SASKATCHEWAN WHEAT POOL
1ST QUARTER REPORT - OCTOBER 31, 2001

TO OUR SHAREHOLDERS

Drought conditions and poor moisture levels throughout parts of Saskatchewan and Alberta, this summer and fall have had a significant impact on earnings across all five of the Pool's business segments. Large production declines have increased competition in the grain segment putting pressure on margins and reducing the availability of specific commodities required in the Pool's agri-food and livestock businesses. Poor moisture levels have impeded agri-products sales. These issues, coupled with a general downturn in the economy, have resulted in challenging times for agri-businesses in western Canada. The Pool has endured such conditions in the past and remains committed to managing through this temporary downturn. First quarter highlights include:

- Balance sheet debt declined $76 million year-over-year or 9%, reflecting the Pool's efforts to de-leverage the company.
- Consistent with the Pool's commitment to its core operations, the Company sold its 89.8% interest in Heartland Livestock Services in the first quarter and sold four of Heartland's feed mills and a merchandising operation in November 2001.
- On November 30, 2001, the Pool met its repayment obligation under its banking arrangement, reducing the availability under the term loan facility by $95 million.
- The Pool announced seasonal service adjustments and layoffs during the quarter, in areas directly impacted by the drought. At the same time, 150 permanent positions were eliminated. As a result, the Pool expects to save $2 million in fiscal 2002 and $5 million annually thereafter.
- For the first three months of fiscal 2002, the Pool eliminated $10 million in operating costs and expects to exceed its fiscal 2002 cost reduction target of $33 million by year-end.
- While industry shipments declined 12% in the quarter, the Pool's primary grain shipments remained strong at 2 million tonnes down only 7% year-over-year.
- The Pool secured, on average, one-third of the Canadian Wheat Board's tenders in the first three months of fiscal 2002. If this trend continues through the remainder of the year, the Pool's expects western Canadian market share to increase one to three market share points (5% to 14%).
- Strong sales through Can-Oat Milling generated year-over-year EBITDA growth of 8% in the first 3 months of fiscal 2002.

SUMMARY OF RESULTS

Saskatchewan Wheat Pool recorded consolidated sales and operating revenues of $673 million compared to $792 million for the first quarter of fiscal 2001. The decline primarily resulted from the impact of drought conditions on the Agri-products segment and the exclusion this year of sales from XCAN Grain Pool Ltd. In addition, first quarter sales to October 31, 2001 do not include Heartland Livestock Services, which was sold effective August 1, 2001 as part of the Pool's divestiture program. The Pool recorded a pre-tax gain on the Heartland sale of $5.3 million in the first quarter of fiscal 2002.

Earnings before interest, securitization, taxes, depreciation and amortization (EBITDA) for the first three months were $17.0 million compared to $31.4 million a year ago. Drought conditions impacted contributions from the Pool's grain and agri-products businesses as well as CanAmera Foods.

The operating loss, prior to interest, securitization and taxes (EBIT) and the gain on sale, was $0.8 million compared to earnings of $12.6 million a year earlier.

Interest and securitization costs increased $1.7 million to $21.7 million as a result of increased costs associated with the Pool's new financing agreement, which were partly offset by declining interest rates. Lower securitization expense reflected a decline in agri-products sales over the fall period and the impact of lower interest rates.

For its first quarter of fiscal 2002, the Pool reported a loss of $15.7 million or $0.42 per share, prior to the gain on sale, compared to a first quarter loss last year of $5.6 million or $0.15 per share. The consolidated net loss for the period was $12.4 million or $0.33 per share compared to a loss of $5.6 million last year.

GRAIN HANDLING AND MARKETING

The Pool's primary shipments for the first quarter of fiscal 2002 were 2.0 million tonnes down only 7% from the 2.1 million tonnes shipped in the first quarter last year. This compares to total industry shipments which declined 12% year-over-year to 7.9 million tonnes for the quarter. Approximately 61% of grain shipped by the Pool was for the account of the Canadian Wheat Board (the "CWB"), up from 60% for the same period last year. Strong deliveries and shipments were achieved despite production declines of 21% in western Canada. While quality remained high, Western Canada's production fell over 11 million tonnes from last year's level of 53 million tonnes and to the lowest level since 1988-89, with significant declines in wheat (21%), canola (29%) and special crops (24%).

