

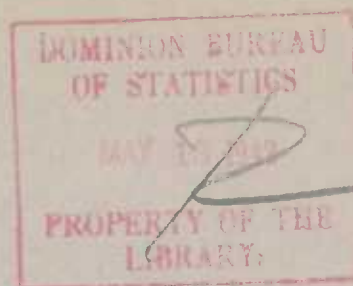
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AGRICULTURAL BRANCH



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No. 3

CANADIAN COARSE GRAINS

QUARTERLY REVIEW

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COARSE GRAIN AND FLAXSEED CROPS

A new era for coarse grain crops and oil producing seeds is being ushered in as the spring seeding program gets under way in Canada. Wartime needs demand greater production of oats, barley, rye and flaxseed while wheat, the erstwhile monarch of the prairie regions, is relegated to the category of an "also ran". Reserve stocks of wheat are liberal not only in Canada but in the United States, Argentina and Australia and the policy generally is to hold wheat production within limits in 1942, and to devote wheat acreage to the production of grains of which the supply is now short and the future needs very great.

Canada and the United States have agreed on a joint plan for the production and interchange of certain grains, details of which will be found elsewhere in this Review, while in Canada the payment of bonuses and the establishment of minimum prices form part of the Government's general plan to encourage the production of feeding grains at the expense of wheat acreage. Special consideration has been given to flaxseed for oil and a minimum price of \$2.25 compared with the present ceiling of \$1.64 will take effect on August 1 next for top grade flaxseed, basis in store Fort William-Port Arthur. The 1942 goal of flaxseed production is 20,000,000 bushels.

The sum of \$2.00 per acre will be paid as a bonus to growers in western Canada who divert wheat acreage this year to oats, barley, rye, corn, or flaxseed and in the case of rye, an additional \$2.00 per acre will be paid if the acreage is still in rye on July 1, 1943. For the benefit of farmers in eastern Canada, the Dominion Government is providing the sum of \$1,000,000 to be spent by the Agricultural Supplies Board by July 1 to encourage the wider use of chemical fertilizers in the five eastern provinces.

These bonus and other payments to be made by the Dominion Government were announced well in advance of seeding time and growers have had an opportunity to plan their 1942 program accordingly. The extent to which farmers have responded to the appeal to sacrifice wheat acreage for the production of other grains is indicated in the report of "Intentions to Plant in 1942" which was published by the Agricultural Branch of the Dominion Bureau of Statistics on May 8.

This report clearly indicated that a shift into barley, flaxseed and oats from wheat and summer-fallow was contemplated by Canadian farmers at the end of April. Total wheat acreage was shown at 3 per cent less than a year ago despite an increase of 32 per cent in fall wheat acreage remaining for harvest this year in Ontario. The sharpest reduction is indicated in Manitoba where the acreage is shown as only 88 per cent of the 1941 figure, while in Saskatchewan and Alberta the proposed decrease in spring wheat sowings is only 2 per cent and 3 per cent respectively. The total area indicated for spring wheat in the Prairie Provinces is 20,409,000 acres and if intentions materialize this would be the smallest wheat acreage sown in the Prairies since 1925. In the eastern provinces, Nova Scotia and New Brunswick growers contemplate an increase of about 5 per cent in their spring wheat acreage while Quebec and Prince Edward Island propose to make a small reduction. All other grains show proposed increases in varying degrees and these are tabulated over-leaf.

1942 Acreage Intentions Expressed as Percentage Increase over 1941

	<u>Canada</u>	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>
Oats	10	9	15	15
Barley	36	30	50	40
Rye (Spring)	5	5	7	3
Flaxseed (for oil)	54	35	60	50

In eastern Canada, no change in oats acreage is indicated for Ontario, Nova Scotia or Prince Edward Island, but a small increase is likely in Quebec and New Brunswick. Barley sowings may be down in Ontario but higher on a small acreage in the other provinces. The figures for flaxseed for the whole Dominion are substantially below the objective of 20 million bushels based on average yields in recent years. An increase of between 100 and 150 per cent over the 1941 acreage was the goal set by those chiefly interested in the production of a large flaxseed crop this year.

Current Supplies

Turning now to the current supply situation, the feature continues to be the rail movement of grains of western origin from Fort William-Port Arthur to the eastern provinces. These are dealt with in detail in the chapters devoted to each of the grains, but in the following table is shown the monthly movement with comparative figures for last season:

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

(000 bushels)

	<u>OATS</u>		<u>BARLEY</u>		<u>RYE</u>	
	<u>1941-42</u>	<u>1940-41</u>	<u>1941-42</u>	<u>1940-41</u>	<u>1941-42</u>	<u>1940-41</u>
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	11
February ...	1,328	901	1,031	352	66	17
March	1,331	1,740	876	771	26	24
April	819	1,030	526	327	28	4
Total 1/ ...	11,178	6,428	6,279	2,334	463	64

1/ Subject to revision.

It should be clearly understood that while the Federal Government's Freight Assistance Policy has accounted for much of the increase in movement eastward this season, not all of this grain is being used for feeding live stock and poultry. This is especially true in the case of oats, a substantial volume of which has been distributed to mills for the manufacture of human food.

