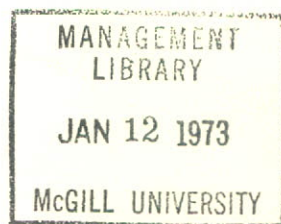
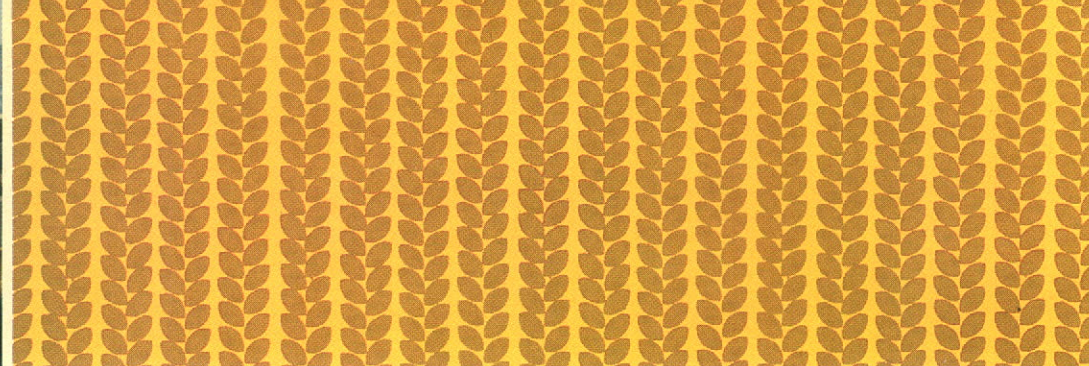


Alberta Wheat Pool Annual Report 1972

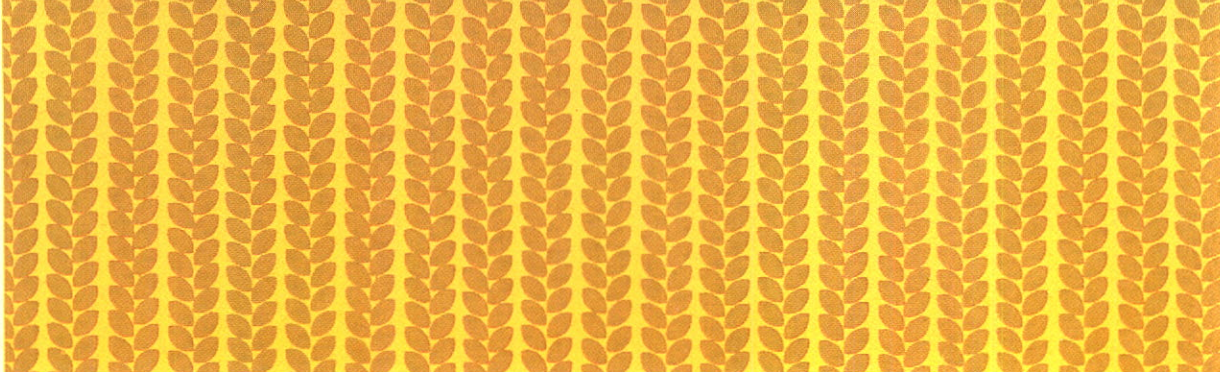




ALBERTA WHEAT POOL ANNUAL REPORT 1972

CONTENTS

Officers and Directors	2
Delegates	3
1971-72 Report Highlights and Comparisons	4
Report of Board of Directors	7
Report of the General Manager	21
Financial Statements	28
Canadian Co-operative Wheat Producers Limited Directors' Report	34
Statistical Tables	40



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*

B. A. FRIESEN, *Secretary*

Officers and Head Office Personnel

J. W. MADILL, *General Manager*
J. B. GANT, *Grain Operations Manager*
H. E. RIPLEY, *Elevator Operations Manager*
R. S. ENNIS, *Sales & Traffic Manager*
L. J. TRELEAVEN, *Construction & Maintenance Manager*
R. A. FINDLAY, *Seed & Fertilizer Manager*
T. G. HENDRY, *Treasurer*
R. G. PALMER, *Comptroller*
A. W. BEATTIE, *Public Relations Manager*

Branch Managers

H. K. MOEN, *Vancouver*
C. F. USHER, *Victoria Elevator Ltd.*
M. G. WOOD, *Winnipeg*

Solicitors

MacKIMMIE MATTHEWS

Auditors

CLARKSON, GORDON & COMPANY

Bankers

BANK OF MONTREAL
THE BANK OF NOVA SCOTIA
THE ROYAL BANK OF CANADA

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

DELEGATES

Lethbridge—District One

101	Gogolinski, B.	Orion
102	Hummel, Wallace H.	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

Calgary—District Two

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

Drumheller—District Three

301	Lemare, Carl	Acadia Valley
302	Curry, Lyall A.	Sunnynook
303	Volek, Joseph	Tilley

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

Red Deer—District Four

401	Warwick, Ernest	Oyen
402	Smith, George F.	Provost
403	Schwenk, Herman D.	Coronation
404	Turner, Harry H.	Alliance
405	McCormick, J. E.	Byemoor
406	Petersen, Leslie M.	Ersphine
407	Wagner, Albert F.	Lacombe
408	Johnson, K. K.	Red Deer
409	Liivam, August	Eckville
410	Wheeler, S. M. R.	Ponoka

Camrose—District Five

501	Redmond, D. R.	Edgerton
502	Dobson, Parke	Paradise Valley
503	Livingstone, Douglas E.	Vermilion
504	Flaade, Bennie A.	Hardisty
505	Koetke, Norman II.	Daysland
506	Christians, William H.	Donalda

507	Drummond, Alexander	New Norway
508	Pepper, Clifford G.	Ohaton
509	Ness, Ingvald	Kingman
510	Rasmuson, Clarence H.	Gwynne

Vegreville—District Six

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

Peace River—District Seven

701	Parrent, Fred J.	Clyde
702	Rimmer, Laurence M.	Pibroch
703	Hallowes, Arthur W.	Sangudo
704	Galigan, Douglas	Culp
705	Gummer, Howard F.	Grande Prairie
706	Olson, Iver H.	Beaverlodge
707	Hanson, Erling L.	Farmington
708	Dufour, Gerard M.	Spirit River
709	Lorencz, Nick M.	Manning
710	Proctor, C. M.	Fairview

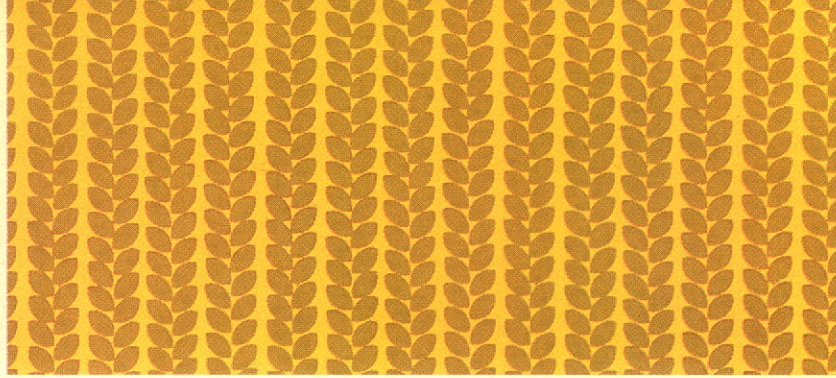
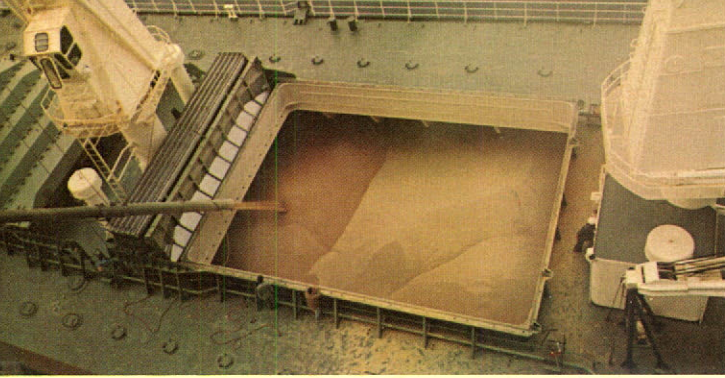


1971 - 72 REPORT HIGHLIGHTS AND COMPARISONS

ALBERTA WHEAT POOL AND SUBSIDIARY COMPANIES

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

*Where applicable the 1972 figures include the operation of Federal Grain Limited facilities from date of acquisition.



1972 *See Note	1971	1970	1969	1968	1967
129,500,690	120,270,887	93,759,147	81,112,978	84,438,998	113,097,918
12,991,414	16,477,246	10,723,792	14,240,961	11,308,137	13,523,114
30,061,269	35,972,857	30,837,862	40,110,581	21,459,970	24,053,886
56.8%	48.6%	46.7%	44.6%	46.6%	46.8%
\$203,735,347	\$161,536,843	\$127,144,885	\$127,177,052	\$143,012,588	\$162,454,260
\$ 14,298,489	\$ 11,601,357	\$ 9,783,362	\$ 13,951,797	\$ 11,637,169	\$ 9,908,752
\$ 28,012,550	\$ 25,620,784	\$ 23,726,960	\$ 21,225,160	\$ 21,886,951	\$ 21,662,744
\$ 19,054,567	\$ 16,937,096	\$ 17,114,107	\$ 15,619,774	\$ 13,967,769	\$ 12,575,880
\$ 2,891,224	\$ 2,564,375	\$ 2,589,557	\$ 2,832,423	\$ 2,387,283	\$ 1,818,237
\$ 6,066,759	\$ 6,119,313	\$ 4,023,296	\$ 2,772,963	\$ 5,531,898	\$ 7,268,626
\$ 61,735,387	\$ 60,138,391	\$ 64,693,996	\$ 72,728,124	\$ 62,445,156	\$ 54,899,770
\$ 54,685,903	\$ 53,519,956	\$ 58,598,201	\$ 66,791,747	\$ 52,314,663	\$ 44,105,212
\$ 7,049,484	\$ 6,618,435	\$ 6,095,795	\$ 5,936,377	\$ 10,130,493	\$ 10,794,558
\$ 1,733,198	\$ 2,706,089	\$ 2,830,255	\$ 7,260,935	\$ 7,210,177	\$ 3,891,660
\$ 72,510,552	\$ 58,849,538	\$ 56,585,858	\$ 54,222,000	\$ 47,663,337	\$ 40,835,768
\$ 5,901,884	\$ 3,845,464	\$ 2,661,648	\$ 5,201,880	\$ 6,837,255	\$ 4,238,398
\$ 25,798,207	\$ 24,881,339	\$ 23,995,123	\$ 23,542,113	\$ 22,245,431	\$ 19,233,486
97.00% Est.	97.09%	97.26%	98.02%	98.08%	97.71%
2,716	1,850	1,469	1,815	2,323	2,308
51,057	49,857	52,337	52,649	52,703	52,321
899	517	520	521	521	525
78,988,000	47,889,100	48,311,300	47,198,800	46,257,700	45,449,100
17,451,500	10,340,000	10,340,000	10,340,000	10,340,000	10,340,000
1,685	1,202	1,227	1,303	1,264	1,255

OUR FIFTIETH YEAR



Alberta Wheat Pool will celebrate its fiftieth year of operation beginning with the 1972 annual meeting and concluding at the 1973 annual meeting. Our actual anniversary date is October 29.

It is planned to recognize the vision and devotion of those whose action and constancy made this organization great, our founding members. The Pool invites its members, friends and business associates to join in the various events and observations.



HENRY WISE WOOD - 1923

"They have come up through the crucial test, through deflation, drought and some through poverty unspeakable . . . I do not think the membership of any organization ever came through so crucial a test and held so true."



*Alberta Wheat Pool
President, Gordon L.
Harrold*

REPORT OF BOARD OF DIRECTORS

ALBERTA WHEAT POOL

Gentlemen:

Record handlings by your Association for the second year in a row highlight the 1971-72 crop year. Despite these large handlings, all properties were kept in good repair and a program of modernization maintained. Curtailment of the construction of new grain handling facilities was continued during the year as the takeover of Federal Grain Limited greatly increased the handling capacity of your Association. In fact, the excess capacity resulting from the takeover will require continuous effort to rationalize and consolidate our present elevator system. With the takeover, your Association also obtained a large number of elevator managers' dwellings. Construction activity was consequently reduced from the high level of previous years awaiting a final assessment of the future needs of the Association.

Summary of Operations

Country elevator grain handlings for 1971-72 totalled 129,550,690 bushels, an increase of 9,279,803 over the previous year. This volume represents 56.82% of the total provincial elevator handlings and shows an increase in Pool handlings of 7.7% over last year's total. It is the largest handling ever by your Association and also the first time it has exceeded 50% of Alberta and British Columbia primary elevator marketings.

For the second year in a row, unloads at our Vancouver Terminal have set a record. Grain handlings at Vancouver rose to 80,079,057 bushels, an increase of 11,137,795 bushels over last year. Handlings at Pacific Elevators totalled 38,296,367 bushels for the four and a half months we operated the Terminals. At Victoria, handlings increased by 263,360 bushels over the previous year to a total of 9,109,100 bushels.

A favourable picture is evident also in forage seed handlings and in fertilizer and chemical sales. Forage seed handlings totalled approximately 13,000,000 pounds, while sales of fertilizers and chemicals increased substantially.

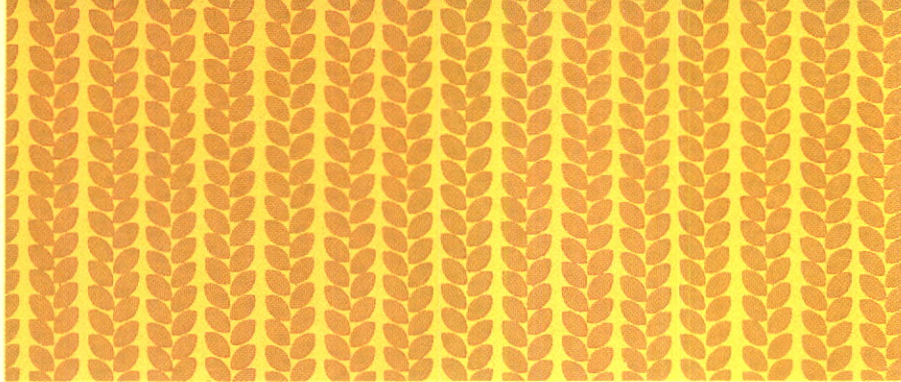
Net earnings from the year's operation, and available for distribution are \$6,066,759 before provision for income tax. Only twice before—in 1966-67 and 1970-71, have net earnings exceeded this amount.

Grain Marketing

Export sales of the six major Canadian grains reached a record high in 1971-72. Approximately 817.6 million bushels of grain and flour were exported, exceeding the previous high of 696.4 million established in 1970-71.

Figures released by the Canadian Grain Commission indicate wheat exports increased by 68.7 million bushels to 478.1 million bushels during the year. In addition, exports in the form of flour at 26.0 million bushels indicate total wheat and flour exports of 504.1 million bushels. Only three times before, have exports of wheat and flour exceeded the 500 million bushel level—in 1963-64, 1965-66 and 1966-67.

All-time high exports of barley and flaxseed were established last year. Barley exports at 224.3 million bushels compared with the previous high of 172.3 million set in 1970-71, and were considerably improved over the ten-year average of 52.1 million bushels. Flaxseed exports rose to 25.7 million bushels, surpassing the 1956-57 record of 21.6 million and the ten-year average of 15.4 million bushels.



Although exports of oats and rapeseed were down from a year earlier, rapeseed sales in particular continue to be encouraging. Rapeseed exports totalled 42.6 million, down only 4.2 million from the high established during the previous year. Exports of oats however, were reduced by approximately 22% from last year's level—10.2 million as compared with 13.1 million bushels, but still exceeded the ten-year average by about 4%.

