

our 50<sup>th</sup>  
Year

ALBERTA WHEAT POOL ANNUAL REPORT 1973





*our 50<sup>th</sup> Year*

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# ALBERTA WHEAT POOL

## Board of Directors

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

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B. A. FRIESEN, *Secretary*

## Officers and Administrative Personnel

J. W. MADILL, *General Manager*  
G. S. AUSTIN, *Director Employee Relations*  
A. W. BEATTIE, *Public Relations Manager*  
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*  
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

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



# DELEGATES

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## Lethbridge — District One

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

304 Axelsen, Eric ..... Drumheller  
305 Burne, George W. ..... Gleichen  
306 Roppel, Howard R. .... Rockyford  
307 Olsen, Harvey W. ..... Three Hills  
308 Kober, Edward ..... Trochu  
309 Adie, John L. ..... Drumheller  
310 Nelson, Norman E. .... Craigmyle

508 Pepper, Clifford G. ..... Ohaton  
509 Ness, Ingvald ..... Kingman  
510 Rasmussen, Clarence H. ... Wetaskiwin

## Calgary — District Two

201 Dyck, Nick ..... Pincher Creek  
202 O'Neil, James J. ..... Claresholm  
203 Coote, Donald H. ..... Cayley  
204 Versluis, C. J. ..... Champion  
205 Jacobsen, Norman .... Arrowwood  
206 Christofferson, Karl B. ..... Brant  
207 Brander, John A. ..... Langdon  
208 Schmaltz, Clarence M. .... Beiseker  
209 Clayton, Clifford S. ..... Airdrie  
210 Richards, Ralph E. ..... Olds

## Red Deer — District Four

401 Warwick, Ernest ..... Oyen  
402 Smith, George F. ..... Provost  
403 Schwenk, Herman D. ... Coronation  
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 Liivam, August ..... Eckville  
410 Baker, Percy A. ..... Ponoka

## 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 Montpetit, Paul M. ..... Legal  
608 Din, Alexander ..... Warspite  
609 Lamothe, Armand ..... St. Paul  
610 Davidiuk, William ..... Grassland

## Drumheller — District Three

301 Lemare, Carl ..... Acadia Valley  
302 Johnston, Vernon R. ..... Oyen  
303 Volek, Joseph ..... Tilley

## Camrose — District Five

501 Redmond, Don R. .... Edgerton  
502 Dobson, Parke .... Paradise Valley  
503 Livingstone, Douglas E. ... Vermilion  
504 Flaade, Bennie A. ..... Hardisty  
505 Koetke, Norman I. ..... Daysland  
506 Christians, William H. ... Donalda  
507 Drummond, Alexander New Norway

## Peace River — District Seven

701 Parrent, Fred J. ..... Clyde  
702 Seatter, William ..... Dapp  
703 Hallowes, Arthur W. .... Sangudo  
704 Galigan, Douglas ..... Culp  
705 Gummer, Howard F. ... Grande Prairie  
706 Olson, Iver H. ..... Beaverlodge  
707 Peirce, Albin B. ..... Dawson Creek  
708 Dufour, Gerard M. .... Spirit River  
709 Lorencz, Nick M. ..... Manning  
710 Morrison, D. James ..... Bluesky

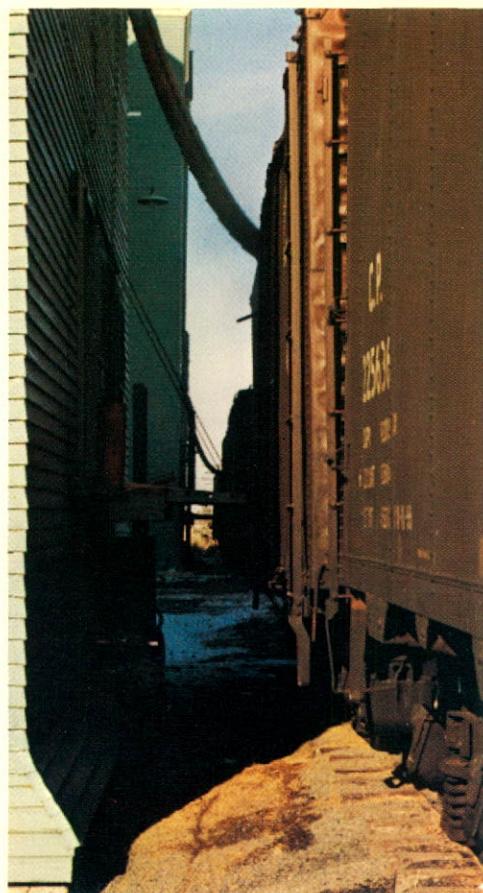
# 1972 - 73 REPORT HIGHLIGHTS AND COMPARISONS

## ALBERTA WHEAT POOL AND SUBSIDIARY COMPANIES

	1973	1972
Handling — Country Elevators, in bushels .....	164,440,215	129,550,690
— Forage Seed, in pounds .....	14,004,129	12,991,414
— Cereal Seed, in pounds .....	31,337,897	30,061,269
Percentage of Alberta Grain Deliveries Handled .....	68.69%	56.8%
Gross Value of Board Deliveries and Other Sales .....	\$ 259,088,069	\$ 203,735,347
Seed and Fertilizer Division Sales (included above) .....	\$ 20,824,458	\$ 14,298,489
Total Revenues .....	\$ 34,218,545	\$ 28,012,550
Total Expenses .....	\$ 24,768,430	\$ 19,054,567
Capital Cost Allowances .....	\$ 3,441,844	\$ 2,891,224
Earnings before Taxes .....	\$ 6,217,045	\$ 6,066,759
Current Assets .....	\$ 73,294,867	\$ 61,735,387
Current Liabilities .....	\$ 64,891,703	\$ 54,685,903
Working Capital .....	\$ 8,403,163	\$ 7,049,484
Capital Expenditures on Properties and Equipment .....	\$ 2,401,789	\$ 1,733,198
Total Invested in Capital Assets .....	\$ 73,559,940	\$ 72,510,552
Patronage Refunds Distributed (out of previous year's earnings) .....	\$ 5,791,275	\$ 5,891,884
Reserves Held by Members .....	\$ 26,982,449	\$ 25,798,207
Percentage of Member Business prior year .....	97.00% Est.	96.94%
New Members .....	4,927	2,716
Total Membership .....	54,203	51,057
Number of Country Elevators .....	858	899
Elevator Capacity — in bushels — Country .....	77,002,000	78,988,000
— Terminals .....	17,451,500	17,451,500
Number of Employees July 31 .....	1,612	1,685



1971	1970	1969	1968
120,270,887	93,759,147	81,112,978	84,438,998
16,477,246	10,723,792	14,240,961	11,308,137
35,972,857	30,837,862	40,110,581	21,459,970
48.6%	46.7%	44.6%	46.6%
\$161,536,843	\$127,144,885	\$127,177,052	\$143,012,588
\$ 11,601,357	\$ 9,783,362	\$ 13,951,797	\$ 11,637,169
\$ 25,620,784	\$ 23,726,960	\$ 21,225,160	\$ 21,886,951
\$ 16,937,096	\$ 17,114,107	\$ 15,619,774	\$ 13,967,769
\$ 2,564,375	\$ 2,589,557	\$ 2,832,423	\$ 2,387,283
\$ 6,119,313	\$ 4,023,296	\$ 2,772,963	\$ 5,531,898
\$ 60,138,391	\$ 64,693,996	\$ 72,728,124	\$ 62,445,156
\$ 53,519,956	\$ 58,598,201	\$ 66,791,747	\$ 52,314,663
\$ 6,618,435	\$ 6,095,795	\$ 5,936,377	\$ 10,130,493
\$ 2,706,089	\$ 2,830,255	\$ 7,260,935	\$ 7,210,177
\$ 58,849,538	\$ 56,585,858	\$ 54,222,000	\$ 47,663,337
\$ 3,845,464	\$ 2,661,648	\$ 5,201,880	\$ 6,837,255
\$ 24,881,339	\$ 23,995,123	\$ 23,542,113	\$ 22,245,431
97.39%	97.26%	98.02%	98.08%
1,850	1,469	1,815	2,323
49,857	52,337	52,646	52,703
517	520	521	521
47,889,100	48,311,300	47,198,800	46,257,700
10,340,000	10,340,000	10,340,000	10,340,000
1,202	1,227	1,303	1,264



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## 50th ANNIVERSARY REPORT

Alberta Wheat Pool undertook to observe 50 years of operation through several routes during its 50th anniversary year.

The desire to recognize all living founding members was considered especially important. An antiqued plaque, made of saddle leather and bearing the name of the founding member was selected as suitable.

A memento symbolic of western heritage, but unique to Alberta Wheat Pool was needed as a keepsake of the occasion for members of Alberta Wheat Pool in its anniversary year. The booklet, "TRAILS GROWN OVER" was developed.

A gift to society dedicated to the pioneers but featuring the interdependence and relationship of one human being with another, was selected as the major undertaking. The film, "Together to Live" resulted. Man's interdependence, his need for communication, mutual action, and co-operation constitute the theme of "Together to Live". Twelve prints of the film are in the possession of the Alberta Department of Education and copies were donated to Western Co-operative College and Goldeye Lake Center. Several prints were purchased by co-operatives, government, and school agencies across Canada.

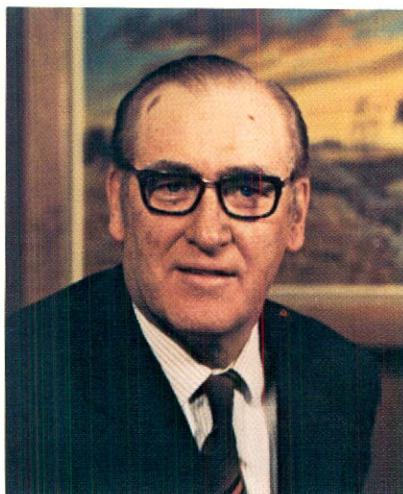
On our anniversary date, October 29th, 1973, the Calgary Herald published a supplement in recognition of the Pool's fifty years; copies of which were sent to every member. Special sections were also planned by the Edmonton Journal and Calgary Albertan.





# REPORT OF BOARD OF DIRECTORS

## ALBERTA WHEAT POOL



*Alberta Wheat Pool  
President, Gordon L. Harrold*

Gentlemen:

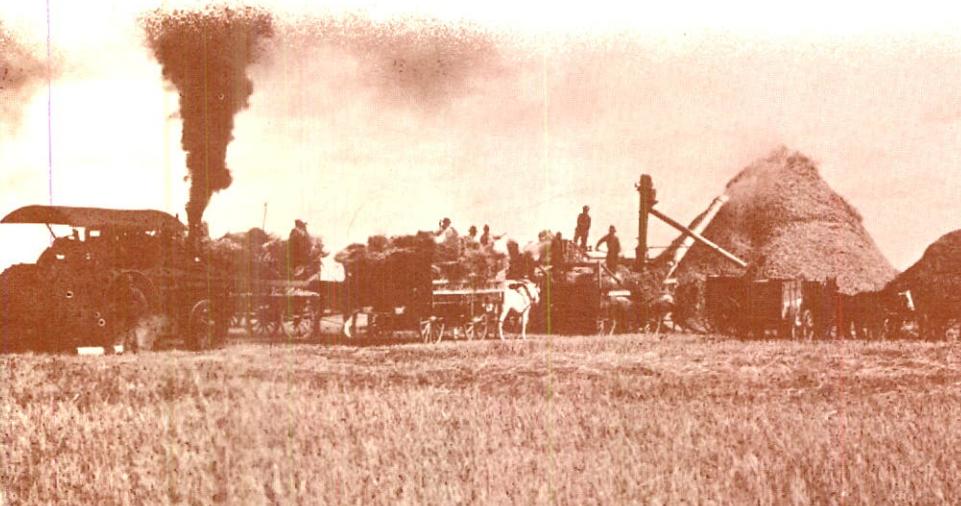
The past year has seen agricultural producers improve their position considerably over previous years. Your Association shared in this encouraging development as handlings hit an all-time high and activity in other commercial enterprises was equally impressive.

With the completion of one full year's operation following the takeover of Federal Grain Limited, it is now possible to make a more definitive assessment of the results and future needs of the Association. Consolidation of facilities is continuing, but in general we are pleased with the smoothness of the transaction and the way in which these new assets have complemented our own. In view of the fact that some redundancy still exists in country facilities, the construction program remains curtailed.

### Summary of Operations

In 1972-73, country elevator handlings totalled 164,362,529 bushels, an increase of 34,811,839 bushels, or 27% over last year. As a percentage of provincial handlings, it represents 68.69%, an increase from 56.69% a year ago.

Unloads at Vancouver Terminal totalled 91,977,634 bushels, a record and an increase of 11,898,577 bushels over last year, while receipts at Pacific Elevators Limited totalled



50th  
Year

97,096,326 bushels. Handlings at Victoria Elevator Limited increased by over 300,000 bushels from a year ago to total 9,446,500 bushels. Approximately 32.5 million bushels of grain were shipped to eastern destinations.

Sales of forage seeds and farm supplies increased substantially during the year. Forage handlings of 14 million pounds represents an increase of approximately one million pounds over last year, while the sales volume of fertilizers and chemicals was also most encouraging. The major problem in fact, was one of obtaining adequate supplies to meet the increased demand.

Despite this record level of activity, net earnings from this year's operation and available for distribution are \$6,217,045 before provision for income tax, an increase of only \$150,286 from a year ago. The small increase is evidence of the escalating costs faced by the industry.

### Grain Marketing

While Canadian exports of grain and wheat flour of 823.8 million bushels in 1972-73 surpassed last year's record by 7.5 million bushels, only rapeseed exports set an individual record. Exports of rapeseed at 54.1 million bushels exceeded the previous high of 46.8 million bushels set in 1970-71.

Wheat exports rose to 552.8 million bushels, an increase of 74.7 million bushels over last year. Ex-

ports in the form of flour totalled 25.4 million bushels and combined with wheat, indicate total wheat and flour exports of 578.2 million bushels.

Exports of all other grains were reduced from the previous year's level. Barley exports at 156.8 million bushels compare with last year's record of 224.3 million bushels, while exports of oats declined still further to 6.7 million bushels from 10.2 million a year ago. Overseas clearances of flaxseed at 19.6 million and rye at 8.2 million bushels were each reduced by nearly one quarter from a year ago.

Russia (U.S.S.R.), China and Japan, were the major importers of Canadian wheat. Russia, at 30% and China at 28% accounted for well over one-half the total export shipments. Shipments to Japan were approximately one-third as large as those to each of the other two countries.