Of particular note in connection with the feeding situation in eastern Canada has been the big movement of western wheat to Ontario and other eastern provinces. In the nine months ending April 30 the shipments by rail from the Head of the Lakes were more than five times those in the same period a year ago, and

this takes no account of distribution from eastern elevators of wheat that went by water from Fort William-Port Arthur. A large percentage of this wheat has been fed to animals and poultry but the exact amount cannot be determined at this time. The rail shipments by months were as follows:

Rail Movement of Wheat from Lakehead

	<u>1941-42</u>	<u>1940-41</u>
	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
February	1,434,268	227,380
March	1,433,753	396,271
April	1,056,342	533,428
Total (9 months)	<u>8,117,335</u>	<u>1,588,050</u>

In addition to coarse grains and wheat shipped as grain from the West there has been a substantial movement of screenings and barley meal of western origin to the farms in eastern Canada. Numbers One and Two Feed Screenings as well as barley meal qualify for freight assistance and these have been coming forward in a steady stream by rail. Figures compiled from latest returns show the following amounts shipped to the end of April in the case of screenings and to March 31 for barley meal.

Screenings and Barley Meal Shipments

	<u>Pounds</u>
No. 1 Feed Screenings	29,884,510
Barley Meal	24,825,135

Distribution data have not yet been compiled for these shipments but the largest volume has been consigned to points in Ontario and Quebec.

Millfeeds

It will be recalled that the provisional estimate of feed required by the five eastern provinces to supplement their own short supplies was approximately 50 million bushels including millfeeds. No figures are available at the moment on the amounts of bran, shorts and middlings which have been acquired under the freight assistance plan, but there is ample evidence that millfeeds have been an important element in the feeding program. A simple calculation of domestic disappearance of millfeeds shows that during the eight months August-March this season 382,000 tons of bran, shorts and middlings have disappeared in Canada compared with 260,000 tons in the corresponding period a year ago. This represents an increase of about 50 per cent, but in the first quarter of this year (January-March) the disappearance was almost 80 per cent greater than in the same period in 1941.

When the rail movement August-April of some 27,000,000 bushels of wheat, oats, barley, rye, No. 1 feed screenings and barley meal from western Canada and the Head of the Lakes, is added to the increased disappearance of millfeeds it would appear that feeding estimates for the eastern provinces were not too high. The results of this feeding are to be seen in the figures covering production of cheese in Ontario and Quebec during the four months January-April. In this period in 1942, Ontario produced about 17 million pounds of cheese compared with 5.2 millions a year earlier, while Quebec produced almost six million pounds compared with half a million pounds in January-April 1941.

Under the existing regulations the benefits of freight assistance can be secured only if the feed is distributed by July 1, 1942, but the returns for May show that the rail movement from the lakehead is unabated. It is to be expected, however, that quite apart from the movement of feeding grains by rail there will be greater use of the railways for shipments to mills because of the diversion of lake tonnage to the ore trade.

New Crop Outlook

With regard to the crops now growing or in process of being seeded, the outstanding feature is the substantial increase in fall wheat acreage remaining for harvest in Ontario, and the excellent condition of the crop. The seeding of spring grains while behind the 1941 schedule is in advance of normal. The hay and clover crop shows a lower condition than a year ago but the winter-killing was about the same as last year.

In western Canada, the sowing of spring grains has been retarded by wet and cold weather but the moisture situation has been improved and crops are now assured of a better start in areas where it was too dry. Parts of Manitoba are so wet that field work is impossible but work can proceed very rapidly once a start is made.

A report published by the Saskatchewan Wheat Pool based on May 1 conditions indicates that only 12 per cent of the wheat crop and less than 4 per cent of both the oats and barley crops had been sown at that date but there was no apprehension about the lateness compared with 1941. The report draws attention to the grasshopper danger in 1942 which threatens the centre, south-centre and west-centre areas of the province.

Alberta conditions show considerable variation and while seeding was later than in 1941 at the end of April weather conditions in May have been more favourable for work on the land and seeding is now active in many areas.

CANADA AND UNITED STATES JOIN ON FARM FRONT

The Prime Minister announced on April 10 the approval by the Canadian Government of two joint arrangements affecting agriculture, which were recommended by the Joint Economic Committees of Canada and the United States. The arrangements have also met the approval of the President of the United States. The first arrangement provides for increasing the production of oil-bearing crops in the United States and of oats, barley and flax in Canada, to meet war-time needs of both countries. The second arrangement provides for facilitating the seasonal movement of farm labour and machinery across the common boundary.

The approval of these joint arrangements marks one of the first positive actions on the agricultural front to further closer economic collaboration between the two Nations in the common war effort. Without changing the existing tariff structure, these arrangements provide for more effective utilization of the joint agricultural resources of the two countries for the production of certain farm products needed in the war effort.

Both Nations are confronted by a shortage of fats and oils due to the loss of imported supplies, increased war-time requirements and the necessity of supplying substantial quantities of these products to our allies. The increase in the acreage of oats and barley in Canada will not only provide more adequate feed supplies for the expanding live-stock program of Canada, but will make possible a greater expansion this season of soybean production in the Corn Belt of the United States by permitting crop acreage that would otherwise be used for feed grain production to be shifted without impairing feed resources.

In order to bring about the desired increases in production, the Canadian Government has adopted a definite program to encourage wheat growers to shift surplus wheat land into oats, barley, and flax. The arrangement further strengthens the oil crop production goal program already set up in the United States and will aid in the attainment of the goals.

The joint arrangement for facilitating the movement of seasonal labour and used agricultural machines across the border will assist in lessening seasonal shortages of both labour and equipment which threaten to impede the war-time agricultural programs in both countries.

The Canadian Government has directed the affected departments and agencies to take all possible action to give effect to the joint arrangements. The text of the approved recommendations and arrangements follows.