The importance of the Pacific Coast as a prime outlet for Prairie grain is reflected in the increasing volume of shipments moving through its ports. Record exports for wheat, barley, rye and flaxseed from the West Coast pushed the total to approximately 308 million bushels, an increase of better than 18% over the previous high established a year earlier. This volume is nearly double the amount exported through Pacific Coast ports ten years ago.

The major buyer for Canadian grain and wheat flour was Russia (U.S.S.R.) at 136.8 million bushels, followed by Japan at 115.7 million, China at 111.7 million, Britain at 83.2 million and Italy at 60.3 million bushels. China's purchases were exclusively wheat and consequently it was our most important wheat market. Russia and Japan also made major increases in Canadian wheat purchases but sales to the United Kingdom were down some 26% from a year earlier and dropped it into fourth spot as our major wheat importer.

Italy remained as Canada's most important market for both oats and barley. During the year it purchased 40.2 million bushels of barley and 2.7 million bushels of oats. Other major barley buyers include Japan and the U.K. but a total of thirty countries were recorded as importers of Canadian barley during the year.

Two-thirds of the flaxseed exports went to the European Economic Community as the member countries in total took some 17.1 million bushels, the Netherlands alone accounting for 12.1 million bushels. Japan remained the principal buyer for rapeseed, importing 22.3 million bushels during the year. Asiatic countries imported 23.2 million bushels while exports to the European Economic Community totalled 17.8 million; France being the major purchaser.

LEGISLATION

Income Tax Act, Bill C-259

What began as a serious threat to the financial structure of co-operatives as a result of the proposed income tax changes, was abruptly altered by last-minute amendments which the Federal Government introduced just prior to passing the new Income Tax Act. The amendments to the Bill embodied the major proposals long and vigorously advocated by the co-operative movement. Your organization made representation both in person and by submission, and it was most gratifying to see these changes made in the legislation.

The major change provides for the elimination of capital employed as the basis on which co-operatives will in future pay income tax. Corporate tax at the usual rate will still be paid on the greater of retained earnings or non-member business. The amendment however, will allow co-operatives beginning January 1, 1972, to allocate all their earnings as patronage dividends, but they must withhold 15% tax on dividends in excess of \$100.00 which must be submitted to the Internal Revenue Department. The withholding tax will serve as a tax credit to

individual members to be applied for at the time when the member completes his annual tax return.

Prairie Farm Assistance Act

The benefits of the Prairie Farm Assistance Act, an act passed in 1939 to provide financial assistance to farmers during crop losses, have been extended for another year. No additional levies will need to be collected from growers, as there is still a sizeable balance in the Fund. It is expected that legislation will be introduced to wind up the Act, probably in 1974. The same coverage as has previously been in effect will continue throughout 1972-73. For the 1973-74 crop year, however, only those producers located in areas where crop insurance is not available will be eligible.

It is interesting to note that since the introduction of P.F.A.A. in 1939, 1,581,194 payments totalling \$392,050,000 have been made to farmers. Of this total, farmer contributions have amounted to \$214,150,000 while the federal government has contributed \$192,830,000 to the Fund.

Farm Products Marketing Agencies Act, Bill C-176

Royal assent was given to Bill C-176 on January 12, 1972. This Act gives authority to establish a National Farm Products Marketing Council and National Marketing Agencies for various farm commodities. Amendments to the Bill left only eggs and poultry subject to supply management or quotas. It also required that before a particular marketing board is organized, a majority of producers affected must favour its establishment. The Bill specifically states that producers shall be represented on such Boards.

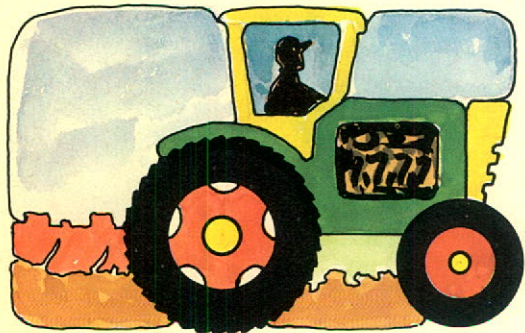
On March 28, 1972 the federal government announced the appointment of six members to the National Farm Products Marketing Council. The Council is being headed by Mr. Paul Babey who was the former President of the Farmers Union of Alberta and Unifarm's first President.

Egg and broiler producers have applied to form national marketing agencies. Public hearings were held across Canada in September to allow interested persons to indicate their preference regarding the formation and structure of a national egg marketing agency.

Farm Credit Act Amendments

Amendments to the Farm Credit Corporation Act, approved in early July will make it easier for certain farmers to borrow money from F.C.C. Among the changes approved are an increase in the loan ceiling for producers, either alone or jointly with others, to a maximum of \$100,000.00; removal of minimum age of 21 years as a loan qualification and instead, making it consistent with provincial legislation governing "legal" age; restrictions of loans to Canadian citizens or those intending to make Canada their permanent home; and provisions for increased borrowings of up to \$250,000,000.00 to provide for future funds which may be needed by the Corporation.

These changes were deemed desirable because of the increased credit needs for profitable family farms and also to carry out the duties contemplated under such programs as the Small Farms Development policy.





Prairie Grain Stabilization Plan

The federal government has, at the time of writing, not reintroduced the former Bill C-244, a bill which was withdrawn by the government October 12, 1971 following extensive debate. The Bill would have established a Grain Stabilization Fund to which farmers and the government were to have made contributions with payments made to producers in years when income from grain fell below the previous five-year average. Considerable interest in a Grain Receipts Stabilization Plan remains among grain producers, but in a modified form from that proposed by the government.

Small Farms Development Program

On July 14, 1972, Alberta and the federal government signed an agreement implementing the Small Farms Development Program in Alberta. The main objective of the program is to improve the profitability of the family farm and centres around the purchase and transfer of land. Under the agreement, uneconomic farm units will be purchased by the federal government from owners wishing to sell and will then be offered to other farmers who plan to increase their operations. Eligibility to sell to the Farm Credit Corporation, the organization which will handle the land transfers, requires that land and buildings not exceed \$30,000.00 in value. Special credit assistance will be offered to prospective purchasers if they can demonstrate that their management ability, the increase in land holdings and their labour and capital have the potential to turn the farm into an economically viable operation. Assets held by the purchaser should generally not exceed \$60,000.00 however, to qualify for this special assistance.

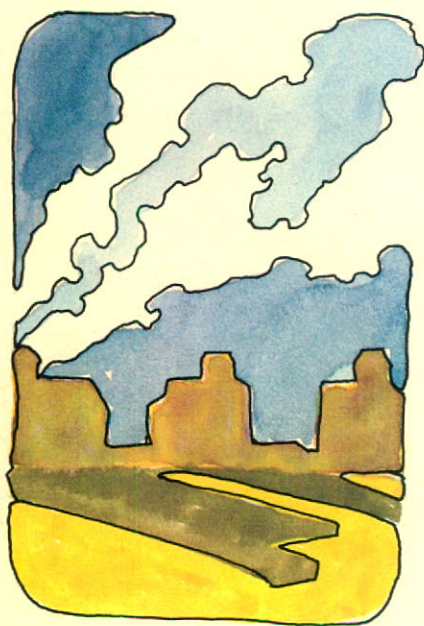
An information service will also be provided under the agreement. Farm Management Consultants will be available to assist a farmer in the planning and execution of bringing his operation to a commercially viable level.

We are encouraged by this development as it will provide an opportunity for small or older farmers who wish to leave farming to do so and to have reasonable assurance that they will receive a good price for their land. As well, it will enable small but potentially viable farms to increase their operation to a size where their returns may become more comparable to those working in other occupations.

Canada Grain Act

Some of the major changes affecting wheat grading approved by Parliament late in 1970 were implemented effective August 1, 1971. Canada No. 1 Western Red Spring Wheat grade combined wheat that had formerly been classified as No. 1 Hard and No. 1 and No. 2 Northern.

Effective August 1, 1972, five new grades of wheat were introduced completing the conversion to new grades begun a year ago. The new grade Canada No. 2 Western Red Spring Wheat includes the old grades No. 3 and the best of No. 4 Northern, while Canada No. 3 Western Red Spring will include the remainder of what was previously No. 4 Northern. Three utility grades have been introduced to take care of poorer quality wheat. Varieties such as Pitic 62 and other lower quality wheats which will be used primarily for feed and non-bread purposes fall into these utility grades.



In the program begun a year ago, protein content was guaranteed to purchasers wishing such safeguards. This guarantee is being extended to cover No. 2 C.W. Wheat and shipments to terminals will be binned according to protein level.

Project '75

On March 20, 1972, the Honourable Mr. H. A. Olson announced that the federal Department of Agriculture would begin a new approach for agricultural co-ordination and development. This approach was to be based on a market-oriented food systems concept and was to involve the production and marketing initially, of grains, oilseeds and beef. A task force headed by Dr. A. Hannah, Ottawa, was struck whose function it is to develop a method and a permanent structure to co-ordinate activities across provincial boundaries, within departments, between governments, etc. To carry out the systems approach, it is expected a computer model will be built which will simulate the Canadian agricultural industry. The interrelationships and interdependencies between the many segments of the industry and the influences of weather, tariffs, political pressures and so on have been noted by the Task Force. It has stated that it wants to place considerable emphasis on the consultative process, i.e., it wishes to initiate dialogue on a continuing basis with all interested parties.

Concern is felt that the primary producers' interests may not be given the consideration that might be desirable. If the program is to be successful and meaningful, continuing consultations with producers is essential.

We believe it is desirable that producers themselves undertake a study of the alternative routes the grain industry might take. With this in mind, your Association, in co-operation with other parties, is planning a Grain Industry Seminar to be held next January. It is our hope that through such action the industry itself can provide the leadership needed to direct future developments.

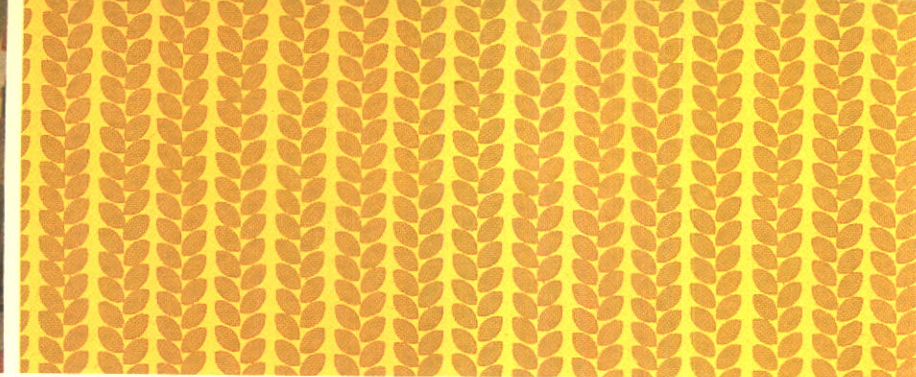
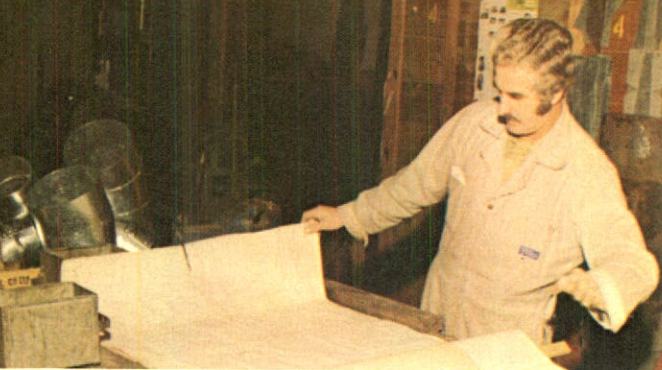
PROVINCIAL LEGISLATION

Agriculture Development Act

Preservation and an improved economic status for the family farm are given as primary reasons for the drafting of a new act to replace the former Alberta Farm Purchase Credit Act. The new Act will create a corporation known as the Alberta Agricultural Development Corporation, whose responsibility it will be to facilitate the distribution of credit under the Act. Under this Act, credit will be available for expanded needs and will be made available to agri-businesses as well. Few limitations are being placed on the use for credit provided it will improve the financial position of the family farm.

A revolving fund of \$50,000,000.00 will be built up over the next few years. It is expected that an interest rate of from 1 to 1½% above prime will be charged on loans. The repayment period may run as long as 40 years.

In addition to lending funds, the Corporation has authority to guarantee loans from other commercial lending agencies. It also has the power to buy or sell land, establish community pastures, remove land



from agricultural uses, and so on. The coverage and responsibility have been greatly expanded. The Act complements the Small Farms Development Program previously commented on.

Alberta Grain Commission

During the past winter, the Alberta government established the Alberta Grain Commission under the Chairmanship of Mr. John Channon. Meetings were held between representatives of your Association and members of the Commission, to discuss methods which might be used to improve the market situation particularly for non-Board feed grains. Distressed prices for feed grains have been a continuing problem in the province and one which the Commission felt required its primary attention.

As one of its suggested solutions to this problem, the Commission created a Feed Grain Marketing Information Exchange which began operations on August 1, 1972. The Exchange is headquartered in Calgary and it is linked with stations in Fairview, Edmonton, Vermilion, Red Deer and Lethbridge. Farmers are invited to use this free service by calling the Exchange to list grain for sale, or if a purchaser, to obtain names of persons wishing to sell. The actual price and consummation of the sale are however, left to the buyer and seller.

CANADIAN WHEAT BOARD

A most gratifying sales experience by the Canadian Wheat Board is reflected in the high sales volume of wheat and barley achieved during the past year. This excellent record was achieved despite the fact that large volumes of grain were available for export from Canada's major competitor, the United States. So effective have the sales efforts of the Canadian Wheat Board and others been, that potential sales have been refused because of Canada's inability to deliver as requested by the buyer. A truly major switch from conditions as they existed only a very short time ago.

The Canadian government's efforts to reduce world tension and its actions in improving the export credit program have assisted Canada in winning new markets and have provided reasonable assurance for the maintenance of its major outlets, particularly in the Far East. These developments have done much to allow Canada to remain competitive and have enabled her to increase her penetration to approximately 25% of the total world wheat export market compared with a low of 17.4% in 1967-68 and 21.9% last year.

The Canadian Wheat Board implemented an important freight rate change on August 1, 1972, and one which your Association has long and vigorously sought. Effective from that date, all barley and oats marketed through the Canadian Wheat Board will be assessed the lower of the Thunder Bay or the Vancouver freight rate in the same manner as wheat. This development is of major significance to Alberta and B.C. producers, as it will increase the price of Board barley for example, from nil to about 7¢ per bushel in Alberta and up to 9¢ at Fort St. John, B.C.

The federal government earlier this year announced that it would purchase 2,000 hopper cars for the exclusive use of the grain movement. It is expected that the first of these new cars will become available this

fall with the remainder scheduled for delivery by spring. The Canadian Wheat Board is to become the nominal owner. With the expected increase in grain cars available for the movement of grain, it is hoped that some of the delays which plagued grain shipments last winter, can be alleviated. We should caution however, that a shortage of grain cars was by no means the only problem encountered, as the heavy snowfall and numerous snow slides created generally very difficult railroading conditions.

Delivery Quota System

Changes in the quota system introduced a year earlier were continued in 1971-72, but with one important innovation, that of terminating quotas. With terminating quotas, producers are forced to make deliveries before the quotas expire and some difficulties may at times be experienced because of adverse weather conditions. As well, it forces producers to make deliveries before they can be assured of another crop. In general however, the system has been administered in such a way that these defects have been minimized and it has worked well, as it has enabled the Canadian Wheat Board to bring forward the types of grain needed to meet a very demanding export program.

