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# COARSE GRAINS QUARTERLY



DOMINION BUREAU OF STATISTICS

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DOMINION BUREAU OF STATISTICS

Agriculture Division

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THE COARSE GRAINS

QUARTERLY

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## WORLD SITUATION

### Feed Grains Situation and Outlook

The following is taken from the report on Grains and Feeds as prepared for the Federal-Provincial Agricultural Outlook Conference, November 24 and 25, 1969 ....

Situation 1968-69. — World production of feed grains in 1968 is estimated to have fallen 1 per cent from the previous year to 616 million short tons but during the last 10 years, production has increased by 35 per cent or 204 million tons.

World corn production was 253 million tons in 1968, about 4 per cent lower than in 1967, but barley, at 122 million tons, was up by 7 per cent, and oats, at 56 million tons, up by 8 per cent. Weather conditions were generally favourable except in Britain and southern parts of Eastern Europe, resulting in higher yields of barley and oats, but corn yields were down slightly. Developed countries produced 3 per cent less feed grains in 1968 than in 1967; developing countries showed little change in total; the largest gains were in the U.S.S.R., particularly in barley production.

After a steady growth since the late 1950's, international trade in feed grains for 1968-69 showed little change from the level of 44 million tons of the previous 2 years. About two-thirds of the trade is corn and this rose by about 3 per cent to 28 million tons. The largest exporter, the United States, had lower sales by 11 per cent at 14 million tons, but France doubled exports to 2.5 million tons, and Argentina increased by a quarter to 4.3 million tons. Exports of sorghum, largely from the United States, declined by 23 per cent, and trade in barley was little changed, with a sharp rise in French exports offsetting declines by Canada and the United States. Japan, the largest feed grain importer, increased purchases by 11 per cent to 8.5 million tons, and smaller increases were made by West Germany, Britain and Belgium. Italy, Poland and the Netherlands had lower imports. Contributing to the levelling off in world trade in feed grains is the increasing use of wheat for livestock feed, especially locally grown, lower quality soft wheat in the importing countries.

Stocks of oats and barley in the major exporting countries rose by 20 per cent during 1968-69 and prices were lower by some 20 per cent for barley and about 8 per cent for oats. On the other hand, corn prices rose during the year even though they remained below the levels of a year and two years earlier.

Outlook for 1969-70. — World production of feed grains in 1969-70 is forecast at slightly higher levels than the previous year, with an increase in corn production and a further increase in barley. The United States 1969 feed grain program called for an increase in the land diverted from corn, grain sorghum and barley to 37 million acres, compared with 32.4 million in 1968. Total U.S. feed grain production in 1969 is estimated at 152 million tons, down only slightly from the previous year. With the continuing increase in livestock numbers, domestic use of feed grains is likely to rise in the U.S. and exports should be maintained although any increase may be small. Thus domestic prices of feed grains in the U.S. should be higher than the low harvest levels of last year.

Production of feed grains in Western Europe in 1969 was large but did not reach record levels. In Britain and the European Economic Community the barley crop is forecast higher than in 1968. In Eastern Europe, feed crop production was lower, especially for fodder crops. In Europe generally, increasing quantities of wheat are being used to feed livestock and the total for 1968-69 is estimated at about 14 million tons.



### CANADIAN FEED GRAIN SITUATION AND OUTLOOK

Canadian supplies of feed grains were higher for barley, oats and corn in 1968-69 because production increased sharply, especially in barley, even though opening stocks were lower than the previous year and about average. Total feed grain supplies were 24.1 million tons, compared with 21.4 million tons in 1967. Imports of corn were also higher by 6 per cent, at 944,000 tons. Domestic use of corn and barley increased but less oats were used. However, exports of barley fell by 36 per cent to a low of 635,000 tons (26.4 million bushels).

Under the pressure of larger supplies of feed grains and wheat, in Canada, in other exporting countries and in importing areas, prices of feed grains fell considerably in 1968-69. Canadian Wheat Board asking prices of No. 1 feed barley in store at the Lakehead were reduced slowly from October, 1968, and have continued to decline during 1969, reaching \$41 per ton by mid-year. Similarly, the price of No. 1 feed oats has also been reduced to reach \$38 per ton. In the summer and fall of 1968, corn prices in the U.S. and Canada fell to very low levels but rose steadily during the winter. As corn supplies were reduced in the U.S. through the season, Ontario prices rose sharply to end the crop year at \$55 per ton, a rise of 40 per cent from the low of \$39 per ton.

Outlook for 1969-70. — In Canada, feed grains production is estimated at 19.4 million tons, up from 18.0 million tons in 1968 (including nearly 2 million tons of mixed grains). A large increase in barley production and a small increase in oats more than offset a drop in corn production. Feed grain consumption by livestock in 1968-69 was estimated at 15.8 million tons and is expected to rise to 16.6 million during 1969-70 to take account of a small increase in livestock numbers and a higher level of grain feeding per animal. In addition, an allowance has been made for a small increase in consumption of wheat by livestock. Little change is expected in industrial use of feed grains at under a million tons. With beginning stocks for 1969-70 of 7.1 million tons, up from 4.6 million tons the previous year, supplies for export and carryover will be 11.1 million tons, as compared with 7.8 in 1968-69 and 6.2 for the 5-year average.

Exports of feed grains by Canada have fallen in recent years, but with the decline in Canadian prices for barley and oats during 1968-69 which has continued into 1969-70, Canadian feed grains, especially barley, have become more competitive in overseas markets. Nevertheless, it is expected that stocks of feed grains at July 31, 1970, will increase to a record high.

Outlook for 1970-71 and 1971-72. — Demand for Canadian feed grains over the next few years will depend on the competitive price level at which feed grains can be produced on a continuing basis. Livestock production in Canada must remain competitive in price if the rise in domestic meat consumption is to be continued and exports of livestock and livestock products maintained and possibly increased. Forecast increases in livestock over the next 3 years indicate a steady rise in the numbers of grain-consuming animal units in Canada from 16.7 million in 1968-69 to about 18.7 million in 1971-72. Assuming continued high levels of concentrate feeding to these livestock, it is estimated that feed grain requirements will be 13.8 million tons for 1969-70, rising to 16.3 million tons by 1971-72. In addition to this consumption by livestock of corn, oats, barley and mixed grains, a small rise in wheat fed is assumed, from 2.1 million tons in 1968-69 to 2.2 million tons in 1971-72.

Feed Concentrate Balance, Numbers of Animal Units and Feed per Unit, Canada  
Crop Years, August 1 - July 31

Item	Average		1967-68 <sup>r</sup>	1968-69 <sup>p</sup>	1969-70(1)
	1957-62	1962-67			
million tons					
<u>Supply</u>					
Stocks beginning crop year(2) .....	5.5	4.6	5.2	4.6	7.1
Production of feed grains:					
corn .....	0.8	1.4	2.1	2.3	2.1
oats .....	5.7	7.0	5.2	6.2	6.3
barley .....	4.7	5.2	6.0	7.8	9.1
mixed grain and buckwheat .....	1.3	1.5	1.6	1.7	2.0
Totals, production .....	12.5	15.1	14.8	18.0	19.4
Imports of feed grains .....	0.5	0.7	0.9	0.9	1.0
Wheat and rye fed .....	2.0	1.6	2.1	2.1	2.2
By-product feeds fed .....	1.3	1.5	1.7	1.7	1.8
Totals, supply .....	21.9	23.4	24.6	27.2	31.5
<u>Utilization</u>					
Concentrates fed(3)					
corn .....	0.9	1.5	2.4	2.5	2.4
oats .....	5.5	6.2	5.2	4.8	4.7
barley .....	3.0	3.2	4.2	4.8	5.4
mixed grain and buckwheat .....	1.2	1.5	1.5	1.7	1.9
wheat and rye .....	2.0	1.6	2.1	2.1	2.2
oilseed cake and meal .....	0.4	0.5	0.7	0.7	0.8
animal protein feeds .....	0.2	0.2	0.3	0.3	0.3
other by-product feeds .....	0.7	0.7	0.8	0.7	0.8
Totals, concentrates fed .....	14.0	15.4	17.1	17.5	18.4
Feed grains for seed, human food and industry .....	1.6	1.7	1.9	1.9	1.9
Exports .....	1.6	1.2	1.1	0.7	1.9
Totals, utilization .....	17.2	18.4	20.1	20.2	22.3
<u>Stocks at end of crop year(2) .....</u>	<u>4.7</u>	<u>5.0</u>	<u>4.6</u>	<u>7.1</u>	<u>9.2</u>
<u>Supply and utilization per animal unit ....</u>					
Total supply (million tons).....	21.9	23.4	24.6	27.2	31.5
Concentrates fed (million tons) .....	14.0	15.4	17.1	17.5	18.4
Grain-consuming animal units,					
June 1 (million) .....	15.9	16.2	17.3	16.7	17.0
Supply per animal unit (tons) .....	1.38	1.44	1.42	1.63	1.85
Concentrates fed per animal unit (tons) .	.88	.95	.99	1.05	1.08

(1) Preliminary estimates based on production as of October 28 and forecasts of utilization and exports.

(2) Total stocks of oats and barley and commercial stocks of corn only.

(3) Total quantities fed in Canada, including domestically produced and imported grains and by-product feeds.

<sup>p</sup> Preliminary figures.

<sup>r</sup> Revised figures.

Note: Due to rounding the sums of individual items may not agree exactly with the totals.



The actual feed grains fed will depend largely on the grains grown by producers and the competitive price of each on an energy basis. In most cases, this means the cheapest cost of energy per acre, whether it is corn, oats, barley or feed wheat. While the future growth of the livestock sector may be significant over the next 10 years, the higher consumption of feed grains in the next 2 years may not be large enough to utilize present supplies and the expected production from the recent acreage levels.

A similar situation applies to feed grain exports which must be able to compete continually on an energy basis with export corn prices of the United States. As the U.S. is the main market for Canadian livestock exports, as well as having a very significant influence on feed grain prices, the ability to produce feed grains in Canada at prices competitive with U.S. corn is essential for the expansion of feed grain exports and for further growth of the Canadian livestock industry.

Forage Crops      Production of tame hay in Canada in 1969 is estimated at 25.6 million tons, some 11 per cent more than last year's out-turn of 23.0 million and 16 per cent above the ten-year (1958-67) average of 22.1 million tons.

Production of fodder corn, which is mostly in Eastern Canada, is placed at a record 8.5 million tons in 1969, 7 per cent above last year's 7.9 million tons and 67 per cent above the ten-year average of 5.1 million tons. Fall pastures were quite good in most regions and, as a result, supplementary fall feeding was generally not extensive this season.

Exports of Oats,  
Barley and Rye  
August-October 1969      Total exports of oats, barley and rye during the first quarter of the 1969-70 crop year amounted to 7.4 million bushels, an increase of 4 per cent over the August-October 1968 total of 7.1 million but 35 per cent less than the ten-year (1958-67) average exports for the period of 11.4 million bushels. Current crop year exports of the three grains to October 31, 1969 with figures for the corresponding period of 1968 and the ten-year August-October averages, respectively, in brackets, were as follows, in millions of bushels: oats, 0.4 (0.5, 1.5); barley, 6.3 (4.4, 8.5); and rye, 0.7 (2.2, 1.4).

During the first three months of the 1969-70 crop year the major markets for Canadian oats were the United States, 0.2 million and Syria 0.1 million. Smaller shipments went to the Netherlands and Britain. Exports of Canadian barley during the period under review went to four different countries with shipments as follows in millions of bushels: Britain, 2.6; United States, 1.7; Japan 1.6; and Tunisia, 0.4. In addition, Customs exports of Canadian malt in terms of barley during the August-October period of 1969 were equivalent to 0.9 million bushels. The leading market for the 0.7 million bushels of Canadian rye exported during the first three months of current crop year was Japan with 0.3 million. Other markets were United States and the Federal Republic of Germany, 0.1 million each followed by Denmark, Britain and the Netherlands.

Barley - Olli Variety      The Canadian Wheat Board in its instructions to the Trade re Quotas (General) No. 14 under date of December 5, 1969 announced that in an effort to obtain a supply of Olli Barley, provisions as outlined in Instructions to the Trade re Quotas (General) No. 2 issued July 31, 1969, are now extended to an additional carlot of Olli Barley in excess of the established quota.



Supplementary Quota  
on Barley

The Canadian Wheat Board in its instructions to the Trade re Quotas (General) No. 10 under date of November 7, 1969 stated in part that instructions to the Trade re Quotas (General) No. 7 issued September 30, 1969, authorized a supplementary quota of three bushels per acre seeded to barley until November 28, 1969.

The Board now wishes to announce that this supplementary quota will not be cancelled as at November 28 but it will be suspended on that date and that on and after November 29, 1969, all deliveries of barley must be applied against the unit or specified acreage quota.

However, should additional barley be required at a later date to meet Board sales, this supplementary quota will be reinstated to enable producers who did not have an opportunity to deliver their supplementary quota to do so later in the crop year.

Selected Oats Grading  
Extra No. 1 Feed or Higher

The Canadian Wheat Board instructions to the Trade re Quotas (General) No. 13 under date of December 3, 1969 stated in part that in order to obtain a sufficient supply of high quality oats to meet market requirements the Board will consider applications from agents of the Board, on behalf of producers, to deliver selected oats, suitable for milling or other purposes, in excess of the established quota. Under this policy over the quota delivery permits will apply only to high quality oats for which a sample has been submitted to and accepted by a mill or by a plant located in the designated area and which is equipped for cleaning grain.

On December 12, 1969 the Canadian Wheat Board announced in part that "with reference to Instructions to the Trade re Quotas (General) No. 13 issued December 3, 1969, we wish to advise that elevator managers and/or selectors are to:

- (a) ascertain before making application for the special permit that the sample submitted by the producer is, in fact, an actual and representative sample of the oats grading Extra No. 1 Feed or higher, which the producer has available for shipment; and
- (b) determine that the oats, when offered for delivery against the special permit, is at least equal to the sample previously accepted, and if not, refuse to accept delivery until a new and representative sample has been submitted and approval of its acceptance obtained".

Supplementary Quota  
on Rye

The Canadian Wheat Board in its instructions to the Trade re Quotas (General) No. 15 under date of December 10, 1969 announced that effective immediately at all delivery points within the designated area a supplementary quota of three (3) bushels per acre seeded to rye as shown in the individual producer's 1969-70 delivery permit book is hereby authorized.

Registered or  
Certified Seed

The Canadian Wheat Board in its instructions to the Trade re Quotas (General) No. 16 under date of December 11, 1969 announced its policy under which producers may acquire foundation, registered or certified seed wheat, oats, barley, rye, flaxseed or rapeseed and certified or commercial forage seeds for seeding purposes. Details may be found by referring to Instruction No. 16.

Establishment of a  
Grains Group

The Honourable Otto E. Lang announced on December 5, 1969 the establishment of Grains Group. The world supply and demand for wheat during the past two years has presented very serious problems for western grain producers and the Government has initiated a number of policies designed to assist producers during this difficult period. The doubling of interest-free cash advances, improved credit facilities for exports and a fixed price for wheat sold for human consumption in Canada are examples of these policies.

There remain basic problems to be resolved. On October 15 of this year the Prime Minister announced that the complexities of international grain marketing problems, combined with the importance of the grain trade to the Canadian economy, had led to the decision to make grain marketing a focus of effort by a Minister without general departmental responsibilities.

At that time the Prime Minister announced that I would assume responsibility for the Canadian Wheat Board and would focus attention on grain issues generally.

The issues which must be dealt with during the months ahead require the complete coordination of the increased efforts of the departments and agencies of the Government concerned with the grain industry. This will be accomplished through a Grains Group which I have established through the cooperation of the Departments of Agriculture, Industry, Trade and Commerce and Transport and agencies related to these Departments. This Group will provide a focus for the development of policies and programs for the grain industry.

The Group is now in operation and it will continue to operate until the pressing issues requiring initiative by the Government have been dealt with.

I will act as Chairman of the Grains Group. I am grateful for the enthusiastic cooperation of my colleagues, the Ministers of Industry, Trade and Commerce, of Agriculture and of Transport. With their cooperation I will direct the Government initiative in the development of grains policies and programs. The Group will work on a continuous, coordinated and intensified basis to ensure that these policies and programs are developed as quickly as possible and with the best possible input of resources available to the Government.

I have emphasized my role and the role of the Grains Group in intensifying and coordinating effort within the Government. I must make equally clear the importance attached to the role of organizations outside Government in the effort that is being initiated. The existence of the Grains Group will provide a focus for discussion on grain matters between these organizations and the Government. The Group will seek the advice and assistance of these organizations, particularly the Grains Council, in the coming months.

There has been a great deal of study given to many of the issues facing the grain industry. The Task Force on Agriculture will report very soon, and the Canada Grains Council is initiating research on various problems facing the industry. The research and recommendations of these bodies will be of great assistance to the Government. The Group which has now been established is designed primarily for action. It will of course study some individual problems, but the studies carried on by it and on its behalf will be directed toward the implementation of policy as early as possible. The issues facing the grain industry are difficult. The situation of grain producers in the western provinces particularly is critical. I am optimistic that this new initiative will lead to improvement in the situation of the producers and the economic health of the industry as a whole.



# MILLFEEDS

During the 1968-69 crop year, production of Canadian millfeeds amounted to 648,505 tons. This was an increase of approximately one per cent more than the 1967-68 production of 640,278 tons but 4 per cent less than the ten-year (1957-58 - 1966-67) average of 678,071 tons. In 1968-69 exports, at 93,319 tons increased sharply from the 1967-68 total of 52,485 tons and were also above the ten-year average of 88,744 tons.

The 78 per cent increase in exports more than offset the one per cent increase in production with the result that domestic utilization of millfeeds for 1968-69 was 6 per cent below 1967-68 and 7 per cent less than the (1957-58 - 1966-67) average of 590,632 tons, after making allowances for changes in mill stocks. In 1968-69 the major export markets for millfeeds were United States, 29,338 tons and Japan, 8,810 tons. Substantially smaller shipments went to Britain, Haiti Republic, Barbados, Jamaica, Bermuda, St Pierre and Miquelon and Guyana.

During the first three months of the 1969-70 crop year, preliminary data indicate that production of millfeeds, at 180,194 tons, was 5 per cent more than the 172,397 tons produced during the corresponding period in 1968-69. During the August - October period of the current crop year, exports amounted to 37,573 tons in contrast to 21,717 tons exported during the same months of 1968. For the period under review, apparent domestic disappearance (excluding any allowance for imports) was 143,496 tons compared with last year's August-October level of 148,881 tons.

