

MOVERS AND SHAKERS



Leader Post files

Mayo Schmidt, CEO of Viterra, has presided over the rapid expansion of what was once the Saskatchewan Wheat Pool.

By BRUCE JOHNSTONE
Leader-Post

The good thing about the Top 100 Saskatchewan Companies list is that it shows you exactly how Saskatchewan-based companies stacked up against each other as of Dec. 31, 2008.

What it doesn't show you is how much things can change in the space of a year or less.

Take, for example, three Regina-based companies — Viterra Inc., Co-operators Life Insurance, and Alliance Grain Traders. All three companies embarked on major acquisitions in the past year that have significantly increased the size of the companies since the Top 100 Companies list was compiled.

Viterra, of course, was formed from the hostile takeover of Agricore United by Saskatchewan Wheat Pool for \$1.8 billion in 2007. The acquisition more than doubled the size of the Regina-based company and vaulted Viterra into first place among Canadian grainhandling companies.

Not one to let the grass grow under his feet, Viterra CEO Mayo Schmidt announced in May that Viterra had made another major acquisition — this time a friendly one — with ABB Grain Ltd. of Adelaide, Australia.

This \$1.4-billion deal marked Viterra's first major foray into the international marketplace, with most of its acquisitions up to that time being smaller deals for canola plants and feed mills in Canada and the U.S.

More importantly, the acquisition of ABB gives Viterra "dual origination capability" — business double-speak for the ability to source grains from two continents to serve the growing Asia-Pacific market.

"As a global food ingredients supplier, our combined company will have access to the largest export origination capability for wheat, canola and barley since Canada and Australia account for 37 per cent of world exports of these crops," Schmidt said in a news release.

"Future demand for core commodities like these is expected

THREE COMPANIES MAKE MAJOR MOVES IN 2009

Viterra, Co-op Life, Alliance Grain

to rise 20 per cent over the next 10 years, with much of that increase to come from Asia. The combination enhances Viterra's access to these key growth markets, while also diversifying production risk."

Not surprisingly, the acquisition will also substantially increase the size of Viterra in terms of its assets, revenues and net income.

According to documents posted on Viterra's website, the combined company will have assets of \$6.1 billion, (compared from Viterra's assets of \$4.2 billion as of April 30), combined sales of \$8.8 billion (up from \$6.8 billion for Viterra alone), and net income of \$328 million (versus \$288 million for Viterra).

Based on those numbers, Viterra would rank No. 2 in the province in terms of revenues, ahead of Federated Co-operatives Ltd., at \$8.4 billion in 2008, assuming all things remain the same (which, of course, they never do).

Unlike Viterra, Co-operators Life is not a

company associated with takeovers, hostile or otherwise. But both companies have their roots in the co-operative movement. Saskatchewan Wheat Pool was formed in 1924 as a farmer-owned co-operative, while Co-operators Life was created by SaskPool members about 20 years

later.

In 1945, a group of Saskatchewan wheat farmers decided to pool their resources to start an insurance co-operative. In fact, Pool field men often sold Co-op Life insurance policies.

Co-operators Life Insurance Co. is now part of the Guelph, Ont.-based Co-operators Group, which is owned by Canadian co-operatives and credit unions and has assets of more than \$7 billion. Last year, Co-operators Life posted a \$47-million profit.

Co-operators Life Insurance of Regina and Central 1 Credit Union of Vancouver recently announced an agreement to acquire the CUMIS Group Limited, which provides insurance and other financial products to credit unions and their members, from Madison, Wisc.-based CUNA Mutual Group for \$232 million.

"It does have some implications for Regina because we are a significant player in Regina," said Garry Herback, vice-president of products and

distribution for Co-op Life, which is the second largest company in the Co-operators Group.

Herback said the CUMIS acquisition would increase Co-op Life's assets from \$2.6 billion to \$3.2 billion and its revenues from \$770 million to \$1 billion. The number of employees would increase from 900 to 1,260, he said.

If Co-op Life does join the \$1-billion club, it could jump from 11th place on this year's list to the Top 10 at around the eighth or ninth position (once again assuming everything else remains the same).

Alliance Grain Traders is another Regina-based company that has increased dramatically in size this year, although it may not move up the Top 100 Saskatchewan Companies list next year.

Alliance Grain Traders, the largest value-added processor of pulse crops in the world, was formed from the merger of AgTech Processors and Saskcan Pulse Trading in 2007. That helped boost the company's revenues from \$79 million in 2007 to \$329 million in 2008 and profits from \$3.7 million in 2007 to \$22 million in 2008.

