CANADA

DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH

Vol. 1 No. 2

CANADIAN COARSE GRAINS

QUARTERLY REVIEW

FEBRUARY 10, 1942

Published by Authority of the Hon. James A. MacKinnon, M.P.
Minister of Trade and Commerce
Ottawa

Price $1 a year

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
AGRICULTURAL BRANCH

(Issued February 1942)

Acting Dominion Statistician:	S. A. Cudmore, M.A. (Oxon), F.S.S., F.R.S.C.
Chief, Agricultural Branch:	C. F. Wilson, Ph.D.
Statistician:	J. McAnsh.

COARSE GRAIN CROPS IN CANADA

When the first issue of this new quarterly review was published in November 1941, its pages were devoted to the statistical record of Canadian coarse grain production and marketings during the past five years. No attempt was made to relate the supply of oats, barley, rye, corn or flaxseed to the general feed situation, which in season 1941-42 had taken on entirely new aspects, making a statistical appraisal at that time a rather hazardous undertaking. A new freight assistance plan, involving the movement of western Canadian grains to eastern Canada had just been inaugurated by the Dominion Government. Its operation was likely to have far-reaching results, and time was required for a study of how the plan was working. There was also the question of wheat and the part it might play in the feeding of live stock. There were abundant supplies stored in western Canada, and its use was being strongly advocated as a substitute for oats and barley in the feeding of the greatly expanded hog population in the Prairie Provinces. The movement of western Canadian wheat to Ontario and other eastern provinces, to augment reduced domestic production in these areas, was also a factor to be reckoned with in any appraisal of the coarse grain crops in relation to the general feed situation.

The record of more than three full months operation of the freight assistance plan is now available, some of it in considerable detail, and more is now known of the part that wheat is likely to play in live-stock feeding both east and west. It has been determined by the preliminary estimates, that the Prairie Provinces alone will feed 44 million bushels of wheat during the current crop year, compared with 32 million bushels last crop year. In Ontario, Quebec, and the Maritime provinces, the feeding of wheat this season is expected to be the same as the 16 million bushels fed last season, but the total use of wheat for live stock and poultry in Canada as a whole, is now estimated at 60 million bushels compared with 48 million bushels in season 1940-41. This is purely a tentative figure and may have to be revised later.

It was argued, and quite logically, that to feed wheat to animals in place of other grains was the wise and profitable thing to do. Pound for pound, the cost of feeding a bushel of wheat to live stock is lower than the cost of either oats or barley, and in Alberta, the Provincial Department of Agriculture, collaborating with the University of Alberta, issued a pamphlet on feeding wheat to swine which said in part: "Wheat has many qualities which make it a desirable feed for swine and it actually has some advantages over oats and barley". To what extent the live stock grower has taken this advice, it is not at the moment possible to definitely determine, but there is evidence in eastern Canada that it is not an easy matter to convince farmers that a change from their accustomed methods and types of feed should be tried. Even where wheat of one kind is offered in place of wheat of another kind, many farmers are reluctant to make the change. This has been discovered by millers in Ontario who, desiring to have Ontario winter wheat for the kind of flour they want to produce, have been offering to exchange wheat from the Prairie Provinces, bushel for bushel, with as much as 30 cents per bushel to boot, but have failed to get their requirements of the Ontario product.

Despite these prejudices, however, it is abundantly clear that a large volume of western Canadian grain, and no small measure of wheat, will be utilized on farms in eastern Canada as a supplement to available feed supplies there. The following table shows the amount of oats, barley and rye shipped by rail from Ft. William—Pt. Arthur during the first half of the season, with comparable figures for last season. These are set up by months to give the timing of the shipments and to reflect in a measure, the effect of the freight assistance plan which became operative on October 20, 1941.

Rail Shipments from Ft. William—Pt. Arthur to Eastern Canada

(000 bushels)

	OATS		BARLEY		RYE	
	1941-42	1940-41	1941-42	1940-41	1941-42	1940-41
August	1,005	261	430	119	17	-
September .	1,456	239	373	49	21	-
October ...	866	302	402	20	42	-
November ..	1,489	379	889	106	80	2
December ..	1,197	561	794	273	69	6
January ...	1,687	1,015	958	317	114	10
	7,700	2,757	3,846	884	343	18

From the above figures it is evident that the movement was well ahead of last season even before the new freight assistance policy was announced, but the January returns reveal a substantial increase in shipments, including a good volume of wheat and a moderate quantity of Western corn. It was originally estimated that something in the neighborhood of 50 million bushels of feed stuffs, including mill-feeds, would be required in the eastern provinces, but it does not necessarily follow that in the event of such a movement, it will all come by rail. The Order in Council establishing the Government's undertaking to pay freight charges in the sum of $4.50 per ton, when the destination is within the Montreal Freight Rate Zone, and this sum plus the remainder of the actual through carlot freight charges to destinations beyond this zone, stipulates that the specified grains listed may be transported by rail or boat after October 19, 1941, and distributed for use exclusively as feed in Canada for Canadian live stock or poultry before July 1, 1942.

It would be difficult to determine how much of the grain shipped by vessel was intended for feed distribution in eastern Canada, but it will be possible later to classify the distribution through eastern elevators and to figure out roughly the amount of grain shipped to domestic points. Even the rail shipments include certain quantities of oats intended for grinding into rolled oats and oatmeal for human consumption, while the barley and rye movement by rail from the head of the lakes will include certain quantities for brewers and distillers. These amounts will be determined in the data compiled periodically to show the distribution of commercial stocks of coarse grains, and in the final analysis the Flour and Feeds Administrator will know exactly how much of each kind of grain or feed has qualified for freight assistance.

