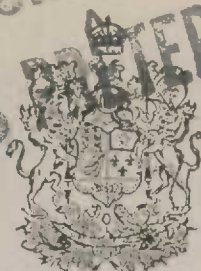


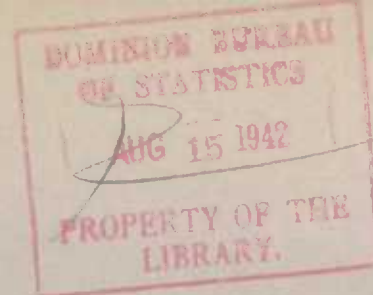
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CANADA

DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH



Vol. 1

No. 4

CANADIAN COARSE GRAINS

QUARTERLY REVIEW

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COARSE GRAIN AND FLAXSEED CROPS

Attainment of the 1942 goal for production of coarse grain crops in Canada is in sight as another harvest gets under way. A combination of favourable weather conditions and increased acreage seeded to oats and barley is working toward the realization of feed stocks needed for the expanding live-stock industry in Canada and the United States for the furnishing of vital food supplies to the United Nations.

Agricultural policy in Canada was framed in 1942, for the second successive year, with a view to encouraging expansion of acreage in oats and barley at the expense of wheat acreage. Farmers as a whole responded nobly to the suggested program and wheat acreage in the West was reduced to its lowest level since 1925, while the area devoted to coarse grain crops was substantially increased.

Flaxseed for the production of linseed oil found an important place also in the 1942 program and although the acreage goal was not reached and rust infection threatens to reduce the yield of the growing crop, the prospect remains for a much greater production than a year ago. This oil is needed to replace supplies formerly imported and not now procurable.

In the change over from wheat to other crops, the Prairie Provinces have played a major role and comparing acreage in 1942 with the areas seeded in 1940 it is found that western Canada has reduced her wheat area by 26 per cent and increased oats and barley acreage by about 40 and 77 per cent respectively. Flaxseed acreage has risen 303 per cent in the past two years in the west and in 1942 it reached a figure comparable only with the acreage in 1912-13 when flax was a popular and profitable crop on new breaking.

Comparing 1942 with 1941 it is noted that oats acreage in western Canada is up about 19 per cent this year while barley acreage has increased 35.5 per cent and flaxseed 49.3 per cent. Substantial increases in the area seeded to fall and spring rye for harvest in 1942 are also revealed.

The first official estimate of production of Canadian grain crops will not be issued until September 10, but conditions at the end of July indicated yields considerably above average in both oats and barley, although crops are late over a large area of western Canada. In the case of flaxseed it may be that threshing returns alone will reveal the full extent of rust damage. The harvesting of fall rye is now under way and the spring-sown crop will soon be cut.

For all of these grains there exists a substantial market in Canada this year and in all probability a market also in the United States where the situation on July 21 pointed to a deficiency of about 10 per cent in animal feed requirements. In Canada the hog population is steadily rising and a new contract is now being negotiated with the British Food Ministry which calls on Canada to supply 700,000,000 pounds of ham and bacon in the next year. This contract will replace one for 600,000,000 pounds which expires in October.

Preliminary estimates of hog numbers in the Dominion suggest that feed requirements for hogs alone will be about 15 per cent higher for all Canada and 20 to 25 per cent higher in the Prairie Provinces. Cattle and horses will also consume a larger quantity of feed in 1942-43 than they did in 1941-42.

The horse population off farms in Canada declined almost 50 per cent in the ten years from 1931 to 1941, according to preliminary census figures, but is expected to show a rapid increase in the next year or two as Old Dobbin replaces trucks and automobiles in city delivery services. The visible effect on consumption of oats will be negligible this year as many horses will simply move from the country to the cities, but there is already evidence of increased breeding of horses and the total population would appear to be heading in the direction of higher figures.

Wheat Versus Coarse Grains

In the crop year just closed, there was ample evidence of wheat feeding to hogs and cattle on a scale not hitherto experienced in western Canada, while western wheat was shipped in liberal quantities to be fed to live stock and poultry in the five eastern provinces. In the latter case, a shortage of native grains and fodder crops resulted in a Government freight assistance plan which enabled large amounts of western Canadian grain to reach farmers in the east. Of this we shall have more to say later.

Several factors contributed to the heavy feeding of wheat in western Canada during the crop year 1941-42, one being the uneven distribution of hog population and barley supplies, particularly in Alberta where a large proportion of the Canadian pig family was raised last year. Then there was the relative cheapness of wheat, pound for pound, and the effect of educational campaigns to induce hog raisers to use wheat instead of oats and barley.

Both Saskatchewan and Alberta greatly increased the acreage seeded to barley in 1942 and both provinces have excellent crop prospects at this date so that a better distribution of barley supplies this year seems assured. This poses the question of whether feeding of wheat to hogs and cattle will continue on the scale of the past crop year, or whether coarse grain will sharply curtail the use of wheat as an animal feed.

Entirely new considerations on the farm front make this a difficult question to answer. The higher price established for wheat, for instance, alters considerably the relative costs, pound for pound, of wheat and coarse grain as feed for animals, while habit, preference or prejudice may restore oats and barley at the expense of wheat where all three are available.