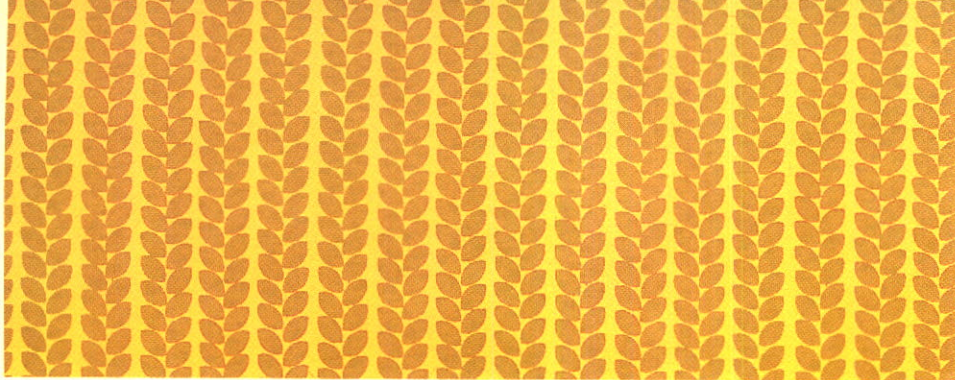
The one change suggested by this delegate body last year was not implemented and thus the October 30th deadline to make changes in assigned acreage remains in effect. This year however, producers are permitted to change assigned acreage from a specialty quota to the general quota or from the general to the specialty quota.

An issue has arisen in the matter of rapeseed quotas which some crushers have suggested are too restrictive to allow them to obtain the volumes needed to ensure continuous operation. The problem appears to be of a local nature, but has implications for the entire quota system as we now know it. We have long advocated equal delivery opportunity for producers and are concerned that this basic principle remain unchanged. The quota system provides as much equity of delivery opportunity as the market conditions allow. We are concerned that this equity of opportunity be protected.

CANADA GRAINS COUNCIL

During the past year, the Canada Grains Council initiated two studies which have particular relevance to our organization. In July of this year, the Council released a report on "An Evaluation of the Canadian Domestic Feed Grain Market." Recommendations of the ad hoc committee which prepared the FAIR (feed—adjustable—impartial—responsive) price report would see Canadian Wheat Board pricing of Prairie feed grain for domestic consumption basis in store Thunder Bay. It suggests that the price be made equal to the sum of the base price which is to be determined by averaging the price paid weekly for feed grains by feedmills and feedlots in Western Canada weighted by the volume of each purchase, plus the weighted freight rate, elevator handling charges and the Board's marketing costs.

Other recommendations include removal of the \$6,000 limit on cash advances, costs of production to be reflected in initial prices for wheat, oats and barley, and removal of the authority for the Wheat Board to grant feed grain import permits.



The Grains Council has also undertaken a review of the Grains Group studies on grain handling and transportation. These studies, some of which are highly technical in nature, are to be assessed for their validity and appropriateness in the determination of the future needs of the grain handling system.

INTERNATIONAL GRAINS ARRANGEMENT

Continued disagreement between nations regarding the conditions under which an international agreement might be reached, has resulted in little, if any, progress toward the drafting of a new meaningful agreement. The ineffectiveness of the I.G.A. resulted from a lack of agreement on price provisions. Sections on which agreement was reached, such as the Food Aid Convention, have continued to function. The International Wheat Council has continued to monitor sales between signatory countries.

Some renewed interest has recently been shown by some countries who previously had been reluctant to become involved in another long-term agreement. The interest is particularly evident among United States wheat producers who now feel that there is reason to be optimistic for continued improvement in world wheat prices. They have called on their government to again enter into an international agreement complete with price provisions.

The United States is now virtually the only country left in the world with a large exportable quantity of wheat. Her recent sales to the U.S.S.R. should reduce her total wheat supplies to a much more manageable level.

During the past year, your President and First Vice-President met twice with representatives of major U.S. and Canadian farm organizations to discuss problems related to international trade in grain common to both countries. The most recent meeting held September 6 and 7, 1972 in St. Paul, Minnesota, concluded by stressing the need for improving the co-operation between nations to effect an international agreement which would result in improved world wheat prices.

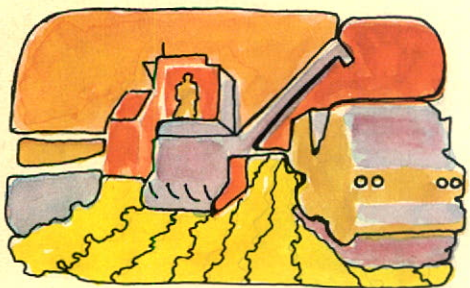
A new round of international negotiations under G.A.T.T. is expected to get under way in 1973. It is hoped that an agreement may be reached before the current Arrangement expires in mid-1974.

SUBSIDIARY AND OTHER COMPANIES

A detailed report will be provided later to this meeting on all subsidiary and other companies in which your Association holds a financial interest.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

Canadian Co-operation Wheat Producers Limited, the co-ordinating body of the three Prairie Wheat Pools, again concerned itself with a number of specific matters. It recommended the establishment of a policy through which the federal government would pay storage on a specific minimum grain carry-over and it recommended the purchase of extra hopper cars to be used exclusively for the movement of grain. Problems surrounding the grain shipping program including work stoppages, were of continuing concern to the organization.



PROVINCIAL AND NATIONAL AFFILIATIONS

Affiliations with major agricultural and cooperative organizations were continued throughout the year. Your Association has maintained its membership in Unifarm and through it, in the Western Agricultural Conference as well as the Canadian Federation of Agriculture. These affiliations have provided us with a useful vehicle through which your interests can be pursued and eventually presented to government or other bodies, who are able to effect the changes desired.

The success Unifarm has had in drawing together the multiplicity of farm interest groups in Alberta is noteworthy. This development has been widely observed and it has become a model for use in other provinces as well. Unifarm has addressed itself to matters of common interest, and recently it has for example, organized and promoted farm study on the new Income Tax Act and on the Worth Report, to name a few. We feel that this organization is of considerable value to grain producers and therefore believe it warrants our continued support.

We have been in contact with the B.C. Federation of Agriculture who have expressed an interest in your Association assuming membership in that organization. Later in the meeting you will have an opportunity to indicate whether you wish the Pool to become a member of the B.C. Federation of Agriculture under the conditions outlined.

MEMBERSHIP

During the 1971-72 season 2,716 members were accepted by the Board, the highest number since the 1962-63 season and well over the average annual enrolment of 2,074 new members for the preceding ten years. Following the purchase of reserves from 904 members no longer farming, their memberships were cancelled and 612 memberships were terminated by death.

The membership increased by 1,200 to a total of 51,057 members at July 31, 1972. The total membership figure comprising 47,801 members enrolled since 1939, the other 3,256 were signers of the early marketing agreements.

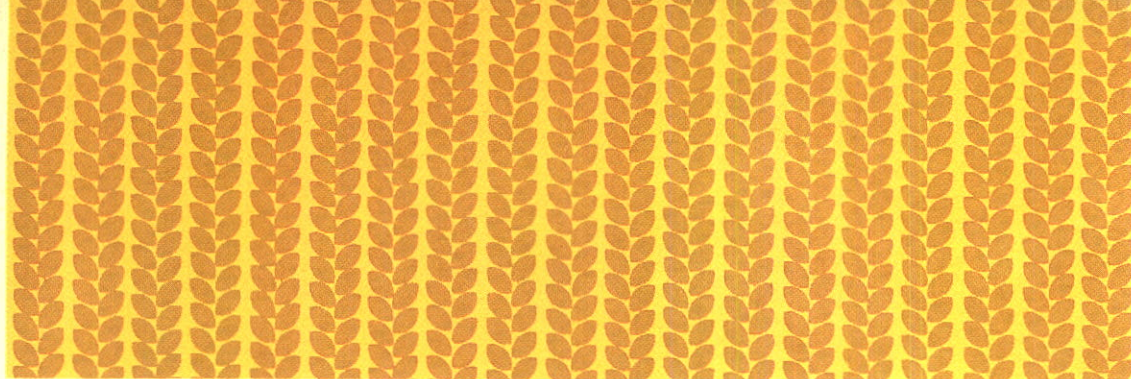
MEMBERS' ACCIDENT INSURANCE

There was a drop in claims paid this season over that of the 1970-71 season. Files were opened on 56 accidents compared with 68 files in the 1970-71 operations. To meet claims already paid and those awaiting settlement, the sum of \$25,221.49 has been charged to 1971-72 operations.

We have not received claim papers on 9 of the reported accidents, consisting of 7 adult fatalities, 1 child fatality and 1 case of dismemberment. Settlements have been made, or should be made shortly, on the other 47 accidents in which there were 28 fatalities (14 adults and 14 children, 14 cases of dismemberment and 5 cases of lost eyesight.

Only 119 applications for coverage on farm workers were received whereas we received 144 applications during the 1970-71 season. There were no claims received for any of these farm workers.

The cost of operation of the accident insurance plan for 14 years, from August 1, 1958 to July 31, 1972, was \$997,955. Benefits paid for



4,157 accidents included 518 fatalities (333 adults and 185 children), 324 dismemberment claims and 62 cases of lost eyesight. Payments of \$14,447 were made in accidents involving 75 farm workers and their dependents.

IN MEMORIAM

We regret to record the passing of two former directors and two former delegates since our last Annual Report.

On November 16, 1971, Mr. Sidney E. Thompson, formerly of Carmangay passed away in Calgary. He was an original contract signer and served as a delegate from 1950 to 1956.

Mr. Benjamin S. Plumer, the former Chairman of the Board, died in Bassano on November 18, 1971 at the age of 82 years. He was the last surviving member of the original Board of Directors and was one of the most active campaigners in the formation of the Pool. Mr. Plumer was elected to the Pool's first permanent Board of Directors in 1923 and served the Drumheller-Brooks area as director until 1957. He was elected Chairman of the Board in 1943 and in addition to serving in various capacities with many farm organizations, he was appointed to the Alberta Agricultural Hall of Fame in 1967.

Mr. Edgar J. Norris of Ohaton passed away on January 16, 1972. He was an original contract signer and served as delegate for sub-district D-1 from 1935 to 1938.

On May 20, 1972, Mr. Raymond C. Bell of Carstairs passed away at the age of 75 years. In 1953 he was elected to the Board of Directors for District 2, after having served the previous ten years as delegate. He retired from the Board in 1960. He was an original contract signer, and a member of a number of farm organizations, including the Farmers Union of Alberta.

The outstanding contribution made to our Association by these men is hereby gratefully acknowledged.

ELECTION OF DELEGATES

In elections held in odd numbered districts in 1972, twenty-six delegates were elected by acclamation. Four sitting delegates re-elected were Mr. C. F. Thurston in 109; Mr. Ingvald Ness in 509; Mr. R. Goshko in 603 and Mr. H. F. Gummer in 705. New delegates elected were Mr. A. F. Wagner of Lacombe in 407 replacing Mr. J. J. Stone; Mr. D. E. Livingstone of Vermilion succeeding Mr. E. R. Jackson in 503; Mr. N. I. Koetke of Daysland replacing Mr. H. Lefsrud in 505 and Mr. E. L. Hanson of Farmington, B.C. succeeding Mr. L. F. Vandergrift in 707.

In a by-election called in sub-district 405, J. E. McCormick was re-elected by acclamation.

In a by-election in sub-district 105, following Mr. H. R. Patching's election to the Board of Directors, Mr. D. W. Paxman was elected by acclamation.

BOARD OF DIRECTORS

At the first meeting of the Board of Directors following the 1971 Annual Meeting, the following officials were elected:

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 Ltd. and Pool Insurance Company. Reappointed to the Board of Western Co-operative Fertilizers Limited were Messrs. Harrold and Macpherson. Mr. Harrold served as President of Western Co-operative Fertilizers and also as President of XCAN. Mr. Macpherson was re-elected Vice-President of Unifarm, representing the Commodity Section. Messrs. Rosenberger and Anderson also served on the directorate with Mr. Braithwaite as alternate. Mr. Macpherson also served as director of the Canadian Federation of Agriculture.

With the takeover of Pacific Elevators Limited at Vancouver, directors to two additional companies were appointed. Serving as President of Western Pool Terminals Ltd., the holding company, was Mr. G. L. Harrold. Mr. Harrold also served as Chairman of the Board on Pacific Elevators Limited, the operating company.

Monthly meetings of the Alberta Wheat Pool Board were held and the directors of the three Prairie Pools also met twice during the year. A number of meetings of provincial, national and international interest were also attended.

In addition to the above Board members, our General Manager represented Alberta Wheat Pool on the Boards of Directors of Western Co-operative Fertilizers Limited, XCAN, Western Pool Terminals Ltd. and Pacific Elevators Limited.

PROPERTIES

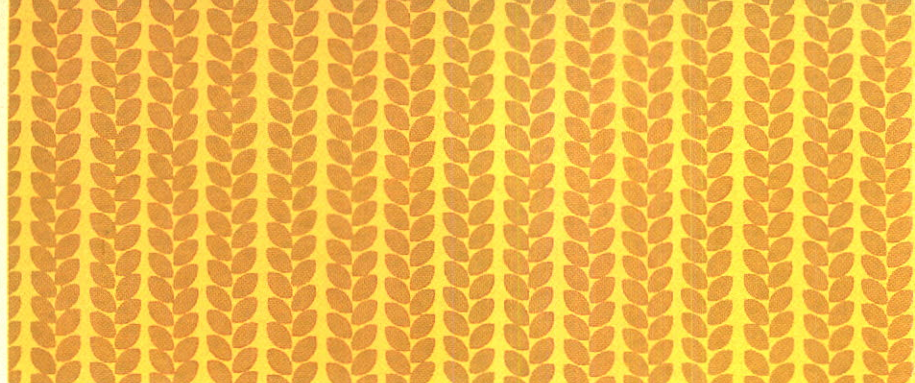
A limited construction program was maintained during the year as additional facilities were obtained through the purchase of Federal Grain Limited.

The construction of three new elevators was authorized during the year with new elevators approved for Penhold and Vulcan to replace fire losses and one was authorized for Claresholm to modernize our facilities at that location. Following the takeover of Federal Grain, the authorization for a new elevator at Vulcan was rescinded.

Purchase or construction of dwellings was authorized at nine locations. Three of these authorizations for dwellings were for Travelling Superintendents, the remainder for Elevator Managers.

Improvements to elevator offices were approved at eleven points and authorization was given to construct sixteen fertilizer warehouses and five anhydrous ammonia facilities.

Modernization of elevators was continued as the installation of car-pullers, new scales and dust collectors was undertaken at a number of stations.



At Vancouver Pool Terminal No. 1, authorization was given to automate the scales and shipping facilities, to install two new cleaners and a fire protection system for the recently completed baghouse.

Part-time elevator operations were approved at eleven locations and while eleven other stations were authorized for permanent closure, nine were effected following approval of the delegate concerned. Fifty-three elevators, three warehouses and ten annexes were authorized for sale or dismantling. In addition, the sale of sixty-seven dwellings was also approved.

PUBLIC RELATIONS DEPARTMENT

The Public Relations Department continued its extensive program of projecting an image which would show the Pool to be a progressive, dynamic leader in the grain industry. Expanded use of the mass media and an increased advertising effort were used to bring to the attention of the public, information about the Pool and on matters of general agricultural interest.

The number of scholarship awards was increased in line with the direction given at the last annual meeting and with our increased role in the grain business. The heavy involvement by our Public Relations Representatives in Pool and related activities was maintained.

FIFTIETH ANNIVERSARY

The Alberta Wheat Pool is entering its fiftieth year of operations since incorporation on August 18, 1923 as the Alberta Co-operative Wheat Producers Ltd. It commenced operations on October 29, 1923 and changed its name to Alberta Wheat Pool in 1929. The Pool has grown to become the largest grain handling organization in Alberta and last year it handled approximately 55% of the total Alberta country elevator marketings. We would like to pay tribute to the foresight and hard work of the people who were instrumental in the organization of this Association and to all those who so faithfully supported it over these many years.