The freight assistance plan was extended in November 1941, to embrace live stock and poultry producers in the province of British Columbia, so that corn and other feed grains grown in the Prairie Provinces are also moving westward.

Position of Wheat

While this review is intended to deal only with coarse grain crops, it is impossible to divorce wheat from any discussion of the feed situation, especially in a year like the present. It has already been stated that wheat is likely to compete with oats and barley in the feeding of hogs in western Canada, while the prairie product will be pinch-hitting to some degree for Ontario winter wheat if the usual amounts of wheat are fed to animals this season in the province of Ontario. The fall wheat crop in Ontario was about 5.5 million bushels smaller in 1941 than the crop produced in 1940, while the total of fall and spring wheat showed a reduction of 5.7 million bushels. Deliveries to market in the form of grain would normally range between three and five million bushels, and presumably the balance is fed on farms and used for seed. Examined by itself, the wheat supply is not so short in relation to average production in recent years, but when the short crop of oats and barley in Ontario is also taken into account, there would appear to be gaps in the feed supply that wheat will be called upon to fill.

Ontario millers have been stressing their inability to obtain requirements of Ontario wheat for the production of soft wheat flour, and in some areas there is doubtless a basis for these complaints, but there is, on the other hand, a very substantial increase in the rail shipments of western Canadian wheat from the head of the lakes into the eastern provinces with much of the wheat destined for points in Ontario. Some of the shipments comprise grades of wheat fit only for animal use, but it is noteworthy also that No. 3 Northern is moving eastward in large volume. How much of this is for grinding into flour cannot be fully determined at this time, but the number of single cars billed to points where no important milling of wheat is done, suggests that western wheat has been, and will probably continue to be, an important item on the menu for pigs and other live stock in Ontario. The following table shows the rail shipments of wheat eastward from Ft. William--Pt. Arthur, month by month, during the first half of the current crop year with comparable figures for season 1940-41.

Rail Movement of Wheat from Lakehead

	1941-42	1940-41
	bushels	
August	90,122	15,207
September	143,816	12,006
October	209,376	6,472
November	473,194	38,234
December	1,486,761	181,973
January	1,789,703	177,079
Total	4,192,972	430,971

The breakdown of the shipments during January 1942, shows that Ontario points received 1,455,476 bushels, Quebec points 309,530 bushels, and the Maritime Provinces 24,697 bushels. It will be possible later to show the breakdown by provinces for the entire season, but this cannot be done until the re-billing destinations of "orders cars" become available.

Screenings

Since the freight assistance plan applies also to Nos. 1 and 2 Feed screenings shipped to the feed deficiency areas defined in the Order in Council, it might be well to indicate how this movement by rail from Ft. William--Ft. Arthur compares with a year ago. The record to date shows only No. 1 Feed screenings moving in any volume to eastern Canada, but there is a marked increase in the quantity shipped. The following is a tabulation of the monthly rail movement this season and last.

Rail Movement of Screenings from Lakehead

	1941-42	1940-41
	pounds	
No. 1 Feed -		
August	2,718,000	502,000
September	1,092,500	559,370
October	1,648,500	357,500
November	2,379,000	840,000
December	1,803,000	1,806,480
January 1/	6,794,000	2,941,000
Total	16,435,000	7,006,350

1/ Incomplete

Other feeding stuffs not covered by the freight assistance plan have also been moving by rail from the head of the lakes, in volume considerably larger than in the same period a year ago. Mixed grains, for instance, were shipped in greater quantity between August and January 1941-42, than during the entire season of 1940-41. Likewise the rail shipments of refuse screenings are mounting rapidly and, for the first half of the current crop year, are nearly double those of the corresponding period a year ago.

So far as British Columbia is concerned, there has been some movement of Manitoba corn into the province, but the shipments of feeding stuffs westward from the Prairie Provinces is not yet on a large scale. The extent of this movement will be more apparent when the situation is again reviewed three months from now.

To sum up the feed situation in general terms, it would appear from a survey made at the end of December 1941, that a shortage of feed grains exists in all provinces with the exception of Manitoba. It is quite apparent, however, that some of this shortage is being met from stocks of western wheat in Saskatchewan and Alberta, as well as in Ontario and Quebec. The fact that western Canadian farmers are releasing larger quantities of both oats and barley would seem to confirm this view. Prices for the top grades of oats, rye and flaxseed were very close to ceiling levels at the end of January, while top grade malting barley was at the maximum throughout the month of January. This is, no doubt, a further inducement to market oats and barley and replace them with wheat in the feeding of live stock and poultry.

CROP ESTIMATES REVISED

The production estimates for 1941 were revised on January 21, 1942, and while reductions were made in the estimated yield of most of the leading grains, the sharpest reduction occurred in oats. Practically all of the adjustment was made in the crops of the Prairie Provinces, and the new figures are shown below together with the final figures for 1940 production.

Grain	Year	Production in Canada	Production in Prairie Provinces
		bushels	
OATS	1941	346,154,000	204,700,000
	1940	380,526,000	229,000,000
BARLEY	1941	116,659,000	98,000,000
	1940	104,256,000	83,000,000
RYE	1941	12,956,000	11,474,000
	1940	13,994,000	12,250,000
CORN	1941	12,036,000	2,565,000
	1940	8,556,000 1/	1,600,000
FLAXSEED	1941	6,412,000	6,240,000
	1940	3,049,000	2,875,000

1/ Includes 1.6 million bushels estimated for Manitoba by the Provincial Dept. of Agric.