The Pool achieved relatively strong volumes by maximizing its multi-car loading capabilities, competing for CWB tenders and focussing more effectively on its customer base. As of October 31, 66% of all shipments were in 50 and 100 car trains compared to 55% in fiscal 2001. Overall, 90% of this year's shipments have moved in multi-car unit trains, which compares to 77% last year.

The Pool has also been successful in the CWB's tendering process, which was implemented on August 1, 2001. The CWB is required to tender 25% of its sales program through a commercial tendering process this year. As of October 31, the Pool was successful in securing, on average, 33% of all CWB tenders. This, coupled with a renewed focus on customer service which is generating 22,000 customer contacts per week, has been positive for market share growth and, assuming this trend continues, the Pool anticipates a one to three point improvement in western Canadian market share by year-end.

CWB exports for the first three months of fiscal 2002 were 4.7 million tonnes, down 9% from 5.4 million tonnes in the first quarter, last year. While volumes through the port of Vancouver were relatively unchanged year-over-year, CWB volumes through the Thunder Bay port were down 21%.

Volumes shipped through the Pool's wholly owned port terminal in Vancouver were strong reflecting the Pool's success in the CWB tendering process. Volumes totaled 687,000 tonnes, down only 1.2% for the first quarter even though the Port itself was down 14% as a result of slower canola and special crops movement. At Thunder Bay, volume reductions at the Pool's operation were consistent with the decline in CWB receipts through that Port. In total, wholly owned port terminal volumes were 1.1 million tonnes versus 1.2 million tonnes in the first quarter last year. The Pool's share of volumes through port terminal affiliates was 112,000 tonnes versus 257,000 tonnes in fiscal 2001.

Three Month Volumes to October 31
(000's of tonnes)

	Increase (Decrease)	F2002	F2001
Primary Elevator Shipments	**-7.1%**	**1,976**	**2,126**
Terminal Operations			
Vancouver	-1.2%	687	695
Thunder Bay	-21.4%	364	463
Share of Affiliates	-56.4%	112	257
	-17.8%	**1,163**	**1,415**

For the first quarter of fiscal 2002, EBITDA for the Grain Handling and Marketing segment were $10.8 million compared to $13.9 million in the previous year. The reduction in primary and port terminal volumes and grain margin contractions caused by competition, more than offset cost reductions throughout the grain network. In addition, changes in product mix that resulted in higher shipments of non-board feed grains and less canola relative to last year impacted results for the quarter.

To respond to the challenges created by the drought, on September 20, 2001 the Pool announced it would adjust its service delivery in drought stricken areas, implementing seasonal layoffs and temporary closures over the fall and winter months in areas hardest hit by the drought.

Looking forward, primary shipments for the year are expected to track production declines. Exports will decline as a result of an anticipated decrease in CWB exports, impacting port terminal volumes. As a result, competition will remain fierce for the remainder of the year as grain companies vie for a smaller crop and compete against a backdrop of lower CWB export commitments. The Pool will manage through the corresponding volume and EBITDA reductions by focussing on improving margins, eliminating costs and capitalizing on its pipeline dominance through the CWB tendering process.

AGRI-PRODUCTS

Sales for this segment for the first three months of fiscal 2002 were $53.0 million down from $89.5 million year over year. In the first quarter last year, agri-products sales were unusually high as producers' pre-purchased fertilizer in anticipation of rapidly escalating prices. This year, producers applied less crop protection products and purchased less equipment due to drought conditions. In addition, insufficient moisture levels discouraged the application of fertilizer in the fall, further broadening the sales variance relative to last year's levels.

EBITDA were $(0.7) million compared to earnings of $3.0 million in the first quarter last year. Cost reductions in the Pool's agri-products business partially offset the year-over-year sales and margin declines.

Assuming a return to normal crop conditions in the spring, the outlook for this segment remains positive. Snow during the winter months or good spring rains can quickly restore moisture levels and encourage strong sales in the spring and early summer months. In addition, seeded canola acreage is expected to increase, which will be positive for the seed component of the Pool's agri-product business. Continued cost reductions in the Pool's retail business should also contribute to good results for the year. At WCFL, results are expected to be reasonably strong but are not anticipated to reach fiscal 2001 levels. Lower sales volumes and decreased selling prices for urea and ammonia are expected to impact WCFL's contribution somewhat for the full year.

AGRI-FOOD PROCESSING

Sales for this segment for the first three months of fiscal 2002 were $159.8 million, up 4.5% over last year's $152.8 million, led by a strong improvement at Can-Oat Milling. Sales of finished goods represent 74% of Can-Oat's business, up 24% this year, reflecting strong demand from new and existing customers.

