

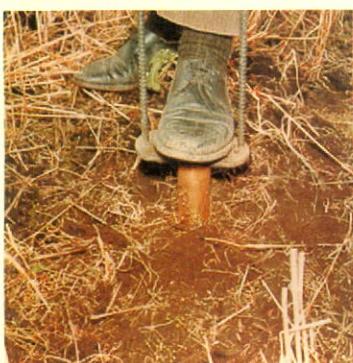
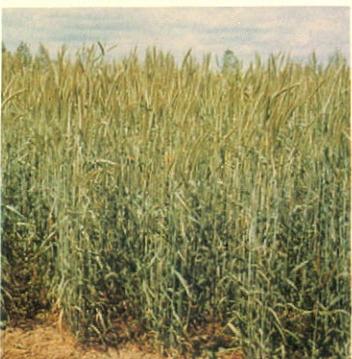
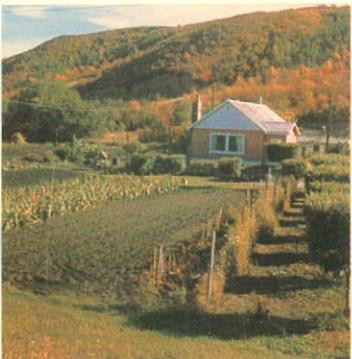
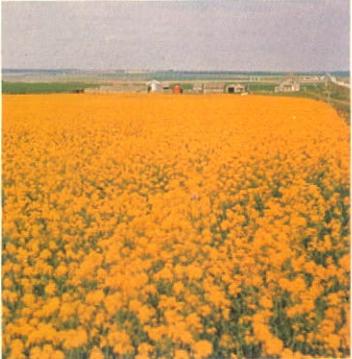
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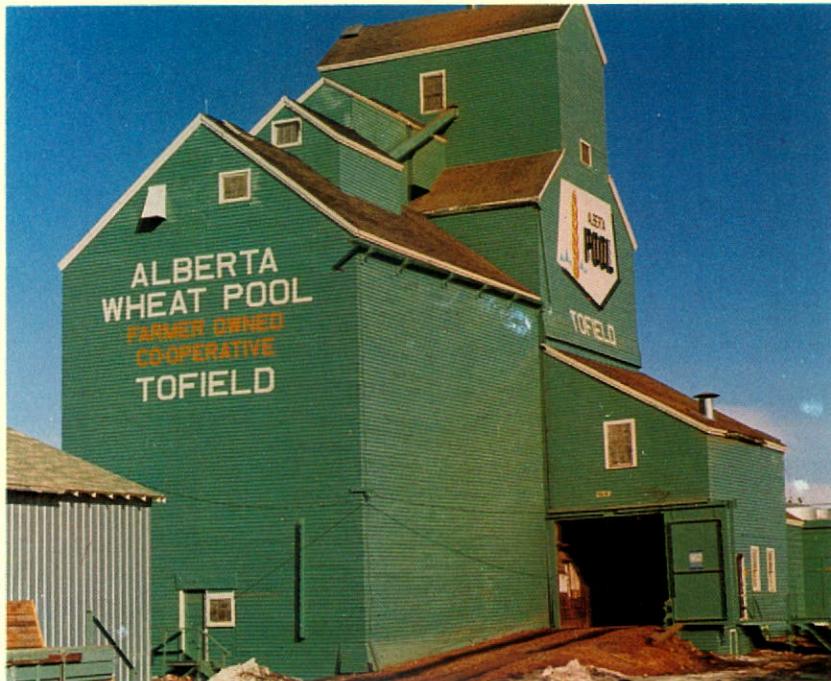
McGILL UNIVERSITY



## alberta wheat pool 1974 annual report







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## board of directors

G. L. HARROLD, *Lamont* — President  
A. J. MACPHERSON, *Delia* — 1st Vice-President  
KEITH ROSENBERGER, *Balzac* — 2nd Vice-President  
G. W. BRAITHWAITE, *Lacombe*  
ARNE JOHNSON, *Camrose*  
HUBERT N. ANDERSON, *Barrhead*  
H. R. PATCHING, *Lethbridge*

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B. A. FRIESEN, *Secretary*

## officers and head office personnel

J. W. MADILL, *General Manager*  
G. S. AUSTIN, *Director Employee Relations*  
A. W. BEATTIE, *Director of Public Relations*  
J. B. GANT, *Director of Operations*  
T. G. HENDRY, *Treasurer*  
V. G. MACKAY, *Director of Marketing*  
H. K. MOEN, *Director of Terminal Facilities*  
R. G. PALMER, *Comptroller*  
J. E. SHERWOOD, *Manager, Planning and Management Services*  
M. G. WOOD, *Winnipeg Manager*

## solicitors

MacKIMMIE MATTHEWS

## auditors

CLARKSON, GORDON & 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

3

## LETHBRIDGE — District One

101	Gogolinski, Barney	Orion
102	Ellert, Leo P.	Milk River
103	Kuehn, Herbert C.	Skiff
104	Dudley, George T.	Magrath
105	Zaugg, Ferries B.	Stirling
106	Williams, Kenneth	Taber
107	Konynenbelt, Evert J.	Nobleford
108	Binder, Arthur H.	Turin
109	Thurston, Clarence F.	Bow Island
110	Bayer, Robert	Schuler

## CALGARY — District Two

201	Dyck, Nick	Pincher Creek
202	O'Neil, James J.	Claresholm
203	Coote, Donald H.	Cayley
204	Versluys, C. J.	Champion
205	Jacobsen, Norman	Arrowwood
206	Christofferson, Karl B.	Brant
207	Stewart, Harold J.	Dalemead
208	Schmaltz, Clarence M.	Beiseker
209	Riddle, Jack C.	Carstairs
210	Richards, Ralph E.	Olds

## DRUMHELLER — District Three

301	Lemare, Carl	Acadia Valley
302	Johnston, Vernon R.	Oyen
303	Volek, Joseph	Tilley
304	Axelsen, Eric	Drumheller
305	Burne, George W.	Gleichen
306	Roppel, Howard R.	Rockyford
307	Carney, Pat	Three Hills
308	Kober, Edward	Trochu
309	Adie, John L.	Drumheller
310	Nelson, Norman E.	Craigmyle

## RED DEER — District Four

401	Warwick, Ernest	Oyen
402	Smith, George F.	Provost
403	Ulseth, Dean M.	Veteran
404	Vincett, George	Galahad
405	McCormick, Joe E.	Byemoor
406	Petersen, Leslie M.	Erskine
407	Wagner, Albert F.	Lacombe
408	Johnson, Kris K.	Red Deer
409	Nelson, Glen R.	Bentley
410	Baker, Percy A.	Ponoka

## CAMROSE — District Five

501	Redmond, Don R.	Edgerton
502	Dobson, Parke	Paradise Valley
503	Livingstone, Douglas E.	Vermilion
504	Flaade, Bennie A.	Hardisty
505	Ash, Robert W.	Viking
506	Christians, William H.	Donalda
507	Baker, Donald W.	New Norway
508	Pepper, Clifford G.	Ohaton
509	Ness, Ingvald	Kingman
510	Rasmussen, Clarence H.	Wetaskiwin

## VEGREVILLE — District Six

601	Golightly, Robert C.	Streamstown
602	Peden, Ronald H.	Minburn
603	Goshko, M. D. Russell	Vegreville
604	Ropchan, Mike	Willingdon
605	Galloway, Kenneth D.	Ft. Sask.
606	Ziegler, Alex	Winterburn
607	Slobogean, J. I.	Legal
608	Din, Alexander	Warspite
609	Lamothe, Armand	St. Paul
610	Davidiuk, William	Grassland

## PEACE RIVER — District Seven

701	Parrent, Fred J.	Clyde
702	Seatter, William	Dapp
703	Ulmer, Roy S.	Barrhead
704	Galigan, Douglas	Culp
705	Nikolaychuk M.	Woking
706	Olson, Iver H.	Beaverlodge
707	Peirce, Albin B.	Dawson Creek
708	Erickson, Rae G.	Tangent
709	Lorencz, Nick M.	Manning
710	Morrison, D. James	Bluesky

**1973-74 report highlights and comparisons**

Handling — Country Elevators, in bushels .....	.....
— Forage Seed, in pounds .....	.....
— Cereal Seed, in pounds .....	.....
Percentage of Alberta Grain Deliveries Handled .....	.....
Gross Value of Board Deliveries and Other Sales .....	.....
Marketing Division Sales (included above) .....	.....
Total Revenues .....	.....
Total Expenses .....	.....
Capital Cost Allowances .....	.....
Earnings before Taxes .....	.....
Current Assets .....	.....
Current Liabilities .....	.....
Working Capital .....	.....
Capital Expenditures on Properties and Equipment .....	.....
Total Invested in Capital Assets .....	.....
Patronage Refunds Distributed (out of previous year's earnings) .....	.....
Reserves Held by Members .....	.....
Percentage of Member Business prior year .....	.....
New Members .....	.....
Total Membership .....	.....
Number of Country Elevators .....	.....
Elevator Capacity — in bushels — Country .....	.....
— Terminals .....	.....
Number of Employees July 31 .....	.....

1974	1973	1972	1971	1970	1969
157,134,785	164,440,215	129,550,690	120,270,887	93,759,147	81,112,978
15,564,771	14,004,129	12,991,414	16,477,246	10,723,792	14,240,961
33,518,677	31,337,897	30,061,269	35,972,857	30,837,862	40,110,581
67.54%	68.94%	56.8%	48.6%	46.7%	44.6%
\$491,279,336	\$259,088,069	\$203,735,347	\$161,536,843	\$127,144,885	\$127,177,052
\$ 34,526,890	\$ 20,824,458	\$ 14,298,489	\$ 11,601,357	\$ 9,783,362	\$ 13,951,797
\$ 46,103,491	\$ 34,111,602	\$ 28,012,550	\$ 25,620,784	\$ 23,726,960	\$ 21,225,160
\$ 31,618,981	\$ 24,661,487	\$ 19,054,567	\$ 16,937,096	\$ 17,114,107	\$ 15,619,774
\$ 3,341,780	\$ 3,441,844	\$ 2,891,224	\$ 2,564,375	\$ 2,589,557	\$ 2,832,423
\$ 11,390,101	\$ 6,217,045	\$ 6,066,759	\$ 6,119,313	\$ 4,023,296	\$ 2,772,963
\$210,089,181	\$ 73,294,866	\$ 61,735,387	\$ 60,138,391	\$ 64,693,996	\$ 72,728,124
\$200,844,255	\$ 64,891,703	\$ 54,685,903	\$ 53,519,956	\$ 58,598,201	\$ 66,791,747
\$ 9,244,926	\$ 8,403,163	\$ 7,049,484	\$ 6,618,435	\$ 6,095,795	\$ 5,936,377
\$ 3,422,518	\$ 2,401,789	\$ 1,733,198	\$ 2,706,089	\$ 2,830,255	\$ 7,260,935
\$ 76,070,557	\$ 73,559,940	\$ 72,510,552	\$ 58,849,538	\$ 56,585,858	\$ 54,222,000
\$ 5,757,469	\$ 5,791,275	\$ 5,891,884	\$ 3,845,464	\$ 2,661,648	\$ 5,201,880
\$ 27,797,808	\$ 26,982,449	\$ 25,798,207	\$ 24,881,339	\$ 23,995,123	\$ 23,542,113
97% Est.	96.90%	96.94%	97.39%	97.26%	98.02%
2,487	4,927	2,716	1,850	1,469	1,815
55,032	54,203	51,057	49,857	52,337	52,646
836	858	899	517	520	521
75,675,300	77,002,000	78,988,000	47,889,100	48,311,300	47,198,800
17,451,500	17,451,500	17,451,500	10,340,000	10,340,000	10,340,000
1,576	1,612	1,685	1,202	1,227	1,303

## report of the board of directors



Gordon L. Harrold, President,  
Alberta Wheat Pool

Gentlemen:

The vastly improved grain markets over the past two years have brought renewed interest and vitality to agriculture, especially to the grain sector. Favourable grain prices have been reflected in increased sales of agricultural inputs and together with reasonably good grain shipments, have resulted in your Association experiencing one of its better years. This result is all the more remarkable when considering the number and magnitude of the disruptions to the movement of grain and the shortages of agro-products experienced during the past year.

Escalating costs however, continue to erode the gains made by the agricultural industry. Your Association has also been facing very rapidly rising costs during the past year and has continued the rationalization of the elevator system as one way of attempting to reduce the most serious effects of inflation. New construction has proceeded in line with the over-all plan to further improve the grain handling system.

#### Summary of Operations

Your Association's country elevator handlings in 1973-74 totalled 157,134,785 bushels, a reduction of 7,227,744 bushels or 4.4% lower than last year. This represents 67.54% of the total handlings, down 1.4% from a year ago.

Vancouver Terminal unloads of 57,936,928 bushels reflected a decrease of 34,040,706 bushels from last year, while Pacific Elevators Limited receipts of 62,920,700 bushels were 34,175,626 lower than a year ago. Victoria Elevator Limited handlings of 5,706,533 are 3,739,967 bushels lower than last year. Grain shipped to eastern destinations amounted to about 22 million bushels.

A favourable increase in the sales of agro-products and a slight reduction in forage seed sales were experienced during the year. Shortages occurred in a number of farm supply lines, restricting the potential activity in this area. Forage seed handlings totalled slightly over thirteen million pounds, a reduction of close to one million pounds from last year.

Earnings of \$11,142,730 after income tax, will be available for distribution from the year's operation. Non-grain handling operations accounted for a significant portion of this amount while earnings from grain handling remained low due to the unfortunate effects of inflation, together with efforts by your Organization to keep grain handling costs to producers as low as is practical.

## Grain Marketing

Export sales of the principle Canadian grains and flour of 597.7 million bushels is a substantial drop from the record level of 821.7 million bushels established a year ago. This level of exports approximates the ten-year average of 601.1 million bushels. All grains and flour registered a decline this year. The most drastic reduction occurred in oats, as only 800,000 bushels were exported compared with 6.7 million bushels a year ago.

### Total Grain and Wheat Flour (millions of bushels)

	1973-74	1972-73	1972-73	10-year Average 1963-64 to 1972-73
Wheat . . . . .	353.8	492.8	393.9	
Durum Wheat . . . . .	46.5	60.0	34.3	
Flour . . . . .	18.8	23.4	30.6	
Oats . . . . .	.8	6.7	9.2	
Barley . . . . .	118.6	156.8	85.4	
Rye . . . . .	4.6	8.2	6.9	
Flaxseed . . . . .	15.5	19.6	17.5	
Rapeseed . . . . .	39.2	54.1	23.4	
Totals . . . . .	<u>597.7</u>	<u>821.7</u>	<u>601.1</u>	

Source: Canadian Grain Commission.

