SASKATCHEWAN GRAIN ELEVATORS

A BRIEF HISTORY OF THE GRAIN HANDLING INDUSTRY

Prepared for: Saskatchewan Heritage Foundation
in association with
the Ministry of Saskatchewan Tourism, Parks, Culture and Sport

Saskatchewan Heritage Foundation

Canada's Historic Places / Lieux patrimoniaux du Canada

Saskatchewan!

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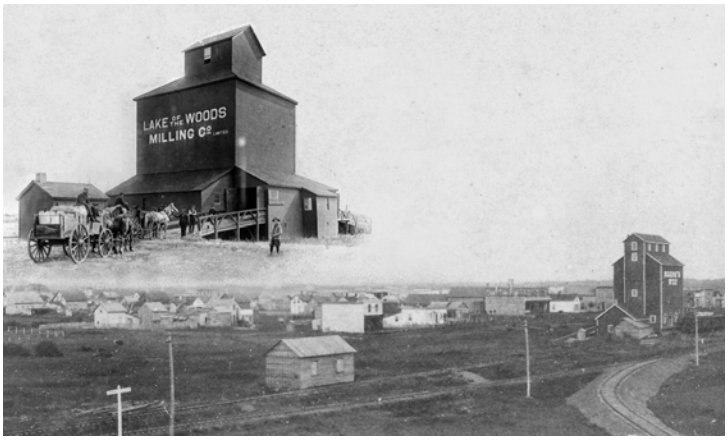
Chamberlain
Government of Saskatchewan, R, Ambrosi

Abbreviations Used

CWB	Canadian Wheat Board
GGGC	Grain Growers' Grain Company
SGGA	Saskatchewan Grain Growers' Association
SWP	Saskatchewan Wheat Pool
TGGA	Territorial Grain Growers' Association
UGG	United Grain Growers

Grain Elevator Inventory Study – Introduction/Foreword

The wooden country grain elevator first began to appear in the eastern half of the North-West Territories (what is now Saskatchewan) in 1884. It soon became, and still remains (along with the more recent inland terminals) the most readily identifiable man-made addition to the rural Saskatchewan landscape.



Fleming and Moosomin
Saskatchewan Archives Board, C Burns

But in recent decades country elevators have become far less numerous. There were once approximately 3,300 elevators in Saskatchewan (in 1930-1931). At the end of the 1990s, only about 800 remained in operation, and by the summer of 2006 the number of active and de-commissioned elevators and terminals was approximately 540. The crib-construction wooden elevators first appeared in southern Manitoba and rapidly moved west and north as the western agricultural frontier expanded, particularly after 1900, with an influx of eastern Canadian, American and European homesteaders. Elevators rapidly came to symbolize the pre-eminent economic activity of the region in general, and the province of Saskatchewan in particular – cereal grain production.

The disappearance of the country grain elevator has not gone unnoticed. Replacing wooden elevators with large, strategically located concrete and steel grain storage facilities, together with the closure of railway branch lines in some instances, has raised questions about the future economic viability of the smaller family farms and of many of Saskatchewan's villages and small towns.

Given the historical importance of the country elevator in this province, and the likelihood that in at least some local communities there will be an interest in preserving its elevator as a heritage property, the Saskatchewan Heritage Foundation sought to identify an appropriate role to play.

It was decided to commission an inventory of all remaining wooden grain elevators in the province - including such basic information as date of construction, original owner, capacity and any unusual architectural/engineering design features – in the belief that such a document would prove useful to communities, heritage organizations, interested individuals, the Minister responsible for heritage, and possibly the grain elevator companies as well. Such an inventory would also be useful to the Heritage Foundation itself in responding to elevator-related questions from communities and individuals, and in determining the relative merits of applications for cost-shared grant assistance for the retention, stabilization and redevelopment of a limited number of wooden elevators.

Some work had already been undertaken in this regard by the Heritage Branch of the then Department of Municipal Affairs, Culture and Housing, in partnership with the Saskatchewan Architectural Heritage Society and the University of Regina, through a student job creation program of Human Resources Development Canada. The partnership, initiated in October 1996, focused on the creation of an inventory-based study of grain elevators across the province. This phase of the work, conducted by

Calvin Miller, concluded in August 1997 and incorporated data and images collected by Keith Ewart of Saskatoon in the mid-1990s. Having determined the need to proceed with a more comprehensive study, the Heritage Foundation engaged the services of contract researcher Maureen Pedersen who began by reviewing material in the relevant files of the Heritage Unit of Municipal Affairs, Culture and Housing. This included a review of the information and images compiled earlier by Calvin Miller and Keith Ewart.

Following some weeks of work in the corporate archives of the Saskatchewan Wheat Pool Head Office in Regina, Ms. Pedersen traveled to Winnipeg where she obtained access to the relevant files of the other major grain companies operating in Saskatchewan: Cargill, Pioneer, N. M. Paterson, United Grain Growers and Parrish and Heimbecker. The Heritage Foundation would like to acknowledge the assistance of all six grain companies in this phase of the project, as their co-operation was essential in creating a comprehensive inventory of the remaining commissioned elevators in Saskatchewan at that time.

The historical overview found at the beginning of this report attempts to acquaint the reader with the evolutionary development of grain handling facilities in the prairie west, from earliest beginnings through to the 21st century. This narrative combines the earlier work of Maureen Pedersen with a more recent study by Lavonne Ambrosi in 2006, and complements the comprehensive database of all remaining wooden elevators, and the newer terminals, as compiled by Ray Ambrosi in 2005-2006. This document describes the design and physical construction of existing elevators, as well as the somewhat convoluted formation and merging of both the private “line elevator” firms and the farmer-owned companies that emerged after 1900. This portion of the document concludes with an account of the emergence of the new multi-national and farmer-owned inland terminals in the mid-1970s.

In the near future, some additional material will be added to the document, including a list of suggested secondary source material relevant to this topic, as well as a list of some of the relevant internet sites devoted to aspects of this topic.

A final, future, phase of the study will identify a short list – possibly three to five - of the most significant remaining elevators in the province. Following discussion with the owners, these structures may be further researched and recommended to the Minister of Tourism, Parks, Culture and Sport for designation as Provincial Heritage Property.

We wish to sincerely thank all those who assisted in any way in the compilation of the material in this study. As noted above, the access to corporate archival files that Ms. Pedersen received from the six large grain companies in 1999 was certainly helpful. As well, Ray Ambrosi received considerable assistance from a number of persons as he worked to update and expand the database, most particularly Gordon Lariviere whose unique knowledge of remaining wooden elevators in Saskatchewan is unrivalled. And finally, the contribution of the Heritage Resources Branch of the Ministry of Tourism, Parks, Culture and Sport was substantial, both in terms of financial assistance and the positive input of a number of staff members.

An effort will be made to keep this listing of extant elevators reasonably current, as it is very likely that public interest in the fate of these iconic structures will remain undiminished for decades to come, and may in fact increase as the overall number of elevators decreases.

Dr. J. William Brennan
Saskatchewan Heritage Foundation Chairman

B. A History of the Grain Elevator in Saskatchewan

(1) The Beginnings of Agriculture on the Prairies

The first recorded export shipment of Canadian prairie wheat occurred in 1876. Because of a serious failure of the spring wheat crop in Ontario, attributed to defects in the seed, a representative of a Toronto seed company visited Manitoba to obtain 5000 bushels of wheat to use as seed. Although he did not succeed in getting the entire amount, nearly 860 bushels of Red Fife wheat was shipped from Winnipeg to Ontario.

By the late 1870s prairie farmers were producing more wheat than could be absorbed domestically and they began to export the surplus. In 1877, an Ogilvie Flour Mill in Eastern Canada received a consignment of Manitoba wheat. In October 1877, the first shipment of wheat from Manitoba to Great Britain occurred. These early exports initially travelled by Red River steamboat south to Minnesota and from there were shipped by rail to the eastern seaboard. In 1879, Winnipeg obtained rail connections with Minneapolis and commercial shipments began to move south.

Although wheat had been grown annually in the Red River Valley since 1812, a number of developments in the last part of the 19th century encouraged the spread of agriculture across the prairies. In the 1870s the land was surveyed, divided into homesteads and thus prepared for agricultural settlement.[i] The 1870s also saw the introduction of new, earlier maturing, varieties of wheat such as Red Fife, its hardiness well suited to the prairie environment and growing conditions. In the 1880s, new technology in the milling industry enabled millers to produce a high quality white flour from Red Fife wheat, thereby increasing the demand for prairie wheat. In 1883, the completion of the Canadian Pacific Railway (CPR) line between Winnipeg and Fort William (present-day Thunder Bay) provided an all-Canadian route for incoming settlers to the west and for agricultural exports to the east. The principal beneficiary here was Winnipeg. Thanks to its position on the CPR main line, Winnipeg became the most important retail and wholesale distribution centre in the west. It early became the centre of the grain trade as well, with the opening of the Winnipeg and Produce Exchange in 1887.

Rising wheat prices on the world market and the occupation of suitable homestead lands in the United States combined to encourage the beginnings of immigration to the prairies. In the early 20th century, two more transcontinental railways were built across Saskatchewan and the west: the Canadian Northern and the Grand Trunk Pacific (GTP). Like the CPR, the Canadian Northern and the GTP built an extensive network of branch lines in this province.

With the land surveyed, the transcontinental railways in place, increasing demands for prairie wheat, and an influx of immigrants willing to settle and work the land, the base was laid for the development and expansion of agriculture. Lower freight rates also encouraged the production of wheat for export. In exchange for a federal government subsidy to assist in building a railway line from Lethbridge, Alberta to Nelson, British Columbia through the Crow's Nest pass, the CPR agreed in 1887 to reduce the rates it charged for transporting wheat from the prairies to Fort William. This "Crow Rate" was later extended to wheat shipped on other railway lines east to

Fort William and west to Vancouver, and north to Churchill, after that port opened in 1920.

Wheat production on the prairies grew rapidly from the turn of the 20th century on. Saskatchewan overtook Manitoba as the nation's largest wheat producer in 1909, and continues to hold that honour to our own day. At the same time, the storage and handling of wheat also evolved. The most important development here was the introduction of the elevator, first in Manitoba and then across the prairie west.

(2) Early Grain Handling Facilities

From the farm, grain was hauled by horse-drawn wagons to the rail site to be loaded onto a boxcar for shipment. Grain was hauled loose or in sacks and was shovelled or lifted manually into the car. **Loading platforms** erected adjacent to the railway facilitated the loading of grain into rail cars. The loading platform was a timbered structure with earthen ramps erected adjacent to the railway track. The top of the platform was level with the floor of a boxcar, enabling the farmer to load grain into the car directly from his wagon.

Flat warehouses erected adjacent to the railroad facilitated the storage of bulk grain at the rail site until boxcars were available. The warehouse was generally a one-story, gable-roofed, wood-frame structure with a capacity of anywhere from 1,000 to 15,000 bushels. These warehouses did not have elevating equipment; rather grain was loaded and moved in or out by hand, using shovels. At least one of these flat warehouses seems to have survived on the prairies, John Everitt determined in his study of grain elevators in Manitoba. Handling grain through loading platforms and flat warehouses was slow and labour-intensive. These facilities proved to be inefficient and inadequate in handling the increasing amounts of grain available for market.

Table 1: Licensed Warehouses in the Province of Saskatchewan, 1905-1917

Crop Year	Warehouses
1905-06	15
1906-07	10
1907-08	8
1908-09	14
1909-10	9
1910-11	5
1911-12	5
1912-13	6
1913-14	5
1914-15	5
1915-16	1
1916-17	-

Source: List of Licensed Elevators and Warehouses in the Western Grain Inspection Division, 1916-17.

(3) The First Elevators

The first vertical grain elevator on the prairies was a unique rounded silo-like 25,000-bushel capacity structure, built in 1879, by William Hespeler, at Niverville, Manitoba. In 1881, the Ogilvie Milling Company erected the first rectangular-design elevator on the prairies at Gretna, Manitoba.[ii] This rectangular design quickly became the 'standard' for elevators.

The size and design of these vertical elevators took advantage of the flowing quality of bulk, loose grain, especially when acted upon by gravity, making the handling of grain cheaper, quicker, and less labour-intensive. Joseph Dart, a Buffalo warehouseman, first introduced the mechanical principles of the elevator in the United States in 1842 and the endless cup conveyor was quickly adopted in elevators across the U.S. The U.S. system was copied when grain handling facilities began to appear at initial shipping points across the Canadian prairies.

Fleming
Government of Saskatchewan, B. Flaman

Although the use of loading platforms and flat warehouses continued, elevators gradually began to be the preferred method of handling grain at the trackside. Much of the encouragement for the switch to elevators came from the CPR through its 'standard elevator' policy. Because the CPR lacked the capital to erect warehouses at every local shipping point, they offered certain incentives to any individual or company who erected a 'standard elevator'. By the CPR definition, a 'standard elevator' was one with a capacity of not less than 25,000 bushels, with proper machinery for elevating and cleaning grain, and driven by a steam or gasoline engine. In return for constructing such a facility, the builder received a free site on a lease basis on the railway property and a guarantee of a 'monopoly' at that point (the Railway would not allow cars to be loaded through flat warehouses or directly from farmers' wagons).

This 'standard elevator' policy meant that most pre-1930 elevators share the same basic features.

Architecture: The architecture of most elevators was a distinctive rectangular tower, usually about 3.25 metre's square and 12 to 21.3 metre's high. The most common elevator design had two sides of the elevator flush from bottom to top and the other two sides tapering near the top and capped by a gable roof to produce 'sloping shoulders' [See Appendix 1: Illustration 1]. The alternative design was the 'hipped-roof' design, in which the four exterior walls of the elevator terminated at eaves about two-thirds of the way up, at which point a hipped roof supported a square cupola [See Appendix 1: Illustration 2]. Both kinds were commonly built until the early 20th century when the 'sloping shoulder' design became dominant.

Cribbed Construction: The walls and bins of the elevator were built with 2 x 4's or 2 x 6's stacked and nailed along their wider dimension with the ends overlapping and dovetailing together, creating a heavy, strong and relatively fire-resistant structure. The elevator was then covered in wooden siding or metal sheeting.

Elevating leg: The internal mechanism of an elevator consisted of a water-wheel-like mechanism of scoops mounted on a vertical conveyor belt. The 'elevating leg', as it was termed, transported

bulk grain from the receiving pit to the top of the structure where the grain flowed via a network of ducts into one or another of the storage bins.

Driveway: Attached to the elevator was a receiving shed, called a driveway, which accommodated a loaded wagon (later a grain truck) and weigh scale with the receiving pit below.

Engine Shed & Office: The engine shed accommodated the power source for the elevator, usually a gasoline or diesel engine. The elevator agent's office was built on top of the engine shed. The office, usually 3.6 x 6 metres, contained a desk, chairs, filing cabinets, telegraph or telephone, heater and other items needed to carry on the business. The original engine shed-office was connected to the elevator by a walkway, separated to reduce the risk of fire, but eventually the buildings were integrated as a single unit.

With the introduction of bulk grain handling, grain elevators began appearing across the prairies. Elevators were built at shipping points 13 to 16 km apart to facilitate grain deliveries from farmers, as this was the distance a farmer could travel by horse and wagon and make one round trip per day.

Brooking
Government of Saskatchewan, R Ambrosi

C. Eras in Elevator Ownership

The first elevator built in Saskatchewan was likely at Moosomin or Indian Head, both communities having elevators as early as 1884. The oldest remaining elevator in the province, built in 1895, is at Fleming.

The history of the elevator industry in Saskatchewan and across western Canada can be divided into several phases:

(1) Canadian Elevator Companies, 1881-1925
(2) American Elevator Companies, 1902-1925
(3) Farmer-Owner Elevator Companies, 1906-1925
(4) The Wheat Pools, 1923-1929
(5) Mergers and Consolidations, 1926-1945
(6) The Wheat Pools in Crisis, 1923-1929
(7) The Creation of the Canadian Wheat Board
(8) Farmer Owner Elevator Companies since 1945
(9) Canadian-Owner Elevator Companies since 1945
(10) The New Multinationals
(11) Farmer-Owned Terminals

1. Canadian Elevator Companies, 1881-1925

In the early years of grain trade development on the prairies, elevator companies tended to be small and the owners tended to be Canadian, whether headquartered in Montreal, Winnipeg, or smaller rural settlements in the West.

a. Milling Companies:

Flour milling companies were among the first to take advantage of the railway incentives for elevator construction. Many of the early elevators were owned and operated by flour milling concerns such as Ogilvie Flour Mills (est. 1881), Lake of the Woods Milling Company (est. 1887), Western Canada Flour Mills (est. 1907) and Maple Leaf Mills (est. 1907).

Esterhazy
Government of Saskatchewan, B.Flaman

Ogilvie had been involved in flour milling in the East since as early as 1801. In 1881, Ogilvie built its first elevator in Manitoba. In 1882, the company constructed its Winnipeg flour mill. Ogilvie expanded its operations through the construction of a line of elevators in districts that produced the best milling grades of grain. By 1927 Ogilvie operated 31 country elevators in Saskatchewan.

