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QUARTERLY REVIEW

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THE FEED SITUATION IN CANADA

Scarcity of high-protein feeds is the only flaw in an otherwise favourable feed picture in Canada this year. The extent of the deficiency has not yet been fully measured, but it is abundantly clear that demand for these feeds greatly exceeds the present supply and this is a matter of concern in the light of objectives set for Canadian farmers in the production of live-stock and dairy products in 1943.

Feed grains, including a large supply of surplus wheat, are available in quantities sufficient to meet all demands in the current crop year, but these must be supplemented by oilcakes and meals as well as animal-protein feeds to bring about the increase sought this year in the production of bacon, eggs, butter and meat products. The raw material from which some of these protein feeds are derived, such as flaxseed and soybean, are more abundant this year than last, but the facilities for processing these oilseeds are limited, and the output of oilcake and meal is thereby restricted. Steps are being taken, however, to increase the crushing capacity this year.

The United States reports a similar situation, having more soybean and flaxseed than existing machinery can process to meet a demand so keen that output from crushers is grabbed up the moment it becomes available. The over-all picture in the United States shows a very close balance between supplies of high-protein feeds and animal requirements for 1942-43 and points to a worsening of the protein feed situation in 1943-44. This would seem to preclude help coming from the south to Canadian farmers at the present time.

Since 1941 when the prices of animal products began to rise, there has been a growing demand for concentrate feeds, and in recent months with the index of feed prices in relation to animal product prices greatly favouring the feeding of animals, this demand has reached proportions not hitherto experienced. The market is being swept bare of all available supplies and the current needs of many live stock and poultry producers are not being fully met.

In the matter of feed grain supplies and millfeed production by Canadian flour mills, the situation is very healthy and the output of bran, shorts and middlings much greater in volume than seemed likely a few months ago. The signs at that time pointed to curtailment of flour exports and a consequent reduction in mill operations, but new and unforeseen developments have kept the flour mills very active and resulted in substantial production of millfeeds most welcome to cattlemen and others who feed them extensively.

Strict control is being exercised over the exports of millfeeds from Canada and less than 10 per cent of the production has been allowed to leave the country, compared with 36 per cent exported during the calendar year 1941. Sizeable amounts of oats and barley have been released to the United States, however, without handicapping Canadian live-stock and poultry growers. These matters, as well as figures relating to the production of linseed and soybean meal, are discussed in some detail on subsequent pages of this Review.

The third estimate of coarse grain production in 1942 confirms record crops of both oats and barley and the combined yield of both is now placed at 911 million bushels of which 741 millions were produced in the Prairie Provinces. The crop of spring and fall rye totalled almost 25 million bushels or more than twice the production of 1941, while the flaxseed crop of approximately 15 million bushels compares with a crop of less than six million bushels in 1941.

Wheat continues to enjoy an important place in the animal feeding program not only in western Canada but also in the eastern provinces and British Columbia. Limitation of deliveries to 280 million bushels of the 1942 crop of 565 million bushels in the Prairie Provinces is doubtless diverting much wheat to animals. Preliminary figures on wheat feeding suggest that the total to be fed in the current crop year will equal disappearance in 1941-42.

The unrevised figure for wheat fed to animals and poultry in 1941-42 is 70 million bushels, including about 10 million bushels of western wheat fed outside of the Prairie Provinces under the Federal Freight Assistance Policy. These figures will be finally revised, and preliminary estimates made for 1942-43, when farm stocks and disposition data are compiled on March 31. In the meantime, it is of interest to note that in the last three months of 1942 claims under the freight subsidy were paid on almost 5,000,000 bushels of western Canadian wheat fed to live stock and poultry in the five eastern provinces and British Columbia.

1943 Objectives

Both Canada and the United States have outlined ambitious programs for the production of grain, live-stock and dairy products in 1943 to meet the growing demand for food supplies and reserves for the United Nations. A joint committee of the two countries will be set up in an effort to dovetail production programs. Canada's grain policy as presented to the House of Commons by the Minister of Trade and Commerce is summarized on the page opposite.

Emphasis continues to be placed on the production of feed grains to ensure the carrying out of live-stock and poultry production projects, while wheat acreage reduction is sought in both countries. Bonus payments are offered as an inducement to abstain from wheat growing and divert acreage to the raising of more essential crops. The winter wheat acreage in the United States was reduced by two per cent and fall wheat acreage in Canada, located chiefly in Ontario, shows a reduction of about 27 per cent.

When Canadian and United States agricultural authorities met in Washington early in January, special emphasis was placed on the importance of expanding live-stock numbers in both countries. This is expected to reduce greatly the present large supplies of feed in North America and necessitate a corresponding increase in feed production for use in 1944. It was agreed to take steps toward establishing adequate reserve supplies of feed with a view to a possible interchange of such supplies between the two countries as the need arises.

The United States authorities have since raised the sights on a number of crops chiefly those in the category of high-protein feeds. They are now asking for 12 million acres of soybean in 1943 which is 1 1/2 million acres above the objective set previously, while the goal for flaxseed has been raised from 5 to 5 1/2 million acres. Bonus payments of \$15 and \$10 per acre will be paid respectively to farmers planting these crops on each acre over 90 per cent of the farm goal up to 110 per cent of the goal.

POLICY AND OBJECTIVES FOR 1943-44

Acreage objectives for oats, barley and forage crops in 1943 were established at the Dominion-Provincial Agricultural Conference held in Ottawa last December and were confirmed by the Minister of Trade and Commerce when he announced the Government's grain policy in the House of Commons on January 29, 1943.

