CORPORATE INFORMATION

BOARD OF DIRECTORS
A. J. MACPHERSON, Delta — President
H. R. PATCHING, Lethbridge — 1st Vice-President
G. W. BRATHWAITE, Brooks — 2nd Vice-President
NORMAN JACOBSEN, Lethbridge
PARKE DORSON, Paradise Valley
NICK M. LORENZ, Manning
WILLIAM DAVIDIUK, Grassland

B. A. FRIESEN, Secretary
A. W. BEATTIE, Director — Public Relations

MANAGEMENT EXECUTIVE
J. W. MADEL, General Manager
F. L. BALL, Director — Operations
G. J. DEWAR, Director — Terminal Facilities
T. G. HENDRY, Director — Administration and Finance
J. E. SHOVROY, Director — Planning and Management Services
B. H. SOMMERVILLE, Director — Employee Relations

J. M. FERGUSON, Manager — Winnipeg Office
R. J. CHAMBERLAIN, General Manager — Alberta Food Products

LEGAL COUNSEL
MacKIMME MATTHEWS

AUDITORS
TOUCHE ROSS & CO.

BANKERS
BANK OF MONTREAL
THE BANK OF NOVA SCOTIA
THE ROYAL BANK OF CANADA
CANADIAN IMPERIAL BANK OF COMMERCE

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

DELEGATES

LETHBRIDGE — District One
100 Gogolinski, Barney — Okotoks
102 Schmidt, Roy C. — Milk River
103 Hutchison, Howard — Taber
104 Zulig, Forbes B. — High River
105 MacRae, Peter G. — Coaldale
106 O'Connell, Darrell — Lethbridge
107 Van Rooy, Willy H. — Iron Springs
108 Rempel, Henry S. — Winkler
109 Thompson, Clarence E. — Bow Island
113 O'Neill, James L. — Lethbridge

CALGARY — District Two
201 Chambers, William E. — Lacombe
202 Williams, S. Evon — Vulcan
203 Berger, John C. — Nanton
204 Sewey, Elwood F. — Blackie
205 Bule, George W. — Airdrie
206 Dohn, Robert L. — Delacourt
207 Schmitz, Clarence M. — Bowker
208 Fowlser, Alvin W. — Airdrie
209 Carty, Pat F. — Three Hills
210 Riddle, Jack C. — Drumheller

DRUMHILLER — District Three
301 Bayer, Robert — Sula
g — Acadia Valley
303 Volak, Joseph — Tilley
304 Anderson, Fred — Drumheller
305 Johnson, James G. — Drumheller
306 Nelson, Norman E. — Creaghale
307 Johnson, Vernon R. — Oyen
308 Kloiberdanz, John — Killimarie
309 Hepp, Melvin F. — Crossfield
310 Peterson, Leslie M. — Ericka

CAMERON — District Four
401 Richardson, Donald R. — Edgemont
402 Chewtowich, Stanley J. — Wainwright
403 Harbin, Clifford T. — Riverbend
404 Livingston, Douglas E. — Vermilion
405 Ogil, Winter L. — Forestburg
406 Ash, Robert W. — Viking
407 Pearson, John F. — Donald
408 Pepple, Clifford G. — Oliver
409 Trautmann, Stanley — New Norway
410 Plambeck, William — Munson

RED DEER — District Five
501 Silver, Neil D. — Hardisty
502 Johnson, Ken K. — Red Deer
503 Nelson, Glen R. — Blackford
504 Wagner, Albert F. — Lacombe
505 Baker, Percy A. — Penhold
506 Bastian, Clarence H. — Westlock
507 Rebus, John A. — Stony Plain
508 Lappennick, W. R. — Red Deer
509 Anderson, Robert N. — Red Deer
510 Rimmer, Laurence M. — Pincher Creek

VEGREVILLE — District Six
601 Bober, Jotza R. — Devon
602 Pidducky, Albert L.D. — Myrmam
603 Fenton, Orson — Vegreville
604 Henri, Harold H. — Andrew
605 Galloway, Kenneth D. — Ft. Saskatchewan
606 Mullen, Earl — Bon Accord
607 Barnes, Dave W. — Meacham
608 Div. Alexander — Wainwright
609 Lamothe, Armand — St. Paul
610 Nicoleau, J. Morris — Boyle

PEACE RIVER — District Seven
701 Crowe, James B. — High Prairie
702 Lamont, Bernard — Edson
703 Nikolaychuk, Mike — Woking
704 John, Jack F. — La Glace
705 Erickson, Ray G. — Tangent
706 Graham, T. Alex — Spirit River
707 Vander Linden, Dale — Clairmont
708 Sylvest, Kenneth H. — Bow Island
709 Koskett, Con — Hatton
710 Morrison, D. James — Blenkh
## 1978-79 REPORT HIGHLIGHTS AND COMPARISONS

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Handling</strong></td>
<td>4,167</td>
<td>4,728</td>
<td>4,706</td>
<td>3,488</td>
<td>3,856</td>
<td>5,888</td>
</tr>
<tr>
<td>— Country Elevators</td>
<td>4,167</td>
<td>4,728</td>
<td>4,706</td>
<td>3,488</td>
<td>3,856</td>
<td>5,888</td>
</tr>
<tr>
<td>— Forage Seed, in kilograms</td>
<td>5,911</td>
<td>6,985</td>
<td>7,582</td>
<td>4,783</td>
<td>5,125</td>
<td>7,069</td>
</tr>
<tr>
<td>— Cereal Seed, in kilograms</td>
<td>13,645</td>
<td>12,687</td>
<td>12,619</td>
<td>8,430</td>
<td>6,661</td>
<td>15,203</td>
</tr>
<tr>
<td><strong>Percentage of Alberta Grain Deliveries Handled</strong></td>
<td>63.3%</td>
<td>66.2%</td>
<td>65.5%</td>
<td>65.9%</td>
<td>65.0%</td>
<td>67.3%</td>
</tr>
<tr>
<td><strong>Gross Value of Board Deliveries, Other Sales and Revenues</strong></td>
<td>$34,630,789</td>
<td>$35,485,177</td>
<td>$35,485,177</td>
<td>$35,485,177</td>
<td>$35,485,177</td>
<td>$35,485,177</td>
</tr>
<tr>
<td><strong>Marketing Division Sales (included above)</strong></td>
<td>$22,845,164</td>
<td>$24,302,981</td>
<td>$25,026,276</td>
<td>$25,026,276</td>
<td>$25,026,276</td>
<td>$25,026,276</td>
</tr>
<tr>
<td><strong>Marketing Margin</strong></td>
<td>95,099,809</td>
<td>95,099,809</td>
<td>95,099,809</td>
<td>95,099,809</td>
<td>95,099,809</td>
<td>95,099,809</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>72,722</td>
<td>74,302</td>
<td>75,026</td>
<td>75,026</td>
<td>75,026</td>
<td>75,026</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>6,264</td>
<td>6,264</td>
<td>6,264</td>
<td>6,264</td>
<td>6,264</td>
<td>6,264</td>
</tr>
<tr>
<td><strong>Earnings before Taxes</strong></td>
<td>22,346</td>
<td>22,346</td>
<td>22,346</td>
<td>22,346</td>
<td>22,346</td>
<td>22,346</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td>197,888,159</td>
<td>221,316,229</td>
<td>221,316,229</td>
<td>221,316,229</td>
<td>221,316,229</td>
<td>221,316,229</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>153,162,833</td>
<td>153,162,833</td>
<td>153,162,833</td>
<td>153,162,833</td>
<td>153,162,833</td>
<td>153,162,833</td>
</tr>
<tr>
<td><strong>Working Capital before Disposition of Earnings</strong></td>
<td>$44,725,328</td>
<td>$68,153,396</td>
<td>$68,153,396</td>
<td>$68,153,396</td>
<td>$68,153,396</td>
<td>$68,153,396</td>
</tr>
<tr>
<td><strong>Capital Expenditures on Properties and Equipment</strong></td>
<td>23,300</td>
<td>23,300</td>
<td>23,300</td>
<td>23,300</td>
<td>23,300</td>
<td>23,300</td>
</tr>
<tr>
<td><strong>Total Invested in Capital Assets</strong></td>
<td>159,971,526</td>
<td>159,971,526</td>
<td>159,971,526</td>
<td>159,971,526</td>
<td>159,971,526</td>
<td>159,971,526</td>
</tr>
<tr>
<td><strong>Patronage Refunds Distributed (out of previous year’s earnings)</strong></td>
<td>15,179,288</td>
<td>15,179,288</td>
<td>15,179,288</td>
<td>15,179,288</td>
<td>15,179,288</td>
<td>15,179,288</td>
</tr>
<tr>
<td><strong>Reserves Held by Members</strong></td>
<td>$58,311,946</td>
<td>$58,311,946</td>
<td>$58,311,946</td>
<td>$58,311,946</td>
<td>$58,311,946</td>
<td>$58,311,946</td>
</tr>
<tr>
<td><strong>Percentage of Member Business prior year</strong></td>
<td>96.5%</td>
<td>96.5%</td>
<td>96.5%</td>
<td>96.5%</td>
<td>96.5%</td>
<td>96.5%</td>
</tr>
<tr>
<td><strong>New Members</strong></td>
<td>1,808</td>
<td>1,808</td>
<td>1,808</td>
<td>1,808</td>
<td>1,808</td>
<td>1,808</td>
</tr>
<tr>
<td><strong>Total Membership</strong></td>
<td>56,705</td>
<td>56,705</td>
<td>56,705</td>
<td>56,705</td>
<td>56,705</td>
<td>56,705</td>
</tr>
<tr>
<td><strong>Number of Country Elevators</strong></td>
<td>2,711</td>
<td>2,711</td>
<td>2,711</td>
<td>2,711</td>
<td>2,711</td>
<td>2,711</td>
</tr>
<tr>
<td><strong>Elevator Capacity — in tonnes — Country</strong></td>
<td>1,929,970</td>
<td>1,929,970</td>
<td>1,929,970</td>
<td>1,929,970</td>
<td>1,929,970</td>
<td>1,929,970</td>
</tr>
<tr>
<td><strong>— Terminals</strong></td>
<td>481,980</td>
<td>481,980</td>
<td>481,980</td>
<td>481,980</td>
<td>481,980</td>
<td>481,980</td>
</tr>
<tr>
<td><strong>Number of Employees July 31</strong></td>
<td>1,878</td>
<td>1,878</td>
<td>1,878</td>
<td>1,878</td>
<td>1,878</td>
<td>1,878</td>
</tr>
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</table>
REPORT OF THE BOARD OF DIRECTORS

