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DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
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(Issued June 1946)

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WORLD WHEAT SITUATION

Most Critical Time of Famine Period at Hand - At this time, when the last remaining supplies of bread grains are being scraped together to lessen starvation in stricken countries and just before any large-scale relief can be expected from new crops, the world enters the most critical stage of the present famine period. While no effort is being spared to search out and divert into export channels every bushel of grain available in the major exporting countries, no marked improvement in the supply position can be expected until new-crop grain becomes available within the next four to eight weeks. Present indications suggest that the 1946 world harvest will be substantially larger than that of a year ago, but in few, if any of the war-torn areas, will production reach pre-war levels, with the consequence that a great deal of dependence will continue to be placed on the export surpluses of other countries.

Critical World Food Situation May Last Four or Five Years - Ample evidence exists to show that, even with average or better-than-average yields for the remainder of 1946 and 1947, the world-food situation will remain critical, at least until the harvests of 1947. Sir John Boyd Orr, Director-General of Food and Agricultural Organization, has stated that the world food situation is likely to remain critical in one way or another for the next four or five years and has urged some agreement on a plan for international agricultural action over that period of time. With this emphasis on the possible duration of the food shortage and on the urgent need for the greatest amount of life-preserving foodstuffs, the new international groups as well as individual governments are drafting their agricultural plans and policies with a view toward the greater production of cereals at the expense of live stock.

Next Year's Grain Supplies Appear Inadequate - The grain supply outlook for the approaching season is anything but reassuring. A preliminary estimate of world food needs and supplies for 1946-47, prepared by the F.A.O. reveals that, in the case of wheat, the import needs of the deficit countries of the world may be as large as 30 million metric tons, if large masses of the world's population are to be maintained at a "minimum subsistence" level of nutrition, "minimum subsistence" being defined as the calorie level that must be attained "to prevent the most serious malnutrition and the danger of civil unrest." On the other hand, assuming average weather conditions, the amount available from the "Big Four" exporters is not likely to exceed 20 million tons.

Prospects Fair for Average Wheat Crop in Canada - Based on present conditions and precluding adverse weather and moisture conditions during the critical period between now and the end of July, there are fair prospects of an average crop in western Canada this year. A realization of this prospect would help to offset the extremely small stocks of old wheat which are likely to be carried over at the end of July. Despite dwindling visible supplies, which stood at 54.2 million bushels on June 13, as compared with 268.3 million at the same date a year ago, total exports of wheat and wheat flour are being well maintained. From August 1, 1945 to May 31, 1946 exports of wheat and wheat flour have aggregated 303.3 million bushels. Now that the Canadian lake boats have started to move again, little difficulty is anticipated in reaching, if not exceeding, the 340 million-bushel export goal.

Latest Estimate Increases United States Probable Wheat Production - The latest estimate of production for the 1946 United States wheat crop now places the probable outturn at 1,033.1 million bushels, the third consecutive billion-bushel crop in that country and its third largest total production of wheat on record. Total supplies for the 1946-47 season will be somewhat smaller than those of a year ago, as carry-over stocks are expected to be at the lowest level since 1937. The people of the United States are asked to eat at least one-third less wheat than formerly for the duration of the emergency period. To assist in reaching this objective an order has been issued prohibiting bakers from making or selling any variety of bread or rolls, as defined in the order, weighing more than 90 per cent of the weight of such bread or rolls produced on March 15, 1946, or on the last prior date when the bread and rolls were made. With such conservation orders in effect, along with other regulatory measures, the United States hopes to provide 250 million bushels for export during the coming season.

Up to June 10 of the present crop year United States exports of wheat and wheat flour have totalled about 345 million bushels. During the remaining 20 days of this season, some 55 million bushels will have to be cleared from United States ports in order to realize the 1945-46 export goal of 400 million bushels. Since 81.3 million bushels of wheat were acquired under the recent bonus scheme, Secretary of Agriculture Anderson is confident that supplies are sufficient to meet their present export commitments. The greatest problem to be faced now is the movement of this grain to export positions within the time remaining.

Argentine Weather Conditions Excellent for New Seeding - Ideal weather conditions in the Argentine have favoured seed-bed preparation and the sowing of small grains. As yet no official estimate of the acreage to be devoted to the 1946 wheat crop has been made. Opinion seems to vary considerably among members of the grain trade. Some anticipate a substantial increase in the wheat acreage, while others foresee a swing towards coarse grains at the expense of wheat. Total exports have been small so far this year, running about one-half the amount exported for the same period a year ago.

Estimated Wheat Acreage in Australia below Goal - The present estimate of the Australian 1946 wheat acreage is placed at 12.2 million acres and compares with the goal of 15.5 million. Weather conditions vary from poor to excellent. Assuming an average yield, the prospective wheat crop for this year seems to be little larger than the 140 million-bushel crop harvested last December. While exports from the first of the year to the middle of June have aggregated 30.9 million bushels, it is anticipated that the exportable surplus will be exhausted long before the end of the year.

European Wheat Crop Deteriorating - The European wheat crop which has maintained a fairly favourable condition for the past several months has been subjected to excessive rainfall in western and southern areas with the result that prospective wheat yields have had to be revised downward. Unless bright, warm weather is received soon, further deterioration may follow. A private estimate now places the probable wheat outturn in France at 219.2 million bushels. While this figure is considerably higher than last year's indicated 185 million bushels, it is substantially below earlier predictions of 260 to 290 million bushels. Italian and Spanish wheat crops, too, have come in for estimated reductions. Reports from Russia, on the other hand, reveal that abundant and widespread rains have relieved the drought situation, especially in the Ukraine, and current conditions suggest a good grain harvest, although moisture may have come too late to avert partial losses in some areas. Harvesting in North Africa is making good progress with yields turning out above average.

CANADIAN SITUATION

Supply Position - The supply of Canadian wheat available for export and carry-over at June 1, 1946 totalled 111.0 million bushels as compared with 350.0 million available at the same date a year ago. Total exports of wheat and wheat flour during May amounted to only 24.0 million bushels as against 48.2 million for May 1945 to bring total exports for the ten-month period ending May 1946 up to 303.3 million bushels, about 48.8 million above last year's ten-month aggregate.

Despite dwindling supplies of wheat and transportation difficulties, exports have been fairly well maintained during the past few months. So far there appears to be no indication of a drastic export decline and if the current rate can be continued near its present level exports for 1945-46 will equal or surpass those of a year ago, while carry-over stocks will be down to the minimum required until the new crop is available. Imports of Canadian wheat by the United States for consumption and milling in bond have been **revised** downward this month as more authoritative information has become available since the May issue of this publication. Compared with last year, flour exports for the first ten months of 1945-46 have been slightly larger, while overseas clearances of wheat have expanded about 45 per cent.

Canadian Wheat Supplies

	1945-46	1944-45
	- million bushels -	
Carry-over in North America July 31	258.4	356.5
New Crop	305.9 1/	416.6
Total Supply	564.3	773.1
Estimated domestic requirements	150.0 1/	168.6
Available for export or carry-over	414.3	604.5
Deduct:		
Overseas Clearances of wheat as grain August 1 - May 31	240.7	165.7
United States imports of Canadian wheat for home consumption and milling in bond	10.6 2/	~~38.6~~ 38.4
Total wheat exports	251.3	204.3
Exports of wheat flour in terms of wheat August 1 - May 31	52.0	50.2
Total exports wheat and wheat flour	303.3	254.5
Balance on June 1 for export or carry-over	111.0	350.0