## Production and Exports of Canadian Millfeeds, 1948-49 - 1968-69

Crop year	Production	Imports	Exports	Apparent domestic disappearance(1)	Exports as % of production
			tons		per cent
1948-49 .....	695,346	10,486	53,968	654,400	7.8
1949-50 .....	691,812	4,681	55,394	643,257	8.0
1950-51 .....	852,053	4,192	235,301	623,046	27.6
1951-52 .....	829,301	3,518	258,342	573,080	31.2
1952-53 .....	810,480	1,571	264,950	549,391	32.7
1953-54 .....	678,456	1,457	186,214	494,522	27.4
1954-55 .....	696,450	4,363	129,310	568,384	18.6
1955-56 .....	703,376	11,392	111,660	599,878	15.9
1956-57 .....	641,885	5,855	111,943	540,289	17.4
1957-58 .....	688,706	1,912	110,359	582,828	16.0
1958-59 .....	663,191	3,373	52,303	611,194	7.9
1959-60 .....	683,915	1,563	63,128	619,379	9.2
1960-61 .....	668,201	770	59,501	614,822	8.9
1961-62 .....	650,496	800	36,423	614,358	5.6
1962-63 .....	574,966	1,122	58,122	519,150	10.1
1963-64 .....	812,741	(2)	198,223	608,189	24.4
1964-65 .....	646,928	(2)	95,143	558,715	14.7
1965-66 .....	724,425	(2)	112,420	610,166	15.5
1966-67 .....	667,140	(2)	101,817	567,524	15.3
1967-68 .....	640,278	(2)	52,485	586,220	8.2
1968-69 .....	648,505	(2)	93,319	551,381	14.4

(1) Adjusted for change in mill stocks.

(2) Beginning with 1963-64 imports of millfeeds are no longer classified as a separate commodity.

## Supply and Distribution of Millfeeds, August-October 1969 and 1968

Month	Production				Exports	Apparent domestic disappearance(1)
	Bran	Shorts	Middlings	Total		
				tons		
August 1969 .....	18,867	35,005	2,782	56,654	12,714	47,333
September .....	19,869	36,889	3,153	59,911	10,306	48,808
October .....	19,347	41,579	2,703	63,629	14,553	47,355
Totals .....	58,083	113,473	8,638	180,194	37,573	143,496
Same period 1968 <sup>r</sup> .....	58,826	103,356	10,215	172,397	21,717	148,881

(1) Adjusted for change in mill stocks.

<sup>r</sup> Revised figures.



# NOVEMBER ESTIMATE OF 1969 PRODUCTION OF CANADA'S PRINCIPAL GRAIN CROPS

Canada's 1969 wheat crop now estimated at 684.3 million bushels is 5 per cent above last year's 649.8 million bushels and 22 per cent above the ten-year average of 560.4 million bushels. The increase in production compared with last year is due to a 24 per cent increase in yields which more than offset a 15 per cent decrease in seeded acreage. The average yield at 27.4 bushels per acre is 31 per cent above the ten-year (1958-67) average of 20.9 bushels per acre. This year's all Canada crop of spring wheat, including durum, is estimated at 669.9 million bushels compared with the 1968 crop of 634.9 million and the ten-year average of 543.5 million bushels. Ontario's winter wheat crop is estimated at 14.3 million bushels, a decrease of 4 per cent from last year's crop of 14.9 million.

Production of oats for grain in 1969 is estimated at 371.4 million bushels, 2 per cent above last year's 362.5 million but one per cent below the 1958-67 average of 373.7 million. The indicated average yield for Canada as a whole is a record 48.5 bushels per acre compared with 48.0 in 1968 and the ten-year average of 42.4 bushels. The 1969 barley crop is estimated at a record 378.4 million bushels, 16 per cent above last year's 325.4 million and 82 per cent above the 1958-67 average of 208.3 million. The indicated average yield for Canada as a whole is 39.7 bushels per acre. The combined production of fall and spring rye is now estimated at 16.5 million bushels, some 26 per cent above the 1968 crop of 13.0 million and 39 per cent above the ten-year average of 11.8 million bushels. Average yields, estimated at 17.8 bushels per acre, are 7 per cent below the 1968 average of 19.2 bushels and 3 per cent below the ten-year average of 18.4 bushels per acre. Canada's 1969 crop of mixed grains, grown principally in Eastern Canada, is estimated at a record 87.3 million bushels, up 2 per cent from the 85.6 million produced in 1968 and some 25 per cent higher than the 1958-67 average production of 70.0 million bushels. The indicated average yield for all Canada at 50.2 bushels per acre is 2 per cent lower than the 51.4 bushels obtained in 1968 but 11 per cent above the ten-year average of 45.4 bushels per acre. Production of corn for grain in 1969 at 73.4 million bushels, is 10 per cent below last year's crop of 81.2 million but 67 per cent larger than the ten-year average of 43.8 million bushels. The average yield of 75.0 bushels per acre is 12 per cent below that of last year but one per cent above the ten-year average of 74.2 bushels.

## November Estimate of the 1969 Production of Grain Crops Canada and Prairie Provinces, Compared with 1968

Crop	Area		Yield per acre		Production	
	1968 <sup>r</sup>	1969	1968	1969(1)	1968	1969(1)
	acres		bushels		bushels	
<b>CANADA</b>						
Winter wheat .....	355,000	360,000	42.0	39.8	14,910,000	14,328,000
Spring wheat(2) ..	29,067,500	24,607,700	21.8	27.2	634,934,000	669,948,000
All wheat .....	29,422,500	24,967,700	22.1	27.4	649,844,000	684,276,000
Oats for grain ...	7,555,900	7,655,000 <sup>r</sup>	48.0	48.5	362,516,000	371,387,000
Barley .....	8,836,500	9,535,100	36.8	39.7	325,373,000	378,383,000
Fall rye .....	590,600	821,300	19.6	17.7	11,589,000	14,535,000
Spring rye .....	88,000	106,000	16.6	18.5	1,460,000	1,958,000
All rye .....	678,600	927,300	19.2	17.8	13,049,000	16,493,000
Mixed grains .....	1,667,000	1,740,300	51.4	50.2	85,602,000	87,346,000
Corn for grain ...	957,500	978,000 <sup>r</sup>	84.8	75.0	81,168,000	73,390,000
Buckwheat .....	81,400	97,700 <sup>r</sup>	16.9	17.0	1,376,000	1,695,000
Peas, dry .....	53,300	73,000	19.2	17.5	1,022,000	1,280,000
Beans, dry .....	90,900	90,000	17.8	23.9	1,621,000	2,154,000
Flaxseed .....	1,524,400	2,440,700	12.9	12.6	19,666,000	30,748,000
Soybeans .....	295,000	322,000	30.6	23.8	9,027,000	7,664,000
Rapeseed .....	1,052,000	2,012,000	18.4	18.4	19,400,000	37,100,000
<b>PRAIRIE PROVINCES</b>						
Spring wheat(2) ..	28,860,000	24,400,000 <sup>r</sup>	21.8	27.3	629,000,000	665,000,000
Oats for grain ...	5,340,000	5,630,000 <sup>r</sup>	46.6	49.4	249,000,000	278,000,000
Barley .....	8,330,000	9,000,000	36.1	39.4	301,000,000	355,000,000
Rye .....	619,000	859,000	18.4	17.1	11,400,000	14,658,000
Flaxseed .....	1,502,000	2,420,000	12.8	12.6	19,300,000	30,500,000
Rapeseed .....	1,052,000	2,012,000	18.4	18.4	19,400,000	37,100,000

(1) As indicated on basis of conditions on or about October 28.

(2) Includes durum wheat.

<sup>r</sup> Revised figures.

FEED GRAIN SUPPLIES PER ANIMAL UNIT

As in previous crop years, presentation of the Canadian feed grain supply picture for the current crop year provides a comparison between total potential feed grain supplies per grain-consuming animal unit and the estimated net amounts actually available per grain-consuming animal unit. The gross supply of feed grains available for any one crop year, as shown in Table 1, includes the total production of the various feed grains (oats, barley, mixed grains, rye, corn and buckwheat) converted to tons and bulked together, plus carryover stocks of oats, barley, rye and carryover of corn in commercial positions at the beginning of the crop year. Allowance is also made for anticipated imports. In these calculations wheat is not included as a feed grain.

TABLE 1. Total Potential Feed Grain Supplies(1)  
Per Grain-Consuming Animal Unit

Crop year	Gross supply feed grain(2)	Grain-consuming animal units(3)	Gross supply per grain-consuming animal unit
	thousand tons	thousands	tons
1958-59 .....	20,145	16,210	1.24
1959-60 .....	19,411	16,718	1.16
1960-61 .....	19,301	15,322	1.26
1961-62 .....	15,695	16,033	0.98
1962-63 .....	19,055	15,485	1.23
1963-64 .....	21,319	15,903	1.34
1964-65 .....	19,921	16,775	1.19
1965-66 .....	21,270	16,427	1.29
1966-67 .....	23,205	16,633	1.40
1967-68 .....	21,422	17,311	1.24
10-year average 1958-59 — 1967-68	20,074	16,282	1.23
1968-69 <sup>r</sup> .....	24,081	16,709	1.44
1969-70 <sup>P</sup> .....	28,190(4)	17,030	1.66

(1) Excluding wheat.

(2) Includes production of oats, barley, rye, corn, buckwheat and mixed grains together with carryover stocks of oats, barley, rye and commercial stocks of corn and import allowances.

(3) A grain-consuming animal unit is the equivalent in consumption of grain of one average milk cow in a year, weighted as follows: horses, 0.5; milk cows, 1.0; other cattle, 0.51; hogs, 0.87; sheep, 0.04; and poultry, 0.045. Calculations of the number of grain-consuming animal units for a particular crop year are based on the estimated livestock population as at June 1 immediately preceding that crop year.

(4) Based on November estimate of production of 1969 field crops.

P Preliminary figures.

r Revised figures.



While it is recognized that the method just outlined has value in determining the gross quantities of feed grains available for the Canadian livestock feeding program, a more realistic picture can be presented after subtracting estimated amounts used for purposes other than animal feeding. In the compilations in Table 2, net supplies have been calculated by deducting exports, seed requirements and other domestic non-feed uses from gross supplies as set out in Table 1. For the 1969-70 crop year these items have been estimated in arriving at the net supply position. As in Table 1, wheat used for feeding purposes has been omitted from the calculations. Net supplies are estimated to be 24.1 million tons, 14 per cent more than the 1968-69 total of 21.2 million and 43 per cent larger than the ten-year average of 16.9 million tons. The net 1969-70 supplies per grain-consuming animal unit are estimated at an all-time high of 1.42 tons, above the 1968-69 level of 1.27 tons and 38 per cent above the recent ten-year average of 1.03 tons.

Grain Consumed in 1968-69 In arriving at the actual amount of grain consumed per animal unit during a particular crop year, quantities of wheat fed are included in the calculations. The estimate of total feed grain consumption as shown in Table 3 is, therefore, the net supply set forth in Table 2 less the year-end carryover of feed grains, plus wheat fed. The amount consumed per animal unit in 1968-69 was estimated at a record 0.95 tons, 7 per cent above the quantity fed in 1967-68 and 14 per cent more than the ten-year average of 0.83 tons.

TABLE 3. Grain Consumed Per Grain-Consuming Animal Unit

Crop year	Amount consumed	Grain-consuming animal units	Amount consumed per grain-consuming animal unit
	thousand tons	thousands	tons
1958-59 .....	13,170	16,210	0.81
1959-60 .....	12,887	16,718	0.77
1960-61 .....	13,284	15,322	0.87
1961-62 .....	11,079	16,033	0.69
1962-63 .....	12,759	15,485	0.82
1963-64 .....	13,430	15,903	0.84
1964-65 .....	13,490	16,775	0.80
1965-66 .....	14,585	16,427	0.89
1966-67 .....	15,695	16,633	0.94
1967-68 <sup>r</sup> .....	15,406	17,311	0.89
10-year average 1958-59 — 1967-68 .....	13,578	16,282	0.83
1968-69 <sup>p</sup> .....	15,802	16,709	0.95

<sup>p</sup> Preliminary figures.

<sup>r</sup> Revised figures.



Total supplies of Canadian feed grains in the crop year 1969-70 are estimated to be some 17 per cent more than in 1968-69. This increase is due to larger crops of oats, barley, rye, buckwheat and mixed grains as well as higher opening stocks of oats, barley, rye and corn. Current crop year supplies of oats, consisting of the August 1 carryover of 128.5 million bushels and this year's production of 371.4 million, are placed at some 499.9 million bushels and represent an increase of 14 per cent over last year's total of 439.5 million. Supplies of barley, at a record 576.0 million bushels, consist of a carryover of 197.7 million and a crop of 378.4 million, and are 26 per cent above the 1968-69 total of 456.3 million bushels.

Supplies of rye, at 24.9 million bushels are 22 per cent more than the 1968-69 total of 20.5 million. This year's record crop of mixed grains was estimated at 87.3 million bushels, compared with the 85.6 million harvested in 1968. Production of grain corn in 1969 is estimated at 73.4 million bushels, 10 per cent below last year's record crop of 81.2 million. Gross supplies of feed grain are estimated at 28.2 million tons compared with last year's 24.1 million, and 40 per cent above the ten-year (1958-59 - 1967-68) average of 20.1 million tons. Grain-consuming animal units increased by 2 per cent, from 16.7 million at June 1, 1968 to 17.0 million in 1969. However, the larger feed grain supply more than offset the increase in animal units, and as a result, gross supplies per grain-consuming animal unit are placed at 1.66 tons compared with 1.44 tons a year ago and the recent ten-year average of 1.23 tons.

TABLE 2. Net Supply of Feed Grain Available Per Grain-Consuming Animal Unit

Crop year	Net supply feed grain	Grain- consuming animal units	Net supply per grain-consuming animal unit
	thousand tons	thousands	tons
1958-59 .....	16,577	16,210	1.02
1959-60 .....	15,984	16,718	0.96
1960-61 .....	16,373	15,322	1.07
1961-62 .....	12,823	16,033	0.80
1962-63 .....	16,356	15,485	1.05
1963-64 .....	18,005	15,903	1.13
1964-65 .....	16,803	16,775	1.00
1965-66 .....	17,972	16,427	1.09
1966-67 .....	19,507	16,633	1.17
1967-68 <sup>r</sup> .....	18,212	17,311	1.05
10-year average 1958-59 - 1967-68 .....	16,861	16,282	1.03
1968-69 <sup>r</sup> .....	21,214	16,709	1.27
1969-70 <sup>p</sup> .....	24,144	17,030	1.42

P Preliminary figures.

r Revised figures.

FARMERS' MARKETINGS OF OATS, BARLEY AND RYE

Total marketings of oats, barley and rye in the Prairie Provinces from the beginning of the current crop year to November 19 amounted to 51.1 million bushels, 54 per cent more than the comparable 1968 total of 33.2 million and 3 per cent above the ten-year (1958-67) average for this period of 49.9 million bushels. This year's August 1-November 19 total consisted of barley, 89 per cent; oats, 9 per cent; and rye, 2 per cent.

Farmers' Marketings (1) of Oats, Barley and Rye in the Prairie Provinces, 1969-70 with Comparisons

Period or week ending	Oats				Barley			
	Man.	Sask.	Alta.	Total	Man.	Sask.	Alta.	Total
	thousand bushels				thousand bushels			
August 6, 1969 .....	—	—	(2)	(2)	—	3	1	4
13 .....	10	4	3	18	4	22	7	33
20 .....	50	11	37	98	37	119	226	382
27 .....	264	82	25	370	409	375	420	1,205
September 3 .....	251	142	129	523	467	645	1,119	2,232
10 .....	157	149	117	423	352	684	1,037	2,074
17 .....	258	147	117	522	399	946	1,469	2,814
24 .....	275	198	131	605	331	813	1,247	2,391
October 1 .....	146	114	63	323	280	691	1,747	2,718
8 .....	111	52	139	302	588	895	2,591	4,074
15 .....	62	67	182	311	610	1,999	3,345	5,953
22 .....	57	56	148	261	538	2,430	2,845	5,813
29 .....	40	36	140	217	619	1,786	2,023	4,427
November 5 .....	54	39	128	221	296	1,986	2,007	4,289
12 .....	47	31	138	215	497	1,537	1,478	3,512
19 .....	124	33	83	240	985	1,419	1,119	3,523
Totals .....	1,907	1,162	1,581	4,650	6,412	16,350	22,681	45,443
Similar period 1968 .....	3,484	1,380	1,776	6,640	3,552	6,923	15,215	25,690
10-year average similar period 1958-67 .....	6,366	5,530	4,432	16,328	4,667	11,515	14,629	30,812

Rye			
August 6, 1969 .....	—	1	—
13 .....	—	17	—
20 .....	5	34	20
27 .....	59	123	17
September 3 .....	53	109	18
10 .....	38	70	19
17 .....	45	52	15
24 .....	22	51	11
October 1 .....	33	31	8
8 .....	23	8	5
15 .....	15	28	34
22 .....	16	23	9
29 .....	6	17	8
November 5 .....	8	16	5
12 .....	4	10	1
19 .....	5	14	9
Totals .....	333	602	179
Similar period 1968 .....	218	481	120
10-year average, similar period 1958-67 .....	776	1,323	615

(1) Includes receipts at country, interior private and mill, interior semi-public terminal elevators and platform loadings.

(2) Less than 500 bushels.



Visible Supply of Canadian Oats, Barley and Rye, November 19, 1969 Compared with  
Approximately the Same Date, 1967 and 1968

Position	1967	1968	1969
thousand bushels			
<u>Oats</u>			
Country elevators — Manitoba .....	2,351	2,541	5,700
Saskatchewan .....	2,878	2,293	4,800
Alberta .....	3,763	3,219	6,997
Sub-totals .....	8,992	8,053	17,497
Interior private and mill .....	401	313	241
Interior terminals .....	10	10	8
Vancouver-New Westminster .....	29	164	164
Prince Rupert .....	—	1	1
Churchill .....	—	—	35
Fort William-Port Arthur .....	7,897	4,381	3,392
In transit rail (western division) .....	743	1,425	924
Bay, Lake and Upper St. Lawrence ports .....	5,198	2,740	2,513
Lower St. Lawrence and Maritime ports .....	3,112	2,165	2,644
In transit lake .....	1,629	1,452	1,257
In transit rail (eastern division) .....	6	5	15
Totals .....	28,017	20,709	28,691
<u>Barley</u>			
Country elevators — Manitoba .....	2,093	2,278	2,698
Saskatchewan .....	10,960	11,175	11,622
Alberta .....	26,406	28,721	28,538
Sub-totals .....	39,459	42,174	42,858
Interior private and mill .....	131	84	75
Interior terminals .....	2,890	3,230	2,646
Vancouver-New Westminster .....	1,269	2,049	3,306
Prince Rupert .....	1	1	3
Fort William-Port Arthur .....	10,780	5,326	12,133
In transit rail (western division) .....	4,881	3,456	5,504
Bay, Lake and Upper St. Lawrence ports .....	4,040	2,042	4,278
Lower St. Lawrence and Maritime ports .....	4,779	4,306	3,806
In transit lake .....	2,410	2,829	2,589
Totals .....	70,640	65,497	77,198
<u>Rye</u>			
Country elevators — Manitoba .....	226	295	243
Saskatchewan .....	916	857	643
Alberta .....	343	269	245
Sub-totals .....	1,485	1,421	1,131
Interior private and mill .....	10	27	27
Interior terminals .....	—	2	2
Vancouver-New Westminster .....	380	231	304
Fort William-Port Arthur .....	916	1,038	892
In transit rail (western division) .....	422	426	419
Bay, Lake and Upper St. Lawrence ports .....	1,052	308	337
Lower St. Lawrence and Maritime ports .....	671	295	244
United States ports .....	548	154	202
Totals .....	5,484	3,902	3,558

# GRADING OF CROPS, 1969-70

The total number of cars of oats, barley and rye inspected by the Board of Grain Commissioners for Canada during the first quarter of the 1969-70 crop year amounted to 16,847 about 49 per cent more than the 11,307 cars of these grains inspected during the first three months of the 1968-69 crop-year. Inspection of barley, at 14,667 cars accounted for 87 per cent of the August-October 1969 total, with the remainder consisting of 1,374 cars of oats (8 per cent); and 806 cars of rye (5 per cent).