At first glance, the scales would appear to be tipped in favour of feeding coarse grain rather than wheat but closer examination reveals factors which might tend to swing the pendulum back to wheat. We have already noted that animal feedstuffs in the United States appear to be 10 per cent below requirements and it will be recalled that the Canadian Prime Minister announced on April 10, 1942, that a joint arrangement had been made between Canada and the United States for the interchange of coarse grain and flaxseed crops. Canada had undertaken in this arrangement to increase acreage to oats and barley with the object of obtaining adequate supplies for her own live-stock requirements and supplementary supplies for the United States.

Thus, we have a greatly enlarged market for animal feedstuffs in Canada and a potential market of considerable size for surplus coarse grain crops in the United States. In addition — and this might prove to be a factor of importance — there is a definite limit of 280 million bushels placed on the marketings of wheat in

western Canada during the crop year 1942-43. Production of an average wheat crop plus normal domestic consumption under these conditions would cause very little backing up of wheat on farms, but the crop outlook this year points to much better than average yields and a very substantial volume of wheat, unsaleable on the market, might be dammed up on farms.

In the event that a large proportion of the 1942 wheat crop is unsaleable, because of marketing restrictions, and the market in Canada and the United States is able more readily to absorb the production of coarse grain crops, it is perhaps reasonable to assume that more oats and barley would be sold for cash and more wheat used for animal feeding than would otherwise be the case. These are matters that would seem to warrant consideration in any analysis of the feed situation in Canada as it affects coarse grain crops.

Freight Assistance Policy

Let us turn back now to the crop year just closed and look at some of the more important developments in 1941-42. The first point to be noted is that wheat came to the rescue in maintaining wartime production programs in live stock in the Prairie Provinces, and secondly that western wheat and coarse grain were the salvation of many hog and cattle growers in eastern Canada. Feed supplies generally were far short of requirements and although export restrictions were placed on many items of feed in an effort to conserve the supply it was left to wheat to fill many of the gaps. Approximately 60 million bushels of wheat were estimated fed to live stock and poultry in Canada, some 47 millions of this being used in western Canada.

Of the shipments of grain from the Prairie Provinces to eastern Canada under the Federal Freight Assistance policy some preliminary data are now available. The scheme went into effect on October 19, 1941, on the basis of full freight being paid from Fort William-Port Arthur on grain or feed used exclusively for feeding live stock or poultry. Up to and including July 3, 1942, freight had been paid on 27.5 million bushels of wheat, oats, barley and rye in addition to 293,800 tons of bran, shorts and middlings, and some 45,000 tons of screenings. The distribution of this grain by provinces is shown in the following table:

<u>Province</u>	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Corn</u>
(bushels)					
Ontario	4,951,533	6,353,894	3,984,596	412,514	-
Quebec	2,205,800	4,126,138	2,940,721	8,932	-
New Brunswick	306,690	593,985	233,348	4,600	-
Nova Scotia	251,324	540,162	352,470	9,741	-
Prince Edward Island	88,018	61,212	84,658	482	-
Total Eastern Canada	7,803,365	11,675,391	7,595,793	436,269	-

At a later date the policy was extended to take in British Columbia and corn grown in western Canada was included in the list of feed grains on which freight would be paid by the Government. The record for the Pacific coast province is as follows:

<u>Province</u>	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Corn</u>
(bushels)					
British Columbia ...	1,019,053	795,897	275,675	338	140,589

In addition to these grains, freight assistance was given to 15,519 tons of bran, shorts and middlings, and 707 tons of screenings shipped from the Prairie Provinces to live stock and poultry growers in British Columbia.

The provisions of the Order in Council establishing the Freight subsidy on feedingstuffs shipped from western Canada to the areas tabulated in these partial returns called for distribution of the feed before July 1, 1942, but in the House of Commons on June 5, the Minister of Agriculture announced that the policy would be continued for an indefinite period.

Commercial Distribution

In addition to the quantities of western coarse grain which found their way to farms in eastern Canada for the feeding of live stock and poultry, a substantial volume was disposed of through the regular commercial channels. Figures for the entire crop year are not yet complete but the record for the eleven months August through June is as follows, according to the Statistics Branch of the Board of Grain Commissioners:

<u>Disposition</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>
	bu.	bu.	bu.
Milled in Canada	13,623,757	3,700,473	439,800
Brewers and Malsters	-	6,122,596	-
Distilleries	-	-	396,265
Feed Plants, etc.	15,983,561	10,361,260	915,250
T o t a l s	29,607,318	20,184,329	1,751,315

These totals take no account of exports overseas or to the United States since publication of such figures has been discontinued.

It will be noted that large amounts of both oats and barley went to feed plants and in the case of barley a substantial part came out in the form of barley meal, which is an important feed. Considerable quantities of this were shipped from western Canada to the five eastern provinces to help to overcome the shortage of feedstuffs. Both grains were included also in large shipments of mixed feeds which moved eastward under the Freight Assistance Policy.

In the case of flaxseed, the record shows that crushers and paint manufacturers received 3,253,420 bushels in this eleven-month period while 65,316 bushels were disposed of in small lots at country points. Here again, no account is taken of the export shipments which were made under license. The record shows that in the crop year 1940-41, crushers and paint manufacturers took in only 2.5 million bushels of Canadian flaxseed during the twelve-month period and imports in that year were negligible.