The objectives for 1943 call for an increase over 1942 acreage of 12 per cent or 1.6 million acres in oats, 11 per cent or 800,000 acres in barley and an expansion of one million acres in the area to be seeded to hay and clover and alfalfa. Farmers are being asked to take not less than 3,000,000 acres of the land required for this expansion out of the area seeded to wheat in 1942 and to encourage this program, the Minister of Agriculture will submit amendments to the Wheat Acreage Reduction Act 1942, to provide payment of \$2 per acre on each acre by which land seeded to wheat in 1943 is less than land seeded to wheat in 1940 based on the same acreage. If there is new breaking involved, 80 per cent of it will be counted as wheat and 20 per cent as coarse grains. No payment will be made in respect of abandoned land.

It was pointed out by the Minister of Trade and Commerce that because of the higher objectives set for live stock and poultry production in 1943 and 1944 it was essential that a larger acreage be sown to oats and barley in 1943. To encourage growers to do this it had been decided to continue into the crop year 1943-44, the minimum prices established for these grains in 1942-43. These minimums are 45 cents per bushel for No. 2 C.W. Oats, and 60 cents for Nos. 1 and 2 C.W. Barley, both basis in store Fort William-Port Arthur, with lower grades in their proper relationship. The policy for 1943-44 will also permit of old crop as well as crop of 1943 production being delivered during the crop year.

In the following tables the 1943 acreage objectives are set out by provinces and are compared with the areas seeded to the same crops in 1942.

	1942	Goal	1943 %		Goal	1943 %
	1942	1943	1942	1942	1943	1942
	acres	acres	p.c.	acres	acres	p.c.
<u>OATS</u>				<u>BARLEY</u>		
Canada	13,782,300	15,388,000	111.6	6,972,900	7,788,000	111.3
Prince Edward Island	125,000	125,000	100.0	13,000	14,300	110.0
Nova Scotia	69,000	73,000	106.0	13,000	13,700	105.0
New Brunswick	197,000	197,000	100.0	18,400	20,300	110.0
Quebec	1,686,000	1,686,000	100.0	138,600	149,700	108.0
Ontario	1,966,000	1,966,000	100.0	353,000	353,000	100.0
Manitoba	1,480,000	1,680,000	114.0	2,021,000	2,221,000	110.0
Saskatchewan	4,902,000	5,750,000	117.0	2,468,000	2,868,000	116.0
Alberta	3,284,000	3,834,000	117.0	1,925,000	2,125,000	110.0
British Columbia ...	73,300	77,000	105.0	22,900	23,000	100.0
<u>HAY AND CLOVER</u>				<u>ALFALFA</u>		
Canada	9,707,000	10,450,000	107.7	1,439,800	1,690,000	117.4
Prince Edward Island	230,000	230,000	100.0	-	-	-
Nova Scotia	390,000	409,500	105.0	-	-	-
New Brunswick	606,000	606,000	100.0	-	-	-
Quebec	4,001,000	4,298,000	107.0	52,000	50,000	96.0
Ontario	3,105,000	3,415,500	110.0	763,000	835,000	109.0
Manitoba	417,000	417,000	100.0	200,000	250,000	125.0
Saskatchewan	277,000	300,000	108.0	135,000	215,000	159.0
Alberta	463,000	556,000	120.0	220,000	270,000	123.0
British Columbia ...	218,000	218,000	100.0	69,800	70,000	100.0

THIRD ESTIMATE 1942 CROPS

Record crops of oats and barley and substantial crops of rye and flaxseed produced in Canada in 1942 were confirmed in the third estimate of production made on January 21, 1943. These four crops show a combined production of 951 million bushels which is two and one-fifth times the harvest of the previous year. The latest estimates of production for all Canada and each of the Prairie Provinces are tabulated below:

	All Canada	Manitoba	Saskatchewan	Alberta	Prairie Provinces
			(000 bushels)		
Oats	651,954	70,000	255,000	175,000	500,000
Barley.....	259,156	74,000	92,000	75,000	241,000
Rye (S. & F.) .	24,742	3,600	15,000	4,400	23,000
Flaxseed	14,992	2,000	10,500	2,200	14,700
Jorn (Husking).	14,372	750	-	-	750
Mixed Grains ..	68,622	1,372	2,505	2,694	6,571
			(000 tons)		
Hay and Clover.	16,061	792	537	787	2,116
Alfalfa	3,731	480	263	550	1,293
Corn (Fodder) .	4,401	150	47	63	260

Threshing operations had not been completed in western Canada when winter set in and quite a number of areas will not be able to give a full account of the 1942 crops until grain left in the fields all winter is recovered in the spring.

War Periods Compared

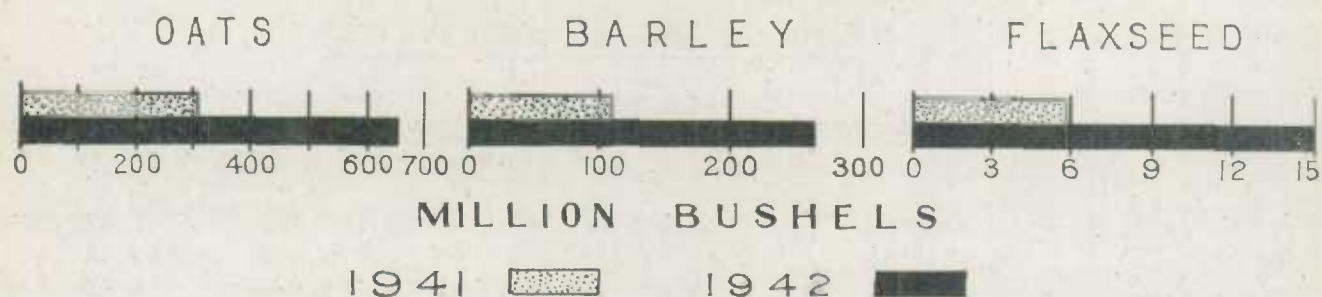
Looking back at the records of feed grain production in Canada during the first world war, the same upward trend of acreage which has characterized agricultural development since 1940 was in progress then with the distinction that emphasis was on wheat acreage 25 years ago, whereas it is now on coarse grains and forage crops.

