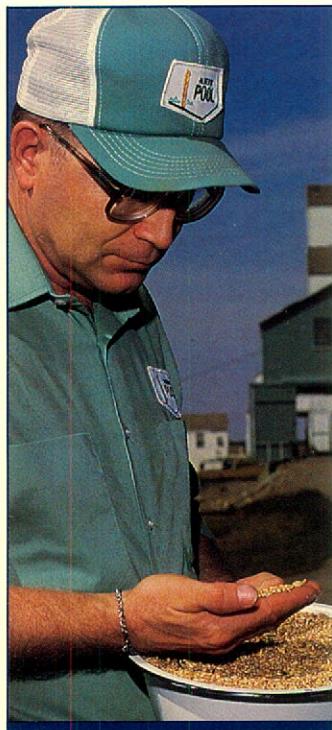


ALBERTA WHEAT POOL



ANNUAL
REPORT
1985

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As a cooperative, Alberta Wheat Pool is an extension of its Alberta and northeastern British Columbia members' farm operations. The photography in this year's annual report reflects the organization's active involvement throughout the agricultural cycle, in assisting farmers to produce and market high quality grain to domestic and international customers.



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CORPORATE HIGHLIGHTS

Alberta Wheat Pool is a farmer owned cooperative providing fully integrated grain handling, grain marketing and farm supply services to its members. Country elevator grain facilities are located throughout the grain growing regions of Alberta and northeastern British Columbia. Grain exports are handled through the Pool's Vancouver terminal, the largest on Canada's west coast. A canola crushing plant supplies domestic and export markets with canola oil and meal.

Through affiliated organizations, Alberta Pool is active in west coast grain terminal operations, export grain marketing, fertilizer manufacturing and grain handling engineering services.

Alberta Wheat Pool was organized in 1923 and today has 60,400 farmer members and 1,862 employees. Since inception, Alberta Wheat Pool has handled more than 130 million tonnes of grain and has returned \$314 million in patronage refunds to its member owners.

	1985	1984
Gross Revenue	\$1,338,177,000	\$1,522,044,000
Earnings Before Income Tax	9,585,000	33,706,000
Total Assets	446,024,000	486,215,000
Working Capital	46,450,000	70,256,000
Financed by:		
Members' Term Loans	52,336,000	49,297,000
Long Term Debt	30,949,000	36,572,000
Equity	136,437,000	148,911,000
Total Funds Invested	\$ 219,722,000	\$ 234,780,000

1984-1985 REPORT

HIGHLIGHTS AND COMPARISONS

	1985	1984	1983	1982	1981
Grain Receipts at Country Elevators, in tonnes	5,191,589	6,825,191	6,810,480	6,705,770	6,392,558
Forage Seed Purchases from Producers, in tonnes	4,750	3,981	7,593	6,059	6,269
Cereal Seed Purchases, in tonnes	22,225	17,834	19,130	17,688	22,547
Percentage of Alberta Grain Deliveries Handled	66.8%	65.5%	66.5%	66.4%	66.5%
Gross Value of Board Deliveries, Other Sales and Revenues	\$1,338,176,511	1,522,044,449	1,364,158,673	1,455,639,058	1,390,978,341
Farm Supplies Sales (included above)	\$ 156,626,384	148,939,577	125,203,856	112,772,630	120,310,267
Gross Margin	\$ 152,446,090	175,359,600	160,575,706	159,731,722	148,246,404
Total Expenses	\$ 140,448,255	139,377,755	130,182,430	137,603,922	114,502,508
Depreciation	\$ 14,405,662	14,027,338	13,372,628	11,974,311	9,722,170
Earnings Before Taxes	\$ 9,584,554	33,705,951	30,172,682	24,704,397	34,591,919
Current Assets	\$ 272,752,127	321,691,424	353,765,000	322,907,008	386,638,088
Current Liabilities	\$ 226,302,341	251,435,164	282,815,683	267,941,957	313,408,413
Working Capital Before Disposition of Earnings	\$ 46,449,786	70,256,260	70,949,317	55,045,051	73,229,675
Capital Expenditures on Properties and Equipment	\$ 22,132,196	26,341,175	19,417,921	39,322,416	19,305,769
Total Invested in Capital Assets	\$ 276,858,106	257,005,955	231,997,279	214,231,624	170,652,955
Patronage Refunds Distributed (out of previous year's earnings)	\$ 29,214,992	26,013,326	18,131,558	32,707,288	28,060,145
Reserves Held by Members	\$ 103,560,328	96,115,100	91,460,667	87,619,569	75,855,717
Percentage of Member Business Prior Year	96.8%	96.1%	95.8%	96.2%	96.1%
New Members	2,036	2,270	2,423	2,185	2,257
Total Membership	60,395	59,691	58,747	58,042	57,446
Number of Country Elevator Operating Units	315	323	332	342	358
Country Elevator Capacity, in tonnes	1,650,015	1,690,170	1,724,880	1,772,320	1,807,210
Terminal Elevator Capacity, in tonnes	481,980	481,980	481,980	481,980	481,980
Number of Employees July 31	1,862	1,950	1,908	2,094	2,112

BOARD OF DIRECTORS' REPORT

In reviewing the past year, there are few reasons to celebrate. Farmers were plagued with drought in the growing season, cool wet weather in harvest, depressed commodity prices and severe financial stress.

Grain production on the prairies during the 1984-85 crop year totalled 36.0 million tonnes or 12% less than the previous

Farmers in Alberta and north-eastern British Columbia harvested 12.4 million tonnes of the six major grains or 16% less than in the previous year, largely due to the drought factor in southern Alberta. Deliveries totalled 8.3 million tonnes or 24% less compared to the year before.

With lower grain production in the area served by Alberta

previous year. These two factors had a dramatic effect on Alberta Wheat Pool's consolidated net earnings that totalled \$9.3 million for the 1984-85 crop year. One bright spot in the handling record was Alberta Pool's share of the market increased by over 1% and in a highly competitive market, gains are achieved with the basics of excellence in service, good programs and aggressive management. The Board of Directors also recognizes the significance of the loyalty factor that thousands of farmers have for Alberta Pool and hereby serves notice of intention to guard that bond of trust with a serious commitment to maintaining Alberta Wheat Pool as a valuable service entity to farmers.

In Farm Supplies, farmers remained optimistic in the spring season and purchased a record tonnage of Pool fertilizer and set new records for the sales figure in crop chemicals. Domestic seed sales also set new records, however the export figures were down from the previous year.

From a farm policy perspective, it was a year of numerous reports, studies and consultations and the results are generally gratifying as several Alberta Pool policies established by farmer delegates were put into effect.

With an effective consultation process between the Board, its staff and senior management, Alberta Pool presented well documented position papers to



Board of Directors

Seated left to right: G. W. Braithwaite, Second Vice-President; D. E. Livingstone, First Vice-President; A. J. Macpherson, President.

Standing left to right: H. H. Hennig, J. G. Gorr, T. A. Graham, R. C. Schmitt.

year. Western Canadian farmers delivered 27 million tonnes or 19% less grain, exports plunged by 25% to 22 million tonnes and domestic consumption was down 4%.