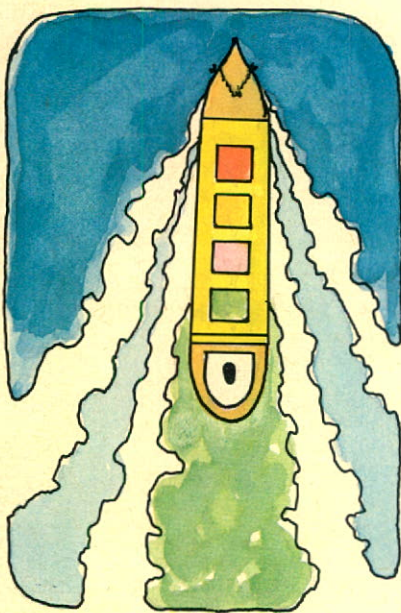
The golden anniversary year is a time for reflection and celebration. To commemorate this occasion, a special film has been commissioned and other suitable activities and forms of recognition to our founding members are planned. Later in the meeting you will be provided with a more complete report on the special activities under consideration by the Fiftieth Anniversary Committee.

STAFF

We wish to extend sincere appreciation to the staff for their efforts during the past year. The net earnings position is a reflection of their conscientious service to the Association. This was accomplished while assuming added responsibilities as a result of the expansion of our facilities.

GENERAL

Many persons and organizations have, in the recent past, concerned themselves with the future structure of the grain handling system. This



is also a matter which has on numerous occasions, been considered by your Board. The problem is complex and does not lend itself to easy, instant solution, and most of those suggestions have now been discarded.

The information in the studies undertaken by the Grains Group has been released and you have been provided with a short resume of their contents. It is obvious from the information provided, that costs of operating elevators are increasing rapidly and that some changes are needed to ensure that cost levels do not become prohibitive. The magnitude of the change required to achieve the most ideal system is unfortunately, not readily apparent from the information given. Nor has the ideal system been designed when consideration is given to the social as well as the economic costs and benefits of any alternate structure.

Many rural communities are concerned that the closure of elevators and the withdrawal of auxiliary services will lead to an increasing depopulation of their local community. Some information would tend to refute this claim but nevertheless, the fear remains.

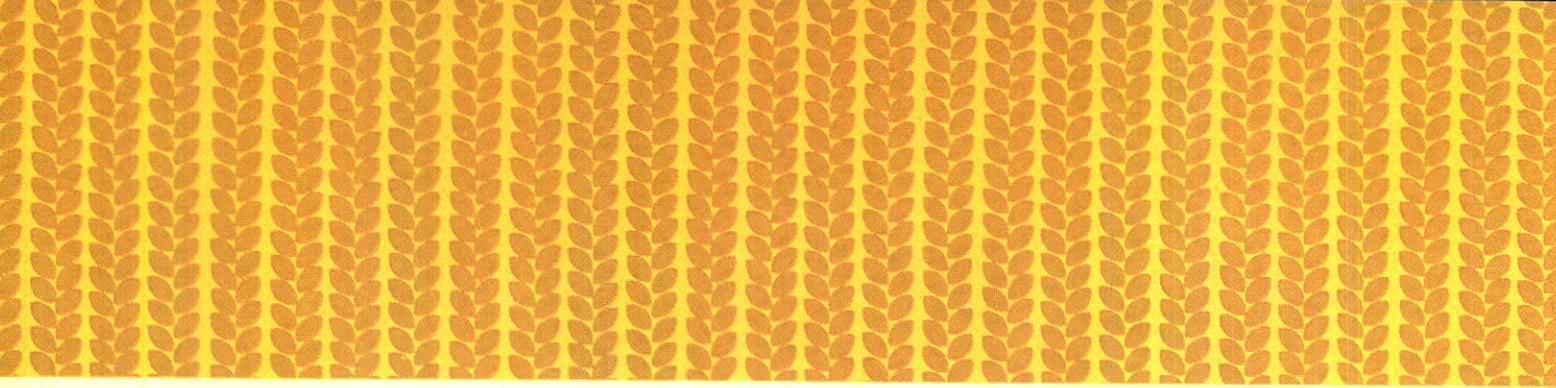
The entire issue of unit trains, inland terminals and so on is very much in a state of flux. An estimate of the costs of moving grain by unit train using trucks and inland terminals is being prepared by the Canadian Wheat Board following their trial run this past summer. Hopefully it will shed some light on the advantages or disadvantages of such a proposed system.

We are concerned that any changes which do occur in the grain handling system must be of maximum benefit to the grain producer. The system as it now exists has been financed largely by the producers themselves and it seems important that this fact also be considered. Estimates of the total cost for alternate systems, beginning with the existing system and moving to the extreme where some eighty inland terminals would be provided, show surprisingly little variation. The major change is that as fewer local elevators are left, costs tend to be transferred to the producer from other segments of the industry. Your Association is aware of this trend and encourages producers to be vigilant against it.

In keeping with our concern that any changes of the grain handling system be undertaken for the producers' benefit, your Board has been pursuing a program of rationalization of our own elevator system. As noted in a previous section, the closure of uneconomic elevators has been speeded up while new larger elevators have been authorized at locations where it is felt that a continuous good volume of grain can be expected. However, the closure of uneconomic elevators may have to be accelerated if your Association is to retain its economic viability.

As noted earlier, operating costs are mounting yearly, and as you know, revenues obtained for continuation of operations must be generated by farmers themselves. Unit costs can be minimized if increased through-put per elevator is effected. Continuing the move toward fewer higher volume elevators would therefore appear to be desirable.

Other important changes are occurring on the Alberta agricultural scene which could materially affect the future operations of your Association. Livestock production is increasing yearly and as it does, more grain is locally fed. The growing demand for meat presents a challenge which, it appears, is two-pronged. Firstly, there is reason to suppose that in the future, less grain may well be sold through the country ele-



vator system, despite the trend toward increasing yields and incentives to produce more grain. Secondly, and more importantly however, is that an expanding market is developing for many kinds of services in the livestock industry. Farmers are being advised to diversify their operations. Is it time for us also to be considering a program of diversification?

We present these issues to you in the hope that you will give them your careful consideration 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



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

REPORT OF THE GENERAL MANAGER ON THE 1971-72 CROP YEAR

Gentlemen:

The 1971-72 season was a dynamic one for Alberta Wheat Pool — one filled with a number of highly eventful developments and accomplishments:

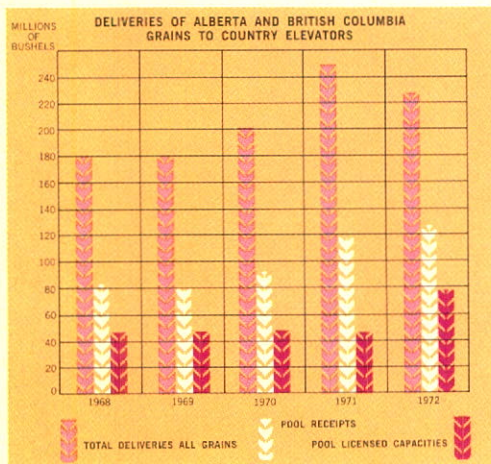
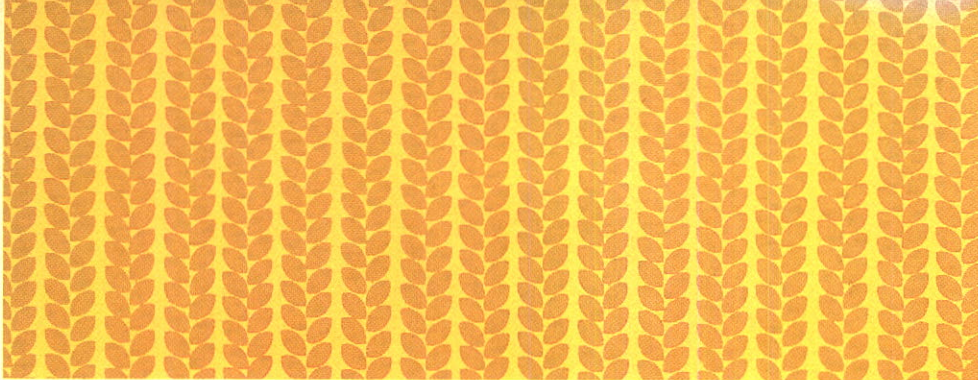
- On March 16, 1972 the grain assets of Federal Grain Limited were acquired by Alberta Wheat Pool, Saskatchewan Wheat Pool and Manitoba Pool Elevators. In this transaction Alberta Wheat Pool acquired all country facilities in Alberta and British Columbia, plus two-thirds ownership of Pacific Elevators Limited, the second largest grain terminal complex in the Port of Vancouver. This move places additional facilities in the hands of Alberta producers and strengthens their position in owning and controlling Alberta's largest home-grown business. The purchase provides the Organization with a broader base for better service to member-owners.
- Record grain handlings were achieved, supported by improved export demand and made possible by the acquisition of additional facilities.
- Despite rising costs and the hold-the-line approach on handling and storage tariffs, your Organization can once again submit one of its most favourable financial reports.
- A recovery in demand for fertilizer and a strong market for agricultural crop chemicals resulted in sizeable increases in volumes marketed by the Pool and gains in market penetration.
- Continuous updating of management techniques has taken place, culminating in the implementation of the "management by objectives" approach and a more comprehensive and computerized system of cost control.
- Long-term planning continued throughout the year in recognition of the need to deal with rising costs and changing conditions. As a result, an active program of rationalization was pursued consistent with producer needs and employee welfare.

These and other developments in the year's operations will be dealt with in detail in the following report:

General Crop and Market Conditions

Improved export demand for Canadian grain, resulting in record overseas shipments, was an encouraging highlight of 1971-72. Canadian producers delivered over 937 million bushels of grain, a sharp increase from 785.3 million bushels a year earlier. A bright spot this year was that wheat deliveries totalled 513.5 million bushels, up substantially from the 384.3 million delivered last year. Record delivery levels for rapeseed and barley were set for the second consecutive year as barley deliveries reached 292 million bushels, up about 56 million bushels from 1970-71 and rapeseed deliveries were 64.3 million bushels compared to 61.5 million last year. In general, the improved marketing conditions contributed to a reduced level of farm-held stocks of wheat, oats and barley.

Generally excellent soil moisture conditions characterized the beginning of the crop year in Alberta and some delays were experienced in seeding. In addition, cool weather delayed weed growth and heavy rains in June and early July caused some crop damage making weed



spraying difficult. Prospects throughout most of the year remained generally good, except in southern areas where some deterioration occurred due to dry weather in the latter part of the summer.

The south completed harvest comparatively early, but rainy and cool weather in northern and central regions caused harvesting to proceed sporadically in those areas. However, by the middle of October, harvesting in Alberta was virtually completed.

Alberta's grain production totalled 475.5 million bushels, with rapeseed production at 32 million bushels, setting an all-time record. Wheat production was up sharply to 91 million bushels from 72 million bushels a year earlier. Flax production declined from over 11 million bushels last year to about 3.5 million this year.

Country Operations

Alberta Wheat Pool handled 129,550,690 bushels in 1971-72 representing 56.82% of deliveries in Alberta and British Columbia—an all-time high. The establishment of non-cumulative quotas by The Canadian Wheat Board was instrumental in maintaining a uniform flow of grain through country elevators all year. Generally, space was available in most facilities to accept grain when delivered. At the beginning of the crop year, approximately 80% of the Pool's country elevator working capacity was filled. Steady heavy volume shipments throughout the year resulted in only 46% of our working capacity being utilized in May of 1972 and approximately 50% of our increased working capacity was filled at the end of the year.

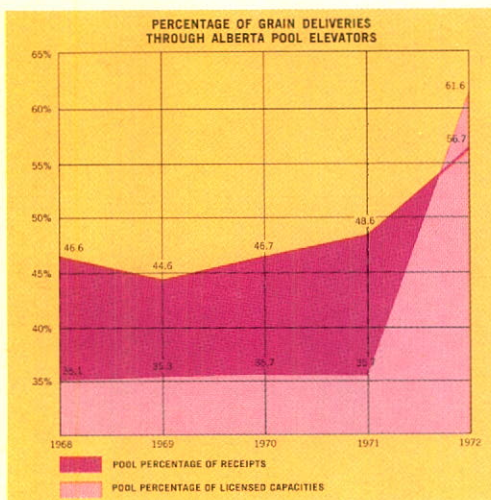
During the year three Elevator Managers handled in excess of one million bushels, nine handled over 700,000 bushels and 44 handled in excess of 500,000 bushels.

The results of weigh-ups which were taken at 256 stations reflected a net overage of .152%. This indicates a high degree of operational efficiency on the part of our Elevator Managers which, along with other tangible factors such as good public relations and effective service to members, represents a job well done. The Elevator Managers who came to us from Federal Grain Limited have exhibited the same qualities.

The acquisition of the Federal Grain Limited country facilities necessitated a realignment of Travelling Superintendents' territories. Four new territories were established to bring the total for the country system to 24. Divisional Superintendents' responsibilities were also adjusted as a result of the changes in the country.

Planning continued during the year and a total of 21 elevators were closed on July 31, 1972 with the objective of consolidating storage capacity at the most economically viable points. Stocks from 11 elevators that had previously been closed were shipped out.

Our sales program continued to produce satisfactory results in spite of some difficulties encountered throughout the year. Main problems were unsatisfactory price levels on non-Board grain, difficulties in maintaining a share of port and transportation facilities for this grain and the extreme weather conditions experienced in the Rocky Mountains from January through March.



Sales of malting barley compare favourably to the previous year and were divided about equally between domestic and export. Sales on the domestic British Columbia market from Alberta increased over last year with wheat accounting for the greatest percentage due to the short supply in the Peace River bloc of British Columbia. We were able to increase our share of the export market in flax and rapeseed sold through Vancouver.

Sales of screenings at Vancouver remained high and included substantial quantities of pellets manufactured by the new pellet plant installation in the Vancouver terminal.

Activities of our Sales Department were considerably expanded with the Federal acquisition since new responsibilities in selling for those parties signatory to a Shipping Agreement for Pacific Elevators Limited are now required.

Our contract with the distillery industry again proved most satisfactory in 1971-72. Operations were handled through an elevator in southern Alberta that is licensed as a processing unit. During the year, Alberta Wheat Pool marketed corn grown in the southern sector of the Province, as well as buckwheat, mustard and sunflower seed. Contracts were completed with Alberta producers for the growing of Soft White Spring Wheat for mill requirements in both western and eastern Canada.

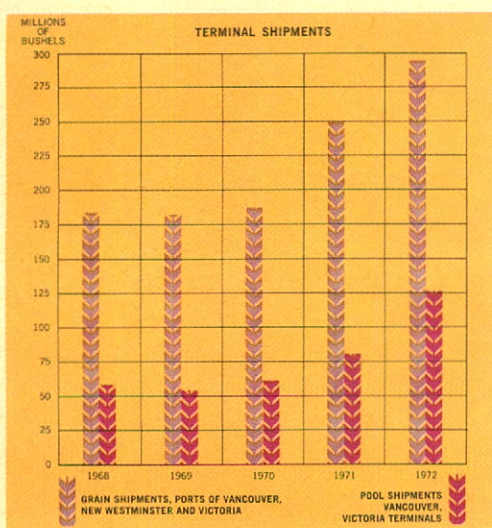
Reflecting the high demand for grain under the heavy sales commitments, wheat quotas at the end of July, 1972 were nine bushels, oats 12, barley 40, flax 15, rye 30 and rapeseed 12 bushels per acre.