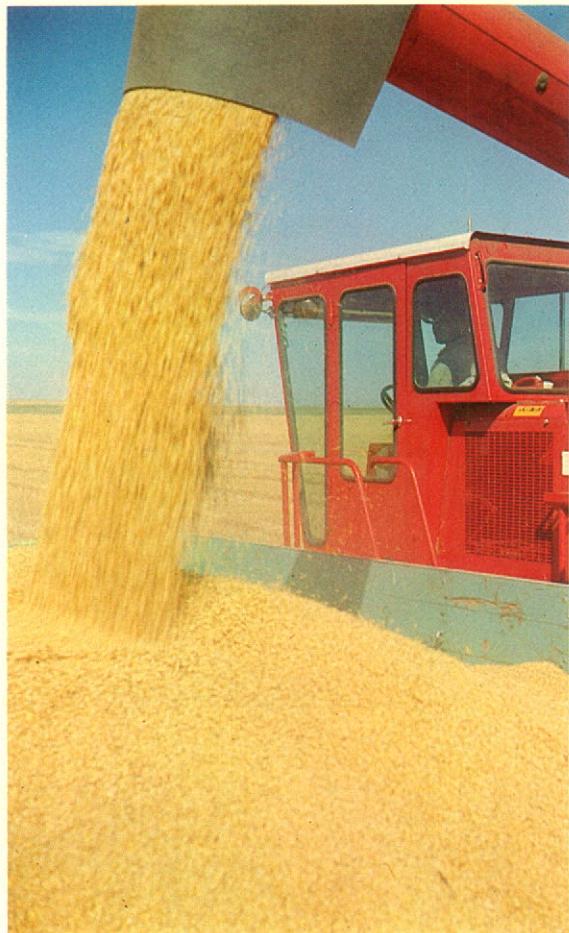
Major importers of Canadian wheat were Japan, China and Britain.

### Major Importers of Canadian Wheat 1973-74 and Comparative (millions of bushels)

	1973-74	1972-73	1972-73	10-Year Average 1963-64 to 1972-73
Japan . . . . .	62.3	50.6	47.2	
China . . . . .	53.7	144.1	77.6	
Britain . . . . .	44.4	42.9	60.8	
U.S.S.R. . . . .	33.5	147.9	78.6	
Brazil . . . . .	30.9	15.6	4.5	
Others . . . . .	<u>129.0</u>	<u>91.6</u>	<u>125.2</u>	
Totals . . . . .	<u>353.8</u>	<u>492.8</u>	<u>393.9</u>	

Source: Canadian Grain Commission

Japan became the primary importer of Canadian barley, followed by Italy, Poland and the United States. Approximately 75% of the rapeseed exports went to Japan which also became the major market for flaxseed.

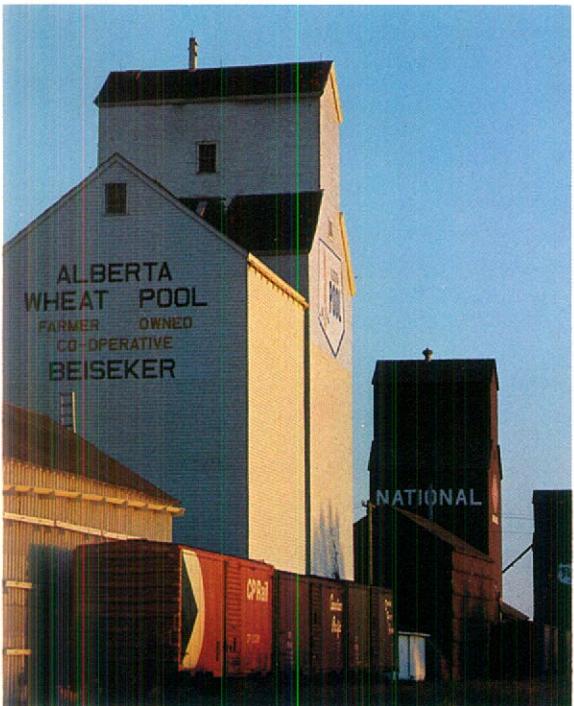


### Major Importers of Canadian Grains, Oilseeds & Wheat Flour (millions of bushels)

	1973-74	1972-73	1971-72
Japan . . . . .	133.3	133.0	115.7
China . . . . .	53.7	153.3	111.7
Britain . . . . .	49.5	58.4	81.4
Italy . . . . .	43.3	64.2	60.3
U.S.S.R. . . . .	42.7	189.6	131.5
Others . . . . .	<u>275.1</u>	<u>223.2</u>	<u>315.8</u>
Totals . . . . .	<u>597.7</u>	<u>821.7</u>	<u>816.5</u>

Source: Canadian Grain Commission

All ports recorded a lower volume of overseas shipments with exports from west coast ports reduced by 28% from a year ago. Nevertheless, total shipments ex Pacific Coast ports at 252.7 million bushels is still greater than clearances through St. Lawrence Seaway Ports with a total of 248.9 million bushels.



## GOVERNMENT PROGRAMS AND POLICIES

A number of government programs and policies affecting grain producers were presented during the past year. Most of these programs have received considerable publicity and your Board therefore wishes to comment only briefly on them.

### Grain Income Policies

The Federal Government, prior to the dissolution of Parliament in May, 1974, presented three pieces of legislation for approval by the House. These were:

#### 1. Two-Price Wheat:

This program, in effect since September, 1973, would guarantee producers, for seven years, a minimum of \$3.25 per bushel and a maximum of \$5.00 per bushel for milling grades of wheat sold in Canada for human consumption. A consumer subsidy would be paid by government to make up the difference when prices rise above \$3.25 per bushel, protecting consumers from any price rise above that amount.

Domestic buyers of Durum will pay a minimum of \$3.25 per bushel, up to a maximum of \$5.75 per bushel depending upon the world price. If the price rises above \$5.75 per bushel, a consumer subsidy will be paid by the federal government to pay the difference between \$5.75 per bushel and the export price, up to a maximum of \$7.50 per bushel.

### 2. Final Payments:

Proposed changes to the Wheat Board Act would have ensured that no two final payments would be made within the same tax year. The legislation would have required that final payments be held until after the beginning of the next calendar year.

### 3. Increased Cash Advances:

Amendments to the Prairie Grain Advance Payments Act if enacted, would have raised the upper limit on cash advances on threshed farm stored grain from \$6,000 to \$15,000.

Announced government intentions would indicate that these items will be re-introduced in Parliament and made law at an early date.

### Western Grain Stabilization Program:

The Federal Government has presented its proposed Stabilization Plan which incorporates a number of features sought by farm organizations. Similarities with an earlier proposal exist, such as the recommendation that the producers contribute 2% of their eligible gross cash receipts while the Federal Government will contribute an amount equal to 4% of the producers' eligible gross cash receipts of participating producers. Some of the calculations in this plan are complex and further improvements may be needed. Generally, the plan would appear to provide the basis for some stability to producers' net cash flow. It should be stressed however, that it does not protect the level of farmer income from grain, merely stabilizes it.

The Plan is voluntary to practicing farmers in the first three years and its funds will not be used for Wheat Board pool deficits, should they occur. It is proposed that for new producers, the plan will be compulsory. There is a limit of \$25,000.00 on any one producer's gross cash receipts eligible for stabilization, thus limiting his annual contribution to not more than \$500.00. Crop insurance payments will be included in the cash receipts portion of individual producers.

### New Crop Development Fund

In June, 1974, the government announced that it had put into operation a one million dollar New Crop Development Fund for the purpose of stimulating, developing and adapting new crops and varieties which offer promise for Canadian agriculture. The government expressed concern that the time lag between the development of new crops and the time the product is finally marketed is too long, resulting in lost opportunities. Producer organizations, among others, are eligible for assistance from the fund.

### Domestic Feed Grains

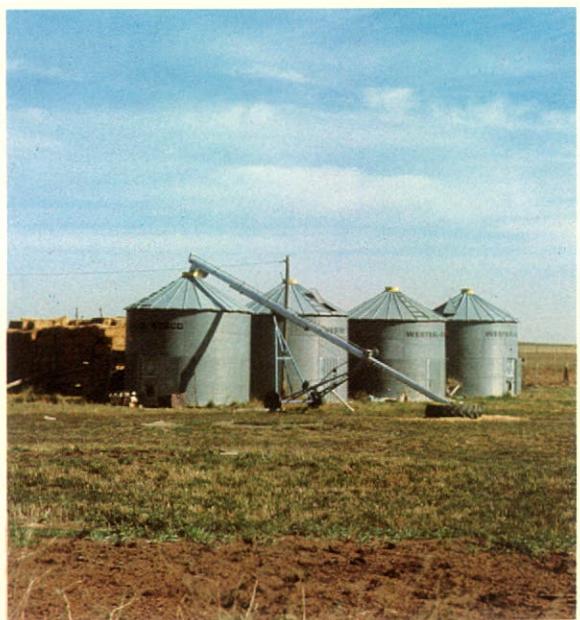
The domestic feed grains policy in effect during the 1973-74 crop year, with its provision for a monitored "off-Board" price, resulted in predicted hardships for livestock producers, particularly on the Prairies. Fears that elimination of some of the powers of the Canadian Wheat Board in the marketing of feed grains would lead to further erosion of its powers were well founded. With the introduction of the new feed grains policy beginning with the current crop year, the Canadian Wheat Board is essentially relegated to activity in the export arena.

Creation of what the federal government calls an "open market" for domestic feed grains permits buyers from anywhere in Canada to buy grain on the Prairies. A principle beneficiary has been the Winnipeg Commodity Exchange as buyers and sellers seek to protect themselves against price gyrations inherent in such a system. Feed grains to Eastern feeders are still being influenced by United States corn prices as prices on the Winnipeg Commodity Exchange closely follow U.S. trends. A similar corn competitive price setting mechanism used by the Wheat Board when it was responsible for the marketing of feed grains on the domestic market drew unjustified criticism. Producers selling to the domestic feed grains market are guaranteed a price at least equal to the level of the initial price for Board grains.

Under the new program, the Wheat Board is given the authority to set delivery quotas for feed grains if it appears the elevators may become congested. Interestingly, the Canadian Wheat Board is required to assure eastern and B.C. feeders a supply of feed grains, and has contributed substantial Board stocks of feed grain to the Exchange in order to get the plan operating, but similar assurances to Prairie feeders are not provided. Although earlier it had been indicated that the Feed Freight Assistance Program might be terminated, it now appears that this will not be the case.

The new plan calls for the maintenance of a reserve of feed grain to be held at Thunder Bay. Much of the control over the marketing of feed grains in the non-Board area has been passed to the Canadian Livestock Feed Board, an organization established to protect the "consumer" interest.

Another feature of the policy is a storage program of up to 160 million bushels expected to cost the federal government up to \$40 million annually. It is expected that this will result in additional storage being built at various locations, both east and west and, possibly, the construction of inland terminals.



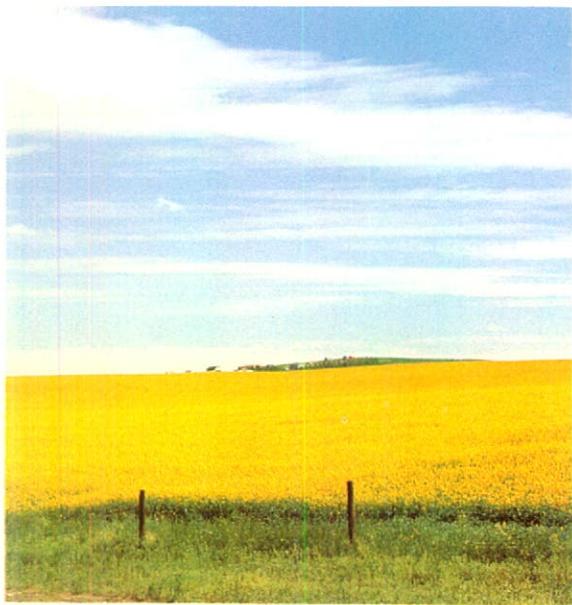
Despite the glowing promises made when this program was introduced, we fail to see evidence that it has improved the lot of the producer of feed grains or livestock on the Prairies. Instead, it has led to misunderstanding among producers, buyers and grain organizations.

We are opposed to any system which further exposes producers to manipulation and/or increases their risk. The direct result of such a system is increased instability of price and production, not considering the personal hardships to individual producers.

### P.O.S. Pilot Plant Corporation

In July, 1973 the federal government announced that it would take the lead in funding a grain and oilseed product pilot plant to be located in Saskatoon. Provincial governments, universities and industry were invited to participate in this venture. The federal government offered to provide up to 90% of the initial capital to a maximum of \$3.6 million (since revised upward) requesting that other organizations contribute the remaining 10%. Your Association is co-operating in this venture and has undertaken a five-year commitment to the Corporation.

The main purpose of the pilot plant is to provide an opportunity to interested organizations for the development of value-added processing



technologies for grains, oilseeds and various forms of protein. Organizations may use the plant to test equipment and/or products. It is planned to develop a plant which can process raw materials to the level of oil, protein and/or starch and possibly to the level of food ingredients.

#### **Alberta Coarse Grain Marketing Control Act**

During the 1974 spring sitting of the Alberta Legislature, the government repealed the Alberta Coarse Grains Marketing Control Act. The reasons given for this action by the government were that Alberta must be able to control processing and feeding of grain within the province, implying that the Canadian Wheat Board regulations prevent this from occurring. No consultation with your Association took place before the government decided to repeal this Act. We regret that the government has decided to repeal the Act and are concerned that in-put from your organization is not permitted in matters which are of vital interest to its membership.

At the time the repealing of the Act was announced, the Minister of Agriculture also stated that a plebiscite of feed grain producers asking their opinion about Wheat Board control of feed grain marketing in Alberta would not be undertaken. Shortly thereafter, a marketing opinion survey was conducted. The results however, have not been made public.

#### **Adverse Weather Damage Compensation Fund**

Producers in northern Alberta adversely affected by the poor weather during the 1973

harvest appreciate the assistance offered under the provincial government's Adverse Weather Damage Compensation Program. A total of \$33 million has been allocated for compensation claims and/or to make interest payments on guaranteed loans under the Emergency Crop Assistance Program. Crops damaged by snow, floods, waterfowl or wildlife, with a maximum compensation of \$5,000 per farm, were declared eligible for payment.

#### **The Farm Implement Act**

Proposed changes to the province's Farm Implement Act call for the establishment of a contributory fund for dealers to replace bonding and for detailed dealer evaluation. A target objective of \$250,000 has been set for the Dealer Security Fund and each farm machinery retail outlet will be required to contribute a minimum of \$100 per year plus its license fee. Premises and operations will be inspected to ascertain that at least minimum acceptable standards of service are maintained.

#### **Prairie Farm Machinery Testing Institute**

Agreement has been reached between the three Prairie provinces for the establishment of a Prairie Farm Machinery Testing Institute. The Institute is to be located in Humboldt, Saskatchewan with satellite operations in each of the other two provinces.

#### **Farm Fuels Discount**

Effective May 1, 1974 Alberta farmers were granted a 5c per gallon reduction on fuel used for farm purposes. The distribution allowance on marked fuels is being administered by the Fuel Oil Tax Branch of the Treasury Department.

#### **CANADIAN WHEAT BOARD**

An interesting study by the United States government General Accounting Office concluded that the Canadian method of handling wheat sales offers a number of advantages over the American "free-market" system. Among the advantages cited are: the development of markets and export sales; the availability of accurate, timely information; better control over production, delivery and marketing; the ability to regulate domestic and export markets and create a two-price system if it seems desirable to protect the consumer; the elimination of market fluctuations and speculation; ease of dealing with Communist countries and the facilitating of product research, promotion and development.

The study follows the huge wheat sales to Russia in 1972 which the U.S. Senate sub-committee labelled "a disaster for the American public." In Canada, orderly marketing under the Wheat Board on the other hand, has resulted in increased prosperity for grain producers and subsequently, for many Canadians.