Wheat Pool and fewer deliveries, the Pool experienced a 24% reduction in country handlings which reached 5.2 million tonnes. Terminal throughput at Alberta Wheat Pool and Pacific Elevators totalled 4.8 million tonnes, down 17% from the

BOARD OF DIRECTORS' REPORT

those reviewing Canada's Feed Grain Policy, to the Hall Committee of Inquiry on the Crow Benefit Payment and to the Railway Branch Line Inquiry under Commissioner McDonough. At the time of writing this report, a huge amount of information is being compiled for the legislative review of the Western Grain Transportation Act and a paper will be presented to this Annual Meeting of delegates for final review. Other subjects dealt with during the year were the need for tax relief on farm inputs, variable grain freight rates, branch

Under the banner of Prairie Pools Inc., the three Pools completed a year of having a full time officer in Ottawa. The Prairie Pool association earned considerable respect and recognition when it presented an extensive study which saved farmers millions of dollars in the Railway Cost of Capital Hearings. Prairie Pools served as a fulcrum during the compilation of this material. One of the first analyses on Canadian agricultural trade issues was later presented to the Market Access Consultations in Ottawa. Prairie Pools was recog-

presented. Prairie Pools Inc. also became a member of the Canadian Federation of Agriculture.

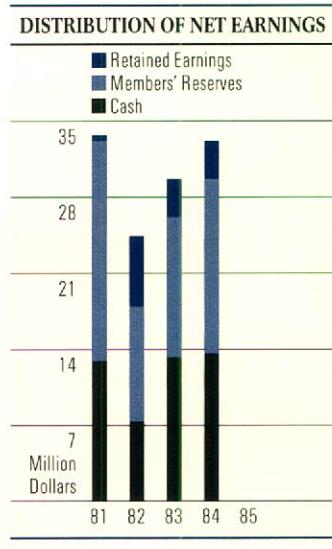
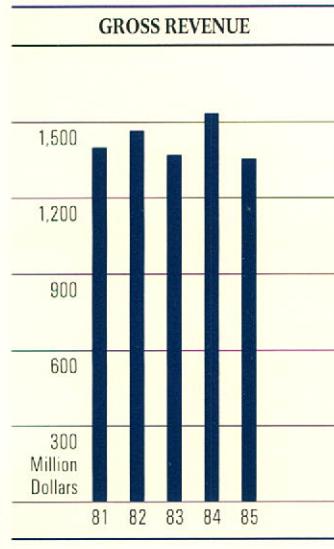
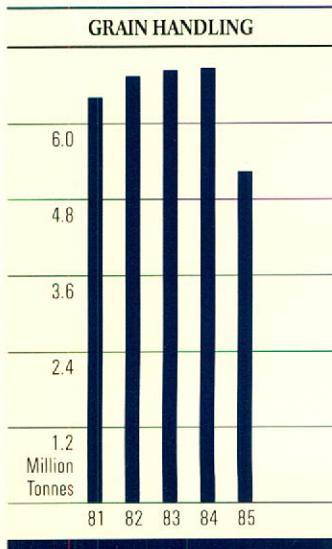
In a policy sense, the farm financial crisis deserves top priority at this Annual Meeting. The Board is deeply concerned that Alberta's agriculture industry is being threatened to the point that its viability is in jeopardy.

For Alberta farmers, analyses shows that both their capital structure and earning performance has weakened during the 1980s. A limited study by the Farm Management Field Laboratory in Edmonton found that farmers return to equity decreased about 50% between 1980 and 1983. This was true whether calculations were done on a cost basis or a market value basis.

Other calculations done at Alberta Wheat Pool, based on Statistics Canada figures for 1981 to 1984, demonstrated that net farm income in Alberta fell from \$770 million to \$297 million in 1984. The percentage of equity held by farmers during the same period fell by 3.6%. The percent return to equity thus decreased from 26.2% to 11.5%.

A report by the Canada West Foundation, released in October 1985, demonstrates that real net farm income decreased by 60% between 1974 and 1983. The same report relates that in 1984, twenty-seven percent of Alberta farms were under economic stress.

For years, farmers have been told how important their role is



line abandonment, grain income stabilization and a measurement of the family farm financial crisis. Alberta Pool worked in concert with Unifarm on these and numerous other issues.

nized when an independent study on alternate methods of paying the Crow Benefit was commissioned after preliminary arrangements by Alberta Pool. In a similar way a submission on amendments to the Western Grain Transportation Act was

BOARD OF DIRECTORS' REPORT

in the economy and yet the means to fulfill that role remains elusive. Statistics Canada is predicting realized net income of Canadian farmers will drop by 15% at the close of 1985 from 1984 and Alberta farmers are expected to experience a 24% drop. Farm Credit Corporation analysts reported at the end of this crop year that the proportion of commercial Canadian farmers experiencing severe financial distress had grown from 19% to 23% during the year and offered evidence that hard economic times would place over 30,000 of Canada's most productive young farmers in severe financial trouble.

Alberta Pool's Board believes it is time for a comprehensive review of agricultural programs in the area of long-term farm credit, crop insurance and stabilization programs, taxation, research, marketing and trade strategies. The delegates of this organization are experienced

farmers and have recently met with hundreds of other farmers in every area of Alberta and northeastern British Columbia. They face a major challenge. A delegate's responsibility is to articulate the farmers' circumstance along with his own into sound policies for the social and economic requirements of Alberta's farm businesses. That function has never been more important.

Policies of Alberta Wheat Pool take on a new significance as the organization faces challenges that are destined to reshape services and the physical network of Alberta Pool facilities in the future. Delegates reliance on past successes and experiences may be less important as we enter a new and rapidly changing environment. Efficiency and competitiveness will take on new meanings in an age of limited resources. We hear more business leaders saying tomorrow's business practice will be different, yesterday's experience may never return. The Board of

Directors believes Alberta Pool has the tenacity, business acumen and sensitivity to permit its personnel to respond to the needs of farm people eager for accomplishment in an era of difficulty. Alberta Wheat Pool has a strong financial base and with continued good management and sound policies, the co-operative is capable of maintaining a leadership position in farmer service.

Despite all the complex issues facing farmers and their Alberta Wheat Pool, our Mission Statement is worth contemplating: "Alberta Wheat Pool, through member ownership, participation and direction will operate with integrity and social responsibility a viable agricultural co-operative for the improvement of the economic and social position of its members by producing, processing and marketing goods and services, and by active public representation."



A.J. Macpherson
President

D.E. Livingstone
G.W. Braithwaite
T.A. Graham
R.C. Schmitt
H.H. Hennig
J.G. Gorr

CHIEF EXECUTIVE OFFICER'S REPORT

Farmers and Alberta Wheat Pool will remember 1984 and 1985 as two difficult and challenging years. For farmers, two successive droughts substantially



J.W. Madill, Chief Executive Officer

reduced crop production, agriculture's cost-price squeeze continued, and world grain prices remained depressed. The dry conditions reduced crop produc-

tion, grain marketings, farm profits and had a major impact on Alberta Pool by reducing country elevator handleings by 24% in 1984-85 from the 6.8 million tonne record set last year. Because the organization has endeavored to provide a high level of personal service to members through an extensive network of country facilities, a handling of only 5.2 million tonnes produced a sharp drop in Alberta Pool earnings. For the 1984-85 crop year, earnings totalled \$9.3 million compared to the \$33.2 million achieved last year.

The Country Operations Division felt the major impact of the 1984 drought. The lower grain volume, handled at the same tariff rates as the year before, had a dramatic effect on the financial performance of the division. The volumes necessary for profitable grain operations were not available despite an increase in market share to 66.8% from last year's 65.5%. The financial result was a loss on grain operations of \$5.5 million. This compares to earnings of \$13.0 million last year. In the sale of farm supplies to members, Alberta Pool turned in an improved result this year, producing earnings of \$2.4 million on the sale of a record \$157 million of crop inputs.

The Terminal Operations Division also showed slightly better earnings than last year at

\$15.5 million. In total, Alberta Wheat Pool's core operations produced earnings of \$12.4 million compared to \$28.7 million last year.

