

C



HOWARD ROSS LIBRARY
OF MANAGEMENT
DEC 3 1976
MCGILL UNIVERSITY



alberta wheat pool 1976 annual report



Contents

Officers and Directors.....	2
Delegates.....	3
1975-76 Report Highlights and Comparisons.....	4
Report of the Directors	6
Report of the General Manager	16
Financial Statements.....	22
Canadian Co-operative Wheat Producers Limited Directors Report.....	28
Statistical Tables.....	34

Corporate Information

BOARD OF DIRECTORS

G. L. HARROLD, *Lamont — President*
A. J. MACPHERSON, *Delia — 1st Vice-President*
G. W. BRAITHWAITE, *Lacombe — 2nd Vice-President*
HUBERT N. ANDERSON, *Barrhead*
H. R. PATCHING, *Lethbridge*
NORMAN JACOBSEN, *Arrowwood*
PARKE DOBSON, *Paradise Valley*

B. A. FRIESEN, *Secretary*

OFFICERS AND ADMINISTRATIVE PERSONNEL

J. W. MADILL, *General Manager*
G. S. AUSTIN, *Director Employee Relations*
F. E. BALL, *Director of Operations*
A. W. BEATTIE, *Director of Public Relations*
T. G. HENDRY, *Treasurer*
R. G. PALMER, *Comptroller*
K. M. RODGER, *Director of Terminal Facilities*
J. E. SHERWOOD, *Manager, Planning and Management Services*
W. H. SMITH, *Winnipeg Manager*
B. H. SOMMERVILLE, *Executive Assistant and Administrative Co-ordinator*
A. K. SORENSEN, *Director of Marketing*
L. J. TRELEAVEN, *Manager, Engineering Construction and Maintenance*

SOLICITORS

MacKIMMIE MATTHEWS

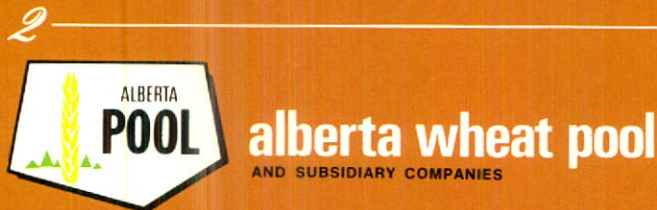
AUDITORS

TOUCHE ROSS & CO.

BANKERS

BANK OF MONTREAL
THE BANK OF NOVA SCOTIA
THE ROYAL BANK OF CANADA
CANADIAN IMPERIAL BANK OF COMMERCE

HEAD OFFICE — Alberta Wheat Pool Building, 505 - 2nd Street S.W., Calgary, Alberta



Delegates

LETHBRIDGE — District One

101	Gogolinski, Barney	Orion
102	Schmitt, Ray C.	Milk River
103	Van Gaalen, Harold N.	Foremost
104	Dudley, George T.	Magrath
105	Dyck, Nick F.	Pincher Creek
106	Vaselenak, John	Coaldale
107	Konynenbelt, Evert J.	Nobleford
108	Binder, Arthur H.	Turin
109	Thurston, Clarence F.	Bow Island
110	O'Neil, James J.	Claresholm

CALGARY — District Two

201	Chambers, William E.	Lomond
202	Williams, S. Evan	Vulcan
203	Berger, John, C.	Nanton
204	Seney, Elden F.	Blackie
205	Burne, George W.	Gleichen
206	Stewart, Harold J.	Dalemead
207	Schmaltz, Clarence M.	Beiseker
208	Fowler, Alvin W.	Airdrie
209	Carney, Pat J.	Three Hills
210	Riddle, Jack C.	Carstairs

DRUMHELLER — District Three

301	Bayer, Robert	Schuler
302	Lemare, Carl	Acadia Valley
303	Volek, Joseph	Tilley
304	Axelsen, Eric	Drumheller
305	Johnson, Jim G.	Drumheller
306	Nelson, Norman E.	Craigmyle
307	Johnston, Vernon R.	Oyen
308	Kloberdanz, John	Kirriemuir
309	Hepp, Melvin F.	Castor
310	Petersen, Leslie M.	Erskine

CAMROSE — District Four

401	Redmond, Donald R.	Edgerton
402	Chynoweth, Stanley J.	Wainwright
403	Harbin, Clifford T.	Rivercourse
404	Livingstone, Douglas E.	Vermilion

405	Oberg, Wilmer L.	Forestburg
406	Ash, Robert W.	Viking
407	Christians, William H.	Donalda
408	Pepper, Clifford G.	Ohaton
409	Baker, Donald W.	New Norway
410	Banack, William	Camrose

RED DEER — District five

501	Silver, Neil D.	Huxley
502	Johnson, K. Kris	Red Deer
503	Nelson, Glen R.	Bentley
504	Wagner, Albert F.	Lacombe
505	Baker, Percy A.	Ponoka
506	Rasmuson, Clarence H.	Wetaskiwin
507	Rebus, John A.	Stony Plain
508	Lappenbush, W. F.	Mayerthorpe
509	Ulmer, Roy S.	Barrhead
510	Rimmer, Laurence M.	Pibroch

VEGREVILLE — District Six

601	Bober, John R.	Derwent
602	Pidruchney, Albert L. D.	Myrnam
603	Goshko, M. D. Russel	Vegreville
604	Hennig, Harold H.	Andrew
605	Galloway, Kenneth D.	Ft. Saskatchewan
606	Slobogean, Joseph I.	Legal
607	Harry, John	Nestow
608	Din, Alexander	Warspite
609	Lamothe, Armand	St. Paul
610	Davidiuk, William	Grassland

PEACE RIVER — District Seven

701	Harlos, William H.	Valleyview
702	Lamoureux, Bernard	Girouxville
703	Nikolaychuk, Mike	Woking
704	Olson, Iver H.	Beaverlodge
705	Erickson, Rae G.	Tangent
706	Graham, T. Alex	Spirit River
707	Peirce, Albin B.	Dawson Creek
708	Krall, John S.	Nampa
709	Lorencz, Nick M.	Manning
710	Morrison, D. James	Bluesky

1975-76 Report Highlights and Comparisons

	1976
Handling — Country Elevators, in bushels	182,674,788
— Forage Seed, in pounds	10,549,950
— Cereal Seed, in pounds	18,586,387
Percentage of Alberta Grain Deliveries Handled	65.8%
Gross Value of Board Deliveries and Other Sales	\$607,044,191
Marketing Division Sales (included above)	\$ 45,967,767
Total Revenues	\$ 75,026,276
Total Expenses	\$ 53,267,755
Capital Cost Allowances	\$ 4,065,341
Earnings before Taxes	\$ 21,758,521
Current Assets	\$171,518,425
Current Liabilities	\$158,451,609
Working Capital	\$ 13,066,816
Capital Expenditures on Properties and Equipment	\$ 8,019,122
Total Invested in Capital Assets	\$ 86,758,552
Patronage Refunds Distributed (out of previous year's earnings)	\$ 12,705,372
Reserves Held by Members	\$ 36,875,466
Percentage of Member Business prior year	97% Est.
New Members	2,855
Total Membership	56,590
Number of Country Elevators	782
Elevator Capacity — in bushels — Country	72,905,100
— Terminals	15,451,500
Number of Employees July 31	1,691

4



alberta wheat pool
AND SUBSIDIARY COMPANIES

1975	1974	1973	1972	1971
145,614,639	157,134,785	164,440,215	129,550,690	120,270,887
11,300,313	15,564,771	14,004,129	12,991,414	16,477,246
27,512,246	33,518,677	31,337,897	30,061,269	35,972,857
65.4%	67.3%	68.9%	56.8%	48.6%
\$505,848,961	\$491,279,336	\$259,088,069	\$203,735,347	\$161,536,843
\$ 44,396,388	\$ 34,526,890	\$ 20,824,458	\$ 14,298,489	\$ 11,601,357
\$ 60,331,895	\$ 51,641,448	\$ 39,251,098	\$ 29,917,982	\$ 25,620,784
\$ 46,973,337	\$ 37,156,938	\$ 29,800,983	\$ 20,959,999	\$ 16,937,096
\$ 3,426,873	\$ 3,345,372	\$ 3,446,073	\$ 2,892,854	\$ 2,564,375
\$ 13,774,957	\$ 11,390,101	\$ 6,217,045	\$ 6,066,759	\$ 6,119,313
\$159,917,409	\$210,089,181	\$ 73,294,866	\$ 61,735,387	\$ 60,138,391
\$148,651,377	\$200,844,255	\$ 64,891,703	\$ 54,685,903	\$ 53,519,956
\$ 11,266,032	\$ 9,244,926	\$ 8,403,163	\$ 7,049,484	\$ 6,618,435
\$ 5,629,359	\$ 3,422,518	\$ 2,401,789	\$ 1,733,198	\$ 2,706,089
\$ 80,838,832	\$ 76,070,557	\$ 73,559,940	\$ 72,510,552	\$ 58,849,538
\$ 10,478,593	\$ 5,757,469	\$ 5,791,275	\$ 5,891,884	\$ 3,845,464
\$ 31,050,834	\$ 27,797,808	\$ 26,982,449	\$ 25,798,207	\$ 24,881,339
96.4%	97.17%	96.90%	96.94%	97.39%
3,034	2,487	4,927	2,716	1,850
55,963	55,032	54,203	51,057	49,857
819	836	858	899	517
75,255,600	75,675,300	77,002,000	78,988,000	47,889,100
17,451,500	17,451,500	17,451,500	17,451,500	10,340,000
1,607	1,576	1,612	1,685	1,202

Report of the Directors

Gentlemen:

In many respects, 1975-76 was one of the best years ever for Alberta Wheat Pool. In other respects however, it was also one of the most difficult. The flow of grain from the farm to export position saw few interruptions, although congestion at a number of locations did present problems for some producers. Favourable economic farm conditions also resulted in a good year in agro products.

This past year might well be considered "The Year of the Commission" since no fewer than six government inquiries related to the grain handling and transportation system were held.

Alberta Food Products suffered a severe set-back as a result of changes and proposed changes in the freight charges on rapeseed and rapeseed products. An accelerated construction program for both country handling and fertilizer facilities was undertaken during the year.

Summary of Operations

A record 182,674,788 bushels was handled by your Association in 1975-76, an increase of 37,060,149 bushels from a year ago, and exceeded the previous record in 1972-73, when handlings totalled 164,440,215 bushels. Alberta Pool's percentage of provincial deliveries at 65.8%, was approximately equal to last year's adjusted percentage.

Vancouver Terminal #1 unloads totalled 77,333,814 bushels, while at Pacific Elevators 65,103,606 bushels were unloaded. Both figures are considerably above year ago handlings, when they totalled 51,033,475 bushels and 50,178,-

594 bushels respectively. Victoria Elevator Limited handlings at 6,774,970 bushels are up nearly 700,000 bushels from a year ago. Approximately 46 million bushels were shipped by Alberta Pool to eastern destinations.

Sales of agro products in total increased, however there was a reduction in the total tonnage of fertilizer sold. Some shortages were again experienced in some product lines, particularly nitrogen fertilizer, but a reduction in the purchases of phosphate fertilizers resulted in an increased carry-over. Sales of agro products totalled \$45.9 million, an increase of 3.5% from a year ago. Chemical sales alone, increased 25% over last year. Seed sales were reduced by approximately 1 million pounds from a year ago, to ten and one-half million pounds.

The consolidated net earnings from the year's operations is \$21,208,744. This year, a significant portion of the earnings was generated from the grain operation, reflecting the effect of a greatly increased volume of handlings.

Substantial amounts of capital are required for the up-grading and construction of country elevator and fertilizer facilities, as well as for the Vancouver terminal addition now underway. A high level of earnings is required to support this program.

Marketing Summary

In 1975-76, export sales of Canadian grains, oilseeds and wheat flour totalled 707.7 million bushels, an increase of approximately 25% over the previous year. Exports of all grains except flaxseed im-

proved during the year, with oats sales rising to 18.2 million bushels from 1.4 million a year ago.

Total Grain and Wheat Flour (millions of bushels)

	1975-76	1974-75	10-Year Average 1965-66 to 1974-75
Wheat	366.3	323.5	377.2
Durum Wheat . .	61.2	52.3	38.2
Wheat Flour . . .	21.6	19.1	25.9
Oats	18.2	1.4	6.2
Barley	190.8	130.2	102.9
Rye	11.8	4.8	6.8
Flaxseed	7.7	10.5	17.3
Rapeseed	30.1	26.1	28.5
Total	707.7	567.9	602.9

Source: Canadian Grain Commission

The major importer of Canadian wheat was the U.S.S.R. (Russia) followed by Japan and the United Kingdom.

Major Importers of Canadian Wheat 1975-76 and Comparative (millions of bushels)

	1975-76	1974-75	10-Year Average 1965-66 to 1974-75
U.S.S.R.	88.1	12.9	67.1
Japan	57.8	43.3	47.8
People's Republic of China	44.4	82.4	82.1
United Kingdom	43.4	56.7	56.0
Brazil	22.0	31.6	10.7
Others	110.6	96.5	113.5
Total	366.3	323.5	377.2

Source: Canadian Grain Commission

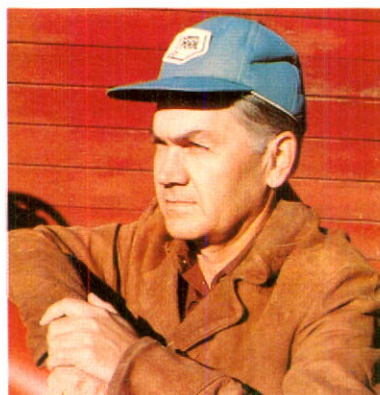
6



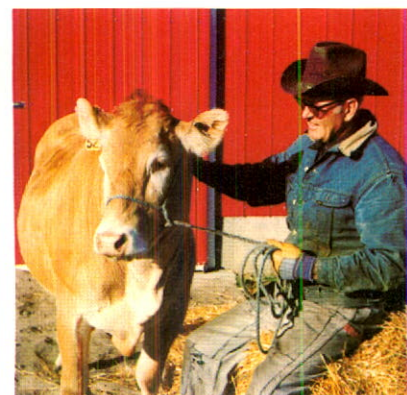
G. L. Harrold



A. J. Macpherson



G. W. Braithwaite



The principal market for all grains, oilseeds and wheat flour was the U.S.S.R. Eastern European and Asian countries accounted for 69% of total exports.