Although the production of oats in the Prairie Provinces showed a drop of more than 24 million bushels from the year before, the yield in 1941 was actually 10.5 million bushels better than the average of the preceding five years. It would appear also, that the marketings by western farmers this season will equal, and perhaps exceed, those from the larger oats crop produced in 1940. In the case of barley, the prairie producers have already marketed more in one half of the present crop year than they did during the entire season of 1940-41. Much of this barley has been rolling into Ontario and the other eastern provinces.

Export restrictions obtain for both oats and barley, and while permits have been granted for the exportation of approximately 2,000,000 bushels of malting barley, only minor quantities of feed barley have been allowed to leave Canada. The exports of oats have been even less, but a substantial amount of rye has left the Dominion, there being no restriction on the export shipments of this grain.

Flaxseed marketings appear to confirm the substantial increase in production indicated in the third estimate. Western growers have already delivered more than 4,000,000 bushels compared with 2,639,000 bushels marketed in the whole of last crop year. Exports of this grain also require a permit, but permission has already been granted for the shipment of more than 800,000 bushels of flaxseed (for oil crushing purposes) out of Canada. The supply still on hand appears to be ample to meet the requirements of crushers and paint manufacturers in the Dominion, while further exports are expected to develop as the season progresses.

CUMULATIVE MARKETINGS OF COARSE GRAINS BY WEEKS

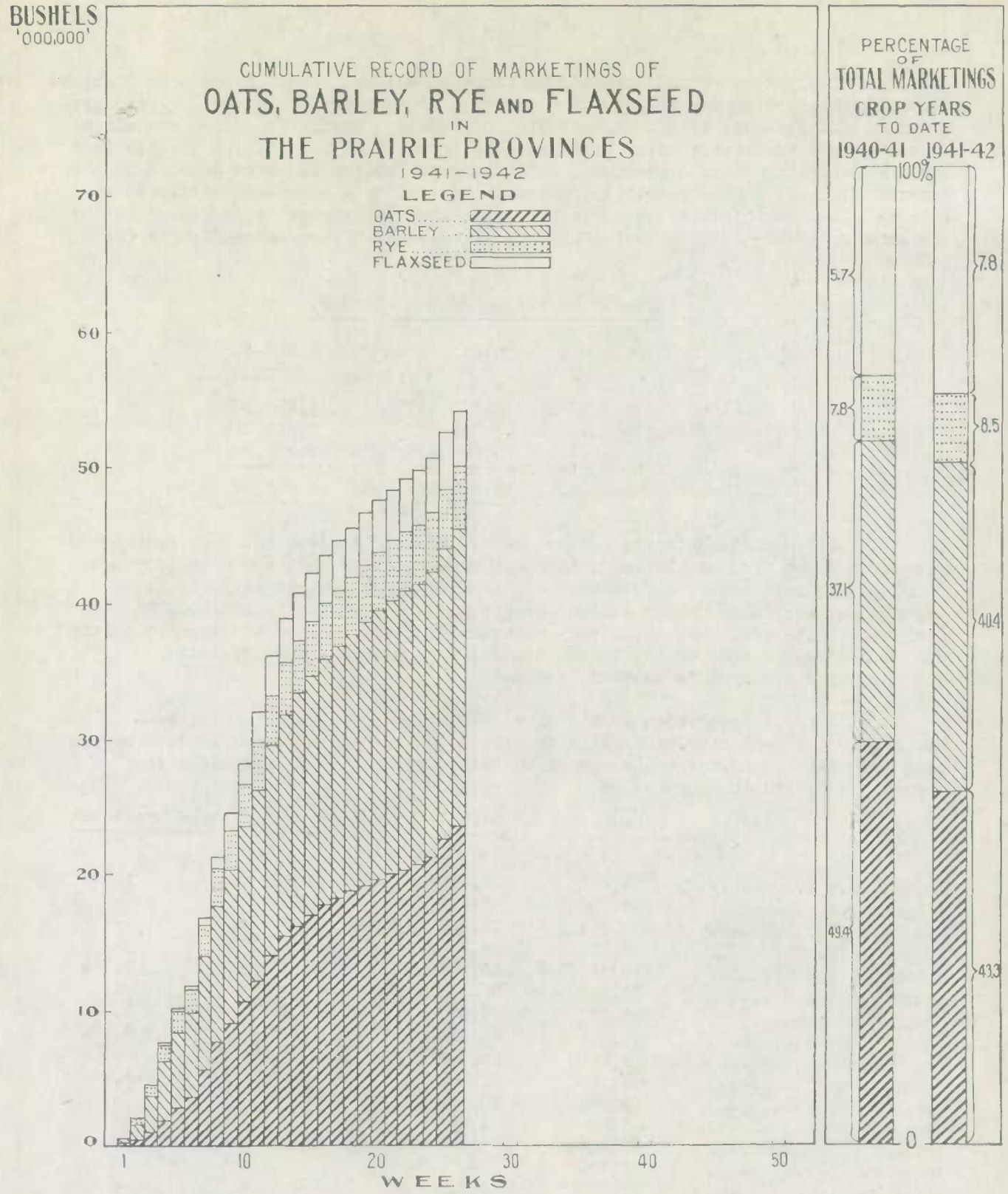
IN THE PRAIRIE PROVINCES

1941-42	Oats	Barley	Rye	Flaxseed	Total
			bushels		
August 1-8	124,703	307,262	121,846	3,655	557,466
15	409,196	1,184,558	544,861	18,533	2,157,148
22	1,032,403	2,668,402	867,786	59,145	4,627,736
29	1,937,004	4,378,869	1,198,921	170,625	7,685,419
September 5	2,908,700	5,648,279	1,489,685	264,724	10,311,388
12	3,747,364	6,212,165	1,668,221	360,324	11,988,074
19	5,723,504	8,323,392	2,197,165	574,268	16,818,329
26	7,713,443	10,080,972	2,613,823	879,332	21,287,570
October 3	9,132,961	11,359,379	2,878,006	1,201,877	24,572,223
10	10,676,489	12,906,321	3,205,968	1,573,805	28,362,583
17	12,231,625	14,078,632	3,439,122	2,305,894	32,055,273
24	14,034,881	15,497,662	3,689,358	2,967,944	36,189,845
31	15,409,527	16,475,287	3,841,820	3,225,220	38,951,854
November 7	16,281,158	17,133,573	3,923,675	3,373,607	40,712,013
14	17,073,273	17,713,777	4,006,186	3,474,857	42,268,095
21	17,727,680	18,200,197	4,072,617	3,543,977	43,544,471
28	18,236,181	18,569,582	4,108,920	3,597,728	44,512,411
December 5	18,728,881	19,025,990	4,155,269	3,664,644	45,574,784
12	19,183,976	19,472,231	4,195,351	3,750,951	46,602,509
19	19,682,363	19,942,070	4,240,730	3,802,678	47,667,841
26	19,991,869	20,237,369	4,274,719	3,859,964	48,363,921
January 2	20,371,702	20,532,197	4,301,736	3,923,965	49,129,600
9	20,667,858	20,710,208	4,326,370	3,955,362	49,659,798
16	21,385,818	21,002,937	4,364,263	4,019,954	50,772,972
23	22,536,006	21,411,736	4,475,330	4,131,224	52,554,296
Total for 26 weeks.	23,483,281	21,867,661	4,585,329	4,246,893	54,183,164