Again, during the past year, statements were made by Board critics that the Wheat Board sales prices were too high and sales would be lost to our competitors. Again, as usual, these "authorities" were proven wrong but the effect of such continual misinformed criticism is cause for concern. Instead of building confidence, it belittles what even our neighbours to the south see as a beneficial marketing system for the producer. One is forced to ask of such persons, "Whose selfish interests are you really serving?"

The year just completed was a difficult one for the Wheat Board. Labour disputes, severe winter weather conditions and a lack of adequate rolling stock all combined to create havoc with the sales program. To cope with the situation, emergency measures had to be introduced, including the elimination of primary and alternate delivery points, to enable producers on snowbound rail lines to deliver to elevators on lines still receiving service and the trucking of grain from country elevators to inland terminals. Both actions must be regretted because they result from the railways' apparent inability to provide the necessary service. These steps effectively circumvented the Crows Nest Pass Agreement on freight rates and in the case of the trucking to inland terminals, added costs were paid for by all producers although the advantage was enjoyed by relatively few, and the total cost of marketing the grain in question was increased.

The vote on rapeseed marketing held last winter resulted in no change in the marketing of this crop. Unfortunately, it would appear that the results of this vote are being used by governments to press for a further reduction of the Canadian Wheat Board's marketing activity. Equally regrettable is the manner in which the Canadian Wheat Board is now being forced to carry out government policies with or without prior consultation.

Your Board is deeply concerned about the steady erosion of the Wheat Board's autonomy — a trend being promoted by both the federal and our own provincial governments. The farmers' marketing organization has in fact become the government's vehicle for implementation of policies which are destroying the Board's ability to perform its function. The Board, charged with the responsibility to arrange for the marketing of export and domestic feed grains is not permitted



control over the pricing of these grains. Initial pricing of barley for example, is being done by the Minister Responsible for the Canadian Wheat Board to attempt to rectify problems in another industry. Some of these problems were created by the interim and current feed grains policies — which are government — not Board policies.

Obviously the marketing function cannot be satisfactorily performed if control over pricing and subsequent management of stocks is no longer under the jurisdiction of the marketing agency.

We have seen various Ministers Responsible for the Wheat Board take credit for grain sales that obviously belongs to the Board itself. The Board has, particularly in more recent years, done an outstanding job for the producers when permitted by government and it is essential that it — not the politicians, receive credit for these achievements. The Board's record has at times been accomplished in spite of the interference of politically inspired individuals.

#### Canadian Wheat Board Advisory Committee

Your President acts as Chairman of the Advisory Committee of the Canadian Wheat Board. He is a producer and represents one of the major farm organizations in Alberta.

The Advisory Committee acts as a sounding board for Wheat Board policies and programs. It provides an opportunity for producer concerns to be conveyed to the Board and to be reflected in its sales policies. Current members of the Advisory Committee include representatives of the major grain producer organizations on the Prairies.



To be effective, Advisory Committee members must be knowledgeable about the grain industry and have direct lines of communication with the producers they represent. Critics of the Board have charged that changes in the structure of the Advisory Committee are necessary, but it is hard to conceive of a more informed, representative or accountable structure. It would appear that vested interests are pressing for changes which will be to their — not the producers' — advantage.

#### INTERNATIONAL AGREEMENTS

The next round of G.A.T.T. (General Agreement on Tariffs and Trade) will take place in Tokyo in 1975. Considerable work has already been carried out in preparation for these negotiations. While tariffs per se are to be re-negotiated, there is also considerable interest on Canada's part to review and reduce if possible, non-tariff trade barriers such as import quotas, embargoes, etc., especially for agricultural products.

The International Wheat Agreement, consisting of two separate documents; the Wheat Trade Convention and the Food Aid Convention, has been extended for one year to June 30th, 1975. Forty-seven countries are participants to the agreement. The International Wheat Council, at its February, 1974 meeting, accepted the People's Republic of China's request for representation on the Council and gave it authority to sign the various conventions.

Canada has pledged \$40 million in aid to the United Nations World Food Program. Twenty-five percent of the pledge is to be in cash and the remainder in commodities, including grain, eggs, etc. The World Food Program is involved in about six-hundred projects in approximately ninety countries, primarily providing emergency aid to any country facing natural or man-made catastrophes.

#### CANADIAN CO-OPERATIVE WHEAT PRODUCERS

A year ago, C.C.W.P. considered the establishment of a Market Information Research and Development Section. It was subsequently decided that improving co-ordination on interprovincial or national issues between the three Pools would be a better alternative. As a result, a three-man sub-committee — one representative from each organization, has been established. One of its primary functions during the past year was the organization of a transportation seminar and the drafting of a working paper on transportation.

A more detailed report on the activities of C.C.W.P. is included and will be presented later to this meeting.

#### PROVINCIAL AND NATIONAL AFFILIATIONS

Memberships in some of the major agricultural and co-operative organizations were maintained during the year. Your Association holds memberships in Unifarm, the British Columbia Federation of Agriculture and through these organizations, the Canadian Federation of Agriculture. As well, the Board decided during the past year to join the Co-operative Union of Canada. This organization, the major voice for co-operatives in Ottawa, became the rallying point for co-operatives during the taxation debates a few years ago and carried out a strong campaign on behalf of co-operatives during the recent federal election.

Your Board of Directors is convinced that Unifarm is worthy of our continued support. As a voice for the primary agricultural producer in Alberta, it needs the co-operation of all sectors of the industry. Outside interest groups are able to make their voices heard and farmers also need a strong producer-controlled organization to put their case before government and the public.

Your President, as a member of the Canadian Delegation, attended the International Federation of Agricultural Producers Meeting in Vienna last spring. In response to the concern about world food shortages, this meeting declared that there are adequate resources to feed mankind, provided prices are high enough to encourage expanding food production. It further stated that food supplies cannot be obtained as a by-product of farmer insecurity. Farmers, it noted, are producers, not speculators and if speculation on needs of consumers and the livelihood of producers persists, instability of price and supply must be expected.

The meeting also expressed its desire that I.F.A.P. be permitted producer representation at the November World Food Conference in Rome. I.F.A.P. stated its concern that government representatives usually attend such Conferences to speak for producers, but without official producer representation or involvement permitted. In view of the need for increased world food production, the Rome Conference was a very significant event and producer participation in such discussions is most desirable.

### MEMBERSHIP

During the 1973-74 season, 2,487 new members were accepted by your Board as compared to 4,927 during the 1972-73 season.

A total of 562 deaths were reported and 1,096 memberships were cancelled.

The net increase in membership totalled 829 members, increasing the membership strength from 54,203 to 55,032.

### MEMBERS' ACCIDENT INSURANCE

Members' accident insurance claims during 1973-74 totalled 53 as compared to 62 during the previous season. To cover these claims a total premium of \$46,842.78 was paid to the insuring company. The premium is \$6,510.78 higher than that paid during the 1972-73 season. An estimated \$14,300.00 in claims is still pending.

Claims were paid for 34 deaths, eleven of which were persons under 18 years of age. Fifteen of the cases were the result of traffic accidents; eight from operating farm equipment; four from drowning and seven by other means. Eighteen dismemberment claims and one loss-of-slight claim were paid.

Seventy-five applications for sponsored workers were received compared with 139 last year. No claims were paid for any sponsored workers, as was the case during the 1972-73 season.

The cost of the operation of the Accident Insurance Plan for sixteen years, from August 1, 1958 to July 31, 1974 totals \$1,085,130. Benefits have been paid for 4,272 accidents involving 588 fatalities (382 adults and 206 children), 365 dismemberment claims and 66 cases of loss of eyesight. Payments of \$14,447 were made in accidents involving 75 farm workers and their dependents.

### IN MEMORIAM

Mr. Arthur C. Bates of Acme passed away on April 28th, 1973 at the age of 59 years. Mr. Bates served as delegate in sub-district C-7 from 1952 to 1958.

On March 19th, 1974 Mr. V. J. Bertrand of Milo passed away at the age of 81 years. He served as Pool delegate for thirty years, beginning in 1925 and was also active in many other farm organizations.

Mr. W. J. Blair passed away on May 19th, 1974 at the age of 87 years. Mr. Blair served as Pool delegate in 1924 and 1927 and continuously from 1935 to 1941 when he was elected as a Director. Mr. Blair served on the Board of Directors until 1960, being named Second Vice-President in 1953 and First Vice-President in 1957. He farmed at Naco and was active in the first Pool canvass in 1923.

On September 18, 1974 Mr. J. Duane Phillips of Eckville passed away at the age of 77 years. Mr. Phillips was a founding member of the Wheat Pool and served as delegate for sub-district 409 from 1958 to 1967.

Mr. A. R. Hadland of Dawson Creek, B.C. passed away on October 12th, 1974 at the age of 82 years. Mr. Hadland served as delegate for sub-districts 707 and 708 from 1950 to 1961.

It is with regret that we record the passing of these men and we wish to acknowledge the contributions they have made to our Association.

### ELECTION OF DELEGATES

In elections held this year in odd-numbered sub-districts, 25 delegates were elected by acclamation. Of these, the following five were elected for the first time: Ferries B. Zaugg of Stirling in sub-district 105; Pat J. Carney of Three Hills in sub-district 307; Donald W. Baker of New Norway in 507; Joseph I. Slobogean of Legal in 607 and Mike Nikolaychuk of Woking in 705.

Also elected for the first time were Harold J. Stewart of Dalemead in sub-district 207; Jack C. Riddle of Carstairs in 209; Dean M. Ulseth of Veteran in 403; Glen R. Nelson of Bentley in 409; Roy A. Ulmer of Barrhead in 703 and Robert W. Ash of Viking in 505.

Sitting delegates re-elected were: E. Warwick in sub-district 401; J. E. McCormick in 405; F. J. Parrent in 701 and H. C. Kuehn in 103.

In the by-election held in sub-district 708 which was held because of Mr. G. Dufour's retirement, Mr. Rae G. Erickson from Tangent was elected.

## BOARD OF DIRECTORS

Officers of your Board of Directors elected following the 1973 annual meeting were as follows:

President: G. L. Harrold  
 First Vice-President: A. J. Macpherson  
 Second Vice-President: O. K. Rosenberger

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. Mr. Harrold continues to serve as President of W.C.F.L., XCAN Grain Limited, Western Pool Terminals Limited and as Chairman of the Board of Pacific Elevators Limited. Mr. Macpherson was elected to the Board of Unifarm and serves on its Executive Committee. He also serves as a Director of the Canadian Federation of Agriculture.

Mr. Anderson also served on Unifarm's directorate with Mr. Rosenberger named as alternate. Our General Manager served on the Boards of W.C.F.L., XCAN Grain Limited, Western Pool Terminals Limited and Pacific Elevators Limited. Our Secretary served as a Director on the Interim Board of Directors of the POS Pilot Plant Corporation. Directors and senior staff served on numerous other industry committees during the year.

## PROPERTIES

Your Board approved the closure of nineteen elevators during the year and authorized the construction of new elevators at Hanna, Daysland and Marwayne.

The modernization program of elevators and dwellings was continued throughout the year. Consolidation and improvements to our elevator system will, in the long run, permit increased efficiency and hopefully also provide improved service to our membership.

## PUBLIC RELATIONS DEPARTMENT

Active member involvement in Pool affairs has been the continuing objective of the Public Relations Department. To this end, extensive use of the mass media was made and a vigorous program carried out by the Pool Representatives.

In addition, the Public Relations Department has continued to provide information on general agricultural matters to members and to the general public.

A detailed report on the Public Relations Department activities will be presented later to this meeting.

## STAFF

The excellent results of the past year are a reflection of the dedication and hard work of our employees. Our sincere appreciation is extended to those who performed their duties in a diligent and willing manner in the accomplishment of this record of achievement.

## THE CHALLENGE

The worldwide scarcity of food has put agriculture into the spotlight as never before. Rising food prices have resulted in increased prosperity for some producers, but have also brought critical analysis from non-agricultural interest groups. Producers are being challenged to produce more food at the least cost possible. They must however, be alert and guard against further loss of their independence in this process.

Important meetings were held in Rome during November to consider the problem of world food shortages. A world which now sees population increases estimated at over 75 million persons annually experiencing a grain production decrease of 30 to 40 million tons, is nothing short of catastrophic. Many developing nations, because of the sharp increase in the price of fuel, fertilizer and grain, are now less able to meet their impending food crisis. It is estimated that one-quarter of the total population in Asia and Africa is suffering from undernutrition.

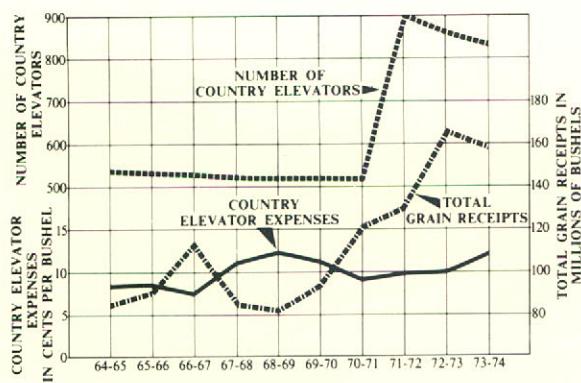
Do Alberta producers have an obligation to maximize production to help feed the hungry people of the world? If so, what are the necessary conditions to bring this about? At a more local level, your Association is vitally interested in this matter as it has a commitment to begin the crushing of rapeseed and an assured adequate supply of rapeseed is obviously essential for its success.

Your Board is concerned that the handling of grain be done as economically as possible, keeping in mind good service and having facilities available to serve the available markets. One step in this approach is a continual rationalization of the elevator system. It involves closure of uneconomic points but also the construction of new facilities where the demand justifies such expenditures.

The introduction of the variable elevation tariff, although acclaimed as a method which will facilitate consolidation of the elevator system, may be only a partial answer. It does have the advantage of allowing a fee for service charge, but at the same time it discriminates between members. On the other hand, a higher elevation tariff at low volume, low earning elevators may be necessary to ensure

that producers who have made the choice to deliver to alternate delivery points, thereby making it economically viable, are not called upon to subsidize unduly those who do not wish to make the change.

Your elevator system has been run in a most efficient manner over the past years as the following graph shows:



The effect of volume handlings on unit costs is readily apparent. Costs have been kept low in recent years primarily because of the record level of handlings. These trends are unlikely to continue and therefore, to keep costs low, other steps must be taken. The challenge before you is to devise and design a grain handling and farm supply system which will meet in the most efficient manner possible, the needs of the members and of our customers.

Governments and various pressure groups continue to make inroads into the freedom of individuals and organizations in the conduct of their affairs. We have seen government take a position in labour-management disputes which severely curtailed the possibility for further negotiations. Vast sums of money are being accumulated through taxation. With seemingly unlimited government funds available, the challenge is to ensure that a proper allotment is apportioned to agriculture, and that it be done in such a way that it does not result in unfair competition from tax-paid funds to business organizations who must face the realities of the marketplace. It should be used to encourage production only in line with real market needs while retaining the producers' independence for himself and his organizations.

Opportunities abound, provided stake holders can agree and are willing to co-operate. Consultation, co-operation and trust between government

and the industry, however, are essential for these opportunities to be realized.

Various interest groups are increasingly demanding less "pollution", more land for recreational purposes, a reduction in Board marketing authority, etc., while complaining about unstable and higher food prices. Important hearings on the use of pesticides and herbicides for example, were recently held in Alberta and British Columbia. Your Association has and will be making further representation at these hearings, stressing the importance of producers being permitted the use of such technological advances in the production of an ever-increasing demand for food. Your Board is vitally concerned that producers' opinions and preferences be effectively conveyed to government so that their point of view will be reflected in any legislation which may result.