ALBERTA WHEAT POOL

TO FIFTY-SEVENTH ANNUAL MEETING OF DELEGATES

Gentlemen:

A number of new and exciting developments highlight the past year for Alberta Wheat Pool. The opening of the new 2.8 million bushel addition to the terminal at Vancouver, the construction of a new elevator at Dawson Creek, and the new Buffalo Slop-tap at Fort Macleod, are indicative of the changes taking place in the industry and the progress being made by your organization.

Transportation problems continue to plague the grain industry. Export sales opportunities were plentiful, but Canada's inability to move grain to export points forced reduced sales and a consequent reduction in the effectiveness of delivery opportunities for many producers.

Summary of Operations

For the second year in a row, dividends paid to the seven grain associations were reduced, totaling 4,167,089 tons during 1978-79, a decrease of 3,153,041 tons from 1977-78. This year's dividend is 20.4% of the tonnage handled during the previous year, representing a decrease of 23.6% from 1977-78. The reduction was caused by the exceptionally high rate of return on the cooperative's operations.

Canadian Marketing Summary

Exports of spring wheat, durum and flour totalled over 13.1 million bushels, representing a significant fraction of the wheat produced in Canada. The export market for wheat flour has continued to expand, with buyers from Japan and China seeking a reliable source of high-quality flour.

Canadian Grain and Flours

Prince Rupert Terminal

On July 31, 1979, the Commodities and the Federal Government signed a Memorandum of Understanding to prepare for the construction of a new terminal at Prince Rupert. The terminal is being constructed to serve the growing market for Canadian grain in Asia, particularly in Japan and South Korea.

Rail Line Abandonment

The proposed plans for the Prince Rupert Rail Association Committee (P.R.A.C.) to construct a new rail line to connect the terminal with the national rail network have been approved by the Canadian Transport Commission. The new line will provide direct access to the terminal, reducing transportation costs and improving efficiency.

In conclusion, the past year has been one of significant progress for Alberta Wheat Pool. The organization has continued to adapt to changing market conditions, and the new terminal at Prince Rupert represents a major milestone in the industry's efforts to increase export capabilities.

Sincerely,

[Signature]

Chairman of the Board

Alberta Wheat Pool
Canadian Grain Commission

Problems created by individual producers abusing the use of producer cars led to the appointment of a special study committee by the Canadian Grain Commission. This Committee, after hearing submissions from many organizations, recently recommended that a maximum of 5,000 producer cars be allowed each year and that the Commission retain the right to approve the use of these cars in processing applications for such cars. One of the most significant recommendations made by the report and submitted to the Commission was that the Canadian Grain Commission should consider the use of a new rail car lease system to replace the current system. The report also recommended that producer car owners be required to maintain a lease for at least 50% of the car capacity.

Two-Price Wheat System

Effective January 1979, the Federal Government increased the minimum price for wheat sold domestically for human consumption to $4.00 from $3.25 per bushel. This increase has been met with mixed reactions from farmers. Corn prices have also increased, making it more difficult for farmers to find new markets.

Rapseed Crushing Transportation Assistance

The Rappyard announcement of the Alberta Government to provide $400,000 to the rapsed crushing industry in Alberta to offer愿 of leasing out tank cars. The assistance which will be made available annually for up to five years, will cover up to 50% of the lease costs of the existing tank cars. The program is to be terminated when freight rates for rapseed products achieve parity with seed.

International Agreements

Negotiations for a new International Wheat Agreement, meeting until February 1979, have failed to reach agreement because of differences, primarily among developing countries. The major points of disagreement were the suggested price ranges, the size of the proposed grain reserve, special provisions for least developed countries, and the possibility of limiting the use of export subsidies. Following collapse of the talks, the U.S. Secretary of Agriculture learned that the country would limit its support for export subsidies, leading to widespread expectations that the talks would be suspended.

The Quota Review Committee of the Canadian Wheat Board's Advisory Committee made a number of recommendations which should encourage increased production and eliminate any elements which might restrict production or the movement of grain. In view of this, it is recommended that seedling areas only be used in determining the quota base, that a production bonus be allowed for all the major crops, and that the grain should be included in the delivery quota system. The reports for both producer grain and rapseed grain, if implemented by the Canadian Grain Commission, would be expected to increase the market share of these crops.

The Wheat Trade Convention and the Food Aid Convention which were due to expire June 30, 1979, have been extended for two years to 1981. Neither Convention carries any commitment regarding prices, but the Food Aid Convention does not apply to commitments for certain levels of food aid.

Some important contributions for grain producers were discussed during the recently concluded Multilateral Trade Negotiations. The result is that tariffs
schedules under G.A.T.T. General Agreement on
Tariffs and Trade will be revised starting January 1, 1980. In trade with the U.S., the corn tariff is being
reduced to 6 cents per bushel, and Canada's will also
be reduced to an equal amount. Tariffs on rice, rye,
sorghum, mustard and sunflower seed are being
eliminated, while the tariff on melon barley will be
set at 5 cents, the same as the Canadian rate. On
flaxseed, the rate will be 25 cents per bushel, on
rapeseed 0.4 cents per pound, down from 1.0 cent,
and on canola, 1.0 cent. The world market price is
2.8 cents per pound, as compared with current rates of 5 cents per bushel.

Exports to Japan should be enhanced with that
country agreeing to fix a maximum on its import
tariffs and also by allowing rapeseed, mustardseed
and sunflower oil to be free. It also agreed to
reduce its tariff on rapeseed oil from 20 yen per
kg to 17 yen per kg. No concessions were negotiable
with the European Economic Community, however.

At the International Federation of Agricultural
Producers general conference held in Italy during
April attended by your President, it was noted that
"for the basic farm commodities, especially
grains, the world pricing structure is virtually unaffected
by the theoretical "free market" model.

Further the conference stated that a "... grain reserve
in the world in terms of the percentage of world consumption
is hardly higher than in 1972... and that it... remains as
convincing as it ever was of the vital importance
for the world consumers and producers of inter-
national orderly marketing of wheat and, indeed of
exported grains through international agreement.

Membership

During the 1977-78 season, 1,008 new members
were accepted by the Board as compared to
2,040 during the 1976-77 season.

A total of 592 deaths were reported and 551
memberships were cancelled.

The net increase in membership brought 530
members, increasing the membership strength from
56,375 to 57,005.

Canadian Co-Operative Wheat Producers
Limited

Transportation and the Pool's continued support
of their provincial farm organizations were exten-
sively discussed at this year's inter-provincial Pool
Board meeting held in Banff. The directors expres-
sed their support for the actions taken by the Cana-
dian Wheat Board in placing an order for 2,000 cars
and called on the government to implement a purchas-
e or lease program which would provide sufficient
capacity to serve the grain industry for the foreseeable future. A detailed report of C.C.W.P.
activities is provided in our Annual Report.

Affiliations

Memberships in a number of organizations were
maintained by your Association including Uniform.
and through it, in the Canadian Federation of
Agriculture, also in the B.C. Federation of Agriculture,
the Co-operative Union of Canada, the Rapeseed
Association of Canada, the Credit Union Control of
Alberta, the Co-operators, Northern Bank, the Cana-
dian Co-operative Credit Society, and the Co-
operative College of Canada. A new organization
called the Co-operatives Future Directions Commis-
ion, which is supported by the Pool, was organized
during the year. Its purpose is to assist Co-operatives
to become aware of and to cope with changes which
could impact on the viability of the organization.