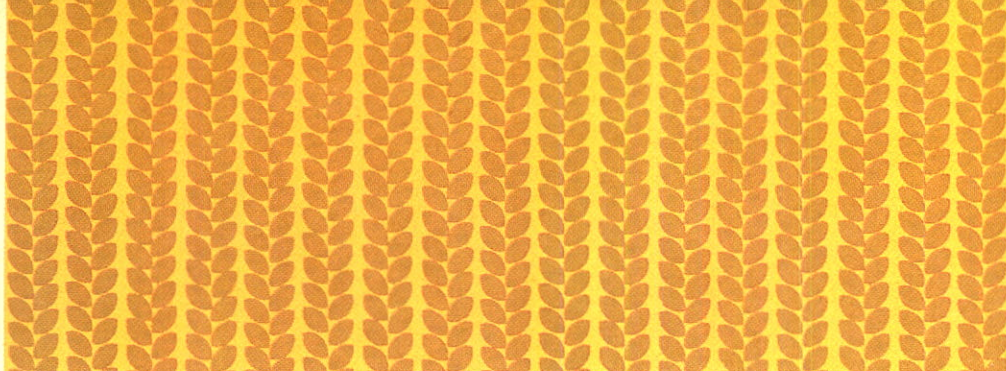
Terminal Operations

Record Canadian grain exports during the 1971-72 season resulted in Pacific Coast ports clearing 307.8 million bushels of which 213.7 were wheat, 50.3 barley, 9.6 flax, 6.3 rye and 27.6 rapeseed. The comparative total for last year was 260.7 million bushels. With the exception of rapeseed, new export records were set.

Pooling of wheat and barley unloads was in effect for all of the season at Vancouver and while this system assists in maximizing unloads in the Port, there have been some operational difficulties. With the advent of protein segregation, it is sometimes necessary to draw on supplies from specific points on certain railway lines to obtain the required protein level. This level cannot always be achieved under the pooling arrangement. In addition, there can be problems in scheduling cleaning of variable unload patterns.

Through the acquisition of Federal Grain Limited, Alberta Wheat Pool has two-thirds ownership of Pacific Elevators Limited and currently has responsibility for management of these facilities. When the Alberta Wheat Pool terminal, Pacific Elevators Limited and Victoria Elevator Limited are running to capacity, the three terminals are capable of unloading 550 cars in 24 hours. This rate of unload requires 24-hour cleaning, seven days a week and an uninterrupted supply of vessels. Achievement of maximum capacity emphasizes the need for complete co-ordination of the railways, terminals and ocean shipping. Both railways are steadily increasing the number of hopper cars used in grain service, greatly facilitating terminal efficiency. The Alberta





Wheat Pool terminal has some of the most up-to-date unloading facilities for hopper cars in the Port of Vancouver.

The terminal received 80.1 million bushels of grain in 1971-72 compared to 68.9 million in 1970-71. In line with these record receipts, shipments totalled 79.3 million, compared to 71.9 million in 1970-71, which was another record. Stocks in store at August 1, 1971 totalled 2,853,793 bushels, averaged 3,428,240 bushels throughout the year and were 4,400,122 bushels at July 31, 1972. No problems with congestion or sizeable build-up of stocks occurred at any time in the terminal since export shipments kept pace with receipts throughout the year.

Receipts at Pacific Elevators Limited from March 16 to July 31, 1972 totalled 38.3 million bushels and shipments reached 37 million bushels. This terminal has a large unload capacity and operations so far have been satisfactory.

Victoria Elevator Limited received 9.1 million bushels and shipped 8.8 million, both figures comparing favourably to last year's totals.

A well-coordinated program of preventative maintenance was carried on in the Vancouver terminal during the year. The new dust control system is operating satisfactorily. During 1971-72 construction of a pellet plant was completed and the production from this facility is being sold advantageously by the Sales Department.

Alberta Wheat Pool shipments to Thunder Bay and other eastern destinations for 1971-72 amounted to approximately 32 million bushels compared to 36 million bushels the previous year. This total includes a substantial amount of selected barley and some all-rail shipments east.

The pooling of Wheat Board grain at Thunder Bay was in effect all season and resulted in this grain being unloaded in all terminals regardless of billing, similar to arrangements at Vancouver. Vessel shipments from all Thunder Bay terminals in 1971-72 established a record of 571.3 million bushels compared to the previous high of 498.5 million bushels last year.

Shipments to Thunder Bay generated earnings under the Operating Agreement with Manitoba Pool Elevators. The project to upgrade electrical equipment in Pool #9 has now been completed. In addition, flax cleaning facilities have also been improved.

Seed & Fertilizer Division

Gross sales value of all farm supply products in 1971-72 increased by approximately 25% over last year's total and provided net earnings for this Division of \$240,000.

During the year 13,167,000 pounds of forage were purchased and processed. A decline in yields of alsike and red clover, combined with lower prices on all legumes, resulted in a decrease in handling of approximately 3.5 million pounds from last year. The quality of the forage crop was excellent and no difficulty was experienced in meeting grade standards. Export sales of forage were drastically affected by the 10% surcharge applied by the United States on August 16, 1971. This surcharge remained in effect until December 20, 1971 and as many U.S.A. seed companies had obtained their supplies from domestic

sources during this period, Canadian forage exports decreased substantially. Forage sales picked up, however, in early summer of 1972. Another competitive factor in the export forage business is the entry of the United Kingdom into the European Economic Community.

Sale of cereal seed in Alberta in 1971-72 was down considerably and this affected marketing results for the Organization. A contributing factor to this decline was the high quality of grain harvested in the Province which was subsequently used for seeding purposes. Also, municipal seed plants are expanding considerably in the role of seed suppliers.

Fertilizer sales on the prairies in 1971-72 increased by 7.7% to a total of 698,000 tons. Alberta Wheat Pool's sales increased appreciably over 1970-71 levels and we were able to increase our market penetration. A master sales budget was established for 1971-72 which involved commitment from elevator, warehouse and plant managers to achieve sales quotas. Individual performance in attaining these goals was the highlight of the fertilizer sales program.

Alberta Wheat Pool chemical sales in 1971-72 doubled over the previous year. Carbyne sales increased dramatically and sale of seed treatments reached an all-time high. The addition of Treflan to our product line resulted in a very satisfactory sales volume. The entry of Counties into the chemical sales area is a definite market factor and one which could cause some significant changes in future operations.

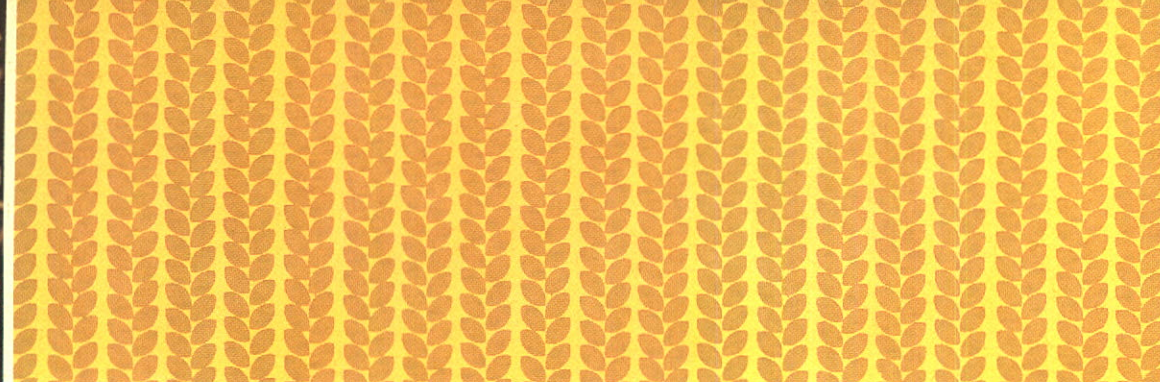
Members continued to obtain financing for farm supplies purchased, through the Organization's credit policy. There are still a large number of outstanding accounts and a great deal of effort was expended during the year in collection work on some of the older outstanding balances.

Training courses for Elevator Managers and Assistant Managers were continued during the year. The booklet, "Management of Forage Crops for Seed Production", was produced and made available to all contract seed growers. Alberta Wheat Pool continues to keep informed on new varieties available at the various research stations in Western Canada.

Subsidiary Companies

Wheat and rapeseed were handled at Victoria Elevator Limited as in the previous year, but less than 10% of the total 9,109,100 bushels was rapeseed compared to over 30% in 1970-71. This was the major factor in the substantial reduction of earnings before taxes which amounted to \$174,578 compared to \$313,829. Operating expenses continue to increase and give cause for concern as revenue tariffs remain static. Payments to the parent organization for screenings, diversion premiums and management fees amounted to \$101,421.

Grain purchased by Interior Feeds Limited to supply the British Columbia feed grain market amounted to 5,484,754 bushels. Due to market conditions, an erosion of prices occurred and this was the major factor in the \$63,494 loss recorded. Prices being paid at year end were \$1.25 for wheat, 50¢ for oats and 76½¢ for barley, compared to the previous year's prices of \$1.36, 65¢ and 88½¢ respectively.



The operation of the two 66% majority-owned British Columbia companies consolidated for the first time was for the period from March 16 to year end. Western Pool Terminals Ltd. owns the Pacific terminal complex and the rental revenues from Pacific Elevators Limited is offset by capital cost allowances and interest payments to the principals for money advanced to purchase the facilities. The excess of income over expenditures of Pacific Elevators Limited is distributed to the shippers in proportion to grain consignments to that terminal.

Properties

On August 1, 1971, the Organization owned 517 country elevators, 654 annexes, 388 seed and fertilizer warehouses, six anhydrous ammonia fertilizer facilities, four seed cleaning plants, 395 dwellings and 13 coal and flour sheds. With the purchase of the grain assets of Federal Grain Limited, Alberta Wheat Pool acquired 422 country elevators, 588 annexes, 384 seed and fertilizer warehouses, 233 dwellings, 48 coal and flour sheds and one large warehouse. During 1971-72 Alberta Wheat Pool construction crews built two elevators, two annexes, four seed and fertilizer warehouses and ten dwellings. Two seed and fertilizer warehouses and four dwellings were purchased. Nine car movers and three dust collectors were installed at country elevators during the year. Eight elevators were dismantled, another eight sold; five annexes were dismantled and three sold; and 19 dwellings were sold. Fires at Penhold and Trochu destroyed two elevators, six annexes and a seed and fertilizer warehouse. Consolidation of country facilities continued during the year and, as a result, 21 elevators, along with 17 annexes, were closed and the licenses cancelled. The values of these structures were deleted from the asset accounts. Country properties were maintained in effective operating condition through a planned maintenance program.

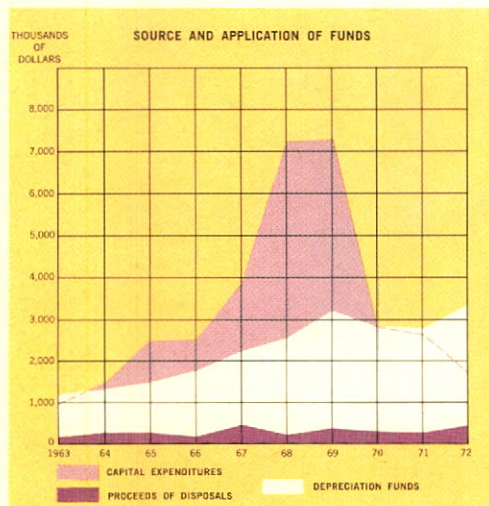
Assets owned as at July 31, 1972 include 899 elevators, 1,215 annexes, four seed cleaning plants, 777 seed and fertilizer warehouses, 11 anhydrous ammonia installations, 629 dwellings, 61 coal and flour sheds, two large supply warehouses, three terminal elevators, an office building and a parking lot. Total licensed country capacity is 78,988,000 bushels.

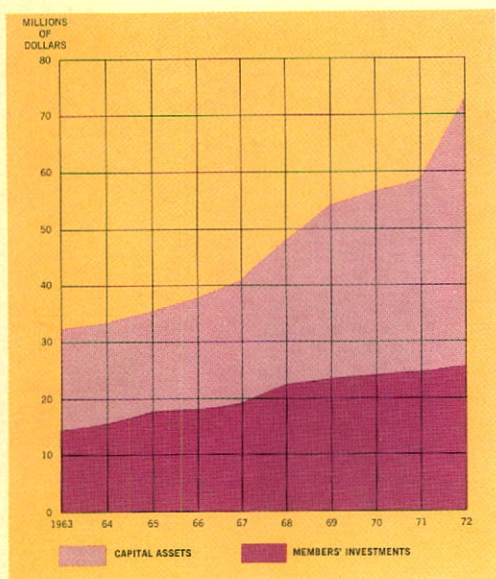
Operating Results

Consolidated earnings were \$6,066,759 before taxes. This includes Alberta Wheat Pool, its wholly-owned subsidiaries, Victoria Elevator Limited and Interior Feeds Limited and the two companies owned jointly with Saskatchewan Wheat Pool — Western Pool Terminals Ltd., owner of the Pacific terminal complex, and Pacific Elevators Limited, operator of these facilities.

Reduction in country elevator stocks during the year decreased storage revenues and expenses continued to climb reflecting continuing inflationary trends. Consistent with previous years, capital cost allowances have been taken at normal permissible rates and were \$2,891,224.

Distribution of previous year's earnings complying with wishes of the Delegate body was made up of \$2,014,572 in cash and \$3,887,312 credited to members' reserves. Revolving of reserves continued with





purchases of \$2,974,236 from estates, members who have retired from farming and from members who joined the Pool from 1939 to 1942. The reserve structure increased to \$25,798,207 supporting the facilities and other assets owned by the members.

Administration

The administrative function of Alberta Wheat Pool experienced a number of changes this year. These were necessitated by increasing complexities and the takeover of Federal Grain Limited's facilities. Management's concern is to explore every opportunity to increase potential earnings and minimize cost and yet maintain needed services. Effective cost control is essential in the day-to-day activities of the Organization.

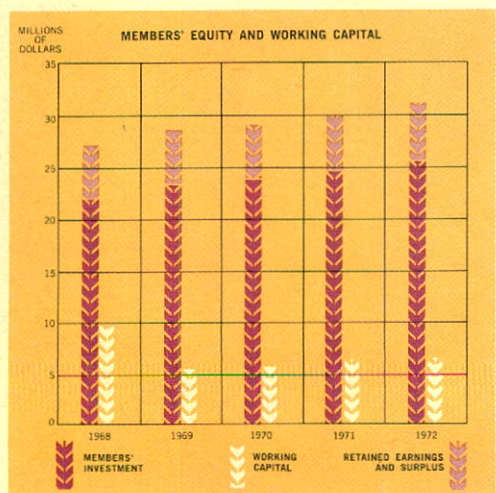
Increased long-range planning was accomplished during the year and is an on-going commitment, particularly in view of economic and social implications within the industry. The "management by objectives" concept was initially instituted with senior management and supervisory personnel this year. This approach involves participation in setting objectives, obtaining commitment for the accomplishment of these objectives and follow-up in attaining results.

Extensive systems analysis is in progress within our Organization and the industry in order to determine the most effective way to serve the membership.

Alberta Wheat Pool's assumption of the management of Pacific Elevators Limited at Vancouver and the increasing importance of the function of the Winnipeg Office, primarily in our contacts with The Canadian Wheat Board, The Canadian Grain Commission, The Winnipeg Commodity Exchange, malting companies and international merchants, necessitated the acquisition of additional office space at both places.

Federal Grain Limited had 303 country Elevator Managers and Assistant Managers in Alberta and British Columbia on March 15, 1972. We retained 156 as Elevator Managers and 40 as Assistant Managers. In addition, we hired three Travelling Superintendents as Elevator Managers, nine plant employees, eleven in construction and four in Head Office.

An imaginative and competent staff is of inestimable value to any business enterprise. Your employees are to be commended for the manner in which they carried out their respective duties during the year and as General Manager, I would like to express sincere appreciation for the diligence, good judgment and objective approach with which employees in all departments applied themselves to the complex task of the takeover of Federal Grain Limited. The smoothness with which this takeover was accomplished makes it possible to plan future organizational undertakings with confidence.