Subsidiary and affiliated company performances also felt the effects of reduced grain volumes and lower profit margins. Western Pool Terminals Ltd. and Pacific Elevators Limited, which own and operate the Pacific Elevators terminal in Vancouver, produced earnings of \$1.7 million for Alberta Wheat Pool. This was down from last year's \$3.5 million, reflecting a 21% reduction in throughput. Alberta Food Products, the Pool's canola crushing plant at Fort Saskatchewan, experienced insufficient crushing margins throughout the crop year, losing \$2.7 million compared to a \$2.0 million profit last year. Prince Rupert Grain Ltd. commenced operations at the new terminal during the year and produced earnings of \$456,000 for Alberta Pool.

The difficult agricultural economy presents a number of major challenges to Alberta Wheat Pool. Of critical concern is the issue of farm profitability and the impact the tight economic environment has on the services Alberta Pool provides to its members. In an effort to reduce costs, farmers are showing increasing interest in grain marketing through producer cars, interior terminals,

CHIEF EXECUTIVE OFFICER'S REPORT

track loading facilities, small grain dealers and direct grain sales. At the same time, changes in grain transportation legislation will reduce the regulations within the grain industry and provide new options for grain handling and transportation, including flexible freight rates, off-line elevators, short line rail operations, and the likelihood of expanded commercial grain trucking.

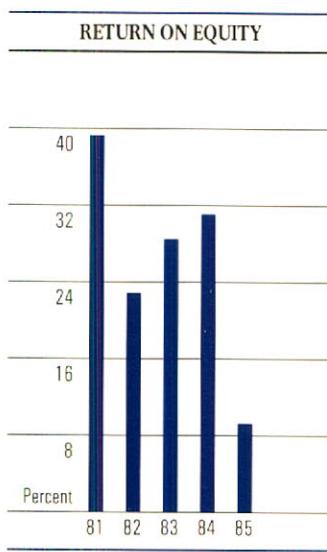
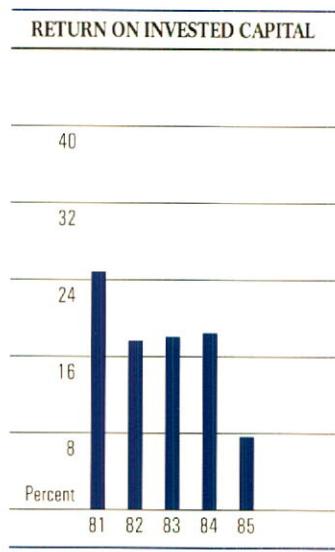
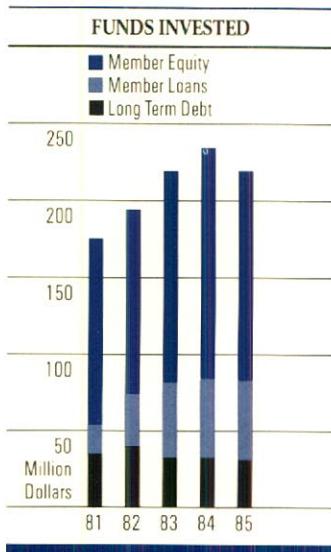
Unfortunately, for the next year or two, Alberta Wheat Pool must be prepared for a slow recovery in grain markets and handling volumes. While the

customers are approaching self-sufficiency or have become grain exporters themselves. The world stock of grains has been growing each year, producing a highly competitive export market where Canadian farmers are forced to compete against subsidized exports from other countries. With this situation prevailing in the international market place, Alberta Wheat Pool must be operationally and financially prepared to accommodate reduced export volumes, even though prairie grain production may return to previous levels.

duction and marketing, Alberta Pool must be able to provide affordable services to its members. With this in mind, the organization has begun to re-examine Pool services and facilities in order to best respond to member needs.

Alberta Wheat Pool will continue to be at the forefront of new technology for the benefit of its members. This applies equally to technology that will improve crop production and to technology that will improve the operations of the Pool for its members. Alberta Pool's principal research activity has been in the development of new crop varieties with special emphasis on canola. To support the work in this area, a crop research laboratory was opened in Calgary this year. With the assistance of federal government funding, the facility will provide Alberta Pool with an expanded capability in canola breeding research.

In the 1985-86 crop year Alberta Pool expects to handle about 5.0 million tonnes of grain through the elevator system. Alberta Pool has deferred part of its planned construction program and has established programs to ensure operating and administrative expenditures are minimized. As was the case in the crop year just completed, the organization needs a trim operating and management team that



prairies have been experiencing drought and reduced crops, the rest of the world has been expanding grain production. Many of Canada's traditional

The possibility of persistent low export volumes will affect Alberta Wheat Pool's grain handling services. With continued pressure on the farm community for cost efficiency in grain pro-

CHIEF EXECUTIVE OFFICER'S REPORT

emphasizes productivity to effectively overcome the low grain volume available to the handling system. In order to address the many issues facing the Pool, a reorganization of the senior management structure was completed in October, 1985.

Within the 1985-86 crop year, Alberta Pool must address the restructuring and environmental changes that are underway in the agricultural industry. In grain marketing services, it will be necessary for Alberta Pool to become more actively involved in providing services to members who do wish to utilize a minimal service grain marketing concept. This type of service can, in many

cases, supplement the country elevator system. However, some new services may tend to replace existing ones as the Pool strives to maintain an affordable service to grain producers. It is increasingly important for Pool members to understand that the organization requires profits in order to maintain financial viability and provide the funds necessary to rebuild country and terminal facilities. To successfully meet the challenges facing the agricultural industry, Alberta Pool will need the involvement, participation and input of members, elected officials and staff.



J.W. Madill
Chief Executive Officer

COUNTRY OPERATIONS:

The 1984 drought had a dramatic impact on the earnings of the Country Operations Division. Total divisional earnings were reduced by \$16.9 million from the previous crop year to a net operating loss of approximately \$3.1 million for the 1984-85 crop year. Grain margins declined



Alberta Wheat Pool's crop research laboratory supports the development of new crop varieties which will improve members' grain production opportunities.

\$13.9 million from 1983-84 due to lower handlings and Alberta Pool's determination to be more competitive, particularly in the non-Board grain markets. Country handlings totalled 5,191,000 tonnes, a reduction of

1,634,000 tonnes from last year. Grain shipments, at 5,475,000 tonnes, exceeded receipts but were 1,730,000 tonnes below the previous year, resulting in low year-end grain stocks.

Alberta Pool sales of farm supplies and beans contributed net earnings of \$2.4 million. These earnings helped improve a difficult year for the Operations Division.

GRAIN OPERATIONS

As a result of the drought, the 1984-85 crop year will go on record as the Pool's lowest handling year of the past six years. High quota levels during January and the poor movement of #1 and #2 C.W. Red Spring wheat resulted in the congestion of 125 elevators. This was the most serious congestion of the crop year. By year-end, however, virtually all elevators had space.

Considering the short crop of the past year, very competitive grain markets, some reduction in total elevator capacity, elevator congestion, and staff reduction, the Pool's country staff did a commendable job and increased market share by 1.3% to 66.8%.

A concerted effort was made to increase Alberta Wheat Pool's handling and market share of non-Board grains. By using various pricing options, deferred delivery contracts, partial payments, competitive prices, and premiums at key stations, Alberta Pool was able to increase its non-Board purchases slightly.

Total non-Board grain sales were 1.1 million tonnes, again slightly above last year. Movement of feed grain to eastern Canada decreased substantially, while sales into Alberta and B.C. markets increased by a similar amount.

Alberta Wheat Pool sold approximately 105,000 tonnes of canola to domestic crushers, 80% of which went to Alberta Food Products. These volumes allowed the Alberta Food Products plant to continue crushing until late July.

Due to the lack of adequate supplies, Alberta Pool was unable to participate very actively in feed grain sales to eastern markets. Although this market is shrinking, it still provides an important outlet for Alberta feed grains.