Italy remains the most important importer for Canadian barley, taking 44.8 million bushels, while Japan's purchases increased to 41.0 million bushels. Interestingly, the United States, for the second consecutive year, was the major importer of oats with purchases of 4.1 million bushels in 1972-73. The European Economic Community continues as the most important market for flaxseed. Japan was Canada's best customer for rapeseed accounting for approximately 57% of the total exports. Bangladesh was the second highest

purchaser, followed by Italy and India.

Principal markets for major grains, oilseeds and wheat flour in order of importance were: Russia, China, Japan, Italy and the United Kingdom.

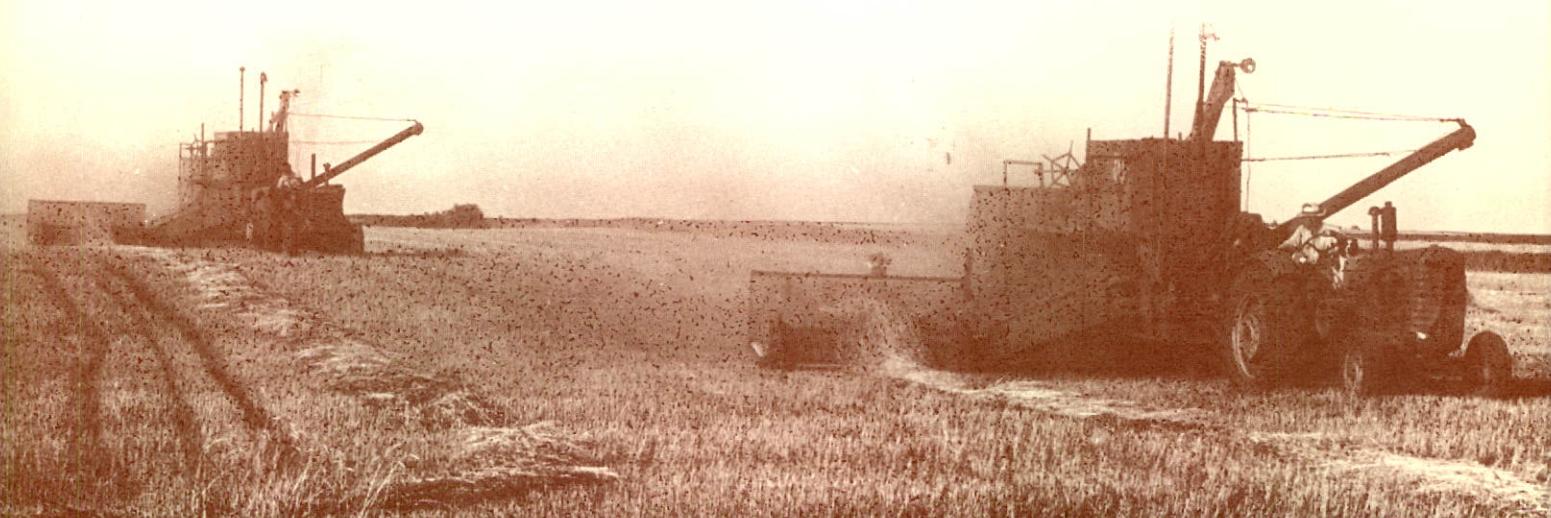
The West Coast ports continued to increase in importance as a major outlet for Canadian grain. Overseas shipments from these ports totalled 349 million bushels — an increase of 41 million over last year's record and have now surpassed shipments out of the St. Lawrence ports from Sarnia to Port Cartier.

### GOVERNMENT PROGRAMS AND POLICIES

A growing list of government programs and policies continues to bombard the agricultural industry. We wish to comment on only some of these at this time, and further information will be made available during the meeting.

### Domestic Feed Grains Policy

The Federal Government has announced a new Feed Grains Policy which began with the 1973-74 crop year and is due for further revision in 1974. The current policy calls for continued Canadian Wheat Board control in the export marketing of feed grain, and the entry of the Agricultural Products Board (A.P.B.) into the actual purchasing of Prairie feed grains. It is expected





that since the price to be offered by the A.P.B. will be lower than that which producers can expect from the initial plus final C.W.B. price, the amount purchased by the A.P.B. will be relatively low.

Under this policy, prices to be paid by the A.P.B. are to be set at the mid-point between the initial and final C.W.B. price. If however, feed grain is purchased by livestock feeders based on Prairie feed mill and feedlot prices plus transportation and handling costs, and these sales are to be made out of C.W.B. stocks, a situation could result where the final payment on barley will be lower than grain producers could otherwise expect.

We are disappointed that the Federal Government, through an Order-in-Council, has instructed the Wheat Board to market Prairie feed grains based on a monitored "off-Board" price in the Prairie provinces. This action departs from the purpose for which the Canadian Wheat Board was established; namely, that it operate in the best interests of Prairie grain producers. The Canadian Wheat Board is now being used by government for the accomplishment of purposes not in keeping with this objective.

Since these feed grains enter the elevator system as "off-Board" grains, a further question with regard to equal delivery opportunity must be raised. Without quotas to regulate the flow of grain, elevators will continue to be congested while some



producers have little opportunity to deliver. Buying and storing A.P.B. stocks on farms would require close supervision and could result in substantial administrative costs.

The new Domestic Feed Grains Policy also calls for removal of the Saskatchewan boundary restrictions for the movement of feed grains and for higher cash advances.

While we approve of the objective of the elimination of depressed feed grain prices on the Prairies, we are concerned about the erosion of the C.W.B. control. We would certainly oppose any further lessening of the functioning of the C.W.B. and/or its control of grain stocks in the policy promised for 1974. It is imperative that a program be devised which will reflect the Western grain producer's needs and that it be announced early to permit producers adequate time to plan their 1974 cropping program.

Promises have been made that farmers and their organizations will be consulted before the 1974 program is implemented. We are alarmed at the statements being made by Government spokesmen that the 1974 policy will permit any domestic feed grain user to buy grain on the Prairies. We believe Western farm organizations should be allowed to participate in the finalization of this plan.

#### **Federal Program for Agriculture**

At the July 26th, 1973 Western Economic Opportunities Conference held in Calgary, the Honourable Mr.

Eugene Whelan announced a fifteen-point program for agriculture.

The announcement stated that the Federal Government would provide financial support for the construction and operation of an oilseed and grain product development facility to be located in Saskatoon. One of the major purposes of this facility is the development of techniques to convert crops such as rapeseed into feed and feed ingredients of good quality to be competitive with crops which are now imported, e.g. soybeans. In his announcement, Mr. Whelan also stated that the Federal Government would contribute \$1 million to begin a fund for use in the development of new crops, new and better suited varieties and/or new protein sources.

He also stated that the Federal Government is prepared to implement a Prairie Grain Market Receipts Stabilization Plan which would be similar to the one proposed in 1970, but would be modified to take into account concerns and representations of the provinces and producer groups.

#### **Domestic Wheat Policy**

Effective July 20th, 1973, the domestic price for wheat was changed from a fixed price of \$1.95½ per bushel to the prevailing world price less \$1.00. By this action, the Federal Government maintained its two-price system for wheat and prevented the total increase from being reflected in domestic bread prices.

On September 4th, 1973, the Federal Government announced an increase in its subsidy on wheat used domestically by millers, to \$1.25 per bushel. On September 11th, 1973 the government announced that this subsidy would be raised to a maximum of \$1.75 per bushel and that the maximum price producers would receive for bread and Durum wheats used in Canada would be \$5.00 and \$7.50 per bushel respectively.

Subsequent to this announcement, the Government stated that its intention was to fix a price paid to producers of domestically consumed wheat within a range of \$3.25 to \$5.00 per bushel for the next seven years. The effect of this announcement is that the price to domestic consumers will be fixed at a maximum of \$3.25 per bushel. This subsidy, now called a "Consumer Subsidy" by the Government, will be paid to the C.W.B. for eventual payment to wheat producers only.

Your Board is in general agreement with this policy as it will provide some stability to future wheat prices. Our greatest concern is the effect of inflation on the buying power of a bushel of wheat — particularly in view of the fact that these prices are to be set for a period of seven years.

#### **Income Tax Amendments**

Changes in the Income Tax Act permitting producers to deliver grain to the Canadian Wheat Board in the current year but deferring payment





into the next year came into effect in late July. In effect, this grain becomes C.W.B. stocks and producers are not required to pay storage costs on deferred settlements. This has encouraged producers to take advantage of quotas as they come available.

#### **Co-operatives and Producer Marketing Section**

An encouraging development is noted with the announcement July 20th, 1973 that the Federal Government has established a new Co-operative and Producer Marketing Section within the Economics Division of Agriculture Canada.

This new Section is designed to assist co-operatives in solving problems which they may encounter at the federal, national or international level. An important function of this Section will be research and analytical studies relating to co-operatives. It will also analyze the impact which proposed legislative changes might have on co-operatives and give policy advice to the Department. Proposals for direct assistance to co-operatives will be developed within this Section through liaison with representatives of the movement. It is our hope that this Section will be given the stature needed to give effect to the functions outlined, and that close consultation with the provincial departments of co-operation will result.

### Temporary Wheat Reserves Act

It is our understanding that the Temporary Wheat Reserves Act, under which part of the wheat storage costs were paid by the Federal Government, ceased to function July 31st, 1973 because commercial wheat stocks had fallen below 178 million bushels on that date.

No official announcement had been made at the time of writing, but according to the wording of the Act, it would appear that this statute dies for all time if the minimum wheat stock level is not met.

The effect of the discontinuance of this statute is that producers will now have to pay the full cost of storing wheat. Savings which this Act meant to producers were considerable. In 1969-70 it amounted to over 14c per bushel delivered and in excess of 5c per bushel in 1971-72.

### Export Embargoes

An embargo on oilseeds and their products chagrined the grain industry in late June. The embargo was Canada's reaction to a similar embargo on exports announced earlier by the U.S. Canada's embargo included export controls on soybeans, rapeseed, flaxseed and their by-products, except oil.

On August 13th the Canadian Government relaxed its control and announced that export permits for all outstanding contracts of rapeseed

and rapeseed meal and flaxseed and its meal would be issued.

For grain producers, embargoes must be viewed as regrettable, as they endanger foreign markets which have been so carefully cultivated.

### Alberta Crop and Hail Insurance Program

We would like to draw your attention to the appended report provided by Mr. E. A. Patching, General Manager of the Alberta Crop and Hail Insurance Corporation which outlines a number of changes in the insurance program beginning in 1973. These changes follow a study conducted by a special committee appointed by the Provincial Government. Representation was made to this committee by your Association.

### Alberta Export Agency

The Alberta Government has created an Export Agency whose prime stated purpose is to facilitate the marketing of unprocessed as well as processed agricultural products. Functions of this Agency include the extension of export credit, providing export insurance, documentation and forwarding facilities for Alberta organizations which are involved in market expansion of agricultural products. While some consideration is being given to the domestic market, the main target it appears, is the export market. The Agency is being founded by an initial \$10 million authorization with funds

available for guaranteed loans as credit requirements develop. Our General Manager, Mr. J. W. Madill is a Director of this Agency.

### CANADIAN WHEAT BOARD

The true value of Board marketing was dramatically demonstrated during this past year. Massive grain sales by Canada and the United States caused an unprecedented grain movement in both countries but with rather different results. It is now becoming clear that Russia (U.S.S.R.) was able to take advantage of the American grain marketing system and purchased very large volumes at low prices with a result that producers received a much lower price than could otherwise have been obtained. The so-called "open" market system in the U.S. with its lack of complete sales information is an obvious disadvantage to the producer. As well, it appears that these sales have cost the U.S. Treasury vast sums of money. Some early Canadian sales were also made at lower prices, but because of the central clearing house action of the Board, sales were reported as they occurred and the Board was thus able to allocate supplies, maintain and advance prices, and program shipping in an orderly fashion. Canada's reputation as a dependable supplier has been enhanced by this experience.

An active program of market testing of new feed grains has been





developed by the Canadian Wheat Board. Your Association is co-operating with the Board in this program. A Committee has been struck which will co-ordinate the work in testing varietal suitability as well as determining its market potential both domestically and abroad.

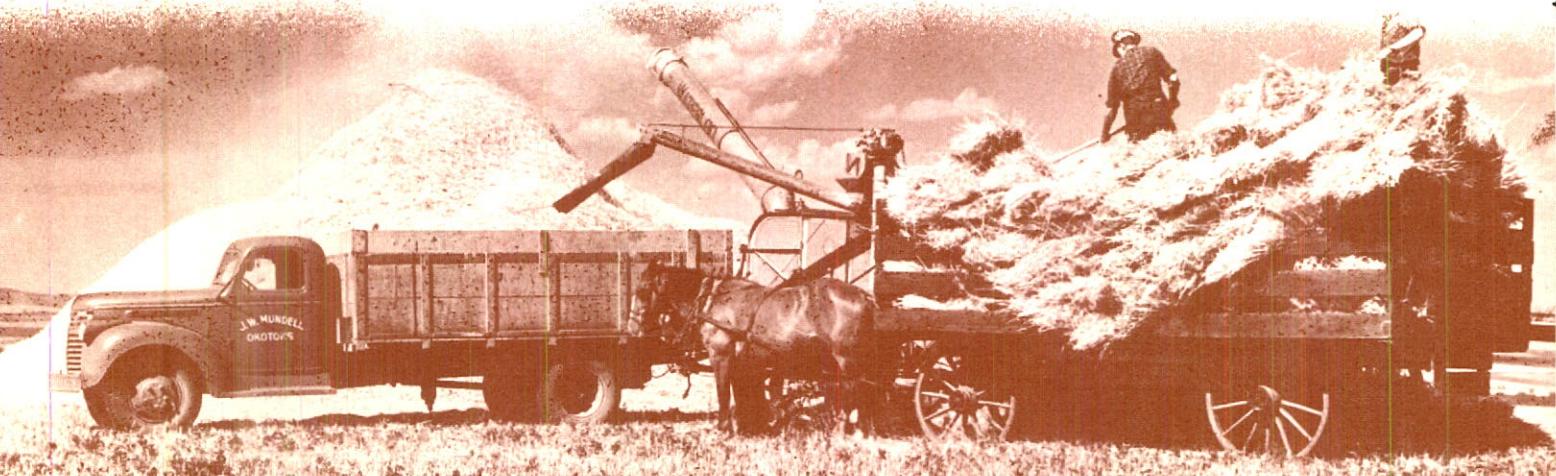
A year ago, it was noted that the quota system which ensures equity of delivery opportunity to all producers was being threatened as a result of the action taken by some rapeseed producers delivering to crushers. At least one case was pursued through the courts and we are gratified that the Board's prerogative in administering quotas on grain, including rapeseed, was preserved.