Barley acreage and production in the present war are in sharp contrast with the records of 1914-18, the expansion in this crop having been rapid and extensive since 1940. The explanation of this is to be found in the heavy shipments of bacon from Canada to the United Kingdom which has resulted in tremendous expansion of the swine population and necessitated heavier production of barley which is a basic feed for hogs. Canada has replaced Denmark to a large extent in the present war as a source of bacon supplies.

The following table shows the trend of barley acreage and production during the two war periods:

Harvest Year	Canada		BARLEY		Prairie Provinces	
	Acreage acres	Production bu.			Acreage acres	Production bu.
1915	1,718,432	54,017,100			1,171,082	36,003,000
1916	1,802,996	42,770,000			1,391,296	33,419,000
1917	2,392,200	55,057,750			1,850,000	40,384,100
1918	3,153,711	77,287,240			2,272,334	47,607,400
1940	4,341,500	104,256,000			3,622,000	83,000,000
1941	5,304,000	110,566,000			4,735,000	94,700,000
1942	6,972,900	259,156,000			6,414,000	241,000,000
1943 (Objective).	7,788,000				7,214,000	

CANADA'S RECORD 1942 HARVEST



Crop production figures indicated above are those of the third estimate of the 1942 harvest and the final estimate of the 1941 crops. In the case of oats and barley, the 1942 production was the largest on record, the previous best being 564 million bushels of oats produced in 1923, and 136 million bushels of barley in 1928. The flax seed crop in 1942 was not of record size for Canada, but was the biggest produced since 1912 and 1913 when 26 and 17.5 million bushels respectively, were harvested. The 1942 estimates are subject to further revision when disposition data are available at the close of the crop year and when the grain left in the fields all winter is threshed out this spring.

FARMERS' MARKETINGS

Marketings of coarse grain and flaxseed crops in western Canada have been unusually heavy in volume during the first half of the crop year 1942-43, with the exception of rye. The farm position for the Prairie Provinces as a whole is set out on the opposite page but the marketings by provinces are tabulated below:

August 1, 1942 to January 29, 1943

	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Total</u>
	<u>bushels</u>			
Oats	11,320,684	31,676,843	12,424,493	55,422,020
Barley	20,482,539	17,184,653	6,090,310	43,757,502
Rye	800,951	2,838,109	499,588	4,138,648
Flaxseed ..	1,341,029	7,501,296	1,503,382	10,345,707

Grading of Crops

The inspection returns of the Board of Grain Commissioners show the following grading of coarse grain and flaxseed during the six months August 1, 1942 to January 31, 1943.

<u>OATS</u>	<u>Cars</u>	<u>BARLEY</u>	<u>Cars</u>
No. 2 C.W.	2,344	1 & 2 C.W. 6-Row	1,977
No. 3 C.W.	4,690	No. 3 C.W. 6-Row	6,150
No. 1 Feed	3,637	1 & 2 C.W. 2-Row	364
No. 2 Feed	626	No. 1 Feed	3,222
No. 3 Feed	49	No. 2 Feed	1,616
Toughs	1,350	No. 3 Feed	303
All others	5,886	Toughs	2,769
		All others	124
Total Cars	18,582	Total Cars	16,525
Bushel equivalent	42,329,796	Bushel equivalent	30,967,850
<u>RYE</u>	<u>Cars</u>	<u>FLAXSEED</u>	<u>Cars</u>
1 & 2 C.W.	180	No. 1 C.W.	5,224
No. 3 C.W.	562	No. 2 C.W.	405
No. 4 C.W.	17	No. 3 C.W.	79
Toughs	207	Toughs	206
All others	143	All others	11
Total Cars	1,109	Total Cars	5,925
Bushel equivalent	1,840,940	Bushel equivalent	10,019,175

No separation has been made between old and new crop in these inspections but in view of the comparatively light stocks of coarse grains held in country elevators at the end of July 1942, the grading is fairly representative of the quality of that part of the crop which has been marketed by farmers.

PRODUCTION AND MARKETINGS IN PRAIRIE PROVINCES ^{1/}

Harvest 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	9,227,000	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	32,132,127	12.7
1941	8,137,000	21.9	178,000,000	20,492,000	198,492,000	33,233,651 ^{4/}	16.7
5-year average .	8,255,800	24.5	202,582,600	16,602,200	219,184,800	32,596,480 ^{4/}	14.9
1942 ^{4/}	9,666,000	51.7	500,000,000	12,284,000	512,284,000	55,422,020 ^{5/}	10.8
<u>BARLEY</u>							
1937	3,562,300	17.5	62,418,000	759,500	63,177,500	23,903,948	37.9
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	20,678,050	23.4
1941	4,735,000	20.0	94,700,000	4,907,000	99,607,000	26,548,481 ^{4/}	26.7
5-year average .	3,842,660	20.9	80,263,600	3,820,920	84,084,520	23,541,409 ^{4/}	28.0
1942 ^{4/}	6,414,000	37.6	241,000,000	4,210,000	245,210,000	43,757,502 ^{5/}	17.8
<u>RYE</u>							
1937	808,200	5.3	4,280,000	68,600	4,348,600	1,493,422	34.3
1938	655,000	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	5,036,264	39.3
1941	861,000	11.6	9,989,000	402,000	10,391,000	5,334,539 ^{4/}	51.3
5-year average .	856,260	11.6	9,911,800	282,320	10,194,120	4,106,660 ^{4/}	40.3
1942 ^{4/}	1,246,000	18.5	23,000,000	154,000	23,154,000	4,138,648 ^{5/}	17.9
<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	2,661,673	91.7
1941	982,000	5.7	5,641,000	14,000	5,655,000	4,909,642 ^{4/}	86.8
5-year average .	413,840	6.0	2,469,000	11,200	2,480,200	2,129,953 ^{4/}	85.9
1942 ^{4/}	1,466,000	10.0	14,700,000	19,000	14,719,000	10,345,707 ^{5/}	70.3

^{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.

