

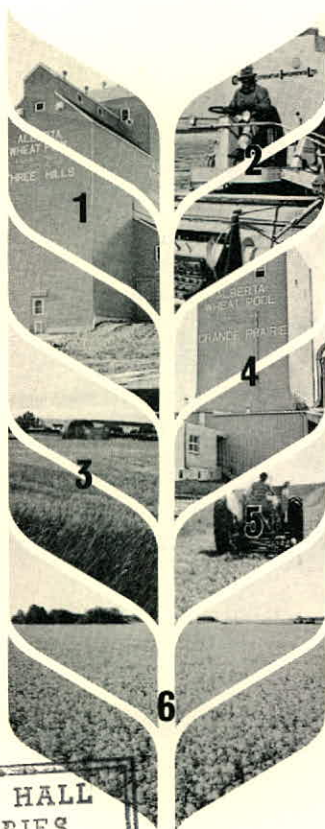


ALBERTA WHEAT POOL

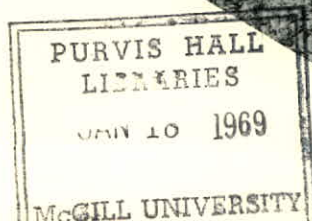
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ALBERTA WHEAT POOL • ANNUAL REPORT 1968



- 1 *Alberta Pool Elevators for Alberta Farmers*
- 2 *As you sow so shall you reap*
- 3 *Modern farm headquarters*
- 4 *Modern plants for quality seed*
- 5 *Forages flourish in Alberta*
- 6 *Oil seeds — boosting the farm economy*



ALBERTA WHEAT POOL SEASON 1967 - 1968

board of directors

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

O. J. BROUGHTON, *Secretary*

officers and head office personnel

A. T. BAKER, *General Manager*
 J. W. MADILL, *Director of Operations*
 S. M. VICKERSON, *Director of Administration*
 J. A. CRAWFORD, *Elevator Operations Manager*
 J. S. HARBURN, *Sales & Traffic Manager*
 L. J. TRELEAVEN, *Construction & Maintenance Manager*
 R. A. FINDLAY, *Seed & Fertilizer Manager*
 T. G. HENDRY, *Treasurer*
 R. G. PALMER, *Chief Accountant*
 G. M. CHANDLER, *Office Manager*
 A. L. BEATTIE, *Public Relations Manager*

branch managers

H. K. MOEN, *Vancouver*
 C. F. USHER, *Victoria Elevator Ltd.*
 J. B. GANT, *Winnipeg*
 J. E. PARKS, *Edmonton*

solicitors

MacKIMMIE, MATTHEWS, WOOD, PHILLIPS & SMITH

auditors

CLARKSON, GORDON & COMPANY

bankers

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

ALBERTA WHEAT POOL - delegate list

Lethbridge — District One

101	Gogolinski, B.	Orion
102	Norris, Fred A.	Warner
103	Kuehn, Herbert C.	Skiff
104	Newton, Kenneth E.	Del Bonita
105	Patching, Harry R.	Stirling
106	Williams, Kenneth	Taber
107	Konynenbelt, Evert J.	Nobleford
108	Binder, Arthur H.	Turin
109	Thurston, Clarence F.	Bow Island
110	Bayer, Robert	Schuler

Calgary — District Two

201	Dyck, Nick	Pincher Creek
202	O'Neil, James Jesse	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, C. M.	Beiseker
209	Clayton, Clifford S.	Airdrie
210	Richards, Ralph E.	Olds

Drumheller — District Three

301	Muza, John E.	Empress
302	Curry, Lyall A.	Sunnynook
303	Schindeler, Albert P.	Brooks
304	Arrison, Arthur W.	Bassano
305	Burne, G. W.	Gleichen
306	Cammaert, Emile	Rockyford
307	Niemi, Robert	Trochu
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	Smith, Marcus	Veteran
404	Turner, H. H.	Alliance

405	McCormick, J. E.	Byemoor
406	Petersen, Leslie M.	Erskine
407	Stone, John J.	Alix
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	Jackson, E. R.	Irma
504	Flaade, Bennie Alfred	Hardisty
505	Lefsrud, Harald	Viking
506	Hayes, Charles P.	Strome
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. Russell	Vegreville
604	Ropchan, Mike	Willingdon
605	Galloway, Kenneth D.	Fort Sask.
606	Ziegler, Alex	Winterburn
607	Montpetit, Paul M.	Legal
608	Melnyk, Henry	Smoky Lake
609	Lamothe, Armand	St. Paul
610	Parson, Raymond R.	Boyle

Peace River — District Seven

701	Parrent, Fred J.	Clyde
702	Rimmer, Laurence	Pibroch
703	Hallowes, Arthur W.	Sangudo
704	Galigan, Douglas	Culp
705	Gummer, Howard F.	Buffalo Lake
706	McNab, James A.	Beaverlodge
707	Vandergrift, Lloyd F.	Dawson Creek
708	Dufour, Gerard M.	Spirit River
709	Bulmer, A. R.	Berwyn
710	Proctor, C. M.	Fairview

1967 - 68 REPORT HIGHLIGHTS AND COMPARISONS

	1968	1967
Handlings — Country Elevators, in bushels	84,438,998	113,097,918
Forage Seed, in pounds	11,308,137	13,523,114
Cereal Seed, in pounds	21,459,970	24,053,886
Percentage of Alberta Grain Deliveries Handled	46.4%	46.8%
Gross Value of Board Deliveries and Other Sales	\$143,012,588	\$162,454,260
Seed and Fertilizer Division Sales (included above)	\$ 11,637,169	\$ 9,908,752
Total Revenues	\$ 21,886,951	\$ 21,662,744
Total Expenses	\$ 13,967,769	\$ 12,575,880
Capital Cost Allowances	\$ 2,387,283	\$ 1,818,237
Net Earnings	\$ 5,531,898	\$ 7,268,626
Current Assets	\$ 62,445,156	\$ 54,899,770
Current Liabilities	\$ 52,314,663	\$ 44,105,212
Working Capital	\$ 10,130,493	\$ 10,794,558
Capital Expenditures on Properties and Equipment	\$ 7,210,177	\$ 3,891,660
Total Invested in Capital Assets	\$ 47,663,337	\$ 40,835,768
Patronage Refunds Distributed (out of previous year's earnings)	\$ 6,837,255	\$ 4,238,398
Reserves held by Members	\$ 22,245,431	\$ 19,233,486
Percentage of Member Business prior year	98.08%	97.71%
New Members	2,323	2,308
Total Membership	52,703	52,321
Number of Country Elevators	521	525
Elevator Capacity — in bushels — Country	46,257,700	45,449,100
Terminals	10,340,000	10,340,000
Average Number of Employees	1,264	1,255

1966	1965	1964	1963
90,441,480	84,254,713	87,053,840	70,765,924
16,478,020	10,750,521	12,414,054	8,496,957
16,033,396	19,099,510	15,355,136	6,742,160
45.6%	43.6%	44.1%	42.1%
\$127,329,423	\$110,744,629	\$120,977,037	\$87,229,318
\$ 7,858,931	\$ 4,395,985	\$ 5,903,751	\$ 3,329,396
\$ 17,813,685	\$ 15,628,636	\$ 17,147,426	\$13,220,241
\$ 11,613,659	\$ 10,595,368	\$ 11,223,426	\$ 9,019,640
\$ 1,628,406	\$ 1,200,255	\$ 1,027,565	\$ 1,009,660
\$ 4,571,621	\$ 3,833,013	\$ 4,896,435	\$ 3,190,941
\$ 46,054,731	\$ 49,044,967	\$ 44,210,540	\$42,949,570
\$ 35,300,199	\$ 36,340,084	\$ 34,798,760	\$34,050,036
\$ 10,754,532	\$ 12,704,883	\$ 9,411,780	\$ 8,899,534
\$ 2,526,880	\$ 2,482,328	\$ 1,394,227	\$ 1,030,800
\$ 37,681,647	\$ 35,499,589	\$ 33,443,552	\$32,484,730
\$ 3,582,521	\$ 4,574,129	\$ 2,920,969	\$ 2,584,894
\$ 18,234,220	\$ 17,530,809	\$ 15,683,365	\$14,712,152
97.39%	97.0%	97.2%	96.8%
2,115	2,157	2,418	2,330
51,789	51,311	50,837	50,604
533	535	543	548
44,860,800	43,886,500	42,875,500	42,346,000
10,340,000	10,340,000	10,340,000	10,340,000
1,166	1,104	1,074	988



REPORT OF BOARD OF DIRECTORS

ALBERTA WHEAT POOL

TO FORTY-SIXTH ANNUAL MEETING OF DELEGATES

Gentlemen:

Following two record years, the 1967-68 crop year saw a substantial reduction in the country elevator handlings of your association. While the drop was in the nature of 25 per cent, it represented about 46½ per cent of Alberta marketings, and was still the fourth largest volume in the history of Alberta Wheat Pool. Your association continued the accelerated building and maintenance programme which has prevailed for several years, and can report a high degree of utilization of all facilities. Services to the membership were continued as in previous years, and, in addition, distribution of some farm chemicals was initiated. Throughout the year, your association maintained its active and influential role within the province and at the national level on behalf of the membership.

SUMMARY OF OPERATIONS

Grain handlings through the country elevators of your association totalled 84,438,998 bushels during the year, a decrease of 28,658,920 bushels, or 25.34 per cent. This volume represented about 46.42 per cent of Alberta marketings, in contrast to 46.81 per cent the previous year. Terminal unloads of grain at Vancouver of 49,553,731 bushels were 13,172,216 bushels less than the previous year. Handlings at Victoria were 8,835,296 bushels, a decrease of 2,264,702 bushels from the year earlier. Forage seed handlings totalled about 11,500,000 pounds and fertilizer sales exceeded 75,000 tons. Available for distribution from the year's operations are net earnings of \$5,531,898, before provision for income tax, the second highest net earning to date.

GRAIN MARKETING

Canadian exports in the form of wheat and flour during 1967-68 amounted to 335,100,000 bushels. This represents a decline of 182,100,000 bushels from the previous year, and a drop of about 245,000,000 from the all-time high reached in 1965-66. It is about ten per cent higher than the average exports for the last thirty-year period. Preliminary figures issued by the Board of Grain Commissioners indicated that exports of Canada's six principal grains totalled 379,500,000 bushels, a drop of 200,000,000 bushels from the previous year. Flour exports, estimated at the

equivalent of 24,400,000 bushels, when included, bring Canadian grain and flour exports to a total of 403,900,000 bushels. While wheat exports showed the most substantial decline from the previous years, all other grain exports were down in varying degree.

Exports of Canadian barley at 36,100,000 bushels was a reduction of about 17,000,000 bushels. Shipments of oats to the United States and other export markets were 3,100,000 bushels, a drop of about 700,000 bushels from the previous year, and totalled only about one-eighth of the previous thirty-year average. Exports of rye were 4,800,000 bushels, less than half of those of the previous year, which totalled 10,000,000. Flaxseed exports, which amounted to 12,600,000 bushels, were down 4,000,000 bushels from the previous year. Rapeseed exports, while down 1,500,000 bushels from the record shipments of the previous year, did attain the substantial total of 12,300,000 bushels.

For the first time, Japan became the largest single export market for Canadian grains by volume, having taken a total of 73,300,000 bushels of the principal grains, oilseeds, and wheat flour. Britain moved from fourth to second position, taking 69,800,000 bushels of wheat, oats, barley, rye, flaxseed, and wheat flour, but moved from third position last year to first position as Canada's principal wheat customer. The shipment of 52,000,000 bushels of Canadian wheat to mainland China — 38,500,000 below the previous year — ranked that country third on Canada's 1967-68 list of grain customers. The 49,000,000 bushels of Canadian wheat cleared to the USSR reflects a decline of 44,200,000 from the 1966-67 crop year, when that country was Canada's major customer. India, the destination for 22,500,000 bushels of Canadian wheat and flour, remained Canada's fifth largest grain market, despite the sharp decrease from the previous year.

WHEAT POOL PRESENTATIONS

Canadian Transport Commission

Late in 1967 the legislation establishing the Canadian Transport Commission was proclaimed in full, and the former Board of Transport Commissioners became the Railway Transport Committee of the new commission. One of its first

tasks was to establish "proper costing methods," on which, amongst other things, it could proceed to hear railroad applications for branch line abandonments. Public representations were heard early in 1968, and in September, the Committee convened with the purpose of establishing the necessary costing formula. At time of writing this report the meetings are proceeding, having heard representations from the major railroads, prairie provincial governments, and various interested parties. Your association, jointly with the other two Wheat Pools, through Canadian Co-operative Wheat Producers Limited, made a presentation to this body in October, and will continue to maintain representation at the hearings.

Federal Agricultural Task Force

During 1967 the federal government established the Agricultural Task Force to determine and assess farm problems confronting Canada at the present time and over the next ten to fifteen years. The Force is expected to examine the long-term goals of Canadian agriculture, and its competitive position in international markets, having regard to Canadian farm policies and those of the main competing nations. In addition to the initiation of some sixteen research projects, the viewpoint of provincial departments of agriculture and farm organizations was sought. Your association made a submission to this Force in April, 1968, and discussed informally with members of the Force items of concern in September of this year.

Royal Commission on Farm Machinery

The Royal Commission on Farm Machinery, to which a submission had been made by your association in March of 1967, later requested the co-operation of your association in ascertaining farmer attitudes in respect to repair parts and problems. We co-operated with them to the extent requested, and lent encouragement to our membership to make their views known. The Commission is continuing its exhaustive investigation of the farm implement business both in North America and in western Europe. Latest indications are that its report may not be forthcoming before late 1969.

"At and East" Freight Rates on Export Grain

We have reported for several years the situation respecting "At and East" freight rates on export bulk grain leaving from the Georgian Bay and related ports to the Atlantic winter ports. The substantial rate of increases authorized by the Board of Transport Commissioners in 1961 were repeatedly postponed until June 30, 1967. With

the implementation of the National Transport Act in 1967, the Railway Transport Committee established a schedule of "compensatory rates," and subsequently the federal government has assumed, on a year to year basis, the difference between these new rates and the former "At and East" schedule.

Special Committee of the Alberta Legislature on Redistribution

The 1968 session of the legislature appointed a special committee to study various methods in use in Canada for redistribution of legislative seats. Your association made a submission to this committee in July, 1968, stressing the important role of agriculture in the economic life of the province, and recommending for consideration of the committee the significance of historical precedent, features of geography, community of interest, and problems of transportation and communication, in addition to the basic principle of representation by population. Our submission also referred to the high degree of proprietary interest in the agricultural and rural industries of Alberta, and recommended that consideration be given this feature as well.

Alberta Labour Act

The Alberta Wheat Pool, and other member organizations, early in 1968 perused a draft submission by the Alberta Federation of Agriculture regarding impending amendments to the Alberta Labour Act, which would include farm labour within its terms. Subsequently, the Pool, in a letter to the Deputy Minister of Labour, requested clarification of the appropriate section, it being our view that undertakings by an agricultural producer in preparing his products for market be not considered separate commercial undertakings from his farming.

Co-operative Farm Labour Seminar

Representatives of your Board attended a co-operative farm labour seminar in Red Deer early in February, 1968. This was a follow-up to one held the previous year. No specific suggestions emanated from the meeting to minimize the effects of inflation on the farmer. Labour groups represented likewise felt that the economic position of their members was under serious pressure from current inflationary tendencies.

Alberta Hog Marketing Plan

This year your association, through its publicity programme, lent encouragement to hog producers in the province to register and participate in a plebiscite respecting a hog marketing plan for the province.

Slow Growing Regions

In March, 1968, your association, on invitation, was represented at a conference respecting the slow growing regions in Alberta, held in Edmonton. This was largely a review of the economic condition of various parts of the province, and the existing programmes for improvement. The Alberta Federation of Agriculture will attempt to co-ordinate the various agencies and programmes involved in the future.

Co-operative Housing

Your association was represented at meetings held in the province during the year to discuss co-operative housing. The viewpoint and moral support of the Pool was sought in this case because of its successful operation as a co-operative.

LEGISLATION

Temporary Wheat Reserves Act

The Temporary Wheat Reserves Act remained in effect during the year, and under its provisions the federal treasury provided funds for carrying charges on the volume of wheat held by The Canadian Wheat Board on August 1, 1967, in excess of 178,000,000 bushels. This amount was 179,569,676 bushels; and, therefore, under the provisions of the Act, The Canadian Wheat Board received, during the 1967-68 crop year, the sum of \$34,979,633, which has been allocated as follows:

1966-67 Pool account	\$20,327,247
1967-68 Pool account	\$14,652,386
Total	\$34,979,633

The rate of carrying charges for the crop year was .05322 cents per bushel per day.

Prairie Grain Advance Payments Act

The Prairie Grain Advance Payments Act was again in force during the crop year. This Act provides for an advance to grain producers on the basis of fifty cents per bushel on wheat, twenty cents per bushel on oats, and thirty-five cents per bushel on barley, which the permit holder has on his farm and undertakes to deliver on a quota of six bushels per specified acre. The maximum advance to any one permit holder is \$3,000. The funds for advances made under this Act were provided by The Canadian Wheat Board to the elevator companies, with interest charges absorbed by the federal government.

Advances in an amount of \$47,280,533 were made to 45,810 producers in the prairie provinces during the year. Of this amount, payments totalling \$13,900,463 were made to 14,062 producers in Alberta. Advances made by Alberta Wheat

Pool amounted to \$6,642,370 to 6,578 producers. The experience of your association in respect to these loans will be found appended to this report.

Amendments to this Act were being considered in parliament at time of writing this report. These would double the maximum advance to \$6,000 on the basis of an increase in rates to \$1 per bushel on wheat, 40 cents on oats, and 70 cents on barley.

Farm Improvement Loans Act

The Farm Improvement Loans Act expired on June 30, 1968. Little use had been made of its provisions in the past few months as chartered banks were unwilling to extend loans in view of rapidly increasing interest rates. This legislation had enjoyed extensive use by farmers, and served a useful purpose throughout its lifetime. Farmers, through the Canadian Federation of Agriculture, had urged its renewal, and at time of writing this report, proposals of this nature were before parliament, as well as major amendments to the Farm Credit Act and the Farm Machinery Syndicates Act.