BOARD OF DIRECTORS

Officers of the Board of Directors elected for
the year were as follows:

President : John Macpherson
First Vice-President: H. W. Bocking
Second Vice-President: G. W. Brathsawile

These three directors were elected to the
Boards of Canadian Co-operative Wheat Producers
Limited, Canadian Pool Agencies Limited, and Pool
Insurance Company. Messrs. Macpherson and Bocking
were appointed to the Board of Western Co-
operative Farmers Limited and to the Management
Committee of Alberta Pool Products. Mr. Macpherson
serves on the Executive Committee of Western
Co-operative Farmers Limited, as President of
Western Pool Terminals Limited, as Chairman of the
Board of Pacific Elevators Limited, of the French
Pool Grain Terminal Corporation Limited and of the
Management Committee of Alberta Pool Products and is
a Vice-President of XCAN Grain Limited.

Mr. Bocking was elected to the Uniform Board
of Directors and Executive. Mr. Jacobson served as
director of Uniform and of the Rapeseed Association
of Canada.

Mr. Brathsawile was appointed to the R.E.D.A.
Policy Council and continued to serve on the Council
of Rural Development Canada, was elected a director
of XCAN Grain Terminal Corporation Limited, and appointed a director of the
Co-op College of Canada and the Alberta
Regional

Mr. Lawrence served on the Western Grain
Standards Committee.

General Manager, J. W. Mudfurl served on the
Boards of Western Co-operative Farmers Limited,
XCAN Grain Limited, Western Pool Terminals Limited,
Pacific Elevators Limited, Princess Pipe Terminal
Corporation Ltd., the Management Committee of
Alberta Pool Products and of Agiors Engineering

The Secretary served on the Board of P.O.S.
Pool Plant Corporation, on the Management Com-
mitee of Alberta Food Products and on the Co-
operative Future Directions Commission.

Directors and senior staff continued to serve on
numerous industry associated committees throughout
the year.

ELECTION OF DELEGATES

In 1979 elections were held in all even-
numbered sub-districts, resulting in the re-election
by acclamation of twenty-seven delegates. Four new
delegates were elected in sub-districts where more
than one nominee was received with Mr. Darrell
Down of Coalfield victorious in sub-district 109; Mr.
Robert Duff of Delacour in sub-district 206; Mr.
Earl Mulligan of Bow Island in sub-district 196; and
Mr. Ken Salden of Beaverlodge in sub-district 176.
Delegates re-elected were Mr. Jack Riddle of
Cawston in sub-district 210; Mr. Norman Nelson of
Clampetley in sub-district 206; Mr. Ken Johnson of
Red Deer in sub-district 204; and Mr. H. Lawrence
Riemschneider of Fort Vermilion sub-district 160.

Resignations by two delegates, Mr. Harold
van Gaalen of Foremost in sub-district 203 and Mr.
Peter Heck of Manning in sub-district 709 necessitated
the calling of by-elections. Elected by acclamation
to complete the term of office were Mr. Howard
Hatchett of Bow Island sub-district 105 and Mr. Con
Kesecol of Hixon in sub-district 239.

Our appreciation is extended to all unsuccessful
candidates who demonstrated keen interest in the
organization by letting their names stand for the office
delegates.

PROPERTIES

For 1979 Mr. Board instructed the con-
struction of new elevators at Blackfoot, Legal,
Brooks, Faussett, Waskatenau and one other to be
named at a later date. Also authorized was a re-
placement for the fire loss at Nampa.

Elevator closures effective July 31, 1980 were
approved for Delacour, Drumheller, Gem, Lethbridge,
Nanton, St. Mary, and W. Llingle.

Closures due to rail line abandonment include

Capital budget approvals totalling $2,865,847
(after recoveries of $1,707,814) included carry-over
from last year, provide for six elevators, seven dwell-
ings, five annexes, two bulk fertilizer plants, four
ammonia storage installations and three major

PUBLIC RELATIONS

The Public Relations Department continues to
perform a vital function for your organization in its
relationship with the media and the farming public.

One of its major thrusts has been to provide factual
information through the media to explain agricul-
ture's role in an increasingly urbanized society.

Alberta Pool undertook major sponsorship of the
play "Paper Wheat" which was seen in many
communities throughout the province. The enthusi-
astic response would indicate broad acceptance of the
play not only in rural areas but also in the major
cities of Calgary and Edmonton.
GOLDEYE LAKE FOUNDATION

Continuing rejection by the Department of National Revenue to classify the Goldeye Lake Foundation as a charitable organization has delayed the formal takeover of the Centre by the Foundation. Only very recently did the Foundation receive its charitable organization classification. Funds have been committed by a number of cooperative organizations and the change in status will now allow the fund raising program to get underway.

Courses offered by Goldeye Lake Centre have been very well received as reports by participants would indicate.

STAFF

The excellent results of this past year are due to the dedication and hard work of our employees, justifying the continued confidence and loyalty of Pool members. Sincere gratitude and appreciation is extended to all who were responsible for this achievement.

IN MEMORIAM

To friends and relatives of former elected officials of the Alberta Wheat Pool who passed away heartfelt sympathy is extended. We wish to acknowledge with gratitude the contributions these people have made to the Association.

W. H. McAuley
A delegate of 18 years beginning in 1918, Mr. W. H. McAuley, originally of Fairview, passed away on May 20th, 1958 at the age of 89 years. Mr. McAuley served as delegate in sub-district 710.

Robert V. Bambrer
Mr. Robert V. Bambrer of Esther who served as a delegate from 1925 to 1929 passed away on October 21st, 1978 at the age of 62 years.

Edwin N. Davidson
Mr. Edwin N. Davidson of Coalfield who served as a delegate from 1949 to 1958 passed away on June 26th, 1979 at the age of 66 years.

CHALLENGES FOR THE FUTURE

Probably the most challenging issue facing the grain producer is his ability to take advantage of expanding markets at favorable prices. Many studies and recommendations later, the problem seems to be ever more acute.

A shortage of rolling stock and motive power has now been identified as the major culprit. The announcement by the federal government that it will make 2,000 road hopper cars available and assist in the repair of boxcars will certainly help, but more is needed.

The present emergency is the result of the railway companies' resistance to supply the necessary equipment. To blame, in their view, is the demonstrable shortfall in revenue for grain transportation by rail governed by the Crown Nest freight rates on export grain and modified by branchline subsidies. Some solution to the grain transportation problem needs to be found quickly.

Your Board has given much consideration to the development of a transportation policy, including a statement on Crown rates, and will be presenting a revised policy for your consideration. It is the Board's hope that with the adoption of a policy position, some effective negotiations with the federal government based on your guidelines may be possible.

Your Board believes it is important to recognize that all modes of transport in Canada depend upon government for support. In 1978, annual infrastructure costs for rail, marine and road transport were $6 billion, yet only slightly over $3 billion was recovered from users. Percentage recovery for air was 37%, marine 17% and road 58%. These costs or subsidies are not passed directly to users but have the effect of reducing costs to the particular transport mode involved.

There is growing concern about the Alberta government's motives in becoming directly involved in the ownership of grain handling facilities. Less, not more, government involvement would seem appropriate where adequate services and facilities are available, as they are in Alberta. According to some reports, in the planning for the purchase for these terminals, it seems to have been accepted that the Crow Pass would be abandoned and existing facilities would then make it possible for the owners to negotiate special rates for unit or solid trains.

When the terminals were offered for sale by the federal government, all grain companies considered the costs involved, including the upgrading which will be required and the potential earnings which might be possible within the present system. Significantly, none of these organizations expressed much interest after the results had been carefully studied.
To the President & Directors,
Alberta Wheat Pool

Gentlemen:

It is gratifying to report that in many respects 1978-79 was a successful year for Alberta Wheat Pool. Your organization continued to be actively involved in many new developments and despite problems with the movement of grain, a 10.2% improvement in earnings was recorded.

A 72,000-tonne automated storage addition at the Vancouver terminal was opened in January 1979, and a modern 10,000-tonne concrete high-throughput elevator came on stream in April 1979 at Dawson Creek, B.C. Construction commenced on the experimental design Buffalo Slender Bin pre-cast concrete elevator at Magrath in March 1979. Good progress was made on planning for the installation of a computer information system for major marketing and elevator centers.

The new country manager training program at Olds College has proven successful and continues as an important part of the Pool's human resource development program. In addition, your organization has a major interest in the Peace River Parklands, a project designed to create employment, reduce poverty, and enhance the environment.

Transportation shortages plagued the grain industry through 1978-79 and affected Alberta Wheat Pool's ability to fully serve its members.

In spite of reduced grain handling in country elevators, your West Coast terminals set record and near-record handling. Sales of crop products again surpassed levels of the previous year. Expanded elevator maintenance programs continued to provide adequate facilities for member-owners.

Financially, Alberta Wheat Pool recorded a substantially better year than in 1977-78. Lower elevator receipts were offset by increased forward shipments. Combined earnings from grain sales, terminal and agri-products operations allowed your cooperative to achieve results which provide an excellent return to its member-owners.