Respectfully submitted,

J. W. Madill
General Manager

ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

July 31, 1972 and 1971

ASSETS

Current:	1972	1971
Cash in banks, on hand and in transit	\$ 1,381,709	\$ 1,137,410
Stocks of grain (Note 3)	44,820,604	47,342,390
Stocks of seed, fertilizer and supplies (Note 4)	3,489,212	2,353,517
Accounts receivable	10,692,034	8,480,033
Accrued items receivable	473,749	197,708
Prepaid expenses	878,079	627,333
Total current assets	<u>61,735,387</u>	<u>60,138,391</u>
Fixed—at cost: (Note 2)		
Buildings, sites, operating machinery and equipment	72,510,552	58,849,538
Less accumulated capital cost allowances	39,426,598	36,885,579
Net fixed assets	<u>33,083,954</u>	<u>21,963,959</u>
Investments—at cost:		
Shares and bonds of affiliated companies	8,575,700	8,566,400
Grain Exchange memberships and trade associations	11,385	11,152
Co-operative associations	2,580	2,555
	<u>8,589,665</u>	<u>8,580,107</u>
Other:		
Deferred accounts receivable	1,113,139	1,113,080
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)	841,814	—
	<u>2,110,373</u>	<u>1,268,500</u>
	<u>\$105,519,379</u>	<u>\$91,950,957</u>

See accompanying notes

LIABILITIES

Current:	1972	1971
Outstanding cheques, cash tickets and orders	\$ 9,390,974	\$ 9,675,688
Bank loans (secured)	18,245,000	25,695,000
Call and short term loans	7,265,900	6,720,900
Accounts payable and accrued charges	6,741,856	3,476,236
Staff savings	1,981,379	1,958,493
Due to Federal Grain, Limited	3,495,505	—
Current maturities of long term debt	1,611,867	—
Net earnings—current year less estimated minimum income tax (Notes 5 and 6)	5,953,422	5,993,640
Total current liabilities	<u>54,685,903</u>	<u>53,519,957</u>
 Term Loans from Members and Co-operatives (Note 7)	 8,096,305	 8,214,916
 Long Term Debt (Note 8)	 <u>11,508,267</u>	 <u>—</u>
 Reserves and Surplus:		
Reserves		
Authorized	<u>\$30,000,000</u>	
Issued to members—		
Members' investments	25,798,207	24,881,339
Earnings retained from prior years		
Appropriated (Note 9)	1,000,000	1,000,000
Unappropriated (Note 10)	4,430,697	4,334,745
	<u>31,228,904</u>	<u>30,216,084</u>
 Commitments (Note 11)		
	 <u>\$105,519,379</u>	 <u>\$91,950,957</u>

See accompanying notes

ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF OPERATIONS

Years ended July 31, 1972 and 1971

	1972	1971
Operating revenues	\$28,012,550	\$25,620,784
Deduct:		
Elevator and seed plant operating expenses	9,111,559	7,501,654
Office, administration and supervisory expenses	4,699,768	4,188,777
Terminal elevator operating expenses	3,385,070	2,978,694
Interest—net	1,971,507	2,393,644
Capital cost allowances	2,891,224	2,564,375
	<u>22,059,128</u>	<u>19,627,144</u>
Net earnings for the year	<u>\$ 5,953,422</u>	<u>\$ 5,993,640</u>

CONSOLIDATED STATEMENT OF EARNINGS RETAINED FROM PRIOR YEARS

Years ended July 31, 1972 and 1971

	1972	1971
Unappropriated		
Balance at beginning of year	\$ 4,334,745	\$ 5,229,560
Add:		
Earnings from previous year before income taxes	6,060,905	4,023,297
Gains arising from disposal of properties (Note 10)	50,469	34,932
	<u>10,446,119</u>	<u>9,287,789</u>
Deduct:		
Patronage refunds—		
In cash	2,014,603	1,361,662
In members' investments increased	3,877,368	2,488,353
	<u>5,891,971</u>	<u>3,850,015</u>
Income taxes paid on previous years' earnings	123,392	103,037
Sundry adjustments	59	(8)
Appropriation in respect of investment in Western Co-operative Fertilizers Limited	<u>—</u>	<u>1,000,000</u>
	<u>6,015,422</u>	<u>4,953,044</u>
Balance at end of year	<u>\$ 4,430,697</u>	<u>\$ 4,334,745</u>
Appropriated		
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, 1972 and 1971

	1972	1971
Working capital at beginning of year	\$ 6,618,434	\$6,095,795
Sources of working capital:		
Prior year's earnings after income taxes	5,980,564	3,946,667
Deduct:		
Patronage refunds paid in cash	2,014,603	1,361,662
Members' reserves purchased	2,960,656	1,602,128
	4,975,259	2,963,790
Prior year's earnings retained	1,005,305	982,877
Current year's capital cost allowance not involving an outlay of funds	2,891,224	2,564,375
Proceeds on disposals of fixed assets	440,964	251,711
	4,337,493	3,798,963
Applications of working capital:		
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	—
	13,510,233	—
Less long term debt incurred or assumed	13,120,134	—
	390,099	—
Other additions to fixed assets	1,733,198	2,706,089
Increase in investments	9,558	168,475
Increase in deferred accounts receivable	59	120,638
Decrease in term loans from members and co-operatives	118,611	254,714
Adjustment of prior years' income taxes	43,051	26,408
Current maturities of long term debt	1,611,867	—
	3,906,443	3,276,324
Working capital increase during the year	431,050	522,639
Working capital at end of year	\$ 7,049,484	\$6,618,434

See accompanying notes

ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 1972

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

2. On March 16, 1972 Alberta Wheat Pool purchased certain assets and assumed certain liabilities of Federal Grain, Limited as follows:

Stocks of grain, seed, fertilizer and supplies	\$21,811,474
Buildings, sites, operating machinery and equipment	12,668,419
Goodwill	857,900
Long term debt assumed	(6,707,634)
	<u>\$28,630,159</u>

Goodwill is being amortized over a period of ten 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:

—National Harbours Board 6½ % mortgage repayable in annual instalments of \$462,918 including interest (secured by buildings and equipment)	\$ 5,581,905
—6¾ % bank loan repayable in annual instalments of \$1,350,000 plus interest (secured by inventories)	6,412,500
—Advance payable to the Saskatchewan Wheat Pool	1,125,729
	<u>13,120,134</u>
Less current maturities	1,611,867
	<u>\$11,508,267</u>

Repayments of long term debt in the next five years will be as follows:

1973 — \$1,611,867; 1974 — \$1,449,286; 1975 — \$1,455,863; 1976 — \$1,462,877 and 1977 — \$964,105.

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

9. Western Co-operative Fertilizers Limited has incurred operating losses with the result that Alberta Wheat Pool's investment of \$9,006,406 (shares, bonds and deferred accounts receivable) exceeds the underlying book value of the related assets of Western Co-operative by approximately \$1,000,000. Accordingly, an amount of \$1,000,000 has been appropriated from retained earnings in respect of the 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. It is the practice of the Company to credit or charge gains and losses on disposal of fixed assets directly to surplus rather than operations.
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 \$1,107,000 at July 31, 1972.

Certain facilities are being leased from other parties under long term agreements at rentals approximating \$66,000 annually.



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, 1972 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 Alberta Wheat Pool and subsidiary companies at July 31, 1972 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 30, 1972.

Blackburn, Gordon & Co.
Chartered Accountants.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

DIRECTORS' REPORT

1971-72

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

Gentlemen:

This report submitted by your Board of Directors for the year ending 31st July 1972, is a review of major events of the last twelve months which have a bearing on the agricultural economy of the prairie provinces.

The things discussed are matters of common concern to the shareholders of Canadian Co-operative Wheat Producers. The report includes information on production, delivery, domestic and export marketing of grains and reviews these factors in the context of the international food situation and world developments in grains.

Attached to this report are statistical tables which are referred to in the text and which give general information of help to the reader in assessing the health of the prairie agricultural economy.

The crop year 1971-72 saw most previous records in the grain industry surpassed.

For the three prairie Wheat Pools the year will be remembered as a period of expansion through the acquisition of the grain and farm supply facilities of Federal Grain Limited. Year end figures would indicate that your organizations have retained excellent member support and patronage as a result of this increase in facilities and service.

Record grain sales and continued advances in livestock production resulted in record gross cash receipts on farms. Unfortunately this trend was not evident in net returns as grain prices remained depressed and farm operating costs continued to rise.

Grain Production in Canada

The Canadian wheat crop is estimated at 526.2 million bushels this year, about one per cent lower than the 529.6 million bushels produced in 1971.

Tables 1 and 2 attached to this report, give detailed information on acres, yields and production for Canada and the prairies.

The lower production resulted from a 10 per cent decrease in yield per acre this year, which offsets a 10 per cent increase in acreage. The ten-year average for wheat production between 1960-69 was 609.5 million bushels.

For other grains the 1972 production is generally forecast to be lower than that of 1971, but higher than the 1960-69 ten-year average.

The Statistics Canada estimate of crop production at 15th September 1972 said the barley crop was forecast at 511.4 million bushels, 15 per cent below last year's production of 601.6 million, but well above the 1960-69 average of 233.4 million.

Production of oats for grain was forecast at 293.7 million bushels, 19 per cent lower than last year's 363.5 million. The 1960-69 average was 378.1 million bushels.

Combined production of spring and fall rye is estimated at 13.6 million bushels, 38 per cent below the 1971 crop of 21.9 million, but slightly above the 1960-69 average of 13.2 million.

Oilseed crops also showed the general decrease in production with rapeseed totals of 58 million bushels compared with 1971 production of 95 million bushels. Flaxseed crops are now forecast at 18.5 million bushels, 17 per cent below last year's total of 22.3 million.

Manitoba is expected to produce 69 million bushels of wheat compared with 74 million in 1971. Saskatchewan will produce 324 million bushels compared with 345 million last year and Alberta will yield 113 million bushels compared with 1971 production of 91 million.

Deliveries from Western Farms

Farmers' marketings of 937.4 million bushels for the major grains were 152 million bushels greater than the previous crop year and surpassed the long-standing record of 844.9 million marketed in 1952-53.

Record deliveries were established for barley, 292.2 million bushels, and for rapeseed, 64.3 million bushels. (Table 3.)

Canadian Grain Exports

Exports of Canadian wheat and flour, oats, barley, rye, flaxseed and rapeseed totalled a new all-time high of 817.6 million bushels, 120 million over the previous year's record figure. Record high export figures were established for barley, 224.3 million and for flaxseed, 25.7 million. All grains exported were in excess of the figures established on a ten-year average. (Table 7.)

Attached Tables 8, 9 and 10 provide information on grain exports, port handlings, and

destinations of exports by major regions and countries. It will be noted that China, Russia, Japan and the United Kingdom emerged in that order of importance as customers for Canadian wheat in the year under review.

Canadian Grain Stocks in Store

Canadian grain stocks at 31st July 1972 were 8 per cent below carryover figures for the year previous, with the major reduction being in wheat. Carryover stocks were estimated at 974.9 million bushels, compared with 1,064.1 million bushels for the previous year.

The wheat stocks at 589.3 million bushels were nearly 21 per cent below the 744.2 million bushels on hand at 31st July 1971.

Declines also occurred in oats, from 125.4 million bushels to 118.3 million bushels, and in flaxseed, from 26.6 million to 16 million bushels. The barley carryover increased from 144.3 million bushels to 194 million, rye from 12.7 to 15.5 and rapeseed from 11 to 41.8 million bushels. (Table 4.)

Tables 5 and 6 give estimates of the amount of grain stocks held on Canadian and prairie farms at 31st July 1972. Approximately 94 per cent of this year's farm-held stocks was located in the prairie provinces with two-thirds of the total being on Saskatchewan farms.

Transportation and Handling

Your member organizations co-operated fully with The Canadian Wheat Board and its Senior Transportation Committee, and with co-ordinators at Thunder Bay and Vancouver, in attempting to meet targets for grain movement imposed by the aggressive sales program of the Board and its agents.

Under these conditions, problems which emerged, or weak links in the system, loomed large and received immediate attention by the press and the public.

The winter months saw an unusually heavy snowfall in the Rockies, which repeatedly blocked or slowed the western grain movement. The target of 800 cars per day was seldom reached during this period. Congestion at the Port of Vancouver was further aggravated by the diversion of both grain and general cargo ships north from the U.S. Pacific Coast ports because of a prolonged strike of longshoremen in that area. Critical remarks flew fast and furious from many ill-informed sources as a multitude of diverse solutions were offered to correct the costly bottleneck.

A statement from the Hon. Otto E. Lang on 26th March 1972 helped to place a very confused situation in clearer context:

"Notwithstanding that there are current difficulties in the West Coast movement arising primarily from extraordinarily severe weather conditions in the mountains, I would point out that Canada exported record quantities of grains

and oilseeds in the past crop year, and that these records are expected to be surpassed during the current crop year.

"This means that there will be a record volume of grain moving out through Vancouver as well as through other facilities in eastern Canada. Every possible step is and will be taken in order to ensure that transportation and handling capacity will be available to match these record sales opportunities.

"It should be noted that, notwithstanding the difficulties of weather, at March 1, export levels out of the West Coast were almost exactly 25 per cent higher than last year at the same time, and a record movement was established last year."

Commencing in January 1972, a new departure was made from the regular pattern of winter grain movement by using special unit grain trains to carry out direct rail shipments to St. Lawrence ports from Thunder Bay to enable The Canadian Wheat Board to make additional export sales in March and April. However, as worsening winter conditions in British Columbia cut down rail shipments into West Coast ports, substantial quantities of the grain railed to St. Lawrence ports were used to meet export contracts diverted from Vancouver.

The Thunder Bay-St. Lawrence direct rail program was undertaken at no extra cost to prairie farmers. The difference between water and rail movement from Thunder Bay was paid by the Federal Government at a cost of approximately \$1.3 million. A total of 10.7 million bushels of wheat and barley were moved during the 11-week program.

An expansion of last year's program of loading at country elevators, six days a week on a planned basis, was worked out by railways and elevator officials providing a detailed Saturday loading schedule for terminal shipments.

In Eastern Canada a work stoppage by longshoremen halted all movement of grain and general cargo through the ports of Montreal, Trois Rivières and Quebec City for a seven-week period in May and June. The worst impact of lost movement of grain was largely avoided by quick action in diverting grain to other ports.

Another experimental program was launched in the months of June and July in Saskatchewan, in the use of government-owned inland terminals at Moose Jaw and Saskatoon to ship trainloads of feed barley to terminals for export. The barley was moved under Federal Government contract by truck transports from country elevators in a seventy-mile radius of the two terminals. Approximately 5 million bushels of barley in total was cleaned to export standards at the two terminals. The Federal Government assumed all extra costs in this experiment.

Late in the grain year the Government of Canada announced the calling of tenders for 2,000 new hopper grain cars, to be paid for by the government, and managed by The Canadian Wheat Board exclusively in the movement of western grain. Your Board had specifically asked the Government of Canada for action of

this kind, and in addition has urged that the government take whatever steps are necessary to assure the kind of rail facilities and services which will provide continued grain movement through the Rockies under adverse conditions, such as those experienced this past year.

Farm Income and Farm Policies

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

However, net income for individual farmers still remains the prime problem. Despite high gross receipts, the net remained low because prices received for many farm commodities, especially grains, were lower than in previous years, and because costs of goods and services used by farmers in their farming operations were much higher.

The international situation, if anything, tended to worsen the income position of prairie grain producers. Many countries continue to support their own domestic agriculture, and to subsidize their exports to the extent that many make little attempt to maintain prices on the export market. The absence of pricing factors in the present International Wheat Agreement adds to the problem.

Meantime, farmers continued to seek improvements in their production practices, seek to increase their productivity and to experiment with alternative enterprises. Self-improvement opportunities however are limited and moves by prairie farmers to expand their livestock enterprises as an alternative to grain, traditionally poses problems for farmers in other parts of Canada.

World Food Situation

Figures released to the 16th Conference of FAO held in Rome, Italy in May 1972, shows world population estimated at 3.6 billion, with about 2.5 billion of this total living in nearly one hundred developing countries. Because of the predominance of agriculture in most of the less developed economies, the farm sector has a key role in economic development, especially in the initial stages.

In poor countries, where most of the people are engaged in agriculture, it is barely possible to keep pace with the food needs of their expanding population.

For many of these countries, food is one of the largest imports, and a large part of these imports are supplied either through grants or concessional sales.

The Tanzanian Minister of Agriculture, Mr. D. N. M. Bryceson, expressed his concerns when he said that his country's agriculture continued to be depressed by fluctuating and generally weaker prices for its own produce

while production costs increased because of rising prices for essential inputs.

