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MONTHLY REVIEW OF THE WHEAT SITUATION

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THE WORLD WHEAT SITUATION - SUMMARY

Now that the Southern Hemisphere crops are made, and world supplies determined for the balance of the crop year, the principal issue in the current situation is how the division of supplies is to be made among the deficiency countries. Needless to say, the issue is a unique one in the light of recent experience, for the last genuine sellers' market occurred in the autumn of 1924 when prices rose sharply in response to the close adjustment between world supplies and requirements. Until the end of November this year it was apparent that by supplementing the diminished production with a reduction in stocks, world requirements as then gauged could be met without undue pressure. Accordingly, importers showed a tendency to buy conservatively and to wait upon the harvest of the Australian and Argentine crops. What was not reckoned upon was an underestimate of continental European requirements. The transformation in the situation during the past three weeks, marked by an advance of 24 cents in Liverpool prices in as many days, commenced when the Italian government entered the market heavily, taking Argentine, Canadian and Australian cargoes, and making futures purchases of Argentine wheat. The Italian crop in 1936 was the poorest in recent years, being officially confirmed at 227.1 million bushels, and leaving Italy's import requirements at between 55 and 60 million bushels. The German government, which was expected to authorize modest imports this year, recently announced that it needed a million metric tons or 36.7 million bushels of wheat, although the government foresaw difficulty in finding the requisite foreign exchange. Similarly, the new French National Wheat Board is coming on to the market, and is looking for moderately priced wheat. In the case of both Italy and Germany, it has become evident that their import needs are considerably in excess of those first estimated, and it is the potential pressure from these countries upon available supplies which has precipitated the sharp price increase.

In reckoning the world statistical position, the Argentine crop, officially estimated at 249.8 million bushels, provides an exportable surplus of 155 million bushels. The Australian crop of 133.5 million bushels supplies another 80 million bushels from the Southern Hemisphere. Assuming July 31 stocks in 1937 in these two countries are no larger than at July 31, 1936, 235 million bushels can be counted upon for export from the Southern Hemisphere during the current crop year. Canada's exportable surplus this year is 215 million bushels; the Danube, 80 million bushels, and other countries including India, 40 million bushels. These bring the total world supplies available for export to 570 million bushels for the current season. Mr. Broomhall has recently raised his estimate of European import requirements to 436 million bushels to allow for additional imports by Italy. His estimate of German requirements was 4 million bushels, prior to the recent German announcement. If this amount were raised to 35 million bushels, the estimate would come to 467 million bushels. Non-European requirements of 120 millions would bring the world requirements to 587 million bushels. While all these figures are approximations, it is the apparent excess of requirements over supplies which has made the market so sensitive to indications that the various countries are seeking to increase their wheat takings.

Throughout the past three weeks, the Liverpool market has usually initiated the price increases, with other markets following the advances. In the Liverpool c.i.f. market, however, No. 2 Northern has shown the quickest response. Between

November 27 and December 18, No. 2 Northern rose 24 cents to $1.48½; Australian new wheat rose 20 3/8 cents to $1.41 1/8; Indian Karachi rose 18 7/8 cents to $1.38 1/8, and Argentine new wheat for January-February shipment rose 15 cents to $1.22 3/4. Premiums up to 3 cents per bushel paid for Argentine wheat over the market quotations have partially offset the lag in the Argentine c.i.f. price advance. All these prices establish new highs, not reached since February, 1930.

The international trade in wheat from August 1 to December 12 has been keeping pace with the altered world situation. During the period mentioned, world shipments have amounted to 207.8 million bushels, compared with 186.9 million bushels shipped in the same period a year ago. Should the rate of weekly shipments established in the first nineteen weeks be maintained throughout the balance of the crop year, the movement for the year would amount to 568.8 million bushels, a figure close to the estimated available supplies. Forward sales of Argentine and Australian new crop wheat for January and February shipment have been made to the point that vessel chartering is being taxed. For this reason it is not anticipated that Canadian wheat in Maritime and U.S. seaboard positions will encounter as much selling competition in the next two months as is customary when the new southern crops come on the market.

In reviewing the winter wheat crop situation, it may be mentioned that an acreage increase of between 5 and 10 per cent is expected in the Danubian countries. In Bulgaria and Roumania, fall weather conditions have favoured sowing and early growth, although Hungary has experienced adverse weather conditions. Full acreages were sown in France, Italy and Germany but weather conditions in the latter country have kept the early growth below normal. A slightly increased acreage has been planted in the United Kingdom. In the Orient, the new Chinese crop has been badly affected by drought which reduced the seeding substantially and prevented parts of the sown area from sprouting.

The Wheat Situation in Canada

The southern parts of Saskatchewan and Alberta which include the chief grain producing belt are entering the winter months with a serious deficiency of moisture. In the three autumn months from September to November precipitation averaged between an inch and an inch and half, or approximately 50 per cent of the normal precipitation. The northern parts of the provinces, and Manitoba fared better with precipitation around normal. In the southern sections of the provinces, however, the snowfall to date is very scanty, whereas an abundant snow coverage this winter is needed to accumulate moisture reserves for the spring.

The primary movement of wheat in the Prairie Provinces has tapered off to below 2 million bushels per week. Cumulative marketings to December 4 amounted to 131.4 million bushels, and if an allowance of 50 million bushels is made for the seed, feed and stocks remaining on farms, there remain only 35 million bushels to be delivered by growers during the balance of the crop year. The visible supply on December 11 was approximately 116.5 million bushels, having declined sharply during the past four weeks.

Lake and Rail Movement: The total Lake movement of wheat in 1936 to the close of navigation amounted to 166,809,109 bushels, or almost exactly the amount shipped in 1935 of 166,384,566 bushels. Buffalo took approximately 10 million bushels less this year than a year ago, but the difference was more than made up by the shipments to other U.S.A. ports. Over one million bushels was shipped from Fort William-Port Arthur directly overseas this year. The final figures of the Lake movement to the close of navigation were received too late to be included on page 24 of this Review.

The rail movement from Georgian Bay and Lake Huron ports to the Maritime ports commenced earlier this year than usual. Up to December 10, 3,371,562 bushels had been shipped. There has also been a fair rail movement directly from Fort William-Port Arthur to the Maritime ports this year.

Export Movement: From August 1, 1936 to December 11, overseas export clearances amounted to 76,652,904 bushels, compared with 51,263,312 bushels in the same period in 1935 -- an increase of 25,389,592 bushels. In addition, the United States has imported for consumption and milling in bond 23,819,413 bushels compared with an almost similar amount of 23,041,220 bushels last year. Flour exports covering the same period (partly estimated) were 8,082,883 bushels in comparison with 8,804,247 bushels last year. In total the 1936-37 figures to December 11 amount to 108,555,200 bushels, and the 1935-36 figures are 83,108,779 bushels, showing an improvement of 25,446,421 bushels or 30.6 per cent.

Available Supplies: In calculating the present available supplies the total exports of 108.6 million bushels are deducted from total supplies of 261.2 million bushels in Canadian and United States positions, available for export or carry-over this year, as shown on page 31 of this Review. This leaves 152.6 million bushels still available for export or carry-over as of December 11. Available supplies similarly calculated for the same date in 1935 amount to 295.8 million bushels, indicating that Canada has 143.2 million bushels less for export or carry-over than at this date a year ago.

The Wheat Situation in Argentina

The third official estimate of the Argentine wheat area in 1936 showed a slight increase to 17,495,000 acres. The first official estimate of the crop issued on December 16 places the production at 249,832,000 bushels. The most recent trade information is that the harvest will be fully up to this amount. Rains in the north, and frost damage in the south are expected to reduce the quality of the new crop somewhat below normal.

Much of the 35 million bushels estimated to have been purchased by Italy in recent weeks has been new Argentine wheat for January-February shipment. Forward sales of Argentine wheat on this basis to Italy, other continental European countries and the United Kingdom, have taken place in such volume that freight rates from Argentine ports have advanced sharply from 12 to 21 cents per bushel. This taxing of shipping capacity means that the wheat put afloat for "orders" during the next two months will probably be at a minimum.

On December 2, the Argentine government announced that it would not continue the minimum price on wheat. At the time of the announcement, Buenos Aires prices were above the minimum level, and no bearish effect was felt from the announcement.

The Wheat Situation in the United States

While the official estimate on acreage and condition of the winter wheat crop is not available until December 21, it is expected that the acreage will be the largest on record. The condition, on the other hand will be somewhat below average due to the deficiency of moisture in western portions of the main winter wheat belt including western Kansas, Colorado, Wyoming and the Pacific Northwest. The spring wheat belt has likewise suffered from a marked deficiency of fall moisture, with conditions comparable to main wheat belt in the Canadian prairie provinces.

The Wheat Situation in Australia

The second official estimate of the Australian crop places the production at 133,522,000 bushels. The Canadian Trade Commissioner reports that harvesting conditions have been generally good although there has been some damage from heavy rains in New South Wales

AN APPRAISAL OF THE CANADIAN EXPORT MOVEMENT

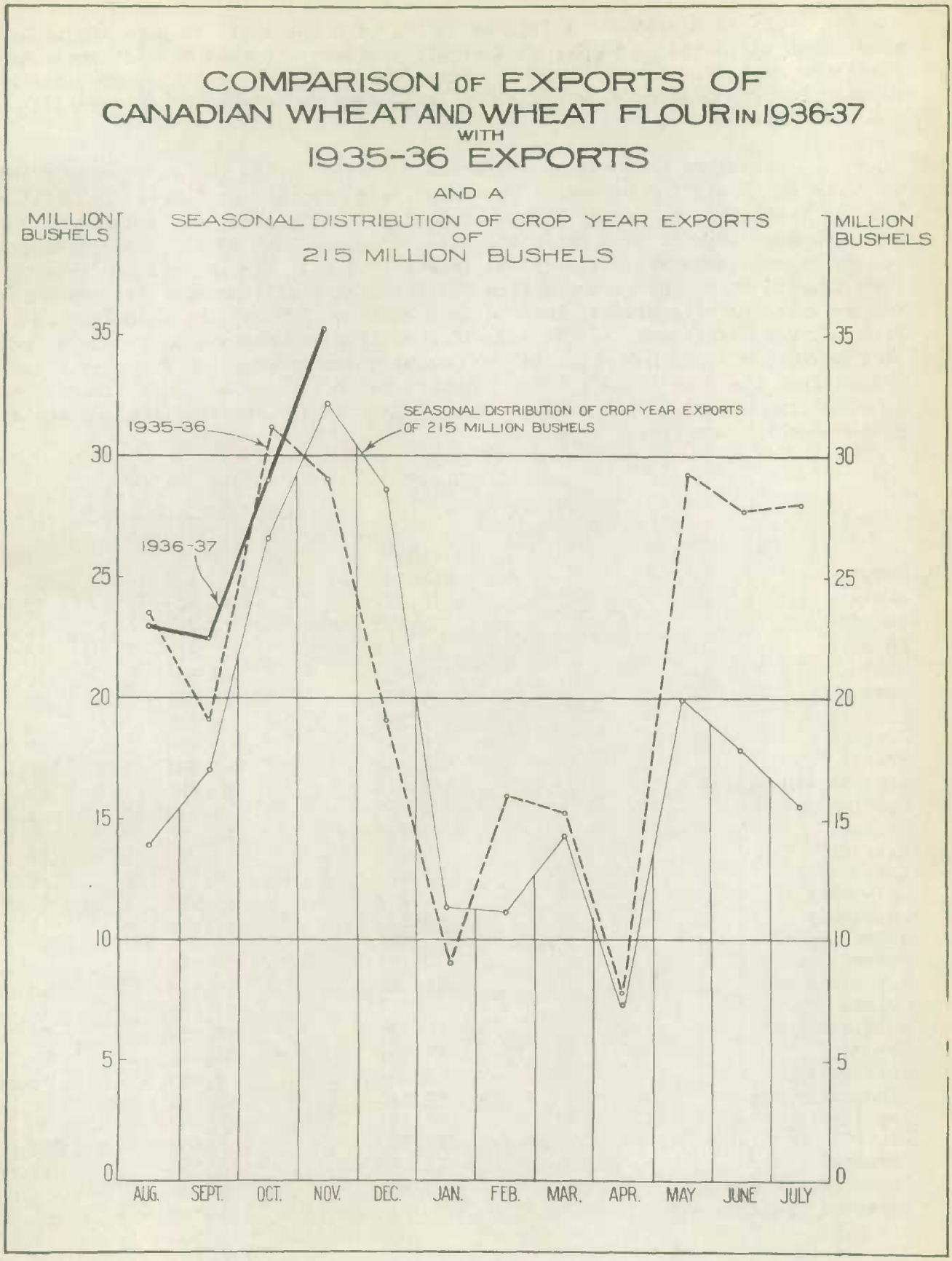
The following table and the chart on the opposite page offer a comparison of the export movement of Canadian wheat and wheat flour in the four months of the 1936-37 season that have elapsed with corresponding periods for earlier years. The basic figures used are the official or 'customs' exports, and it should be noted that they include shipments to the United States in bond as well as for consumption. Moreover, the figures show the returns filed with the customs in each calendar month rather than the actual exports leaving the country within the month. Since shippers are allowed seven days' grace in filing their returns, there is always some overlapping in the figures due to the declaring of month-end exports in the subsequent month.