^{5/} Six months August-January 1942-43.

FEDERAL FREIGHT ASSISTANCE POLICY

Freight assistance claims on nearly 2,000,000 tons of western grains and feedstuffs shipped to the five eastern provinces and British Columbia for animal feed, under the terms of the Freight Assistance Policy put into effect by the Dominion Government late in October 1941, had been paid up to December 31, 1942.

Wheat, oats, barley, rye and millfeeds were the principal items shipped to the deficiency areas, but corn and screenings were also included, although corn shipments were confined to British Columbia. The provincial distribution of the various grains and feedstuffs is shown in the following table which includes only the claims for which payment had been made from the beginning of the policy to the end of December 1942.

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia
Wheat.....bu.	9,263,139	5,344,876	572,781	661,853	244,961	2,219,951
Oats.....bu.	9,451,049	7,645,111	1,092,767	1,190,381	142,808	1,504,882
Barley.....bu.	6,469,299	6,026,143	544,824	1,068,431	227,140	587,072
Rye.....bu.	735,807	108,142	13,382	22,077	2,232	464
Millfeed....tons	170,922	316,673	42,779	45,744	8,582	32,676
Screenings..tons	42,889	25,627	1,229	956	150	2,370
Corn.....bu.	-	-	-	-	-	303,689

These figures show that 18.3 million bushels of wheat, 21 million of oats, 15 million of barley, and 882,000 bushels of rye produced in the Prairie Provinces, augmented the short supplies in the other six provinces in the 14-month period covered by the payment of claims. The total amount of millfeeds in the above list is 617,378 tons and screenings 73,222 tons, while the aggregate of all the feeding-stuffs is 1,988,638 tons.

The short crops in 1941 created a serious feed situation in many parts of Canada and, in view of the heavy commitments for shipment of live-stock and dairy products to the United Kingdom, the Federal authorities took steps to make western surplus grain available to other parts of the country by enacting a freight subsidy plan. As a consequence, more than one million tons of feedstuffs moved to the five eastern provinces and British Columbia between the inception of the plan and July 3, 1942.

Abundant crops in 1942 were produced in practically all sections of Canada but expansion of live-stock population and the continued need of heavy feed supplies resulted in the freight subsidy being continued into the crop year 1942-43. The extent of the movement in the current crop year may be noted from the freight assistance claims paid in the last quarter of 1942. These were as follows:

Claims Paid October 1 to December 31, 1942

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia
Wheat.....bu.	1,924,578	1,926,476	181,780	261,181	86,170	563,103
Oats.....bu.	1,490,761	2,464,526	279,885	393,858	53,052	361,238
Barley.....bu.	1,457,906	2,106,897	216,104	584,114	90,562	204,902
Rye.....bu.	175,485	59,998	5,832	9,735	1,250	-
Millfeed....tons	46,778	88,116	11,695	14,775	2,631	9,864
Screenings..tons	6,816	7,472	574	421	72	1,326

It will be noted from the preceding table that almost 5,000,000 bushels of western wheat received freight assistance in the last quarter of 1942, despite the large crop of wheat produced in eastern Canada in 1942 and the fact that a very small percentage of it has reached commercial channels up to the present time. It would appear to be good business from the standpoint of cost, to feed western wheat instead of native crop since the price of low grade western wheat with freight assistance, and a drawback of 8 cents per bushel if fed to live stock and poultry, is approximately 30 cents per bushel below the current quotations for Ontario winter wheat.

Movement by Rail

Most of the grain shipped eastward under the freight subsidy comes by rail from the terminals at Fort William and Port Arthur and the following is the record of shipments month by month during the first half of this crop year and last. The grades and provincial distribution of oats and barley during the present crop year will be found on the pages dealing specifically with these grains.

	W H E A T		O A T S	
	<u>1942-43</u>	<u>1941-42</u>	<u>1942-43</u>	<u>1941-42</u>
	<u>bushels</u>			
August	390,264	90,122	571,881	1,004,328
September	600,921	143,816	712,126	1,369,810
October	644,926	209,376	1,221,419	869,317
November	1,251,952	472,194	1,151,850	1,486,101
December	3,871,297	1,488,427	1,835,415	1,194,572
January	1,757,163	1,781,993	2,536,713	1,711,829
T o t a l s	8,516,523	4,185,928	8,029,404	7,635,957

	B A R L E Y		R Y E	
	<u>1942-43</u>	<u>1941-42</u>	<u>1942-43</u>	<u>1941-42</u>
August	554,284	426,527	61,622	17,149
September	592,467	364,168	45,708	19,500
October	1,025,082	398,489	77,802	41,631
November	1,036,192	887,422	90,674	80,266
December	1,302,373	794,083	36,911	68,978
January	613,020	960,202	43,070	113,686
T o t a l s	5,123,418	3,830,891	355,787	341,210

Included in the above shipments are certain quantities of grain destined for mills in eastern Canada and, in the current year for the United States, which would not qualify for freight assistance, but the very substantial increase in rail movement from the lakehead in the past year can be attributed in large measure to the Federal Freight Assistance Policy.