Same period a year ago	16,967,997	12,739,201	2,680,041	1,942,187	34,329,426

PER CENT DISTRIBUTION OF COARSE GRAIN MARKETINGS

In the following table is shown the provincial share of marketings as a percentage of the total deliveries in the Prairie Provinces. These figures are a supplement to the above table and the chart on the opposite page.

Province	Oats	Barley	Rye	Flaxseed	% of all Coarse Grains
Manitoba	29.4	63.0	30.5	21.8	42.5
Saskatchewan	35.6	26.4	63.4	64.7	36.5
Alberta	35.0	10.6	6.1	13.5	21.0
	100.0	100.0	100.0	100.0	100.0


BUSHELS
'000,000'
CUMULATIVE RECORD OF MARKETINGS OF
OATS, BARLEY, RYE AND FLAXSEED
IN
THE PRAIRIE PROVINCES
1941-1942
LEGEND
OATS
BARLEY
RYE
FLAXSEED
70
60
50
40
30
20
10
0
1
10
20
30
40
50
WEEKS
PERCENTAGE
OF
TOTAL MARKETINGS
CROP YEARS
TO DATE
1940-41
1941-42
100%
5.7
7.8
37.1
49.4
7.8
8.5
40.4
43.3
0

OATS

The record of deliveries from farms in western Canada appears to indicate that notwithstanding the reduced crop in 1941, growers are marketing a larger proportion of their oats crop than they did in 1940-41. During the first six months of the season, deliveries from farms show an increase of 6.5 million bushels over the corresponding total a year ago, Manitoba contributing in large measure to the heavier volume. At the same time, fewer bushels of oats have been delivered in Alberta than at this time last season. The total deliveries by provinces in the six months, August—January 1941-42, are shown below with comparable figures for last season.

Farmers' Marketing August—January

	1941-42	1940-41
	bushels	
Manitoba	6,913,517	1,413,105
Saskatchewan	8,363,325	5,265,911
Alberta	8,206,439	10,288,981
Six Months Total	23,483,281	16,967,997

Disposition data are not yet completed for January, but preliminary figures for the five months August through December show that approximately one-third of the oats received from western farms had been milled, while total exports overseas plus United States imports amounted to less than 2,000,000 bushels. There was, however, a very substantial disappearance at domestic points and in feed mills and, as the tabulation herewith reveals, much of this disappearance occurred in eastern Canada.

A large proportion of the oats shipped by rail from Ft. William—Pt. Arthur was feed oats, and while details by grades and province of destination have not been compiled for the season to date, such detail is available for January 1942, and is shown below:

Grade	Ontario	Quebec	Nova Scotia	New Brunswick
		bushels		
No. 2 C.W.	51,206	15,643	4,000	1,831
Tough 2 C.W.	5,800	2,007	-	-
No. 3 C.W.	366,099	31,945	1,177	-
Tough 3 C.W.	28,953	24,069	-	-
Extra 3 C.W.	119,391	15,765	3,176	1,764
Tough Ex. 3 C.W.	3,765	-	-	-
No. 1 Feed	415,177	104,243	588	5,652
No. 2 Feed	50,501	81,372	1,765	2,000
No. 3 Feed	3,800	16,000	-	-
Tough 1 Feed	81,196	81,765	-	24,000
Tough 2 Feed	3,565	20,769	-	-
Tough 3 Feed	-	4,027	-	-
Extra 1 Feed	28,806	-	1,800	-
Tough Ex. 1 Feed	2,220	-	-	-
Mixed Feed	77,540	4,000	-	-
Total	1,238,019	401,605	12,506	35,247

As previously pointed out, quite an important quantity of the oats shipped by rail from the head of the lakes goes to oatmeal millers, but after allowing for this movement there is evidence of heavy distribution at country points and to feed dealers.