As shown on page 31 of this Review the available supplies of wheat in Canada for export or carry-over during the 1936-37 season are 241.9 million bushels. Allowing for a minimum carry-over at July 31, 1937 of 25-30 million bushels, the remainder available for export is placed at approximately 215 million bushels. The seasonal distribution of a crop-year export of 215 million bushels, based on the average experience of 1925-26 to 1934-35, requires exports of 89.4 million bushels of wheat and wheat flour in the August-November period. Exports during the first four months of the present crop year, however, have amounted to 109.5 million bushels, or 20 millions in excess of the required amount to maintain the seasonal movement.

Although the supplies of Canadian wheat for export or carry-over this year are the lowest of any year included in the table below, August-November exports of 109,477,711 bushels are 2.1 million bushels in excess of the average August-November exports during the 10 year period of 1926-35. Whereas, on the average, 41.9 per cent of Canada's wheat trade has taken place in the first four months of the crop year, the exports during the same period this year are 50.9 per cent of the anticipated crop year total of 215 million bushels. This is a record percentage, attributable in part to the small supplies available and in part to the brisk European and U. S. purchases. With approximately 105 million bushels still available for export, the movement from January to April while Southern Hemisphere supplies are coming on the market and Canadian inland navigation is closed can assume very modest proportions and still leave by no means an undue amount for export in the months of December, May, June and July.

Total Exports of Wheat and Wheat Flour from Canada in the Months of August to November, 1926-36, with Total Exports for the Crop Years 1926-35, and Percentages.

	Exports in First Four Months	Total Exports, Crop Year	First Four Months as Percentage of Total
	(bushels)		%
1926	109,468,327	292,880,996	37.4
1927	113,079,723	332,963,284	34.0
1928	189,734,520	407,564,187	46.6
1929	70,757,492	186,267,212	38.0
1930	119,812,426	258,637,887	46.3
1931	82,133,711	207,029,555	39.7
1932	120,853,649	264,304,326	45.7
1933	84,501,452	194,779,875	43.4
1934	80,846,627	165,751,305	48.8
1935	102,561,228	254,424,775	40.3
1936	109,477,711	-	-
10-year average, 1926-35	107,374,916	256,460,340	41.9
5-year average, 1931-35	94,179,333	217,257,967	43.3


COMPARISON OF EXPORTS OF
CANADIAN WHEAT AND WHEAT FLOUR IN 1936-37
WITH
1935-36 EXPORTS
AND A
SEASONAL DISTRIBUTION OF CROP YEAR EXPORTS
OF
215 MILLION BUSHELS
MILLION BUSHELS
MILLION BUSHELS
1935-36
1936-37
SEASONAL DISTRIBUTION OF CROP YEAR EXPORTS
OF 215 MILLION BUSHELS
35
30
25
20
15
10
5
0
AUG.
SEPT.
OCT.
NOV.
DEC.
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY

"WORLD" PRODUCTION OF WHEAT, 1936, WITH COMPARATIVE ESTIMATES for 1935 and 1934.

The 1936 production figures on this and the opposite page are official government estimates in so far as they are available through the International Institute of Agriculture. In other cases, the estimates are those provided by the Foreign Agricultural Service of the United States Department of Agriculture. Russia and China are omitted from the list.

Revisions in European estimates reported during the month show a total decrease of 13 million bushels. Decreases were reported as follows in million bushels: Germany from 177.3 to 169.8; Austria from 14.7 to 13.5; England and Wales from 53.1 to 49.9; Hungary from 87.3 to 86.7, and Italy from 238.8 to 227.1. The following countries showed increases: Finland from 4.7 to 5.4; Latvia from 3.0 to 5.2; Poland from 77.9 to 78.3; and Roumania from 121.2 to 128.7 million bushels. In North Africa, the estimate for Algeria was lowered from 28.5 to 27.7 million bushels. In Asia, Japan showed a decrease from 46.2 to 45.2 million bushels and Manchukuo a decrease from 35.8 to 30.6 million bushels. In the Southern Hemisphere, the Australian estimate was raised from 129.5 to 133.5 million bushels, and the Union of South Africa from 12.0 to 15.8 million bushels. Wet weather in the early harvesting area renders the Argentine estimate still uncertain.

EUROPE

	Production (000 bushels)		
	(b) 1936	1935	1934
Germany	169,845	171,487	166,547
Austria	13,522	15,509	13,305
Belgium	15,744	14,780	16,134
Bulgaria	59,304	47,925	39,595
Spain	121,490	157,985	186,836
Portugal	8,393	22,092	24,690
Estonia	2,399	2,267	3,107
Finland	5,442	4,233	3,280
France	244,349	284,949	338,513
England and Wales	49,915	60,592	65,259
Scotland	3,323	4,443	4,144
Greece	23,743	27,180	25,679
Hungary	86,741	84,223	64,824
Latvia	5,251	6,520	8,051
Lithuania	7,532	10,093	10,475
Luxemburg	1,027	1,022	1,171
Malta	236	179	310
Norway	2,162	1,869	1,204
Netherlands	16,259	16,653	18,042
Poland	78,263	73,883	76,441
Roumania	128,715	96,438	76,553
Sweden	22,579	23,611	28,376
Switzerland	4,696	5,989	5,342
Czechoslovakia	55,582	62,094	50,014
Yugoslavia	107,421	73,100	68,328
Italy	227,100	283,883	233,064
Denmark	12,860(a)	14,774	12,847
Irish Free State	10,000(a)	6,686	3,803
Northern Ireland	250(a)	362	373
Albania	2,000(a)	2,000	1,579
	1,486,143	1,576,821	1,547,886

(a) Source: United States Department of Agriculture.
(b) Includes Saar Territory with a very small production.

Production
(000 bushels)

	1936	1935	1934
		North America	
Canada	233,500	277,339	275,849
United States	627,233(a)	623,444	526,393
Mexico	12,993	110,712	10,950
Totals	873,726	911,495	813,192
		North Africa	
Tunis	7,716	16,534	13,779
Morocco (French)	13,242	20,036	39,586
Algeria	27,741	33,532	43,528
Egypt	45,701	43,221	37,277
Totals	94,400	113,323	134,170
		Asia	
Palestine	3,500(a)	3,785	3,050
Syria and Lebanon	18,000(a)	20,043	13,438
Chosen	9,000(a)	9,747	9,268
India	352,240	363,179	351,829
Japan	45,194	48,721	47,660
Manchukuo	30,680	36,964	23,463
Turkey	80,281	92,640	99,711
Totals	538,895	575,079	548,419
		Southern Hemisphere	
Argentina	240,847(c)	139,624	240,669
Australia	133,522	142,598	133,394
Union of South Africa	15,813	20,195	15,343
Totals	390,182	302,417	389,406

Summary

	1936	1935 (000 bushels)	1934
Europe	1,486,143	1,576,821	1,547,886
North America	873,726	911,495	813,192
North Africa	94,400	113,323	134,170
Asia	538,895	575,079	548,419
Southern Hemisphere	390,182	302,417	389,406
Totals	3,383,346	3,479,135	3,433,073

(a) Source: United States Department of Agriculture.
(c) Source: Argentine correspondent of the Dominion Bureau of Statistics.

THE UNITED STATES

The November issue of "The Wheat Situation" (a new monthly publication of the United States Department of Agriculture which replaces "World Wheat Prospects") offers the following comments on the moisture conditions of the winter wheat crop:

"Present moisture conditions indicate yields per acre for the 1937 United States winter wheat crop somewhat below average. However, with seedings undoubtedly the largest in the history of the country, there is yet no reason to expect that yields will be sufficiently low to keep the United States from having a surplus considerably in excess of domestic needs and to keep prices from declining toward an export basis. The official estimate on acreage and condition will be released December 21.

"Additional moisture is urgently needed from western Kansas westward to Colorado and Wyoming and in the Pacific Northwest. In the eastern two-thirds of Kansas the wheat crop has made the usual fall growth and there is sufficient moisture to carry it into the winter. Favorable progress is reported for eastern portions of the main belt. In the hard red spring wheat area, there is a serious moisture shortage, but spring precipitation in this area is of relatively greater importance and yields are not limited by the amount of fall moisture to the same extent that they are in the hard red winter wheat area."

A press release of the United States Department of Agriculture, dated December 12, 1936 makes the following additional comments:

"Winter begins with weather conditions in the United States almost identical with those of last year at this time. Whether -- and when -- the meteorological pattern set in 1935 will change is anyone's guess, according to J. B. Kincer of the U. S. Weather Bureau. No reliable rule for forecasting the weather for months ahead has been formulated yet.

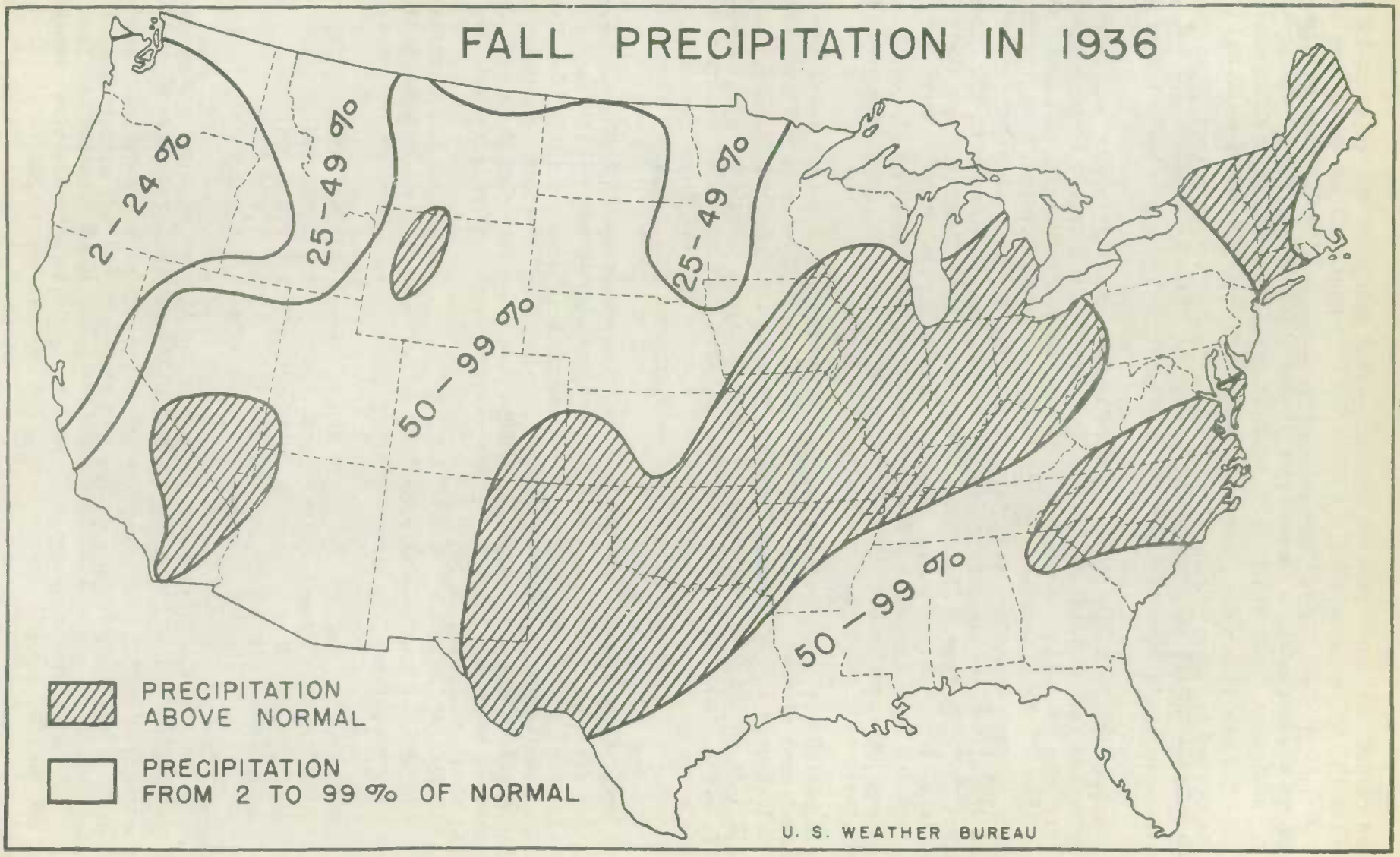
"As in 1935, the fall season (September, October, and November) this year had, on the average, nearly normal temperatures throughout the country, with precipitation distinctly scanty in the central northern States and the Far West, though more than normal over a wide area from the lower Great Lakes region southwest to Texas. December so far has brought more than usual of early snow to some northeastern States, the fall reaching almost a foot in central and northern New England and up to about eight inches in New York. In the mountains farther west, however, snowfall has been less than normal this year.