Alberta Pool's export and domestic sales of malting barley were reduced by approximately 31%. The Pool did, however, issue 69% of the designated barley permits in the province, an increase of 8% over the previous year.

Alberta Pool ended the year with 712 country elevator employees compared to 776 one year ago. Of the 315 manager units, 54 handled over 25,000 tonnes. Each manager unit had an average handling of 16,500 tonnes. The average handling per employee was 7,300 tonnes.

Alberta Wheat Pool's licensed elevator capacity at year-end was 1,650,000 tonnes, a slight reduc-

OPERATIONS

tion from a year ago when the capacity was 1,690,000 tonnes. Based on shipments of 5.5 million tonnes, the organization had a capacity turnover of 3.2 times.



Alberta Pool's seed cleaning plants located strategically throughout the province, provide farmers with high quality seed for planting.

FARM SUPPLIES

Alberta Wheat Pool sales of farm supplies increased by 5% over 1983-84 to a record \$157 million. Real growth was estimated at 3% after allowing for inflation.

While it is normal to handle about two-thirds of the total sales volume in April, May, and June, the volume of sales in those months in the 1984-85 crop year amounted to 79% of the year's total.

Alberta fertilizer usage increased by 6% over last year and Alberta Wheat Pool maintained its share of the market. Prices were up about 2% over one year ago, but were still below the levels of 1981-82. Fertilizer sales reached an all time high and were 6% over the previous year. The dollar volume increased 7% to \$63.8 million. Chemical sales rose to \$69.9 million, an 8% increase over last season.

Cereal and forage purchases from members amounted to 22,200 tonnes for a value of \$7.7 million. Domestic seed sales increased by 9% to \$11.3 million and reached a new high for Alberta Wheat Pool. Export seed sales decreased by 15% to \$4.4 million due to declining export markets for forage seed. Export cereal sales were up, largely due to a 1,700 tonne shipment of rye to Korea. A highlight of the year was the receipt of two export awards, one from the federal government and one from the provincial government, both recognizing excellence in the export field.

Alberta Pool sales of equipment that is complementary to seed, fertilizer, and chemicals declined by 13% to \$4.0 million, reflecting a decline in demand

and a consolidation of inventory and product lines. Service revenues from anhydrous ammonia fertilizer application, spreader rentals, and soil testing declined by 5% to \$2.5 million due to the poor weather in the fall season. Alberta Wheat Pool had 37 stations with total farm supply sales of over \$1 million, including nine stations over \$2 million and one station over \$3 million.

Sales of dry edible beans from the Bow Island Bean Plant were down 6% due to a lower carryover at the beginning of the 1984-85 crop year and the resulting lower total supply of beans available for sale. Net earnings at the plant were about one-half of last year's.

New advancements in biotechnology have encouraged huge private investments in plant breeding and related research. Alberta Wheat Pool continues its efforts to bring new crop varieties to Alberta by using biotechnical methods. Steady improvement was noted in advanced lines of canola, barley, and wheat. The prairie Pools have 12 wheat lines, 9 barley lines, and 5 canola lines in the 1985 Western Canadian Co-op Tests, the final tests prior to licensing.

ENGINEERING, CONSTRUCTION, AND MAINTENANCE

Capital projects to maintain and improve Alberta Wheat Pool's facilities totalled \$9.5 million

OPERATIONS

in the 1984-85 crop year. New high throughput elevators were completed at Bawlf, Dunmore, and Myrnam and were under construction at Willingdon,

facility. Nine elevator receiving scales were installed and three were extended to accommodate the larger, longer farm and commercial trucks. Three new

and shipping legs. To improve grain shipping capacity, Alberta Pool upgraded the rail car track, installed second tracks or extended the track at nine stations. To maintain the existing elevator system in good operating condition, \$4.7 million was expended on repairs and maintenance, an increase of 4% from last year. A total of 30 obsolete elevators and 15 annexes were dismantled during the year.

To improve farm supply facilities and services, two bulk fertilizer plants were constructed and three agricultural product warehouses were erected. In addition, three existing grain elevators were converted to bulk fertilizer storage, five fertilizer blenders were installed, and one anhydrous ammonia facility was completed.

TERMINAL OPERATIONS

West coast grain car unloads were down to 10.6 million tonnes for the 1984-85 crop year from 12.5 million tonnes last year, a decrease of 1.9 million tonnes or 15%. In spite of the overall decrease, port records for shipments were established at Vancouver and Prince Rupert for the month of October and for the month of December at Vancouver.

Of the grain movement through the port of Vancouver, Alberta Wheat Pool terminal handled 31.8%, up from the previous year's 30.8% and Pacific



Fertilizer and crop chemicals play an important role in optimizing the financial returns from grain production. The Pool is the largest supplier of crop inputs to Alberta farmers.

Dapp, and Boyle at year-end. Major upgrades were made at two elevators and storage annexes were erected at four locations. Three existing annexes were moved to other stations and upgraded to provide a better

elevator offices were built and improvements were made to nine others.

To improve the handling capacity of existing elevators, the Pool continued its program to install replacement steel legs, second track loading spouts,

OPERATIONS

Elevators handled 20.5%, down from 21.2% last year. Together, both terminals achieved a 52.3% market share of the Vancouver grain movement.

Alberta Wheat Pool's terminal handled 2.9 million tonnes during the year, representing a 15% reduction in volume from 1983-84. Increased grain revenues and careful attention to costs allowed the terminal to increase earnings slightly from last year to \$15.5 million. The Pacific Elevators terminal experienced a 21% drop in throughput compared to 1983-84. As a result,

700,000 to 800,000 tonnes per month caused terminals to operate for the majority of the crop year under plugged conditions. The reduction in export volumes resulted in staff layoffs in March and June.

During the year, Alberta Pool's terminal handled cargoes of HY320 for Malaysia and 25,000 tonnes per month of soft white spring wheat for export to Egypt. Both sales were new contracts for the export industry and these countries indicated the purchases would continue into the 1985-86 crop year.

completion in September 1986, at which time specific recommendations will be proposed for capital expenditures and equipment updating.

SUBSIDIARIES:

ALBERTA FOOD PRODUCTS

In 1984-85 Alberta Food Products increased canola seed purchases and crushings to a record 208,000 tonnes. This represented an increase of 32% over the 1983-84 crush of 158,000 tonnes and an increase of 28% over the second best crush of 163,000 tonnes in 1980-81. Sales of canola products rose 19% over last year to 201,000 seed equivalent tonnes.

Despite those achievements, Alberta Food Products was unable to produce a profit and recorded a loss of \$2.7 million. This loss was directly attributable to insufficient crushing margins. Crushing margins dropped over 40% on the average as a result of generally stronger supplies of canola's competitor oilseeds and substitutes of canola's products.

During the summer of 1984, the plant's rated crushing capacity was increased from 600 tonnes per day to 700 tonnes per day for a 17% increase. More efficient management of operations through such programs as preventative maintenance resulted in an increase in the days of operation, and unscheduled plant down time was decreased.



Fall is a busy season for farmers and Alberta Wheat Pool, with efforts directed towards a successful harvest of the year's production.

grain revenues and by-product sales declined causing earnings to drop to \$5.5 million.

The movement of export commodities through the port of Vancouver during 1984-85 was at best spasmodic as sales of

The division has employed consultants to evaluate and define the capital and equipment investments necessary to accommodate the short and long term grain handling projections and overcome the operational shortcomings of the facilities. This in-depth study is planned for

OPERATIONS

Capital programs completed during the year also resulted in the ability to produce super degummed (partially refined) canola oil which allowed Alberta Food Products to compete in the domestic vegetable oil market.

