

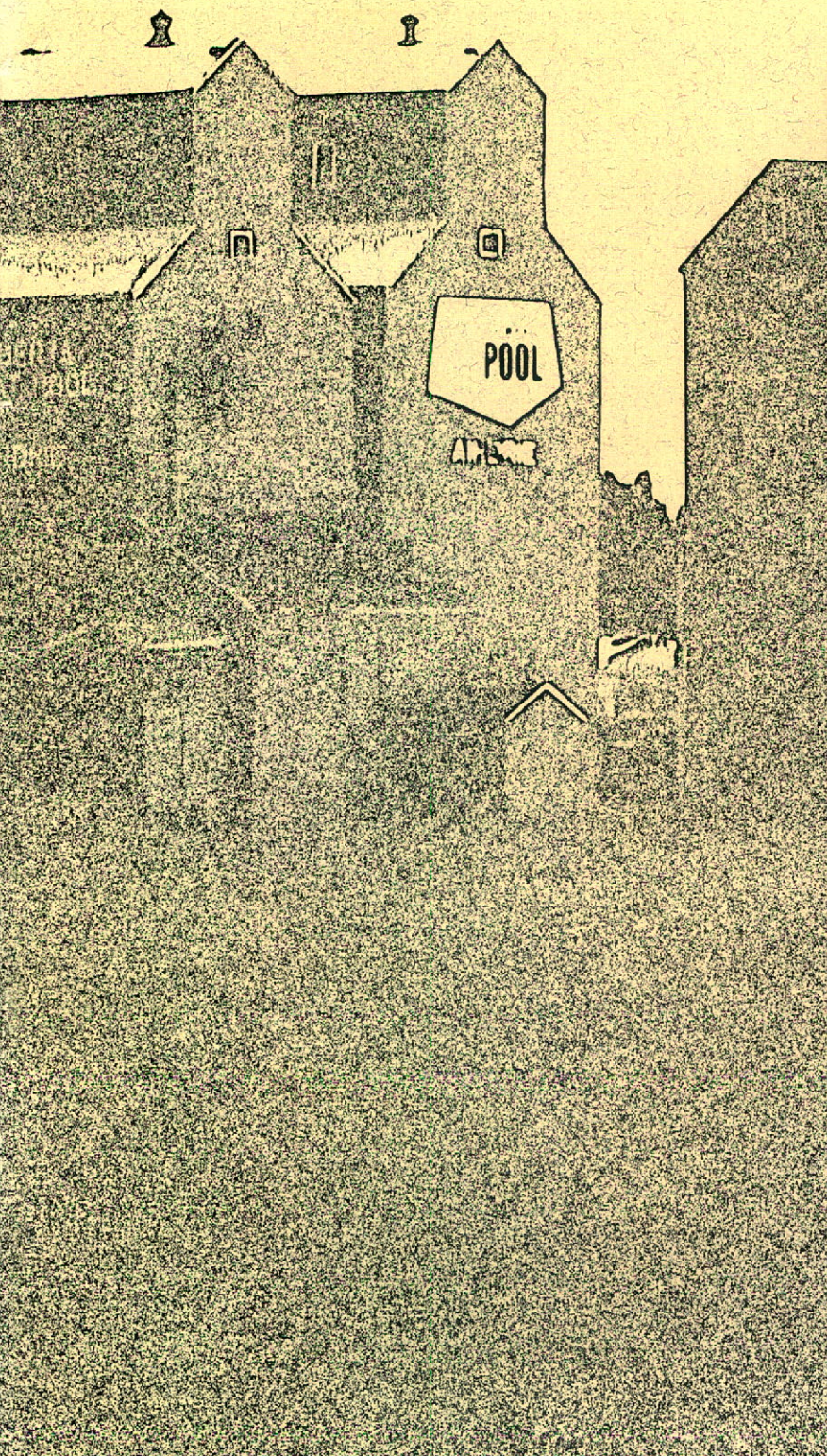
REPORT

Annual

Alberta Wheat Pool

C  
1992

# Alberta Pool



*A Farmer-owned Cooperative*





*Together, our Mission is to competitively produce, process and aggressively market diverse, world-class agricultural products, and to respond to the changing demands of our customers and our environment with integrity so we share in an enhanced social and economic future.*

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Someone once said, *"the only thing that's constant is change."* The environment which Alberta Pool and its 58,000 farmer-members found themselves in during 1991/92 gives credence to this statement. Our entire year was characterized by change. Changes in the agricultural economy precipitated changes on the farm, and in turn, changes in the management and operation of Alberta Pool. This year's Annual Report highlights our response to the changing times and our commitment to effectively manage change for the benefit of our farmer-members, their organization, our customers and our staff.

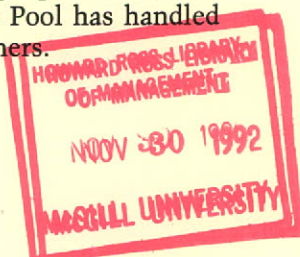


Alberta Pool is a farmer-owned cooperative. It handles grain as an agent of the Canadian Wheat Board and markets grain, oilseeds and specialty crops for its farmer-members both domestically and internationally. A broad range of farm supplies and services is offered to farmers through Pool agro centres and elevators.

Alberta Pool is a world leader in developing grain handling technology and has introduced new, improved crop varieties to benefit farmers and develop new markets. Through its ownership of Prairie Sun Grains Ltd. of Camrose and a 50 percent ownership in Drummond Brewing Company Ltd. of Red Deer, Alberta Pool also plays an active role in the value-added food industry in the province.

For over 65 years, Alberta Pool has made a significant contribution to the rural economy of Alberta. As the province's largest cooperative, Alberta Pool contributes to the provincial economy by paying over seven million dollars in taxes annually to local communities and also issues almost one billion dollars annually to farmers who deliver grain to Pool facilities.

Organized in 1923, Alberta Pool today has 58,493 members and employs 1,461 people in Alberta, northeastern British Columbia, Vancouver and Winnipeg. Since its creation, the Pool has handled approximately 172 million tonnes and returned \$359 million to its member-owners.