Departing from previous practices, the Board announced expected final new crop prices for Board grains late in September. This practice will give producers a better opportunity to assess alternative sales outlets. In view of the excellent final prices expected however, it would appear highly desirable that producers continue to deliver to the Board.

We wish to commend the Board for making additional marketing information available to producers.

#### CANADA GRAINS COUNCIL

Your Association has discontinued its membership in the Canada Grains Council for reasons provided at the time this action was taken. This action was taken with the un-



derstanding that we would continue to co-operate with the Council in special studies or in areas where it might prove to be mutually beneficial.

The Council has completed a report entitled "State of the Industry" which is available on request. The major objectives of this study are to describe and evaluate the present grain handling system and to recommend modifications to attain maximum throughput.

### INTERNATIONAL GRAINS ARRANGEMENT

Little progress has as yet been made in obtaining concurrence among nations for the development of a meaningful International Grains Arrangement. Talks were recently held in Japan where major nations stated their general position with regard to the upcoming G.A.T.T. negotiations. Canada is on record as favoring continued relaxation of tariff and non-tariff restrictions on many commodities, but particularly on agricultural goods.

The United States' position with regard to a new I.G.A. is rather unclear. It appears that it too will be stressing trade liberalization for agricultural products, but it is not known whether that country would be prepared at this time to agree to a new Grains Arrangement. The U.S. looks to the European Economic Community for changes in its internal agricultural policies and has, at times, stated that future inter-

national trade agreements should encompass a wide range of goods, including agricultural products. Discussion has also centered on the need to establish a world food reserve bank. Cost sharing of such a reserve will likely form part of the negotiations.

### SUBSIDIARY AND OTHER COMPANIES

Later in the meeting you will be provided with a detailed report on all subsidiary and other companies in which your Association holds a financial interest.

### CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

A decision was made earlier in the year to strengthen C.C.W.P. It was felt that this step was necessary to give increased attention to grains policy matters and to improve liaison with various governments and government's agencies, programs and policies.

C.C.W.P. also considered the establishment of a market information, research and development function. The need for improved co-ordination, exchange of information and the development of joint activities in areas of operation and technical research was noted.

### PROVINCIAL AND NATIONAL AFFILIATIONS

Your Association maintained its membership in a number of major

agricultural and co-operative organizations during the year. In addition to Unifarm and the C.F.A., membership was also taken in the British Columbia Federation of Agriculture, as instructed at the last annual meeting.

Unifarm continues to provide a useful function in making available a forum for discussion and policy formulation for a wide range of farm interests. We feel that this organization is worthy of our continued support, as it represents an independent, solely industry-supported farm organization.

### MEMBERSHIP

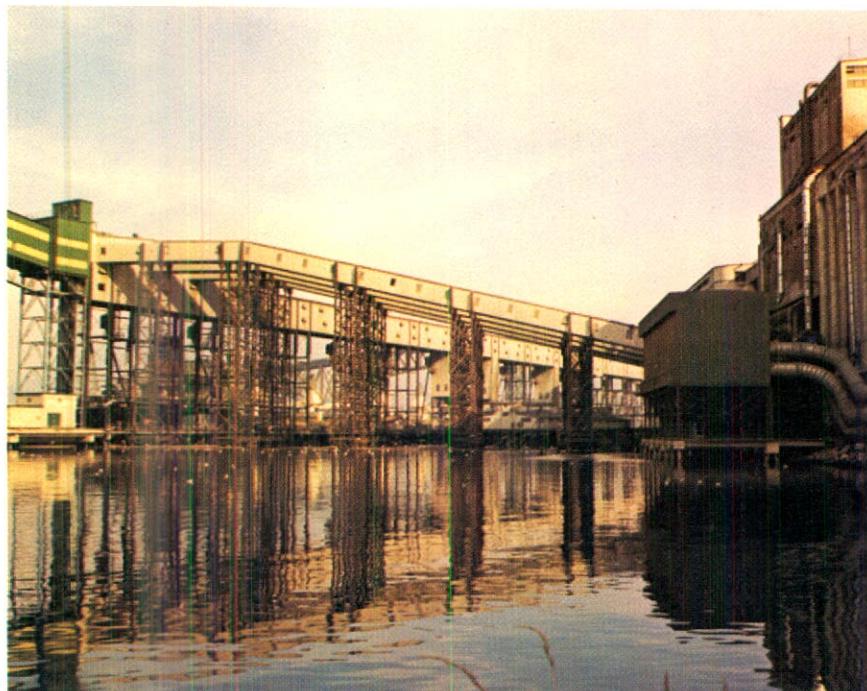
During the 1972-73 season, a total of 4,927 members was accepted, as compared to 2,716 during the 1971-72 season. This enrollment is the highest since 1942 when 6,183 were accepted during that calendar year.

A total of 845 deaths of members were reported to us as compared to 612 a year ago. In addition, 936 memberships were cancelled, as compared to 905 during the previous season. The net increase in membership during 1972-73 totalled 3,146 members, increasing the membership strength from 51,057 to 54,203 — the highest since 1953.

### MEMBERS' ACCIDENT INSURANCE

During 1972-73, members' accident insurance claims totalled 62 as compared to 56 during the previous





season. To cover these claims amounting to \$35,653.90 a total premium of \$40,332.00 was paid to the insuring company. The premium is \$16,753.50 higher than that paid during the 1971-72 season. An estimated \$10,450.00 in claims are still pending.

Claims were paid for 36 deaths, ten of which were persons under 18 years of age. Twenty-one of the cases were the result of automobile accidents; seven were caused by power equipment and dismemberment claims totalled twenty-three.

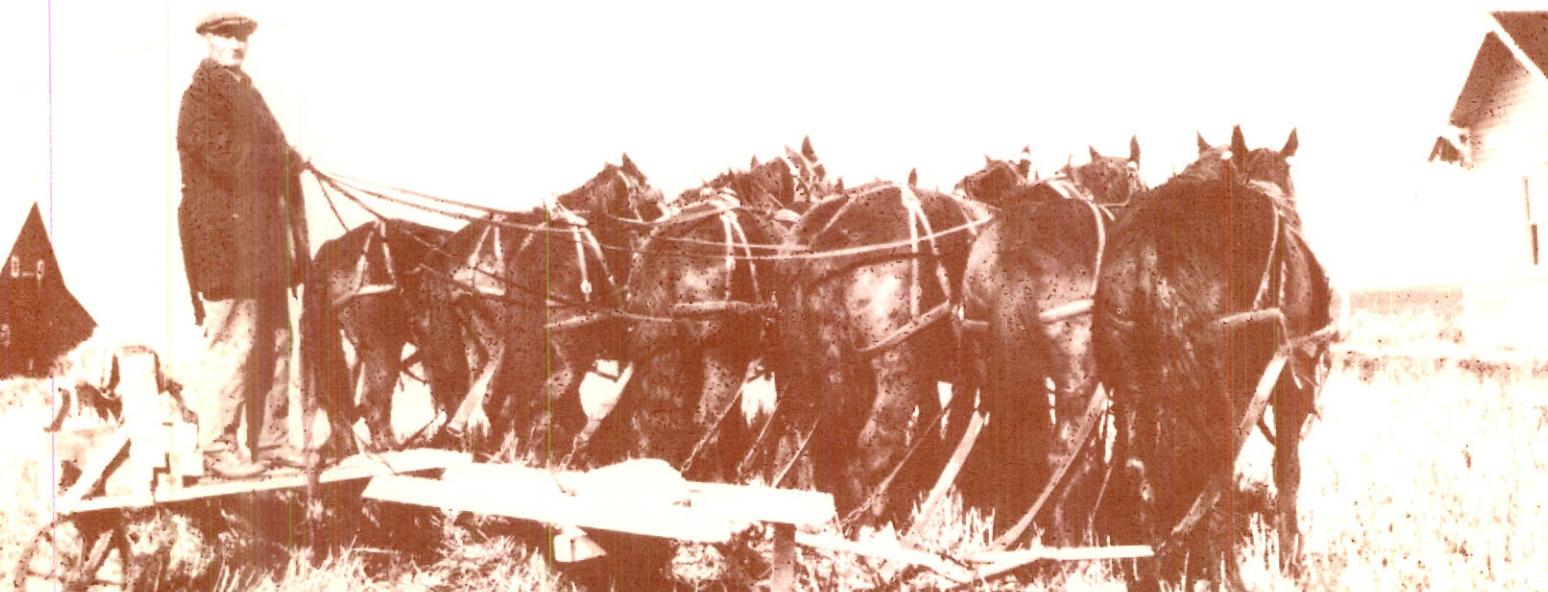
A total of 139 applications for sponsored workers were received. This number compared to 119 during the previous season. No claims were received for any of these workers, as was the case during the 1971-72 season.

The cost of operation of the Accident Insurance Plan for fifteen years, from August 1, 1958 to July 31, 1973 totals \$1,038,287. Benefits have been paid for 4,219 accidents involving 554 fatalities (359 adults and 195 children), 347 dismemberment claims and 65 cases of loss of eyesight. Payments of \$14,447.00 were made in accidents involving 75 farm workers and their dependants.

#### IN MEMORIAM

We regret to record since our last annual meeting, the passing of two former delegates.

On January 31st, 1973 Mr. L. J. Auten of Ponoka passed away at the



age of ninety-six. He was an original contract signer and served as delegate in sub-district E3 in 1930.

Mr. Fred Mawson of Edmonton passed away in August, 1973. He was an original contract signer and served as delegate in sub-districts G, G1, G3, G9 and 701 for a total of sixteen years.

We gratefully acknowledge the contribution these men have made to our Association.

#### ELECTION OF DELEGATES

In elections held in even-numbered sub-districts in 1973, 27 delegates were elected by acclamation. Re-elected were Mr. K. B. Christoffer-son in sub-district 206; Mr. C. H. Rasmuson in 510; Mr. A. Din in 608 and Mr. W. H. Davidiuk in 610.

New delegates elected by acclamation were Mr. L. Ellert of Milk River in sub-district 102; Mr. V. R. Johnston of Oyen in 302 and Mr. D. J. Morrison of Bluesky in sub-district 710.

Also elected for the first time were Mr. E. Kober of Trochu in sub-district 308; Mr. G. Vincett of Galahad in 404 and Mr. P. A. Baker of Ponoka in 410 succeeding retiring delegates Mr. F. J. Hoppins, Mr. H. H. Turner and Mr. S. M. R. Wheeler respectively.

Mr. W. Seatter of Dapp was elected for the first time, replacing Mr. L. M. Rimmer in sub-district 702. In a by-election called in sub-district 707 following Mr. E. L.

Hanson's resignation, Mr. A. B. Peirce of Dawson Creek was elected to serve for one year.

#### BOARD OF DIRECTORS

Following the 1972 annual meeting, the officers of your Board of Directors were elected 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 is Chairman of the Board of Pacific Elevators Limited.

Mr. Macpherson was re-elected Vice-President of Unifarm representing the Commodities Section. He also serves as a Director of the Canadian Federation of Agriculture.

Messrs. Rosenberger and Ander-son also served on Unifarm's direc-torate with Mr. Braithwaite named as alternate.

Our General Manager serves on the Boards of W.C.F.L., XCAN Grain Limited, Western Pool Terminals Limited and Pacific Elevators Limited.

#### PROPERTIES

Rationalization of the elevator system continued throughout the year as eleven stations were authorized for closure and construction of three new elevators approved. The three new elevators authorized are located at Buick Creek, Morin-ville and a replacement for the fire loss at Trochu.

A continuous program of modernization of elevators and dwellings has been maintained. Despite the redundancy of some elevators, few were sold because of our continuing need for this material in our construction program.

#### PUBLIC RELATIONS DEPARTMENT

The Public Relations Department has maintained an active program of involving members, in addition to informing the public at large on matters relating to your Association. Extensive use of the mass media continues to be made and the response is most gratifying. The Public Relations Representatives have carried on a vigorous program in their contacts with the public.

Further expansion of the Scholarship Program as approved at the last annual meeting was im-plemented.

A complete report on activities of the Public Relations Department is included and will be presented later in the meeting.





## FIFTIETH ANNIVERSARY

Our 50th Anniversary year has seen many memories and acquaintances renewed. Special activities were undertaken to commemorate this historic event with particular emphasis given to the founding members of the Association.

We would again like to pay tribute to those persons who had the vision, the courage and the loyalty to devise and establish a unique expression of self-help in their search for income stability.

A complete report on the special activities undertaken to celebrate the 50th anniversary will be provided later in the meeting.

As we look forward to the future, we recognize the need for recommitment to the principles on which the Alberta Wheat Pool was founded. Consideration of individual members' needs and concerns will continue to be reflected in the affairs of the Association.

## STAFF

We would like to express our sincere appreciation to the staff for their outstanding achievements during the past year. As a result of the heavy grain movement, special efforts were necessitated and we gratefully acknowledge the dedicated service of our employees.



## GENERAL

Some important decisions will have to be made by producers in the near future. The most imminent is whether to place rapeseed marketing under the Canadian Wheat Board.

Your Board has attempted to advise producers to look at the question of rapeseed marketing as objectively as possible, to consider what the advantages would be if a change was made. Proponents of "open" marketing of rapeseed stress the need for some price discovery mechanism such as the futures market. We are not at all clear what price has really been discovered when prices raise the limit one day and drop the limit the next. More serious however, is the financial risk your Association has been exposed to as a result of trading operations. This past year, your Association bought rapeseed in the country, saw prices falling the daily limit, with no trading on the Winnipeg Commodity Exchange. With the absence of trading on the Commodity Markets, and prices slumping daily, serious financial risks were imposed on country operators.

Another major issue is that of continued rationalization of the grain handling system. With escalating costs, demands for additional services and changing conditions, we recognize the need to continue to improve and upgrade our present elevator system.

Considerable discussion has already taken place regarding alternatives which might be used in a revitalized system. Your Board is concerned that any system which is developed will be of maximum benefit to producers and we would urge our members to become fully informed on the situation and to insist that their interests continue to be observed.

Consideration has been given by your Board to the development of a long-term plan which will best incorporate our members' future needs. Closure of elevators by itself is not the answer, but even this practice may have to be accelerated if the organization is to retain its viability. It is our hope that you will give serious consideration to the method by which this process can be carried out.

Government influence on the agricultural industry appears to be growing steadily and has affected many farm organizations, including your Association. Unfortunately, statements have been made which would make it appear that persons in Government or their spokesmen would wish to direct the affairs of your Association. Your Board has stressed that your Association is an independent organization is non-political, that it is democratically elected and controlled and therefore must reflect the wishes of its membership.