Then, in June, Alliance announced a \$104-million deal with its parent company, Arbel Group of Mersin, Turkey, which is one of the top three pulse processors in the world, with \$196 million US in annual sales.

The combined company, which owns six pulse crop processing plants in Canada, one in the U.S. and one in Australia, would jump from \$329 million in annual sales to more than \$500 million.

"We will be well over half a billion dollars in sales," said Murad Al-Katib, president and CEO of Alliance Grain Traders.

"We're the largest value-added processor (of pulse crops) and Arbel is the second or third largest in the world. So to put them together ... makes a lot of sense."

Unfortunately, the next spot is the No. 16, which is held by University of Saskatchewan, with \$710.5 million in annual revenues. So Alliance may be stuck at No. 16 for a year or two yet.



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Murad Al-Katib of Alliance Grain Traders

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TOP SASKATCHEWAN COMPANIES

Rank	Name	Location	Revenue	CEO/President	Number of SK Employees	Major Shareholders
1	PotashCorp	Saskatoon	\$9,898,000,000US	William J. Doyle	1810	Widely Held
2	Federated Co-operatives Limited	Saskatoon	\$8,400,368,000	Arthur Postle	1500	Retail Co-operatives in Western Canada
3	Viterra Inc.	Regina	\$6,777,566,000	Mayo Schmidt	1600	Widely Held
4	Canpotex Limited	Saskatoon	\$5,200,000,000	Steve Dechka	63	Potash Corporation of Saskatchewan Inc., Agrium Inc., Mosaic Canada Crop Nutrition, LP, a subsidiary of the The Mosaic Company
5	Cameco Corporation	Saskatoon	\$2,859,000,000	Jerry Grandey	1820	Widely Held
6	SaskPower	Regina	\$1,489,000,000	Pat Youzwa	2500	Government of Saskatchewan
7	S&I and S&I CANADA	Regina	\$1,241,684,000	Andrew Cartmell	1894	Government of Saskatchewan
8	SaskTel	Regina	\$1,138,000,000	Robert Watson	5063	Government of Saskatchewan
9	Saskatchewan Liquor and Gaming Authority	Regina	\$960,980,000	Barry Lacey	1085	Government of Saskatchewan
10	Farm Credit Canada	Regina	\$951,700,000	Greg Stewart	760	Government of Canada
11	Co-operators Life Insurance Company	Regina	\$857,700,000	Kevin Daniel	720	The Co-operators Group Ltd.
12	Saskatoon Health Region	Saskatoon	\$808,000,000	Maura Davies	12000	Government of Saskatchewan
13	Mega Group Inc.	Saskatoon	\$800,000,000	Benoit Simard	48	Member Owned Buying Group
14	Brandt Group of Companies	Regina	\$797,467,000	Gavin Semple	575	Gavin Semple, Shaun Semple
15	Regina Qu'Appelle Health Region	Regina	\$742,717,194	Dwight Nelson	9500	Government of Saskatchewan
16	University of Saskatchewan	Saskatoon	\$710,572,000	Peter MacKinnon	6923	Government of Saskatchewan
17	Alliance Grain Traders/Saskcan Pulse Trading	Regina	\$328,672,293	Murad Al-Katib	240	Widely Held
18	SaskCentral (Credit Union Central of Saskatchewan)	Regina	\$317,860,000	Ken Anderson	97	Saskatchewan Credit Unions
19	AREVA Resources Canada Inc.	Saskatoon	\$302,000,000	Vincent Martin	500	AREVA S.A. (Paris)
20	Siemens Transportation Group	Saskatoon	NP	Erwen Siemens	942	Erwen Siemens, Lil Siemens
21	Interprovincial Co-operative Ltd.	Saskatoon	\$276,635,000	Art Postle	n/a	Member Owned
22	Saskatchewan Workers' Compensation Board	Regina	\$260,900,000	Peter Federko	460	n/a
23	Redhead Group of Companies	Regina	\$255,333,000	Gary L. Redhead	349	Gary L. Redhead
24	Saskatchewan Indian Gaming Authority	Saskatoon	\$243,699,429	Zane Hansen	2100	74 First Nations of Saskatchewan
25	Conexus	Regina	\$232,989,000	Ross McClelland	1138	Member Owned