## Highlights and Comparisons

	1992 (\$000's)	1991 (\$000's)	1990 (\$000's)	1989 (\$000's)	1988 (\$000's)
Grain Receipts (tonnes 000's)	5,948	6,129	5,918	6,036	5,718
Percentage of Alberta Grain Deliveries Handled	58.6	60.6	60.1	61.4	62.2
Gross Value of Board Deliveries, Other Sales and Revenues	\$ 995,489	\$1,074,749	\$1,222,656	\$1,292,944	\$ 926,834
Earnings Before Taxes	\$ 12,386	\$ 8,509	\$ 6,405	\$ 13,269	\$ 9,101
Capital Expenditures on Properties & Equipment	\$ 24,429	\$ 25,069	\$ 31,754	\$ 18,168	\$ 15,398
Total Invested in Capital Assets	\$ 344,970	\$ 321,417	\$ 308,279	\$ 283,022	\$ 269,272
Working Capital	\$ 52,953	\$ 60,766	\$ 73,489	\$ 89,113	\$ 80,801
New Members	1,113	1,077	1,337	1,263	1,318
Total Membership	58,493	57,967	58,988	60,115	60,296
Patronage Refunds Allocated to Members	\$ 10,920	\$ 6,931	\$ 5,432	\$ 11,568	\$ 7,322
Equity Issued to Members	\$ 125,602	\$ 117,077	\$ 114,318	\$ 112,991	\$ 106,102
Number of Licensed Primary Country Elevators	264	269	272	276	295
Licensed Elevator Capacity (tonnes) - Country	1,402,350	1,442,720	1,478,320	1,503,270	1,535,590
Licensed Elevator Capacity (tonnes) - Terminals	481,980	481,980	481,980	481,980	481,980
Number of Employees July 31	1,461	1,458	1,662	1,635	1,629



*Front (from left):*  
President R. C. Schmitt  
First Vice-President  
T. A. Graham;  
*Back (from Left):*  
N. D. Silver;  
Second Vice-President  
J. F. Pearson;  
A. L. Aasen;  
D. Naninga;  
W. J. Sutherland;  
A. J. Oberg;  
A. L. D. Pidruchney.



The 1991/92 crop year began on a low note, ended on a high note, and struck several notes in between. The lowest initial prices in 16 years were announced for 1991/92, further impacting already cash-strapped prairie grain farmers. The crop year ended, however, with grain exports setting a new record. Other events centered on international trade, labor disruptions, environmental initiatives, and Alberta Pool's vision for the future of the organization.

International trade, particularly the General Agreement on Tariffs and Trade negotiations, was a dominant issue throughout the 1991/92 crop year. On-going GATT discussions continued to raise hopes that a resolution would be found for the trade war between the European Community and the U.S. However, several apparently positive developments within the European Community did not prove acceptable to the U.S. As the crop year concluded, the European Community and the U.S. remained deadlocked. The Board continues to stress the effects this trade war is having on the incomes of prairie farmers and the urgency of a resolution.

Alberta Pool also addressed the GATT situation through Prairie Pools Inc., the lobby arm of the three prairie Pools. In representing

the interests of prairie farmers, PPI intensively lobbied the federal government to acknowledge the effects of the European-U.S. trade war on Canadian farmers and fill the breach created by subsidies Canada cannot possibly match. PPI stressed the urgent necessity of a third line of defence to buttress Canadian farmers against the ravages of the battle of the European Community and U.S. treasuries. PPI also met with GATT officials, and with U.S. politicians and farmers to describe Canada's grain-marketing system and the effects the trade war was having on our industry. At time of writing, the GATT talks had broken down.

The Board's intensive efforts to convince the provincial government of the necessity to adopt NISA (Net Income Stabilization Account) bore fruit early in the crop year. Alberta's decision to participate in the program provided much-needed capital and a second line of defense.

"Towards 2000 Together," a series of provincially sponsored public forums, gave the Board the opportunity to underscore the role agriculture plays in Alberta's economy. President Ray Schmitt described Alberta Pool's concept of the three "Es" -- environment, education and economics -- as a means to



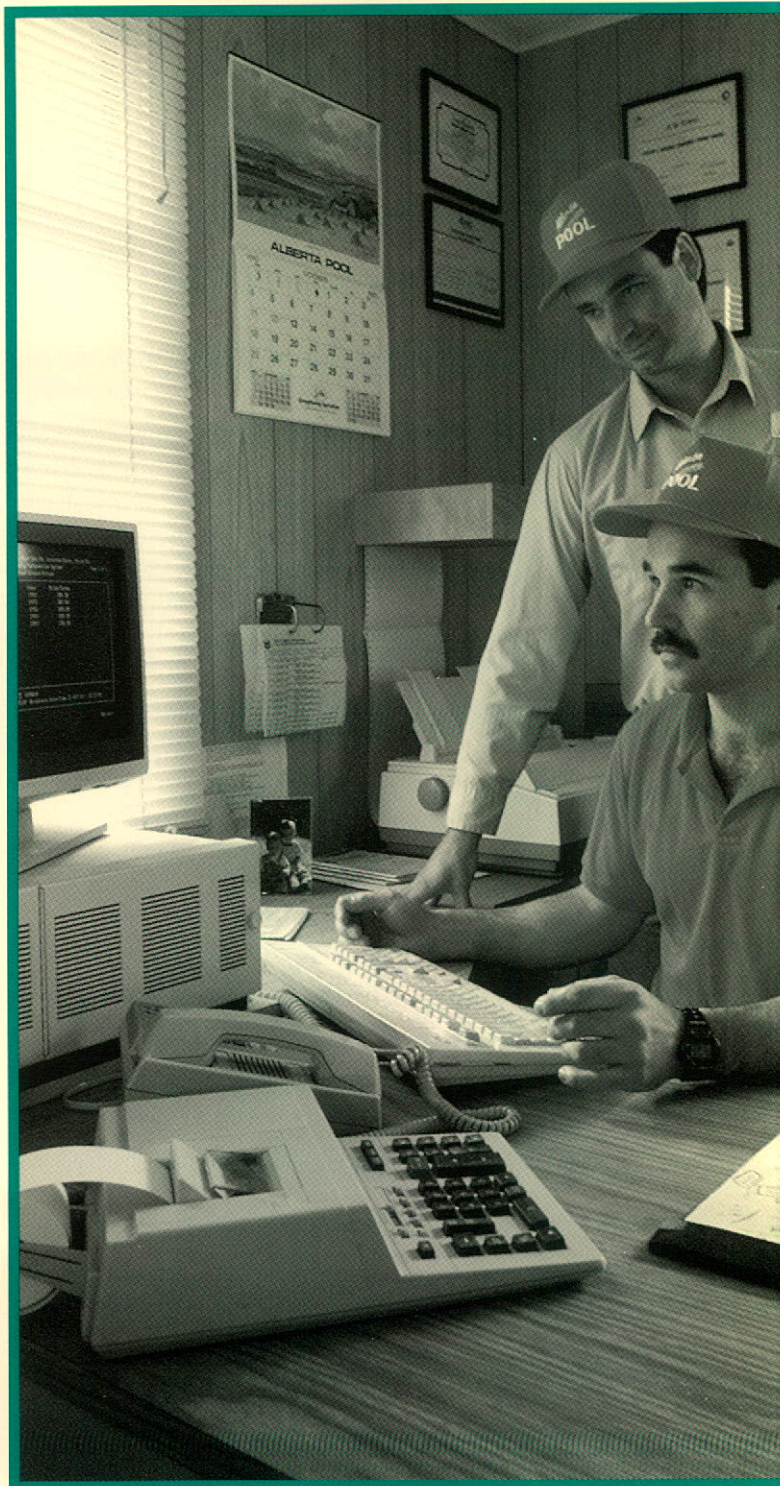


ensure agriculture's ability to contribute positively to Alberta's well-being in the years to come.