The organization must continually guard against apathy among its membership regarding the affairs of their Association. Consideration must be given to ways in which members will become more involved to ensure that policies set forth continue to be in their best interests. At this annual meeting, you will be asked to respond to a suggestion for redistribution of director district and delegate sub-district boundaries. Redistribution, should you so decide, will result in significant changes in elected representatives. Opportunity, incentive and continued strong leadership are required to permit the Association to regenerate itself so that it can continue to be a dynamic organization. A reservoir of capable executives is also necessary to staff the subsidiary companies your organization is now involved with, as well as staffing those institutions which have a direct bearing on your livelihood.

You have had an opportunity to review and discuss the working paper on transportation and we now seek your guidance in this matter.

These are some of the challenges we wish to place before you and hope that you will give them your careful consideration.

Respectfully submitted,

G. L. Harrold  
A. J. Macpherson  
O. K. Rosenberger  
G. W. Braithwaite  
A. Johnson  
H. N. Anderson  
H. R. Patching

ALBERTA  
**POOL**

**alberta wheat pool**

AND SUBSIDIARY COMPANIES

16



## report of the general manager



*J. W. Madill, General Manager,  
Alberta Wheat Pool*

To the President and Directors  
Alberta Wheat Pool

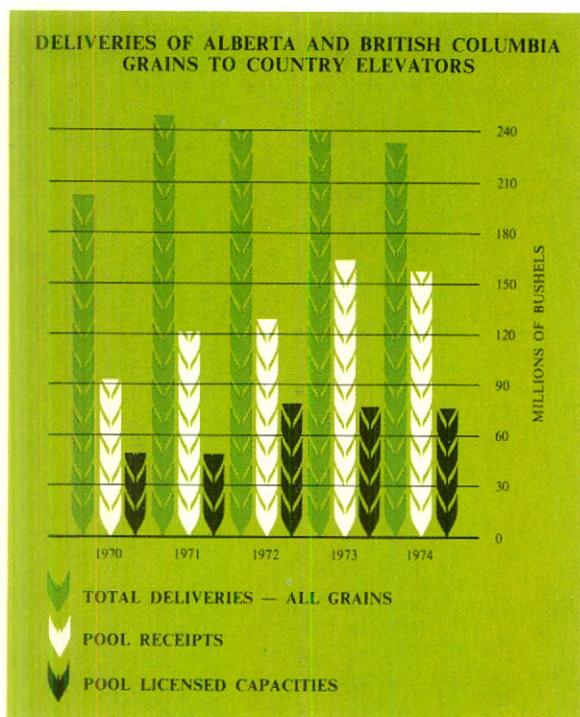
### Gentlemen:

It is significant that several distinct and different trends have had a strong influence on your Organization during the past year. Firstly, in our rapidly changing environment, it is apparent that operations during 1973-74 received strong support from a wide range of activities rather than predominately from any one source. While grain handling remains as the dominant enterprise, which continues as a strong center for our overall Organization, income from subsidiaries and from complementary marketing activities has assumed a new importance. We believe this fact confirms the advantages of diversification over the past years, which has contributed substantially to maintaining and improving the strength of your Organization.

Secondly, the year has been characterized by a number of problems, mainly involving interruptions in transportation and handling, by labour disputes and weather conditions. These factors held grain handling volumes below expectations and as a result less grain was handled than for the previous year. In spite of this decline, your Organization has completed a highly successful year. Again, a broadening of our base and the reorganization carried out during the previous year were contributing factors.

In addition, of major significance and concern is the continuation and acceleration of serious inflationary trends in the overall economy. It is this situation that has contributed to labour unrest in the grain business as well as other industries. It has also created difficulties in financing replacement of plant and equipment and eroded farm income in spite of good grain prices. A continuing accelerating rate of inflation is obviously the major problem facing this industry and others in the economy today. The performance of your Organization during the past year, while satisfactory, must be viewed in this context. The following activities indicate continued efforts are being made to broaden our base and strengthen our position in the industry to deal effectively with these conditions.

A joint study to determine the feasibility of a rapeseed crushing plant in the province was carried out. That study resulted in a special meeting of



delegates which cleared the way for your Organization's continued involvement in the project.

A study by a well-known transportation consulting firm was undertaken to explore new concepts in country operations and transportation.

The basis for a long-range program of country elevator rationalization, along with improvement of facilities, has been developed.

A three-year construction program for agro products facilities has been authorized. This will strengthen our ability to meet marketing trends and gain market penetration. It will also enable us to supply more fully the growing needs of our member patrons.

The Organization is heavily involved in the Industry planning for metric conversion which will take place February 1, 1977.

It has been a busy year which in total has resulted in earnings significantly higher than ever before in your Organization's history. While it must be recognized that inflation has an impact on revenues as well as on expenses, this accomplishment is nevertheless of major significance.

## General Crop and Market Conditions

Canadian grain exports fell to 578.9 million bushels, down 27.5% from last year's record 798.3 million. Producer deliveries for the year totalled 854.2 million bushels, 15% less than last year's 1 billion bushel record. A sizeable drop in wheat deliveries is apparent compared to the previous year. Farm grain stocks at July 31, 1974 amounted to 225.5 million bushels as compared to 270.6 million at July 31, 1973.

The 1973 growing period was generally favourable. Southern Alberta suffered from a lack of moisture while the central and northern parts of the province and the B.C. Block were plagued with excessive rainfall. While the harvest began early in the south, continued wet weather in the central and northern areas hindered operations until snow in early November stopped the harvest completely. The amount of the crop remaining in the swath over the winter ranged from 21% for oats to 37% for wheat. The cold wet spring of 1974 caused further deterioration and up to 40% of the unharvested grain was lost.

## Country Operations

Labour unrest, which was common throughout the Canadian economy, adversely affected the movement of grain during the year. Slowdowns and rotating strikes in the railroad industry marked the beginning of 1973-74. Service was restored early in September following settlement of a nation-wide strike. The onset of winter, which brought exceptionally heavy snowfall, made it increasingly difficult to keep rail lines open during the season. Services were reduced and finally withdrawn completely toward the end of March on some lines. Heavy snow and resulting moisture from spring runoff forced closure for periods of about two months. As rail traffic resumed, a work slowdown at the Vancouver terminals, beginning in the latter part of May and continuing through the year end, further restricted export shipments.

Programs and procedures introduced earlier by the Canadian Wheat Board were maintained during the year. However, non-cumulative quotas and deferred payments lost some effect when the Board indicated early in the year that producers would be given the opportunity to deliver their entire crop. Approximately one-third of the year's deliveries were made in June and July when Pool workings totalled 51.8 million bushels.

At the close of the year, open quotas were in effect for all grains except Red Spring wheat which was restricted to 30 bushels per acre. During the last four months, in an effort to increase delivery opportunities, the Canadian Wheat Board permitted producers to deliver to any point in Alberta or British Columbia where space was available.

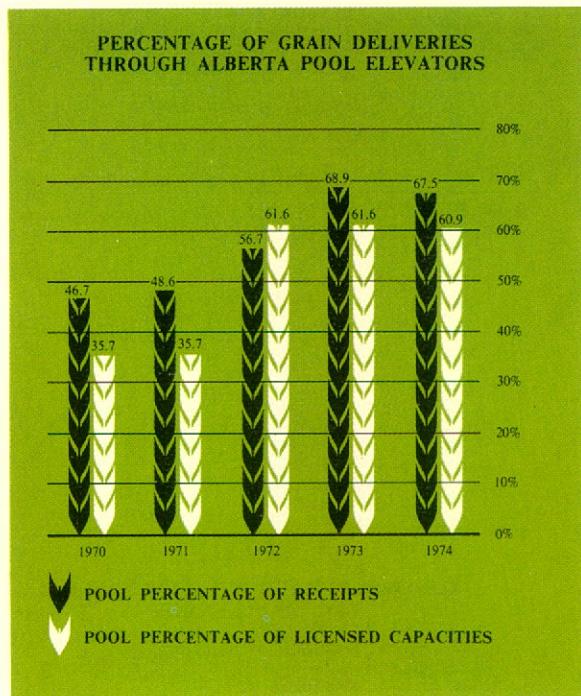
To further assist the Canadian Wheat Board in meeting its export commitments, a program was initiated to utilize Canadian Government Elevators at Edmonton and Lethbridge. Under this program grain was trucked from primary elevators to the Government Elevators for cleaning and shipment to the Coast by unit trains. There were 4,172,516 bushels of Winter and Red Spring wheat trucked into Lethbridge while 1,225,482 bushels of Red Spring wheat and 1,758,765 bushels of barley went into Edmonton for a total movement of 7,156,763 bushels. In this regard use of government drying facilities was an assist since 97% of the wheat and 60% of the barley shipped into Edmonton graded either tough or damp.

Deliveries of all grains to Alberta Wheat Pool facilities totalled 157,134,785 bushels. This is a decrease of 4.4% from the previous year's record 164,362,529 bushels. Despite heavy congestion in many areas our market share, although slightly lower than last year, remains satisfactory at 67.5%.

The elevator manager staff declined nearly 8%, mainly by attrition in 1973-74. With fewer operating units and high handlings, a record average of 310,155 bushels per elevator manager was achieved. During the year our Oyen elevator handled over 1 million bushels and 59 others handled more than 500,000 bushels.

Stocks in store ranged from a high of 50 million bushels in October to a low of 28 million bushels in May. The average for the year amounted to 41 million bushels, resulting in 54% utilization of our elevator storage capacity, an increase of 2.5% from last year.

During 1973-74 the Grading and Selection Department assessed 23,456 samples. Of these, 8,535 were malting barley. Alberta Wheat Pool received 65.1% of the over quota malting barley permits issued by the Canadian Wheat Board in Alberta and British Columbia. Important grade specification changes were in effect for the 1973-74 crop year. While they affected barley, Soft White Spring wheat, Amber Durum wheat, Mixed wheats, oats, rye and rapeseed; the most significant changes were for barley and rapeseed.

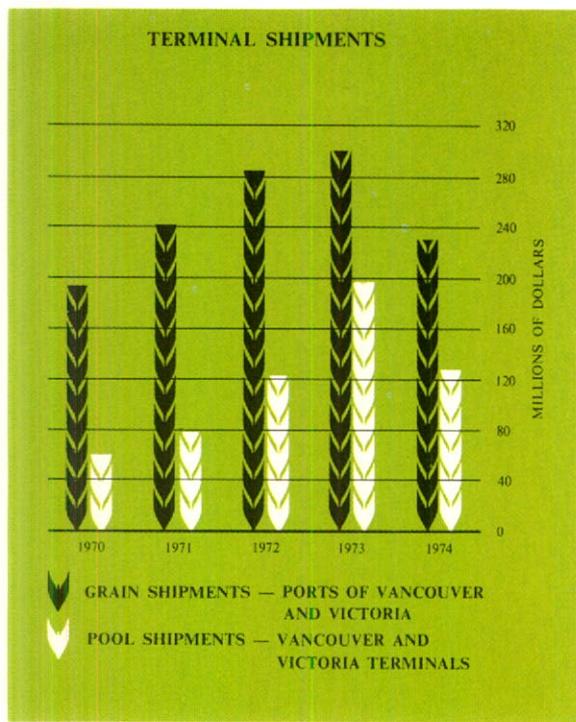


At July 31 your Organization employed 505 Elevator Managers, 73 Assistant Elevator Managers and 78 Elevator Helpers. A total of 233 cut-offs were taken during the year resulting in an overage on gross receipts amounting to .069%. This is well within the limits set by the Canadian Grain Commission indicating a high degree of operational accuracy by Elevator Managers.

#### Terminal Operations

Total receipts at the Pacific Coast terminals of 251.3 million bushels were nearly 28% below last year's record. Vessel shipments amounting to 252.9 million bushels were down 27%.

The reduction in handling for Alberta Wheat Pool operated terminals was slightly greater since the method of allocating cars for unload has worked to our disadvantage. During the year Saskatchewan Wheat Pool and United Grain Growers each gained about 4% on their long term percentage of handlings through the port. Alberta Wheat Pool dropped 4%, Pacific Elevators Limited lost 3.5% and Victoria Elevator Limited declined 0.5%. A revised system of allocation has been implemented which will hopefully eliminate some of the inequities of earlier procedures. Shipments at Alberta Wheat Pool terminal totalled 59,457,635 compared to 94,019,358 last year while Pacific Elevators Limited shipped 64,854,289 compared to 96,375,138 one year ago.



Serious labour difficulties had an adverse effect on Vancouver terminal operations during the year. Bargaining with the Grain Workers Union commenced well before the expiry of the Collective Agreement on November 30, 1973. However, after many weeks this process failed to achieve agreement and the federal Department of Labour appointed Dr. Neil Perry as a Conciliation Commissioner. Dr. Perry issued his report on April 22, 1974 and it was accepted by the Union. After careful consideration Terminal Operators, including Alberta Wheat Pool, rejected the report, mainly for the following reasons: It recommended an excessive increase in wages and benefits including a cost-of-living wage adjustment factor. In addition, it provided for a fully paid pension plan after the Union had withdrawn from the participatory plan which compares favourably with others in the industry and overall economy.

After the Terminal Operators' rejection, the Minister of Labour indicated the Government of Canada's intent to legislate the Perry Report. Following this announcement there was an extended period of labour slowdowns throughout the Port which continued to the end of the crop year. This situation created many operating difficulties at times bringing operations to a virtual standstill. The issue was not resolved and continued well into the new crop year.

Capital and maintenance programs during the year continued to emphasize efficiency of operation. Work progressed on automation of receiving scales at Alberta Wheat Pool Terminal No. 1 and methods of increasing elevation capacity are being investigated. In addition, replacement of the inbound wooden railway trestle with a pre-cast concrete structure was authorized. This project is necessary to meet load requirements of hopper car operations. At Pacific Elevators dredging at Berth No. 1 is under way and a new locomotive was purchased. Work on upgrading electrical equipment is also in progress. Additional cleaning equipment has been ordered for both terminals. These projects will result in significant operating improvements for the future.

Receipts at Thunder Bay terminals totalling 477.3 million bushels were down by 10.5% from the previous year. Vessel shipments of 435.3 million bushels were 14.8% below the last crop year. Overseas clearances from Thunder Bay were only 55% of last year's at 20.2 million bushels. Rail shipments climbed to 43.3 million bushels, the highest figure in 21 years.

Alberta Wheat Pool shipments to Thunder Bay and other eastern destinations amounted to 21,959,678 bushels, down nearly 10 million bushels from the previous year. Shipments of malting barley selected by Alberta Wheat Pool were 3,404,993 bushels, down 514,452 bushels from last year's 3,919,445 bushels. The shipment of malting and pearling barley to maltsters and domestic mills amounted to only 425,529 bushels, less than 17% of the previous year.

Total Alberta Wheat Pool unloads into Manitoba Pool terminals were 7,435,828 bushels as compared to 10,378,742 in 1972-73. Our unloads in other Thunder Bay terminals amounted to 12,691,899 bushels compared to 16,853,920 in the previous year. All rail plan "C" shipments of wheat, oats and barley decreased from over 2 million bushels to 781,720 bushels in 1973-74. The Thunder Bay terminal, which is operated under agreement by Manitoba Pool Elevators, handled 6,531,800 bushels.

### Marketing

The 1973-74 crop year was characterized by a buoyant farm economy, and by the most erratic grain and forage seed market conditions in many years. The result was an exceptionally high demand for crop products, which saw your Organization

achieve new records in this area for both sales and net earnings.

