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AGRICULTURAL BRANCH

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THE FEED GRAIN SITUATION

Despite labour and other difficulties the Canadian farmer is preparing to meet the challenge of the times. The annual survey of farmers' intentions indicates that on April 30 the men of the soil had mapped out a programme which, if carried through, will exceed the 1943 objectives recommended at the Dominion-Provincial Agricultural Conference held in Ottawa last December.

At that time it was suggested that wheat acreage be further reduced and more essential war crops seeded on the land taken out of wheat. It was recommended that oats and barley acreage be increased by approximately 12 per cent over the 1942 level, and the acreage in forage crops extended by 17 per cent in alfalfa and 8 per cent in hay and clover. The April 30 survey points to an increase of 13 per cent in oats acreage and 16 per cent in barley acreage.

The indicated acreage for wheat in 1943 is 79 per cent of the 1942 figure, a reduction of 4.5 million acres. Oats are scheduled to take up 1.7 million acres of this wheat acreage reduction, barley and flaxseed just over one million acres each, and the balance is expected to go into forage and other crops, including mixed grains and soybean. Weather conditions during May and early June will be an important factor in the carrying out of these acreage plans and will be equally important during the balance of the growing season in determining whether the increased acreage will bring about the desired increase in supplies.

So heavy is the current and prospective demand for live stock and live-stock and poultry products, the immense harvest in North America in 1942 which seemed to have provided ample feed for a long time ahead, now looks less impressive as the growing animal population eats its way into the stock piles. It is true that the total supply of wheat and other grains is still large in Canada and the United States, but at the present rate of disappearance good crops will be needed in 1943 to ensure a margin of safety for the food production programmes in mind for 1944.

Not many months ago the United States appeared to be overburdened with wheat. Farmers shared the experience of Canadian farmers when they had to pile their grain on the ground for the lack of storage space. The surplus was described as "colossal" but the picture has quickly changed. Millions of bushels of wheat have been sold for animal feed during the past six months and the United States Government has entered the Canadian market for additional supplies with an initial purchase of 7,250,000 bushels of Canadian wheat. More is likely to be purchased, but the volume will depend largely on the availability of transportation equipment.

For many months past, box cars loaded with Canadian oats and barley have been rolling over the border, much of it direct from points in western Canada to consuming areas in the United States. The totals are listed elsewhere in this Review. Despite all this drawing on Canadian supplies, however, and the efforts of United States farmers to meet the goals set for war crops, the latest survey of the United States feed situation, based on crop prospects for 1943, suggests that the supply of feed grains

per grain-consuming animal in 1943-44 will be 10 to 15 per cent below the supply in 1942-43. This calculation takes into account the wheat and rye supply that might be diverted to animal feeding.

Live Stock At Peak

Live stock production in the United States is now at record levels and further increases are expected this year. Altogether, it is estimated that the units or numbers of grain-consuming animals for the calendar year 1943 will be 10 or 12 per cent above the number recorded for the calendar year 1942. This heavy growth in live-stock population promises to cut deeply into feed stocks in the crop year 1943-44.

The utilization of corn and oats in the United States during the first three months of 1943 was the largest on record. The combined disappearance exceeded the five-year average (1937-41) by 56 per cent and was 16 per cent greater than in the first quarter of 1942. Practically all of the corn owned by the United States Government through the C.C.C. is reported to have been sold during the past eighteen months, and the carry-over of corn in the United States on October 1 this year is expected to be less than the 492 million bushels on hand at the beginning of the corn crop year.

Feed grain supplies in Canada, if measured by the estimate of stocks on farms at the end of March 1943, were substantial. At that time it was estimated that there were 362 million bushels of oats, 135 million bushels of barley and about 15 million bushels of rye still in farmers' hands despite heavy feeding disappearance and record marketing of oats and barley in terms of bushels. It is true that these stocks included the seed required for the 1943 crops on an expanded acreage, and made allowance also for unthreshed grain that had lain out in the fields all winter and is now being threshed and stored, but in the Prairie Provinces especially, the reserve of feed grains appears to be ample for this year at least.

Quota restrictions on the delivery of oats from farms in western Canada have been removed at many points and the marketings in recent weeks have increased sharply. There is still a quota of 20 bushels per seeded acre on barley marketings, but storage and transportation facilities have enabled barley also to move fairly freely from western farms to terminal markets. Priority was given during April to the movement of oats and barley from country points to the head of the lakes to enable stocks to be placed in shipping position to fill commitments in the United States and permit of the movement of these grains by water from Fort William and Port Arthur.

It would appear from the current statistical situation in Canada that the Dominion is in a position to satisfy a good part of the demand for feed grains in the United States and at the same time take care of the increasing demand for these grains in Canada. It is obvious, however, from the figures covering shipments of western grain to the eastern provinces of Canada under the Federal Freight Assistance Policy that the growing live-stock population is not being sustained on the production of grains in eastern Canada. This being so and in view of the difficulties experienced in transporting western grains by rail last winter, the producers of live stock in the East are being strongly advised to lay in their supplies well in advance of actual feeding requirements.

In the matter of high-protein feeds, both Canada and the United States continue to suffer from serious shortage and this is a factor in the heavy disappearance of grains which, because of their lower protein content have to be fed in larger quantities and over a longer period to make up the deficiency. Steps have been taken to stretch out the available supplies and in Canada this has been accomplished to some extent by a reduction in the number of brands of mixed feeds manufactured and sold, and through a lowering of the protein content of many mixed feeds.

The high objectives set for the production of eggs, butter, cheese, bacon etc., have resulted in a greatly increased demand for these protein supplements, and there is little hope that the supplies in 1943 will increase sufficiently to meet the demand. This is especially true of animal proteins, such as tankage, meat scraps, bone and blood meal and fish meal. Such protein feeds as linseed and soybean oil-cake meal are more plentiful than a year ago, but the supply is still not equal to the demand. The stocks of flaxseed and soybean from which these meals are derived are still plentiful in North America, but the lack of processing machinery is restricting the output.

In both Canada and the United States, however, substantial increases in the acreage devoted to flaxseed is indicated for 1943 to the extent of 29 per cent in the United States and 69 per cent in Canada over the 1942 levels. The soybean acreage for the production of beans, as distinct from hay, is expected to be increased by about 13 per cent in the United States and some increase in soybean acreage is looked for in Canada.

1943 Crop Prospects

Except in Manitoba and Saskatchewan, where the weather during April was comparatively dry, field work began later than usual over the greater part of Canada. The progress of seeding in the Prairie Provinces shows considerable variation, but in Manitoba the bulk of the wheat crop has been seeded and a considerable area has been planted to coarse grains. In south-western Saskatchewan seeding of all grains had made quite good progress up to the end of the first week in May, but elsewhere cold and windy weather delayed field work and heavy rains have fallen since that time causing further delay. In Alberta the greatest progress in seeding has been made in the Peace River District and in the area around Lethbridge south-east of Calgary. Part of this area has since been blanketed with snow in a May blizzard.