"The generous rains which in September broke the drought of 1936 over much of the interior of the country, especially in the Ohio and middle Mississippi valleys and in the southern plains, did not continue through October and November. Precipitation in the Midwest has been generally light since September. Most States from the Great Plains westward now need moisture. Soil -- especially the subsoil -- is very dry in most of the Pacific area and in the North Central States.

"Because of the condition of the subsoil, the winter wheat outlook in the Northwest is not good, although from the Mississippi Valley eastward it is favorable. The outlook for spring wheat, says Mr. Kincer, depends on snowfall this winter and rainfall next spring and early summer.

"A similar condition at this time last year, he points out, was relieved by heavy winter snows. The snow cover in January, 1936, reached nearly 3 inches as far south as Vicksburg, Miss., with a depth of more than 40 inches in northern Wisconsin. This, with May rains helped to save the 1936 Winter wheat crop and favored spring wheat, in the early growing season by restoring the top soils moisture lost during the preceding abnormally hot, dry summer and fall. This moisture, however, could not build up a reserve in the spring wheat belt large enough to last through the succeeding drought of 1936."

(The precipitation map reproduced on the opposite page accompanies the above release.)


FALL PRECIPITATION IN 1936
2 - 24 %
25 - 49 %
25 - 49 %
50 - 99 %
50 - 99 %
PRECIPITATION ABOVE NORMAL
PRECIPITATION FROM 2 TO 99 % OF NORMAL
U. S. WEATHER BUREAU

AUSTRALIA

The following cable was received on December 15 from the Canadian Trade Commissioner in Melbourne:

"The new crop year commencing December 1st witnessed very active export market supported by heavy buying from Italy. Italy has taken about 20 cargoes to date and growers prices have advanced to five shillings at country sidings, equivalent to ninety-seven cents Canadian, and about five shillings seven pence halfpenny F.O.B. steamer. Harvesting conditions are generally good but heavy rains in New South Wales have caused damage from bleaching. Otherwise, the quality is good and output will probably exceed the official estimate. The export flour market is very strong. Dairen has come back into the market indirectly through Shanghai and about two thousand tons of flour have been purchased for January shipment. The political difficulty between Japan and Australia is expected to clear shortly. Export quotations are now eleven pounds fifteen shillings per ton 2000 pounds in 150 pound sacks, equivalent to forty-five dollars and seventy-nine cents Canadian, and twelve pounds per ton in 49 pound calico bags. New crop chartering is active at advanced rates. Latest fixtures bulk cargoes New South Wales forty-one shillings six pence and Victoria and South Australia forty-three shillings, freight payable in English currency basis of 2,240 pounds to the ton".

ARGENTINA

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of December 1, dealing with the grain situation in Argentina:

Third Official Estimate of Areas Seeded

The third estimate by the Ministry of Agriculture of the areas seeded to the various principal grain and seed crops, excluding maize, for the season 1936-37, which was issued a few days ago, shows an increase in each item over the figures of the earlier estimates. The total acreage of all six of the items shows an increase of 17½%, or nearly 4,942,000 acres over last year's acreage, which it will be remembered was seriously cut down by the severe drought. The increased area in wheat is 23.2%; that of linseed 13.2%.

Details of the several crops are as follows, with the figures of the first estimate, for comparison, in brackets:

Wheat	17,495,010	acres	(16,802,800)
Linseed	7,434,700	"	(7,289,450)
Oats	3,156,660	"	(2,965,200)
Barley	1,924,130	"	(1,976,800)
Rye	2,203,240	"	(1,729,700)

It is perhaps unnecessary to repeat the figures of the various acreages during recently preceding years, which were given on the first page of my last monthly report, for comparison.

Private Estimate of Probable Wheat Yields

In the middle of November, I cabled a private estimate of a probable wheat crop of 238,834,000 bushels, given favourable weather conditions until harvest. This was based on the second official estimate of the wheat acreage. Although the forecast

of acreage has been slightly increased, I feel that my estimate of the yield should remain unchanged for the present in view of the fact that there have been further frosts in the province of Buenos Aires, which although not severe would almost certainly cause some damage, as much of the grain in the area concerned was in the delicate "milk" stage.

Below I give details of my estimate by provinces:-

Buenos Aires,	8,120,051	acres (Av.	14 bu.)	113,680,714	bushels
Santa Fe	1,507,811	"	15	22,617,165	"
Córdoba	5,601,120	"	15	84,016,800	"
Entre Rios	611,078	"	13	7,944,014	"
La Pampa	1,281,609	"	8	9,612,067	"
Santiago del E.	188,708	"	8	1,499,664	"
San Luis	90,773	"	8	726,184	"
Other provinces	93,860	"	8	750,880	"
T o t a l s	17,495,010	"	13 3/4	240,847,488	" or
				6,562,600	m. tons

As will be seen, the above estimate works out at an average yield per acre of 13 3/4 bushels on the seeded acreage, which compares with an average for the last 11 crops of 12 bushels per acre in the area seeded.

Deducting from the total crop of 241,134,000 bushels the average annual requirement for domestic consumption and seed, 95,534,000 bushels, and adding the small probable carryover, there will remain available for export a little over 146,975,000 bushels. That is the situation as I see it at this moment.

In the case of linseed, the crop is less uniform than is that of wheat, but the prospects are that on the rather more than 7,413,000 acres there will be a production of 78,736,000 bushels, which would indicate an exportable balance of 70,863,000 bushels, after deducting the average requirement for seed and domestic consumption. To achieve this a rather better than average yield is required, which is what the crop appears to promise at the present time.

Crop Conditions

The weather conditions prevailing in November were distinctly favourable for the crops as a whole. Occasional rains fell in every zone, and if the precipitation was rather more than was needed for the wheat and linseed in some places, it was of great benefit to the maize. There was an absence of the damp heat which often is experienced during November, and the temperatures generally were rather below normal. Consequently the small outbreaks of rust reported here and there were able to make no progress, and there has been practically no damage from that cause, the light attacks of leaf rust having no serious consequences. Twice during the month some alarm was caused by reports of frost. On the first occasion, on the 8th, frosts covered an extensive area in the south of the province of Buenos Aires, reaching well up towards the centre in places, but they were mostly light, and as the wheat generally was then in the shot blade no serious consequences were anticipated. Nevertheless such attacks almost always leave some bad effects in the lower places, although the extent can only be realised when threshing time comes. On the 26th there were further frosts over a smaller area of the same part of Buenos Aires. The temperature barely touched freezing point, but as much of the wheat was by that time in the milk stage some damage would certainly result, possibly more in the grade than

in the volume. I believe that sufficient allowance has been made in my estimate of the crop to cover the probable frost damage to date.

In the north cutting is now well advanced. In places it is reported to be a race between the machines and the locusts, but the crop there is reasonably safe. In another week cutting will begin in the central zone. Some locust damage may yet result there. It is in the south and west where the situation is least secure. There is yet time for further frost visitations; and hot winds in December are an ever present source of danger, and may inflict very serious damage indeed in a very short time.

Reports of threshing results in the north are very satisfactory, both the quality and yield per acre being well up to or better than the average. The work is not so well advanced as it should be, having been interrupted by the occasional rains.

A peculiarity of the wheat crop this year, especially in the province of Santa Fe is the high percentage of pale coloured kernels called here "panza blanca", and I think known as "yellow berry" in the north. The percentage is far above that permitted by the standards of the Grain & Elevator Board, and the Board is now faced by the problem of what to do about it. Pressure is being brought to bear by the grain trade to have the standards modified to meet the situation, and the important point thus raised is being now considered by the Board.

In continuation I give the gist of the Government's monthly report on crop conditions, which appeared on the 19th. There has been little change in weather conditions since the publication of the report, with the exception of the second visitation of frost noted above.

Extracts from the monthly official report on crop conditions:

Wheat and Linseed. Buenos Aires: Wheat has finished heading in the north; this is in process in the centre and west, and beginning in the east and south. The general condition is good, with this exception that in certain localities it is only average because of lack of rain in the early stage of development and a strong attack of yellow rust which more recently has damaged it; in other districts insect pests have done some harm. Locusts have caused a 7% loss in some localities and 10% in others, and the land has been reseeded to linseed or maize. At the end of the current month cutting will begin in parts of the north of the province, spreading to the centre and west in the second half of December, and commencing in the south at the end of the year. Although linseed is a little backward in its development, condition is good throughout the province, in spite of weeds, growth of which has been encouraged by the last rains. In the real linseed region the early fields have already formed pods, and the late ones are in full blossom. Some stretches eaten off by locusts have resprouted satisfactorily, although naturally they are more backward. Santa Fe: The condition of the wheat fields is good, recent rains not having damaged them, although they were not needed. In the north most of the grain is ready for cutting, ripening continuing in the rest of the province gradually from north to south. Harvesting has been made difficult by the rains in the north, where by the end of the month it is hoped to commence threshing. By the end of November cutting will begin in the centre, and in the south during the first half of December. The condition of linseed is good, the needed rains having appeared. In the north and centre the formation of pods has finished, and almost throughout the south the plants are in blossom and a few days of dry weather are needed to facilitate fertilization. Cordoba: The wheat fields generally present a uniform appearance, with a good colour and well developed. Except a part of the north-east, extending

towards the west and down towards the centre, where in consequence of the drought many fields did not germinate or did so unevenly in the remainder most of the area seeded shows good condition. Due to the temperature having remained below normal in the province, ripening is proceeding slowly, thus giving the plants additional time for complete development. Cutting has begun in the north-east, and the yields so far obtained are satisfactory, as is also the quality. Linseed, which in general received the benefit of rain at the opportune moment, is in good condition. Nevertheless, it is likely that the yields will suffer some reduction in places from fungus growths, the presence of which has been noticed in parts of the centre and east. Entre Rios: In general the condition of the wheat is good in Entre Rios. Harvesting of some early fields has begun, and the most backward fields are beginning to head. Threshing results are not yet known, cutting having so far been done with binders; but it is expected that the yields will be good in the south-west of the province, decreasing towards the north and east, where the sowing was unseasonably late. By the end of this month (November) harvesting should be general. As is normal, the fields of linseed are later than the wheat, but in the south-west some are already almost ripe and will be cut next week. Towards the north and east ripening is more backward, there being many fields which have not yet flowered. As in former years, there are stained linseed plants and others with fungus growths, and damage from the former will be noticeable in some districts. The backward seeding and deficient cultivation of the land probably predisposed the plants to these attacks. The threat of locust damage continues to cause worry, especially in the east, over a fair percentage of the total area seeded. La Pampa: The condition of the wheat crop varies in the different latitudes of the territory. In the north almost half the area seeded has headed; its condition is satisfactory, and the yield should be good, especially in view of the present rains. The remainder which has not yet headed was suffering from drought, but following the rains mentioned there will probably be a moderate yield. In the central zone the absolute lack of moisture and the high temperatures have endangered the crop; at this moment it is hoped that it will recover, but nevertheless it will not become normal. Lastly, in the southern districts there having been more rain, the present prospects may be considered good. Linseed, which is only sown in the northern part of the territory, is generally in good condition, the plants having mostly formed pods; and harvesting will probably commence in the early days of December.