The Joint Economic Committees of Canada and the United States recommend:

- A. That the Governments of the two countries, through their appropriate departments or agencies, undertake the following:
 - (1) The United States to increase its acreage of oil-producing crops with the object of alleviating the impending shortage of oils in both the United States and Canada.
 - (2) Canada to increase its acreage of flaxseed to provide as large a volume as possible for domestic needs and an excess to offset in part the reduction in North American imports of vegetable oil and oil seeds.
 - (3) Canada to increase its acreage of oats and barley with the object of obtaining adequate supplies of feed grains for the expanded live-stock program of Canada and supplementary supplies for the United States.
- B. That in order to encourage such a program, while at the same time providing necessary assurances in the matter of market outlets, the respective Governments agree, effective from next autumn, that:
 - (1) Canada shall facilitate the delivery in the United States, at the then current United States prices, of whatever quantity of flaxseed, oats, and barley Canada may be in a position to supply.
 - (2) The United States shall not impose additional restrictions on the importation of flaxseed, oats and barley moving from Canada to the United States.
 - (3) The United States shall facilitate the sale to Canada, at the then current United States prices, of whatever quantity of vegetable oils or vegetable oil seeds the United States may be in a position to supply.
 - (4) Canada shall not impose additional restrictions on the importation of vegetable oils or vegetable oil seeds moving from the United States to Canada.

CUMULATIVE MARKETINGS OF COARSE GRAINS BY WEEKS
IN THE PRAIRIE PROVINCES

<u>1941-42</u>		<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>	<u>Total</u>
		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	2,659,802	867,786	59,145	4,619,136
	29	1,937,004	4,370,269	1,198,921	170,625	7,676,819
September	5	2,908,700	5,639,679	1,489,685	264,724	10,302,788
	12	3,747,364	6,203,565	1,668,221	360,324	11,979,474
	19	5,723,504	8,314,392	2,197,165	574,268	16,809,329
	26	7,713,443	10,071,972	2,613,823	879,332	21,278,570
October	3	9,132,961	11,350,379	2,878,006	1,201,877	24,563,223
	10	10,676,489	12,897,321	3,205,968	1,573,805	28,353,583
	17	12,231,625	14,074,532	3,439,122	2,306,690	32,051,969
	24	14,034,881	15,493,562	3,689,358	2,968,740	36,186,541
	31	15,409,527	16,470,587	3,841,820	3,224,816	38,946,750
November	7	16,281,158	17,128,873	3,923,675	3,373,203	40,706,909
	14	17,073,273	17,709,077	4,006,188	3,474,453	42,262,991
	21	17,727,680	18,195,497	4,072,617	3,543,573	43,539,367
	28	18,236,181	18,564,882	4,108,920	3,597,324	44,507,307
December	5	18,728,881	19,021,290	4,155,269	3,664,240	45,569,680
	12	19,183,976	19,467,531	4,195,351	3,750,547	46,597,405
	19	19,682,363	19,937,370	4,240,730	3,802,274	47,662,737
	26	19,991,869	20,232,669	4,274,719	3,859,560	48,358,817
January	2	20,371,702	20,527,497	4,301,736	3,923,561	49,124,496
	9	20,667,858	20,705,508	4,326,370	3,954,958	49,654,694
	16	21,385,818	20,998,237	4,364,263	4,019,550	50,767,868
	23	22,536,006	21,407,036	4,475,330	4,130,820	52,549,192
	30	23,492,844	21,871,697	4,586,630	4,246,565	54,197,736
February	6	24,446,165	22,241,648	4,665,794	4,343,267	55,696,874
	13	25,101,352	22,551,481	4,733,953	4,393,272	56,780,058
	20	25,601,824	22,781,187	4,767,526	4,435,353	57,585,890
	27	25,855,055	22,938,641	4,796,121	4,469,405	58,059,222
March	6	26,106,715	23,148,635	4,824,515	4,506,576	58,586,441
	13	26,437,689	23,354,184	4,869,643	4,548,951	59,210,467
	20	26,800,637	23,555,521	4,903,538	4,568,430	59,828,126
	27	27,047,137	23,695,441	4,919,925	4,579,071	60,241,574
	31	27,226,128	23,763,052	4,929,454	4,584,964	60,503,598
April	10	27,474,110	23,853,052	4,944,580	4,589,683	60,861,425
	17	27,681,187	23,941,318	4,962,379	4,604,549	61,189,433
	24	27,895,235	24,027,231	4,978,480	4,621,336	61,522,282
Total for 39 weeks		28,068,622	24,117,156	4,988,863	4,633,317	61,807,958
Same period						
a year ago		25,611,217	17,104,579	3,530,045	2,260,526	48,506,367

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.