Alberta Pool's commitment to the environment was underscored by several initiatives. In keeping with its Environmental Code of Conduct, Alberta Pool began to develop programs in support of the code. A 12-point action plan now exists which will form the basis of the Pool's environmental objectives for the future. These include environmental audits to ensure operations comply with federal and provincial legislation. The Board also supported management programs for staff and farmer training, and grassroots programs such as Conservation 2000 which provides a forum for farmers to exchange practical conservation ideas and technology.

As part of a federal/provincial consultative process on the issue of sustainable agriculture, the Board of Directors expressed its support for agricultural practices that stress stewardship while keeping both environmental and economic concerns in balance.

In support of education, the Board contributed to funding of a Cooperative Chair in Agricultural Marketing at the University of Alberta. The Board also supported leadership skills programs for farmers and rural youth, and information programs such as "Farmers Feed the World" which toured the province last February and March. "Farmers Feed the World" gave Albertans an insight into world agriculture and the future challenges and opportunities for farmers and Alberta Pool. The Board also encouraged members to participate actively in public forums and the affairs of grain-industry bodies to make their opinions known and affect policy. Examples of such encouragement included the provincial review of the Water Management Act, the Transportation Talks and various commodity group commissions. The Board of Directors firmly believes that only by being part of the process can farmers influence





policy decisions that will ultimately affect their lives and businesses.

Economics was a focal point of the Board's presentation to the federal regulatory review process assessing the day-to-day operations of grain-industry bodies. The Pool's submission stressed the need to consider the economic realities of today's grain-handling industry and the effect of escalating costs on the industry's ability to enhance returns to farmers. Fully supportive of, and recognizing the need for, the services federal grain-industry agencies and departments provide, the Pool cautioned that additional costs cannot be imposed on the system without some means to generate offsetting revenue.

Several work stoppages seriously disrupted grain-trade operations and movement in the 1991/92 crop year. These disruptions adversely impacted the cash flow of Pool members and customers, and once again threatened Canada's reputation as a reliable supplier of export grains. Arbitrated settlements caused further concern. They called into question the appropriateness of such generous settlements given substantially lower wage increases in other sectors. The Board viewed such settlements as unjustifiably excessive in light of the state of the Canadian farm economy and the ability of farmers to bear this additional financial burden.

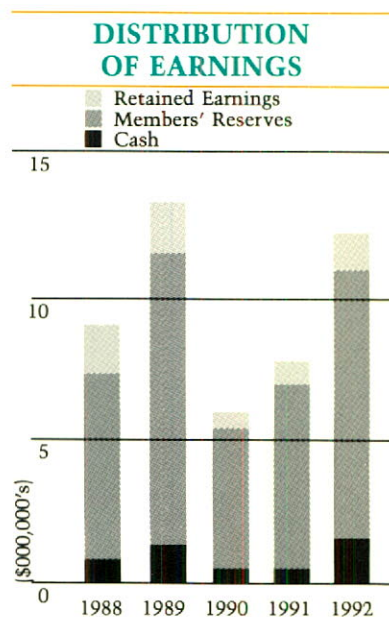
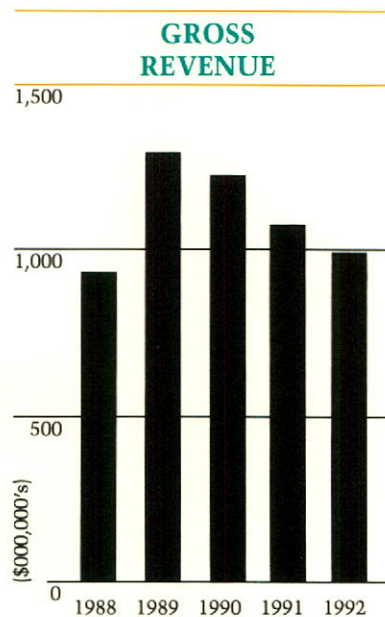
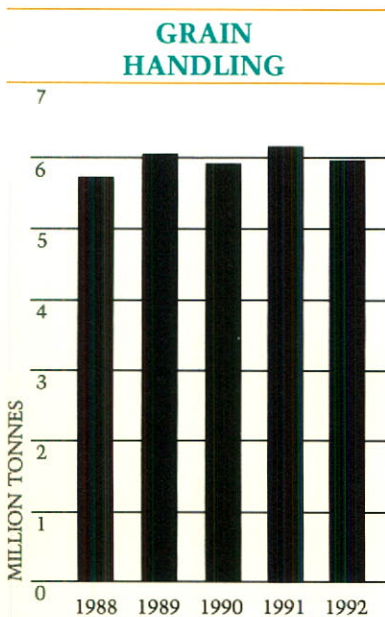
In early April, the Board appointed Garry Dewar to the position of Chief Executive Officer. Prior to his appointment as CEO,

Mr. Dewar was General Manager of Terminal Operations on the west coast. Mr. Dewar possesses an impressive understanding of the grain industry and the business opportunities for Alberta Pool.

The Board of Directors also reviewed provincial Agriculture Minister Ernie Isley's proposal for the creation of a North American continental market for barley. Again, the Board encouraged public discussion through distribution of dissenting viewpoints to stimulate debate and well thought-out consideration by every affected producer. The Board of Directors is very concerned about this attempt to further erode the marketing authority of the Canadian Wheat Board, the loss of the price-pooling advantages that flow to grain producers, and the potential for retaliatory trade actions by U.S. farmers.

Acting on direction provided by Delegates at the 1991 Annual Meeting, the Board made the necessary changes to amend the Equity Plan. Final ratification was given at the Delegates' Spring Meeting and concluded a process that will enable Alberta Pool to balance the expectations of members with its objective to maintain a strong presence in an increasingly competitive agricultural business environment.

Strategic Renewal figured prominently in Board activities. The Board, selected delegates and staff reconfirmed Alberta Pool's Mission Statement. The Board then drafted an accom-






panying Vision for the future of the organization. This Vision was shared with employees at a series of meetings in July, and later with farmer-members. Development of the Vision is an essential element for creating results tomorrow. It was described to staff this way: "Vision with no action is a dream. Action and no vision simply passes time. Vision plus action can change the world." The Board of Directors believes the Strategic Renewal process is crucially important for Alberta Pool to meet its objectives as a cooperative and to serve its members and customers.