Major Importers of Canadian Grains Oilseeds and Wheat Flour (millions of bushels)

	1975-76	1974-75	1973-74
U.S.S.R.	189.2	12.9	42.7
Japan	137.8	105.8	133.3
Italy	50.5	54.5	43.4
United Kingdom	47.3	61.0	49.5
People's Republic of China	44.4	82.4	53.7
Others	238.5	251.3	275.1
Total	707.7	567.9	597.7

Source: Canadian Grain Commission

Nearly 64% of total 1975-76 wheat and Durum exports were of high grade quality. Only 17.6% of the wheat graded One Canada Western Red Spring, the lowest since this grade was introduced in 1971. A considerable amount — 15.7%, graded 3 Canada Utility.

Export sales via Pacific Seaboard Ports increased 24% totalling 260.1 million bushels or 39% of all Canadian port handlings, while shipments ex St. Lawrence increased to 327.4 million bushels, representing 49% of total clearances. Overseas clearances through Churchill rose to 23.8 million bushels slightly below the record set in 1971-72.

GOVERNMENT PROGRAMS AND POLICIES

New Crop Development Fund

In 1974 the Federal Government launched a New Crop Development Fund

with a \$1 million annual budget. The purpose of this fund is to bridge the gap between basic research and the practical application of this research in agriculture. The development and production of new crops and varieties in expanded production areas are being funded under this program.

Government Hopper Cars

In September of 1975, the first of the 4,000 new government-owned covered hopper cars were delivered for service in Western Canada. By the end of November this year, it was expected that all 4,000 cars would be in service, bringing to 6,000 the total fleet of grain hopper cars in service. Twenty-four hundred of these 4,000 hopper cars will be identical to the original 2,000 cars, with the capacity to carry 100 tons of wheat, while the remaining 1,600 cars made of aluminum instead of steel, will have a capacity to carry approximately 88 tons.

Western Grain Stabilization Act

Early in 1976, the Western Grain Stabilization Act was passed by the Federal Government. The Act is designed to stabilize grain income on the Prairies by eliminating the sudden and sharp income declines. All producers, unless having indicated their desire to opt out, are required to make a contribution of 2% of their gross sales each year, up to a maximum of \$500. The Government on the other hand, contributes \$2 for every dollar contributed by the producers. The Plan does permit complete voluntary participation, however, producers will have to indicate before January 1st, 1979 if they wish to withdraw from the Plan. As well, a Producer Advisory Group of

five members has been established, with one of our delegates, Mr. Albert Wagner, being appointed to this Committee.

Your Board feels that two concerns regarding this program still remain; one, that depreciation is not allowed as an expense item in the calculation of net grain sales and the second, that the maximum of \$500 per contributor (basis \$25,000 sales) will not meet what might be considered a desirable target of ninety percent participation for eligible grain receipts.

Canada's Two-Price Wheat Policy

In 1973 the Canadian Government set the domestic price millers must pay for top quality milling grades of wheat at \$3.25 per bushel. The Government, under this program, pays a consumer subsidy for the difference between the selling price and an upper limit of \$5.75 per bushel for domestic sales beginning in September 1973 and ending July 31, 1980. For the two full years that this program has been in effect, Canadian consumers have had to pay \$280 million less for bread and pasta products than if the market price had been charged to the millers. The Government's commitment under this program has been \$216 million and the difference, \$64 million, is the amount which grain producers subsidized consumers by selling to the domestic market as compared with the going price on the export market.

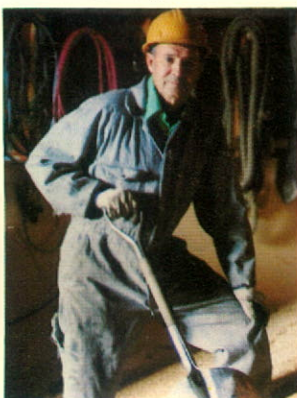
Domestic Feed Grains Policy

As a result of the problems encountered following the introduction of the Feed Grains Policy in 1974, the Federal Government revised the policy

Hubert N. Anderson



H. R. Patching



Norman Jacobsen



Parke Dobson



7

effective August 1st, 1976. One major problem of the former program was that it failed to attract enough grain to the open market to meet livestock producers' demands. Theoretically, this should have forced prices up and encouraged grain producers to deliver to this market. Non-Board marketings totalled 63.1 million bushels between August 1st, 1975 and May 12th, 1976, while domestic requirements for western feed grain from commercial elevators was 75.5 million bushels. The short-fall was overcome by Wheat Board sales at export related prices to the domestic market.

The revised policy announced May 31st, 1976 claimed that the objectives stated two years ago, namely, that of having a pricing system which would be fair to both grain producers and livestock producers throughout the country, as well as maintaining adequate supplies of domestic feed grains for all markets in Canada, should be maintained. Changes in policy call for: the Canadian Wheat Board to offer western livestock producers feed grains at Montreal corn competitive prices; the re-location of domestic reserves stocks to eastern locations; modifications in the Feed Freight Assistance Program and the development of new programs to encourage livestock and feed industries in British Columbia, Ontario and Quebec.

Under the new policy, the Canadian Wheat Board is required to offer on a daily flat price basis, feed grain on a Montreal corn competitive price less transportation and handling costs. It is expected that the net effect of the new way of pricing barley on the Prairies will be an approximate 30c reduction to

barley producers — 15c to 20c from the loss of Feed Freight Assistance and approximately 15c because the price is now based on corn-related energy value and the fact that barley was not corn competitive as of the date of change.

The announcement regarding the revised policy indicated that a reduction in Feed Freight Assistance would not affect feed grain prices in Eastern Canada or British Columbia.

The changes in the Feed Freight Assistance Program, will, it is expected, reduce the Federal Government expenditures by approximately \$11 million per year. This money will instead, be used to improve both feed production and the grain marketing and handling system in Eastern Canada and British Columbia. The major reserves stock of grain which was located at Thunder Bay under the earlier program, will now be moved closer to the grain consuming areas to accommodate feeders who may wish to call on these reserves.

The Honourable Mr. Lang has now indicated his desire to develop some technique to poll producers on the desirability of continuing the Feed Grains Policy. It is not expected that any major change will occur before August 1, 1978. The Canadian Federation of Agriculture has been invited to recommend a procedure for polling producers. Your Board is concerned about this request, recognizing the inability of the C.F.A. to give any guidance to the Federal Government when the initial feed grains policy was being discussed.

Transportation Policy

In June 1975, the then Minister of Transport, the Honourable Mr. J. Marchand enunciated what was generally expected to be a transportation policy that would encourage the development of processing and manufacturing industries in the Prairies.

On May 4th, 1976, the current Minister of Transport, the Honourable Mr. Otto Lang, instructed the Canadian Transport Commission to publish tariffs on rapeseed products at levels which were not to exceed the minimum compensation for the variable costs incurred in moving these products. Subsequently, the Minister stated that the existing rail freight rates for rapeseed products would be frozen until the end of October to permit the Canadian Transport Commission more time to establish the so-called compensatory rates. This delay will also permit time for the Snavely Commission to report on its findings regarding the costs of transporting grain.

The concern about the increase and anticipated increase in freight rates on rapeseed products resulted in a delay in the planned construction of the rapeseed crushing plant planned by Alberta Wheat Pool. Your Board and Alberta Food Products have jointly and severally made strong representation to the Federal Government, indicating the crippling effect increased freight rates on rapeseed products would have on the viability of operating a crushing plant. The Government has also been appraised of the Pool's concern that the establishment of a compensatory rate for moving rapeseed oil and meal could ultimately lead to the



setting of increased rail rates for all grain. The Pool's position that the Crows Nest Rates for all grains must be maintained, has been strongly emphasized.

The Minister of Transport has, at various times, suggested that the transportation policy should be based on a "user pay" principle. This position has been challenged by your Association, pointing out that there are many examples of non-users making contributions for services which they do not use. The "user pay" concept as promoted by the Honourable Mr. Lang, assumes a perfectly competitive economy which implies that freight rates will be set on a competitive basis. Such a situation does not exist in the transportation sector. The "user pay" concept also assumes that the user can be identified and that the whole benefit from this service will accrue to this individual. In transportation however, there are many direct and indirect users who benefit from this service.

Alberta Land Use Forum

The Alberta Land Use Forum released its report and recommendations in January 1976, in which it made 160 recommendations dealing with such things as land ownership, land use, future agricultural land needs, urban land use, recreation land use, transportation, etc. Earlier, your Association made strong representation to the Land Use Forum, asking that agricultural land be retained for that purpose and expressing concern regarding foreign ownership of farm land.

In its report, the Forum, while acknowledging that it would be in the best interests of Albertans to have "the

great majority of the province's farm land owned by Canadians or landed immigrants" rejected residence requirements and land transfer taxes as implemented in some other provinces. It further recommended that all dwellings in rural areas be taxed as residential and concluded that a suitable objective of Government for agricultural land use would be:

"To encourage and assist the farmers of Alberta to develop economically viable units so that they can preserve and improve their land base while providing food and other products to meet market demands in Canada and abroad and to use its police powers only to prevent gross mis-use of land or use that unduly interferes with other uses; and furthermore, in allocating agricultural land for other irreversible purposes, care must be exercised to preserve agricultural land and high productivity."

Seed Cleaning Plants, Up-grading Program

Alberta Agriculture has indicated that it plans to place emphasis on the up-grading of 75 Co-op Seed Cleaning Plants in the province, rather than to undertake a rebuilding or new construction program for these plants. A maximum of two plants per year until 1980 will be permitted to be constructed in developing areas and/or areas not now adequately served by existing facilities.

Cost sharing for the up-grading will be between the Government of Alberta, the municipality concerned and the local seed cleaning co-operative, with \$15,000 as the maximum government grant. Ad-

ditional cleaning and treating equipment, as well as improvements to the leg, dust control and improved analytical equipment, as well as improvements to the basic structure may be included in applications for a grant under this program.

Your Association is actively supporting the establishment of local seed cleaning plants. The Board has generally refrained from authorizing installation of seed cleaners in local elevators to encourage members to use proper seed cleaning facilities.

Canadian Wheat Board

Bill C-88, an Act to Amend the Canadian Wheat Board Act, which received Royal Assent July 27th, 1976, incorporates some important changes in the marketing of Prairie grains. A separate marketing pool for "selected and accepted" grains such as malting barley, may be established under the new legislation. Beginning with the 1975-76 crop year, there is now a separate Designated Barley Account and final payments to producers will reflect special premiums for barley which was selected and accepted for malting or other special purposes.

For the current crop year, the initial payment for barley accepted for malting, pot or pearling, will be increased by a 50c premium over the established initial payment for barley of the same grade. Another change in the Wheat Board Act, provides for the appointment by Governor in Council, of those members elected to the Wheat Board Advisory Committee.



On April 12th, 1976, the Wheat Board announced an incentive program for the construction of additional terminal capacity at Canadian West Coast Ports. Under this program, companies building additional terminal facilities would be guaranteed storage payments on ninety to one hundred percent of their total licensed capacity if a certain amount of additional storage was built. A minimum of 10% was to be reserved for non-Board grains. Commitments for the construction of 10.4 million bushels were received by the Board. Your Association has committed itself to the construction of an additional 2.8 million bushel storage at Vancouver under this program.

Following a recommendation by the J. F. Mants Study on Boxcar Allocation, the Canadian Wheat Board established a committee to review the system for assigning railway cars. On the recommendation of this Committee, two test blocks initially were established in Alberta in which boxcar orders were to be allocated so as to maintain 35% space at each elevator. In each block, the company's total licensed capacity is taken into account for each train run and orders placed according to space available. The remaining orders will be allocated on the old basis, that is, on the percent of business done during the previous twelve-month period. The new system for allocating boxcars was implemented in all Alberta blocks by late October, 1976.

During the previous crop year, problems in the Wheat Board shipping program arose because some grain organizations were shipping the incorrect grades on specified grain shipping orders. Penalties to grain handling organizations

to correct these violations were implemented. Offending companies were penalized two cars for every one shipped outside the Board's orders and those companies which had adhered to the orders of the shipping program as outlined by the Board, received these cars, thereby increasing their shipping program.

The Canadian Wheat Board, in cooperation with the Canadian Grain Commission, is conducting an experiment to begin the payment of special premiums for high protein wheat. For a number of years now, the Board has marketed the top grades of milling wheats on the basis of protein, but has only segregated these after arrival at terminal position. Implementation of the protein testing and selection at the country level will provide the Board an opportunity to evaluate the problems and costs involved in such a program.

Uncashed grain cheques and interest accumulated in grain pools will now be used by the Wheat Board in the sponsorship of scholarships or assistanceships for research for improvement in yield and disease resistance in grains grown on the Prairies. Up to \$200,000 per year will be available through this research program to be carried out by students attending university. An important stipulation of the fund is that it not in any way, replace research budgets from other organizations.

INTERNATIONAL AGREEMENTS

The International Wheat Agreement, consisting of two parts — the

Wheat Trade Convention and the Food Aid Convention, originally signed in 1971, has been renewed for an additional two years, to June, 1978. A special preparatory group has been studying elements to be considered in negotiating a new Agreement. In order for this new plan to be successful however, it will require a definite commitment by participants on such things as pricing, non-tariff barriers, a grain reserve system, etc.

The G.A.T.T. Sub-Group on Grains has had considerable difficulty in bringing together interests of the various countries involved. The European Economic Community for example, is interested in negotiating international commodity agreements which would increase the stability and self sufficiency on the basis of administered target prices supported by price triggered stock piling provisions, while the United States and other major exporters have been stressing the importance of trade liberalization as a means of enhancing market stability and food security as well as market and supply access. Japanese and developing countries have, at the same time, stressed the need for security of supplies at reasonable prices.

A record \$280 million in world food aid has been pledged by Canada. In addition to the substantial increase in grant funds, an increasing volume is being channelled through multi-national agencies, particularly the World Food Program. It is planned that in future, more priority will be given to programs for the encouragement of agricultural production and the efficient use of natural resources in developing countries.

10



CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

Transportation issues received major consideration through Canadian Co-operative Wheat Producers Limited, an organization representing the three Prairie Wheat Pools. This organization provides an opportunity to co-ordinate activities between the three Pools.

A special seminar on storage and transportation issues related to the movement of Prairie grains to the West Coast was attended by the Directors of the three Pools in Calgary in July. At this meeting, a public statement was prepared, stressing that a federal user-pay plan for transportation would be harmful to western Canadian agriculture and to the Canadian economy.

AFFILIATIONS

Active membership by your Association has been maintained in a number of organizations including Unifarm and through it, the Canadian Federation of Agriculture; the B.C. Federation of Agriculture; the Co-operative Union of Canada and the Canadian Feed Manufacturer's Association.