One of our concerns is that Government spokesmen have implied that they know what is best for Alberta grain producers or their organizations. As well, the multiplicity of programs and departments has added to the communications problem. Fair, impartial and informed representation should be expected from Government at all times. We stand ready to co-operate with Government on those policies which can be clearly demonstrated to be in the best interests of our members.

Jurisdictional arguments between governments such as we see developing in the feed grains issue, and as we saw a year ago in the matter of rapeseed quotas, can only harm the producer.

We trust that you will give careful consideration to these and other matters presented to you during this meeting.

Respectfully submitted,

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







# REPORT OF THE GENERAL MANAGER

## ON THE 1972-73 CROP YEAR



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

To the President and Directors  
Alberta Wheat Pool,  
Calgary, Alberta.

### Gentlemen:

Exceptionally strong grain markets highlighted the 1972-73 crop year. Heavy export and domestic demand for all grain, along with marked improvement in prices stand in contrast to surpluses and low returns to producers in former years.

These changes in market conditions were a dominant feature influencing operations during the past year. In fact, for both the world and domestic scene, we have probably experienced one of the most dramatic improvements in market conditions in the history of the grain industry. Many, but not all of these related events, had a positive effect on your organization. Those which had a favourable impact are indicated by new records in shipments and receipts for both terminal and country elevators; record sales of fertilizer and chemicals; record feed grain sales in the British Columbia market; and record volume of barley selected and handled for malting purposes. These new records enabled your organization to attain a level of earnings slightly higher than last year.

But there were some restraining factors during the year as well. A high rate of inflation continues to be one of the most serious problems facing both producers and their

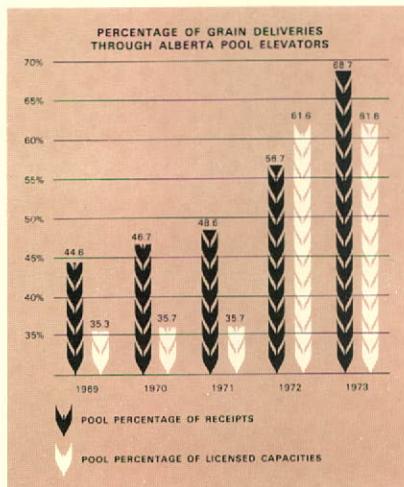
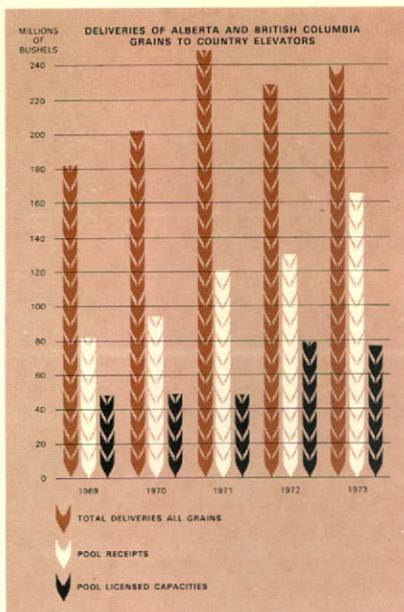
organization. Higher operating costs were experienced which were not completely offset by greater volume, resulting in a lower per bushel return on grain handled. To more effectively deal with such trends, a re-evaluation of the organizational structure was undertaken during the year. This resulted in structural changes, reallocation of responsibilities and recruitment of some staff for specialized functions. The main objective in reorganizing was to achieve a structure better suited to meet changing conditions in an environment of increasing competition and technical change, and to better serve member needs.

### General Crop and Market Conditions

Exports of Canadian grain were 6.7 million bushels greater than 1971-72 establishing a new all-time high of 798.6 million bushels. A substantial increase in wheat deliveries was recorded at 630.6 million bushels, up 113.1 million. Deliveries of oats were roughly the same as in 1971-72 but other grains were down as follows: barley 60.8 million, flax 3.6 million, rye 6.3 million and rapeseed 7 million. Stocks on farms of all grain were reduced from 547.3 million at July 31, 1972 to 270.6 million on July 31, 1973.

The 1972 crop was seeded under dry conditions in southern Alberta while delays in the north were experienced due to extensive rains. Alberta wheat acreage was greater than in 1971, but fewer acres were





devoted to other grains. During the year, crop development continued to be affected by widely varied conditions. Southern districts experienced a dry June and late frosts occurred at a number of points in central and northern parts of the Province. The Bertha Army Worm was of economic importance causing damage to rapeseed crops during July and August for the second year in a row, with greatest concentration east of Edmonton. Fortunately, a relatively cool summer prevented serious crop deterioration despite dry conditions over much of the Province. Variations in weather patterns persisted throughout harvest as southern Alberta crops were harvested under near perfect conditions, while harvest of later than normal crops along the west side and in the Peace River area experienced repeated delays due to inclement weather. During late September, showers occurred throughout the Province, but by October 10th harvest was almost complete in the south although delayed around Red Deer and in the Peace River area, where considerable acreage of all crops remained in the field over winter. Forage seed harvesting was also complicated by difficult weather. Total Alberta grain production was 483,780,000 bushels compared to 457,500,000 bushels in 1971.

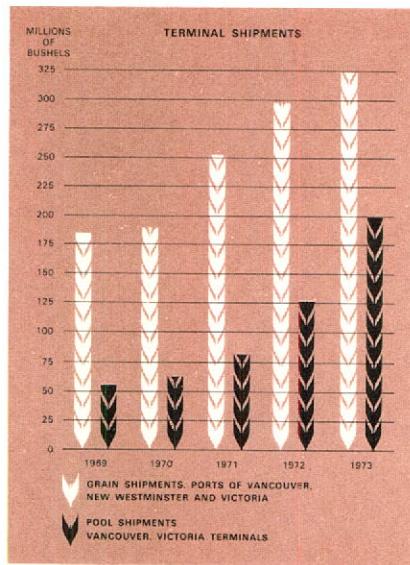
### Country Operations

Handling and shipment of grain were sustained at high levels

throughout 1972-73. Despite harvest delays, deliveries commenced at a heavy rate early in the crop year and exceeded 26 million bushels for the month of October alone. The continuation of non-cumulative quotas and the need to meet strong export demands resulted in the maintenance of good receipts throughout the year. Shipments of equally high levels were required; resulting in a reduction of stocks in store from 49.6 million bushels on October 31, 1972 to a low of 27 million bushels on June 30, 1973. Average volume of stocks carried for the year amounted to 40 million bushels, or 52% of total capacity.

To provide the volume necessary to meet market commitments, open quotas for all grains became effective in shipping blocks in Alberta and British Columbia on April 30, 1973. The only exceptions were Biggar West and Wilkie which opened on May 18 and 28 respectively. This policy permitted unlimited deliveries to country elevators for the remainder of the crop year and receipts exceeded 25 million bushels for the month of July. A further incentive to increase deliveries was established when a deferred settlement policy, permitting producers to defer settlement on deliveries to the following taxation year, became effective. These incentives, combined with excellent marketing conditions, resulted in a record handling of 164,362,529 bushels for your organization. Market penetration amounted to 68.69% of all grains



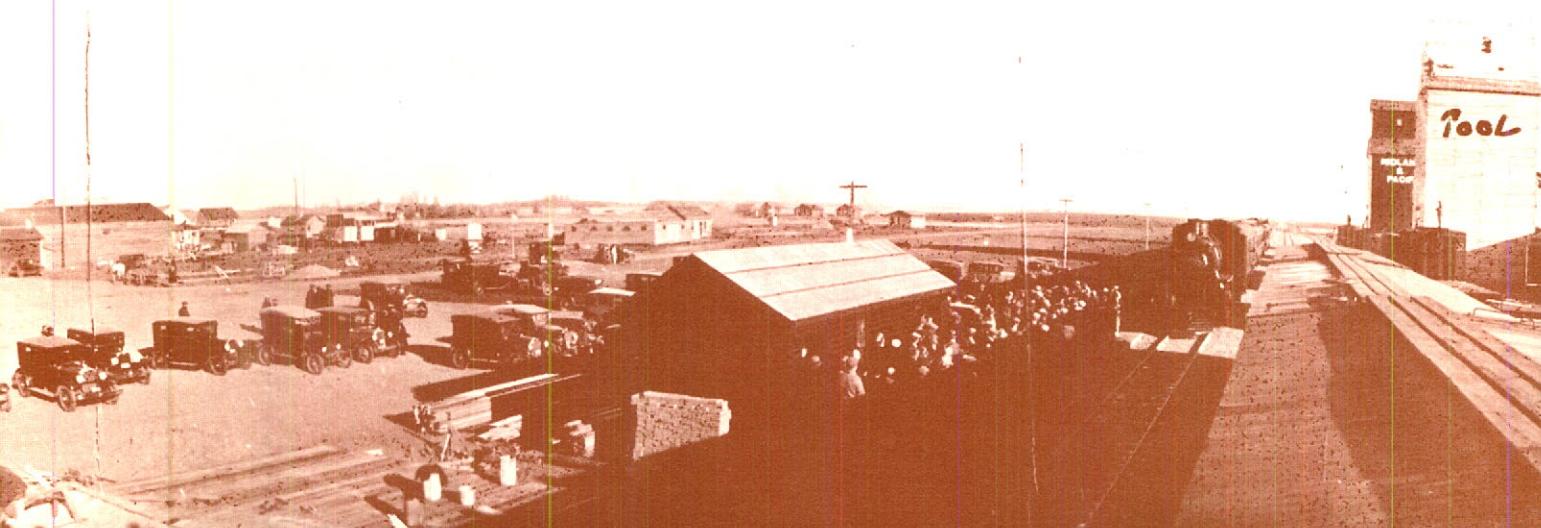


delivered in Alberta and British Columbia and the average handling per Elevator Manager was 297,220 bushels. Shipments for the year totalled 164,218,814 bushels or 68.43% of the total originating in the designated area.

During the year one Elevator Manager handled in excess of 900,000 bushels; five handled over 800,000; ten 700,000; fifteen 600,000; and twenty-five handled in excess of 500,000 bushels. These 56 managers, representing approximately 10% of our elevator managerial staff, handled 33,400,000 bushels, or 20% of our total deliveries. A total of 545 Elevator Managers and 147 Assistant Managers and Helpers were employed by the Pool on July 31, 1973.

At the end of the crop year our total licensed capacity amounted to 77,220,200 bushels, a reduction of 1,985,800 bushels from July 31, 1972. Over this time period, 41 elevators were delicensed so that a total of 858 remain licensed with the Canadian Grain Commission as at 31st of July, 1973. With the reduction of grain in store, Travelling Superintendents were able to make 357 cut-offs. The overage on gross receipts relating to these weigh-ups amounted to .100%. This figure is well within the limits set down by the Canadian Grain Commission, indicating a high degree of accuracy in Elevator Managers' performance.

As part of the program of changes in grading announced earlier by the



Canadian Grain Commission, wheat grades No. 3 and 4 Northern; 5, 6 and Feed; as well as 1, 2, 3 and 4 C.W. Garnet were deleted from the Canada Grain Act on August 1, 1972. New grades of No. 2 and 3 C.W. Red Spring and No. 1, 2 and 3 Utility were established in their place.

An aggressive sales program continued during 1972-73. However, high quotas and limited allocations of shipping orders on non-Board grains to the West Coast caused a build-up of rapeseed in the country. An increased volume of wheat, oats, barley, rapeseed and corn was sold in domestic market channels. The demand for screenings remained high at Vancouver and higher prices reflected the upward trend in grain prices. Extensive use was made of the pellet plants at both Alberta Wheat Pool and Pacific Elevators Limited terminals and over 96,000 tons of pelleted screenings were shipped. The distillery industry contracts again proved valuable and a substantial quantity of rye was marketed with two-thirds of it being processed through our Barons plant.

#### Terminal Operations

For the second successive year, West Coast ports set a record with volume shipped totalling 352.4 million bushels. The Alberta Wheat Pool terminal shipped 94 million bushels; Victoria Elevator Limited 10.1 million; and Pacific Elevators Limited, under our first full year of management, shipped 96.4 million bushels. The combined operations

totalled 200 million bushels, or 57% of all West Coast shipments.

Pooling of wheat and barley unloads continued throughout the year. Car unloads at Alberta Wheat Pool terminal were 42,258 cars or 92 million bushels, up 11.9 million from 1971-72; Victoria Elevator Limited 5,127 cars or 9.4 million, up 300,000 bushels; and Pacific Elevators Limited 44,361 cars or 97 million bushels. Average weekly unloads of 812 cars at Alberta Wheat Pool represented 67.7% of unload capacity; 853 cars at Pacific Elevators Limited 60.2%; and 98 cars at Victoria Elevator Limited 56.3% of capacity. This indicates potential for exceeding handling records established during the year. To facilitate operations, flax cars were unloaded at Alberta Wheat Pool terminal, rye at Pacific Elevators Limited and both handled wheat, barley and rapeseed.

Work is proceeding on centralized control of the receiving and shipping scales at Alberta Wheat Pool terminal with completion expected early in 1974. Four additional cleaners are being installed to increase flax cleaning capacity and some modifications are being made to the pellet plant. A portion of the old shipping gallery was removed since it was no longer required for current operations.

Vessel shipments from all Lakehead terminals were 511.3 million bushels, down 60 million bushels from last year's record.