***Alberta Pool's Vision is:***

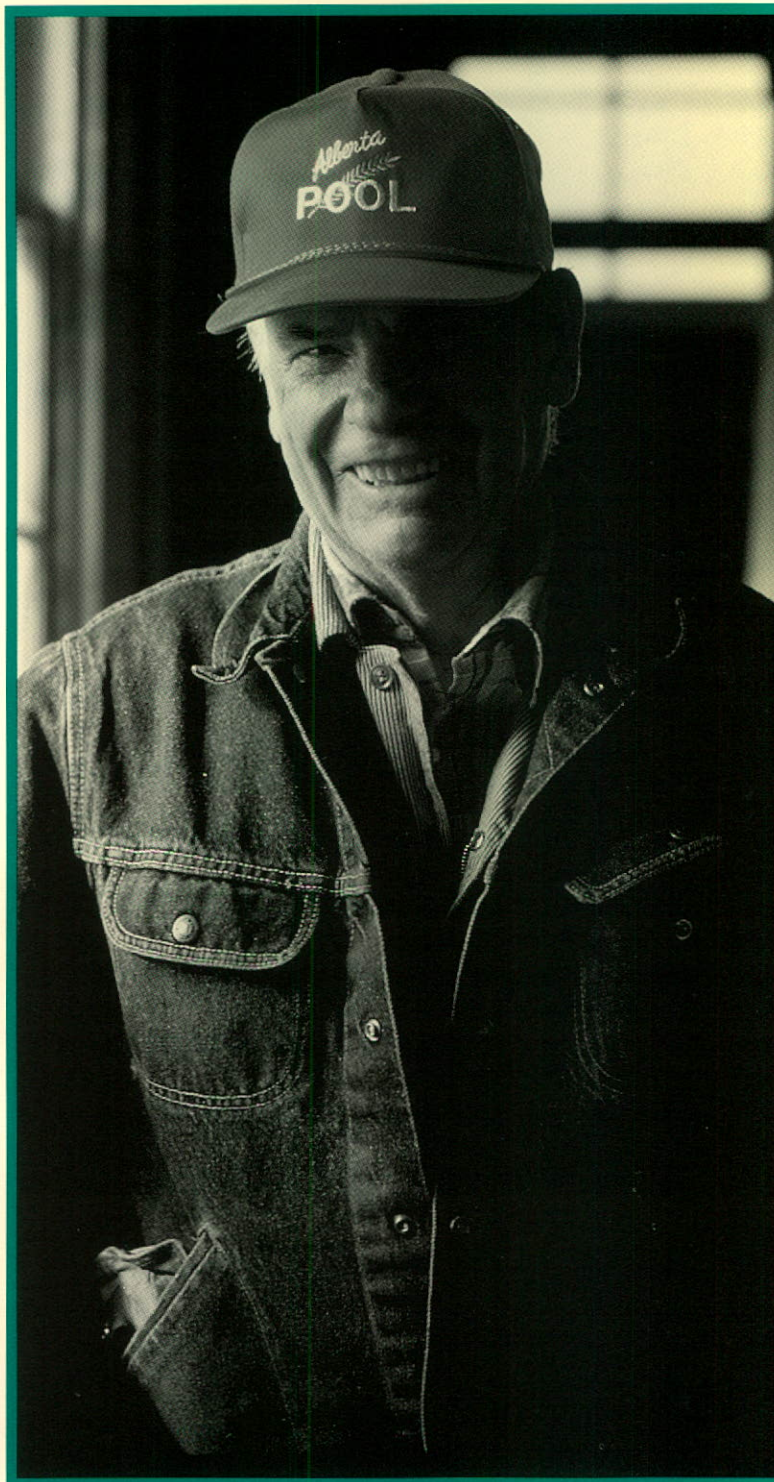
- *To build on the values, principles and uniqueness of our cooperative enterprise.*
- *To give all people in our organization the opportunity to build and use their skills and knowledge in work that has meaning, in a climate where trust and cooperation prevail.*
- *To be the leading agribusiness, consistently knowing what farmers value, meeting their expectations and contacting and keeping new farmer customers.*
- *To link farmers to world customers, thus creating opportunity for farmers and their business.*
- *To combine the excellence of our farmer-members and all Alberta Pool staff to deliver together as a team what no one person and no one group can deliver alone -- food for the world.*

Alberta Pool's Vision for the future charts a course for the Board of Directors and staff to follow, as the Pool strives to represent the best interests of members in this crop year and the crop years to come.



R. C. Schmitt  
*President*

T. A. Graham  
J. F. Pearson  
A. L. Aasen  
D. Nanninga  
A. J. Oberg  
A. L. D. Pidruchney  
N. D. Silver  
W. J. Sutherland





Chief  
Executive  
Officer  
G. J. Dewar



Alberta Pool's biggest challenge in 1991/92 was to provide enhanced services to customers at less cost to the organization. Financial and political pressures on the industry had a major impact on our operations and precipitated significant changes in our business. We responded quickly and efficiently by making changes in management, operations, spending practices, decision making and customer service. From the outset of the crop year, our farmer-members and Alberta Pool had to learn to do more with less.

Restricted cash flow meant farmers adopted a cautious attitude when it came to making agro purchases or delivering grain. To secure customers, we had to continually communicate the value of doing business with Alberta Pool and inform farmers of the options we offered. The harvest in 1991 produced higher volumes with above average quality. However,

low grain prices and poor weather in the fall and spring combined to reduce both sales revenues and grain handling volumes.

The ability to adapt to the economic realities of a changing industry was essential to Alberta Pool's success during the year. A clear and well-thought out business plan focusing on cost restraint, increased productivity, improved financial returns and quality service was developed jointly by the Senior Management team, employees and the Board of Directors. The plan served as the Pool's blue-print for the year and balanced our need to provide customers quality service at less cost, with the necessity to generate increased capital and keep expenses in line with revenues.

In spite of the difficult environment, financial results for the 1991/92 crop year were encouraging. The high performance and concerted effort of our staff, and the continued support of our membership, allowed Alberta Pool to achieve net earnings for the year of \$12.3 million, up significantly from the previous year's net earning of \$7.7 million.

The **Country Division** had a much improved year in 1991/92. The division handled 6.0 million tonnes and achieved agro sales of almost \$148 million in an intensely competitive setting. A commitment from staff to reduce costs in several areas was key to the division's success. Although earnings for the division were below budget, they were \$7.7 million greater than a year ago.