TABLE 1. PRODUCTION AND MARKETINGS ^{1/} IN PRAIRIE PROVINCES

Year	Sown Acreage	Yield Per Acre	Total Production	Carry-over on Farms ^{2/}	Total on Farms	Farmers' Marketings ^{3/}	Per Cent of Supply Marketed
	acres	bu.	bu.	bu.	bu.	bu.	P.C.
<u>OATS</u>							
1937	8,579,000	16.6	142,413,000	4,734,000	147,147,000	29,404,653	20.0
1938	8,518,000	27.2	232,000,000	7,331,000	239,331,000	32,649,088	13.6
1939	8,227,000	28.1	231,500,000	26,751,000	258,251,000	35,562,880	13.8
1940	7,818,000	29.3	229,000,000	23,703,000	252,703,000	32,274,610	12.8
1941 ^{4/}	9,308,000	22.0	204,700,000	20,137,000	224,837,000	32,521,319	14.5
5-year average	8,490,000	24.5	207,922,600	16,531,200	224,453,800	32,482,510	14.5
<u>BARLEY</u>							
1937	3,562,300	17.6	62,418,000	759,500	63,177,500	23,903,948	37.8
1938	3,687,000	21.8	80,200,000	2,238,000	82,438,000	24,567,700	29.8
1939	3,607,000	22.5	81,000,000	5,830,100	86,830,100	22,008,867	25.3
1940	3,622,000	22.9	83,000,000	5,370,000	88,370,000	20,980,344	23.7
1941 ^{4/}	4,882,000	20.1	98,000,000	4,895,000	102,895,000	26,266,771	25.5
5-year average	3,872,060	20.9	80,923,600	3,818,520	84,742,120	23,545,526	27.8
<u>RYE</u>							
1937	808,200	5.3	4,280,000	68,600	4,348,600	1,493,422	34.3
1938	555,000	14.3	9,340,000	44,000	9,384,000	3,440,843	36.7
1939	1,014,100	13.5	13,700,000	347,000	14,047,000	5,228,230	37.2
1940	943,000	13.0	12,250,000	550,000	12,800,000	5,091,064	39.8
1941 ^{4/}	991,900	11.6	11,474,000	399,000	11,873,000	5,277,539	44.4
5-year average	882,440	11.6	10,208,800	281,720	10,490,520	4,106,220	39.1
<u>FLAXSEED</u>							
1937	233,300	3.0	694,000	9,500	703,500	498,631	70.9
1938	201,700	5.9	1,185,000	1,000	1,186,000	855,838	72.2
1939	288,500	6.8	1,950,000	4,800	1,954,800	1,723,980	88.2
1940	363,700	7.9	2,875,000	26,700	2,901,700	2,587,846	89.2
1941 ^{4/}	940,000	6.6	6,240,000	14,000	6,254,000	4,873,622	77.9
5-year average	405,440	6.4	2,588,800	11,200	2,600,000	2,107,983	81.1

^{1/} Includes Peace River block in British Columbia.

^{2/} Stocks at end of July.

^{3/} August 1 to July 31, 1937-38 to 1941-42. Excludes minor quantities loaded over platforms prior to 1940-41.

^{4/} Subject to revision.

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	2,659,802	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	5,439,679	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	21,276,570
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	3,542,573	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	56,696,874
	13	25,101,352	22,551,481	4,733,953	4,393,272	58,780,068
	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
May	1	28,070,967	24,119,392	4,988,863	4,633,679	61,812,901
	8	28,227,194	24,178,157	4,995,940	4,639,724	62,041,015
	15	28,420,862	24,267,482	5,010,389	4,647,666	62,346,399
	22	28,633,049	24,383,490	5,026,864	4,661,039	62,704,442
	29	28,832,332	24,482,746	5,040,734	4,666,440	63,024,252
June	5	29,056,708	24,582,243	5,057,872	4,679,861	63,378,684
	12	29,440,776	24,766,610	5,073,827	4,708,577	63,989,790
	19	29,762,673	24,958,520	5,093,486	4,731,061	64,545,740
	26	30,011,393	25,119,430	5,104,442	4,745,297	64,980,562
July	3	30,280,646	25,284,585	5,122,065	4,764,018	65,451,314
	10	30,667,723	25,453,971	5,138,016	4,787,465	66,047,177
	17	31,104,891	25,651,842	5,165,071	4,816,519	66,738,323
	24	31,546,875	25,856,771	5,208,816	4,839,838	67,452,302
	31	32,521,319	26,266,771	5,277,539	4,873,622	68,939,251
Crop Year Total		32,521,319	26,266,771	5,277,539	4,873,622	68,939,251
Total for 1940-41		32,274,610	20,980,344	5,091,064	2,587,846	60,933,864