Percentages of the three grains falling into the higher grades (excluding "Toughs" and "Damps") during the first quarter of the 1969-70 crop year with comparable data for the entire 1968-69 crop year and the five-year (1963-64-1967-68) averages, respectively, in brackets, were as follows: oats, 1 Feed or higher, 69.3 (63.1, 91.7); barley, 1 Feed or higher, 69.9 (63.4, 75.7); and rye, 3 C.W. or higher, 66.1 (73.9, 86.1).

## Gradings of Oats, Barley and Rye Inspected(1), August-October 1969 with Comparisons

Grain and grade	Crop year		August-October		Grain and grade	Crop year		August-October	
	Average					Average			
	1963-64	1968-69	1969-70			1963-64	1968-69	1969-70	
	—					—			
	1967-68					1967-68			
	per cent		cars	per cent		per cent		cars	per cent
<u>OATS</u>					<u>BARLEY</u>				
1 C.W. ....	—	—	—	—	1 C.W. Six-Row	(2)	(2)	2	(2)
2 C.W. ....	0.2	0.1	—	—	2 C.W. Six-Row	1.2	2.2	179	1.2
Ex. 3 C.W. ...	2.2	1.0	12	0.9	3 C.W. Six-Row	18.0	13.3	1,743	11.9
3 C.W. ....	29.1	21.9	156	11.4	1 C.W. Two-Row	(2)	—	5	(2)
Ex. 1 Feed ...	18.5	11.2	141	10.3	2 C.W. Two-Row	0.6	0.3	305	2.1
1 Feed ....	41.7	28.9	642	46.7	3 C.W. Two-Row	4.6	6.2	825	5.6
2 Feed ....	3.4	2.8	57	4.1	1 Feed .....	51.3	41.4	7,203	49.1
3 Feed ....	0.6	0.6	23	1.7	2 Feed .....	9.1	10.9	2,075	14.1
Mixed Feed(3)	0.2	0.3	30	2.2	3 Feed .....	1.0	1.3	197	1.3
Tough(3)(4) ..	3.3	29.0	256	18.6	Tough(3)(6) ..	13.4	17.5	2,035	13.9
Damp(3)(5) ...	(1)	3.8	—	—	Damp(3)(5) ...	0.5	5.9	14	0.1
Rejected(3) ..	0.3	0.3	22	1.6	Rejected(3) ..	0.3	0.9	55	0.4
All Others ...	0.3	0.1	35	2.5	All Others ...	0.1	0.1	29	0.2
Totals .....	100.0	100.0	1,374	100.0	Totals .....	100.0	100.0	14,667	100.0
Bushel equivalent (approximately)			3,919,000		Bushel equivalent (approximately)			33,490,000	
<u>RYE</u>									
1 C.W. ....						1.1	1.1	—	—
2 C.W. ....						42.5	47.6	279	34.6
3 C.W. ....						42.5	25.2	254	31.5
4 C.W. ....						1.8	5.6	56	6.9
Ergoty .....						3.7	0.7	1	0.1
Tough(3)(4) ..						5.8	18.6	210	26.1
Damp(3)(5) ..						2.5	0.8	2	0.2
Rejected(3) ..						0.1	0.2	2	0.2
All Others ..						(2)	0.1	2	0.2
Totals .....						100.0	100.0	806	100.0
Bushel equivalent (approximately)								1,581,000	

(1) Both old and new crop.

(2) Less than .05 per cent.

(3) All grades.

(4) Moisture content 14.1 per cent to 17.0 per cent.

(5) Moisture content over 17.1 per cent.

(6) Moisture content 14.9 per cent to 17 per cent.



# LAKE SHIPMENTS FROM FORT WILLIAM-PORT ARTHUR

Lake shipments of the six major grains out of Fort William-Port Arthur from the beginning of the 1969 navigation season to November 19 amounted to 205.4 million bushels, a decrease of 10 per cent from the 207.4 million shipped during the corresponding period of 1968. In 1969 the season of navigation opened on April 11 while the 1968 season opened on April 10. Lake shipments of wheat, at 131.9 million bushels, were 15 per cent less than the 1968 comparable figure of 156.1 million and accounted for 64 per cent of the current total. Shipments of oats, barley, flaxseed and rapeseed were at higher levels than their comparable 1968 totals while those of rye were lower.

Combined lake shipments of the six major grains from August 1 to November 19 of the current crop year, amounted to 99.2 million bushels, slightly below the 1968 figure of 109.8 million. During the period under review, shipments of wheat and rye moved in smaller volume this crop year than last while increases occurred in lake shipments of oats, barley, flaxseed and rapeseed.

Lake Shipments of Canadian Grain from Fort William-Port Arthur, from the Opening of Navigation to November 19, 1969 and to Approximately the Same Date 1958-68

Year	Wheat	Oats	Barley	Rye	Flaxseed	Rapeseed	Total
thousand bushels							
1958 .....	161,762	39,780	66,459	5,242	7,991	—	281,233
1959 .....	154,315	28,875	45,815	4,651	6,131	—	239,787
1960 .....	158,533	24,013	45,568	3,515	8,129	—	239,757
1961 .....	206,597	22,915	40,223	4,284	7,517	—	281,536
1962 .....	146,110	21,251	25,714	5,308	7,522	—	205,905
1963 .....	194,919	38,053	34,587	3,575	6,058	—	277,191
1964 .....	309,006	30,826	36,397	4,922	8,718	59	389,930
1965 .....	252,455	41,850	35,996	3,939	9,725	911	344,877
1966 .....	334,173	27,930	38,200	7,758	12,582	1,099	421,743
1967 .....	205,783	33,808	61,418	5,505	10,092	929	317,535
1968 .....	156,077	17,573	26,185	2,414	4,872	326	207,447
1969 .....	131,935	17,831	44,639	1,904	7,413	1,674	205,396
August 1 to November 19							
1968 .....	78,881	9,604	17,421	1,847	1,942	71	109,766
1969 .....	57,115	10,590	26,132	965	3,522	914	99,239

# RAIL SHIPMENTS FROM FORT WILLIAM-PORT ARTHUR

Rail movement of wheat, oats, barley, rye, flaxseed and rapeseed from the Lakehead during the first three months of the current crop year amounted to 1,878 thousand bushels, considerably above the comparable 1968 total of 456 thousand bushels.

Rail Shipments of Canadian Grain from Fort William-Port Arthur, August-October 1969 and 1968

Month	Wheat	Oats	Barley	Rye	Flaxseed	Rapeseed	Total
thousand bushels							
August 1969 .....	133	223	183	4	87	—	629
September .....	134	223	182	4	61	13	617
October .....	149	242	200	8	16	18	632
Totals .....	416	687	565	16	164	31	1,878
Same period 1968 .....	81	199	172	4	—	—	456

SHIPMENTS UNDER FEED GRAIN ASSISTANCE REGULATIONS

Claims filed for payment up to October 31, 1969 represent the movement of 25.1 million bushels of wheat, oats, barley, rye and corn from the Prairie Provinces and Eastern Canada under the Livestock Feed Assistance Act during the August-October period of the current crop year. These shipments were about 58 per cent above the 15.8 million at the comparable period a year ago.

Data on the movement of screenings and millfeeds under the Livestock Feed Assistance Act indicate that 24,658 tons and 126,606 tons, respectively, were shipped during the August-October period of the current crop year. Revised data on these shipments during the first three months of 1968 place shipments of screenings at 17,340 tons and millfeeds at 130,729 tons.

The bulk of all livestock feed shipments with the exception of western rye and eastern corn, went to destinations in Ontario and Quebec with the two provinces accounting for a combined 72 per cent of wheat, 85 per cent of oats, 80 per cent of barley, 85 per cent of screenings and 80 per cent of millfeeds.

Provincial Distribution of Shipments under the  
Feed Grain Assistance Regulations, 1969 and 1968

Province	Western						Eastern	
	Wheat(1)	Oats	Barley	Rye	Screen-ings	Mill-feeds	Wheat	Corn(2)
	thousand bushels				tons		thousand bushels	
August 1 to October 31, 1969								
Newfoundland .....	120	24	194	3	111	907	—	4
Prince Edward Island	18	16	84	3	111	1,859	—	10
Nova Scotia .....	489	225	560	13	516	7,111	—	61
New Brunswick .....	252	202	407	2	75	3,828	—	25
Quebec .....	2,141	3,584	5,532	—	4,534	56,548	54	—
Ontario .....	2,089	1,964	4,423	4	16,517	45,245	—	2
British Columbia ...	776	516	1,291	13	2,794	11,108	—	3
Totals .....	5,884	6,532	12,491	37	24,658	126,606	54	105
Same period 1968 <sup>r</sup> ..	2,064	5,840	7,097	163	17,340	130,729	96	581

(1) Includes shipments of sample feed grains.

(2) Includes Manitoba corn shipped into British Columbia.

<sup>r</sup> Revised figures.



Exports of Canadian Oats(1) 1969-70 and 1968-69

Destination	August 1969	September 1969	October 1969	August — October	
				1969-70	1968-69
bushels					
<u>Western Europe</u>					
EEC:					
Belgium and Luxembourg ...	—	—	—	—	61,271
Netherlands .....	—	26,353	42,219	68,572	202,258
Sub-totals .....	—	26,353	42,219	68,572	263,529
<u>Other Western Europe</u>					
Britain .....	18,871	—	—	18,871	32,941
Sub-totals .....	18,871	—	—	18,871	32,941
Totals .....	18,871	26,353	42,219	87,443	296,470
<u>Asia</u>					
Syria .....	48,741	80,941	—	129,682	—
<u>Western Hemisphere</u>					
United States(2) .....	31,352	65,876	72,384	169,612	193,863
Sub-totals, all countries	98,964	173,170	114,603	386,737	490,333
Seed oats(3) .....	—	—	294	294	118
Totals, all countries ..	98,964	173,170	114,897	387,031	490,451

(1) Overseas clearances as reported by the Statistics Division, Board of Grain Commissioners for Canada, for all countries except the United States. Subject to revision.

(2) Compiled from returns of Canadian elevator licensees and shippers and advice from American grain correspondents.

(3) Customs exports.

Exports of Canadian Barley and Rye 1969-70 and 1968-69

Destination	August 1969	September 1969	October 1969	August-October	
				1969-70	1968-69
bushels					
<u>Barley(1)</u>					
<u>Other Western Europe</u>					
Britain .....	—	401,000	2,223,876	2,624,876	1,570,824
<u>Africa</u>					
Tunisia .....	—	421,300	—	421,300	—
<u>Asia</u>					
Japan .....	109,200	1,446,769	—	1,555,969	675,159
<u>Western Hemisphere</u>					
United States(2) .....	—	120,000	1,591,758	1,711,758	2,173,329
Totals, all countries	109,200	2,389,069	3,815,634	6,313,903	4,419,312
<u>Rye(1)</u>					
<u>Western Europe</u>					
EEC:					
Germany, Federal Republic .....	1,750	—	19,156	20,906	—
Netherlands .....	51,496	—	—	51,496	80,000
Sub-totals .....	53,246	—	19,156	72,402	80,000
<u>Other Western Europe</u>					
Britain .....	—	18,677	38,699	57,376	193,397
Denmark .....	76,650	—	80,850	157,500	—
Norway .....	—	—	—	—	440,000
Sub-totals .....	76,650	18,677	119,549	214,876	633,397
Totals .....	129,896	18,677	138,705	287,278	713,397
<u>Asia</u>					
Japan .....	60,000	105,604	96,043	261,647	801,682
<u>Western Hemisphere</u>					
United States(2) .....	145,113	—	—	145,113	674,094
Totals, all countries	335,009	124,281	234,748	694,038	2,189,173

(1) Overseas clearances as reported by the Statistics Division, Board of Grain Commissioners for Canada, for all countries except the United States. Subject to revision.

(2) Compiled from returns of Canadian elevator licensees and shippers and advice from American grain correspondents.



Customs Exports of Canadian Oatmeal and Rolled Oats and Malt 1969-70 and 1968-69

Destination	August 1969	September 1969	October 1969	August - October	
				1969-70	1968-69
bushels					
Oatmeal and Rolled Oats(1)					
Western Europe					
EEC:					
Belgium and Luxembourg .....	—	—	197	197	—
Africa					
Liberia .....	—	1,913	—	1,913	—
Western Hemisphere					
Bahamas .....	—	170	—	170	355
Barbados .....	49	—	38	87	3,689
Bermuda .....	—	109	60	169	688
Bolivia .....	109	—	—	109	—
Chile .....	—	98	—	98	—
Dominican Republic .....	1,443	4,655	—	6,098	14,995
Ecuador .....	—	—	—	—	5,738
Guyana .....	—	—	—	—	158
Honduras Republic .....	—	—	820	820	1,093
Leeward and Windward Is. ....	508	—	2,503	3,011	2,268
Netherlands Antilles .....	—	885	—	885	—
Peru .....	547	—	273	820	—
St. Pierre and Miquelon .....	—	—	27	27	—
Trinidad and Tobago .....	98	33	—	131	295
United States .....	—	—	1,093	1,093	—
Totals .....	2,754	5,950	4,814	13,518	29,279
Totals, all countries .....	2,754	7,863	5,011	15,628	29,279
Malt(2)					
Africa					
Ghana .....	—	3,056	—	3,056	9,167
Asia					
Hong Kong .....	—	—	6,111	6,111	6,111
Japan .....	74,103	17,761	—	91,864	122,478
Philippines .....	55,000	27,500	—	82,500	161,944
Totals .....	129,103	45,261	6,111	180,475	290,533
Western Hemisphere					
Barbados .....	—	2,489	—	2,489	2,489
Brazil .....	9,167	—	24,444	33,611	18,333
Costa Rica .....	6,111	18,333	12,222	36,666	12,222
Dominican Republic .....	13,219	13,219	—	26,438	7,556
El Salvador .....	9,167	18,333	—	27,500	27,501
Guatemala .....	6,111	—	—	6,111	26,889
Honduras Republic .....	—	4,889	—	4,889	—
Jamaica .....	62,639	—	25,056	87,695	69,305
Nicaragua .....	6,111	6,111	—	12,222	24,444
Panama .....	—	—	—	—	21,389
Peru .....	—	36,667	18,333	55,000	40,555
Puerto Rico .....	20,167	20,167	18,150	58,484	48,278
Venezuela .....	51,597	66,000	63,556	181,153	224,094
United States .....	53,633	58,750	57,417	169,800	221,284
Totals .....	237,922	244,958	219,178	702,058	744,339
Totals, all countries .....	367,025	293,275	225,289	885,589	1,044,039

(1) In terms of oats equivalent. Conversion rate: 1 bushel of oats equals 18.3 pounds of oatmeal and rolled oats.

(2) In terms of barley equivalent. Conversion rate: 1 bushel of malt (36 lb.) equals 1 bushel of barley (48 lb.).

# HOG-BARLEY RATIO

The hog-barley ratio moved upward during August, increasing from the July figure of 30.0 points to 30.7 for August. This rise was attributable to a hog price increase of 93 cents per hundredweight, (basis Index 100 hog dressed weight at Winnipeg) from an average of \$36.36 per hundredweight for July to \$37.29 per hundredweight in August. The price of barley for the same period remained constant at 97 7/8 cents per bushel basis No. 1 Feed in store Fort-William-Port Arthur. Hog prices advanced again in September to an average level of \$38.95 per hundredweight, which more than offset a 1 3/8 cents per bushel rise in the price of barley, thus the hog-barley ratio increased 1.1 points to a level of 31.8 for September. Hog prices decreased by \$1.62 per hundredweight in October to a level of \$37.33 per hundredweight which coupled with a 5/8 cent per bushel increase in barley prices to 99 7/8 cents per bushel, caused the hog-barley ratio to fall by 1.7 points to a level of 30.1 for October.

For the period to December 1968 this ratio is based on the number of bushels of No. 1 Feed Barley equivalent in price to 100 lbs of Grade B hog at Winnipeg. Commencing in January 1969 the ratio is based on the number of bushels of No. 1 Feed Barley equivalent in price to the value of 100 lbs of Index 100 hog.

Month	1964	1965	1966	1967	1968	1969
January .....	16.2	14.8	23.9	17.8	16.0	23.9
February .....	17.3	15.1	24.4	18.8	16.3	25.0
March .....	16.0	15.7	20.8	18.0	16.2	25.6
April .....	15.7	15.9	19.0	17.1	15.7	24.6
May .....	16.3	17.3	21.6	18.8	18.4	27.2
June .....	17.8	20.5	22.1	18.3	19.1	30.1
July .....	17.4	21.6	19.7	16.6	20.4	30.0
August .....	16.5	21.2	19.9	17.0	23.4	30.7
September .....	16.5	21.0	19.5	17.6	23.8	31.8
October .....	15.4	20.9	18.5	17.4	22.7	30.1
November .....	14.9	22.0	17.6	16.4	23.4	
December .....	15.2	23.6	17.2	16.7	23.5	

# FEED AND LIVESTOCK PRICE INDICES

The index of feed prices declined from a level of 248.6 in July to 214.7 in August, mainly due to lower prices for No. 2 C.W. oats, feed wheat, and hay. The index continued to decline in September, resulting in a level of 213.1. The September decline was due to slightly lower prices for Ontario good milling oats, Ontario corn, feed wheat and Ontario good malting barley. In October, the index declined again to a level of 212.6 as a result of lower prices for Ontario corn, feed wheat, Ontario good malting barley, and No. 2 C.W. rye.

The animal products index declined from the July level of 371.6 to 361.7 in August, reflecting lower prices for lambs, steers and calves on Eastern and Western markets, for poultry in the East and for eggs and raw wool in the West. Higher prices were shown for hogs on both markets. The index declined to 360.2 from 361.7 in August due to lower prices for lambs and steers on Eastern and Western markets. In October the index decreased from the September level of 360.2 to 352.3, reflecting lower prices for hogs, steers, raw wool and lambs on both Eastern and Western markets.