Lake of the Woods Milling Co., established in 1887, had its head office in Montreal. In 1887-88, the company built a mill at Keewatin (in north-west Ontario) which was to be supplied by its own line of country elevators. Lake of the Woods quickly became a significant force in the prairies, with 32 elevators in Saskatchewan by 1911. (Eventually, in 1954, Lake of the Woods would be sold to Ogilvie.)

Ogilvie and Lake of the Woods dominated the prairie milling trade until the organisation of Maple Leaf Mills and Western Canada Flour Mills in 1907. Western Canada Flour Mills elevators were concentrated on the Canadian Northern Railway lines. By 1911 it had 51 elevators in Saskatchewan. However, in 1940 it sold its Saskatchewan elevators to Parrish & Heimbecker. Maple Leaf's elevators were concentrated on Canadian Pacific Railway lines, and by 1911 it had 31 elevators in Saskatchewan. In 1929, Maple Leaf's elevators would be acquired by Federal Grain.

Three other significant milling companies operated on the prairies: Ellison Milling (est. 1903), Robin Hood Mills (est. 1909) and Quaker Oats (est. 1912). All were subsidiaries of U.S.-owned corporations but did not build lines of elevators as extensive as those of the four main milling companies.

b. Winnipeg-based ‘line elevator’ companies:

The milling companies were quickly joined by a number of Winnipeg-based ‘line elevator’ companies organised by Winnipeg grain merchants and businessmen. ‘Line elevator’ companies were so-called because the company owned a ‘line’ of standard elevators along a single ‘line’ of railway. This terminology was never applied to the farmer-owned, or co-operative elevators, although it was used to describe elevators owned by the major milling companies which also used ‘lines’ of elevators to obtain choice grain for their flour production. The success of Ogilvie and Lake of the Woods as large elevator-owning companies demonstrated to the smaller private companies the need to amalgamate into syndicates in order to survive and compete.

Margo
Saskatchewan Heritage Foundation

The **Northern Elevator Company**, formed by Nicholas Bawlf in 1893, was one of the first examples of an amalgamation of smaller companies. Bawlf, a pre-eminent Winnipeg grain merchant, was a founding member of the Winnipeg Grain and Produce Exchange. The Northern Elevator Company was an amalgamation of a number of the important private elevator companies at the time and excluded only one company which owned more than five storage structures. The Northern Elevator Co. was concentrated on CPR lines, but the company quickly developed and expanded, building on the older rail lines as well as new branch lines.

In 1900, when a new branch line was being built from Calgary to Edmonton, Bawlf and several associates formed a small company, which they called the **Alberta Grain Company Limited**. By 1911, the line consisted of 40 elevators. This company merged with the Alberta Pacific Elevator Company Limited in 1911 to form the **Alberta Pacific Grain Company Limited**.

After 1909, when F.H. Peavey & Company of Minneapolis bought out the Northern Elevator Co., Nicholas Bawlf and his son William formed the **N. Bawlf Grain Company.** This new company operated a line of elevators that grew to more than a hundred by 1918.

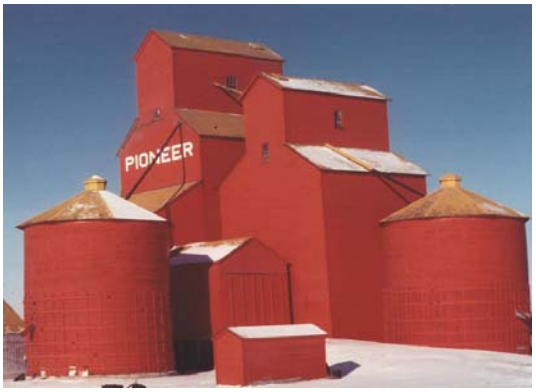
The **Dominion Elevator Co. Ltd**., formed in 1897, was Manitoba’s second indigenous line elevator company. Formed by the McMillan brothers with Rodmond Roblin, it was a mid-sized company. Its elevators were largely concentrated in the province of Manitoba and its licensed facilities never exceeded 52 elevators.

c. Pioneer, N.M. Paterson and Parrish & Heimbecker:

There were several other Canadian entrepreneurs who, while not Winnipeg-based, established private elevator lines in the early years of the 20th century. Of these, only the companies established by James Richardson, Norman M. Paterson, and William L. Parrish have survived intact to the present day.

In 1857, James Richardson and his two sons, George and Henry, established the firm of **James Richardson & Sons**, headquartered in Kingston, to pursue the business of grain trading and lake shipping. Within a few years the Richardsons were operating a small fleet of schooners on the Great Lakes between Kingston and New York. By 1882, Kingston was home to the first Richardson elevator. In 1883, a Richardson vessel carried the first shipment of prairie wheat across Lake Superior from Fort William (present-day Thunder Bay). The Richardsons began to look west to the prairies to expand their operations, and in 1890 the Richardsons built their first country elevator at Neepawa, Manitoba. The Richardson grain operations in western Canada were concentrated heavily in Saskatchewan and Alberta. Of their 26 licensed elevators in 1912, 16 were in Saskatchewan, 8 were in Alberta, and only 1 was in Manitoba.

In 1913, the Richardsons divided their operations into Eastern Terminals Limited, which dealt with grain export, and **Pioneer Grain Company Limited** which operated their country elevators. By the end of that year, Pioneer operated 34 facilities; by 1923 Pioneer's holdings included all the Richardson elevators.



Conquest,
Saskatchewan Heritage Foundation

Over the years Pioneer absorbed a number of other elevator companies. In 1913, they acquired the Alberta-based Sunny Belt Grain & Elevator Company. In 1920, they purchased the Thorson-Olsen Grain Company line of elevators. Two years later, they acquired 29 elevators from Saskatoon-based Goose Lake Grain & Lumber Company. Pioneer absorbed 8 elevators from the liquidated R.B. McClean Grain Company in 1924.

A distinctive feature of Pioneer's modern elevator facilities is their orange and yellow colour scheme. This colour choice was the contribution of Mrs. Pat Cruikshank, a former architect and the wife of the company's engineer, Claude C. Cruikshank. When the new colour scheme was first tried on a single elevator in 1962, it was an immediate success and was quickly adopted throughout the line.

Norman Paterson, the son of an early Manitoba grain merchant, entered the grain business with his father in 1903. In 1908, Paterson moved to Fort William and began buying grain from Lakehead elevators and shipping it to customers in the East, thus establishing N.M. Paterson & Company, later to become **N.M. Paterson & Sons**. In 1912, Paterson built its first terminal elevator (Elevator "K") at Fort William. In 1914, a second terminal (Elevator "0") was constructed. That same year, Paterson became involved in country elevator operations through the purchase of the Royal Elevator Company's 14 elevators in south-central Saskatchewan. Also that year, Paterson formed the **Interior Elevator Company**, which was amalgamated with the

parent company in 1920. In 1916, to round out their representation in southern Saskatchewan, the Interior Elevator Company took over the McLaughlin-Ellis line consisting of 12 elevators on the CPR east of Regina. The following year, Paterson purchased 11 Saskatchewan & Western elevators on the Assiniboia branch of the CPR. Further expansion came in 1918 with the purchase of 23 elevators from the Northern Elevator Co., 15 of these in southern Manitoba. In 1920, when the line numbered 76 elevators, Paterson discarded the Interior name and the elevator system came under the corporate aegis of its N.M. Paterson & Company parent. Paterson added 13 more elevators in 1922 with the purchase of the Young Grain Company in south-western Manitoba. By 1928 these acquisitions, along with the construction of new facilities, brought the Paterson line to 100 elevators.

In the 1870s, William Parrish and his father, Samuel Parrish, were in the grain and milling business in Uxbridge, Ontario. In 1879 William went into business on his own, operating a grist mill in Muskoka, Ontario. William headed west to the prairies in 1881, where he homesteaded in Manitoba. In 1886, following the arrival of Samuel Parrish, father and son entered the grain business together in Brandon. Also that year, William Parrish joined with William J. Lindsay to form the firm of Parrish & Lindsay. Following the dissolution of the Parrish & Lindsay partnership in 1909, William Parrish joined with Norman G. Heimbecker to form the firm of

Parrish & Heimbecker Limited.

Initially the Parrish & Heimbecker firm operated as commission merchants (buying and selling grain on the Winnipeg Grain Exchange but not operating grain elevators). In 1918 Parrish & Heimbecker entered the field of country elevator operation with the purchase of 10 elevators from Calgary grain brokers Louis Strong and Frederick Dowler. Following the Strong & Dowler purchase, the company continued to add more elevators, bringing the Parrish & Heimbecker line up to 20 elevators by 1920. In 1922 Parrish and Heimbecker formed the Superior Elevator Company to manage its new export terminal at Fort William. (The terminal would be re-incorporated into the Parrish and Heimbecker parent company in 1965.)

Aylesbury,
Government of Saskatchewan, R Ambrosi

2. American Elevator Companies, 1902-1925

a. The First American Company

In 1902, the first group of American businessmen entered the Winnipeg grain trade by forming the **Canadian Elevator Company Limited**. The group, including W.D. Douglas as president, G.F. Piper as secretary-treasurer and W.H. McWilliams as vice president and general manager,

promised to quickly build some thirty elevators on Canadian Northern lines. However, at the urging of McWilliams, the company also soon built elevators on CPR lines. The Canadian Elevator Company was the largest line elevator company in Canada by 1910.

b. The Peaveys

The American-based Peavey Company was one of the first of the Minneapolis grain merchants to venture into the Canadian grain trade. The Peavey name was well known among farmers and grain dealers throughout the American Midwest. By the beginning of the twentieth century, the Peavey empire extended to the ownership of lake shipping, rail cars, lines of country elevators in Minnesota, the Dakotas, Iowa, Nebraska and Oregon, and terminal elevators in Minneapolis, Duluth, Kansas City and Portland.

In the mid-1890s, the Peavey family began to look at the possibility of expansion northward into the Canadian West. Frank T. Heffelfinger, Peavey's son-in-law and junior partner, travelled to Canada to investigate. Upon his return, he recommended that Peavey delay its move into Canadian territory until Winnipeg established a futures market for grain. In 1905, once the Winnipeg futures market had opened, the Peaveys again looked north to Canada. In 1906, Peavey's sons-in-law, Frank T. Heffelfinger and Frederick B. Wells, formed the **British America Elevator Company**. They agreed to build 50 elevators along the Canadian Northern Railway and to lease the huge Canadian Northern-owned grain terminal at Port Arthur. By 1911, British America was represented at 100 shipping points, mostly in the province of Saskatchewan.

In 1908, the Peavey company and the Grand Trunk Pacific Railway made a deal whereby Peavey would establish a line of elevators on Grand Trunk Pacific lines and would lease the Grand Trunk Pacific terminal elevator at Fort William. For this purpose, the **Security Elevator Company Limited** was incorporated in 1908. By 1920, Security's line had grown to 70 elevators.

The **Atlas Elevator Company Limited**, established in 1908, also had elevators located exclusively on Grand Trunk Pacific lines. In 1921, the Atlas line of 58 elevators became part of the Security Elevator Co. Ltd. At the time of their amalgamation Security and Atlas facilities were duplicated at more than a dozen competitive points.

In 1909, the Peaveys formed a third company, the **National Elevator Company**, to operate on Canadian Pacific lines. Initially National was represented on both Canadian Pacific and Canadian Northern lines, but at fewer locations than either British America or Security.

Also in 1909, the Peaveys purchased the **Northern Elevator Company** to provide additional representation on Canadian Pacific lines. As the other Peavey subsidiaries – the British America and National elevator companies – were mostly concentrated on Canadian Northern lines, the Northern Elevator Co. take-over was a good opportunity for Peavey to expand its elevator network to Canadian Pacific lines.

c. The McCabes

Another firm of American origin was the McCabe Grain Company. In 1889, two brothers, W.J. and George McCabe, formed the original McCabe Brothers partnership. The McCabe brothers got their start in the grain and lumber business in North Dakota. In 1896, they moved to Duluth and by this time owned a line of country elevators and a terminal elevator. When the Great Northern Railroad line was being extended northward into Manitoba, the McCabes began to build elevators along that line. For this purpose the brothers formed the **McCabe Elevator Company**. By 1912 the company had 24 elevators.

The McCabes wanted to extend their operations beyond the confines of the Great Northern lines. For this purpose they organised the **Victoria Elevator Company** in 1916 and the **Crescent Elevator Company** in 1922. The Crescent elevators were concentrated mostly in south-central Saskatchewan and never numbered more than 16. In 1923, with the purchase of the small C.C. Turner & Company line of elevators in Saskatchewan, the holdings of the Victoria Elevator Company grew so that by 1927, they numbered 60 elevators.

In 1924, the McCabe Brothers Company took over 6 Saskatchewan elevators from the **R.B. McLean Grain Company**. To these were added 18 more elevators in the following year. Then, in 1928, the McCabe companies were amalgamated to form **McCabe Bros. Grain Company Limited**. The combined McCabe line of elevators then totalled more that 100 facilities.

d. The Searle Family

Augustus L. Searle was one of the first American grain men to investigate the potential for elevator construction along the newly completed Canadian Northern Railway. Searle got his start as a wheat buyer in Minneapolis in the 1880s. By 1895, he was the chief executive officer of several grain companies. Searle travelled with the Peaveys when they toured the Canadian West to consider sites for elevator construction. In fact, Searle became associated with the Peaveys in several of the Canadian line-elevator companies that the firm subsequently established.

Gronlid,
Saskatchewan Heritage Foundation

By 1912, Augustus Searle, along with two Peavey Company associates, had acquired stock ownership and control in the **Saskatchewan Elevator Company** and the **Peter Jansen Company**. In 1918, the name of Peter Jansen Company was formally changed to the **Liberty Grain Company** and by 1923 the company operated 33 elevators in Saskatchewan.

A third Searle-owned company, the **Home Grain Company**, was formed in 1914. It started with 15 elevators and by 1923 grew to 73, most of these concentrated in the province of Alberta.

In 1921, Augustus Searle and his only son, Stewart A. Searle, formed another new company, the **Searle Grain Company Limited**. This company was headquartered in Melfort, Saskatchewan. It began operations in the 1921-22 crop year with 25 elevators, all situated on Canadian National lines in north-eastern Saskatchewan.

e. Other companies of American origin

In 1907, a group of Americans, including Thomas L. Beiseker, Col. Andrew D. Davidson and Louis P. Strong, formed the **Alberta Pacific Elevator Company Limited**. However, by 1912, the company was experiencing serious financial difficulties. That summer the Alberta Pacific Elevator Company merged with Nicholas Bawlf's Alberta Grain Company to form the **Alberta Pacific Grain Company Limited**. Between 1912 and 1920, the company expanded its operations, which had previously been confined to the province of Alberta, into Saskatchewan. Then in 1923, Alberta Pacific was sold to a British milling company. However, by 1925, the British millers sold the company to a group of businessmen including James Stewart (president of Maple Leaf Milling and vice-president of State Grain Co.) and J.C. Gage (founder of International Elevator Co.). By adding 'The' to the name, the name of the company was changed to become **The Alberta Pacific Elevator Company Limited**. (In 1966 Alberta Pacific would be purchased by Federal Grain.

3. Farmer-Owned Elevator Companies, 1906-1925

a. The Beginnings of Grain Growers' Organisation

With the growth of the line elevator and milling companies, many prairie farmers became convinced that these companies were often abusing their power and that no true competition between the companies existed. Farmers' grievances against the line elevator companies and railways included: unfair or excessive dockage, questionable weighing practices, the monopoly clause that prohibited the erection of a flat warehouse at point where a standard elevator was situated, and the annual fall railway car shortage.

On occasion, a group of farmers in a particular district formed their own company and erected their own elevator. However, because of the capital investment required to build, this was not too common. In many cases, the line elevator companies were able to put the farmers' elevators out of business by cutting charges at competing points. By the end of the 19th century there were only 26 farmers' elevators in Manitoba and the Territories.

On October 7, 1899 the federal government appointed a Royal Commission on the Shipment and Transportation of Grain. The Commission produced a report in March of the following year and the report's recommendations became the basis for the *Manitoba Grain Act* of 1900. The Act provided for the appointment of a warehouse commissioner responsible for overseeing the licensing of elevators. The Act set out procedures to be used in the weighing, cleaning and storage of grain. Under the Act, elevators were required to accept the grain of any farmer when space was available. The Act also provided for the erection of loading platforms or flat warehouses on railway property when requested by farmers. However, the bill did not strengthen existing legislation under which farmers could individually order grain cars.

Despite the legislation, farmers still perceived that unfair practices existed. A number of line elevator companies combined in 1901 to form an organisation called the North-West Elevator Association. Referred to by grain growers as the 'syndicate of syndicates', this organisation controlled more than two-thirds of the elevators on the prairies. Many farmers believed this 'monopoly' allowed the line elevator companies to collectively lower the price paid to the farmer for his grain.