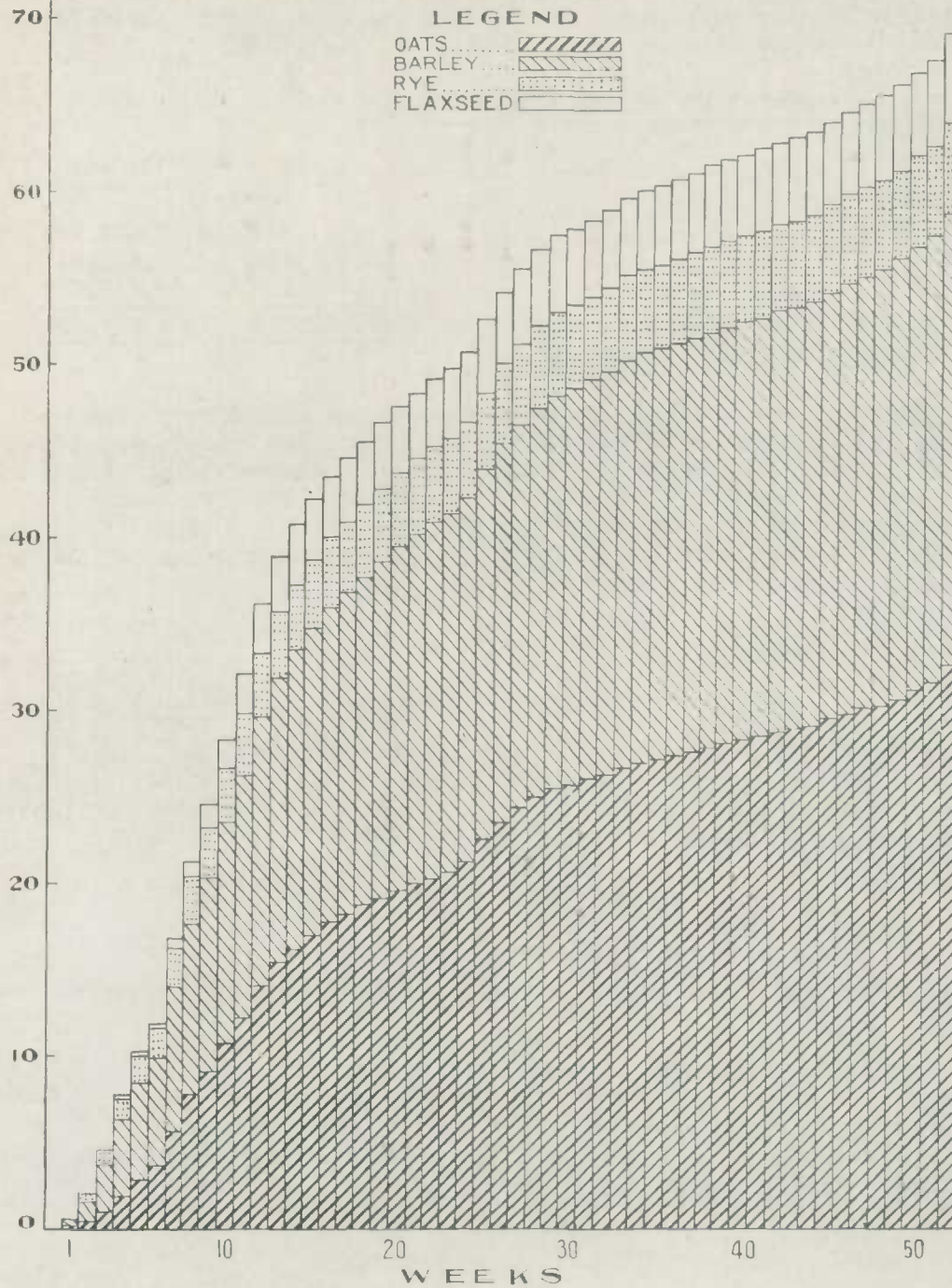
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CUMULATIVE RECORD OF MARKETINGS OF OATS, BARLEY, RYE AND FLAXSEED IN THE PRAIRIE PROVINCES

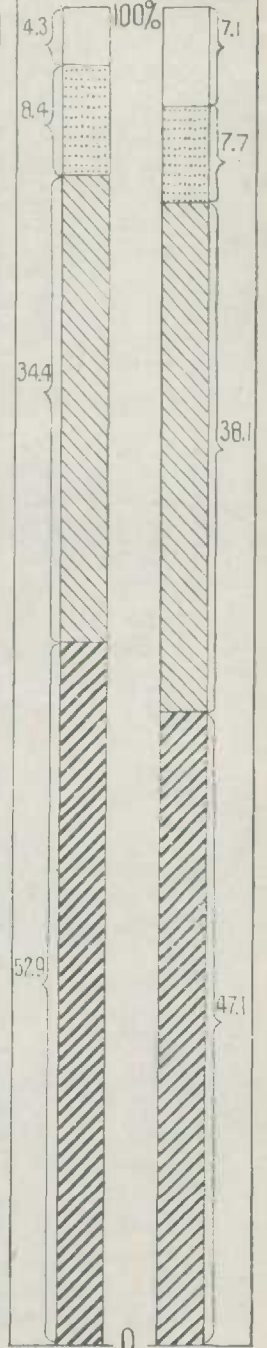
1941-1942

LEGEND

OATS
BARLEY
RYE
FLAXSEED



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



OATS

Deliveries of oats from farms in western Canada during the crop year 1941-42 reached a total slightly in excess of the previous year's figure with notable increases in the movement from producers in Manitoba and Saskatchewan and a sharp drop in the marketings in Alberta. It is noteworthy, however, that total marketings from farms in the three Prairie Provinces represented only 14.5 per cent of the available supply, indicating the extensive use of oats in the feeding of live stock.

Farmers' Marketings August - July 1/

	<u>1941-42</u>	<u>1940-41</u>
	bushels	
Manitoba	9,244,527	2,622,989
Saskatchewan	15,963,428	10,231,944
Alberta	11,166,168	19,419,677
Crop Year Total	<u>32,521,319</u>	<u>32,274,610</u>

1/ Subject to revision.