Dr. Lleras Restrepo of Colombia, in presenting the final report of FAO's Special Committee on Agrarian Reform, said that in most developing countries, agrarian reform is a necessary complement to the Green Revolution. In commenting on the disparity of growth between different regions of the world, he said "agrarian reform is an indispensable step toward alleviating this growing imbalance."

Dr. Ojala, Assistant Director-General, in charge of the FAO Economic and Social Affairs Department, discussed some aspects of the "Green Revolution", the name "commonly and perhaps prematurely" given to recent technological advances in cereal production in developing countries. He noted significant production gains between 1967 and 1970 for wheat and rice in India, Pakistan, the Philippines and Ceylon. He added,

"The fabric of this progress in the developing world as a whole remains fragile, and its base narrow, both geographically and in terms of commodities. In 1971, India again had a good year, but there were setbacks in Ceylon, Pakistan and the Philippines, with the latter country again importing rice after being self-sufficient since 1967. For the first time in the history of the high-yielding varieties program, an important reason for the setback in the Philippines, was a major outbreak of disease among the new rice varieties, an eventuality that had been feared from the start."

Against this background the 125 leaders of delegations made these proposals:

- That the closely linked problem of production and trade could best be solved in an international framework under which countries were better able to take account of the effects of their production decisions on each other to plan their production and trade policies over a longer period, and to share the burden of change fairly.
- That FAO had an important role to play in the identification of international commodity trade problems and in the consideration of possible measures for dealing with these problems. While more general measures should be explored, the main approach to commodity problems in FAO should continue on a commodity-by-commodity basis.
- A number of delegations pointed out the paradox whereby many developed countries had cut down their output, while the majority of developing countries had difficulty in sufficiently accelerating agricultural production. Some delegations stressed the problems their government faced in trying to stabilize production, because of the heavy costs involved and the complicated social and economic considerations which had to be taken into account.
- The Conference noted that the specific UN Second Development Decade targets for agriculture were for an average growth rate of not less than four per cent a year in agricultural production in developing countries, as well as improvements in such areas as international trade, employment and nutrition. The Conference agreed that there were reasonable prospects of achieving these goals, provided that, at least, three prerequisites were met:
 - (a) acceptance by the developing countries that the prime responsibility lay with them;

- (b) provision of adequate aid from developed countries;
- (c) creation of conditions which allowed developing countries to increase their exports dynamically.

International Grain Trade

As a result of the continued strong demand for grains from the Soviet Union, Eastern Europe, China and Japan, the recovery in international trade noted in the latter months of 1971 has continued into 1972. The volume of exports recorded for 1971-72 by the main exporting countries is now estimated to be about 4.5 per cent greater than a year earlier.

The strong demand for feed in Europe and Japan has led to a big expansion in international trade in corn this season. Exports recorded for 1971-72 are over 20 per cent higher than a year earlier. Argentine exports benefited earlier in the season from the reduced American supplies following the smaller 1970 harvest and they have continued to flow at a substantial level, with especially large shipments to Spain and Chile; over the first eleven months of the season the trade was almost 10 per cent higher than in 1970-71.

Exports of wheat and wheat flour recorded in 1971-72 by the eight main exporting countries have recovered sharply in recent months and are now estimated to be less than one per cent below last season's level. International trade in barley in the first months of 1972 has been rather slower than a year earlier so that aggregate shipments recorded for the 1971-72 season by the nine main exporters are estimated to be some 15 per cent below their level last year.

Trade in oats continues to run at about a third below its last year's level, with sharply reduced consignments from the United States and Canada, though the fall has been partially offset by an expansion in exports from Sweden which is the biggest shipper so far in 1971-72. Trade in rye continues to be over 50 per cent higher than last season, reflecting big sales by Canada to Japan and moderate recovery in exports from the United States which were negligible in 1970-71.

The 1971-74 International Wheat Agreement

There are no maximum and minimum price provisions in the 1971-74 International Wheat Agreement, but there is a provision (Article 21) that the participating countries may negotiate pricing provisions during the term of the Agreement. At the latest meeting of the International Wheat Council in Tokyo, 5th-11th July 1972 the decision was made not to proceed at this time with such negotiations. Three major reasons given were:

1. International currency instability.
2. Enlargement of the EEC now underway by the inclusion of the United Kingdom, Denmark, Ireland and Norway.
3. The nearness of the beginning of a general multilateral trade negotiation early in 1973.

Whatever the merits of these reasons, the time element now constitutes an additional obstacle to negotiation of pricing provisions. In order to have pricing provisions in force for the 1973 crop (to be marketed from 1st July 1973 through the remainder of the current Agreement's term 30th June 1974) negotiations would need to be concluded early in 1973.

In May and September 1972, eleven major U.S. and Canadian farm organizations, meeting in St. Paul, Minnesota, charged that their farmers are not benefiting fully and fairly from the present record world grain sales. World wheat prices have been low since 1967 because of the lack of effective price provisions in the last two international wheat agreements. This lack of international co-operation is responsible for prices to farmers remaining at low levels despite the present high export demand.

The farm organizations called on their two governments to act immediately to get an agreement by importing and exporting countries on wheat prices that would assure adequate returns to producers. Such price provisions would be added to the present international wheat agreement which ends in mid-1974.

The farm leaders said that farmers must have a major voice in the negotiation of the next agreement and in the general negotiations for freer world trade scheduled to begin in 1973.

They recommend inclusion in a new agreement of the following provisions:

1. Coverage of both wheat and feed grains.
2. Minimum and maximum prices at levels fair to farmers.
3. Maintenance of grain reserves to meet emergency needs.
4. Measures to expand purchasing power for food in the developing world.
5. Co-ordination of domestic farm programs to improve management of world grain supplies.
6. Reduction of barriers against international grain trade.
7. Food aid.

Organizations represented were the Canadian Federation of Agriculture, National Farmers Union of Canada, United Grain Growers, Manitoba Pool Elevators, Saskatchewan Wheat Pool and the Alberta Wheat Pool from Canada; and from the United States the National Grange, National Farmers Organization, National Association of Wheat Growers, the Farmers Union Grain Terminal Association, and the National Farmers' Union.

Income Tax and Canadian Co-operatives

Your Board is pleased to report that during the year Canadian co-operatives finally convinced Parliament and the Government of Canada, that there had been no logic or fairness for nearly half a century in the existing laws regarding taxation of co-operatives. The new Income Tax Act, which became effective on 1st January 1972, provides for the first time in the history of Canadian income tax legislation, the taxation of the income of Canadian co-operatives in a manner which the co-operatives believe to be reasonable, logical and fair.

The main thrust of the new legislation is the end of the old capital-employed formula and the provision that co-operatives can pay out all of their earnings as patronage dividends with a 15 per cent withholding tax on dividends in excess of one hundred dollars.

Your organizations played a significant role in preparing and submitting submissions to government in concert with the Co-operative Union of Canada, and directly to government members, setting out the thinking of the Pools and co-operatives in this regard.

Canadian Federation of Agriculture

The three Pool organizations worked closely through 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 your Secretary represented the organization and the Canadian Federation of Agriculture at a meeting of the Standing Committee on Agricultural Co-operatives of the International Federation of Agricultural Producers, and also attended a World Conference on Agricultural Co-operative Development, sponsored jointly by the International Co-operative Alliance and the Food and Agriculture Organization of the United Nations.

Canadian Co-operative Wheat Producers Limited

It is with a sense of the deepest loss that your Board records, since the last report, the passing of two outstanding leaders in the Pool movement in Western Canada.

Mr. Ben S. Plumer of Bassano, Alberta, passed away at the age of 82 on 18th November 1971.

The history of the farm movement in Alberta is interwoven with the life of Ben Plumer. From 1911 he was active in the United Farmers of Alberta and later a supporter of the Farmers' Union of Alberta.

He was a member of the first permanent Board of Directors of the Alberta Wheat Pool, and served continuously as Director for the Drumheller-Brooks area until his retirement in 1957. He was Chairman of the Board of Directors from 1943 until he retired as the last of the original Directors to hold office.

Dr. William James Parker, died 28th December 1971, in Winnipeg, at the age of 75.

He was President of Manitoba Pool Elevators from 1940 to 1968. From 1930 until his retirement he served as a member of the Board. In 1950, his Alma Mater conferred on him an Honorary Doctor of Laws degree.

Dr. Parker served the farmers of his province in a lifetime of distinguished service to agriculture and education representing them on the Board of the Canadian Federation of Agriculture as an advisor to the Canadian Government

through negotiations towards five International Wheat Agreements and on the Board of Governors of the University of Manitoba.

The officers of Canadian Co-operative Wheat Producers Limited for 1971-72 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 C.C.W.P.

During the year under review your Board renewed its membership in the Great Lakes Waterways Development Association and named Messrs. E. K. Turner and G. E. Franklin as Directors representing Canadian Co-operative Wheat Producers Limited. Mr. Franklin was later elected Chairman by the Association.

Your Board approved continued support for the Canadian Hunger Foundation, the Private Planning Association of Canada, the Canadian Council of 4-H Clubs, and made a special grant to the Canadian Federation of Agriculture towards unusual expenses related to the holding of the International Federation of Agricultural Producers' General Conference in Ottawa, Canada, in 1972.

Interprovincial Pool Meetings

The Boards of Directors of the three Pools held joint meetings as Interprovincial Pool on two occasions during the year. At the January meeting held in Regina, policy suggestions submitted from the Annual Meetings of each organization were reviewed before presentation at the Annual Meetings of the Western Conference and the Canadian Federation of Agriculture. Each resolution was discussed with information being supplied on the intent and action required with respect to implementation.

At the July meeting in Winnipeg, general management of the Pools discussed operations with particular emphasis on the effect of the acquisition of Federal Grain Ltd. during the year under review.

The three Pool Boards reviewed major agricultural policy issues, primarily to improve the understanding of each Board on the thinking of the others and the attitudes of the provincial membership. Discussions were also held with Commissioners of The Canadian Wheat Board and the Canadian Grain Commission. Mr. E. K. Turner, President, Saskatchewan Wheat Pool and Mr. H. Anderson, Director, Alberta Wheat Pool, reported to the Boards on the Canada Grains Council's special study on the marketing of Canadian feed grains. Mr. E. A. Boden, Vice-President, Saskatchewan Wheat Pool and Vice-President of CFA, submitted a report on the findings of a CFA special study committee on domestic marketing of feed grains.

Your Board is of the view that these regular meetings of the joint Boards should continue,

as they provide an important opportunity for improved communication and understanding.

Conclusion

The past year has been a significant one for the three western Wheat Pools. Though obscured by a record volume of grains marketed by farmers, including carryover stocks, the pressure of lower world prices obtained in export and steadily increased costs of farm production inputs continued to depress farm net income on a unit production basis.

The low level of net farm income is a problem of first priority to receive continued consideration by your Board.

Farmers are not benefiting fully and fairly from the present record world grain sales. World wheat prices have been low since 1967 because of the absence of effective price provisions in international wheat agreements. There is an immediate need for international co-operation among all countries to reach agreement on prices that will assure adequate returns to producers. Farmers must be assured a major voice on general negotiations for freer world trade in international negotiations scheduled to begin in 1973.

Your Board recognizes that the additional strength of the prairie Wheat Pools achieved through the current year's acquisition of facilities, bring with it additional responsibilities to provide leadership in development of an improved grain handling system for the future. In this regard, your Board will continue to urge co-ordination and integration of Canada's railway system, so that services and facilities will be improved to meet changing demand without increasing costs to farmers.

Your Board will continue to urge upon the Government of Canada a full recognition of the importance of the grain industry to the economy of Canada and will give high priority to representing the needs of our members in policy councils at home and abroad.

Respectfully submitted,

E. K. TURNER	} <i>Executive</i>
G. L. HARROLD	
H. B. SNEATH	
G. E. FRANKLIN	
J. D. DEVESON	
E. A. BODEN	
D. M. LOCKWOOD	
A. J. MACPHERSON	
O. K. ROSENBERGER	

STATISTICAL TABLES

Table
No.

1. Grain: Acreage, Yield, Production, Canada 1972 and 1971.
2. Grain: Acreage, Yield, Production, Prairie Provinces, 1972 and 1971.
3. Producer Marketings, Prairie Provinces—1967-72.
4. Carryover Stocks of Grain in Canada at 31st July 1970-72, and 1961-70 Average.
5. Farm Stocks All Grains in Canada, 31st July 1970-72.
6. Carryover Stocks of Grain on Farms, Prairie Provinces, 31st July 1972.
7. Exports of All Grains and Wheat Flour, 1971-72, 1970-71, and 10-Year Average.
8. Seaboard Handlings, All Grains, 1971-72—1969-70.
9. Exports of Canadian Wheat by Region and Selected Countries, 1971-72—1969-70.
10. Exports of Canadian Wheat to Major Importers, 1970-72 and 10-Year Average.
11. Farm Cash Receipts from Farming Operations, Three Prairie Provinces, 1969-71.
12. Total Net Farm Income, 1962-71.
13. Prairie Farm Assistance Act, 1970-71, and Totals 1939-40 to 1970-71.
14. Farm Credit Act, Loans Approved, Prairie Provinces.
15. Farm Credit Act, Loans Approved, All Canada.
16. Farm Syndicates Credit Act, Loans Approved 1971-72 and 1967-68 to 1971-72.
17. World Wheat: Acreage, Yield, Production, Selected Years.
18. World Wheat: Carryover Stocks of Wheat at July 1 Exporting Countries—1965-72.
19. World Wheat: Exports, Wheat and Wheat Flour, World Total 1954 to 1972.
20. Summary of Trade in Wheat and Wheat Flour by Members of I.W.A., 1966-67 to 1970-71.
21. Prairie Grain Advance Payments 1958-59 to 1971-72.
22. Seeded Acreage and Quota Acres for Prairie Provinces 1972.

Table 1

GRAIN: ACREAGE, YIELD, PRODUCTION CANADA

1972 (September Estimate) and 1971 (Final)

	1972 (Sept. Estimate)			1971 (Final)		
	Acreage (Mil- lions)	Yield (Bus. Acre)	Prod. (Mil- lion Bus.)	Acreage (Mil- lions)	Yield (Bus. Acre)	Prod. (Mil- lion Bus.)
Wheat—	21.3	24.6	526.2	19.4	27.3	529.6
Oats for Grain—	6.1	48.4	293.7	6.8	53.2	363.5
Barley—	12.5	40.9	511.4	14.0	43.0	601.6
Rye—	0.6	21.4	13.6	1.0	22.9	21.9
Flaxseed—	1.4	13.0	18.5	1.8	12.7	22.3
Rapeseed—	3.3	17.7	58.0	5.3	17.9	95.0

Source: Statistics Canada 22-002—September Estimate of Production of Principal Field Crops, Canada 1972.

Table 2

GRAIN: ACREAGE, YIELD, PRODUCTION PRAIRIE PROVINCES

1972 (September Estimate) and 1971 (Final)

	1972 (Sept. Estimate)			1971 (Final)		
	Acreage (Mil- lions)	Yield (Bus. Acre)	Prod. (Mil- lion Bus.)	Acreage (Mil- lions)	Yield (Bus. Acre)	Prod. (Mil- lion Bus.)
Spring Wheat—	20.8	24.3	506.0	18.9	27.0	510.0
Oats for Grain—	4.6	49.6	229.0	5.3	54.2	288.0
Barley—	11.9	40.7	484.0	13.3	42.8	570.0
Rye—	0.6	20.5	11.9	0.9	22.7	20.5
Flaxseed—	1.4	13.0	18.5	1.8	12.7	22.3
Rapeseed—	3.3	17.7	58.0	5.3	17.9	95.0

Source: Statistics Canada, 22-002, September Estimate of Production of Principal Field Crops, Canada 1972.