The fall of 1901 saw a record-breaking harvest in the North-West Territories. Neither the railways nor the elevator companies were prepared to handle the massive amounts of grain being delivered to the trackside and car shortages quickly developed. The railways continued to give preference in the allocation of boxcars to elevator companies over farmers who wished to load their own cars over platforms or ship from flat warehouses.

Dissatisfaction with the line elevator companies was undoubtedly a stimulus to the effective organisation of prairie farmers.[iii] In December 1901, a group of prairie grain growers met at Indian Head to form the **Territorial Grain Growers' Association** (TGGA). A 1902 amendment to the *Manitoba Grain Act* was taken almost verbatim from a TGGA resolution. The amendment dictated that railways supply rail cars without discrimination, on a 'first-come, first served' basis, for loading over platforms or through flat warehouses, as well as elevators.

A chance for the TGGA to 'flex its muscles' came in 1902. A bumper crop again resulted in car shortages. The railway continued to allocate most of the rail cars to the elevator companies, disregarding the car distribution clause. The Territorial Grain Growers launched legal action against the CPR's agent at Sintaluta, where only 7 of 67 cars had been allotted to farmers. The farmers won the case and CPR was fined 50 dollars plus court costs. Thereafter, the CPR instructed all its agents to allocate rail cars in accordance with the provisions of the *Manitoba Grain Act*. The success of the TGGA in the Sintaluta test case was followed by a period of rapid growth for the farm organisation.

In the winter of 1904-05, the TGGA local at Sintaluta selected E.A. Partridge, a farmer from the Qu'Appelle area, and sent him to investigate the Winnipeg grain trade situation. Partridge gathered evidence of collusion among the elevator companies and exporters and fixing of grain prices.[iv] Partridge became convinced that in the grain trade there was an organised and successful effort to exploit the grain growers. He concluded that farmers needed to form a grain company of their own and market their own grain.

Sintaluta,
Government of Saskatchewan

Upon Partridge's return, the Sintaluta association held a meeting on January 17, 1906 and decided to form a farmers' grain company. Based on co-operative principles, the new company would sell shares only to bona fide farmers, no farmer would be allowed to own more than four shares and each shareholder would have only one vote. The new company would not build or acquire elevators or buy grain on its own account, but

would limit itself to handling grain in carload lots on a commission basis. Thus was born the **Grain Growers' Grain Company Limited** (GGGC).

On July 20, 1906, the Grain Growers' Grain Company Limited received a charter under the *Manitoba Joint Stock Companies Act*. The company elected a provisional board of directors, made plans for a stock-selling campaign, and rented office space in Winnipeg. Although challenged by a lack of funds, the company managed to purchase a seat on the Grain Exchange, in the name of E.A. Partridge. On September 5, 1906, the Grain Growers' Grain Company opened for business.

In the early weeks of its operation, the fledgling company appeared to be a great success. However, the company's intention to distribute net profits to farmer shippers on a patronage basis, mentioned in a company circular, was in violation of the by-laws of the Grain Exchange. On November 8, 1906, the Council of the Grain Exchange suspended the company's trading privileges. This was a serious blow to the company, but it managed to survive by making bulk sales to American and eastern milling and exporting interests, and particularly one significant sale to the Scottish Co-operative Wholesale Society. In December 1906, the company abandoned the patronage dividend idea. On April 15, 1907, the Company regained its trading privileges on the Exchange.

b. The Partridge Plan and Agitation for Government Owned Elevators

Many farmers called for government ownership of elevators as a cure to the perceived problems in the grain trade. This scheme was termed the Partridge Plan, after one of its leading proponents, E.A. Partridge. Partridge advocated a farmer-owned grain trading company within a system of provincially owned country elevators and federally owned terminals and transfer elevators. The agitation for publicly owned elevators escalated in early 1908 when conventions of the Grain Growers in the three prairie provinces endorsed the Partridge Plan.

The three prairie premiers met at conferences in May and November 1908 to consider the demands for government ownership. The premiers claimed to support the idea; however, they reasoned that it was beyond their constitutional powers and thus would require federal government action. The farmers' associations argued that the matter was indeed within the powers of the provincial governments, since they were not calling for a total government monopoly, but rather that the governments provide an alternate system of elevators. By 1909 it became obvious that an inter-provincial policy was not feasible and that each province would have to deal with the situation in its own way.

c. The Manitoba Experiment

On December 16, 1909, in response to increasing pressure from farmers, the Manitoba government announced its intention to establish a line of publicly owned and operated elevators. However, the legislation passed by the Manitoba government on March 15, 1910 diverged from the scheme envisioned by the Grain Growers. For example, the Grain Growers wanted the Manitoba Elevator Commission, established by the Act, to be completely independent of political influence and responsible directly to the people, removable only by a two-thirds vote of the provincial legislature. However, under the Act, the Commission members were appointed by

the government, and removable only by the Lieutenant-Governor-in-Council. This divergence between the Grain Growers' scheme and the actual legislation meant the government scheme never had the full support of the farmers.

Before the end of 1910, the Manitoba Elevator Commission had purchased 163 elevators and erected 10 new elevators throughout the province. However, the financial results of the Manitoba Elevator Commission for the 1910-11 crop year were dismal. In the first year, the Commission quickly amassed a large deficit as revenue covered only 55% of operating and fixed charges. There were fluctuations over the years, with some seasons showing a surplus, but the Commission was never profitable.[v] As one historian of the Grain Growers' movement has stated: "From start to finish the government's scheme was a tragic muddle."

Inglis,
Government of Saskatchewan, B Flaman

The failure of the Manitoba Elevator Commission can be attributed to a combination of business ineptitude and a lack of producer support. The Manitoba government sought to cover costs solely through storage and handling revenues instead of using the elevator system for the more profitable activity of buying and selling grain. The practice of special binning, as opposed to graded storage, did not make the most efficient use of elevator space. (Special binning was a method of storing grain whereby the identity of a farmer's grain was protected in a special bin until an official grade was received.) The Commission was also criticised for its elevator acquisitions because of high purchase prices, the poor condition of some elevators and needless duplication of elevators at certain points (i.e. 174 elevators at only 100 shipping points).

Mounting losses prompted the government to abandon the elevator project. On September 1, 1912, the government and the Grain Growers' Grain Company reached an agreement whereby the Company would lease the bulk of the elevators in the government system. As the Company was not in a position to buy the elevators, this agreement meant that the Company could expand its activities into the elevator field without any capital investment.

The Grain Growers' Grain Company operated only 135 of the 174 elevators leased from the Manitoba government. The government gradually sold off its elevators until 1927 when the last of the Commission's elevators was privatised, almost 100 having been purchased by the GGGC (by then the United Grain Growers Limited) and approximately 25 purchased by J.M. Wiley & Company.[vi] The failure of the Manitoba experiment thrust the Grain Growers' Grain Company into the elevator business. In 1911, the GGGC had no elevators, but by 1916 it was the fourth largest elevator company on the prairies; its 60 elevators were almost equally divided between Manitoba and Saskatchewan.

While the Manitoba government tested the theory of government ownership of elevators, both the Saskatchewan and Alberta governments chose a different route. They provided financial assistance for the establishment of co-operative elevator companies.

d. The Saskatchewan Co-operative Elevator Company

On December 14, 1909, in response to farmers' demands, the Saskatchewan government appointed a Commission to study the feasibility of government ownership of elevators. In November 1910, the Commission submitted its report, rejecting public ownership and recommending instead a system of co-operative elevators owned and operated by farmers, and assisted by generous loans from the government. On March 14, 1911, the Commission's recommendations, with a few minor changes, became law with the passage of *The Saskatchewan Co-operative Elevator Company Act.*

Front Entrance, Co-operative Elevator Bldg, *Saskatchewan Archives*

The legislation provided for the establishment of a 'local' of the Saskatchewan Co-operative Elevator Company upon application from a sufficient number of farmers in a particular district (a sufficient number defined as farmers representing a proportion of at least 2,000 acres for each 10,000 bushels of elevator capacity or 6,000 acres for a standard elevator). Farmers purchased shares at a cost of $50, with ownership limited to 10 shares each. Once a local had subscribed 15% of the necessary capital stock, the government would loan the company the remaining 85% for the purpose of constructing, acquiring or remodelling an elevator.

The company adopted a policy, in most cases, of building new elevators rather than acquiring existing ones. This was done for two reasons: the rapid expansion of grain production in the province called for additional elevator construction and many grain growers desired elevators with special binning facilities. The company engaged its own engineer who created a plan for standard 30,000 and 40,000-bushel elevators, with liberal provision for special binning and equipped with standard cleaners and hopper scales. In the first year, the company entrusted its elevator program to five firms specialising in elevator construction. However, because of various complications, only 17 of 40 elevators were in operation by December 1911. Thereafter, the company established its own construction department to undertake the erection and maintenance of all its elevators. This decision facilitated the large-scale purchase of elevator building supplies and resulted in the rapid and uniform construction of standard facilities. By 1925, the Saskatchewan Co-op operated 450 elevator facilities across the province.

Table 2: Saskatchewan Co-operative Elevator Company Elevators

Year	Elevators Built	Year	Elevators Built
1911	46	1918	13
1912	93	1919	1
1913	53	1920	9
1914	24	1921	15
1915	14	1922	15
1916	30	1923	32
1917	41	1924	54

Source: A Brief Record of the History and Development of the Saskatchewan Co-operative Elevator Company, Ltd.

e. The Creation of United Grain Growers Limited

By 1913 there were three co-operative grain companies in operation in the prairie provinces: the Grain Growers' Grain Company, the Saskatchewan Co-operative Elevator Company and the Alberta Farmers' Co-operative Elevator Company.

The Alberta Farmers' Co-operative Elevator Company had been formed in 1913 following the Saskatchewan precedent. The Alberta company developed a close relationship with the Grain Growers' Grain Company. In addition to loaning it capital and credit, the GGGC sold the Alberta company's grain on the Winnipeg Exchange.

By 1915, company officials and farm leaders began discussing the possibility of a federation of the three companies. The Saskatchewan and Alberta companies had not been organised as competitors of the Grain Growers' Grain Company, but there was the possibility of some overlapping and rivalry. Although the GGGC sold the Alberta company's grain, their selling organisation was in virtual competition with that of the Saskatchewan company on the central market. Therefore, grain growers began to recognise the desirability of a central farmers' business organisation as a means of eliminating friction among the three companies. They began to recognise the potential advantages of co-ordination and consolidation, not least of all the possibility of combining the substantial selling and buying power of western farmers.

Both the Grain Growers' Grain Company and the Alberta Farmers' Co-operative Elevator Company adopted resolutions in favour of the principle of federating the three farmers' business organisations. In Saskatchewan, however, sentiment in favour of federation was less pronounced. As one historian of the farm movement stated: "The Saskatchewan Company, with its advantageous territory, its assured patronage and its strong financial position, had less to gain from federation than the other companies concerned." Federation did not offer any special inducement to the Saskatchewan Company in respect of its country elevator business. The Saskatchewan representatives did, however, approve of the general principle of federation in the interests of solidarity and of centralised marketing and purchasing, provided that their company's autonomy, policy, and prospective earning power was not compromised.

At a 1916 meeting attended by representatives of the three farmers' companies and the three provincial associations there was agreement on the general principle of federation. However, there was a divergence of opinion over the organisational details of the federation, particularly the selling of grain. The Saskatchewan representatives believed that each provincial company should retain the right to operate its own selling agency on the Winnipeg Grain Exchange. The Saskatchewan Co-operative Elevator Company was no doubt reluctant to relinquish its profitable and well-established commission and sales business to participate in a central company, in which it would have only a partial voice in determining policy and methods. The other representatives felt that only through a common sales agency could selling competition be eliminated. Over subsequent meetings, it became increasingly obvious that this divergence of views was irreconcilable.

Despite the unwillingness of Saskatchewan to join in the federation, negotiations for a union between the GGGC and the Alberta company continued. Finally, after various negotiations and agreements the new company, an amalgamation of the Grain Growers' Grain Company and the Alberta Farmers' Co-operative Elevator Company, was born. On September 1, 1917, the new company, to be known as the **United Grain Growers Limited** (UGG), officially began its commercial career. At the end of its first year of business the United Grain Growers owned or controlled 343 country elevators: 146 in Alberta, 40 in Saskatchewan and 20 in Manitoba, and 137 elevators leased from the Manitoba government.

When the provincial pools were formed in 1923-24, UGG was approached to sell its elevators. UGG declined, but offered to handle Pool grains in areas where there were not yet Pool elevators.

4. The Wheat Pools, 1923-1929

a. The Canadian Wheat Board

Instability and the suspension of futures trading on the Winnipeg Grain Exchange during World War I prompted the federal government to establish a Board of Grain Supervisors in June 1917. As an agency of the federal government, the Board had monopoly control over Canadian wheat and was authorised to set a government guaranteed price at which grain should be sold. The Board controlled both the 1917 and 1918 crops.

At the end of the war, disruptions in the world wheat trade continued. When the Winnipeg Grain Exchange resumed business on July 22, 1919, wheat opened at just under $2.25 per bushel. Six days later the price for wheat was nearly $2.46 per bushel. Ottawa, fearing out-of-control prices, acted quickly. On July 31, 1919, by an Order-in-Council under the authority of *The War Measures Act*, the government created the Canadian Wheat Board (CWB). The Board was to act as the sole selling agency for the 1919 crop, with no open trading taking place on the Winnipeg Grain Exchange. The existing grain-handling agencies were to merely receive and forward wheat at fixed margins to the Board's account.

The Board made an initial payment (for the top grade of wheat) of $2.15 per bushel, an interim payment of 30 cents, and a final payment of 18 cents for a price of $2.63. Some farmers had

complained about the government's swift action to put a ceiling on rising grain prices. However, farmers soon realised that under the Wheat Board all producers received the same price for their grain without worrying about rushing to market before the volume of deliveries would depress prices. At the end of the crop year, most farmers were convinced that the Wheat Board had been a good thing for the growers and were in favour of continuing its operation.

On July 16, 1920, the government announced the discontinuation of the Canadian Wheat Board. Ottawa argued that the wartime disruptions, which had necessitated the creation of the CWB, no longer existed and it could no longer continue to use the power of the War Measures Act to compel farmers to deliver to the Wheat Board. At the close of the crop year, control of the CWB was terminated and the marketing of the 1920 crop reverted to the normal methods of pre-war times.

This experience in collective marketing convinced a number of farmers of the merits of the pooling of wheat. On August 18, 1920 futures trading resumed on the Winnipeg Grain Exchange. Initially, things looked positive as wheat prices peaked at $2.85. However, by November, when harvested grain flooded the market, prices began to drop drastically. "The post-war depression had set in. Grain prices fell sooner and faster than the price of any other commodity. The demand for the restoration of the Wheat Board became a roar."

As prices continued to decline in the following months, western grain growers began to agitate for a revival of the Wheat Board. Between 1921 and 1923, there was an attempt at setting up a 1919-style compulsory wheat board. Ultimately, this attempt failed because of trouble finding capable, experienced leaders for the proposed board.

b. The Saskatchewan Wheat Pool

When it became obvious that the campaign for reestablishment of a government monopoly in the form of the CWB was futile, western farmers began to consider a voluntary and co-operative pooling system instead. The work was undertaken by the farmers' organizations acting independently within each province. **Alberta Co-operative Wheat Producers Limited** was established in 1923, and **Manitoba Co-operative Wheat producers Limited** followed in 1924.

Hepburn,
Government of Saskatchewan, F, Korvemaker

In Saskatchewan there were two rival farmers' associations working towards the organisation of a wheat pool. In July 1922 the Farmers' Union of Canada resolved to work towards the creation of a wheat pool based on five-year contracts. In addition, the Farmers' Union invited Aaron Sapiro, a co-operative marketing expert from California, to visit Saskatchewan in the summer of 1923 to promote the idea.

The other group advocating the organisation of a wheat pool was the Saskatchewan Grain Growers' Association (SGGA). Within the SGGA, however, there was division. Some members were strongly in favour of the pool idea while other members were less than supportive. In July 1923 the SGGA, in conjunction with the United Farmers of Alberta and United Farmers of Manitoba, resolved to proceed with the organisation of provincial wheat pools with a common central sales agency to handle the marketing of that year's crop.

Aaron Sapiro's visit to Saskatchewan in early August 1923 proved to be a unifying influence. Sapiro stressed the importance of organising for a single contract pool for the province. Following his visit the two rival groups, the SGGA and the Farmers' Union, came together. They agreed to form a provincial committee to set up a pool that would be neither a Grain Growers' Association nor a Farmers' Union pool, but simply a Saskatchewan farmers' pool.

On August 25, 1923, the **Saskatchewan Co-operative Wheat Producers Limited** was incorporated under the province's *Companies Act*. A provisional board of directors was formed. The Pool commenced a sign-up campaign with the objective of securing growers' contracts covering at least 50% of the wheat crop acreage in the province. The contracts stipulated that, unless the desired quota was obtained by September 12, the contract would be invalid. Despite an enthusiastic campaign, by September 12-13, organisers had collected contracts covering 3.5 million acres, only 29% of the province's total wheat acreage.