During 1984-85, Alberta Food Products sold record volumes of oil, meal, and screenings. Seed equivalent tonnes sold rose 19%

where exports increased by 35%, with India as the largest customer. Alberta Food Products' improvements in export volumes will be recognized by the Alberta government through an export achievement award to be presented in October, 1985.

Preliminary indications are that 1985-86 will again be a tough year for crushing margins.



Alberta Wheat Pool's country managers provide farmers with many options for marketing their grain production to domestic and worldwide customers.

from 169,000 tonnes in 1983-84 to 201,000 tonnes in 1984-85. The increased volumes were mainly sold into export markets. This was particularly true for oil

Canada's canola crop is barely adequate to meet export and crushing demands, while internationally, supplies of oilseeds and substitute products are plentiful, causing prices to be even further depressed than in 1984-85.

PACIFIC ELEVATORS LIMITED AND WESTERN POOL TERMINALS LTD.

The Pacific Elevators terminal, located at Vancouver, is managed by Alberta Wheat Pool and is owned through Western Pool Terminals Ltd. by Manitoba Pool Elevators (10%), Saskatchewan Wheat Pool (30%) and Alberta Wheat Pool (60%). In 1984-85 Pacific Elevators handled 500,000 tonnes less grain than in the previous year. As a result, Pacific Elevators Limited earned \$1.5 million for Alberta Pool compared to \$3.4 million in 1983-84.

During the year, a \$4.7 million project was completed at Pacific Elevators which involved underwater blasting and dredging of Berth #2 to a depth of 45 feet. In addition, major improvements were made to the gallery. These improvements now allow the terminal to compete in the port with a designated 70,000 tonne deadweight loading facility.

AFFILIATED COMPANIES:

ABL ENGINEERING LTD.

ABL Engineering Ltd. successfully completed the transfer of technology contract with Brazil's government storage organization in 1985. Buffalo grain handling technology was utilized to construct four 25,000 tonne storage capacity silos and one 100,000 tonne facility, all of which were operating very satisfactorily at

OPERATIONS



The Pool's extensive country elevator system is the first step in the movement of grain from farm storage bins to end users.

year-end. The economic benefits flowing from the Brazilian project began to be realized by Alberta Wheat Pool during the year.

ABL Engineering Ltd. is actively pursuing new engineering opportunities for Buffalo

grain silos in several international markets. Early in the new crop year, Alberta Wheat Pool began construction of a 6,400 tonne Buffalo 2000 elevator at Boyle, Alberta, with ABL Engineering Ltd. technology.

CO-ENERCO

In 1981 Alberta Wheat Pool, on direction of its delegate body, joined 17 other Canadian co-operatives during the energy crisis to establish Co-enerco with federal government assistance. On December 31, 1984 Co-enerco completed its second full year of operation. For 1984, both revenues and cash flow increased substantially and net earnings totalled \$4.3 million. The company has a \$36 million exploration and development program in place for 1985 and is recognized as a very successful medium-sized energy company.

PRINCE RUPERT GRAIN LTD.

On May 16, 1985 the 200,000 tonne Prince Rupert No.2 Terminal was officially opened by the President of Alberta Wheat Pool, the federal Minister of Transport, and Alberta's Premier. By year-end, the terminal had received 425,000 tonnes of wheat, barley, and canola with workhouse operations in automatic computer mode. The old Prince Rupert No.1 Terminal was closed on May 31, 1985 but its demolition has been delayed for one year.

WESTERN COOPERATIVE FERTILIZERS LIMITED

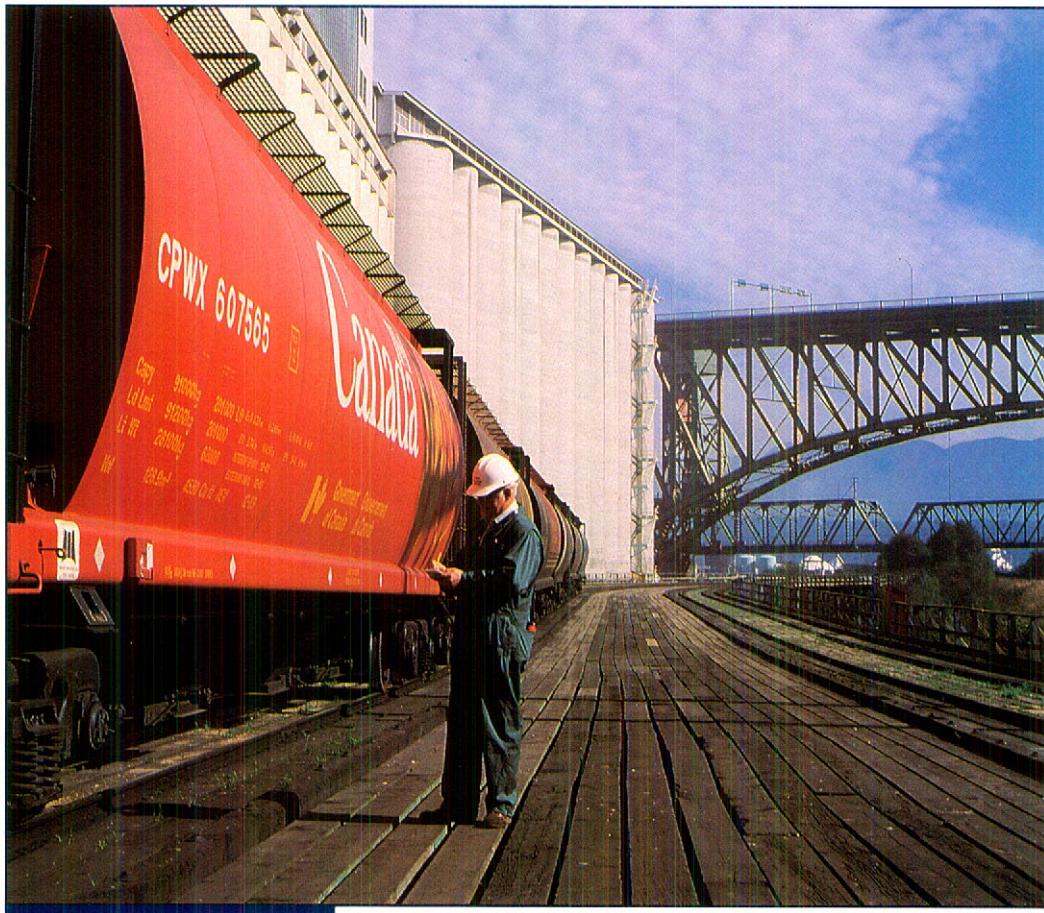
The Canadian fertilizer industry maintained a moderate "turn-around" in 1984-85 following the devastating experience of 1982-83. The industry recovery was helped by lower interest rates and improvements in the

OPERATIONS

economy, but was severely restrained by excess production capacity. Western Cooperative Fertilizers Limited increased its market share during the year

raw material costs, and continued low retail prices. This leaves little prospect for improvement in the company's financial position. W.C.F.L. plans to main-

1.5 million tonnes, down 25% from the previous year. However, XCAN's earnings represent a slight improvement from 1983-84. XCAN's sales of non-Board grains on the international market on behalf of the prairie Wheat Pools were hampered by large international stocks, low prices, and extreme competition. The outlook for 1985-86 is not encouraging as the European Economic Community and United States are increasing grain export subsidies and several customer countries are moving towards more self-sufficiency.



Alberta Pool's export terminal at Vancouver receives grain shipped in rail cars from country elevators and processes it to export standards for shipment to international markets.

and experienced modest earnings. W.C.F.L.'s Calgary plant produced more fertilizer than the previous year. Fertilizer shipments were up 9.6% from the 1983-84 year.