OATS

Although a substantial volume of oats has been marketed during the first half of the crop year, the deliveries from farms represent a comparatively small percentage of the total crop of 652 million bushels produced in 1942. The movement from farms in the west amounts to 55.4 million bushels or 11 per cent of the 1942 western crop, while in the east less than 2.5 million bushels of a sizeable crop have been traced definitely to commercial channels.

Considerable quantities of western grown oats continue to come to eastern Canada for feeding purposes and figures covering this movement will be found in the section dealing with the Federal Freight Assistance Policy. A good deal of this grain comes all-rail from the terminals at the lakehead and in the following table a summary by grades and provincial distribution is given for the first half of the current crop year. Not all of these shipments received freight assistance, however, as part of the movement represents the requirements of millers in eastern Canada and shipments to the United States.

Rail Movement from Fort William-Port Arthur

August 1, 1942 to January 31, 1943

Grade	Ontario	Quebec	Nova Scotia	New Brunswick	Prince Edward Island	U.S.A.
	b u s h e l s					
2 C.W.	132,123	45,701	9,762	22,010	8,000	401,869
3 C.W.	441,632	268,081	21,264	14,823	1,765	809,399
Ex. 3 C.W.	249,828	89,600	17,294	6,153	4,000	349,701
Recl. 2 C.W.	2,000	-	-	-	-	28,001
Tf. 2 C.W.	-	4,000	-	2,047	-	-
Tf. 3 C.W.	20,438	16,158	-	2,353	-	-
Tf. Ex. 3 C.W.	6,501	4,238	-	2,353	-	2,162
1 Fd.	937,864	1,113,787	7,882	81,653	21,529	571,051
2 Fd.	74,561	153,269	1,235	-	-	57,646
3 Fd.	3,600	2,000	2,353	-	-	-
Ex. 1 Fd.	518,968	172,205	10,588	6,941	-	702,694
Tf. 1 Fd.	9,764	152,129	-	16,000	-	-
Tf. 2 Fd.	2,200	22,132	-	-	-	-
Tf. Ex. 1 Fd.	6,383	1,974	-	-	-	2,000
Mxd. Fd.	102,991	16,000	-	-	-	271,508
Sample Htd.	2,923	-	-	-	-	-
Sample Mxd.Fd.& Ergot .	-	-	-	-	-	318

T o t a l	2,511,776	2,061,274	70,378	154,333	35,294	3,196,349
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GRAND TOTAL 8,029,404

BARLEY

Farmers in western Canada have delivered almost 44 million bushels of barley in the first six months of the crop year 1942-43 and this represents about 18 per cent of the crop produced in 1942 in the Prairie Provinces. Only a handful of eastern-grown barley has been traced to market, the mills and feed houses reporting the grinding of about 510,000 bushels during the five months August-December 1942.

The movement of western barley to eastern Canada under the freight assistance plan is still fairly substantial and is dealt with in another section of this Review, but since most of this grain comes by rail from Fort William-Port Arthur, the following table covering the total rail shipments from the lake-head broken down by grades and province of destination, may be of interest. It should be pointed out that some of this barley went to brewers and millers and these amounts appear elsewhere in a section dealing with domestic distribution and utilization of crops.

Rail Movement from Fort William-Port Arthur

August 1, 1942 to January 31, 1943

Grade	Ontario	Quebec	Nova Scotia	New Brunswick	Prince Edward Island	U.S.A.
			b u s h e l s			
2 C.W. 2-Row	53,523	-	-	-	-	3,379
2 C.W. 6-Row	3,530	7,888	-	-	-	7,646
3 C.W. 6-Row	202,302	91,557	3,600	-	1,667	19,000
Tf. 2 C.W. 2-Row	-	-	-	-	-	1,873
Tf. 3 C.W. 6-Row	34,512	107,039	-	-	-	-
1 Fd.	1,040,369	874,502	28,475	36,251	5,105	-
2 Fd.	330,667	1,067,679	11,388	33,942	2,499	-
3 Fd.	21,907	104,645	1,614	53,303	-	-
Tf. 1 Fd.	13,367	379,246	3,600	13,333	-	-
Tf. 2 Fd.	7,083	155,926	-	3,333	-	-
Tf. 3 Fd.	-	14,521	1,104	9,167	-	-
Damp 1 Fd.	-	2,223	-	-	-	-
Rej. Mxd. Htd.	1,850	1,738	-	-	-	-
Tf. Rej. Mxd. Htd.	-	1,927	-	-	-	-
Ex. Special Bin	28,958	-	-	-	-	-
Sample	17,917	-	-	-	-	-
Sample Special Bin	-	12,500	-	-	-	-
Sample Ex. Special Bin .	225,416	54,370	-	-	-	-
Tf. Sample Ex. Sp. Bin .	16,667	-	-	-	-	-
Tf. Sample Htd.	-	3,310	-	-	-	-
Special Ex. Special Bin.	-	-	-	-	-	6,000
T o t a l	1,998,068	2,879,071	49,781	149,329	9,271	37,898

GRAND TOTAL 5,123,418

RYE

The production of almost 25 million bushels of rye in 1942 created a heavy statistical situation in this grain and because of difficulty in disposing of the surplus, the acreage objective for 1943 shows a reduction of 31 per cent or 413,000 acres from the area seeded in 1942. This objective has actually been reached by a reduction in the area sown to fall rye for harvest in 1943 and the program now calls for approximately the same area being seeded to spring rye in 1943 as in 1942.