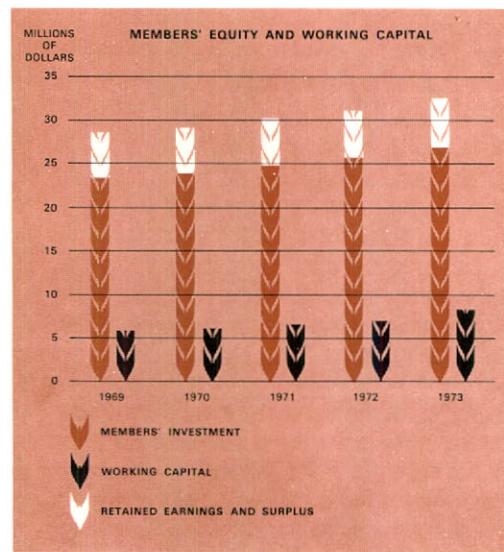
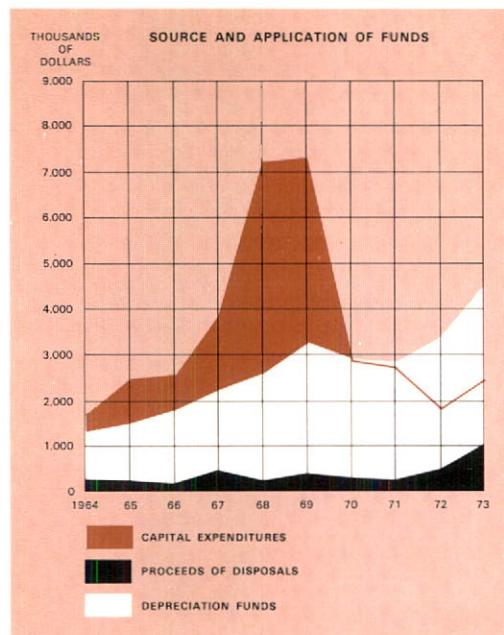
Alberta Wheat Pool shipments to Thunder Bay and other eastern destinations were approximately 32 million bushels for the second successive year. This total included 3.9 million bushels of malting barley selected by your organization, an increase of 600,000 bushels over last year. Malting and pearling barley shipped to other selectors totalled 2.5 million bushels. All rail Plan "C" shipments of wheat, oats and barley increased significantly from 462,000 bushels in 1971-72 to 2,000,000 bushels. The Thunder Bay terminal, which is operated under agreement with Manitoba Pool Elevators, handled 7.4 million bushels.

#### Seed & Fertilizer Division

Alberta Wheat Pool farm marketing operations experienced a highly successful year in 1972-73. Total sales amounted to \$20,825,000, an increase of 46% over the previous year, resulting in a large increase in net earnings. While substantial gains in sales were due in part to improved economic conditions, new product lines such as twine, sprayers, bins and other agro products also had an effect.

During the year, 14 million pounds of forage seed were purchased and processed, an increase of one million pounds over 1971-72. Much of the clover crop was not harvested in the fall but came off in good condition in the spring and was marketed without problems. Prices of seed remained fairly low during the fall and early winter, but began to increase when the Common Market countries ex-





perienced seed shortages. For the first time in a number of years, the Pool shipped substantial amounts of seed to France and Italy. Even though the United Kingdom entered the European Common Market, they purchased more seed than for the previous year, but because of limitations placed on some varieties, it is expected that future sales to this area will not expand greatly. In general, the heavy demand for seed during the year was largely a result of drought in other seed producing countries.

Total sales of cereal seeds increased even though local sales were down considerably because large quotas made over-delivery for seed purchase ineffective. Low germination in the north necessitated supplying that area with seed purchased in southern Alberta. A substantial amount of seed wheat was sold to Saudi Arabia and our usual customers in Ontario and Quebec took small amounts of wheat, oats and barley. Seed cleaning plants generally operated at or near capacity throughout the year on both forage and cereal seeds. A substantial amount of rapeseed was processed for the Elevator Operations Department. The laboratory at Camrose tested over 11,000 cereal samples for Pool customers.

Total fertilizer sales in the prairie provinces and British Columbia amounted to 1,055,130 tons, an increase of 281,277 tons over last year. Sales in Alberta rose from 360,983 to



457,660 tons, manufacturers sold virtually all product, distributor inventories were reduced and your organization maintained its market penetration. A sales budget was again used satisfactorily even though short supply was a problem in some cases. Customers took delivery of fertilizer more evenly during the year, greatly assisting distribution. Year-end inventory of 13,492 tons was down 1,678 tons from the previous year and included supplies purchased for next year's marketing program. Demand for Anhydrous Ammonia was much greater than available supply which limited the sales increase to approximately 10%.

Alberta Wheat Pool experienced record sales of chemicals in 1972-73, up 60% over the previous year. Your organization was the largest distributor of each of the three major wild oat herbicides in Alberta and the largest distributor of Carbyne in North America. Sales of seed treatments continued to increase with that of single non-mercurial treatments showing a 108% gain. Two new dual purpose liquid seed treatments were handled satisfactorily. Our first full year of handling twine has proven that it is a useful addition to our product lines as demand is good and selling and handling problems are minimal.

The administration of credit extended to members for the purchase of agro products from your organization continued to be a sizeable operation. Increased emphasis was placed on collection of overdue accounts

with reasonable success. A new billing procedure was instituted.

The Technical Services Department kept abreast of new developments in agricultural technology, prepared printed information for distribution to employees and producers and assisted the Education Department at meetings with country managers.

#### Subsidiary Companies

Victoria Elevator Limited handled 9,446,500 bushels of wheat, up marginally from the previous year. Earnings were \$348,466 before taxes. Payments to the parent organization for screenings, diversion premiums and management fees amounted to \$68,835.

Considerably less grain was purchased by Interior Feeds Limited to service the feed grain market in British Columbia. Handlings amounted to 3,553,000 bushels compared to 5,485,000 bushels last year. Earnings before taxes were \$58,689 compared to a loss of \$63,494 in 1971-72. A marked increase in revenue was derived from disposal of the considerable inventory carried over into the new year and was a major influence in the operating result.

Pacific Elevators Limited is jointly owned with Saskatchewan Wheat Pool through operation by Western Pool Terminals Ltd. Ownership of both of these subsidiaries is on the basis of a one-third interest with Saskatchewan Wheat Pool. Pacific

Elevators Limited handled 97.1 million bushels and the earnings were distributed to the signatory shippers in proportion to grain consigned to the terminal.

#### Properties

Assets owned as at August 1, 1972 included 899 elevators, 1,215 annexes, 4 seed cleaning plants, 777 seed and fertilizer warehouses, 11 anhydrous ammonia installations, 629 dwellings and 61 coal and flour sheds, as well as associated terminal and office facilities. During the year one new elevator, four annexes, four seed and fertilizer warehouses and seven dwellings were built. One elevator, two annexes, a seed cleaning plant, two seed and fertilizer warehouses and three dwellings were purchased. Sixteen car movers and nineteen scales were installed at country elevators. Eight elevators and fifteen annexes were closed and dismantled while four elevators, three annexes and 69 dwellings were sold. Five elevators and seven annexes were destroyed by fire at Athabasca, Blackfalds, Cecil, Trochu and Wostock. In addition, 20 elevators, along with 22 annexes, were closed during the year and the licenses cancelled. A planned program for dismantling these closed elevators has been in effect for two years. Regular maintenance kept country facilities in efficient operating condition.

As at July 31, 1973 your organization owned 858 elevators, 1,182 annexes, four seed cleaning plants,



786 seed and fertilizer warehouses, 11 anhydrous ammonia facilities, 570 dwellings, 46 coal and flour sheds, one supply warehouse, three terminal elevators, an office building and a parking lot. Owned licensed country capacity totalled 77,002,200 bushels.

## Operating Results

Consolidated earnings of Alberta Wheat Pool and its subsidiary companies amount to \$6,217,045 before provision for income tax. In accordance with the decision of the Delegate body at the last annual meeting, the previous year's available earnings were distributed in cash and reserves of \$1,788,000 and \$4,003,000 respectively. Continued revolving of the reserve structure was effected by the purchase of \$2,844,000 member reserves in the

categories of estates, retired members, and from members who joined the Pool between July 1942 and April 1944. These transactions had the effect of increasing the reserve structure by \$1,184,000. The total of member money held by the organization to support its assets and facilities is \$26,982,000.

## Administration

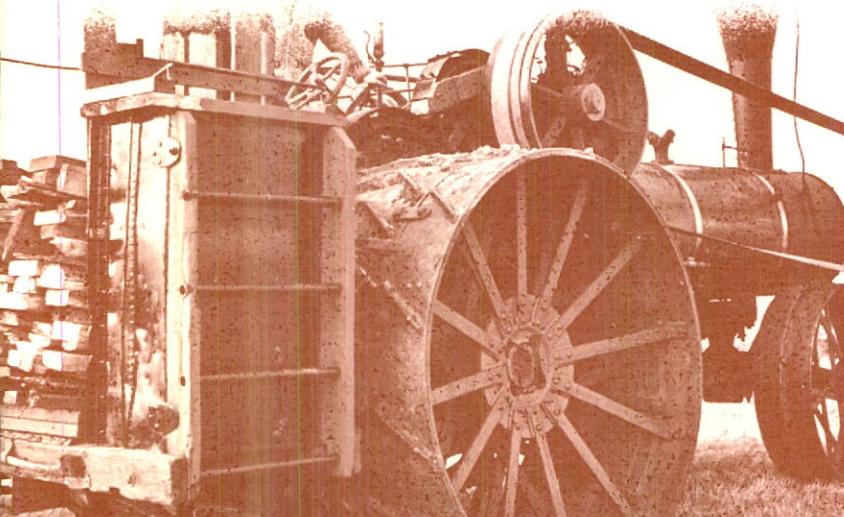
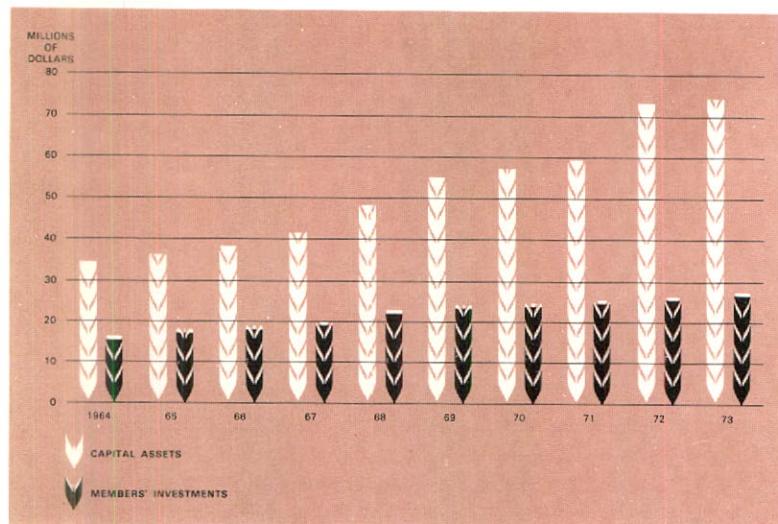
Major organizational changes were initiated during the year following careful study and attention to well-established management principles and programs. A functional division of responsibility is stressed in the new structure, along with an intent to maintain within the management area a depth of knowledge, ability and flexibility to effectively deal with future conditions. Our commitment to the

management by objectives system of management will move ahead at an accelerated rate, as a result of our managerial reorganization on a functional basis. For the major departments, an operational target date of August 1, 1975 is projected.

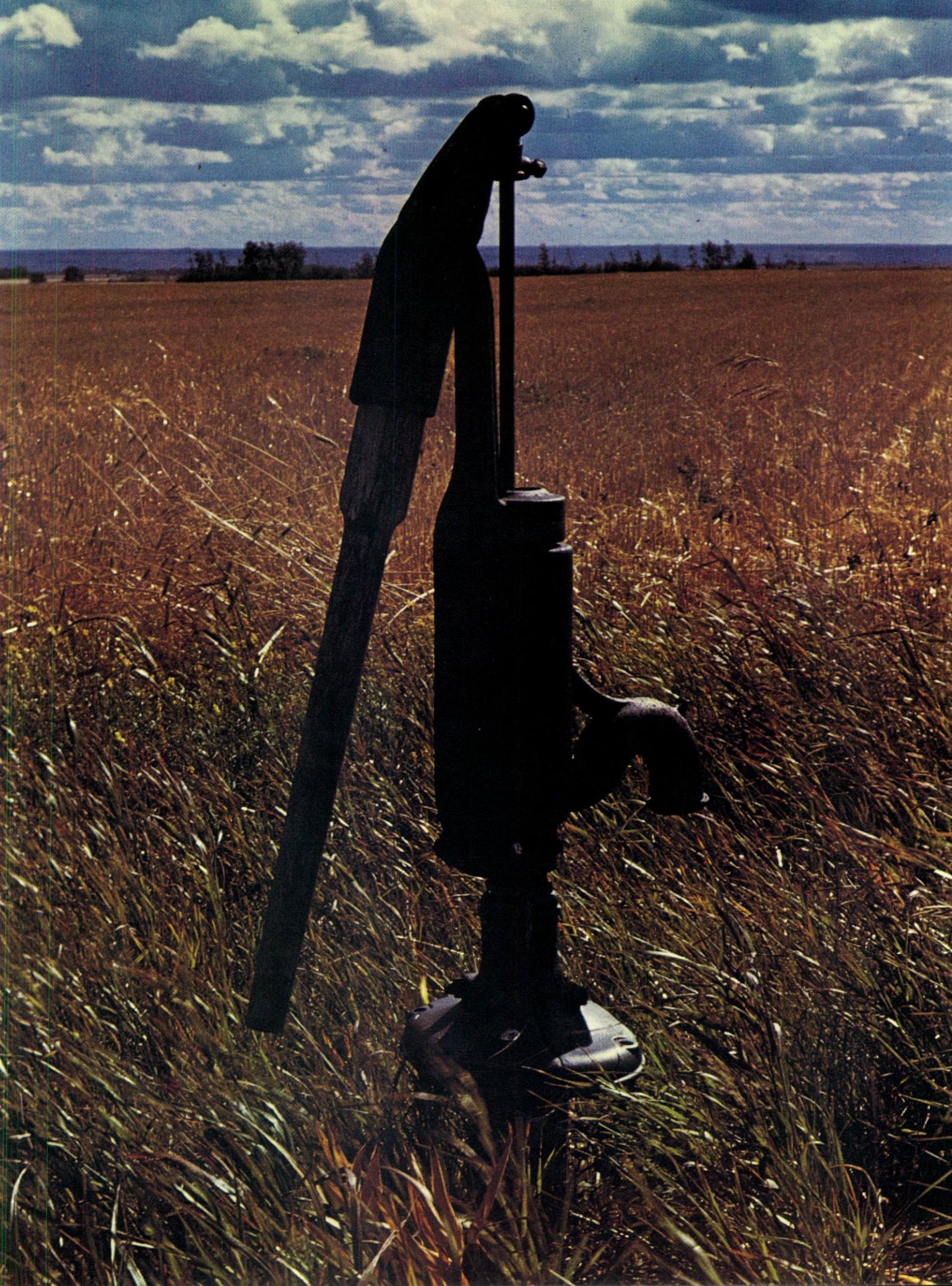
Rapidly changing conditions will require a great deal of attention from our staff in the future. It is therefore necessary to maintain an administrative structure made up of staff that are highly motivated, quick to assess change and able to interpret effects of resulting changes so that the organization can continue to meet member needs. It is recognized that with increasing size and growing complexity of business, more attention and effort is required to ensure that operations are carried out in the interest of the member owners. We continue to hold this as the major objective in managing the affairs of your organization. Only by maintaining an efficient and effective administrative function and a staff dedicated to this principle can this objective be met. In conclusion, the organization will, through adequate staffing with people of required abilities, and by effective utilization of this staff, carry out and meet the aims and objectives of Alberta Wheat Pool as we continue to deal with an interesting future.