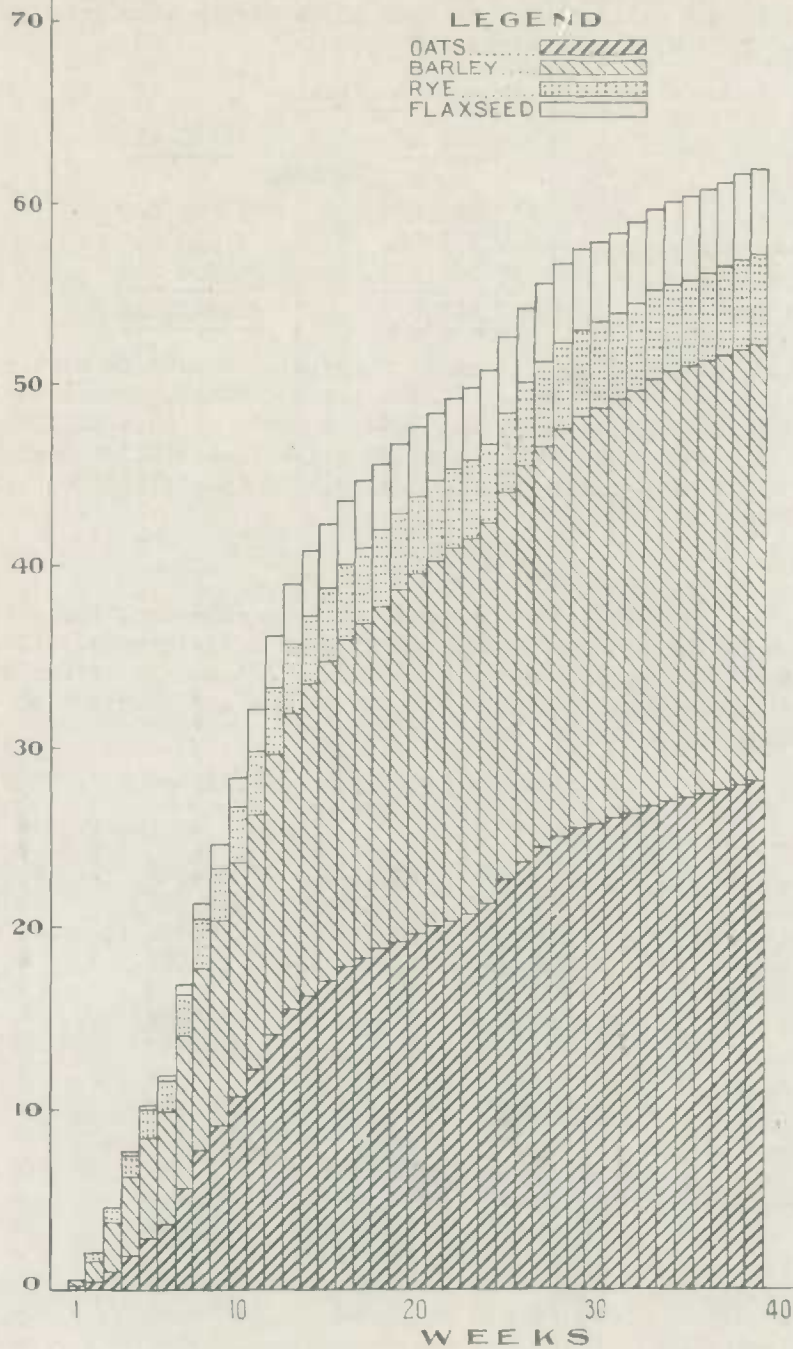
<u>Province</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>	<u>% of all Coarse Grains</u>
Manitoba	28.0	61.4	29.4	21.3	40.6
Saskatchewan	35.3	26.6	63.8	64.6	36.4
Alberta	36.7	12.0	6.8	14.1	23.0
	100.0	100.0	100.0	100.0	100.0

BUSHELS
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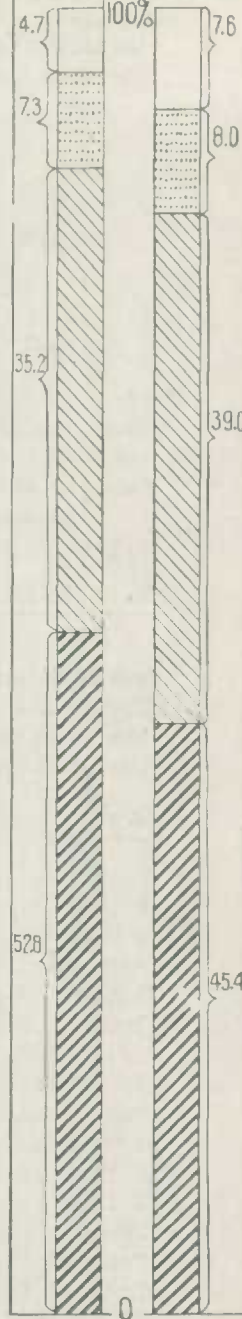
CUMULATIVE RECORD OF MARKETINGS OF OATS, BARLEY, RYE AND FLAXSEED IN THE PRAIRIE PROVINCES

1941-1942

LEGEND
OATS
BARLEY
RYE
FLAXSEED



PERCENTAGE
OF
TOTAL MARKETINGS
CROP YEARS
TO DATE
1940-41 1941-42



OATS

Farmers in western Canada marketed a relatively small quantity of oats during the third quarter of the current crop year but total marketings for the nine-month period exceed those for the same period a year ago by 2.5 million bushels. The record for last season shows that 5.5 million bushels came out during May-July, but it would require the marketing of only 4.4 millions in the same three months this year to equal the last crop year total of 32.3 million bushels.

Farmers' Marketings August—April

	<u>1941-42</u>	<u>1940-41</u>
	bushels	
Manitoba	7,852,287	1,733,590
Saskatchewan	9,911,721	7,512,059
Alberta	10,304,614	16,365,568
Total (9 months)	<u>28,068,622</u>	<u>25,611,217</u>

Preliminary figures on the distribution of commercial stocks of western Canadian oats compiled by the Statistics Branch of the Board of Grain Commissioners show that during the eight months ending March 31, 1942, a total of 25.4 million bushels was disposed of as follows: shipped to Canadian mills 10.5 million bushels, to Canadian feed plants and domestic points 13.0 millions, and the balance of 1.9 exported overseas and to the United States.