CanAmera Foods and Prairie Malt also recorded sales increases, while CSP Foods' sales were similar to the previous year's quarter. CSP Foods and CanAmera together accounted for approximately 83% of total segment sales. Can-Oat Milling continues to increase its proportion of segment sales.

EBITDA for the Agri-food Processing segment were $7.6 million compared to $12.1 million recorded in the first quarter last year. CanAmera's EBITDA declined significantly in the Pool's first quarter reflecting a dramatic reduction in Canadian canola supplies which drove up prices. Margins on canola oil have plummeted as a result of increased domestic prices and high world oil supplies and current values of canola oil and meal are less than the cost of the seed. CanAmera, unlike some of its competitors, can swing production to soya crush. However, this year poor soybean crops in Ontario have led to soybean purchases from the U.S. where the commodity is highly subsidized and extremely costly to import. As a result, CanAmera's EBITDA declined significantly in the Pool's first quarter.

Can-Oat Milling continued to exceed expectations with EBITDA growth of 8% in the first three months. EBITDA from CSP Foods and Prairie Malt were similar to the previous year's quarter.

The outlook for this segment in fiscal 2002 is mixed. Can-Oat Milling expects its contribution to improve once again this year on strong sales and better margins from the sale of valued-added products. While the drought has reduced the supply of quality oats, the impact on western Canada's milling oats production was not significant enough to create a material shortage of oats. Consolidation within the food processing and cereal industry is expected to continue which is positive for the Company and long-term oat consumption is expected to increase as the general population increases its consumption of grain based foods.

The issues affecting CanAmera's performance in the first quarter of fiscal 2002 are expected to continue for the next several months with canola margins under significant pressure. Good crop conditions in the spring would improve CanAmera's performance in fiscal 2003 and the longer-term outlook for CanAmera remains positive. CSP Foods and Prairie Malt are expected to generate EBITDA at fiscal 2001 levels.

LIVESTOCK PRODUCTION AND MARKETING

Sales for this segment for the first three months of fiscal 2002 were $28.5 million versus $55.7 million in the first quarter of fiscal 2001, largely reflecting the sale of Heartland Livestock Services effective August 1, 2001.

Heartland Pork's sales were strong during the quarter with similar volumes and prices relative to the previous year's quarter. Heartland Pork marketed 84,000 finished hogs versus 80,000 last year. Heartland Feeds' sales grew 13%, reflecting increased demand for cattle feed and steady demand by Heartland Pork. The Pool's aquaculture affiliate generated lower sales as a result of low prices caused by excess supplies of fish.

For the first quarter of fiscal 2002, EBITDA for the Livestock Production and Marketing segment were $3.0 million down from $5.2 million last year, largely as a result of the livestock divestiture.

Subsequent to quarter-end, the Pool announced the sale of four feed mills and a merchandizing operation of Heartland Feeds, to AGP, Inc. which operates as Masterfeeds in Canada. The sale closed on November 26, 2001. The Pool will use net proceeds of approximately $10 million to pay down debt and will record an after-tax loss on the transaction of approximately $8 million, or $0.21 per share in its second quarter. The Pool continues to operate feed mills in North Battleford and Bruno, which provide feed to Heartland Pork and other feedlot operations.

Prospects for Heartland Pork are positive this year and expectations are for slightly better results.

PUBLISHING AND OTHER

Sales of $2.9 million and EBITDA of $0.4 million for this segment for the first three months of fiscal 2002 were relatively unchanged from the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow used in operations was $6.1 million for the first three months of fiscal 2002 or $0.16 per share compared to cash flow from operations of $12.5 million or $0.33 per share in the first three months of fiscal 2001. The decline is directly related to the decrease in earnings caused by the drought. For fiscal 2002, cash flow is expected to be sufficient to cover capital expenditures.

Capital expenditures remained at maintenance levels. For the three-month period, consolidated capital expenditures were $4.3 million versus $8.8 million in the first quarter of fiscal 2001.

The Pool generated $4.8 million from asset sales, primarily elevators that were targeted for closure during last year's rationalization process. Since August, the Pool has sold 105 elevators to producers, community groups and other interested parties who meet the required terms for sale. Another 66 sales are pending.

The decline in the investment balance at October 31, 2001 from $74.6 million to $13.2 million reflects the sale of Premium Brands in July 2001.