Wheat Supplies and Market Conditions

During November exports of wheat and flour together totalled 4,293,000 bushels (wheat 4,152,000 bushels, flour 140,000 bushels). This compares with a total of 5,996,000 bushels in October. The statistical position is now as follows:-

Second official estimate 1935-36 crop		139,626,000	bushels
Carry over from 1934-35 crop		19,138,000	"
Total supplies		158,764,000	"
Deduct for probable overestimate		5,071,000	"
Revised total		153,693,000	"
Deduct for seed and domestic needs		95,534,000	"
Exportable balance		58,159,000	"
Shipped to) wheat	47,241,000 bushels		
November 28) flour	1,583,000 "	48,824,000	"
Still available for export		9,335,000	"

There is little to be said with regard to market activities during the month just closed. Very little of the old crop remains unsold, and trading is not yet permitted in grain of the new crop, so that on the "board" in the grain pit day after day there

was nothing but a blank space. But if transactions in new wheat were officially discountenanced on the exchanges, there was nothing to prevent trading being carried on outside, and it is estimated that 27,558,000 bushels were sold, of which more or less half were destined for Italy. Buyers in that country appear to be still actively interested in Plate wheats, and it is anticipated that a good business will be done in the coming year. Other European countries also seem likely to be good customers for the new Argentine crop in view of changed conditions over there. The prospective large crop appears to be having an influence in the country districts, and farmers and country dealers are reported to be selling unusually freely rather than take a chance on the course of prices when the new grain begins to pour into the railway stations. Trading has of course been much handicapped by the official restrictions on the exchanges, which have prevented the customary hedging operations.

As this is being written an announcement has just been made that the Government has decreed the withdrawal of minimum prices for wheat and linseed; so that with the market now free it is to be presumed that trading in the new crop will be authorised immediately. In publishing its decision the Ministry states that for the present the Grain Control Board will be maintained with an ample reserve of funds, so that in case of emergency it will be ready to take any action which may be deened necessary.

At the close of business for the month, which was on the 28th, the 30th being a fiesta, Spot wheat was quoted at 10.85 pesos per 100 kilos (equal to 96½ c. Canadian per bushel at the official rate of exchange for the day); and the December option 10.60 (94 3/8c.). In Winnipeg December wheat closed on the same day at 108 1/8c.

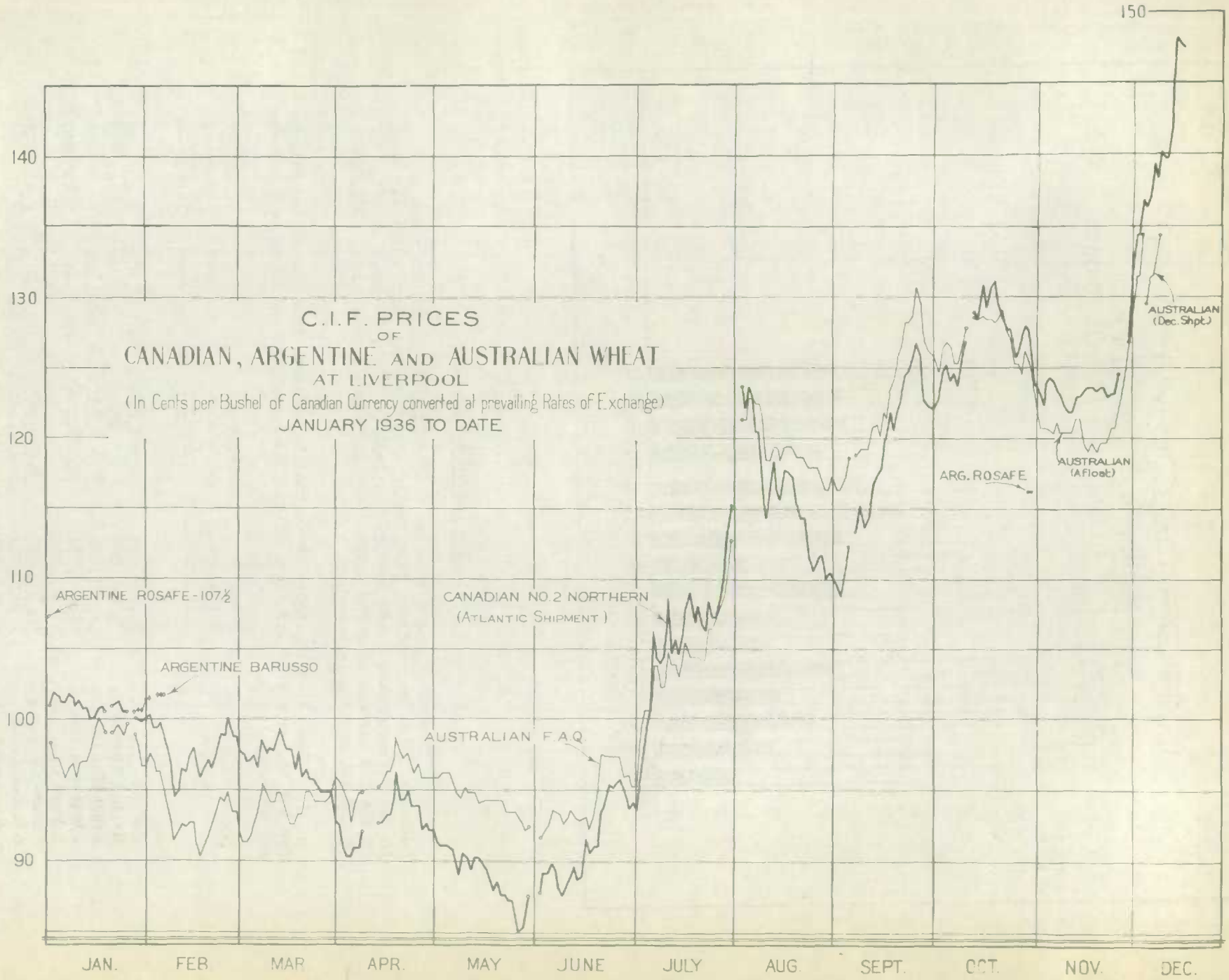
Unofficially, February wheat was changing hands here at 10.40 pesos per quintal.

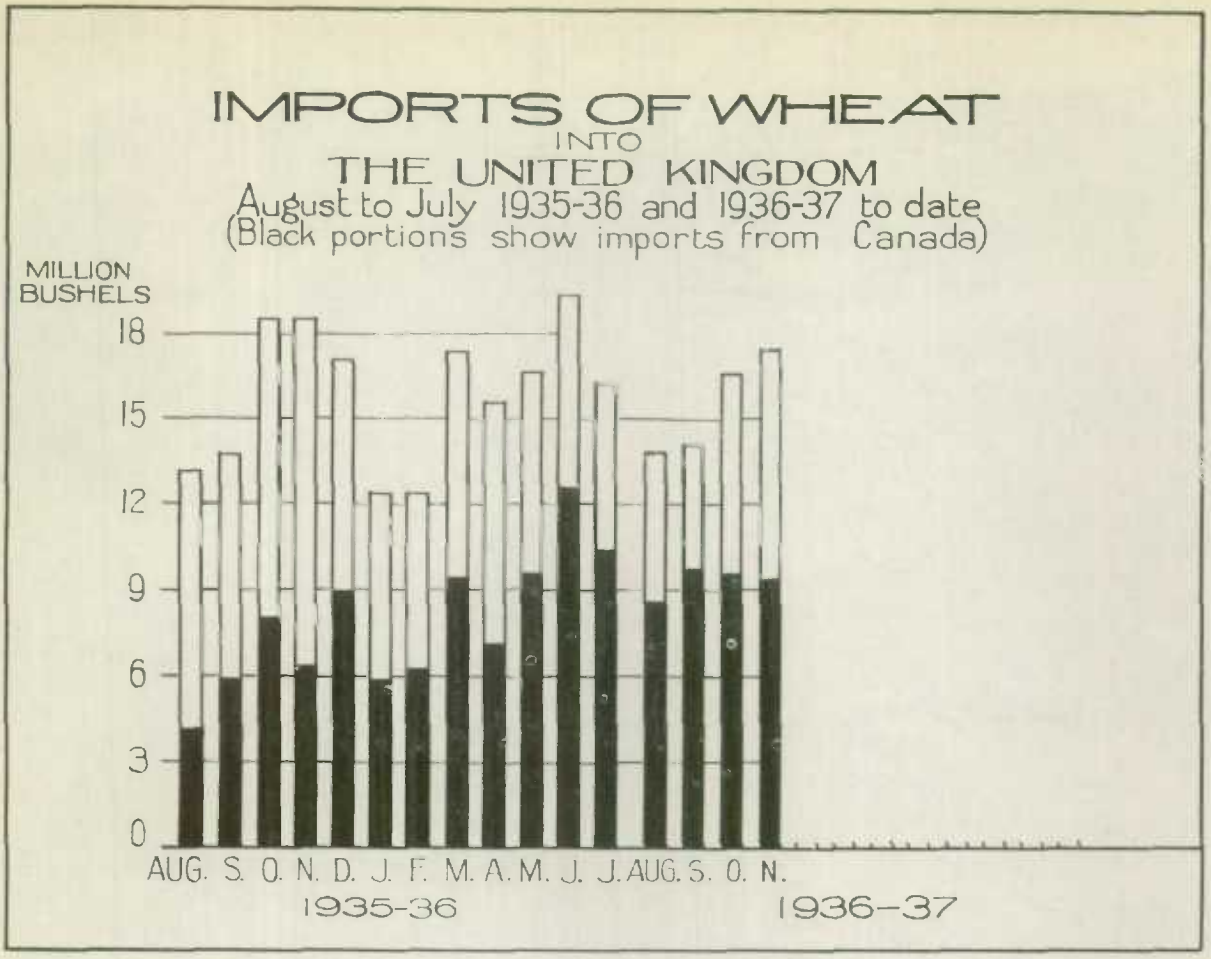
Liverpool C.I.F. Prices

After a month of listless fluctuations in a narrow range during November, Liverpool c.i.f. prices have climbed sharply during the past three weeks. Canadian No. 2 Northern for December shipment rose from $1.23 on Nov. 27 to $1.47¼ on December 17. Part of the increase -- the 4 5/8 cent rise which occurred on December 1 -- was due to the switching of quotations from the basis of St. Lawrence shipments to Maritime shipments. The remainder of the increase, however, has reflected the strong continental bidding for supplies which has added further strength to the world statistical position.

Old-crop Australian wheat afloat narrowed its discount from No. 2 Northern in the closing days of November and was last quoted on December 4, at $1.34 3/8 or 2 3/8 cents below No. 2 Northern. New-crop wheat for December 15 shipment was currently quoted 5 cents under the old-crop wheat afloat, and sales of new wheat on the December basis continued up to December 10, closing at $1.34 3/8 or 5 3/4 cents under No. 2 Northern. Since then, Australian new wheat has been quoted on a January basis.

Between December 1 and December 17, No. 2 Northern rose from $1.31 3/4 to $1.47 1/4, a gain of 15½ cents. In the same period, new-crop Argentine wheat for January-February shipment rose from $1.11 3/4 to $1.21 3/4, a gain of 10 cents. Indian Karachi wheat for December shipment rose from $1.24 to $1.38 1/4, a gain of 14 1/4 cents. New-crop Australian wheat rose from $1.26 3/8 to $1.41 1/8, a gain of 14 3/4 cents. Except for the tendency of new-crop Argentine wheat to lag behind in the upward movement, all c.i.f. wheats have gained fairly uniformly. In this regard it should be noted that United Kingdom buyers have been paying premiums of as much as 3 cents per bushel over the current c.i.f. price of Argentine Rosafe for January shipment. When this premium is taken into account, the Argentine price has made up all but 2½ cents of the gain in No. 2 Northern.


C.I.F. PRICES
OF
CANADIAN, ARGENTINE AND AUSTRALIAN WHEAT
AT LIVERPOOL
(In Cents per Bushel of Canadian Currency converted at prevailing Rates of Exchange)
JANUARY 1936 TO DATE
150
140
130
120
110
100
90
ARGENTINE ROSAFE - 107½
ARGENTINE BARUSSO
CANADIAN NO. 2 NORTHERN
(ATLANTIC SHIPMENT)
AUSTRALIAN F.A.Q.
ARG. ROSAFE
AUSTRALIAN
(Afloat)
AUSTRALIAN
(Dec. Shpt.)
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
AUG.
SEPT.
OCT.
NOV.
DEC.



The United Kingdom

Imports of wheat into the United Kingdom during the month of November, 1936, were higher than during the preceding month but lower than in the corresponding month last year. Imports during November amounted to 17,414,553 bushels compared with 16,562,558 bushels in October, 1936, and 18,429,635 bushels in November, 1935.