Rail Shipments

A large part of the domestic distribution of western oats took place in eastern Canada with the aid of the Federal Government's freight assistance policy. The following tabulation shows the rail movement from Fort William-Port Arthur during the nine months August-April this season, broken down by grades and province of destination. These figures are subject to minor revision.

<u>Grade</u>	<u>Ontario</u>	<u>Quebec</u>	<u>Maritimes</u>	<u>U.S.A.</u>
	bushels			
2 C.W.	471,098	175,982	40,052	2,002
3 C.W.	2,492,274	392,298	29,053	1,765
Recleaned 2 C.W.	7,018	30,767	2,971	15,887
Tough 2 C.W.	21,900	11,271	2,532	-
Tough 3 C.W.	233,797	131,194	220	-
Ex. 3 C.W.	749,990	77,299	16,508	-
Tough Ex. 3 C.W.	66,962	22,347	16,155	-
Recleaned Ex. 3 C.W.	-	559	-	-
1 Feed	2,063,632	1,091,143	101,816	-
2 Feed	161,854	397,512	36,589	-
3 Feed	15,218	91,048	3,088	-
Tough 1 Feed	318,508	622,646	128,965	-
Tough 2 Feed	13,459	160,985	294	-
Tough 3 Feed	-	12,174	-	-
Ex. 1 Feed	339,195	19,451	2,535	-
Tough Ex. 1 Feed	34,271	12,521	-	-
Tough 3 C.W. & Tf. Ex. 1 Feed .	2,000	-	-	-
Rej. Mxd. Cinders	-	-	-	-
Rej. Mxd. Gravel & Cinders	2,000	3,552	-	-
3 C.W. & Mxd. Feed	1,800	-	-	-
Mixed Feed	393,811	124,504	-	5,294
Sample	-	-	-	39
Sample Heated	-	4,000	-	-
Sample oats & oats groats	1,765	-	-	-
Total (9 months)	<u>7,390,552</u>	<u>3,381,253</u>	<u>380,788</u>	<u>24,987</u>

BARLEY

Western growers have marketed in nine months this season about 15 per cent more barley than they delivered in the whole of the last crop year, despite the greatly enlarged hog population in the Prairie Provinces. Manitoba accounted for a substantial part of the increase in deliveries, having produced a better than average crop in 1941.

Farmers' Marketings August—April

	<u>1941-42</u>	<u>1940-41</u>
	bushels	
Manitoba	14,811,148	7,971,528
Saskatchewan	6,424,685	3,823,988
Alberta	2,881,323	5,309,063
Total (9 months)	<u>24,117,156</u>	<u>17,104,579</u>

Disposition

In the disposition of commercial stocks of barley, feed plants and breweries have been the principal outlets as the following record covering the eight months to March 31, 1942 will show:

	<u>bushels</u>
Feed Plants, etc.	8,157,646
Brewers and Malsters	4,061,632
Flour Millers	2,621,748
Exported	2,600,197
Total (8 months)	<u>17,441,223</u>

Rail Movement East

A substantial part of the western crop has been used in eastern Canada and in the following table is shown by grades and province of destination, the all-rail movement from Fort William-Port Arthur during the nine months ending April 30, 1942.

Grade	Ontario	Quebec	Nova Scotia	New Brunswick	Prince Edward Island	U.S.A.
	bushels					
2 C.W. 2 Row	11,686	-	-	-	-	55,032
2 C.W. 6 Row	226,453	21,955	232	170	-	157,342
3 C.W. 6 Row	524,745	208,131	104	-	9,242	-
Tf. 2 C.W. 6 Row ..	61,265	9,039	-	-	-	-
Tf. 3 C.W. 6 Row ..	137,332	117,091	833	1,667	-	-
No. 1 Feed	1,129,604	485,141	64,966	2,517	1,666	-
No. 2 Feed	224,227	516,392	9,629	31,845	-	-
No. 3 Feed	29,220	118,973	2,615	16,360	600	-
Tf. 1 Feed	552,302	947,179	3,334	89,208	3,332	-
Tf. 2 Feed	74,459	340,068	-	40,669	3,334	-
Tf. 3 Feed	8,436	12,594	1,979	3,500	-	-
Tf. Rej. Mxd. Htd..	1,697	-	-	-	-	-
Damp 1 Feed	5,624	1,782	-	-	-	-
Damp 2 Feed	-	1,957	-	-	-	-
Damp 3 C.W. 6 Row .	1,924	-	-	-	-	-
Rej. Mxd. Htd.	6,668	1,219	-	-	-	-
Sample Heated	-	1,723	-	-	-	-
Total (9 months) ..	<u>2,995,642</u>	<u>2,783,244</u>	<u>83,692</u>	<u>185,936</u>	<u>18,174</u>	<u>212,374</u>

RYE

Deliveries of rye by growers in western Canada during the nine months August-April this season were about equal to the total for the whole of crop year 1940-41, but on the basis of stocks reported on farms at the end of March the utilization of rye on western farms has apparently been heavy. The 1941 crop in the Prairie Provinces was estimated at 11.5 million bushels of which approximately 5.0 million bushels had been marketed as grain to the end of April, while only about 1.5 million bushels remained on farms including the seed for 1942 crop. These figures suggest that about 40 per cent of the rye crop produced on western farms was used by the growers either as animal feed or for human consumption.