Despite this setback, Pool directors continued the struggle. Organisers asked farmers to sign a waiver removing the deadline condition so that the Pool could commence, regardless of date, when it reached the 50% acreage total. Aaron Sapiro returned to Saskatchewan in the winter of 1924 and spoke across the province. However, by March 15, 1924 the provisional pool had only 3,094,006 acres of wheat under contract, barely a quarter of the provincial total. Organisers persevered and during the late winter and early spring, the Pool's acreage totals rose steadily. Finally in June 1924 the Pool reached its 50% target with 45,735 contract signers representing 6,433,779 acres of wheat. On June 26, 1924 the provisional directors met to declare the Pool operational.

As the new company possessed no elevator facilities, the Pool needed to make arrangements with the existing elevator companies for handling wheat. On August 24, 1924 the UGG signed an agreement to handle Pool wheat. By September 4, 1924 the Pool had an agreement covering the line elevator companies. And despite some problems in securing a formal contract, the Saskatchewan Co-operative Elevator Company agreed to handle Pool wheat for the 1924-25 crop year.

In September 1924, the Pool acquired its very first grain-handling facility – an old warehouse at Scobey, Montana, purchased for $2,280, which served as a temporary delivery point for Pool members near the border who had no nearby Canadian elevators. By November 1924, the Pool had approved the policy of acquiring its own elevator facilities. However, the Pool executive was reluctant to begin full-scale construction, thus duplicating the Co-op's extensive elevator network. It was also hesitant to take on the heavy financial burden of buying the Co-op's existing elevator network.

To finance this policy of elevator construction, the Pool used the clause in members' contracts which authorised the Pool to retain up to two cents of the price obtained for every bushel of wheat sold and to use those funds for building or buying grain handling facilities. Saskatchewan Pool Elevators Ltd. was incorporated as a subsidiary of the Pool on February 24, 1925. The issue of whether to build at the heaviest contract shipping points – thereby competing with the existing farmer-owned companies – remained. In the summer of 1925 the Pool adopted a policy that no Pool elevator would be acquired at a point already served by a Co-op elevator unless there were more than 30,000 acres of wheat under contract to the Pool at that point. On July 1, 1925, the Pool's first elevator, -- (Saskatchewan Pool Elevator No. 1) -- opened at Bulyea, Saskatchewan. By October 1925, according to the Pool's first annual report, there were 86 elevators in the Pool system.

In February 1926, Pool delegates voted 98 to 46 (just one vote above the two-thirds margin needed for approval) to authorise the board to buy the Co-op system at an arbitrated price. In April 1926, the Saskatchewan Co-op voted 366 to 77 to accept the Pool's offer. On July 26, 1926, the arbitrator's report set the value of the Co-op's properties at $11.06 million. On August 2, 1926, the Pool's elevator subsidiary grew suddenly by 451 country elevators, 2 Lakehead terminals and a transfer terminal in Buffalo.

Table 3: Saskatchewan Wheat Pool Elevators

Year	# of Operating Elevators
1924-25	-
1925-26	86
1926-27	587
1927-28	728
1928-29	971
1929-30	1048
1930-31	1066

Source: Garry Fairbairn. From Prairie Roots: The Remarkable Story of Saskatchewan Wheat Pool, p.67; Saskatchewan Wheat Pool Corporate Library, "Saskatchewan Wheat Pool (Number of Operating Elevators)" n.d.

The three prairie wheat pools proved to be a great success. To sell farmers' wheat the Pools created the **Canadian Co-operative Wheat Producers' Limited** (more popularly known as the "Central Selling Agency"). It opened a network of overseas sales offices, bypassing the Winnipeg Grain Exchange. Crops were good too. The best year proved to be 1928, when prairie farmers harvested a record 544 million bushels of wheat (321 million in Saskatchewan alone). In the late 1920s Canada accounted for approximately half of world wheat exports.

Immigrants also began arriving in large numbers again in the mid-1920s, pushing Saskatchewan's population past the 900,000 mark by the end of the decade. There was another boom in railway construction too. The CPR built additional lines to serve new settlements. So did the Canadian National Railway (formed by the federal government after World War I when it absorbed the now-bankrupt Canadian Northern, Grand Trunk Pacific and Grand Trunk Railway lines).

5. Mergers and Consolidations, 1926-1945

The rise of the Wheat Pools had an enormous effect on the private elevator companies. By the end of the 1920s, the Pools, together with the UGG, controlled approximately 38% of the country elevator facilities on the prairies. The success of these farmer-owned companies brought a new competitive factor into the elevator business. Increasingly, the private elevator companies realised the need to join together in order to compete with the co-operatives. Private companies began to amalgamate for greater administrative efficiency and improved competitive position. As a result, the late 1920s, and to a lesser extent the 1930s, were marked by extensive take-overs and consolidations in the grain industry.

In 1928, six companies merged to form the **Western Grain Company**: Western Elevator Company, Western Terminal Elevator Company, Beaver Elevator Company, Central Grain Company, Spencer Grain Company and State Grain Company. By 1929 Western was the fourth largest of the non-farmer-owned companies with 223 licensed elevators.

Also in 1928, the Canadian Elevator Company joined with the Dominion Elevator Company to form the **Canadian Consolidated Grain Company Limited** with a combined total of nearly 150 elevators and 2 terminals. In 1958, UGG took over the 130 elevators and 2 Lakehead terminals of Canadian Consolidated Grain.

In 1929, the four line companies in which Augustus Searle held a major interest were effectively brought under the corporate aegis of the **Searle Grain Company Limited**. The new company had 277 licensed elevators – 98 from the Saskatchewan Elevator Company, 86 from the Home Grain Company and the rest almost equally from the smaller Liberty and Searle Grain lines. Unlike many of the other merging groups, Searle did not go public. Rather, ownership continued to be closely held by its family shareholders.

North of Serath,
Government of Saskatchewan, F Korvemaker

Following the consolidation of its country elevator operations in 1929, the size of the Searle line increased as the result of several acquisitions. In 1930, Searle acquired the **Malden Elevator Company**, which had been established in 1917 with 13 elevators along the Soo Line of the CPR. In 1938, Searle purchased the 32-elevator line of the **Standard Elevator Company**. The following year, Searle added 13 Quaker Oats Company elevators to its line.

In 1929, another nine companies merged to form **Federal Grain**: Federal Grain Company, International Elevator Company, McLaughlin Elevator Company, Brooks Elevator Company, Consolidated Elevator Company, Northwestern Elevator Company, Stewart Terminal Limited, Union Grain Company Limited and Topper Grain Company Limited. Federal also acquired at the same time, 54 elevators from Maple Leaf Milling Company and 14 elevators from the Gold Grain Company. All in all, Federal owned 355 licensed elevators. In 1940, Federal further expanded its holdings through the purchase of 72 elevators from the Bawlf Grain Company. In 1943, the Alberta Pacific Grain Company became a wholly owned subsidiary of Federal. Following this acquisition, Alberta Pacific-Federal was the largest of the non-farmer-owned companies with nearly 800 country elevators.

Horizon,
Saskatchewan Heritage Foundation

The two Peavey companies, Security and Northern also combined in 1929 under the Northern Elevator banner. Peavey consolidated its Canadian operations in 1940 by merging British America, Northern, National and Grand Trunk Pacific Elevator companies to form the **National Grain Company Limited** with a total of nearly 400 licensed elevators.

Unlike many other private companies, Parrish & Heimbecker was not involved in the acquisitions and mergers that were so common in the 1920s and 1930s. In 1928, the company did acquire 10 elevators from the Dwyer Elevator Company Limited. Parrish & Heimbecker grew slowly but steadily, and by 1939 it had elevators at more than 50 shipping points. Its numbers increased by 28 with the acquisition of the Saskatchewan facilities of Western Canada Flour Mills Limited in 1940.

In 1940, the McCabe firm was taken public as the **McCabe Grain Company Limited.**

6. The Wheat Pools in Crisis, 1923-1929

After 1928 markets and growing conditions were not nearly so favourable for western grain farmers. More than 100 million bushels of the record 1928 wheat crop was still unsold when the harvest began in 1929. This, and huge crops from Argentina and Australia, glutted world markets. The agricultural price structure quickly collapsed: wheat that was selling for an average of more than $1.00 per bushel in 1929 was fetching a mere 34 cents a bushel by 1932. At the same time, Canada's traditional overseas markets for wheat shrank, as many European countries imposed high tariffs on imported wheat to protect their own farmers.

The drop in farm commodity prices was devastating, particularly in Saskatchewan where wheat was king. But its impact was compounded by a succession of natural disasters, the most severe of which was drought.

The prairie Wheat Pools were among the first to feel the impact of all this.

Early in the 1929-1930 crop year, based on a small projected harvest and rising prices, the three prairie Pools made initial payments to farmers of as much as $1 per bushel. But by early 1930, the Pools faced "calamitous" price reductions occasioned by the dumping of bankrupt firms' wheat futures, while a glut of wheat lowered prices steadily toward the one dollar mark. The banks threatened to call in their loans unless they were provided with some additional security. The three Pools were forced to request aid from their provincial governments to cover the banks' interest margins and their own operating costs for the 1929 crop year. The Saskatchewan government realized that without intervention its Pool would collapse, creating yet more financial havoc in an already impoverished province. In February 1930, a bill was introduced in the Saskatchewan legislature to guarantee the Saskatchewan Wheat Pool's debts of slightly more than $13 million. The co-operative would carry this debt for almost twenty years.

Gravelbourg,
Government of Saskatchewan, B Flaman

More trouble was yet to come. Grain prices remained depressed in 1930, and there were still thousands of bushels of unsold wheat left from the 1928 bumper crop. With prices now under $1 per bushel, the Pool was once again out of cash and out of credit. This time the three provincial Pools, with the support of their premiers, made an appeal to R. B. Bennett's newly-elected federal government.[vii] Although the Bennett government eventually proved willing to guarantee the banks from any losses, the banking executives had lost confidence in the Pools' management. Thus, in return for the banks' co-operation, the Pools agreed to appoint John McFarland, a former president of the Alberta Pacific Grain Company and R. B. Bennett's chief grain policy advisor, as head of their joint marketing agency, the Canadian Co-operative Wheat Producers' Limited. McFarland was a proponent of the grain exchange system, and soon after his appointment closed the Pools' overseas sales offices.[viii] Thereafter, the federal government assumed responsibility for disposing of the Pools' unsold wheat, and in subsequent years each of the Pools sold the wheat delivered to it through the Winnipeg Grain Exchange.

The following years brought little relief to Saskatchewan farmers and their struggling co-operative. In 1931 the little wheat that was harvested fetched a miserable sixty cents per bushel. In 1932 came the grasshoppers, and in 1933 an infestation of rust combined with an early frost to decimate the parched crops. The poor condition of the crops aggravated the already-depressed market, resulting in an all-time low of less than forty cents per bushel. The average yield per acre dropped from 23 bushels in 1928 to three by 1937. By 1931, the average farm income across the prairies was a meagre 17% of what it had been in 1928. Despite these obstacles, the co-operative soldiered on, and even expanded its operations. By 1931, the Pool owned 1,030 elevators, with a total capacity of 35,000,000 bushels, and sent the first shipment of wheat ever processed through the port of Churchill, which had opened in 1929.

7. The Creation of the Canadian Wheat Board

As the Depression worsened, wheat prices plummeted, and an attempt by the federal government to quietly prop up prices by buying futures soon resulted in it owning virtually all of Canada's unsold wheat. Meanwhile, organizations such as the Pools continued to press for reinstatement of the postwar (1919-1920) Wheat Board. It became clear that government intervention in grain marketing was inevitable if the Canadian grain industry was to survive. In 1935 the government capitulated and re-established the Canadian Wheat Board. The original legislation would have given the new Wheat Board a virtual monopoly over the marketing of all grains. However, the Winnipeg Grain Exchange and the line elevator companies were strongly opposed to this, and in its final form the *Wheat Board Act* did not even give the Board the authority to sell all of the wheat crop. Instead, each year the Wheat Board could offer a minimum price to farmers, leaving them with the choice of selling their crop to the Wheat Board or through the Winnipeg Grain Exchange.

The Second World War changed economic realities for Canada. With the capitulation of Belgium and France in the summer of 1940 the last western European markets for prairie wheat were lost, and German U-boats threatened the lifeline to Great Britain. At the Winnipeg Grain Exchange, the prospect of large government grain sales to the Allies was driving up futures prices. On September 27, 1943, the federal government ended wheat trading on the Winnipeg Grain Exchange, and gave the Canadian Wheat Board a monopoly over wheat marketing in Canada. Soon afterward, the government imposed price controls on most foodstuffs and the Wheat Board was given jurisdiction over the coarse grains: oats, barley, flax, rye, and corn. Thus, the Board became sole marketing authority for virtually all seed grains grown in Canada for the duration of the war.

When the war ended, the government removed price controls from the coarse grains. In 1949, after representations from farming groups concerned about fluctuating feed prices, Parliament amended the *Canadian Wheat Board Act* to extend the Board's marketing responsibility to encompass oats and barley. It retained a clause that required the *Act*'s renewal every five years. The renewal clause was removed in 1966. In 1974, the sale of wheat, oats and barley for domestic feed use was removed from the Wheat Board's monopoly. The marketing of exported oats was removed from the Board's jurisdiction in 1989. Its responsibilities now include only the marketing of wheat, both domestically and for export, and of barley for export or human consumption.

In 1998, after calls from producers to be more responsive to farming concerns, the Canadian Wheat Board restructured its executive. Previously, the Board had been governed by five appointed federal commissioners. Under the new structure, a fifteen-member board was appointed, with ten of the members elected by farmers and five, including the CEO, appointed by the federal government.

Today, the function of the Canadian Wheat Board is vigorously debated. Some producers believe that the Board and its monopoly prevent them from getting the best possible price for

their grain. They argue that thanks to the Internet, they can get up-to-the-minute information about open market grain prices and sell at a time that suits them. Others believe that the Board and the high reputation it holds worldwide is their best guarantee of sales and their best defence against surprise price fluctuations. Still others believe that a "two-desk" system in which participation in CWB sales is voluntary would allow producers to use either marketing option as they so choose. The role of the Board has become a hot button issue in recent federal elections.

8. Farmer-Owned Elevator Companies since 1945

Avonlea
Saskatchewan Heritage Foundation

a. The Saskatchewan Wheat Pool

As the war ended, the Pool found itself with new roles to play and new options to explore. In 1944, the Pool merged with the Saskatchewan Co-operative Livestock Producers Ltd. and changed its name from Saskatchewan Co-operative Wheat Producers Ltd. to **Saskatchewan Co-operative Producers Limited**, even though for many, it would forever be known as the "Wheat Pool". The merger was the first in a series of diversification projects designed to broaden the co-op's economic base and provide cheaper services to its shareholders. In 1945 the Pool helped found Co-Operative Life, a mutually-owned insurance company that eventually became The Co-Operators. Within two years the new venture had expanded across the prairies. In 1947 the Pool launched an "industrial division" with a vegetable oil processing plant in Saskatoon to crush flax seed, and in 1949 a flour mill was added to the Saskatoon plant. The same year, the Saskatchewan Wheat Pool made the final payment on the $13 million debt that the provincial government had guaranteed in 1929.

When the 1950's began, the Pool owned more than 1,000 elevators and was still expanding its operations. With its local infrastructure in place, it now began focusing on terminal operations. In 1951 the Pool purchased three elevators and a terminal at Fort William from the Western Grain Company. In 1956 Saskatchewan farmers gained a Pacific portal when the Pool leased a terminal in Vancouver from the government. This would prove invaluable in coming years as the Wheat Board negotiated a massive sale to China, which along with Russia became a major customer for Pool wheat. An additional Thunder Bay terminal was acquired in 1957, and in 1959 the Pool bought several country elevators and a terminal at Fort William from Ogilvie Flour Mills as part of Ogilvie's purchase of the Lake of the Woods Milling Company. And finally, in 1953, the Pool formally changed its name from Saskatchewan Co-operative Producers Limited to a version of the name it had always been known by at the farm gate: **Saskatchewan Wheat Pool.**

By the beginning of the 1960s, the economic structure of the prairies was changing. New, more powerful diesel locomotives could haul longer trains of higher-capacity grain cars. And

technological advances in farm equipment meant that a single farmer could cultivate more acres and deliver more grain in one trip than ever before. The size of the average Saskatchewan farm grew from 550 acres in 1951 to 845 acres by the end of the 1960s. Along with the larger farms came a corresponding drop in the number of farmsteads, shrinking from just over 112,000 to less than 78,000 over the same period. With a smaller number of potential customers in an area, the grain companies realized that fewer but larger storage facilities located on main railway lines would be more practical and efficient than the classic wooden elevator with its smaller capacity.