Crop and Market Conditions

Adverse weather prevailed throughout the 1978 crop season. Seeding, delayed by wet, cool weather, was not completed until mid-June. In early August, a severe general frosts lowered wheat and barley yields. In nearly all areas of Alberta and the Peace River block of British Columbia, rain and cold weather resulted in a delayed harvest of lower than average quality. A large portion of the crop was threshed out of condition. Only the rapped, new harvest was favourable with generally top grades, strong yields from record sorghums.

Grain production (six principal grains) in Canada in 1978 totalled 11.87 million tonnes, compared to 19.56 million a year earlier. Alberta production reached 11.05 million tonnes, of which 4.98 million were wheat, 4.98 million were barley, and 1.4 million tonnes were rapeseed.
Grain deliveries to country elevators in 1978-79 were 22.9 million tons, compared to a record 26.7 million tons the year previous. Exports of grain and wheat flour were also down 1.9 million tons during the year, totaling 19 million tons.

At crop year-end prairie farm stocks stood at 15.5 million tons (9,044 million bushels in 1978). Alberta’s wheat, barley and rye stocks on farms were 2.8 million, 3.6 million, and 0.5 million tons respectively. These figures were 9.7%, 5.9%, and 8.7% respectively, a year earlier.

Country Operations

Alberta Wheat Pool began the 1978-79 crop year with 1,283,724 tons of grain in store, utilizing 25.2% of its capacity. Some 269 of our elevators were congested, compared to 60 a year earlier.

Deferred Canadian Wheat Board delivery permits the negative influence of low quality wheat and barley on export shipping opportunity, and transportation problems, kept our facilities under heavy pressure well into the crop year. Shortages in railcar spotting placed your organization throughout the entire year. Outstanding shipping orders are considered in available yards by the Canadian Wheat Board when allocating new orders, even though old orders may be outstanding several weeks due to inadequate rail service. This position reduced the number of subsequent orders allocated to us, and directed Alberta Pool’s ability to receive elevator permissions and accept deliveries offered by members. This was a serious problem which interfered with the member’s opportunity to deliver to the elevator of his choice and was the major factor forcing a decline in handling percentage.

Available space in our elevator system was again unevenly distributed in 1978-79. The average number of congested elevators each month was 128, while average utilization of facilities was limited to 15.6%. The kinds and grades of grain held by farmers, at points where space was available, were not called for by the Canadian Wheat Board, thus precluding quotas on which producers could deliver. The most problem was railroad shortages in car spotting. At one point, shorthands (both railroads) reached approximately 1,500 cars, for which Alberta Wheat Pool held almost all outstanding orders. Stocks in store by July 31, 1979 were 1,034,969 tons, compared to 1,294,669 tons a year earlier.

Congested elevators and the transportation system’s inability to move grain in the volumes required, reduced Alberta Wheat Pool’s loadings to 4,167,999 tons (173,399,263 bushels) compared to 4,483,330 tons (184,958,267 bushels) in 1977-78. Your organization’s percentage of grain deliveries declined to 63.8% from 66.3% a year earlier. The average handling per elevator manager was 10,102 tons, was down slightly from 10,726 tons in 1977-78.

Grain car loadings during the crop year of 1979-80 reached 591,214 cars up from 548,224 a year ago. This increase occurred in the latter part of the crop year as delivery quotas were opened. Average shipments per station through the year were 143 cars, or 12 per month. Weekly average shipping per station was 228 cars, compared to 2.5 in the previous crop year. Crop year shipments totaled 4,354,689, 1.5% above Pool elevator receipts.

Alberta Wheat Pool shipped to Thunder Bay and other eastern destinations (rose to 857,253 tons, up 73,215 from a year earlier). Shipments to the Lakehead totalled 752,474 tons, of which 458,507 were unloaded in Saskatchewan Wheat Pool’s terminals. Comparative figures a year ago were 720,339 tons and 471,185 respectively. All rail shipments of wheat, oats and barley to Eastern Canada increased to 56,740 tons from 37,213 tons a year ago, and of these shipments only 1,497 tons were Canadian Wheat Board. Shipments to Canadian Government Elevators and Churchill increased to 184,524 tons from last year’s figure of 101,636. Shipments to Churchill increased to 160,593 tons from 118,012 a year ago, while Prince Rupert shipments fell from 92,800 tons a year ago to 78,772 tons in 1978-79.

Protein became a grading factor in 1978-79 as X11CW and X22CW wheat grades were established. Protein selection, in addition to a generally lower quality harvest in 1978, increased the activity of the Grading and Selection Department. Individual samples graded totalled 39,352 during the season, compared to 35,541 samples a year earlier. Protein tests were done on 5,853 wheat samples, up 2,400 over last year. Bursts protein test completed were 1,106, down 1,461 samples from a year earlier, reflecting reduced production of quality barley in 1979.

Some protein tests were completed at Lethbridge with a laser machine from the Canadian Grain Commission. Your organization placed laser protein testing equipment at eleven designated elevator points.

Alberta Wheat Pool sales of selected barley to export and domestic markets declined to 164,000 tons in 1979-80 from 189,500 tons a year earlier. While domestic sales increased over the previous year, our provincial share of over-quota selected barley permits declined slightly from a year ago.

Alberta Wheat Pool feed grain sales rose to 663,050 tons in 1979-80, up from 455,350 tons in 1977-78. While sales in Alberta doubled, this year because of the large quantities of stocks on farm directly available to feeders, penetration in British Columbia and eastern markets increased significantly. Your organization’s marketing of feed, and婺期 received rose to 400,000 tons from 266,500 tons sold in 1977-78.

Alberta Wheat Pool elevator managers, again demonstrated their adherence to accurate and honest weighing of member grain deliveries. Audits completed at 127 stations reflected gross average of 0.070% and with the 0.25% tolerance established by the Canadian Grain Commission.

During 1978-79, four elevators, three in Alberta and one in Manitoba, were seized by the Bank of Canada. The seized grain was distributed among members.

On July 31, 1979 Alberta Wheat Pool country storage capacity stood at 1,095,978 tons, down 20,095 tons from the same date a year earlier.

Terminal Operations

Part of Vancouver grain loadings for the 1978-79 crop year reached 2,232,609 tons, of which Alberta Wheat Pool and Pacific Elevators combined handled 63.6%, an increase of 4.17% over 1977-78.

At the Pool terminal, receipts reached a record 2,426,603 tons, up 2,574 tons over last year. Shipments of 2,371,574 tons were increased at 1977-78. Pacific Elevators’ total reached 2,215,905 tons, a sharp increase of 158,425 tons over the previous years, and shipments of 2,216,481 tons were considerably up 15,904 tons over 1977-78. The major contributing factor was increased handled handled of 114,125 tons at Alberta Wheat Pool and 35,695 tons at Pacific Elevators.

During 1978-79, grain movement in and out of all terminals at Vancouver was very sporadic. Daily car averages at Alberta Pool decreased during the year from 147 to 143 cars per day. Pacific Elevators, mainly reflecting increased rapeseed volumes, recorded a rise in daily car averages from 127 to 138.

Car shortages were prevalent throughout the entire year. Our terminals were forced to unload on an
overtime basis on Saturdays whenever cars were available, to reduce diversion premiums and to maintain our handling percentages. This meant significant extra expense was incurred.

Again hopper cars accounted for an increased proportion of grain shipments. Comprised to last year, hopper's movements in 1976 and represented 49% of total grain shipped.

The number of vessels waiting for berths decreased in 1978-79. At the start of the crop year, no vessels were waiting; a high of 20 vessels waiting was reached in November and again in June. The crop year ended with seven vessels waiting.

The official opening of the new 2.8 million bushel storage annex at the Pool's Vancouver terminal was held on January 22, 1979. This facility is operating well, adding to our West Coast handling capabilities.

Union and management relations remained very stable over the year, with few labour grievances. Your organization has complied fully with Labour Canada's health and safety regulations. Our safety committee at both terminals render a valuable service.

Marketing Division

Alberta farmers continued the long-term trend of increased use of farm supplies in 1978-79. Fertilizer consumption increased in Alberta by 9% to a record 825,000 tons. The increase in average use was an important factor in the growth of farm supply sales.

Producers continued the practice of buying approximately 14% of their requirements during the May to July period, again placing heavy pressures on the distribution system; but your organization was able to meet the demands for product.

Total sales of farm supplies by Alberta Wheat Pool, led by fertilizer and chemical sales, were $76.0 million, a 9.8% increase over the previous year. Herbicides increased by 21% over the previous year and, as in previous years, sold our herbicides accounted for approximately 60% of the total chemical sales.

Farm deliveries of forage seed declined from the previous year, mainly due to reduced acreage. Prices paid to growers were much higher in the previous year.

Cereal sales increased by 17.6% in dollar value but declined in total volume because of the increased harvest and the lack of the Canadian Wheat Board contract program.