The Canadian Livestock Feed Board

The Canadian Livestock Feed Board and an advisory committee was established in April, 1967, and commenced operations as of that time. The objectives of the Board are to insure:

1. The availability of feed grain to meet the needs of livestock feeders,
2. The availability of adequate storage space in eastern Canada for feed grain to meet the needs of livestock feeders,
3. Reasonable stability in the price of feed grain in eastern Canada and in British Columbia, and
4. Fair equalization of feed grain prices in eastern Canada and in British Columbia.

Regulations authorizing the Board to pay freight assistance on feed grains shipped into eastern Canada and British Columbia and to pay assistance in respect of storage expenses on feed grains under certain circumstances were made at that time. The Board was also empowered to allocate winter storage space in certain eastern elevators for feed grains.

INTERNATIONAL GRAINS ARRANGEMENT

The development of the International Grains Arrangement, which we outlined in our report to you last year, was made effective on July 1, 1968. As of July 10, 1968, the signatory countries include nine exporters and thirty-two importers, the European Economic Community being listed

in both groups. At the time of its implementation, commercial wheat markets had undergone an eleven-month period of uncertainty since the lapse of the last International Wheat Agreement on July 31, 1967. The interlude had been the first period since 1949 when no international wheat agreement had been in effect, and provided an opportunity for exporting countries, in particular, the United States of America, to upset the existing price and trading patterns in pursuit of a larger share of the commercial wheat markets. This period coincided with ample supplies of wheat in the traditional exporting nations and with good production in many countries which are in most years net importers. The years 1966 and 1967 saw world wheat production exceed the ten billion bushel mark. During the period August 1, 1967, to June 30, 1968, price of grains equivalent to Number One Northern at the Lakehead dropped from \$2.12 to the equivalent of \$1.90. This resulted in part from a determination by the United States to secure a 750,000,000 bushel export target. This target was actually exceeded by some 4,000,000 bushels, and was accomplished through aggressive selling policies and various forms of financial assistance, including what were termed "inverse subsidies". The net result of the activities during this period was that Canada's share of the export wheat trade during the crop year dropped from approximately 25 per cent to about 18 per cent. In mid-September, 1968, the five major wheat exporting countries held a meeting in Canberra, Australia, to discuss the future of the International Grains Arrangement in view of the over-supply position and under-selling by some countries. The meeting was informal, and the member countries announced a determination to observe the minimum price objectives of the International Grains Arrangement. It was also agreed to institute a regular exchange of more extensive information on international wheat trade matters.

THE CANADIAN WHEAT BOARD

Canadian farmers delivered a total of 599,400,000 bushels of wheat, oats, barley, rye, flax, and rapeseed to licensed elevators during the 1967-68 crop year. This was a substantial decline from the near record deliveries of the previous year of 842,700,000 bushels. Of this total were the following individual grain deliveries, with the previous ten-year average (1957-58 to 1966-67) for comparison:

	1967-68	10-year average
Wheat	452,900,000	464,300,000 bu.
Oats	29,300,000	46,200,000 bu.
Barley	83,400,000	93,800,000 bu.
Rye	6,800,000	7,800,000 bu.
Flax	8,000,000	16,900,000 bu.
Rapeseed	19,000,000	9,800,000 bu.

The traditional and aggressive sales policies of The Canadian Wheat Board were continued during the year. Criticism was voiced in certain quarters that these policies were not aggressive enough, or competent for the situation. Elsewhere in this report we refer to developments under the International Grains Arrangement, and certain circumstances prevailing in world wheat markets. We doubt that further price reductions by The Canadian Wheat Board would, under the circumstances, have improved Canada's marketing percentage. Rather, we think the beneficial influence of The Canadian Wheat Board system and its policies prevented world wheat prices dropping further and assisted greatly in the implementation of the International Grains Arrangement at the minimum prices earlier agreed upon. We commend the commissioners of The Canadian Wheat Board for their efforts during the year. We also commend the government of Canada for the guarantee of a floor price equivalent to \$1.95½ per bushel, basis Number One Northern at the Lakehead, for the difficult eleven-month period during which no international wheat agreement was in effect.

CANADIAN GRAINS COUNCIL

During the federal election campaign in June, 1968, the Prime Minister suggested the establishment of a Canadian Grains Council "to co-ordinate Canada's effort to improve its share of world markets for all grains and grain products."

The federal Minister of Agriculture and Minister of Trade and Commerce subsequently convened an initial meeting in this regard in Winnipeg on October 16, 1968, to which invitations were extended to all organizations, companies, and segments of industries involved in the production, handling, transportation, sales, and research, of grain. An outline of the government's proposed terms of reference for the Council was placed before the meeting and discussed. The consensus of opinions expressed was being used by the federal government at time of writing this report to establish the terms of reference of the Council and to draft an organizational and financial arrangement.

UNIFORM PROTEIN CONTENT

Under the present highly competitive selling conditions, buyers of Canadian wheat have, amongst other things, sought increasingly uniform protein content in cargoes leaving west coast terminals. The Canadian Wheat Board and Board of Grain Commissioners during the past year reviewed the prevailing situation and informed the

handling companies of the problem resulting from terminals drawing supplies from limited geographic areas. In particular, shipments by Saskatchewan Wheat Pool, which, being determined by freight rates, were of considerably higher than average protein content; while Alberta Wheat Pool shipments fell somewhat below the average. Following a review of possible means of change, the Alberta and Saskatchewan Wheat Pools agreed to a car exchange programme which holds promise of meeting the sales requirements of the Canadian Wheat Board. This procedure was instituted at the beginning of August, 1968, and its results will be more definitely known after a year of operation.

SEED DIVISION

1967 was an uncertain year for the production of forage seeds in Alberta. Good moisture conditions early in the year permitted a good start, but dry weather in the northern regions, and cool weather in June, resulted in a considerable legume acreage being cut for hay. Despite this, a favourable harvest created a surplus of some legume seeds, and prices declined accordingly. The brome harvest was light in yield, and prices remained favourable. Fescue prices were disappointing as a result of competitive seeds, particularly in the United States. The volume of cereal seeds handled for the provincial market declined from the previous year as a result of the high quality of the 1967 crop, and its suitability for seed.

The year required intensive merchandising effort, an exercise which is expected to continue. In regard to export markets, it would appear that locally adapted varieties will be in more general use in the United States and the western European countries, thereby lessening imports. The possibility of contracting for production of seeds and the development of new markets will require attention in the future.

On the authorization of your last annual meeting, we commenced distribution of the more popular herbicides through this division. The volume handled somewhat exceeded estimates, and reflected an interest by the members in this service and a willingness on the part of the country operations personnel to sell these products. All available supplies were obtained through Interprovincial Co-operatives Limited and additional lines of specialized chemicals were obtained from manufacturer's representatives.

The cereal seed cleaning plant at Lethbridge was completed and placed in operation during the year, and warehouse facilities throughout the province were expanded substantially.

Sales of fertilizer reached a volume in excess of 75,000 tons, which we consider favourable on the basis of past records and the total sales within the province during the year.

Net earnings of this division amounted to \$289,161.

FERTILIZER

Stocks of fertilizer were obtained from the manufacturing facility jointly owned by your association, Federated Co-operatives Limited, and Saskatchewan Wheat Pool. Supplies were adequate during the year. Earnings from this source reflected, amongst other things, a continuous and near capacity operation, advantageous prices on some of the major raw materials, and maintenance of retail prices consistent with the previous year. More detailed information will be available to this meeting later.

INTERIOR FEEDS LIMITED

Interior Feeds Limited, your wholly owned subsidiary, completed its eighth year in the domestic feed grains business in the province of British Columbia. Handlings were reduced from the previous year by about 17.7 per cent to a level of 2,524,672 bushels. The reduction was mainly in wheat and oats, the barley volume being down only 5.5 per cent. Average prices paid the growers were somewhat better than the previous year, reflecting to some extent higher quality grain. The year's business resulted in net earnings of \$18,296, after provision for income tax. The largest handlings, as in previous years, were at the Dawson Creek and Fort St. John elevators, with lesser amounts at Pouce Coupe and Creston. Your association received reimbursement for all necessary services rendered on the handlings of grain by this company.

VICTORIA ELEVATOR LIMITED

Victoria terminal was again used during the year for the exclusive handling of wheat. Handlings at 8,835,296 bushels were about two million bushels less than the previous year due in part to the slow demand for Number One, the principal grade handled. This property was kept in good repair, and your association received reimbursement for necessary services rendered to this facility. The year's operations, after provision for full capital cost allowance, resulted in net earnings of \$130,964, about one-half of that of the previous year. Full details on the operation of this company, and of Interior Feeds Limited, will be presented to this meeting.

MEMBERS' ACCIDENT INSURANCE PLAN

The year 1967-68 was the tenth year of operation of the Members' Accident Insurance Plan. The number of accidents reported at 614 was down slightly from the previous year's total of 632. This was well under the average of 744 for the four-year period 1962-63 to 1965-66.

Benefits paid were slightly under those for the previous season, and the sum of \$84,045 has been charged to the 1967-68 operations to meet claims already settled and further claims which can be expected on accidents for which claim papers have not yet been submitted.

Files on 145 of the 614 reported accidents were closed without any insurance settlements because the medical expenses in most of these cases fell short of \$50. Claims on 262 accidents have been paid, or are in the process of settlement. No claim papers have yet been received for the remaining 207 accidents. Accidents claimed the lives of 26 adults and 19 children. There were 18 claims for dismemberment, mostly finger losses, and 2 cases of lost eyesight.

Members placed insurance on 573 farm workers, the smallest number since the 1959-60 season when 517 workers were covered, and down considerably from an annual average of 830 sponsored workers for the 7-year period 1960-61 to 1966-67. Benefits of \$615 were paid for injuries to 3 workers and there may be benefits payable in 3 other reported accidents involving farm workers.

The accident insurance plan completed 10 years of operation on July 31, 1968, at a total cost of \$795,440. Benefits paid in 3,420 accidents included 365 fatalities (236 adults and 129 children), 214 cases of dismemberment, and 45 of lost eyesight. Benefits of \$11,222 were paid in 65 of these accidents involving sponsored farm workers and their dependents.

CONSTRUCTION AND PROPERTIES

The elevator properties of your association were maintained in good operating condition throughout the year, and the expanded replacement programme of previous years was continued. Authorizations were granted for the construction of fifteen elevators, seven of which were composite buildings, and eight were standard elevators of 70,000 bushels capacity. Three of these were replacements for elevators lost by fire during the year at Coronation, Ranfurly, and Ribstone. The elevator at Armada was also lost by fire, and was not replaced. In addition to previous authorizations for elevators, the elevators at Loughheed and Chauvin were increased in size to composite structures. The elevator at Staplehurst was permanently closed on July 31, 1968, and during the year the Bennett elevator was moved to

Indus. Annexes were also authorized at seven points. During the year the directors reviewed the points at which we had unmodernized or sub-standard dwellings. In order to bring these up to date, with the exception of those points whose future may be in doubt due to the uncertainty of railroad lines, they authorized a total of thirty-four new dwellings. These included four for use of travelling superintendents and two for seed warehousemen. Some of these were built by our own crews, some erected by contract, and others purchased, including four mobile homes where, due to special circumstances, the establishment of permanent dwellings at this time seemed impractical. The new cereal seed cleaning plant at Lethbridge, mentioned in our last report, was completed and put in operation during the year. Round bins for the storage of bulk fertilizer were established at eighteen locations, and similar bins for the storage of bulk seed at four points. Regular seed and fertilizer warehouses of a five-car capacity were authorized for twenty points, and upright bulk fertilizer storage warehouses were authorized on a trial basis for the points of Three Hills and Strathmore. All properties were maintained in good operating condition and appearance. As a result of favourable comments on the use of turquoise paint, new facilities are being painted in that colour, and others will be changed over as they come up for repainting in the course of normal maintenance and upkeep. In view of extensive authorizations, the urgency of replacements for fire losses, and the limited labour force, actual construction of elevators, in some cases, follows the authorizations by nearly a year. One elevator was built by contract during the year, and arrangements were made for another, on which construction began late in the summer.

Work progressed during the year on the improvements and additional facilities at Terminal No. 1, Vancouver, and some minor work was completed at Terminal No. 9, Port Arthur. Completion of the head office building was proceeded with on the authorization of the 1967 annual meeting.

PUBLIC RELATIONS DEPARTMENT

The extensive programme of the Public Relations Department was continued during the year, involving a wide range of projects and activities. The traditional good relations with the news media was continued with favourable results during the year. Extensive sponsorship of newscasts and other features over radio and television was continued, along with weekly newspaper and special advertising. The "Budget" continues to enjoy a great deal of popularity, reflecting its value as a condensed news and information bulletin.

The department extended its activities in advertising for Alberta Wheat Pool, and began development of a merchandising-oriented programme in regard to seed, fertilizer, and chemicals. This advertising approach involves various media such as radio, weekly newspapers, direct mailing, and television.

Pursuant to earlier discussions, and your direction at the time of the last annual meeting, an emblem for Alberta Wheat Pool was developed during the year. Its use will be included on our letterhead, properties, and throughout the promotional material of the association.

The Public Relations Representatives, located throughout the province, were again directly involved with the delegates' committees and country meetings during the winter months. A full report of the department's activities appears elsewhere in the Report to Delegates.

PROVINCIAL AND NATIONAL AFFILIATIONS

The policy matters resulting from your last annual meeting, and those arising during the year, were pursued by your directors, directly and beyond, through our involvement with other organizations. We maintained our membership in the Alberta Federation of Agriculture, and therewith in the Western Agricultural Conference and the Canadian Federation of Agriculture. The Alberta Federation of Agriculture, which your First Vice-President, Mr. Malm, continued to serve as president during the year, made its annual submission to the provincial cabinet on February 12, 1968. Other resolutions and policy statements of interprovincial or national significance were dealt with at the annual meeting of the Western Agricultural Conference and the Canadian Federation of Agriculture. Reports on their activities will later be submitted to this meeting. Your association has also continued its informal liaison and relationship with the Farmers' Union of Alberta and numerous other organizations and departments of government. Our participation in the Farmers' Union and Co-operative Development Association was continued, and through it became further involved in Gold Eye Lake Camp, whose administration was assumed by the Farmers' Union and Co-operative Development Association in 1968. During the year it became necessary for co-operative associations in Alberta to lend additional assistance to the Southern Alberta Indian Co-operative Development Programme. Membership was maintained in the Rapeseed Association of Canada; and jointly with the other two Pools, membership in, and financial support of, the American Crop Quality Council was extended.

MEMBERSHIP

During the 1967-68 crop year membership in your association continued its upward trend with the acceptance of 2,323 new applicants. This is the highest enrollment since the 1963-64 season, and is well over the average annual increase of 2,130 new members in the last ten-year period. As a result of retirement from farming, the memberships of 1,290 farmers were cancelled following the purchase of their reserves, and death resulted in the termination of 651 memberships. The net result was an increase of 382 in your membership, which totalled 52,703 at July 31, 1968. Of this number, 6,107 were contract signers of the early marketing agreements, and 46,596 had been enrolled under section 6 of the Alberta Wheat Pool Act since 1939.

ELECTION OF DELEGATES

Elections were held in the odd-numbered sub-districts in 1968. Twenty-eight delegates whose terms had expired were re-elected by acclamation, and Mr. Robert A. Niemi, of Trochu, was elected by acclamation in sub-district 307, replacing retiring delegate Mr. Sulo S. Luoma of Trochu. Four sitting delegates were re-elected; these being: Mr. B. Gogolinski of Orion in sub-district 101, Mr. A. P. Schindeler of Brooks in sub-district 303, Mr. Marcus Smith of Veteran in sub-district 403, and Mr. A. R. Bulmer of Berwyn in sub-district 709. Mr. J. A. Brander of Langdon replaced sitting delegate Mr. A. G. Bricker of Calgary in sub-district 207, and Mr. August Liivam of Eckville was elected in sub-district 409, following the retirement of long-time delegate, Mr. J. Duane Phillips. By-elections were held in two sub-districts since the last annual meeting; the first one being in sub-district 702, where Mr. Laurence Rimmer of Pibroch was elected by acclamation, replacing Mr. Hubert N. Anderson of Barrhead, who was elected a director at the last annual meeting; and the second in sub-district 106, where Mr. Kenneth Williams was elected by acclamation following the retirement of Mr. Fred W. Hallworth due to a change in location of his farming operations.

IN MEMORIAM

We regret to record the passing during the past year of eight of our members with varying periods of service as elected officials of our association.

Mr. Charles L. Trigg of Cadogan, delegate in 1923 and 1926, passed away on October 11, 1967.

Mr. Harry Foreman of Chauvin, delegate from 1926 to 1927, and 1929 to 1934, and 1936 to 1947, passed away on November 21, 1967.

Mr. Warren J. Byler of Oyen, delegate from 1938 to 1949, passed away on November 27, 1967.

Mr. John W. May of Clive, delegate from 1929 to 1934 and 1936 to 1943, passed away on February 9, 1968.

Mr. Raymond R. Massam of Sedalia, delegate from 1942 to 1955, passed away on April 4, 1968.

Mr. W. L. Heartwell of Sibbald, delegate during 1945 and 1946, passed away on June 10, 1968.

Mr. Uri Powell of Wembley, delegate from 1938 to 1958, passed away on October 3, 1968.

Mr. Daniel H. Galbraith of Vulcan, delegate in 1925 and 1926, passed away on October 23, 1968.

We wish to record our sincere appreciation for the service and support these men extended to our association.

STAFF

The year's operations of the association again reflect the creditable performance of the staff to whom sincere appreciation is extended. We wish to acknowledge with gratitude the services of those long-time employees whose retirement occurred during the year, and also acknowledge the particular efforts by the agents, country and office staff, which enabled the continuity of business during the mail strike in the summer.

BOARD OF DIRECTORS

Following the 1967 annual meeting, the directors met and re-elected the following officials:

President G. L. Harrold
First Vice-President N. Malm
Second Vice-President A. J. Macpherson

The same three directors were nominated to, and re-elected to, the boards of the three central organizations: Canadian Co-operative Wheat Producers Limited, Canadian Pool Agencies Limited, and Pool Insurance Company; and Messrs. Harrold and Macpherson were also re-appointed directors of Western Co-operative Fertilizers Limited.