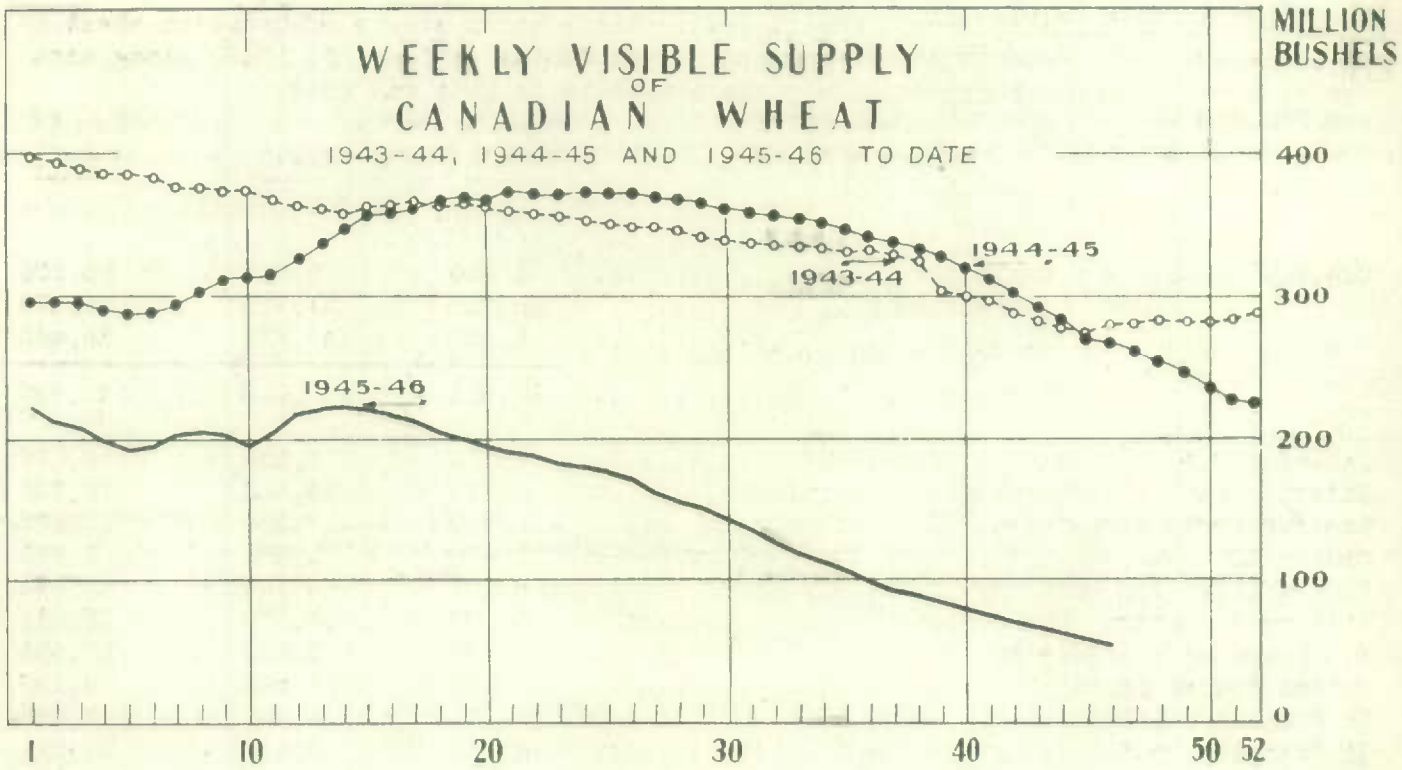
1/ Subject to revision.

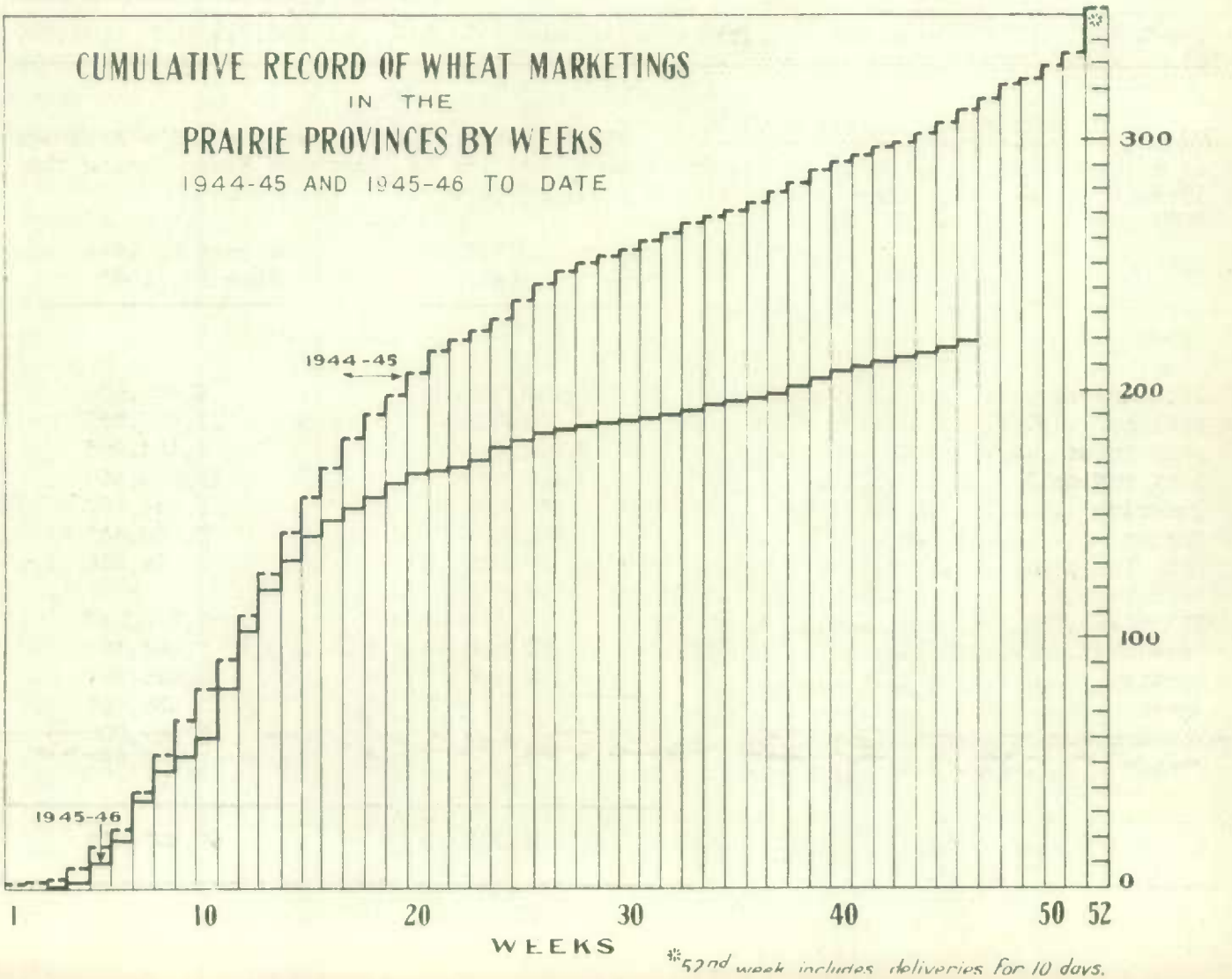
2/ Estimate.

Farmers' Marketings - The following table shows primary receipts of wheat in the Prairie Provinces for the 1945-46 crop year along with comparative figures for 1944-45:

Week ending		Manitoba	Saskatchewan	Alberta	Totals	Last Year
				- bushels -		
August	1-2	-	-	112,355	112,355	1,643,649
	9	29,396	79,152	137,853	246,401	1,070,379
	16	8,686	123,772	249,883	382,341	2,045,803
	23	96,463	755,302	921,069	1,772,834	5,368,793
	30	1,271,860	4,568,677	1,685,584	7,526,121	6,832,745
September	6	2,240,434	4,665,078	2,139,568	9,045,080	7,218,921
	13	2,444,009	9,681,705	3,518,952	15,644,666	15,518,385
	20	963,800	7,020,619	3,844,220	11,828,639	14,619,037
	27	444,784	3,974,279	1,024,858	5,443,921	12,662,549
October	4	2,067,492	3,428,517	1,613,780	7,109,789	12,429,817
	11	4,198,777	10,147,043	5,647,547	19,993,367	12,129,372
	18	2,686,475	14,274,064	7,079,466	24,040,005	17,889,562
	25	1,236,158	9,375,221	5,120,006	15,731,385	17,118,910
November	1	1,275,290	7,071,685	3,256,083	11,603,058	16,813,108
	8	983,850	7,259,954	2,266,876	10,510,680	13,202,329
	15	548,654	3,401,162	1,403,183	5,352,999	12,283,645
	22	563,398	2,927,636	1,249,802	4,740,836	11,730,036
	29	397,061	2,758,969	1,348,822	4,504,852	9,797,987
December	6	415,040	3,220,454	1,322,269	4,957,763	7,101,707
	13	418,686	2,385,278	1,071,454	3,875,418	8,794,546
	20	222,497	1,305,273	846,361	2,374,131	8,727,864
	27	179,247	1,164,776	688,466	2,032,489	4,990,520
January	3	200,023	1,416,085	492,204	2,108,312	3,514,237
	10	565,523	2,628,773	1,493,312	4,687,608	4,729,367
	17	401,077	2,467,033	1,310,217	4,178,327	7,209,926
	24	198,829	1,141,194	1,078,059	2,418,082	6,386,020
	31	132,666	635,905	658,645	1,427,216	5,414,776
February	7	125,328	338,561	416,868	880,757	3,225,434
	14	116,387	402,761	498,218	1,017,366	2,960,808
	21	90,057	465,047	541,270	1,096,374	2,430,701
	28	152,664	805,267	681,000	1,638,931	3,796,921
March	7	147,692	985,658	621,921	1,755,271	3,332,843
	14	193,905	766,368	644,189	1,604,462	3,928,029
	21	175,336	801,489	666,783	1,643,608	2,759,393
	28	100,666	466,710	465,554	1,032,930	2,186,764
April	4	130,624	573,836	420,362	1,124,822	2,761,272
	11	221,034	1,335,842	624,253	2,181,129	4,767,559
	18	339,663	1,691,081	631,407	2,662,151	3,776,348
	25	418,798	2,384,689	715,136	3,518,623	5,281,428
May	2	357,753	1,693,468	705,547	2,756,768	3,376,635
	9	324,361	1,157,720	590,211	2,072,292	2,711,113
	16 1/	299,763	1,391,027	518,704	2,209,494	2,547,657
	23	198,655	1,271,033	502,217	1,971,905	2,210,532
	30	323,781	1,696,524	666,740	2,687,045	3,969,828
June	6	290,428	1,506,027	388,704	2,185,159	4,089,300
	13	233,426	1,404,462	384,651	2,022,539	4,924,755
Total		28,430,496	129,015,176	62,264,629	219,710,301	312,281,310

1/ Revised.