Index Numbers of Feed Prices and Prices of Farm Animals and Farm Animal Products  
by Months 1966-69 (1935-39 = 100)

Month	1966		1967		1968		1969	
	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal
January .....	244.0	322.8	248.5	320.7	251.9	316.3	268.9	343.0
February .....	252.0	331.4	250.9	322.9	253.0	315.4	269.0	345.4
March .....	252.9	319.2	251.0	315.1	251.9	312.9	263.6	344.8
April .....	261.4	316.2	251.0	319.9	252.8	313.8	261.2	353.7
May .....	260.0	319.4	251.9	327.8	250.8	322.2	256.3	371.7
June .....	258.0	324.6	256.7	330.7	251.0	330.0	255.5	381.7
July .....	252.6	313.2	259.4	325.0	238.8	333.1	248.6	371.6
August .....	248.9	318.6	260.9	329.8	234.3	340.8	214.7	361.7
September .....	244.9	321.2	260.6	331.2	261.5	343.8	213.1	360.2
October .....	248.5	323.7	253.2	330.9	260.8	339.0	212.6	352.3
November .....	247.5	321.9	252.7	323.1	259.7	339.2		
December .....	249.5	325.5	256.1	326.4	266.6	345.0		



Canadian Wheat Board Monthly Average Cash Grain Prices  
Basis in Store Fort William-Port Arthur

Grain and grade	August 1969	September 1969	October 1969
cents and eighths per bushel			
<u>Oats</u>			
Initial payment to producers:			
2 C.W. ....	60	60	60
Ex. 3 C.W. ....	57	57	57
3 C.W. ....	57	57	57
Ex. 1 Feed ....	57	57	57
1 Feed ....	55	55	55
2 Feed ....	50	50	50
3 Feed ....	46	46	46
Domestic and export(1):			
2 C.W. ....	70/2	70/2	70/4
Ex. 3 C.W. ....	67/6	67/6	68
3 C.W. ....	66/6	66/6	67
Ex. 1 Feed ....	66/6	66/6	67
1 Feed ....	65/2	65/1	65/4
2 Feed ....	62/2	62/1	62/4
3 Feed ....	59/2	59/1	59/4
<u>Barley</u>			
Initial payment to producers:			
1 C.W. Six-Row ....	93	93	93
2 C.W. Six-Row ....	93	93	93
3 C.W. Six-Row ....	91	91	91
1 C.W. Two-Row ....	86	86	86
2 C.W. Two-Row ....	86	86	86
3 C.W. Two-Row ....	83	83	83
1 Feed ....	81	81	81
2 Feed ....	78	78	78
3 Feed ....	73	73	73
Domestic and export(1):			
1 C.W. Six-Row ....	115/1	112/4	110/2
2 C.W. Six-Row ....	115/1	112/4	110/2
3 C.W. Six-Row ....	113/1	110/4	108/2
1 C.W. Two-Row ....	113/1	110/1	107/2
2 C.W. Two-Row ....	113/1	110/1	107/2
3 C.W. Two-Row ....	109/2	106/1	104/2
1 Feed ....	97/7	99/2	99/6
2 Feed ....	95/7	97/2	97/6
3 Feed ....	92/7	94/2	94/6

(1) For local sales and for spot sales subject to confirmation.

Winnipeg Grain Exchange Monthly Average Cash Grain Prices  
Basis in Store Fort William-Port Arthur

Grain and grade	August 1969	September 1969	October 1969
cents and eighths per bushel			
<u>Oats</u>			
Domestic and export:			
2 C.W. ....	69/3	69/4	70
Ex. 3 C.W. ....	66/4	66/3	67
3 C.W. ....	66/4	66/3	67
Ex. 1 Feed ....	66/4	66/3	67
1 Feed ....	64/7	64/5	65/1
2 Feed ....	57/7	57/5	58/1
3 Feed ....	54/7	54/5	55/1
<u>Barley</u>			
Domestic and export:			
1 C.W. Six-Row ....	102	102/5	103/1
2 C.W. Six-Row ....	102	102/5	103/1
3 C.W. Six-Row ....	100	100/5	101/1
1 C.W. Two-Row ....	102	102/5	103/1
2 C.W. Two-Row ....	100	100/5	101/1
3 C.W. Two-Row ....	97/4	98/5	99/4
1 Feed ....	97/4	98/5	99/4
2 Feed ....	95/4	96/1	97/2
3 Feed ....	89/4	90/1	91/2
<u>Rye</u>			
Producers', domestic and export prices:			
2 C.W. ....	116/5	117/6	115/1
3 C.W. ....	111/4	112/4	110
4 C.W. ....	92/1	91/6	88/5
Ergoty ....	87/7	90/2	87/1
<u>Flaxseed</u>			
Producers', domestic and export prices:			
1 C.W. ....	319/2	322/1	322/6
2 C.W. ....	301/1	313	316
3 C.W. ....	284/2	291/3	290/1
<u>Rapeseed(1)</u>			
No. 1 Canada ....	204/5	220/6	262/7
No. 2 Canada ....	189/5	205/6	245

(1) Basis in store Vancouver.



### UNITED STATES FEED SITUATION

The following summary of the feed situation in the United States has been taken from the November 19 issue of The Feed Situation published by the Economic Research Service, United States Department of Agriculture.

The 1969-70 feed grain supply, estimated in November at 221 million tons, is 4 million larger than last year. But with some expansion in both domestic use and exports in prospect, a modest reduction is expected in the carryover at the close of 1969-70.

The 1969 crop, estimated at 171 million tons, was 2 1/2 million above the 1968 crop, and the carryover was 2 million tons larger. In 1968-69, total use was 1 1/2 million tons below production which increased this year's carryover to about 50 million tons.

The total corn supply is estimated at nearly 5.6 billion bushels, slightly above a year earlier. Disappearance in 1969-70 is expected to be a little above the 1969 crop, due principally to a prospective increase in exports. This would give some reduction in the carryover next October 1 from the 1,122 million bushels this year.

The grain sorghum supply is about 2 per cent above last year, due to a big harvest of 757 million bushels. Domestic use, rising in recent years, is expected to increase further in 1969-70, while exports may decline a little. The 1969-70 oat supply is 9 per cent larger than last year and the barley supply is up 10 per cent. Although increased domestic consumption of these grains is in prospect, carryover stocks next July 1 will continue large and may exceed the record levels this year.

Continued strong demand is expected to hold feed grain prices slightly higher in 1969-70 than during the past year. However, prices probably will not advance as much during the marketing year as the 19 per cent increase from October to May in 1968-69. Oat and barley prices have been unusually low in relation to corn this summer and fall. The lower prices for these grains probably will bring increased domestic use.

Relatively low wheat prices resulted in a rise in wheat feeding to nearly 200 million bushels in the 1968-69 feeding year — the heaviest since World War II. The quantity of wheat fed in the 1969-70 October-September feeding year may be a little lower if feeding is materially reduced in the latter part of the feeding year.

The high-protein feed supply for 1969-70 is forecast at 19 million tons, 2 per cent over 1968-69, with practically all of the increase in soybean meal. The larger soybean meal supply is expected to result in moderately lower prices and heavier domestic feeding and export. Smaller supplies of animal proteins are in prospect particularly fish meal.

The total hay supply for 1969-70 is now estimated at 151 million tons, slightly above last year's big supply. This year's record crop of 127 million tons was 2 million larger than in 1968, but the May 1 carryover was a little smaller.

NOTES ON FOREIGN CROPS

Australia The following information relative to the Australian coarse grains situation has been extracted from a report from Mr. R.A. Groundwater, Assistant Commercial Secretary for Canada, Melbourne, under date of November 14, 1969 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Coarse grain crops. — Sorghum, maize, barley and oats are the major coarse grains grown in Australia, representing about one-quarter of the area planted for cereals. They account for approximately 20 per cent of the value of cereal grains.

Estimated Production

	1968-69			1969-70		
	Acreage	Production	Exports	Acreage	Production	Exports
	million acres	million bushels		million acres	million bushels	
Oats ....	4.2	94.4	18.4	4.3	92.0	20.0
Barley ..	3.2	69.9	19.9	3.8	80.0	25.0
Sorghum .	.524	15.1	N.A.	.412	8.1	N.A.
Maize ...	.198	7.9	N.A.	.209	6.6	N.A.

N.A. Not available.

Oats are the most important of the coarse grains with approximately 4.3 million acres being grown in the 1969-70 season. This compares with nearly 4.2 million acres in 1968-69, when an estimated 94.4 million bushels were produced. The main growing areas are New South Wales, Victoria and Western Australia where autumn, winter and spring rains are received.

The difficulty in making estimates of any sort for this crop is that it may be used for pasture, silage, hay and as a feed grain. When used as a feed grain it may be stored for use or sold, providing little indication of the amounts that will be marketed.

Oats are marketed through two voluntary oats pools, being in Western Australia (Western Australia Grain Pool) and Victoria (Victorian Oatgrowers Pool and Marketing Co. Ltd.). These handle exports for the two respective states. The oat crop in New South Wales is sold through private merchants and very little is exported.

The volume of oats sold for export in 1968-69 was 18.4 million bushels with an estimated 20.0 million to be sold in 1969-70. The respective values are estimated to be A.\$13.0 and A.\$14.0 million (\$15.6 million and \$16.8 million Canadian). This is subject to revision as Western Australia has been the usual exporter, accounting for 70 per cent of export sales in the past. The drought has taken a toll of crops, and the exports may well be down as oats will be used for emergency stock feed.

In 1968-69 a total estimated acreage of 3.2 million acres was planted with barley, yielding about 69.9 million bushels. The estimated acreage for the 1969-70 season is 3.8 million acres, with total production of some 80.0 million bushels. The exports of barley provided a preliminary value of A.\$18.2 million (\$21.9 million Canadian) in 1968-69 from 19.9 million bushels. In the 1969-70 crop year the BAE is predicting that exports may reach 25 million bushels, providing A.\$23 million (\$27.6 million) revenue.



The main production area is South Australia, although barley is also grown in New South Wales, Victoria, Queensland and Western Australia. Barley serves two functions also, being used for both fodder and grain.

Approximately two-thirds of the crop is acquired and marketed by Marketing Boards, with Western Australia and Queensland having statutory Marketing Boards. The Australian Barley Board is a joint venture between Victoria and South Australia, handling all production in these states. Barley is handled through private merchants in New South Wales and by a voluntary Board in Tasmania. The bulk of the export barley is produced in South Australia, as well as the malting barley.

Corn grown for grain is produced in the southeast of Queensland and the Atherton Tableland of Queensland, the north coast and northern tablelands of New South Wales, and Victoria. The 1969-70 acreage has increased slightly to 209,000 acres as compared with 198,000 acres in the previous season. However, production fell from 7.9 million bushels harvested in 1968-69 to 6.6 million bushels harvested this year. The major reason is that Queensland has had, and is suffering from a serious drought.

The crop is largely used for domestic feed although some has been exported in the past. The crop is marketing privately in New South Wales with Marketing Boards in Victoria (Maize Marketing Board) and Queensland (The Atherton Tableland Maize Marketing Board and the Maize Growers' Co-operative Association Ltd.).

Sorghum is a recent crop in Australia and has grown to a scale where 524,000 and 412,000 acres were planted in the years 1968-69 and 1969-70, respectively. The production rose to 15.1 million bushels in 1968-69 and plummeted to 8.1 million bushels this year, due to drought conditions in Queensland where over three-quarters of the crop is grown. Although most of the crop will be used for domestic feed purposes this year, sorghum has been exported largely to Japan. The incentive for sorghum production has largely been the possibility of exports to Japan. The crop is handled in Queensland by the Central Queensland Grain Marketing Board.

Changes in marketing institutions. — The representatives of the existing Barley Boards have resolved that an Australian Barley Co-ordinating Committee be formed with two representatives from each Board. The Committee is based upon the broad principles of marketing Australian barley to the advantage of Australian barley growers and the industry as a whole. The body will examine the possibility of selling barley for local trade at an Australian-wide uniform price, as well as encouraging co-operation between Boards in overseas selling policies.

The Australian Wheat Growers' Federation Barley Committee has attempted to introduce the formation of a central barley marketing authority but have had little success. The formation of the Co-ordinating Committee is thus a step in that direction. The difficulty in such an authority arises from demands for stabilization prices by the Federation. It is indicated in Government circles that such a Board is a distinct possibility in the near future, provided that stabilization prices et cetera be reasonable or dropped altogether. However, with the recent election, farmers have found that their power has been increased substantially, indicating that increasing pressure will be brought to bear upon the Government for various schemes.

The next hurdle is obtaining the acceptance of farmers for a national Board which would require a plebescite with support of 60 per cent. In most circumstances numerous inducements would be required to gain the necessary support.

There is a movement in Victoria to establish an Oats Marketing Board, with the State Government considering amendments to the Primary Produce Marketing Act. The procedure would be legislation to allow formation of a Board followed by a poll of oats farmers. The farmers allowed to vote must be those who for the past three years have harvested and sold, or delivered to be sold, at least 1,200 bushels in any one year or 2,000 bushels over the entire period. Incentive to the plan involves licences for oats growers to sell oats to other farmers in the state, with the board handling interstate, overseas and local trading through agents.

State Government loans would be used to establish the Board, with most of the finance provided by appropriate grower levies. The present plan by the Victorian Farmers' Union includes advances on oats delivered, and a home consumption price roughly in accordance with cost of production.

The latter proposition is the one which is difficult, as surveys would be required to determine cost of production, and such a cost must take into consideration the possibility of extremely low prices as are found in this season.

The prices for feed grains in Australia are as follows:-

	October 25, <u>1968</u>	October 24, <u>1969</u>
	dollars per bushel	
<u>Barley</u>		
Australian Barley Board		
Home Consumption Price(1)		
(bagged)		
Malting (2 row) .....	1.85	1.80
(2 row) No. 3 grade ....	1.75	1.71
Malting (6 row) .....	1.73	1.68
Feed (2 row) No. 4 grade .....	1.60	1.42 (1.32 bulk)
Feed (6 row) No. 4 grade .....	1.53	1.36 (1.26 bulk)
Feed (6 row) No. 5 grade .....		1.30 (1.20 bulk)

#### Oats

Melbourne		
Milling .....	0.89	0.55
Feed .....	0.84	0.50

	October 9, 1968	October 8, 1969
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#### Maize

Sydney .....	2.04-2.08	1.92
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#### Sorghum

dollars per ton

Sydney .....	60.10-61.30	62.50-63.10
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(1) These prices are on trucks at country centres, less freight to terminal ports in Canadian dollars.



Prices. — Although prices are provided publicly, the wheat-coarse grain situation has fostered greatly altered prices at which farmers may be selling. The difficulty in obtaining estimates for barley is that interstate trade by farmers, although illegal in Victoria and South Australia, is very much in existence. Oats have no restrictions, but the prices are very much lower than indicated. Barley is moving at A.65 cents (78 cents Canadian) and oats from A.25 to 35 cents (30 to 42 cents Canadian) from farmer to feed manufacturer et cetera. The feed price for barley as set by the Australian Barley Board is quite high in relation to the actual circumstances, as wheat is selling at the "black market" price of A.\$0.90 (\$1.08 Canadian) and moving downward. This is an unofficial opinion by some Victorian State officials, and cannot be substantiated until the wheat is finally harvested.

Domestic oats sales are down considerably from usual sales of 300-500 tons (19,000-32,000 bushels) per week to 45 tons (2,900 bushels) per week. The cause is simply the reflection of the current situation where wheat may be sold illegally, and excellent crops of oats and barley are forecast.

Loans for oats and storage. — The Victorian Government will provide low interest loans (three and three-quarters) towards the capital cost of permanent storage. The loans will be based upon A.40 cents (48 cents Canadian) per bushel storage up to a maximum of 2,500 bushels storage, to be repaid in five years. A loan to buy oats would also be available, with up to A.30 cents (36 cents Canadian) per bushel to fill the storages. It should be repaid in one year at 3 3/4 per cent.

The reason is to provide fodder reserves on farms as security against drought. This general principle was also expressed in the Commonwealth Government Budget as a special one-year depreciation schedule for such storage facilities.

New oats variety. — The new variety of oats will be named and released shortly. The variety will fulfil two functions: high yields for grazing and for grain. Two undesirable features are low bushel weight and heavy husks. However, the dual nature of the variety makes it attractive.

Export of malt. — Australian maltsters are pressing for Government assistance in direct or indirect subsidies for export of barley malt. The maltsters are complaining quite bitterly about competition from producers in Europe and Canada especially in their proclaimed territory of South-East Asia, Japan and Pacific countries. The possibility of lower priced malting barley would seem remote, as grade regulations for such barley have been tightened in Australia. This has appeased farmers. No firm action has been taken, due to election pressures.

1970-71 season. — All alternatives are being examined for next year's production, and as wheat will be further curtailed in the upcoming season, coarse grains are under close scrutiny. There seems to be little co-ordination as the BAE is pessimistic about a huge shift into feed grains, whereas most other groups are advocating the growing of such grains. The latter groups, including State Governments, indicate a huge export potential for feed grains. The Department of Primary Industry is not sure of where these markets are, and is not convinced that Japan will be the outlet for the substantial increases advocated by the industry. Nevertheless, Japan is a definite market and there appears to be more and more direct Japanese involvement in primary production.

The coming summer will give a better indication of the alternatives, and it is likely that the BAE will be much more involved in public discussion to indicate what the world market reaction to the alternatives will be.

One alternative that has received attention is that of feedlot fattening of cattle, as in Canada. The BAE issued a bulletin in which it provided a budget analysis, indicating that it is not, in general, a profitable alternative. The trend is to higher production of pigs and chickens to provide an outlet for feed, but the farmer may decide to feed cattle regardless of the BAE's finding.

Argentina The following information relative to the Argentine coarse grains, corn, rye and sorghum and birdseed is taken from a report from Mr. S.E. Kidd, Assistant Commercial Secretary, (Agriculture), Canadian Embassy, Buenos Aires, under date of November 24, 1969 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce. Conversions to Canadian measures have been made for the convenience of our readers.

Corn. - The Secretariat of Agriculture and Livestock has issued the first official estimate of the area sown to corn in 1969-70 of 4,500,000 hectares (11.1 million acres), 2.1 per cent less than in 1968-69, but 8 per cent and 19.6 per cent more than the averages of the last five- and ten-year periods, respectively.

The sowing of corn commenced in July in some zones of Cordoba, Santa Fe and Buenos Aires where weather conditions were favourable. However, lack of adequate subsoil moisture during August and most of September delayed sowings and it was not until the rains of late September that plantings could be resumed.

The principal corn growing provinces of Buenos Aires and Santa Fe have a larger area planted than in 1968-69 but plantings in the marginal corn areas of La Pampa and San Luis provinces have decreased substantially.

Recent rains have greatly helped the recovery of the corn plants in the principal producing zone in the north of the province of Buenos Aires.

The remaining unsold stocks of corn are very small and so trading has been light. Prices at the end of October were 1,900 pesos per 100 kilos (\$1.49 per bushel) f.o.r. Buenos Aires and 1,800 pesos (\$1.41 per bushel) f.o.r. Rosario.

Sorghum. - Early in November, the Secretariat of Agriculture and Livestock has issued the first official estimate of the area sown to grain sorghum in 1969-70 of 2,200,000 hectares (5.4 million acres), 2.3 per cent larger than in 1968-69 and 37 per cent and 54 per cent larger than the averages of the last five- and ten-year periods, respectively.

Cordoba is the main sorghum growing province with 30.9 per cent of the total sown area, followed by Santa Fe, 22.7 per cent; Buenos Aires, 19.6 per cent; and other provinces, 26.8 per cent.

This first estimate is subject to revision as weather conditions have delayed plantings in the main corn and sorghum areas. Larger areas could be sown to sorghum at the expense of corn in view of the larger sowing period for sorghum.

There were badly needed rains recently in the north of the country which have greatly helped the development of the sorghum plants particularly in the Chaco and Santa Fe. A very good crop is now expected.

Sorghum prices have been following a rising trend and at November 21 were 1,560 pesos per 100 kilos (\$1.31 per bushel) f.o.r. Buenos Aires.



Oats, barley, rye and birdseed. — Unfavourable weather conditions in the province of Buenos Aires, where most of the oat and barley crops are grown, resulted in a lower area sown to these cereals than the 1968-69 crop year. The total area sown to oats is estimated by the Secretariat of Agriculture and Livestock to be 1,140,000 hectares (2.8 million acres), 12.2 per cent less than last year and 3.2 per cent and 12.5 per cent less than the averages of the last five- and ten-year periods, respectively.