Working capital at October 31, 2001 was $125 million, an increase of $48.6 million from October 31, 2000 reflecting less short-term borrowings as a result of asset sales and the refinancing arrangement announced in the spring of 2001. Working capital was $127.9 million at July 31, 2001. The current ratio was 1.26 at the end of the first quarter this year, which compared to 1.11 at October 31, 2000 and 1.31 at July 31, 2001.

At October 31, 2001 inventories were up $32.1 million compared to October 31, 2000's levels reflecting higher grain values and slightly more agri-products inventory due to slower sales in late summer and early fall.

The new securitization program that was implemented as part of the Pool's refinancing package in May, 2001 has had a significant impact on a number of working capital items including:

- The $66 million cash balance at October 31, 2000 represented cash in transit for the Pool's deferred agri-products input program, which has a payment deadline of October 31st. Under the Pool's new securitization program, the Pool deposits cash to the securitization trust on a daily basis rather than on a monthly basis, which accounts for the zero cash balance at October 2001. The $13 million in cash at July 31 was attributable to affiliated companies and joint ventures.

- Accounts receivable at October 31, 2001 of $276 million is presented net of amounts sold of $125 million under trade receivable securitization programs. This compares to accounts receivables of $383 million, net of $13 million sold at October 31, 2000, and $241 million net of $162 million sold at July 31, 2001. At October 2001, the Pool was able to securitize receivables under its new program, thus reducing its accounts receivables balance year-over-year.

- Accounts payable was $244 million at October 2001. Last year, the $351 million in payables included amounts owed under the previous securitization program.

- Short-term borrowings of $18 million at October 31, 2001 and $8 million at July 31, 2001 primarily consist of the Pool's share of affiliated companies' borrowings. The $272 million of short-term borrowings outstanding at October 31, 2000 reflected the operating loans of the Pool, prior to the renegotiated bank and securitization arrangement completed in the third quarter of fiscal 2001.

In addition to $300 million in Medium Term Notes, and member term and demand loans, the Pool had operating and term loan capacity of $552.5 million on October 31, 2001 of which approximately $150 million was unused at quarter-end.

	Oct 31/01	July 31/01	Oct 31/00	**Oct-01/Oct-00** Change
Bank indebtedness & short term Borrowings	$ 51M	$ 8M	$272M	$(221)M
Member demand loans	30M	35M	38M	(8)M
Long-term debt due in one year	162M	157M	16M	146M
Other Long-term debt	544M	549M	537M	7M
Total debt	$ 787M	$ 749M	$863M	**$(76)M**

Total debt at October 31, 2001 compared to October 2000 is down $76 million reflecting the impact of the Pool's divestiture program and the sales of XCAN Grain Pool, Premium Brands and Heartland Livestock Services. The increase from July to October 2001 results from seasonal increases in working capital, partially offset by proceeds received from the Heartland Livestock sale.

	Oct 31/01	July 31/01	Oct 31/00	**Oct-01/Oct-00** Change
Total debt	$787M	$749M	$ 863M	**$(76)M**
Securitization	$205M	$238M	$ 174M	$ 31 M
Consolidated debt and Securitization	$992M	$987M	$1,037M	**$(45)M**

Lower securitization levels at October 31, 2001 compared to year-end reflect lower amounts owing from producers under the Pool's deferred input program. Higher levels at October 2001 compared to October 2000 reflect the new agri-products receivable securitization program that was not in effect at October 2000.

The Pool's total debt to equity ratio at October 31, 2001 was 62:38 unchanged from October 31, 2001 with debt reductions offsetting the earnings decline this year. Subsequent to quarter-end, the Pool reduced its term loan facilities by $95 million, as required under its banking arrangement. The Pool expects its debt to equity ratio to improve during fiscal 2002 as it continues to repay a significant portion of its debt.

OUTLOOK

The next two quarters will remain challenging as the Pool manages through the impact of the drought. Earnings and cash flows for the remainder of the year will be lower than last year's levels. Assuming a return to regular growing conditions in the spring, the Pool expects a strong fourth quarter from its agri-products operations. However, earnings in the fourth quarter will not offset the results of the first three-quarters. Management remains committed to its divestiture program and its debt and cost reduction initiatives. It will continue to adjust operations to the new economic realities in western Canadian agriculture, driving towards profitability in fiscal 2003.

