SASKATCHEWAN WHEAT POOL
1ST QUARTER RESULTS
OCTOBER 31, 1999

To Our Shareholders

Summary of Results

For its first quarter of fiscal 2000 ended October 31, 1999, the Pool reported a net loss of $14.5 million or $0.39 per share. This compared to a net loss of $3.9 million or $0.10 per share for its opening quarter of fiscal 1999. Grain handling and marketing results showed the largest decrease, primarily due to lower handling volumes for both the Pool's primary and terminal elevator operations. Smaller decreases were recorded by the Agri-products segment (formerly "Farm Supplies"), as a result of lower sales and margins, and by Agri-food Processing, which was affected by reduced returns from CanAmera Foods and Fletcher's Fine Foods Ltd. Lower results this quarter also reflected the impact of higher interest and securitization expenses which, on a combined basis, were up $3.7 million compared to last year's first quarter. Earnings before interest, securitization, taxes, depreciation and amortization were $7.5 million compared to $17.7 million last year. The Company recorded a loss before interest, securitization and taxes of $9.1 million, down from earnings of $4.1 million for the same quarter a year ago. Cash flow from operations was $1.8 million or $0.05 per share compared to $7.4 million or $0.20 per share a year earlier.

Grain Handling and Marketing

Sales for this segment for the first three months of fiscal 2000 were $440 million or 20% below 1999 due to lower grain handling volumes for both primary and terminal elevator operations and lower grain prices. Compared to last year, primary handling levels for this three month period were down 10% while terminal handling levels decreased more than 16%. The Pool's own port terminals at Thunder Bay and Vancouver accounted for the decrease, with grain volumes at those two facilities down 29% and 21%, respectively, compared to last year. These decreases were partly offset by larger handling volumes through Prince Rupert Grain which re-opened at the beginning of October.

As a result of the late harvest and transportation logistics, lower grain handling volumes occurred despite a larger than average crop harvested this past fall and higher grain exports.

In Saskatchewan, elevators became congested early in the first quarter as farmers responded to calls to deliver grain. However, shipments did not keep pace, declining 7% year-over-year. Conversely, Alberta's share of shipments to the west coast increased 16% in the first three months of fiscal 2000. Grain bound for export through west coast ports was sourced from those regions closest to port. In addition a significant portion of exports was drawn from stocks already in port position and in transit. As a result of these factors, the Pool's primary elevator facilities lacked space to receive new grain deliveries, leading to decreased handling volumes. Board grains comprised approximately 58% of the total, up only slightly from 56% for last year's comparable quarter.

Congestion at the Port of Vancouver also existed as Non-Board grains and Board grains competed for existing space. Based on expectations of steady wheat and barley exports through the first three months of the year, shippers booked Non-Board sales and targeted deliveries for early November. However, as a result of the late harvest, the wheat and barley program lagged in the first three months, forcing The Canadian Wheat Board to push exports into November. The result was a build up of both Board and Non-Board grain stocks at the Port of Vancouver.

As well, grain exports to date off the west coast have favoured Prince Rupert Grain, substantially reducing volumes at the Pool's own Vancouver terminal.

At the Pool's Thunder Bay facility, handling levels generally reflected the significantly lower receipts by the Thunder Bay Port, which were down 26% for the first three months of the year.

For the first quarter of 2000, prior to interest, securitization and taxes, the grain handling and marketing segment recorded a loss of $5.2 million compared to earnings of $4.3 million in the previous year. Primary elevator operations posted lower results for the period, compared to one year ago, as a consequence of lower grain volumes, higher depreciation and a one-time charge of $1.2 million related to the disposal of the Pool's sunflower seed processing plant in North Dakota. Lower earnings from the Pool's own port terminals were a direct result of reduced handling volumes.

Operating results for this segment for the remainder of fiscal 2000 will be largely dependent on the level of grain volumes handled by the Pool's country elevators and wholly owned port terminals at Vancouver and Thunder Bay. Although the level of primary handling volumes for fiscal 2000 are estimated to be up compared to 1999's level, transportation logistics, the timing and details of the CWB sales program and producer delivery patterns will affect the Pool's ability to achieve this target over the remainder of the fiscal year. Given expectations of continued movement of large volumes of CWB grain through Prince Rupert combined with reduced primary elevator handlings by the Pool to date, volumes at the Company's Vancouver and Thunder Bay facilities are likely to finish only comparable to last year. Grain handling volumes at the Pool's jointly owned import terminal in Mexico, which opened in June 1999, are projected to be lower for fiscal 2000 than initially planned but are expected to improve the following year.