The twenty-first general conference of the International Federation of Agricultural Producers was held in Washington, D.C. late last year and was attended by Directors Macpherson and Braithwaite. The world food policy, agricultural aspects of multi-lateral trade negotiations, food reserves — both national and international, farm commodity situations and the role of agriculture in today's society were dis-

cussed at length. At one of its concluding policy statements, the Conference observed: "In order to plan their production and to invest sufficient amounts to ensure the required rise in supplies, producers must have confidence that market prices will be adequate to cover production costs and incentives for needed expansion of production, that prices will not collapse under pressure of large crops, and that there will be outlets for their products."

MEMBERSHIP

During the 1975-76 season, 2,855 new members were accepted by the Board as compared to 3,034 during the 1974-75 season.

A total of 691 deaths were reported and 1,666 memberships cancelled.

The net increase in membership totalled 498 members, increasing the membership strength from 56,092 to 56,590.

MEMBERS' ACCIDENT INSURANCE

Members' accident insurance claims during 1974-75 totalled 72 as compared to 77 during the previous season. To cover these claims a total premium of \$38,991.11 was paid to the insuring company. The premium is \$593.44 less than that paid during the 1974-75 season. An estimated \$9,100 in claims is still pending.

Claims were paid for 43 deaths, twelve of which were persons under 18 years of age. Twenty-five of the cases were the result of traffic accidents; seven from operating farm equipment; four from

drowning and seven by other means. Twenty-seven dismemberment claims and two loss-of-sight claims were paid.

Forty-seven applications for sponsored workers were received compared with 50 last year.

The cost of the operation of the Accident Insurance Plan for seventeen years, from August 1, 1958 to July 31, 1976 totals \$1,169,047. Benefits have been paid for 4,421 accidents involving 673 fatalities (443 adults and 230 children), 423 dismemberment claims and 72 cases of loss of eyesight. Payments of \$15,947 were made in accidents involving 76 farm workers and their dependents.

IN MEMORIAM

Sincere sympathy is extended to friends and relatives of those elected officials of the Pool who passed away during the past year. We wish also to acknowledge the contribution these people made to the Association.

On November 11th, 1975 Mr. Alfred Axelsen of Drumheller passed away at the age of 88. Mr. Axelsen served as Delegate in sub-district C-4 from 1935 to 1939.

Mr. A. R. (Bob) Bulmer of Berwyn who served as Delegate in sub-district 709 from 1962 to 1968 passed away on November 17th, 1975 at the age of 67 years.

Mr. J. O. Anderson of Blackie passed away on July 4th, 1976 at the age of 94 years. Mr. Anderson was elected in the redistribution of 1925 to sub-district B-9. He served in that district in 1927 and 1928 and in B-10, from 1929 to 1942.



ELECTION OF DELEGATES

This past summer, all delegates stood for election or re-election following the redistribution of electoral boundaries.

Elected by acclamation were forty delegates and of these, seven were elected for the first time, including Harold Van Gaalen of Foremost in sub-district 103; John Berger of Nanton in 203; Alvin Fowler of Airdrie in 208; Wilmer Oberg of Forestburg in 405; John Bober of Derwent in 601; Albert Pidruchney of Myrnam in 602 and William Harlos of Valleyview in 701.

Also elected for the first time were twelve new delegates, including Jim Johnson of Drumheller in sub-district 305; Stanley Chynoweth of Wainwright in 402; Clifford Harbin of Rivercourse in 403; William Banack of Camrose in 410; Neil Silver of Huxley in 501; John Rebus of Stony Plain in 507; Bud Lappenbush of Mayerthorpe in 508; Harold Hennig of Andrew in 604; John Harry of Nestow in 607; Bernard Lamoureux of Girouxville in 702; Alex Graham of Spirit River in 706 and John Krall of Nampa in 708.

In sub-district 506, Mr. Clarence Rasmuson of Wetaskiwin was elected after an absence of one year.

Re-elected sitting delegates include George Dudley of Magrath in sub-district 104; Evan Williams of Vulcan in 202; Harold Stewart of Dalemead in 206; Clarence Schmaltz of Beiseker in 207; Jack Riddle of Carstairs in 210; Norman Nelson of Craigmyle in 306; Vernon Johnston of Oyen in 307; John Kloberdanz of Kirriemuir in 308; Melvin Hepp of Castor in 309; Robert Ash of Viking in 406; Cliff Pepper of Ohaton in 408; Glen Nelson of Bentley in 503; Laurence

Rimmer of Pibroch in 510; Joe Slobogean of Legal in 606; Iver Olson of Beaverlodge in 704; Rae Erickson of Tangent in 705; Albin Peirce of Dawson Creek in 707 and Nick Lorenz of Manning in 709.

Re-elected by acclamation were: Barney Gogolinski of Orion in sub-district 101; Ray Schmitt of Milk River in 102; Nick Dyck of Pincher Creek in 105; John Vaselenak of Coaldale in 106; Evert Konynenbelt of Nobleford in 107; Arthur Binder of Turin in 108; Clarence Thurston of Bow Island in 109; Jim O'Neil of Claresholm in 110; William Chambers of Lomond in 201; Elden Seney of Blackie in 204; George Burne of Gleichen in 205; Pat Carney of Three Hills in 209; Bob Bayer of Schuler in 301; Carl Lemare of Acadia Valley in 302; Joe Volek of Tilley in 303; Eric Axelsen of Drumheller in 304; Les Petersen of Erskine in 310; Don Redmond of Edgerton in 401; Doug Livingstone of Vermilion in 404; William Christians of Donalda in 407; Don Baker of New Norway in 409; Kris Johnson of Red Deer in 502; Albert Wagner of Lacombe in 504; Percy Baker of Lacombe in 505; Roy Ulmer of Barrhead in 509; Russel Goshko of Vegreville in 603; Ken Galloway of Ft. Saskatchewan in 605; Alex Din of Warspite in 608; Armand Lamothe of St. Paul in 609; William Davidiuk of Grassland in 610; Mike Nikolaychuk of Woking in 703 and Jim Morrison of Bluesky in 710.

Redistribution resulted in a larger than usual change in our delegate body this year. A number of long-time sitting delegates whose contribution to the organization over the years has been much appreciated, and whose presence

will be missed, have as a result of this election, been replaced.

BOARD OF DIRECTORS

Officers of the Board of Directors were elected as follows after the 1975 Annual Meeting.

President	G. L. Harrold
First Vice-President	A. J. Macpherson
Second Vice-President	G. W. Braithwaite

These same three directors were elected to the Boards of Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited and Pool Insurance Company. Messrs. Harrold and Macpherson were re-appointed to the Board of Western Co-operative Fertilizers Limited, to XCAN Grain Limited and to the Management Committee of Alberta Food Products.

Mr. Harrold continues to serve as President of Western Co-operative Fertilizers Limited, Western Pool Terminals Limited and as Chairman of the Board of Pacific Elevators Limited and the Management Committee of Alberta Food Products.

Mr. Macpherson was elected to the Uniform Board of Directors and serves on its Executive Committee. He also serves as a Director of the Canadian Federation of Agriculture.

Mr. Anderson also serves on Uniform's Directorate with Mr. G. W. Braithwaite as alternate.

Mr. Braithwaite served on the Canadian Council on Rural Development.

Our General Manager served on the Boards of Western Co-operative Fertilizers Limited, XCAN Grain Limited, Western Pool Terminals Limited and



Pacific Elevators Limited and on the Management Committee of Alberta Food Products.

The Secretary serves as a Director on the Board of the P. O. S. Pilot Plant Corporation and on the Management Committee of Alberta Food Products.

Directors and senior staff continued to serve on numerous industry-associated committees during the year.

PROPERTIES

An expanded construction program, approved by the Board of Directors during the past year, included authorization for the construction of new elevators at Beaverlodge #2, Hardisty #1, Milo #1, Rockyford #2, and Sibbald #2. As well, the Board approved the closure of Pool elevators at two points. Included in the construction program, in addition to the new elevators, are the building of annexes, dwellings, fertilizer sheds, remodelling of office space, installation of car movers, dust collectors and expansion of Terminal #1 at Vancouver. The total estimated value of the construction and improvement program is in excess of \$20.0 million.

PUBLIC RELATIONS

The Public Relations Department has continued to stress the value and responsibility of membership in the organization. It has as well, provided information to members and the public at large about the organization and its role in the agricultural industry. In addition to these duties, Pool Representatives have become involved in many public activities including as one major area of emphasis, work with young people.

STAFF

Sincere appreciation is extended to

the staff who performed their duties willingly and made the favourable earnings of your Association possible. We are most appreciative of their dedication and hard work on behalf of the membership.

ITEMS AT ISSUE

Government inquiries into many aspects of the grain handling and transportation system were held during the past year. These inquiries included the Bayda Commission inquiring into the labour problems at Vancouver; the Hall Commission which is investigating the rail and elevator system on the Prairies; the Snively Commission dealing with the costing of transporting grain by rail; the Mants Inquiry dealing with the allocation of boxcars distributed under the Bracken Formula; the Gunn Commission inquiry regarding the Elevator Managers' hours of work; the Finn Commission inquiring into the safety aspects of terminal operations and the Combines Investigation Branch inquiring into the pricing of fertilizer on the Prairies and the pricing of non-Board grains.

Much time and effort has gone into the Pool's presentation to each of these inquiries, except the Combines Investigation Branch investigations. The most demanding has been the Hall Commission. The Pool made six major presentations to this Commission and also appeared at many local hearings throughout Alberta. Retention of the Crows Nest Pass freight rates on grain has been emphasized, as has the fact that control and ownership of all the production, transportation and grain handling phases should remain in Canadian hands.

At the Saskatoon Hearings in September of this year, the Pool in-

dicated that 205 of the 374 locations at which we are currently operating should be maintained as a permanent elevator system. It was indicated at this Hearing that an additional 86 points would be maintained as long as producers indicate a need for them and 83 points were identified where closure of elevators might be expected in possibly ten years' time.

The Snively Commission, reviewing the grain transportation costing formula, has also held hearings and is expected to report its findings in time for use by the Hall Commission. Considerable time was also spent by Pool personnel to assist the Commission in these findings.

The Mants Inquiry into Boxcar Allocation has submitted its report and the recommendations have been referred to the Canadian Wheat Board Technical Committee for its evaluation and recommendation. One result of the Technical Committee's review has been the implementation of a new system for the allocation of boxcars based on space available in the shipping block.

The entire secondary agricultural processing industry in Western Canada is being threatened by recent developments in freight charges for processed products. As already noted, the rapeseed crushing industry has found itself in a most difficult position, and Alberta Food Products has elected to postpone its decision to proceed with the construction of the plant. Not only is the freight rate issue of importance to the secondary processing industry, but it would seem that these developments are being used in such a way that the farmers' own organizations, which are the major rapeseed crushing plant owners, may find themselves in a conflict-of-interest position.



A serious crisis has developed in the livestock industry because of the low prices being offered for cattle in Canada. This is of concern to grain producers, in that one of its most dependable feed grain markets might be placed in jeopardy. Low beef prices are also eventually reflected in the lowering of hog prices. Hog production in the Prairies has decreased drastically, partially due to the competition from beef, but also because of improved prospects in grain marketing. This reduction in hog numbers threatens the future of the hog industry in Western Canada, but increased production has, at the same time, been stimulated in Central Canada.

Crop production around the world is being affected by what some authorities feel is a change in the world's climatic conditions. With increasing need for a larger and more stable annual production of food, weather variability adds an increasing urgency for some way of ensuring that adequate supplies of food are available when needed.

Land use policies by the various levels of government can have considerable impact on the land available for food production. Approximately ten percent of the land in Canada is considered to be suitable for agriculture, and only approximately one-half of one percent is considered to be prime farm land. Urbanization and other non-agricultural uses are reducing the amount of top quality agricultural land at an alarming rate. Your Board has, as opportunity occurred, stressed the Pool's policy of retaining productive land for agricultural use. Support was given to farmers in the Round Hill-Dodds area in their

successful campaign to have the proposed Calgary Power plant relocated.

It is planned that in the near future, a plebiscite will be held among Prairie grain producers, asking them to approve a special levy on grain sales for the financing of research. It has been proposed that this levy be one-tenth of one percent to be deducted from all of the farmers' grain receipts. The setting up of a special research fund would appear to have some merit, and has in fact, been Pool policy for a number of years. There are some concerns, however, which should be noted, among them, that other sources of research funding not be reduced in any way, and that the control structure be such that it adequately represents the interests of those producers who have contributed to this fund. Your Association has indicated to the proponents of the plan that the currently proposed make-up of the Board is unacceptable.

Farmers' marketing institutions are currently facing a very serious threat. The Food Prices Review Board, in one of its final reports, made a number of allegations about marketing boards, and despite the fact that a number of the points raised have been effectively discounted, suspicions have now been planted and all marketing boards are being tainted with the same suspicion. It is indeed a strange world where, on the one hand, the Federal Government encourages the formation of unions to increase their bargaining power, while at the same time, casting aspersions on food producers when they unite to increase their marketing power. It would further seem that those persons who are most critical of marketing boards, are also

those who are the most protected by some of the strongest unions existent.

While most of the attention has been focused on non-grain marketing boards, we must recognize that the Canadian Wheat Board, as a farmers' marketing organization, has, in some recent information, also been accused of causing production inefficiencies.

Events which necessitated the establishment of the Anti-Inflation Board are causing continuing difficulty for many organizations, including your Association. One of the major problems in the immediate future is that of generating adequate capital to provide the facilities required by the membership. Because of rapid inflation, earnings of necessity, must remain high, or other forms of funding must be found. Funds generated from depreciation allowances based on historical costs, are completely inadequate to replace facilities. The cost of constructing one of the larger elevators which the Pool built eight to ten years ago, was approximately one dollar per bushel of storage, while currently it is two to three dollars per bushel, and estimates for some inland terminals run as high as ten dollars per bushel. An accelerated construction program is very dependant on adequate generation of capital. Inflation remains a serious threat to the economic viability of not only producers, but to your Association as well.

Respectfully submitted,

G. L. Harrold
A. J. Macpherson
G. W. Braithwaite
H. N. Anderson
H. R. Patching
N. Jacobsen
P. Dobson





Manager's Report to the President and Directors

Gentlemen:

The 1975-76 crop year was one of growth and challenge for your Organization. Services to Pool members were enlarged and expanded in a year which saw new levels achieved in grain handlings, agro-product sales and financial results.

The 1975 crop was, on average, of higher quality than the previous harvest. Grain price levels and marketing opportunities throughout the year provided returns to farmers which permitted active member demand for services and farm supplies.

General Crop & Market Conditions

Canadian production of the six principal grains totalled 1,469.6 million bushels in 1975, including 627.5 million of wheat and 437.3 million of barley. Alberta's production was 499.2 million bushels of which 135 million were wheat and 228 million were barley. Alberta's rapeseed crop amounted to 23 million bushels.