FORWARD LOOKING INFORMATION

Certain statements in this quarterly report are forward looking and reflect the Pool's expectations regarding future results of operations, financial condition, and achievements. Such forward looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, and achievements of the Pool to be materially different from any future results, performance, and achievements expressed or implied by those forward looking statements. These factors are discussed in greater detail in the Pool's most recent Annual Information Form and the Management's Discussion and Analysis set forth in the Pool's most recent Annual Report.

Marvin Wiens
President and
Chairman of the Board

Mayo Schmidt
Chief Executive Officer

December 12, 2001

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CONSOLIDATED BALANCE SHEETS

	As at October 31		As at July 31
	2001	**2000**	**2001**
	(in thousands)		**(in thousands)**
	(unaudited)	**(unaudited)**	**(audited)**
ASSETS		**(Restated)**	
Current Assets			
Cash	**$ -**	$ 65,839	$ 13,238
Note receivable	**5,000**	-	5,000
Short-term investments	**-**	4,087	-
Accounts receivable	**275,948**	383,134	241,410
Inventories	**318,658**	286,576	271,920
Prepaid expenses	**13,457**	13,737	13,055
	613,063	753,373	544,623
Investments	**13,247**	74,586	13,838
Capital Assets	**781,121**	843,079	797,951
Other Long-Term Assets	**190,558**	136,871	186,485
	$ 1,597,989	$ 1,807,909	$ 1,542,897
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Bank indebtedness	**$ 33,491**	$ -	$ -
Short-term borrowings	**18,110**	271,971	8,080
Members' demand loans	**30,393**	37,988	35,204
Accounts payable	**244,325**	351,011	216,890
Long-term debt due within one year	**161,630**	15,903	156,514
	487,949	676,873	416,688
Long-Term Debt	**543,673**	537,020	549,225
Other Long-Term Liabilities	**80,198**	54,632	75,685
Non-Controlling Interest	**3,129**	5,475	5,863
	1,114,949	1,274,000	1,047,461
Shareholders' Equity			
Share capital	**457,697**	457,706	457,699
Retained earnings	**25,343**	76,203	37,737
	483,040	533,909	495,436
	$ 1,597,989	$ 1,807,909	$ 1,542,897

On behalf of the Board of Directors

Marvin D. Wiens
Director

Thaddeus P. Trefiak
Director

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

	Three months ended October 31 2001	2000
	(in thousands)	
	(unaudited)	(unaudited)
Sales and Other Operating Revenues	**$ 673,338**	$ 791,801
Cost of Sales and Expenses		
Cost of sales and operating expenses	**635,340**	735,264
Selling and administrative expenses	**21,354**	24,681
Depreciation and amortization	**17,760**	18,775
Gain on disposal	**(5,283)**	-
	669,171	778,720
Earnings (Loss) Before the Undernoted	**4,167**	13,081
Equity earnings (loss) of significantly influenced companies	**60**	(549)
Non-controlling interest	**294**	82
Earnings (Loss) Before Interest and Taxes	**4,521**	12,614
Interest expense	**17,912**	15,709
Securitization fees and expense	**3,752**	4,259
Earnings (Loss) Before Corporate Taxes	**(17,143)**	(7,354)
Recovery of corporate taxes	**4,749**	1,722
Net Earnings (Loss)	**(12,394)**	(5,632)
Retained Earnings, Beginning of Period		
As previously reported	**37,737**	85,900
Changes in accounting policies		
Income taxes	**-**	1,940
Revenue recognition	**-**	(6,005)
As restated	**37,737**	81,835
Retained Earnings, End of Period	**$ 25,343**	$ 76,203
Earnings (Loss) Per Share	**$ (0.33)**	$ (0.15)

SALES AND OPERATING REVENUE BY SEGMENT

	Three months ended October 31 2001 (in thousands) (unaudited)	Three months ended October 31 2000 (in thousands) (unaudited)
SALES		
Grain Handling and Marketing	$ 440,640	$ 502,810
Agri-products	52,953	89,481
Agri-food Processing	159,780	152,841
Livestock Production and Marketing	28,475	55,743
Publishing and Other	2,895	3,167
Intersegment sales	(11,405)	(12,241)
	$673,338	**$791,801**