On December 15, 1978, Alberta Wheat Pool purchased the assets of Alberta Bean Growers Limited of Iron Island. The operation has complemented other Alberta Wheat Pool activities and recorded satisfactory earnings in its first year of operation under new ownership.

The four cleaning plants at Grande Prairie, Camrose, and Lethbridge processed 5,245,000 kilograms of forage seed and 19,025,000 kilograms of cereal seed to export and domestic seed standards.

Your organization continued its search for new markets for Canadian seed during the crop year.

Alberta Wheat Pool maintained its activity in research and development, with emphasis on testing foreign-bred varieties of cereal and oilseeds that might be suitable for Western Canadian conditions.

Engineering, Construction and Maintenance

New construction in grain and crop product facilities and quality maintenance programs for existing properties were the thrust of this division's efforts in 1978-79.

During the year a 39,000-tonne concrete high throughput elevator was completed and officially opened at Dawson Creek on April 17, 1979. One 75,000-tonne composite was built at Grimshaw. Three 30,000-tonne complexes were built at Arrowwood, Grandin Centre and Toffield. Three modelled 121,000-bushel composite was built at Leduc.

Grain bins (12,400 tonnes) were constructed at Halkirk. New Norwray and W嵲ntsaw, and 1,708-tonne steel tanks were added to your facilities at Cereal, Orion and Seven Persons.

Five bulk fertilizer plants of 400 tons each were added to your facilities at Halkirk, Leduc, Viking, Athabasca, and Eckville. All of these plants are equipped with blenders and hopper scales. Eight elevators at Acre, #8, Arrowood, #1, Millet #5, Sagamux #1, Westham #1, Didsbury #1, Killarney #1, and Toffield #3 were converted to fertilizer storage.

Ammonia ammonia tanks were installed during 1978-79 at Dawson Creek, Mackenzie, Peace River, and 1,000,000 liters at Cereal, EK Pont, Leduc, Seven Persons, Toffield and Westham. A large steel warehouse was also constructed at Faribo.

The major portion of the $1 million in maintenance capital was spent predominantly by the high level of earnings, the increase in long-term debt that had not been completed by the previous year end, and application of the investment tax credit program. High capital expenditures included the completion of the Vancouver terminal annex expansion, Dawson Creek, high throughput concrete elevator, and a substantial portion of Alberta Food Products' expanded crushing plant that had been completed since year end.

Resolution of the delegate body provided a cash refund and cash reserve purchase totaling $8,600,000 from the previous year's earnings.
Member reserves increased to $8,800,000 by creation of $10,700,000 new reserves, offset by the $4,100,000 reserve purchase. The purchase categories included retirement, estate of deceased members, members age 60 with no previous purchase, and the largest amount paid to resolve the reserves on a member number basis.

Subsidiary Companies

All accounting for Victoria Elevator Limited was completed during the year and the company charter abandoned. Interior Feeds Limited remains a dormant company.

The Vancouver terminal facilities operated by Pacific Elevators Limited are owned by Western Pool Terminals Ltd. Both of these companies are owned by Alberta Pool 60%, Saskatchewan Pool 30%, and Manitoba Pool 10%. The earnings of Pacific Elevators Limited are distributed in proportion to grain consigned to the terminal in accordance with a Stevedoring Agreement.

Alberta Food Products is a 50%-owned partnership with Japan Alberta Oi Mill Co., Ltd., and the accounts are consolidated on a line-by-line basis according to percentage of ownership.

The coated crushing plant was completed about a year later and is in the early stages of production. Official opening of the plant took place on September 10, 1979.

AgriRay Engineering System is a 50%-owned partnership with Buffalo Engineering Limited. Its purpose is to develop, market, and construct the Buffalo Shaped Bin type elevator. Accounts of the partnership are consolidated on a line-by-line basis according to ownership percentage.

Administration

Throughout 1978-79, your management continued its attention to the refinement and development of effective engineering and communication systems. Our study of data terminal installations at country elevators was continued toward a telecommunications network which will streamline information flow and provide long-term productive benefits.

The Pool’s planning resources continue to be heavily committed to the grain handling and transportation system, and to the many government and industry agencies and groups involved in these areas.

Your organization has played a major role in the Prince Rupert Grain Terminal Consortium Ltd., has made significant contributions to the Montana Task Force and has seen the development of a new concept in grain elevator design.

Many Pool delegates have been involved in a study now being conducted in an effort to project the nature of our business environment 15 years into the future, and to determine the actions required to meet the challenges as identified.

We continue to depend heavily on planning to help us recognize and manage change in those challenging times.

Throughout 1978-79, continued attention was directed to the recruitment, development and retention of human resources required to meet the expanding service needs of Pool members. Staff strength increased from 1,617 to 1,878 persons during the crop year, mainly at Alberta Food Products, where the increase was 57 persons in that facility prepared to go on stream.

Your organization maintained its elevator and warehouse management training program, which was introduced last crop year as a first within the grain industry. Since inception, the program has graduated 56 transfers of the operating assistant elevator manager level. Attention to overall staff development was reflected in completion of upgrading and development courses by 389 persons during the year.

Health and safety programs for all employees continued to be emphasized. In the country and terminal elevators, medical and environmental surveillance programs of Labour Canada have received a full compliance.

Your organization’s social conscience toward its staff is reflected in their performance.

Alberta Wheat Pool is a people intensive cooperative organization. Throughout the crop year your employees met difficult circumstances with positive action and favorable results. We wish to record our appreciation for this effort by all Pool employees.

Respectfully submitted

J. W. Madill
General Manager
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### July 31, 1979

<table>
<thead>
<tr>
<th>Description</th>
<th>1979</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$702,190</td>
<td>$1,363,836</td>
</tr>
<tr>
<td>Inventories (Note 2)</td>
<td>346,434,113</td>
<td>116,870,754</td>
</tr>
<tr>
<td>Accounts and accrued items receivable</td>
<td>46,132,724</td>
<td>42,899,693</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>4,619,125</td>
<td>2,260,324</td>
</tr>
<tr>
<td>Total current assets</td>
<td>197,888,159</td>
<td>161,385,607</td>
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<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes and cash tickets outstanding</td>
<td>33,503,007</td>
<td>37,311,105</td>
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<tr>
<td>Accounts payable</td>
<td>71,930,000</td>
<td>79,265,000</td>
</tr>
<tr>
<td>Bank loans (Note 3)</td>
<td>18,683,200</td>
<td>12,290,700</td>
</tr>
<tr>
<td>Accounts payable and accrued charges</td>
<td>20,726,734</td>
<td>15,533,305</td>
</tr>
<tr>
<td>Current maturities of long-term debt</td>
<td>4,750,163</td>
<td>3,590,433</td>
</tr>
<tr>
<td><strong>Working capital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working capital</td>
<td>44,725,328</td>
<td>23,592,803</td>
</tr>
<tr>
<td>Property and equipment (Note 3)</td>
<td>75,606,984</td>
<td>59,306,309</td>
</tr>
<tr>
<td>Investments and memberships</td>
<td>8,746,112</td>
<td>13,411,473</td>
</tr>
<tr>
<td>Development and pre-operating costs</td>
<td>1,538,054</td>
<td>809,903</td>
</tr>
<tr>
<td>Goodwill</td>
<td>541,549</td>
<td>584,444</td>
</tr>
<tr>
<td><strong>Funds invested</strong></td>
<td>$131,158,011</td>
<td>$98,071,067</td>
</tr>
<tr>
<td><strong>Financed by</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term loans from members and co-operatives (Note 5)</td>
<td>$12,895,476</td>
<td>$10,638,391</td>
</tr>
<tr>
<td>Long-term debt (Note 6)</td>
<td>29,798,498</td>
<td>11,833,685</td>
</tr>
<tr>
<td><strong>Members’ equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves (Note 2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized: $60,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued to members</td>
<td>58,811,946</td>
<td>52,256,211</td>
</tr>
<tr>
<td>Earnings retained from prior years</td>
<td>8,135,444</td>
<td>7,767,505</td>
</tr>
<tr>
<td>Net earnings for the year</td>
<td>21,516,647</td>
<td>15,555,375</td>
</tr>
<tr>
<td><strong>Total members’ equity</strong></td>
<td>88,464,037</td>
<td>75,579,091</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$131,158,011</td>
<td>$98,071,067</td>
</tr>
</tbody>
</table>

Approved on behalf of the Board:

A. J. MACPHERSON, Director

H. R. PATCHING, Director
### Consolidated Statement of Operations

**For the Year Ended July 31, 1979**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales and other operating revenue</th>
<th>Cost of sales</th>
<th>Gross margin</th>
<th>Deduct expenses</th>
<th>Net earnings for the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>$634,670,789</td>
<td>$539,600,960</td>
<td>$95,069,800</td>
<td>$24,044,455</td>
<td>$21,516,647</td>
</tr>
<tr>
<td>1978</td>
<td>$642,329,306</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Consolidated Statement of Changes in Working Capital