Several recommendations outlined in the 1990 Country Task Force Report were implemented during the year. The process of decentralizing the country system continued with the re-





duction of five regions to four. Grain and Agro Marketing Specialists were introduced in all regions to make Alberta Pool more competitive, enhance profitability and refocus on customer service. Implementation of the Operating Unit structure in Regions I and II was completed, to enable Alberta Pool to be more responsive to its customers and improve on-the-spot decision making capabilities. Further implementation of the Operating Unit structure was slowed somewhat with the certification of the Grain Services Union in November. The involvement of the GSU creates a new and uncertain setting for Alberta Pool, but we're confident in our ability to work within the system and our staff remain committed to providing quality customer service.

A **Corporate Planning Group** was established in 1991/92 to analyze long-term issues and opportunities for the organization and its members. The group's objective is to identify and set direction for future alternative marketing and operating strategies in order to establish Alberta Pool as the primary agricultural and food-related company in Alberta and ensure our long-term profitability. They worked closely with elected representatives and the Country Division to implement recommendations of the Country Task Force Report and also had significant input into the Country Facilities Plan. Along with the strategic renewal process that establishes a vision for Alberta Pool, the Planning Group has become an integral part of our business.

Low grain prices had little effect on the Canadian Wheat Board's ability to market grain to international customers and our **Terminal**

**Division** benefitted from steady movement throughout the year. Despite labour disruptions in the fall and spring, the west coast broke a record for grain movement in 1991/92. Pacific Elevators terminal was the star performer, achieving record handlings of 3.6 million tonnes and earnings of \$14.9 million. Project and maintenance work affected operations somewhat at Alberta Pool's terminal in the Port of Vancouver with handlings falling under budget at 3.1 million tonnes. The extensive automation/modernization project at Alberta Pool's terminal was completed on time and under budget. This \$60 million dollar upgrade will increase throughput capacity by 30 per cent and make the goal of handling increased volumes at Alberta Pool's terminal attainable in future years. Time was also spent looking at ways to improve the relationship between management and unions on the west coast. We examined several alternatives to the collective bargaining process and met with the Federal Minister of Labour to put forth recommendations aimed at limiting interruptions in the movement of grain to international customers.

In the change and uncertainty that characterized 1991/92, the **Corporate Affairs Division** had the difficult task of providing communication that supported and informed our members and staff. Significant resources were devoted to enhancing the frequency and amount of communication to keep farmers and staff more fully informed of our business initiatives, programs and opportunities. An extensive communications survey aimed at soliciting employee feedback and input into





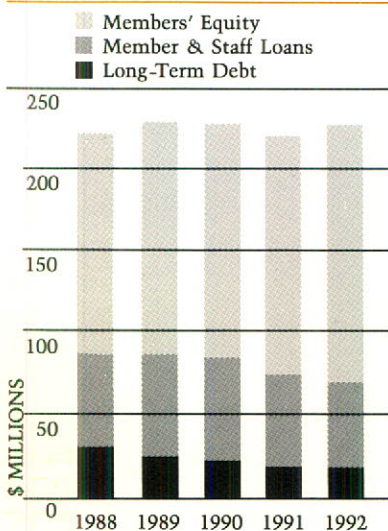
the organization's future direction was co-ordinated and distributed to all employees. Other innovative and informative communication vehicles helped Corporate Affairs actively promote the activities of the organization and support our corporate theme, "Strengthening Agriculture ... and proving it every day." Time was also devoted to improving our relationship with provincial and federal government representatives, and enhancing our image among both rural and urban communities.

As farmers dealt with the poor economics of the industry and struggled to adapt to continual changes, so did Alberta Pool staff. We moved from an environment of security and predictability to one filled with change and insecurity. Our staff displayed patience and perseverance as we instilled in them the importance of reducing costs in every area of the organization. To help ease the transition, the **Human Resources Division** devoted considerable resources to the education and development of our people. Country managers and administrative staff were educated in new technology and products, and exposed to important business skills and techniques to compete in a changing world. Numerous opportunities to build and enhance talents and management capabilities were presented to staff through on-the-job training programs and formal classroom activities. These opportunities for growth will go a long way

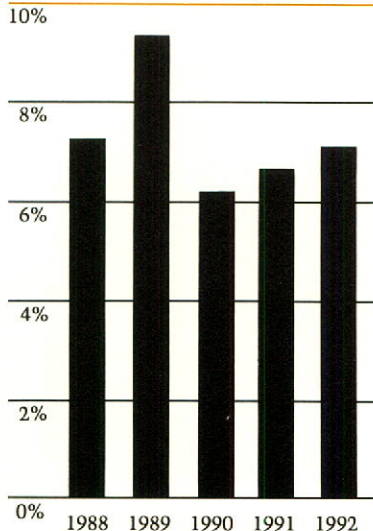
towards securing a highly motivated and qualified workforce for Alberta Pool in the future and position us as a leader in the growth and development of people. The process of sharpening our skills and changing the way we do business was generally well accepted. The willingness of employees to adapt to our new direction was evident in the creative and innovative recommendations submitted to the Employee Suggestion Program (ESP). Several suggestions for cutting expenses or improving services resulted in substantial savings for the organization and presented alternative solutions to the way we manage our business.

The **Finance and Administration Division** continued to make improvements to the calibre, timeliness, efficiency and cost of services provided to various departments within the organization. As with other divisions, Finance and Administration successfully decreased its overall administration costs. Among the highlights were a significant reduction in legal costs through the use of our in-house counsel and a reduction in net printing costs. The division also worked closely with the Board and delegates to put the new member equity plan in place. The new equity plan will improve the ability of management to assess the impact of future member returns on the financial structure of Alberta Pool, while better addressing the expectations of our members. Financing

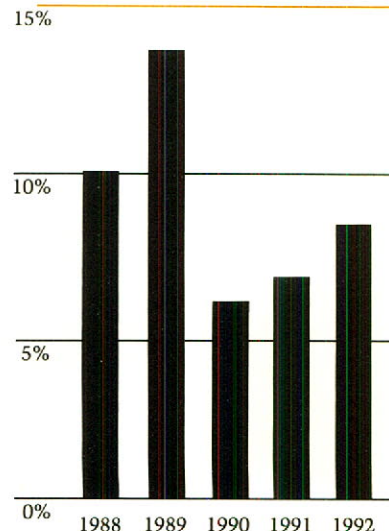
### FUNDS INVESTED



### RETURN ON INVESTED CAPITAL



### RETURN ON EQUITY





arrangements with our lenders were reviewed regularly and our banking relationships remained strong.