The area sown to barley is estimated to be 960,000 hectares (2.4 million acres), which is 5.1 per cent lower than last year, 3.9 per cent higher than the averages of the last five-year period and 9 per cent lower than the average of the last ten-year period.

The area sown to rye, estimated at 2,507,000 hectares (6.2 million acres), is only slightly larger (0.3 per cent) than last year's and 10.6 per cent and 3.7 per cent larger than the averages of the last five- and ten-year periods, respectively.

A 51.1 per cent increase has been registered in the area sown to birdseed which is estimated to be 97,000 hectares (240,000 acres), against 64,200 hectares (159,000 acres) sown during the 1968-69 crop year. This large increase in the area destined to birdseed is attributed to the utilization for this purpose of many areas which could not be sown to wheat in time because of the excessive rains in southern Buenos Aires.

Oats, barley and rye prices at the end of October were 1,030, 920 and 1,160 pesos per 100 kilos (49 cents, 62 cents and 91 cents per bushel), respectively, all at Bahia Blanca. Very little business was done.

France The following account of the current grain situation in France has been extracted from a report by Mr. F.G. Beaudette, Assistant Commercial Secretary (Agriculture), Canadian Embassy, France, under date of November 10, 1969, and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Weather and crops. — Climate in July, August and September has been mostly good to French agriculture. July was generally sunny, hot and dry with occasional and very few local storms with some hail. August was also dry overall but with a couple of cool wet spells. September had variable weather for the first 3 weeks followed by a sunny, dry last 10 days.

Winter sown barleys were harvested in July, with relatively good yields but low bushel weight. Spring barley was disappointing outside of the Paris area. Oats and rye were harvested in August and September and gave good yields and quality. For corn, harvest started in late September in the Southern half of France. This crop has suffered from the dry hot summer and yields will on average be lower than last year in the traditional growing area of the South-West. However, the crop looks good in the Northern areas.

The following table provides the 1969 estimates at September 1, compared with the final 1968 area and production for coarse grains and secondary cereals.

	<u>Area</u>		<u>Production</u>	
	<u>1968</u>	<u>1969 (est.)</u>	<u>1968</u>	<u>1969 (est.)</u>
	thousand acres		thousand bushels	
Barley .....	6,870	6,927	419,765	418,709
Corn .....	2,524	2,851	211,760	212,366
Rye .....	402	393	12,873	12,661
Oats .....	2,343	2,162	163,932	152,053
Mixed grains .....	506	480	28,105	26,550
Sorghum (hybrid) ....	133	139	7,807	7,563
Buckwheat .....	44	46	1,001	1,327
Rice .....	59	56	4,149	4,864
Millet .....	2	1	53	31

Supply - utilization. — In 1968-69, barley deliveries by growers totalled 5,048,000 tons (231,851,000 bushels); equivalent deliveries for corn were 3,900,000 tons (153,535,000 bushels), for oats 758,000 tons (49,150,000 bushels), for sorghum 171,000 tons (6,732,000 bushels) and for rye 81,000 tons (3,189,000 bushels). For this crop year, ONIC expects barley marketings 5.3 million tons (243,425,000 bushels) and corn 4 million tons (157,472,000 bushels).

Trade. — During 1968-69 France exported 136,450 tons (8,848,000 bushels) of oats, 118,041 tons (7,654,000 bushels) to EEC; 103,568 tons (4,077,000 bushels) of sorghum, 30,415 tons (1,197,000 bushels) to EEC; and 208,418 tons (9,572,000 bushels) of barley malt, 70,152 tons (3,222,000 bushels) to EEC. Other notable exports of cereal products include 16,539 tons of durum semolina; 48,514 tons of corn starch; 16,458 tons of potato starch; 94,081 tons of bran. The only import other than wheat or corn worth mentioning is bran with 56,276 tons.

There had been no definite sales of coarse grains out of the ordinary to report. Talks have been going on between France and West Germany on one hand, and Poland and East Germany on the other, concerning large exports of feed barley (as well as wheat). It appears that West Germany has made most of the sales so far in this crop year.

Japan The following information relative to the Japanese coarse grain situation has been extracted from a report from Mr. G.M. Wansbrough, Assistant Commercial Secretary (Agriculture), Canadian Embassy, Tokyo, under date of November 7, 1969 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Domestic production of barley. — The final estimate for the 1969 crop of barley indicates production totalling 812,100 metric tons (37.3 million bushels), little changed from the preliminary estimate made in June. 6-Rowed barley production will be 219,500 metric tons (10.1 million bushels), down by 21 per cent from 1968. 2-Rowed barley estimated at 318,400 metric tons (14.6 million bushels) is down 12 per cent, and production of naked barley will be 274,200 metric tons (12.6 million bushels), 28 per cent below last year's production.

Imports. — Feed barley imports for the first half of fiscal 1969 (April to September) totalled 360,000 metric tons (16,535,000 bushels). The latest estimated import requirement for the second half of the year (October 1969 to April 1970)



calls for 366,000 metric tons (16,810,000 bushels). The total imports of 726,000 metric tons (33,345,000 bushels) will exceed the Government's original supply/demand plan noted below by 35,000 metric tons (1,608,000 bushels).

Supply/demand plan. — The Government will buy 691,000 metric tons (31,737,000 bushels) of barley for animal feeds in the fiscal year 1969 (April 1969 - March 1970). From a total supply of 880,000 metric tons (40,418,000 bushels) for both domestic and foreign barley, there will be a carry-over to next year of 82,000 metric tons (3,766,000 bushels).

Supply/Demand for Barley Fiscal Year 1969

		<u>Supply</u>		<u>Demand</u>	<u>Carryover</u>
	<u>Carryover</u>	<u>Government</u>	<u>Total</u>		<u>to</u>
	<u>from</u>	<u>purchase</u>			<u>next year</u>
	<u>last year</u>				
		thousand bushels			
Domestic .....	—	4,593	4,593	4,593	—
Foreign .....	4,088	31,737	35,825	32,059	3,766

Italy The following account of the current coarse grain and rye situation in Italy has been extracted from a report by Mr. U. Boschetti, Senior Commercial Officer, Canadian Embassy, Milan, under date of November 1, 1969 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

General. — While official sources and especially the Italian Bureau of Statistics confirm that the estimates on the 1969 wheat crop in Italy (though not considered final) indicate 9 million metric tons (330.7 million bushels) of which 2.5 million metric tons (91.9 million bushels) were of the Durum variety; no figures are available for barley, oats and rye, as the late planting varieties yet to be harvested will certainly affect the total amounts.

As to corn, in many areas of Northern Italy the crop has not been completed as yet, it is estimated that the 1969 production will be around 4.6 million metric tons (181.1 million bushels). This figure would correspond to an increase of 15 per cent as compared to the 1968 production of 3,941,000 metric tons (155.1 million bushels).

The trend of the market which is strongly affected by a persistent offer of the local produce, indirectly confirms the above estimates. In fact, the quota kept by the farmers for their own use being unchanged (or slightly higher) the quantity offered to the market has registered a per cent increase higher than that registered by the production itself.

The quality of the 1969 crop appears to be quite satisfactory and prices rather low. It is worth mentioning that during the last half of October, the hybrid type quoted Lire 52,500 per metric ton (Cdn. \$2.28 per bushel) whereas the Marano type was sold at Lire 71,000 per metric ton (Cdn. \$3.11 per bushel).

At the same time a general price decrease of the imported types has been registered.

We are now in a position to report the official statistics of Coarse Grain Imports effected during the first half of 1969.

Three-months situation (August-October 1969)

Corn. — The transactions for domestic produce were practically nil during August. The imports of foreign product continued to be rather important. Prices of imported corn at the Milano grain market registered the following:

Plata .....	Canadian	\$ 2.80 - 2.81	per bushel
Yellow corn ....	"	\$ 2.68 - 2.71	" "
Brazil .....	"	\$ 2.72 - 2.74	" "

The above quotations are for landed goods in bulk, customs duty paid. In September and October import prices for corn from Argentina, U.S.A. and Brazil, declined remarkably and consequently imports increased accordingly. Together with the three usual sellers as indicated above, some corn was imported during September and October from the Danubian Countries, France and South Africa.

At the end of October, the relevant prices of imported corn from different sources (together with domestic produce), remained at the following levels:

Domestic .....	Canadian	\$ 2.36 - 2.41	per bushel
Plata .....	"	\$ 2.62 - 2.63	" "
Yellow corn .....	"	\$ 2.54 - 2.55	" "
Brazil .....	"	\$ 2.60 - 2.61	" "

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Prices for landed goods in bulk - customs duty paid.

Barley and oats. — In August last year's domestic crop of both grains was totally exhausted. The breeders and the feed manufacturers covered their requirements with imported product. Some attractive barley offers from Spain, Morocco and Syria, resulted in some imports. While Argentina was the largest supplier of oats, important quantities were imported from Australia, Spain and Sweden.

In September and October, the crop of early varieties of barley and oats commenced to be transacted but contacts for barley were not too important.

It is worth noting, as far as barley is concerned, that the requirement was covered, during these months, not only from the traditional supplying countries (Argentina, U.S.A., Canada and Australia) but also from the Soviet Union which is successfully competing in the Italian market.

Contrary to barley deals, very important transactions have been concluded in September and October for local oats. The demand is still strong and the price surpassed the level of the other coarse grains. This is somewhat similar to the phenomenon which occurred last year at the same period but to a lesser degree. It is estimated that soon after the new crop of oats has been harvested the price for the local produce will return to the usual rates.

Imports of oats from abroad continued normally from Argentina, Canada, Sweden and South Africa.



Rye. — No changes on the general situation for this grain. The local production is not yet known but estimates indicate it will be negligible. Available stocks are sufficient to cover consumption which is used for seeding and feeding purposes. Imports in the first half of this year were nil and it is expected that they will not exceed 300 metric tons in the second half of 1969.

Summary. — In summary the following are what we consider to be the prospects for each product for the next quarter 1969.

Corn. — The 15 per cent increase in the local production will not affect the total amount of imports for this grain. The consumption of corn is ever increasing and will certainly surpass the amount of last year, 8 million metric tons (314.9 million bushels). Consequently imports will continue to be affected from the customary suppliers, i.e. Argentina, U.S.A., Brazil, France and South Africa.

Imports of soft corn will decrease because the use of corn for human consumption continues to decline, whereas a larger quota of hard corn will be imported. Unofficial estimates show that total imports will be around the same figure as last year's, about 4.8 million metric tons (188,966,000 bushels).

Barley and oats. — As to barley, imports made during the first half of 1969 have considerably exceeded those made in the same period last year. Also during the second half of 1969 the trend is toward a larger quota to be imported. It is expected to reach, at the end of the year, a total figure of 1.2 million metric tons (47,241,000 bushels). Hopefully Canada will get a share of this increase. The presence of the Soviet Union as a barley supplier to Italy cannot be considered as permanent but, only a transient phenomenon which will be confirmed or not over a period of six months.

As to oats, notwithstanding the fact that the local crop appears to be fairly good, imports will continue at a regular pace. Canada's share of the market should remain constant.

Rye. — The continuing high levies and the prohibition against the mixing of rye flour with wheat for bread production, should exclude imports. The production is sufficient to cover the local demand.

Spain The following account of the current coarse grain and rye situation in Spain has been extracted from a report by Mrs. I. Cebas, Commercial Division, Canadian Embassy, Madrid, under date of October 24, 1969 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Introduction and estimates for grain crops. — The heavy spring rains and short, mild summer in Spain this year have ensured excellent grain crops, which are now being harvested and stored. The latest estimates are as follows:

	<u>1968</u>	<u>1969</u>
	thousand bushels	
Wheat .....	200,986	169,754
Barley .....	169,938	181,420
Oats .....	34,885	34,366
Maize (corn) .....	62,989	61,808
Rye .....	13,976	13,936

Stocks of grain at mid-August were stated to be 860,000 tons (31.6 million bushels) of wheat of old crop and 600,000 tons (22.1 million bushels) of new crop. Barley stocks at mid-August stood at 470,000 metric tons (21,587,000 bushels); oats - 82,000 tons (5,317,000 bushels); and maize at 25,200 tons (992,000 bushels).

Present storage space is insufficient for grain being handed over by farmers to the National Grain Service, the Government agency responsible for the purchase of all grain crops. Under the First Development Plan (1964-67) it had been planned to construct silos with a capacity for 343,647 tons but during 1964-67 period this target was not met, only 242,052 tons being completed.

Surplus wheat stocks. - In spite of attempts to induce farmers to cut down their wheat crop, modern farming methods such as wider use of fertilizers, selected seeds etc. have led to an improved yield and the build-up of surplus stocks, which the Government has had to dispose of by two uneconomic methods, namely, subsidized exports and switching of wheat for animal feeding. Spanish wheat exports amounted to 462,620 tons (16,998,000 bushels) in 1968, while exports for the first six months of current year already amount to 469,939 tons (17,267,000 bushels). Main markets for hard wheat this year are Egypt (under a special trade agreement), Britain, Greece and Portugal, while soft wheat has gone to Britain, Portugal, Egypt and Greece.

A surplus situation is becoming evident with barley production. From a mere 11 tons (505 bushels) exported in 1968, Spain exported 11,309 tons (519,000 bushels) of barley, during January-June 1969, principally to Italy, Britain and Bulgaria. With even a larger crop this year, Spain will have to make further efforts to dispose of growing stocks.

Examination of some individual crops. - Barley is Spain's second most important cereal, both in respect of acreage under cultivation and value of the crop. Last season acreage increased by 15 per cent (38.4 per cent between 1967 and 1969), especially in Andalucia and the Northern peseta. As attractive prices are paid for this crop it is expected that there will be an average 6 per cent increase in yield. This year's crop is expected to be 22 per cent higher than last year's, standing at an estimated 3.95 million metric tons (181.4 million bushels).

Corn. - While reducing wheat production, Spain is intensifying the cultivation of maize which is required in ever-increasing quantities as Spain expands the livestock program and, particularly, in an endeavour to cut down the massive imports that have been made in the last few years to meet this vastly increased demand. In 1967 alone, maize imports accounted for 20.1 per cent of all agricultural imports and involved heavy expenditure of foreign exchange. In 1968 imports totalled 2.3 million tons (90,546,000 bushels) at a cost of Can. \$146 million, while in the first six months of 1969 the total was over 1 million tons (39,368,000 bushels) valued at Can. \$64.3 million.

In the last ten years acreage has been increased by 33 per cent approximately, and represents 8.5 per cent of the total used for cereal cultivation. Principal maize growing regions are the North (42 per cent), Levant (22 per cent), Ebro Valley and Andalucia (18 per cent each). Production has increased particularly in the Southern meseta and the Ebro Valley, where maize is gradually substituting wheat production.

Federal Republic  
of Germany

The following account of the current feed grain situation in the Federal Republic of Germany has been extracted from a report by Mr. R.R. Parlour, Commercial Counsellor, Canadian Embassy, Bonn, West Germany, under date of November 17, 1969 and is reproduced with the permission



# FARMERS' MARKETINGS OF WHEAT, PRAIRIE PROVINCES

(SPECIFIED PERIODS)

MILLION BUSHEL

800 —

700 —

600 —

500 —

400 —

300 —

200 —

100 —

0

MILLION BUSHEL

800 —

700 —

600 —

500 —

400 —

300 —

200 —

100 —

0

PEAK MARKETINGS  
1966-67 CROP YEAR  
632.4 MILLION BUSHEL

JULY

JUNE

MAY

APR

MAR

FEB

JAN

DEC

NOV

OCT

SEPT

30 year average  
1938-39  
1967-68

10 year average  
1958-59  
1967-68

1964-65

1965-66

1966-67

1967-68

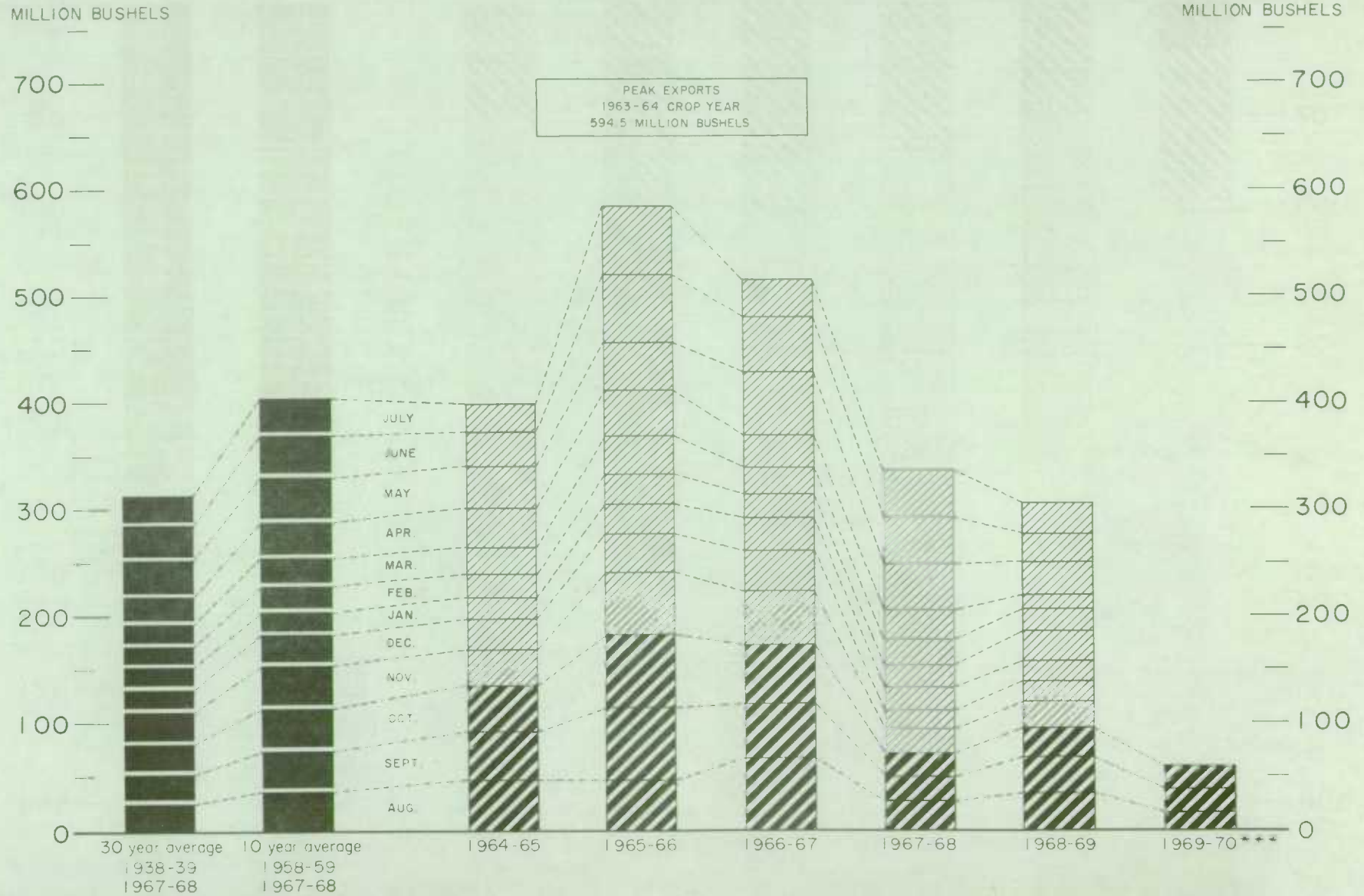
1968-69

1969-70

Agriculture Division D.B.S.