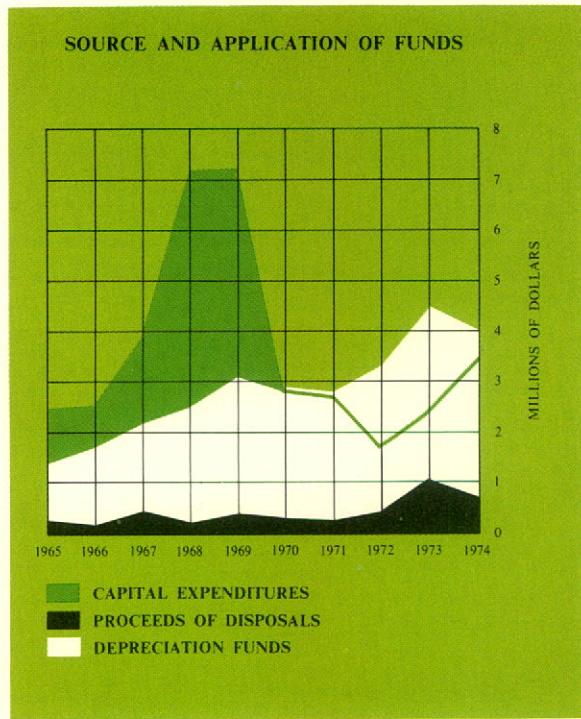
As an indication of the magnitude of these gains, total sales of \$34,527,000 were 65% above last year. Dramatically improved net operating earnings were due both to increased volume and improved sales margins. Net operating earnings as a percent of sales dollars increased from 5.5% in 1972-73 to 7.5% in 1973-74.

The Canadian Creeping Red fescue crop in 1973 estimated at 37,000,000 pounds, was the largest in history. However, only about 22,000,000 pounds were marketed by producers since many carried stocks over into the new year. Prices ranged from a high of 75 cents per pound in August 1973 to a low of 30 cents per pound in July 1974. Legume seed crops were not large in 1973 and a good portion remained unharvested over the winter. Only a small amount of low quality seed was harvested in the spring of 1974. Sales of cereal seeds in 1973-74 were approximately 100,000 bushels less than in 1972-73 due to a shortage of seed as well as the late spring, which resulted in less wheat being planted. Both trade and export opportunities were lost because of a shortage of good germination seed stocks. A total of 169,500 bushels of seed grains was exported in 1973-74.

In a new venture, Alberta Wheat Pool was awarded two new cereal varieties, Windsor barley and Kodiak rye, released by the University of Alberta. Alberta Wheat Pool will be responsible for the multiplication of the varieties and will have exclusive distribution privileges. In return for exclusive marketing rights the University of Alberta will receive royalties based upon commercial sales of seed of these varieties.

Preliminary figures from Statistics Canada indicate that 27.5% more fertilizer was sold on the Prairies this year than last. Even with increased supplies it is estimated that the demand exceeded the supply by 10% to 15%, particularly for nitrogen products. Bulk shipments accounted for 40.6% of Alberta Wheat Pool's fertilizer sales. Indications are that our members would prefer greater amounts in bulk but bought early in the year in bags because of uncertainty of supply and limitations of storage and equipment.

Alberta Wheat Pool achieved record sales of \$5,871,142 in chemicals, a 71.9% increase over the previous year. Earnings expressed as a percent of sales increased from 7.9% to 13.8%. Wild oat herbicides accounted for 58.5% of the dollar value

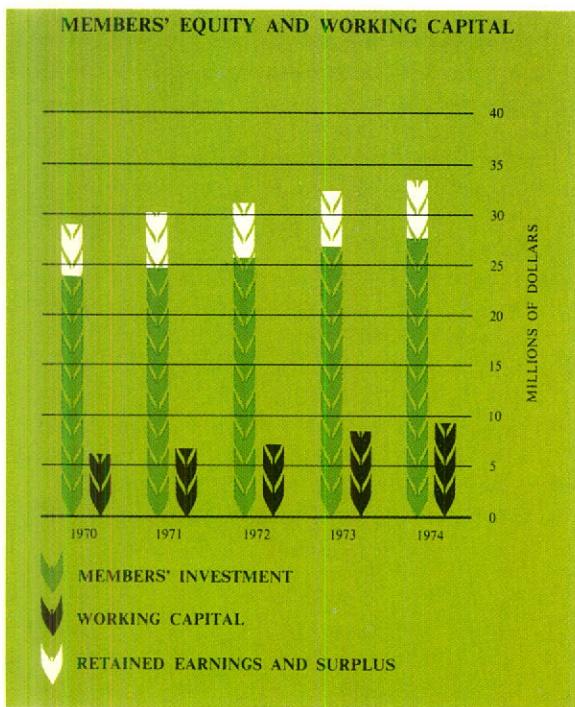


of chemical sales, and in all cases, sales were limited by supply.

In addition, sales of twine were \$1,446,029. This represents an increase of 49.5% in bales sold over the previous year. During the year dramatic cost increases in this product occurred. Because of the enormous increases in the wholesale cost, the Alberta Wheat Pool retail price jumped from \$10.50 to \$24.50 per bale, an increase of 133%. Animal feed supplements were sold this year at seven points in response to a continuing strong demand. Studies indicate a profit potential which should be developed further.

Both the strong demand for agro products and a strong farm economy affected the credit situation. While more use was made of credit than ever before, with over 1,400 new accounts being approved, a number of old accounts were also cleared up. A more aggressive attitude toward credit collections has been adopted. The split account system, which had caused some confusion, was discontinued July 31, 1974.

The four seed cleaning plants at Lethbridge, Camrose and Grande Prairie processed 20.7 million pounds of rough forage seed, 5.3 million pounds of reclaims and 21.8 million pounds of rough cereal seed during the 1973-74 crop year.



General operating results of these plants were satisfactory.

Rapeseed markets were volatile and unpredictable throughout the year with widely fluctuating export premiums being experienced at Vancouver. The congestion at many Alberta Wheat Pool points and the open delivery quotas had the effect of restricting our volume. However, through XCAN Grain Limited, Alberta Wheat Pool filled major contracts with overseas customers.

The 1973-74 flaxseed market was extremely volatile with wide fluctuations in daily prices and premiums. In addition, there was increased buying competition in the country. However, the Organization's export sales levels were maintained. The market for rye was severely restricted because of the long position in rye stocks held by exporters and therefore most of our sales were to domestic accounts.

Domestic feed grain sales in the 1973-74 crop year were made under regulations administered by the Canadian Wheat Board as part of the Interim Feed Grains Policy instituted by the Government of Canada. These regulations were highly restrictive with the result that Alberta Wheat Pool experienced extreme difficulties and higher costs in marketing feed grain in the domestic markets and in servicing its customers with their requirements. With the advent of the new "open marketing"

system August 1, Interior Feeds Limited ceased operations July 31, 1974.

### Subsidiary Companies

A serious curtailment of shipping, particularly in the early part of the crop year, reduced handlings at Victoria Elevator Limited to 5,706,500 bushels of wheat compared to over 9 million the previous year. About 30% of this total required drying. While handlings were reduced approximately 40%, earnings before taxes of \$153,649 dropped 57% which indicated a high percentage of fixed and semi-fixed expenses, together with the highly inflationary trend in all expenses, particularly salaries and wages.

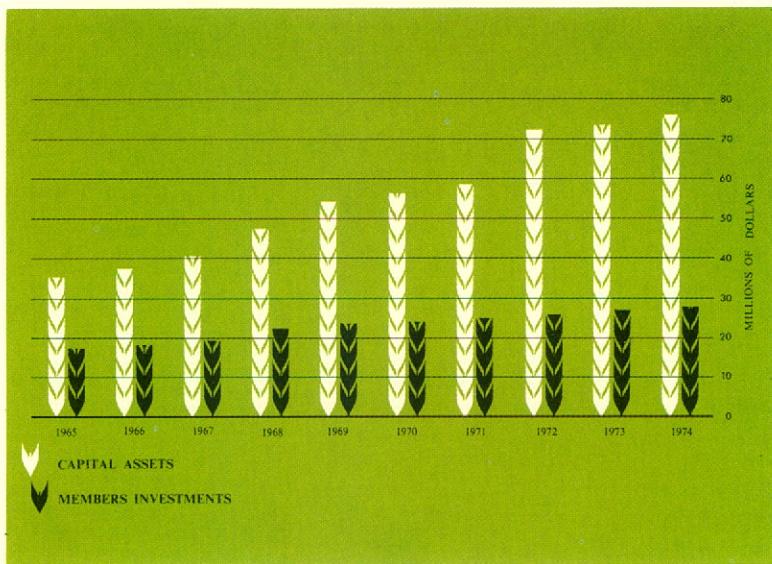
The pattern of business of Interior Feeds Limited was disrupted by the advent of the Interim Feed Grains Policy and the volume of feed grain purchased for the B.C. domestic market was reduced to 1,727,019 bushels. No activity is contemplated for the Company in the coming year. Earnings before taxes were \$87,672 and a provision of \$44,227 for income tax resulted in net earnings of \$43,445.

Western Pool Terminals Ltd. leases its facilities at Vancouver to Pacific Elevators Limited for operation of the plant. Pacific handled 62,900,000 bushels during the year and earnings were distributed to the signatory shippers in proportion to grain consigned to the terminal. Both of these companies are jointly owned with Saskatchewan Wheat Pool, which has a one-third interest.

### Properties

As at August 1, 1973, your Organization owned and operated 858 elevators, 1,182 annexes, 4 seed cleaning plants, 786 agro products warehouses, 11 anhydrous ammonia facilities, 46 sheds and 3 terminal elevators. Three elevators, 5 annexes, 4 agro products warehouses and 8 dwellings were built during the year. Ten elevators, 8 annexes and 5 dwellings were purchased and 7 elevators, 7 annexes and 25 dwellings sold. Fire destroyed 2 elevators, 6 annexes and 4 agro products warehouses at Marwayne. A total of 25 scales and 10 car movers were installed and the dismantling of closed elevators, for which licenses have been cancelled, continued steadily throughout the year. Effective operation of country facilities is ensured by a planned maintenance program.

Assets in operation as at July 31, 1974, included 836 elevators, 1,147 annexes, 4 seed cleaning plants, 810 agro products warehouses, 12 anhydrous ammonia facilities, 558 dwellings, 45 sheds, a supply warehouse, 3 terminal elevators,



an office building and a parking lot. The licensed capacity of the country system was 75,675,300 bushels.

### Operating Results

Consolidated earnings of Alberta Wheat Pool and its subsidiary companies amounted to \$11,390,101 before provision for Income Tax. The aggressive program of marketing, particularly for fertilizer and chemicals, during the year had a very major impact on total earnings. Overall results confirm that diversification has strengthened the financial position of the Organization, and has provided necessary services for members as well.

Disposition of the previous year's earnings in accordance with the wishes of the delegates resulted in the reserve structure increasing to \$27,797,808 after paying a cash refund of \$2,400,277 and revolving reserves by the purchase of \$2,554,222 from members who had retired, from the estates of members, and also the reserves of members who joined the Pool between April 1944 and March 1946. The delegates have also recognized the importance of strengthening the liquid position to meet known and expected major capital requirements both at the terminals and country facilities.

### Administration

Human resources are important to any organization. In recognition of this fact, Alberta Wheat Pool continues to expand activities designed

for support of the role of our staff in carrying out successful operations. The demands placed on our employees continue to grow as business becomes more complex and diversified. Moreover, rapidly changing conditions in the overall environment also exert many pressures. Under these conditions, planning for optimum use of human resources is essential as are programs for employee training and development.

During the year attention has focused on initiating individual career development for a number of management personnel and on expanding training programs. New courses involved a three week session at Fairview for a number of Country Managers and several sales accounting courses for Travelling Superintendents. In addition, an overall review of salary administration and benefit plans was undertaken. Although a number of changes were made in this area, it continues to receive careful consideration so that plans adopted will be fair and competitive. In final analysis, no record of achievement is reached without a competent staff. We are appreciative of their efforts and contribution to another successful year.

Respectfully submitted,

*J.W. Madie*  
General Manager



## consolidated balance sheet

July 31, 1974 and 1973

### assets

#### Current:

	<u>1974</u>	<u>1973</u>
Cash in banks, on hand and in transit	\$ 914,369	\$ 1,062,940
Stocks of grain (Note 1)	175,347,736	52,250,763
Stocks of seed, fertilizer and supplies (Note 1)	9,158,394	3,522,068
Accounts and accrued items receivable	23,609,880	15,569,860
Prepaid expenses	1,058,802	889,235
	<u>210,089,181</u>	<u>73,294,866</u>

#### Fixed — at cost (Note 1):

Buildings, sites, operating machinery and equipment	76,070,557	73,559,940
Less accumulated capital cost allowances	45,709,679	42,574,564
	<u>30,360,878</u>	<u>30,985,376</u>

#### Investments — at cost:

Shares and bonds of affiliated companies (Note 6)	7,815,190	8,575,700
Grain Exchange and association memberships	15,999	14,024
	<u>7,831,189</u>	<u>8,589,724</u>

#### Other:

Deferred accounts receivable	2,325,719	1,109,262
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)	756,024	798,919
	<u>3,237,163</u>	<u>2,063,601</u>
	<u><u>\$251,518,411</u></u>	<u><u>\$114,933,567</u></u>

On behalf of the Board:

G. L. HARROLD, Director.

A. J. MACPHERSON, Director.

## liabilities

### Current:

	<u>1974</u>	<u>1973</u>
Outstanding cheques, cash tickets and orders .....	\$ 80,006,706	\$ 9,157,107
Bank loans (Note 2) .....	73,230,000	29,075,000
Call and short term loans .....	16,765,200	7,952,400
Accounts payable and accrued charges .....	16,915,774	10,359,313
Staff savings .....	2,509,232	2,071,576
Current maturities of long term debt (Note 4) .....	274,613	268,036
Net earnings for the year (Note 1) .....	11,142,730	6,008,271
	<del>200,844,255</del>	<del>64,891,703</del>
	<u>8,325,294</u>	<u>7,399,194</u>
<b>Term Loans from Members and Co-operatives (Note 3)</b> .....	<b>8,696,326</b>	<b>10,058,981</b>
<b>Long Term Debt (Note 4)</b> .....		