SEGMENT EARNINGS FROM OPERATIONS

	Three months ended October 31 2001 (in thousands) (unaudited)				Three months ended October 31 2000 (in thousands) (unaudited)			
	EBITDA	**D&A**	**Provisions**	**EBIT**	EBITDA	D&A	Provisions	EBIT
Grain Handling and Marketing	**$ 10,819**	**$ 7,626**	**$ -**	**$ 3,193**	$ 13,934	$ 8,489	$ -	$ 5,445
Agri-products	**(727)**	**2,871**	**-**	**(3,598)**	2,996	2,805	-	191
Agri-food Processing	**7,619**	**4,274**	**-**	**3,345**	12,058	4,173	-	7,885
Livestock Production and Marketing	**2,967**	**2,594**	**-**	**373**	5,200	2,821	-	2,379
Publishing and Other	**403**	**85**	**-**	**318**	486	99	-	387
Segment Results	**21,081**	**17,450**	**-**	**3,631**	**34,674**	**18,387**	**-**	**16,287**
Reconciling differences:								
Corporate expenses	**(4,082)**	**310**	**(5,283)**	**891**	(3,990)	388	-	(4,378)
Tax Provision on on Equity Earnings	**(1)**	**-**	**-**	**(1)**	705	-	-	705
Per Financial Statements	**$ 16,998**	**$ 17,760**	**$ (5,283)**	**$ 4,521**	**$ 31,389**	**$ 18,775**	**$ -**	**$ 12,614**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended October 31 2001	2000
	(in thousands) (unaudited)	
Cash From (Used in) Operating Activities		
Net loss	**$ (12,394)**	$ (5,632)
Add/(deduct) items not involving cash		
Depreciation and amortization	**17,760**	18,775
Gain on disposal	**(5,283)**	-
Future taxes (recovery)	**(5,723)**	(1,374)
Equity (earnings)/loss of significantly influenced companies	**(60)**	549
Pension and other items	**(118)**	223
Non-controlling interest	**(294)**	(82)
Cash flow (used in) from operations	**(6,112)**	12,459
Changes in non-cash working capital items		
Accounts receivable	**(12,352)**	70,314
Securitization of accounts receivable	**(28,928)**	(209,983)
Inventories	**(53,535)**	3,813
Securitization of inventories	**3,506**	(26,765)
Accounts payable	**27,977**	103,792
Prepaid expenses	**(1,309)**	3,036
Changes in non-cash working capital	**(64,641)**	(55,793)
Cash used in operating activities	**(70,753)**	(43,334)
Cash From (Used in) Financing Activities		
Proceeds of long-term debt	**685**	6,331
Repayment of long-term debt	**(1,261)**	(1,720)
Proceeds of short-term borrowings	**10,030**	137,971
Repayment of members' demand loans	**(4,811)**	(10,846)
(Decrease) increase in other long-term liabilities	**(107)**	22
Decrease in share capital	**(2)**	(6)
Cash from financing activities	**4,534**	131,752
Cash From (Used in) Investing Activities		
Capital asset expenditures	**(4,276)**	(8,816)
Proceeds on sale of capital assets	**4,755**	-
Divestitures	**19,964**	-
Decrease in investments	**94**	841
Decrease in other long-term assets	**(1,047)**	(1,319)
Cash from (used in) investing activities	**19,490**	(9,294)
Increase (Decrease) in Cash and Cash Equivalents	**(46,729)**	79,124
Cash and Cash Equivalents, Beginning of Period	**13,238**	(9,198)
Cash and Cash Equivalents, End of Period	**$ (33,491)**	$ 69,926
Cash Flow Per Share	**$ (0.16)**	$ 0.33

Cash and cash equivalents consist of cash, short-term investments and bank indebtedness.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

The Company's accounting policies are in accordance with Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of Saskatchewan Wheat Pool and its affiliated companies. The consolidated interim financial statements are unaudited and are based on accounting principles and practices consistent with those used in the preparation of the annual financial statements. These interim consolidated financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the most recent annual financial statements.

Due to the seasonal nature of the Company's business, the results of operations for any interim period are not necessarily indicative of the results to be expected for other interim periods or the full year.

Certain prior year amounts have been reclassified in order to conform with current year classifications.

2. Securitization

On April 30, 2001 the company signed a new securitization agreement with a trust, and adopted the recommendations of Accounting Guideline 12 (AcG-12) to account for the initial and each subsequent sale of assets under this agreement. Prior to April 2001 the company's securitization program was accounted for under the accounting recommendations of Emerging Issues Committee Abstract 9 (EIC-9).