The commercial carryover of oats at the beginning of the crop year was approximately 4.5 million bushels so that only about 37 million bushels moved through commercial channels in the form of grain during the twelve months and of this quantity 13.5 million bushels were shipped all-rail from Fort William and Port Arthur to points in eastern Canada and freight assistance had been paid on 11.7 million bushels up to July 3, 1942. The complete record of rail shipments from the head of the lakes is shown in the following table:

Rail Shipments, Crop Year 1941-42

<u>Grade</u>	<u>Ontario</u>	<u>Quebec</u>	<u>Maritimes</u>	<u>U.S.A.</u>
		bushels		
2 C.W.	514,532	215,193	60,221	2,002
3 C.W.	2,782,322	492,928	40,900	1,765
3 C.W. and Mixed Feed	1,800	-	-	-
Ex. 3 C.W.	776,428	88,603	19,470	-
Recleaned 2 C.W.	7,945	66,376	4,736	15,887
Recleaned Ex. 3 C.W.	294	559	-	-
Tough 2 C.W.	21,900	13,150	6,402	-
Tough 3 C.W.	269,994	183,910	4,188	-
Tough Ex. 3 C.W.	80,574	31,651	18,214	-
Tough 3 C.W. & Ex. 1 Feed	2,000	-	-	-
Tough Recleaned 2 C.W.	865	-	-	-
1 Feed	2,483,948	1,353,236	166,553	2,000
2 Feed	261,043	480,622	44,353	-
3 Feed	27,277	128,911	4,853	-
Ex. 1 Feed	408,123	43,424	2,535	-
Tough 1 Feed	420,146	799,549	133,265	-
Tough 2 Feed	27,327	202,864	7,098	-
Tough 3 Feed	-	15,765	-	-
Tough Ex. 1 Feed	45,002	24,834	1,176	-
Mixed Feed	522,740	202,455	7,765	5,294
Sample	-	-	-	39
Sample Heated	-	4,000	-	-
Sample Oats & Oats Groats	1,765	-	-	-
Rej. Mxd. Gravel & Cinders	2,000	3,552	-	-
Rej. Mixed Heated	1,660	-	-	-
Total	<u>8,659,685</u>	<u>4,351,582</u>	<u>521,729</u>	<u>26,987</u>

BARLEY

Western growers delivered about 5.3 million bushels more barley in 1941-42 than during the previous crop year and much of this increase was attributable to the large crop in Manitoba. Of the total supply on farms, approximately 25.5 per cent moved into commercial channels to be added to some 4.2 millions carried over in elevators at the beginning of the crop year. The marketings by provinces are shown in the following table.

Farmers' Marketings August - July 1/

	<u>1941-42</u>	<u>1940-41</u>
	bushels	
Manitoba	15,963,428	10,297,636
Saskatchewan	7,203,864	4,811,020
Alberta	3,099,479	5,871,688
Crop Year Total	<u>26,266,771</u>	<u>20,980,344</u>

1/ Subject to revision.

Western barley shared with other grains, the large feed market in eastern Canada and 7.5 million bushels had received freight assistance up to July 3, 1942. The shipments of barley all rail from the head of the lakes shown in the table that follows totalled less than the amount on which freight assistance was given but this is due to the fact that part of the supply moved to Maritime ports was grain that came by water from Fort William-Port Arthur to Bay ports and was railed eastward from there.

Rail Shipments, Crop Year 1941-42

Grade	Ontario	Quebec	Nova Scotia	New Brunswick	Prince Edward Island	U.S.A.
	bushels					
2 C.W. 2 Row	24,460	5,000	-	-	-	65,755
2 C.W. 6 Row	220,534	22,055	232	170	-	146,619
3 C.W. 6 Row	552,216	302,216	1,771	1,667	10,075	-
Tough 2 C.W. 6 Row .	61,265	9,039	-	-	-	-
Tough 3 C.W. 6 Row .	150,223	218,717	834	3,334	-	-
1 Feed	1,201,149	640,299	73,466	9,767	3,333	-
2 Feed	284,436	630,422	12,129	70,178	-	-
3 Feed	31,313	125,717	3,230	26,914	600	-
Tough 1 Feed	593,532	1,188,184	9,167	95,874	3,332	-
Tough 2 Feed	79,793	511,020	-	41,502	5,001	-
Tough 3 Feed	14,332	40,191	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. Mixed Heated ..	6,668	1,219	-	-	-	-
Sample Heated	-	6,723	-	-	-	-
Total	3,229,166	3,668,541	102,808	252,906	22,341	212,374

Preliminary figures at the end of July 1942 showed barley stocks in commercial channels in excess of 5.5 million bushels all in Canadian positions and including 1.3 million bushels in store in elevators at Fort William and Port Arthur. More than two million bushels were in store in the Prairie Provinces and another two millions were located at eastern lake ports or in transit by rail.

RYE

The quantity of rye delivered from farms in western Canada during the crop year 1941-42 was larger than in any one of the past five years and represented 44.4 per cent of the 1941 production plus carryover on farms at the end of July 1941. The marketings by provinces are shown in the following table.