Producers' deliveries to country elevators reached 871.7 million bushels in the 1975-76 crop year. Exports of Canadian grain, oilseeds and wheat flour amounted to 707.7 million bushels over the crop year, and were the largest since 821.7 million bushels cleared port in 1972-73.

Farm-held stocks of grain on the prairies as at July 31, 1976, were 158 million bushels, down only slightly from 160 million bushels a year earlier.

The spring of 1975 was wet and cool. Seeding operations first began in the Peace River country, followed by central and southern Alberta. Seeding was, however, completed by mid-June. The growing season was generally dry. In August, for the second consecutive year, frost hit parts of central and southern Alberta. Rain showers delayed general harvesting until mid-September; however, by the middle of October combining was 95% completed. Only the areas north of Edmonton and south of Lethbridge were later in finishing harvest. The 1975 crop was of generally good quality, a significant improvement over the 1974 harvest.

Country Operations

At the commencement of the 1975-76 crop year Alberta Wheat Pool stocks in store totalled nearly 43 million bushels. Large opening quotas on Canadian Wheat Board grains, and an absence of quotas on non-Board grains resulted in early congestion of our elevators. Deliveries exceeded shipments and from early October through mid-February grain in store was 77% of elevator capacity. From the latter part of February until mid-July, shipments consistently outstripped deliveries. Our elevator system averaged 64% of capacity for the crop year (60% in 1974-75) with average stocks in store of 47.3 million bushels. Deliveries followed the usual pattern: heavy delivery months were: September, 29.7 million bushels; October, 24.2 million; June, 18.0 million and July, 28.0 million bushels. Over 100 million bushels

(about 55%) of our total handle for the crop year was received in those four months.

Deliveries of all grains to Alberta Wheat Pool in 1975-76 amounted to a record 182,674,788 bushels, compared to 145,614,639 bushels in the previous year. Our market share, at 65.79%, was a slight increase over 65.41% in 1974-75. The average handling for each Pool Elevator Manager was slightly less than 400,000 bushels. For the second year in a row, Sexsmith exceeded the one million bushel figure, with handlings of 1,098,000 bushels. Our Elevator Managers at Lomond, Skiff and Innisfail handled 1,125,900 bushels, 1,014,200 bushels and 1,022,900 bushels respectively. During the crop year 84.1 million bushels, or 46% of our total handling, were received by 122 Elevator Managers. One hundred and nineteen Pool Elevator Managers handled over 500,000 bushels each in the 1975-76 crop year.

Elevator shipments during the year, including local sales, amounted to 186,707,769 bushels. At July 31, 1976, 41.2 million bushels of grain were in store, which amounted to 56.5% of our elevator space.

Alberta Wheat Pool's total licensed capacity at July 31, 1976, was 72,905,100 bushels, a reduction of 2,350,500 bushels from a year earlier. Licensed elevators numbered 782 compared to 819 at July 31, 1975.

Our Grading and Selection Department received 17,054 grain samples for grade and/or dockage assessment during



the crop year. In addition, 12,051 samples of malting or pearling barley were examined. Protein tests were applied to 308 samples of barley and 141 samples of wheat. Throughout the year members of the Grading staff supervised the loading of vessel and train shipments of Alberta Pool selected malting barley from Thunder Bay.

During the 1975-76 crop year Alberta Wheat Pool again successfully met erratic market conditions and competition by large international companies, and increased its grain sales. Through our own sales offices and through our export arm, Xcan, total sales increased to 58.8 million bushels from slightly over 46 million in the previous year. Malting barley sales of 14.06 million bushels represented record sales by your Organization. Alberta Wheat Pool was issued over-quota permits for 64.9% of all Alberta permits, down 0.7% from the previous season.

While maintaining its vigorous pursuit of export markets, your Organization has continued to make every effort to see that domestic requirements are fully served. Sales of 34.1 million bushels of domestic wheat, oats, barley and rye represented 30.7% of the western feed market, and again placed Alberta Wheat Pool as the largest feed grains supplier on the prairies.

Four grain dryers were in operation during the crop year at Fort St. John #1 and #2, at Dawson Creek #3 and at High Level. This equipment was not extensive-

ly used throughout the year; most of the grain in those areas was harvested dry in 1975.

We continued an active fire prevention program; no elevators were lost to fire during the 1975-76 crop year.

At July 31, 1976, your Organization employed 457 Elevator Managers, 53 Permanent Assistant Elevator Managers, 68 Assistant Elevator Managers and 113 Elevator Helpers.

One hundred and ninety-three cut-offs were completed during the crop year and a gross average of .034% was indicated. Our weigh-ups continue to be well within limits set by the Canadian Grain Commission, and are the results of honest and accurate weighing by Pool Elevator Managers.

Terminal Operations

Total Pacific Coast terminal elevator receipts rose to 262.9 million bushels in the 1975-76 crop year, up from 212.3 million bushels in 1974-75. Shipments for the year at 260.1 million bushels were also increased from 210 million a year earlier.

Receipts at Alberta Wheat Pool Terminal reached 77,333,814 bushels, compared to 51,033,475 bushels in 1974-75; Pacific Elevators Limited increased its handling to 65,103,606 bushels from 50,178,594 bushels a year earlier and Victorial Elevator Limited handled 6,774,970 bushels compared to 6,096,188 bushels in the previous crop year.

Large volumes of rapeseed handled at Pacific Elevators Limited congested that plant for much of the crop year and prevented Pacific from more closely matching the handling volume of Alberta Wheat Pool Terminal. Pacific Elevators Limited handled 48% of all the rapeseed shipped through Vancouver in 1975-76.

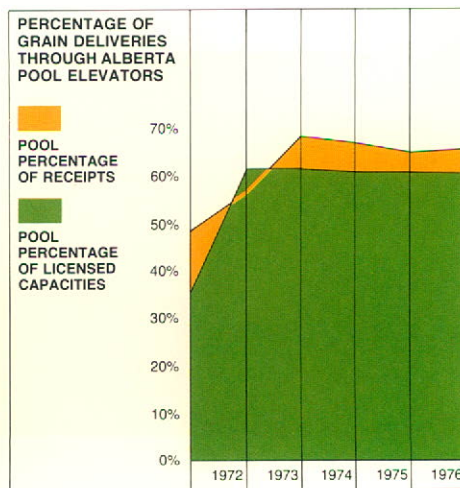
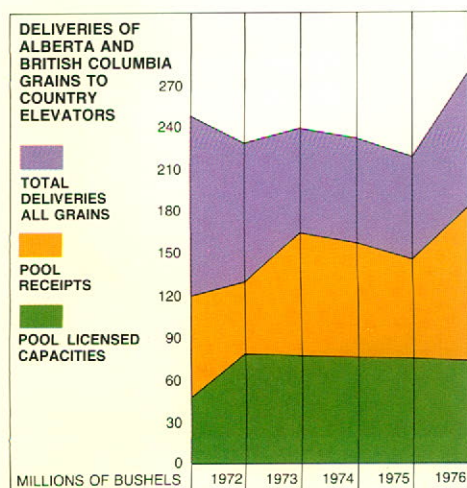
Alberta Wheat Pool shipments to Thunder Bay and other eastern destinations totalled 46,297,987 bushels, compared to 38,807,338 bushels in 1974-75.

At the West Coast, terminal throughput capacity was again restricted by a lack of industry co-ordination between vessel arrivals and grain car supplies of the types and grades of grain required for shipment.

Terminal operations were relatively free of labour unrest during the year; in June agreement was reached with the Union on a new contract, which expires on December 31, 1976.

A tragic terminal elevator fire and explosion at Vancouver in October, 1975, focused industry, labour and government attention on health and safety in terminals. Extensive health and safety programs have been undertaken by your Organization at considerable cost. These programs, while necessary and desirable, do not in themselves create greater productivity with resultant increases in revenues.

Maintenance and expansion of terminal efficiency continued to receive attention throughout the year.



Modifications to improve grain car unloading, vessel loading and cleaning, have been, and are being, carried out. Modifications to permit "one-pass" cleaning are well underway.

During the year various studies and enquiries have continued to seek ways in which Canada's West Coast grain movement may be broadened, accelerated and stabilized. Most notable of these is the Hall Commission on Grain Handling and Transportation. Alberta Wheat Pool has co-operated fully with such Commissions and has, we believe, made a major contribution to their understanding of the sales, handling and shipping system.

In April, 1976, your Organization was the first to indicate participation in the Canadian Wheat Board's storage incentive program for the Pacific Coast. Although a contract with the Board has not yet been signed, work is underway to increase capacity of Alberta Wheat Pool Terminal by the addition of a 2.8 million bushel annex.

Terminal elevator receipts (all companies) at Thunder Bay during 1975-76 reached 510.8 million bushels, a 16% increase over the previous level of 440.9 million bushels.

Following last year's closure of our terminal elevator at Thunder Bay (Pool #9) handling arrangements were negotiated with Saskatchewan Wheat Pool. In the past crop year Alberta Wheat Pool consigned shipments of 23,601,355 bushels to Saskatchewan Wheat Pool Terminals, out of total shipments of

37,772,774 bushels to Thunder Bay. In 1974-75 our unloads at Thunder Bay totalled 36,113,176 bushels.

Alberta Wheat Pool selected malting barley shipments reached 5,227,517 bushels, a 73% increase over previous year shipments of 3,020,523 bushels.

All rail shipments east of wheat, oats and barley rose to 1,764,301 bushels, compared to 599,285 in 1974-75. Shipments to Canadian Government Elevators declined from 16.8 million bushels a year ago, to 7,172,915 bushels, mainly the result of reduced interior terminal utilization by the Canadian Wheat Board. Alberta Wheat Pool grain unloads at Canadian Government Elevators within Alberta amounted to 1,339,894 bushels compared to 8,181,122 bushels in 1974-75.

Marketing Department

The use of farm production inputs in 1975-76 by Alberta farmers continued at high levels in terms of dollars and volume. The dramatic increases in use levels experienced in previous years were not maintained however, and in some cases actual volume reductions were experienced.

The costs of production inputs stabilized in some instances, for example agricultural chemicals, and increased in others such as fertilizer. These factors, combined with apparently declining market value for field crop production, created a less favorable purchasing attitude among producers.

There is no doubt that the majority of farmers recognize the potential for using modern technology on their farms. They will utilize the products of this technology given a good return for their crops and a favorable outlook. Farm cash receipts continue to be the most important single determinant to our volume of sales.

Total sales in the Marketing Department were \$45.9 million, an increase of 3.5% over the previous year. Record earnings were generated for the fourth successive year.

Total fertilizer shipments in Western Canada by all manufacturers amounted to 1,257,989 tons, a decrease of 7.4% from 1974-75. Shipments to Alberta locations decreased by 3.7% to 566,565 tons, 45% of the Western Canadian total.

Supplies of phosphate fertilizers were adequate but Alberta Wheat Pool was unable to supply the total nitrogen requirements of members. This situation should be remedied in future years with Canadian Fertilizers Limited coming on stream.

Chemical sales increased from \$9,795,000 in 1974-75 to a new record of \$12,320,000 in 1975-76, continuing the steady growth that began when your Organization entered chemical marketing in 1968. Wild oat herbicides accounted for 62.2% of total sales. Chemical prices remained relatively stable for the past year.

While further write-down was required in the twine inventory over that in 1974-



75, Alberta Wheat Pool still managed a small earning in twine operations.

The production of forage seed declined in Alberta and B.C. in the past year as growers plowed large acreages in favor of cereal crops. This, together with low prices — particularly for creeping red fescue, at the beginning of the crop year, resulted in decreased deliveries of forage seed to your Organization. Market conditions improved towards year-end and overall sales of 10,670,000 lbs. were made.

Cereal sales increased slightly over the previous year, due mainly to larger sales of wheat, a result of the expanded acreages planted to this crop. A small earning in forage operations was offset by a similar loss in cereal operations.

The four seed cleaning plants at Grande Prairie, Camrose and Lethbridge processed 8.28 million pounds of clean forage seed and 414,000 bushels of clean cereal seed, of which 57,000 bushels were cleaned on a custom basis. The amount of forage seed cleaned was 13.8 million pounds. The #2 plant at Grande Prairie operated only on a limited basis as the other plants had sufficient capacity to handle the majority of the cleaning.

Emphasis on the Technical Services Branch of the Marketing Department in the 1975-76 crop year was on the expansion of a research and development capability. A complete set of plot equipment was obtained and was operational during the year. Research on cereals,

forages and herbicides was carried on to support and expand Alberta Wheat Pool's marketing programs.

Engineering, Construction and Maintenance

An expanding program of construction and maintenance to serve the growing needs of Pool members continues to receive priority. In the past year a major program of installing larger elevator scales was undertaken. Elevator repair costs rose by 27% to \$1.2 million in 1975-76, reflecting larger work forces and higher costs in labour and material. A new section was set up in the Construction Department to service fertilizer equipment and to supervise the installation of anhydrous ammonia facilities.

Construction Department country personnel at July 31, 1976, numbered 184, including 36 foremen.

Subsidiary Companies

Victoria Elevator Limited handled a slightly larger volume of wheat than in the previous year. The total amount of 6,775,000 bushels, however, was well below the terminal's handling ability. Due to the very high cost to update the plant to meet dust and safety regulations, a decision has been made to cease operations of the subsidiary as at December 31, 1976. The costs to upgrade the facility could not be warranted based on projected potential grain handling for the port of Victoria. After a provision of \$90,000 for income tax, a net earning of \$183,708

was contributed to the consolidated earning of the organization.