The following table shows imports of wheat into the United Kingdom for the twelve months August to July, 1935-36, August and September, October and November, 1936:

	August-July 1935-36	August and September 1936	October 1936	November 1936
		Bushels		
From:				
Canada	95,004,814	18,523,078	9,543,909	9,437,102
United States ...	648,003	-	80	55,737
Argentina	11,887,471	7,265	291,326	37,332
Australia	44,168,234	2,906,955	2,879,242	3,338,840
Russia	13,182,976	-	-	-
Others	25,770,282	6,699,147	3,848,001	4,545,542
T o t a l	190,661,780	28,136,445	16,562,558	17,414,553
Previous year	188,626,909	26,830,172	18,494,092	18,429,635

As shown by the foregoing table, imports of wheat into the United Kingdom during the twelve months from August, 1935 to July, 1936, amounted to 191 million bushels compared with 189 million bushels for the same months in 1934-35. Out of total imports of 191 million bushels, Canada supplied 95 million bushels or 49.8 per cent; Australia supplied 44 million bushels or 23.2 per cent; Argentina supplied 12 million bushels or 6.2 per cent.

The following table shows imports of wheat into the United Kingdom during November, 1936 along with comparative figures for November, 1935.

	November, 1936	November, 1935
	Bushels	
From:		
Canada	9,437,102	6,386,124
United States	55,737	-
Argentina	37,332	2,351,382
Australia	3,338,840	4,852,408
Russia	-	2,874,469
Others	4,545,542	1,965,252
Total	17,414,553	18,429,635

The above table shows that total imports of wheat into the United Kingdom during November, 1936 were lower than during November, 1935. Imports from Canada amounted to 9,437,102 bushels this year as compared with 6,386,124 bushels for the corresponding month last year. Imports from the Argentine amounted to only 37,332 bushels as compared with 2,351,382 bushels for the month of November, 1935. The United Kingdom imported 2,874,469 bushels of wheat from Russia during November, 1935 while during November, 1936 imports from this country were nil.

The following table shows imports of wheat into the United Kingdom during the months of August to November, 1936 and 1935:

	1936 August-November	1935 August-November
	Bushels	
From:		
Canada	37,504,089	24,533,473
United States	55,817	648,003
Argentina	335,923	10,147,180
Australia	9,125,037	9,750,148
Russia	-	10,744,590
Others	15,092,690	7,930,505
Total	62,113,556	63,753,899

It will be noted that total imports of wheat into the United Kingdom amounted to 62,113,556 bushels during the August-November period in 1936 as compared with 63,753,899 bushels during the same months last year. The table further shows that imports from the Argentine were only 335,923 bushels compared with 10,147,180 bushels for the corresponding period last year. Imports from Canada were 13.0 million bushels higher during the August-November period in 1936 compared with the same period in 1935.

INTERNATIONAL TRADE

The following table shows the world shipments of wheat and wheat flour for the first nineteen weeks of the present crop year. (Broomhall's figures).

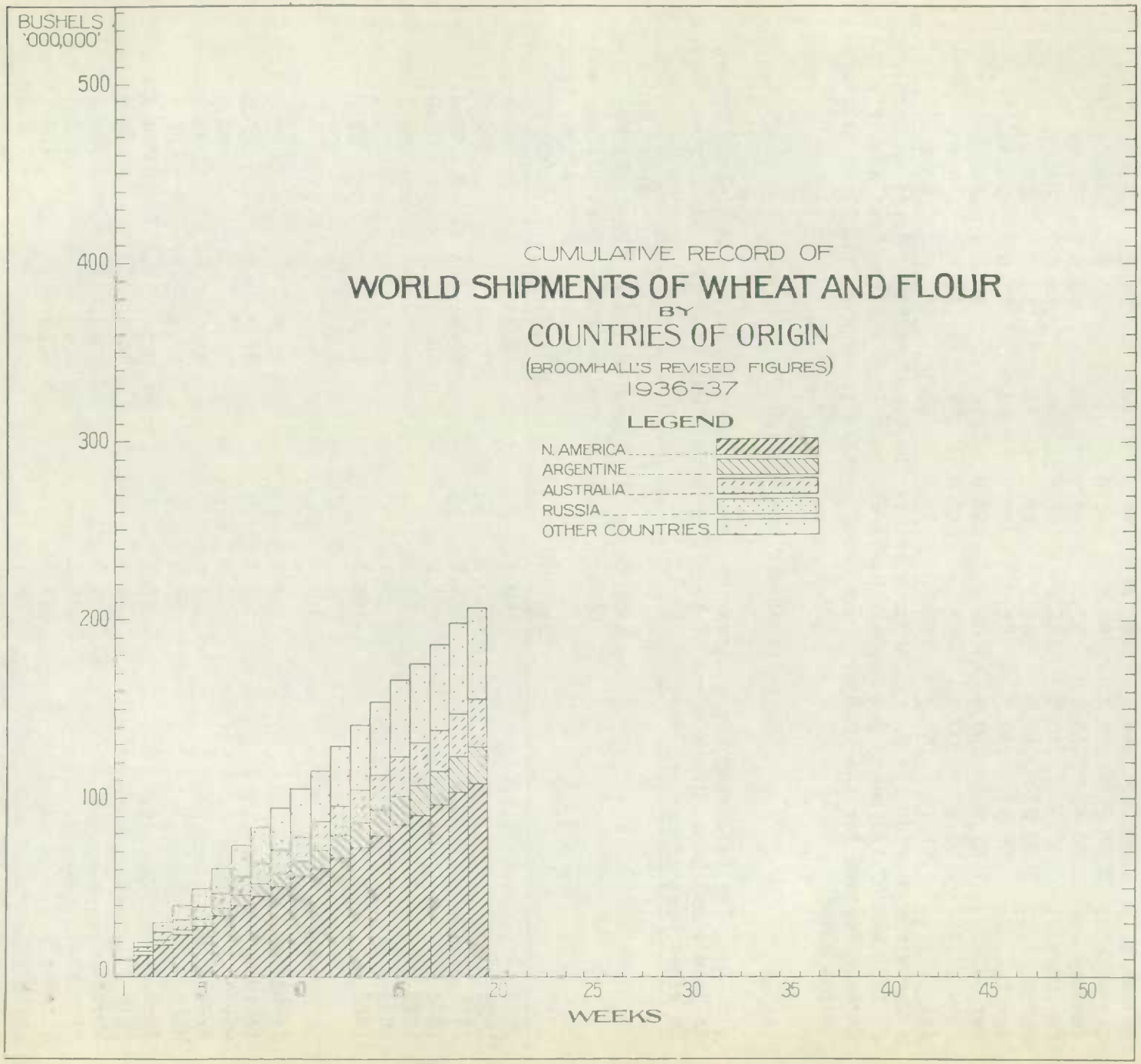
Week Ending		North America	Argentina	Australia	Russia	Other	Total
		(Thousand Bushels)					
August	8	6,848	584	960	-	1,456	9,848
	15	5,616	1,064	1,888	-	1,384	9,952
	22	5,976	888	1,296	-	2,176	10,336
	29	5,288	616	1,192	-	2,648	9,744
Sept.	5	5,072	808	1,360	-	2,000	9,240
	12	5,624	1,336	960	-	4,080	12,000
	19	6,048	952	1,840	-	3,552	12,392
	26	4,744	792	2,176	-	3,176	10,888
Oct.	3	5,368	1,152	1,376	-	3,616	11,512
	10	6,512	464	792	88	2,544	10,400
	17	4,408	1,568	1,536	-	2,904	10,416
	24	5,176	1,984	1,064	-	4,216	12,440
	31	6,152	1,096	1,592	-	3,288	12,128
Nov.	7	5,776	1,600	1,736	-	3,368	12,480
	14	6,984	1,336	1,656	-	3,008	12,984
	21	5,048	1,064	984	-	1,896	8,992
	28	6,624	960	1,152	-	2,592	11,328
Dec.	5	6,618	1,331	1,813	-	2,424	12,186
	12	4,826	1,055	1,604	-	1,070	8,555
TOTAL		108,708	20,650	26,977	88	51,398	207,821
Comparative 1935-36							
Corresponding week		3,672	1,368	1,872	1,992	952	9,856
Total to Date		73,856	37,898	34,061	22,880	18,216	186,911

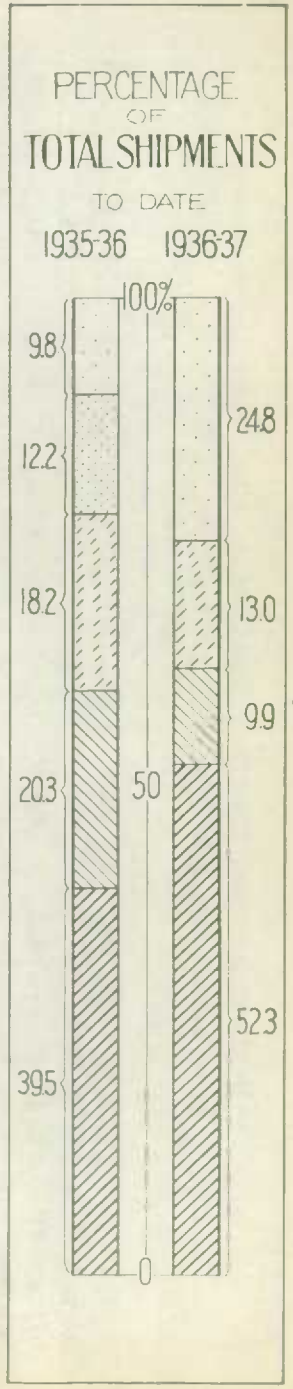
Despite the relatively easy world shipments in the weeks ending November 21 and December 12, the world movement during the past four weeks was moderately heavier than in the same four-week period a year ago. As a result, the world movement from August 1 to December 12, 1936 continues to gain over the movement for the same period in 1935 - the excess amounting to 20.9 million bushels. North American shipments are sharply higher, showing an increase of 34.8 million bushels over the shipments in the preceding crop year to date.

The Position of the Import Requirements Estimate
(Mr. Broomhall's Estimate)

Revised Import Requirements	Actual Shipments	Balance to be Shipped
Aug. 1,1936 to July 31, 1937	Aug. 1,1936 to Dec.12, 1936	Dec.12, 1936 to July 31,1937
(52 weeks)	(19 weeks)	(33 weeks)
556 million bushels	207.8 million bushels	348.2 million bushels
or	or	or
10.7 million bushels weekly	10.9 million bushels weekly	10.6 million bushels weekly

On December 2, Mr. Broomhall made a second revision in his estimate of importers' requirements, raising his November calculation of 540 to 556 million bushels. The increase of 16 million bushels was allocated to Italy whose requirements for the crop year are now placed at 56 million bushels. During the first nineteen weeks of the current season, weekly shipments have averaged .2 million bushels higher than the weekly volume necessary to maintain the revised estimate for the crop year.


BUSHELS
'000,000'
500
400
300
200
100
0
CUMULATIVE RECORD OF
WORLD SHIPMENTS OF WHEAT AND FLOUR
BY
COUNTRIES OF ORIGIN
(BROOMHALL'S REVISED FIGURES)
1936-37
LEGEND
N. AMERICA
ARGENTINE
AUSTRALIA
RUSSIA
OTHER COUNTRIES
1
5
10
15
20
25
30
35
40
45
50
WEEKS


PERCENTAGE
OF
TOTAL SHIPMENTS
TO DATE
1935-36
1936-37
100%
50
0
9.8
12.2
18.2
20.3
39.5
24.8
13.0
9.9
52.3

Monthly Average Winnipeg Cash Price - No. 1 Northern Wheat,
Crop Years 1929-30 to 1936-37
(Dollars per Bushel)

	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37
August	1.58.0	.92.5	.55.1	.56.3	.73.4	.86.0	.84.5	1.02.2
September	1.49.5	.78.1	.53.6	.51.9	.67.2	.82.3	.90.3	1.03.9
October	1.41.4	.72.5	.59.9	.48.2	.60.5	.78.2	.90.8	1.10.9
November	1.33.0	.64.4	.67.3	.46.7	.63.7	.79.6	.85.7x	1.08.4
December	1.37.8	.55.4	.60.6	.42.4	.60.3	.79.2	.84.7x	
January	1.30.5	.53.9	.60.0	.44.2	.65.0	.79.0	.84.8x	
February	1.17.4	.59.3	.63.2	.45.8	.65.6	.79.5	.82.1x	
March	1.06.2	.56.7	.63.1	.49.1	.66.4	.81.9	.82.1x	
April	1.09.8	.59.7	.62.6	.53.6	.65.5	.87.6	.80.5x	
May	1.07.9	.60.6	.62.9	.63.3	.70.6	.85.7	.76.8x	
June	1.03.2	.60.8	.55.1	.66.8	.77.1	.81.7	.79.5x	
July	.95.1	.57.3	.54.7	.83.4	.82.0	.81.4	.93.4	

x The minimum price for No. 1 Northern set by the Canadian Wheat Board on September 6, 1935 was 87 1/2 cents per bushel, basis car-lots Fort William-Port Arthur. The farmers' return for the 1935 crop was based on this price when wheat was delivered to the Board.