The outlook for 1985-86 is lower export demand, increased

tain its aggressive marketing strategy and will improve communication of its agronomic research to farmers.

XCAN GRAIN LTD.

XCAN Grain Ltd. completed its fifteenth year as a grain exporter with a sales volume of almost

FINANCE AND ADMINISTRATION

Substantially decreased grain handlings during the 1984-85 year resulted in a severe decrease in revenues and net earnings. Total revenues, after allowing for cost of sales were \$152 million, a decrease from the 1983-84 year or \$23 million or 13%. Total consolidated expenses increased \$1.1 million, just over 1%, from the previous year to \$143 million.

The combination of reduced grain volumes and resulting revenues, together with the slight increase in costs, produced net earnings of \$9.3 million. This was a 72% reduction from the \$33.2 million earned in the 1983-84 crop year. The areas of operation that showed improved earnings were Alberta Pool's

OPERATIONS

terminal in Vancouver and farm supply marketing.

The Country Operations Division showed an operating loss for the first time in many years. The fixed costs of member services in the elevator system and for grain system administration exceeded revenues by \$5.5 million. However, the division recovered almost one-half of the adverse grain results from earnings on farm supply sales.

Earnings contributed to Alberta Wheat Pool by core operations, subsidiaries and affiliated companies for the last two years are shown below.

	1985	1984
Country Grain Operations	\$ (5,485,000)	\$13,018,000
Farm Supplies	2,388,000	749,000
Terminal Operations	15,494,000	14,930,000
	\$12,397,000	\$28,697,000
Alberta Food Products	\$ (2,652,000)	\$ 2,007,000
Pacific Elevators Limited	1,457,000	3,433,000
Western Pool Terminals Ltd.	292,000	107,000
Prince Rupert Grain Ltd.	456,000	2,105,000
	\$ (447,000)	\$ 7,652,000
Extraordinary Items & Tax	\$ (2,640,000)	\$ (3,153,000)
Net Earnings	\$ 9,310,000	\$33,196,000

The substantial decrease in income from subsidiary and affiliated companies reflects the fact that these organizations, like Alberta Wheat Pool, depend on grain volume and grain margins for success.

Working capital funds obtained from operations during the year totalled \$24.4 million, a decrease of \$23.5 million from the almost \$48 million generated in the 1983-84 year. This represented a 50% decrease in cash flow for the organization. During the 1984-85 crop year, Alberta Pool used a total of \$55.7 million for capital payments compared to \$57.6 million in the previous year.

Alberta Pool's year-end working capital decreased to \$46.4 million after being about \$71 million for each of the previous two years. This is the lowest working capital that the Pool has had for several years, but it is still adequate to support the organization's current financial needs.

The prudent financial policies followed by Alberta Wheat Pool throughout its history stand the organization in good stead today. By careful management of resources and expenditures during the past year, all of the performance measures that the financial community applies to the Pool have been maintained in a satisfactory condition.

Total assets held by the organization decreased during the year by \$40.2 million to \$446 million. Most of the decrease in assets was in inventories and accounts receivable. The decrease in these assets can be considered positive.

The capital required to finance Alberta Wheat Pool is obtained from two sources - long term debt and Alberta Wheat Pool members. Funds invested by

members decreased by \$10 million to \$189 million as a result of the reduction in the current year's earnings.

The reduction in earnings caused Alberta Pool's debt to equity ratio to increase slightly from 0.57:1 to 0.61:1. Alberta Wheat Pool's earnings for the year provided a return on invested capital of 8%. This compares to an 18% rate of return during each of the last two years. Average return on members equity decreased substantially due to the reduced earnings. This year's rate of 9.4% return on equity compares to 31% achieved last year.

HUMAN RESOURCES

Alberta Wheat Pool operated throughout the crop year with a mind-set to staffing restraint and employee productivity. The net result was a drop from 1,950 employees at July 31, 1984 to 1,862 employees at July 31, 1985. This represents the organization's lowest staff complement in five years.

Performance management systems were initiated on an organization-wide scale during the past crop year. These programs capture the organization's business plans and ultimately establish the individual employee's performance objectives and plans.

Olds College continued to provide an ideal location for training Country Operations Division employees. Updating programs

OPERATIONS



Through its exporting operations, Alberta Pool arranges sales and shipments from west coast terminals as the final step in sending grain to overseas customers.

for job and basic management skills in addition to more specific management topics were carried out. The faculty at Olds

continued to be supported by the Pool's specialized resource staff which ensured that operational and industry changes were part of the programs imparted to these employees.

The control of accidents and hazardous working conditions continued to receive high priority in all areas of the organization. As a result of efforts in preventative training and sound operating practices, Alberta Wheat Pool was successful in negotiations with the Alberta Workers' Compensation Board to achieve a more favorable assessment for coverage. The negotiations produced \$1.4 million in rebates from the accumulated surpluses generated from the organization's continued low accident rates. This, coupled with the 1984 merit rebate of \$570,000, represented a total pay-out to Alberta Wheat Pool of \$2.0 million.

With respect to the Vancouver terminal industrial relations environment, an agreement signed in May 1985, concluded the bargaining for the agreement which will expire in December, 1986. The Grain Workers' Union continued to be preoccupied with the pace of technological change in the industry and its impact on employment conditions and security. The overall industrial relations climate at both Vancouver terminals remained relatively positive and productive, despite the major challenge of operating through difficult collective bargaining.

AUDITORS' REPORT

The Members **Alberta Wheat Pool**

We have examined the consolidated statement of financial position of Alberta Wheat Pool as at July 31, 1985 and the consolidated statements of operations, earnings retained from prior years and changes in working capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the consolidated financial position of Alberta Wheat Pool as at July 31, 1985 and the results of its consolidated operations and changes in its consolidated working capital for the year then ended in accordance with generally accepted accounting principals, applied on a basis consistent with that of the preceding year.

Calgary, Alberta
October 17, 1985

Touche Ross & Co.
Chartered Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Alberta Wheat Pool and subsidiary companies
as at July 31, 1985

	1985	1984
Current Assets		
Cash	\$ 1,963,358	\$ 1,589,630
Inventories (Note 2)	159,152,912	194,580,855
Accounts and accrued receivables	102,875,458	116,846,211
Prepaid expenses	8,760,399	8,674,728
	272,752,127	321,691,424
Current Liabilities		
Cheques and cash tickets outstanding	51,720,739	73,726,071
Bank loans	68,873,456	75,686,622
Call and short-term loans	57,108,900	47,247,900
Accounts payable and accrued charges	28,914,092	36,087,616
Staff savings	13,266,582	12,826,860
Current maturity of long-term debt	6,418,572	5,860,095
	226,302,341	251,435,164
Working capital	46,449,786	70,256,280
Property and equipment (Note 3)	131,347,004	125,856,849
Investment and memberships (Note 4)	36,383,139	32,993,727
Other assets (Note 5)	5,542,024	5,673,177
Funds Invested	\$219,721,953	\$234,780,013
Financed By		
Term loans from members and co-operatives (Note 6)	\$ 52,336,130	\$ 49,297,350
Long term debt (Note 7)	30,949,086	36,571,565
Members' equity		
Reserves (Note 8) Authorized \$120,000,000		
Issued to members	103,560,328	96,115,100
Earnings retained from prior years	23,566,364	19,599,800
Net earnings for the year	9,310,045	33,196,198
	136,436,737	148,911,098
	\$219,721,953	\$234,780,013

Approved on behalf of the Board:



A.J. Macpherson, Director



D.E. Livingstone, Director

CONSOLIDATED STATEMENT OF OPERATIONS

Alberta Wheat Pool and subsidiary companies
for the year ended July 31, 1985

	1985	1984
Revenue		
Sales and other operating revenue	\$1,338,176,511	\$1,522,044,449
Cost of sales	1,185,730,421	1,346,684,849
	152,446,090	175,359,600
Expenses		
Country facilities	52,233,547	51,288,353
Administration	23,933,628	22,880,983
Terminal operations	25,457,811	26,610,278
Interest	24,417,607	24,570,803
Depreciation and amortization	14,405,662	14,027,338
	140,448,255	139,377,755
Net earnings before the following	11,997,835	35,981,845
Provision for uncollectible advances	(1,987,790)	(2,060,647)
Extraordinary item (Note 9)	(700,000)	(725,000)
Net earnings for the year	\$ 9,310,045	\$ 33,196,198

CONSOLIDATED STATEMENT OF EARNINGS RETAINED FROM PRIOR YEARS

Alberta Wheat Pool and subsidiary companies
for the year ended July 31, 1985

	1985	1984
Net earnings for previous year	\$33,196,198	\$29,593,276
Less patronage refunds distributed		
In cash	13,612,094	13,240,142
In member reserves	15,617,540	12,779,239
	29,229,634	26,019,381
	3,966,564	3,573,895
Earnings retained at beginning of year as previously stated	19,599,800	16,640,879
Prior years' income taxes (Note 10)	-	(614,974)
Earnings retained at beginning of year as restated	19,599,800	16,025,905
Earnings retained at end of year	\$23,566,364	\$19,599,800

CONSOLIDATED STATEMENT OF CHANGES IN WORKING CAPITAL

Alberta Wheat Pool and subsidiary companies
for the year ended July 31, 1985

	1985	1984
Source of Working Capital		
Net earnings for the year	\$ 9,310,045	\$33,196,198
Add items not affecting funds		
Depreciation and amortization	14,405,662	14,027,338
Extraordinary item	700,000	725,000
	24,415,707	47,948,536
Increase in term loans from members and co-operatives	3,038,780	4,520,020
Investment tax credits	2,922,079	3,215,561
Proceeds from disposal of property and equipment	1,497,059	957,094
Increase in long-term debt	-	834,155
	31,873,625	57,475,366
Application of Working Capital		
Additions to property and equipment	22,132,196	26,341,175
Patronage refunds paid in cash	13,612,094	13,240,142
Members' reserves purchased	8,172,312	8,124,807
Increase in investment and memberships	5,753,380	5,997,753
Decrease in long-term debt	5,064,002	-
Deferred foreign exchange loss	387,668	1,023,974
Increase in current maturity of long-term debt	558,447	1,014,979
Additions to other assets	-	1,810,619
Prior years' income taxes	-	614,974
	55,680,099	58,168,423
Decrease in working capital during the year	23,806,474	693,057
Working capital at beginning of year	70,256,260	70,949,317
Working capital at end of year	\$46,449,786	\$70,256,260

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Alberta Wheat Pool and subsidiary companies
July 31, 1985

1. ACCOUNTING POLICIES

Alberta Wheat Pool ("the Association") is incorporated by a special Act of the Alberta Legislature. In preparing its financial statements, the Association follows generally accepted accounting principles. The following is a summary of the significant accounting policies adopted by the Association:

a) Principles of consolidation

These consolidated financial statements include the accounts of Alberta Wheat Pool and its subsidiaries.

Percentage ownership: Alberta Food Products 100%, Western Pool Terminals Ltd. 60%, Pacific Elevators Limited 60%.

All significant inter company transactions have been eliminated.

b) Property and equipment

Property and equipment are recorded at cost less investment tax credits earned. Depreciation is charged on a declining balance basis at annual rates varying from 4% to 30%, designed to amortize the cost of the assets over their useful lives.

c) Investments and memberships

Investments and memberships are recorded at cost. Revenues from these investments are recognized when received.

d) Other assets

Development and preoperating costs represent those recorded in the accounts of Alberta Food Products and are being amortized on a unit of production basis.

Goodwill and patent rights are being amortized on a straight-line basis over ten years.

e) Recognition of income

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

Revenues from grain overages registered in advance at the terminal elevators are deferred until a weighover occurs.

f) Foreign currency translation

Foreign currency long-term debt financing has been recorded at the rate of exchange in effect at July 31, 1985.

Exchange gains and losses on this long-term debt are deferred and included in other assets. The deferred balance is amortized over the term of the debt.

g) Net earnings for the year

Net earnings for the year are distributed by way of patronage refunds according to the decisions of the delegates at the Association's annual meeting.

2. INVENTORIES

	1985	1984
Grain purchased for delivery to the Canadian Wheat Board, valued at established delivery prices, after deferral of unearned handling revenues	\$110,446,879	\$146,741,943
Grain valued on the basis of open sales contracts and future contract prices, after deferral of unearned margins	6,199,558	13,254,024
Other inventories, including seed and agro supplies, valued at the lower of cost or net realizable value	42,506,475	34,584,888
	\$159,152,912	\$194,580,855

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. PROPERTY AND EQUIPMENT

Property and equipment are classified by operating division as follows:

	1985	1984
Country facilities	\$158,117,306	\$149,311,825
Terminal operations	68,848,499	62,800,572
Processing plant	27,528,012	26,512,566
Administration	22,364,289	18,380,994
	276,858,106	257,005,957
Less		
Accumulated depreciation	137,169,844	123,365,963
Investment tax credits	8,341,258	7,783,145
	\$131,347,004	\$125,856,849

The construction or acquisition of additional property and equipment in the amount of \$13,000,000 (1984 - \$22,969,000) has been authorized by the Directors of the Association.

4. INVESTMENTS AND MEMBERSHIPS

	1985	1984
Co-operative joint ventures including Western Co-operative Fertilizers Limited (Note 11)	\$10,719,308	\$ 9,774,707
Prince Rupert Grain Ltd.	24,386,363	19,924,251
Other co-operative investments, principally shares	8,370,322	8,456,688
Other investments and memberships	1,620,714	1,187,681
	45,096,707	39,343,327
Less investment tax credits	8,713,568	6,349,600
	\$36,383,139	\$32,993,727

5. OTHER ASSETS

	1985	1984
Goodwill	\$ 676,136	\$ 751,262
Patent rights	967,890	967,890
Deferred foreign exchange loss	2,525,850	2,138,182
Development and preoperating costs	1,372,148	1,815,843
	\$5,542,024	\$5,673,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. TERM LOANS

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

7. LONG-TERM DEBT

	1985	1984
Alberta Wheat Pool		
Income debenture	\$ 3,900,000	\$ 5,100,000
Promissory note	1,500,000	3,500,000
Capital lease	777,109	1,026,640
Agreement to purchase land	3,500,000	4,400,000
Western Pool Terminals Ltd.		
6 5/8% mortgage	3,751,433	3,952,500
Advances from minority shareholders	3,695,116	3,500,520
Alberta Food Products		
9 1/4% notes payable – U.S. \$15,000,000	20,244,000	20,952,000
	37,367,658	42,431,660
Less current maturity	6,418,572	5,860,095
	\$30,949,086	\$36,571,565