Farmers' Marketings August - July 1/

	<u>1941-42</u>	<u>1940-41</u>
	bushels	
Manitoba	1,526,006	1,208,301
Saskatchewan	3,383,031	3,215,638
Alberta	368,502	667,125
Crop Year Total	<u>5,277,539</u>	<u>5,091,064</u>
1/ Subject to revision		

Almost five million bushels were in commercial storage at the beginning of the crop year but three-quarters of this was located in the United States. Export restrictions were placed on rye about the middle of February in an effort to conserve supplies but at the end of July 1942 there was still a large commercial supply in Canada.

Less than 500,000 bushels received freight assistance to eastern Canadian markets up to July 3, 1942, although a total of 676,190 bushels moved all rail from Fort William and Port Arthur during the crop year. The distribution of rail shipments from the head of the lakes by grades and provinces is shown in the following table.

Rail Shipments, Crop Year 1941-42

<u>Grade</u>	<u>Ontario</u>	<u>Quebec</u>	<u>Maritimes</u>	<u>U.S.A.</u>
		bushels		
2 C.W.	41,823	156,530	-	-
3 C.W.	139,628	29,089	3,658	-
4 C.W.	9,784	-	-	-
Tough 3 C.W.	200,100	39,878	1,500	-
Tough 4 C.W.	48,365	5,835	-	-
Total	<u>439,700</u>	<u>231,332</u>	<u>5,158</u>	<u>Nil</u>

CORN

Marketings of corn grown in western Canada have been slim during the last three months and little more than half the estimated crop of 2,565,000 bushels produced in Manitoba had been inspected up to the end of the crop year. Shipments were made to British Columbia under the Freight Assistance Policy and up to July 3, 1942, just over 140,000 bushels had qualified for freight. The bulk of the movement was eastward and approximately 600,000 bushels were received at Fort William and Port Arthur where most of it had to be dried because of excessive moisture content. Fair quantities were milled both east and west but the bulk of the crop was distributed for feeding although shipments to eastern Canada did not qualify for freight assistance.

In an area of the Red River valley where the bulk of the corn crop is produced, it now takes the place of summerfallow and experience has shown that yields of wheat, after corn, throughout the corn area, have been equal to and in some instances greater than yields of wheat after summerfallow.

FLAXSEED

Almost 80 per cent of the flaxseed produced in 1941 on farms in western Canada was marketed during the crop year 1941-42. This figure would probably have been larger but for the fact that a substantial amount was held back for seeding the acreage in 1942 which was increased almost 50 per cent. The marketings by provinces are shown in the following table.

Farmers' Marketings August-July ^{1/}

	<u>1941-42</u>	<u>1940-41</u>
	bushels	
Manitoba	1,023,507	578,129
Saskatchewan	3,170,727	1,553,318
Alberta	679,388	456,399
Crop Year Total	<u>4,873,622</u>	<u>2,587,846</u>

^{1/} Subject to revision.

Unrevised figures showed the commercial carry-over on July 31, 1942 in the neighbourhood of 900,000 bushels compared with 605,000 bushels a year earlier, with the bulk of the stock held at Fort William and Port Arthur.

Prior to seeding time this year it was made known to farmers in Canada that an objective of 20 million bushels had been set for 1942 production of flaxseed which, in terms of average yield in recent years, meant about 2.5 million acres, while a fixed price of \$2.25 per bushel was established commencing August 1, 1942 with a guarantee that no restriction would be placed on the marketing of this crop.

Western growers increased their acreage from 982,000 acres in 1941 to 1,466,000 acres in 1942 which was considerably short of the goal, but an excellent growing season gives promise of overcoming some of the lack of acreage with better than average yield. Unfortunately, the crop has been hit by rust and the wet season has produced weedy conditions, but expert opinion on the rust situation indicates that the bulk of the crop will not be seriously damaged although some fields will show reduction in yield as the result of infection.

The province of Saskatchewan has been the largest producer of flaxseed in western Canada in recent years and in 1941 accounted for about 58 per cent of the prairie crop. It is noteworthy also that most of the acreage expansion in 1942 took place in Saskatchewan, the increase amounting to 375,000 acres out of a total of 484,000 acres added to the flaxseed area in the Prairie Provinces. The remaining 109,000 additional acres seeded was divided almost equally between Alberta and Manitoba.

If present crop prospects hold, the harvest this year will exceed by a considerable margin the crushing facilities in Canada but this will be all to the good and will not in any way restrict the movement of flaxseed from farms. It is believed that the demand for Canadian flaxseed at the moment far exceeds the quantity available and that there will not be the slightest difficulty in disposing of any surplus from the new harvest.

There is a very substantial market for Canadian flaxseed in the United States, while other members of the United Nations stand in need of large quantities of oil and other by-products of flaxseed. The Canadian industry last year had a maximum crushing capacity of almost 4,000,000 bushels annually but this has or will be increased this year to about 5,000,000 bushels.

Apart from the precious oil which the 1942 flaxseed crop will yield, the meal which is a by-product will be a most important element in cattle feeding, especially dairy cattle, and with heavy demands on Canada for the production of cheese, butter and other dairy products, the importance and value of a large flaxseed crop this year is further emphasized.

For some years Canada was an importer of Argentine flaxseed and the records show that in the four crop years 1936-37 to 1939-40, imports of flaxseed into Canada averaged 1,094,291 bushels annually, most of it coming from the South American Republic. In the crop year 1940-41 these imports dropped to a mere 176,464 bushels but by this time the acreage seeded to flaxseed of the oil variety had sharply increased in western Canada and production was equal to domestic requirements.