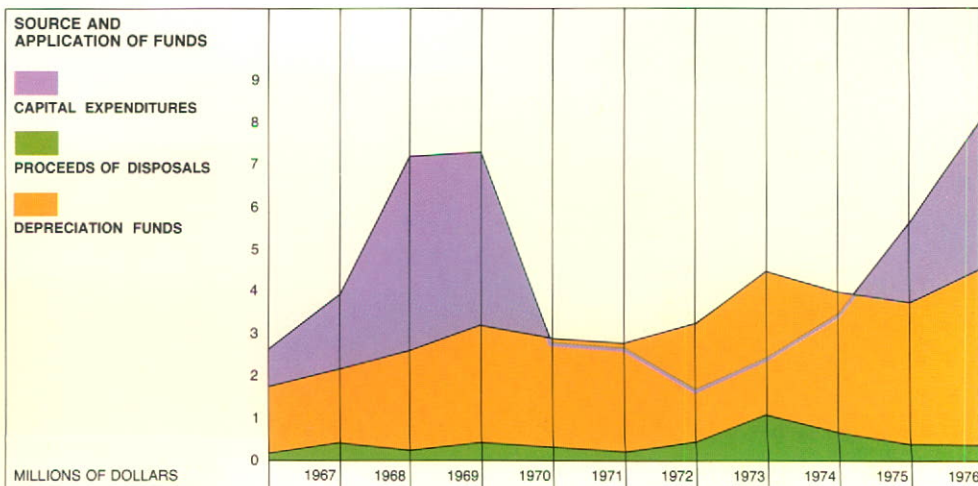
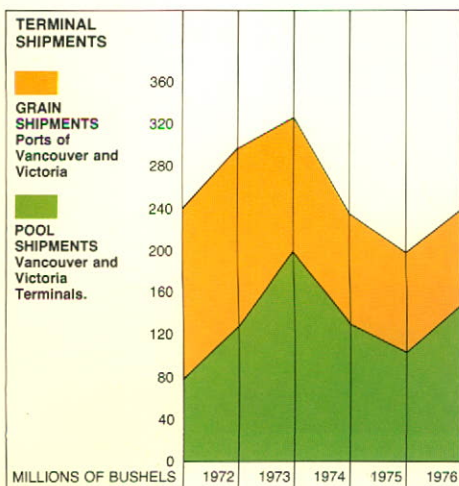
No activity took place in Interior Feeds Limited and none is contemplated, but the company charter is being retained for the time being.

Western Pool Terminals Ltd. leases its facilities at Vancouver to Pacific Elevators Limited. Both of these companies throughout the year were owned jointly by Alberta Wheat Pool and Saskatchewan Wheat Pool. Since year-end Manitoba Pool Elevators has taken an equity position in both companies. Earnings of the operating company were distributed to the signatory shippers in proportion to grain consigned to Pacific terminals.

The financial position of the partnership of Alberta Wheat Pool and Japan Alberta Oil Mill Co. Ltd., created to construct and operate a rapeseed crushing facility, has been incorporated into the accounts of the parent organizations in proportion to ownership. Due to uncertainties within the crushing industry, especially pertaining to freight rate structures, a freeze has been placed on further development of the plant until these problems are resolved.

Properties

On August 1, 1975, your Organization owned and operated 819 country elevators, 1,131 annexes, 4 seed cleaning plants, 865 agro product warehouses, 12 anhydrous ammonia facilities, 43 sheds



and 2 terminal elevators. New elevators at Carstairs, Girouxville and Hanna, 6 annexes, 3 bulk fertilizer distribution warehouses, 3 agro product warehouses, 5 anhydrous ammonia facilities and 8 dwellings were built during the year. Seventeen scales, 15 car movers, 6 dust collectors and 17 hopper car loading spouts were installed in country elevators. Two dwellings were purchased, while 22 annexes, 15 warehouses and 11 dwellings were sold. Licenses for 40 elevators and annexes were cancelled in 1975-76. A planned maintenance program continues to ensure effective operation of country and terminal facilities.

Assets in operation as at July 31, 1976, included 782 elevators, 1,074 annexes, 4 seed cleaning plants, 858 agro product warehouses, 17 anhydrous ammonia facilities, 546 dwellings, 40 sheds, 1 supply warehouse, 2 terminal elevators and an office building. Demolition of Pool #9 Terminal at Thunder Bay was in process at the year-end. Country elevator licensed capacity was reduced to 72,751,100 bushels at July 31, 1976.

Operating Results

Consolidated earnings of Alberta Wheat Pool and subsidiary companies reached a record of \$21,758,521 before income taxes. The peak volume of grain handled in the elevator system contributed to the greatly improved earning in country operations. Terminal earnings provided a better contribution than the previous year which had been affected by

a series of labour problems. Marketing of crop products also provided earnings in excess of the previous year.

Following resolutions of the Delegate Body, disposition of the previous year's earning provide a patronage refund of \$12,705,000 of which \$3,829,000 was paid in cash. Withholding taxes from the refund were \$1,364,000. The total purchase of reserves was \$3,067,000 paid to estates of members, retired members, an age category of 66 years to members who had not received a previous purchase and \$1,612,000 on a member number basis to revolve the reserve structure. The increase in reserves of \$5,825,000 provided the organization with cash resources to strengthen working capital and provide funds without borrowing for the heavy capital programs authorized.

Administration

Progress continued throughout the year in developing, maintaining and refining systems and techniques to make maximum productive use of physical and human resources. A number of important programs and systems were computerized throughout the year. A study regarding extension of telecommunications capability to strategic country points is in progress. Your Organization has played a significant role in the development of a basic training program respecting Metric Conversion within the grain industry.

During the year, planning activity continued to assess short and long term op-

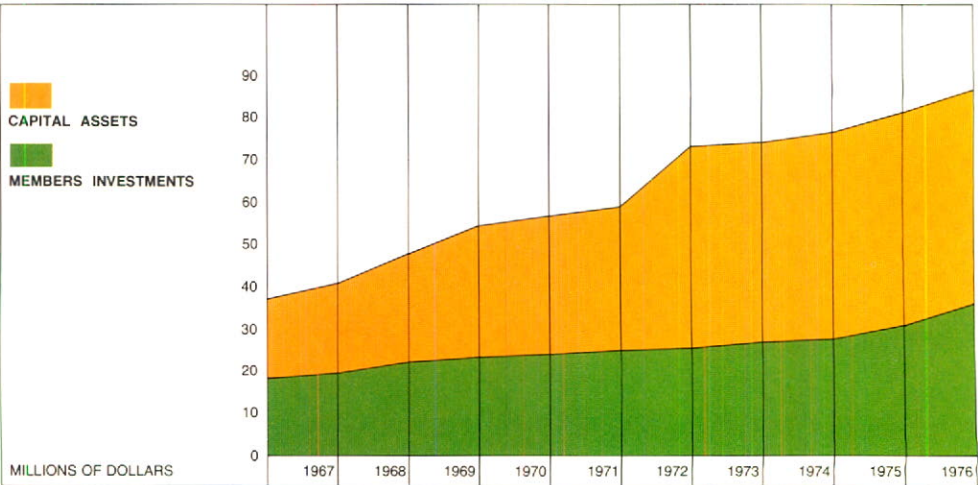
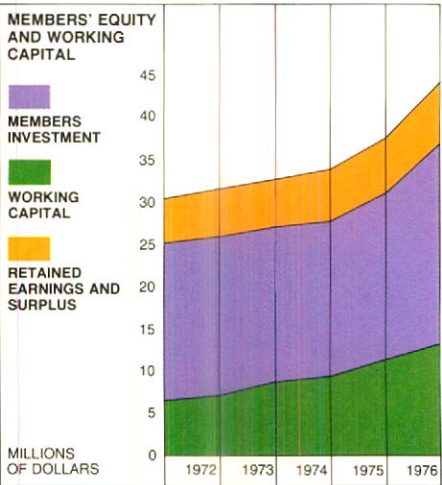
portunities for beneficial service to Pool members. A significant portion of our planning resources was devoted for much of the year to involvement with Government Commissions respecting grain handling, transportation and transportation costs.

Heavy emphasis continues to be placed on the areas of unionized and non-unionized employee relations. Safety and health of your employees is a major consideration; manpower recruitment, training and development programs continued throughout the year to ensure for your Organization the human resources it requires to remain the leader in agricultural service to farm people.

In conclusion, we commend our staff for their competent and faithful service. Their dedication and service made possible the successful year-end results we have reported to you, and we extend to them our full appreciation.

Respectfully submitted,

[Signature]
General Manager





ALBERTA
POOL

BALZAC



alberta wheat pool
AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet as at July 31, 1976

ASSETS

	1976	1975
Current		
Cash in banks, on hand and in transit	\$ 3,958,053	\$ 1,738,172
Inventories (Note 1)	139,315,280	132,456,153
Accounts and accrued items receivable	27,052,926	24,727,994
Prepaid expenses	1,192,166	995,090
	171,518,425	159,917,409
Property and Equipment, at cost (Note 1)		
Buildings, sites, operating machinery and equipment	86,758,552	80,838,832
Less accumulated depreciation	51,124,899	48,722,392
	35,633,653	32,116,440
Investments, at cost		
Shares and bonds of affiliated companies	5,878,940	6,815,190
Grain exchange and association memberships	15,999	15,999
	5,894,939	6,831,189
Other		
Deferred accounts receivable	5,538,462	3,808,699
Excess of cost of investment in subsidiary company over book value at date of purchase	155,420	155,420
Goodwill, at cost less amortization (Note 1)	670,234	713,129
Development and pre-operating costs	271,882	71,176
	6,635,998	4,748,424

Signed on behalf of the Board:

G. L. HARROLD, Director.

A. J. MACPHERSON, Director.

\$219,683,015	\$203,613,462
---------------	---------------

LIABILITIES

	1976	1975
Current		
Cheques and cash tickets outstanding	\$ 68,667,182	\$ 72,037,408
Bank loans (Note 2)	46,010,000	40,245,000
Call and short term loans	5,086,700	4,477,700
Accounts payable and accrued charges	13,888,027	15,177,151
Staff savings	3,470,601	2,967,910
Current maturities of long term debt (Note 4)	120,355	281,627
Net earnings for the year (Note 1)	21,208,744	13,464,581
	158,451,609	148,651,377
Term Loans from Members and Co-operatives (Note 3)	10,375,749	9,906,676
Long Term Debt (Note 4)	6,733,812	7,487,659
Total liabilities	175,561,170	166,045,712

MEMBERS' EQUITY

Reserves

Authorized \$50,000,000

Issued to members (Note 5)	36,875,466	31,050,834
Earnings retained from prior years	7,246,379	6,516,916
	44,121,845	37,567,750

Commitments and Contingencies (Notes 6 & 7)

	\$219,683,015	\$203,613,462
--	---------------	---------------

Consolidated Statement of Operations For the Year Ended July 31, 1976

	1976	1975
Operating revenues	\$75,026,276	\$60,331,895
Deduct		
Country facilities operating expenses	16,141,529	14,332,309
Terminal operating expenses	12,119,264	9,632,320
Office, administration and supervisory expenses (Note 1)	12,873,515	10,259,000
Interest	8,617,883	9,593,211
Depreciation (Note 1)	4,065,341	3,426,873
	53,817,532	47,243,713
Earnings before extraordinary item	21,208,744	13,088,182
Gain on sale of land	—	376,399
Net earnings for the year	\$21,208,744	\$13,464,581

Consolidated Statement of Earnings Retained from Prior Years For the Year Ended July 31, 1976

	1976	1975
Balance, beginning of year	\$ 6,516,916	\$ 5,854,728
Add		
Net earnings for previous year before income taxes	13,745,291	11,390,101
Less income taxes	280,710	247,371
	13,464,581	11,142,730
	19,981,497	16,997,458
Deduct		
Patronage refunds —		
In cash	3,829,419	4,397,014
In member reserves	8,875,953	6,081,579
	12,705,372	10,478,593
Adjustment to income taxes paid on earnings for the previous years	27,070	1,155
Sundry adjustments	2,676	794
	12,735,118	10,480,542
Balance, end of year	\$ 7,246,379	\$ 6,516,916

Consolidated Statement of Changes in Financial Position

For the Year Ended July 31, 1976

	1976	1975
Funds, beginning of year	\$11,266,032	\$ 9,244,926
Source of Funds		
Net earnings for the previous year	13,464,581	11,142,730
Deduct		
Patronage refunds paid in cash	3,829,419	4,397,014
Members' reserves purchased	3,052,769	2,829,117
Other	25,985	1,155
Net earnings for the previous year retained	6,556,408	3,915,444
Current year's depreciation	4,065,341	3,426,873
Amortization of goodwill	42,895	42,895
Decrease in investments	936,250	1,000,000
Proceeds from disposal of property and equipment	436,568	446,924
Additional long term debt	210,258	254,210
Additional term loans from members and co-operatives	469,073	1,581,382
	12,716,793	10,667,728
Application of Funds		
Additions to property and equipment	8,019,122	5,629,359
Increase in deferred accounts receivable	1,729,763	1,482,980
Development and pre-operating costs	200,706	71,176
Repayment of long term debt	843,750	1,181,250
Current maturities of long term debt	120,355	281,627
Other	2,313	230
	10,916,009	8,646,622
Funds increase during the year	1,800,784	2,021,106
Funds, end of year	\$13,066,816	\$11,266,032

For purposes of this statement, funds are defined as current assets less current liabilities.

Auditor's Report

25

The Members Alberta Wheat Pool

We have examined the consolidated balance sheet of Alberta Wheat Pool as at July 31, 1976 and the consolidated statements of operations, earnings retained from prior years and changes in financial position for the year then ended. 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, these consolidated financial statements present fairly the financial position of the companies as at July 31, 1976 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The comparative 1975 financial statements were reported upon by other auditors.

Calgary, Alberta
October 13, 1976

TOUCHE ROSS & CO.
Chartered Accountants.

Notes to Consolidated Financial Statements July 31, 1976

1. Summary of accounting policies

(a) Principles of consolidation

The consolidated financial statements include the accounts of Alberta Wheat pool and its subsidiaries:

Alberta Pool Elevators Limited	Victoria Elevator Limited
Western Pool Terminals Ltd.	Interior Feeds Limited
Pacific Elevators Limited	

all of which are wholly-owned with the exception of Pacific Elevators Limited and Western Pool Terminals Ltd. which are 66% owned.

The company's investment in Alberta Food Products, a partnership, has been combined on a line by line basis based on the company's 60% ownership.

(b) Inventories	1976	1975
Grain purchased for delivery to the Canadian Wheat Board, valued at established delivery prices, after allowance for costs yet to be incurred	\$ 94,423,086	\$107,496,009
Grain valued on the basis of open sales contract and futures contract prices, after allowance for costs yet to be incurred	32,565,282	14,302,448
Other inventories, including seed, fertilizer and supplies, valued at the lower of cost and net realizable value	12,326,912	10,657,696
	<u>\$139,315,280</u>	<u>\$132,456,153</u>

(c) Recognition of income

The basis of valuing grain held in country storage facilities results in a deferral of handling revenues until deliveries are made to terminal facilities.

(d) Goodwill

Goodwill is amortized over its estimated life.

(e) Property and equipment

Depreciation recorded in the accounts is provided on the diminishing balance basis at capital cost allowance rates of from 4% to 30%, which are designed to amortize the cost of the assets over their useful lives.

(f) Net earnings for the year

Net earnings for the year, after providing for income taxes of \$549,777, are included in current liabilities, pending action by the delegates at the annual meeting regarding patronage refunds. Income taxes are included in administration expenses.