**The Policy Development and Planning Division** continued to support elected representatives, customers and staff in the area of agricultural policy by providing timely information and analysis on major issues affecting agriculture. Transportation issues, environmental regulations, international trade agreements, declining farm incomes, and implications of an open border system for marketing grains received the majority of the division's attention. The Environmental Planning department was responsible for preparing Alberta Pool to meet the demands of increasing public pressure on farming and farming practices. Alberta Pool staff helped develop the Farmer Pesticide Training and Certification Program, and participated in consultations on the new Water Management Act. Other projects initiated in 1991/92 included a review of the Alberta Environment Protection Act and implications of strict new warehousing standards on our facilities and operations. Alberta Pool's Crop Research and Development department continued its success of previous years. Positive results emerged from our Ultrabred variety program and a number of proprietary varieties have become widely accepted by growers. International interest in our research activities continued with the testing of fall rye and canola varieties in the U.S. and Korea. Japan has also shown considerable interest in developing new malting varieties.

The 1991/92 crop year was Alberta Pool's first full year of association with its value-added food companies; Prairie Sun Grains Ltd. and Drummond Brewing Company Ltd. Our involvement in the value-added food industry was initiated because of its potential to provide increased revenues and present new markets for our members. Prairie Sun Grains, located in Camrose, Alberta, processes high quality wheat and flour for bakeries and other similar institutions, as well as pancake mixes for retail markets. Volume of product sold, and revenue from sales were up significantly from last year. Considerable progress was achieved in improving the image and marketing capabilities of Prairie Sun products by introducing new packaging and advertising campaigns throughout the year.





Alberta Pool also holds a 50 per cent ownership in Drummond Brewing Company Ltd., a regional brewery located in Red Deer, Alberta. The third largest brewer in the province, Drummond markets its products in Alberta, Saskatchewan, Manitoba, the Yukon, Northwest Territories and Japan. In spite of concerted efforts by Drummond and Alberta Pool to promote Drummond products to both rural and urban publics, cold weather and the vigorous launching of new products by Canada's major brewing companies contributed to reduced sales.

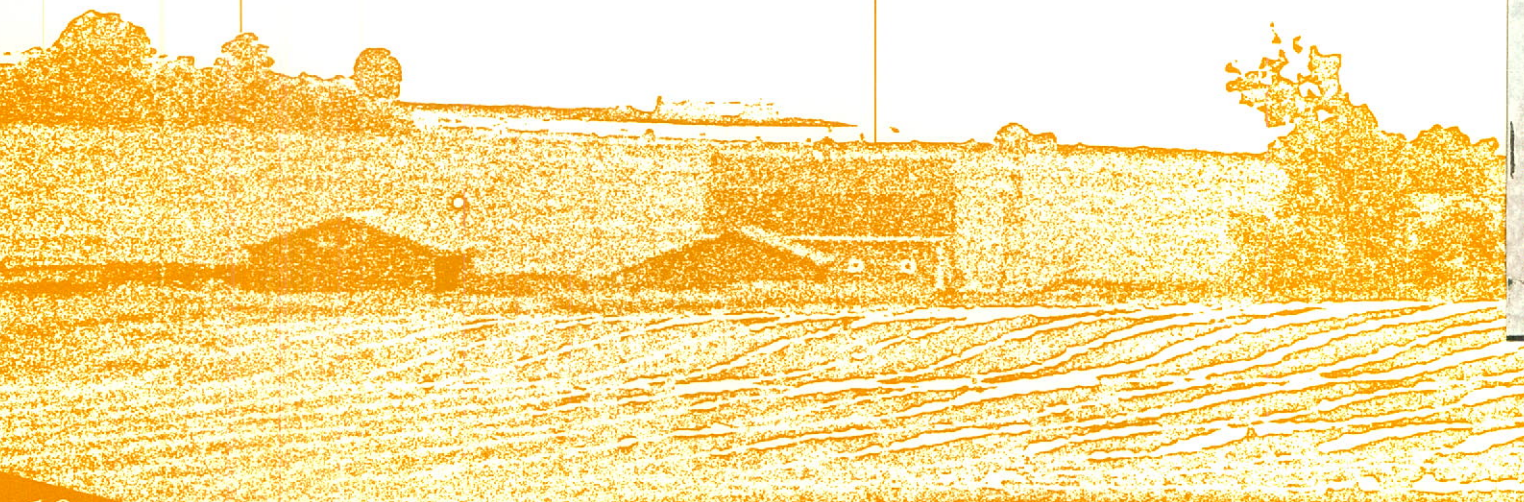
### STRATEGIC RENEWAL - PREPARING FOR THE FUTURE

A look back on the 1991/92 crop year reminds us of the challenges we faced and the accomplishments we achieved. But only by looking ahead to future opportunities will we ensure Alberta Pool remains a strong and progressive force in the agriculture industry.

The environment of the last few years has been tough and it appears unlikely that things are going to get any easier. The grain business is low margin and extremely competitive and the demands placed on our members and our industry will continue to challenge us in the coming months. To keep in front of our competition, we must stay on the course of reducing expenses, improving efficiencies and enhancing profitability.

The Board of Directors has developed a strategic renewal process that outlines a five-point vision for the future of Alberta Pool. We believe the development of a vision today, is one of the essential elements for creating results tomorrow. This vision charts a positive path for the organization and encourages members and employees to pull in the same direction to achieve common goals and objectives.

To be successful, Alberta Pool management and staff will follow the 1992/93 business plan and continue to enhance the services we provide to members. Objectives in the areas of marketing, financial responsibility, organizational functioning and climate goals, innovation, abandonment, and social responsiveness have been set and will be monitored throughout the course of the year. Among the specific objectives outlined in the 1992/93 business plan are to manage capital expenditures against consolidated net income; reduce net operating expenses by \$1/tonne; offer specialized farmgate services to meet individual producer needs; develop and grow a competent and committed employee team; recognize and reward individual accomplishments; and develop an organization-wide program that effectively deals with, and responds to, the communication concerns documented in the 1992 Employee Survey.





Alberta Pool is proud of its accomplishments and the dedication of staff over the past year. We've worked hard and made considerable progress, but the pressure to perform will not go away. We must continue to make sound business decisions that produce positive returns for our members. We must continue on the course of fiscal responsibility, maximizing the potential of our employees and assessing the needs and wants of our customers. And we must continue to develop strategies that will keep Alberta Pool headed in the right direction.

The coming year is sure to present us with many challenges, but also considerable opportunities for growth and success. By working together with members and staff, we are confident we can build on our strengths, improve the well-being of our members and ensure our place as the innovative leader in the agriculture industry.



G. J. Dewar  
*Chief Executive Officer*





**CO-ENERCO** - Co-enerco is a publicly traded corporation owned jointly by the Cooperative Energy Corporation (CEC) and the federal government. Approximately 39 cooperatives and credit unions hold shares in CEC. During its fiscal year ended December 31, 1991, Co-enerco's achievements transformed the company into a strong and growing intermediate-sized oil and gas firm. Revenues increased 33 per cent and cash flow from operations grew 21 per cent to \$27.2 million.