There is still lots of time for the seeding of coarse grains, however, but a spell of dry weather and higher temperatures would be very welcome. Reports from Alberta, where a large part of the crop was unthreshed last fall and lay out all winter, indicate that most of the threshing has been completed and some very good yields have been reported. It is feared, however, that a very considerable amount of damage was done by mice and rabbits to the grain in stook.

In the United States the crop prospects declined in most areas during the month of April and on May 1 were much less promising than at the same time last year. Drought was the principal factor in the deterioration, but there is still time for recovery if rains come soon. Winter wheat production in the United States, based on May 1 conditions, indicates prospects some 27 per cent below the 1942 harvest and 6 per cent below the ten-year (1932-41) average. The prospects for oats in the southern States are better than at this time last year, but still below average, while the hay crop appears to have had an average start. There would appear, however, to have been a heavy loss in alfalfa during the winter. Good rains will be needed in May to produce the wild hay crop of Nebraska and South Dakota.

The stocks of hay on farms in the United States on May 1 amounted to over 13 million tons or approximately 15 per cent of last year's crop. These stocks are about two million tons higher than at the same time last year and nearly three million tons higher than the ten-year average. In spite of these heavy stocks, however, the supply per unit of live stock for next winter is not likely to be large.

INTENDED ACREAGES OF PRINCIPAL CROPS IN 1943

Crop and Province	Area 1942	Intentions p.c. of 1942	Intentions Area 1943	Crop and Province	Area 1942	Intentions p.c. of 1942	Intentions Area 1943
	acres	p.c.	acres		acres	p.c.	acres
CANADA -				MANITOBA -			
Fall wheat 1/	757,000	79	601,000	Spring wheat	1,930,000	86	1,660,000
Spring wheat	20,829,500	79	16,486,100	Oats	1,480,000	112	1,658,000
All wheat	21,586,500	79	17,087,100	Barley	2,021,000	110	2,223,000
Oats	13,782,300	113	15,529,200	Fall rye 1/	145,000	70	101,000
Barley	6,972,900	116	8,087,100	Spring rye	39,000	50	19,500
Fall rye 1/	1,013,600	56	571,000	All rye	184,000	65	120,500
Spring rye	324,100	70	226,800	Flaxseed	227,000	135	306,000
All rye	1,337,700	60	797,800	Mixed grains	39,200	102	40,000
Flaxseed	1,492,200	169	2,516,300	Potatoes	29,000	103	30,000
Mixed grains	1,680,700	101	1,689,200	Summer-fallow	2,360,000	98	2,313,000
Potatoes	505,900	104	526,100				
Summer-fallow	19,979,000	103	20,637,000				
SASKATCHEWAN -				ALBERTA -			
Spring wheat	12,353,000	80	9,882,000	Spring wheat	6,370,000	75	4,778,000
Oats	4,902,000	122	5,980,000	Oats	3,284,000	118	3,875,000
Barley	2,468,000	125	3,085,000	Barley	1,925,000	116	2,233,000
Fall rye 1/	650,000	47	308,000	Fall rye 1/	140,000	70	98,000
Spring rye	197,000	70	138,000	Spring rye	75,000	75	56,000
All rye	847,000	53	446,000	All rye	215,000	72	154,000
Flaxseed	1,056,000	180	1,901,000	Flaxseed	183,000	155	284,000
Mixed grains	75,000	105	78,800	Mixed grains	73,000	130	95,000
Potatoes	46,000	103	47,400	Potatoes	28,500	120	34,200
Summer-fallow	11,744,000	102	11,979,000	Summer-fallow	5,875,000	108	6,345,000