- a) The income debenture is secured by a first mortgage on land, a first floating charge on all the Association's undertakings, property and assets. The debenture carries interest at half of prime rate plus three quarters of a percent, and is repayable in quarterly installments of \$300,000, to 1988.
- b) The demand promissory note represents the Association's liability for the purchase of shares of Cooperative Energy Corporation. The terms provide for quarterly payments to 1986. The note is secured by the shares.
- c) The capital lease expires in 1988 and carries interest at 14%.
- d) The agreement to purchase land is secured by an irrevocable bank letter of guarantee. The agreement carries interest at 9 1/2% and is payable monthly. Principal is repayable in monthly installments of \$100,000 to 1988.
- e) The 6 5/8% mortgage is secured by the property and equipment of Western Pool Terminals Ltd. and is payable in annual installments of \$462,918, including interest.
- f) The 9 1/4% notes payable are secured by a first fixed mortgage on the land, a first floating charge upon the property and assets of Alberta Food Products, a first floating charge upon the interests of the Association in Alberta Food Products and by guarantees of the Association. The notes are repayable in annual installments to 1994.
- g) Interest on long-term debt was \$7,771,821 in 1985 (1984 – \$7,306,452). Repayments of long-term debt for the next five years ending July 31 are as follows: 1986 – \$6,418,572; 1987 – \$4,966,701; 1988 – \$4,751,739; 1989 – \$2,584,279; 1990 – \$2,301,496.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. RESERVES

	1985	1984
Balance at beginning of year	\$ 96,115,100	\$91,460,668
Deduct members' reserves purchased	8,172,312	8,124,807
	87,942,788	83,335,861
Add patronage refunds allocated as members' reserves	15,617,540	12,779,239
Balance at end of year	\$103,560,328	\$96,115,100

9. EXTRAORDINARY ITEM

The Association is providing, over a two year period, for holding costs of certain land acquired for future development. These costs, amounting to \$1,400,000 are not considered to be recoverable under current market conditions.

10. PRIOR YEARS' INCOME TAXES

Due to the loss of inventory allowances claimed by the Association, income tax reassessments for the years 1977 to 1983 are expected to result in additional income taxes payable amounting to \$614,974.

11. COMMITMENTS

Western Co-operative Fertilizers Limited (WCFL), in which the Association has a 25% interest, has, through a U.S. subsidiary acquired a 50% interest in a phosphate mining and processing operation. As of July 31, 1985, the balance of the debt instruments amounted to \$42,648,605 U.S. (\$57,916,806 Canadian) repayable in annual installments until 1996. Up to one third of the annual payments of principal and interest in these loan agreements are guaranteed by the Association, until the acquisition financing has been discharged, through a contract to purchase specified annual quantities of phosphate rock. This take or pay contract has been assigned to WCFL for the acquisition of raw materials in its normal course of business.

WCFL's partner in the phosphate mining and processing operation has failed to meet certain financial obligations and has filed for protection under Chapter 11 of the Bankruptcy Code of the United States. The ultimate effect of this filing on WCFL is not determinable at this time.

Under the terms of the 1984 refinancing of WCFL long-term debt, the Association is committed to purchasing jointly with other organizations, certain specified minimum quantities of fertilizer, until 1992.

12. CONTINGENCIES

The Association is contingently liable for any deficiency in the security pledged against an associated company's loan of \$16,000,000 due in 1988. The estimated current market value of the security is \$9,200,000.

13. RELATED PARTY TRANSACTIONS

The Association conducts its business activities as a co-operative and consequently, a significant portion of its transactions, including grain purchases, sale of farm supplies and financing transactions, are with members of the Association.

Amounts due from related parties of \$1,475,432 and amounts due to related parties of \$152,045 are included in the Association's assets and liabilities at July 31, 1985.

DELEGATES 1985-86

District One

101 Gogolinski, Barney	Orion
102 Lindeman, Les W.	Milk River
103 Simanton, Vernon	Foremost
104 Wocknitz, Robert	Magrath
105 McGlynn, Dallis H.	Twin Butte
106 Hanzel, Ron A.	Lethbridge
107 Nemeth, Frank	Picture Butte
108 Rempel, Henry S.	Vauxhall
109 Thurston, Clarence F.	Bow Island
110 Jorgenson, Alf C.	Granum

District Two

201 McMorris, Gary	Milo
202 Williams, S. Evan	Vulcan
203 Brown, Gary G.	Stavely
204 McWilliam, Bernie	Blackie
205 Walker, Bruce	Gleichen
206 Duhn, Robert L.	Delacour
207 Schmaltz, Clarence M.	Beiseker
208 Durnin, Patrick	Kathryn
209 Carney, Pat F.	Three Hills
210 Bird, Lionel M.	Carstairs

District Three

301 Hagel, Robert J.	Schuler
302 Bamber, Robert D.	Esther
303 Aasen, Alfred Lawrence	Brooks
304 Bothi, Steven C.	Bassano
305 Moe, Daniel L.	Morrin
306 DeGiano, Wayne R.	Craigmyle
307 Pratt, Kenneth R.	Esther
308 Kloberdanz, John	Kirriemuir
309 Hepp, Melvin F.	Castor
310 Petersen, Leslie M.	Erskine

District Four

401 Redmond, Donald R.	Edgerton
402 Chynoweth, Stanley J.	Wainwright
403 Harbin, Clifford T.	Rivercourse
404 Thompson, William C.	Mannville
405 Oberg, Wilmer L.	Forestburg

District Four (cont'd)

406 Ash, Robert W.	Viking
407 Pearson, John F.	Donaldalda
408 Pepper, Clifford G.	Ohaton
409 Jacobsen, Norman	New Norway
410 Rude, Lars E.	Tofield

District Five

501 Silver, Neil D.	Huxley
502 Schaefer, Vernon E.	Innisfail
503 Nelson, Glen R.	Bentley
504 Wagner, Albert F.	Lacombe
505 Baker, Percy A.	Ponoka
506 Wedman, Johnathan K.	Wetaskiwin
507 Rebus, John A.	Stony Plain
508 Lappenbush, W.F. (Bud)	Mayerthorpe
509 Anderson, Hubert N.	Barrhead
510 Stanley, Kenneth	Westlock

District Six

601 Bober, John R.	Derwent
602 Pidruchney, Albert L.D.	Myrnam
603 Farion, Orest	Vegreville
604 Fedun, David	Andrew
605 Galloway, Kenneth D.	Ft. Saskatchewan
606 Mulligan, Earl	Bon Accord
607 Ewaskow, Russel F.	Thorhild
608 Carson, W.D.	Waskatenau
609 Shalaka, Kenneth Rudy	Fort Kent
610 Zachkewich, Emil	Boyle

District Seven

701 Crone, James B.	Falher
702 Galigan, Douglas	Falher
703 Nikolaychuk, Mike	Woking
704 Homme, Dreng	Hythe
705 Erickson, Rae G.	Tangent
706 Watson, Allen B.	Dawson Creek
707 Vander Linden, Dale	Clayhurst
708 Sydnes, Kenneth J.	Brownvale
709 Kosiorek, Con	Hotchkiss
710 Wieben, Donald O.	Fairview

CORPORATE INFORMATION

Board of Directors

A.J. Macpherson
President
Delia
D.E. Livingstone
First Vice-President
Vermilion
G.W. Braithwaite
Second Vice-President
Bowden
T.A. Graham
Spirit River
R.C. Schmitt
Milk River
H.H. Hennig
Andrew
J.G. Gorr
Three Hills
D.V. Riddell
Corporate Secretary
A.W. Beattie
Director – Public Relations

Management Executive

J.W. Madill
Chief Executive Officer
G.C. Appleby
Director – Administration
and Human Resources
G.J. Dewar
Director – Terminal Operations
A. Kowalchuk
Director – Country Operations
J.E. Sherwood
Director – Corporate Development
T.M. Volk
Director – Finance and Subsidiaries
D.G. Ball
Manager – Internal Audit
G.R. Sargent
Executive Assistant

Legal Counsel

MacKimmie Matthews

Auditors

Touche Ross & Co.

Bankers

Bank of Montreal
Royal Bank of Canada
Bank of Nova Scotia
Canadian Imperial Bank of Commerce
Toronto-Dominion Bank
Bank of British Columbia