BARLEY

In the matter of deliveries from farms in western Canada, the position with respect to barley is very similar to that for oats. Much of the increase in marketings is traced to Manitoba where production in 1941 was sharply higher than in the previous year, and where a very satisfactory feed supply situation is indicated. Deliveries for the first half of the current season are tabulated below with comparable figures for 1940-41.

Farmers' Marketings August—January

	1941-42	1940-41
	bushels	
Manitoba	13,769,632	6,587,365
Saskatchewan	5,786,179	2,926,729
Alberta	2,311,850	3,225,107
Six Months Total	21,867,661	12,739,201

Figures for this season have already exceeded those for the whole of 1940-41 and there is no evidence that the stream is drying up.

The disposition of the commercial stocks of western barley in the first five months of the crop year accounted for more than eleven million bushels. This barley went in the direction of breweries, mills and for export, while a good deal came to eastern Canada for feeding purposes. Under the various headings, the distribution was roughly as follows:

	bushels
Shipped to malsters	2,809,000
Shipped to mills	1,470,000
Shipped to domestic points	4,950,000
Exported overseas	258,000
Exported to U.S.A.	1,660,000
Five Months Total	11,147,000

Quite a substantial quantity of Canadian barley which was authorized for export is still held in bond in the United States and is located at Milwaukee.

In connection with the rail shipments from the head of the lakes to eastern Canada, the distribution of shipments made in January 1942, by grades and provinces follows:

Grade	Ontario	Quebec	Nova Scotia	New Brunswick
		bushels		
No. 2 C.W. Six-Row ...	27,222	-	-	-
No. 3 C.W. Six-Row ...	100,765	9,064	-	-
Tough 2 C.W. Six-Row .	9,521	-	-	-
Tough 3 C.W. Six-Row .	16,615	10,068	-	-
No. 2 C.W. Two-Row ...	1,694	-	-	-
No. 1 Feed	214,335	40,611	10,002	-
No. 2 Feed	27,442	36,257	1,200	658
No. 3 Feed	9,272	3,367	1,250	-
Tough 1 Feed	134,923	125,823	-	8,335
Tough 2 Feed	22,617	96,560	-	8,335
Tough 3 Feed	2,500	-	-	-
Rej. Mixed Heated	6,668	-	-	-
Total	573,574	321,750	12,452	17,328

The feed grades of barley are well represented in these shipments and in Ontario alone the distribution of the January movement was made to 215 points in the province. A single car of Tough 2 Feed went to Prince Edward Island and 31,727 bushels to the United States in addition to the above amounts.

RYE

Despite a smaller crop in western Canada, the primary marketings of rye from prairie farms are approaching the total delivered over the whole of last crop year. Manitoba and Saskatchewan have forged well ahead of 1940-41 for the six-month period August—January, but Alberta marketings show only a small increase over a year ago. The provincial breakdown is as follows:

Farmers' Marketings August—January

	1941-42	1940-41
	bushels	
Manitoba	1,398,025	845,983
Saskatchewan	2,909,302	1,577,124
Alberta	278,002	256,934
Six Months Total	4,585,329	2,680,041

Preliminary data covering August—December 1941, show that 6.2 million bushels had been disposed in this five-month period. Some 300,000 bushels went to distillers and about 230,000 bushels to mills, while nearly 400,000 bushels were distributed around various parts of the country in small lots. The export movement took care of the bulk of commercial stocks and although only 258,000 bushels went overseas, more than 5,000,000 bushels went to the United States. Since rye is not considered an important grain for live stock no restriction has been placed on its movement out of Canada.

Rail shipments from Ft. William—Pt. Arthur to eastern Canada show a large increase over a year ago but the total is not important. January shipments amounted to 114,000 bushels of which 103,432 bushels were billed to Ontario, partly for orders, and some 7,000 bushels to Quebec. Nova Scotia and New Brunswick each received only a single carlot. The principal grade moving was Tough 3 C.W.

CORN

Western Canada's corn crop, practically all of which is grown in Manitoba, is coming to market in moderate volume but is showing very high moisture content. Inspections for grading purposes indicate that 821,000 bushels have been moved in cars during the six months August-January 1941-42 and just over one-half of this had been received into elevators at Ft. William—Pt. Arthur during this period, where drying operations were carried out.

The quantity of corn which arrived at the lakehead with low moisture content was about 15,000 bushels, the balance being tough, damp, moist or wet. The percentages of moisture allowed under these various categories are as follows:

Tough	15.6 to 17.5	per	cent	(inclusive)
Damp	17.6 to 21.0	"	"	"
Moist	21.1 to 25.0	"	"	"
Wet	over 25	"	"	moisture

Numerous cars carried corn with almost 35 per cent moisture, while at the other extreme a few cars averaged between 13 and 15 per cent moisture. Drying losses on the 432,000 bushels taken into the lakehead elevators amounted to over 45,000 bushels or more than 10 per cent.