Three Month Handling Volumes to October 31

	(millions of tonnes)	
	1999/00	1998/99
Primary Elevator System	2.20	2.44
Terminal Operations		
Vancouver - SWP	0.44	0.56
Thunder Bay - SWP	0.54	0.76
Share of Affiliates	0.25	0.15
	1.23	1.47

Agri-products (Formerly "Farm Supplies")

Sales for this segment for the first three months of fiscal 2000 were $57 million, 27% below 1999. A combination of the late harvest, dry topsoil conditions and the economic situation of prairie producers led to lower fertilizer sales at Western Co-operative Fertilizers Limited (WCFL) and for the Pool's own agri-products business unit. This unit also recorded lower sales of crop protection products, partly offset by higher sales of short line farm equipment.

For the first quarter of 2000, prior to interest, securitization and taxes, the agri-products segment recorded a $3.5 million loss compared to a $1.9 million loss in the previous year. The decrease was attributable to lower results from WCFL, which experienced reduced sales volumes and higher product costs, largely natural gas.

The outlook for this segment for fiscal 2000 is mixed. Although another solid year is expected from the Pool's own agri-products business unit, returns from WCFL are expected to decrease substantially as a result of higher natural gas costs. In addition to this segment's dependence each year on favourable spring weather conditions, two factors which could negatively affect farm supplies demand in fiscal 2000 are the current economic circumstances of producers who continue to face low commodity prices and the possibility of lower acreage seeded to canola next spring.

Agri-food Processing

Sales for this segment for the first three months of fiscal 2000 were $151 million, 12% below last year, primarily due to CanAmera Foods which recorded reduced sales as a result of lower commodity prices and crushing volumes.

For the first quarter of 2000, the agri-food processing segment recorded earnings before interest, securitization and taxes of $5.1 million compared to $7.0 million for last year's comparable quarter. Lower earnings by CanAmera, Fletcher's and Prairie Malt were partly offset by higher earnings from CSP Foods and Can-Oat Milling.

At CanAmera, reduced earnings resulted from lower volumes combined with higher production costs and depreciation expense. Nevertheless, the Pool expects CanAmera's results for fiscal 2000 to be solid and comparable to last year. Lower results from Fletcher's reflected poorer financial returns from that company's fresh pork division because of a shortage of hogs in western Canada. Performance by Fletcher's prepared foods division continued to be strong. While it will benefit from an increasing hog supply from the Pool, Fletcher's continues to pursue hog procurement initiatives and, on November 9, 1999, announced that it had signed a letter of intent with a northern Alberta facility which produces 110, 000 hogs annually. Poorer results from Prairie Malt in the first quarter were primarily industry-related.

Improved results at CSP Foods follow the Pool's restructuring of that unit's eastern Canadian operations in fiscal 1999. The Company is optimistic that these early signs of a turnaround bode well for CSP's fiscal 2000 performance. Although Can-Oat's results for the current quarter were slightly better than a year ago, the Pool does not expect to see major improvements until higher-value markets are secured for production from its new Saskatoon facility. The Company remains confident about the future of Can-Oat and believes that its strategic position relative to oat production in Canada, combined with its high quality products, position Can-Oat to negotiate significant long-term contracts with major North American oat users in the near term.

Livestock Production and Marketing (Formerly "Livestock Marketing")

Sales for the livestock production and marketing segment for the first three months of fiscal 2000 were $42 million, 24% ahead of last year. Cattle handling volumes were 11% above last year due to strong calf prices and unusually low handlings for the first quarter of last year. Higher sales were also attributable to increased hogs marketed and increased sales from CanGro Processors Ltd.

Despite the increased activity for the first quarter, cattle handling volumes for the full year are expected to be comparable to fiscal 1999. With respect to its hog operation, the Pool expects to reach an annual production level of 330,000 market hogs by next spring, once all facilities are operating at full capacity. Fiscal 2000 volumes are expected to be about 60% of this level as the production units ramp up their operations.

For the first quarter of 2000, livestock production and marketing recorded earnings before interest and taxes of $0.2 million, similar to last year. Earnings from cattle marketing were largely offset by losses from the Company's greenfield hog operations.

During October, the Pool consolidated the management of CanGro with Heartland Livestock Services and moved CanGro's head office functions from Winnipeg, Manitoba to Regina, Saskatchewan. This restructuring, which is intended to reduce costs and better align the Pool's livestock feed and hog production strategies, has resulted in the transfer of CanGro's operations from the agri-products segment to livestock production and marketing, effective August 1, 1999.

Publishing and Other

Sales for publishing and other for the first three months of fiscal 2000 were relatively unchanged at $3 million while earnings before interest and taxes increased slightly to $0.4 million due to lower expenses.

Liquidity and Capital Resources

Cash from operations was $1.8 million for the first three months of fiscal 2000 compared to $7.4 million one year earlier. Capital asset expenditures for the quarter were $52 million, including $25 million for Project Horizon and $10 million for affiliates. This is down significantly from the same quarter last year, when $77 million was spent on capital additions and a further $9 million was spent on corporate acquisitions.