Regular meetings of the Board were held each month of the year, and executive meetings on occasion. Twice during the year your directors met with the boards of Saskatchewan and Manitoba Wheat Pools, a long-standing procedure. Attendance was maintained at the annual meetings of the provincial and national federations of agriculture and at the Western Agricultural Conference. Your directors also attended the annual delegates' inspection of the terminal at Vancouver. Mr. Harrold continued to serve on the advisory committee of The Canadian Wheat Board, amongst other activities. In May, 1968, he acted as leader of a trade mission to Japan, sponsored by the Rapeseed Association of Canada, of which he is a director on behalf of our association. Mr. Malm was re-elected president of the Alberta Federation of Agriculture, and in that capacity also served as a director and executive member of the Canadian Federation of Agriculture. He continued during the year also as a member of the board of Co-operative Insurance Services Limited. Mr. Malm attended the first Pacific area meeting of International Federation of Agricultural Producers, held in Honolulu early in February, 1968. Representation included regular members of the North American section of that organization, along with representatives from New Zealand, Australia, and Japan. The essential purpose of this meeting was to explore the possible expansion of trade in the Pacific basin countries, which, it was felt, held greater possibilities than any other major area in the world at this time. The sixteenth general conference of International Federation of Agricultural Producers was held in Tunisia in May, 1968, but your association did not send a representative.

As in previous years, and with greater frequency, individual directors were called upon to attend various meetings, conferences, and discussions respecting agriculture and farm organization matters, in addition to their usual duties and obligations to the Alberta Wheat Pool.

CANADIAN CO-OPERATIVE WHEAT PRODUCERS LIMITED

Canadian Co-operative Wheat Producers Limited continued during the year its role as a liaison and co-ordinating organization of the three prairie Wheat Pools. During the year several matters of mutual interest and concern were pursued and appropriate representations made as occasion arose. Research on "Co-operative Principles, Their Practice, Problems, and Potential" at the University of Manitoba was continued, and a preliminary report obtained during the year. Participation was also authorized in the study by Hedlin-Menzies and Associates in Winnipeg of: "Canadian Wheat Problems and

Prospects". On behalf of the three Pools, Canadian Co-operative Wheat Producers Limited participated in activities of the Canadian Transport Commission, establishing a formula for railway costing which is still under consideration at this time. Its annual report lists in detail its further activities, and will be submitted to you later in this meeting. Secretarial duties were continued by arrangement with Saskatchewan Wheat Pool.

GENERAL

Economic conditions in Canada during 1967 were generally favorable, however, some easing in overall demand resulted in an increase of only 2.8% in real output. While total growth in gross national product was 6.8%, approximately 4.0% of the increase was due to inflation. The slower growth was partly accounted for by the smaller western Canadian wheat crop. In addition, increased unemployment, a decline in average hours worked, and a slowdown in output per man hour, also affected rate of growth. Costs of labor, materials, and capital, remained high, and by early 1968 interest rates reached their highest levels of this century. External factors, mainly due to the increased strength of the American economy late in 1967 and early 1968, have, however, provided a favorable climate for renewed expansion in Canada during 1968.

Canada's competitive position in world markets has become increasingly more suspect as average levels of prices and costs continue to rise more rapidly here than in other major exporting nations. The fortunes of western grain farmers are largely dependent upon the maintenance of a high level of exports. With costs of inputs increasing as rapidly as they have in recent years, even established prices no longer remain adequate. Indexes used to measure price increases of commodities and services used by Western Canadian farmers indicate that costs increased 4.8% April, 1967, to April, 1968; while, at the same time, farm prices of agricultural products actually show a slight decline during this period. An increase in international wheat prices has resulted from the implementation of the International Grains Arrangement. However, surplus supplies and higher prices have kept trade at low levels negating any real improvement in farm income positions.

THE ROAD AHEAD

A review of the year's activities of your association, and of the events relating to Canadian agriculture, includes items which we feel will be of satisfaction to you and the membership, and other items of equal, or greater, reason for concern.

The economic position of the prairie farmer is being ruthlessly undermined by the inflationary spiral of increased costs, while world markets for wheat and grain in general are under pressure. Although productivity of prairie agriculture by any standard of measurement is admirable, the benefits accruing to the producer are diminishing each year. This is becoming of greater concern to the individual farmer, and to farm organizations, and is manifest in the increased attention shown in the past year in developing some form of bargaining power by farmers collectively. This view is shared by your association; and, by maintaining membership and active participation in the Alberta Federation of Agriculture, Canadian Federation of Agriculture, and Canadian Co-operative Wheat Producers Limited, and by taking advantage of other opportunities as they arise during the year, we are continually seeking policies for the economic improvement of agriculture.

With this report, we conclude forty-five years of operation of Alberta Wheat Pool. In respect to the immediate commercial objectives of your association, its worthiness has again been exemplified during the year. As in the past, we were an influential force in minimizing the cost of grain handling on the prairies. The resultant benefit to the member patrons of your association can be roughly measured by the earnings position of your facilities, and extend considerably beyond this in terms of benefit and stability in the entire prairie region. While we can view with some satisfaction the beneficial results of the year, it must be acknowledged that they are an accumulation of many favourable factors.

The last fifteen-year period of our operations has demonstrated in a measurable way the real value of Alberta Wheat Pool. Following early and spectacular success, you need hardly be reminded of the long years of dedicated loyalty of the members, elected officials and staff of that time, to weather the serious economic recession of the 1930's and repay the costly errors and misfortunes associated with those times.

It was only in 1953 that the last of the debt retirement resulting from the 1929 overpayment, took place. That year happened also to coincide with the final purchase of elevator reserves and financial contributions made by contract signers in the 1923-28 period. The retirement of these financial obligations, along with the benefit of the years which followed, permitted your association to display more tangible results on its original objectives than was possible before. The year 1953 was also early in an era, not yet ended, which saw increasing wheat production on the prairies, greater handlings for elevator companies, and relatively easy revenues obtained from the use of facilities for grain storage.

The wheat production pattern during the lifetime of Alberta Wheat Pool has been one of continuous growth. In the first fifteen year period, starting in 1923, the average annual Alberta wheat production was about 117,000,000 bushels. During the next interval; that is, 1938 to 1952, inclusive, it rose to 128,000,000 bushels; while the latter period to date has reached an average of over 140,000,000 bushels. Marketings through country elevators grew in greater proportion than the production figures, and your association's share of this business has increased steadily. This reflects to a considerable degree the expanded building programme, beginning in the early 1950's and the resultant prosperity from handlings and storage; the whole reflecting the benefits of the orderly system of marketing of prairie grains as carried out by The Canadian Wheat Board.

Your association happened to benefit specifically in this period because of its large storage capacity and the continuing practice of Alberta farmers to maintain grain deliveries to near the maximum allowable under quota and space conditions. The sum total of these events has been an unexcelled period of prosperity for the grain handling companies, and, for your association, a substantial rate of return on our members' equity in grain handling facilities as indicated by our record of patronage dividend payments.

It is to the credit of our membership that they were willing to supply the capital for these purposes originally by way of market deductions,

and more latterly by way of deferred patronage dividends, on which they individually paid the income tax.

In summary, the position we have reached reflects, amongst other things, the beneficence of nature, the loyalty and financial support of the membership, a conscientious and competent staff, and the wisdom and soundness of the policies established for this association by its elected officials in the past. These factors may be no less important for the future, and, in particular, policies reflecting the desires of the membership, and which will maintain their confidence and support, may be needed.

We commend for your attention and consideration these matters, and those which have arisen in your districts during the year in respect to the internal affairs and direction of your association.

All of which is respectfully submitted,

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

REPORT OF THE GENERAL MANAGER

ON THE 1967-68 CROP YEAR

To: The President and Directors,
Alberta Wheat Pool, Calgary, Alberta.

Gentlemen:

Alberta's 1967 crop season, featured by most unusual extremes, started with heavy rains and unseasonal snow storms which delayed completion of seeding until late June. However, the resulting good soil moisture reserves and the absence of sustained hot, windy weather carried the crop through an extended drought period with surprisingly little damage. Timely rainfall in early August prompted good filling of heads, and ideal harvest weather enabled producers to complete threshing operations in record time. Thus the wheat crop which was only 47% seeded by May 25th, the lowest per cent completion by that date since our records began in 1934, was 86% threshed by September 15th, the highest percentage recorded by that date. These unique circumstances still permitted producers to harvest an average crop of wheat which yielded 22.7 bushels per acre. Grades were exceptionally high with over 90% grading 3 Northern or better.

Production of all grains in Alberta totalled 376 million bushels during 1967, approximately 100 million less than in 1966. Wheat yielded 145 million bushels compared to 191 million the year before, and yields of other crops, except rapeseed, were also down. The one million bushel increase in rapeseed resulted from 40% increase in acreage sown to this crop.

Exports of major Canadian grains totalled 380 million bushels, a reduction of 200 million from the year before. Wheat exports of 310.7 million bushels were significantly below the 482.7 millions exported in the previous crop year and did not reach the level of the previous ten-year average shipments. Wheat flour exports of 24.4 million bushels, down 8.5 million, were the lowest since 1938-39. The decline in export sales and the effect of strikes by the SIU, Seaway workers and Lakehead grain handlers were reflected in severe elevator congestion and a consequent drop in farmers' deliveries. Because of the strikes, the railroads in June and July allowed 12,000 boxcars to be loaded to permit a uniform six-bushel quota in Western Canada. Space was available in Alberta but not all Saskatchewan producers were able to deliver their six bushels. Open quotas had earlier been declared on flax, rye and rapeseed.

Country Operations

Alberta Wheat Pool receipts for the 1967-68 season were 84,438,998 bushels of all grains, the

fourth largest in our history, but well below the record 113,097,918 bushels of last season. This sharply reduced handling can be attributed almost entirely to a decline in export demand, as the strikes had little effect on the movement of Alberta grain, most of which goes to Pacific ports. The year started with 37.7 million bushels in store and 200 elevators totally filled. Although stocks of grain remained high throughout the entire season, most of the elevators were kept in business by careful allocation of shipping orders. Our average utilization of working capacity was 85%, indicating a high degree of congestion. As further evidence of this, 3,342 cars were loaded on Order 1000 and an additional 4,244 cars on regular application for relief of congested elevators. The Wheat Board, recognizing the necessity of getting out-of-condition grain to the driers in the terminals during the winter months, issued Order 100 to permit the shipment of this grain so that only minor loss was suffered on farms or in elevators.

Our percentage of all deliveries in Alberta and the Peace River bloc of B.C. was 46.4, down from 46.8 the previous year. Considering the congestion prevailing throughout the year, this reduction could have been more serious had not the Canadian Wheat Board taken a realistic approach towards the placement of shipping orders. Allocations were calculated on the handling of a six-bushel quota with space and historical percentage of business being the basis of order distribution. There was a critical shortage of cars in the Northern part of the Province resulting in full elevators and loss of delivery opportunity. Pool elevators usually fill first when shipping is restricted and this explains the reduction in our percentage of barley, oats and rapeseed, grown mainly in that area, as against modest increases in wheat, flax and rye grown in areas where there was a better car supply.

An average of 162,383 bushels per elevator was received compared to 214,607 last year. Six agents handled over 500,000 bushels. Weigh-ups at 148 stations showed an average overage of .096% indicating accurate weighing by our agents.

The Canada Labour (Standards) Code governing hours of work of employees who come under Federal legislation and, therefore, affecting the operation of country elevators and seed warehouses, has been in effect since August 1, 1967. It specifies a regular work week of 40 hours, and the amount of overtime that may be worked. It provides for periods within which employees may on some days exceed regular hours as long as the weekly average for the whole period is

within the specified limits. Section 3 (3) (a) reads as follows: "This Act does not apply to or in respect of employees who are managers or superintendents or who exercise management functions." It is our opinion that country elevator agents and seed warehousemen perform management duties and are exempt from the Code. Casual help, assistant agents and assistant warehousemen are, however, governed by the Code. Other grain companies have the same interpretation. Members have not been unduly inconvenienced by the conditions imposed and our operation has not been seriously affected.

Terminal Operations

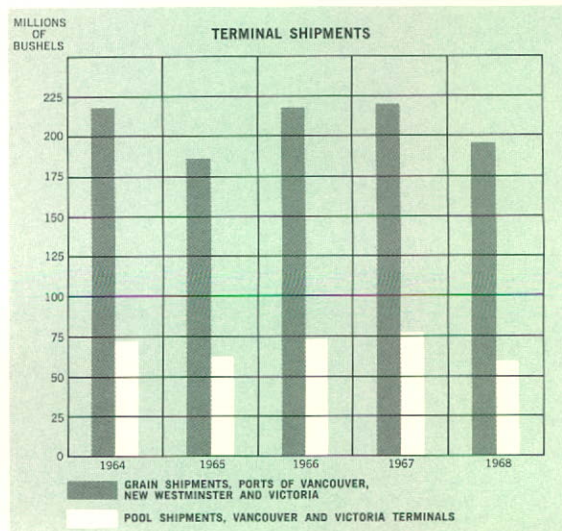
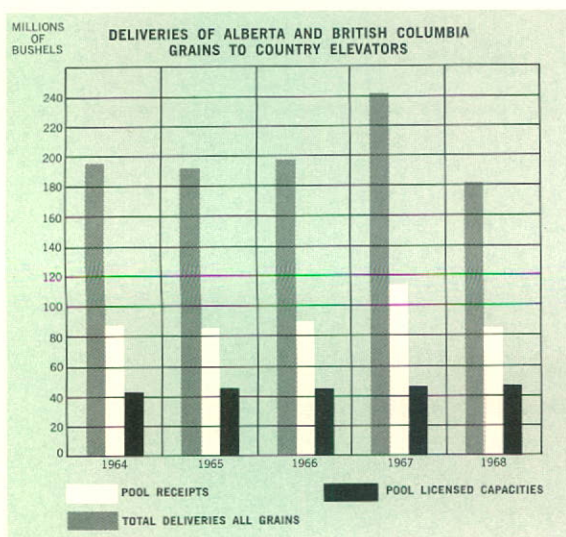
Export shipments of all Canadian grains from the West Coast ports totalled 193.2 million bushels. This figure, while down considerably from the two previous years, represented 51.8% of Canada's total grain exports. Our Vancouver Terminal shipped 49,856,646 bushels, compared to 63,460,891 last year. (The corresponding figures for your subsidiary, Victoria Elevator Limited, are 8.4 and 11.5 million bushels.)

The season began with the Terminal so full that there was little working space and, therefore, efficient operation was not possible. This situation was further aggravated by the receipt of large amounts of wheat which had been shipped on orders for No. 2 Northern but graded No. 1 Northern at the Terminal. There were periods when the Canadian Wheat Board refused to accept delivery of this grain, shipped contrary to instructions, and large stocks accumulated. This problem was not unique to us but affected the Trade as a whole as there appeared to be some relaxation in grading standards at the terminals, and country agents had difficulty adjusting. There was little relief until early November when the shipment of No. 1 Northern commenced. Our Terminal operation was further hampered by a large build up of flax stocks owned

by exporters without forward sales. Later this flax was sold and shipped, and no volume of flax stocks remains in store. The almost continual congestion in our Terminal, which resulted in a drop of our share of the West Coast shipments from 27.6% a year ago to 25.8%, can be mainly attributed to the disruption to the Vancouver operation by the work of replacement and addition. During eleven months of the year only one berth was available, and the unloading of boxcars was frequently interrupted by the installation of dumpers. We lost a substantial number of cars to other terminals due to our inability to load all available ships or to unload and store the grain at times when loaded cars were plentiful.

By December heavy shipments of barley were required to meet the export demand. To facilitate this movement an exchange programme was instituted with United Grain Growers whereby we received their barley cars in return for a like number of our wheat cars since our cleaning system was adaptable to barley. We were thus enabled to accumulate large quantities of barley and utilize our single berth for more efficient vessel loadings.

With the high percentage of No. 1 and No. 2 Northern being exported, some serious cleaning problems and moderate losses were experienced, attributable to the strict export standard required for these grades. There is an intolerable disparity between the grading standards for grain being purchased in the country and shipped into the Terminal on one hand, and the grain being shipped out of the Terminal on the other hand. For example, the inward tolerance of barley in No. 3 Northern wheat is 2%. The export grade will allow only .45% of all foreign materials. During November we had 300,000 bushels of this grade that were virtually impossible to clean to standard as, after multiple cleanings, there was .75% of barley still remaining. Further evidence that the increasing incidence of mixtures of grains is seriously impairing the efficiency of terminals



is provided by the fact that 48.9% of all flax cars required expensive and time consuming special cleaning to remove other grains. A weigh-up completed after twenty-two months of operation showed satisfactory results, well within the allowable tolerance, although there were some cleaning losses in No. 1 and No. 2 Northern.

Our plant at Port Arthur is operated as part of the Manitoba Pool Elevator complex. This is a very satisfactory arrangement as it permits the efficiency resulting from specialization when several plants are operated as a unit. Our organization shipped 13,109,970 bushels to the Lakehead and other Eastern destinations.

Seed & Fertilizer Division

Increasing demand for the services of this Division led to continued expansion during the year. A fully modern and highly efficient seed cleaning plant was opened at Camrose in August to replace old facilities there and at Sangudo. Warehouses were built at 25 points and at 33 points bulk bins were installed to increase our merchandising capacity of seed, fertilizer and chemicals. In March a pressing need was satisfied by the opening in Lethbridge of a cereal seed cleaning plant designed to meet the requirements of the domestic and export markets and also to do custom cleaning. Herbicides were sold for the first time and the demand far exceeded initial expectations. This Division now represents a significant portion of our total operation and its importance to members is indicated by total sales of over \$11.6 million, on which a net earning of \$289,161 was realized. In addition, Western Co-operative Fertilizers Limited again paid a substantial patronage refund.