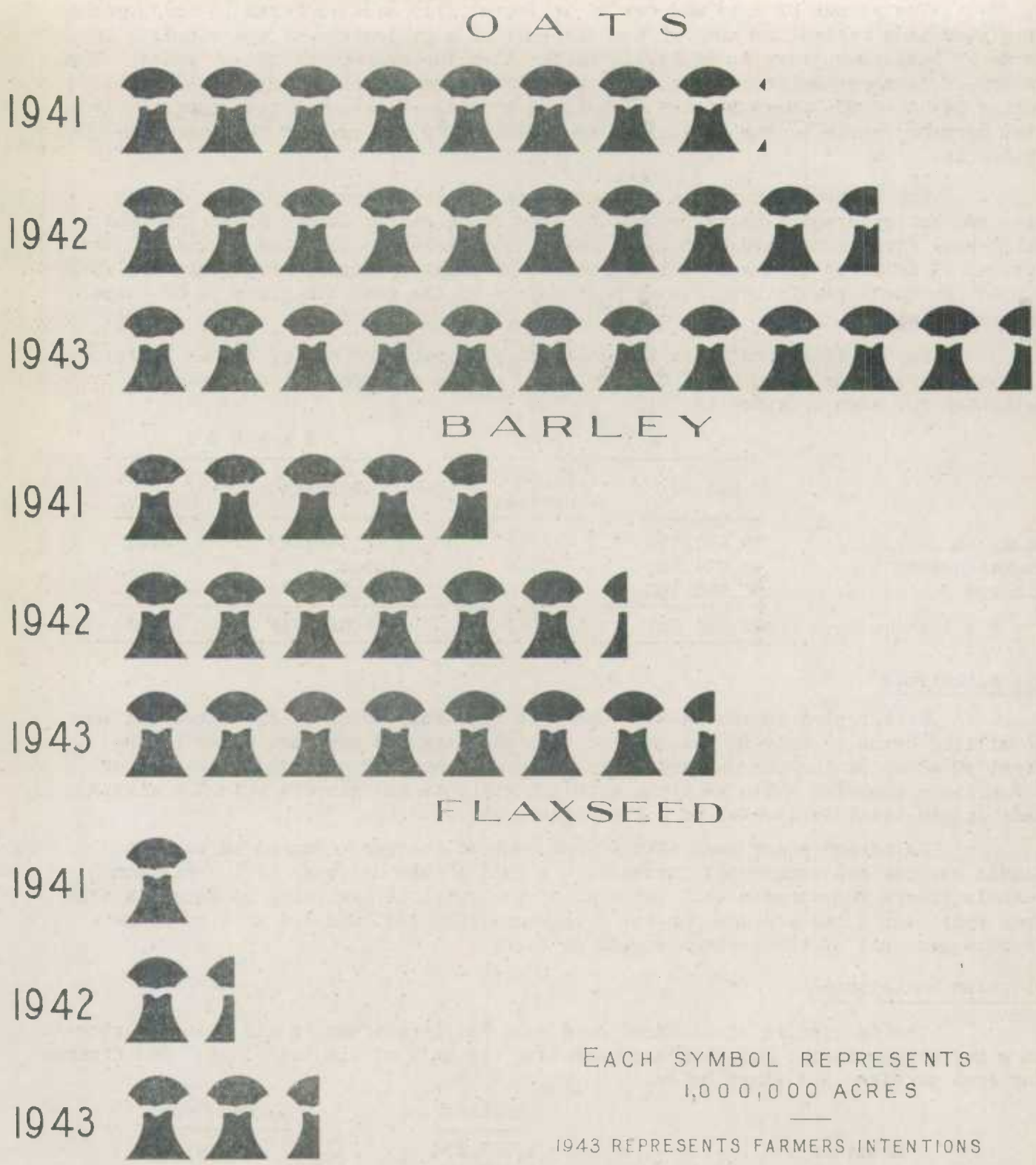
Progress of Seeding

With the exception of Manitoba and Saskatchewan, the spring season opened late throughout Canada. Very little field work had been done in the Maritimes at the beginning of May while in Quebec and Ontario field work at that time was two to three weeks later than usual. Cold and wet weather delayed operations in Alberta while in British Columbia a late start has been followed by rapid progress in field operations.

Surveys made by the railway companies at the end of the first week in May indicated that weather conditions were variable with high winds prevailing in some sections of the Prairie Provinces. Some snow and light to heavy rains were experienced, but in Manitoba it was estimated that wheat seeding was 60 per cent completed and about 12 per cent of the oats and barley in the ground. In Saskatchewan, great variation is seen in the amount of coarse grains seeded with very little work done in the northern sections of the province. Seeding has been delayed in Alberta by unfavourable weather conditions and by the amount of threshing that had to be done where grain had been out in the fields all winter.

Moisture conditions appear to be generally satisfactory in western Canada where the sub-soil reserves are good. April was a dry month on the whole, but rains came late in the month. Good showers have been reported at a number of points this month.

WAR CROP ACREAGE EXPANDS IN WEST



FARMERS' MARKETINGS

The volume of oats and barley delivered from western farms in the present crop year is a record in terms of bushels, but as a percentage of the supplies in farmers' hands may prove to be little better than the average of recent years. The record of farmers' deliveries in the three Prairie Provinces during the 40 weeks ending May 6, 1943, show that the marketings of oats represent 17 per cent of the 1942 harvest, while barley deliveries are equal to 26 per cent of the estimated 1942 crop.

End of March stocks on western farms indicated heavy supplies of both oats and barley despite heavy feeding to live stock and poultry. Since then the deliveries from farms have been quite heavy, stimulated in the case of oats by the removal of delivery quotas at a large number of points. Barley marketings are still subject to quota regulations but at most points in the west the quota is 20 bushels per seeded acre.

In the following table the deliveries of oats and barley in the Prairie Provinces are shown in bushels, by provinces, and as a percentage of the crop estimated for each province in 1942:

	OATS		BARLEY	
	bushels	% 1942 Harvest	bushels	% 1942 Harvest
Manitoba	15,642,194	22.3	28,968,299	39.1
Saskatchewan	48,974,705	19.2	25,832,776	28.1
Alberta	20,966,152	12.0	8,565,672	11.4
T o t a l s	85,583,051	17.1	63,366,747	26.3

Rye Marketings

With regard to the western Canadian rye crop, which in 1942 amounted to 23 million bushels, only 27 per cent of this quantity had been delivered in the first 40 weeks of the current crop year. Saskatchewan led with the marketing of 4.2 million bushels, while Manitoba with 1.2 millions and Alberta with 0.8 millions made up the total deliveries of 6.2 million bushels.

In recent years less than 40 per cent of the rye produced in western Canada has reached commercial channels. In 1936-37 the delivery of 1.6 million bushels of rye represented 47.7 per cent of the supplies available on farms in that crop year, while the average for the five years 1936-1940 was 3.4 million bushels, or 38.4 per cent of the average supply on farms.

Flaxseed Marketings

The deliveries of flaxseed have been fairly uniform in all three provinces on a percentage basis, Saskatchewan marketing the bulk of the bushelage. The figures for each province are shown below:

	bushels	% 1942 Crop
Manitoba	1,387,534	69.4
Saskatchewan	7,817,193	74.4
Alberta	1,641,732	74.6
T o t a l s	10,846,459	73.8

The above deliveries of flaxseed are expressed in net bushels of seed, as are the deliveries of all other grains shown on this page.

PRICES

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

	Crop Year 1942-43								
	August	September	October	November	December	January	February	March	April
	cents and eighths per bushel								
OATS									
No. 2 C.W.	46/1	48/3	48	45/3	45/3	49/5	51/2	51	51/2
No. 3 C.W.	45/1	46/5	44/3	42/7	42/6	48/5	50/7	49/6	49/3
No. 1 Feed	42/7	43/7	41/7	41/6	41/2	48/2	50/4	49/2	48
No. 2 Feed	40/6	41/5	39/7	40/3	40/2	47/5	50	48/6	47
No. 3 Feed	38/3	39/4	38/6	38/5	39/2	46/5	49	47/4	46
BARLEY									
Nos. 1 and 2 C.W. 6-Row	60/6	63	64/5	64/6	64/6	64/6	64/6	64/6	64/6
No. 3 C.W. 6-Row	59	58/7	59/2	58	58	61	62/3	62/4	62/6
Nos. 1 and 2 C.W. 2-Row	60/6	63	64/5	64/6	64/6	64/6	64/6	64/6	64/6
No. 1 Feed	56/5	56/5	56/4	56	56/3	60/5	62	61/5	61/2
No. 2 Feed	55	55/6	54/6	54/5	55/3	59/7	61/4	60/7	59/7
No. 3 Feed	53/4	54/6	54/1	53/5	54/2	58/7	59/6	59/7	58/5
RYE									
No. 2 C.W.	53/1	57/7	56/1	57/5	63/7	65/1	65	65/3	72/7
No. 3 C.W.	48/6	53/5	52	54/6	59	60/5	61/1	61/3	68/5
No. 4 C.W.	46/2	51/6	49/7	52/2	58/3	59/1	59/3	60/1	66/7
Ergoty	41/2	45/4	43/7	46	51/7	54/3	56/5	56/5	63/3
Rejected 2 C.W.	47/2	52/2	50/2	52/2	58/1	59/3	59/5	59/5	66/6
FLAXSEED				Fixed Prices					
No. 1 C.W.	225	225	225	225	225	225	225	225	225
No. 2 C.W.	221	221	221	221	221	221	221	221	221
No. 3 C.W.	210	210	210	210	210	210	210	210	210
No. 4 C.W.	205	205	205	205	205	205	205	205	205
CORN									
3 C.W. Yellow 20% moisture	80	80	80	80	80	80	80	80	80

STOCKS OF CANADIAN GRAIN ON MARCH 31, 1943

Record size stocks of oats and barley were held in Canada at the end of March 1943, according to figures compiled jointly by the Dominion Bureau of Statistics and the Board of Grain Commissioners for Canada. The stocks of oats totalled 393 million bushels compared with 112.6 million bushels a year earlier, while barley stocks amounted to 167 million bushels compared with 46 millions on March 31, 1942.