2. Bank loans

Bank loans are secured by stocks of grain, seed, fertilizer and supplies and accounts receivable. Alberta Pool Elevators Limited, a wholly-owned subsidiary, has also guaranteed the bank loans.

3. Term loans

Substantially all term loans from members and co-operatives are on a demand basis. However, experience has shown that such loans are outstanding for longer than one year and accordingly they are not included in current liabilities.

4. Long term debt	1976	1975
Details of long term debt are as follows:		
National Harbours Board 6% mortgage repayable in annual installments of \$462,918 including interest (against which building and equipment have been pledged)	\$5,170,763	\$5,283,640
Bank loan	—	1,012,500
Advance payable to the Saskatchewan Wheat Pool	1,683,404	1,473,146
	<u>6,854,167</u>	<u>7,769,286</u>
Less current maturities	120,355	281,627
	<u>\$6,733,812</u>	<u>\$7,487,659</u>
Repayments of long term debt in the next five years ending July 31, will be as follows: 1977 — \$120,355; 1978 — \$128,329; 1979 — \$136,830; 1980 — \$145,895 and 1981 — \$155,561.		
5. Reserves issued to members	1976	1975
Details of these reserves are as follows:		
Balance, beginning of year	\$31,050,834	\$27,797,808
Deduct		
Members' reserves purchased	3,052,769	2,829,117
Adjustments of prior year	(1,448)	(564)
	<u>27,999,513</u>	<u>24,969,255</u>
Add patronage refunds in members' reserves	8,875,953	6,081,579
Balance, end of year	<u>\$36,875,466</u>	<u>\$31,050,834</u>
6. Commitments		
The construction of certain property and equipment which has been authorized by the directors of Alberta Wheat Pool was uncompleted to the extent of approximately \$8,807,000 at July 31, 1976. In addition, Alberta Pool Elevators Limited is committed to a 2.8 million bushel capacity addition to storage facilities at the Vancouver terminal. At July 31, 1976, the cost of this program had not been determined. At July 31, 1976, the company was committed to advancing a further \$800,000 to Alberta Food Products, towards construction of a rapeseed crushing plant, notwithstanding the outcome of the matters discussed in Note 7(c).		
7. Contingencies		
(a) The company is contingently liable as guarantor of long term debentures of Western Co-operative Fertilizers Limited up to a maximum of \$2,000,000.		
(b) The company is also contingently liable as guarantor of certain liabilities of Canadian Co-operative Implements Limited up to a maximum of \$2,000,000.		
(c) As at July 31, 1976, the company has advanced \$1,925,000 to Alberta Food Products, a partnership in which the company has a majority interest. The primary purpose of these advances is for construction of a rapeseed crushing plant. During 1976, due to uncertainties relating to freight rates on rapeseed products, construction of the plant was temporarily discontinued. As these uncertainties have not been resolved at July 31, 1976 and the eventual outcome is unknown, no provision has been made in the accounts.		
8. Anti-Inflation Legislation		
The company and its subsidiaries are subject to the Federal Government's Anti-Inflation Legislation which became effective October 14, 1975. This legislation limits increases in prices, profits and compensation payments. In the opinion of management, the company has complied with all relevant aspects of the legislation.		
9. Statement presentation		
Certain 1975 amounts have been restated to conform with 1976 presentation.		



Directors Report 1975-76

To the Shareholders
Canadian Co-operative Wheat Producers
Limited, Regina, Saskatchewan

Gentlemen:

This report to the Shareholders of Canadian Co-operative Wheat Producers Limited for the crop year 1975-76 will outline joint policy activities of the three Pool organizations, will discuss economic and trade policies of Canada and our trading partners, will review the world food situation, and will provide comment and statistics on production, delivery and domestic and export marketing of grains. The report will highlight those factors and events which have a significant influence on the well-being of agricultural producers in the three Prairie Provinces of Canada.

Economic conditions in Canada and throughout the industrialized world are still in a state of instability and uncertainty. Following two consecutive years of declining real growth in gross national product, economic forecasts indicate that a gradual upturn is likely for 1976. However, there is some doubt about sustained economic recovery in 1977. The recent world-wide recession was triggered by inflationary pressures resulting from the simultaneous increases in energy and commodity prices. Many countries were forced to limit food imports in order to finance their energy requirements.

However, due largely to unfavourable climatic conditions in other large grain producing regions of the world, export demand for Canadian grains continued at a good level and prices remained relatively steady.

The western grain sector, therefore, has been somewhat isolated from the recent economic recession. The buoyant grain market of recent years has resulted in sharply higher grain revenue to farmers. Net income, however, continues to be eroded by general inflation, high interest rates and sharply increased farm operating costs. The vulnerability of farm income levels to changing international grain market conditions is illustrated by the following examples: The total value of Canadian grain exports in 1975 reached \$3 billion, three times the level of 1970. In volume terms grain exports in the 1975-76 crop year exceeded those of the previous year by some 25 per cent.

While some sectors of agriculture have enjoyed favourable economic conditions, the situation has not been general. Over the past two years cattle producers have faced serious losses due to low prices and increased costs. Cattle numbers around the world have increased substantially in the past few years. In North America the cattle population increased for eight consecutive years starting in 1967, with the first modest reduction in numbers occurring this year with a 2 per cent reduction indicated in Canada and 3 per cent de-

cline in the United States and the European Community. Cattle numbers in Australia, the largest exporter of beef, have continued to increase.

An oversupply of beef entering international markets during 1974-75, led to import restrictions by the EEC and Japan, thus forcing surplus oceanic beef into other countries such as Canada and the United States. While somewhat larger imports are being allowed currently into Japan, the EEC is not expected to open its borders to large-scale imports in 1976. This excess export capacity from Australia and New Zealand has therefore created problems for North American beef markets. At the same time, changes in Canada's dairy policy required a reduction in milk production and resulted in substantial cow herd liquidation.

The question of import quotas, of improved stabilization plans which would include the basic cow-calf producer, and improvements in the efficiency of production and marketing will need to receive immediate attention by producers and governments if Canada's beef industry is to survive and continue to grow.

While strikes or labour slowdowns did not have a significant effect on the grain industry in the year under review, there appears to be little evidence that improvements are being made in Canadian industrial relations as strikes continue to disrupt the economy. An era of increased confrontation is apparent from the number of lost man days due to strikes and lockouts. During 1975 there were 1,054 work stoppages in Canada resulting in the loss of 10.9 million man days. This represented an increase of 18 per cent over the 9.25 million man days lost in 1974.

Inflation in Canada, although modified to some degree, continues to be a problem with overall price increases of 8 per cent predicted in 1976 compared to 10.4 per cent in 1975. Wage settlements continue to out-pace productivity increases thus further weakening Canada's competitive position in export markets. Further increases in farm input costs continue to erode the net income position of producers.

An important element in agriculture is the availability and cost of transportation services. Western Canada is heavily dependent on reliable rail transportation to move farm products to overseas markets. Freight rate policies of the Federal Government dictate the manner and form of commodity movement, and the degree of economic activity within the Prairie region. The actions taken by the Government of Canada, following the reports of the Hall Commission studying the grain handling system and rail network; and of the Snively Commission, reporting on the cost of moving grain by rail; will have important

economic implications for the agricultural industry and producers.

Your Board of Directors submits this report in the hope that it will help elected leaders in the three Pools and others concerned with the state of the Prairie agricultural economy, to understand the current situation and to develop services and policies which will benefit the producer.

STRUCTURE AND ACTIVITIES

Structure

The Board of Canadian Co-operative Wheat Producers acts as a central organization for the three provincial Pools. It coordinates policy and action of the Pools on matters affecting the production, marketing of grain, and the level of farm income in Western Canada.

The Board consists of the President, Vice-Presidents, or Executive member, from each of the three organizations. Secretarial services are provided by the Secretary of the Saskatchewan Wheat Pool. This Board meets two or three times a year and the executive, consisting of the three Presidents, meets as the need arises.

The officers of Canadian Co-operative Wheat Producers, elected at a meeting held in Winnipeg in February, 76, were as follows:

Executive

E. K. Turner — Chairman
G. L. Harrold — Vice-Chairman
H. B. Sneath — Third Executive Member

Directors

H. B. Sneath	E. K. Turner
J. D. Deveson	D. M. Lockwood
W. W. Fraser	J. W. Marshall
G. L. Harrold	
A. J. Macpherson	
G. W. Braithwaite	

Activities

Your Board of Directors took the following action and sponsored the following activities during the past year:

1. Continued membership in the C. D. Howe Research Institute with specific concern and involvement in the Canadian-American Committee.
2. Discussed relationships with the Co-operative Union of Canada, the Canadian Federation of Agriculture and the International Federation of Agricultural Producers, as well as evaluating the effectiveness of the Pools in their interface with the Federal Government.
3. Continued membership in the Great Lakes Waterways Development Association.
4. Continued support for the Canadian Hunger Foundation. The Secretary is a member of the Board of Trustees of this organization.
5. Continued membership in the Canadian Council on 4-H Clubs, with Mr. L. M. Henwood of Manitoba Pool Elevators representing the Pools in this regard.

6. Renewed support of the Western Rural Safety Conference with a grant towards 4-H leaders' travelling expenses.
7. Continued to make available a bursary, in the value of \$2,200, to be administered by the Co-operative College of Canada for studies related to co-operative development.
8. Continued sponsorship of the Flax Trophy at the Royal Agricultural Winter Fair in Toronto.
9. Maintained a corporate membership in the Canadian Water Resources Association.
10. Approved a corporate membership in the Canadian Institute of International Affairs.
11. Approved a grant towards publication of an annual Wheat Newsletter, co-edited by the University of Manitoba.
12. Publicized a Grain Variety survey covering the three provinces during the current crop year.
13. Acted as the coordinating body in development of submissions to the Snavely and Hall Commissions, as well as in reflecting the position of the three organizations on questions relating to grain handling, grain marketing, quotas, etc. with Government Ministers, Commissions and Boards.

Interprovincial Pools

The Boards of Directors of the three Pool organizations also met at semi-annual Interprovincial Board meetings. The January meeting reviewed recommendations from each of the three annual meetings of delegates, and discussed action on agricultural policy at government levels. The July meeting considered the marketing situation for the current year; received highlights of operations from the General Managers; held question and answer sessions with the Canadian Grain Commission and The Canadian Wheat Board; and discussed current policy issues.

A seminar on grain production, handling and marketing, with particular emphasis on west coast access and grain handling potential was organized and conducted by staff members of the three Pools, with resource assistance from representatives of the Ministry of Transport, Canadian Wheat Board, CP and CN Railways, and CSP Foods Ltd. The general conclusion of the seminar would indicate that in the longer term, market opportunities would exist for increased production of cereal grains in the Prairie region; that the productive capacity is available for a substantial increase in production over time, given a reasonable level of income and security to grain producers; and further, that the handling and transportation systems are capable of handling such an increase.

MAJOR POLICY ISSUES

As in recent years, issues surrounding grain handling, grain marketing, and transportation continued to dominate the agricultural policy scene in Western Canada.

Grain Handling

The grain handling system has been the subject of extensive study originating with various re-

ports prepared by the Grains Group in 1970 and 1971. These studies suggested significant cost reduction could be brought about by large scale rationalization of the present elevator system to be replaced by 80 to 100 inland terminals throughout the Prairies. The Pools accept the need for elevator rationalization, but reject a move towards large inland terminals which, when all the costs from the farm gate are considered as well as the service requirements of producers, are not in the best interests of grain producers.

The elevator development program of the Pool organizations has required some rationalization and consolidation of the system, resulting in a reduction of the number of operating units. This process has helped to achieve extensive improvements in the elevator system, including significant new construction and renovations during the same time period, in an effort to provide a grain handling system that adequately meets the needs of producers. The Pools believe that in the longer term a network of high throughput delivery points will be the best system configuration from the point of view of producers. Such a system would be self-sustaining and would strike a reasonable balance between adequate service and cost, as well as provide an efficient forwarding service to complement railway operations. Factors taken into account in identifying the required network of facilities include hauling distance, volume of grain production, road systems, geographic barriers, trade service and community settlement patterns, and grain handling potential in the future.

Significant improvements and investments have also been made in terminal grain handling facilities in recent years. Currently plans are under way to significantly increase West Coast storage capacity and provide other required improvements at both Vancouver and Thunder Bay ports.

The Pools believe that improvements in the country and terminal systems in themselves cannot solve all the problems. Complementary improvements must also be made in the transportation system to ensure efficient grain movement.

Your Board views with concern the possibility that outside influences as reflected in government policies related to grain handling tariffs, freight rates and licensing procedures could all have a significant impact on the type of elevator system which evolves. We believe that the configuration of the future elevator system should be decided by producers through their organizations.

Grain Marketing

(a) International Reserve Stocks and Marketing

Over the past four years world stocks of cereal grains have been reduced to about a 30-day supply based on current levels of consumption. A major crop failure in any of the major exporting countries, particularly in North America, would have serious consequences for traditional importing countries. Farm organizations have expressed through the International Federation of Agricultural Producers, that there is a need for a stronger

international commitment to develop a common marketing arrangement with provisions for reserve stocks and minimum and maximum price levels. The present international grains arrangement has been extended for another two years to June 1978; however, it contains no provisions for reserve stocks or price levels. Your Board favours a strong international agreement which should include wheat and feed grains and price provisions which are subject to review. A reserve stocks policy at the national and international level is necessary. However, it should be stressed that efforts to build grain reserves must consider the method of financing when they are built up and when they are released in order to avoid undermining producer prices in periods of surplus.

(b) Wheat Board Marketing

Your Board supports the single selling agency role for The Canadian Wheat Board in the marketing of Prairie grains. Concern has been expressed about the erosion of Wheat Board marketing authority and the expansion of the open market for domestic feed grains. In our view it is not compatible nor efficient to operate two systems of grain marketing where each has partial control over the same grains. There is the danger that the movement of export grain handled by The Canadian Wheat Board could be interfered with by open market grains and substantially reduce the effectiveness of the marketing agency. Equity of delivery opportunity that producers have achieved through the operations of the Wheat Board is lost when delivery quotas are not uniformly applied to all deliveries.

(c) Domestic Feed Grain Marketing

On August 1, 1974 the Federal Government implemented a national feed grains policy which placed the purchase and sale of feed wheat, oats and barley for domestic use on the open market. This policy has not worked to the satisfaction of either eastern livestock feeders or western grain producers. In July, 1976 the Federal Government announced changes in the feed grain policy, with the following essential features:

(i) *Corn competitive pricing.* The Canadian Wheat Board has the responsibility in the domestic feed grain market to offer feed grains on a daily flat basis at prices competitive with U.S. corn. A pricing formula has been worked out jointly by the Wheat Board and the Canadian Livestock Feed Board which takes into account the relative feeding values of corn, barley, and soybean meal. Effective August 1, 1976 feed grains were available at Thunder Bay on the basis of the Montreal corn competitive price less transportation and handling costs between Thunder Bay and Montreal. Prices at Prairie primary elevators will be based on Thunder Bay price less freight.