In 1961 the Pool began a modest program of consolidation, closing elevators at five locations. It also began to move closed elevators to new locations to consolidate service without the expense of demolition and rebuilding. The Pool also experimented with new construction techniques, building what would be their only steel elevator in Kenaston (the construction cost was deemed too high to build others). In 1963, the co-operative purchased the Saskatchewan Seed Growers Co-operative Association, and the Pool launched what later became its Farm Service Division. Attention was also focused on the Pool's presence on the West Coast. The Pool constructed a 5-million-bushel terminal in North Vancouver just in time to handle 1969's record wheat crop. In the meantime, the process of consolidation continued. In 1968, 35 elevators were closed; another 100 were only in operation on a part time basis.

Theodore,
Government of Saskatchewan

By the early 1970s, the Pool operated more than 1,200 country elevators, but that number would continue to drop as closures continued.

The 1970s ushered in a brief period of relative prosperity for the prairie farmer, and the Saskatchewan Wheat Pool prospered with him. An ambitious program of expansion and diversification was launched that would continue for the next twenty-five years. UGG and the three Wheat Pools combined in 1970 to form XCAN Grain, a marketing division for their non-CWB grains. In 1972 the three prairie Pools – in their incarnation as the Canadian Co-operative Wheat Producers - bought Federal Grain and divided its assets. In 1975 the Saskatchewan and Manitoba Pools founded CSP Foods, an oilseed processing facility, and the Saskatchewan Pool built its first concrete elevator, an 8,000-tonne facility, in Luseland. In 1980 the Pool's net earnings peaked at $72.7 million. The closure of wooden elevators continued; by 1982, the Pool had 624 elevators, almost half its 1971 total. So deeply was the Pool ingrained in the Saskatchewan psyche that in 1977 Saskatoon's 25th Street Theatre launched its play "Paper Wheat" - based on the Pool's history - in Sintaluta, where the Grain Growers' Grain Company had been started in 1906.

But by 1976, the price of grain had again dropped and a series of federal subsidy and income stabilization programs followed, among them the Western Grain Stabilization Program (1976), and later, Gross Revenue Insurance Plan and Net Income Stabilization Account (1991).

Canada's grain programs were coming under increasing fire from both the international marketplace and domestic interests, including the railways, taxpayers' groups, and producers themselves. Canadian subsidy programs were accused of giving the Canadian producer an unfair advantage on the open market, while producers were becoming increasingly dissatisfied with the Wheat Board's monopoly and its regulations. Rail companies complained that the Crow Rate left them operating at a deficit and unable to maintain the many miles of branch lines required by their mandates. Pool leaders of the era, most notably Garf Stevenson (president from 1987 to 1993), spent much of their time in consultation with federal and provincial leaders on how best to satisfy corporate and taxpayers' interests without further eroding producers' already limited incomes.

The handwriting was on the wall for federal subsidies. In 1994, Canada signed a GATT (General Agreement on Tariffs and Trade) agreement that limited subsidies to producers. One of its casualties was the Crow Rate. In 1995, while wheat prices were at a 14-year high, Parliament voted 141 to 114 to repeal the *Western Grain Transportation Act* and end the Crow Rate, effectively doubling freight rates for prairie producers. The Western Grain Transition Payment Program was developed to provide a $1.6 billion, one-time payout to help cover farmers' transportation costs for the short term. The Crow Rate had been considered sacrosanct by many, but had also been accused of limiting the development of prairie agri-business by making the export of grains as a raw commodity the only attractive option. It was hoped that private enterprise would move into the prairies, and that value-added processing plants would soon become a viable option.

The Pool executive had seen the changes coming, and launched an aggressive diversification campaign. The 1990s began with new Pool holdings: CanAmera Foods, XCAN Grain Ltd., the co-operative's own International Business Division, and the purchase of Elder's Grain. Along with diversification came more elevator consolidation. In 1993 the Pool and UGG built a jointly owned 15,600 tonne inland terminal at Lloydminster, while Pool leadership announced plans to close 100 more wooden elevators over the next 3 years and to construct high-volume terminals at Kindersley and Tisdale.

By 1996, the Pool was facing a number of pressing issues. Rail deregulation had made many branch lines unprofitable, both for the rail companies who refused to maintain the aging lines, and for the grain merchants who were focusing on the higher-volume inland terminals, such as the Pool's new high-throughput terminal in Tisdale.

The Pool's elevator closure plan continued: only 564 country elevators remained in operation and these were closing at the rate of 20 per year as rail lines pulled out of low volume areas. And with the Crow Rate gone, major international grain firms such as ConAgra were eyeing the newly attractive Western Canadian market. The Pool had borrowed heavily to achieve its diversification goals. Now, faced with an aging membership and struggling subsidiaries, the co-op attempted to solve its cash flow problem with a public non-voting share offering on the Toronto Stock Exchange. Some farmers who had been members due to the Pool's co-operative tradition felt betrayed. Others resented its decision to reduce service in their area, and grassroots support began to slip.

But the new semi-public Pool was determined to make the best use of its new resources. It continued to expand with joint ventures in Gdansk, Poland, and Manzanillo, Mexico, and in 1997 announced Project Horizon, an ambitious plan to replace its remaining wooden country elevators with large concrete inland terminals. Under the terms of this new plan, the Pool proposed to spend $195 million on 16 high throughput grain handling centres, plus $40 million for 6 grain condo/terminals. Of the 16 inland terminals, eight were to be built in Saskatchewan, six in Alberta and two in Manitoba. Each terminal has an average annual throughput of 300,000 tonnes, replacing between 12 and 15 traditional elevators. The eight terminals located outside of SK are operated by Pool subsidiary **AgPro**. The Pool was now the 34th largest company in Canada, with a market capitalization of more than $480 million.

In 1998, CP Rail announced plans to abandon more than 1,600 kilometres of prairie lines over the next three years. CN also shut down almost 500 kilometres of Saskatchewan rail lines. The Pool announced 170 elevator closures, and opened Buffalo Plains Terminal, near Balgonie. The new concrete high-throughput terminal can store more than 27,000 tonnes of grain. Another terminal, this one in partnership with General Mills, opened in Northgate, North Dakota. The same year the Pool bought local businesses Can-Oat Milling and Humboldt Flour Mills, and a one-third interest in an English grain marketing firm, Matrix Trading Company. The Matrix acquisition opened new markets for grains, oilseeds, pulses, and feed and specialty crops in Europe and the former Soviet Union.

By 1999 – the Pool's 75th anniversary - the Saskatchewan Wheat Pool was facing stiff competition. International giants **ConAgra** and **Louis Dreyfus** had established themselves in the province, and the Alberta and Manitoba Pools had combined to form **Agricore**. To make matters worse, an international grain surplus drove prices down to near-record levels. For the Pool, slower-than-usual sales and weak commodity prices translated into a staggering $12.9 million loss. The company fired its CEO and grain vice-president, and began examining its diversification portfolio, choosing to focus on companies with a more direct link to prairie grain production. Meanwhile, Project Horizon continued: 72 more wooden elevators were closed that year, and eleven of the new terminals opened for business. But not all elevators were destined to meet the wreckers' ball: the Pool purchased UGG elevators in Lampman, Whitewood and Grenfell, and in exchange sold its elevators in Alameda, Fox Valley and Cupar to UGG. The Pool's network now numbered 363 primary elevators, with an additional 31 high-throughput facilities. And in a return to the original spirit of grassroots co-operative marketing, the Pool and local farmers built the jointly-owned **Great Sandhills Terminal** at Leader.

Yellowgrass,
Saskatchewan Heritage Foundation

More financial trouble was yet to come. In 2000 the Pool's net deficit swelled to $89.9 million; 75 management and almost 200 employee positions were slated to be eliminated.[ix] The embattled company sold its poorly-performing interests in the Polish terminal and Matrix

Trading and announced plans to close an additional 63 elevators.[x] It retained its investments in local value-added producers such as Can-Oat Milling, CanGro Processors and CanAmera Foods. In the past three years, SWP had closed almost 300 elevators and opened 22 high-throughput concrete facilities. Only 261 original elevators remained in operation by the end of the year.[xi] With Project Horizon completed a year ahead of schedule, the company's finances seemed destined for dramatic improvement.

But 2001 brought drought and reduced yields to the prairies, and a loss to the Pool of slightly more than $44 million. While disappointing to stockholders, the bottom line was improved over previous years by more efficient grain handling. As the Pool was now the prairies' largest handler of mustard, lentils and peas, it sold its interest in XCAN Grain to obtain more flexibility in dealing with multiple markets with differing needs.[xii] Cash flow was further improved with the sale of its money-losing interest in Heartland Livestock Services. By the end of 2001, the Pool's elevator network consisted of 38 high-throughput inland terminals, 24 specialty centres, and a mere 17 traditional wooden elevators.[xiii]

2002 brought even more bad news. A second year of drought combined with a late spring and early frost to damage prairie crops and dramatically reduce both the quality and volume of grain shipments. Sales of agricultural products also slumped due to weather conditions. Once again, the Pool's annual losses spiralled, this time to a record $92 million. CSP Foods Division and CanAmera Foods were sold, while profitable value-added subsidiaries Can-Oat Milling and Prairie Malt were retained. **Agricore United** purchased the Pool's interest in Pacific Elevators, their jointly-owned Vancouver terminal. The Pool began an extensive loan restructuring program to head off bankruptcy. Pool management successfully renegotiated payment terms for some long-term debt, and offered shares in lieu of payment to other creditors.
2003 brought a third successive year of drought that severely limited yields, and the resulting lower quality diminished export volumes for the Pool. Pool losses for the year totalled $50 million, but a $15 million profit in the final quarter of the year gave shareholders cause to hope that the company would again become profitable. Value-added processors Can-Oat Milling and Prairie Malt continued to perform well, and the Pool worked to expand its catalogue of proprietary non-GMO grain seed, such as drought-resistant varieties of barley and canola specially adapted to harsh prairie growing conditions.[xiv] At year end, the Pool's grain handling system consisted of 43 terminals and 11 specialty grain centres, the most streamlined network of all grain handling firms in Western Canada.[xv] In 2004, despite a wet summer and early frost the Pool managed to post a profit of $5 million, its first since 1998, primarily through high volume grain sales.[xvi] Money-losing ventures Heartland Pork, Heartland Feeds, Lake Diefenbaker Aquaculture, and the Pool's interest in the Mexican terminal were sold, leaving its hub of profitable local value-added processors.[xvii]

In 2005, the Pool posted a $12 million year-end profit - the second profitable year in a row - thanks to a much improved growing season. Subsidiary Can-Oat's fortunes also continued to rise due to increased demand from health-conscious consumers.[xviii] In March 2005 the Pool converted its structure from a co-operative to a publicly-traded company. The move combined all of its class A voting and class B non-voting shares into single-issue voting shares, effectively ending its history as a co-operative. And in April, the Pool signed an agreement with **James Richardson International** to jointly operate their adjacent terminals in Vancouver. The move

allows each terminal to specialize in different grains, leading to greater storage capability and faster shipping response. Early in 2006, Agricore United bought the Pool's stake in their jointly-owned Lloydminster terminal. The Pool's market share now totals 23% across the prairies, and 35% within Saskatchewan.

In November 2006, the Saskatchewan Wheat Pool announced a takeover bid of its largest rival, Agricore United. The original offer involved a stock swap with Agricore's shareholders, but a mostly cash counter-offer by James Richardson International (JRI) was accepted by the Agricore Board. JRI's offer resulted in the SWP increasing its offer to $20.50 a share in a largely cash and partially stock payment. In June 2007 Agricore's board and shareholders approved the Wheat Pool's offer and the purchase was completed. To satisfy concerns from the Canadian Competition Bureau over the purchase, the Pool made an agreement with JRI on the sale of number of former Agricore properties across the prairie provinces. Following the acquisition of Agricore, the Saskatchewan Wheat Pool re-branded itself, changing its name to Viterra (meaning "Life of the Land.")

Having been on the brink of bankruptcy just a few years before, Viterra posted $111.2 million in net earnings in 2007 compared with only $3.1 million for the previous year. The increase was due to a number of factors. Firstly the company experienced increased sales across nearly all branches of the company. Secondly increased grain volumes processed by the company increased from 8.2 million tonnes in 2006 to 12.5 million tonnes in 2007. Further rising grain prices fuelled increased purchases of all manner of farm inputs. Ethanol polices in the United States had spurred record corn planting across the country, resulting in heavy fertilizer demand and consequently much higher prices. The increase in fertilizer prices contributed to Viterra's much stronger margins for the product. The pain of the restructuring and divestitures earlier in the decade are now well in the past, and the takeover of its main rival has left Viterra well prepared to trade with the multinationals in the new global market.

b. Manitoba Wheat Pool (MWP) and Manitoba Pool Elevators (MPE)

Manitoba Co-operative Wheat Producers Limited was formed in 1924, at roughly the same time as its sister organizations Saskatchewan and Alberta Co-operative Wheat Producers. **Manitoba Pool Elevators** (MPE) was established in 1925 by the co-operative to manage elevator acquisition. In 1926 MPE made an offer to purchase United Grain Growers' grain handling facilities in Manitoba, but the bid was rejected by UGG shareholders, who wanted to retain control of their grain handling system. In 1948, Manitoba Pool Elevators acquired some of the provincial assets of the recently-dismantled Reliance Grain Co., including a few elevators and an export terminal at Port Arthur. Most of Reliance's Manitoba elevators were sold to United Grain Growers.

Inglis,
Government of Saskatchewan, B Flaman

Over the years, MPE's inventory slowly expanded, mostly by building its own elevators, rather than by buying smaller companies as did the Alberta and Saskatchewan Wheat Pools. There were, however, some notable exceptions to this policy. In 1959, MPE acquired 86 local elevators with the break-up of the Lake of the Woods – Ogilvie elevator line. In 1972, Federal Grain was purchased by a consortium of the three prairie Pools, each of which assumed control of the Federal elevators located within their respective provincial borders. MPE also acquired a 50% stake in the Federal terminal at Thunder Bay. By 1975, MPE owned 298 elevators, a much smaller total than its sister co-ops. This was primarily due to more conservative management, coupled with smaller seeded wheat acreage and a proportionately smaller producer membership.

The 1980s brought hard times to the prairies, and Pool members found their co-operatives struggling. Prices were down, costs were rising, and drought was shrivelling crops across the West. MPE began closing under-utilized elevators to trim costs. In 1987 the Manitoba Wheat Pool logged a $5.6-million deficit for the first time in the company's 63-year history. 1988 was no better, as the drought continued and the Manitoba Wheat Pool recorded a $2.2 million loss. Faced with the prospect of an even poorer crop in the upcoming year, MPE announced the closure of eight more elevators, bringing its total down to 140.

The worsening agricultural economy caused the three prairie Pools to briefly consider a three-way merger. The Pools considered including the United Grain Growers Limited in the merger proposal, but rejected the idea. Merger talks were shelved in 1989, as the Pools were unable to overcome their differences in business activities and structure. In 1993, UGG became a publicly-traded company, and a year later the Saskatchewan Wheat Pool followed suit. Each raised much-needed capital with their share offerings, but the Manitoba co-operative resisted the idea as not being true to the co-operative spirit that had founded the Pools.

By 1997, conditions had improved for the Manitoba Pool system, which reported a $28-million profit for the year. That same year, alarmed at rumours that American agricultural giants ConAgra Inc. or **Archer Daniels Midland Company** were poised to take over United Grain Growers, the Manitoba and Alberta Wheat Pools combined to buy close to 15% of UGG, and attempted to take over the company themselves. The attempt failed when UGG directors authorized a "poison pill" that allowed them to issue extra shares to dilute the Pools' holdings and block the takeover. The pools dropped their offer after a failed court action but planned to keep their interest in UGG as an investment. However, a scant two months later, UGG sold 45% of its share to American multinational Archer-Daniels-Midland and the Pools promptly sold their shares back to UGG.

In the midst of the UGG takeover controversy, the Saskatchewan Wheat Pool announced a plan to expand its AgPro operations with two new high-throughput facilities in Manitoba. The Manitoba and Alberta Pools in turn expanded into Saskatchewan when they announced their partnership with the farmers' group Community Marketing Initiative (**CMI Terminal**). They jointly constructed a 20,000 tonne inland terminal near Naicam.

By early 1998, the Manitoba and Alberta Pool organizations were again discussing a merger, but this time the Saskatchewan Wheat Pool was not a participant. On August 1, 1998, the Manitoba

and Alberta Wheat Pools announced that they had merged to form Agricore. The new company's head office was located in Winnipeg.

c. Alberta Wheat Pool (AWP)

The Alberta Cooperative Wheat Producers Ltd. was chartered in 1923, and changed its name to **Alberta Wheat Pool** (AWP) in 1929. In 1928 the company constructed its first export terminal at Vancouver. When the Lake of the Woods-Ogilvie elevator line was dismantled in 1959, the Alberta Wheat Pool bought its 35 Alberta elevators. In 1972 AWP purchased Federal Grain's Alberta assets. By 1975, the Alberta co-op owned 818 country elevators. During the 1980s the Alberta Pool began a program of consolidation much like those of its sister co-ops to the east. In 1980 the Pool owned 670 elevators; five years later, that number had dropped to 324.