Farm stocks accounted for the bulk of the holdings of oats, barley and rye, but in the case of flaxseed the majority was in public storage, the marketing of flaxseed by western farmers not having been restricted by marketing quotas as applied to wheat, oats, barley and rye. Included in these farm stocks are the quantities required for seeding the 1943 crops, while allowance was made also for grain that lay out all winter unthreshed. When the results of spring threshing are available they may have an important effect on the farm stocks reported for the end of March.

The location of stocks of the principal grains on March 31, 1943 and comparative figures for 1942 appear below:

	Oats	Barley	Rye	Flaxseed
		bushels		
1943				
On Canadian Farms	362,140,000	135,039,000	14,929,000	3,235,000
In Elevators or in Transit	30,885,782	31,847,605	5,602,467	5,441,172
In United States	510,544	183,650	953,718	295,600
T o t a l s	393,536,326	167,070,255	21,485,185	8,971,772
1942				
On Canadian Farms	105,173,000	35,387,000	2,992,000	1,111,000
In Elevators or in Transit	7,407,814	10,791,266	2,670,752	1,925,847
In United States	-	-	1,409,478	-
T o t a l s	112,580,814	46,178,266	7,072,230	3,036,847

Farm Stocks by Provinces

With the exception of oats, practically all of the farm stocks of coarse grain and flaxseed were located in the three Prairie Provinces. The provincial distribution on March 31, 1943, was as follows:

	Oats	Barley	Rye	Flaxseed
		bushels		
Prince Edward Island	980,000	62,000	-	-
New Brunswick	2,482,000	108,000	-	-
Nova Scotia	682,000	64,000	-	-
Quebec	15,680,000	762,000	37,000	-
Ontario	27,052,000	2,923,000	285,000	31,000
Manitoba	32,000,000	31,000,000	1,800,000	500,000
Saskatchewan	166,500,000	53,000,000	10,000,000	2,100,000
Alberta	166,000,000	47,000,000	2,800,000	600,000
British Columbia	764,000	120,000	7,000	4,000
Total on Farms	362,140,000	135,039,000	14,929,000	3,235,000

RAIL MOVEMENT FROM FORT WILLIAM-PORT ARTHUR

Rail shipments of coarse grains from the head of the lakes during the first nine months of the current crop year were very considerably ahead of shipments in the corresponding period last crop year. A large part of the movement was in connection with freight assistance shipments to the eastern provinces but included also was the movement of grain to Canadian flour mills and to the United States.

Oats and barley formed a large part of the shipments, although wheat also moved in heavy volume. The month by month shipments of the various grains with comparative figures for 1941-42 are shown in the following table:

	OATS		BARLEY	
	1942-43	1941-42	1942-43	1941-42
	bushels			
August	571,881	1,004,328	554,284	426,527
September	712,126	1,369,810	592,467	364,168
October	1,221,419	869,317	1,025,082	398,489
November	1,151,850	1,486,101	1,036,192	887,422
December	1,835,415	1,194,572	1,302,373	794,083
January	2,536,713	1,711,829	613,020	960,202
February	2,817,418	1,327,640	1,055,613	1,030,756
March	2,550,708	1,333,002	819,749	875,648
April	3,462,003	913,188	2,179,357	578,685
Totals	17,859,533	11,209,787	9,178,137	6,315,980

	RYE		FLAXSEED	
August	61,622	17,149	78,520	14,235
September	45,708	19,500	89,722	26,512
October	77,802	41,631	186,291	62,744
November	90,674	80,266	256,437	59,289
December	36,911	68,978	294,989	111,601
January	43,070	113,686	466,954	205,511
February	22,677	66,292	423,045	319,464
March	39,644	26,389	120,278	277,102
April	63,032	30,202	403,445	171,417
Totals	481,140	464,093	2,320,081	1,247,875

It will be seen from the above figures that the aggregate shipments of the four grains during the nine months ending April 30, 1943, was about 30 million bushels compared with just over 19 million bushels in the corresponding period in the crop year 1941-42. In addition, almost 18 million bushels of wheat were shipped by rail from the Fort William-Port Arthur elevators or more than double the amount of wheat moved in this nine month period last crop year.

Elsewhere in this Review figures will be found covering the rail shipments to the United States and it will be noted that almost eight million bushels of the oats shipped by rail from Fort William-Port Arthur were destined for points in the United States. A very small part of the barley movement went to the United States by rail from the lakehead terminals and none of the rye or flaxseed.

SHIPMENTS TO UNITED STATES

The movement of Canadian oats and barley to the United States has been an outstanding feature of the coarse grain situation in the current crop year. Shipments have been on a much heavier scale than was estimated earlier in the season, the first movement by water last fall being supplemented by substantial rail shipments during the winter months. A total of more than 31 million bushels of oats and more than 13 million bushels of barley moved to the United States by lake and rail during the nine months ending April.

Rail movement began to develop on a large scale toward the end of December, particularly that part of the movement direct from points in western Canada. In the case of barley, the rail shipments were supplemented by a trucking movement from a number of places in southern Manitoba to elevators in the United States north-west. Considerable amounts were shipped all-rail from Fort William and Port Arthur and moderate quantities went from eastern Canadian elevators where large stocks of western grain were in store.

The following table sets out the movement separately by rail and vessel during the nine months August 1, 1942, to April 29, 1943:

	Oats	Barley	Rye	Flaxseed
	bushels			
By Rail				
From Western country points	8,406,753	4,501,746	24,462	4,720
From Fort William-Port Arthur ...	7,829,839	342,297	-	1,960
From Eastern Elevators	2,908,337	500,333	-	-
By Vessel				
From Fort William-Port Arthur ...	12,207,555	7,877,120	91,375	3,837,239
Total 9 months	31,352,484	13,221,496	115,837	3,843,919

Navigation on the Great Lakes was resumed late in April and shipments by water were fairly substantial during the week ending April 29. It is expected that this movement will expand considerably, at least during May.