### Reserves and Surplus:

Reserves —		
Authorized .....	<u>\$30,000,000</u>	
Issued to members (Note 5) .....	27,797,808	26,982,449
Earnings retained from prior years —		
Appropriated (Note 6) .....	—	1,000,000
Unappropriated .....	5,854,728	4,601,240
	<u>33,652,536</u>	<u>32,583,689</u>

### Commitments and Contingencies (Notes 7 and 8)

\$251,518,411      \$114,933,567



## consolidated statement of operations

Years ended July 31, 1974 and 1973

	<u>1974</u>	<u>1973</u>
Operating revenues .....	<u>\$46,103,491</u>	<u>\$34,111,602</u>
Deduct:		
Country facilities operating expenses .....	13,174,602	11,342,106
Terminal operating expenses .....	3,423,474	3,435,270
Office, administration and supervisory expenses .....	7,441,308	6,300,921
Interest — net .....	7,579,597	3,583,190
Capital cost allowances (Note 1) .....	3,341,780	3,441,844
	<u>34,960,761</u>	<u>28,103,331</u>
Net earnings for the year .....	<u>\$11,142,730</u>	<u>\$ 6,008,271</u>

See accompanying notes

## consolidated statement of earnings retained from prior years

Years ended July 31, 1974 and 1973

	<u>1974</u>	<u>1973</u>
<b>Unappropriated</b>		
Balance at beginning of year .....	<u>\$ 4,601,240</u>	<u>\$ 4,430,697</u>
Add:		
Earnings for the previous year before income taxes .....	6,078,271	6,027,737
Retained earnings appropriated in a prior year in respect of the investment in Western Co-operative Fertilizers Limited (Note 6) .....	1,000,000	—
	<u>11,679,511</u>	<u>10,458,434</u>
Deduct:		
Patronage refunds —		
In cash .....	2,400,277	1,787,731
In members' reserves .....	3,357,192	4,003,544
	<u>5,757,469</u>	<u>5,791,275</u>
Income taxes paid on earnings for the previous year .....	67,291	65,922
Sundry adjustments .....	23	(3)
	<u>5,824,783</u>	<u>5,857,194</u>
Balance at end of year .....	<u>\$ 5,854,728</u>	<u>\$ 4,601,240</u>
<b>Appropriated</b>		
Retained earnings appropriated in respect of the investment in Western Co-operative Fertilizers Limited (Note 6) .....	<u>\$ nil</u>	<u>\$ 1,000,000</u>

See accompanying notes

## consolidated statement of changes in financial position

Years ended July 31, 1974 and 1973

	<u>1974</u>	<u>1973</u>
Working capital at beginning of year .....	<u>\$8,403,163</u>	<u>\$7,049,484</u>
<b>Sources of working capital:</b>		
Net earnings for the previous year .....	6,010,980	5,961,815
Deduct —		
Patronage refunds paid in cash .....	2,400,277	1,787,731
Members' reserves purchased .....	2,541,797	2,819,281
Net earnings for the previous year retained .....	1,068,906	1,354,803
Current year's capital cost allowances .....	3,341,780	3,441,844
Amortization of goodwill .....	42,895	42,895
Collection of deferred accounts receivable .....	—	3,877
Decrease in investments .....	760,510	—
Proceeds from disposals of fixed assets .....	690,499	1,054,293
Additional long term debt .....	93,208	—
Additional term loans from members and co-operatives .....	926,100	—
	<u>6,923,898</u>	<u>5,897,712</u>
<b>Applications of working capital:</b>		
Additions to fixed assets .....	3,405,453	2,397,559
Increase in deferred accounts receivable .....	1,216,457	—
Repayment of term loans from members and co-operatives .....	—	697,111
Repayment of long term debt .....	1,181,250	1,181,250
Current maturities of long term debt .....	274,613	268,036
Other .....	4,362	77
	<u>6,082,135</u>	<u>4,544,033</u>
Working capital increase during the year .....	<u>841,763</u>	<u>1,353,679</u>
Working capital at end of year .....	<u>\$9,244,926</u>	<u>\$8,403,163</u>



## notes to consolidated financial statements

July 31, 1974

### 1. Summary of principal accounting policies

Investment in subsidiary companies —

The consolidated financial statements include the accounts of the Alberta Wheat Pool and all its subsidiary companies.

Stocks of grain —

Stocks of wheat, oats and barley, which must be sold to the Canadian Wheat Board, have been valued at Canadian Wheat Board delivery prices and stocks of other grains at market or open sales contract prices where applicable. Allowance has been made for handling and other charges.

Stocks of seed, fertilizer and supplies —

Stocks of forage and cereal seeds, fertilizer and supplies have been valued at lower of cost and net realizable value.

Fixed assets —

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

Goodwill —

Goodwill is being amortized over a period of twenty years.

Patronage refunds —

Net earnings for the year are shown as a current liability pending action by the delegates at the annual meeting regarding patronage refunds.

Income taxes —

Income taxes of \$247,371 have been provided on the current earnings for the year and are included with 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

Details of long term debt are as follows:

	<u>1974</u>	<u>1973</u>
National Harbours Board 6½% mortgage repayable in annual instalments of \$462,918 including interest (against which buildings and equipment have been pledged) . . . . .	\$5,389,503	\$ 5,488,788
Bank loan repayable in annual instalments of \$1,350,000 bearing interest at ¾% over prime (against which inventories have been pledged) . . . . .	2,362,500 1,218,936 8,970,939 274,613 \$8,696,326	3,712,500 1,125,729 10,327,017 268,036 \$10,058,981
Advance payable to the Saskatchewan Wheat Pool . . . . .		
Less current maturities . . . . .		

Note 4 Long term debt (Continued)

Repayments of long term debt in the next five years will be as follows: 1975 — \$274,613; 1976 — \$1,462,877; 1977 — \$1,132,855; 1978 — \$128,329; and 1979 — \$136,830. Although the bank loan is payable on demand, the bank has indicated that it will accept repayment over a period of five years.

5. **Reserves issued to members**

Details of these reserves are as follows:

	<u>1974</u>	<u>1973</u>
Balance at beginning of year .....	\$26,982,449	\$25,798,207
Deduct:		
Members' reserves purchased .....	2,541,797	2,819,281
Adjustments of prior years .....	36	21
Add patronage refunds in members' reserves .....	24,440,616	22,978,905
Balance at end of year .....	<u>3,357,192</u>	<u>4,003,544</u>
	<u>\$27,797,808</u>	<u>\$26,982,449</u>

6. **Investment in Western Co-operative Fertilizers Limited**

During the year, it was determined that Alberta Wheat Pool's investment in Western Co-operative Fertilizers Limited no longer exceeded the underlying book value of the related assets. As a result, the amount of \$1,000,000 which had been appropriated from retained earnings in respect of a potential loss on recovery of this investment was added back to unappropriated earnings retained from prior years.

7. **Commitments**

The construction of certain fixed assets which has been authorized by the Directors of Alberta Wheat Pool was uncompleted to the extent of approximately \$3,721,000 at July 31, 1974.

8. **Contingencies**

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.

9. **Subsequent event**

Subsequent to July 31, 1974 a partnership was formed, in which the company has a majority interest, for the construction and operation of a rapeseed crushing plant. No material contracts for the construction of the plant have been entered into pending completion of certain feasibility studies.

10. **1973 comparative figures**

Certain of the 1973 comparative figures have been reclassified to conform with the presentation adopted in 1974.

**AUDITORS' REPORT**

To the Members of Alberta Wheat Pool

We have examined the consolidated balance sheet of Alberta Wheat Pool and subsidiary companies as at July 31, 1974 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 financial statements present fairly the financial position of the companies as at July 31, 1974 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.

Calgary, Canada.  
October 11, 1974.

*Clarke, Gordon & Leo.*  
Chartered Accountants.

## directors report 1973-74

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 1973-74 will outline joint policy activities of the three Pool organizations, will discuss the world food situation from the farmers' viewpoint and will provide comment and statistics on production, delivery and domestic and export marketing of grains. The report will review some of the current problems of production and marketing of agricultural products in western Canada in the context of present inflationary trends in the Canadian and world economy.

Problems of transportation, due to bad winter weather on the Prairies, further aggravated by labour strikes and slow-downs in rail, port and terminal positions, caused grave concern and extra expense to producers, as well as concern in the minds of importers about Canada's future ability to meet commitments in export of agricultural products.

During the year the Government of Canada announced its new policy with respect to marketing of feed grains in the Canadian domestic market, and a producer poll on the marketing of rapeseed, which failed to achieve sufficient support to bring this grain under the jurisdiction of The Canadian Wheat Board, put renewed pressure on the traditional marketing patterns of Prairie farmers through a central marketing agency. The main concern expressed by your organization during this period, centred on the inefficiencies of operating both Board marketing and speculative or uncontrolled marketing. Efficient use of country elevators, rail transportation, and terminal facilities, and the benefits of market information and bargaining of a more centrally organized system, were pointed out to both Government and producers. Your organization is particularly concerned also about the breakdown of the quota system as it affects equity of opportunity between producers.

While farm cash receipts and net income increased to new highs, farmers, as part of the general Canadian economy, were faced with unprecedented levels of cost increases and therefore have a considerable feeling of uneasiness about the future. In the short term it appears that world grain prices will continue to be strong, because of the general supply situation in the world, but farmers are still uneasy, knowing from bitter experience, the effects of small surpluses on farm commodity prices.

According to statistics released by the United Nations and the Food and Agriculture Organiza-

tion, in preparation for the World Food Conference to be held in November 1974, the beginnings of the present World Food crisis go back to 1972, when the output of cereals (wheat, coarse grains and rice) in the world declined for the first time in more than twenty years. The decline in that year was substantial, more than 33 million tons. In order to avert shortages and to meet the rising expectations of a larger world population, cereal production needs to increase an average of about 25 million tons each year. Previous surpluses carried by United States and Canada were being reduced by supply management programs (LIFT in Canada) in an effort to bring down costs of storage and to strengthen the market. At the same time, as a matter of policy, the Russians did not attempt to tide over the crisis by tightening their belts, but entered the world market to make purchases of grain on a unprecedentedly large scale.

Although the 1973 harvests were reasonably good, the increase in production was insufficient to prevent a further fall in exporter stocks and in some areas, due to extreme weather conditions, there were serious international emergency operations required to avert widespread starvation.

The reports also note that this situation in agricultural commodity markets was paralleled by an unprecedented boom in economic activity in the developed countries with world-wide inflationary forces, monetary instability, speculative activity, and consequent shortages of important energy and production inputs, such as fertilizers and agricultural chemicals.

As indicated earlier, the strong demand and high prices for cereal grains and most agricultural commodities, have improved the situation for agricultural producers in many countries, however, the gains were not evenly shared, as the developing countries have found themselves in an increasing squeeze with respect to fertilizers, chemicals and capital needed to produce under these conditions.

Your Board would emphasize that international co-operative effort will be required to provide the climate within which producers can continue to meet the world's food demands.

#### Canadian Co-operative Wheat Producers Limited

During the past year, increased co-ordination between the three Pools, was the main objective at meetings of Canadian Co-operative Wheat Producers Limited and of the Interprovincial Pool Boards of Directors.

The officers of Canadian Co-operative Wheat Producers Limited, elected for 1973-74, were as follows:- E. K. Turner, President; G. L. Harrold, Vice-President; H. B. Sneath, Executive

Member; along with Board members, D. M. Lockwood, J. W. Marshall, A. J. Macpherson, O. K. Rosenberger, G. E. Franklin and J. D. Deveson; and J. O. Wright, Secretary.

Mr. E. K. Turner, Chairman of the Central Board, attended a meeting of International Federation of Agricultural Producers in Baden, Austria in May 1974. Messrs. G. L. Harrold and J. W. Marshall, represented Alberta and Saskatchewan Wheat Pools at this Conference as part of the Canadian Federation of Agriculture delegation.

Your Board of Directors took the following action and sponsored the following activities during the year under review.

- Correspondence with the Minister of Transport expressing concern with regard to the possibility of increases in toll levels on the Great Lakes Waterways.
- Correspondence with the Hon. Otto Lang, outlining reasons why the three Pools objected to open quotas being announced at the beginning of a crop year, and urging that quota decisions be left in the hands of The Canadian Wheat Board.
- Discussed membership and support for the Co-operative Union of Canada. Each Pool is a direct member of the Co-operative Union of Canada and D. M. Lockwood of your Board is President of this organization.
- Approved membership in the Great Lakes Waterways Development Association and appointed Messrs. G. E. Franklin and E. K. Turner to represent the three Pool organizations. Mr. Franklin is Chairman of the Board of this Association.
- Approved a special grant of \$3,000, through the Canadian Hunger Foundation, to the Special African Drought Appeal, in addition to continuing regular support for the Foundation. The Secretary is currently a member of the Board of Trustees of the Canadian Hunger Foundation.
- Renewed membership in the C. D. Howe Research Institute and asked that reports be mailed to all three Pools. Particular interest is taken in the Canadian-American Committee of the Institute.
- Approved membership in the Canadian Council on 4-H Clubs for the current year and named L. M. Henwood of Manitoba Pool Elevators as representative.
- Renewed support of the Western Rural Safety Conference with a grant towards 4-H Leaders' travelling expenses.
- Approved financing an annual bursary, to the value of \$2,200, to be administered by the Publications Committee of Co-operative College of Canada. The bursary was not awarded in the current year due to a lack of suitable applications.

- Continued sponsorship of the Flax Trophy at the Royal Agricultural Winter Fair in Toronto.
- Maintained a corporate membership in the Canadian Water Resources Association.
- Approved a grant towards publication of an Annual Wheat Newsletter, co-edited by Dr. A. B. Campbell of the University of Manitoba.
- Approved a corporate membership in the Canadian Institute of International Affairs.
- Sponsored a luncheon in Winnipeg, Manitoba, for the International Meeting of the Grain Elevators and Processors Society in March 1974.
- Your Board again arranged for and publicized a grain variety survey covering the three provinces during the current crop year. This information is considered to be valuable in marketing, research and development programs by many segments of the grain industry and related Government and University services.

Your Board of Directors at meetings throughout the past year, also held full discussions on the following matters with a view to reaching joint policy decisions.

### 1. **Rapeseed Marketing**

The Rapeseed Association of Canada decided during the year, to actively campaign for continuation of the open market system in opposition to Wheat Board marketing of rapeseed. The Central Board recommended that each organization give consideration to future membership in the Association in the light of this policy position on marketing methods.

At the request of the Minister responsible for The Canadian Wheat Board, the three Pools agreed to produce and sponsor material to be distributed to all eligible voters in support of orderly marketing of rapeseed through The Canadian Wheat Board prior to a producer poll on marketing methods.

During the period of discussion with producers, the Minister announced that, if producers did not opt for Canadian Wheat Board marketing, his Government would provide for voluntary pooling options and for Government supervision of the Winnipeg Commodity Exchange.

Following the marketing poll, which failed to achieve the necessary support to change to Board marketing, the idea of voluntary pooling was again raised with the three Pools by the Minister and the Grains Group from Ottawa. Your Board flatly rejected voluntary pooling as a satisfactory marketing method.

Reports indicated that the nature of the questions on the producer poll, the Minister's statement about voluntary pooling, and the existence of price differentials between the Vancouver and Thunder Bay areas had a significant influence on the results.

## 2. Grain Transportation Policy

At the request of your Board, a policy paper was developed by B. A. Friesen, Secretary, Alberta Wheat Pool; M. Cormack, Assistant General Manager of Administration, Manitoba Pool Elevators; and A. D. McLeod, Research Director, Saskatchewan Wheat Pool, designed to identify key transportation policy issues and to make recommendations with respect to improvement in grain transportation.

Out of the discussion that ensued a Grain Transportation Seminar was conducted in conjunction with a meeting of the three Pool Boards of Directors (Interprovincial Pool) in Regina, 10th-12th July 1974. Papers were submitted by A. W. Beattie, Public Relations Manager, Alberta Wheat Pool; C. E. Gowan, Senior Statistician, Canada Transport Commission; Chas. W. Gibbons, Commissioner of The Canadian Wheat Board; W. H. Horner, Special Advisor, Grain Handling and Transportation, Government of Saskatchewan and the General Managers of the three Pools.

Following this Seminar a draft position paper was prepared for the use of each organization in policy discussions with members and with Provincial and Federal Governments.

It was agreed that the Pools will continue to initiate direct discussions with railway companies, with appropriate officials of the Federal and Provincial Governments, on requirements for a national transportation policy and on the level of required rail service which will be maintained or developed to meet the needs of Prairie agriculture, and particularly of the Pools' country elevator development programs.