*52nd week includes deliveries for 10 days.

Visible Supplies - The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on June 13, 1946, along with comparative figures for approximately the same date in 1945 and 1944:

	1946	1945	1944
		- 000 bushels -	
Country Elevators - Manitoba	1,530	9,810	13,535
Saskatchewan	10,235	51,975	72,470
Alberta	6,250	46,230	56,460
Total	18,015	108,015	142,465
Interior Private and Mill Elevators	4,103	5,529	6,007
Interior Public and Semi-Public Terminals	72	14,023	10,740
Pacific Ports	1,960	17,356	15,132
Churchill	1,878	1,878	1,878
Fort William and Port Arthur	8,237	43,366	26,492
Eastern Elevators - Lake Ports	8,078	18,550	25,824
St. Lawrence and Seaboard Ports	5,723	9,132	12,455
United States Ports	260	15,623	9,193
In Transit - Lakes	1,156	6,460	3,055
In Transit - Rail	4,760	25,410	20,511
In Transit - U.S.A.	-	2,972	6,503
Total	54,242	268,314	280,255

Movement to Maritime Ports - The following figures represent the movement of wheat by RAIL from ports on the Great Lakes and the St. Lawrence River during the current season, with comparative figures for last year.

	August 1, 1945 to June 13, 1946	August 1, 1944 to June 14, 1945
	- bushels -	
Collingwood	1,099,955	4,065,601
Midland	7,224,061	11,187,899
Owen Sound	2,021,566	4,454,905
Port McNicoll	7,469,290	11,994,680
Goderich	597,473	1,544,700
Sarnia	201,923	1,050,467
Port Colborne	50,000	29,932
Walkerville	195,873	-
Kingston	717,978	2,076,247
Prescott	330,815	1,088,499
Montreal	130,967	1,456,387
Sorel	-	139,795
Three Rivers	220,000	159,000
Quebec	-	1,259,787
Total	20,259,901	40,507,899

Wheat Shipments to the United States - Movement of wheat from Canada to the United States was at a standstill during the month ending June 13 with the total amount shipped since the first of the current crop year remaining at 61.7 million bushels. During the corresponding month a year ago 10.4 million bushels were shipped to the United States to bring the total since August 1, 1944 up to 111.6 million bushels. At the same time, the visible supply of Canadian wheat in the United States has dropped from 18,594,261 bushels at June 14, 1945 to 259,873 bushels at the same date this year.

Shipments August 1 - June 13

	1946	1945
	- bushels -	
By Vessel		
U. S. A. Pacific Ports	15,000	1,900,580
Buffalo	46,948,319	62,733,079
Chicago	331,494	7,797,180
Duluth-Superior	22,104	5,559,109
Erie	6,981,861	10,394,047
Milwaukee	-	677,554
Oswego	-	1,833,013
Toledo	-	4,469,371
Total - Vessel Shipments	54,298,778	95,363,933
By Rail		
Seaboard Ports	7,302,708	14,960,436
Other Points	105,594	1,288,271
Total - Rail Shipments	7,408,302	16,248,707
GRAND TOTAL	61,707,080	111,612,640

Lake Shipments of Canadian Grain from the Opening of Navigation to June 7

	Wheat	Oats	Barley	Rye	Flaxseed	Total
			- bushels -			
1939	32,659,363	3,998,154	3,429,196	278,017	-	40,364,730
1940	61,872,571	6,506,372	2,121,806	1,203,009	118,713	71,822,471
1941	82,276,579	2,978,559	1,718,416	1,682,362	317,401	88,973,317
1942	70,328,045	872,523	1,030,117	580,610	143,942	72,955,237
1943	47,366,330	12,215,747	12,491,776	1,158,229	622,942	73,855,024
1944	77,979,306	23,724,068	14,569,734	3,633,573	3,560,809	123,467,490
1945	86,092,972	29,602,801	15,621,495	2,024,582	1,361,208	134,703,058
1946	32,976,423	21,420,432	6,803,888	517,568	417,925	62,136,236

The Canadian seamen's strike on the Great Lakes and the limited supplies of wheat at the Lakehead have worked together to reduce the lake movement of that grain since the opening of navigation to its lowest point since 1939. The total lake shipments of the five principal grains are also at their lowest point for the past seven years.

Rail Movement from Fort William-Port Arthur - The rail movement of wheat from the Lakehead which was well maintained during the five-month period ending April, displayed a substantial decline during the month of May. This can be largely attributed to the diversion of wheat shipments from rail to water transportation and to the extremely small wheat stocks available at Fort William-Port Arthur. While total shipments for the first ten months of the present season are more than twice as large as they were for the same period a year ago, they are considerably below shipments for the seasons of 1942-43 and 1943-44. Most of the wheat moving by rail was made up of lower grades and over 55 per cent of it was destined for Quebec.

Shipments month-by-month during the past four crop years are shown in the following table:

	1945-46	1944-45	1943-44	1942-43
		- bushels -		
August	23,255	91,891	990,879	390,264
September	57,533	169,603	1,547,042	600,921
October	73,776	86,572	780,035	644,926
November	99,197	97,512	711,238	1,250,952
December	2,280,636	1,236,339	898,565	3,871,297
January	4,533,707	1,936,038	4,364,158	1,757,163
February	1,127,764	764,629	4,397,318	3,196,248
March	2,223,266	1,091,909	1,076,142	1,997,275
April	1,015,730	196,042	107,257	3,968,148
May	536,462	66,154	271,533	1,135,059
Total - 10 months ...	11,971,326	5,736,689	15,144,167	18,812,253

The grades of wheat shipped during May 1946 and the provincial distribution of this rail movement are shown in the following table:

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island
			- bushels -		
2 Northern	-	6,000	-	-	-
4 Northern	178,762	280,767	19,500	3,000	17,267
No. 5	4,000	-	1,133	1,133	333
Feed	6,000	10,633	3,267	-	-
Rejected 3 Northern	667	-	-	-	-
1 C.W.A.D.	1,500	2,500	-	-	-
T o t a l	190,929	299,900	23,900	4,133	17,600

GRAND TOTAL 536,462

Freight Assistance Shipments - A preliminary statement of payments made in 1945-46 under the Federal Freight Assistance policy up to and including the month of April indicates that total shipments of wheat into the feed-deficit areas of eastern Canada and British Columbia are now about 13 per cent above those for the corresponding period of a year ago. As returns for payments become more complete, it is expected that the shipments for the current season will increase still further above those of a year earlier.

The total amount of millfeeds moving under the Freight Assistance scheme during the August to April period 1945-46 is nearly 3 per cent larger than during the same period 1944-45.

The provincial distribution is shown in the following table, by months, with comparative totals for the crop year 1944-45.

1945-46	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia	Total
			- bushels -				
August	1,163,783	864,462	74,287	83,563	68,320	353,505	2,607,920
September	1,024,657	848,687	97,768	91,215	51,017	344,563	2,457,907
October	1,223,082	971,883	101,615	99,648	41,420	364,417	2,802,065
November	1,099,365	891,155	99,748	112,468	44,445	316,217	2,563,398
December	1,178,620	664,675	90,863	128,237	40,288	322,093	2,424,776
January	1,056,605	653,753	93,558	94,072	37,940	298,932	2,234,860
February	1,091,473	609,403	53,937	66,675	34,523	253,592	2,109,603
March	1,401,720	797,037	87,138	86,080	58,007	265,177	2,695,159
April	711,957	646,235	42,625	68,703	34,390	87,233	1,591,143
T o t a l	9,951,262	6,947,290	741,539	830,661	410,350	2,605,729	21,486,831
Same Period 1944-45	8,222,569	6,114,972	683,130	916,193	296,993	2,763,246	18,997,103

Millfeeds - The distribution of millfeeds under the Freight Assistance plan is shown for the five eastern provinces in the following table. One column of figures covers the first nine months of the present crop year and the other the corresponding period a year ago.