Duty on Imports

Rates of duty charged against Canadian grain imported into the United States have shown quite considerable variation since 1921 when wheat and rye were admitted free of duty, oats at 6 cents per bushel, barley 15 cents, and flaxseed 20 cents per bushel. The following table sets out the changes made from time to time up to 1939.

		Duties in Cents Per Bushel			
	Per Bushel	1921	1930	1932	1939
Oats	(32 lbs.)	6	15	16	8
Barley	(48 lbs.)	15	20	20	15
Rye	(56 lbs.)	Free	15	15	12
Flaxseed ...	(56 lbs.)	20	56	65	65

In connection with flaxseed, the current rate of duty is only 32 1/2 cents per bushel as the result of the new trade agreement made between Argentina and the United States in November 1941. This agreement reduced the tariff on flaxseed by 50 per cent and under the most-favoured-nation clause, Canada derived the same benefits.

Equalization Fee

In connection with shipments of Canadian oats and barley to the United States it was announced in the House of Commons on April 6 by the Minister of Trade and Commerce that plans had been developed which would enable the western farmer to obtain the advantage of higher prices paid for these grains in the United States. The National Price Control Policy had resulted in ceiling prices of 51 1/2 cents for oats and 64 3/4 cents for barley being established for western grown grains, basis in store Fort William. The Government had decided that these ceilings should remain in effect for both oats and barley, and the Minister of Trade and Commerce made the following statement to the House:

"Members of this House will recall that the government's programme for the 1942-43 crop year was a programme designed to stimulate the production of coarse grains and to remove any fear of a decline in the prices of these grains as a result of increased production. Minimum basic prices of forty-five cents for oats and sixty cents for barley were guaranteed, with the Canadian Wheat Board instructed to purchase in the event that the market declined to these floor prices. At times last autumn the Board had to purchase both oats and barley in order to prevent a further decline in prices, and it was only because of the development of a heavy feed grain demand from the United States and difficulty in making delivery that this situation has not continued. It was clearly stated last year that the ceiling prices of 51 1/2 cents on oats and 64 3/4 cents on barley would be maintained, and this part of the coarse grains programme has effectively contributed to the maintenance of our live-stock programme.

"Since early in February, Winnipeg prices for oats and barley have been at or close to ceiling levels. In the meantime, United States grain markets have been advancing, and the difference between our prices and United States prices has widened considerably. The government were naturally concerned about finding a means to enable the western farmer to benefit from the United States market, and at the same time to maintain those price controls in the domestic market which are a part of national policy.

"Another problem arising from these circumstances which had to be considered by the government was the fact that exporters of Canadian feed grains were placed in a position to obtain more than a normal margin, had export permits been freely issued. The government is naturally concerned that the full American price less transportation, duty, and forwarding costs be returned to the western producer".

In order to obtain these benefits for the producer the Canadian Wheat Board will be responsible for the issuing of export permits for Canadian oats and barley to the United States and will charge an equalization fee which will, as nearly as possible, represent the difference between Canadian and United States prices, less transportation costs, import duty and exchange, etc. This equalization fee will be determined daily by the Canadian Wheat Board and the funds thus accumulated will be distributed at the end of the present crop year on a pro rata basis to western growers who deliver oats and barley in the period between April 1 and July 31, 1943, both dates inclusive.

By this method growers who sell their oats and barley will receive in effect a combined price, which reflects the domestic price on that portion of their sales which has been disposed of in the domestic market, and the export price on that portion which has been disposed of in the export market. Permits issued by the Canadian Wheat Board will expire on July 31, 1943 and export permits at present outstanding which carry an expiry date of May 31, 1943 will not be extended.

THE RYE SITUATION

The ceiling price of 66 5/8 cents per bushel (basis in store Fort William-Port Arthur) which was imposed on Western Canadian rye on January 6, 1942 under the National Price Control Policy, was removed on April 10, 1943 by the Canadian Wheat Board acting on behalf of the Wartime Prices and Trade Board. Rye is, therefore, no longer subject to maximum price regulations.

The House of Commons was informed of this contemplated change on April 6, when the Minister of Trade and Commerce discussed the rye situation and pointed out that from a crop of 23 million bushels of rye harvested in western Canada in 1942, only about one million bushels was likely to be disposed of commercially within Canada. He made it clear that in cases of essential use of the commercial quantities of rye the Wartime Prices and Trade Board would make a thorough investigation on claims arising from higher rye prices and would make appropriate arrangements for absorbing part or all of these increased costs where it could be shown that the consumption of this grain was essential.

For sometime previous to April 10 rye prices in the Winnipeg market had been pressing on the ceiling and when the ceiling was removed values bounded up about 8 cents per bushel on the first day. They continued to rise and on May 1 the top grade of rye, as well as the May future was quoted at 80 cents per bushel, basis Fort William. At this level rye was only 20 cents below the price of top-grade wheat, while a more normal spread between the two bread grains is at least 25 cents per bushel.

Market information from Winnipeg indicated a fairly good outside demand for rye after the ceiling was removed, but there was nothing to indicate that any heavy shipment of Canadian rye to the United States was in prospect. Stocks of native rye in the United States are still fairly heavy and since August 1 last year little more than 100,000 bushels of Canadian rye has been shipped across the border. It would appear also from current rye prices in the Minneapolis and Chicago markets that Canadian rye at 80 cents a bushel (Fort William) would have difficulty in competing with United States rye, taking into consideration the duty of 12 cents a bushel plus freight and handling charges and after allowing for the difference in exchange between the two countries.

Statistics on Canadian rye show that the total annual disappearance in the last six or seven years has ranged between 10 and 13 million bushels, but of this amount less than half a million bushels went into human consumption off the farms, and about half a million bushels into distilleries. The balance was used for seed and animal feeding, with no doubt some utilization on farms amongst European peoples accustomed to eating rye products.

A quite considerable reduction in fall rye seeding was noted in 1942, amounting to about 44 per cent, while farmers' intentions for spring rye plantings indicate a decrease of about 30 per cent from a year ago, so that the total acreage to spring and fall rye for harvest in 1943 will be less than 800,000 acres, according to present indications, compared with 1.3 million acres in 1942.

If average yields are obtained in 1943 the production of rye will be approximately 12 million bushels. With the carry-over of about 15 million bushels in prospect for July 31 this year such a crop would provide fairly substantial stocks of rye for the 1943-44 crop year.

FEDERAL FREIGHT ASSISTANCE PLAN

Coarse grains from western Canada continue to supplement in a large way the feeding requirements of live stock and poultry producers in the five eastern provinces and British Columbia. This grain is made available through the provisions of the Dominion Government's freight assistance policy which is now well into its second year of operation.