Farmers in western Canada have marketed a relatively small proportion of their 1942 crop during the first half of the present season, the deliveries from farms amounting to just over 4,000,000 bushels or about 16 per cent of the estimated crop. In recent years the marketings from western farms have been in the neighborhood of 40 per cent of the crop, but the present rate of deliveries from the big crop of 1942 suggests that there will be some decrease in percentage marketed in 1942-43, although the quantity in bushels will be larger.

Statistics show also that only minor quantities of rye go into commercial bread-making or distilling in Canada and that quite substantial amounts disappear on farms either in the form of feed for live stock or through human consumption. A moderate quantity of western rye has been shipped into eastern Canada during the past year under the Freight Assistance Policy and the record of payments shows that since the inception of the policy up to December 31, 1942, approximately 882,000 bushels were disposed of in this way.

The statistical position of rye during last crop year and the estimated position for 1942-43 is shown in the following table:

	<u>1941-42</u>	<u>1942-43</u>
	million bushels	
Stocks on hand August 1	4.9	3.4
New Crop	11.7	24.7
Total supply	16.6	28.1
Exports and Domestic use	13.2	12.9
Carry-over July 31	3.4	15.2

Year-end stocks of rye during the five years 1936-37 to 1940-41 averaged only 3,000,000 bushels so that the prospective carry-over on July 31, 1943 is more than five times greater.

Acreage Objective 1943

The provincial distribution of the 1943 acreage objective together with acreage in the preceding two years appear below:

	<u>1941</u>	<u>1942</u>	<u>Goal</u>	<u>1942 %</u>	<u>1943 %</u>
	acres	acres	1943 acres	1941 p.c.	1942 p.c.
Canada	958,300	1,336,800	924,000	139.5	69.1
Maritime Provinces ..	-	-	-	-	-
Quebec	13,300	11,100	10,000	83.5	90.0
Ontario	81,300	78,600	71,000	96.7	90.0
Manitoba	176,000	184,000	140,000	104.5	76.0
Saskatchewan	525,000	847,000	529,000	161.3	62.0
Alberta	160,000	215,000	173,000	134.4	80.0
British Columbia	2,700	1,100	1,000	40.7	91.0

OILSEED CROPS

The production of both flaxseed and soybean, important oil-bearing crops, was greatly expanded in Canada in 1942. Acreage seeded to flaxseed was increased about 500,000 acres over the 1941 acreage, chiefly in the Prairie Provinces, while soybean acreage in Ontario, where the bulk of the crop is produced, increased from 11,000 acres in 1941 to 41,490 acres in 1942. Small areas of soybean were sown also in the western provinces and in Quebec but these were not important and yielded practically nothing for commercial marketing.

Weather conditions during the growing season favoured both crops and the estimated yields per acre were above average, but at harvest time the weather was bad and loss in crop occurred. Some acreage was still unthreshed in the flaxseed areas of western Canada when winter set in but the marketings of this crop to the end of January indicate that approximately 70 per cent of the estimated production had been delivered from farms up to that time.

The soybean situation appears to be less favourable. Early frost and wet weather took a toll and although the crop was estimated in Ontario at 912,000 bushels compared with 217,000 bushels in 1941, it now appears likely that commercial marketings will be not more than 450,000 bushels. The native crop is being augmented by imports from the United States where the soybean crop in 1942 reached the large total of 209.5 million bushels compared with 105.5 millions the previous year.

FLAXSEED

Almost 15 million bushels of flaxseed were produced in Canada in 1942 according to the third estimate of production made on January 21, 1943, and almost 10.5 million bushels were marketed by growers in the first six months of the current season, or 70 per cent of the crop produced. The crushing industry which has a capacity of about 5,000,000 bushels, has been operating full tilt not only to supply the oil produced from the crop, which is in urgent demand, but to provide much needed supplies of cake and meal for animal feeding.

It is calculated that the oil yield from a bushel of flaxseed is about 19 pounds or slightly better, while the meal yield is 36-37 pounds, so that the grinding of five million bushels of flaxseed in the crop year 1942-43 would provide upwards of 92,000 tons of meal. This linseed meal is greatly needed in the dairy cattle industry and for other animal feeding if the objectives set for 1943 production of dairy and live-stock products are to be attained.

Even this amount of linseed meal together with the production of soybean meal is expected to be less than 75 per cent of the requirements of the country in view of the general scarcity of high protein feeds discussed earlier in this Review. No increase in flaxseed acreage in 1943 has been asked for in the outline of the Government's grain policy although the Minister of Trade and Commerce did intimate that if there is any change in the requirements of flaxseed for 1943-44, farmers will be notified later.

The Canadian Wheat Board exercises complete control over the Canadian flaxseed crop and is authorized to pay a fixed price of \$2.25 per bushel for No. 1 C.W. Flaxseed, basis in store Fort William-Port Arthur during the crop year 1942-43. This fixed price will be continued into season 1943-44.

The mean oil content of the 1942 crop of western Canadian flaxseed is 42.5 per cent according to the annual survey conducted by the Grain Research Laboratory of the Board of Grain Commissioners. Compared with the 1941 crop the quality is somewhat superior. The Saskatchewan crop shows the highest oil content and the Manitoba crop the highest iodine value. The protein content of the oil-free meal is 42.7 per cent which is 6.6 per cent lower than that of the 1941 crop.

SOYBEAN

High yields per acre in soybean were experienced in some parts of Ontario, fields in Elgin county returning more than 40 bushels to the acre, but although the total crop is officially estimated at 912,000 bushels by the Ontario Department of Agriculture, it is doubtful if this quantity will be gathered. Some acreage was unthreshed when the snow fell and in addition, frost and rain did damage to standing crops. The Pelee Island district appears to have had the best all-round success and reports a crop of 100,000 bushels produced in 1942 most of which has already been marketed.