Disposition August—March

	<u>bushels</u>
Exported overseas	258,185
Exported to U.S.A.	4,987,376
Feed Plants, etc.	644,850
Flour Mills	318,229
Distilleries	364,265
Total (8 months)	<u>6,572,905</u>

Rail Movement

The movement of rye to eastern Canada by rail from Fort William-Port Arthur is on a larger scale than usual but relative to the shipments of wheat, oats or barley the volume is small. The following table shows the movement and distribution by grades during the nine months ending April 30, 1942.

<u>Grade</u>	<u>Ontario</u>	<u>Quebec</u>	<u>Maritimes</u>	<u>U.S.A.</u>
	<u>bushels</u>			
2 C.W.	18,792	82,502	-	-
3 C.W.	100,985	5,875	1,429	-
4 C.W.	8,334	-	-	-
Tf. 3 C.W.	187,457	5,816	1,500	-
Tf. 4 C.W.	44,079	5,835	-	-
Total (9 months)	359,647	100,028	2,929	-

Export Permits

During the first half of the crop year there was no restriction on the export movement of Canadian rye and heavy shipments were made to the United States early in the season. This grain had apparently not been considered of great importance in the feeding situation but on February 16 it was included among the commodities requiring an export permit before leaving the country. While no further shipments have been made it is understood that permits have been granted for additional quantities to move to the United States. At present the stocks of Canadian rye held in bond in the United States total 1.5 million bushels.

FLAXSEED

Western Canadian farmers will be turning the clock back thirty years if they respond to the 1942 call for flaxseed. Not since the big rush of settlers to the Prairie Provinces around 1911-12, and the opening up of new areas to agriculture, has the West produced a flaxseed crop of the size that wartime needs demand for 1942-43. The goal set for production this year is 20,000,000 bushels and based on average yields of recent years this would require 2.5 million acres to be sown. Thirty years ago, when there was a lot of new breaking, the yields were much higher, and in 1912 more than 26 million bushels of flaxseed were produced in Canada from just over two million acres, which is about 13 bushels to the acre compared with a yield of only 6.7 bushels in 1941.

This call for increased production in Canada in 1942 is part of a North American program to replace lost sources of supply of oils and fats. The United States acreage is expected to increase by 33 per cent, but it is to Canada that the United Nations are chiefly addressing their appeal for greater flaxseed production. The Canadian crushing industry is preparing to play its part by increasing its facilities for crushing the seed, and it is expected that present capacity will be about doubled. The crushing capacity in the present crop year was rated at about 3.5 million bushels of flaxseed and this could probably be increased to between six and eight million bushels. There would still be a substantial reserve of seed from a crop of 20 million bushels, but this would be made available to the United States, Russia, or any other of the United Nations requiring it.

Fats and oils are necessary for food, for soap, for paints, varnishes, linoleum, and printers' ink, for industrial lubricants, and in the manufacture of metals, textiles, leather goods, and glycerine. In times of peace glycerine, required in the making of nitroglycerine and other explosives, is a by-product of soap making, but in time of war soap rather becomes a by-product of glycerine manufacture.

Free Marketing

There will be no restriction on the delivery of flaxseed produced in 1942. The Canadian Wheat Board has made it clear that it will endeavour to take delivery of the crop when the grower is ready to market his supplies, and it will facilitate the movement of flaxseed to crushing plants. This assurance to growers, plus a fixed minimum price of \$2.25 per bushel, is given now so that a program of expansion can be adopted in the full knowledge that growers will be producing a crop for which a market has already been secured.

With respect to current supplies of flaxseed, the Government by Order in Council gave powers to the Canadian Wheat Board to halt all trading in flaxseed and to take over existing stocks. This was done on March 31, 1942, and prices were frozen at the ceiling level of \$1.64 per bushel for No. 1 Canada Western flaxseed, basis in store Fort William- Port Arthur. At that date the stocks of flaxseed in all positions, including farm stocks, amounted to 2,739,501 bushels of which 1,752,409 bushels were located in the Prairie Provinces and most of the balance in lakehead elevators.

The rate of seeding flaxseed in western Canada is slightly over half a bushel to the acre so that there was enough flaxseed stored in the Prairie Provinces at the end of March to seed the objective of 2 1/2 million acres provided these stocks were of suitable quality and germination test. In the following table is shown the production by provinces in the West last year and the deliveries from farms during the nine months August through April:

Production and Farmers' Deliveries

	<u>1941 Crop</u>	<u>Marketings 1941-42</u>
	bushels	
Manitoba	1,540,000	986,685
Saskatchewan	3,600,000	2,992,701
Alberta	1,100,000	653,931
Total	<u>6,240,000</u>	<u>4,633,317 1/</u>

1/ Subject to revision.

Disposition Data

In the current crop year to the end of March, distribution of commercial stocks of flaxseed totalled 3,326,879 bushels, or slightly more than half the crop produced in Canada in 1941. Some exports to the United States took place under permit in the early part of the season but the domestic market has been absorbing most of the movement since. The record of disposition for the eight months to March 31, 1942, is as follows:

	<u>bushels</u>
Crushers and Paint Works	2,452,224
Exported to U.S.A.	813,203
Feed Plants, etc.	61,452
Total (8 months)	<u>3,326,879</u>

According to the records, Canadian crushers and paint manufacturers have used more domestic flaxseed in eight months this season than they did during the whole of crop year 1940-41.

CORN

About one-half of the 2.6 million bushels of western-grown corn for husking produced in Manitoba in 1941 has been inspected, but only about one-fifth had moved forward to Fort William or Port Arthur up to the end of March. Approximately 50 per cent of the cars inspected in the Western Division were graded "wet", indicating a moisture content in excess of 21 per cent.