## EXPORTS OF CANADIAN WHEAT\* AND WHEAT FLOUR\*\*

(SPECIFIED PERIODS)



\*Beginning with 1955-56 includes seed wheat.

\*\*In terms of wheat equivalent

\*\*\*Preliminary.

Agriculture Division D.B.S.

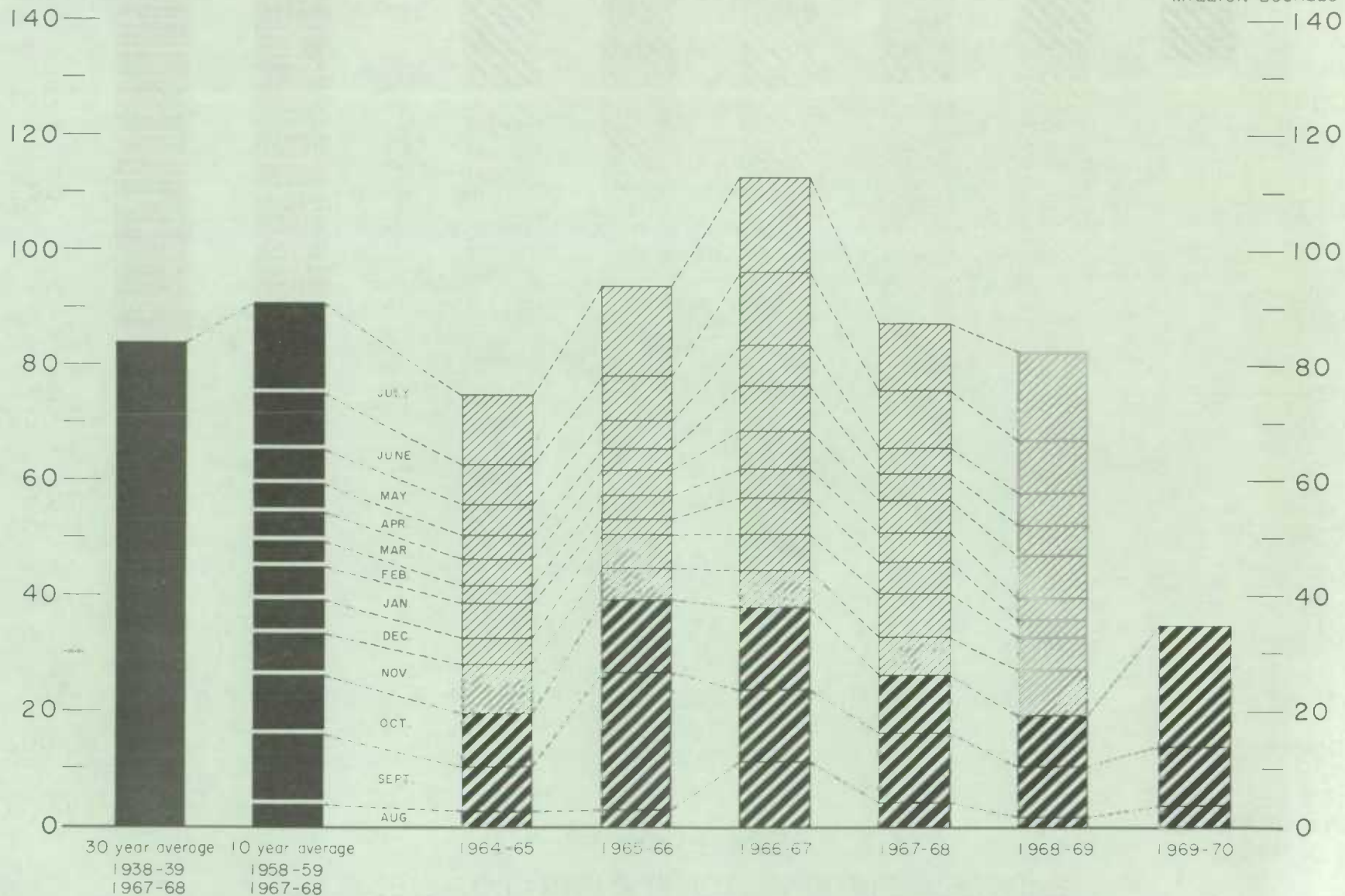


# FARMERS' MARKETINGS OF BARLEY, PRAIRIE PROVINCES

(SPECIFIED PERIODS)

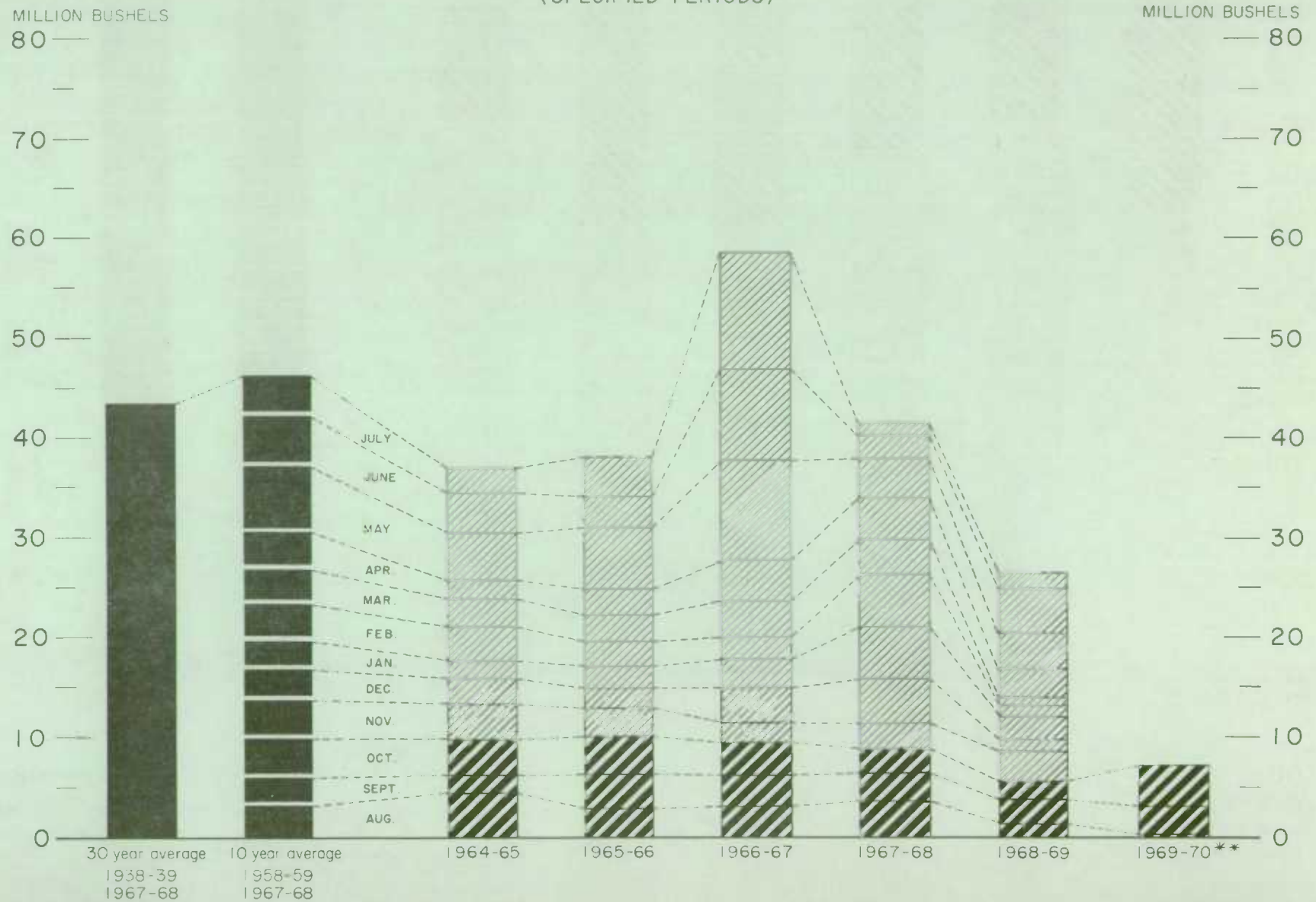
MILLION BUSHELS

MILLION BUSHELS



## EXPORTS OF CANADIAN BARLEY AND BARLEY PRODUCTS\*

(SPECIFIED PERIODS)



\*In terms of grain equivalent. \*\*Preliminary.

Agriculture Division D.B.S.



# FARMERS' MARKETINGS OF OATS, PRAIRIE PROVINCES

(SPECIFIED PERIODS)

MILLION BUSHELS

80 —

70 —

60 —

50 —

40 —

30 —

20 —

10 —

0

30 year average  
1938-39  
1967-68

10 year average  
1958-59  
1967-68

1964-65

1965-66

1966-67

1967-68

1968-69

1969-70

JULY

JUNE

MAY

APR

MAR

FEB

JAN

DEC

NOV

OCT

SEPT

AUG

MILLION BUSHELS

80 —

70 —

60 —

50 —

40 —

30 —

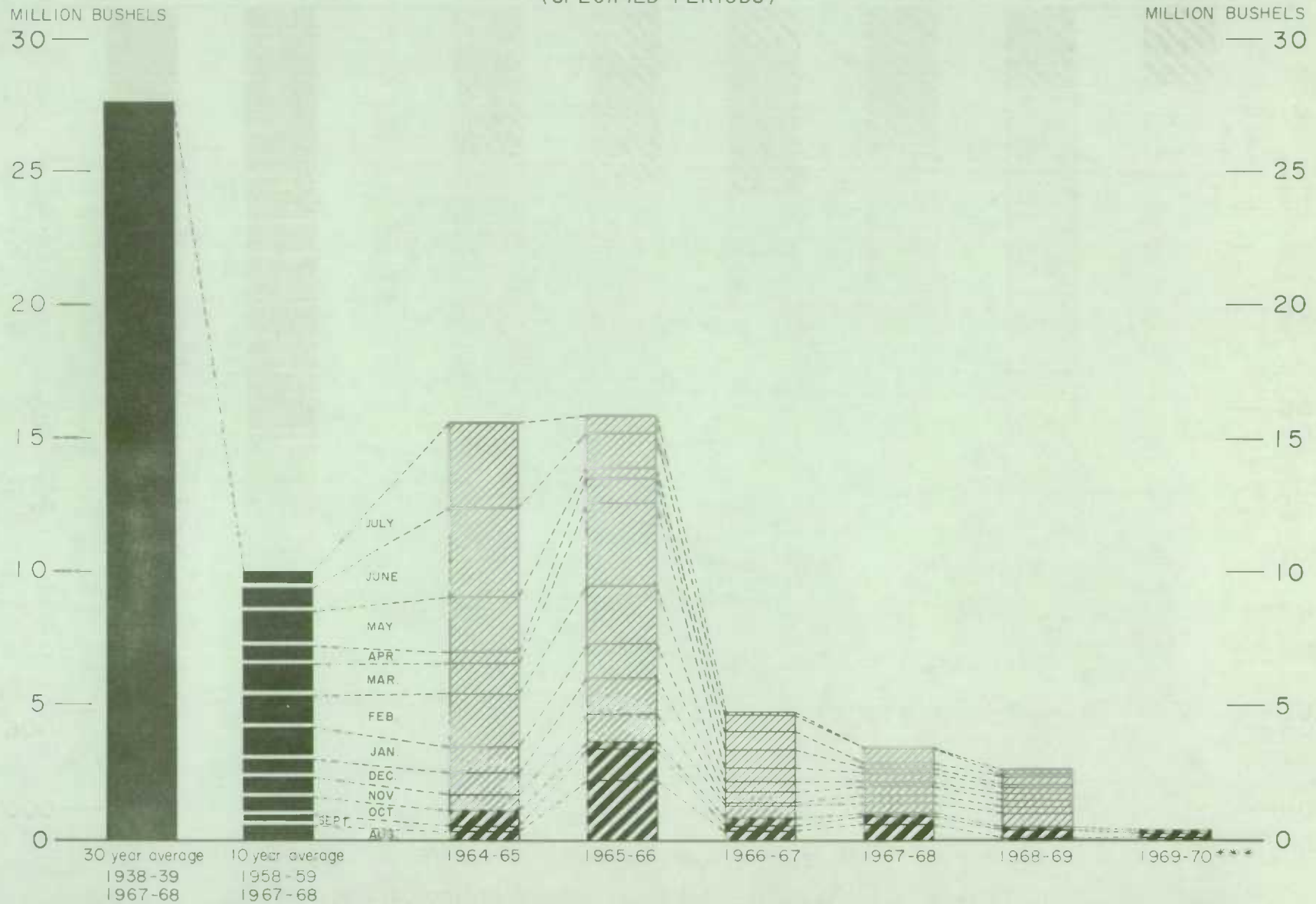
20 —

10 —

0

## EXPORTS OF CANADIAN OATS\* AND OAT PRODUCTS\*\*

(SPECIFIED PERIODS)



\*Beginning with 1960-61 includes relatively small quantity of seed oats

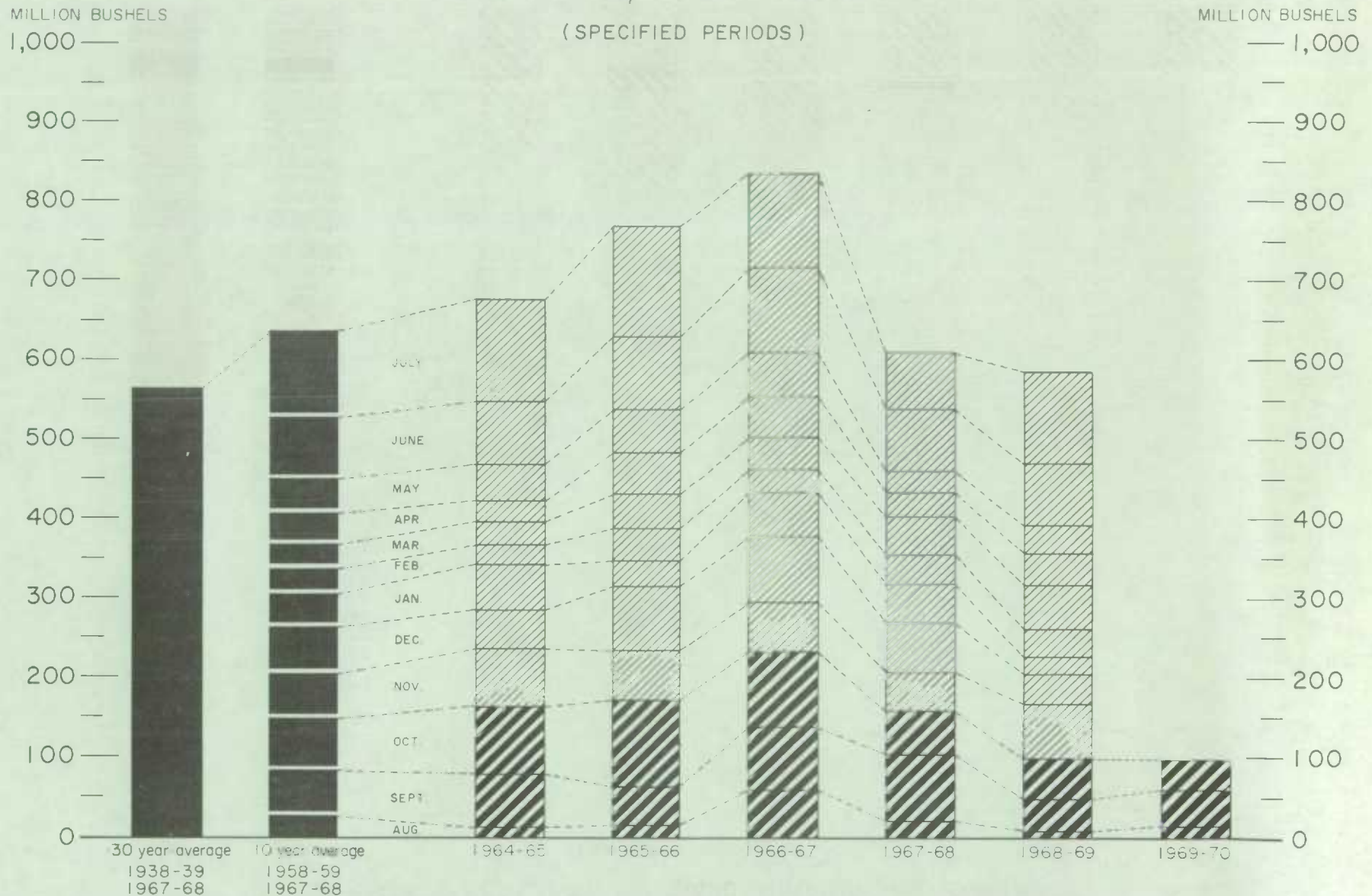
\*\* in terms of grain equivalent

\*\*\* Preliminary

Agriculture Division D B S



# FARMERS' MARKETINGS OF CANADA'S SIX MAJOR GRAINS,\* PRAIRIE PROVINCES



\* Wheat, oats, barley, rye, flaxseed and from 1960-61 rapeseed

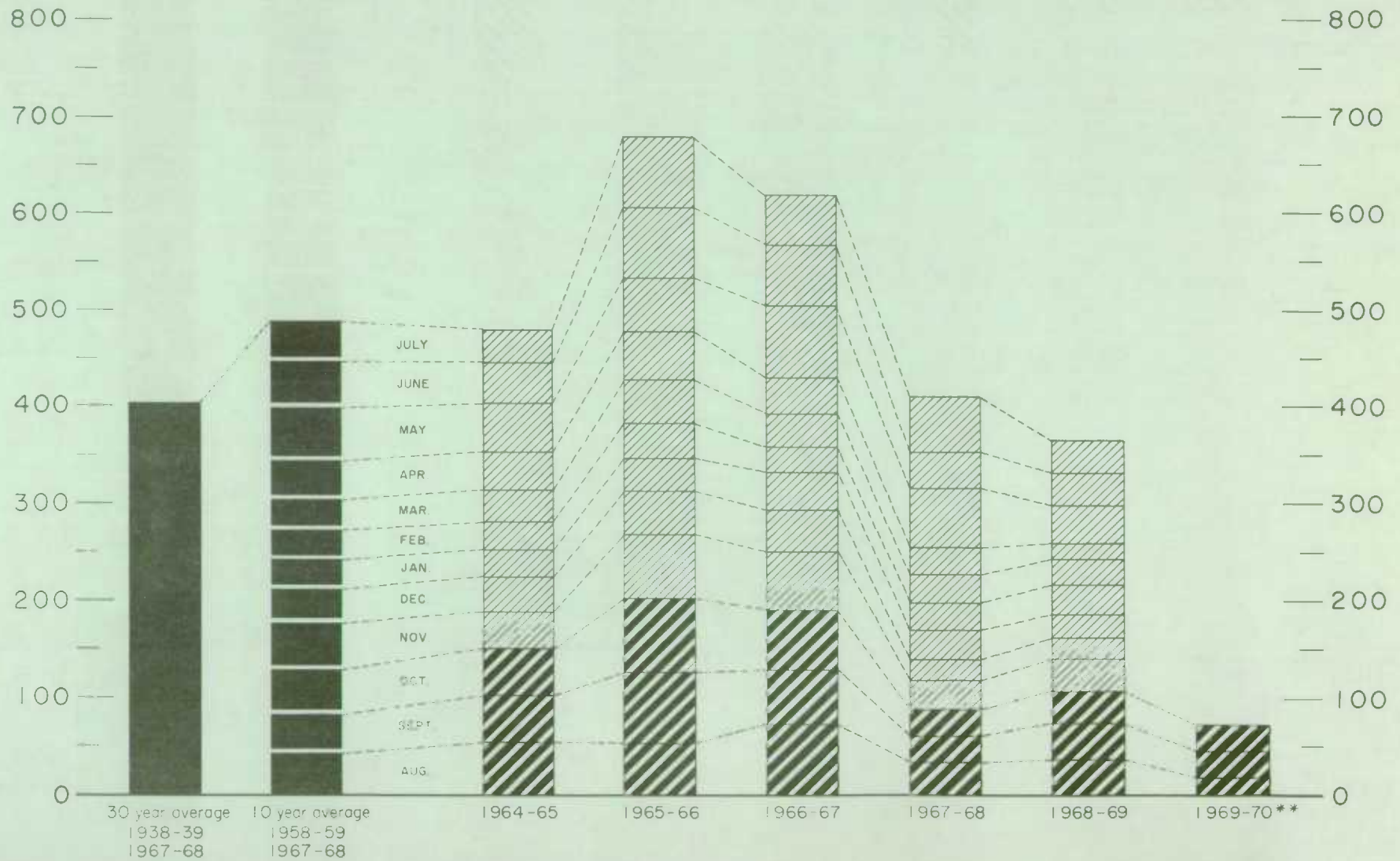
Agriculture Division D.B.S.