Forage seed deliveries decreased from 13,523,000 lbs. to 11,308,000 lbs. About 60% was purchased outright and the remainder pooled. After final payments of \$68,147 were made, the returns per pound realized on outright and pooling deliveries were approximately the same. As a result of the ideal fall weather, much clover was harvested which would normally have been left in the field thus creating a surplus with a consequent decline in price. There was little demand for clover until late spring when American buyers made purchases, though not in large enough quantities to strengthen the price materially. The price of brome remained fairly high for the entire season, but the price of Fescue declined due to a large American crop of Creeping Red Fescue and Bluegrass and consequent poor demand from the United States. In spite of these adverse factors, most of the inventory was sold and the carry-over into the next year was not burdensome. Sales of cereal seeds in Alberta were down from last year due to the abundance of high quality seed in growers' bins. This decline was offset by increased sales to Eastern Canada so that our total volume was equal to that of the previous year.

The trend in Common Market countries and the United States towards self-sufficiency in forage seed is disturbing. Suitable varieties are being developed in these countries and it appears that when sufficient stocks are available, markets for Canadian seed will decline substantially. The Department of Trade and Commerce, being aware of this threat to our seed producers, has been exploring the possibilities of markets in South America.

Early in the year producers were pessimistic about crop prospects and the immediate future of grain sales, and this resulted in some decline from the anticipated greater use of fertilizer. However, provincial sales did increase slightly and, in spite of keen competition resulting from more organizations selling fertilizer, we managed to maintain or even increase our percentage of the Alberta business. Many growers were not able to take advantage of early delivery discounts as storage space on the farms was at a premium and, therefore, most of our product was moved during two months in the spring. Adequate supplies were available from Western Co-operative Fertilizers Limited but for a one-week period during the spring rush we were short of product containing ammonium nitrate due to the inability of shipping facilities to cope with the heavy demand. The Trade was advised that we proposed to meet price competition wherever it occurred and, except in small areas, the price cutting so prevalent in previous years was not troublesome. The sale of our products was actively supported by an agronomy programme which provided educational and technical services to our employees and customers.

Subsidiary Companies

Grain receipts at the terminal of Victoria Elevator Limited were 8,835,296 bushels of wheat compared to 11,099,998 for the previous year. The reduction was the result of a combination of circumstances which made it difficult to get shipping. Much of the grain was No. 1 Northern, a grade for which there was little demand. More large ships are coming into service and owners are reluctant to go to terminals with shallow water berths and inadequate storage capacity to accumulate a full cargo. Earnings were \$130,964 compared to \$261,203 a year ago. Capital cost allowances were taken at the maximum rates. After payment of income tax the remaining earnings will be returned to the Alberta Wheat Pool as a patronage refund. The long-term debt was eliminated by the redemption of \$40,000 in debentures held by the Parent Organization. The sum of \$181,179 was also paid to the Pool for diversion premiums, allowances for screenings, management fees and interest on debentures.

Interior Feeds Limited operates in British Columbia buying and selling non-Board grain for feed. Purchases were 2,524,672 bushels, down

17.7% from last year. The reduction can be at least partly accounted for by the high quality of the crop which made deliveries to the Wheat Board more attractive. Average prices paid to growers during the year were \$1.57 for wheat, 92c for barley and 70c for oats, all above last year's prices. Out of the net earnings of \$36,593, the sum of \$18,296 will be paid as income tax and a similar amount retained. The Alberta Wheat Pool was paid \$174,073 for elevator handling charges, storage, service and other charges.

Properties

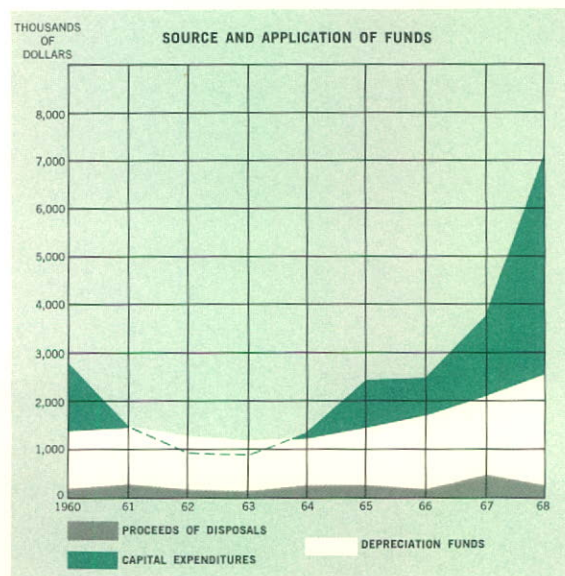
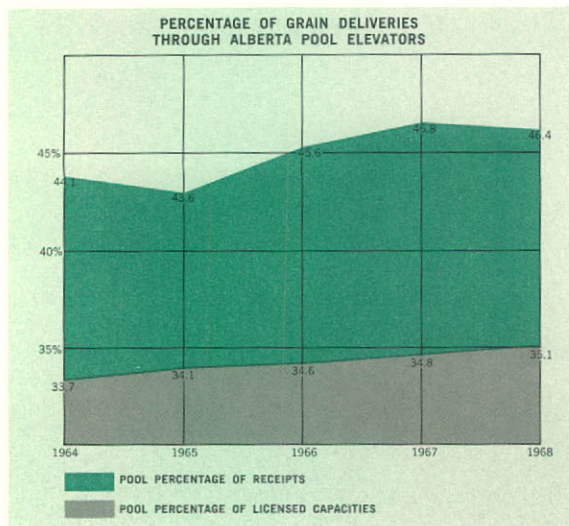
A heavy construction programme was undertaken to replace obsolete, inefficient facilities and to meet the growing and changing needs of the organization in the country, at the West Coast and at Head Office. Capital expenditures were \$7,210,177, by far the highest in any one year. Although the country construction programme for elevators, annexes, warehouses and dwellings was considerably augmented, the greater part of the money was spent on major projects. These include a 700 foot dock extension and new dumpers at Vancouver, addition to the office building and completion of seed cleaning plants at Camrose and Lethbridge. The rate of construction in the country was accelerated by the largest Construction Department staff ever employed but, in spite of this, construction has lagged behind authorizations. Heavy fire losses aggravated the problem. It has, therefore, been necessary to contract the construction of several elevators, warehouses and dwellings so that the 1967-68 programme will be completed or underway by next spring. Repairs and maintenance are being kept at a satisfactory level.

The three car dumpers installed when the Vancouver Terminal was built were replaced by two faster, more efficient units, leaving the third dumper pit available for unloading hopper cars. Work on the addition to the dock and shipping

gallery is proceeding well and should be finished by the end of December. The new berth thus provided will have a water depth of fifty feet and will accommodate the largest ships coming into the port. Construction was commenced on the addition to the Head Office building.

On August 1, 1967 we owned 525 country elevators. During the year 12 new elevators were built of which 6 were the composite type with a licensed capacity of 752,000 bushels. The other 6 were conventional elevators of 70,000 bushels capacity each. Two elevators were dismantled, 10 converted to twins and one sold. The elevator at Bennett was moved to Indus and set up as the main elevator with the existing one converted to a twin. Five cribbed annexes, including an experimental 83,000 bushel pre-cast concrete one at Airdrie #2, were constructed. Fire losses of three elevators, a cribbed annex, a warehouse and a dwelling were unusually heavy. The net result of these property changes was an increase in the capacity of our country storage facilities by 808,600 bushels to a total of 46,257,700 bushels, representing 34.9% of the licensed country elevator space in Alberta and British Columbia. Twenty-seven car movers and 19 dust control units were installed at heavier points. Twenty-five seed and fertilizer warehouses were built and one purchased. Sixty-six bulk bins were purchased and located at various points. Thirteen dwellings were constructed, 13 purchased (including 6 mobile homes) and 15 were sold. Next year's programme will complete the modernization of agents' dwellings except for 12 at points which may be abandoned.

We now have 521 elevators at 411 points, 642 annexes, 393 dwellings, 4 seed cleaning plants, 310 seed and fertilizer warehouses, 7 flour sheds, 6 coal sheds, 2 construction warehouses, 3 terminal elevators and a Head Office building and parking lot.

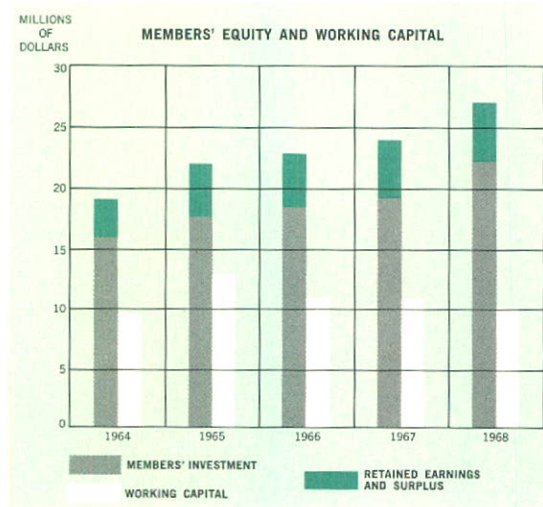


Operating Results

This is a consolidated report on the operations and earnings of Alberta Wheat Pool and its subsidiaries, Victoria Elevator Limited and Interior Feeds Limited. The net earning of \$5,531,898, lower than the all-time high of last year by \$1,736,729, was the second highest on record.

Lower country and terminal handlings were the main factor affecting earnings. Most major revenue items, with the exception of country and terminal storage, were reduced. The storage increases indicate the particularly heavy utilization of country and terminal space due to the high quality crop and to the slow export movement of grain. At the same time expenses were up in practically all areas of country operations and office administration. Terminal expenses were lower but, due to the high fixed costs, not in the same proportion as reductions in handling. Capital cost allowances, taken at maximum rates, were \$2,387,283 compared to \$1,818,237 the previous year.

Distribution of the 1966-67 earnings provided a Patronage Refund of \$6,837,255. Members received \$2,336,300 of this amount in cash and the balance of \$4,500,955 was credited to reserve accounts. During the year all of their reserves were purchased, upon application, from estates of deceased members, from those who had retired from farming and from members who had attained the age of 67 years before 1968. Seven percent of their reserves were also purchased from corporate members of five years standing. The total purchases amounted to \$1,489,148 and this left \$22,245,431 in the hands of members at July 31st.



Staff

The frustrations and disappointments imposed by sharply reduced demand for Canadian grain were suffered at all levels of the grain business from the producer to the terminal. Working under particularly trying circumstances our staff showed a commendable determination to get the job done and by skilful planning were able to maintain our percentage of the Alberta and British Columbia business and produce an excellent financial showing. This is surely a tribute to a loyal, dedicated and efficient staff. Such people lighten the load on the General Manager, and I extend my thanks to them for carrying on a very successful operation.

It has been a rare privilege to have been so closely associated with the Pool for 27 years as delegate, director and manager and to enjoy the many valued friendships this association has permitted. After serving as your Manager for more than 15 years I have, with deep regret, decided to relinquish the heavy responsibilities of this high office next July. Though I will still be with the Pool for some time, this is my last opportunity in my present capacity to meet the delegates in convention. A few valedictory words, though premature, may therefore not be inappropriate. In my first report to you in 1953, I said:

"Now, after thirty years which included the early period of experiment and struggle, the crisis caused by the overpayment of 1929, the anxieties of the years of drastically low prices and the depression, the Alberta Wheat Pool stands strong and vigorous; an organization enjoying a respected place among the great enterprises that are giving Canada an increasing importance among the nations of the world; giving a new dignity to the farming industry, and to the farmer grounds for a heartening sense of achievement; a monument to the vision and foresight of those who brought it into being and have fostered its growth; and an inspiring example of what can be achieved through intelligent co-operation. Although justly proud of what has been accomplished, we cannot rest on our laurels of the past. It is for us, now, so to carry on that the future may be worthy of the past."

Those few words told of the success of one of the most dramatic efforts of self help ever undertaken by any group of people. They expressed a hope and presented a challenge for the future. I believe the record since then proves that the challenge has been met, the hope realized and the trust, passed on by the pioneers, upheld. While steady progress was made in adjusting to

the changing and broadening needs of our members, we consistently resisted pressures to dissipate our resources in impractical or unprofitable endeavours that would have served little useful purpose, weakened the Pool and damaged its reputation as a businesslike responsible service organization.

Probably the most significant development of the last 15 years was the initiation of policies based on the recognition of people as our most important asset. No co-operative can long survive without an informed membership working in close harmony with a loyal, efficient staff. It is indeed a strange anomaly that as a co-operative becomes successful and achieves its original objectives it must have an increasingly informed membership to prosper, and much of this information has to come from the staff. Second and third generation members, not having experienced the conditions which brought the Pool into being, could not clearly see the necessity of wholehearted support and did not have the same close feeling of identity with it as the original members. Lacking information they were unable to understand the very complex operation that had resulted from expansion and diversification. Delegates' committees were formed and, with other information programmes, overcame a dangerous apathy and lack of interest in Pool affairs. Members are now more knowledgeable about the policies, objectives and operation of their organization and this insures intelligent participation in the democratic process so essential to good grass roots government of the Pool. Our prestige has never been higher.

The vital role of the staff in today's complex business world has not been overlooked. In spite of pay and benefits less generous than offered elsewhere in the early years, many able men and women were attracted by the co-operative ideal and rendered outstanding service. Now pay and fringe benefits compare favourably with those received by other people for comparable responsibility and we are able to compete in the labour market. The best available people are brought by better recruiting procedures and on-the-job training, and attendance at outside courses further fits them for their special tasks. The new Head Office building contributed materially to the comfort and efficiency of the staff while marked improvement has been made in the living conditions of country employees. That the Pool is a good place to work is indicated by the excellent teamwork and high sense of loyalty and dedication.

Space permits reference to only a few of the other accomplishments designed to enlarge the scope of our services and secure our position of leadership. Entry into the seed business gave members the opportunity of marketing another major product through their own facilities and

set fair standards which must be met by competitors. A fully integrated fertilizer business provides the benefits of ownership and control of both manufacturing and distribution facilities for this essential commodity. Carefully planned continuous modernization and expansion have kept our country, terminal and office facilities abreast of the requirements of good service to the farming community. We have kept pace with the rapid changes in administrative policies and practices. My hope of securing 50% of the Alberta grain business has not been realized, but member approval of the stewardship of their affairs is indicated by an increase from 33% in 1952-53 to 46.4% this year. The consistent payment of generous patronage refunds has resulted in services being provided at cost.

It has been a most rewarding experience to have actively participated in guiding the exciting and encouraging progress made by the farm people in so successfully conducting their own affairs. The proud record of the last 15 years, however, would not have been possible without the fullest co-operation from our capable staff, the helpful advice of the directors and the sound policies formulated by the delegates. I acknowledge their contribution with gratitude and thanks.

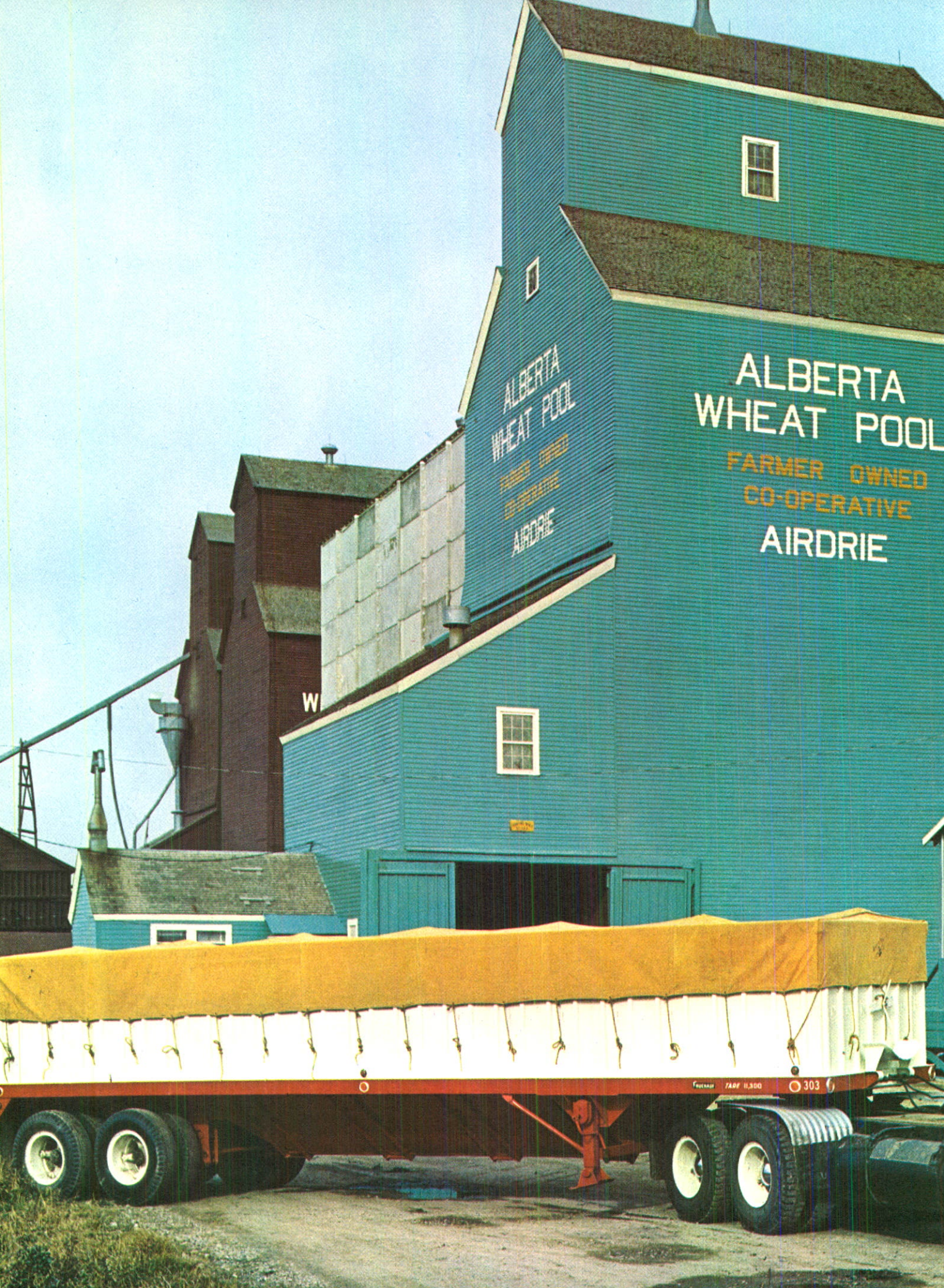
The Alberta Wheat Pool is an outstanding example of commercial success. It enjoys the confidence and respect of governments, the business community and many thousands of farm people. Financial success in providing services, however, should not lull us into complacently thinking that the total job is done or that the responsibility to the agricultural industry is fully discharged. As the strongest farm organization in Alberta with a membership that blankets the province, we should to a much greater extent than in the past be giving responsible, constructive leadership to farm people and directing their thinking toward solutions of the problems of the industry.