Wheat Prices and the General Price Level /

The following table shows the general Index Numbers of Wholesale Prices in Canada and Great Britain and of No. 1 Northern Wheat (Winnipeg Cash Price, basis in store Port Arthur and Fort William).

	General Index Canada 1930=100	Board of Trade United Kingdom 1930=100	Wheat No. 1 Manitoba Northern Fort William and Port Arthur basis 1930=100
1929	110.4	114.3	142.5
1930	100.0	100.0	100.0
1931	83.3	87.8	62.4
1932	77.0	85.6	59.0
1933	77.5	85.7	64.8
1934	82.7	88.1	79.4
1935	83.3	88.9	89.6
1 9 3 6			
January	84.2	91.8	90.0
February	83.7	91.7	87.2
March	83.6	91.7	87.2
April	83.4	91.9	85.5
May	82.9	91.9	81.5
June	83.5	92.6	84.4
July	85.9	93.6	99.2
August	88.0	95.2	108.5
September	88.2	96.1	110.3
October	89.0	97.6	117.7
November	89.4	-	115.1

/ Prepared by the Internal Trade Branch.

FOREIGN EXCHANGES

Exchange fluctuations have been relatively narrow since the middle of November, and a number of constructive announcements point to further progress towards exchange stability. On November 23 came news that Belgium, the Netherlands and Switzerland had joined the pact formed a few weeks earlier between the United Kingdom, France and the United States to facilitate the unrestricted transfer of gold between stabilization funds of these countries. About the same time, it was announced that the National Bank of Roumania had stabilized the leu at the equivalent of approximately 6 mgms. of gold, or 40 per cent below its gold parity fixed by the 1929 stabilization law. Of much greater significance to the grain trade, however, was the advance in the free rate on Argentine pesos reducing by more than one cent the premium of the official over the free rate. Recent intimations point to the abolition of the dual rate structure in pesos, this having been made possible by improvement in the Argentine trade balance and the higher level of wheat prices. Minor flurries in sterling exchange accompanied the tense situation recently existing in London, but these disappeared when the outcome became apparent. The Shanghai dollar turned weak on December 14, due to the unsettled political situation in China but declines have amounted to less than half a cent to date.

Monday Average Exchange Quotations at Montreal, May 2 to December 12, 1936.

		United Kingdom Pounds	United States Dollar	Australia Pounds	Argentina x Paper Peso
		4.8667	1.0000	4.8667	.4244
May	2	4.9625	1.0006	3.9700	.2742
	11	4.9675	1.0009	3.9737	.2753
	18	4.9850	1.0031	3.9887	.2764
	26	4.9900	1.0018	3.9912	.2760
June	1	5.0087	1.0025	4.0070	.2767
	8	5.0131	1.0031	4.0105	.2779
	15	5.0375	1.0018	4.0300	.2785
	22	5.0266	1.0028	4.0213	.2778
	29	5.0400	1.0025	4.0325	.2727
July	6	5.0275	1.0009	4.0212	.2687
	13	5.0325	1.0009	4.0262	.2708
	20	5.0337	1.0006	4.0275	.2727
	27	5.0175	1.0000	4.0140	.2740
August	3	5.0156	1.0000	4.0125	.2760
	10	5.0250	1.0000	4.0200	.2770
	17	5.0262	1.0000	4.0210	.2770
	24	5.0325	1.0004	4.0262	.2771
	31	5.0304	1.0000	4.0243	.2815
September	8	5.0488	1.0000	4.0391	.2825
	14	5.0637	.9996	4.0512	.2845
	21	5.0608	.9994	4.0487	.2838
	28	4.9450	1.0000	3.9560	-
October	5	4.9169	.9994	3.9335	.2772
	13	4.8997	.9997	3.9198	.2789
	19	4.8843	1.0000	3.9075	.2770
	26	4.8887	1.0000	3.9100	.2775
November	2	4.8862	.9993	3.9087	.2763
	9	4.8692	.9987	3.8950	.2762
	16	4.8860	.9987	3.9070	.2772
	23	4.8850	.9981	3.9075	.2765
	30	4.8937	.9981	3.9150	.2765
December	7	4.8937	.9993	3.9150	.2878
	12	4.8979	.9991	3.9183	.3007

x Free rates.

THE CANADIAN SITUATION

I GRADING AND QUALITY OF THE 1936 WHEAT CROP

The following table shows the grading of inspections during August, September and October, 1936 and by months for 1935-36.

	Number of Cars Grading No. 3 Northern or Better			
	1936-37		1935-36	
	Cars	Per Cent of Inspections	Cars	Per Cent of Inspections
August	15,493	90.03	7,855	82.89
September	28,403	95.53	16,975	64.83
October	18,131	92.33	11,448	41.33
November	9,208	87.66	4,363	34.05
Total	71,235	92.41	40,641	53.34

After excluding special grades such as Durums, White Springs and Winters the number of cars inspected in November totaled 10,504 of which 9,208 or 87.66 per cent graded No. 3 Northern or higher. For the four-month period ending October, 1936, 92.41 per cent of the cars inspected have graded No. 3 Northern or higher, compared with only 53.34 per cent for the same period in 1935.

Protein Survey of the Spring Wheat Crop of 1936.

The Grain Research Laboratory of the Board of Grain Commissioners released on November 30 a detailed report on the protein content of the 1936 crop, from which the following summary and tables are quoted:

"The annual surveys of the protein content of the contract grades of hard red spring wheat grown in Western Canada were first commenced by the Grain Research Laboratory of the Board of Grain Commissioners in 1927, and the present survey is the tenth in the series. It is coincidental that the protein content of the crop in 1927 was the lowest on record, while that of the present year is the highest on record.

"For the present survey, a total of 9,810 samples were collected; of these 1,695 originated from 370 shipping points in Manitoba, 5,836 from 1,009 shipping points in Saskatchewan, and 2,279 from 512 shipping points in Alberta. In addition to these samples, 19 were received from four points in British Columbia. The results of the protein determinations on these British Columbia wheats, however, have not been included in the summarized tables and are merely recorded as individual results in the Appendix. The samples were taken from the official grading samples in the various inspection offices and hence represent carlots of wheat; the collections were restricted to grades Nos. 1 Hard to 4 Northern inclusive and Nos. 1 C.W. and 2 C.W. Garnet. An effort was made to secure eight samples from each shipping point, the average number for the present survey being 5.2, and they were taken over a period of about ten weeks in order that they should be fairly representative of the deliveries throughout the harvest season.

"The nitrogen determinations were conducted according to the Kjeldahl-Gunning-Arnold procedure, using a one-gram sample, the results being converted to protein by means of the factor 5.7 and corrected to a 13.5% moisture content (Brown-Duval basis).

"The protein survey data are summarized in Tables I to V inclusive, while the results on individual samples from each shipping point are arranged according to grade and province in the Appendix. For comparative purposes the mean protein contents for the last five surveys are arranged according to grade in Table VI.

"The outstanding feature of the present survey is the remarkably high level of the protein content. The general mean for the crop is 14.9%, a figure which is 1.0% higher than that recorded for any of the previous surveys. The extremely high protein content of the 1936 crop is directly attributed to hot dry weather, which prevailed throughout the Prairie Provinces during the growing season.

"It will be noted that, in general, the protein contents of grades Nos. 1 Hard, 1 and 2 Northern are very similar, while that of grade No. 3 Northern is much lower in this respect than the first three grades, particularly in the province of Alberta. Reference to last year's figures shows that grade No. 3 Northern is the only one which does not show any increase over the previous year. This characteristic of 1936 crop No. 3 Northern may be attributed to the presence of considerable percentages of Garnet wheat, a variety which is largely grown in the North.

"In considering the summarized results in Tables I to VI inclusive, it should be borne in mind that the computations are based solely upon the number of samples tested and have no regard to the relative volumes of wheat produced in the various districts.

"However, weekly averages of the various grades from different offices in the Western Division of the Grain Inspection Branch have been tested for protein, and as the number of cars represented in each average is known, it has been possible to compute weighted mean values which represent the average protein content of the various grades during the season covered by the collections. These data have been brought together in Table VII and cover the period from the beginning of the movement of the new crop until October 30, 1936."

(Table VI.) Mean Protein Contents of the Various Grades of Hard Red Spring Wheat Surveyed for the Years 1932 - 1936 inclusive. x

Crop Year	1 Hd.	1°	2°	3°	4°	4 Sp.	1 CW. Garnet	2 CW. Garnet	All Grades
					Manitoba				
1932	14.1	13.8	13.5	13.4	-	-	-	-	13.7
1933	14.0	13.9	13.4	13.1	-	-	-	-	13.8
1934	14.4	13.9	13.1	13.1	-	-	-	-	13.8
1935	-	13.9	13.1	13.0	13.0	13.0	10.5	10.6	13.0
1936	15.8	15.4	15.1	14.7	14.6	-	11.1	15.2	15.2
					Saskatchewan				
1932	14.7	14.5	13.7	14.9	-	-	-	-	14.2
1933	14.7	14.4	13.7	14.7	-	-	-	-	14.2
1934	14.7	14.7	13.9	14.4	-	-	-	-	14.4
1935	15.2	14.9	14.6	13.8	13.9	13.5	11.0	11.3	14.0
1936	15.1	15.3	15.4	14.1	16.1	-	12.3	12.6	15.1
					Alberta				
1932	14.1	14.0	12.9	12.9	-	-	-	-	13.6
1933	14.4	14.1	12.8	12.1	-	-	-	-	13.5
1934	14.0	14.3	13.5	12.8	-	-	-	-	13.7
1935	14.4	14.6	14.3	13.4	13.5	-	10.4	11.5	14.0
1936	14.9	14.9	14.8	13.0	13.5	-	12.8	12.1	14.0
					Western Canada				
1932	14.3	14.3	13.4	14.0	-	-	-	-	14.0
1933	14.4	14.2	13.4	13.8	-	-	-	-	13.9
1934	14.5	14.4	13.7	13.7	-	-	-	-	14.1
1935	14.6	14.7	14.5	13.6	13.7	13.3	10.9	11.4	13.9
1936	15.1	15.3	15.2	13.6	14.6	-	12.4	12.4	14.9

x All protein (N. x 5.7) results are computed on a 13.5 per cent moisture basis.

(Table VII.) Mean Protein Contents of Average Samples of Wheat from Different Inspection Offices Hard Red Spring Wheat, 1936 Crop x

Grade	Winnipeg	Moose Jaw	Saskatoon	Medicine Hat	Edmonton	Calgary	Winnipeg to Calgary inclusive	Approx. bus. (000 omitted)
1 Hd.	15.2	-	-	14.3	-	14.6	15.0	1,379
1°	15.2	14.3	15.1	14.1	14.8	15.1	15.1	44,090
2°	14.5	15.9	14.5	15.1	13.7	15.4	14.6	16,245
3°	13.8	16.1	14.1	15.8	11.3	13.1	13.0	12,832
4°	15.0	-	-	14.5	10.4	14.5	14.0	1,308
No. 5	14.2	-	-	-	11.1	12.9	13.4	208
No. 6	13.4	-	-	-	10.7	12.0	12.8	160
Feed	-	-	-	-	9.4	13.1	12.7	15
1 CW Garnet	12.0	-	-	-	12.8	14.1	12.2	939
2 CW Garnet	12.5	-	-	-	11.8	13.3	12.6	1,732

x All protein (N. x 5.7) results are computed on a 13.5 per cent moisture basis.