When the plan was put into effect in the latter part of 1941 it was designed to meet the shortage of feedstuffs resulting from poor crops in that year, but despite the record crops produced in 1942 it was found necessary to continue the benefits of freight assistance in order that the steadily increasing live stock population demanded by the exigencies of war would be assured sufficient feed.

Considerable difficulty was experienced during the winter months in moving some of this grain by rail from the elevators at Fort William and Port Arthur. A very severe winter with heavy snowfall contributed in large measure to the difficulties of the situation, but despite this and other factors, the shipments by box car were substantial as the following record of the movement will show. The figures set out in the table that follows, indicate the quantities of grain on which claims were paid under the freight assistance plan, and the provinces in which the grain was used for feed.

Claims Paid August-March 1942-1943

	Oats	Barley	Rye	Screenings	Millfeeds
	bu.	bu.	bu.	tons	tons
Ontario	3,576,631	3,145,919	294,064	11,341	103,626
Quebec	4,007,364	3,708,097	92,638	11,042	174,840
New Brunswick	578,101	458,470	19,500	992	24,571
Nova Scotia	706,633	783,727	18,952	611	28,599
Prince Edward Island	167,021	209,898	2,909	110	6,023
8-months Total	9,035,750	8,306,111	428,063	24,096	337,659

During the crop year 1941-42 or that part of it during which the freight assistance operated, the quantity of oats on which claims were paid in the five eastern provinces exceeded 15 million bushels, while barley claims covered some 10 millions and rye 602,000 bushels. In addition, almost 410,000 tons of millfeeds and 57,000 tons of screenings were distributed in these provinces with the assistance of the Federal Government.

Besides the above quantities of coarse grains, millfeeds and screenings, a large volume of western Canadian wheat was shipped eastward for feeding purposes. The records show that claims were paid on a total of 8.4 million bushels during the 8-month period ending March 31, 1943. This compares with claims paid on almost 12 million bushels during the crop year 1941-42.

It should be pointed out that these shipments include ground oats, barley meal and mixed grains which have been converted back to bushels of the respective grains. It should be noted also that the figures tabulated above are not final but any revisions made at a later date are expected to be of a minor character.

HIGH PROTEIN FEEDS

The demand for high protein feeds continues to exceed by a considerable margin the available supply. Some of these feeds are more plentiful than they were a year ago, but the rapid expansion in live-stock population, and the high objectives set for 1943 in the production of bacon, eggs, milk and a number of other food stuffs have given tremendous impetus to the demand, so that there is no immediate prospect of full requirements being obtained. It has become fairly evident that available supplies will have to be stretched out and steps have been taken by the Feeds Administrator to this end.

On March 31, 1943 an order went into effect which set out the levels at or within which the protein guarantees must be made and the maximum number of brands permissible in the various commercial mixed feeds. This order was designed to make the fullest use of available supplies and to eliminate brands of mixed feed, the characteristics of which were identical with or substantially similar to those of other brands distributed or sold by the manufacturer and intended for the same purpose.

Other orders issued by the Feeds Administrator affected the manufacture and content of mixed mineral feeds and meal and animal products for feeding purposes. With regard to the last named, which became effective April 15, the following statement was issued by the Wartime Prices and Trade Board:-

> "The Feeds Administrator, F. W. Presant, in the revised order has made certain changes. A maximum storage charge is provided at which fish meal purchased during the seasonal production period may be held for buyer's account and deferred shipment by the manufacturer or his agent. This storage charge is set at a maximum of 70 cents per ton per month, such charge to be added after a period of 30 days following the close of the fishing season for the kind of fish from which such fish meal is principally made.
>
> "The maximum wholesale carload price f.o.b. point of manufacture of wet-rendered feed tankage or meat and bone tankage is reduced on bulk sales from 85 cents per unit of protein per ton to 82 cents per unit of protein per ton. Minimum and maximum protein content levels of wet-rendered tankage in the form of the processed product are also reduced to include one at a 40 per cent level and to remove all at a higher levelthan 50 per cent in protein. Maximum prices are reduced proportionately where necessary.
>
> "Production of meat scrap, meat meal, meat and bone scrap or meal has been limited to a maximum protein content not to exceed 50 per cent crude protein in Eastern Canada and 55 per cent in Western Canada. In addition, protein levels have been specified at which these products may be sold of from 40 per cent to 55 per cent. Maximum prices specified for these levels have not been changed."

The Ontario Feed Board recently met with the Feeds Administrator and officers of the Federal Department of Agriculture to outline a feed programme calculated to meet production objectives in the light of present and prospective feed supplies. The feed requirements of various types of live stock were examined and a summary of the findings appears on the page opposite. These conclusions, although related to the situation in the province of Ontario, might be of assistance to others directing live-stock production programmes in different parts of Canada.

Ontario Feeding Recommendations

Swine

The profitableness of hog production is dependent to a considerable extent upon the vigour and vitality of the weanling pig. For this reason, no sacrifice of quality should be made in the ration of the pregnant or nursing sow or the weanling pig. These groups of pigs should always be given preference if dairy by-products are available or if concentrates are purchased. A well-fed nursing sow will continue to secrete a sufficient amount of milk to make her pigs grow until they are eight weeks of age. This is the stage of growth when the cheapest gains are made, and by allowing young pigs to nurse until they are eight weeks of age, there will be saved a considerable amount of concentrates.

During summer months, fresh short pasture, preferably legumes, either permanent or annual, may, in part, replace protein supplements in the ration of the growing hog. Likewise, alfalfa meal or well-cured alfalfa hay may make a part of the winter ration.

Important - Meal or feed made from the mature soybean plant or seed should not be fed to market hogs because this feed will cause soft pork.

Dairy Cattle

In view of the obvious limited supply of protein rich by-products for use in dairy cattle feeding for the winter of 1943-44, farmers should make themselves as independent as possible of purchased supplies. This may be accomplished to a considerable extent by the production of more legumes that may be used in different forms as conditions may demand. Alfalfa or clover hay, grass silage (there is an assurance of adequate preservative materials being available for 1943) and alfalfa meal, will help to raise the protein level of home-grown feeds. Soybean seed and soybean hay that has been put through a hammer mill will serve a similar purpose. Likewise, peas sown with oats will help. Cull white beans in limited quantities may also be fed.

Important - With respect to the protein content of hay made from alfalfa or grasses, it should always be remembered that early-cut well-cured hay has a higher protein content and is generally more palatable as well as nutritious with respect to vitamins and minerals.

Poultry

Eggs for hatching must be from breeders that have been properly fed in this regard otherwise low hatches of poor quality chicks will result. During the brooding period until the chicks are six to eight weeks of age it is necessary that these feeds be liberally supplied. After that the ration may be gradually changed until by the time the chicks are 12 weeks of age, when they are on range, they may be grown largely on good green feed and grains. When the pullets reach laying age the supplemental feeds will have to be increased and if the pullets are to be used as breeders, the vitamin content of the ration will again have to be stepped up.