	August 1, 1945 to April 30, 1946	August 1, 1944 to April 30, 1945
	- tons -	
Ontario	185,279	174,905
Quebec	229,921	224,272
New Brunswick	41,018	39,599
Nova Scotia	42,874	48,351
Prince Edward Island	11,613	9,016
T o t a l	510,705	496,143

Monthly Overseas Clearances, Etc., in Comparison with the Customs Exports of Wheat and Wheat Flour

	Overseas Clearances of Canadian Wheat	U. S. Imports of Canadian Wheat for consumption and milling in bond	Customs Exports of Canadian Wheat Flour	Total	Customs Exports of Wheat and Wheat Flour
			- 000 bushels -		
1943-44					
August	13,926	8,744	5,047	27,717	23,143
September ...	8,950	9,332	3,933	22,215	21,426
October	7,424	12,597	3,824	23,845	23,791
November	7,900	11,429	3,860	23,189	28,733
December	10,639	9,802	4,979	25,420	43,022
January	10,956	14,178	5,063	30,197	22,336
February	8,977	20,704	3,844	33,525	24,655
March	7,859	14,529	5,518	27,906	20,566
April	9,394	24,979	6,943	41,316	40,092
May	14,148	15,420	7,090	36,658	40,009
June	11,720	8,617	5,999	26,336	31,061
July	11,444	9,497	4,490	25,431	29,640
Total ...	123,337	159,828	60,590	343,755	348,474
1944-45					
August	12,351	9,043	3,391	24,785	19,899
September ...	11,798	8,940	5,470	26,208	32,107
October	15,428	5,758	4,908	26,094	33,624
November	14,658	4,891	4,417	23,966	27,601
December	9,972	2,169	5,591	17,732	32,815
January	14,730	1,413	3,781	19,924	8,944
February	10,858	766	4,642	16,266	11,998
March	13,890	763	5,571	20,224	15,665
April	22,703	2,157	6,154	31,014	21,606
May	39,351	2,499	6,307	48,157	35,432
June	34,366	1,725	7,257	43,348	50,552
July	38,322	1,737	5,168	45,227	43,362
Total ...	238,427	41,861	62,657	342,945	333,605
1945-46 1/					
August	34,227	1,114	4,979	40,320	48,074
September ...	22,454	1,143	4,294	27,891	34,428
October	40,764	1,265	4,789	46,818	36,139
November	30,424	2,139	4,501	37,064	42,817
December	17,755	1,582	4,344	23,681	42,443
January	22,443	1,988	5,125	29,556	20,373
February	18,512	352	5,111	23,975	14,958
March	21,025	587	4,690	26,302	20,075
April	16,612	421 2/	6,651	23,684	20,095
May	16,524	-	7,507	24,031	23,003
Total August to May	240,740	10,591	51,991	303,322	302,405

1/ Subject to revision.

2/ Estimate.

Selling Prices of Canadian Wheat - The export price of Canadian wheat to overseas destinations remains unchanged at $1.55 per bushel, basis No. 1 Northern in store Fort William-Port Arthur or Vancouver. The monthly averages of Canadian Wheat Board prices are as follows:

	1 Northern	2 Northern	3 Northern	4 Northern
	- cents and eighths per bushel -			
October 19-30, 1943	128/2	125/2	123/2	118/2
November	132/3	129/3	127/3	122/3
December	141/2	138/2	136/2	131/2
January, 1944	145/5	142/5	140/5	135/5
February	144/7	141/7	139/7	134/7
March	146/7	143/7	141/7	136/7
April	148	145	143	138
May	148	145	143	138
June	143/3	140/3	138/3	134/2
July	138	135	133	130
August	135/2	132/2	130/2	127/4
September	136	133	131	129/7
October	143/2	140/2	138/2	137/2
November	146/2	143/2	141/2	140/2
December	146/3	143/3	141/3	140/3
January, 1945	145/6	142/6	140/6	139/6
February	150/1	147/1	145/1	144/1
March	152/3	149/3	147/3	146/3
April	153/5	150/5	148/5	147/5
May	154/4	151/4	149/4	148/4
June	155	152	150	149
July	155	152	150	149
August	155	152	150	149
September	155	152	150	149
October	155	152	150	149
November	155	152	150	149
December	155	152	150	149
January, 1946	155	152	150	149
February	155	152	150	149
March	155	152	150	149
April	155	152	150	149
May	155	152	150	149
June 1-21	155	152	150	149

Payment on 1943-44 Wheat Participation Certificates - The following statement concerning the payment on 1943-44 wheat participation certificates is reprinted from Hansard under date of June 11, 1946:

"Hon. J. A. MacKinnon (Minister of Trade and Commerce): Mr. Speaker, I am now in a position to make a brief statement in respect to the payment on 1943-44 wheat participation certificates. The surplus in the 1943-44 board account is approximately $36,000,000, which on deliveries of 293,375,116 bushels will provide an average final payment of about 12 cents per bushel.

"In connection with the surplus on the 1943-44 board account, it is necessary to mention that on sales in the domestic market, the intention is that there shall be no loss or gain as far as the producer is concerned—this wheat is sold at $1.25 per bushel, basis No. 1 Northern, in store Fort William-Port Arthur or Vancouver, with the Dominion Government assuming carrying charges. 1943-44 wheat for export was sold over a period of approximately a year and a half, commencing in October, 1943.

"The actual payment on 1943-44 participation certificates will begin as soon as the barley equalization payment and the Ontario wheat flour equalization payments are completed. Requisition forms will be distributed through country elevators within a week or ten days time. These are the forms upon which producers will list their 1943-44 wheat participation certificates for forwarding to the board for payment.

"It is expected that the payment on the 1943-44 board account will be much more rapid than the payment in respect to participation certificates for 1940-41, 1941-42 and 1942-43. In these latter crop years, about five to six million participation certificates were outstanding and approximately twenty per cent had been lost or misplaced, which retarded the rate at which payment could be made. In respect to 1943-44, there will be fewer lost certificates, and the payment should proceed much more rapidly. Approximately 2,500,000 participation certificates are involved in the 1943-44 payment, and it is estimated that about 400,000 cheques will be issued.

"Last year some areas in southern Saskatchewan and south-eastern Alberta experienced poor crops, and in some points in Saskatchewan low yields per acre were harvested in 1943 as well. In making payment on 1943-44 participation certificates, the Canadian Wheat Board will arrange to make payment first in these areas to which I have just referred. The 1943-44 production was very uniform, and with the exception of a very few grades, the payment per grade will be about twelve cents a bushel in each case.

"Mr. Bracken: Could the Minister state approximately when the cheques will go out?

"Mr. MacKinnon: As far as I know, in about ten days' time."

Telegraphic Crop Report - Prairie Provinces - The following is the telegraphic report issued by the Dominion Bureau of Statistics on June 25, covering crop conditions in the Prairie Provinces.

Summary - Based upon conditions at the present time and barring the development of adverse weather and moisture conditions during the critical period between now and the end of July, there are fair prospects of an average crop in western Canada this year. Rainfall since April 1 has been generally below normal but many areas received better-than-average precipitation last fall and as a result the total moisture supply has not been as inadequate as would appear from consideration of growing-season precipitation alone. Pest infestations have not been overly severe to-date, although the extent of sawfly damage remains to be determined.

Scattered rains over the week-end have improved Manitoba's crop prospects but further rainfall is needed to maintain present conditions. Many eastern districts and some areas in the south-west have already suffered to such an extent from drought that complete recovery will not take place even with additional rainfall. Prospects on the Portage Plains are now fairly good and reports from the north-western portion of the province remain generally optimistic.

Crop conditions in Saskatchewan have also been fairly well maintained with the help of welcome rains in many areas of the southern portion of the province. Moisture reserves in general throughout the province are below normal, and timely rains will be required to carry the crops through to maturity. Recent good rains have greatly improved prospects over wide areas surrounding Indian Head, Swift Current, Scott, Rosetown and other points in the province. The Melfort district appears to be suffering most from drought and indications are that yields will be relatively low in this area regardless of whether additional rainfall is received or not. First crop hay in this district is very poor. Some severe wireworm damage has occurred in the Swift Current and Weyburn areas with light to moderate damage between these areas and in other parts of the south-west.

General rains over most of the province during the week-end with scattered showers during the week maintained and improved the generally favourable crop conditions in Alberta. The wheat stand is particularly promising in central Alberta. Warm weather promoted rapid growth and wheat now averages 8 inches in height with 27 per cent in the shot blade. Serious local hail damage occurred in the south and south-central districts. Pastures and live stock are reported to be in good condition.

Manitoba - Crops in general have been maintained by relatively good moisture reserves left over from last season. Rains over the past week-end have relieved a situation which was becoming acute in some areas. Many late-seeded crops in the eastern section of the province show uneven germination and slow development. Early-seeded crops, especially on summerfallow are now in the shot blade and stands are promising. Flax is generally backward with hay and pastures reported poor in eastern and some south-western districts and about average elsewhere. Sugar beets have benefited by the recent rain with over ten thousand acres now thinned, about twice as much as at the same date last year.

In the Morden area, in Crop District 3, early-seeded wheat and barley are heading, but all crops urgently require rain. Straw is short in this area and relatively low yields appear to be in prospect. Clover hay is light and grass is poor. In the south-western area of the province around Melita a light rainfall over the week-end has somewhat alleviated conditions. However, lack of moisture during the past week caused deterioration of all crops except wheat on well-worked summerfallow. Considerable damage was caused to gardens by frost on June 17. Pastures and wild hay are reported to be poor with more rain needed immediately. Portage la Prairie reports almost an inch of rain on June 22, and as a result crops here are reviving with early

wheat coming into shot blade. It is feared that the yield of early crops will be reduced as the heads were formed before the drought was relieved. Cereal crop prospects at Brandon are now much brighter as a result of 2 inches of rain on June 22. Early grain is heading and much of the remainder is in shot blade. The rain appears to be too late to improve grass hay materially but alfalfa will benefit. Pastures, too, should improve, but gardens remain patchy, due to poor germination and cutworms.