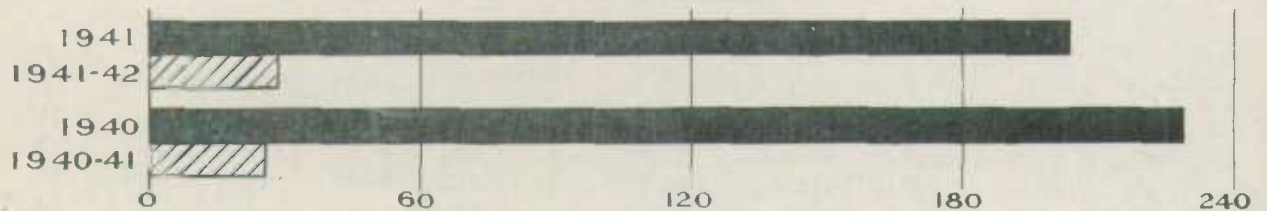
Western corn does not benefit from the Government's freight assistance policy when shipped to eastern Canada but is eligible when shipped to British Columbia. Trade estimates of the season's probable movement from Manitoba to points in British Columbia run as high as 500,000 bushels, but to the end of March only about 170,000 bushels had been moved westward, according to the records of the Board of Grain Commissioners.

Shipments by rail from Fort William-Port Arthur to points in eastern Canada amounted to 375,000 bushels during the eight months August-March and the record of distribution indicates that most of this western corn went to the province of Quebec and to the Maritimes. The crop of corn for husking produced in Ontario last year was some two million bushels larger than the 1940 harvest and was apparently equal to the corn feeding requirements of the province.

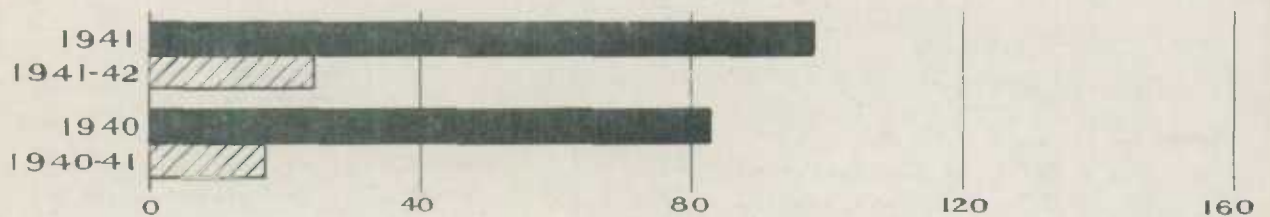
MARKETINGS OF COARSE GRAINS IN PRAIRIE PROVINCES IN RELATION TO PRODUCTION

Nine Months: August - April

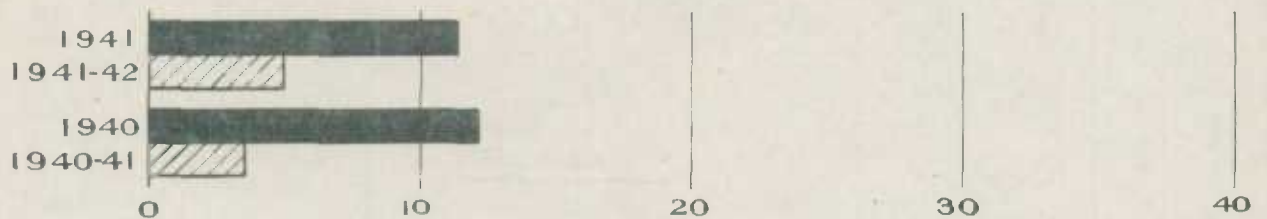
OATS



BARLEY



RYE



FLAXSEED



MILLIONS OF BUSHELS

LEGEND

PRODUCTION.....
MARKETINGS.....

GRADING OF COARSE GRAINS

In the following table which covers the eight months August through March, the grading of the various grains is broken down by principal grades to show the percentage of each classification in relation to total inspections. These grading returns are fairly representative of the quality of the 1941 crop and the high percentage labelled "Tough" resulted from a wet harvest period in the Prairie Provinces last fall.

Percentage of Total Cars Inspected 1941-42

<u>OATS</u>		<u>BARLEY</u>	
Grade -	%	Grade -	%
No. 2 C.W.	10	No. 2 C.W. Six-Row	16
No. 3 C.W.	21	No. 3 C.W. Six-Row	13
No. 1 Feed	19	No. 1 Feed	13
Tough	33	Tough	44
Others	17	Others	14
	<u>100</u>		<u>100</u>

<u>RYE</u>		<u>FLAXSEED</u>	
Grade -	%	Grade -	%
No. 2 C.W.	32	No. 1 C.W.	69
No. 3 C.W.	22	Tough	16
Tough	41	Others	15
Others	5		
	<u>100</u>		<u>100</u>

VISIBLE SUPPLY

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

Location	Oats	Barley	Rye	Flaxseed
	bushels			
Western Country Elevators	1,930,000	1,520,000	524,000	705,000
Interior Private & Mill Elev. .	1,084,000	1,780,000	134,000	58,000
Interior Terminals	23,735	76,871	-	2,395
Pacific Coast Elevators	74,037	54,457	-	-
Fort William-Port Arthur	1,053,920	2,617,452	1,590,805	752,657
Eastern Lake Ports	377,926	2,731,871	134,509	3,000
Eastern Seaboard	124,742	189,750	76,045	373
United States	-	-	1,150,000	-
In Transit Rail	281,053	138,851	49,362	19,390
In Transit Lake	57,871	-	-	-
T o t a l	5,007,284	9,109,252	3,658,721	1,540,815