There is no finer feed for poultry available on the farm than milk. It should be carefully conserved and used where it will give the best results.

Save a sufficient supply of well-cured second or third cut alfalfa hay for winter feeding. It is rich in both protein and vitamins and is especially palatable when cut in half inch lengths and soaked in water over night.

OIL-BEARING SEEDS

Higher acreage objectives have been set in 1943 for the various oil-bearing seed crops produced in Canada. Chief among these are flaxseed and soybean, but efforts are being made also to expand the acreage in sunflower and rapeseed. It has been announced that the fixed price of $2.25 per bushel for No. 1 C.W. flaxseed (basis in store Fort William) will be continued during the crop year 1943-44, while the fixed price of $1.95 for No. 2 yellow soybean, delivered Toronto, will also remain in effect during the next crop year.

In connection with sunflower and rapeseed the Minister of Trade and Commerce said in the House of Commons on April 9 that the Government, through the Canadian Wheat Board, was arranging to pay 5 cents per pound for sunflower seed and 6 cents per pound for rapeseed in reasonably clean condition, with a moisture content not exceeding limits to be determined and announced by the Board. This price will be for seed delivered f.o.b. shipping points named by the Board and in accordance with such instructions as are issued by the Canadian Wheat Board. Discounts will be established for seed which fails to meet the standards of quality set.

The prices named have been fixed on the basis of local shipping points, in order that the full benefits will be available to the growers, and the Seeds Administrator of the Agricultural Supplies Board has undertaken arrangements for as wide a distribution as possible of the available supplies of seed for both crops. It is believed that a sufficient supply of seed is available. It is estimated that there might be enough sunflower seed to plant 100,000 acres, while the requirements of rapeseed oil estimated at 2 million pounds for 1943 would involve the seeding of 10 thousand acres.

Flaxseed

With regard to flaxseed it would appear from the reports on farmers' intentions at the end of April that the acreage goal of 2 1/2 million acres in 1943 will be attained. This represents an increase of 69 per cent over the 1942 seeded acreage. Most of the expansion will apparently take place in Saskatchewan, although a 55 per cent increase is indicated for Alberta, and 35 per cent for Manitoba.

No quota restrictions were placed on the marketings of flaxseed in western Canada in the present crop year and up to May 6 almost 11 million bushels had been delivered by growers in the three Prairie Provinces, or about 74 per cent of the estimated harvest in 1942. At the end of April some 5 1/2 million bushels of flaxseed were still in store in Canada, apart from supplies still held on farms, and the bulk of this was located at Fort William and Port Arthur, doubtlessly awaiting movement by vessel.

Soybean

The acreage goal in 1943 for soybean is 90,000 acres, compared with less than 50,000 acres planted in 1942. The bulk of this crop is produced in Ontario, and as previously indicated the Canadian Wheat Board is empowered to purchase soybean at $1.95 per bushel for No. 2 yellow, delivered Toronto, or one cent a bushel higher for No. 1 beans. The farmers' intentions in regard to this crop have not yet been indicated, but it is expected that some increase in acreage will take place in western Canada and that efforts will be made to reach the goal in Ontario.

The soybean acreage in Ontario last year was 41,490 acres and the goal for this year is placed at 60,000 acres. The yield per acre in Ontario last year was better than 21 bushels, but a large part of the crop was damaged and probably less than half the estimated yield will find its way into crushing plants during the current crop year. Receipts reported to date total less than 290,000 bushels.

MILLFEEDS

The domestic consumption of bran, shorts and middlings during the first eight months of the present crop year was almost equal to the production during this period and exceeded by a considerable margin the production of millfeeds during the corresponding eight months in the crop year 1941-42. Canadian flour mills have been running fairly close to capacity on flour orders and the heavy production of offals has been most welcome to live-stock producers.

In view of the heavy demands for feeding stuffs in Canada resulting from the substantial increases in live-stock population, strict control has been exercised over the export of feeds, and the records show that in the case of millfeeds this has very definitely been the case. The following table sets out the production of bran, shorts and middlings each month from August 1942 to March 1943, and set against these figures is the domestic disappearance month by month, which is arrived at by taking into account stocks at the beginning and the end of the month and the export and import statistics:

Crop Year 1942-43	Production	Domestic Disappearance
	tons	
August 1942	61,255	62,463
September	59,302	56,864
October	61,534	56,266
November	67,242	59,997
December	69,435	62,019
January 1943	65,698	57,534
February	66,646	64,049
March	73,688	73,880
Total - 8 months	524,800	493,072

It will be seen from the above figures that the domestic disappearance during this eight-month period was equal to almost 94 per cent of the production, so that there is no accumulation of stocks. By way of comparison it might be noted that in the first eight months of the crop year 1941-42 production of millfeeds amounted to 458,413 tons and the domestic disappearance 382,082 tons, or about 83 per cent of the production

Canadian flour mills started off in the present crop year with flour millings considerably under their capacity, but in the last four months orders have been pouring in and production has been stepped up very considerably. It is calculated that the annual output of flour in Canadian mills, allowing for Sundays, holidays and periods necessary for repair, exceeds 25 million barrels and it is noteworthy that in the first eight months of the current crop year the production was close to 16 million barrels, or 62 per cent of the rated annual output. Statistics covering the August through March production of flour show that about 87 per cent of the milling capacity was in operation, but it should be pointed out that in the first quarter of 1943 well over 90 per cent of the capacity was effective.

As already mentioned strict control was exercised over exports and the small proportion permitted to leave Canada was destined for Newfoundland and the British West Indies, which are entirely dependent upon the Dominion for their supplies of millfeed. Despite the heavy production and the small exports, however, the domestic demand continues to exceed the supply. The arrival of spring will give those engaged in dairying substitutes for this class of feed through the full utilization of leguminous crops and pastures.

HOG-BARLEY RATIO

In the following table is shown the number of bushels of barley equivalent in price to 100 pounds of bacon hog at Winnipeg by months during the past five years and for the first four months of 1943:

(Long-time Average = 17.2)

Month	1938	1939	1940	1941	1942	1943
January	15.1	29.4	20.5	21.4	20.0	21.4
February	15.1	31.1	20.0	20.4	20.0	21.4
March	18.6	31.1	20.5	17.6	19.7	22.0
April	19.8	27.9	18.9	17.7	19.5	22.0
May	20.9	25.2	24.2	21.0	18.9	
June	23.2	30.3	31.0	22.0	18.3	
July	29.6	34.8	31.7	23.1	19.4	
August	31.1	31.1	32.2	24.9	21.3	
September	34.1	22.3	31.3	22.1	21.0	
October	26.9	23.3	26.1	22.3	23.4	
November	28.9	23.7	21.0	22.4	23.5	
December	29.5	21.2	23.4	21.1	23.5	

It will be noted from the above table that the hog-barley ratio has been considerably above average in recent months. This means that the price of bacon hogs has been relatively high in comparison with the price of barley. Farmers, therefore, will find it more profitable to sell their barley in the form of hogs rather than as a cash grain.