The Alberta Pool struggled through the early 1990s just as had her sister Pools to the east. Drought and frost had damaged the 1992 crop, and the Pool's profit for the 1992-3 year plummeted to $515,000, compared with $12.2 million in 1991-92. In 1993 the Alberta Pool announced plans to close 155 of its remaining 257 elevators and replace them with high-throughput terminals. Like its Saskatchewan counterpart, the Alberta Pool flirted briefly with the idea of a public share offering, but its members proved cool to the idea.

In 1996 the Alberta Wheat Pool became the first of the prairie Pools to partner in a producers' terminal when it joined with Saskatchewan group **Prairie West terminals** to construct a jointly owned high-throughput facility near Plenty. In 1997 the Pool upgraded facilities at 10 existing locations and announced plans to construct eight new concrete high-throughput terminals in Alberta. By this time, elevator consolidation had left the Pool with less than 200 locations across the province.

The Manitoba and Alberta Pools made a joint bid for 100% of the common shares in United Grain Growers in 1997. But UGG blocked the deal and U.S. agri-giant Archer Daniels Midland soon acquired 45% of UGG shares. The Pools promptly sold back the 15% share they owned in UGG. In 1998, the two Pools jointly financed the new CMI Terminal at Naicam, fuelling speculation that the two Pools would merge.

Later that year, the Pools issued a joint statement announcing their merger. The new company, to be known as Agricore, came into existence on November 1, 1998.

d. Agricore

Almost immediately following the amalgamation of the Albert and Manitoba Wheat Pools to form Agricore in 1998, the new company began an aggressive program of expansion into Saskatchewan markets. It purchased a fertilizer company in Melfort and an agricultural services firm near Saskatoon. Even with the costs of amalgamation, the new company posted a $0.9 million profit in its first year of operation. Plans were soon announced for the construction of new high-throughput terminals at Swift Current and Morse, putting Agricore in direct competition with the Saskatchewan Wheat Pool's local terminals for the first time.

Yellow Grass,
Saskatchewan Heritage Foundation

In 2000, the new company opened two new terminals in Alberta, two in Manitoba, and announced construction of three more terminals in Alberta, bringing its terminal total to 55. It also partnered with Saskatchewan producers' group **Gardiner Dam Terminal** to build a terminal near Loreburn. The rapid expansion took its toll on Agricore's income, with the 1999-2000 year showing a meagre $1.3 million profit.

In 2001, Agricore closed more than 100 small country elevators and opened five more high-throughput inland terminals. But lower grain prices and the cost of closures and construction contributed to a loss of nearly $21 million for the year, the company's first deficit since its inception. The time was ripe for the co-op to reconsider its former goal: a partnership with United Grain Growers. Negotiations with UGG began in early 2001 and the merger was announced July 30, 2001. Since members' equity in Agricore was to be converted into UGG stock, the merger effectively ended the company's 80-year history as a co-operative.

At the time of the merger, Agricore owned 97 elevators in western Canada: 54 in Alberta, 2 in British Columbia, 2 in Saskatchewan (plus 4 joint ventures with producers' groups), and 39 in Manitoba (plus 1 joint venture). It also owned a terminal at Thunder Bay, partial interest in two terminals in Vancouver, and a partial interest in the Prince Rupert Grain terminal.

In a surprise move the Saskatchewan Wheat Pool announced a hostile takeover of Agicore United. In response James Richardson International announced a counter offer to buy the company. The Saskatchewan Wheat Pool's offer, which relied on conversion of Agricore stock into Wheat Pool Stock, was rejected by the Agricore board of directors which then accepted JRI's offer of a merger. In the subsequent bidding war that ensued the Wheat Pool's final offer of $20.50 per share in stocks and cash was accepted. Agricore United's headquarters in Winnipeg closed as most of the senior jobs were transfer to the Wheat Pool's headquarters in Regina or its offices in Calgary. The board of Agricore resigned in June 2007 and their stock was delisted from the Toronto Stock Exchange.

e. United Grain Growers (UGG)

United Grain Growers was formed in 1917 by the amalgamation of the Grain Growers Grain Company and the Alberta Farmers' Co-operative Elevator Company Limited.

In 1925 United Grain Growers Limited purchased a controlling interest in the Burrard Elevator Company, which leased a terminal at Vancouver. In 1927 it constructed an export terminal at Port Arthur. By 1929 the co-operative owned 416 elevators.

In 1930 UGG bought out the remaining shareholders of Burrard Elevators, and operated the Pacific terminal alone. By 1932, UGG owned 468 elevators, but languishing wheat prices and poor harvests forced the co-op to close 29 of these. It did, however, manage to upgrade its

Vancouver terminal to 1.5 million bushels. By 1942 UGG's finances had recovered, and it purchased the Gillespie Grain Company's elevators. It also began a construction program to add annexes on its existing elevators and terminals to handle the increase in production for the war effort.

Fillmore,
Saskatchewan Heritage Foundation

By 1947, when UGG bought the assets of Province Grain, UGG's inventory included 515 country elevators. In 1948 the co-op bought a further 110 elevators from the dismantled Reliance Grain and Alliance Grain Companies' elevator lines. A one-million-bushel annex was built on the Port Arthur terminal in 1952, bringing its capacity to 6.5 million bushels. In 1959, the entire outshore annex of the terminal collapsed into the harbour and was replaced with a 4.25 million-bushel annex, bringing the total capacity of the terminal to 8.25 million bushels.

In 1954 UGG bought Midland & Pacific's 65 elevators, and in 1958 it bought Canadian Consolidated Grain Co, adding 130 elevators and 2 Lakehead terminals to its inventory. The 1962 acquisition of the Canada West Grain Co. added five more elevators to the total. In 1966 UGG purchased the 500,000 bushel Burrard terminal it had been leasing from the National Harbours Board. The following year, the co-op bought the McCabe Grain Company, adding 72 elevators and a terminal at Thunder Bay. This allowed the firm to de-commission one of its old Lakehead terminals in 1970. By the 1980s the grain market had become more volatile than ever, as controversy over the Crow Rate and farmer subsidies swirled and farm incomes dropped. In 1989 UGG posted a $5.2 million net loss, its first loss since the 1930s.

UGG management realized that the co-op must change with the times, and in 1990 built a prototype high-throughput elevator at Olds, Alberta, the first of its kind in western Canada. In 1992 the co-op announced plans to build 25 high throughput elevators, each capable of loading at least 50 rail cars. To raise the necessary funds, it announced a public share offering, which would effectively convert the company from a co-operative into a publicly traded corporation. The share offering was competed in July 1993, and raised more than $20 million. Citing increased transportation costs and the accelerating abandonment of branch rail lines for a 1994-1995 loss of $7.4 million, UGG launched "Country Plan" a scheme to close almost 100 grain elevators within three years, leaving the firm with approximately 125 elevators across the prairies.

In 1997, the Manitoba and Alberta Wheat Pools bought almost 15% of UGG and attempted to take over the company to foil the possibility that the co-operative would be taken over by an American firm. The attempt infuriated UGG directors, who authorized a "poison pill" that rendered the Pools' shares insufficient to block any takeover. Shortly thereafter, UGG sold 45% of its shares to American agri-food giant Archer-Daniels-Midland. With the influx of cash, UGG was able to purchase its shares back from the Pools.

The same year, the firm announced the construction of a high-throughput facility at Carseland, Alberta, its 12th since 1993. At the time, the facility was the largest of its kind in western Canada. It also announced that it was combining two existing elevators at Biggar and adding extra bin storage to effectively create a high-throughput facility. A new $9-million concrete facility near Rycroft, Alberta and a $3-million expansion at Gaudin, northeast of Edmonton, were also planned. The new projects expanded UGG's holdings to 152 wooden and high-throughput elevators and four export terminals.

In 1998 UGG began construction on a new $9-million high-throughput grain handling facility at Valparaiso which replaced an older facility in Tisdale. The firm also signed a reciprocal deal with **Weyburn Inland Terminal** that allowed UGG to use WIT facilities just as WIT currently used UGG's export terminal in Vancouver. In 1998, UGG's profits reached a respectable $16.3 million, but by 1999-2000 low commodity prices and increased competition had shrunk that margin to a paltry $2.2 million

Weyburn
Government of Saskatchewan, R, Ambrosi

In 2001, with both companies on the brink of financial ruin, UGG and former adversary Agricore agreed to merge. At the time of the merger, UGG owned 75 grain elevators in western Canada, including 18 high throughput facilities, two export terminals at Thunder Bay, one in Vancouver and a part interest in the Prince Rupert terminal.

f. Agricore United (AU)

Following the merger of the Alberta and Manitoba Wheat Pools, the federal Competition Bureau ordered the new corporation – now the largest grain handler in Western Canada – to divest itself of either its wholly-owned former UGG terminal or its 70% ownership of Pacific Elevators Limited, both of which are located in Vancouver. 2001 was a year of drought across most of the prairies, but despite this, the new company managed to post a profit of $11.75 million for the crop year. As part of its reorganization, it also closed 158 duplicated elevators across western Canada.

2002 was a year of divestitures and acquisitions for the company. Agricore United and Louis Dreyfus Canada Ltd. arranged an exchange in which Agricore United took over Louis Dreyfus' Regina elevator in exchange for Agricore United's grain elevators in Rycroft and Falher, Alberta. Agricore also bought a 30 per cent stake in Western Port Terminals from Saskatchewan Wheat Pool, and full ownership of Pacific Elevators Limited. The year was not a good one from a financial standpoint, however, as the firm reported a 2001-2002 loss $17.5 million.

Agricore United's surplus elevators proved to be good news for Alberta farmers, who followed their Saskatchewan counterparts' lead in organizing producers' groups. Alberta farmers bought

decommissioned Agricore United elevators in Morinville (Westmor Terminals Inc.), Gaudin and Waskatenau (Providence Grain Group Inc.), and Westlock, Alberta.

Again in 2002-2003, drought and poor grain prices resulted in Agricore posting a year-end deficit of $2.4 million; the firm was forced to restructure its debt and secure an additional line of credit. In an effort to cut servicing costs to shareholders, the company bought out stockholders who had fewer than 100 shares. In 2003 the firm closed its 91,000 tonne "M" terminal in Thunder Bay. The closure left Agricore with two operating terminals at the Lakehead.

In 2004, Agricore sold its Eastbank Crop Production Centre in Broderick, Saskatchewan, to the Gardiner Dam Terminal, which is jointly-owned by Agricore United and farmer-investor group Gardiner Dam Terminal Limited. At the same time, American agri-food giant Archer Daniels Midland purchased additional shares of Agricore United to bring its total up to about 23.4 per cent. It had held a similar proportion of UGG shares before the 2001 merger. At its 2004 annual meeting, Agricore United shareholders voted to lobby the federal government and the Canadian Wheat Board to give producers the freedom to sell wheat and barley themselves. They also approved the Alberta government's proposal for a pilot project that would sell grain in the U.S. on the open market.

In 2005, AU sold the former United Grain Growers Limited terminal elevator in Vancouver to Terminal One Vancouver Ltd. a consortium of five farmer-owned inland grain terminals operating in Saskatchewan. The sale satisfied the requirement placed upon AU as the result of its merger in 2001. An improvement in the quality of the crop led to a 2004-2005 profit of $12.5 million. In February 2006, Agricore United purchased the Saskatchewan Wheat Pool's interest in their jointly-owned Lloydminster Terminal. (The terminal had originally been built as a joint venture between the Saskatchewan and Alberta Wheat Pools). In addition to its port terminals in Vancouver, Thunder Bay and Prince Rupert, Agricore's current holdings total 51 inland terminals and 29 conventional country elevators, plus two more high-throughput joint ventures.

9. Canadian Elevator Companies since 1945

a. James Richardson & Sons

In 1931, Pioneer absorbed 44 elevators from its Saskatchewan and Western subsidiary, and acquired 23 more with the break-up of the Reliance Grain line in 1947. In 1953 the purchase of Alberta's Independent Grain Company added 22 more elevators to the total, but the largest addition came from the 146 elevators it added with the acquisition of Pioneer's share of the Western Grain Co. in 1951. In 1973 Pioneer bought Inter-Ocean Grain Company, which included Weyburn Flour Mills.

By the 1990s, the reality of grain marketing had changed, with the arrival of the great multinational grain firms and the rise of the new wave of producers' terminals. In 1996 Pioneer entered into a partnership with the producers' group **Mid-Sask terminal Limited** to construct an 867,000- bushel terminal near Watrous. The firm then began its own program of elevator closures and new terminal construction. In 1997 Pioneer built two new terminals in the province:

a 16,000 tonne facility in Swift Current and an 18,000 tonne terminal just north of Saskatoon. In 1998 Pioneer opened a new 18,000 tonne terminal in Tisdale and another at Balgonie in 1999. The same year, the company purchased oilseed processor Canbra Foods. Pioneer has long had plans to construct a concrete elevator at Pasqua, near Moose Jaw, although to date the terminal has not yet been erected.

In 2002 Pioneer's parent company, James Richardson International, signed a marketing and export deal with the producers' group Prairie West Terminals. In 2005, James Richardson purchased four inland terminals including Yorkton, Nokomis and Corrine from ConAgra, bringing their total at this point to 20. By 2005, the Pioneer-James Richardson presence in Saskatchewan consisted of 20 terminals and 40 wooden elevators.

In 1917 Eastern Terminals built a two million bushel terminal at Port Arthur; this was expanded in 1922, 1930, and 1974 to bring its total capacity to 7,700,000 bushels. The company also leased an inland storage facility at Transcona, Manitoba from CP Rail from 1939-1966. In 1951 James Richardson and Federal Grain combined to form Westland Elevator Limited., which purchased a 7.5 million bushel terminal at Fort William from CP Rail. The company ceased operations when Federal was sold to the Pools in 1972.

In 1954, Searle Grain, Federal Grain and James Richardson jointly purchased the former Midland & Pacific Grain terminal at Vancouver. The three companies operated the terminal under the name Burrard Terminals Ltd until Federal's sale in 1972, when Richardson bought out the remainder of the terminal's shares. An explosion and fire at the terminal in 1975 caused extensive damage, but it was rebuilt and expanded to a four million bushel capacity. At the same time, Burrard's name was changed to Pioneer Grain Terminal Limited. In 1961 James Richardson partnered with Sorel Elevators Ltd. to jointly operate a five-million-bushel expert elevator at Sorel, Quebec. Eastern Terminals' name was changed in 1965 to Richardson Terminals Limited.

In November 2006, the Saskatchewan Wheat Pool announced that it was attempting to take over Agricore United. In response to the take over, the Agricore United's Board approached JRI for a counter offer. In February 2007 Agricore and JRI announced a merger plan to create a new public company to be called "Richardson Agricore." The merger forced the SWP to increase its price per share for Agricore which was later accepted by the Agricore board in June. As part of the SWP purchase JRI received a $35 million cancellation fee for Agricore's withdrawal from the merger plan and the SWP sold $250 million worth of former Agricore assets. The purchase increased the capacity of JRI's facilities by 50%.

b. N.M. Paterson & Sons

By 1930 N. M. Paterson and Company was operating 107 elevators and had acquired a 32-ship fleet to transport grain from its Fort William terminals.

In 1950 the firm's name was changed to N. M. Paterson and Sons Limited.

In 1976 Paterson began construction of the prairies' first high-throughput inland terminal at Orkney, Saskatchewan, and in 1997 it built a new terminal in Swift Current. In 1999 Paterson formed a partnership with Growers International Inc., of Belle Plaine, Saskatchewan to handle and mill organic grains. The new facility is based in Wilcox. In 2002, the company expanded its operations in Manitoba with an animal feed mill and a new terminal in Winnipeg.

Lang,
Saskatchewan Heritage Foundation

Paterson extended its organic products line in 2003 with the purchase of the FarmGro Organic flour mill in Regina, Saskatchewan and begins operation as NutraSun Foods, milling both Organic and Conventional flours. In 2004, to better reflect its diversified character, Paterson Grain changed its name to **Paterson Global Foods Incorporated.** In 2005, Paterson expanded its Swift Current inland terminal, doubling its capacity, and added new milling and intake equipment at NutraSun Foods. **Further in 2008 a new terminal was constructed in Assinibioa.** At this time, the Paterson grain handling system comprised 39 country elevators and eight inland terminals.

c. Parrish & Heimbecker (P&H)

In 1940 Parrish and Heimbecker, in combination with the Manitoba Wheat Pool, purchased Western Canadian Milling's 96-elevator system, and in 1948 the company bought the Georgian Bay export terminal at Owen Sound.

Aylesbury,
Saskatchewan Heritage Foundation

In 1964 the company acquired Edmonton-based New Life Mills, which produces animal feed. The milling firm owns four plants in the west. During the 1970s the company acquired three large terminals: it purchased a million-bushel terminal at Transcona, Manitoba from CP Rail in 1970, the 1.7 million- bushel Robin Hood elevator at Moose Jaw in 1972, and the 1.1million- bushel Quaker Oats terminal in Saskatoon in 1979. In 1975 the company bought Ellison Milling of Lethbridge, Alberta, which owned a flour mill and 18 elevators. P&H also operates an inland terminal and a New Life Feeds mill in Lethbridge.