(ii) *Reduction of feed freight assistance.* On August 1, 1976 feed freight assistance was reduced in B.C., Ontario and western and central Quebec. Freight assistance rates will remain at current levels in eastern Quebec

and the Atlantic Provinces. The policy change will reduce federal expenditures on feed freight assistance by about \$11 million a year. For the next five years this money will be diverted into projects to improve feed production and the feed grain marketing system in Ontario, Quebec and British Columbia.

(iii) *Relocation of domestic reserves.* For the past two years the Government has maintained a reserve stock of about 10 million bushels of feed grain for the domestic market. Except for 300,000 bushels in Halifax, all reserve stocks have been held in Thunder Bay. The reserves are available to domestic buyers only when they are unable to get delivery of their orders because of transportation and handling problems. The major portion of the reserve stocks will be moved out of Thunder Bay to other ports of Ontario, Quebec and B.C. which are closer to the actual grain consuming areas.

It is of interest to note that the position put forward several years ago by your organization favoured the policy of establishing a corn competitive price as a basis for domestic feed grain pricing in Canada. As well, the Pools at that time asked for improvements in the cash advance program and policies to encourage adequate farm storage. Both of these were designed to assist in reducing the need for pressure selling of feed grains at distressed prices. At that time as well the Pools asked that The Canadian Wheat Board have full responsibility for servicing the important domestic market outside the Prairie region, thereby permitting quotas and price pooling to equally apply to all feed grains sold for domestic and export markets. Pricing of feed grains for the domestic market would relate principally to the U.S. corn competitive price, but would also reflect prices of local feed grain sales within the Prairie Provinces. A blended price reflecting both markets would establish the value of Prairie feed grains to other domestic markets. The Pools' original position on feed grain marketing has not changed.

(d) Two-Price Wheat Policy

On May 8, 1975 the Federal Government passed the Two-Price Wheat Act. The legislation covers a six-year period ending July 31, 1980 and establishes a domestic floor price of \$3.25 per bushel for bread and Durum wheat and a ceiling of \$5.00 per bushel for bread wheat and \$7.50 per bushel for Durum wheat. The maximum subsidy payment by the Federal Government is \$1.75 per bushel and is paid directly to the Wheat Board on domestic sales of wheat for human consumption. The price provisions were originally established in September, 1973 when the interim domestic wheat program was in effect. The current legislation provides for a review of price levels if it is warranted by changes in the cost of production. In view of the fact that the farm input price index for Western Canada increased by 44.3 per cent during the period July 1, 1973 to July 1, 1976 your Board recommends that the government undertake an immediate review of the price levels established under the Two-Price Wheat Act, and in-

crease the floor price and ceiling in accordance with the current costs of production.

Transportation

Over one year ago the Government of Canada tabled a white paper which contained proposals for changes in Canadian transportation policy. More recently government spokesmen have repeatedly indicated that freight rate structures will be altered on the basis of the "user pays" principle. This approach could have serious economic implications for producers and for industrial development within the Prairie region.

The Pools consider it vitally important for the Federal Government to proceed with desirable changes in the National Transportation Act, providing recognition is given to the following principles:

- (i) Freight rates which will not discriminate against processing of products near their source and will protect the interests of captive shippers.
- (ii) Sufficient rolling stock and motive power to ensure adequate rail capability to move future anticipated volumes of Canadian commodities.
- (iii) Maintenance of a rail network adequate for the needs of Western Canada and supported by public funding if required.
- (iv) Co-ordinating of railway operations to ensure more efficient and more reliable rail transportation in Western Canada.

(a) Future Rail Line Network

On May 13, 1975 the Federal Government named the members of a Commission on Prairie Grain Handling and Transportation, under the chairmanship of the Hon. Emmett Hall. During the past twelve months the Commission has held 96 hearings in the Prairies at the local and regional level to hear the views of all interested parties. Following major hearings in Saskatoon, Edmonton and Vancouver the Commission is expected to conclude its detailed study of the Prairie rail network early in 1977.

Your organizations have undertaken extensive research on the rail system and made recommendations to the Hall Commission in major briefs presented during the year, and have indicated that their analyses and recommendations with respect to Category 2 lines were predicated on four basic and critical assumptions:

- (i) Freight rates for grain will be protected by statute at present levels.
- (ii) Rail lines in Category 2 which are reallocated to guaranteed status will be upgraded to full operational standards.
- (iii) Railway rolling stock (cars and engines) will be expanded to meet the needs of Canada's export and domestic movement of goods in the future.
- (iv) Ways will be found to eliminate bottlenecks which impede the movement of Canadian goods to export ports and endanger Canada's reputation as a reliable supplier.

Your Board views the Hall Commission study as being extremely important since the final recommendations will have a very significant and far-reaching social and economic impact on producers and rural communities. It is important for everyone concerned to have an early decision on the future status of Category 2 branch lines. This will permit necessary forward planning by railways and grain companies to ensure the development of an efficient grain handling and transportation system to adequately meet the needs of Prairie farmers.

Following the recommendations of the Hall Commission, attention will need to be directed toward essential rail line upgrading, with the government assuming the responsibility of ensuring that rail line improvements are made and that capital requirements are available.

(b) Cost of Moving Grain by Rail

The status of the present statutory Crowsnest Pass rates for grain still remains unclear. On May 13, 1975 the Federal Government appointed a commission under the chairmanship of C. M. Snively to examine the cost of moving Prairie grain by rail. Hearings have been held by the Snively Commission and representations have been made by the Pools regarding techniques and costing procedures which should be applied.

It would appear that on the basis of evidence presented to the Snively Commission the conclusion will be reached that current freight rates on export grain are not compensatory. Your organizations have developed a policy position on transportation which recognizes the unwillingness of railways to make needed capital investments in equipment for grain movement at current freight rate levels. At the same time the Pools have maintained the position that present statutory rates for grain should be preserved and alternative means of financial assistance to the railways should be provided such as:

- (i) Purchase of hopper cars by producers and government.
- (ii) Improvements in efficiency of railway operations in the Prairie area through measures such as reduction in the number of country elevators and increased car spotting capacity at each.
- (iii) Federal government responsibility for upgrading and maintenance of needed railway roadbeds.
- (iv) Payment of branch line subsidies to maintain service on those lines which are still uneconomic but considered essential.

The work of the Hall Commission along with the work of the Snively Commission has made it apparent that one of the key issues in the future development of the rail transportation system in Western Canada is the source of capital required to upgrade the system to acceptable standards. Your organizations take the position that the required capital must be provided by government. There are ample precedents in Canada for this kind of government involvement, including the original construction of the railroads. Government funding of this nature would be consistent

with public assistance given to other modes of transportation. The magnitude of funding involved in a redevelopment program for the western rail network demands that there be effective controls implemented to ensure that public monies are put to their intended use.

(c) Freight Services and Rates

The adequacy and the cost of transportation services are extremely critical for economic development in Western Canada. Recent federal government initiatives suggest the possibility of major changes in freight rate levels in accordance with the "user pays" principle. Indications are that this approach would increase rates for rapeseed products, eliminate "At-and-East" subsidy payments for rail movement of grain and flour to Atlantic ports and invoke higher tolls on the St. Lawrence Seaway, all of which disadvantages Prairie producers and would seriously affect their competitive position in world markets.

In summary, your Board believes that transportation must be recognized as an essential national service, that capital requirements should be the responsibility of government, and that debt service charges on public capital investment in facilities be excluded from any formula used to arrive at compensatory rate levels.

Grain Acreage, Yield and Production

(Tables 1 and 2)

Wheat acreage in Canada in 1976 was 27.5 million acres or 4.1 million acres more than in 1975. The average yield was 30.5 bushels per acre compared with 26.8 the previous year, so that total production in 1976 is estimated at 839.5 million bushels or about 212 million bushels more than the 1975 level of 627.5 million bushels.

The 1976 wheat acreage on the Prairies was 26.8 million acres or 4 million acres more than in 1975. The average yield in 1976 was estimated at 30.1 bushels per acre, up from 26.3 bushels per acre in 1975. The expected production is estimated at 807 million bushels or 207 million bushels more than in 1975.

Canadian oats production in 1976 is estimated at 328.4 million bushels compared with 289.6 million bushels in 1975. On the Prairies it is estimated that 270 million bushels were produced in 1976, up from 230 million last year.

Production of barley in Canada in 1976 is estimated at 478.6 million bushels compared with 437.3 million bushels in 1975. Prairie barley production in 1976 is estimated at 447 million bushels, an increase of 38 million bushels over the previous year. The projected 1976 Prairie barley yield at 44.3 bushels per acre is significantly higher than the 1975 yield of 39.3 bushels per acre.

Canadian rye production is approximately 21.9 million bushels compared with 20.6 million the previous year, with 20.5 million bushels being produced on the Prairies compared to 18.5 million in the year previous.

Canadian flaxseed production in 1976 is estimated at 12 million bushels, down from the 1975 production of 17.5 million. Virtually all flaxseed production is in the Prairie Provinces.

Canadian rapeseed production in 1976 is estimated at 40.8 million bushels, significantly down from the 1975 production of 77.1 million. Rapeseed production is also primarily based in the Prairie region.

Grain Deliveries from Western Canada

(Table 3)

Deliveries of grain from farms in the Prairie Provinces during the 1975-76 crop year were 853.9 million bushels compared to 734.4 million in the 1974-75 crop year. Deliveries of all grain, with the exception of barley, showed an increase in the year under review.

Grain Stocks in Canada (Tables 4, 5 and 6)

Canadian stocks at the 31st July, 1976 of 571 million bushels indicate a continuing decline in the carryover figures and well below the ten-year average (1966-75) of 896.8 million bushels.

Tables 5 and 6 show estimates of the amount of grain stocks held on Canadian and Prairie farms at the 31st July, 1976. These statistics would indicate that approximately 158 million bushels of the 178 million estimated to be on Canadian farms were held on farms in The Canadian Wheat Board

region. While farm-held stocks of most grains declined from the previous year-end, a significant increase in rapeseed stocks on farms is noted at July 31st, 1976.

Canadian Grain Exports (Tables 7, 8, 9 and 10)

Exports of Canadian wheat and flour, oats, barley, rye, flaxseed and rapeseed at 707.7 million bushels were up substantially from the 567.9 million bushels of the year ended 31st July, 1975 and exceeded the ten-year average of 603. Exports of spring wheat at 366.3 million bushels were significantly higher than the 323.5 million bushels of the previous year but remained approximately 11 million bushels below the ten-year average. Significant increases were recorded in exports of Durum wheat, oats, barley, rye and rapeseed, with exports of flaxseed declining to 7.7 million bushels compared to 10.5 the previous year and the ten-year average of 17.3 million bushels.

Tables 8, 9 and 10 provide information on grain exports, port handlings, and destinations of exports by major regions and countries. Of particular note, is the large increase in imports of Canadian grains by the USSR during the 1975-76 crop year.

CONCLUSION

During the year under review, your Board encouraged close coordination between the three Pool organizations on matters of mutual concern, both in areas of commercial operations and of agricultural policy development and promotion.

Each of the organizations maintained its involvement in the federation of farm organizations at the provincial level, in the Western Agricultural Conference, the Canadian Federation of Agriculture, and in actions of producers at the international level through the International Federation of Agricultural Producers.

The principle of marketing boards, orderly marketing and supply-management has been a subject of unwarranted criticism by various consumer-oriented groups and the government's own Food Prices Review Board concluded that as an alternative to marketing boards, the government should seriously consider the setting up of producer insurance schemes (augmented by public funds as necessary) to stabilize producer income and thus encourage more stable production and consumer prices. Farmers everywhere should be alarmed at the prospect of losing all control over the marketing of their products. Your Board believes that producers should continue to be responsible wherever possible for the organization and management of the marketing of their farm products under the regulation and authority provided by marketing legislation in the provinces and at the federal level.

Proposals have been put forward by commodity groups and farm organizations that research funding should be supplemented by producer check-off on grain sales. Your Board believes that in order to maintain Canada's competitiveness in world markets, it is important to have ongoing agricultural research to improve productive capability and meet quality demands of domestic and foreign buyers. It is equally important to recognize the contribution of agricultural research to

the Canadian economy which ultimately benefits consumers as well as producers. In view of this contribution, all segments of society should be expected to contribute to the cost of such research.

In recent years there has been a decrease in real terms in the government's financial commitment to agricultural research. Cereal grain research in particular has not received the kind of priority that is desirable to maintain Canada's long-term competitive position in international markets.

Before a universal grain research check-off program is implemented, your Board would favour a plebiscite among producers with a requirement of support of over two-thirds of those voting. It is also felt that the Board of Trustees administering this fund must be representative of the producers from whom the check-off is taken. Your Board would urge that in addition to the present government commitment for agricultural research, funds allocated from a producer check-off to specific projects should be matched by public funds so that there would be an appropriate increase in public support of agricultural research. Your Board would also urge that if a grain research fund is implemented, all activities be closely coordinated with market development objectives of The Canadian Wheat Board.

Your Board pledges its continued efforts to identify and to pursue common objectives and goals in a coordinated manner wherever it is evident that members will benefit from such an approach.

Respectfully submitted,

E. K. Turner
G. L. Harrold
H. B. Sneath
D. M. Lockwood
J. W. Marshall
A. J. Macpherson
G. W. Braithwaite
J. D. Deveson
W. W. Fraser

Executive

STATISTICAL TABLES

Table
No.

1. Grain: Acreage, Yield, Production — Canada, 1976 and 1975.
2. Grain: Acreage, Yield, Production — Prairie Provinces, 1976 and 1975.
3. Producer Marketings, Prairie Provinces — 1971-76.
4. Carryover Stocks of Grain in Canada at 31st July 1974-76 and 1966-75 Average.
5. Farm Stocks all Grains in Canada, 31st July 1974-76.
6. Carryover Stocks of Grains on Farms, Prairie Provinces, 31st July 1974-76.
7. Exports of all Grains and Wheat Flour, 1975-76, 1974-75, and 10-Year Average.
8. Seaboard Handlings, all Grains, 1975-76, 1974-75 and 1973-74.
9. Major Importers of Canadian Grains, Oilseed and Wheat Flour, 1975-76, 1974-75 and 1973-74.
10. Exports of Canadian Wheat Except Durum to Major Importers, 1975-76, 1974-75 and 10-Year Average.
11. Farm Cash Receipts from Farming Operations, Three Prairie Provinces — 1973-75.
12. Total Net Farm Income, 1966-1975.
13. Farm Credit Act, Loans Approved, Prairie Provinces.
14. Farm Credit Act, Loans Approved, All Canada.
15. Farm Syndicates Credit Act, Loans Approved 1975-76 and 1970-71 to 1975-76.
16. World Wheat: Acreage, Yield, Production — Selected Years.
17. World Wheat: Carryover Stocks of Wheat at End of Crop Year, Exporting Countries.
18. World Exports of Wheat and Wheat Flour.
19. Prairie Grain Cash Advances.