FEED AND LIVE STOCK PRICES

Although feed prices in the first quarter of 1943 were the highest for some months, the prices of animal products were also higher and the situation continued to favour the feeding of grains to animals, rather than the selling of grain as grain. Animal product prices in March were at their highest level in the current crop year and higher than anything recorded in the past five years as tabulated below:

Index Numbers of Feed Prices and Prices of Live Stock and Live-Stock Products, by Months, 1938-1943

1926=100

Month	1938		1939		1940		1941		1942		1943	
	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal
January	87.3	82.2	59.5	81.6	75.8	85.4	69.6	90.0	102.4	101.5	96.3	116.2
February	89.4	81.1	59.6	81.3	76.6	85.0	70.7	91.6	105.8	102.1	100.2	116.8
March	86.6	81.6	59.8	81.9	75.5	84.9	72.2	91.8	111.2	102.7	100.0	117.6
April	83.8	81.2	61.5	81.1	76.9	84.1	74.3	92.2	109.4	103.7		
May	81.7	81.7	62.9	80.5	73.6	84.3	74.1	93.3	109.3	104.8		
June	79.5	80.4	61.4	75.9	68.0	83.5	75.7	94.3	107.2	107.0		
July	72.9	80.7	58.7	75.4	66.0	83.9	78.8	96.1	99.9	103.6		
August	62.9	79.6	55.2	75.4	62.2	83.3	84.7	97.9	93.8	102.9		
September	59.2	81.1	67.5	81.8	62.9	85.8	94.8	99.6	89.8	112.3		
October	58.9	81.0	64.6	86.6	66.1	87.3	97.2	101.1	90.0	115.5		
November	57.6	82.1	65.6	86.8	68.2	91.0	95.8	102.0	88.8	116.3		
December	58.2	82.6	72.2	86.4	67.9	91.6	98.0	100.5	93.9	117.3		

FARMERS' DELIVERIES BY CROP DISTRICTS 1941-42

From the records compiled by the Statistics Branch of the Board of Grain Commissioners, the following figures covering deliveries from western Canadian farms during the crop year 1941-42 are taken. These totals include only the marketings through country elevators and are exclusive of minor quantities delivered to private and mill elevators or loaded over platforms, details of which are not available on a crop district basis.

Crop District	Oats	Barley	Rye	Flaxseed
		bushels		
MANITOBA				
1	429,976	661,831	205,094	60,961
2	995,096	2,674,564	313,203	92,978
3	1,946,540	4,579,937	230,809	213,745
4	926,382	1,352,213	89,434	123,812
5	353,924	713,830	55,000	2,307
6	57,514	73,485	21,956	8,533
7	1,442,746	1,637,756	338,480	81,831
8	496,662	1,091,215	91,780	58,993
9	605,240	1,066,119	3,665	90,842
10	1,715,253	995,563	108,644	21,477
11	153,032	329,313	13,314	44,074
12	107,893	96,026	1,348	18,795
13	106,767	345,098	18,724	20,052
14	6,347	6,197	1,988	503
	9,343,372	15,623,147	1,493,439	838,903
Sub. Div. Fort Frances Station, Stratton, Ont.	13,447	8,920	694	9,392
TOTAL - MANITOBA	9,356,819	15,632,067	1,494,133	848,295
SASKATCHEWAN				
1A	1,609,946	1,513,221	1,397,598	233,235
1B	1,542,109	745,031	566,449	60,415
2A	1,181,089	646,392	184,983	323,636
2B	1,050,329	847,684	181,495	311,643
3AN	14,124	22,679	44,494	33,209
3AS	264,735	183,083	143,436	301,931
3BN	40,918	4,126	28,670	165,406
3BS	55,635	6,805	15,119	52,532
4A	260,319	54,784	213,676	31,591
4B	36,016	23,086	88,960	120,311
5A	879,247	352,983	345,543	81,902
5B	1,949,996	1,026,916	39,538	96,010
6A	199,455	75,299	9,546	123,503
6B	191,800	55,021	40,587	131,841
7A	604,762	65,528	4,384	804,101
7B	310,821	29,589	17,260	50,320
8A	728,879	993,515	7,890	112,239
8B	194,327	185,882	3,707	51,680
9A	298,863	90,028	70,121	41,349
9B	757,561	51,015	35,113	19,952
TOTAL - SASKATCHEWAN	12,170,931	6,972,667	3,438,579	3,145,806

Farmers' Deliveries By Crop Districts 1941-42 - cont'd.

Crop District	Oats	Barley	Rye	Flaxseed
		bushels		
ALBERTA				
1	31,500	27,785	111,951	39,966
2	101,782	38,123	20,417	102,025
3	59,674	39,370	17,633	229,662
4	40,859	43,719	34,855	31,485
5	91,823	7,537	34,947	39,293
6	396,153	125,952	42,914	50,311
7	109,503	9,745	31,361	14,137
8	1,312,631	506,619	11,223	13,922
9	494,571	329,897	2,739	6
10	1,056,914	140,421	4,692	8,341
11	1,689,018	585,033	3,663	3,466
12	80,561	53,990	-	878
13	81,728	29,146	-	44
14	1,043,197	639,280	2,428	3,053
15	475,635	72,744	-	15,894
16	2,918,935	157,548	18,552	79,180
17	-	-	-	-
TOTAL - ALBERTA	9,984,484	2,806,909	337,375	631,663
BRITISH COLUMBIA	62,873	22,815	1,200	-

RECAPITULATION

Manitoba	9,356,819	15,632,067	1,494,133	848,295
Saskatchewan	12,170,931	6,972,667	3,438,579	3,145,806
Alberta	9,984,484	2,806,909	337,375	631,663
British Columbia	62,873	22,815	1,200	-
TOTAL - WESTERN CANADA	31,575,107	25,434,458	5,271,287	4,625,764

In addition to farmers' deliveries to country elevators as shown above, a total of 1.6 million bushels of oats and 1.2 million bushels of barley were shipped in carlots over loading platforms in the three Prairie Provinces or hauled in small lots to private and mill elevators. The movement of rye and flaxseed through these channels was comparatively small.

Alberta farmers accounted for more than one million bushels of the oats delivered over platforms or to storage other than country elevators, while Manitoba farmers were the heaviest shippers of barley.