operative and other services required by farmers in the production and marketing of agricultural products, thereby reducing speculation, manipulation and waste.
6. To create working conditions and training opportunities in which staff members will be encouraged to grow and develop with the organization.

PHOTO CREDITS:

GIBSON PHOTOS, Saskatoon.

Also, Armadale Productions, Regina and Peterborough Postcard Company, Peterborough, Ontario, Saskatchewan Department of Agriculture.

On June 26, 1974, Saskatchewan Wheat Pool will have served the farmers of this province for 50 years.

We believe Saskatchewan farmers can take pride in what their organization has done for our province's basic industry. Saskatchewan Pool is an example of what free people can accomplish, in fairness and dignity, by application of the democratic principles of co-operation.

Building further on the sound base of co-operative ideals, the member-owners of Saskatchewan Wheat Pool are confident of even more achievements in our second half-century.

The Pool is determined to press on, to a brighter and more secure future for all Saskatchewan farm families.



1974 ... OUR 50th ANNIVERSARY