Respectfully submitted,

*J.W. Madill*  
General Manager



50th Year



**ALBERTA WHEAT POOL**  
AND SUBSIDIARY COMPANIES

**CONSOLIDATED BALANCE SHEET**

July 31, 1973 and 1972

**ASSETS**

**Current:**

	<b>1973</b>	<b>1972</b>
Cash in banks, on hand and in transit .....	\$ 1,062,940	\$ 1,381,709
Stocks of grain (Note 3) .....	52,250,763	44,820,604
Stocks of seed, fertilizer and supplies (Note 4) .....	3,522,068	3,489,212
Accounts and accrued items receivable .....	15,569,860	11,165,783
Prepaid expenses .....	889,235	878,079
	<u>73,294,866</u>	<u>61,735,387</u>

**Fixed — at cost:**

Buildings, sites, operating machinery and equipment .....	73,559,940	72,510,552
Less accumulated capital cost allowances .....	42,574,564	39,426,598
	<u>30,985,376</u>	<u>33,083,954</u>

**Investments — at cost:**

Shares and bonds of affiliated companies .....	8,575,700	8,575,700
Grain Exchange memberships and trade associations .....	11,194	11,385
Co-operative associations .....	2,830	2,580
	<u>8,589,724</u>	<u>8,589,665</u>

**Other:**

Deferred accounts receivable .....	1,109,262	1,113,139
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 2) .....	798,919	841,814
	<u>2,063,601</u>	<u>2,110,373</u>
	<u><u>\$114,933,567</u></u>	<u><u>\$105,519,379</u></u>

See accompanying notes.

## LIABILITIES

	<u>1973</u>	<u>1972</u>
<b>Current:</b>		
Outstanding cheques, cash tickets and orders .....	\$ 9,157,107	\$ 9,390,974
Bank loans (secured) .....	29,075,000	18,245,000
Call and short term loans .....	7,952,400	7,265,900
Accounts payable and accrued charges .....	10,359,313	6,741,856
Staff savings .....	2,071,576	1,981,379
Due to Federal Grain, Limited .....	—	3,495,505
Current maturities of long term debt .....	268,036	1,611,867
Net earnings — current year less estimated minimum income tax (Notes 5 and 6) .....	6,008,271	5,953,422
	<u>64,891,703</u>	<u>54,685,903</u>
<b>Term Loans from Members and Co-operatives (Note 7)</b> .....	<u>7,399,194</u>	<u>8,096,305</u>
<b>Long Term Debt (Note 8)</b> .....	<u>10,058,981</u>	<u>11,508,267</u>
<b>Reserves and Surplus:</b>		
Reserves		
Authorized — .....	<u>\$30,000,000</u>	
Issued to members —		
Members' investments .....	26,982,449	25,798,207
Earnings retained from prior years		
Appropriated (Note 9) .....	1,000,000	1,000,000
Unappropriated (Note 10) .....	4,601,240	4,430,697
	<u>32,583,689</u>	<u>31,228,904</u>
<b>Commitments (Note 11)</b>	<u>\$114,933,567</u>	<u>\$105,519,379</u>

See accompanying notes.

**ALBERTA WHEAT POOL**  
AND SUBSIDIARY COMPANIES

**CONSOLIDATED STATEMENT OF OPERATIONS**

Years ended July 31, 1973 and 1972

	<u>1973</u>	<u>1972</u>
Operating revenues .....	<u>\$34,218,545</u>	<u>\$28,012,550</u>
Deduct:		
Elevator and seed plant operating expenses .....	10,343,600	9,111,559
Office, administration and supervisory expenses .....	6,386,025	4,699,768
Terminal elevator operating expenses .....	3,753,448	3,385,070
Interest — net .....	4,285,357	1,971,507
Capital cost allowances .....	3,441,844	2,891,224
	<u>28,210,274</u>	<u>22,059,128</u>
Net earnings for the year .....	<u>\$ 6,008,271</u>	<u>\$ 5,953,422</u>

**CONSOLIDATED STATEMENT OF EARNINGS  
RETAINED FROM PRIOR YEARS**

Years ended July 31, 1973 and 1972

	<u>1973</u>	<u>1972</u>
<b>Unappropriated</b>		
Balance at beginning of year .....	\$ 4,430,697	\$ 4,334,745
Add:		
Earnings from previous year before income taxes .....	6,027,737	6,060,905
Gains arising from disposal of properties (Note 10) .....	—	50,469
	<u>10,458,434</u>	<u>10,446,119</u>
Deduct:		
Patronage refunds —		
In cash .....	1,787,731	2,014,603
In members' investments increased .....	4,003,544	3,877,368
	<u>5,791,275</u>	<u>5,891,971</u>
Income taxes paid on previous year's earnings .....	65,922	123,392
Sundry adjustments .....	(3)	59
	<u>5,857,194</u>	<u>6,015,422</u>
Balance at end of year .....	<u>\$ 4,601,240</u>	<u>\$ 4,430,697</u>
<b>Appropriated</b>		
Retained earnings appropriated in respect of the investment in Western Co-operative Fertilizers Limited (Note 9) .....	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

See accompanying notes.

# ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

## CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF WORKING CAPITAL

Years ended July 31, 1973 and 1972

	<u>1973</u>	<u>1972</u>
Working capital at beginning of year .....	<u>\$ 7,049,484</u>	<u>\$ 6,618,434</u>
<b>Sources of working capital:</b>		
Prior year's earnings after income taxes .....	5,957,989	5,980,564
Deduct:		
Patronage refunds paid in cash .....	1,787,730	2,014,603
Members' reserves purchases .....	2,819,281	2,960,656
	<u>4,607,011</u>	<u>4,975,259</u>
Prior year's earnings retained .....	1,350,978	1,005,305
Current year's capital cost allowance .....	3,441,844	2,891,224
Amortization of goodwill .....	42,895	—
Decrease in deferred accounts receivable .....	3,877	—
Adjustment of prior year's income taxes .....	3,807	—
Proceeds on disposals of fixed assets .....	1,054,293	440,964
	<u>5,897,694</u>	<u>4,337,493</u>
<b>Applications of working capital:</b>		
Purchase of non-current assets from Federal Grain, Limited		
Buildings, sites, operating equipment and machinery .....	—	12,668,419
Goodwill net of current year's amortization of \$16,086 .....	—	841,814
	<u>13,510,233</u>	<u>13,120,134</u>
Less long term debt incurred or assumed .....	—	390,099
Other additions to fixed assets .....	2,397,559	1,733,198
Increase in investments .....	59	9,558
Increase in deferred accounts receivable .....	—	59
Decrease in term loans from members and co-operatives .....	697,111	118,611
Payment of long term debt .....	1,181,250	—
Adjustment of prior years' income taxes .....	—	43,051
Current maturities of long term debt .....	268,036	1,611,867
	<u>4,544,015</u>	<u>3,906,443</u>
Working capital increase during the year .....	1,353,679	431,050
Working capital at end of year .....	<u>\$ 8,403,163</u>	<u>\$ 7,049,484</u>

See accompanying notes.

# ALBERTA WHEAT POOL

## AND SUBSIDIARY COMPANIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 1973

1. The consolidated financial statements include the accounts of the Alberta Wheat Pool and all its subsidiary companies.
2. Goodwill is being amortized over a period of twenty years.
3. 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.
4. Stocks of forage and cereal seeds, fertilizer and supplies have been valued at lower of cost or market, or where applicable, at open sales contract prices less costs of handling.
5. Current year's net earnings, less estimated minimum income tax, are shown as a current liability pending action by the delegates at the annual meeting regarding patronage refunds.
6. Income tax has been provided on the current year's earnings at the estimated minimum amount under the provisions of the Income Tax Act.
7. 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.
8. Details of long term debt are as follows:

	<u>1973</u>	<u>1972</u>
— National Harbours Board 6½% mortgage repayable in annual instalments of \$462,918 including interest (secured by buildings and equipment) .....	\$ 5,488,788	\$ 5,581,905
— 8½% bank loan repayable in annual instalments of \$1,350,000 plus interest (secured by inventories) .....	3,712,500	6,412,500
— Advance payable to the Saskatchewan Wheat Pool .....	1,125,729	1,125,729
	<u>10,327,017</u>	<u>13,120,134</u>
Less current maturities .....	268,036	1,611,867
	<u>\$10,058,981</u>	<u>\$11,508,267</u>

34 Repayments of long term debt in the next five years will be as follows: 1974 — \$268,036; 1975 — \$1,455,863; 1976 — \$1,462,877; 1977 — \$1,132,855 and 1978 — \$128,329.

Although the bank loan is payable on demand, the bank has indicated that it will accept repayment over a period of five years.

9. Alberta Wheat Pool's investment in Western Co-operative Fertilizers Limited exceeds the underlying book value of the related assets as a result of losses incurred by Western Co-operative in prior years. An amount of \$1,000,000 was appropriated from retained earnings in respect to a potential loss on recovery of this investment.  
The ultimate recovery of the total investment in Western Co-operative is dependent upon future successful operations of that company.
10. Prior to 1973 it was the practice of Alberta Pool Elevators Limited, a subsidiary, to credit capital gains on disposal of fixed assets to surplus. It is estimated that in future such gains will be immaterial and accordingly, commencing in 1973, they are being credited to the fixed asset pool.
11. The construction of certain fixed assets, which had been authorized by the Directors of Alberta Wheat Pool, was uncompleted to the extent of approximately \$1,960,000 at July 31, 1973.



#### 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, 1973 and the consolidated statements of operations, earnings retained from prior years and source and application of working capital 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, 1973 and the results of their operations and the source and application of their working capital 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, 1973.

CLARKSON, GORDON & CO.  
Chartered Accountants.

## **DIRECTORS' REPORT**

### **1972 - 73**

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

**Gentlemen:**

The Annual Report of the Board of Directors of Canadian Co-operative Wheat Producers Limited, reviews the economic situation in 1973 as it affects agricultural production, marketing and farm income in the three provinces, Alberta, Saskatchewan and Manitoba.

Canadian Co-operative Wheat Producers Limited is a non-operating company, owned by the three prairie Pools which acts as a central organization for co-ordinating policy and action.

The Board is made up of the President and Vice-Presidents, or Executive member, from the three member organizations. Secretarial services are provided by Saskatchewan Wheat Pool.

This Board meets at least twice each year and the Executive, consisting of the three Presidents, meets as the need arises.

The full Boards of the three organizations also meet semi-annually in an Interprovincial Pool Board meeting; in January to review policy recommendations from each organization for action at farm organization or government level; and in July to consider the current year's marketing situation. Prospects for the coming year and operational highlights of each company are discussed and key policy items of concern to farmers are identified for action at the membership level in preparation for fall annual meetings.

The economic situation, as it affected western farmers in 1973, has never been better, however, the increasingly strong inflationary trend has created a significant element of uncertainty for the future.

Generally excess productive capacity in a highly volatile world market place has been a problem for agriculture in Western Canada for over thirty years. This situation has produced national and international policies designed to create at least a minimum amount of stability for producers under varying conditions. Board marketing with annual price pooling, quotas, acreage payments, incentives to produce or not produce, food disposal programs, storage programs and on occasion, price and income supports, have all become part of agricultural policy. An effective international commodity agreement, which could survive over time, and a world food reserve,

have remained as an elusive objective and matters of continuing world concern.

By the year end under review, it was evident that a dramatic change in world conditions had brought a complete turn around to agriculture in this region. The supply demand situation in cereal grains and proteins on a world basis, was shifting gradually, however two main factors created a sudden reversal in markets. Firstly, the large and unexpected purchases of cereal grains by the U.S.S.R., and secondly, the failure of the Peruvian fish meal harvest. The general trend was characterized by a steadily increasing standard of living and dietary improvement, something long overdue in many areas of the world.

The present world food shortage and skyrocketing prices reflect an extremely promising short term outlook for prairie agriculture. For the longer period the outlook remains uncertain, as the effect of this condition over any period of time could be more frightening in terms of world instability than were the depressing surpluses of a few years ago.

If the present demand for food can be attributed to a growth in high protein diets, created by global prosperity, then farmers in Western Canada may look forward to a new era of unprecedented market stability. If on the other hand, today's market conditions are simply part of a world cyclical pattern, farmers may face a return to surpluses and low prices in a very short period of time. Surprisingly there are few opinions being voiced on this question, either from Canadian or international agricultural sources. Under these circumstances, the focus of agricultural policy development in Canada and on the world scene, must be to stabilize food supplies through production and storage policies, and to bring about more stable prices and marketing conditions.

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

This report has appended statistical tables, which will support the following general analysis of production and marketing of grains, and income of farmers in Western Canada for the period under review.

## Grain Acreage, Yield and Production (Tables 1 and 2)

Wheat acreage in Canada in 1973 was 24.8 million acres, or 3.5 million acres greater than in 1972. The wheat acreage on the prairies in 1973 was 24.2 million, or 3.6 million acres greater than in 1972.

Canadian wheat production in 1973 is estimated at 622.0 million bushels. This is 17 per cent above 1972 production of 533.3 million bushels, and one per cent greater than the 10-year average production during 1962-71 of 614.2 million bushels. On the prairies the 1973 wheat crop is estimated at 602.0 million bushels, compared with 1972 production of 513.0 million bushels and average 1962-71 production of 594.4 million bushels.

The 1973 oat production in Canada is estimated at 323.6 million bushels compared with 300.2 million bushels in 1972. The 1973 production estimate is 15 per cent less than 1962-71 average production of 378.6 million bushels. Oat production on the prairies in 1973 is estimated at 267.0 million bushels compared with 238.0 million bushels in 1972 and a 10-year average yield of 264.3 million bushels.

Canadian barley production in 1973 is estimated at 470.4 million bushels or 10 per cent less than in 1972 when production was 518.4 million bushels. This is 55 per cent above 1962-71 average production of 303.0 million bushels but substantially less than the 1971 record production of 665 million bushels. On the prairies barley production in 1973 is estimated at 444 million bushels compared with 492 million bushels in 1972 and 1971 record production of 627 million bushels.

Canadian rye production in 1973 is estimated at 14.6 million bushels compared with 13.5 million bushels last year and 1962-71 average production of 15.4 million bushels.

1973 flax production is estimated at 18.8 million bushels which is seven per cent above 1972 production of 17.6 million bushels but below the average 1962-71 production of 24.4 million bushels.