Prospects in Crop District 7 were improved by light week-end rains. Early-sown wheat is in shot blade but flax is making the best showing. More rains is required here. Good rains over the week-end provided welcome relief from drought in the eastern interlake area and most grains should recover well, although heads may remain small on early-seeded grains. Pastures have benefited greatly but the hay crop will likely remain light. In the north-western section of the province week-end rains following warm dry weather last week left the wheat crop in excellent condition. Late coarse grain crops were yellowing before the rain and some frost damage has occurred to grains in part of this area. Potato blight is showing up and sweet clover weevil damage appears to be heavy. Mustard growth is being ploughed down.

Hail causing 5 to 45 per cent damage is reported from Alexander, Rapid City, Moline, Cardale, Oak River, McConnell, Hamiota, Decker, Isabella and Birtle. The Entomological Laboratory at Brandon reports extensive field damage to flax and wheat by cutworms in the Souris district with some slight damage in other areas. Average precipitation for the province since April 1 has been 46 per cent below normal as compared with 47 per cent below normal a week ago. Mean temperature for the week ending June 24 was 3 degrees below normal.

Saskatchewan - Welcome rains in most areas of the southern parts of the province over the week-end have temporarily relieved the dry conditions which have prevailed due to the warm weather of the past week. Moisture reserves throughout the province are below normal and prospects for a satisfactory crop depend on the receipt of timely rains to carry the crops to maturity. Growth and stands of wheat and coarse grains have been fair to good but are uneven and spotty in some areas due to slow germination. About 25 per cent of the wheat is in the shot blade stage. Damage by cutworms and wireworms has generally been slight in most regions but severe at many points in the west-central district. Good progress has been made with summerfallowing operations with 65 per cent reported completed. The weather generally has been warm and dry. Live stock and pastures are in fair to good condition.

The extreme south-east of the province reports good growing weather with early wheat in shot blade. Pastures are good. In the area around Yellow Grass 75 per cent of the wheat is reported in shot blade with early oats and barley coming into shot blade. More moisture is needed for all crops. The Dominion Experimental Farm at Indian Head reports that high temperatures for the period June 19 to 22 forced the grain crop along very rapidly with good rains greatly improving crop prospects over a fairly wide area. Pastures have been greatly improved and live stock are in good condition. The Supervisor of Illustration Stations at Swift Current advises that grain in the Tugaske district is making favourable growth with wheat stands about 12 inches high. Barley is close to heading with flax showing uniform stand. The first work on summerfallow is completed and pastures are good.

In the east-central area of the province crops appear to be in good condition with some wheat in shot blade. A good rain occurred on June 23. Our Rosetown correspondent reports good crop prospects with an inch of rainfall over the week-end and no damage of any kind indicated. The Dominion Experimental Station at Scott reports that crops have shown steady improvement during the past week-end in west-central Saskatchewan, with moderate to heavy rains received during the past few days. These rains were received in the very productive heavy clay areas and with reasonably good

conditions during July better-than-average yields are assured. Moisture conditions in Crop District 7 around Sunny Glen are good and yield prospects are excellent. The Dominion Experimental Station at Melfort reports only .06 of an inch of rain since last report and indicates that, regardless of future rains, yields of grain cannot be high and the first crop hay is hardly worth cutting.

No hail losses have been reported from Saskatchewan since last week but surveys indicate severe wireworm damage to crops in Swift Current and Weyburn districts with light to moderate damage between these areas and elsewhere in the south-west. No damage by cutworm was found in the Saskatoon-Melfort and Glaslyn areas, although grasshoppers are numerous enough to require poison bait along slough margins and on summerfallow in several districts of the south-west. On the whole, crop damage is generally negligible.

The average precipitation for the province since April 1 remains at 28 per cent below normal, the same figure as a week ago. Mean temperature for the week ending June 24 was 3 degrees below normal.

Alberta - With the exception of the Peace River district, moisture conditions are good throughout the province, the favourable situation of the past two weeks being maintained, and in some districts improved by generous rains during the past week. In the south-east where earlier moisture conditions were poor, rainfall of one inch or more was recorded at all stations reporting, and moisture supplies are now sufficient to carry crops into July. Range grasses are growing well in this area, but the rains were too late to improve the hay crop. Winter wheat is headed out.

Crop prospects in south-western Alberta are good, although crops east of Burdett are still patchy owing to previous moisture scarcity. Sugar beets are reported from Lethbridge to be 80 per cent thinned, the earlier setbacks from frost and drought being largely counteracted by the later favourable weather. Warmer weather is required in some areas to speed growth of spring grains.

In central Alberta the wheat crop is particularly promising and coarse grains are improving rapidly with recent rains. All crops show a very rank growth in the Stettler area where pastures are much improved and a fair hay crop is anticipated. From Calgary crops are reported well stooled with wheat averaging ten inches in height and oats and barley up eight inches.

The wheat crop is starting into the shot blade in the north-central district and late-sown crops are doing well. Frost damaged gardens in the Athabasca area Friday night but grain crops were unaffected.

In the Peace River district crops are growing rapidly, but with only scattered showers during the week some places are becoming critically dry. The sawfly flight has passed its peak in southern Alberta with infestation general. Grasshopper infestation, however, has been greatly reduced by climatic conditions. Serious local damage has occurred from hailstorms moving from Cochrane to Strathmore, Carstairs to Olds, Cremona to Airdrie, Nanton through Stavely, Burdett to Whitla, and at scattered points throughout the southern and central districts.

Average precipitation for the province since April 1 has been 6 per cent below normal as compared with 8 per cent below normal a week ago. Mean temperature for the week ending June 24 has been one degree below normal.

UNITED STATES SITUATION

United States Wheat Production Revised Upward - So far during the month the Crop Reporting Board of the United States Department of Agriculture has issued two estimates of wheat production for the United States. Improved winter wheat conditions during May led to an upward revision of winter wheat production from 743 million bushels at May 1 to 774.6 million at June 1. At the same time spring wheat production prospects were set at 250.9 million bushels to bring the total anticipated outturn to 1,025.5 million bushels. Two weeks later, on June 14, a survey revealed a further improvement in winter wheat prospects and an additional 34 million bushels were added to the June 1 estimate to bring winter wheat production up to 809.1 million bushels. However, dry weather in some of the spring wheat areas partially offset the winter wheat gain, and the survey indicated a deterioration in the spring wheat crop of 27 million bushels to bring the expected outturn down to 224.1 million bushels. Nevertheless, a net gain of 7 million bushels brought the total anticipated United States wheat crop up to 1,033.1 million bushels, the third consecutive billion-bushel wheat crop and the third largest total production of wheat on record.

Reports from the south state that an excellent winter wheat crop is approaching the harvest peak fully two weeks earlier than normal and that the quality is good. Weather conditions have been ideal during the filling of the grain and much of the early drought damage has been overcome.

Wheat Bonus Scheme Effective - Results of the wheat bonus plan which terminated May 25 show that 81.3 million bushels were marketed under this scheme. This bonus plan, announced on April 19, granted farmers who delivered their wheat to the Commodity Credit Corporation through May 25 a 30-cent per bushel bonus plus a contract of sale which can be cashed at the local market price whenever they wish up until March 31, 1947. In areas where country elevators were blocked, farmers were permitted to sign contracts through May 25 for sale of wheat to the C.C.C. under the 30-cent a bushel plan with delivery deferred only until the elevators could again provide storage. It was emphasized that this move did not constitute an extension of the bonus payment plan.

Weight of Bread and Rolls Reduced Ten Per Cent - In a further effort to conserve wheat supplies for export to needy countries, the Department of Agriculture announced that effective June 1, bakers would be prohibited from making or selling any variety of bread or rolls weighing more than 90 per cent of the weight of such bread and rolls produced on March 15, 1946, or on the last prior date when the bread and rolls were made. Effective June 12, the ceiling price of white bread and rolls was raised 1 cent per pound.

Amended Food Order 144 - On June 19, an amendment to War Food Order 144 was announced by the Department of Agriculture. This amended order is designed to facilitate the marketing of grain for domestic and foreign human consumption and its general provisions are as follows:

"The amendment provides that all 'excess' wheat which a merchandiser or country shipper has on hand as of the close of the market each week shall be offered for sale or delivery to the Commodity Credit Corporation before noon of the following Monday. This provision applies to wheat in excess of the quantity needed by a merchandiser or country shipper to make delivery on export sales supported by export linceses or on domestic sales supported by contracts with merchandisers, millers, mixed feed manufacturers, food manufacturers or feeders.

"The amendment also requires that no trucker merchant shall deliver set-aside type wheat to a grain elevator for storage or for any other purpose unless within 15 days of delivery, the wheat is sold to an elevator, merchandiser, miller or other processor. These buyers in turn are required to set aside half of the wheat for delivery to the C.C.C. in the form of wheat or flour as may be directed by the C.C.C.