In 1997 P&H bought Woodstone Technologies Limited, a pea processing plant in Portage La Prairie, Manitoba. The company also owns Parrheim Foods, a pea-processing plant in Saskatoon. In 2002 it purchased Agricore's Dutton, Manitoba elevator, and upgraded it in 2005. In 2003 it bought a terminal at Wilson Siding, Alberta from AgPro Grain, Saskatchewan Wheat Pool's inter-provincial operating unit. The financially strapped producers' project **Mainline Terminal** in Moosomin and its elevator at Langbank, Saskatchewan were purchased in March 2005. In 2006, the company upgraded the rail capacity of its Moose Jaw terminal to 112 cars.

Currently, the company operates nine grain handling facilities in Saskatchewan, as well as the milling, pea and feed operations. In addition to the Parrish & Heimbecker Grain Division, the company also operates P&H Foods (Butterball Turkeys), New Life Feeds, New Life Mills, Cook's Grain (its Ontario grain division) and P&H Shipping.

10. The New Multinationals

a. Archer-Daniels-Midland (ADM)

Agri-food giant Archer-Daniels-Midland was founded in Minneapolis, Minnesota, USA in 1902 as the Archer-Daniels Linseed Company. In 1923, the firm purchased the Midland Linseed Products Co., and formed Archer-Daniels-Midland (ADM). The company constructed its first elevator in Minneapolis in 1925. Over the years, the company has steadily expanded into dozens of agricultural and food processing enterprises around the world. Its head office is now located in Decatur, Illinois, USA.

ADM's entry into Canadian grain handling came in 1991 when it bought the United Oilseeds canola crushing plant in Lloydminister and flour mill Soo-Line Mills in Winnipeg. In 1992, ADM bought Ogilvie Mills, the largest flour miller in Canada, from John Labatt Ltd. In 1995, it constructed a 20,000-tonne canola storage and loading facility at Watson, Saskatchewan. In 1997 ADM bought 45% of United Grain Growers (UGG), two months after UGG thwarted a joint takeover attempt by the Manitoba and Alberta Wheat Pools. By this time, ADM owned two Canadian oilseed-crushing plants, two oilseed refineries, 10 flour mills, and a barley-malting plant in Winnipeg.

When UGG and Agricore merged to form Agricore United in 2001, ADM's 45% of UGG was reduced to 19% of Agricore United. In 2002 ADM purchased more shares to bring its total above 20%, and in 2004 ADM's ownership of Agricore United increased to 23%. The company operates its oilseed faculties in Western Canada as ADM Agri-Industries.

b. Bunge

Formed as a grain-trading business in 1818 by Dutch immigrants to Argentina, **Bunge** is one of the world's largest dealers in the grain and oilseed market. Originally an Argentine grain export company, it expanded into oilseed crushing in the early 1900s, and has been operating in the United States since 1935. Bunge is the world's third-largest oilseed processor, with three main divisions: grain and oilseeds, fertilizers, and food products. In 1999 the company moved its headquarters to White Plains, N.Y., from Sao Paulo, Brazil. For many years Bunge was an exclusively-family held company. In 1998, **Cargill** bought 60% of Bunge Venezuela, and in 2001 Bunge became a publicly traded company.

In 2002 Bunge acquired CanAmera Foods as part of its purchase of oilseed processing company Cereol. The purchase included eighteen Canadian facilities that process soybeans and canola into edible oils for human consumption and animal feed. Bunge's new Saskatchewan acquisitions include an oilseed crushing plant at Nipawin, and a storage facility at Dixon, near Humboldt. With this purchase Bunge supplies almost a third of the world's edible oil products. The company also owns a 224,000 tonne export terminal at Quebec City.

In 2006, Bunge announced that it was expanding its oilseed crushing and refining plant at Nipawin. The expansion will increase both the crush capacity and the refining capacity of the plant. Construction is expected to be complete by 2007.

c. Cargill

Cargill Inc. was founded in 1865 by William and Samuel Cargill, sons of a Scottish sea captain. It began with a single grain warehouse in a tiny community in Iowa. From such humble beginnings the company has expanded into an empire that includes cotton, sugar, petroleum trading, food processing, animal feed and fertilizer industries. Today, Cargill is the second largest privately held company in the United States; the founding Cargill and MacMillan families still own about 85% of the company, which is headquartered just outside of Minneapolis, Minnesota.

North Battleford,
Government of Saskatchewan

Cargill first entered the Canadian grain market in 1928, buying and selling grain, but for the first thirty years it did not own any storage facilities in Canada. In 1958 Cargill built its own export terminal at Baie Comeau, Quebec. Despite this, Cargill had a low profile on the prairies until the early 1970s when it built a large canola cleaning plant at North Battleford. That project began a period of expansion into the prairie grain handling market. In 1974 Cargill purchased National Grain, including its feed and seed handling plants and a grain handling terminal at Thunder Bay.

One of the first inland terminals was constructed by Cargill at Elm Creek Manitoba in 1976, and another followed the next year at Rosetown. In 1985, Cargill, in conjunction with UGG, Pioneer and the three prairie Pools, created the Prince Rupert Grain Company. The consortium built an export terminal at Prince Rupert that can load 4,000 tonnes per hour, the highest throughput capacity in North America. In 1990, Cargill purchased three inland grain terminals at Lethbridge, Edmonton and Calgary from the federal government. It operates these terminals as its Alberta Terminals division.

Many of the grain merchants were becoming more than just wheat exporters, and Cargill was no exception. In 1988 it purchased Maple Leaf Mills grain division in Ontario, and in 1996 constructed a canola crushing plant at Clavet, near Saskatoon, that is currently world's largest. In 1997 it purchased a 51% interest in Prairie Malt Ltd in Biggar, (the Saskatchewan Wheat Pool owns the remaining 49%). The same year, Cargill opened an $8-million concrete terminal just west of Moose Jaw, and purchased a 50% share in Cascadia, the Port of Vancouver's largest grain terminal from the Alberta Wheat Pool (now Agricore). In 2003, Prairie Malt was expanded to handle wheat malts as well, and in 2005 Cargill expanded its terminals at Clavet and Moose Jaw.

Despite being a privately held company, Cargill has long had a positive relationship with farmers' co-operative groups across Saskatchewan. In 1989 it partnered with **North East Terminal Limited**, Wadena, with the **South West Terminal** project group in Gull Lake in 1994. Joint venture T**erminal 22 Incorporated** operates a terminal at Balcarres, which opened in 1998. Cargill was also a partner in the producer co-operative Mainline Terminal Ltd, but the facility was sold to Parrish & Heimbecker in 2005.

d. ConAgra

Nebraska Consolidated Mills was founded in 1919 by combining the operations of four Nebraska grain mills. It did not expand outside Nebraska until 1942. Later, the company diversified into prepared foods, livestock production and animal feed in the United States, Europe, and Canada. In 1971 the company changed its name to ConAgra (Latin for "in partnership with the land").

Corinne,
Government of Saskatchewan

ConAgra entered the Canadian grain market in 1992 when it merged its flour milling operations with Maple Leaf Foods, combining Maple Leaf's four Canadian milling operations with ConAgra's grain purchasing division. In 1995 it purchased Canada Malting. Despite its processing plants,

ConAgra had no western Canadian presence until 1996, when it announced plans to build 3 new high-throughput inland terminals at Yorkton, Nokomis, and Corinne. The terminals offer grain cleaning, condo storage, and the ability to load 100-car unit trains.

However, due to financial difficulties, ConAgra began to divest itself of some of its subsidiary companies, and in 2005 ConAgra sold its three Saskatchewan terminals to James Richardson International, and withdrew from the Winnipeg Commodity Exchange (formerly the Winnipeg Grain Exchange).

e. Louis Dreyfus

In 1998, after sixty years in Canadian grain marketing, international agribusiness giant Louis Dreyfus announced it was becoming more involved in the grain handling industry. The company moved its head office from Winnipeg to Calgary to be more strategically located in the grain production area. It also announced the construction of four high-throughput storage facilities in Saskatchewan. The terminals, located in Aberdeen, Tisdale, Wilkie and Glenavon, have a capacity of 30,000 tonnes apiece. By 1999, the corporation had six elevators. In 2000, Louis Dreyfus partnered with Regina-based Aginfonet Canada Corporation to provide online grain market prices, an innovation welcomed by remote farmers as a way of staying informed about market prices and trends. By 2001 the company owned seven terminals across Western Canada and continued to expand, in spite of an economic downturn in the grain industry that had most other grain handlers consolidating operations.

In 2002, Louis Dreyfus signed a contract with the port of Churchill to manage the day-to-day operation of the port. It also made arrangements to swap ownership of elevators with UGG: Louis Dreyfus' elevator in Regina was transferred to UGG, and Louis Dreyfus took over two UGG elevators in Alberta. By this time, the corporation owned eleven elevators and an export terminal at Port Cartier. As of 2008, the company operates eleven terminal locations across western Canada, including five in Saskatchewan.

11. The Farmer-Owned Terminals

The great grain co-ops of the 1920s were formed by producers who were dissatisfied with the service they received from the profit-oriented, privately owned elevator companies. At first, they were perceived as upstarts whose efforts were doomed to fail. However, after a shaky start the farmers proved themselves more than capable of shrewd corporate decision-making, and the co-ops prospered. Some felt they prospered too well. By the 1970s, a small but growing minority of grain farmers were once again becoming dissatisfied with the marketing options they had available. Some felt that the Pools had become too large and diversified and had lost their grain-marketing focus. Corporate mergers and consolidations meant that the sales choices available to farmers had dwindled to only one or two options in any given area. Once again, just as in the 1920s, murmurings of price-gouging and short weights lingered in coffee shops and hardware stores across the prairies. As in times past, the idea of producer-owned grain marketing facilities germinated, and flourished.

a. Weyburn Inland Terminal

The first of this new breed of producer-focused companies was the Weyburn Inland Terminal. Known across Saskatchewan simply as 'The Terminal', it is Canada's first farmer-owned grain terminal, and the holder of many innovative grain handling 'firsts'. Weyburn Inland Terminal pioneered protein testing, export-grade cleaning and drying, and 100-car train shipments, and developed the first computer software package for terminal operation, all within its first 25 years in operation. Most impressive is that it did so while maintaining the best financial record of any co-operative grain organization in Canada.

Weyburn
Government of Saskatchewan ,R Ambrosi

The idea of a terminal was first suggested in the early 1970s at a meeting of the Palliser Wheat Growers' Association (now the Western Canadian Wheat Growers). Its members were increasingly dissatisfied with what they saw as an inefficient and over-regulated system. One particularly sore point was a quota of four bushels per acre that the federal government had recently imposed to reduce a backlog in grain inventories. One of Palliser's members was Art Mainil, who farmed near Benson. Mainil had recently been doing custom combining in the United States and was impressed with the inland terminals that were springing up across the American grain belt. There he realized that the high-volume terminal system was much better suited to large-scale farming than the small country elevator system still in use in Saskatchewan. A large-scale terminal elevator could store, clean and load grain much faster than its smaller traditional wooden counterparts, thus increasing efficiency, relieving transport bottlenecks and reducing overall costs. He promoted the idea to his fellow Association members, and soon a terminal was one of the subjects of discussion at virtually every meeting.

By 1972 the idea had generated enough interest that it became the focus of meetings across the southern prairies. Mainil and his friends Ed Goudy, Don Olah and Ray Kelley organized the Weyburn Inland Terminal Association and began a membership drive. 1,200 farmers paid the $100 membership fee. A feasibility study conducted in 1973 showed that the idea was indeed viable. The Weyburn Inland Terminal Society was formally registered in March 1974, and in May, Otto Lang, then federal agriculture minister, and his assistant Rod Bryden helped the farmers get two federal grants totalling $42,500 to proceed with their planning.

In December 1974, the Society signed a contract to build a $4.6-million terminal capable of handling 20 million bushels a year. WIT directors went door to door, selling shares for $1,000 each. Only farmland owners or CWB permit holders were eligible to purchase shares and were limited to no more than 10 shares per person. Their sales drive raised $1.6 million from a group of some 1,450 farmer-shareholders. The Canadian Imperial Bank of Commerce loaned the group $3.4 million, most of which was guaranteed by the federal Department of Regional Economic Expansion (DREE). A 195-acre parcel of land was purchased on CP Rail's Soo Line at the Weyburn city limits, and construction began in 1975. The finished terminal had a 1,000,000-bushel capacity with grain cleaning and drying facilities, and a 100-car rail shipping capability.

When the facility opened for business on November 2, 1976, it was the first in Canada to offer itemized computer receipts - including protein content - on delivery, and the first to offer immediate payment on delivery. The terminal could handle an impressive 30,000 bushels an hour.

At first, sales were slow and opposition was fierce. Some farm groups like the National Farmers' Union were concerned that the terminals would speed the rate of farm consolidation and hence hasten the disappearance of small towns. Larger, established grain marketers like the Saskatchewan Wheat Pool did not want the competition, and the Saskatchewan government feared it would damage the original farmers' co-op. Many editorials were written and sermons were preached inveighing against the terminal. WIT responded with a public relations campaign pointing out that by grading and cleaning grain, testing for protein content, offering custom drying, and selling screenings, it would increase the value of farmers' grain before it ever left the terminal for port. They also felt that the terminal had improved matters for all farmers by increasing competition in the area and therefore, better deals were to be had at the other local elevators as well.

In its first year the terminal incurred an operating deficit of just over half a million dollars, but it had opened late in the season and business was expected to increase the following year. Unfortunately, the following year was no better, as staff inexperience led to a houseful of mixed grain and caused confusion with Cargill, which was handling port operations for WIT. The terminal almost closed in 1979, due to a large debt and a lack of cash, until a new board member found a solution to the crisis. Roy Levee, a Radville-area farmer, devised a scheme wherein the company's assets were sold to shareholders and then leased back to the terminal. The plan raised more than $1 million in funds and effectively saved the company.

The period from 1980-1983 was marked by small but significant profits for the new company, as operating efficiency improved and debts slowly shrank. Droughts in 1984 and 1985 reduced grain supplies throughout southern Saskatchewan and the terminal's throughput dwindled at the same rate as the water table, causing small deficits in both years. The deficit did not stop the terminal from introducing another Canadian first in 1984: their "Dollars for Dockage" program, which paid farmers $60 per tonne for screenings (weed seeds and other plant waste removed during cleaning) which could be sold as animal feed.

Finally, the terminal got a break from an unlikely source. When a 1986 labour dispute locked up the port of Thunder Bay, the Canadian Wheat Board asked WIT to clean grain to export standards and ship it past the closed port to the East Coast. At the time, WIT was one of the few non-port terminals capable of doing the cleaning. The terminal managed to clean and ship the grain for a lower total cost than if it had come out of Thunder Bay. That fall, more than half of the grain shipped out of WIT was other companies' grain that WIT was able to get export-ready.

1989 marked another first for WIT: the terminal went into the elevator business after purchasing the Parrish & Heimbecker facility at Gladmar. Later that year the terminal negotiated a high-volume rail discount with CP Rail, and passed it along to its members as a freight incentive rebate. Most importantly for the shareholders, despite a poor crop and resulting low terminal output, their terminal was still turning a modest profit. 1990 proved to be a much better year, as

harvests were much larger and the terminal's profit increased to $139,000. Loading 50-car trains was becoming a common occurrence at WIT, and that fall it loaded Western Canada's first 100-car train with cleaned grain headed for Thunder Bay. The following year, the terminal earned a net profit of more than $600,000, and expanded its specialty crop capacity to include canary seed, mustard, lentils and peas.

In 1992 the terminal added yet another first to its list of accomplishments, constructing the first grain condominiums in Canada. Four large concrete silos provided 545,000 bushels of condominium storage, which was sold in 5,000-bushel storage units to farmers, allowing them to store their own grain, already cleaned, near the rail line at a cost similar to building their own grain bins on the farm. The condos proved to be extremely popular and a second 668,000-bushel condo followed in 1994, while profits climbed to more than $1 million in 1993 and more than $2 million in 1994. The same year WIT spent some of that profit to completely redesign the terminal, investing in a new computerized control system, with improved receiving and cleaning equipment, effectively doubling the terminal's throughput capacity. In 1997, WIT, still posting impressive profits, bought Sedley seed dealer Vigro Seeds, which processes and markets lentils, peas and canary seed. In 1998, those profits helped construct a third 816,000-bushel storage unit and a new pellet plant to turn dockage into animal feed.