26	Dundee Developments/Homes by Dundee	Saskatoon	\$228,800,000	Joel Teal	48	Dundee Realty Corporation
27	Concorde Group Corp.	Saskatoon	\$210,460,000	L. David Dube	450	L. David Dube, Leslie Dube, Irene Dube
28	Saskatchewan Housing Corporation	Regina	\$196,276,000	Larry Chaykowski	n/a	Government of Saskatchewan
29	Carson Energy Services Ltd.	Lampman	NP	Ron Carson	727	Ron Carson
30	PIC Investment Group Inc.	Saskatoon	\$190,357,000	Greg Yuel	184	-
31	Saskatchewan Institute of Applied Science and Technology (SIAST)	Saskatoon	\$190,000,000	Robert G. McCulloch	1568	Government of Saskatchewan
32	University of Regina	Regina	\$175,486,000	Vianne Timmons	2500	Government of Saskatchewan
33	Saskatchewan Lotteries	Regina	\$162,685,838	Ian Cook	47	Sask Sport Inc.
34	The Hill Companies	Regina	NP	Paul J. Hill	290	Paul J. Hill
35	Yanke Group of Companies	Saskatoon	NP	Russel Marcoux	274	Russel Marcoux, Bonnie Marcoux
36	Saskatchewan Gaming Corporation	Regina	\$137,362,371	Twyla Meredith	1122	Government of Saskatchewan
37	Affinity Credit Union	Saskatoon	NP	George Keter	610	Member Owned
38	Big Sky Farms Inc.	Humboldt	\$126,025,063	John LaClare	403	Investment Saskatchewan Inc., Saskatchewan Government Growth Fund III Inc., B & F Holdings Inc.
39	Vecima Networks Inc.	Victoria, B.C., with majority of operations in Saskatoon	\$120,557,000	Surinder Kumar	796	Surinder Kumar, Hugh Wood
40	Weyburn Inland Terminal Ltd.	Weyburn	\$119,377,092	Rob Davies	62	Widely Held
41	South West Terminal Ltd.	Gull Lake	\$109,506,316	Mark Schell	35	Cargill Ltd., Widely Held
42	Saskatchewan Blue Cross	Saskatoon	\$105,000,000	G.N. (Arnie) Arnott	132	Non-share Capital
43	Young's Equipment Inc.	Regina	\$97,725,879	Tim Young	130	Young family
44	Saskatchewan Municipal Hail Insurance Association	Regina	\$83,946,299	Rodney Schoettler	120	Policy Holders
45	Millsap Fuel Distributors Ltd.	Saskatoon	\$82,352,353	Gus Millsap	56	Gus Millsap
46	Innovation Credit Union	Swift Current	\$81,630,000	Brian Maunula	439	Member Owned
47	Reho Holding Ltd.	Warman	NP	David Holst	170	David Holst, Karen Holst
48	Supreme Office Products Limited	Regina	\$78,231,000	Brian Mikuliak	188	Doreen Bosche, Diana Bosche, Derek Bosche
49	CAA Saskatchewan	Regina	\$75,559,255	Fred Titanich	246	Member Owned
50	North Ridge Development Corporation	Saskatoon	NP	Walter Mah	140	Walter Mah, Julius Calyniuk
51	Information Services Corporation of Saskatchewan	Regina	\$66,400,000	Jeff Stusek	277	Government of Saskatchewan
52	ClearTech	Saskatoon	\$65,700,000	Randy Bracewell	42	PIC Investment Group
53	SED Systems Inc., a Division of Calian Ltd.	Saskatoon	\$59,702,183	Brent McConnell	294	Calian Technologies Ltd.
54	North West Terminal Ltd.	Unity	\$59,680,375	Jason Skinner	45	Widely Held
55	Heartland Agro Services Ltd.	Moose Jaw	\$58,925,000	Darwyn Boucher	36	The Boucher Family Trust
56	Hitachi Canadian Industries Ltd.	Saskatoon	\$58,000,000	Tom Kishchuk	250	Hitachi Industries Ltd.
57	Venmar CES Inc.	Saskatoon	NP	Maury Wawryk	110	Nortek Holdings
58	Siemens Laserworks Inc.	Saskatoon	NP	Shawn Henschel	170	SLI Holding Corp.
59	Westridge Group of Companies	Regina	\$52,260,000	Leon Friesen	96	Leon Friesen, Craig Phillips
60	North Prairie Developments	Saskatoon	\$52,001,324	John Williams	20	John Williams, Bernice Williams
61	Synergy Credit Union Ltd.	Lloydminster	\$51,889,728	Les Messmer	267	Member Owned
62	Doepker Industries Ltd.	Annahmeim	\$51,800,000	Gurcan Kocdag	310	-
63	Access Communications Co-operative Limited	Regina	\$51,759,447	Jim Deane	200	Member Owned