The three Pools will also participate in related studies initiated by other agencies if such studies are considered beneficial to producers.

The position paper noted that the Pools are convinced that significant improvements in efficiency can be achieved by a closer integration of railway operations as they relate to the transportation of grain. Such closer integration can be accomplished in various ways, including the following:

1. Possible exchange of ownership of particular lines between railway companies to reduce back-haul which exists now because of the ownership pattern of branch lines;
2. Possible increase in joint running arrangements by several railway companies over a single track where this would be advantageous;
3. It has been suggested the Federal Government acquire the railway roadbeds in Western Canada, including sorting and switching yards, and assume responsibility for the cost of maintenance and up-grading. This would relieve the railway companies of some portion of the cost of maintaining a transportation service considered essential to the economy of the nation. It would also facilitate regional franchise

arrangements between the Federal Government and operating railway companies to provide service to particular areas;

4. Another alternative would be to nationalize the Canadian Pacific Railway to create a single integrated railway operation.

While there is room for argument about the relative merits of these alternatives, the Pools are concerned primarily with the achievement of improved efficiency through closer integration of rail operations as they relate to the transportation of grain.

## 3. Feed Grains Marketing Policy

A joint announcement released by the Hon. Otto Lang, Minister responsible for The Canadian Wheat Board, and the Hon. Eugene Whelan, Minister of Agriculture, launched a new Feed Grains Policy effective 1st August 1974, to take the place of the interim policy which had been in effect for the year under review.

The new policy, described by the release, provides for a national market for feed grains with assurance of supplies for the domestic market. It established prices by the full interplay of supply and demand, provides for co-ordination of transportation and stocks to meet domestic and export requirements, established a special reserve stock of feed grains to be held at Thunder Bay, allocates space in the primary elevator system to insure orderly domestic and export movement, and calls for a comprehensive information system for the domestic feed grains market.

Your Board and management are gravely concerned that the program has been imposed on farmers and their co-operatives despite repeated warnings that it would result in increased administration costs, inefficient use of scarce resources (country, rail and terminal facilities), as well as opportunity for speculative profit and manipulation in the market place. In the long run, your Board believes that the interests of both producers of feed grain in the Prairie region and consumers of these products in other regions, will be ill served by this imposed marketing change.

The two Ministers also noted that work is continuing on other aspects of the Government's plan for grains policy, including future levels of feed freight assistance; the transfer of import controls for wheat, oats and barley from The Canadian Wheat Board, to the Export-Import Permits Act; details for a price guarantee to producers on commercial sales of feed grains to the domestic open market; increased limits under the cash advance system in the Prairies and to provide a basis for extending this system to other grains and other regions in Canada. Also suggested was a freight rate policy which would end the discrimination between grain, meat and related products.

The Governments of Manitoba and Saskatchewan have publicly objected to the open market aspects of this new policy, saying that open market selling is a major disruption of orderly market-

ing and a drastic reduction in necessary Wheat Board powers. The two provincial Governments conducted polls of producers during the year, which indicated a ninety-three per cent vote in favor of Wheat Board control of domestic marketing of feed grains.

Policy discussions on this question by the Pool organizations and others have continued over a period of some three years. These studies have involved committees of the Canada Grains Council, the Canadian Federation of Agriculture, and the National Farmers' Union. Despite some differences the studies were unanimous in support of The Canadian Wheat Board as the sole agent representing farmers of the region in the sale and marketing of their product outside of The Canadian Wheat Board region.

During the year a joint policy position was developed by the three Pools. This position was largely adopted by all other farm organizations in the Prairie region with the exception of the Stock Growers Association and Palliser Wheat Growers Association.

This position paper called for continued quota and marketing control through The Canadian Wheat Board, with price negotiation for the domestic market, taking account of off-Board sales in the Prairie region, with the dominant factor being corn competitive pricing.

However, it became obvious that due to the various regional interests in Canada, a political solution had to be found. Your Board believes that the interests of Western grain producers can best be served with The Canadian Wheat Board as a central marketing agency, however, as co-operatives the three Pools will endeavour to serve their members needs and protect their interests under the new policy.

#### **International Federation of Agricultural Producers**

International Federation of Agricultural Producers is the voice of farmers in international affairs. The Pools were represented at the 20th General Conference as part of the Canadian Federation of Agriculture delegation, along with representatives of some forty-five member countries.

Reports from the Conference noted that problems of developing countries must be recognized for their extent and urgency. The more affluent nations of the world have a crucial responsibility for substantially increasing assistance to developing countries and for greatly expanding export opportunities for industries of the developing countries. In the meat sector, IFAP is establishing a producer system for international exchange of marketing information and producer consultation. The International Dairy Committee (of producer-organizations) will associate itself more closely to IFAP and continue its efforts aimed at international dairy product agreements, better food aid policies and market outlook assess-

ments. There is a great and special challenge to the co-operative movement in expanding its role in supplying fertilizer and other agricultural inputs on most favorable terms and in agricultural marketing. This is especially true in developing countries.

The present world grain marketing situation provides no fresh protection against violent price instability to producers and insecurity of supply to users. An International Grains Arrangement is considered essential to correct this situation. It should embrace wheat and major feed grains, and desirably rice. An arrangement must provide: for assurance of remunerative prices to producers; for some form of management of supply on international markets, through stock holding or market allocation mechanisms, to make the pricing provisions effective; for assurance of security of supply to customers; for an equitable system of meeting costs of holding stocks; for emergency reserves and food aid provisions, and equitable sharing of the cost of these.

Pending an arrangement, nations should begin to concert their production and/or stocks policies. IFAP is pressing for negotiations for an International Grains Arrangement to begin soon under United Nations auspices. IFAP itself will, in 1974, hold intensive producer consultations on the requirements for international grains arrangements. It will also work towards a permanent Grains Committee of IFAP.

IFAP (International Federation of Agricultural Producers), is a Federation of national farmers and agricultural co-operative organizations the world over. The organizations accepting its constitution are "determined to secure the fullest co-operation between organizations of agricultural primary producers in meeting the optimum, nutritional and consumptive requirements of the peoples of the world and improving the economic and social status of all who live by and on the land".

The main functions of the Federation are to develop understanding of world problems and how they affect the agricultural primary producers of the world; and to place co-ordinated views of national organizations it represents before appropriate international bodies — especially the Economic and Social Council of the United Nations and the specialized agencies, principally the FAO; and to encourage the efficient production, processing and marketing of agricultural commodities. Canadian farmers are represented in IFAP through the Canadian Federation of Agriculture — a national federation of farm organizations throughout Canada. Mr. Charles G. Munro, President of the Canadian Federation of Agriculture, is currently also President of International Federation of Agricultural Producers. Mr. Munro was re-elected IFAP President in Baden, Austria (May 1974) after having been initially elected to that position in Ottawa in 1972.

In November 1974 a World Food Conference will be held by the United Nations. This should be the most important world meeting of Ministers to discuss agricultural and food problems since the meeting thirty years ago, which established the Food and Agriculture Organization—FAO. The Conference is born out of a deep concern for the security of the present and future food supplies of the people of the world.

In preparation for this Conference the International Federation of Agricultural Producers meeting in Baden published this declaration which is quoted in part:

#### **Food Security—Farming Security the Key**

“Through IFAP the farmers of the world declare:

1. “The World’s resources of land, people, material and knowledge are sufficient to meet mankinds needs; but that need will not be met until it is translated into real demand at effective and remunerative prices to producers in both developing and developed countries. Expansion of demand in developing countries is especially fundamental. The basic long-term answer to food supplies must lie in the broad framework of a development and trade strategy of which food production is but one, though a critical, part.
2. “Food security cannot be obtained as a by-product of farmer insecurity and periodic surplus accumulation. An appropriate framework of international marketing arrangements and mutual undertakings, aimed at farmers’ security, is the best and surest way to get food security.
3. “Farmers are not speculators, they are producers. If the world continues to speculate with the needs of consumers and the livelihood of producers, it must expect recurrence of boom and bust of price and supply instability.
4. “Improvement of reserves and extension of food aid must be amongst the Conference’s major goals, but without basic decisions on international marketing and stocks policy, these could not be effectively implemented and could, in some circumstances, be positively harmful.

“IFAP calls on all governments to ensure, at both national and international level, farmer participation in the World Food Conference both at the Conference itself and in advanced discussions and planning.

“IFAP urgently appeals to government to use the World Food Conference to set the stage at long last, for the basis of international co-operation and multilateral solutions that will ensure price stability for producers and security of supply for consumers. These have long been IFAP’s principal food and agricultural policy goals for the world.”

#### **Grain Acreage, Yield and Production**

*(Tables 1 and 2)*

Wheat acreage in Canada in 1974 was 23.5 million acres, 900,000 acres less than in 1973. The wheat acreage for the Prairie Provinces in 1974 was 22.9 million acres, 900,000 acres less than 1973.

Wheat production in Canada is estimated at 542.2 million bushels in 1974, down by 62.5 million bushels from 1973. On the Prairies the 1974 wheat crop is estimated at 518.0 million bushels, 67 million bushels less than was produced in 1973.

Production of oats in Canada in 1974 is estimated at 293.7 million bushels compared with 326.9 million last year. Oat production on the Prairies in 1974 is estimated at 232 million bushels compared with 273 million bushels in 1973.

Canadian barley production is estimated at 431.1 million bushels in 1974 compared with 1973 production of 469.6 million bushels. On the Prairies barley production in 1974 was estimated at 403 million bushels compared to 444 million bushels in 1973.

Canadian rye crops could produce 18.9 million bushels in 1974, up from 14.3 million bushels in 1973. The Prairie production figure is estimated at 17.5 million bushels of rye in 1974, up from 12.9 million bushels in 1973.

Prairie flax crops are expected to produce 18 million bushels in 1974, 1.4 million bushels less than the 1973 production of 19.4 million bushels.

Rapeseed production in Canada in 1974 was estimated at 54.7 million bushels, slightly up from 53.2 million bushels in 1973. On the Prairies 53.8 million bushels is estimated which is 600 thousand bushels more than in 1973.

#### **Grain Deliveries from Western Canada**

*(Table 3)*

Deliveries of grain from farms in the Prairie Provinces during the 1973-74 crop year were 845.8 million bushels compared with 993.1 million bushels in 1972-73. Deliveries of all grains with the exception of oats, showed fairly sharp declines in 1973-74. Marketing of oats increased by 4.6 million bushels.

Grain prices held reasonably constant during the year, holding gains made towards the end of the previous year.

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

Canadian grain stocks at the 31st July 1974 at 688.8 million bushels is higher by 14 million bushels than the carryover from 1973. It should be noted however, that this figure is still significantly less than the carryover of 1,064.1 million bushels in 1972 and 917.7 million bushels average for the ten-year period 1963-1972.

Tables 5 and 6 show estimates of the amount of grain stocks held on Canadian and Prairie farms at 31st July 1974. Of the total 225.5 million

bushels estimated to be on Canadian farms at that date, 200.5 million bushels were on the farms in the Prairie region, with 20.7 million bushels in Manitoba, 118.9 million in Saskatchewan and 60.9 million bushels on farms in Alberta.

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

Exports of Canadian wheat and flour, oats, barley, rye, flaxseed and rapeseed at 597.8 million bushels was reduced sharply from the all-time record set in 1972-73 of 821.6 million bushels. Exports of spring wheat at 353.8 million bushels was significantly reduced below the record export level of 492.8 million bushels set in 1972-73 and also well below the ten-year average of 393.9 million bushels for the 1963-64 to 1972-73 crop years. All other grains showed the same trends in export except that exports of Durum wheat, barley and rapeseed did exceed the ten-year average, even while falling below the record levels established last year.

Tables 8, 9 and 10 provide information on grain exports, port handlings and destinations of exports by major regions and countries. It should be noted that Japan continues to be by far the largest importer of Canadian grains and oilseeds, with the Peoples' Republic of China in second place, and with Britain pushing ahead of the U.S.S.R. to third place in 1973-74.

#### Canadian Grain Situation

The projections in this report for 1974 production and therefore supplies for market in the coming year are based on August crop estimates. Since that date, severe frost and delays in harvesting may result in significant reductions in both quality and yield. No effort is made in this report to estimate these changes.

Wheat supplies at the end of 1973-74 were 379 million bushels, up slightly from 365 million a year earlier. An early settlement of present labor disputes and a return to normal grain movement should result in wheat exports of about the same magnitude as in 1973-74. Exports of 430 million bushels in 1974-75 would reduce the 1975 carryover to 310 million bushels.

Feed grain supplies (barley and oats) in the Prairies will be slightly lower in 1974-75 compared to last year. Exports of barley should be strong in light of lower feed grain supplies in the United States. Projected supplies of barley in Canada should permit exports of approximately the same level as achieved in 1973-74.

Supplies of rapeseed in 1974-75 are expected to be lower by at least 7 million bushels compared to 1973-74 supplies. In order to sustain the domestic crush it will necessitate a reduction in exports to 30 million bushels, down from the 39 million exported in the past year.

Flax supplies are expected to be almost identical with the previous year. Export volume is

expected to hold around 15 million bushels and should bring prices at or near last year's level.

Rye acreage is up 36 per cent this year and should result in an increase in supplies of at least 3 million bushels over last year. Exports of rye might be expected to increase from 5 million bushels last year to at least 7 million bushels in 1974-75. A strong world demand for wheat and feed grains should keep rye prices at relatively high levels as well.

#### World Grain Situation

Total world grain production in 1974 will likely fall somewhat below last year's record volume. Based on USDA projections at mid-July the 1974 world crop was expected to be 983 million tons or 1.9 per cent above last year. However, since that time (based on September 11th survey) the United States wheat and corn crop estimates have been lowered by 134 million and 955 million bushels respectively. The Russian crop is not expected to equal last year's outturn of 220 million tons but is expected to be above earlier estimates of 205 million tons.

The less favorable outlook for the 1974 world grain crop has reduced the likelihood of any significant recovery of world-wide grain stocks. The much lower than expected United States corn crop will likely reduce available supplies of feed grains for export and should result in higher world prices in 1974-75.

World wheat production is now expected to be slightly below last year's production of 367 million tons. The United States wheat crop has been estimated at 1.79 billion bushels which is up 5 per cent over last year but down nearly 400 million bushels from early spring projections. The Canadian and Russian wheat crops are expected to be somewhat below last year while Australia and Argentina may produce slightly more wheat than in 1973.

On balance it would appear that total world wheat exports in 1974-75 will be down from 72.9 million tons to 69.6 million tons, and for the first time in thirteen years world consumption of wheat is expected to fall below the previous year. The lower import demand for wheat in 1974-75 reflects in part the impact of somewhat higher than expected general level of world prices which appear to be emerging for the 1974-75 crop year.

The outlook for oilseeds continues to be promising although available supplies of both oil and protein meals have improved over last year. Indications are that the anchovy catch in Peru was larger than anticipated in the first six months of 1974 and fishing will again resume in late September or early October. The United States soybean crop is now forecast to be 1,315 billion bushels, down 16 per cent or 250 million bushels from the record last year. In order to meet projected exports and domestic requirements in 1974-75 it is expected that carryover stocks will

again be drawn down to the very low levels that existed at the end of 1972-73.

As was the case in 1973-74 it is expected that oilseed prices will continue to be influenced by the strong demand for oil rather than meal. This would suggest that the demand for available rapeseed supplies will also be strong and prices should continue to carry a premium over soybeans.