Apart from the shrinkage brought about by drying, there resulted also considerable damage from cracking. It seems that quite a lot of immature corn was marketed this season and this stuff does not stand up to drying operations. On account of the varying moisture content, therefore, and due to the results of the drying process, incoming and outgoing grades of Canada western corn at Ft. William—Pt. Arthur differ greatly.

The movement eastward has been quite appreciable and in the six months ending January 1942, approximately 241,000 bushels have been loaded out of the lakehead terminals. This is in excess of the total shipped over the twelve months in 1940-41 which was 224,000 bushels. Shipments did not get underway until November in both years and by months were as follows, all by rail.

	1941-42	1940-41
	bushels	
November	17,405	1,442
December	67,913	63,763
January	155,751	60,000
Total	241,069	125,205

Only eight grades were included in the January shipments, while nearly twice as many grades were represented in the January receipts at the head of the lakes. In the distribution through the eastern provinces, Quebec was getting the biggest share according to a compilation made up to the beginning of January 1942. At that date 108,599 bushels had been moved by rail eastward and 51,857 bushels went to Quebec, 42,247 to Ontario, and 1,429 to the Maritime provinces. About the same time British Columbia had received almost 70,000 bushels of Manitoba corn. In the case of British Columbia, the freight assistance plan embraces the movement of corn from the Prairie Provinces to live-stock and poultry feeders in the Pacific coast province, but no such assistance is given to western corn moving into eastern Canada.

Corn Prices

A price for corn is quoted daily at Winnipeg, and for the month of January 1942, the average was 82 cents per bushel for No. 3 yellow corn - 20 per cent moisture, on track Ft. William or Pt. Arthur. A ceiling price of $1.20 per bushel, delivered Montreal, has now been established for yellow corn of 15 per cent moisture, basis domestic freight rates. Since most of the corn is very wet and discounts of approximately 3/4 cents per bushel per 1 per cent moisture determine its value, the quoted price would not represent the basis of returns to growers.

The production of corn is fairly well concentrated in Manitoba in the area south to south-west of Winnipeg, and the average freight rate to the head of the lakes would be around 15 or 16 cents per 100 pounds or between 8 and 9 cents per bushel. As an indication of the effect on price, out of a total of 271 cars of corn received at Ft. William—Pt. Arthur in the six months August—January this season, no less than 208 contained corn with more than 27 per cent moisture on the average.

FLAXSEED

Liberal marketings of flaxseed in western Canada are creating a plentiful supply for the use of crushers and paint manufacturers whose by-products of oil-cake and oil-cake meal become available for the feeding of live stock. More than twice as much flaxseed has been marketed by farmers in the Prairie Provinces in six months of this season than was delivered in the preceding twelve months. The heavier movement is due to the larger crop as the record of past years shows that growers deliver most of their production from year to year, retaining little more than the equivalent of seed requirements. The primary movement this season compared with last is shown below:

Farmers' Deliveries August--January

	1941-42	1940-41
	bushels	
Manitoba	928,457	459,747
Saskatchewan	2,746,464	1,152,150
Alberta	571,972	330,290
Six Months Total	4,246,893	1,942,187

The carry-over of flaxseed on July 31, 1941, was 605,313 bushels so that there has been available in the past six months close to 5,000,000 bushels of this grain, compared with just over 3,000,000 bushels during the whole of 1940-41 season. About 2.5 million bushels had been disposed of up to the end of January and 1.7 million bushels of this had disappeared in crushing and paint plants. The balance of 813,203 bushels was exported to the United States under permit, and more than 2,000,000 bushels were still in elevators in Canada at the end of January. This is probably more than enough for the balance of domestic requirements, while additional quantities will be forthcoming from farms between now and the end of July 1942.

The United States is expected to be a heavy importer of flaxseed in the current crop year but Argentina will be competing for this market. Canada shares with Argentina in the lower tariff on flaxseed under the United States-Argentina trade agreement of last November, but Argentina will get new benefits from the lowering of the Conference rate on vessel shipments between Argentina and United States Atlantic ports. This was reduced in January from $22 to $15 per ton and the saving on flaxseed shipments is calculated to be 17 1/2 cents per bushel in United States funds.