64	Co-operative Hail Insurance Company Limited	Regina	\$50,551,368	Nick Gayton	99	Member Owned
65	Alliance Energy Ltd.	Regina	\$48,619,000	Paul McLellan	250	Employee Owned
66	Pound-Maker Agventures Ltd.	Lanigan	NP	Brad Wildeman	50	Pound-Maker Investments Ltd.
67	Claude Resources Inc.	Saskatoon	\$48,356,000	Neil McMillan	210	Widely Held
68	Group Medical Services	Regina	NP	Shirley Raab	85	n/a
69	Saskatchewan Research Council	Saskatoon	\$44,790,000	Dr. Laurier Schramm	354	Government of Saskatchewan
70	Villanova Energy Corp.	Regina	\$42,043,355	E. Craig Lothian	18	Apex Fund, Lex Capital Corp., SaskWorks
71	DirectWest Corporation	Regina	\$41,851,000	Gord Farmer	99	SaskTel
72	Superior Cabinets	Saskatoon	\$41,300,000	Mark MacLeod	172	Linda Larre
73	Northern Resource Trucking Limited Partnership	Saskatoon	NP	Richard Reynolds	139	Kitsaki Development Corporation, Trimac Transportation
74	Hodgins Auctioneers Inc.	Melfort	\$39,378,259	Barrie Jung	25	Grant Hodgins
75	Crestline Coach Ltd.	Saskatoon	\$39,136,758	Daryl Bitz	137	Daryl Bitz, Tim Morrow, Geoff Booth, Prairie Ventures Ltd. Partnership, SaskWorks Venture Funds Inc., Kensington Capital
76	International Road Dynamics Inc.	Saskatoon	\$38,674,552	Terry Bergan	142	Publicly Traded
77	CP Distributors/United Group	Saskatoon	\$37,500,000	Scott Suppes	71	Scott Suppes, Employee Owned
78	Lakeland Ford Sales Ltd.	Prince Albert	\$37,014,785	Dennis Balon	55	Dennis Balon
79	Saskatchewan Mutual Insurance Company	Saskatoon	\$36,883,000	Laura M. Wiebe	60	Policy Holders
80	Partner Technologies Incorporated	Regina	\$35,330,000	Caron Hopfner	104	Caron Hopfner, George Partyka
81	Percy Hunt Travel Group Inc.	Regina	\$34,479,000	Kevin Percy	48	Kevin Percy, Garry Huntington
82	WBM Office Systems	Saskatoon	\$34,000,000	JoeAnne Hardy	80	Brett Bailey, Garry Laxdal, Bob Hardy, JoeAnne Hardy
83	Cornerstone Credit Union	Yorkton	\$31,359,720	Kevin Lukey	184	Member Owned
84	Eagle Drilling Services Ltd.	Carlyle	NP	Derrick Big Eagle	145	Robert G. MacCuish, Derrick Big Eagle
85	Jay's Moving & Storage Ltd.	Regina	\$30,536,780	Dennis Doehl	310	Dennis Doehl, Arlene Doehl
86	SaskEnergy	Regina	\$30,000,000 (Net Revenue)	Doug Kelln	1100	Government of Saskatchewan
87	Allan Construction	Saskatoon	NP	Monte Allan	120	Monte Allan, Gail Allan, Janis Dubreuil, Kent Koller, Jody Maferi, Kevin Arneson
88	Saskatchewan Roughrider Football Club Inc.	Regina	\$28,237,464	Jim Hopson	35	Community Owned
89	Saskatchewan Abilities Council	Saskatoon	\$28,100,000	Ian Wilkinson	345	-
90	Kelsey Group of Companies	Saskatoon	NP	Richard Clunie, Jim Clunie	30-90	Richard Clunie, Jim Clunie
91	Advantage Credit Union	Melfort	\$27,149,214	Jim Thiessen	160	Member Owned
92	Panther Industries Inc.	Davidson	\$26,000,000	Jack Schneider	45	Jim Yuel, Greg Yuel
93	Arch Transco Ltd.	Regina	NP	Barrie Archibald	25	Barrie Archibald
94	TCU Financial Group	Saskatoon	NP	Morris Smysnuik	111	Member Owned
95	PrintWest Communications	Regina	\$20,800,000	Grant Gayton	150	Glacier Media, Employees
96	Prairie Centre Credit Union	Rosetown	\$20,677,000	Al Meyer	110	Member Owned
97	Keystone Royalty Corp.	Regina	\$20,139,173	E. Craig Lothian	n/a	Lex Capital Corp., Prairie Ventures LP, SaskWorks
98	Spectra Credit Union	Estevan	\$19,676,000	Tim Schroh	160	Member Owned
99	Saskatoon Airport Authority	Saskatoon	\$16,835,819	William A. Restall	29	-
100	Paradigm Consulting Group Inc.	Regina	\$16,795,000	René Carpentier	83	René Carpentier, Mark Hustak, Punam Burnett