II. LAKE MOVEMENT

The following table summarizes the movement of wheat down the Lakes from the opening of navigation to date:

	To Canadian Lower Lake Ports	To St. Lawrence Ports	To Buffalo	To Other United States Ports	To United Kingdom and Continental Ports	Totals
	Bushels					
From opening of navigation to August 31, 1936	26,467,691	9,949,451	23,925,319	13,951,592	948,718	75,242,771
Week ending Sept. 7	2,541,028	1,262,393	2,306,334	410,508	50,491	6,570,754
14	2,182,948	1,467,183	1,342,731	391,783	46,900	5,431,543
21	3,533,634	1,067,854	2,588,067	418,401		7,607,956
30	4,863,322	1,020,823	2,319,995	1,222,739	48,500	9,475,379
Oct. 7	3,209,484	504,408	2,474,147	637,913	-	6,825,952
14	3,067,828	367,623	1,512,809	575,103	49,220	5,572,583
21	4,990,595	1,184,034	2,346,482	535,718	-	9,056,829
31	5,378,305	454,468	3,249,052	440,605	-	9,522,430
Nov. 7	3,960,167	691,700	1,016,006	660,325	-	6,328,198
14	3,185,695	364,345	1,766,853	678,670	-	5,995,563
21	1,246,961	196,275	3,153,634	128,024	-	4,724,894
30	3,788,742	210,367	6,186,570	853,379	-	11,039,058
Totals	68,416,400	18,740,924	54,187,999	20,904,758	1,143,829	163,393,910
Comparative Totals to Nov. 30, 1935	71,181,898	19,396,883	63,413,877	9,577,478	-	163,570,136

No statement of the lake movement was issued for the week ending December 7. On December 16 there were still two vessels at the Head of the Lakes either for shipping or storage, so that a complete report of the navigation for the season is not yet available.

III. VALUE OF CANADIAN FIELD CROPS, 1936

On December 9 1936, the Dominion Bureau of Statistics issued a bulletin giving by provinces the first estimate of the farm value of field crop production for 1936 as compared with the values for 1934 and 1935. The values per unit assigned to each crop represent average prices received by farmers up to the end of November and have been determined by the Bureau after consultation with the Provincial Departments of Agriculture. It should be observed that these estimates are subject to revision and that they do not represent cash income received from sales but are gross values of farm production.

The gross value of production of the principal field crops of Canada in 1936 is estimated at $594,139,000 as compared with $508,910,900 in 1935. This is the highest recorded for any year since 1930 but it is still $355,000,000 less than that of 1929. The estimated values for the last eight years are as follows

1929	$948,981,400
1930	$662,040,900
1931	$435,966,400
1932	$452,526,900
1933	$453,598,000
1934	$549,079,600
1935	$508,910,900
1936	$594,139,000

Higher prices per unit are chiefly responsible for the increase in value of the 1936 production over that of 1935. In spite of the reduced yields of many crops, the 1936 production is valued at 85 million dollars more than that of 1935 from the same crops.

While the total yield of wheat in 1936 is 44 million bushels less than in 1935, an increase of 25 cents in the price per bushel gives an increase in the gross value of 30 million dollars. The 1936 oat crop is valued at 16 million dollars more than that of 1935 due to an increase in the farm price of 16 cents a bushel. The barley production of 1936 is worth 19 million dollars more. Decreases in values are shown for rye, peas, corn for husking, fodder corn and grain hay, but in the aggregate they do not appreciably affect the relatively large increases indicated for wheat, oats, barley, buckwheat, mixed grains, potatoes, turnips, etc., hay and clover, and alfalfa.

Value of Wheat Crop in Canada, by Provinces, 1934, 1935 and 1936.

	1934	1935	1936
		Dollars	
Prince Edward Island	469,000	409,000	219,000
Nova Scotia	62,000	79,000	86,000
New Brunswick	319,000	333,000	354,000
Quebec	1,214,000	1,118,000	1,056,000
Ontario	7,450,000	10,303,000	14,034,000
Manitoba	24,115,000	13,725,000	25,810,000
Saskatchewan	69,662,000	81,000,000	98,280,000
Alberta	65,250,000	62,220,000	58,800,000
British Columbia	1,090,000	1,146,000	1,446,000
Canada	169,631,000	170,333,000	200,085,000

IV. FALL PRECIPITATION, PRAIRIE PROVINCES

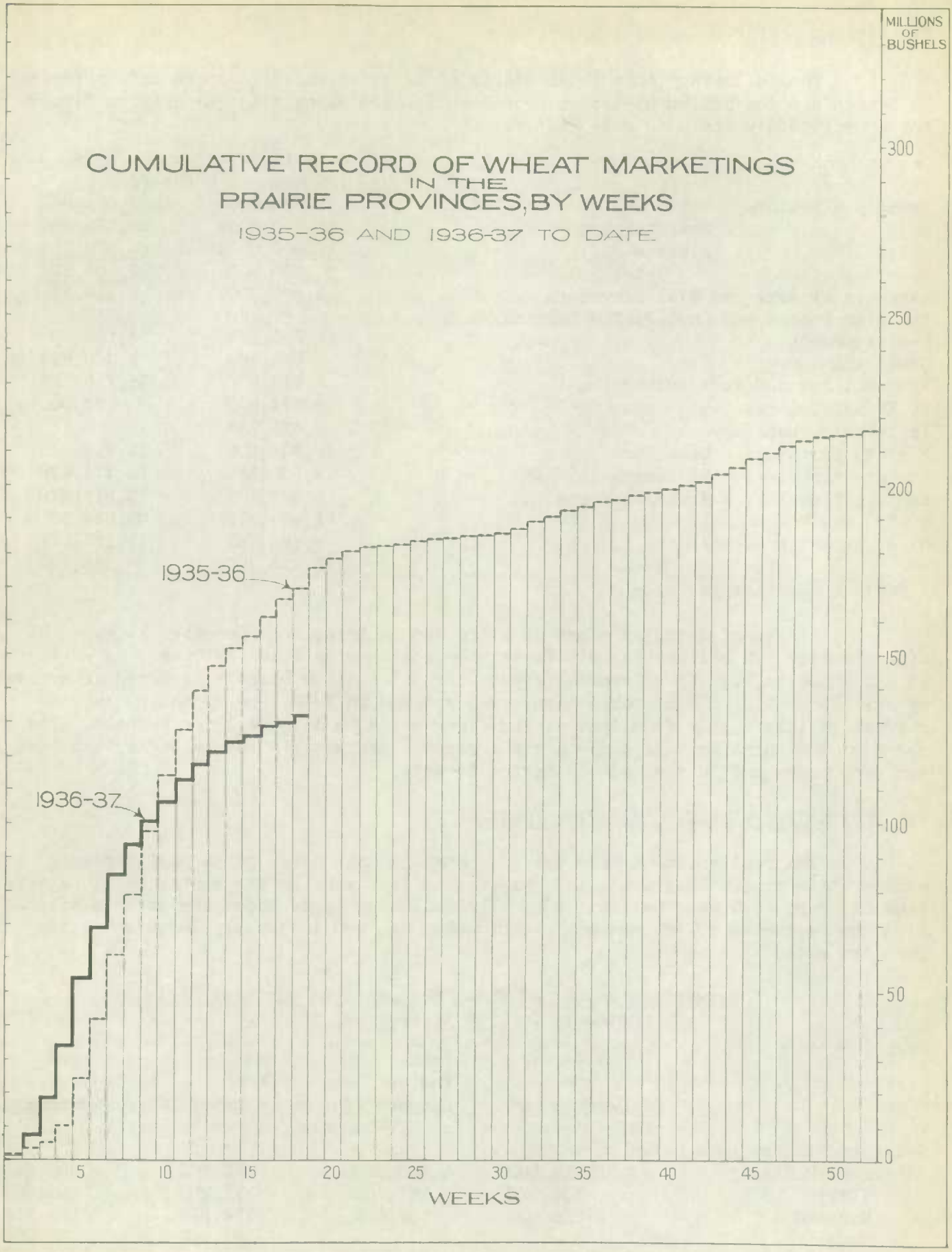
Fall precipitation in the Prairie Provinces was seriously below normal and considerably worse than the 1935 records. Fortunately, however, more rain fell in September of this year than in the same month of 1935. The September rains coming at a time when the soil is receptive to moisture were heaviest in Manitoba, northern Saskatchewan and southern Alberta. In the heavy grain belt of southern Saskatchewan the September precipitation was less than half of normal, although greater than in 1935. Again in October the rainfall was below normal in the southern Saskatchewan area, as well as in Manitoba. In November the precipitation for the whole of the Prairie Provinces was approximately half of normal, excepting the areas around Winnipeg and Edmonton. In general, the snow cover is light, and the chief hope in abating the serious moisture shortage lies in an abundant accumulation of snow during the winter months in preparation for the spring thaw.

V. PRIMARY MOVEMENT

The following table shows primary receipts of wheat in the Prairie Provinces for the present crop year along with comparative figures for 1935-36.

Week ending	Manitoba	Saskatchewan	Alberta	Totals	Last Year
			Bushels		
August 7, 1936	193,920	993,963	525,623	1,713,506	1,444,683
14	1,872,513	3,290,883	1,024,812	6,188,208	1,621,021
21	2,562,927	6,562,721	1,662,164	10,787,812	2,313,638
28	4,547,566	9,215,023	1,851,294	15,613,883	4,802,509
Sept. 4	3,256,126	12,564,112	3,972,856	19,793,094	14,171,639
11	744,905	10,012,246	4,313,615	15,070,766	17,740,865
18	1,818,457	9,452,166	4,272,163	15,542,786	18,803,272
25	571,733	4,871,867	3,725,032	9,168,632	18,048,483
Oct. 2	444,798	3,865,699	2,507,746	6,818,243	18,513,938
9	273,585	2,872,692	2,302,364	5,448,641	16,647,313
16	316,865	3,306,228	2,847,788	6,470,881	13,311,730
23	155,445	1,922,998	2,485,848	4,564,291	11,657,848
30	359,041	1,576,141	1,477,824	3,413,006	7,822,271
Nov. 6	251,777	1,358,388	1,313,365	2,923,530	4,886,606
13	153,970	792,552	1,067,018	2,013,540	3,727,945
20	186,249	1,040,877	1,254,838	2,481,964	5,614,641
27	80,303	689,497	716,422	1,486,222	5,078,619
Dec. 4	167,721	691,282	1,053,233	1,912,236	3,232,724
Totals	17,957,901	75,079,335	38,374,005	131,411,241	169,439,745

Wheat marketings in the Prairie Provinces in the four week period ending December 4 continued to decline from the amounts marketed in earlier weeks. For the week ending December 4, there was a moderate increase over the preceding week, presumably in response to the upturn in prices over the month end. Since the first week in September deliveries have been lower than those in the corresponding weeks of 1935, with the result that the cumulative marketings from August 1 to December 4, 1936 were 38 million bushels less than in the same period in 1935. This comparison is shown graphically in the chart on the opposite page.


CUMULATIVE RECORD OF WHEAT MARKETINGS
IN THE
PRAIRIE PROVINCES, BY WEEKS
1935-36 AND 1936-37 TO DATE
MILLIONS OF BUSHELS
300
250
200
150
100
50
0
1935-36
1936-37
5
10
15
20
25
30
35
40
45
50
WEEKS

VI. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on December 11, 1936 along with comparative figures for approximately the same date last year:

	1936	1935
	(bushels)	
Country Elevators - Manitoba	1,630,000x	7,011,241
Saskatchewan	11,800,000x	48,135,864
Alberta	17,000,000x	36,979,159
Total	30,430,000x	92,126,264
Interior Private and Mill Elevators	5,500,000x	6,319,891
Interior Public and Semi-Public Terminals	67,723	6,190,187
Pacific Ports	11,290,724	15,789,567
Churchill	614,569	2,280,823
Fort William and Port Arthur	8,912,907	36,715,722
In Transit, Lakes	3,874,600	78,000
In Transit, Rail	3,461,218	-
Eastern Elevators - Lake Ports	20,306,608	51,519,215
Eastern Elevators - St. Lawrence Ports	4,530,354	14,474,828
Eastern Elevators - Maritime Ports	3,087,702	3,615,479
U. S. Lake Ports	15,560,876	27,828,651
U. S. Atlantic Seaboard Ports	8,856,169	11,517,171
Total	116,493,450	268,455,798

x Subject to minor revision.