A complete record of marketings of the crop is not at the moment available but the inspection of cars by the Board of Grain Commissioners reveals a total of approximately 280,000 bushels inspected in the six months ending January 31, 1943. Importation from the United States has been quite small so far, only about 4,000 bushels being recorded in the five months August-December 1942.

It is currently estimated that only 400,000 to 450,000 bushels of soybean are likely to reach commercial channels in the current crop year and the crushing of this quantity would yield between 10,000 and 11,000 tons of soybean meal which is much needed to fill the gaps in high protein feed supplies. A little soybean is used in bread-making and small amounts go to other industrial plants, but the great bulk of the crop is being crushed for the valuable oil it contains.

Although Ontario has been the largest producer of soybean in Canada in past years there is growing interest in the crop in the western provinces including British Columbia and the acreage has been expanding the past two years, mostly for the production of seed. Experiments conducted in British Columbia show that soybean can be grown to advantage in the Fraser Valley and if intended for beans the early varieties are recommended for this area.

Experiments have been conducted also in Manitoba at the Dominion Experimental Station at Morden, while certain areas of southern Alberta have seeded a moderate acreage in the past two years. It is expected that some increase in acreage in western Canada will take place this year if the most suitable varieties for these areas can be obtained in sufficient amounts.

The Canadian Wheat Board was authorized to purchase soybean in the crop year 1942-43 at a price of \$1.96 per bushel of 60 lbs. for No. 1 Canada Soybean, basis domestic freight rates delivered Toronto, but producers are not obliged to deliver their beans only to the Wheat Board.

MILLFEEDS

Production of bran, shorts and middlings during the first five months of the crop year 1942-43 shows a small increase over the corresponding period a year ago and is larger than was anticipated. Exports are restricted and most of this valuable feed is being retained in Canada for the use of live-stock producers. The monthly production figures to the end of December are shown in the following table:

	<u>1942</u>	<u>1941</u>
	<u>tons</u>	
August	61,255	60,803
September	59,302	58,993
October	61,534	55,333
November	67,242	57,033
December	69,435	58,352
T o t a l	318,768	290,514
Percentage exported	8.3	19.6

When it became apparent last year that a shortage of high protein feeds was developing, the export movement of millfeeds was sharply restricted and this is clearly to be noted from the records covering the past two calendar years. The production of millfeeds in the calendar year 1941 was 700,937 tons and approximately 36 per cent of this total was exported, but in 1942 although production was slightly higher at 703,805 tons, the proportion exported was about 9 per cent.

FEED AND LIVE STOCK PRICES

Although the price of feed showed a moderate increase in December last the price of animal products also advanced and the situation continues to favour greatly the feeding of live stock. The contrast with December 1941 is very marked when the price of feed, due to scarcity of supplies, was only a few points below the prices for animal products whereas in December 1942 the spread is weighted heavily in favour of animal products. A table covering the past six calendar years is shown below:

Index Numbers of Feed Prices and Prices of Live Stock and Live-Stock Products
by Months, 1937-1942
1926=100

Months	1937		1938		1939		1940		1941		1942	
	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal
January	91.2	82.1	87.3	82.2	59.5	81.6	75.8	85.4	69.6	90.0	102.4	101.5
February	91.2	82.6	89.4	81.1	59.8	81.3	76.6	85.0	70.7	91.6	105.8	102.1
March	91.3	84.2	86.6	81.6	59.8	81.9	75.5	84.9	72.2	91.8	111.2	102.7
April	92.4	86.3	83.8	81.2	61.5	81.1	76.9	84.1	74.3	92.2	109.4	103.7
May	90.7	85.7	81.7	81.7	62.9	80.5	73.6	84.3	74.1	93.3	109.3	104.8
June	89.5	81.4	79.5	80.4	61.4	75.9	68.0	83.5	75.7	94.3	107.2	107.0
July	95.5	83.9	72.9	80.7	58.7	75.4	66.0	83.9	78.8	96.1	99.2	103.6
August	82.5	85.5	62.9	79.6	55.2	75.4	62.2	83.3	84.7	97.9	93.8	102.9
September	81.7	88.8	59.2	81.1	67.5	81.8	62.9	85.8	94.8	99.6	89.8	112.3
October	82.6	85.9	58.9	81.0	64.6	86.6	66.1	87.3	97.2	101.1	90.0	115.5
November	81.3	87.4	57.6	82.1	65.6	86.8	68.2	91.0	95.8	102.0	88.8	116.3
December	83.4	84.6	58.2	82.6	72.2	86.4	67.9	91.6	98.0	100.5	93.9	117.0

CORN FOR HUSKING

Production of corn for husking in 1942 was 14.3 million bushels or one million bushels more than the crop of 1941, according to the third estimate of 1942 production. The bulk of this crop was produced in Ontario, the only other contributor being Manitoba with 750,000 bushels.

The marketing of this crop is just nicely getting underway and up to the end of January less than 600,000 bushels had passed inspection. Of this amount 162,000 bushels were of Manitoba origin and the balance from Ontario. The bulk of this went to mills for manufacture into animal feed and some for breakfast foods and corn meal. The records of mills and feed houses show that in the five months August-December 1942, they handled 150,000 bushels of western and 350,000 bushels of eastern-grown corn.