GRADING OF COARSE GRAINS

In the following table which covers the twelve months August 1, 1941 to July 31, 1942, 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.

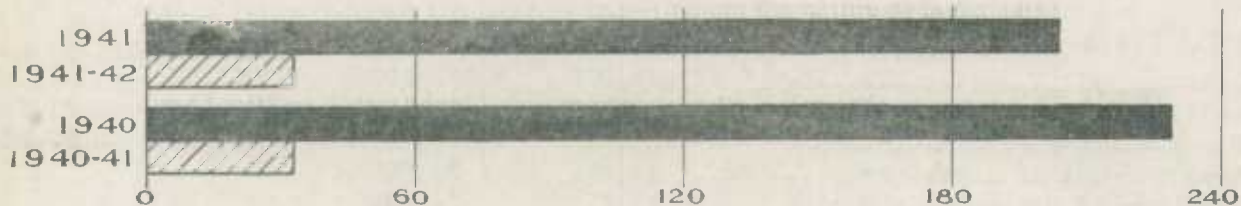
Percentage of Total Cars Inspected 1941-42

<u>OATS</u>		<u>BARLEY</u>	
Grade -	%	Grade -	%
No. 2 C.W.	9	No. 2 C.W. Six-Row	15
No. 3 C.W.	21	No. 3 C.W. Six-Row	13
No. 1 Feed	21	No. 1 Feed	13
Tough	32	Tough	45
Others	17	Others	14
	<u>100</u>		<u>100</u>
<u>RYE</u>		<u>FLAXSEED</u>	
Grade -	%	Grade -	%
No. 2 C.W.	31	No. 1 C.W.	69
No. 3 C.W.	22	Tough	15
Tough	42	Others	16
Others	5		
	<u>100</u>		<u>100</u>

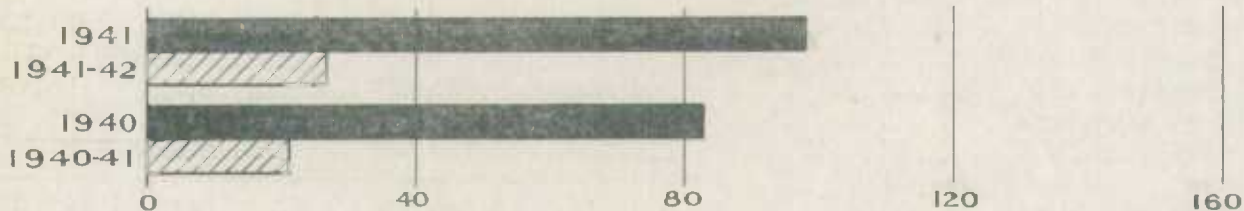
MARKETINGS OF COARSE GRAINS IN PRAIRIE PROVINCES IN RELATION TO PRODUCTION

CROP YEAR

OATS



BARLEY



RYE

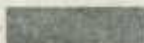



FLAXSEED



MILLIONS OF BUSHEL

LEGEND

PRODUCTION..... 
MARKETINGS.... 

CARRY-OVER STOCKS ON JULY 31, 1942

In the following table the carry-over stocks of coarse grain and flaxseed at the close of the crop year 1941-42 are shown according to location. These figures are subject to revision but only minor changes are anticipated.

	Oats	Barley	Rye	Flaxseed
	(bushels)			
<u>In Canada</u>				
On Farms	24,173,000	5,112,000	203,000	22,000
Country & Private Term. Elevs. .	1,407,606	924,577	348,020	51,504
Western Mills & Mill Elevators .	724,213	1,129,834	91,494	77,590
Interior Terminal Elevators	10,462	37,561	-	-
Vancouver-New Westminster Elevs.	17,318	34,054	24	-
Victoria & Prince Rupert Elevs..	-	-	-	-
Churchill Elevator	-	-	-	-
Fort William-Port Arthur Elevs..	800,732	1,345,429	1,087,761	631,234
In Transit - Lakes	-	-	-	-
In Transit - Rail	748,352	353,057	103,688	156,782
Eastern Elevators	396,930	1,800,742	173,674	87,930
Eastern Mills	314,300	109,500	49,700	-
Total in Canada	28,592,913	10,846,754	2,057,361	1,027,040
<u>In U.S.A.</u>				
U.S.A. Lake Ports	-	-	288,000	-
U.S.A. Seaboard Ports	-	-	1,041,000	-
In Transit U.S.A.	-	-	-	-
Total in U.S.A.	-	-	1,329,000	-
Grand Total - All Positions .	28,592,913	10,846,754	3,386,361	1,027,040
<u>A Year Ago</u>				
Total in Canada	41,252,114	10,425,898	1,839,871	520,313
Total in U.S.A.	311,265	482,103	3,059,251	-
Grand Total A Year Ago	41,563,379	10,908,001	4,919,122	620,313

A feature of the carry-over this year is the reduction in farm stocks of coarse grains. The quantity of oats is some 13,000,000 bushels less than a year ago, while barley figures are about 1.5 million bushels lower and even rye shows a drop. These figures reflect heavier feeding on farms and a large percentage of the crop marketed for cash.