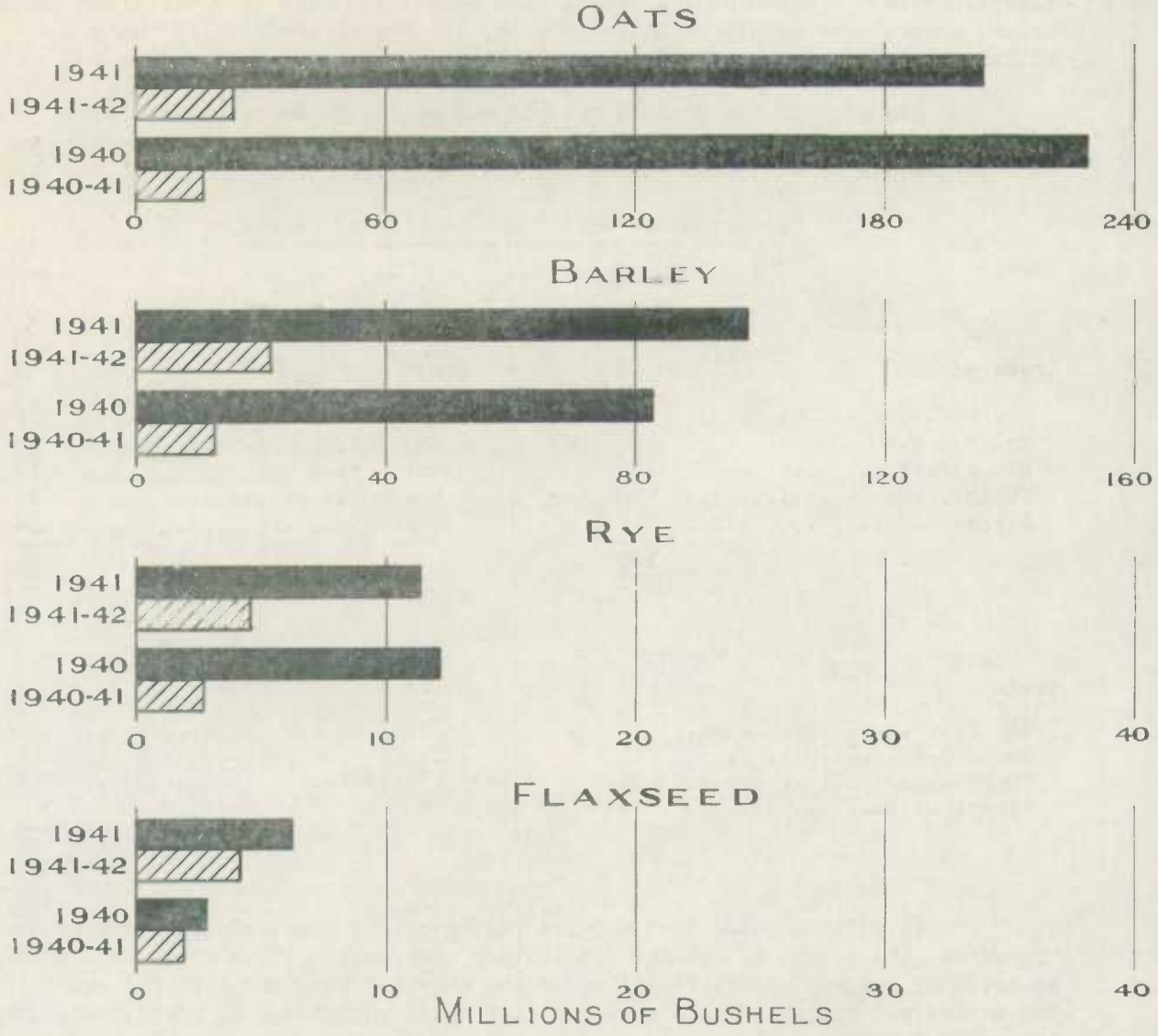
Export shipments from Canada to the United States took place in the closing weeks of the season of navigation on the Great Lakes. There is a little movement by rail to points in the United States but any large movement is unlikely to develop until there is open water again on the lakes. In the meantime, the domestic trade will have plenty of flaxseed to draw on unless home requirements prove to be substantially larger than at present estimated. The records for season 1940-41 show that approximately 2.5 million bushels of flaxseed disappeared in Canada from commercial stocks, and in the current crop year the demand is expected to reach three million bushels, of which 1.7 millions have already been purchased.

Quality of Flaxseed

The quality of the 1941 flaxseed crop in western Canada was below that of 1940, according to the annual survey conducted by the Grain Research Laboratory of the Board of Grain Commissioners. The mean oil content based on Inspection Office averages was shown to be 41.4 per cent compared with 42.6 per cent for the whole of the inspected portion of the 1940 crop. In the 1941 survey 273 samples were analyzed.

MARKETINGS OF COARSE GRAINS IN PRAIRIE PROVINCES IN RELATION TO PRODUCTION

Six Months: August - January



LEGEND

PRODUCTION.....

MARKETINGS....

GRADING OF COARSE GRAINS

In the case of coarse grain crops, the inspection returns furnished by the Board of Grain Commissioners for Canada, are a truer reflection of the grading of the 1941 crop than those for wheat. This is due to the fact that the carry-over of coarse grains in country elevators on July 31, 1941, was quite small so that there was very little old crop that had not been inspected. The country elevator stocks of oats at the end of last season amounted to 0.7 million bushels, barley stocks were almost exactly the same, and rye stocks totalled only 0.3 million bushels. Flaxseed stocks back in the country were very small.

Analysis of the grading returns now available reveals that in the case of all coarse grains, a few grades predominate in each. These are shown below as a percentage of the total number of cars inspected.

Percentage of Total Cars Inspected 1941-42

OATS

Grade -	%
No. 2 C.W.	12
No. 3 C.W.	22
No. 1 Feed	20
Tough	30
Others	16
	100

BARLEY

Grade -	%
No. 2 C.W. Six-Row	17
No. 3 C.W. Six-Row	13
No. 1 Feed	13
Tough	43
Others	14
	100

RYE

Grade -	%
No. 2 C.W.	32
No. 3 C.W.	23
Tough	39
Others	6
	100

FLAXSEED

Grade -	%
No. 1 C.W.	70
Tough	15
Others	15
	100

It will be noted that a large percentage of the various grains graded "Tough" as the result of wet harvest weather, but much of this grain will probably be dried by natural or artificial means and regraded into the straight grades. The barley and rye crops show an especially heavy percentage of grain containing excessive moisture.