Most of the corn produced is of the yellow variety according to the records of inspection, although production estimates do not distinguish between yellow and white corn. It is evident also from available statistics that only a fraction of the production reaches commercial channels as the following table will show:

Production of Corn			Inspections of Corn ^{1/}		
	<u>Ontario</u>	<u>Manitoba</u>	<u>Ont. Yellow</u>	<u>Ont. White</u>	<u>Man. Yellow</u>
	<u>b u s h e l s</u>				
1938	7,690,000	-	505,360	3,000	55,000
1939	8,097,000	-	835,787	-	121,000
1940	6,956,000	-	913,628	4,120	547,500
1941	11,337,000	2,025,000	1,291,552	4,416	1,187,681
1942	13,622,000	750,000			

^{1/} Crop years 1938-39 to 1941-42.

Under the freight assistance plan a part of the Manitoba corn crop has been moving to British Columbia to be fed to live stock and poultry. The records show that since the freight subsidy was extended to the Pacific coast province in November 1941, and western corn was added to the list of feedstuffs eligible for assistance, only if shipped to British Columbia, claims have been paid on approximately 304,000 bushels of western corn.

BARLEY MEAL

Considerable quantities of barley meal have been shipped from western to eastern Canada during the first five months of the current crop year. The bulk of this is moving under the freight assistance afforded by the Dominion Government and is going toward the feeding of live stock and poultry in the five eastern provinces.

Details are not available on the provincial distribution of the shipments but a survey of the movement indicates that the principal shippers of this commodity moved a total of 11,418 tons of barley meal or crimped or crushed barley between August 1, and December 31, 1942. This movement represents in the neighbourhood of 500,000 bushels of barley.

PRICES

Monthly Average of Closing Prices, Basis in Store Fort William-Port Arthur

Crop Year 1942-43

<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>
cents and eighths per bushel					

OATS

No. 2 C.W.	46/1	48/3	48	45/3	45/3	49/5
No. 3 C.W.	45/1	46/5	44/3	42/7	42/6	48/5
No. 1 Feed	42/7	43/7	41/7	41/6	41/2	48/2
No. 2 Feed	40/6	41/5	39/7	40/3	40/2	47/5
No. 3 Feed	38/3	39/4	38/6	38/5	39/2	46/5

BARLEY

Nos. 1 and 2 C.W. 6-Row ..	60/6	63	64/5	64/6	64/6	64/6
No. 3 C.W. 6-Row	59	58/7	59/2	58	58	61
Nos. 1 and 2 C.W. 2-Row ..	60/6	63	64/5	64/6	64/6	64/6
No. 1 Feed	56/5	56/5	56/4	56	56/3	60/5
No. 2 Feed	55	55/6	54/6	54/5	55/3	59/7
No. 3 Feed	53/4	54/6	54/1	53/5	54/2	58/7

RYE

No. 2 C.W.	53/1	57/7	56/1	57/5	63/7	65/1
No. 3 C.W.	48/6	53/5	52	54/6	59	60/5
No. 4 C.W.	46/2	51/6	49/7	52/2	58/3	59/1
Ergoty	41/2	45/4	43/7	46	51/7	54/3
Rejected 2 C.W.	47/2	52/2	50/2	52/2	58/1	59/3

FLAXSEED

Fixed Prices

No. 1 C.W.	225	225	225	225	225	225
No. 2 C.W.	221	221	221	221	221	221
No. 3 C.W.	210	210	210	210	210	210
No. 4 C.W.	205	205	205	205	205	205

CORN

3 C.W. Yellow 20% moisture	80	80	80	80	80	80
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It will be noted that higher prices ruled for both oats and rye as the new year opened and in each case the average for January was the best in the six-month period. Prices improved for the lower grades of barley, while the top grades were quoted at the ceiling levels. No change occurred in the price quoted for yellow corn in western Canada and only a small commercial movement of corn is reported to date.



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DISTRIBUTION OF CROPS

Records of the utilization and distribution of commercial stocks of coarse grain crops during the first five months of the current crop year are fairly complete for western-grown grain, but only partial for crops produced outside of the Prairie Provinces. A close tally of the movement of western grains is kept by the Statistics Branch of the Board of Grain Commissioners and from their records the following data have been secured.

		August 1 to December 31, 1942		
<u>Western Grain</u>		<u>Oats</u>	<u>Barley</u>	<u>Rye</u>
		bu.	bu.	bu.
To-				
Canadian mills		4,021,984	2,783,956	193,206
Feed plants, etc.		6,074,446	6,045,006	467,310
Brewers		-	2,079,235	-
Distillers		-	-	57,315
United States		13,986,639	6,904,328	91,375
T o t a l s		24,083,069	17,812,525	809,206

The above figures exclude exports overseas, while the shipments to the United States shown in the table do not necessarily represent duty-paid imports since considerable quantities were still held in bonded warehouses at the end of December. Most of the shipments to the U.S.A. were made by water down the Great Lakes, but after the close of navigation, about mid-December, there was evidence of a substantial rail movement and this continued through January.

Eastern Grain

Statistics on the commercial marketings of grain produced in eastern Canada, apart from the milling statistics covering Ontario winter wheat, have been very sketchy in the past, but an effort is being made in the current crop year to collect more information on the utilization of these crops. The record is still incomplete, but through the cooperation of millers and feed houses it has been possible to assemble something on the movement of eastern-grown grain through these establishments during the first five months of the crop year.

Oats have moved in larger volume than any of the other grains but moderate amounts of barley and corn, and a sprinkling of eastern rye appear among the figures covering grain ground or milled during the five months August-December 1942. The monthly returns for this period are as follows:

Grains Milled or Ground

	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Corn</u>
		bushels		
August	269,274	73,247	1,312	63,843
September	541,276	100,517	3,961	67,142
October	560,169	116,853	3,095	55,521
November	502,693	117,386	4,074	60,706
December	506,407	101,803	2,099	103,152
T o t a l s	2,379,819	509,806	14,541	350,364