**For the Year Ended July 31, 1979**

<table>
<thead>
<tr>
<th>Source of working capital</th>
<th>1979</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings for the year</td>
<td>$21,516,647</td>
<td>$15,555,375</td>
</tr>
<tr>
<td>Add items not requiring a current outlay of funds</td>
<td>$6,264,236</td>
<td>$5,128,396</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$42,895</td>
<td>$42,895</td>
</tr>
<tr>
<td>Amortization of goodwill</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in long-term debt</td>
<td>$27,823,778</td>
<td>$29,726,666</td>
</tr>
<tr>
<td>Proceeds from disposal of property and equipment</td>
<td>$18,422,546</td>
<td>$4,542,302</td>
</tr>
<tr>
<td>Decrease in term loans from members and co-operatives</td>
<td>$975,300</td>
<td>$816,922</td>
</tr>
<tr>
<td>Increase in term loans from members and co-operatives</td>
<td>$2,257,385</td>
<td></td>
</tr>
<tr>
<td>Redemption of mortgage bonds</td>
<td>$5,000,000</td>
<td></td>
</tr>
<tr>
<td>Investments tax credits</td>
<td>$2,843,489</td>
<td></td>
</tr>
<tr>
<td>Application of working capital</td>
<td>$58,522,292</td>
<td>$26,085,630</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Additions to property and equipment</th>
<th>$26,203,664</th>
<th>$21,738,912</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Members' reserves purchased</td>
<td>$4,528,843</td>
<td>$4,759,563</td>
</tr>
<tr>
<td></td>
<td>Increase in investments</td>
<td>$10,658,595</td>
<td>$9,943,364</td>
</tr>
<tr>
<td></td>
<td>Increase in development and pre-operating costs</td>
<td>$15,187,436</td>
<td>$14,702,867</td>
</tr>
<tr>
<td></td>
<td>Current maturities of long-term debt</td>
<td>$1,477,727</td>
<td>$244,061</td>
</tr>
<tr>
<td></td>
<td>Decrease in term loans from members and co-operatives</td>
<td>$77,196,767</td>
<td>$34,327,554</td>
</tr>
<tr>
<td></td>
<td>Increase/Decrease in working capital during the year</td>
<td>$21,155,555</td>
<td>$18,241,724</td>
</tr>
<tr>
<td></td>
<td>Working capital at beginning of year</td>
<td>$23,599,803</td>
<td>$31,841,527</td>
</tr>
<tr>
<td></td>
<td>Working capital at end of year</td>
<td>$44,755,328</td>
<td>$53,599,803</td>
</tr>
</tbody>
</table>

### Auditors' Report

**The Members of the Alberta Wheat Pool**

We have examined the consolidated statement of financial position of Alberta Wheat Pool as at July 31, 1979 and the consolidated statements of operations, earnings retained from prior years and changes in working capital for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of Alberta Wheat Pool as at July 31, 1979 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

**Calgary, Alberta**

October 12, 1979

**TOUCHE ROSS & CO.**

Chartered Accountants
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
July 31, 1979

1. ACCOUNTING POLICIES

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

a) Principles of consolidation

The consolidated financial statements include the accounts of Alberta Wheat Pool, its subsidiaries and partnership interests.

Subsidiaries

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Percentage ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria Elevator Limited</td>
<td>100%</td>
</tr>
<tr>
<td>Western Pool Terminals Ltd</td>
<td>60%</td>
</tr>
<tr>
<td>Pacific Elevators Limited</td>
<td>60%</td>
</tr>
</tbody>
</table>

Partnership interests

1. Alberta Food Products: 60%
2. Agripro Engineering Systems: 50%

Partnership interests are included in the consolidated financial statements on the "line by line" basis to the extent of the Association’s interest therein. All significant inter-company sales have been eliminated.

b) Property and equipment

Property and equipment is recorded at cost less investment tax credits earned. Depreciation is charged using the declining balance method at rates of 4% to 30%, designed to amortize the cost of the assets over their useful lives.

The Association has recorded investment tax credits on certain fixed assets acquired after June 24, 1975. These credits have been amortized at the applicable annual depreciation rates.

c) Investments and memberships

Investments and memberships are carried on the cost basis. The Association’s investments primarily consist of investments in and advances to two co-operative joint ventures, Western Co-operative Fertilizers Limited and SCAN Grain Limited. Revenue from these and other co-operative joint ventures is recognized in the accounts when patronage dividends are declared.

d) Development and pre-operating costs

Development and pre-operating costs represent the Association’s 60% share in such costs recorded in the accounts of Alberta Food Products, which includes all costs, other than those incurred to acquire property and equipment. These costs will be amortized using the unit of production method over the first 1,300,000 tonnes of commercial production.

e) Goodwill

The Association is amortizing purchased goodwill over a ten year period ending 1982.

f) Recognition of income

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1) Foreign currency translation

Foreign currency long-term debt financing has been recorded at the rate of exchange in effect at the transaction date. Exchange gains and losses are recognized on the current portion of long-term debt.

b) Net earnings for the year

Net earnings for the year, after providing for income taxes, will be distributed by way of patronage refunds according to the decisions of the delegates at the annual meeting. Income taxes of $257,901 (1978 — $232,573) are included in administration expenses.

2. INVENTORIES

Inventories are comprised of:

- Grain purchased for delivery to Canadian Wheat Board, valued at established delivery prices, after allowance for handling revenues yet to be earned
- Grain valued on the basis of open sales contract and future contract prices, after allowance for margins yet to be earned
- Other inventories, including seed and agro supplies, valued at the lower of cost and net realizable value

<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain</td>
<td>$99,851,859</td>
<td>$87,251,924</td>
</tr>
<tr>
<td>Seed</td>
<td>52,878,498</td>
<td>13,157,204</td>
</tr>
<tr>
<td>Supplies</td>
<td>23,700,256</td>
<td>16,461,626</td>
</tr>
<tr>
<td>Total</td>
<td>$166,434,113</td>
<td>$166,870,254</td>
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</tbody>
</table>

3. BANK LOANS

Bank loans are secured by stocks of grain, seed and agro supplies and by a general assignment of bank debt.

4. PROPERTY AND EQUIPMENT

Property and equipment consists of:

<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>County operations</td>
<td>$84,225,025</td>
<td>$55,380,065</td>
</tr>
<tr>
<td>Terminal operations</td>
<td>47,377,769</td>
<td>43,805,413</td>
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<tr>
<td>Marketing and admin</td>
<td>15,033,792</td>
<td>12,871,322</td>
</tr>
<tr>
<td>Processing plant</td>
<td>13,355,010</td>
<td>6,382,896</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>64,364,578</td>
<td>58,993,389</td>
</tr>
<tr>
<td></td>
<td>$95,806,948</td>
<td>$59,486,309</td>
</tr>
</tbody>
</table>

5. TERM LOANS

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

6. LONG-TERM DEBT

Alberta Wheat Pool
Income debenture ............................................... $11,100,000 5 —
Western Pool Terminals Ltd.
6 1/4% mortgage .................................................. 4,788,250 4,922,000
Advances from minority shareholders .......................... 3,227,278 2,800,145
Alberta Food Products
8 1/4% term bills of exchange .................................. 263,357 326,441
Bridge financing contract ....................................... 13,980,340 4,049,280
Less current maturities .......................................... 3,276,225 12,097,946
8 1/4% term bills of exchange .................................. 9,477,727 2,443,061
$29,740,415 $11,853,885

a) The income debenture is secured by a first mortgage on land and a first floating charge on all the
Association's undertakings, property and assets. The debenture carries interest at half of prime rate plus
three quarters of a percent, and is repayable by 40 quarterly installments of $300,000.
b) The 6 1/4% mortgage is secured by the property and equipment of Western Pool Terminals Ltd. and is
payable in annual installments of $462,418, including interest.
c) The 8 1/4% term bills of exchange are repayable in semi-annual installments over a five year period
ending 1982.
d) The bridge financing contract was arranged with a Canadian chartered bank to finance construction of
a rapeseed processing plant, and is secured by a first mortgage on the facilities and the guarantees of
the parties. Subsequent to the year end the loan was assumed by the Prudential Assurance Company
of America, for a fifteen year period, with interest payable at 9 1/4%.
Repayments of long-term debt for the five years ending July 31 are as follows:

7. RESERVES

Details of reserves issued to members are as follows:

<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>$52,250,211</td>
<td>$45,927,406</td>
</tr>
<tr>
<td>Dodson members' reserves purchases</td>
<td>4,92,558</td>
<td>5,614,499</td>
</tr>
<tr>
<td>Add patronage refunds allocated as members' reserves</td>
<td>48,153,353</td>
<td>42,212,907</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>$59,811,946</td>
<td>$52,256,211</td>
</tr>
</tbody>
</table>

8. COMMITMENTS

a) The construction of certain property and equipment, which has been authorized by the directors of
Alberta Wheat Pool, was completed to the extent of approximately $54,290,000 at July 31, 1979
($77,917,000 at July, 1978).
b) Western Co-operative Fertilizers Limited, in which the Association has a 25 percent interest, has,
through a U.S. subsidiary acquired a 50 percent interest in a phosphate mining and processing operation
included in the financing of this transaction are debt instruments totaling U.S. $45,725,000
(Canadian $55,369,200 as at July 31, 1979), repayable in annual installments until 1996. Up to one-
half of the annual payments of principal and interest on these loan agreements are guaranteed by the
Association, until the acquisition financing has been discharged, through a contract to purchase
specified annual quantities of phosphate rock. This take or pay contract has been assigned to Western
Co-operative Fertilizers Limited for its acquisition of raw materials in its normal course of business.