"Beginning in July 1946, the order increases the quantity of wheat that food manufacturers may use in the manufacture of edible products for domestic human consumption. Currently, the use of wheat by these manufacturers is limited to 75 per cent of the average monthly quantity they used in 1945. Beginning July, this allowance is raised to 85 per cent, thus putting food manufacturers on the same basis as millers in the production of flour for domestic human consumption".

Farmers Slow Wheat Deliveries - Word comes from many areas in the southwest that farmers are bitterly opposed to the government order that one-half of all wheat delivered to elevators by a producer must be offered for sale within fifteen days after date of delivery to the elevators or merchandisers who, in turn, must sell half of what they buy to the government. Millers and grain men fear that wheat may be headed for the same kind of black market that apparently prevails for corn unless regulations are changed to permit a freer market. Despite the fact that new crop harvesting is well under way, they claim that it remains as difficult to buy wheat supplies as it was earlier in the year. Farmers everywhere seem reluctant to market their wheat immediately as they evidently anticipate a rise in wheat prices later in the 1946-47 season, similar to the recent increase of the current season, and for that reason they are attempting to store wheat on the farms.

Exports Total Approximately 345 Million Bushels - Exports of wheat and wheat flour during the first ten days of June amounted to 228,000 long tons (8,504,400 bushels) to bring the total exports of United States wheat since the first of January to 4,035,000 tons (150,505,500 bushels). Exports for the first six months of the United States crop year totalled approximately 195,000,000 bushels. With 20 days left before the end of the United States crop year, some 55 million bushels will have to move out of the country during that time if the export goal of 400 million bushels for the 1945-46 season is to be met.

April Flour Production Down - The latest report of the Department of Commerce states that the production of wheat flour in April totalled 19.9 million sacks, 1 million less than in March. Nevertheless, April production was well above prewar periods, exceeding by 27 per cent the average for April during the crop years 1934-1935 through 1938-1939. Some of the decline was seasonal, but a number of mills reported extreme difficulty in obtaining wheat and some were still experiencing difficulty in changing over to the higher flour extraction rate now in effect. During the month 135 mills were idle as compared with 168 in March. Of these, 115 were idle during both months.

Bonus Wheat to be Loaned to Millers - Early in June, Secretary of Agriculture Anderson announced a bonus wheat loan to flour mills to prevent domestic hardship. It is presently estimated that approximately 10 million bushels of wheat may be necessary to meet requirements in June to assist flour hardship cases. Under the loan plan wheat will not be made available to mills in excess of 50 per cent of the permitted 75 per cent of base period flour production authorized for domestic consumption under the provisions of War Food Order 144.

Cash Wheat Markets Inactive - Lack of offerings of wheat has resulted in stagnation of the cash wheat market according to the Production and Marketing Administration, United States Department of Agriculture. The demand remains active and ceiling prices are freely bid, but supplies of free wheat seem non-existent. The principal interest in the wheat trade is being directed towards the new crop.

Chicago Wheat Futures -

During the month further confusion was introduced to the Chicago futures market with the rescinding of the May 11 order which prohibited the trading in old contracts except for the purpose of liquidation. The new order now permitted open trading in old contracts and established the new ceiling price levels as maximums. Within three days commencing June 3, the old contracts were jammed against the new ceiling of 198 1/2 cents. Later the Chicago Board of Trade was forced to acknowledge that it was almost impossible to maintain a free, open and orderly market in wheat, rye and old-crop corn and barley futures under conditions in which government agencies are buying up huge quantities of grain for shipments to needy countries. Accordingly, trading in these futures was indefinitely suspended on June 14, and settlement ordered at the last market quotation, which in all cases was at the ceiling.

The following are the high points of closing in the wheat futures market at Chicago for the various contract months:

1945-46	Old Contracts				New Contracts
	July	September	December	May	August, November and March
	- cents and eighths per bushel -				
May 23	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
24	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
25	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
27	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
28	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
29	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
30			Memorial	Day	
31	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
June 1	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
3	188 1/2	188 1/2	188 1/2	188 1/2	198 1/2
4	193 1/2	193 1/2	193 1/2	193 1/2	198 1/2
5	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
6	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
7	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
8	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
10	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
11	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
12	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
13	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
14	Trade		Suspended		Indefinitely

ARGENTINE SITUATION

Weather and Crop Conditions - Weather conditions in Argentina so far this season have been extremely favourable for seed-bed preparation and the sowing of small grain crops. Temperatures have been high and moisture conditions at the middle of June were well above normal. While these conditions have been ideal for promoting the new seeding, they have been quite unfavourable for harvesting the new maize crop. So far, no agreement has been reached between members of the trade as to the prospective wheat acreage for the coming season. Many maintain that the relatively higher prices prevailing at present for oats and rye as compared to wheat may induce farmers to reduce the acreage of the latter grain in favour of the coarse grains. However, other members are more optimistic and are anticipating a substantial increase in the area devoted to wheat in 1946.

Final Estimate of 1945 Wheat Acreage - The final estimate of the 1945 seeded wheat acreage is now placed at 14.2 million acres, of which only 10.1 million acres have been actually harvested, giving an abandonment figure of some 29 per cent. This abandonment figure is about the same as that of a year ago but it is considerably above the 20 per cent average loss of the last ten years. The average yield for the past season is estimated to be about 14.2 bushels per acre, which is about 2.8 and 1.2 bushels below the five-year and ten-year averages respectively. Of the total production of 143.5 million bushels, 31 per cent is hard wheat, 64 per cent semi-hard and the balance soft, unsuitable, etc.

Wheat Bonus Payments - The Argentine Government's scheme of wheat delivery bonus payments, instituted on April 16 and extended through June 15, was successful in encouraging farmers to speed their sales to the Grain Regulating Board, and thus make available additional supplies for export. The Grain Regulating Board, the only authorized purchasing agent for wheat in Argentina, granted a bonus of 5 pesos per quintal (approximately 45 cents per bushel Canadian) on all wheat delivered during the bonus period to bring the total price for wheat up to 20 pesos per quintal (approximately $1.79 per bushel Canadian). Despite this substantial increase in price to farmers, the Board has revealed that its export operations still remain quite profitable as recent sales to importing countries have been made at 35 pesos per quintal (approximately $3.13 per bushel Canadian) a gain of nearly 75 per cent. However, sales to domestic millers for internal consumption are fixed at 12 pesos per quintal (approximately $1.07 per bushel Canadian). Consequently, much of the gain made in the export business will be offset by this low price paid by the millers. Argentine farmers are still opposed to governmental control of any part of the grain trade but any hope of a grain market entirely free from government regulation seems to have been largely dissipated with the inauguration of the Peron regime and the decree which placed most of the trade in oil seeds and vegetable oils into official hands.

Total Exports Below Those of 1945 - The increased marketings of wheat under the bonus system have resulted in only slightly larger exports. Total exports from the first of the year until June 21 aggregated 26.9 million bushels as against 50.3 million for the corresponding period in 1945. All but about 5.1 million bushels of the 1946 total was consigned to the United Kingdom and the Continent.

Argentina Unable to Supply Old Customers - So far this year, South American wheat importing countries, which depend to a large extent upon Argentina for their needs, have received extremely small supplies from this source. During 1945, these countries absorbed more than half of the 93.4 million bushels exported from the Argentine. Up to June 21, 1946 only 5.1 million bushels had been exported to non-European destinations with most of this quantity going to other South American countries. The situation has become so critical in Peru, Brazil, Uruguay and Chile that they have appealed to the United States and Canada for relief. So far the United States has been able to relieve the situation to some extent by supplying a certain quantity of wheat and flour.

AUSTRALIAN SITUATION

During the month the following cable was received from the Canadian Government Trade Commissioner in Melbourne.

"At the end of May, Australian wheat stocks totalled 72 million bushels. It is now estimated that 12,169,000 acres have been sown to wheat. Crop conditions are reported to be promising in Victoria, excellent in South Australia, fair in southern New South Wales, poor in northern New South Wales and Queensland and average in West Australia. Exports of wheat and flour during May totalled 77,833 tons of wheat, most of which went to India and 93,220 long tons of flour mostly to India and Malaya. Flour mills are working to capacity. The Victorian Wheat Advisory Committee has approved a subsidy to Victorian wheat growers to induce them to sow better quality wheats, and the Department of Agriculture will multiply and release two cross-bred varieties for growing under contract next year. Payment of a further advance on wheat in the 1943-44 pool has been announced of one shilling per bushel less freight for quota wheat and seventeen pence less freight for non-quota wheat."

A report, under date of June 4 and covering crop conditions in New South Wales is quoted, in part, as follows:

"Little rain was received in most of the wheat-growing districts during April and, while a considerable increase over the acreage sown last year is still expected, this increase may not be as great as was forecast earlier. A detailed review of the State as a whole indicates that present prospects are approximately average.

"Most early-sown crops have germinated well and are progressing favourably, although in some western districts, areas have been destroyed by grasshoppers. Due to the dry weather and also to fear of damage by grasshoppers, sowings during the month were below average. In most areas there is insufficient moisture for 100 per cent germination and farmers have postponed sowing until rain is received. Good rainfall during May is urgently required and will influence the eventual area sown very considerably.