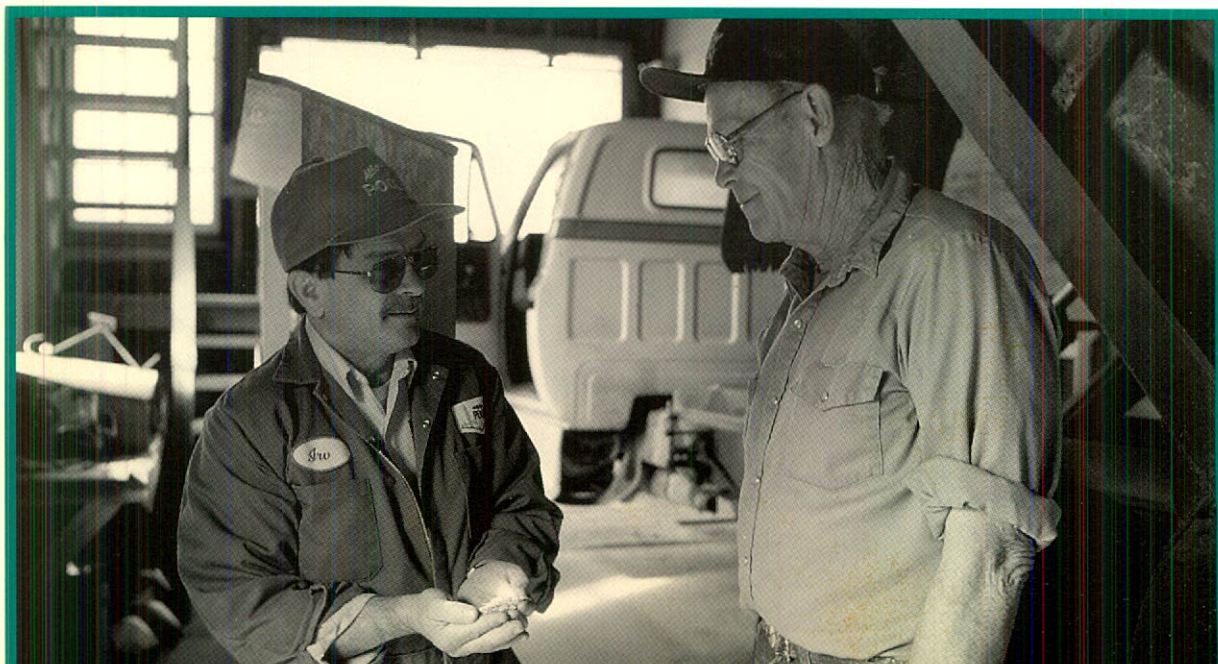
**INSURANCE COMPANIES** - Canadian Pool Agencies Limited and Pool Insurance Company are jointly owned by the three prairie Pools. Canadian Pool Agencies places insurance on Pool facilities and associated companies, most of it with Pool Insurance Company. Canadian Pool Agencies allocated \$483,950 for distribution to member-patrons in 1991. Pool Insurance Company refunded \$4.7 million to its policy holders.

**PACIFIC ELEVATORS LIMITED** - Pacific Elevators Limited, the company that operates Pacific Elevator Terminal in Vancouver, achieved a record handle in 1991/92 and also had the highest throughput of all Vancouver terminals. Receipts totalled 3.6 million tonnes. Net earnings of \$14.9 million were achieved in spite of several negative factors impacting on activity.

**PRINCE RUPERT GRAIN LTD.** - The Prince Rupert Grain terminal handles grain for a consortium of grain companies and other western Canadian grain handling organizations. Receipts at Prince Rupert totalled 5.3 million tonnes, up from last year's receipts of 4.5 million tonnes. Shipments of 5.3 million tonnes of wheat and barley were recorded, almost 18 per cent above plan.

**WESTERN CO-OPERATIVE FERTILIZERS LIMITED** - The fiscal year ended June 30, 1992 was very satisfying and successful for the fertilizer and distribution activities of WCFL. The company brought a number of situations to conclusion that should result in a favourable financial impact and reduce potential risk factors. Shipments increased 4.5 per cent to 649,200 tonnes, with 82 per cent of the shipments taken by the three prairie Pools. WCFL's Calgary plant, mothballed since 1987, remains closed.

**XCAN GRAIN POOL LTD.** - XCAN continued to aggressively market crops for the three prairie Pools and maintained its distinction as Canada's largest exporter of canola, malting barley, flax, oats, rye, special crops and terminal by-products. Despite an intensely competitive market, XCAN shipped 2.8 million tonnes of these crops in 1992, a 22 per cent increase over the previous year.





# Management Report

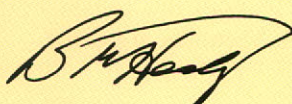
The accompanying condensed consolidated financial statements of Alberta Wheat Pool and its subsidiaries, together with other information contained in this annual report have been prepared by Management, who have full responsibility for them, and approved by the Board of Directors. The statements reflect the results for the year ended July 31, 1992, and the financial status of the organization as at that date.

Management's responsibility includes ensuring that the financial statements are presented in accordance with generally accepted accounting principles, and that appropriate systems of internal control are in place to provide reasonable assurance as to the reliability of the financial information, as well as the safety of all of the organization's assets. The Board of Directors' approval of the financial statements and related information is carried out principally through its Audit and Finance Committee which reviews them with Management and recommends their approval by the Board.

These condensed consolidated financial statements have been examined by the Members' auditors, Deloitte & Touche, whose report is presented separately. Concurrent with their examination, the auditors had full access to the Audit and Finance Committee on all matters pertaining to the financial presentation and internal controls, as well as other related issues.



G. J. Dewar  
Chief Executive Officer



B. W. Healy  
Chief Financial Officer

## Report of Independent Chartered Accountants

We are auditors of Alberta Wheat Pool. We have examined, in accordance with generally accepted auditing standards, the consolidated statement of financial position of Alberta Wheat Pool as at July 31, 1992, and the consolidated statements of operations, retained earnings and changes in financial position for the year then ended, and in our auditors' report dated October 15, 1992, we expressed an unqualified opinion on those consolidated financial statements.

The information set forth in the accompanying condensed consolidated financial statements has been compiled from the information contained in the above-mentioned annual financial statements of Alberta Wheat Pool. A copy of those annual financial statements is available at the offices of Alberta Wheat Pool.

In our opinion, the accompanying condensed consolidated financial statements fairly summarize the information as to the financial position of the Association as at July 31, 1992, and operations for the year then ended.