Protein Content of Barley

In connection with barley, the protein survey conducted by the Grain Research Laboratory of the Board of Grain Commissioners, reveals that the 1941 crop in western Canada on the basis of Inspection office averages showed a mean protein content of 12.8 per cent, which is 0.8 per cent higher than the corresponding level for the 1940 crop. This survey confines itself largely to detailed analysis of the malting grades in dealing with carlot shipments and examines the crop not only by provinces but by shipping points within each province.

COARSE GRAIN PRICES

The following prices, compiled from official records by the Statistics Branch of the Board of Grain Commissioners, represent the average of closing quotations for the periods defined, basis in store Fort William or Port Arthur.

Grade	Monthly Average		Average for week ending			
	November	December	Jan. 8	Jan. 15	Jan. 22	Jan. 29
	cents per bushel					
OATS						
No. 2 C.W.	44 3/8	47	50 3/8	50 3/4	50 3/8	51 1/8
No. 3 C.W.	41 5/8	44 1/2	48 1/2	49 1/2	49 5/8	50 7/8
No. 1 Feed	39 5/8	42 3/8	46 5/8	47 3/4	48	49 3/4
No. 2 Feed	36 3/4	39	42 3/4	44 1/2	44 7/8	46 1/2
BARLEY						
No. 2 C.W. 6-Row	58 5/8	64	64 3/4	64 3/4	64 3/4	64 3/4
No. 3 C.W. 6-Row	55 1/4	57 7/8	59 7/8	60 1/4	60 7/8	62 3/4
No. 1 Feed	52 7/8	55 7/8	58	58 1/2	59 1/8	61
No. 2 Feed	51 7/8	55	57 1/4	57 3/4	58 3/8	60
RYE						
No. 2 C.W.	57 1/8	59 3/8	62 1/8	63 3/4	65	65
No. 3 C.W.	52 3/4	55	58 7/8	61 3/4	63	62 3/8
No. 4 C.W.	49 5/8	51 7/8	56 1/4	59	60 1/2	59 7/8
FLAXSEED						
No. 1 C.W.	149 3/4	155 1/4	157 7/8	157 1/8	160 3/4	162 1/2
No. 2 C.W.	145 7/8	151 7/8	155 3/8	154 1/4	158	159 7/8
No. 3 C.W.	131 1/4	143 1/2	148 3/8	148 1/4	153	154 7/8

Ceiling Prices Set

Maximum prices for coarse grains produced in western Canada have been defined and established by the Canadian Wheat Board, acting as Administrator on behalf of the Wartime Prices and Trade Board. These ceiling prices and dates of their announcement, are shown below:

Date	Grain	Maximum Price
December 2, 1941	Barley	64 3/4 cents per bushel
" 11, 1941	Flaxseed	164 " " "
January 6, 1942	Oats	51 1/2 " " "
" 6, 1942	Rye	66 5/8 " " "

In connection with these maximum prices, it was announced on January 7, that the following maximum combined amounts, covering diversion and special selection premiums, will be allowed above the ceiling prices:

Barley	6 1/2 cents per bushel
Flaxseed	2 " " "
Oats	2 1/2 " " "
Rye	6 1/2 " " "

These premiums can only be paid when the grain is selected for some special purpose and actually diverted by an elevator company to a mill or processor, but if

so diverted, without special selection, the maximum allowable premium will be 1 1/2 cents per bushel on all these grains.

It should be understood that the ceiling prices listed on the preceding page, are basis in store Ft. William—Pt. Arthur or Vancouver, and in view of the various freight rate structures, particularly in Alberta, further clarification was made in an announcement by the Canadian Wheat Board on January 16, which said in part:

> "At points west of Ft. William—Pt. Arthur in Ontario, Manitoba, Saskatchewan and Alberta, the Peace River and Creston—Wyndell areas of British Columbia, the maximum prices will be the prices announced.....minus the usual freight charges to Ft. William or Pt. Arthur."

On January 29, the ceiling price regulations were extended to corn and screenings. A maximum price of $1.20 per bushel, delivered Montreal, was established for yellow corn, 15 per cent moisture content, basis domestic rail freights. This means that the maximum price at shipping points in Ontario and western Canada will be $1.20 per bushel, less the domestic rail freight charges to Montreal. A premium up to 10 cents per bushel over the maximum for yellow corn, may be paid for Hybrid white corn.

In connection with screenings prices, a ceiling of $21.50 per ton has been set for No. 1 Feed Screenings, and $13.50 per ton for Refuse Screenings, basis Ft. William--Pt. Arthur or any point in the Prairie Provinces.

VISIBLE SUPPLY

The supplies of coarse grains visible on January 30, 1942, and their location are shown in the following table:

Location	Oats	Barley	Rye	Flaxseed
		bushels		
Western Country Elevators	3,505,000	2,345,000	820,000	831,000
Interior Private & Mill Elev. .	1,221,000	2,301,000	144,000	141,000
Interior Terminals	56,248	3,586	-	2,395
Pacific Coast Elevators	116,540	58,980	643	-
Fort William—Port Arthur	1,713,111	4,043,400	1,070,634	1,028,259
Eastern Lake Ports	497,582	3,057,027	182,452	6,415
Eastern Seaboard	26,990	294,823	126,166	25,332
United States Elevators	51,000	729,008	1,592,000	-
In Transit by Rail	1,355,576	397,819	138,539	169,468
T o t a l	8,543,047	13,230,643	4,074,434	2,203,869