### Conclusion

This report has highlighted the international and national areas of policy, which have an important influence on the future of your organizations and of farmers in the three Prairie Provinces.

Your Board believes that international agreements on matters of monetary and trade policy will be essential elements of future security and stability in the world.

Closer to home, it is evident that close co-ordination must continue between our organizations if the most effective commercial services and policy influence is to be achieved.

Over the past fifty years many examples of such co-operative activity have been evident, starting with the original export operations of this company, Canadian Co-operative Wheat Pro-

ducers Limited. Worthy of mention also are the operation of jointly owned Insurance Services, the emergence of fertilizer manufacturing facilities, the development of XCAN Grain Ltd. in recent years, and current discussions on other areas of processing and marketing of agricultural products.

Finally, in the year under review, there has been increased effort to put a common position forward on matters of national policy including transportation, trade, marketing, and stabilization.

Your Board believes that future success and influence on behalf of our farm members will depend to a large extent on the continued ability of our Boards and management to recognize and seize future opportunities for co-ordinated or joint action.

Respectfully submitted,

E. K. Turner	}	Executive
G. L. Harrold		
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J. D. Deveson		
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D. M. Lockwood		
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O. K. Rosenberger

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Table 1  
GRAIN: ACREAGE, YIELD, PRODUCTION CANADA  
1974 (August Estimate) and 1973 (Final)

	1974 (Aug. Estimate)			1973 (Final)		
	Acreage (Mil- lions)	Yield (Bus. per Acre)	Prod. (Mil- lion bus.)	Acreage (Mil- lions)	Yield (Bus. per Acre)	Prod. (Mil- lion bus.)
Wheat—	23.5	23.1	542.2	24.4	24.8	604.7
Oats for Grain—	6.3	46.4	293.7	6.7	48.8	326.9
Barley for Grain—	11.6	37.2	431.1	12.0	39.3	469.6
Rye—	0.8	22.5	18.9	0.6	22.5	14.3
Flaxseed—	1.5	12.0	18.0	1.5	13.4	19.4
Rapeseed—	3.3	16.8	54.7	3.2	16.9	53.2

Source: Statistics Canada, 22-002.

Table 2  
GRAIN: ACREAGE, YIELD, PRODUCTION  
PRAIRIE PROVINCES  
1974 (August Estimate) and 1973 Final

	1974 (Aug. Estimate)		1973 (Final)			
	Acreage (Mil- lions)	Yield (Bus. per Acre)	Prod. (Mil- lion bus.)	Acreage (Mil- lions)	Yield (Bus. per Acre)	
Wheat—	22.9	22.6	518.0	23.8	24.6	585.0
Oats for Grain—	5.1	45.9	232.0	5.3	51.5	273.0
Barley for Grain—	11.0	36.6	403.0	11.4	39.1	444.0
Rye—	0.8	22.1	17.5	0.6	22.1	12.9
Flaxseed—	1.5	12.0	18.0	1.5	13.4	19.4
Rapeseed—	3.2	16.8	53.8	3.2	16.9	53.2

Source: Statistics Canada, 22-002.

Table 3  
PRODUCER MARKETINGS, PRAIRIE PROVINCES  
1st August to 31st July, 1969-74  
(Millions of Bushels)

	1969-70	1970-71	1971-72	1972-73	1973-74(1)
Wheat—	413.3	384.3	517.5	633.3	522.4
Oats—	20.9	58.3	32.3	32.5	37.1
Barley—	168.4	235.9	295.5	236.8	221.3
Rye—	7.6	11.6	15.5	9.3	6.8
Flaxseed—	22.1	33.7	21.6	18.3	15.1
Rapeseed—	28.5	61.5	69.8	62.9	43.1
<b>Total .....</b>	<b>660.8</b>	<b>785.3</b>	<b>952.2</b>	<b>993.1</b>	<b>845.8</b>

(1) Preliminary

Source: Canadian Grain Commission  
Grain Statistics Weekly, 31st July, 1974.

Table 4  
CARRYOVER STOCKS OF GRAIN IN CANADA (1)  
at 31st July 1972-74 and 1963-72 Average  
(Millions of Bushels)

	1974(2)	1973	1972	Average 1963-72
Wheat.....	379.4	365.4	744.2	630.1
Oats.....	75.7	79.7	125.4	128.7
Barley.....	203.0	193.0	144.3	139.6
Rye.....	10.3	10.3	12.6	9.4
Flaxseed.....	8.2	7.7	26.6	9.9
Rapeseed.....	12.2	20.7	11.0	—
<b>Total.....</b>	<b>688.8</b>	<b>676.8</b>	<b>1,064.1</b>	<b>917.7</b>

(1) Excluding Newfoundland

(2) Preliminary

Source: Statistics Canada,  
Stocks of Canadian Grain at 31st July 1974.

Table 5

**FARM STOCKS ALL GRAINS IN CANADA**  
at 31st July 1972-74

(Millions of Bushels)

	1972	1973	1974
Wheat	311.5	115.0	96.0
Oats	96.0	65.0	58.0
Barley	106.0	88.0	66.0
Rye	5.5	1.6	2.5
Flaxseed	6.0	0.6	1.5
Rapeseed	16.3	0.4	1.5

Source: Statistics Canada,  
Stocks of Canadian Grain at 31st July 1974.

Table 6

**CARRYOVER STOCKS OF GRAIN ON FARMS,  
PRAIRIE PROVINCES**  
at 31st July 1974

(Millions of Bushels)

	Man.	Sask.	Alta.
Wheat	5.0	70.0	15.0
Oats	7.0	20.0	18.0
Barley	8.0	26.0	26.0
Rye	0.2	1.3	1.0
Flaxseed	0.3	1.0	0.2
Rapeseed	0.2	0.6	0.7

Source: Statistics Canada,  
Stocks of Canadian Grain at 31st July 1974.

Table 8

**SEABOARD HANDLINGS, ALL GRAINS**

(Millions of Bushels)

Port:	1973-74	1972-73	1971-72
Pacific	252.7	349.0	307.9
St. Lawrence	248.9	336.5	360.7
Atlantic	22.3	34.8	34.6
Churchill	18.8	25.3	25.5
Thunder Bay (Direct)	20.2	36.7	45.8

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

Table 7

**EXPORT OF ALL GRAINS AND WHEAT FLOUR**

(Millions of Bushels)

	1973-74(1)	1972-73	10-Year Average 1963-64 to 1972-73
Wheat (Except Durum)	353.8	492.8	393.9
Durum Wheat	46.5	60.0	34.3
Flour	18.8 (2)	23.4	30.6
<b>Wheat and flour</b>	<b>419.1</b>	<b>576.2</b>	<b>458.8</b>
Oats	0.8	6.7	9.2
Barley	118.6	156.8	85.4
Rye	4.6	8.2	6.9
Flaxseed	15.5	19.6	17.5
Rapeseed	39.2	54.1	23.4
<b>Total</b>	<b>597.8</b>	<b>821.6</b>	<b>601.2</b>

(1) Preliminary  
(2) Estimated

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)

	1973-74	1972-73	1971-72
Japan	133.3	133.0	115.7
Peoples' Republic of China	53.7	153.3	111.7
Britain	49.5	58.4	81.4
Italy	43.3	64.2	60.3
U.S.S.R.	42.7	189.6	131.5
Others	275.1	223.2	315.8
<b>Totals</b>	<b>597.7</b>	<b>821.7</b>	<b>816.5</b>

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)

	1973-74	1972-73	10-Year Average 1963-64 to 1972-73
Japan	62.3	50.6	47.2
Peoples' Republic of China	53.7	144.1	77.6
Britain	44.4	42.9	60.8
U.S.S.R.	33.5	147.9	78.6
Brazil	30.9	15.6	4.5
Others	129.0	91.6	125.2
<b>Totals</b>	<b>353.8</b>	<b>492.8</b>	<b>393.9</b>

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

Table 11

**FARM CASH RECEIPTS FROM FARMING OPERATIONS  
THREE PRAIRIE PROVINCES**

(In Thousand Dollars)

	1971	1972	1973
Wheat.....	\$ 619,691	\$ 799,317	\$ 842,336
Wheat, CWB Payments..	75,202	118,426	325,795
Oats.....	26,540	21,512	25,148
Oats, CWB Payments....	1,738	5,314	12,861
Barley.....	183,366	209,347	218,230
Barley, CWB Payments..	16,606	2,966	100,800
CWB Cash Advances....	72,998	23,249	29,947
CWB Cash Advance Repayments.....	(157,563)	(50,698)	(23,476)
Deferred Grain Receipts.....	—	—	(305,246)
Rye.....	9,888	11,929	19,570
Flaxseed.....	57,014	53,716	119,063
Rapeseed.....	134,449	151,220	252,278
Other Crops.....	69,085	79,370	130,099
<b>Total Crops.....</b>	<b>\$1,109,014</b>	<b>\$1,425,668</b>	<b>\$1,747,405</b>
Cattle and Calves.....	\$ 538,202	\$ 628,245	\$ 813,069
Hogs.....	188,265	247,556	366,934
Sheep and Lambs.....	2,905	3,973	4,729
Other Livestock and Products.....	192,917	215,694	287,962
<b>Total Livestock.....</b>	<b>\$ 922,289</b>	<b>\$1,095,468</b>	<b>\$1,472,694</b>
Other Sources(1).....	\$ 32,847	\$ 86,832	\$ 86,353
<b>Total Cash Receipts.....</b>	<b>\$2,064,150</b>	<b>\$2,607,968</b>	<b>\$3,306,452</b>
<b>TOTAL CANADA (2)</b>	<b>\$4,562,815</b>	<b>\$5,463,322</b>	<b>\$6,801,106</b>

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

(2) Except Newfoundland

Source: Statistics Canada, Farm Cash Receipts, 1973.

Table 13

**FARM CREDIT ACT, LOANS APPROVED  
PRAIRIE PROVINCES**

(Thousands of Dollars)

Province	No.	Fiscal Year 1972-73	Fiscal Year 1973-74
Alberta.....	867	\$31,052.4	1,580 \$ 73,560.0
Saskatchewan.....	1,694	56,239.1	2,527 106,380.6
Manitoba.....	439	13,889.3	744 27,518.1

Source: Farm Credit Corporation Annual Report 1973-74

Table 14

**FARM CREDIT ACT, LOANS APPROVED  
FOR ALL CANADA**

(Thousands of Dollars)

Year	Number	Amount
1969-70.....	5,829	\$160,466.0
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

Source: Farm Credit Corporation, Annual Report, 1973-74.

Table 12

**TOTAL NET FARM INCOME(1)  
1964-73**

(In Million Dollars)

	Three Prairie Provinces	Canada Except Newfoundland
1964.....	\$ 746.8	\$1,292.1
1965.....	958.4	1,566.7
1966.....	1,118.3	1,948.8
1967.....	792.2	1,475.3
1968.....	989.0	1,710.1
1969.....	803.4	1,564.3
1970.....	640.8	1,421.1
1971.....	1,009.7	1,680.2
1972.....	927.8	1,846.4
1973.....	2,045.4	3,343.9

(1) Takes account of changes in inventory

Source: Statistics Canada, Farm Net Income, 1973.

Table 15

**FARM SYNDICATES CREDIT ACT  
LOANS APPROVED 1973-74  
and  
1969-70 to 1973-74**

(Thousands of Dollars)

Province	No.	Fiscal Year 1972-73	1969-70 to 1973-74
British Columbia.....	4	\$ 60.1	12 \$ 234.1
Alberta.....	63	1,019.8	284 3,459.0
Saskatchewan.....	7	83.6	40 386.4
Manitoba.....	61	1,117.2	152 3,098.8
Ontario.....	75	1,556.8	166 3,296.4
Quebec.....	27	536.4	134 2,080.3
New Brunswick.....	—	—	3 19.5
Nova Scotia.....	1	4.0	7 38.2
P.E.I.....	—	—	14 260.4
Newfoundland.....	—	—	—
<b>CANADA.....</b>	<b>238</b>	<b>\$4,377.8</b>	<b>812 \$12,873.1</b>

Source: Farm Credit Corporation, Annual Report 1973-74

Table 16

## WORLD WHEAT: ACREAGE, YIELD, PRODUCTION, SELECTED YEARS

Years	Acres (Millions)	Yield (Bush/Acre)	Production (Million Bushels)
Average 1959-60 to 1963-64 .....	504.9	17.6	8,902.9
Average 1964-65 to 1968-69 .....	540.3	19.9	10,730.8
1970-71 .....	507.9	22.6	11,459.4
1971-72 .....	524.3	24.1	12,638.5
1972-73 .....	522.6	23.6	12,391.7
1973-74 (Provisional).....	541.3	25.0	13,525.8

Source: International Wheat Council,  
World Wheat Statistics, 1974.

Table 17

## WORLD WHEAT: CARRYOVER STOCKS OF WHEAT AT END OF CROP YEAR EXPORTING COUNTRIES(1)

(Millions of Bushels)

Year	Stocks
1963-64 .....	1,705.6
1964-65 .....	1,740.3
1965-66 .....	1,310.7
1966-67 .....	1,318.6
1967-68 .....	1,671.0
1968-69 .....	2,320.0
1969-70 .....	2,418.9
1970-71 .....	1,843.0
1971-72 .....	1,834.6
1972-73 .....	1,134.5

(1) Includes Argentina, Australia, Canada, United States, Spain, Sweden and the EEC. The figures include the original six members to 1967-68 and the nine member states thereafter.

Source: International Wheat Council,  
World Wheat Statistics, 1974.

Table 18

## WORLD EXPORTS OF WHEAT AND WHEAT FLOUR

	Amount (Million Bushels)
Average 1959-64.....	1,666.8
Average 1964-69.....	1,937.2
1969-70.....	1,846.4
1970-71.....	1,973.2
1971-72.....	1,926.8
Provisional 1972-73.....	2,479.5

Source: International Wheat Council,  
World Wheat Statistics, 1974.

Table 19

## SUMMARY OF TRADE IN WHEAT AND WHEAT FLOUR BY MEMBERS OF I.W.A. — 1972-73

Type of Transaction	(Million bushels)	Amount
Commercial Transactions Between Members		
Exporting to Importing .....	946.2	
Exporting to Other Exporting .....	558.2	
Importing to Other Importing .....	12.9	
Importing to Exporting .....	0.3	
Sub-Total.....	1,517.6	
With Non-Members		
Exporting to Non-Member .....	575.1	
Importing to Non-Member .....	7.2	
Importing from Non-Member .....	16.9	
Sub-Total.....	599.2	
Total Commercial .....	2,116.8	
Special Transactions Between Members		
Exporting and Importing .....	106.1	
Importing to Other Importing .....	0.8	
Sub-Total.....	106.9	
With Non-Members		
Exporting to Non-Member .....	117.3	
Importing to Non-Member .....	0.5	
Sub-Total.....	117.8	
Total Special Transactions .....	224.7	
Total Commercial and Special Transactions .....	2,341.5	

Source: International Wheat Council,  
World Wheat Statistics, 1974.

Table 20

## PRAIRIE GRAIN CASH ADVANCES

Year	Number of Loans	Amount Advanced
1958-59 .....	45,341	\$ 34,369,653
1959-60 .....	52,356	39,518,344
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
1969-70(1).....	1,086	1,204,852
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	35,196,387

(1) Provisional Advance due to the delayed harvest in northern Alberta.

Source: Canadian Wheat Board





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