Deloitte & Touche  
Chartered Accountants

Calgary, Alberta  
October 15, 1992

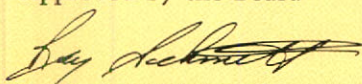


# Condensed Consolidated Statement of Financial Position

ALBERTA WHEAT POOL  
AS AT JULY 31, 1992  
(000's)

	1992 \$	1991 \$
<b>Current Assets</b>		
Cash	11,896	11,928
Inventories	83,551	157,718
Accounts receivable	104,022	108,547
Prepaid expenses	6,316	7,378
	205,785	285,571
<b>Current Liabilities</b>		
Bank and short-term loans	116,303	178,536
Accounts payable	35,601	44,226
Current maturity of long-term debt	928	2,043
	152,832	224,805
<b>Working Capital</b>	52,953	60,766
Property and equipment	145,405	136,922
Investments and memberships	26,344	21,744
Other assets	1,274	1,849
<b>Funds Invested</b>	225,976	221,281
<b>Financed By</b>		
Loans from members, staff and co-operatives	50,384	55,673
Long-term debt and obligations	17,911	17,795
	68,295	73,468
<b>Members' Equity</b>		
Equity issued to members	125,602	117,077
Retained earnings	32,079	30,736
	157,681	147,813
	225,976	221,281

Approved by the Board

  
R. C. SCHMITT, Director

  
T. A. GRAHAM, Director



# Condensed Consolidated Statement of Operations and Retained Earnings

ALBERTA WHEAT POOL  
FOR THE YEAR ENDED JULY 31, 1992  
(000's)

	1992 \$	1991 \$
<b>Revenue</b>		
Sales and other operating revenue	995,489	1,074,749
Cost of sales	810,127	885,525
	185,362	189,224
<b>Expenses</b>		
Human resources	72,873	72,405
Operating	55,548	55,062
General and administrative	17,168	15,804
Interest	10,446	22,394
Depreciation and amortization	17,064	15,825
	173,099	181,490
<b>NET EARNINGS</b>	12,263	7,734
Retained earnings, beginning of year	30,736	29,933
Less patronage refunds	10,920	6,931
Retained earnings, end of year	32,079	30,736



**District One**

101	Sauer, Richard	Maleb
102	Lindeman, Brian	Milk River
103	Zobell, John W.	Raymond
104	McGlynn, Dallis H.	Pincher Creek
105	Bennett, Burnell	Taber
106	Simanton, Vern	Foremost
107	Zeinstra, John	Picture Butte
108	Jacobson, Lynn	Enchant

**District Two**

201	Paulsen, Howard	Stavely
202	Williams, S. Evan	Vulcan
203	Monner, Michael	Milo
204	Smith, Gary	High River
205	Groeneveld, George	Blackie
206	Moulton, Gordon	Hussar
207	Bird, Lionel M.	Carstairs
208	Duhn, Robert	Delacour

**District Three**

301	Fischer, Marvin H.	Hilda
302	Bamber, Robert D.	Esther
303	Skriver, Gordon	Tilley
304	Smillie, Gordon R.	Bassano
305	Axelsen, Eric	Drumheller
306	McNaughton, Mel	Rumsey
307	Brinkman, Edward D.	Craigmyle
308	Kloberdanz, John	Kirriemuir

**District Four**

401	Degenhardt, Terry-Lee	Hughenden
402	Rattray, Bob	Wainwright
403	Haydu, Richard	Paradise Valley
404	Kelly, John D.	Lloydminster
405	Anderson, Allen O.	Minburn
406	Loveseth, Kevin	Viking
407	Ponto, Robert	Galahad
408	Thomas, Harvey R.	Alliance

**District Five**

501	Schmaltz, Clarence M.	Beiseker
502	Parry, Brian	Three Hills
503	Schaefer, Vernon F.	Innisfail
504	Hoppins, Dennis	Huxley

**District Five (cont'd)**

505	Scheerschmidt, Douglas	Stettler
506	Northey, Robert E.	Red Deer
507	Hilman, Perry	Red Deer
508	Doupe, Ronald P.	Ponoka

**District Six**

601	Lawrence, John A.	Clandonald
602	Gordeyko, Pat	Two Hills
603	Ziegler, Arden	Vegreville
604	Fedun, David	Andrew
605	Galloway, Peter W.	Ft. Saskatchewan
606	Forcade, Leonard	Legal
607	Zacharko, Michael J.	St. Paul
608	Shalka, Kenneth R.	Fort Kent

**District Seven**

701	Lunty, Donald W.	Forestburg
702	Holmberg, James S.	Rosalind
703	Rasmuson, Earl	Gwynne
704	Loov, C.W. (Bill)	Bluffton
705	Rude, Lars E.	Tofield
706	Appleby, Kenneth	Tofield
707	Bittner, Norman D.	Thorsby
708	Hagman, Earl	Mayerthorpe

**District Eight**

801	Carson, W. D.	Waskatenau
802	Ewaskow, Russel F.	Thorhild
803	Jenkins, Charles L.	Grassland
804	Trueblood, Brian	Dapp
805	Miller, Lawrence L.	Barrhead
806	Adolphson, Norman	Valleyview
807	Blanchette, Rene	Girouxville
808	Gunning, John	Peace River

**District Nine**

901	Erickson, Rae, G.	Tangent
902	Balderston, Gilbert	Sexsmith
903	Harris, Peter W.	Beaverlodge
904	Smolik, Garry	Dawson Creek
905	Vander Linden, Dale	Clayhurst
906	Moskalyk, Ralph G.	Fairview
907	Sydnes, Kenneth J.	Brownvale
908	Fedeyko, William S.	High Level



## Board of Directors

R. C. Schmitt  
President  
Milk River

T. A. Graham  
First Vice-President  
Spirit River

J. F. Pearson  
Second Vice-President  
Donalda

A. L. Aasen  
Rainer

D. Nanninga  
Barrhead

A. J. Oberg  
Forestburg

A. L. D. Pidruchney  
Myrnam

N. D. Silver  
Huxley

W. J. Sutherland  
High River

J. R. Anderson  
Corporate Secretary

## Management Executive

G. J. Dewar  
Chief Executive Officer

R. E. Butler  
General Manager  
Terminal Operations

B. D. DuPont  
Director  
Human Resources

B. A. Friesen  
Director  
Policy Development & Planning

A. K. Froehlich  
General Manager  
Country Division

B. W. Healy  
Chief Financial Officer

D. V. Riddell  
Director  
Corporate Affairs

M. M. Thomas  
Manager  
Corporate Planning

## Legal Counsel

MacKimmie Matthews

## Auditors

Deloitte & Touche

## Bankers

Bank of Montreal  
Toronto Dominion Bank

## Head Office

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**Strengthening Agriculture**

*... and proving it every day*

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