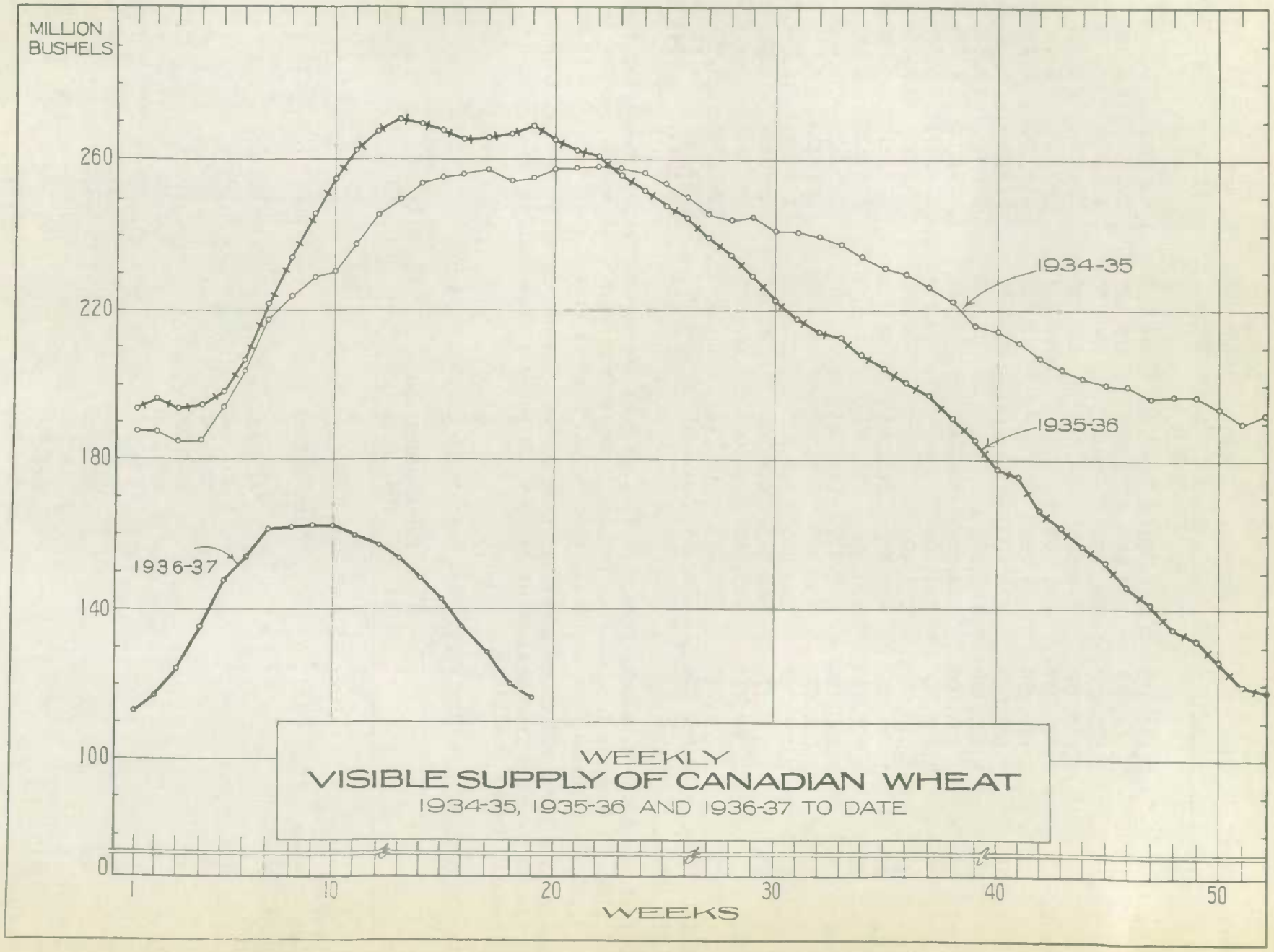
Stocks of Canadian wheat in store and in transit on December 11 were approximately 152 million bushels lower than at the same date last year, as shown in the above table. If allowance is made for 3.5 million bushels reported in transit by rail for which no comparable figure was secured in 1935, the reduction in the current visible supply from that of last year would be 155.5 million bushels. The chart on the opposite page depicts the change in the visible supply during the last two crop years and in the 1936-37 season to date.

VII. MOVEMENT OF WHEAT TO MARITIME PORTS

The rail movement from Georgian Bay and Lake Huron ports has commenced earlier this season than usual for purposes of facilitating the winter wheat exports from St. John, N.B. and Halifax, N.S. The following table shows the amounts shipped from the beginning of the movement to November 26, and the weekly amounts for the past two weeks.

Origin and Amount of Wheat Shipments to Maritime Ports, October 15, 1936 to December 10, 1936

	October 15 to November 26	Week Ending December 3	Week Ending December 10	Total to December 10
		(bushels)		
Georgian Bay and Lake Huron ports:				
Port McNicoll	1,116,260	623,980	542,405	2,282,645
Tiffin	335,010	147,788	17,201	499,999
Midland	228,000	152,000	174,918	554,918
Goderich	-	-	34,000	34,000
Total	1,679,270	923,768	768,524	3,371,562


MILLION BUSHELS
260
220
180
140
100
0
1934-35
1935-36
1936-37
WEEKLY
VISIBLE SUPPLY OF CANADIAN WHEAT
1934-35, 1935-36 AND 1936-37 TO DATE
1
10
20
30
40
50
WEEKS

VIII. EXPORT CLEARANCES OF CANADIAN WHEAT 1936-37.

Week ending	Montreal	Sorel	Three Rivers	Vancouver New Westminster	United States Ports	Total Clearances
			Bushels			
August 7	1,295,979	1,043,900	-	462,715	1,457,000	4,259,594
14	1,148,667	662,963	213,920	1,129,422	502,000	4,070,378
21	1,373,256	308,000	-	364,130	514,000	3,195,396
28	1,236,979	624,365	314,273	527,863	224,000	3,304,829
Sept. 5	1,397,087	205,582	-	793,604	480,000	3,449,320
12	1,537,216	609,736	-	617,386	234,000	4,013,329
18	881,029	592,500	-	642,753	543,000	3,298,102
25	1,435,416	602,500	-	869,736	646,600	3,878,252
Oct. 2	680,360	454,808	286,292	709,525	1,232,755	4,039,240
9	1,296,226	684,308	-	799,899	204,000	3,758,013
16	1,040,088	951,400	-	309,482	118,000	2,468,190
23	1,231,001	657,377	245,285	1,058,310	359,000	3,550,973
30	2,875,725	493,889	226,571	983,973	301,000	4,881,158
Nov. 6	2,153,240	633,404	512,166	1,040,208	187,000	5,080,476
13	2,033,572	738,967	624,800	850,908	181,000	4,737,994
20	2,428,593	745,640	844,927	1,178,346	287,000	5,484,506
27	2,456,374	999,765	519,761	514,997	289,000	4,779,897
Dec. 4	2,066,713	827,269	463,008	1,263,733	782,247	5,402,970
11	113,705	240,191	268,721	1,278,949	607,000	3,001,553
TOTAL	28,681,226	12,076,564	4,519,724	15,395,939	9,148,602	76,652,904/
Last Year	22,638,815	4,537,593	-	12,927,045	7,355,000	51,263,312x

/ Includes 407,576 bushels from Fort William-Port Arthur to overseas countries direct, 1,184,671 bushels from Quebec, 382,487 bushels from Saint John and West Saint John, 4,293,501 bushels from Churchill and 562,614 bushels from Victoria and Prince Rupert.

x Includes 1,095,228 bushels shipped from Quebec, 104,000 bushels from Saint John, 192,000 bushels from West Saint John, 6,631 bushels from Halifax and 2,407,000 bushels from Churchill.

IX. IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES, 1936-37.

	For Consumption Duty Paid	For Milling in Bond	Total
		Bushels	
Revised figure Aug. 1 - Sept. 30	10,902,986	2,272,427	13,175,413
Week Ending			
Oct. 8	830,000	358,000	1,188,000
15	1,107,000	246,000	1,353,000
23	702,000	161,000	863,000
30	826,000	302,000	1,128,000
Nov. 6	650,000	309,000	959,000
13	479,000	261,000	740,000
20	628,000	353,000	981,000
27	515,000	364,000	879,000
Dec. 4	1,118,000	160,000	1,278,000
11	837,000	438,000	1,275,000
TOTAL	18,594,986	5,224,427	23,819,413

X. THE STATISTICAL POSITION

(a) In Canada.- The following table summarizes the statistical position of wheat in Canada as at December 1, 1936 with comparative figures for the same date in 1935:

	1935-36	1936-37
	(Bushels)	
Carry-over in Canada, July 31	203,273,016	109,435,977
New Crop	277,339,000	233,500,000 1/
Total Supplies	480,612,016	342,935,977
Domestic Requirements	113,376,502	101,000,000 2/
Available Supplies	367,235,514	241,935,977
Exports, August-November	102,561,227	109,477,711
Balance for Export or Carry-over, December 1	264,674,287	132,458,266

1/ November Estimate.
2/ Tentative.

The balance of wheat for export or carry-over at December 1, 1936 was 132.5 million bushels compared with 264.7 million bushels a year earlier, representing a decrease in the statistical position at this date of 132.2 million bushels. While Canadian wheat transferred to storage in the United States is included in the customs export figures used above, stocks of Canadian wheat in the United States have also dropped 8.9 million bushels from 32,845,721 bushels reported on November 29, 1935 to 23,952,666 bushels on November 27, 1936.

(b) In Canada and the United States.- A second method of calculating the statistical position takes into account stocks in the United States as well as in Canada, and then works from the elevator returns of overseas clearances, plus United States' actual imports for consumption and milling in bond. The following calculation establishes the balance available for export or carry-over by this method.

	1935-36	1936-37
	(Bushels)	
Carry-over in Canada and the United States, July 31	214,977,552	128,704,298
New Crop	277,339,000	233,500,000 1/
Total Supplies	492,316,552	362,204,298
Domestic Requirements	113,376,502	101,000,000 2/
Available Supplies	378,940,050	261,204,298
Export Movement, August-November		
Overseas Clearances	47,587,487	71,453,849
U. S. Imports	20,081,220	22,813,413 3/
Flour (as wheat)	8,095,554	7,374,190
	75,764,261	101,641,452
Balance for Export or Carry-over, Dec. 1	303,175,789	159,562,846

1/ November Estimate. 2/ Tentative. 3/ Preliminary figures to November 30.

According to this calculation, the improvement in the statistical position, as compared with that of a year ago, amounts to 143.6 million bushels.

XI. EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR

The following tables show exports of wheat and flour during the August - November period, 1936 with comparative figures for preceding years:

WHEAT

	1936-37	1935-36	1934-35	1933-34
		(Bushels)		
August	21,157,268	21,698,284	14,709,675	8,652,970
September	20,720,316	17,272,672	17,588,359	19,666,351
October	26,917,096	28,919,421	21,807,784	25,611,510
November	33,308,840	26,575,296	18,769,770	23,143,958
December		17,043,882	17,336,206	17,457,963
January		7,557,320	5,360,226	7,088,311
February		14,241,169	7,206,560	6,512,686
March		13,146,185	8,906,379	10,103,240
April		6,572,364	5,027,403	3,568,090
May		27,316,983	11,989,891	19,023,770
June		25,763,565	6,494,622	18,425,933
July		25,912,508	9,158,035	12,979,231
Total		232,019,649	144,374,910	170,234,013

FLOUR

	1936-37	1935-36	1934-35	1933-34
		(Barrels)		
August	387,728	376,562	412,089	480,288
September	378,318	395,640	369,320	552,556
October	464,013	501,442	485,549	514,368
November	408,650	525,368	504,384	547,602
December		443,828	340,751	418,183
January		314,311	346,099	448,498
February		340,102	309,729	328,376
March		476,773	497,468	493,327
April		281,162	276,907	340,621
May		448,653	383,221	481,725
June		430,171	429,561	441,064
July		444,905	395,232	408,028
Total		4,978,917	4,750,310	5,454,636

WHEAT AND WHEAT FLOUR

	1936-37	1935-36	1934-35	1933-34
		(Bushels)		
August	22,902,044	23,392,813	16,564,076	10,814,266
September	22,422,747	19,053,052	19,250,299	22,152,853
October	29,005,155	31,175,910	23,992,754	25,926,166
November	35,147,765	28,939,452	21,039,498	25,608,167
December		19,041,108	18,869,586	19,339,786
January		8,971,720	6,937,672	9,106,552
February		15,771,628	8,600,340	7,990,378
March		15,291,663	11,144,985	12,323,211
April		7,837,593	6,273,484	5,100,885
May		29,335,921	13,714,385	21,191,533
June		27,699,335	8,427,647	20,410,721
July		27,914,580	10,936,579	14,815,357
Total		254,424,875	165,751,305	194,779,875