Table 1
GRAIN: ACREAGE, YIELD, PRODUCTION - CANADA
1976 (August Estimate) and 1975 (Revised)

	1976 (Aug. Estimate)			1975 (Revised)		
	Acreage (Mil- lions)	Yield (Bus. per Acre)	Prod. (Mil- lion Bus.)	Acreage (Mil- lions)	Yield (Bus. per Acre)	Prod. (Mil- lion Bus.)
Wheat —	27.5	30.5	839.5	23.4	26.8	627.5
Oats for Grain —	6.2	53.0	328.4	6.0	48.6	289.6
Barley for Grain —	10.8	44.4	478.6	11.0	39.6	437.3
Rye —	0.8	27.4	21.9	0.8	26.0	20.6
Flaxseed —	0.9	13.7	12.0	1.4	12.5	17.5
Rapeseed —	2.0	20.6	40.8	4.3	17.8	77.1

Source: Statistics Canada, 22-002.

Table 2
GRAIN: ACREAGE, YIELD, PRODUCTION
PRAIRIE PROVINCES
1976 (August Estimate) and 1975 (Revised)

	1976 (Aug. Estimate)			1975 (Revised)		
	Acreage (Mil- lions)	Yield (Bus. per Acre)	Prod. (Mil- lion Bus.)	Acreage (Mil- lions)	Yield (Bus. per Acre)	Prod. (Mil- lion Bus.)
Wheat —	26.8	30.1	807.0	22.8	26.3	600.0
Oats for Grain —	5.0	54.5	270.0	4.7	49.5	230.0
Barley for Grain —	10.1	44.3	447.0	10.4	39.3	409.0
Rye —	0.8	27.3	20.5	0.7	25.4	18.5
Flaxseed —	0.9	13.7	12.0	1.4	12.5	17.5
Rapeseed —	1.9	20.6	40.2	4.2	17.9	76.0

Source: Statistics Canada, 22-002.

Table 3
PRODUCER MARKETINGS, PRAIRIE PROVINCES
1st August to 31st July 1971-76
(Millions of Bushels)

	1971-72	1972-73	1973-74	1974-75	1975-76(1)
Wheat	517.5	633.3	536.3	422.4	514.1
Oats.....	32.3	32.5	39.8	40.3	47.7
Barley	295.5	236.8	235.1	209.2	207.7
Rye.....	15.5	9.3	7.4	10.5	11.8
Flaxseed.	21.6	18.3	15.4	10.8	15.4
Rapeseed	69.8	62.9	43.8	41.2	57.2
Total	952.2	993.1	877.8	734.4	853.9

(1) Preliminary

Source: Canadian Grain Commission
Grain Statistics Weekly

Table 4
CARRYOVER STOCKS OF GRAIN IN CANADA(1)
at 31st July 1974-76 and 1966-75 Average
(Millions of Bushels)

	Average 1966-75	1974	1975	1976(2)
Wheat.....	587.4	380.7	295.3	295.2
Oats.....	107.5	77.4	73.4	80.4
Barley.....	167.3	208.4	188.5	125.3
Rye.....	10.9	10.5	13.4	12.7
Flaxseed.....	10.4	7.9	8.6	15.1
Rapeseed.....	13.3	12.4	17.6	42.3
Total.....	896.8	697.3	596.8	571.0

(1) Excluding Newfoundland

(2) Preliminary

Source: Statistics Canada
Stocks of Canadian Grain at 31st July, 1976

Table 5
FARM STOCKS ALL GRAINS IN CANADA
at 31st July 1974-76
(Millions of Bushels)

	1974	1975	1976
Wheat	91.0	60.0	58.0
Oats.....	58.0	48.0	52.0
Barley	66.0	51.0	50.0
Rye.....	2.5	3.5	3.5
Flaxseed.....	1.5	2.5	2.0
Rapeseed.....	1.5	4.0	12.5

Source: Statistics Canada
Stocks of Canadian Grain at 31st July, 1976

Table 6
CARRYOVER STOCKS OF GRAINS ON FARMS
PRAIRIE PROVINCES
at 31st July 1974-76
(Millions of Bushels)

	1974	1975	1976
Wheat	90.0	55.0	55.0
Oats.....	45.0	35.0	40.0
Barley	60.0	45.0	45.0
Rye.....	2.5	3.5	3.5
Flaxseed.....	1.5	2.5	2.0
Rapeseed.....	1.5	4.0	12.4

Source: Statistics Canada
Stocks of Canadian Grain at 31st July, 1976

Table 7
EXPORT OF ALL GRAINS AND WHEAT FLOUR
(Millions of Bushels)

	1975-76(1)	1974-75	10 Year Average 1965-66 to 1974-75
Wheat (except Durum).....	366.3	323.5	377.2
Durum Wheat.....	61.2	52.3	38.2
Flour.....	21.6	19.1	25.9
Wheat and Flour.....	449.1	394.9	441.3
Oats.....	18.2	1.4	6.2
Barley.....	190.8	130.2	102.9
Rye.....	11.8	4.8	6.8
Flaxseed.....	7.7	10.5	17.3
Rapeseed.....	30.1	26.1	28.5
Total.....	707.7	567.9	603.0

(1) Preliminary

Source: Canadian Grain Commission
Exports of Canadian Grain and Wheat Flour

Table 8
SEABOARD HANDLINGS, ALL GRAINS
(Millions of Bushels)

Port	1975-76	1974-75	1973-74
Pacific.....	260.1	209.8	252.7
St. Lawrence.....	327.4	238.8	248.9
Atlantic.....	32.8	29.7	22.3
Churchill.....	23.8	22.7	18.8
Thunder Bay (Direct).....	26.6	31.6	20.2

Source: Canadian Grain Commission
Exports of Canadian Grain and Wheat Flour

Table 9
MAJOR IMPORTERS OF CANADIAN GRAINS
OILSEEDS AND WHEAT FLOUR
(Millions of Bushels)

	1975-76	1974-75	1973-74
USSR.....	189.2	12.9	42.7
Japan.....	137.8	105.8	133.3
Italy.....	50.5	54.5	43.4
United Kingdom.....	47.3	61.0	49.5
People's Republic of China....	44.4	82.4	53.7
Others.....	238.5	251.3	275.1
Total.....	707.7	567.9	597.7

Source: Canadian Grain Commission
Exports of Canadian Grain and Wheat Flour

Table 10
EXPORTS OF CANADIAN WHEAT (EXCEPT DURUM)
TO MAJOR IMPORTERS
(Millions of Bushels)

	1975-76	1974-75	10 Year Average 1965-66 to 1974-75
USSR.....	88.1	12.9	67.1
Japan.....	57.8	43.3	47.8
People's Republic of China....	44.4	82.4	82.1
United Kingdom.....	43.4	56.7	56.0
Brazil.....	22.0	31.6	10.7
Others.....	110.6	96.6	113.5
Total.....	366.3	323.5	377.2

Source: Canadian Grain Commission
Exports of Canadian Grain and Wheat Flour

Table 11
FARM CASH RECEIPTS FROM FARMING OPERATIONS
THREE PRAIRIE PROVINCES
(Thousands of Dollars)

	1973	1974	1975
Wheat.....	\$ 846,409	\$1,485,465	\$1,629,720
Wheat, CWB Payments..	324,597	477,677	783,670
Oats.....	24,911	45,821	56,875
Oats, CWB Payments ...	12,363	—	26,844
Barley.....	219,142	441,487	479,513
Barley, CWB Payments..	99,283	94,799	147,557
CWB Cash Advances....	29,947	48,105	19,866
CWB Cash Repayments..	(23,476)	(36,684)	(33,765)
Deferred Grain Receipts..	(305,246)	(566,360)	(643,000)
Liquidation of Deferred Grain Receipts.....	—	305,246	566,360
Rye.....	20,194	24,526	25,949
Flaxseed.....	119,062	134,915	79,664
Rapeseed.....	245,568	335,275	252,415
Other Crops.....	121,763	146,586	136,874
Total Crops.....	\$1,734,517	\$2,936,858	\$3,528,542

Cattle and Calves.....	813,069	944,019	1,017,729
Hogs.....	366,934	325,303	298,887
Sheep and Lambs.....	4,729	5,862	7,656
Other Livestock and Producers.....	286,099	326,474	333,505

Total Livestock..... \$1,470,831 \$1,601,658 \$1,657,777

Other Sources(1)..... \$ 86,380 \$ 88,649 \$ 40,499

Total Cash Receipts..... \$3,291,728 \$4,627,165 \$5,226,818

TOTAL CANADA(2)..... \$6,839,929 \$8,866,603 \$9,790,299

(1) Includes supplementary and deficiency payments, forest and maple products

(2) Except Newfoundland

Source: Statistics Canada
Farm Cash Receipts

Table 12
TOTAL NET FARM INCOME (1)
1966-1975
(Millions of Dollars)

	Three Prairie Provinces	Canada Except New- foundland
1966.....	\$1,077.3	\$1,915.9
1967.....	813.2	1,501.1
1968.....	1,035.8	1,813.1
1969.....	876.0	1,700.6
1970.....	585.3	1,407.9
1971.....	924.2	1,615.3
1972.....	969.3	1,874.1
1973.....	1,945.0	3,252.1
1974.....	2,256.2	3,773.1
1975.....	2,751.3	4,327.9

(1) Takes account of changes in inventory

Source: Statistics Canada
Farm Net Income, 1975

Table 13
FARM CREDIT ACT, LOANS APPROVED
PRAIRIE PROVINCES
(Thousands of Dollars)

Province	Fiscal Year	1974-75	Fiscal Year	1975-76
	No.	Amount	No.	Amount
Alberta.....	1,526	\$78,923.8	1,684	\$111,946.2
Saskatchewan ...	1,932	88,193.2	2,385	143,597.9
Manitoba.....	682	28,136.9	810	43,444.5

Source: Farm Credit Corporation
Annual Report

Table 14
FARM CREDIT ACT, LOANS APPROVED
FOR ALL CANADA
(Thousands of Dollars)

Year	Number	Amount
1970-71.....	4,117	\$115,213.3
1971-72.....	4,035	114,715.8
1972-73.....	5,296	186,276.2
1973-74.....	9,041	400,658.1
1974-75.....	8,093	398,814.1
1975-76.....	9,944	640,947.4

Source: Farm Credit Corporation
Annual Report

Table 15
FARM SYNDICATES CREDIT ACT
LOANS APPROVED 1975-76
1970-71 to 1975-76
(Thousands of Dollars)

Province	Fiscal Year 1975-76		1970-71 to 1975-76	
	No.	Amount	No.	Amount
British Columbia....	2	\$ 16.0	15	\$ 440.7
Alberta	55	1,056.9	325	4,739.9
Saskatchewan.....	9	203.3	44	646.3
Manitoba.....	56	891.4	207	3,442.6
Ontario	66	1,601.0	284	5,980.5
Quebec	37	527.3	178	2,897.4
New Brunswick.....	3	126.3	5	145.7
Nova Scotia.....	1	24.0	4	39.1
P.E.I.	1	21.2	12	221.0
Newfoundland.....	1	75.0	1	75.0
CANADA.....	231	\$4,542.4	1,075	\$18,628.2

Source: Farm Credit Corporation
Annual Report

Table 16
WORLD WHEAT: ACREAGE, YIELD, PRODUCTION
SELECTED YEARS

Year	Area (Million Hectares)	Yield *(Quintals per Hectare)	Production (Million Metric Tonnes)
1966-67	215.4	14.2	305.0
1967-68	220.7	13.4	294.5
1968-69	225.6	14.5	326.5
1969-70	216.1	14.3	308.1
1970-71	207.2	15.0	311.7
1971-72	212.9	16.2	344.0
1972-73	211.9	15.9	336.9
1973-74	219.6	16.7	367.9
1974-75	221.4	16.0	354.6
1975-76 (Provisional)	227.5	15.3	348.8

Source: International Wheat Council
World Wheat Statistics

* 1 Quintal — equal to 100 kilograms
10 Quintals — equal to 1 tonne

Table 17
WORLD WHEAT: CARRYOVER STOCKS OF WHEAT
AT END OF CROP YEAR
EXPORTING COUNTRIES(1)
(Million Metric Tonnes)

Year	Stocks
1965-66	35.7
1966-67	37.6
1967-68	45.5
1968-69	64.7
1969-70	67.2
1970-71	51.5
1971-72	51.2
1972-73	30.4
1973-74	28.4
1974-75	31.3

(1) Includes Argentina, Australia, Canada, United States, Spain, Sweden and EEC. Data for EEC includes the original six members to 1967-68 and the nine members thereafter.

Source: International Wheat Council
World Wheat Statistics

Table 18
WORLD EXPORTS OF WHEAT AND WHEAT FLOUR

Year	Amount (Million Metric Tonnes)
1965-66	62.0
1966-67	55.8
1967-68	51.2
1968-69	45.7
1969-70	50.7
1970-71	54.3
1971-72	52.5
1972-73	68.3
1973-74	63.1
1974-75 (Provisional)	63.4

Source: International Wheat Council
World Wheat Statistics

Table 19
PRAIRIE GRAIN CASH ADVANCES

Year	Number of Loans	Amount Advanced
1958-59.....	45,341	\$ 34,369,653
1959-60.....	52,356	38,492,505
1960-61.....	76,089	63,912,550
1961-62.....	22,342	16,656,713
1962-63.....	39,683	29,251,526
1963-64.....	63,427	62,136,418
1964-65.....	38,375	32,961,844
1965-66.....	43,505	40,600,386
1966-67.....	36,953	36,668,270
1967-68.....	45,810	47,280,533
1968-69.....	113,491	151,852,319
1969-70.....	122,080	272,777,516
1970-71.....	51,332	91,105,890
1971-72.....	34,303	68,142,360
1972-73.....	9,092	20,754,104
1973-74.....	12,510	35,259,387
1974-75.....	14,136	46,652,724
1975-76.....	4,823	20,255,808

Source: Canadian Wheat Board



**alberta wheat pool
1976 annual report**