## EXPORTS OF CANADA'S SIX MAJOR GRAINS AND PRODUCTS\*

(SPECIFIED PERIODS)

MILLION BUSHELS

MILLION BUSHELS



\* Wheat, seed wheat, and wheat flour; oats, seed oats and oatmeal and rolled oats; barley and malt; rye; flaxseed and from 1960-61 rapeseed.

\*\* Preliminary.

Agriculture Division D.B.S.



of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Grain crop 1969. — According to final official reports, the grain crop in the Federal Republic of Germany (without maize) amounts to 18.5 million metric tons (last year: 18.8 million). The total acreage for grain was extended by 42,000 hectares or 0.8 per cent to 5.1 million hectares (12.5 million acres). Of the total acreage during the current crop year 2.4 million hectares (5.9 million acres) or 47.4 per cent fell to bread grains and 2.7 million hectares (6.7 million acres) or 52.6 per cent to feed and industrial grains. As the growing of bread grains again decreased by 2.7 per cent as compared to the previous year, the growing of feed grains increased by 4.2 per cent. The decrease in bread grains was restricted to winter rye and winter mixed grains, whereas with feed and industrial grains only the acreage of winter barley was reduced.

The average crop yield for all kinds of grain in 1969 amounted to 3.6 metric tons per hectare. This was 2.1 per cent below the extremely high result of the previous year (3.74 M.T./hectare), but 11.8 per cent over the average yield of the years 1963-68 (3.27 M.T./hectare).

The grain crop of 18.5 million metric tons is 1.3 per cent smaller than last year's harvest. However, it exceeds the 1963-68 average by 2.4 million metric tons or 14.7 per cent. The quantity of bread grains harvested amounted to 9,019 million metric tons or 48.7 per cent whereas feed and industrial grains were 9.5 million metric tons or 51.3 per cent of the total grain harvested in 1969. Due to high precipitation in the second half of August in some parts of Germany, considerable sprouting occurred. According to tests, the baking quality of the wheat harvested in 1969 is excellent as compared to previous crop years. Protein content and sedimentation ratings are - with almost unchanged yields per hectare as compared to the last year - very favourable, so that the required quality for processing can be reached with a lower portion of foreign quality wheat.

	<u>Protein content</u>	<u>Sedimentation rating</u>
1969 .....	11.8 per cent	25
1968 .....	10.8 per cent	18

Consumption 1968-69. — The total consumption of feed and industrial grains (barley, oats, corn, milocorn) of 12.8 million metric tons in 1968-69 fell slightly from last year's 13.1 million tons. Considerably higher was the decrease of the consumption in industry from 2.58 million tons in 1967-68 down to 2.19 million tons, as due to the high stocks of brewing malt from the previous year less barley was processed. On the other hand, for feeding a quantity of 9.8 (9.5) million metric tons was used and for processing to food, like oat flakes and starch 391,000 (354,000) tons of feed and industrial grains. Due to the higher 1968 crop, the stocks increased by 416,000 tons. In contrast to the other kinds of grains, imports fell to 4.5 million (4.9) million tons, whereas exports rose to 476,000 (389,000) tons.

Crop year 1969-1970 weather conditions. — As a result of the extremely dry weather, farmers in West Germany have made very good progress so far with their autumn field work. Precipitation during the month of September amounted to only 35 per cent of normal. The dry weather which also prevailed during the first two

weeks in October had a detrimental effect on the development of winter seeds, particularly winter barley.

Mixed feed situation. — The production of mixed feed in August 1969 again was above the previous year's level (up 18.4 per cent). This above all refers to the production of mixed feed for swine and cattle, but also the mixed feed production for poultry exceeded the previous year's figures. The processing of grains into mixed feed amounted to 466,200 metric tons for July-August 1969 as against 427,000 tons for the previous period. The use of wheat for the production of mixed feed increased from 32,400 tons in July-August 1968 to 86,000 tons in July-August 1969. This shows the effects of the denaturing premiums and the closed relationship in prices of wheat and feed grains induced by the Government.

Trade. — Business in domestic wheat and rye is of no importance. The quantities not yet processed will, for the most part, have gone to the Intervention B by September 30. Business in imported high and low protein wheat was also considerably influenced by the uncertainty existing as to the currency situation and the measures on the domestic market taken in connection with it. For this reason there was only some business in nearby and spot positions. Russian wheat of the SKS 14 type was traded briskly because of its very favourable price as against Manitoba and Northern Spring wheats. In future, Russia will also ship wheat of the SKS 15 type. Right now, there will be no future trading of any importance.

Britain The following information relative to grain situation in Britain has been extracted from a report by Mr. E.L. Gray, Assistant Commercial Secretary, (Agriculture) London, under date of November 26, 1969 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

General conditions. — In general, weather conditions in England and Wales were ideal for the grain harvest this year. By the first week in October, harvesting had been completed in almost all areas and a good deal of Fall cultivation was under way. Supplies of winter feed for livestock are plentiful. Except for some sprouting damage in the late sown spring wheat, most of the grain samples were of good quality, although of perhaps a higher moisture content than normal.

Yield estimates. — Preliminary yield estimates at the end of September for wheat, oats and barley were all up on those for the same time last year and exceeded the final estimate for both 1968 and the three-year average, 1966-68. The final yield estimates for the 1968 harvest in England and Wales, published by the Ministry of Agriculture show the wheat crop, at 3.4 million tons (126.9 million bushels), 100,000 tons lower, and the barley crop some 130,000 tons below the earlier estimates, at 8.14 million tons (303.8 million bushels). The total crop of wheat, barley and oats in 1968 amounted to approximately 12 3/4 million tons (475.9 million bushels), 1/4 million tons lower than the preliminary estimate.

Requirements and supplies. — A statement by the Home Grown Cereals Authority in late September suggested that, based on crop and harvest prospects at that time, the expected increases in domestic production in 1969-70 would approximately equal the expected increased demand for cereals. Total production will be up by at least one million tons over 1968 with wheat at about the same total production (on fewer acres), barley up by approximately 800,000 tons (29.8 million bushels) and other coarse grains up by 200,000 tons (7.5 million bushels). Based on the numbers of livestock shown in the June census, the demand for cereals for animal feed should be up by 700,000 tons (26.1 million bushels).



The much improved quality of the domestic crop this year means that more domestic wheat can be used for milling and consequently, less will be available for feed. At the same time, there is not likely to be nearly the amount available from stocks as was the case last year. There could also be an extra demand in the current crop year for domestic wheat as part of the U.K.'s Food Aid Commitments under the I.G.A. (a maximum of 225,000 tons (9.5 million bushels) or the cash equivalent), but on the other hand, the H.G.C.A. commented that it was likely that plentiful supplies of foreign barley and soft wheats would be available throughout the rest of the season on the world market, at prices below the British minimum import prices. Levies would bring the prices up to the M.I.P. levels, but the availability of grain at lower prices would effectively limit the price increases possible for domestic grains later in the season.

Taking all factors into account, the H.G.C.A. considered that there should be no problem in disposing of this year's crop provided the trade offered "realistic prices" and the producers put their grain on the market "in a timely response to the pattern of demand".

Stocks on farms. -- In general, the stocks of wheat and coarse grains on farms at the end of September were in line with the increased production, but a slightly larger proportion of the wheat in store was already sold, that was the case in 1968. The Ministry of Agriculture now carries out a monthly sample survey to estimate the proportions of the current year's crop of homegrown wheat, oats and barley remaining unsold on farms. Provisional results for England and Wales, as of the end of September, showed the following percentages of the crop unsold on the farms, with the corresponding figures for last year in brackets:

Wheat ...	66 per cent	(71 per cent)
Barley ..	69 per cent	(68 per cent)
Oats ....	83 per cent	(79 per cent)

Deficiency payments. -- The total cost of the U.K. cereals deficiency payments for the 1968-69 crop year is expected to be £50.7 million (Cdn. \$131.8 million) -- £14 million (Cdn. \$36.4 million) for wheat, £26.8 million (Cdn. \$55.2 million) for barley and £ 9.2 million (Cdn. \$23.9 million) for oats and mixed grains. The guaranteed price for wheat under the deficiency payments scheme was 27s 5d per cwt (Cdn. \$1.91 per bushel) and the average market price realised for wheat during the year was 22s 10 1/2d per cwt (Cdn. \$1.54 per bushel). Producers were, therefore, eligible for a net deficiency payment of 4s 3.9d (4s 6 1/2d less a 2.6d H.G.C.A. levy). A total of 3,247,000 tons qualified for the deficiency payment.

The average market price realised for barley over the crop year was 21s 8.52d per cwt (Cdn. \$1.21 per bushel) compared to the guaranteed price of 25s 2d per cwt (Cdn. \$1.40 per bushel). The basic deficiency payment was 3s 5.48d per cwt, equivalent to £4 11s 3d (Cdn. \$11.87) per acre, less 6s 5d (82c) per acre for the Barley Incentive Scheme, making a net payment of £4 4s 10d (Cdn. \$11.05) per acre. 5.87 million acres qualified for the payment. No standard quantity adjustment (set at 8.6 million tons for 1968) was necessary.

1.03 million acres of oats and mixed grain qualified for the deficiency payment of 7s 5.96d per cwt (Cdn. 30c per bushel) or £8 18 5d (Cdn. \$23.19) per acre. The guaranteed price is 27s 10d (Cdn. \$1.09 per bushel) and the average market price realised for oats was 20s 0.04d per cwt (Cdn. 79c per bushel).

The average market price for rye under the deficiency payment scheme exceeded the guaranteed price, so no deficiency payment was made.

The Ministry of Agriculture has agreed to a request from the H.G.C.A., to allow for grain stored on farms until September 15th to qualify for payment under the Cereals Deficiency Payments Scheme. Previously, all grain had to be off the farm by July 21st in order to qualify. The new provision effectively extends the supply period for "old-crop" cereals and it was thought that this would encourage the greater usage of home grown cereals (in place of imports) over the harvesting months. Conditions attached to the new provision ensure that "new crop" wheat would not qualify for the higher old crop rate of subsidy.

Imports. — Imports of denatured wheat and barley up to the end of September 1969 were higher than last year and forward commitments for imported wheat (including denatured) were some 3/4 million tons (28 million bushels) higher. Forward purchases of coarse grains, on the other hand, are down by more than 600,000 tons (22.4 million bushels). The expected high level of total wheat imports reflects the continued price competitiveness of denatured wheat with corn, while the coarse grain figures reflect an expected decline in corn imports that will more than offset the increase in imports of barley. Total imports of grains in 1969-70 are expected to be down by 200,000 tons (7.4 million bushels) compared to 1968-69, with wheat imports up by 50,000 tons (1.8 million bushels) and coarse grains down by 250,000 tons (9.3 million bushels).

Markets. — In the week ending November 22, activity on the London markets was quiet. The only movements of milling wheats were routine purchases of occasional lots of Canadian Manitobas and Continental soft wheats. Feed grain prices remained firm and buyers appeared to be waiting for some break in the firm price trend for American corn before committing themselves.

Supplies of English milling wheat on offer to London buyers were plentiful, but demand was slow. Prices remained unchanged at 24s 3d per cwt (Cdn. \$1.69 per bushel) for quality soft wheat for prompt delivery, while offers of domestic feed wheat were less plentiful and prices up to 23s 9d per cwt (Cdn. \$1.66 per bushel) were bid for Jan/Feb delivery. The demand for English feed barley was quiet with only the odd lot taken at 21s per cwt (Cdn. \$1.46 per bushel) for prompt delivery and 21s 3d (Cdn. \$1.47 per bushel) for January and February delivery. On the other hand, there was a moderate demand for malting barley for forward delivery and prices remained steady.

The following accounts of the current grain situation in Hungary, Bulgaria, Rumania and Austria have been extracted from a report by Mr. L.T. Dickenson, Assistant Commercial Secretary, Vienna, under date of December 16, 1969 and are reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Hungary Hungary this year experienced increases in output of all grains. Livestock products are very important for Hungary in earning foreign currency. To increase livestock production Hungary has had to increase their feed grain production. Traditionally Hungary has imported large quantities of feed grains. However, due to large increase in corn production on 1969 there will be very small imports of feed grains this year. Increase in corn production is partially due to new hybrid seed and the increased application of fertilizer.



Hungarian hybrid maize seed is being exported to Austria, Czechoslovakia, Poland and East and West Germany.

Director Szabados of AGRIMPEX has indicated that the acreage planted to wheat this fall is the same as that planted last fall. Hungary would like to convert some of the area presently used for wheat production over to corn as corn can be used as a livestock feed. However, a low level of mechanization in corn harvesting tends to dampen this conversion.

Below our table of statistics compares grain production in 1968 and 1969. You will note that there were production increases in all categories in grain in 1969 as compared to 1968.

	<u>1968</u>	<u>1969</u>	
Wheat .....	3,352	3,579	
Rye .....	238	249	in thousands of
Barley .....	904	905	tons
Oats .....	69	79	
Corn .....	3,764	4,000	

Bulgaria Very little information has been released this year on agriculture production. However, in comparison with last year's harvest the 1969 crop is larger. Total agriculture output in 1969 surpassed that of 1968. This was mainly due to an increase in crop production.

Rumania Over-all agricultural production is scheduled in increase 28-31 per cent over the current five-year plan. In particular, by 1975 a grain output of 17.5 million to 18.5 million tons is envisaged, compared with 15 million tons foreseen for 1969. The irrigation program that has been mapped out is rather ambitious, in the light of past under-fulfillment.

We understand from several sources that this year's wheat crop is smaller than that of 1968, however, it is expected to cover Rumania's domestic needs. In 1968 total cereal production was 12.7 million tons of which wheat and rye were 4.9 million tons and corn 7.1 million tons. We would predict that the wheat production on 1969 would lie somewhere between 4.4 million to 4.7 million tons.

Austria In the past Austria has been a large importer of feed grain. In 1967 they imported 190,000 tons of corn and 165,000 tons of barley. However, in 1969 there were no imports of corn or barley due to a large increase in corn production. This increase in the production of feed grains was the result of an increase in feed grain prices and a lowering of the price of bread grains. It is interesting to note, however, that the increased acreage planted to feed grains was not at the expense of wheat, inspite of a lower wheat price, but rather at the expense of potatoes, root crops and pasture land. As a consequence of the above changes in plantings Austria may develop a surplus of feed grains.

CALENDAR OF COARSE GRAIN EVENTS

- September 30      According to World Agricultural Production and Trade, published by the Foreign Agricultural Service, U.S.D.A., world barley production in 1969 is estimated at a record 113.7 million metric tons (5,222 million bushels), 3 per cent above the 1968 high, as area continued its long uptrend to 173.1 million acres, up 5 per cent. World oats production in 1969 is estimated at 51.4 million tons (3,541 million bushels), one per cent over 1968, as area gained 3 per cent.
- World corn production in 1969 is forecast at 241.3 million metric tons (9,498 million bushels), 10.6 million tons larger than a year ago. The area devoted to corn is estimated to be up about 6 million acres over 1968 and average yield is expected to increase about 1 bushel per acre.
- November 14      According to a report received from Mr. R. A. Groundwater, Assistant Commercial Secretary, Melbourne, an Australian Barley Co-ordinating Committee has been formed by the existing Barley Boards in Australia. This may be a definite step toward a national Marketing Board.
- 21      Based on conditions at October 28, production of Canada's principal grain crops in 1969 was estimated as follows, in millions of bushels, with 1968 figures in brackets: all wheat, 684.3 (649.8); oats for grain, 371.4 (362.5); barley, 378.4 (325.4); mixed grains, 87.3 (85.6); corn for grain, 73.4 (81.2); all rye, 16.5 (13.0); flaxseed, 30.7 (19.7); rapeseed, 37.1 (19.4); and soybeans, 7.7 (9.0).
- 24      According to a report received from Mr. S. E. Kidd, Assistant Commercial Secretary (Agriculture) Canadian Embassy, Buenos Aires, the Secretariat of Agriculture and Livestock has issued the first official estimate of the area sown to corn in 1969-70 of 4,500,000 hectares (11.1 million acres), 2 per cent less than in 1968-69, but 8 per cent and 20 per cent more than the averages of the last five-and ten-year periods, respectively.
- 28      According to World Agricultural Production and Trade, published by the Foreign Agricultural Service, U.S.D.A., world flaxseed production in 1969 is estimated at about 140 million bushels, 15 per cent above last year's relatively small production, 4 per cent above the 1962-66 average, and the largest since the 148 million-bushel-harvest in 1965.
- December 23      The last grain vessel of the 1969 season of navigation, M.V. Sir Denys Lowson, finished loading at the Canadian Lakehead. The total volume of the six principal grains cleared 261.7 million bushels and was almost 14 million greater than the 1968 figure. Vessel shipments of the individual grains, were as follows, in millions of bushels: wheat, 170.6; oats, 21.0; barley, 57.1; rye 2.1; flaxseed, 8.7; and rapeseed, 2.2.



FATS AND OILS

World Oilseed  
Situation  
and Outlook

The following is taken from the report on Grains Feeds and Oilseeds as prepared for the Federal-Provincial Agricultural Outlook Conference, November 24 and 25, 1969.....

Situation. — World production of oils and fats in 1969 is expected to increase by about 2.5 per cent over 1968. Total production in oil and fat equivalent is expected to be about 37 million metric tons. Of this quantity, edible vegetable oils in total will be down to about 17.6 million metric tons, palm oils will be higher by about 8 per cent to 4 million metric tons, industrial oils will be higher by 15 per cent to 1.6 million metric tons and animal fats and marine oils will be about the same level as last year. It is estimated that world production of flaxseed will be up by approximately 500,000 metric tons from last year to about 3.8 million metric tons chiefly because of the increase in North American production. Argentina production is still uncertain at this time and may affect this estimate.