PRICES

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

Grade	Monthly Average			Average for Week Ending			
	January	February	March	Apr. 9	Apr. 16	Apr. 23	Apr. 30
cents per bushel							
<u>OATS</u>							
No. 2 C.W.	50 3/4	50	50	51 1/8	51 1/4	51 1/4	51 1/2
No. 3 C.W.	49 3/4	48 1/4	48 1/4	49 1/8	49 3/8	49 1/8	48 3/4
No. 1 Feed	48 1/4	47 3/4	47 5/8	48 1/8	48 1/2	48 1/2	48 1/8
No. 2 Feed	45	45 3/4	46	46 7/8	47 1/8	47	46 5/8
<u>BARLEY</u>							
No. 2 C.W. 6-Row	64 3/4	64 3/4	64 3/4	64 3/4	64 3/4	64 3/4	64 3/4
No. 3 C.W. 6-Row	61 1/8	62 1/4	62 1/8	62 3/8	62 5/8	62 5/8	62 3/4
No. 1 Feed	59 3/8	60	60 3/4	61	61	60 3/4	60 3/4
No. 2 Feed	58 1/2	59	59 3/4	60	60	59 5/8	59 1/8
<u>RYE</u>							
No. 2 C.W.	64 1/8	64 3/4	64 1/4	64 3/8	64 1/2	64 1/8	62 5/8
No. 3 C.W.	61 5/8	61 7/8	60 1/2	60	60	59 1/2	57 3/4
No. 4 C.W.	59	59 1/4	57 3/4	57 1/4	57 1/4	56 3/4	55
<u>FLAXSEED</u>							
No. 1 C.W.	159 3/4	161 5/8	163 3/4	164	Trading in Flaxseed prohibited after March 31, and prices frozen at level quoted for April 9.		
No. 2 C.W.	157 1/8	158 5/8	159 1/2	159 1/2			
No. 3 C.W.	151 3/8	153 3/4	154	154			
<u>CORN</u>							
No. 3 C.W. Yellow (20% moisture)	82	84	80	80	80	80	80

Maximum and Minimum Prices

There will be both a ceiling and a floor on oats and barley prices during the crop year 1942-43. Maximum prices were established for coarse grains and flaxseed last December and January as part of the general plan of the Wartime Prices and Trade Board to avoid inflation, and they became effective immediately, but minimum prices for specific grains are linked to agricultural policy for 1942-43 and do not take effect until August 1 next.

Special measures have been adopted for flaxseed. The urgency of supplies of oils and fats has resulted in a minimum price being set for flaxseed grown in 1942 at a level considerably above the ceiling price now in effect. This has been done to encourage the expansion of acreage necessary to produce approximately 20,000,000 bushels of flaxseed this year. The crop produced in 1941 totalled only 6,412,000 bushels but was, nevertheless, the largest flaxseed crop harvested in about fifteen years. If the goal for 1942 is reached the crop will be the second largest produced in Canada. The biggest year on record was 1912 when 26.1 million bushels were produced from a sown area of 2,021,000 acres.



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The maximum and minimum prices for the various western grains, basis in store Fort William-Port Arthur are tabulated below:

	Maximum	Minimum ^{1/}
	cents per bushel	
Oats	51 1/2	45
Barley	64 3/4	60
Rye	66 5/8	none fixed
Flaxseed	164 ^{2/}	225

1/ Effective August 1, 1942. 2/ Effective until July 31, 1942.

It should perhaps be pointed out that the maximum prices apply to any grade of the various grains affected, while the minimum prices quoted in the table are for specific grades. The Order in Council of March 9 which empowered the Canadian Wheat Board to buy barley and oats, contains the following two paragraphs:

"The Canadian Wheat Board is empowered to buy Winnipeg barley futures or cash barley whenever the spot price per bushel, basis Fort William-Port Arthur, of No. 1 Canada Western Two Row or Six Row or No. 2 Canada Western Two Row or Six Row is 60 cents, or No. 3 Canada Western 58 cents, or No. 1 Feed 56 cents.

"The Canadian Wheat Board is empowered to buy Winnipeg oats futures or cash oats whenever the spot price per bushel basis Fort William-Port Arthur of No. 2 Canada Western Oats is 45 cents or Extra No. 3 Canada Western, No. 3 Canada Western or Extra No. 1 Feed, 42 cents or No. 1 Feed 40 cents."

In connection with the ceiling prices, provision has been made for the payment of charges for diversion and special selection above the maximum levels. These were set out in detail in the second Quarterly Review dated February 10, 1942. Allowances above the ceiling levels have also been made for recleaning or processing of the various grains to fill the need for this special type of product. In the case of oats, this processing or recleaning charge is allowable up to 12 cents per bushel, while for barley and rye it is 16 cents, and for flaxseed 25 cents per bushel.

While the maximum and minimum prices quoted herewith refer only to grain grown in Western Canada it has been announced by the Toronto office of the Canadian Wheat Board that it is the intention of the Board to establish appropriate prices for eastern-grown flaxseed related to the \$2.25 price for No. 1 Canada Western.

In the establishment of such prices due account will be taken of quality, oil content and other factors. About 95 per cent of the flaxseed crop for oil has been produced in Western Canada in recent years but eastern growers are now being asked to increase their acreage and the eastern office of the Canadian Wheat Board will assist them in locating supplies of seed if they cannot be obtained through the regular distributing channels.