Under the terms of the new securitization agreement, the company maintains the ability to sell two pools of assets on a revolving basis through securitization transactions at varying monthly limits. The "trade receivable pool" consists of commercial and agri-products trade receivables at monthly sales limits ranging from $70 million to $205 million. The "CWB grain pool" consists of the right to receive proceeds related to grain held for sale to the Canadian Wheat Board in accordance with a grain handling contract. Monthly sale limits for the "CWB grain pool" range from $90 million to $120 million. In addition, a joint venture, which is owned one-third by the company can sell up to $60 million of certain trade accounts receivable.

When assets are sold to the trust the company retains a subordinated reserve portion of the asset sold, servicing responsibilities and for certain sales, the right to interest earned on the assets. The company's subordinated retained interest represents the right to receive future cash flows arising after the investors in the securitization trust have received their principal invested and a contracted return on their investment.

The following table illustrates the effect of securitization on the company's balance sheet as at October 31, 2001 (percentages are annualized, dollar figures in millions).

	Trade Receivable	CWB Right
Portion sold at July 31, 2001	$ 162.1	$ 76.3
Total cash received on re-investment	$ 131.8	$ 132.1
Total trust collections	$ (168.7)	$ (128.6)
Portion sold at October 31, 2001	$ 125.2	$ 79.8
Total principal outstanding	$ (142.3)	$ (90.4)
Retained interest	$ (17.1)	$ (10.6)

At October 31, 2001, the trade accounts receivable are reported net of sold amounts of $125.2 million (2000 – $13.4 million) while grain purchased for sale to The Canadian Wheat Board is reported net of sold amounts of $79.8 million (2000 - $89.5 million). In addition, accounts payable include Nil (2000 - $70.8 million) of unpaid balances related to securitization.

3. Long-Term Debt

Saskatchewan Wheat Pool entered into bank credit facilities with its lenders with the following terms and conditions:

	Amount of Facility	Maturity Date	Repayments
Operating Loan	$ 107.5 million	November 30, 2002	--
Term Loans	$ 350.0 million	November 30, 2003	$90 million November 30, 2001; $40 million February 28, 2002; $5 million per quarter commencing August 31, 2001, $60 million November 30, 2002; $110 million November 30, 2003

In addition the company has access to a seasonal operating loan of up to $100 million during certain periods between April 2001 through November 2002.

Under the terms of the credit agreement with its lender, Saskatchewan Wheat Pool granted security over its assets to its lenders, as well as Medium term note holders, participants in its Member Loan program, and the trust involved in the securitization program (see note 2 above). The term loans include a senior term loan of $50 million under which the lenders have been granted priority security as permitted under the Trust Indenture governing Saskatchewan Wheat Pool's Medium term notes.

Both the operating loans and the term loans bear interest at spreads over the Canadian Prime Rate or the Canadian Bankers' Acceptances Reference Discount Rate. These interest spreads range from two hundred to four hundred basis points.

Details on consolidated short-term borrowings and long-term debt are as follows.

	October 2001	October 2000	July 2001
Short-term borrowings			
Bank operating loan	$ 3,000	$270,400	$ -
Subsidiaries and proportionate share of joint ventures' short-term borrowing	15,110	1,571	8,080
Total	$18,110	$271,971	$8,080

	October 2001	October 2000	July 2001
Long-term debt			
Medium-term notes	$300,000	$300,000	$300,000
Bank term loans	345,000	170,000	344,100
Members' term loans	8,833	10,350	9,059
Subsidiaries and proportionate share of joint ventures' debt	51,470	72,573	52,580
	705,303	552,923	705,739
Portion due within one year			
Bank term loans	150,000	-	144,100
Members' term loans	1,626	1,177	1,613
Subsidiaries and proportionate share of joint ventures' debt	10,004	14,726	10,801
	161,630	15,903	156,514
Total	$543,673	$537,020	$549,225

4. Earnings per Share

Earnings per share are calculated using 37,425,219 Class “B” non-voting shares (October 31, 2000 – 37,425,219) which is the weighted average number issued and outstanding during the period. Fully diluted earnings per share, which includes 3,044,569 options for Class “B” non-voting shares (October 31, 2000 - 2,812,976), are not materially different.

5. Subsequent Event

On November 9, 2001 the Company announced the sale of its Heartland Feeds assets for net proceeds of $10 million. The transaction is subject to final closing agreements and regulatory approval. The company expects to record an after-tax accounting loss of approximately $8 million in the second quarter.