9. CONTINGENCIES

a) The Association is contingently liable as guarantor of long-term debentures of Western Co-operative
Fertilizers Limited to a maximum of $2,000,000.
b) The Association has agreed with Canadian Co-operative Implements Limited to provide a maximum of
$285,750 in working capital loans should such loans be required by that company.
c) In the ordinary course of its business, the Association is contingently liable to producers for the custody
of grain delivered to country elevators on storage tickets.

10. SUBSEQUENT EVENT

The Association has become a major shareholder of the Prince Rupert Grain Terminal Consortium Ltd.,
which was formed to acquire and operate a grain handling facility at Prince Rupert, B.C. and to study the
feasibility of constructing a new, substantial terminal facility at that port.
The major grain producers and exporters of the world convened in Geneva in an attempt to determine new international grain prices. The negotiations were conducted in an atmosphere of uncertainty and tension, with many countries refusing to make concessions on their export controls. Despite this, some progress was made, and a tentative agreement was reached for a new International Grain Agreement that was expected to last for several years.

The agreement was a significant step towards resolving the international grain crisis, which had been caused by a combination of factors including overproduction, low world prices, and protectionist policies. The new agreement included provisions for emergency intervention in the market, a system of export quotas, and a mechanism for adjusting the world market price.

Several meetings of officials from the major exporting countries were subsequently held to discuss the world grain supply and price situation. It was apparent that the international grain market was in grave danger of collapse, and urgent action was needed to stabilize the situation.

During the current crop year it became evident that while total grain supplies remained adequate, world trade would increase as crop conditions were favourable in most producing countries and consuming regions. The U.S.S.R., Eastern Europe and China, and they appreciated that domestic supplies and a probable need for increased imports. Prices strengthened and supplies from North America were bolstered by transportation and port capacity. In the U.S., a good harvest and grain released from reserves kept a restraint on price increases, however. The Canadian Wheat Board asked price had moved from about $1.25 per bushel in mid-July to $1.25 per bushel in mid-July 1979 for a 13.5% protein wheat.

For the second year in a row, Canada's grain export capability was restricted because of a number of factors, and as a consequence grain movement was less than satisfactory. Transportation delays, due to weather, labour disruptions, and a shortage of railcars, were hampering exports. Between 20 million and 25 million tonnes were exported in 1978.

Export sales of grains from Canada's exporters had increased, however, and a record high of 20.5 million tonnes was reached in 1979. Canadian grain could be sold at a premium in the world market as a result of the continuing demand for high-quality grains.

The Three Pools have consistently outperformed the years that an adequate and effective transportation system is essential to the development of the grain industry, and the lack of definitive transportation policy has contributed to current problems and prolonged freight rate increases. The federal government has recommended a new transportation policy.

The program of rehabilitation and upgrading of the rail network has been in effect for several years, including the introduction of modernized equipment and the replacement of outdated stock. The program has been successful in improving the efficiency and capacity of the rail system.

The railway has been unable to meet the increased demand for transportation, and the government has been forced to consider new measures to address the crisis. The government has considered a number of options, including the development of new rail lines and the introduction of new technologies.

The government has also been considering the possibility of introducing a new transportation system that would be more efficient and able to meet the needs of the railway. This system would involve the use of new technologies such as computerized scheduling and the introduction of new types of railcars.

The railway has faced many challenges in recent years, including a drop in demand and increased competition from other modes of transportation. The government has been working to address these issues, and the railway is expected to continue to play a vital role in the transportation sector in the future.
The printing of this report in early October, 1979.

In September, 1979 the 2,000 hopper cars ordered by the Canadian Wheat Board began to come on stream.

— The railways, with financial support from the federal government, will rehabilitate an additional 3,000 box cars.

— The Canadian National government announced a lease arrangement which will add a further 2,000 hopper cars.

— The Canadian National Railways announced the ordering of 1,000 hopper cars.

The provincial governments of Alberta, Saskatchewan and Manitoba were continuing discussions about the purchase of 2,000 hopper grain cars.

Based on future grain service requirements, the consultants' report indicated that 93,000 additional hopper cars would be required by 1985 at a current dollar cost of $400 million. This assumes a 15 per cent improvement in the car cycle performance. The study also noted that an additional 125 locomotives would be required to service grain movement by 1985 at an estimated capital cost of $100 million in current dollars

The three prairie Wheat Pool officials, at their joint meeting in July, 1979, issued a statement which reflected their concern over transport matters. "Concerns on Canadian ability to export grain to available markets are both a serious drain on the economy of Canada and poor returns to the producer. Immediate steps to establish a purchase or lease program to provide adequate hopper cars for the movement of grain should be taken. Additional locomotives and hopper cars to be added to Canadian railways' grain fleet are justifiable. The provision of power and fuel to fully utilize this added capacity is also essential. The Boards of Directors of the Alberta, Manitoba and Saskatchewan Wheat Pool institutions have given their wholehearted support to the Wheat Pools with profit on record publicly in favour of either the federal government or Canadian Wheat Board implementation of a purchase or lease program which will provide sufficient hopper cars to service the grain industry in the foreseeable future. Details of who pays for the cars purchased should be worked out in the next year."

The necessity of providing adequate compensation to the railways for moving grain is a matter that has been under considerable discussion for the past several months. Whenever the subject of compensation to the railways for handling grain is raised, there is a difficulty in determining the statutory grain rate enters the discussion. According to the Stanners Commission on the Cost of Transporting Grain by Rail, the present revenue from the statutory rate and the increased freight has more than covered the extra costs, 1975.

The conclusion of the Stanners Commission report indicated that the statutory rate should continue to be used for the movement of grain because it is a more accurate representation of the value of the commodity. The use of a statutory rate would also provide a basis for the calculation of the cost of transportation, which is necessary for the proper valuation of this important agricultural product.

The total package of government legislation, regulation, and system of payment, must in the final analysis provide the Western Region with an adequate rail transportation network maintained at acceptable levels with the best rolling stock and a system of direction and codification which will permit the further development of markets for grain and products.

The objective must be to have a system which will be self-generating, allowing for the sustainable growth. Transportation services and costs must permit Western Canada's farmers to participate in the challenging opportunities of the future and make a major contribution to the Canadian economy.

Marketing Opportunities:

Marketing opportunities during the 1978-79 crop year varied significantly among grain producers in Western Canada. There was keen demand for higher grades of wheat. In response to this demand, the Wheat Board increased its level of marketing and promotion efforts. Good quality wheats were more in demand, as these grades received some degree of priority in the total marketing strategy. The movement of lower grades was a problem, and producers in areas where these grades predominated were not able to market only limited quantities of these grades during the crop year. The situation was largely caused by the inability of the transportation system to move as much grain as the Canadian Wheat Board and others could sell.

In the longer term there are strong indications that a substantial increase in the volume of grain Canada can export can be achieved. With the Canadian Wheat Board's ability to ship 30 million omissions of grain annually by 1985, and with investments in transportation potential, the market for Canadian grain can expand to new limits. The Canadian Wheat Board ships its products to 160 countries and the country's domestic market is also expanding. There is a need for reliable information on quality and quantity of grain, and this information is essential to the success of the Canadian grain industry.

During the past year 10 special committees were established to examine specific aspects of the grain delivery system. In August 1978 a special Organization Change Committee was formed by the Board to report to the Board on the reorganization of the Delivery Advisory Committee. The Committee made a number of recommendations on the transport of grain, specializing on making recommendations to improve the delivery service of the Wheat Board system. It felt that it is neither compatible nor efficient to operate two systems of marketing, each functioning with partial control over the same grain.

The Pools have cooperated, since the inception of the National Feed Grains Policy in 1974, on the unnecessary duplication and inefficiencies created by the marketing of the same grades of domestic feed grains, thus the Wheat Board system. It is felt in the same manner, if not more so, necessary to operate two systems of marketing, each functioning with partial control over the same grain.

The Pool members and officials have devoted a great deal of attention to the domestic feed grain policy in recent years, and have recognized the basic weakness and inequity in the absence of a delivery system.
quotas for non-State grain farmers. During the
FY 1980/81 crop year, quotas will be applied to these
sales also. This provision was made after there had
been no evidence of opposition to the application
of quotas for non-State farmers. In addition, there
were no problems of producer equity and overall
grain marketing efficiency that all grains be subject to
market quota systems.