"Delay in the delivery of superphosphate has caused considerable inconvenience and has seriously delayed sowing. ..... the shortage of machinery parts and the difficulty experienced in obtaining new tractors has also adversely affected the area sown and will continue to do so."

From the foregoing statements, it will be seen that the outlook for a substantial increase in the area devoted to wheat in Australia this year is not unduly optimistic and present estimates are well below the 15.5 million acres recommended earlier in the season. If the above estimate of 12,169,000 acres sown to wheat this year should prove to be close to the mark, an average yield (1934-38) of 11.9 bushels per acre would give a total production of some 144.8 million bushels, about equal to the 1945 outturn.

Australia entered the present season with total supplies (including the 6 million bushel carry-over of old wheat) of some 150 million bushels. In the event of the present demand and rate of export continuing until the end of 1946, the carry-over in 1947 will, in all likelihood, be no larger than that at the beginning of the current year. With present predictions of wheat shortages continuing well into 1947, it may be that Australia's contribution to next year's demand will not differ significantly from her present offerings. Nevertheless, everything will depend upon weather conditions within the next few months, with the most critical period occurring in September and October.

"Beginning in July 1946, the order increases the quantity of wheat that food manufacturers may use in the manufacture of edible products for domestic human consumption. Currently, the use of wheat by these manufacturers is limited to 75 per cent of the average monthly quantity they used in 1945. Beginning July, this allowance is raised to 85 per cent, thus putting food manufacturers on the same basis as millers in the production of flour for domestic human consumption".

Farmers Slow Wheat Deliveries - Word comes from many areas in the southwest that farmers are bitterly opposed to the government order that one-half of all wheat delivered to elevators by a producer must be offered for sale within fifteen days after date of delivery to the elevators or merchandisers who, in turn, must sell half of what they buy to the government. Millers and grain men fear that wheat may be headed for the same kind of black market that apparently prevails for corn unless regulations are changed to permit a freer market. Despite the fact that new crop harvesting is well under way, they claim that it remains as difficult to buy wheat supplies as it was earlier in the year. Farmers everywhere seem reluctant to market their wheat immediately as they evidently anticipate a rise in wheat prices later in the 1946-47 season, similar to the recent increase of the current season, and for that reason they are attempting to store wheat on the farms.

Exports Total Approximately 345 Million Bushels - Exports of wheat and wheat flour during the first ten days of June amounted to 228,000 long tons (8,504,400 bushels) to bring the total exports of United States wheat since the first of January to 4,035,000 tons (150,505,500 bushels). Exports for the first six months of the United States crop year totalled approximately 195,000,000 bushels. With 20 days left before the end of the United States crop year, some 55 million bushels will have to move out of the country during that time if the export goal of 400 million bushels for the 1945-46 season is to be met.

April Flour Production Down - The latest report of the Department of Commerce states that the production of wheat flour in April totalled 19.9 million sacks, 1 million less than in March. Nevertheless, April production was well above prewar periods, exceeding by 27 per cent the average for April during the crop years 1934-1935 through 1938-1939. Some of the decline was seasonal, but a number of mills reported extreme difficulty in obtaining wheat and some were still experiencing difficulty in changing over to the higher flour extraction rate now in effect. During the month 135 mills were idle as compared with 168 in March. Of these, 115 were idle during both months.

Bonus Wheat to be Loaned to Millers - Early in June, Secretary of Agriculture Anderson announced a bonus wheat loan to flour mills to prevent domestic hardship. It is presently estimated that approximately 10 million bushels of wheat may be necessary to meet requirements in June to assist flour hardship cases. Under the loan plan wheat will not be made available to mills in excess of 50 per cent of the permitted 75 per cent of base period flour production authorized for domestic consumption under the provisions of War Food Order 144.

Cash Wheat Markets Inactive - Lack of offerings of wheat has resulted in stagnation of the cash wheat market according to the Production and Marketing Administration, United States Department of Agriculture. The demand remains active and ceiling prices are freely bid, but supplies of free wheat seem non-existent. The principal interest in the wheat trade is being directed towards the new crop.

Chicago Wheat Futures -

During the month further confusion was introduced to the Chicago futures market with the rescinding of the May 11 order which prohibited the trading in old contracts except for the purpose of liquidation. The new order now permitted open trading in old contracts and established the new ceiling price levels as maximums. Within three days commencing June 3, the old contracts were jammed against the new ceiling of 198 1/2 cents. Later the Chicago Board of Trade was forced to acknowledge that it was almost impossible to maintain a free, open and orderly market in wheat, rye and old-crop corn and barley futures under conditions in which government agencies are buying up huge quantities of grain for shipments to needy countries. Accordingly, trading in these futures was indefinitely suspended on June 14, and settlement ordered at the last market quotation, which in all cases was at the ceiling.

The following are the high points of closing in the wheat futures market at Chicago for the various contract months:

1945-46	Old Contracts				New Contracts
	July	September	December	May	August, November and March
	- cents and eighths per bushel -				
May 23	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
24	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
25	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
27	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
28	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
29	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
30	Memorial Day				
31	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
June 1	183 1/2	183 1/2	183 1/2	183 1/2	198 1/2
3	188 1/2	188 1/2	188 1/2	188 1/2	198 1/2
4	193 1/2	193 1/2	193 1/2	193 1/2	198 1/2
5	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
6	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
7	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
8	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
10	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
11	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
12	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
13	198 1/2	198 1/2	198 1/2	198 1/2	198 1/2
14	Trade		Suspended		Indefinitely

ARGENTINE SITUATION

Weather and Crop Conditions - Weather conditions in Argentina so far this season have been extremely favourable for seed-bed preparation and the sowing of small grain crops. Temperatures have been high and moisture conditions at the middle of June were well above normal. While these conditions have been ideal for promoting the new seeding, they have been quite unfavourable for harvesting the new maize crop. So far, no agreement has been reached between members of the trade as to the prospective wheat acreage for the coming season. Many maintain that the relatively higher prices prevailing at present for oats and rye as compared to wheat may induce farmers to reduce the acreage of the latter grain in favour of the coarse grains. However, other members are more optimistic and are anticipating a substantial increase in the area devoted to wheat in 1946.

Final Estimate of 1945 Wheat Acreage - The final estimate of the 1945 seeded wheat acreage is now placed at 14.2 million acres, of which only 10.1 million acres have been actually harvested, giving an abandonment figure of some 29 per cent. This abandonment figure is about the same as that of a year ago but it is considerably above the 20 per cent average loss of the last ten years. The average yield for the past season is estimated to be about 14.2 bushels per acre, which is about 2.8 and 1.2 bushels below the five-year and ten-year averages respectively. Of the total production of 143.5 million bushels, 31 per cent is hard wheat, 64 per cent semi-hard and the balance soft, unsuitable, etc.

Wheat Bonus Payments - The Argentine Government's scheme of wheat delivery bonus payments, instituted on April 16 and extended through June 15, was successful in encouraging farmers to speed their sales to the Grain Regulating Board, and thus make available additional supplies for export. The Grain Regulating Board, the only authorized purchasing agent for wheat in Argentina, granted a bonus of 5 pesos per quintal (approximately 45 cents per bushel Canadian) on all wheat delivered during the bonus period to bring the total price for wheat up to 20 pesos per quintal (approximately $1.79 per bushel Canadian). Despite this substantial increase in price to farmers, the Board has revealed that its export operations still remain quite profitable as recent sales to importing countries have been made at 35 pesos per quintal (approximately $3.13 per bushel Canadian) a gain of nearly 75 per cent. However, sales to domestic millers for internal consumption are fixed at 12 pesos per quintal (approximately $1.07 per bushel Canadian). Consequently, much of the gain made in the export business will be offset by this low price paid by the millers. Argentine farmers are still opposed to governmental control of any part of the grain trade but any hope of a grain market entirely free from government regulation seems to have been largely dissipated with the inauguration of the Peron regime and the decree which placed most of the trade in oil seeds and vegetable oils into official hands.

Total Exports Below Those of 1945 - The increased marketings of wheat under the bonus system have resulted in only slightly larger exports. Total exports from the first of the year until June 21 aggregated 26.9 million bushels as against 50.3 million for the corresponding period in 1945. All but about 5.1 million bushels of the 1946 total was consigned to the United Kingdom and the Continent.

Argentina Unable to Supply Old Customers - So far this year, South American wheat importing countries, which depend to a large extent upon Argentina for their needs, have received extremely small supplies from this source. During 1945, these countries absorbed more than half of the 93.4 million bushels exported from the Argentine. Up to June 21, 1946 only 5.1 million bushels had been exported to non-European destinations with most of this quantity going to other South American countries. The situation has become so critical in Peru, Brazil, Uruguay and Chile that they have appealed to the United States and Canada for relief. So far the United States has been able to relieve the situation to some extent by supplying a certain quantity of wheat and flour.

AUSTRALIAN SITUATION

During the month the following cable was received from the Canadian Government Trade Commissioner in Melbourne.