At the date of this report, construction or upgrading was completed for 14 of the Project Horizon facilities, including four in Alberta and one in Manitoba. The remaining facilities are expected to be completed and operational by December 2000.

With respect to our port terminal project at Gdansk, Poland, construction has been temporarily delayed but is expected to be completed in late summer, 2000. As a result of a changing market environment which will reduce projected volumes of agricultural commodities available to the terminal, the European Bank for Reconstruction and Development has asked the sponsors for additional equity contributions, the level of which is currently being negotiated. Despite the reduction in volumes, management believes that the project remains financially viable.

The Pool's debt to equity ratio at October 31, 1999 reflected a combination of lower earnings and additional capital expenditures, moving to 56:44 from 50:50 at July 31, 1999. At the end of the same period last year, the Company's debt to equity ratio was 49:51. The current ratio was 1.11 to 1.00 compared 1.14 to 1.00 at the end of fiscal 1999 and 1.19 to 1.00 one year ago.

Year 2000

As of September 30, 1999, repair, replacement and testing activities for critical systems were essentially completed. Business units have contacted critical suppliers and customers to confirm Year 2000 readiness and have completed business continuity plans for their respective areas. There will be controlled systems shutdown and start up over the December 31, 1999 - January 3, 2000 weekend. The start-up activities will include execution and verification of a prescribed set of business transactions. The Company has developed contingency plans to deal with any major disruptions that may affect its operations during the rollover weekend and on into 2000. Although the Pool is taking steps to ensure that the Year 2000 issue is effectively managed, it is not possible to be certain that all aspects of it which affect the Company, including those related to the efforts of customers, suppliers or other third parties, will be fully resolved.

Outlook

Overall, fiscal 2000 is expected to be another difficult year. The recovery in agriculture continues to be slow. Given good climatic conditions, improved transportation logistics and continued improvements at CSP Foods, results for this year should be slightly ahead of last year. While we expect a substantial improvement in cash flow from our core grain and livestock segments, there will be a corresponding increase in depreciation and interest expenses as a result of our capital expansion program. Although the next two quarters will remain weak, we expect a turnaround in the fourth quarter.

Leroy Larsen President and Chairman of the Board	Bill Hunt Interim Chief Executive Officer

December 15, 1999

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Consolidated Balance Sheets

		(in thousands) As at October 31		
		1999/00		1998/99
		(unaudited)		(unaudited)
Current Assets				
Cash	**$**	**93,460**	$	57,093
Short-term investments		**3,937**		13,540
Accounts receivable		**338,093**		417,364
Inventories		**303,382**		450,086
Prepaid expenses		**15,986**		14,003
		754,858		952,086
Investments		**89,696**		82,275
Capital Assets		**894,429**		717,552
Other Long-Term Assets		**139,425**		133,238
	$	**1,878,408**	$	1,885,151
Current Liabilities				
Short-term borrowings	**$**	**184,873**	$	175,323
Members' demand loans		**68,052**		77,633
Accounts payable		**411,403**		516,348
Long-term debt due within one year		**14,527**		28,566
`		**678,855**		797,870
Long-Term Debt		**521,279**		368,911
Other Long-Term Liabilities		**49,605**		51,763
Non-Controlling Interest		**4,872**		4,301
		1,254,611		1,222,845
Shareholders' Equity				
Share capital		**457,727**		457,763
Retained earnings		**166,070**		204,543
		623,797		662,306
	$	**1,878,408**	$	1,885,151

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

The Company's accounting policies are in accordance with accounting principles generally accepted in Canada. The consolidated financial statements include the accounts of Saskatchewan Wheat Pool and its affiliated companies.

Restatements - Segment Results

Sales and Operating Revenues by Segment and Segment Earnings from Operations have been restated to primarily reflect the movement of CanGro Processors Ltd. from the Agri-products Segment to the Livestock Production & Marketing Segment.

2. Earnings Per Share

Earnings per share are calculated using 37,425,219 Class "B" non-voting shares (1999 - 37,424,790) which is the weighted average number issued and outstanding during the period. Fully diluted earnings per share are not materially different.