As I look around this room I realize that the Pool has matured with the years. This is an abler body of men than met in convention in the days of its struggling infancy. The delegates of today are, on the whole, better educated, better balanced, have a greater knowledge of affairs and a firmer grasp of the principles that must guide all large business enterprises. In such hands, and those of the Board members they elect, the future of the Pool seems assured.

Gentlemen, I have been, and I am, proud to serve you.



General Manager.



ALBERTA
WHEAT POOL
FARMER OWNED
CO-OPERATIVE
AIRDRIE

ALBERTA
WHEAT POOL
FARMER OWNED
CO-OPERATIVE
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AUDITORS' REPORT

CLARKSON, GORDON & CO. Chartered Accountants

To the Members of
ALBERTA WHEAT POOL

We have examined the consolidated balance sheet of Alberta Wheat Pool and subsidiary companies at July 31, 1968 and the statements of consolidated earnings, consolidated earnings retained from prior years and consolidated source and application of funds for the year ended on that date. 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, 1968 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson, Gordon & Co.

Chartered Accountants.

Calgary, Alberta.
October 17, 1968.

ALBERTA W

AND SUBSIDIA

CONSOLIDATED

JULY 31, 19

ASSETS

Current:

	1968	1967
Cash in banks, on hand and in transit	\$ 1,082,504	\$ 853,818
Stocks of grain (Note 2)	52,590,699	47,037,335
Stocks of seed, fertilizer and supplies (Note 3)	2,509,798	1,847,775
Advances on grain	60,013	95,743
Accounts receivable	4,432,834	3,629,494
Accrued items receivable	1,069,194	837,805
Prepaid expenses	700,114	597,799
Total current assets	62,445,156	54,899,769

Fixed — at cost:

Buildings, sites and operating machinery	46,659,968	39,912,836
Less accumulated capital cost allowances	29,323,178	27,208,749
	17,336,790	12,704,087
Elevator and office equipment, autos, trucks and miscellaneous equipment	1,003,368	922,932
Less accumulated capital cost allowances	493,422	459,937
	509,946	462,995
Net fixed assets	17,846,736	13,167,082

Investments — at cost:

Shares and bonds of affiliated companies	8,300,523	8,300,502
Grain exchange memberships and trade associations	11,152	11,152
Co-operative associations	1,830	1,604
	8,313,505	8,313,258

Other:

Deferred accounts receivable	79,112	88,416
Excess of cost of investment in subsidiary company over book value at date of purchase	155,420	155,420
	234,532	243,836
	\$88,839,929	\$76,623,945

See accompanying notes to co

HEAT POOL

RY COMPANIES

BALANCE SHEET

88 AND 1967

LIABILITIES

Current:

	1968	1967
Outstanding cheques, cash tickets and orders	\$ 8,152,531	\$ 8,546,644
Bank loans (secured)	32,500,000	17,200,000
Call and short term loans	2,240,263	6,671,663
Demand loans from members		1,691,556
Accounts payable	1,533,087	655,200
Staff savings	1,730,764	1,496,939
Income tax payable	20,048	114,934
Accrued items payable	469,693	479,970
Growers' outstanding payments	211,713	194,914
Net earnings — current year less estimated minimum income tax (Notes 4 and 5)	5,456,564	7,053,392
Total current liabilities	52,314,663	44,105,212

Term Loans from Members and Co-operatives (Note 6)	9,241,937	8,533,536
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Reserves and Surplus:

Reserves (Note 7)		
Authorized	\$30,000,000	
Issued to members — Members' investments	22,245,431	19,233,486
Surplus retained from earnings of prior years	5,037,898	4,751,711
	27,283,329	23,985,197

Commitments (Note 9)

\$88,839,929	\$76,623,945
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ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED EARNINGS

YEARS ENDED JULY 31, 1968 AND 1967

	1968	1967
Operating revenues (Note 8)	\$21,886,950	\$21,662,744
	<hr/>	<hr/>
Deduct:		
Elevator and seed plant operating expenses	6,348,780	5,879,179
Office, administration and supervisory expenses	3,343,453	3,074,337
Terminal elevator operating expenses	2,046,867	2,304,364
Contribution to employees pension plan — re past services		116,777
Interest — net	2,228,669	1,201,225
	<hr/>	<hr/>
	13,967,769	12,575,882
	<hr/>	<hr/>
Earnings before capital cost allowances	7,919,181	9,086,862
Capital cost allowances	2,387,283	1,818,237
	<hr/>	<hr/>
Net operating earnings	\$ 5,531,898	\$ 7,268,625
	<hr/>	<hr/>

See accompanying notes to consolidated financial statements.

ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED EARNINGS RETAINED FROM PRIOR YEARS

YEARS ENDED JULY 31, 1968 AND 1967

	1968	1967
Balance at beginning of year	\$ 4,751,711	\$ 4,483,502
Add:		
Earnings from previous year before income taxes	7,268,625	4,571,621
Gains arising from disposal of properties	63,313	97,190
	<u>12,083,649</u>	<u>9,152,313</u>
Deduct:		
Patronage refunds —		
In cash	2,336,300	1,864,184
In members' investments increased	4,500,955	2,374,215
	<u>6,837,255</u>	<u>4,238,399</u>
Income taxes paid on previous year's earnings	208,321	162,535
Sundry adjustments	175	(332)
	<u>7,045,751</u>	<u>4,400,602</u>
Balance at end of year	<u>\$ 5,037,898</u>	<u>\$ 4,751,711</u>

See accompanying notes to consolidated financial statements.

ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

YEARS ENDED JULY 31, 1968 AND 1967

Source:	1968	1967
Prior year's earnings after income taxes	\$7,053,392	\$4,403,576
Deduct:		
Patronage refunds paid in cash	2,336,300	1,864,184
Members' reserves purchased	1,489,148	1,374,755
	<u>3,825,448</u>	<u>3,238,939</u>
Prior year's earnings retained	3,227,944	1,164,637
Current year's capital cost allowance not involving an outlay of funds	2,387,283	1,818,237
Proceeds on disposals of fixed assets	206,553	434,645
Decrease in deferred accounts receivable	9,304	
Increase in term loans from members and co-operatives	708,401	535,062
Adjustment of prior years' income taxes	6,912	5,510
Sundry adjustments	(284)	213
Decrease in working capital	664,064	
	<u>\$7,210,177</u>	<u>\$3,958,304</u>
 Application:		
Additions to fixed assets —		
Buildings, sites and operating machinery	\$6,954,275	\$3,597,199
Equipment	255,902	294,460
Increase in deferred accounts receivable		26,620
Increase in working capital		40,025
	<u>\$7,210,177</u>	<u>\$3,958,304</u>

See accompanying notes to consolidated financial statements.

ALBERTA WHEAT POOL

AND SUBSIDIARY COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 1968

- NOTE 1 The consolidated financial statements include the accounts of the Alberta Wheat Pool and its wholly-owned subsidiary companies, Alberta Pool Elevators Limited, Victoria Elevator Limited and Interior Feeds Limited.
- NOTE 2 Stocks of wheat, oats and barley 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.
- NOTE 3 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.
- NOTE 4 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.
- NOTE 5 Income tax has been provided on the current year's earnings at the estimated minimum amount under the provisions of the Income Tax Act.
- NOTE 6 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.
- NOTE 7 Ownership in Alberta Wheat Pool is by investment in the reserves of the organization. Funds to make this investment have been provided from patronage refunds. Effective April 25, 1968, the authorized reserves were increased from \$20,000,000 to \$30,000,000 by amendment of The Alberta Wheat Pool Act, 1929.
- NOTE 8 Revenues accrue from grain, seed and fertilizer handlings, terminal operations and diversion premiums, carrying charges, storage and interest, rentals from office building and agents' dwellings, etc.
- NOTE 9 The construction of certain fixed assets, which had been authorized by the Directors of Alberta Wheat Pool, was uncompleted to the extent of approximately \$4,500,000 at July 31, 1968.

DIRECTORS' REPORT

1967 - 68

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

Gentlemen:

Your Board of Directors takes pleasure in submitting the report of Canadian Co-operative Wheat Producers Limited for the year ended 31st July, 1968.

This was a year of frustrations for Canadian wheat producers. It began with a serious decline in world prices and continued with a steady erosion of Canadian markets abroad. At the end of the year, large supplies of wheat in many countries hung over the market, making the future somewhat uncertain.

The growing season was moderately favorable in most parts of the Prairies and production of most grains increased over the previous year. However, extremely poor harvest weather continued to plague farmers across western Canada as this report was being prepared.

The International Grains Arrangement became effective during the year and price levels showed some recovery to conform to the floors of the Arrangement. The outlook at the year end indicated a highly competitive international market for 1968-69.

The decline in both prices and grain deliveries during 1967-68, combined with continued inflation in Canada, broadened the gap in the farmers' cost-price relationship. In consequence, concern at the level of farm incomes increased.

Production in Canada

The growing season in western Canada was generally more favorable in 1968 than it had been in 1967. Some pockets of moderate drought persisted but, in the main, good rainfall accompanied by cool temperatures resulted in increased production for the three Prairie provinces. The September estimate by the Dominion Bureau of Statistics forecast a wheat crop for the Prairie region of 607,000,000 bushels compared to 574,000,000 bushels harvested in 1967. Average yield, according to the September, 1968, forecast was 24.3 bushels per acre. The previous year's average was 21.5.

Production of other grains in western Canada showed a corresponding increase with the exception of rapeseed. Estimated production of this grain in 1968 is 17,400,000 bushels as against 24,700,000 for 1967. Rapeseed acreage was almost 400,000 acres smaller in 1968.

Total production of wheat in Canada was estimated in September at 628,000,000 bushels. Production the year before was 593,000,000. Details of acreage, yield, and production are shown in Tables 1 and 2 appended to this report.

Producer Marketings

Deliveries to country elevators from western Canadian farms in 1967-68 fell drastically below the records established the previous year. With total grain marketings reaching only 599,400,000 bushels, farm deliveries were below the 10-year average for the period between 1957 and 1967.

Deliveries of wheat during the year amounted to 452,900,000 bushels. The year before, farm marketings of wheat had reached a record of 638,200,000 bushels. Marketings of other grains during 1967-68 were also reduced. Barley deliveries at 83,400,000 were down from 113,200,000 the previous year. Details are shown in Table 3.

Canadian Grain Exports

A variety of factors which are discussed elsewhere in this report contributed to a sharp reduction in Canadian wheat exports during 1967-68. Exports of all grains and flour totalled nearly 404,000,000 bushels during the year. This was 209,000,000 bushels below the level of the previous year. Wheat and flour exports for 1967-68 were 335,000,000 bushels, down from 515,600,000 the year before. Exports of other cereal grains also declined. The overseas market for flax and rapeseed was moderately good with exports close to the levels of the previous year. Details are shown in Table 6.

The pattern of Canadian exports remained substantially the same as in previous years. Sales to all major markets except the United Kingdom and western Europe showed serious declines. Markets most sharply reduced during the year were the Soviet Union, Mainland China, Japan, and India. Reductions in sales to these four countries amounted to more than 116,900,000 bushels. Improved supplies in the Soviet Union and India, political unrest in China, and aggressive competition by other exporters in the Japanese market contributed to the declines noted. It should also be pointed out, however, that wheat and flour exports at 335,000,000 bushels would have been considered a very satisfactory level of exports only a few years ago. Indeed, average Canadian wheat and flour exports for the previous 30 years were 302,000,000 bushels.

Wheat exports through Pacific ports exceeded the amount shipped from St. Lawrence ports for the second time. Sales through the Pacific ports in 1967-68 were 143,500,000 bushels compared to 117,000,000 bushels shipped through the St. Lawrence. The other occasion on which Pacific ports exceeded the St. Lawrence in shipments was in 1964-65 and, in that year, by only 4,000,000 bushels.

Shipments through Churchill were 21,500,000 bushels compared to 21,000,000 the previous year. An increase was again noted in direct shipments from Lakehead terminals to overseas positions with 13,200,000 bushels being loaded. Details of Canada's export movement are shown in Tables 7 to 9 inclusive.

World Food in Transition

"... The world food and agriculture situation is now in a stage of transition and hope."

This statement by A. H. Boerma, director general of the Food and Agriculture Organization, summing up the world food position in early 1968, signals a new stage in the dramatic agricultural revolution sweeping Asia and some other regions where hunger has been the most pressing fact of life.

Dr. Boerma's statement came in the course of FAO's annual survey of the state of food and agriculture throughout the world. The statement indicates a general increase of 3 per cent in the world's food supplies over the previous year. This is a small but encouraging margin over the 2 per cent per annum at which population has been increasing for some time.

Even more encouraging, is the FAO report on the distribution of increases. The report notes an increase in food production of 4 per cent in the Middle East, 5 per cent in Latin America and 6 per cent in the Far East.

This is in sharp contrast to the statement issued by Dr. R. B. Sen just a year ago: "The world food situation is now more precarious than at any time since the period of acute shortages immediately after the Second World War..."

Dr. Boerma attributes the spurt in food production in 1968 to "long years of patient activity in such fields as research, extension, trials and demonstrations, and long-term investments in water development and agricultural institutions." It is on the basis of these fundamental changes that the director general now assesses the future this way: "... It now seems that the potential exists for a much more rapid increase."

One of the most notable factors in bringing about the change has been the development of high-yielding Mexican dwarf wheats and their rapid acceptance by a number of developing countries. India got its first dwarf wheats in 1966. It is expected that this variety will be sown on 14 per cent of its wheat land next year. Pakistan imported 42,000 tons (about 1,400,000 bushels) of seed from Mexico in 1967. Next year the plan is to seed 15 per cent of its wheat acreage with Mexican wheat. FAO estimates that the increased

yield arising from this level of planting will make both countries approximately self-sufficient in food grains. Turkey is moving rapidly to convert much of its wheat acreage to the better-yielding varieties.

Along with the new high-yielding varieties, there has been a sharp increase in the use of fertilizers in many of the developing countries. India, for example, spent one-fifth of its foreign exchange on purchase of fertilizers and raw materials for producing fertilizer. There have been corresponding increases in the use of herbicides and pesticides in many countries.

The years of effort spent developing water resources is beginning to pay off in the increased acreage under irrigation and better water control. The effects of this are showing up particularly in rice growing areas where break-throughs in development of high-yielding varieties are nearly as dramatic as the break-through in wheat. The Philippines, for example, has become self-sufficient in rice production for the first time since 1903.

The work that has been done in building farm-to-market roads, in improving storage and handling facilities, in production research and in training technical personnel have all contributed to the current feeling of optimism about the future.

Dr. Boerma's optimism is tempered by a realization of the problems yet to be solved before chronic hunger is abolished. Foremost among the problems he cites is population control. Uncontrolled expansion, he said, "could still cause these hopes to be dashed." The balance is still precarious, he suggests, and population could still easily outrun increases in food production unless control measures are expanded.

The developing countries have other problems, too, in maintaining a balance between population and food. The FAO report cites the need to spread technological knowledge to farmers not yet touched in some of the countries showing great strides and in other countries where little has yet happened. There is need to expand provision for financing the agricultural revolution, for improving storage and market structures and probably most important, "correcting the imbalances that result from rapid, major changes in farming technology."

The well developed countries will each have a role to play in helping the less developed meet some of these emerging problems. Moreover, the agricultural revolution has touched only a fraction of the world's hungry people. There is a long way to go before what Dr. Boerma now calls a "stage of transition and hope" is translated into a solid reality for many of the world's people.

The International Grain Year

Two factors dominated the international grain trade in 1967-68:

- (1) A world wheat harvest in 1967 of close to 10 billion bushels for the second year in succession, and

- (2) The absence for the first time in 18 years of an international agreement stabilizing wheat prices.

As a consequence, world trade in wheat fell off and its price declined. Both trends created fresh anxieties for western Canadian grain producers already deeply troubled by steadily deteriorating cost-price relationships.

At the same time, it must be noted, successive bumper wheat crops did much to alleviate hunger in parts of the world where distress has been severe. In India and Pakistan, for example, the good harvest of 1967 followed two years of drought verging on famine and rescued the people of both countries from a desperate food situation.

For western Canadian producers, the most disturbing factor in the 1967-68 situation was the unrestrained decline in world wheat prices that, at times, seemed likely to develop into a price war reminiscent of the 1930s. Your Board suggests that much of the credit for averting an all-out price war must be given to the Canadian Wheat Board and the support it received from the Government of Canada.

On the supply side, the 1967 world wheat crop of about 10 billion bushels created a new supply situation in the world. Up to the 1966 crop, which also reached a total of 10 billion bushels, the international market had been engaged in putting into consumption the large stock piles that had accumulated in a number of countries during the latter years of the 1950s. The International Wheat Council, therefore, suggested that 1965-66 marked the beginning of a new marketing phase in which supply and demand might be reasonably expected to come into balance. However, a second bumper crop occurring so soon after a state of apparent equilibrium brought new factors to bear.

Moreover, the geographical distribution of the 1967 crop was such that many of the countries which had been greatly in need of wheat in previous years harvested excellent crops. And even those whose production declined in 1967, such as the Soviet Union, possessed large supplies from the previous year. Generally, the combination of two good crops in succession significantly reduced the overall need for wheat and gave the importing countries more freedom to wait for favorable terms than at any time in the previous five years during which surplus supplies in hands of exporters were being fed into the market in a reasonably orderly manner.

It was particularly unfortunate that International Wheat Agreements lapsed under such circumstances. It created a situation in which world price stability was subjected to greatly increased stresses.