It is noteworthy that no stocks of Canadian oats or barley were located in the United States but 1,329,000 bushels of rye were held there which had been permitted to leave Canada under export permit. The commercial stocks of all four commodities are a little higher than they were on July 31, 1941; barley figures being close to 2,000,000 bushels above the 1941 total.

PRICES

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

<u>Crop Year 1941-42</u>	<u>2 C.W. Oats</u>	<u>3 C.W. 5-Row Barley</u>	<u>2 C.W. Rye</u>	<u>1 C.W. Flaxseed</u>
(cents per bushel)				
August	45 1/4	49	54 5/8	145 3/8
September	49 1/4	54 1/4	62 1/8	154 3/4
October	47 3/8	54 3/4	56 3/4	151
November	44 3/8	55 1/4	57 1/8	149 3/4
December	47	57 7/8	59 3/8	155 1/4
January	50 3/4	61 1/8	64 1/8	159 3/4
February	50	62 1/4	64 3/4	161 5/8
March	50	62 1/8	64 1/4	163 3/4
April	51 1/2	62 5/8	63 7/8	164
May	51 1/4	64	62 1/2	164
June	51 1/4	64 3/4	56 1/4	164
July	51 1/4	62 7/8	55 3/8	164

Under the price ceiling regulations of the Wartime Prices and Trade Board, a roof was placed on the price of oats, barley, rye and flaxseed but in the case of flaxseed, because of the urgency of the oil situation which resulted in a new policy being adopted for the crop year 1942-43, the ceiling price of \$1.64 gave way to a fixed price of \$2.25 per bushel effective August 1, 1942. The other grains continue to be regulated by the ceiling of 51 1/2 cents for oats, 64 3/4 cents for barley and 66 5/8 cents for rye.

As part of the policy for 1942-43, oats and barley prices also have a floor and the Canadian Wheat Board is empowered to support these grains in order to prevent the price of 2 C.W. Oats from falling below 45 cents, 3 C.W. or Extra 1 Feed 42 cents, or No. 1 Feed 40 cents per bushel, basis in store Fort William- Port Arthur. The minimums set for barley are as follows: Nos. 1 and 2 C.W. 2-Row or 6-Row 60 cents, 3 C.W. 58 cents and No. 1 Feed 40 cents. No minimum has been named for rye.

Amendments to the Wheat Board Act give the Board the right to go into the futures or cash market at Winnipeg whenever the spot price of the grades of oats and barley named are at the minimum price levels quoted above.

The bright crop prospects in 1942 have brought about lower price levels and averages for the week of July 31 to August 6 inclusive are as follows:

<u>Cents Per Bushel</u>	
No. 2 C. W. Oats	45 7/8
No. 3 C. W. Barley (6-Row)	58 3/4
No. 2 C. W. Rye	53 5/8

Both oats and barley averages are just fractionally above the levels at which the Canadian Wheat Board can support the market and on August 5, the price of No. 2 C.W. oats actually closed at the minimum level of 45 cents per bushel.



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Flaxseed Prices

There is no trading in flaxseed and all supplies will pass to the Canadian Wheat Board which will pay a fixed price of \$2.25 per bushel for No. 1 C.W. Flaxseed, as from August 1, 1942, basis in store Fort William or Port Arthur. The Board took over all stocks of flaxseed in Canada on March 31, 1942, and now has complete control of the merchandising of this crop.

DELIVERY QUOTAS FOR 1942-43

The Canadian Wheat Board has announced that effective August 1, 1942, delivery quotas for the 1942-43 crop year will permit the marketing of 5 bushels per seeded acre of barley; 5 bushels per seeded acre of oats; and 5 bushels per seeded acre of rye. These quotas will apply to all points in the three Prairie Provinces and to those areas of British Columbia delivering to Pouce Coupe, Dawson Creek, Creston and Wynnadel.

In an instruction to the trade in western Canada, the Board makes the following statement:

"Seeded acreages of oats, barley and rye are the acreages for each individual farm shown on the Statutory Declaration in each permit book. Delivery quotas for oats, barley and rye can only be used for the delivery of the designated grain and are not interchangeable. Deliveries can only be accepted by elevator agents from producers holding 1942-43 permit books.

"These delivery quotas are announced to provide a delivery basis for producers who may have early-maturing crops and who may wish to market some grain prior to the general movement of the 1942 grain crop.

"On or before August 15th, 1942, The Canadian Wheat Board will announce delivery quotas for all stations in the prairie provinces based upon storage available. It is the intention of the Board that this supplementary list of delivery quotas will be available before the 1942 crop moves in volume. In the meantime the quotas outlined above will be in effect."

The position with respect to storage accommodation for grain in Canada is tight with a carry-over of approximately 407 million bushels of wheat and coarse grains, including flaxseed held in elevators in Canada at the end of July. The rated storage capacity for the Dominion at that date was about 600 million bushels so that the margin left to take care of the new crop is not large. Some 20 million bushels of Canadian grain were in store in the United States at that date and it is unlikely that any additional storage can be found there for Canadian grain in view of the serious storage problem also facing the United States.

On December 1, 1940, the total licensed storage capacity for grain in Canada was 508.7 million bushels but in the year that followed this was increased to 599.4 million bushels which included the erection of about 50 million bushels of temporary terminal storage at Fort William and Port Arthur. The storage capacity at the head of the lakes now stands at 145.5 million bushels.