"At the end of May, Australian wheat stocks totalled 72 million bushels. It is now estimated that 12,169,000 acres have been sown to wheat. Crop conditions are reported to be promising in Victoria, excellent in South Australia, fair in southern New South Wales, poor in northern New South Wales and Queensland and average in West Australia. Exports of wheat and flour during May totalled 77,833 tons of wheat, most of which went to India and 93,220 long tons of flour mostly to India and Malaya. Flour mills are working to capacity. The Victorian Wheat Advisory Committee has approved a subsidy to Victorian wheat growers to induce them to sow better quality wheats, and the Department of Agriculture will multiply and release two cross-bred varieties for growing under contract next year. Payment of a further advance on wheat in the 1943-44 pool has been announced of one shilling per bushel less freight for quota wheat and seventeen pence less freight for non-quota wheat."

A report, under date of June 4 and covering crop conditions in New South Wales is quoted, in part, as follows:

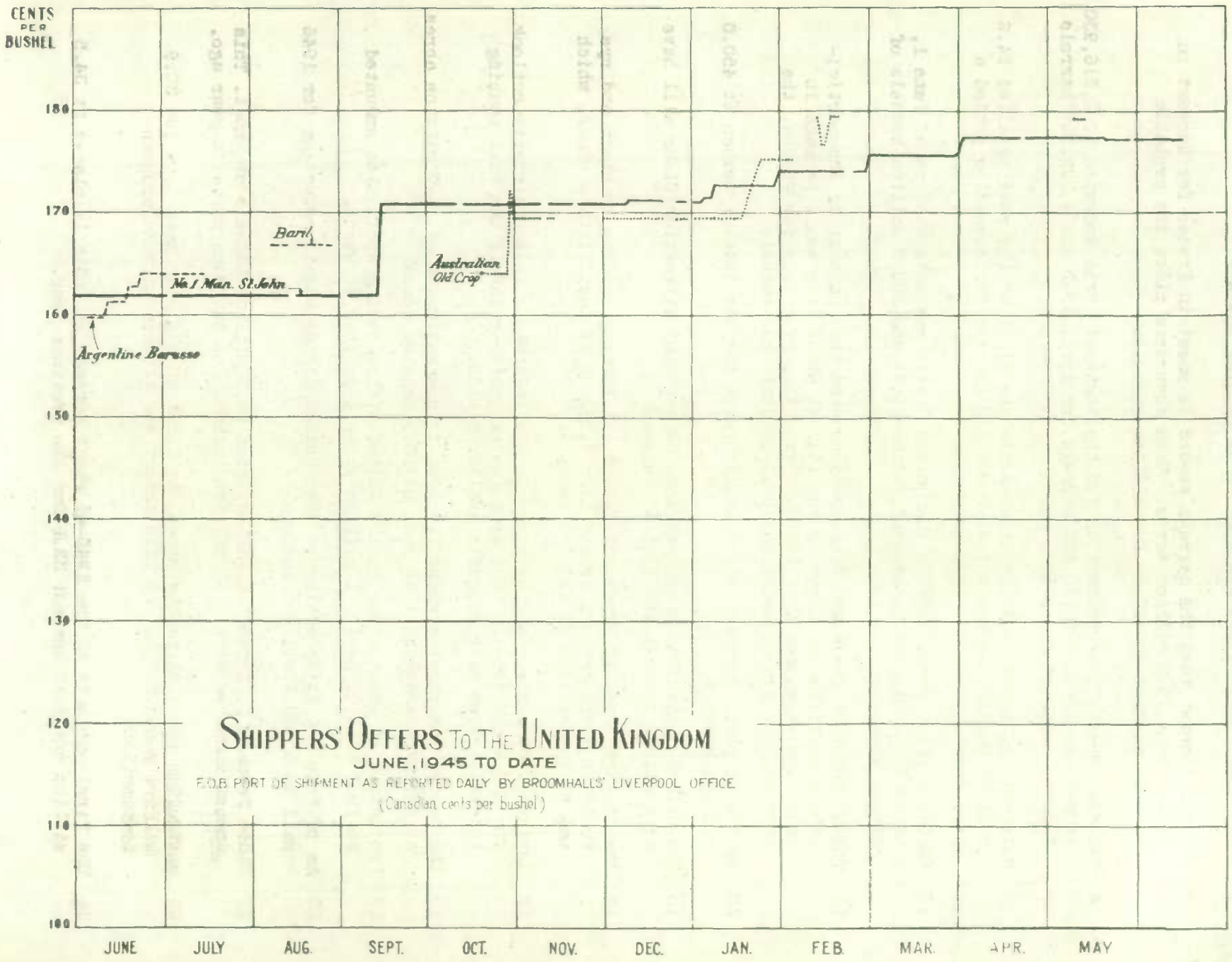
"Little rain was received in most of the wheat-growing districts during April and, while a considerable increase over the acreage sown last year is still expected, this increase may not be as great as was forecast earlier. A detailed review of the State as a whole indicates that present prospects are approximately average.

"Most early-sown crops have germinated well and are progressing favourably, although in some western districts, areas have been destroyed by grasshoppers. Due to the dry weather and also to fear of damage by grasshoppers, sowings during the month were below average. In most areas there is insufficient moisture for 100 per cent germination and farmers have postponed sowing until rain is received. Good rainfall during May is urgently required and will influence the eventual area sown very considerably.

"Delay in the delivery of superphosphate has caused considerable inconvenience and has seriously delayed sowing. ..... the shortage of machinery parts and the difficulty experienced in obtaining new tractors has also adversely affected the area sown and will continue to do so."

From the foregoing statements, it will be seen that the outlook for a substantial increase in the area devoted to wheat in Australia this year is not unduly optimistic and present estimates are well below the 15.5 million acres recommended earlier in the season. If the above estimate of 12,169,000 acres sown to wheat this year should prove to be close to the mark, an average yield (1934-38) of 11.9 bushels per acre would give a total production of some 144.8 million bushels, about equal to the 1945 outturn.

Australia entered the present season with total supplies (including the 6 million bushel carry-over of old wheat) of some 150 million bushels. In the event of the present demand and rate of export continuing until the end of 1946, the carry-over in 1947 will, in all likelihood, be no larger than that at the beginning of the current year. With present predictions of wheat shortages continuing well into 1947, it may be that Australia's contribution to next year's demand will not differ significantly from her present offerings. Nevertheless, everything will depend upon weather conditions within the next few months, with the most critical period occurring in September and October.


CENTS PER BUSHEL
180
170
160
150
140
130
120
110
100
JUNE
JULY
AUG.
SEPT.
OCT.
NOV.
DEC.
JAN.
FEB.
MAR.
APR.
MAY
Barl.
No. 1 Man. St. John
Argentine Barusso
Australian Old Crop
SHIPPERS' OFFERS TO THE UNITED KINGDOM
JUNE, 1945 TO DATE
F.O.B. PORT OF SHIPMENT AS REPORTED DAILY BY BROOMHALLS' LIVERPOOL OFFICE
(Canadian cents per bushel)

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CALENDAR OF WHEAT EVENTS

June 1 Australian wheat stocks are down to 72 million bushels.

5 It is estimated that the acreage seeded to wheat in France for harvest in 1946 totals 10.0 million acres. Some observers place the probable outturn as high as 260 to 290 million bushels.

6 Canadian wheat-flour production for the month of April amounted to 2,216,930 barrels as against 2,126,235 barrels for April 1945 and 2,392,927 barrels for the month of March this year.

7 Shipments of wheat from Argentina since the first of the year totalled 24.2 million bushels as against 47.5 million for the corresponding period a year ago.

10 Probable wheat production in the United States was estimated as of June 1, to be 774.6 million bushels of winter wheat and 250.9 million bushels of spring wheat.

11 The Minister of Trade and Commerce announced that payment of the participation certificates covering the 1943-44 wheat crop would be made in about ten days, and that with the exception of a very few grades, the payment, per grade, would be about 12 cents per bushel.

12 Estimates place European wheat requirements for the 1946-47 season at 450.0 million bushels.

13 The United States has announced that 80 per cent extraction flour will have to continue through the 1946-47 season.

14 The Chicago Board of Trade ruled that all futures trading in wheat and rye would be suspended and trades liquidated as of last night's close, which was at the ceiling of 198 1/2 cents.

17 Advices from western and southern Europe indicate a less optimistic outlook for the wheat crop in that area, as excessive rainfall has been causing too much straw with probable smaller yields.

18 The Australian wheat acreage for 1946 is now estimated at 12.2 million acres as compared with the 1946 goal of 15.5 million acres.

19 Production of wheat flour in the United States during April 1946 amounted to 19.9 million sacks, 1 million sacks less than in March.

20 As of June 14, it is estimated that United States wheat production for 1946 will be 1,033.1 million bushels.

21 Since January 1, Argentina has exported 26.9 million bushels of wheat. This amount compares with 50.3 million bushels for the same period a year ago.

23 Australian wheat shipments since the first of the year have totalled 30.9 million bushels. All of this amount was cleared to non-European destinations.

24 The first estimate of the 1945-46 wheat acreage in India is placed at 34.5 million acres as against 33.6 for the previous year.