The fact that no international agreement was possible in 1967 was accidental. The former International Wheat Agreements which served to stabilize prices within a reasonable range after 1949 expired on July 31, 1967. A new International Grains Arrangement had been negotiated as part of the Kennedy Round of tariff

negotiations with the hope that it could become effective as soon as the former agreement expired. However, because it was desirable to extend the Grains Arrangement beyond the countries participating in the Geneva discussions, it became impossible to have the new agreement ready in time.

World prices began to crumble in the last few months of the old agreement. Between the beginning of April and mid-July, the price of United States hard winters (13% protein) at the Gulf dropped from \$1.95 to \$1.75½. The decline continued so that by mid-September the price at the Gulf was down to \$1.71½.

The Canadian wheat price stayed relatively stable while the old agreement was in effect. But after the beginning of the new crop year, the Canadian Wheat Board was obliged to bring its price down so as to be competitive with the United States price. This carried the Canadian price down to \$1.91½ in early September.

At this stage the Canadian Government intervened at the urging of western farm organizations, notably the three Pools. It established a floor price of about \$1.95½ per bushel basis No. 1 Northern at the Lakehead to be effective until July 1, 1968, when the new International Grains Arrangement was scheduled to come into operation. The Government, in effect, guaranteed the producer the minimum price under the recently negotiated international arrangement until such time as the Arrangement itself became effective. This freed the Canadian Wheat Board to adopt a competitive pricing policy abroad without further jeopardizing the position of the grain producer. It should be noted, however, that at \$1.95½ the Canadian price was well below the previous year's average of \$2.12.

Although it was free to engage in a price war, if it became necessary, the Canadian Wheat Board was reluctant to run international prices too low. Any major reduction might have an adverse effect on ratification of the International Grains Arrangement by importing countries. Further, drastic cuts might be difficult to restore when the Arrangement did come into effect in 1968. The Canadian Wheat Board, therefore, tended to operate during 1967-68 with a view to maintaining the spirit of international stabilization. The fact that the agreement was ratified and did become effective suggests that its policy of restraint in the face of serious threats to international stability was effective in protecting producer interests in the long run.

Pressures on the Wheat Board to abandon this policy of restraint were substantial. Early in the crop year, U.S. Agriculture Secretary Freeman announced an export target of 750,000,000 bushels of wheat. U.S. Government subsidies were designed to achieve the target with the result that U.S. wheat partially displaced Canadian in a few markets. One of these was Japan where Canadian exports dropped from 60,000,000 bushels in 1966-67 to 40,800,000 bushels.

Australia, with a smaller crop in 1967, nevertheless had large supplies on hand as a result of a heavy carryover from its record 1966 crop. It, too, pressed wheat on the market at highly competitive prices. It was successful in increasing its share of the Japanese market by about 7,000,000 bushels. Its share of the market among members of International Wheat Council to June 30 increased from 11.8 per cent in 1966-67 to 14.5 per cent in the year under review.

French production in 1967 was about 200,000,000 bushels higher than the year before. Some of this was required in other European Economic Community countries under the terms of the new agricultural program which went into effect July 1, 1967. But France was still left with large quantities for export. Under the terms of the agricultural policy of EEC, it was able to draw on community funds to subsidize exports. This it did, notably in one sale of 20,000,000 bushels to Mainland China on which the subsidy was reported to be about \$1.90 a bushel.

In the light of this kind of competition it is remarkable that Canadian exports were as well maintained as they were. A few years ago, indeed an export figure of 335,100,000 bushels would have been considered exceptional. It is particularly notable in the light of the Canadian Wheat Board's effort to maintain an international market climate in which it became possible to make the International Grains Arrangement operative at July 1.

Your Board places particular stress on this achievement at this time. During the year when Canadian prices and sales seemed to be most adversely affected, a number of attacks were launched against the principles on which the Wheat Board system of marketing rests. It appeared that a major campaign against the principle of a single marketing agency might be mounted much as it was during the late 1950s when previous surpluses accumulated.

Your Board believes that the events of 1967-68 have once more demonstrated the value of the Canadian wheat marketing system under difficult marketing conditions. It is apparent from the forces at work in the international market that conditions might have become much worse and that they might have persisted for a much longer period if the Canadian Wheat Board with support from the Government of Canada, had not been able to press as strongly as it did to have the International Grains Arrangement implemented.

Marketing Developments in Grains

The International Wheat Council in its annual review published in November, 1967, forecast that international trade in wheat will lie somewhere between 1.8 and 2 billion bushels for several years to come. At this level, it suggested, an approximate state of balance between supply and demand will prevail. The Council report continued:

"Given such a level of world trade and normal evolution of world production, it seems unlikely that additions to world stocks will reach sufficient

proportions to give rise to undue anxiety. . . . The expansion of world trade which has been such an important feature of the past six or seven years may for the present have levelled off, but unless there should be a sharp reversal of this trend (and there is little currently to suggest that this is likely) the limited growth of stocks can be regarded with satisfaction rather than alarm."

This cautiously hopeful view of the world situation leaves open the question of the degree of competition that may develop among suppliers to meet the relatively stable demand forecast by the Council. From Canada's viewpoint, the nature of this competition among wheat producers may be the major challenge facing the wheat industry in the immediate future.

It is now apparent that every attempt will be made to make the pricing arrangements in the Wheat Trade Convention work. Price may, therefore, be less of a competitive factor than it was in the year just closed. But there are other areas in which competition can be equally vigorous. It is to these other areas that the Canadian wheat producer and his organizations must address themselves.

In a competitive struggle for markets, Canadian producers have a number of things in their favor. The quality of wheat they produce is unrivalled. Traditionally, this has been the most important factor in developing and holding the Canadian share of the world market. The Wheat Board marketing system is an advantage. And so, too, is the Canadian grading system which assures buyers a considerable degree of uniformity in their purchases. These advantages will persist.

Changes, however, appear to be taking place in the requirements of overseas buyers. It has been noted often that new baking techniques in some of Canada's markets have lessened the buyers' requirements for large volumes of the kinds of wheat Canada has to offer. The pattern of world demand has been shifting away from markets that buy primarily to produce a high quality loaf of bread and moving toward markets that use wheat for edible products other than bread.

The emergence in the last 15 years of a very large international trade in feed grains is a factor which has received relatively little attention. Although it may not be directly connected with changes in world pattern of demand for wheat, it may effect the pattern of land use in a number of agricultural countries.

World trade in feed grains during the five years from 1951 to 1956 averaged slightly less than 15 million metric tons per year. In 1966-67, the Food and Agriculture Organization estimated feed grains exports at something more than 42.5 million metric tons. In the same period exports of wheat and flour rose from 25.8 to 53.3 million tons. The rate of growth, therefore, was considerably faster for feeding stuffs than for wheat.

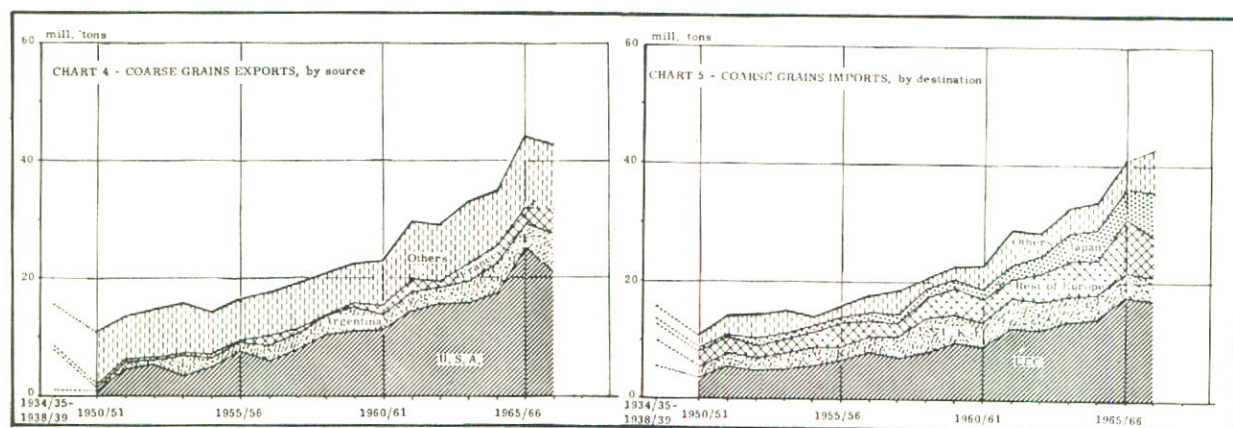
Within this pattern, one of the more spectacular developments was the increase in exports of corn from the United States. During the period 1948-52, U.S. corn exports averaged 2.3 million

metric tons. This figure had almost doubled by 1957 and doubled again by 1962 to reach 10.8 million tons. Since then it has been running between 11 million and a peak of 17 million tons in 1966.

Trade in oats has changed little during the period, starting out in 1948-52 at 1.2 million tons and ending in 1967 at the same figure. The peak year for oats was 1958 with 1.4 million tons. Barley trade just about doubled from 1952 to 1967, beginning at 3.3 and ending at 6.2 million tons. Canada's share of the international barley market has tended to be somewhat erratic rising from 800,000 tons on the average in the

five-year period 1948-52 to a peak of 1.7 million tons in 1956, then falling to a low of 400,000 tons in 1963. Recovery took place in the last two years under review so that our exports of barley were very close to the million-ton mark in 1967.

Changes in the feed grain market and the relative market shares of each country are shown in the accompanying chart. A second chart shows changes in imports among major purchasers. This chart indicates that the largest expansion in use of imported feed grains has occurred in Europe, both inside and outside the European Economic Community and in Japan.



Many of the changes taking place in wheat and feed grains markets, while they appear to be remote, are contributing in various ways to the economic climate in which Canadian producers are operating and will continue to operate. Your Board suggests it is important that members of the three organizations making up Canadian Co-operative Wheat Producers Limited should be kept well informed about developments in the international grains picture, that such information must be the basis for decisions which the individual and his organization must continue to make.

Income and Costs—The Pinch is Harsher

Farm cash income in the three Prairie provinces moved up slightly over the previous year to stand at \$2.1 billion. In 1966, it was an even \$2 billion. Net farm income, on the other hand, dropped from its peak of \$1.130 billion in 1966 to \$860 million in 1967. Major factor in the net income change was a sharp decline in inventories of wheat held on farms in western Canada. The sale of this farm inventory during the calendar year 1967, also contributed to the high level of cash income noted above.

Almost half of the total cash farm income in western Canada in the last two years has come from the sale of wheat and Canadian Wheat Board payments. In 1967, these two items provided \$1 billion to the western Canadian farmer, up slightly from \$980 million received from this source in the previous year.

All components entering into farm cash receipts are shown in Table 10 appended to this report. Net income for a series of years is shown in Table 11.

The high level of income from the sale of wheat and from Canadian Wheat Board payments in the four calendar years from 1964 to 1967 is primarily the result of exceptionally high wheat sales in each of the crop years beginning in 1963 and carrying through to the mid-summer of 1967. As noted in last year's annual report, farm wheat deliveries during the four-year period amounted to as much as had been usually delivered in five years.

Wheat prices were higher during the period than in previous years. The final realized price basis No. 1 Northern at the Lakehead ranged from \$1.874 in the crop year 1962-63 to \$1.997 in the crop year 1965-66. For the crop year of 1966-67, the final realized price was \$1.982. These improved prices, however, fell far short of the increases which had occurred in the cost of goods and services used by farmers in production. The situation in which the farmer found himself is illustrated by a statement from "Canadian Wheat Problems and Prospects" prepared by Hedlin, Menzies and Associates:

"In the 18 years from 1950 to 1967, the composite index of prices paid by farmers for their production inputs (excluding living costs) has increased by 72.1 per cent and the average price of wheat following an actual decline in the 1950s has registered a net gain of only 19.5 per cent."

The situation is put in another and, probably a more dramatic way, in another part of the same report:

"To achieve the same purchasing power as a bushel of wheat with a farm value of \$1.54 in 1950 the farmer in 1966-67 would have to receive an average price at his local elevator of \$2.38 per bushel."

That he did receive in 1966-67 only slightly more than \$1.98 is a measure of how harsh the cost-price squeeze has become. The position of the grain farmer has been aggravated in the last 12 to 18 months by further reductions in the price of wheat and, more seriously, by the disturbing reduction in the amount of grain which he has been able to deliver. Details of these adverse conditions are discussed elsewhere in this report.

Your Board has pressed persistently and on all suitable occasions for adoption by the Canadian Government of a floor price of \$2.12 a bushel basis No. 1 Northern at the Lakehead. And it has continued to press for an aggressive campaign to move additional quantities of wheat into international markets through more aggressive sales policies and increases in Canada's foreign aid programs abroad.

Board of Directors

The Board of Directors of Canadian Co-operative Wheat Producers is made up of representatives of the three provincial Wheat Pools. During the year under review, Manitoba Pool Elevators was represented by W. J. Parker, president; H. B. Sneath, vice-president; and G. E. Franklin. Saskatchewan Wheat Pool was represented by Chas. W. Gibbings, president; and Vice-Presidents E. K. Turner and E. A. Boden. Alberta Wheat Pool was represented by G. L. Harrold, president, and Vice-Presidents N. Malm and A. J. Macpherson. The Board elected Mr. Gibbings as its president and Mr. Parker as vice-president. Mr. Harrold was named to the Executive Committee.

The Board reconfirmed the arrangement whereby secretarial service is provided by Saskatchewan Wheat Pool with J. O. Wright, secretary of the Pool, acting as secretary of Canadian Co-operative Wheat Producers Limited.

The Board of Directors held two meetings during 1967-68 to carry on the business of the organization and to discuss policy matters of concern to the grain producers of western Canada.

The Board approved continuation of research on "Co-operative Principles, Their Practice, Problems and Potentials" being carried out under the direction of Prof. T. D. Harris of the University of Manitoba. A preliminary report from this study was presented to the Board during the year.

The Board also authorized participation in a study in depth of "Canadian Wheat Problems and Prospects" prepared by Hedlin, Menzies and Associates Limited of Winnipeg, Toronto and

Vancouver. The study was initiated as a result of disturbing developments in grain marketing arising from an apparent immediate world surplus of wheat after completion of the 1967 harvests, aggravated by a lapse in international agreements relating to international trade in wheat with the beginning of the new crop on August 1, 1967. Purpose of the study was "to underline that the whole question of the future of the wheat industry and its place in an era of changing economics and technology should be secured." One statement from the study pointed to the importance of the cost-price relationship in grain production:

"In the final analysis the basic economic welfare of the entire Prairie farming community must relate to the ability of the farmer to make a net return from the production of wheat. The design of policy must concern itself with wheat and, in the context of today, must concern itself with the relentless advance in farm production costs and the inability of the farmer, lacking inputs from beyond the industry itself, to compensate for these increases."

Copies of the report were distributed widely to political, business and community leaders throughout Canada.

Your Board continued to be active in a number of matters relating to grain transportation in western Canada. Representatives of your Board participated in the investigation initiated by the newly-appointed Canadian Transportation Commission to establish regulations and procedures for railway costing of branch lines under consideration for abandonment or subsidy under the new Transportation legislation. The investigation was continuing into the year 1968-69.

Your Board considered several matters relating to the marketing of western Canadian grain. The advisability of devoting larger national research efforts to the development of new varieties of wheat capable of providing higher yields to producers and, at the same time, making available qualities more closely in line with requirements in some developing markets, was one of the matters under review during the year. It was decided that considerable market research would be required before a firm decision could be made on the level of research resource to be applied to such a project.

Your Board at its meeting in October, 1967, discussed the question of mixing in the top four grades of wheat in terminals under rigid controls to protect the producers' interests and yet provide a product more acceptable in some overseas markets. The suggestion had been contained in Board of Grain Commission studies of the grading system as a whole. It was recognized by your Board that this was part of a broader program to consider revisions to the Canada Grain Act. It is expected the broader question will come under discussion shortly.

The question of your Board undertaking, on its own account, some investigation to assess trends in a number of existing and potential markets abroad was given consideration during the year.

The International Grains Arrangement, which was negotiated in 1967, became effective July 1, 1968. Your Board continues to be concerned about the future of the Arrangement under present circumstances of large, apparent wheat surpluses in much of the world. It will continue to watch the situation carefully and to encourage full participation by all member countries in the successful operation of the Arrangement. It is noted that there has been little discussion about implementing the Food Aid Convention of the International Grains Arrangement. This must also remain a continuing concern of your organization.

Your Board approved membership by Canadian Co-operative Wheat Producers Limited in these organizations:

Private Planning Association of Canada
Western Canada Conservation and Reclamation Association
Canadian Council on 4-H Clubs
Canadian Hunger Foundation
Great Lakes Waterways Development Association
and The United States Crop Quality Council.

The Executive Committee of Canadian Co-operative Wheat Producers Limited, early in the year under review, presented a statement to the Minister of Finance for Canada setting out the position of the three western Wheat Pool members on the report of the Carter Royal Commission on Taxation. In a concluding note the document said:

"The farmers we represent tend to find in the report of the Carter Royal Commission on Taxation proposals that our Pool farmer members have been advocating throughout the years. With other proposals we disagree. We believe many of the specific recommendations with which we have taken exception can be changed to take account of the specific problems of the farmers and farming and of their co-operative associations without the necessary rejection of the entire proposal."

Interprovincial Pool Meetings

The Boards of Directors of the three western Wheat Pools met jointly on two occasions. The first was in Edmonton January 17 and 18, 1968, in connection with the annual meeting of the Western Agricultural Conference and the second in Regina July 19, 1968.

Resolutions which each of the three organizations were sending forward to the meeting of the Western Agricultural Conference were reviewed during the January meeting in Edmonton. It was decided that the resolutions should be studied and views exchanged. The resolutions were not put to a vote in as much as each would be going forward from the organization which had submitted it.

The following resolution, approved by the annual meeting of the Saskatchewan Wheat Pool, was placed before the meeting in Edmonton:

"That action be taken to promote the amalgamation of the three Wheat Pools."

There was general agreement that the objective should be to achieve the most effective

and efficient service to the members of the three organizations whether by amalgamation or by continued operation as individual units or by some combination of the two.