Grain Handling

The future grain handling systems, both in terms of
delivered grain marketing efficiency that all grains be subject to
the same marketing systems will continue to
grow and a greater proportion of export grain will
to be delivered through West Coast ports. In recognition
of the need for additional capacity at the West
Coast, the federal government has provided substantial
investment in additional capacity at Vancou.

The primary elevator system will continue
importing

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**Table 2:** World Wheat, Flours, and Feed Production 1977-1978

<table>
<thead>
<tr>
<th>Year</th>
<th>Wheat (M. Tonnes)</th>
<th>Wheat (M. Bushels)</th>
<th>Flour (M. Tonnes)</th>
<th>Flour (M. Bushels)</th>
<th>Feed (M. Tonnes)</th>
<th>Feed (M. Bushels)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977-78</td>
<td>572 M. Tonnes</td>
<td>2.48 M. BB</td>
<td>358 M. Tonnes</td>
<td>1.26 M. BB</td>
<td>394 M. Tonnes</td>
<td>1.24 M. BB</td>
</tr>
<tr>
<td>1979-80</td>
<td>528 M. Tonnes</td>
<td>2.34 M. BB</td>
<td>325 M. Tonnes</td>
<td>1.21 M. BB</td>
<td>340 M. Tonnes</td>
<td>1.19 M. BB</td>
</tr>
<tr>
<td>1980-81</td>
<td>511 M. Tonnes</td>
<td>2.31 M. BB</td>
<td>310 M. Tonnes</td>
<td>1.19 M. BB</td>
<td>320 M. Tonnes</td>
<td>1.17 M. BB</td>
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</tbody>
</table>

Source: Food and Agriculture Organization of the United Nations.
### TABLE 6
**PRODUCT MARKETINGS, PRIZED PROVINCES 1F61UGSF TO M7P477**

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<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
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<td>4.2</td>
<td>4.1</td>
<td>4.0</td>
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<tr>
<td>Oats</td>
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<td>2.2</td>
<td>2.3</td>
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</tr>
<tr>
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### TABLE 7
**EXPORTS OF CANADIAN WHEAT (MILLIONS OF TONS)**

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<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
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<tr>
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<td>3.6</td>
<td>3.4</td>
<td>3.2</td>
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<td>1.4</td>
<td>1.3</td>
<td>1.3</td>
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<tr>
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<td>1.2</td>
<td>1.2</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
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<tr>
<td>Total</td>
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<td>5.6</td>
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</table>

### TABLE 8
**CARRYOVER STOCKS OF GRAINS (MILLIONS OF TONS)**

<table>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>3.5</td>
<td>3.2</td>
<td>2.9</td>
<td>2.7</td>
<td>2.5</td>
</tr>
<tr>
<td>Oats</td>
<td>1.5</td>
<td>1.4</td>
<td>1.3</td>
<td>1.2</td>
<td>1.1</td>
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<tr>
<td>Flax</td>
<td>0.5</td>
<td>0.6</td>
<td>0.7</td>
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<td>0.9</td>
</tr>
<tr>
<td>Total</td>
<td>5.5</td>
<td>5.2</td>
<td>4.9</td>
<td>4.8</td>
<td>4.4</td>
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</tbody>
</table>

### TABLE 9
**MAJOR EXPORT MARKETS FOR CANADIAN GRAINS (MILLIONS OF TONS)**

<table>
<thead>
<tr>
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<tbody>
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<td>2.9</td>
<td>2.7</td>
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<td>1.5</td>
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<td>1.3</td>
<td>1.2</td>
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<tr>
<td>Japan</td>
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<td>1.2</td>
<td>1.2</td>
<td>1.1</td>
<td>1.1</td>
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<tr>
<td>Total</td>
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<td>6.2</td>
<td>5.9</td>
<td>5.6</td>
<td>5.4</td>
</tr>
</tbody>
</table>

### TABLE 10
**CARRYOVER STOCKS OF GRAINS (MILLIONS OF TONS)**

<table>
<thead>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
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<td>3.2</td>
<td>2.9</td>
<td>2.7</td>
<td>2.5</td>
</tr>
<tr>
<td>Oats</td>
<td>1.5</td>
<td>1.4</td>
<td>1.3</td>
<td>1.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Flax</td>
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<td>0.6</td>
<td>0.7</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Total</td>
<td>5.5</td>
<td>5.2</td>
<td>4.9</td>
<td>4.8</td>
<td>4.4</td>
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</tbody>
</table>

### TABLE 11
**MAJOR EXPORT MARKETS FOR CANADIAN GRAINS (MILLIONS OF TONS)**

<table>
<thead>
<tr>
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<td>3.5</td>
<td>3.2</td>
<td>2.9</td>
<td>2.7</td>
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<td>1.3</td>
<td>1.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Japan</td>
<td>1.2</td>
<td>1.2</td>
<td>1.2</td>
<td>1.1</td>
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<td>5.9</td>
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### TABLE 12
**FARM STOCKS OF GRAIN ON FARMS, PRIZED PROVINCES 1F61UGSF TO M7P477**

<table>
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<tr>
<th></th>
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</tr>
</thead>
<tbody>
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<td>Wheat</td>
<td>3.5</td>
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<td>2.5</td>
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<tr>
<td>Oats</td>
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<td>1.4</td>
<td>1.3</td>
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<tr>
<td>Flax</td>
<td>0.5</td>
<td>0.6</td>
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<tr>
<td>Total</td>
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<td>5.2</td>
<td>4.9</td>
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</table>

### TABLE 13
**FARM STOCKS OF GRAIN ON FARMS, PRIZED PROVINCES 1F61UGSF TO M7P477**

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<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Wheat</td>
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<td>3.2</td>
<td>2.9</td>
<td>2.7</td>
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<tr>
<td>Oats</td>
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<td>4.9</td>
<td>4.8</td>
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</tbody>
</table>

### TABLE 14
**FARM CASH RECEIPTS FROM FARMING OPERATIONS, PRIZED PROVINCES 1F61UGSF TO M7P477**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<tbody>
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<td>Wheat</td>
<td>3.5</td>
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<td>1.1</td>
</tr>
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<td>0.7</td>
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### TABLE 15
**REALIZED NET INCOME FROM FARMING OPERATIONS, PRIZED PROVINCES 1F61UGSF TO M7P477**

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<td>3.2</td>
<td>2.9</td>
<td>2.7</td>
<td>2.5</td>
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<td>0.8</td>
<td>0.9</td>
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<td>5.2</td>
<td>4.9</td>
<td>4.8</td>
<td>4.4</td>
</tr>
</tbody>
</table>

### TABLE 16
**FARM CASH RECEIPTS FROM FARMING OPERATIONS, PRIZED PROVINCES 1F61UGSF TO M7P477**

<table>
<thead>
<tr>
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<tbody>
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<td>Wheat</td>
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<td>3.2</td>
<td>2.9</td>
<td>2.7</td>
<td>2.5</td>
</tr>
<tr>
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<td>1.4</td>
<td>1.3</td>
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<td>1.1</td>
</tr>
<tr>
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</table>

### TABLE 17
**FARM CASH RECEIPTS FROM FARMING OPERATIONS, PRIZED PROVINCES 1F61UGSF TO M7P477**

<table>
<thead>
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<td>Wheat</td>
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<td>3.2</td>
<td>2.9</td>
<td>2.7</td>
<td>2.5</td>
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<tr>
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<td>1.4</td>
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<td>5.2</td>
<td>4.9</td>
<td>4.8</td>
<td>4.4</td>
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</table>
## Table 18

**Farm Credit Act Loans Approved by Province (Thousands of Dollars)**

<table>
<thead>
<tr>
<th>Province</th>
<th>Final Year 1957-58 Number</th>
<th>Final Year 1957-58 Amount</th>
<th>Final Year 1958-59 Number</th>
<th>Final Year 1958-59 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alberta</td>
<td>1,106</td>
<td>$83,801</td>
<td>424</td>
<td>$75,218</td>
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<td>Saskatchewan</td>
<td>1,927</td>
<td>130,302</td>
<td>930</td>
<td>101,584</td>
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<td>Manitoba</td>
<td>721</td>
<td>52,451</td>
<td>661</td>
<td>52,370</td>
</tr>
</tbody>
</table>

Source: Bank of Canada

## Table 19

**Farm Credit Act Loans Approved by Province (Thousands of Dollars)**

<table>
<thead>
<tr>
<th>Province</th>
<th>Final Year 1956-57 Number</th>
<th>Final Year 1956-57 Amount</th>
<th>Final Year 1957-58 Number</th>
<th>Final Year 1957-58 Amount</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Alberta</td>
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<tr>
<td>Saskatchewan</td>
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<td>13</td>
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</tr>
<tr>
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<td>1,094</td>
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<td>1,203</td>
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Source: Bank of Canada

**Annual Report**

Table 18 shows the number and amount of loans approved under the Farm Credit Act for all of Canada during the fiscal years 1957-58 and 1958-59. The table also includes a breakdown of the number of loans approved in each province.

Table 19 provides a similar breakdown for the fiscal years 1956-57 and 1957-58, with a focus on the number and amount of loans approved in each province.