Canadian rapeseed production in 1973 is estimated at 53.5 million bushels compared with 57.3 million bushels in 1972 and 1971 record production of 98.5 million bushels.

## Grain Deliveries from Western Canada (Table 3)

Deliveries of grain from farms in the prairie provinces during the 1972-73 crop year were 957.4 million bushels compared with 952.2 million bushels in 1971-72. It should be noted that this increase over the previous year was made possible only by marketings of farm carryovers of wheat from earlier production. All other grains, particularly barley, showed declines in producer marketings from the previous season.

All grain prices increased during the year, with some doubling and the sharpest rise occurring during the last three months of the crop year.

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

Canadian grain stocks at the 31st July 1973 were significantly below carryover figures for the year previous, with major reductions in all grains except barley. Carryover stocks were estimated at 676.6 million bushels, compared to 972.8 million for the previous year, and 1,064.1 million in 1971.

Tables 5 and 6 give estimates of the amount of grain stocks held on Canadian and prairie farms at 31st July 1973. Of the total 270.6 million bushels estimated to be on Canadian farms at that date, 246.6 million bushels were on farms in the prairie region, with approximately 145 million bushels on farms in Saskatchewan.

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

Exports of Canadian wheat and flour, oats, barley, rye, flaxseed and rapeseed totalled a new all-time high of 823.8 million bushels, 7.5 million bushels over the previous year's record figure. Exports of spring wheat showed a significant increase from 414.4 million to 492.8 million, while barley declined from 224.3 million to 156.8 million in the current year. Barley exports however, continued to be well in excess of the 70.8 million 10-year average. The other area of significant increase in export movement was rapeseed, up from 42.6 million to 54.1 million bushels, compared to the 10-year average of 18.6 million bushels.

Tables 8, 9 and 10 provide information on grain exports, port handlings and destinations of exports by major regions and countries. Of particular significance is the fact that the U.S.S.R., the People's Republic of China and Japan, for the second consecutive year were the leading importers of all Canadian grains and of our major export, spring wheat.

## Seeded Acreage and Production in Canada

Acreages seeded to the various crops in Western Canada in 1973, and fertilizer and chemical usage, would indicate that farmers made a real effort to take advantage of projected market opportunities and rising prices. Weather conditions during the seeding period however, had a significant influence on the final seeded acreage.

Wheat acreage increased by 16 per cent to an estimated 22.4 million acres, but feed grains planting, increased only slightly, with barley decreasing from the 1972 levels. Acreage to rapeseed declined for the third straight year. Summerfallow acreage, at 25.5 million acres, is reduced from last year's figure of 29 million, and from the high summerfallow acreage recorded of 37.7 million acres during the year of the LIFT program.

## U.S.A. Acreage and Production

U.S.A. farmers, exposed to similar pressure to expand acreage to meet the supply challenge, increased corn acreage by 9 per cent to 62.5 million acres, enough to produce 5.9 billion bushels estimated for an all-time record. U.S.A. soybean

acreage is up 22 per cent to 55.7 million acres and is expected to result in a 24 per cent increase in production given favourable weather conditions.

Even so, in the light of the present demand position, U.S.A. crops are not expected to put undue pressure, after supplying their growing domestic market, on world markets for all grains.

### International Grain Trade in Wheat

The International Wheat Council, at the end of the July-June international wheat year, estimated the 1973-74 exportable supplies among the ten leading exporters, at up to 670 million bushels below demand. Based on the best available projections importers around the world will be looking for between 2.18 and 2.55 billion bushels of wheat in the new crop year. The ten leading exporters, on the other hand, are not likely to have more than between 1.88 and 2.33 billion bushels of wheat for sale. Given the best possible crop conditions in wheat growing areas, and given good crops of other food grains, such as rice, a small surplus a year from now, of about 150 million bushels could result. But if crop growing conditions are uniformly poor, there could be a shortage of as much as 670 million bushels. In no case will the carryover at the end of the current crop year in exporting countries be significant. The International Wheat Council estimated that there is just over a billion bushels in all countries, the smallest year to year carryover in twenty years.

An International Wheat Council projection of which countries expect to import how much wheat, indicates that demand from the U.S.S.R. will be down substantially from the huge purchases of 1972-73 (600 million bushels of wheat, 500 million bushels of other grains). However, Russia may still require up to 300 million bushels of wheat; China, India, Pakistan and a handful of Asian, Middle East and Central American countries will have to import large quantities.

### The Food and Agriculture Organization (FAO) and a World Food Bank

An effort is underway through the Food and Agriculture Organization (FAO) of the United Nations, to establish a sort of world food bank. The plan is to be formally presented in November. The FAO has been involved in such schemes for twenty-five years without success. This past year with shortages and soaring of food prices, with inflation and confused farm policies, the FAO has reintroduced the subject with a new sense of urgency.

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

A spokesman for FAO noted that during the "sixties", known as the "first development decade", the overall rate of agricultural growth was about two and a half per cent per year, barely enough to keep pace with population growth.

The target for the "seventies" the "second development decade" was a growth rate of four per cent. In fact, during the first two years of the decade, growth was minimal — barely one per cent. As it was pointed out, "an all-out production effort for over eight years would be required just to catch up, and there is little hope of that".

Traditionally, Canada and the U.S., by piling up surplus stocks, have been able to meet most of the world's demand for grains on the commercial market and on the "aid" market, which is becoming increasingly recognized. "However", explained Canada's delegate to FAO, "stock-holding is a costly business, and is bound to add to the price of the commodity".

Director-General, Dr. A. H. Boerma, of FAO, bluntly noted that "countries like Canada, are determined to prevent the re-emergence of large carryover stocks of grain". Anyway these stocks have now been dissipated by the current world shortage and attraction of high prices. The overall situation in the opinion of Dr. Boerma, "is not a tolerable human condition in the latter part of the twentieth century".

Dr. Boerma offers a food inventory plan which requires the co-operation of both consuming and producing countries in establishing a minimum level of world food needs and in ensuring that there is always enough supply to meet those needs.

There seemed to be general agreement with Dr. Boerma's plan, including both Canada and the United States. Though Canada endorsed the principle of his plan, it had (in the words of Dr. Boerma) "showed a cautious attitude towards securing full consultation with all countries and all agencies, and warned that large reserves of grain would have to be isolated from the commercial market to avoid depressed prices".

Dr. Boerma responded with polite recognition of Canada's concerns, but added, "it must be remembered that we are in a fight against time. I miss in this discussion, the sense of urgency that I feel in this particular situation".

### Farm Income and Farm Policies

As noted earlier, record sales and exports, as well as high levels of livestock marketing and increasing product prices would in all likelihood mean that gross farm cash receipts from farm operations, may reach a new record in the current year.

While appreciative of this short-term favourable situation, farmers must recognize that this is partly brought about by the ability to market for the second consecutive year, more grain than was produced, and that increases in prices are due to world supply demand factors, which may reverse themselves in the near future. In addition, farm operating costs continue to rise rapidly and will likely remain at current levels, or continue to increase with inflation, regardless of the volume of marketings and world grain price levels in future years.

During the year under review, two problems of some magnitude occupied policy makers at government and farm organization levels.

One was how to evolve a system of pricing and marketing for feed grains in the domestic market, which would be satisfactory to producers in the prairie region, and to users, both within the region and in other areas of the domestic market in Canada.

The other, was the development of a true, two-price system for wheat, which had evolved from a situation where producers of wheat in Canada had been required to market in the Canadian economy, at depressed export prices, through a series of changing economic and political factors, which saw first, some farmers subsidizing others, farmers partially subsidizing consumers, government subsidizing consumers and farmers, to the current situation where farmers are guaranteed a minimum price for the next seven years for domestically used bread wheats of \$3.25 per bushel in return for accepting a ceiling of \$5.00 per bushel. The Federal Government, under this program, would subsidize consumers up to a maximum of \$1.75 per bushel, depending on the export price level.

In domestic feed grain marketing, a long-term policy has again been postponed with an interim policy for 1973-74 being announced, with the following basic elements: — removal of restrictions on interprovincial marketing across Saskatchewan boundaries within The Canadian Wheat Board region; a monitoring of off-Board sales and prices within the Wheat Board region, and the commitment that supplies of feed grains will be made available to domestic markets outside the prairie region, taking into account the off-Board price on the prairies, plus the cost of moving the product to its destination. Finally, an off-Board, no-quota offer to purchase and store feed grain from producers in the prairie region, the Agricultural Products Board, at a price estimated to be half way between the current Canadian Wheat Board initial payment level and the estimated final payment price on grain delivered to The Canadian Wheat Board.

The Wheat Pools expressed general dismay at this move towards reducing the authority and responsibility of The Canadian Wheat Board in marketing of feed grains within Canada, and warned that this could result in increased marketing costs, reduced co-ordination and therefore inefficient use of grain elevator and rail services, and finally would permit a very small percentage of off-Board grain marketed by prairie producers, to lower the domestic feed grain price generally in Canada, and affect therefore the final returns of all producers.

#### **Canadian Federation of Agriculture**

The three Pool organizations worked closely throughout the past year with other farm representatives in their respective provinces and in the Canadian Federation of Agriculture, in drafting policy proposals of benefit to the industry.

During the year under review, the Pool organizations extended a helping hand to the Canadian Federation of Agriculture in hosting the General Conference of the International Federation of Agricultural Producers, held in Ottawa in October 1972. Representation from the three Pool organizations attended that meeting, as well as meetings of the North American Committee of IFAP and of the Canadian Federation of Agriculture. Your Secretary was a participant with D. L. Kirk, Executive Secretary of the Federation, on a working party within the International Federation, charged with proposing to member organizations, the essential elements of a workable international grains arrangement.

#### **Canadian Co-operative Wheat Producers Limited**

During the year under review, the three Wheat Pools, acting on a recommendation from this Board, jointly withdrew from active membership in the Canada Grains Council.

In announcing withdrawal, the Pools indicated that it was their intent to pursue agricultural policy issues on behalf of their membership, both directly and through the Federation of Agriculture structure. They felt also that time and resources could better be spent dealing directly with governments, railways, and other important sectors of Canada's grain industry, rather than in the Canada Grains Council forum where so many diverse interests were represented.

During the year the Presidents of the three Pools, acting as a Committee, studied various ways and means of improving co-ordination and development of joint activities of the three Pools. Your Board agreed with the Presidents' report, that increased initiative should be taken to co-ordinate agricultural policy research and presentation, that market research and development initiative should be taken jointly with XCAN Grain Limited, and with The Canadian Wheat Board, and that management of the three Pool organizations should continue and where possible, improve co-ordination, exchange of information and joint approaches in areas of operations and technical research.

The officers of Canadian Co-operative Wheat Producers Limited for 1972-73 were as follows: E. K. Turner, President, G. L. Harrold, Vice-President, H. B. Sneath, Executive Member, along with Board members, G. E. Franklin, J. D. Deveson, E. A. Boden, D. M. Lockwood, A. J. Macpherson and O. K. Rosenberger. Mr. J. O. Wright of Saskatchewan Wheat Pool continued as Secretary of CCWP.

Your Board approved continued support for the Canadian Hunger Foundation, The C. D. Howe Research Fund (formerly the Private Planning Association), the Great Lakes Waterways Development Association, the Canadian Institute of International Affairs, the Canadian Water Resources Association, Western Rural Safety Conference and Canadian Council on 4-H Clubs.

### Conclusion

Your Board, while recognizing the current buoyant economy in Western Canada due to the high level of grain marketings and improved prices for agricultural products, remains concerned at the prospect of continued inflation in the Canadian economy and the lack of international co-operation and agreements on the marketing of the world's basic resource, food for people.

Because of this, increasing efforts in the coming year will be made to promote policies which will improve agricultural production, stabilize marketing conditions and prices for the long-term

benefits of not only producers, but others engaged in the prairie economy and indeed for the benefit of the world community.

Respectfully submitted,

E. K. Turner  
G. L. Harrold  
H. B. Sneath  
G. E. Franklin  
J. D. Deveson  
E. A. Boden  
D. M. Lockwood  
A. J. Macpherson  
O. K. Rosenberger

}

Executive

## STATISTICAL TABLES

Table  
No.

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4. Carryover Stocks of Grain in Canada at 31st July 1971-73, and 1968-72 Average.
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12. Total Net Farm Income, 1963-1972.
13. Prairie Farm Assistance Act, 1971-72, and Totals 1939-40 to 1971-72.
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15. Farm Credit Act, Loans Approved, All Canada.
16. Farm Syndicates Credit Act, Loans Approved 1972-73 and 1968-69 to 1972-73.
17. World Wheat: Acreage, Yield, Production, Selected Years.
18. World Wheat: Carryover Stocks of Wheat at the end of crop year, Exporting Countries — 1963-72.
19. World Wheat: Exports, Wheat and Wheat Flour, 1959-1972.
20. Summary of Trade in Wheat and Wheat Flour by Members of IWA 1971-72.
21. Prairie Grain Advance Payments 1958-59 to 1972-73.
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Table 1

**GRAIN: ACREAGE, YIELD, PRODUCTION CANADA**  
**1973 (September Estimate) and 1972 (Final)**

	1973 (Sept. Estimate)			1972 (Final)		
	Acreage (Mil-lions)	Yield (Bus. Acre)	Prod. (Mil-lion Bus.)	Acreage (Mil-lions)	Yield (Bus. Acre)	Prod. (Mil-lion Bus.)
Wheat—	24.8	25.1	622.0	21.3	25.0	533.3
Oats for Grain—	6.7	48.3	323.6	6.1	49.2	300.2
Barley—	12.0	39.3	470.4	12.5	41.4	518.4
Rye—	0.6	23.1	14.6	0.6	21.3	13.5
Flaxseed—	1.5	13.0	18.8	1.3	13.3	17.6
Rapeseed—	3.2	17.0	53.5	3.3	17.5	57.3

Source: Statistics Canada, 22-002, September Forecast of Production of Principal Field Crops, Canada 1973.

Table 2

**GRAIN: ACREAGE, YIELD, PRODUCTION**  
**PRAIRIE PROVINCES**  
**1973 (September Estimate) and 1972 (Final)**

	1973 (Sept. Estimate)	1972 (Final)		
	Acreage (Mil-lions)	Yield (Bus. Acre)	Prod. (Mil-lion Bus.)	Prod. (Mil-lion Bus.)
Spring Wheat—	24.2	24.9	602.0	20.8
Oats for Grain—	5.3	50.4	267.0	4.7
Barley—	11.4	39.0	444.0	11.9
Rye—	0.6	21.8	13.1	0.6
Flaxseed—	1.5	12.5	18.8	1.3
Rapeseed—	3.2	16.7	53.5	3.3
				17.5
				57.3

Source: Statistics Canada, 22-002, September Forecast of Production of Principal Field Crops, Canada 1973.