The next question was how to assess the implications of each alternative, in terms of service and efficiency. Two methods were discussed:

- a) to seek assistance from outside consultants, or
- b) to proceed through internal research programs.

The relative advantage of either course was explored at considerable length. The whole question was then referred to the Board of Directors of Canadian Co-operative Wheat Producers Limited.

Subsequently, the question of closer integration among producer and consumer co-operatives came under active discussion. Interprovincial Co-operatives Limited undertook to bring co-operatives together to find a mutually-acceptable basis for examining the question of broader integration. These discussions were continuing at the year's end.

At the Interprovincial Pool meeting in July, Board members of the three organizations heard a detailed report from C. L. Shuttleworth, commissioner, and V. Martens, secretary of the Board of Grain Commissioners for Canada, on two matters then under discussion by the Board.

Mr. Shuttleworth reported on steps being taken to achieve a greater degree of uniformity in the levels of protein contained in cargoes of wheat shipped from Pacific ports. He expressed confidence that procedures agreed upon would bring an improvement.

Amendments to the Canada Grain Act were also under consideration, the commissioner said. Among them was the proposal to have the standards for the statutory grades removed from the act and placed under the authority of the Board of Grain Commissioners. The meeting suggested the Board of Grain Commissioners prepare a full report on the proposed amendments for distribution to producers through their farm organizations and that discussions of the principles involved be continued at the annual meetings of each organization.

A proposal that the three Pools undertake a study of wheat market conditions in some of Canada's major existing and potential markets abroad was discussed.

Preliminary discussion of a proposal that the three Pools explore the possibility of setting up a joint export agency, either by themselves or in co-operation with others, was undertaken. The meeting agreed that this should be placed on the agenda of the next meeting of the Board of Directors of Canadian Co-operative Wheat Producers Limited.

Western Agricultural Conference

The Western Agricultural Conference met in Edmonton, January 19 and 20, 1968. Representatives of the Federations of Agriculture of

Alberta and Saskatchewan, the Manitoba Farm Bureau, the three Prairie Wheat Pools, and United Grain Growers Limited, were in attendance. Officers elected were: President—W. Forrester of the Manitoba Farm Bureau, with E. A. Boden of the Saskatchewan Federation and Nelson Malm of Alberta as vice-presidents.

Resolutions introduced by the member Federations and organizations in the Western Conference were considered at length. Among the items considered were resolutions calling for higher grain prices, extending Canadian Wheat Board responsibility to the marketing of flax, rye, and rapeseed, and the improvement of marketing procedures for other farm commodities. Resolutions endorsed by the Western Agricultural Conference were transmitted to the Canadian Federation of Agriculture annual meeting for further consideration by farmers representing the whole of Canada.

In May, following the announcement of a general election for Canada, the Western Agricultural Conference organized a delegation consisting of the presidents of the three Provincial Farm Federations to go to Ottawa to impress upon the leaders of all political parties the urgency of the agricultural economic situation in western Canada. The delegation presented the following program to alleviate the situation: *Wheat Pricing Policy*—requesting a guaranteed price of \$2.12 per bushel for wheat basis No. 1 Manitoba Northern at the Lakehead and an additional \$1.00 a bushel for wheat consumed in Canada to be paid by consumers through a higher price on wheat entering domestic consumption;

Marketing of Grain—proposing an aggressive sales campaign to increase the volume of wheat going into export markets;

The delegation suggested that details of such a program might better be discussed at a later date and, perhaps, first with the agencies involved.

Food Aid—urging an increase in Canada's aid programs to a level closer to one per cent of the gross national product than present commitments have been.

International Grains Arrangement—urging the Government of Canada to do everything in its power to ensure the successful implementation of the proposed International Grains Arrangement, including both the Wheat Trade Convention and the Food Aid Convention.

The points made in the above submission to political leaders were based upon resolutions approved by the annual meeting of the Canadian Federation of Agriculture.

Canadian Federation of Agriculture

The annual meeting of the Canadian Federation of Agriculture was held in Victoria, B.C., immediately following the Western Agricultural Conference in Edmonton. The conference brought together representatives of farm organizations from all parts of Canada. Policy considerations covering the full range of Canadian

agricultural production were discussed and a consensus arrived at representing the views of the majority of Canadian farm people.

On February 27, 1968, the Canadian Federation of Agriculture met with representatives of the Government of Canada to present the considered opinion of farm leaders on matters of national concern. The Federation's brief touched upon a wide range of subjects, not all of which can be considered in this report.

The brief emphasized the need for "increasingly detailed and effective consultation that must take place if many areas of policy raised in this submission, or noted in the resolutions appended to it, are to be dealt with in a reasonably efficient manner and to the satisfaction of the farmer and the public. We will be asking for more, not fewer, working groups, committees, and joint undertakings in information gathering and analysis to provide a documentary basis for constructive discussion."

At another point, the brief expressed the consensus of the meeting in Victoria in these words:

"As has been true for some years now, the outstanding feature of the thinking of farmers on agricultural policy today is their increasing and wholly understandable determination to no longer operate in an industry characterized by chronically inadequate prices; a high degree of fluctuation; insecurity of returns; and the absence of a secure and established framework of policy related to medium and longer-range goals and objectives."

The brief went on to illustrate farm views on agricultural policy by citing the following requests:

For a policy of maintaining returns to prairie wheat producers at an adequate level with consumers and public sharing the cost;

For the expansion of an approach to international agricultural trade problems that looks to the negotiation of commodity agreements and arrangements;

For the maintenance and further development of the Federal Dairy Stabilization program;

For a further look at the synthetic and substitute situation (in the dairy industry);

For more rapid progress toward effective marketing organization on a national basis;

For the development of minimum income compensation and adjustment and re-establishment policies for farm and rural people whose position cannot be basically improved through agricultural price and marketing policies alone;

For the establishment of a system of annual national agricultural price reviews on a comprehensive basis;

For maintenance and expansion of government programs in the farm credit field; and

For a more comprehensive approach to tax policy involving all levels of governments.

Within this general framework, the policies evolved in the annual meeting and in executive meetings, from time to time, were presented to the Federal Government. This presentation covered the majority of subjects on which members of Canadian Co-operative Wheat Producers Limited had expressed themselves during the year.

Much of the program originating with members of your organization was thus presented to

the representatives of the Government of Canada with the full support of other farm groups throughout the nation.

International Federation of Agricultural Producers

The sixteenth General Conference of IFAP met in Tunis, Tunisia, April 23 to May 9, 1968.

The 130 delegates from 40 participating nations reviewed international agricultural production, marketing and pricing in terms of major commodities and in the light of national and regional policies affecting agricultural trade, prices and adjustments.

The conference restated its position in favor of international commodity agreements or price ranges where practical and viewed, with alarm, those situations where national or regional policies have the effect of reducing trade in primary agricultural products.

The Canadian delegation consisting of CFA President J. M. Bentley, CFA First Vice-President Charles Munro, CFA Executive Secretary David Kirk, and CCWP and SWP Secretary J. O. Wright, were active in gaining support for ratification of the International Grains Arrangement and assuring that member countries would meet and review its operation during initial stages to guarantee success.

The IFAP Standing Committee on Agricultural Co-operation, convinced that agricultural co-operatives have a vital role to play in both developed and developing member countries, continues to give leadership through the central office. Main projects reported by the committee were: Encouragement of co-ordination among all international governmental and non-governmental agencies and programs to assure support of FAP co-operative projects by member organizations of IFAP.

IFAP continues to demonstrate the important role that voluntary farm organizations and agricultural co-operatives play in the development of national, regional and international agricultural policies.

In February, the first regional meeting of IFAP members bordering the Pacific Ocean was held in Hawaii. W. J. Parker, Nelson Malm, E. A. Boden, G. G. Jamieson and R. H. D. Phillips attended. Purpose of the meeting was to consider problems common to agricultural organizations in the countries involved. Frank exchanges of views on grain and dairy problems were two of several topics considered.

Agricultural Economics Research Council of Canada

The sixth annual meeting of the Agricultural Research Council of Canada was held in June. The Council is supported by Federal and Provincial Governments, business, industry, co-operatives, and other similar organizations. Its purpose is to encourage research in agricultural economic problems through the provision of grants or other encouragements to scholars in the field and to undertake, on its own account, some specific research projects in the area.

The staff of the Council was reported at its annual meeting to be engaged in studies relating to: Farm capital, local government in Canada, and comprehensive studies of the impact of various policies and problems on farm people. Reports published during the year were:

"The Adoption or Rejection of Innovations by Dairy Farm Operators in the Lower Fraser Valley," by Coolie Verner and Peter M. Gubbels. This study dealing with the adoption of technological innovations by farmers was carried out at the University of British Columbia under the Council's Grants in Aid of Research Program.

"Agricultural Policy in Perspective," by W. J. Anderson; "Evaluation of Objectives for Agriculture," by J. C. Gilson. These papers by Dr. Anderson and Dr. Gilson were presented to meetings of the Council.

"Economic Growth in Agriculture: A Comparative Analysis of Two Agricultural Areas in Alberta," by Travis W. Manning and George Buckmire. This study which was carried out at the University of Alberta under the Grants in Aid of Research Program undertakes the comparison of two agricultural communities in Alberta with respect to the rate of economic growth.

"The Farmer's Interest in Carter's Taxes," by M. L. Lerohl: An analysis of the Carter Report in respect to its implications for agriculture.

Two other publications are forthcoming:

"Quotas—Their Potentials, Pitfalls and Impact on Location of Production in Canada," by H. V. Walker.

"Determinants of Regional Livestock Supply in Canada," by T. C. Kerr.

Canadian Co-operative Wheat Producers Limited is affiliated with the Council.

Conclusion

Your Board recognizes that the problems at present facing individual producers and their co-operative organizations are numerous and that they are complex in nature.

A progressive attitude towards increased production and productivity, coupled with policies and programs designed to move more Canadian grain into the market, are the major goals to pursue. Your Board remains convinced that orderly marketing and international co-operation among producers and consumers provides the best climate in which stability and growth will flourish.

Efforts of your organization will continue to be directed towards this end.

Our members and their leaders, at this period in time, are examining critically, yet constructively, the organizations and institutions of the past. What seems certain is that the result will be to arrive at more efficient and influential groupings of services in order to meet the expanding needs of our farm members.

Respectfully submitted,

CHAS. W. GIBBINGS	} Executive
W. J. PARKER	
G. L. HARROLD	
E. K. TURNER	
E. A. BODEN	
G. E. FRANKLIN	
A. J. MACPHERSON	
N. MALM	
H. B. SNEATH	

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Table 1

GRAIN: ACREAGE, YIELD, PRODUCTION, CANADA, 1968 (September Estimate) and 1967 (Final)

	1968 (September Est.)			1967 (Revised)		
	Acreage (millions)	Yield (bush-els)	Prod. (millions)	Acreage (millions)	Yield (bush-els)	Prod. (millions)
Wheat—	29.4	21.3	628	30.1	19.7	593
Oats—	7.8	46.1	358	7.4	40.9	304
Barley—	8.8	35.8	316	8.1	30.6	248
Rye—	0.7	19.5	13	0.7	17.5	12
Flaxseed—	1.5	11.3	17	1.0	9.2	9.3
Rapeseed—	1.0	16.6	17	1.6	15.2	24.7

Source: DBS September Forecast Production
Principal Field Crops

Table 2

GRAIN: ACREAGE, YIELD, PRODUCTION, PRAIRIE PROVINCES, 1968 (September Estimate) and 1967 (Final)

	1968 (September Est.)			1967 (Revised)		
	Acreage (millions)	Yield (bush-els)	Prod. (millions)	Acreage (millions)	Yield (bush-els)	Prod. (millions)
Wheat—	28.8	21.0	607	29.5	19.4	574
Oats—	5.5	43.8	243	5.0	38.3	195
Barley—	8.3	35.1	292	7.6	30.3	230
Rye—	0.6	18.4	11.4	0.6	16.7	10.4
Flaxseed—	1.5	11.3	16.9	1.0	9.0	9
Rapeseed—	1.0	16.6	17.4	1.6	15.2	24.7

Source: DBS September Forecast Production
Principal Field Crops

Table 3

PRODUCER MARKETINGS, PRAIRIE PROVINCES August 1 to July 31 (millions of bushels)

	1967-68	1966-67	1965-66	1964-65	10-year Average 1957-58 to 1966-67
Wheat—	452.9	638.2	569.4	524.5	464.3
Oats—	29.3	38.9	51.7	41.0	46.2
Barley—	83.4	113.2	93.9	75.0	93.8
Rye—	6.8	11.4	12.1	7.3	7.8
Flax—	8.0	20.1	23.7	16.9	16.9
Rape—	19.0	20.8	18.7	10.9	9.8
Total	599.4	842.6	769.5	675.6	638.8

Source: Board of Grain Commissioners for Canada,
Canadian Grain Position July 31, 1968.

Table 4

CARRYOVER STOCKS OF GRAIN IN CANADA at July 31, 1966-68 and Averages 1958-67 (millions of bushels)

	1968 (1)	1967	1966	Average 1958-67
Wheat.....	667.5	576.8	420.1	529.2
Oats.....	77.0	109.8	127.1	127.9
Barley.....	130.6	131.8	97.7	107.4
Rye.....	7.5	8.3	10.5	7.5
Flaxseed.....	4.8	11.8	11.1	7.0
Total.....	887.4	838.5	666.5	779.0
On farms.....	364.8	356.7	228.3	283.7
Commercial.....	522.6	481.8	438.2	495.3

(1) Preliminary estimate
Source: DBS, Stocks of Grain at July 31, 1968.

Table 5

**CARRYOVER STOCKS OF GRAIN ON FARMS,
PRAIRIE PROVINCES**
at July 31, 1968 (Estimated)
(millions of bushels)

	Mani- toba	Saskat- chewan	Alberta	Total 1968	Total 1967
Wheat.....	21.0	160.0	52.0	233.0	202.0
Oats.....	9.0	16.0	17.0	42.0	65.0
Barley.....	9.0	30.0	29.0	68.0	63.0
Rye.....	0.2	0.9	0.8	1.9	2.2
Flaxseed.....	0.06	0.44	0.1	0.6	1.5
Total.....	39.36	207.34	98.9	345.5	333.7
Total 1967.....	18.4	218.2	97.1		

Source: DBS. Stocks of Grain at July 31, 1968.

Table 6

EXPORTS OF ALL GRAINS AND WHEAT FLOUR
(millions of bushels)

	1967-68	1966-67	30-year Average 1937-38 to 1966-67
Wheat.....	310.7	482.7	259.0
Flour.....	24.4(1)	32.9	43.3
Wheat & Flour....	335.1	515.6	302.3
Oats.....	3.1	3.8	25.3
Barley.....	36.1	53.1	39.2
Rye.....	4.8	10.0	6.3
Flaxseed.....	12.6	16.6	7.6
Rapeseed.....	12.3	13.8	3.1
Total.....	403.9	612.9	383.8

(1) Estimated

Source: Board of Grain Commissioners for Canada,
Exports of Canadian Grain and Wheat Flour

Table 7

**EXPORTS OF CANADIAN WHEAT
BY CANADIAN PORT OF EXIT (1)**
(millions of bushels)

Port:	1967-68	1966-67	1965-66	1964-65	1963-64
Pacific.....	143.5	181	188	155	172
St. Lawrence-116.9	239	288	151	280	
Atlantic.....	15.5	33	39	34	54
Churchill.....	21.5	21	25	22	22
Lakehead (direct).....	13.2	9	5	4	7

(1) Does not include flour or U.S. Imports

Source: Board of Grain Commissioners for Canada,
Exports of Canadian Grain and Wheat Flour

Table 8

EXPORTS OF CANADIAN WHEAT (1)
BY REGION AND SELECTED COUNTRIES
1965 to 1968
(in million bushels)

	1967-68	1966-67	1965-66
WESTERN EUROPE			
West Germany.....	13.8	13.0	14.4
Other E.E.C.....	23.2	24.6	22.5
Total E.E.C.....	37.0	37.6	36.9
United Kingdom.....	61.6	67.4	69.5
Others.....	5.4	8.4	9.8
Total West. Europe.....	104.0	113.4	116.2
EASTERN EUROPE			
U.S.S.R.....	48.6	88.7	188.5
Poland.....	4.5	11.3	10.7
Others.....	7.6	14.5	17.8
Total East. Europe.....	60.7	114.5	217.0
AFRICA	3.0	11.1	0.9
ASIA			
China, Communist.....	52.0	90.0	74.9
Japan.....	40.5	59.8	49.3
India.....	22.4	41.9	25.9
Others.....	4.8	11.6	6.4
Total.....	119.7	203.3	156.5
WESTERN HEMISPHERE AND OCEANIA	9.9	13.7	21.0
Total all Countries (1).....	297.4	456.1	511.6

(1) Does not include Durum or wheat flour

Source: Board of Grain Commissioners for Canada,
Exports of Canadian Grain and Wheat Flour

Table 8a

**EXPORTS OF CANADIAN DURUM WHEAT
BY SELECTED REGIONS**
(in million bushels)

	1967-68	1966-67
WESTERN EUROPE		
EEC.....	6.5	12.4
Other West. Europe.....	2.8	4.1
EASTERN EUROPE	2.7	9.2
All Others.....	1.1	0.9
Total.....	13.1	26.6

Table 9

**EXPORTS OF CANADIAN WHEAT
BY MAJOR IMPORTERS**
1965 to 1968
(millions of bushels)

	1967-68	1966-67	1965-66
U.S.S.R. (Russia).....	49.0	93.2	198.4
China, Communist.....	52.0	90.5	74.0
Britain.....	61.9	67.7	69.9
Japan.....	40.8	60.2	49.6
India.....	22.4	42.0	26.0
Italy.....	10.1	9.5	—
Germany, Federal Republic of.....	17.5	22.6	22.9
Belgium and Luxemburg.....	9.4	13.8	10.7
Others.....	47.6	83.2	81.2
Total.....	310.7	482.7	546.0

Source: Board of Grain Commissioners for Canada,
Exports of Canadian Grain and Wheat Flour

Table 10

**FARM CASH RECEIPTS FROM FARMING
OPERATIONS
THREE PRAIRIE PROVINCES, 1965-1967**
(in thousand dollars)

	1967 (1)	1966	1965
Wheat.....	\$ 733,005	\$ 779,121	\$ 638,525
Wheat, CWB			
Payments.....	270,192	200,151	271,974
Oats.....	18,138	29,092	24,003
Oats, CWB Payments	12,331	6,850	4,707
Barley.....	89,368	77,791	74,957
Barley, CWB			
Payments.....	29,256	22,218	20,093
Rye.....	7,616	15,037	9,349
Flaxseed.....	45,297	61,119	45,428
Rapeseed.....	43,994	42,718	26,836
Other Crops.....	49,234	52,345	55,312
Net Cash Advance			
Payments.....	6,569	-4,667	5,997
Total Crops.....	\$1,305,000	\$1,281,775	\$1,177,181
Cattle and Calves.....	482,051	458,313	385,139
Hogs.....	141,043	141,587	130,940
Sheep and Lambs.....	3,527	3,962	4,250
Other Livestock and			
Products.....	175,140	176,379	171,002
Total Livestock			
 and Products	801,761	780,241	691,331
Other Sources (2).....	29,182	24,415	19,361
Total Cash			
 Receipts.....	2,135,943	2,086,431	1,887,873
Total Canada (3).....	\$4,385,175	\$4,280,033	\$3,814,994

(1) Preliminary

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

(3) Except Newfoundland

Source: DBS Farm Cash Receipts, 1967.