In 1998, while other grain companies were struggling to break even, WIT had after- tax earnings of $1.8 million. This performance attracted the interest of the larger companies and several made preliminary inquiries into investing in the terminal. By the time the issue was finally settled, the shareholders had decided against giving up any of their hard-earned equity, and rejected an offer from UGG to invest in the firm. The next year UGG signed a deal with WIT to use its terminal facilities in the same way that WIT shared UGG's export terminal at Thunder Bay. This increased business for WIT and saved UGG the expense of building a separate terminal in the area. This sort of infrastructure-sharing had been common at port terminals for years, but had never before been applied to an inland facility. Large grain companies were not the only ones paying attention to WIT's success: the terminal's example had been followed by producers across the province, and by 1998, Saskatchewan boasted nine producer-owned terminals. By this time, WIT had become one of the country's most profitable grain-handling companies.

By 1999, WIT's country elevator at Gladmar was nearing the end of its lifespan, so the terminal purchased the Saskatchewan Wheat Pool elevator at Lake Alma, some 20 km away from Gladmar. Though 2000 was a deficit year for many grain merchants, WIT made a $2.4 million profit, built a new office complex and upgraded its cleaning system. In 2001, despite a drought, WIT's net profit stood at $3.8 million, and the company no longer had any long-term debts. 2001 also marked WIT's 25th year in operation, and the terminal celebrated with the publication of a book on their history. *Just a Bunch of Farmers: The Story of Weyburn Inland Terminal (1976-2001)* was written by Deana Driver, a Regina freelance author. The terminal also added its 1.1 million bushel east annex, making the total storage capacity of the facility almost 4.2 million bushels. Despite a 2003 crop damaged by drought and grasshoppers, WIT managed a $2.9 million profit. The wet spring and cool summer of 2004 led to increased demand for the terminal's drying facilities, helping the year's net profit climb to $3.8 million, with Vigro seed and the dockage pelleting facilities accounting for 28% of the total. In 2005, despite a small

2004 crop, WIT posted pre-tax earnings of $2.7 million. As grain prices increased in 2007-2008 WIT revenues increased markedly growing to just under $6 million in 2007.

For sixteen years, WIT remained the only producer-owned facility on the prairies, but farmers' groups across Western Canada watched the progress of this experiment closely. WIT's risks were great, but if the terminal should succeed it would open up new options for communities that had lost traditional elevators and branch rail lines. By the mid-1990s, it had become apparent that the new terminal would in fact survive, and discussions started in earnest in small towns across Saskatchewan. In the 1990's ten new producer-owned terminals sprang up along under-utilized rail lines in Saskatchewan, and most of them would prosper.

b. North East Terminal Ltd. (NET)

The second of the producer terminals, North East Terminal, opened its doors in 1992. Located in Wadena, the terminal boasts a 13,000 tonne capacity, plus a 11,600 tonne grain condominium, a grain dryer and export-level cleaning equipment, along with a 59-car rail loading spot. Local producers hold 78% of NET shares, and corporate partner Cargill owns 22%. NET struggled for the first few years of operation, recording modest losses until 1997, when a wet fall increased demand for dryer facilities. That year, the terminal earned a profit of just under $650,000. Since then, NET has stabilized, and in 2004 it reported after-tax income of more than $800,000.

c. Mainline Terminal Ltd. (MTL)

Mainline Terminal Ltd. was founded in 1996 at Langbank, SK with approximately 320 shareholders - most of which were local grain farmers - in conjunction with Cargill. The terminal consistently lost money, and by 2004 the terminal board began looking for a buyer. Parrish and Heimbecker purchased MTL's assets in March 2005, and the MTL group ceased operations on Apr. 27, 2005.

d. North West Terminal Ltd. (NWT)

Located in Unity, **North West Terminal Limited** was established on February 23, 1994 and began accepting grain in June, 1996. The initial fundraising share offering saw 27,000 shares sold at $100 apiece. The terminal facility boasts 63,000 metric tonnes of storage, along with export cleaning and drying, and has a 104-car rail loading spot. It was one of the first of the new terminals to follow WIT's example and pay producers for dockage. In 2000 the terminal added 1.1 million bushels of storage space, bringing its total storage capacity up to 2.3 million bushels. Half of this new capacity is leased to farmers as private storage space. In 2001 it added two new cleaner machines with funds raised through a share offering. NWT has shown modest but consistent profit every year since its opening except for 2003, when drought conditions reduced crop yields. The terminal has an arrangement with Pioneer Grain's Vancouver terminal to load NWT grain for export.

e. South West Terminal (SWT)

South West Terminal is a joint operation between Cargill and grain producers from the southwestern area of Saskatchewan. The 52,000 metric tonne terminal has export cleaning and condominium storage facilities available. Located between Gull Lake and Antelope, SWT opened in 1997 and has been profitable ever since. In 2002, the terminal won the Canadian Wheat Board's Quality First award for consistently clean and uniform shipments of durum wheat. In 2005, SWT opened a producer car loading facility in Hazenmore, which had been without elevator service for 20 years.

f. Mid-Sask Terminal Limited.

Mid-Sask Terminal Ltd. is a 23,600 tonne high throughput elevator, located in Watrous. The Mid-Sask project began February 1994 as rail branch lines in the area began disappearing, and was completed in the summer of 1997. The terminal is owned by farmer shareholders from the Watrous-Nokomis-Young region, and corporate marketing partner/shareholder Pioneer Grain. The terminal is located on a spur off the CN main line and offers farmer-owned condo storage and a 50 rail car spot plus expansion to 100 if needed. The company was forced to re-finance in 2002 because of inexperienced management and low inventory, but it remains in business today.

g. Terminal 22 Inc.

Named for a nearby highway, Terminal 22 is a 50/50 joint venture grain company comprised of 700 local area farmers and Cargill at Balcarres. The 32,000 tonne terminal opened for business in 1998. The facility has a 112 rail car spot on a CN line with access to CP. The terminal offers export standard cleaning and pays producers for their dockage. In recent years, the terminal has also been posting modest profits.

h. Prairie West Terminal (PWT)

Originally a joint venture between Alberta Wheat Pool (later Agricore United) and the Prairie West Terminal producer group; the idea for PWT began in 1996 and the terminal opened in Plenty, in 1998. The 31,750 tonne terminal has a 64 rail car spot (expandable to 112), and high capacity cleaning and drying equipment. In 2001, Prairie West Terminal purchased two decommissioned wooden elevators in Dodsland and Plenty**,** providing an extra 5,500 tonnes and 7,340 tonnes of storage respectively. In 2002, Agricore sold its share in the terminal back to Prairie West Terminals. The purchase makes the Prairie West Terminal the second in Saskatchewan to be wholly owned by its producer-shareholders.

i. Great Sandhills Terminal

The Great Sandhills Terminal was founded in 1997 by a group of 429 producer shareholders from the Leader area in conjunction with the Saskatchewan Wheat Pool. Officially opened at Leader in 1999, the terminal has a total storage capacity of 20,000 tonnes, including 10,000 tonnes of condominium storage, a 56 rail car spot, and offers export standard grain cleaning. Originally the Saskatchewan Wheat Pool owned 48% of the terminal, but in 2004 the producer

group purchased the Pool's interest. The terminal has retained an agreement with the Pool to use its export and marketing facilities.

j. CMI Terminal

CMI Terminal Ltd. was incorporated by a producer group based in Naicam and Spalding in 1997. The group conducted a public share offering in 1999 to raise capital for their joint venture grain terminal. The terminal was originally a joint venture between the producers' group, CMI Terminal Ltd, and the Alberta and Manitoba Wheat Pools, each of which contributed 25%. Since the Pools' merger, the new corporation Agricore United owns 50%. The 18,000 tonne high throughput terminal opened in 2000 and offers export cleaning and drying, with a 56 car spot that is expandable to 112 cars on the CP line.

k. Gardiner Dam Terminal

Located between Strongfield and Loreburn, Gardiner Dam Terminal is a 50% joint venture between Agricore United and 205 local producers. The producers' committee was established in 1998, and the new terminal opened in 2001. In 2007 Gardiner Dam terminal announced a record profit of over $1.2 Million an increase over 46% over 2006. The facility has a 14,600 tonne grain storage capacity and offers grain- cleaning services. It is located on the CP line, with a 56-railcar spot that is expandable to 112 cars.

l. Terminal One

In 2005, a consortium of five farmer-owned inland grain terminals bought the 102,000-tonne former UGG Vancouver terminal from Agricore United. The participating companies are Great Sandhills Terminal Ltd., North East Terminal Ltd., North West Terminal Ltd., Prairie West Terminal Ltd. and South West Terminal Ltd. The move establishes an export presence on the West Coast for the member companies, improving opportunities for increased business, and helping to guarantee the continuing health of Saskatchewan's producer-owned terminals.

D. Changes in Elevator Construction and Design

Along with the changes in elevator ownership over the years, there have been some changes in elevator design and construction.

- Annexes to the elevator were added as additional capacity was needed. The annex was an additional granary attached to the main elevator and was usually one of three types: a crib annex (cribbed construction) or a frame annex (studded construction) or a steel bin annex (cylindrical steel grain bin). [See Appendix 1: Illustrations 3, 4 & 5]
- Elevators have increased in size and capacity. Whereas at one time elevator capacities were generally between 25,000 and 45,000 bushels, wood crib elevators built in the 1970s and 1980s had a capacity of 75,000 to 100,000 bushels.
- Traditional wood crib elevators are being replaced with large concrete structures.
- An exposed grain-machinery network on the head of the elevator often replaces the closed-in cupola, thereby reducing fire danger and other problems. [See Appendix 1: Illustration 6]
- Elevators are now usually built outside the town or village limits in order to accommodate

more rail cars.

- Computerisation has undoubtedly affected the internal workings of grain elevators.
- In 1961, the Saskatchewan Wheat Pool constructed the first all-steel elevator at Kenaston. However this type of construction did not become common as the cost proved to be substantially higher than that of the conventional wooden elevator.

Kenaston,
Government of Saskatchewan, B Flaman

- In the late 1960s, the Alberta Wheat Pool experimented with a design consisting of pre-cast concrete slabs, termed the Buffalo Sloping Bin

E. Alternative Uses of Elevators

In addition to their traditional use for grain storage by elevator companies, some grain elevators have been adapted for alternative uses:

- Some grain elevators, while still owned by a grain company, have been converted for use as a seed cleaning plant or as a fertiliser storage facility.
- In many cases, grain elevators previously owned by an elevator company have been sold to farmers who have purchased the elevator to use for storage, either on its original site or moved onto a farm site. (There are also some examples of custom-built elevators built by farmers for their own personal use on their farms.)

North Battleford,
Government of Saskatchewan,, B Flaman

- The elevator from the village of Keatley, Saskatchewan was moved to become part of the display on the grounds of the Western Development Museum in North Battleford.
- The village of Hepburn, Saskatchewan purchased the former Saskatchewan Wheat Pool elevator, restored it and operates it as a local “Museum of Wheat”.
- At Indian Head, Saskatchewan, a three-storey grain elevator, built in 1918 at the Indian Head Experimental Farm, was relocated and converted into a gift shop and tea room.
- The former Pool elevator in the community of Mawer was relocated to the grounds of the Sukanen Ship Museum complex, south of Moose Jaw in 2007**,** to assist in interpreting the grain handling industry in rural Saskatchewan.
- The former Lake of the Woods Milling Company elevator in Fleming (1895) is being preserved as a landmark and will interpret the earliest phase of grain storage on the prairies.

F. Provincially and Municipally Designated Elevators

1. Provincial Heritage Property

(a) Fleming: Lake of the Woods Milling Company

Designated: February 23, 2006.

This former Lake of the Woods elevator is the oldest crib-construction, wooden grain elevator standing in Saskatchewan and in fact in Canada. Constructed in 1895, it has been nominated to the Historic Sites and Monuments Board of Canada for designation as a National Historic Site. The structure's hipped roof, relatively shallow stature and narrow cupola identifies it with the earliest phase of grain handling in the prairie west which extended from 1876 to approximately 1900. A community-based group is actively involved in undertaking physical conservation of the old elevator and developing plans for its promotion as a tourist attraction. For a number of years, an image of this elevator appeared on the Canadian $1 dollar bill.

Fleming,
Government of Saskatchewan, B Flaman

2. Municipal Heritage Property

(a) RM of Bengough: Horizon Federal Elevator

Designated: June 11, 2004

Constructed by the Federal Grain Company in 1922, this elevator was operated by that firm until it was absorbed by the Saskatchewan Wheat Pool in 1972. The property features the original elevator, a wooden annex built in 1960 and a detached, one-storey office. In 1999, the complex was purchased from the Pool by a group of local farmers called the Red Coat Road and Rail Ltd. Its form it is typical of the standard elevator from the period of expansion (1900-1930) in the western grain handling business.

Horizon,
Government of Saskatchewan, L Dale-Burnett

(b) RM of Bengough: Saskatchewan Wheat Pool Elevator

Designated: June 11, 2004.

This former Pool elevator was acquired by the locally-based Red Coat Road and Rail farmers co-operative in 1999, the same year they bought the town's former Federal elevator. A pre-existing wooden annex was attached to the new elevator following its construction in 1953. Though of more recent vintage, this elevator features the standard sloped-shoulder profile and dimensions of an earlier period.

RM of Bengough,
Government of Saskatchewan, L Dale-Burnett

(c) Prongua: Saskatchewan Wheat Pool Elevator

Designated: November 6, 1997

Prongua's second elevator was built in 1917 by the United Grain growers. It was sold to the Saskatchewan Wheat Pool in 1938 and operated as a Pool elevator until its purchase by Prongua area residents in 1978.

Prongua,
Government of Saskatchewan, F Korvemaker

(d) Parkside: Saskatchewan Wheat Pool Elevator

Designated: June 1, 1998
The Saskatchewan Co-operative Elevator Company built a 30,000 bushel elevator in this community in 1914; it was subsequently purchased by the Saskatchewan Wheat Pool in 1924. A 30,000 bushel annex was constructed by the Pool in 1951. The original elevator was torn down in 1959 and replaced with the existing 65,000 bushel structure.

Parkside,
Government of Saskatchewan, B. Flaman

(e) Hepburn: Saskatchewan Wheat Pool Elevator

Designated: May 9, 1996.
A former Saskatchewan Wheat Pool facility, this restored 1926 elevator was the first such structure in Canada to be designated as a Heritage Site. It served the community until its closure in 1991. Its design is very representative of the elevators built by the Pool in the early years of its operation. It is currently being operated as a Museum of Wheat by the locally-based museum committee.

Hepburn,
Government of Saskatchewan, B Flaman

(f) RM of Elmsthorpe: Saskatchewan Wheat Pool Elevator, Truax

Designated: June 9, 2003.
In its bushel capacity and flat-roof design, this 1964 structure represents a later phase of wooden elevator construction. The complex also features a flat-roofed office and a supply shed. As the only remaining elevator in the hamlet of Truax, this large structure figures prominently as a community landmark.

RM of Elmsthorpe,
Government of Saskatchewan

(g) Val Marie: Saskatchewan Wheat Pool Elevator

Designated: July 14, 2003.
Constructed in the early 1920s, this elevator passed from one grain company to another as the privately owned elevator companies underwent a series of amalgamations in response to growing competition from the farmer-owned Saskatchewan Wheat Pool. It was sold by Federal to the Pool in 1972 and functioned in the Pool system until the village lost its rail line in 2000. In its size and design, it is similar to many others built in the last decade of the era of grain elevator expansion (1900-1930) in the prairie west.

Val Marie,
Government of Saskatchewan, M Thomas

3. Former Keatley Elevator, Western Development Museum, North Battleford

The former Pool elevator, constructed in the Town of Keatley in 1928, was moved to its present site on the grounds of the Western Development Museum's North Battleford branch in 1983. Significant restoration was undertaken to the structure the following year. The elevator continues to be a focal point of public programming at the WDM's Heritage Farm and Village at this branch. While not formally designated, this elevator is afforded the protection of being situated on the property of a provincially legislated heritage agency.

Keatley,
Government of Saskatchewan, F Korvemaker

[i] Fowke, The National Policy, p.59-60.
[ii] Everitt, A Study of Grain Elevators in Manitoba, Part 1: A History, p.1.
[iii] Everitt, A Study of Grain Elevators in Manitoba, Part 1, p.29.
[iv] Patton, p.43.
[v] Patton, p.88; Everitt, A Study of Grain Elevators in Manitoba, Part 1, p.40.
[vi] Anderson, Grain, p.30.

Endnotes

[vii] MacGibbon, 78-79.
[viii] Wilson, 283-295.
[ix] SWP *Annual Report* 2000, p.7.
[x] http://scaa.usask.ca/gallery/wheatpool/gallery.php Feb. 14, 06.
[xi] SWP *Annual Report*, 2000, p.25.
[xii] *Alberta Report*, May 8, 2000 v27 i1 p34
[xiii] SWP *Annual Report* 2001, p.3.
[xiv] SWP *Annual Report* 2003, p.9.
[xv] *Ibid*., p.7.
[xvi] SWP *Annual Report* 2004, p.2 and *Leader Post*, Dec 14, 2005. pg. B.4.
[xvii] *Ibid*., p.44.
[xviii] SWP *Annual Report* 2005., p.40.