Table 3

PRODUCER MARKETINGS, PRAIRIE PROVINCES August 1 to July 31 1967-72

	(millions of bushels)				
	1967-68	1968-69	1969-70	1970-71	1971-72 (1)
Wheat—	456.0	423.1	413.3	384.3	513.5
Oats—	30.8	41.6	20.9	58.3	31.8
Barley—	87.3	81.8	168.4	235.9	292.2
Rye—	6.9	3.8	7.6	11.6	14.5
Flaxseed—	7.9	15.3	22.1	33.7	21.1
Rapeseed—	20.0	17.6	28.5	61.5	64.3
Total.....	608.9	583.2	660.8	785.3	937.4

(1) Preliminary.

Source: Canadian Grain Commission,
Canadian Grain Position, 31st July 1972.

Table 4

CARRYOVER STOCKS OF GRAIN IN CANADA (1) at 31st July 1970-72 and 1961-70 Average

	(millions of bushels)			
	1972 (2)	1971	1970	Average 1961-70
Wheat.....	589.3	744.2	1,008.7	598.2
Oats.....	118.3	125.4	141.3	123.8
Barley.....	194.0	144.3	200.1	122.7
Rye.....	15.5	12.6	10.6	7.7
Flaxseed.....	16.0	26.6	6.0	6.9
Rapeseed.....	41.8	11.0	3.6	—
Total.....	974.9	1,064.1	1,370.3	859.3

(1) Excluding Newfoundland for which data not available.

(2) Preliminary revised—subject to further revision.

Source: Statistics Canada,
Stocks of Canadian Grain at 31st July 1972.

Table 5
FARM STOCKS ALL GRAINS IN CANADA
at 31st July 1970-72

	(millions of bushels)		
	1970	1971	1972
Wheat.....	542.7	411.1	317.5
Oats.....	123.0	91.2	96.0
Barley.....	122.0	61.6	106.0
Rye.....	4.7	5.2	5.5
Flaxseed.....	0.6	10.5	6.0
Rapeseed.....	0.2	0.2	16.3

Source: Statistics Canada,
Stocks of Canadian Grain at 31st July 1972.

Table 6
CARRYOVER STOCKS OF GRAIN ON FARMS,
PRAIRIE PROVINCES

At 31st July 1972 (Estimated)

	(millions of bushels)		
	Man.	Sask.	Alta.
Wheat.....	26.0	250.0	38.0
Oats.....	14.0	40.0	24.0
Barley.....	10.0	56.0	30.0
Rye.....	0.5	3.0	2.0
Flaxseed.....	1.0	4.0	1.0
Rapeseed.....	2.3	10.5	3.5

Source: Statistics Canada,
Stocks of Canadian Grain at 31st July 1972.

Table 7
EXPORTS OF ALL GRAINS AND WHEAT FLOUR

	(millions of bushels)		
	1971-72 (1)	1970-71	10-Year Average 1961-62 to 1970-71
Wheat.....	478.1	409.4	387.3
Flour.....	26.0 (2)	24.8	31.4
Wheat and Flour.....	504.1	434.2	418.7
Oats.....	10.2	13.1	9.8
Barley.....	224.3	172.3	52.1
Rye.....	10.8	8.9	6.2
Flaxseed.....	25.7	21.2	15.4
Rapeseed.....	42.6	46.8	15.0
Total.....	817.6	696.4	517.2

(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:	1971-72	1970-71	1969-70
Pacific.....	307.9	260.6	197.7
St. Lawrence.....	360.7	305.4	173.6
Atlantic.....	34.6	30.1	32.7
Churchill.....	25.5	23.4	22.0
Thunder Bay (Direct)....	45.8	42.2	10.6

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

Table 9
EXPORTS OF CANADIAN WHEAT (1)
BY REGION AND SELECTED COUNTRIES

	(millions of bushels)		
	1971-72	1970-71	1969-70
WESTERN EUROPE			
West Germany.....	6.1	14.8	5.4
Other E.E.C.....	20.0	25.5	26.8
Total E.E.C.....	26.1	40.3	32.2
United Kingdom.....	47.5	62.8	51.0
Others.....	4.0	9.2	6.9
Total West. Europe.....	77.6	112.3	90.1
EASTERN EUROPE			
U.S.S.R.....	91.3	11.0	47.3
Poland.....	—	—	3.8
Others.....	1.6	1.6	4.3
Total East. Europe.....	92.9	12.6	55.4
AFRICA.....	9.1	25.6	7.6
ASIA			
China, Communist.....	100.0	80.1	65.1
Japan.....	50.2	39.9	39.0
India.....	23.0	17.1	16.5
Others.....	30.5	39.6	9.3
Total Asia.....	203.7	176.7	129.9
WEST. HEMISPHERE... 31.1	32.5	16.5	
Total All Countries (1) 414.4	359.7	299.5	

(1) Does not include Durum (1971-72 exports 63.7 million bushels) or wheat flour (1971-72 exports estimated at 26 million bushels).

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

Table 10
EXPORTS OF CANADIAN WHEAT
TO MAJOR IMPORTERS

1970 to 1972 and 10-Year Average

	1971-72	1970-71	10-Year Average 1961-62 to 1970-71
China, Communist.....	111.7	88.3	68.4
Russia.....	109.6	12.1	57.3
Japan.....	50.6	40.0	46.5
Britain.....	47.9	64.6	67.3
India.....	23.0	17.1	15.1
Others.....	135.3	187.3	132.7
Total.....	478.1	409.4	387.3

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

Table 11
FARM CASH RECEIPTS FROM FARMING OPERATIONS

THREE PRAIRIE PROVINCES, 1969-71

(in thousand dollars)

	1969	1970	1971 (1)
Wheat.....	\$ 448,011	\$ 541,549	\$ 622,971
Wheat, CWB Payments	60,199	6,566	75,202
Oats.....	21,811	15,954	26,314
Oats, CWB Payments..	4,815	—	1,738
Barley.....	81,784	137,148	182,855
Barley, CWB Payments	3,501	—	16,606
Rye.....	4,756	8,203	10,001
Flaxseed.....	56,678	59,153	56,697
Rapeseed.....	51,576	96,467	130,913
Other Crops.....	58,548	59,205	70,338
Net Cash Advance Payments.....	157,906	-105,397	-84,565
Sub-Total.....	\$ 949,585	\$ 818,848	\$ 1,109,070
Cattle and Calves.....	464,212	485,042	539,233
Hogs.....	163,801	198,655	187,838
Sheep and Lambs.....	3,130	2,579	3,178
Other Livestock and Products.....	187,973	193,737	189,695
Sub-Total.....	\$ 819,116	\$ 880,013	\$ 919,944
Other Sources (2).....	\$ 28,756	\$ 72,765	\$ 32,085
Total Cash Receipts.....	\$ 1,797,457	\$ 1,771,626	\$ 2,061,099
Total Canada (3).....	\$ 4,192,036	\$ 4,197,203	\$ 4,513,147

(1) Preliminary.

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

(3) Except Newfoundland.

Source: Statistics Canada, Farm Cash Receipts, 1971

Table 12
TOTAL NET FARM INCOME (1), 1962-1971

(in million dollars)

	Three Prairie Provinces	Canada Except Newfoundland
1962.....	\$ 910.3	\$ 1,525.8
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.....	536.8	1,274.5
1971 (2).....	952.7	1,593.5

(1) Takes account of changes in inventory.

(2) Preliminary.

Source: Statistics Canada, Farm Net Income, 1971.

Table 13
PRAIRIE FARM ASSISTANCE ACT 1970-71 Crop Year

	1% Levy	Awards	Payments
Manitoba.....	\$ 584,954	4,081	\$ 912,814
Saskatchewan.....	4,289,399	2,161	662,524
Alberta.....	1,839,980	6,732	1,849,355
British Columbia	*	196	68,258
Total.....	\$ 6,714,334	13,170	\$ 3,492,978

Totals 1939-40 to 1970-71

Manitoba.....	\$ 28,631,350	171,023	\$ 32,467,958
Saskatchewan.....	126,710,133	897,741	241,677,300
Alberta.....	58,747,030	487,874	111,499,041
British Columbia	*	11,987	2,552,624
Unallocated.....	4,208	—	—
Total.....	\$ 214,092,721	1,568,625	\$ 388,196,923

*British Columbia included in Alberta figures.

Source: Report of Activities Under the Prairie Farm Assistance Act for the Crop Year 1970-71.

Table 14
FARM CREDIT ACT, LOANS APPROVED PRAIRIE PROVINCES

(thousands of dollars)

	Fiscal Year 1970-71		Fiscal Year 1971-72	
Province	No.	Amount	No.	Amount
Alberta.....	814	\$ 23,854.8	677	\$ 19,976.8
Saskatchewan..	992	24,830.8	1,162	30,223.3
Manitoba.....	485	14,030.5	389	11,236.4

Source: Farm Credit Corporation, Annual Report, 1971-72.

Table 15
FARM CREDIT ACT, LOANS APPROVED FOR ALL CANADA

(thousands of dollars)

Year	Number	Amount
1967-68.....	11,954	\$ 263,236.5
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

Source: Farm Credit Corporation, Annual Report, 1971-72.

Table 16
FARM SYNDICATES CREDIT ACT LOANS APPROVED, 1971-72 and 1967-68 to 1971-72

(thousands of dollars)

	Fiscal Year		1967-68 to 1971-72	
Province	No.	Amount	No.	Amount
British Columbia	3	\$ 50.5	19	\$ 165.4
Alberta.....	51	511.1	305	2,992.6
Saskatchewan.....	6	55.8	56	442.8
Manitoba.....	14	239.3	113	2,018.5
Ontario.....	29	648.5	111	1,562.0
Quebec.....	28	339.3	144	1,650.6
New Brunswick..	—	—	3	19.5
Nova Scotia.....	1	6.3	8	61.9
P.E.I.....	2	48.0	16	282.3
Newfoundland.....	—	—	—	—
Canada.....	134	\$ 1,898.9	775	\$ 9,195.6

Source: Farm Credit Corporation, Annual Report, 1971-72.

Table 17

**WORLD WHEAT: ACREAGE, YIELD,
PRODUCTION, SELECTED YEARS (1)**

Years	Acres (3)	Yield (4)	Production (5)
Average 1954-59.....	493.2	16.9	7,218.3
Average 1964-69.....	540.6	20.7	9,935.7
1968-69.....	557.6	22.7	11,212.4
1969-70.....	536.2	22.0	10,543.4
1970-71.....	508.9	23.6	10,582.7
1971-72 (2).....	526.5	25.1	11,708.8

(1) Including Mainland China.

(2) Provisional.

(3) Millions of Acres.

(4) Bushels per Acre.

(5) Millions of Bushels.

Source: International Wheat Council,
World Wheat Statistics, 1972.

Table 18

**WORLD WHEAT: CARRYOVER STOCKS
OF WHEAT AT JULY 1**
EXPORTING COUNTRIES—1965-72

(millions of bushels)

Year	Five Major Exporters (1)
1965-66.....	1,225.1
1966-67.....	1,289.8
1967-68.....	1,571.2
1968-69.....	2,220.1
1969-70.....	2,335.6
1970-71.....	1,786.0
1971-72 (2).....	1,602.0

(1) Argentina, Australia, Canada, European Economic Community and U.S.A.

(2) U.S.D.A. estimate of Stocks in Canada, Australia, Argentina and U.S.A. at 1st July 1972.

Source: International Wheat Statistics, 1972.

Table 19

**WORLD WHEAT
EXPORTS, WHEAT AND WHEAT FLOUR
WORLD TOTAL 1954 TO 1972 (1)**

	Bushels (Millions)
Average 1959-64.....	1,665
Average 1964-69.....	1,937
1967-68.....	1,911
1968-69.....	1,635
1969-70.....	1,846
Provisional 1970-71.....	1,973
1971-72 (2).....	1,633

(1) Excludes E.E.C. Intra-Trade.

(2) U.S.D.A. Estimate for U.S., Canada, Argentina and Australia.

Source: International Wheat Council, World Wheat
Situation, U.S.D.A. Wheat Situation, August
1972.

Table 20

**SUMMARY OF TRADE IN WHEAT AND WHEAT
FLOUR BY MEMBERS OF I.W.A. (1)**
1966-67 TO 1970-71

(millions of bushels)

Year	Commercial	Special (2)	Total
1966-67.....	1,350.9	676.0	2,026.9
1967-68.....	1,226.9	644.2	1,871.1
1968-69.....	1,056.6	392.8	1,449.4
1969-70.....	1,199.4	435.9	1,635.3
1970-71.....	1,237.3	499.7	1,737.0

(1) Includes trade with non-member countries.

(2) Includes food aid, sales for foreign currency, etc.

Source: International Wheat Council,
World Wheat Statistics, 1972.

Table 21

PRAIRIE GRAIN ADVANCE PAYMENTS

Year	Number of Loans	Amount Advanced	Percentage Refunded
1958-59.....	45,341	\$ 34,369,653	99.9
1959-60.....	52,356	39,518,344	99.9
1960-61.....	76,089	63,912,550	99.9
1961-62.....	22,342	16,656,713	99.9
1962-63.....	39,683	29,251,526	99.9
1963-64.....	63,427	62,136,418	99.9
1964-65.....	38,375	32,961,844	99.9
1965-66.....	43,505	40,600,386	99.9
1966-67.....	36,953	36,668,270	99.9
1967-68.....	45,810	47,280,533	99.9
1968-69.....	113,491	151,852,319	99.4
1969-70.....	122,080	272,777,516	97.3
1969-70 (1) ..	1,086	1,204,852	84.7
1970-71.....	51,332	91,105,890	99.0
1971-72.....	34,303	68,142,360	92.8

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

Source: Grain Division,
Department of Industry, Trade and Commerce.

Table 22

**SEEDED ACREAGE AND QUOTA ACRES (1)
FOR PRAIRIE PROVINCES 1972**

(thousand acres)

SEEDED ACREAGE				
Grains	Man.	Sask.	Alta.	Total
Spring				
Wheat.....	2,600,000	13,900,000	4,300,000	20,800,000
Oats.....	1,100,000	1,690,000	1,830,000	4,620,000
Barley.....	2,100,000	4,600,000	5,200,000	11,900,000
All Rye.....	81,500	280,000	220,000	581,500
Flaxseed.....	550,000	700,000	170,000	1,420,000
Mixed				
Grains.....	290,000	220,000	450,000	960,000
Rapeseed.....	470,000	1,500,000	1,300,000	3,270,000
Misc. Crops	205,150	13,500	80,500	299,150
Tame Hay...	1,200,000	1,800,000	3,260,000	6,260,000
Summer-fallow.....	2,900,000	18,500,000	7,600,000	29,000,000

QUOTA ACRES

Hercules				
Durum.....	230	1,750	215	2,195
Other				
Durum.....	15	1,930	330	2,275
Soft White				
Spring.....	—	15	115	130
Alberta				
Winter.....	—	20	485	505
Feeding				
Types.....	5	20	20	45
All Other				
Wheat.....	6,695	34,420	12,875	53,990
Total				
Wheat.....	6,945	38,155	14,040	59,140
Oats.....	835	510	905	2,250
Selected				
Oats.....	115	130	65	310
Total Oats.	950	640	970	2,560
Barley.....	230	4,305	6,165	10,700
Selected				
Barley.....	400	940	1,040	2,380
Total				
Barley.....	630	5,245	7,205	13,080

Rye.....	95	260	150	505
Rye for				
Distrs.....	10	10	90	110
Total Rye...	105	270	240	615
Flaxseed.....	500	690	225	1,415
Flaxseed for				
Crshrs.....	40	20	15	75
Total				
Flaxseed.	540	710	240	1,490
Low Erucic				
Rapeseed.	490	1,445	1,410	3,345
Low Erucic				
Rapeseed				
for Crshrs.	145	325	175	645
Other				
Rapeseed.	130	550	795	1,475
Other Rape				
seed for				
Crshrs.....	15	55	130	200
Total				
Rapeseed	780	2,375	2,510	5,665

(1) Quota acres are preliminary, approximate figures.

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



Alberta Wheat Pool Annual Report 1972