Table 11

TOTAL NET FARM INCOME (1), 1961-1967
(in million dollars)

	Three Prairie Provinces	Canada Except Newfoundland
1961.....	362.3	935.3
1962.....	886.1	1,491.6
1963.....	931.1	1,495.4
1964.....	719.0	1,268.1
1965.....	944.5	1,569.5
1966.....	1,130.7	1,940.6
1967.....	859.9 (2)	1,529.0 (2)

(1) Takes account of changes in inventory

(2) Preliminary

Source: DBS, Farm Net Income, 1967.

Table 12

**PRAIRIE FARM ASSISTANCE ACT
1966-67 Crop Year**

	1% Levy	Awards	Payments
Manitoba.....	\$ 1,074,487	1,553	\$ 336,443
Saskatchewan.....	7,388,672	3,553	1,135,108
Alberta.....	3,210,922	6,590	1,640,421
British Columbia	—	21	4,464
Total.....	\$ 11,674,081	11,717	\$ 3,116,436
1939-40 to 1966-67			
	1% Levy	Awards	Payments
Manitoba.....	\$ 25,786,140	161,708	\$ 30,273,913
Saskatchewan.....	108,874,304	853,766	228,011,927
Alberta.....	51,238,331	448,913	101,051,369
British Columbia	—	8,961	1,717,611
Unallocated.....	4,207	—	—
Total.....	\$185,902,982	1,473,348	\$361,054,820

Source: Prairie Farm Assistance Branch, Regina.

Table 13

CROP INSURANCE, PRAIRIE PROVINCES, 1965-68

	Alberta	Manitoba	Sask. (1)
1965-66			
Contracts.....	1,312	8,610	3,172
Acreage.....	250,000	1,369,600	570,500
Insurance in			
effect.....	\$ 3,139,000	\$18,680,000	\$ 4,566,000
Farmers' share of			
Premium.....	\$ 232,000	\$ 1,296,000	\$ 307,000
Number of Claims	117	791	301
Amount of Claims	\$ 48,000	\$ 398,800	\$ 123,300
1966-67			
Contracts.....	4,408	12,915	6,989
Acreage.....	979,500	1,921,000	1,346,000
Insurance in			
effect.....	\$13,392,000	\$25,909,000	\$12,125,000
Farmers' share of			
Premium.....	\$ 802,800	\$ 1,756,500	\$ 803,000
Number of Claims	455	1,619	160
Amount of Claims	\$ 315,000	\$ 796,000	\$ 107,978
1967-68			
Contracts.....	9,892	14,116	8,100
Acreage.....	2,271,000	2,215,551	
Insurance in			
effect.....	\$38,000,000	\$33,268,000	
Farmers' share of			
Premium.....	\$ 1,934,000	\$ 2,065,000	
Number of Claims	1,709	1,379	
Amount of Claims	\$ 1,267,734	\$ 729,116	
1968-69			
Contracts.....	15,657	14,469	
Acreage.....	3,904,894	2,250,000	
Insurance in			
effect.....	\$63,718,951	\$37,500,000	
Farmers' share of			
Premium.....	\$ 3,435,444	\$ 2,325,000	

(1) Other figures not available when table compiled.
Source: Crop Insurance Boards, three provinces.

Table 14

**FARM CREDIT CORPORATION, 1967-68; LOANS
PRAIRIE PROVINCES AND PURPOSES**
(thousands of dollars)

Fiscal Year 1967-68			Fiscal Year 1968-69 (to August 15, 1968)		
Province	No.	Amount \$	No.	Amount \$	
Alberta.....	2,829	65,556,200	1,324	29,947,900	
Sask.....	3,665	80,618,600	1,836	40,578,000	
Manitoba.....	1,211	27,933,300	643	14,205,400	

**ANALYSIS OF THE PURPOSES FOR WHICH
LOANS WERE APPROVED**

Fiscal Year 1967-68
(thousands of dollars)

Purpose	Alberta \$	Sask. \$	Manitoba \$
Land Purchase.....	37,104,808	53,611,369	17,206,913
Land Debt.....	16,585,719	18,461,659	6,508,459
Improvements.....	7,407,851	5,320,828	2,877,130
Livestock.....	1,048,899	322,474	167,600
Equipment.....	262,225	241,856	139,666
Other Debts.....	1,966,686	1,289,898	642,466
Miscellaneous.....	1,180,012	1,370,516	391,066
Total.....	65,556,200	80,618,600	27,933,300

Source: Farm Credit Corporation

Table 15

FARM CREDIT CORPORATION LOANS
Approved 1963 to 1968

Year	Number	Amount	Average Loan
1963-64.....	8,689	\$108,009,000	\$12,430
1964-65.....	10,142	154,814,000	15,270
1965-66.....	11,238	208,985,000	18,600
1966-67.....	12,167	247,947,000	20,380
1967-68.....	11,954	263,236,000	22,020

Source: FCC Annual Report, 1967-68.

Table 16

**FARM MACHINERY SYNDICATES CREDIT ACT
LOANS APPROVED 1967-68 AND JANUARY 1,
1965 TO MARCH 31, 1968**

Branch	Fiscal Year 1967-68		Total Jan. 1, 1965 to Mar. 31, 1968	
	No.	Amount \$	No.	Amount \$
British Columbia.....	4	12,398	12	65,368
Alberta.....	38	495,405	132	1,324,057
Saskatchewan.....	4	25,400	44	201,774
Manitoba.....	5	41,121	40	176,444
Ontario.....	20	140,133	62	486,999
Quebec.....	30	247,851	70	661,451
Atlantic.....	1	10,500	4	44,740
Total.....	102	\$972,808	364	\$2,960,833

Source: FCC Annual Report, 1967-68.

Table 17

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

	Average 1949-54	Average 1959-64	1966-67	1967-68 (2)
Acres (3).....	385	443	466	468
Yield (4).....	15.7	18.3	22.2	21.4
Prod. (5).....	6,041	8,110	10,366	10,055

- (1) Excluding Mainland China
(2) Provisional
(3) Millions of acres
(4) Bushels per acre
(5) Millions of bushels

Source: World Wheat Statistics 1968, International Wheat Council.

Table 18

**WORLD WHEAT
EXPORTS: WHEAT AND WHEAT FLOUR,
WORLD TOTAL 1954 TO 1967**

	BUSHEL (millions)
Average 1954-59.....	1,183
Average 1959-64.....	1,665
1962-63.....	1,597
1963-64.....	2,070
1964-65.....	1,880
1965-66.....	2,293
1966-67.....	2,067

Source: World Wheat Statistics 1968, International Wheat Council.

Table 19

**SUMMARY OF TRADE IN WHEAT AND WHEAT
FLOUR BY MEMBERS OF I.W.A. (1)**

1963-64 to 1966-67 (millions of bushels)				
	1963-64	1964-65	1965-66	1966-67
Commercial.....	1,453.3	1,156.1	1,534.1	1,346.9
Special (2).....	620.2	782.0	785.3	679.0
Total.....	2,073.5	1,938.1	2,319.4	2,025.9

(1) Includes trade with non-member countries.

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

Source: World Wheat Statistics 1968, International Wheat Council.

Table 20
AGRICULTURAL STABILIZATION BOARD
1967-68

(Summary of dollar value of operations during the fiscal year 1967-68 with calculation of net cost of each program based on production or support year).

Product	Program Year	Purchases & Costs Added During Year	Value of Sales During Year	Net Cost or Payment During Year
Butter.....	1960	841		841
Butter.....	1965	1,461		1,461
Butter.....	1966	120,613	2,213,742	42,459*
Cheese.....	1964	3,989	3,710	279
Cheese.....	1965	15,554	13,379	2,175
Cheese.....	1966	3,806,072	3,273,799	532,273
Pork.....	1959-1960	3	54,540 Dr.	54,543
Subsidy and Deficiency Payments				
1966-67 Dairy Program				
Manufacturing Milk.....		4,785,107		4,785,107
Cream.....		1,918,604		1,918,604
Fluid Milk.....		983,349		983,349
Fluid Cream.....		7,162		7,162
Wool.....	1965-1966	127 Cr.		127*
Wool.....	1966-1967	44,074		44,074
Wool.....	1967-1968	899,711		899,711
Eggs.....	1963-1964	29		29
Eggs.....	1964-1965	73 Cr.		73*
Eggs.....	1967-1968	13,590		13,590
Potatoes.....	1966	2,466,151		2,466,151
Sugar Beets.....	1965	103 Cr.		103*
Sugar Beets.....	1966	2,495,048		2,495,048
Sugar Beets.....	1967	2,943,512		2,943,512
Transfers to Canadian Dairy Commission.....	1967-1968	124,113,982		124,113,982
Total.....		144,618,549	5,450,090	141,219,129

*Indicates a profit on operations.

Source: Annual Report, Agricultural Stabilization Board, 1967-1968.

Table 21
THE AGRICULTURAL STABILIZATION BOARD
1958-1968

Agricultural Stabilization Board costs to stabilize the prices of commodities during the first ten years of the program, to 31st March 1968, were as follows:

Product	Net Cost of Programs
1. Butter.....	\$136,433,550
2. Cheese.....	7,234,336
3. Dry Skimmilk.....	15,517,250
4. Casein.....	3,973,099
5. Milk for Manufacturing.....	160,964,744
6. Cream for Manufacturing.....	83,054,643
7. Eggs.....	14,061,819
8. Fowl.....	561,424
9. Hogs.....	74,147,434
10. Lamb.....	1,702,540
11. Wool.....	9,676,198
12. Tomatoes.....	183,130
13. Potatoes.....	3,854,555
14. Apples.....	768,374
15. Peaches.....	357,214
16. Raspberries.....	292,074
17. Asparagus.....	106,021
18. Soybeans.....	2,084,627
19. Sugar Beets.....	28,648,497
20. Sunflower Seed.....	44,377
21. Honey.....	538,386
22. Sour Cherries.....	300,401
Transferred to Canadian Dairy Commission.....	124,113,982
	\$668,618,675

The following are mandatory commodities under the Agricultural Stabilization Act: butter, cheese, eggs, hogs, cattle, sheep and also wheat, oats and barley grown out-

side the area designated by the Canadian Wheat Board Act. In the 1967-68 fiscal year sugar beets, manufacturing milk and cream, and potatoes, were also included under the Act. Funds for the support of dairy products were transferred by the Board to the Canadian Dairy Commission for the actual administration of the dairy price stabilization program. Such funds amounted to \$124,113,982 in 1967-68, and are included in the above table as a separate item.

Source: Annual Report, Agricultural Stabilization Board, 1967-68.

Table 22
PRAIRIE GRAIN ADVANCE PAYMENTS

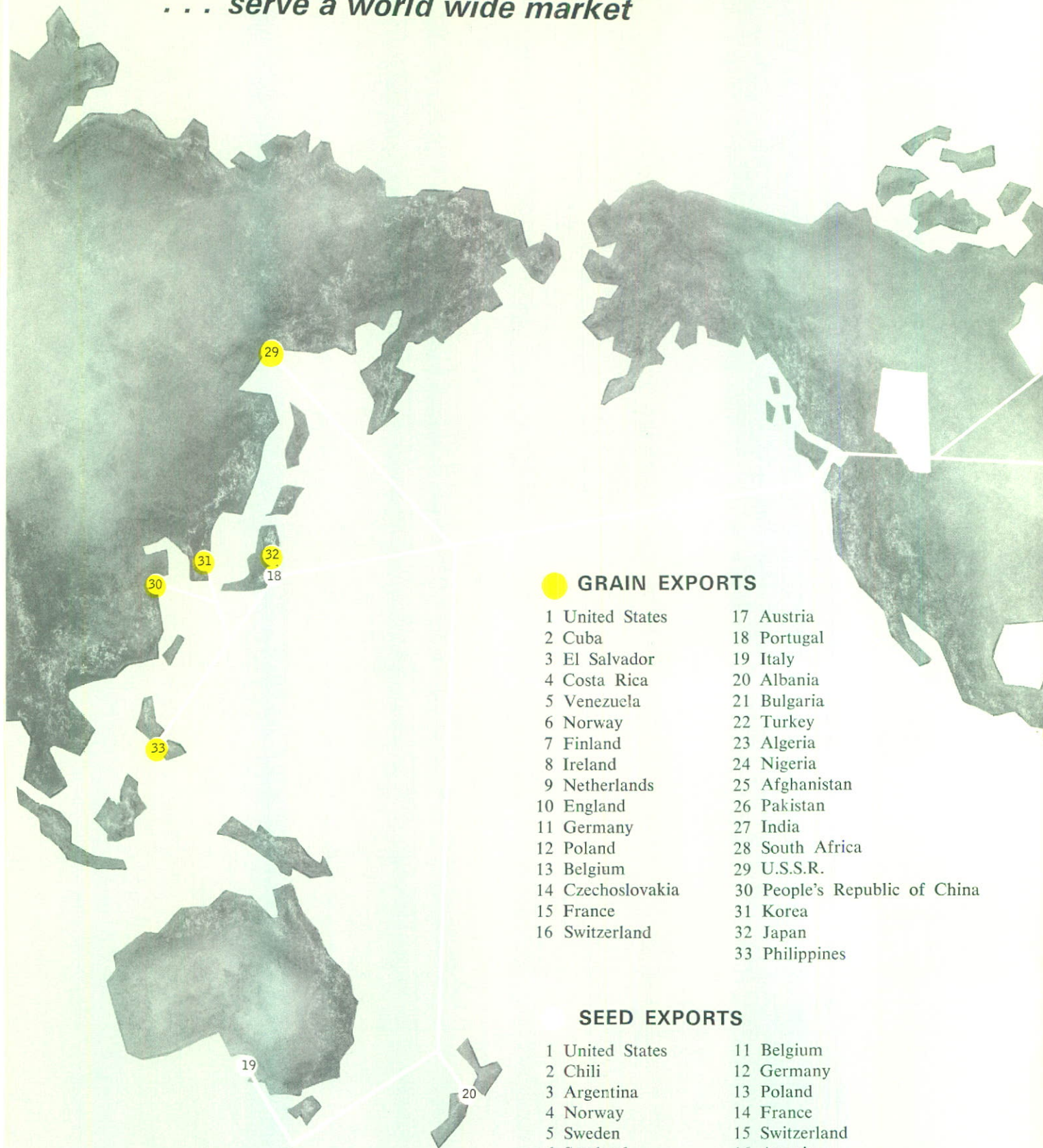
	1967-68	1966-67
Western Canada		
No. of Applications....	45,810	36,953
Amount Advanced....	\$47,280,533	\$36,668,270
Amount Repaid.....	\$45,943,628	\$36,588,066
Average Advance.....	\$ 1,032	\$ 992
Percentage Repaid....	97.1%	99.7%
Amount Outstanding July 31, 1968.....	\$ 1,336,905	\$ 80,204

	No. of Loans	Amount Advanced	Percentage Refunded
1957-58.....	50,412	\$35,203,000	99.9%
1958-59.....	45,341	34,369,000	99.9
1959-60.....	52,356	39,518,000	99.9
1960-61.....	76,089	63,913,000	99.9
1961-62.....	22,342	16,657,000	99.9
1962-63.....	39,683	29,252,000	99.9
1963-64.....	63,427	62,136,000	99.9
1964-65.....	38,375	32,962,000	99.9
1965-66.....	43,509	40,600,000	99.7
1966-67.....	36,953	36,668,000	99.7
1967-68.....	45,810	\$47,280,000	97.1%

Source: The Canadian Wheat Board.

CANADIAN GRAIN AND ALBERTA WHEAT POOL SEED

... serve a world wide market



GRAIN EXPORTS

- | | |
|-------------------|-------------------------------|
| 1 United States | 17 Austria |
| 2 Cuba | 18 Portugal |
| 3 El Salvador | 19 Italy |
| 4 Costa Rica | 20 Albania |
| 5 Venezuela | 21 Bulgaria |
| 6 Norway | 22 Turkey |
| 7 Finland | 23 Algeria |
| 8 Ireland | 24 Nigeria |
| 9 Netherlands | 25 Afghanistan |
| 10 England | 26 Pakistan |
| 11 Germany | 27 India |
| 12 Poland | 28 South Africa |
| 13 Belgium | 29 U.S.S.R. |
| 14 Czechoslovakia | 30 People's Republic of China |
| 15 France | 31 Korea |
| 16 Switzerland | 32 Japan |
| | 33 Philippines |

SEED EXPORTS

- | | |
|-----------------|----------------|
| 1 United States | 11 Belgium |
| 2 Chili | 12 Germany |
| 3 Argentina | 13 Poland |
| 4 Norway | 14 France |
| 5 Sweden | 15 Switzerland |
| 6 Scotland | 16 Austria |
| 7 Denmark | 17 Italy |
| 8 Ireland | 18 Japan |
| 9 Netherlands | 19 Australia |
| 10 England | 20 New Zealand |

EXPORTS



MEMORANDA

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This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