Table 3

**PRODUCER MARKETINGS, PRAIRIE PROVINCES**  
**1st August to 31st July 1968-73**

	(millions of bushels)				
	1968-69	1969-70	1970-71	1971-72	1972-73(1)
Wheat—	423.1	413.3	384.3	517.5	614.6
Oats—	41.6	20.9	58.3	32.3	30.6
Barley—	81.8	168.4	235.9	295.5	224.9
Rye—	3.8	7.6	11.6	15.5	8.6
Flaxseed—	15.3	22.1	33.7	21.6	17.8
Rapeseed—	17.6	28.5	61.5	69.8	60.9
<b>Total.....</b>	<b>583.2</b>	<b>660.8</b>	<b>785.3</b>	<b>952.2</b>	<b>957.4</b>

(1) Preliminary

Source: Canadian Grain Commission  
Canadian Grain Position, 31st July 1973.

Table 4

**CARRYOVER STOCKS OF GRAIN IN CANADA (1)**  
**at 31st July 1971-73 and 1963-72 Average**

	(millions of bushels)			
	1973(2)	1972	1971	Average 1963-72
Wheat.....	366.1	583.8	744.2	630.1
Oats.....	79.7	118.3	125.4	128.7
Barley.....	192.7	195.8	144.3	139.6
Rye.....	10.2	15.8	12.6	9.4
Flaxseed.....	7.8	16.0	26.6	9.9
Rapeseed.....	20.1	43.1	11.0	—
<b>Total.....</b>	<b>676.6</b>	<b>972.8</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 1973.

Table 5

**FARM STOCKS ALL GRAINS IN CANADA**  
at 31st July 1971-1973

(millions of bushels)

	1971	1972	1973
Wheat .....	411.1	311.5	115.0
Oats.....	91.2	96.0	65.0
Barley .....	61.6	106.0	88.0
Rye.....	5.2	5.5	1.6
Flaxseed.....	10.5	6.0	0.6
Rapeseed .....	0.2	16.3	0.4

Source: Statistics Canada,  
Stocks of Canadian Grain at 31st July 1973.

Table 6

**CARRYOVER STOCKS OF GRAIN ON FARMS,  
PRAIRIE PROVINCES**  
at 31st July 1973 (Estimated)

(millions of bushels)

	Man.	Sask.	Alta.
Wheat .....	5.0	85.0	20.0
Oats.....	8.0	22.0	22.0
Barley .....	8.0	36.0	38.0
Rye.....	0.1	0.8	0.7
Flaxseed.....	0.1	0.4	0.1
Rapeseed .....	0.05	0.25	0.1

Source: Statistics Canada,  
Stocks of Canadian Grain at 31st July 1973.

Table 7

**EXPORT OF ALL GRAINS AND WHEAT FLOUR**

(millions of bushels)

	1972-73(1)	1971-72	10-Year Average 1962-63 to 1971-72
Wheat (Except Durum)	492.8	414.4	372.6
Durum Wheat.....	60.0	63.7	30.2
Flour .....	25.4(2)	24.7	31.0
Wheat and Flour	578.2	502.8	433.8
Oats .....	6.7	10.2	10.5
Barley.....	156.8	224.3	70.8
Rye .....	8.2	10.8	6.8
Flaxseed .....	19.6	25.7	16.8
Rapeseed.....	54.1	42.6	18.6
<b>Total.....</b>	<b>823.8</b>	<b>816.3</b>	<b>557.4</b>

(1) Preliminary  
(2) Estimated

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

Table 8

**SEABOARD HANDLINGS, ALL GRAINS**

(millions of bushels)

Port:	1972-73	1971-72	1970-71
Pacific .....	349.0	307.9	260.6
St. Lawrence.....	336.5	360.7	305.4
Atlantic.....	34.8	34.6	30.1
Churchill .....	25.3	25.5	23.4
Thunder Bay (Direct).....	36.7	45.8	42.2

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

Table 9

**MAJOR IMPORTERS OF CANADIAN GRAINS,  
OILSEEDS AND WHEAT FLOUR**

(millions of bushels)

	1972-73	1971-72	1970-71
U.S.S.R. (Russia).....	189.6	131.5	12.1
People's Republic of China	153.3	111.7	88.3
Japan .....	133.0	115.7	90.8
Italy.....	64.0	60.3	55.6
Britain.....	58.6	81.4	99.2
Others.....	225.3	315.8	350.4
<b>Total.....</b>	<b>823.8</b>	<b>816.5</b>	<b>696.4</b>

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

Table 10

**EXPORTS OF CANADIAN WHEAT (Except Durum)  
TO MAJOR IMPORTERS**

10-Year Average  
1962-63  
to

	1972-73	1971-72	1971-72
U.S.S.R. (Russia).....	147.9	91.3	63.8
People's Republic of China	144.1	100.0	68.9
Japan .....	50.6	50.2	46.5
Britain.....	43.3	46.5	64.3
India .....	16.1	23.0	16.4
Others.....	90.8	103.4	112.7
<b>Total.....</b>	<b>492.8</b>	<b>414.4</b>	<b>372.6</b>

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

Table 11

**FARM CASH RECEIPTS FROM FARMING OPERATIONS  
THREE PRAIRIE PROVINCES, 1970-1972**

(in thousand dollars)

	1970	1971	1972
Wheat.....	\$ 541,549	\$ 619,691	\$ 800,444
Wheat, CWB Payments	6,566	75,202	118,426
Oats .....	15,954	26,540	21,862
Oats, CWB Payments...	—	1,738	5,314
Barley .....	137,148	183,366	210,730
Barley, CWB Payments	—	16,606	2,966
Rye .....	8,203	9,888	11,906
Flaxseed .....	59,153	57,014	53,856
Rapeseed .....	96,467	136,119	150,658
Other Crops.....	59,205	68,907	80,212
Net Cash Advance Payments .....	—105,397	—84,565	—27,449
<b>Sub-Total.....</b>	<b>\$ 818,848</b>	<b>\$ 1,110,506</b>	<b>\$ 1,428,925</b>
Cattle and Calves .....	485,042	563,674	622,784
Hogs .....	198,655	194,985	250,447
Sheep and Lambs .....	2,579	3,144	4,016
Other Livestock and Products .....	193,737	193,151	214,796
<b>Sub-Total.....</b>	<b>\$ 880,013</b>	<b>\$ 954,954</b>	<b>\$ 1,092,043</b>
Other Sources (1) .....	72,765	32,085	85,978
<b>Total Cash Receipts</b>	<b>\$ 1,771,626</b>	<b>\$ 2,097,545</b>	<b>\$ 2,606,946</b>
<b>Total Canada (2) .....</b>	<b>\$ 4,197,203</b>	<b>\$ 4,548,003</b>	<b>\$ 5,384,228</b>

(1) Includes supplementary and deficiency payments, forest and maple products.  
(2) Except Newfoundland.

Source: Statistics Canada, Farm Cash Receipts, 1972.

Table 12

**TOTAL NET FARM INCOME (1)  
1963-1972**

(in million dollars)

	Three Prairie Provinces	Canada Except Nfld.	
1963.....	\$ 957.4	\$1,521.1	
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(2).....	1,002.8	1,869.8	

(1) Takes account of changes in inventory.

(2) Preliminary.

Source: Statistics Canada, Farm Net Income, 1972.

Table 13

**PRAIRIE FARM ASSISTANCE ACT  
1971-72 Crop Year**

	1% Levy	Awards	Payments
Manitoba .....	\$ (1)	758	\$ 181,614
Saskatchewan .....	(1)	3,599	1,163,602
Alberta .....	(1)	12,168	3,556,289
British Columbia .....	(1)	261	53,838
<b>Total .....</b>	<b>\$ (1)</b>	<b>16,786</b>	<b>\$ 4,955,343</b>
<b>Totals 1939-40 to 1971-72</b>			
Manitoba .....	\$ 28,766,984	171,783	\$ 32,649,607
Saskatchewan .....	127,830,878	901,340	242,840,902
Alberta .....	58,964,343	500,041	115,054,663
British Columbia .....	(2)	12,248	2,606,462
Unallocated .....	4,208	—	—
<b>Total .....</b>	<b>\$ 215,566,413</b>	<b>1,585,412</b>	<b>\$ 393,151,634</b>

(1) Collective of the 1% Levy was discontinued after the 1970-71 crop year.

(2) B.C. figure included with Alberta.

Source: Report of Activities under the Prairie Farm Assistance Act for the crop year 1971-72.

Table 14

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

(thousands of dollars)

Fiscal Year 1971-72      Fiscal Year 1972-73

Province	No.	Amount	No.	Amount
Alberta.....	677	\$19,976.8	867	\$31,052.4
Saskatchewan.....	1,162	30,223.3	1,694	56,239.1
Manitoba.....	389	11,236.4	439	13,889.3

Source: Farm Credit Corporation, Annual Report, 1972-73.

Table 15

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

(thousands of dollars)

Year	Number	Amount
1968-69.....	9,159	\$208,330.5
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

Source: Farm Credit Corporation, Annual Report, 1972-73.

Table 16

**FARM SYNDICATES CREDIT ACT  
LOANS APPROVED 1972-73**

and

1968-69 to 1972-73

(thousand dollars)

Province	Fiscal Year 1972-73 No.	1968-69 to 1972-73 No.	Amount
British Columbia .....	2	\$ 84.2	17
Alberta .....	42	498.8	309
Saskatchewan.....	6	64.8	58
Manitoba.....	14	276.2	122
Ontario .....	27	616.5	118
Quebec .....	22	399.3	136
New Brunswick .....	—	—	3
Nova Scotia .....	—	—	7
P.E.I. .....	1	4.9	17
Newfoundland.....	—	—	—
<b>CANADA</b>	<b>114</b>	<b>\$ 1,944.7</b>	<b>787</b>
			\$ 10,167.5

Source: Farm Credit Corporation, Annual Report, 1972-73.

Table 17

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

Years	Acres (Millions)	Yield (Bush./Acre)	Production (Million Bush.)
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
1969-70 .....	533.9	21.3	11,323.8
1970-71 .....	507.9	22.6	11,459.4
1971-72 .....	521.1	24.2	12,629.2
1972-73 .....	520.7	23.5	12,227.1

Source: International Wheat Council, World Wheat Statistics, 1973.

Table 18

**WORLD WHEAT: CARRYOVER STOCKS OF WHEAT  
AT END OF CROP YEAR  
EXPORTING COUNTRIES (1) 1963-72**

(Millions of bushels)

Year	Stocks
1963-64	1,750.6
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

(1) Includes Argentina, Australia, Canada, EEC (original six members), Spain, Sweden and U.S.A.

Source: International Wheat Council, World Wheat Statistics, 1973.

Table 19  
WORLD EXPORTS OF  
WHEAT AND WHEAT FLOUR

		Amount (Million Bushels)
Average	1959-64 .....	1,666.8
Average	1964-69 .....	1,937.2
	1968-69 .....	1,653.1
	1969-70 .....	1,846.4
	1970-71 .....	1,973.2
Provisional	1971-72 .....	1,926.8

Source: International Wheat Council, World Wheat Statistics, 1973.

Table 20  
SUMMARY OF TRADE IN WHEAT AND WHEAT FLOUR BY MEMBERS OF I.W.A.—1971-72

(Million bushels)

Type of Transaction	Amount
Commercial Sales by Exporting Members to Importing Members.....	797.4
Commercial Sales between Exporting Members.....	153.4
Commercial Sales by Exporting Members to Non-Members .....	320.7
<b>TOTAL</b> Commercial Sales	<b>1,271.5</b>
Special Transactions between Exporting and Importing Members.....	190.7
Special Transactions between Exporting Members.....	0.1
Special Transactions between Exporting Members and Non-Members .....	247.1
<b>TOTAL</b> Special Transactions	<b>.437.9</b>
<b>TOTAL</b>	<b>1,709.4</b>

Source: International Wheat Council, World Wheat Statistics, 1973.

Table 21  
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 (2).....	9,092	20,754,104

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

(2) To 20th July 1973.

Source: Department of Industry, Trade and Commerce.

Table 22  
SEEDED ACREAGE AND QUOTA ACRES (1)  
PRAIRIE PROVINCES 1973

SEEDED ACREAGE

Grains	Man.	Sask.	Alta.	Total
Spring				
Wheat.....	3,100,000	16,200,000	4,900,000	24,200,000
Oats.....	1,300,000	2,000,000	2,000,000	5,300,000
Barley.....	2,100,000	4,200,000	5,050,000	11,350,000
All Rye.....	82,000	260,000	240,000	582,000
Flaxseed.....	600,000	650,000	200,000	2,032,000
Rapeseed.....	400,000	1,450,000	1,300,000	3,150,000
Tame Hay....	1,200,000	1,900,000	3,550,000	6,650,000
Summer- fallow .....	2,400,000	16,400,000	6,700,000	25,500,000

QUOTA ACRES

Durum.....	149,820	3,479,159	489,701	4,118,680
Hard Red				
Spring.....	6,717,574	33,597,947	13,315,782	55,631,303
Soft White				
Spring.....	396	4,250	144,986	149,632
Selected				
S.W.S.....	292	3,121	104,201	107,614
Alberta, Red				
Winter.....	1,530	5,986	440,309	447,825
Utility Types				
27,794	56,569	70,434	154,797	
<b>Total</b>				
Wheat	6,897,406	37,147,032	14,565,413	58,609,851
Oats.....	1,093,659	849,230	1,514,625	3,457,514
Selected				
Oats .....	73,183	101,664	53,413	228,260
Total Oats				
1,166,842	950,894	1,568,038	3,685,774	
Barley.....	2,762,024	5,168,086	7,757,430	15,687,540
Selected				
Barley.....	298,702	797,054	986,216	2,081,972
Total Barley				
3,060,726	5,965,140	8,743,646	17,769,512	
Rye .....	112,087	300,568	369,989	782,644
Flaxseed .....	794,521	706,379	359,145	1,860,045
Rapeseed.....	630,326	2,229,449	2,837,528	5,697,303
<b>TOTAL</b>	<b>12,661,908</b>	<b>47,299,462</b>	<b>28,443,759</b>	<b>88,405,129</b>

(1) Quota acres are preliminary, approximate figures.

Source: Statistics Canada 22-002,  
Estimate of Crop and Summerfallow Acreage,  
The Canadian Wheat Board.