Consolidated Statements of Earnings and Retained Earnings

	(in thousands) Three months ended October 31 1999/00 (unaudited)	1998/99 (unaudited)
Sales & Other Operating Revenues	**$ 682,233**	$ 824,480
Cost of Sales & Expenses		
Cost of sales & operating expenses	**648,477**	776,667
Selling & administrative expenses	**26,776**	30,627
Depreciation & amortization	**16,676**	13,562
	691,929	820,856
Earnings (Loss) before the Undernoted	**(9,696)**	3,624
Non-controlling interest	**202**	47
Equity earnings of significantly influenced companies	**355**	453
Earnings (Loss) Before Interest and Taxes	**(9,139)**	4,124
Interest expense	**9,402**	6,977
Securitization expense	**4,775**	3,496
Earnings (Loss) before Corporate Taxes	**(23,316)**	(6,349)
Provision for/(recovery of) corporate taxes	**(8,860)**	**(2,498)**
Net Earnings (Loss)	**(14,456)**	**(3,851)**
Retained Earnings, Beginning of Period	**180,526**	208,394
Retained Earnings, End of Period	**$ 166,070**	$ 204,543
Earnings (Loss) per Share	**$ (0.39)**	$ (0.10)

Sales and Operating Revenues by Segment

	(in thousands) Three months ended October 31 1999/00 (unaudited)	1998/99 (unaudited) (restated)
Grain Handling & Marketing	**$ 440,082**	$ 552,664
Agri-products	**57,163**	78,361
Agri-food Processing	**151,468**	172,157
Livestock Production & Marketing	**42,282**	33,994
Publishing & Other	**3,190**	3,274
Intersegment Sales	**(11,952)**	(15,970)
	$ 682,233	$ 824,480

Segment Earnings From Operations

	(in thousands) Three months ended October 31 1999/00 (unaudited)			(in thousands) Three months ended October 31 1998/99 (unaudited) (restated)		
	EBITDA	**D&A**	**EBIT**	EBITDA	D&A	EBIT
Grain Handling & Marketing	**$ 1,972**	**$ 7,124**	**$ (5,152)**	$ 10,236	$ 5,922	$ 4,314
Agri-products	**(506)**	**2,986**	**(3,492)**	226	2,119	(1,893)
Agri-food Processing	**9,012**	**3,959**	**5,053**	10,968	3,970	6,998
Livestock Production & Marketing	**2,183**	**2,019**	**164**	1,101	895	206
Publishing & Other	**482**	**120**	**362**	380	71	309
Segment Results	**13,143**	**16,208**	**(3,065)**	22,911	12,977	9,934
Reconciling Differences:						
Corporate Expenses	**(5,366)**	**468**	**(5,834)**	(4,707)	585	(5,292)
Tax Provision on Equity Earnings	**(240)**	**-**	**(240)**	(518)	-	(518)
Per Financial Statements	**$ 7,537**	**$ 16,676**	**$ (9,139)**	**$** 17,686	$ 13,562	$ 4,124

CONSOLIDATED STATEMENTS OF CASH FLOW

	(in thousands) Three months ended October 31 1999/00 (unaudited)	1998/99 (unaudited) (restated)
CASH FROM (USED IN) OPERATING ACTIVITIES		
Net loss	**$ (14,456)**	$ (3,851)
Add/(deduct) items not involving cash		
Depreciation & amortization	**16,676**	13,562
Deferred taxes	**120**	(1,791)
Equity earnings of significantly influenced companies	**(355)**	(453)
Non-controlling interest	**(202)**	(47)
Cash flow from operations	**1,783**	7,420
Changes in non-cash working capital items		
Accounts receivable	**(84,897)**	(113,394)
Inventories	**(38,530)**	(121,392)
Accounts payable	**140,263**	221,763
Prepaid expenses	**(2,611)**	(352)
CASH FROM/(USED IN) OPERATING ACTIVITIES	**16,008**	(5,955)
CASH FROM (USED IN) FINANCING ACTIVITIES		
Proceeds of long-term debt	**56,610**	172,662
Repayments of long-term debt	**(3,519)**	(3,313)
Proceeds of short-term borrowings	**98,131**	15,889
Repayments of members' demand loans	**(3,693)**	(6,407)
Dividends	**(14,970)**	(14,969)
Increase in other long-term liabilities	**1,104**	2,422
(Decrease)/increase in share capital	**(5)**	76
CASH FROM FINANCING ACTIVITIES	**133,658**	166,360
CASH FROM (USED IN) INVESTING ACTIVITIES		
Increase in capital assets	**(52,272)**	(77,179)
Business acquisitions	**-**	(9,234)
Decrease/(increase) in investments	**125**	(4,754)
Increase in other long-term assets	**(3,015)**	(8,501)
CASH USED IN INVESTING ACTIVITIES	**(55,162)**	(99,668)
INCREASE IN CASH AND CASH EQUIVALENTS*	**94,504**	60,737
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD*	**2,893**	9,896
CASH AND CASH EQUIVALENTS, END OF PERIOD*	**$ 97,397**	$ 70,633
CASH FLOW PER SHARE	**$ 0.05**	$ 0.20

* CASH AND CASH EQUIVALENTS ARE COMPRISED OF CASH AND SHORT-TERM INVESTMENTS.