World production of the rapeseed and sunflower seed oils will be at high, but not record levels. World soybean production in 1969 will approximate that of 1968. In recent years, the growth rate has been about 8 per cent a year. Soybean acreage in the United States is at a record high of 42.4 million, up 2 per cent from last year, but yields are expected to be slightly lower. Production for 1969 is estimated at 28.9 million metric tons which is 500,000 metric tons less than in 1968. Rapeseed production in Poland, which last year was the world's leading producer with 675,000 metric tons, was down sharply this year due to adverse weather conditions. The situation in East Germany and Sweden is much the same. Crop losses in the above countries will be partially offset by a production increase of 53,000 metric tons in the European Economic Community countries. This, plus Canada's record crop, will result in a world net increase in export availability approaching 300,000 metric tons, out of a total world production of 5.4 million metric tons.

There are indications that the sunflower crops in Eastern Europe are poor this year and that production in Argentina is sharply lower. Cottonseed production is expected to increase. Palm oil production, mainly in Commonwealth countries, is estimated to be 20 per cent higher in 1969. Increases in production are likely to continue for a number of years. World production of margarine increased by 5 per cent between 1966 and 1968. A large part of this increase occurred in Eastern Europe. First quarter figures for 1969 show a further slight increase in world production.

Prices of oilseeds on world markets firmed late in the summer of 1969. Soybean oil in Rotterdam in mid-September 1969 was U.S. \$207 per metric ton, compared with \$171 for the crop year 1968-69. Sunflower oil in mid-September rose by 35 per cent over the spring low point to \$235 per metric ton compared with the average of \$176 for the crop year 1968-69. Rapeseed oil was up at September 1 to \$185 per metric ton compared with an average of \$166 for the crop year 1968-69. Linseed oil, at \$231, was higher by 3 per cent at mid-September, compared with the 1968-69 average of \$224.

World demand for oils and fats of vegetable oil, animal or fish origin will continue to increase because of the increased world population and economic improvement within the developing countries. Consumption of vegetable oil meals and fish meal will continue its upward trend due to the increase in livestock and poultry production. Production is expected to keep pace with world demand; therefore, it is anticipated that prices will remain relatively stable over the next two years.

Outlook. — The 3 main exporters, the United States, Canada and the Argentine will reach a record production this year, of between 85 and 90 million bushels, compared with about 70 million bushels last year. This results from an increase of 12.6 million bushels in Canada, 6.9 million in the United States and no change in the Argentine. World imports have fallen from a total (flaxseed and linseed oil, flaxseed equivalent) of 52.1 million bushels in 1966 to 42.8 million in 1968.

The low stock level favoured oil sales in 1968-69 crop year. However, the record production of 1969-70 seems more than adequate to meet world demands and a similar crop in 1970-71 would create serious problems. Lower prices, may permit sales volume to continue at last year's levels.

Future plans of the United States and the Argentine are particularly important factors when considering the desirable acreage for Canada. It appears that these countries will likely maintain acreage at current levels or better. During the course of the year the Commodity Credit Corporation is likely to buy substantial stocks which would tend to stabilize the market at a lower level than last year due to a lower support price (U.S. \$2.75 compared with \$2.90). Any Canadian production in excess of 25 million bushels would be difficult to market at a satisfactory price. An acreage reduction from 2.4 million acres to 1.5 to 2 million acres is indicated for each of the next 2 years, unless producers are prepared to accept lower prices.

#### CANADIAN OILSEEDS

##### Canadian Oilseeds

##### Situation and Outlook

Situation. — Flaxseed exports in 1968-69 increased slightly to 13.4 million bushels, up from 12.6 million in 1967-68, but down from the 1962-63 to 1966-67 average of 15.2 million. Canada exported flaxseed to 19 countries with Japan taking 45 per cent followed by Britain, the Netherlands, West Germany, Spain and Czechoslovakia. Exports of both linseed oil and meal were well below 1968. Crushings for the crop year were down to just over 2 million bushels compared with 2.3 million last year. This is the fourth consecutive year of decline.

The average price for 1968-69 was \$3.29 per bushel (basis No. 1 flaxseed in store at the Lakehead) compared with last year's average price of \$3.45 per bushel and an average price of \$3.00 per bushel for 1966-67. Stocks at August 1, 1969, were 4.6 million bushels compared with 4.8 million bushels on August 1, 1968.

Acreage of flaxseed was up 61 per cent in 1969 to 2,441,000 acres compared with 1,524,400 acres the previous year. Production of flaxseed in 1969 is estimated at 30.7 million bushels up 56 per cent from the 1968 crop. Production largely occurs in Western Canada, although small quantities are grown in Ontario and Quebec. Acreage in Manitoba increased to 1.1 million acres, 34 per cent more than the 1968 acreage, although well below the acreage of 1965-66. Acreage in Saskatchewan in 1969 was 770,000 acres, compared with 397,000 acres in 1968. Alberta's acreage in 1969 at 550,000 was nearly double the 1968 acreage of 285,000 acres. Production in 1969 in Manitoba is estimated at 11.2 million bushels, in Saskatchewan at 11.3 million bushels, and in Alberta, 8.0 million bushels. Total available supply in the 1969-70 crop year, will be higher than last year by approximately 11.6 million bushels. Manitoba had a yield this year of 10.2 bushels per acre compared with almost 15 bushels per acre in Saskatchewan and 14.5 bushels in Alberta.

Canada exported a record 14.2 million bushels of rapeseed in the crop year 1968-69, 1.9 million bushels more than in 1967-68 and 75 per cent above the 1961-66



average. Exports of Canadian rapeseed went to 9 countries last year, with Japan responsible for 80 per cent followed by Taiwan, Morocco, the Netherlands, and Italy. Canada is the world's largest exporter of rapeseed and this year for the first time, also the world's largest producer of rapeseed excluding India and China.

Since July 1967 Canada has not been able to market rapeseed on a regular basis into the large European Economic Community market because of support prices and subsidies which encourage production within European Economic Community. Unless there is a change in European Economic Community policies, Canada will not be able to re-enter this market on a regular basis. Canadian exports to this area are also adversely affected by the low price policy of Eastern Europe.

Domestic rapeseed crushings in the 1968-69 crop year amounted to 6.9 million bushels compared with 5.2 million in 1967-68. Average prices for 1968-69 (basis No. 1 rapeseed in store Vancouver) were \$2.22 per bushel (Canadian) compared with \$2.27 for the previous year. Rapeseed crude oil prices (f.o.b. plant, Western Canada) which had averaged over 10 cents per pound in 1966-67, declined to under 9 cents in 1967-68 and remained between 8 and 9 cents to the end of the 1968-69 crop year. Rapeseed meal prices (per ton, f.o.b. plant, Western Canada) averaged \$3 to \$4 lower in 1968-69 than in 1967-68, ranging between \$59 and \$64 per ton, and up to August 1969, prices averaged about \$63 per ton.

Carryover of rapeseed at the end of the crop year 1968-69 was 4.9 million bushels, compared with 9.9 million for the previous year.

The 1969-70 rapeseed crop is forecast at 37.1 million bushels compared with 19.4 million bushels in 1968-69. Total acreage was 2,012,000 acres in 1969 compared with 1,052,000 acres in 1968. Acreage was up in the 3 Prairie Provinces, (Manitoba 91 thousand acres to 196 thousand acres in 1969; Saskatchewan 511 thousand acres to 1 million acres in 1969; Alberta 450 thousand acres in 1968 to 816 thousand acres in 1969). The estimated yield per acre in 1969 is 18.4 bushels per acre unchanged from 1968. Total supplies will be over 40 million bushels compared with 29 million bushels last year.

Production of soybeans in Canada in 1968 amounted to only 9 million bushels grown on 295,000 acres in Southwestern Ontario. Canadian imports of soybeans for the crop year 1968-69 declined to 12.5 million bushels from 13.4 million in 1967-68. However, imports of soybean oil increased to 25.6 million pounds from 20.9 million in 1967-68. Soybean meal imports increased to 237 thousand short tons in 1968-69 from 227 thousand tons in 1967-68. Exports declined by more than 50 per cent from 1.6 million bushels, to 670,000 bushels. Soybean meal exports also fell sharply, from 169,000 tons in 1967-68 to 131,000 tons in 1968-69. Exports of soybean oil were a little higher than last year at 32.1 million pounds compared with 30.3 million. Soybean crushings were slightly higher than last year at 20.1 million bushels compared with 19.8 million in 1967-68. In 1969, the acreage was up by 9 per cent to 322,000 acres. However, production is down to 7.6 million bushels due to poor climatic conditions. The yield in 1969 of 23.6 bushels per acre is sharply below last year's yield of 30.6 bushels and the recent 5-year average of 29.1 bushels.

The price for soybeans (No. 2 or better, basis, f.o.b. Chatham, Ontario), for the crop year 1968-69 averaged \$2.61 (Canadian) down 17.5 cents from the average of the previous year. Soybean oil, crude, delivered at the factory Eastern Canada, averaged 10 cents per pound in 1968-69 compared with 11.3 cents per pound in 1967-68 and 13.5 cents in 1966-67. Meal (50 per cent protein) averaged \$108.22 per ton in 1968-69, compared with \$105.92 per ton in 1967-68.



Sunflower seed exports in 1968-69 were about the same as last crop year at 3 million pounds, mostly to the United States as birdseed. Some 800,000 bushels were crushed, which was about the same as in 1967-68. Production of oil was 9.5 million pounds, down 5 per cent from the 10 million the year before. Meal production on the other hand was almost 4.6 thousand tons, compared with 4.3 thousand the previous year.

Sunflower seed acreage in 1969 was 48,000, all of which was in Southern Manitoba. Total acreage in 1967-68 was 40 thousand acres. Yields at 708 pounds per acre are 14 per cent higher than the 1968 average of 619 pounds. Production of sunflower seed is estimated to be 34.0 million pounds in 1969 compared with 37 million in 1968.

One of the significant features of the sunflower seed situation has been the continued imports of oil from Eastern Europe. About 42.5 million pounds of oil, equal to 12 per cent of all edible oil produced in Canada, were imported in 1968-69 compared with 39.3 million in 1967-68. However, prices of sunflower oil at Rotterdam have risen recently from the low point in the early summer of 7 to 8 cents (U.S.) per pound and have reached 10.7 cents as of September 16, 1969.

Outlook. — Japan and Taiwan are the most promising outlets for Canadian rapeseed in the next two years and for some time in the future, particularly if these two countries use rapeseed meal in livestock and poultry feeds in substantial quantities. There are good prospects for substantial sales to Western Europe, especially the European Economic Community and Britain in 1969-70 due to low European production. For 1970-71, however, with a return to normal yields, there is likely to be a high level of rapeseed production in Europe and sunflower seed production in Eastern Europe and the USSR. If the European production returns to normal, large increases in Canadian production in 1970-71 could lead to lower prices. For the current year, prices are likely to be comparable with last year's or a little higher, in spite of the larger crop. Other favorable factors include increased consumption and a short supply of sunflower oil.

The domestic crush of rapeseed has been increasing over the past few years. In the crop year 1967-68, 5.3 million bushels were crushed as compared with 6.5 million bushels in the crop year 1968-69. Rapeseed oil is now approaching 30 per cent of all edible oils consumed in Canada. This trend is expected to continue as long as rapeseed oil remains competitive with imported edible oils. Even if markets do not remain available in the European Economic Community in 1970-71, prospects are good for additional exports to Japan, and for additional domestic consumption. It would appear desirable that for 1970, acreage be maintained at about 2.2 million acres. Over the longer term of the next 5 years continued increases in domestic use and exports will justify an increase in Canadian production. However, prices are likely to fall well below 1969 levels in 1970-71 if production in 1970 substantially exceeds 40 million bushels.

With the loss of the 5 per cent preferential tariff in the British market exports of beans and meal over the next 2 years will decline still further. Price will be a problem in 1969-70. The United States lowered their loan price on soybeans (average farm rate) from \$2.50 per bushel to about \$2.20 per bushel for No. 2 beans for the 1969-70 season. With the crop in the United States likely to add somewhat to the surplus which was already over 300 million bushels to start the crop year, United States prices are likely to drop in the fall to around the loan level, although there are indications that improvement may occur as the season progresses. With continued upward consumption of soybean meal, Canadian prices will likely be lower



in keeping with United States prices for beans and meal but with improvement as the season progresses. Should the price in the United States go too low in 1969-70, a reduction in United States acreage in 1970-71 would improve the price structure. There is ample scope in terms of the size of the domestic market for additional production of soybeans in Canada as imported beans crushed in Canada currently amount to the equivalent of production from about 400 thousand acres. While physical limitations exist at present to major expansion, the upward trend in soybean acreage should continue.

Higher prices are likely to remain for the rest of the crop year, as there are indications of poor crops in Eastern Europe. If Eastern European production is quite low, as currently forecast, there will be a problem of rebuilding stocks in various markets and the prospects for 1970-71 are likely also to be good. In order to keep the supply steady, an increase in Canadian acreage of sizeable proportions seems desirable. Our imports alone represent the production of over 200 thousand acres at current yields.

August-October Marketings  
of Flaxseed and Rapeseed  
Above Previous Year

Data recorded for this quarter of the 1969-70 crop year, indicate that primary deliveries of flaxseed have amounted to 5.4 million bushels, sharply above the comparable total of 2.0 million of the previous year, but below the recent ten-year average for the period of 7.3 million. Marketings of rapeseed at 9.2 million bushels also registered increases over the corresponding 1968-69 figure of 3.4 million and the recent ten-year average of 5.0 million.

Commercial Supplies

Total commercial supplies of Canadian flaxseed at November 19 of the current crop year, at 7.2 million bushels, were above the comparable 1968 level of 6.0 million but below the 10.3 million for the same period in 1967. Most of the increase was accounted for by larger totals in Vancouver-New Westminster, Fort William-Port Arthur, in transit rail (western division), Lower St. Lawrence and in transit lake. The 2.9 million bushels at the country elevators were unchanged from the same date in 1968 but above the 2.3 million of 1967. Rapeseed supplies in commercial positions at November 19 of this year amounted to 9.5 million bushels, higher than both the 6.7 million of 1968 and the 6.2 million at the corresponding period in 1967. The bulk of this grain was in country elevators (5.0 million), in Vancouver-New Westminster (1.8 million), and in transit rail western division (1.3 million).

Domestic Market

Crushings of the four major oilseeds, flaxseed, soybeans, rapeseed and sunflower seed, in Canada during the period August-October 1969, have accounted for a total of 417.1 million pounds compared with 391.6 million pounds for the same period of the previous year. Most of the current total is accounted for by crushings of some 299.0 million pounds of soybeans as compared with 278.6 million pounds during the comparable period of 1968. Crushings of flaxseed at 25.1 million pounds, represent a decline of 10 per cent from the comparable 1968 figure of 27.8 million pounds. The total amount of rapeseed crushed during August-October 1969, amounted to 88.7 million pounds, some 15 per cent more than last year's comparable total of 76.8 million pounds. Crushings of sunflower seed during the first three months of the current crop year amounted to 4.3 million pounds considerably less than the 8.4 million at the comparable period the previous year.

Exports of Flaxseed,  
Rapeseed and Soybeans

During the first three months of the 1969-70 crop year exports of Canadian flaxseed amounted to 3.3 million bushels, above the 2.0 million shipped during the comparable period of 1968 but slightly below the ten-year (1958-67) average for the

period of 3.4 million. The major markets for this oilseed with figures in millions of bushels were as follows: Japan, 1.0; Netherlands and Britain, 0.8 each; and the Federal Republic of Germany and Spain, 0.2 each. The remainder was accounted for by relatively smaller shipments to Australia, France, Belgium and Luxembourg, Italy and South Korea.

Exports of rapeseed from August 1 to October 31, 1969, at 3.4 million bushels, were 14 per cent below the comparable 1968 figure of 4.0 million and considerably more than the recent average of 1.0 million. Japan, the major importer, at 3.2 million, accounted for 93 per cent of the three-month total while the remainder was imported by the Netherlands, Britain and the United States.

Customs exports of soybeans during the first three months of the 1969-70 crop year amounted to 45 thousand bushels, sharply below the 202 thousand of the previous year.

Rapeseed Delivery      The C.W.B. in its instructions to the trade No. 27 under date of November 20, 1969 stated that following discussions with the Rapeseed Association of Canada, the Board has re-examined the system of controls which presently exists with respect to the delivery of rapeseed by producers at country elevators and the movement of rapeseed from country elevators to terminal elevators.

As a result of the re-examination, the Board now announces hereunder the system of controls which will prevail until further notice. Attention is directed to the fact that in some respects the controls will be the same as those which have applied in the past.

(1) Delivery quota control. - In order to equate delivery opportunities for all grains and oil seeds at country elevators, the Board will continue the system of delivery quotas for rapeseed. The Board will watch closely the level of the quota to be established from time to time in order to ensure sufficient supplies.

(2) Limitation of stocks of "free" rapeseed at Vancouver. - Because of the large export programme for all grains and oil seeds ex Vancouver, the Board will continue to limit the stocks of "free" rapeseed at Vancouver. Individual terminal companies will be notified by the Board's Vancouver office of the division of the "free" space amongst the terminals concerned. (The movement of rapeseed to Vancouver for specific export sales and vessels will be authorized in accordance with the procedures outlined in section (4) below. The movement of this "export" rapeseed will be authorized in addition to "free" rapeseed).

(3) Movement of rapeseed from country elevators to Fort William-Port Arthur. - Until such time as all shipping points in the designated area are included in the block system, the movement of rapeseed ex non-block areas to Fort William-Port Arthur will be authorized by the Board's Winnipeg office in accordance with present procedures. For all shipping points which are already in the block system, and for all other shipping points as they come within the block system, orders for the movement of rapeseed to Fort William-Port Arthur will be placed through the blocks.

(4) Movement of rapeseed from country elevators to Vancouver. - The present system of "permits" will be discontinued in accordance with the schedule outlined below. With the implementation of the block system to the entire Vancouver shipping area, it is now possible for the Board, in conjunction with the country elevator companies and other shippers, to control the movement through the placing of orders through



the blocks. For the next few months there will still be certain non-block areas which will be shipping rapeseed to Vancouver. As a transitional measure, these non-block areas will be operated by the Board (acting as central) in the same manner as block areas insofar as rapeseed shipments to Vancouver are concerned. It will continue to be necessary, however, for the Board to ensure that the rapeseed so ordered is to fill legitimate export sales and/or to refill "free" space at Vancouver. The following procedures will be followed:

(i) All existing permits will continue to be honoured and new permits will be issued, as a transitional measure, until November 28, 1969.

(ii) Effective with Week 20, the system of control will become the orders placed through the blocks. Commencing with Week 18, the elevator companies and other shippers of rapeseed will advise the Board of the orders for rapeseed which they wish placed. Such requests must be supported by:

- (a) Export sales — information as to the sale which has been made including quantity, name of exporter, vessel name and E.T.A.

This information must be in sufficient detail that the Board's Vancouver office can verify it, if necessary, with the exporter or vessel agent concerned.

- (b) "Free" stocks — evidence satisfactory to the Board that the rapeseed to be ordered is needed to bring the stocks in the port up the maximum permitted level for "free" stocks.

The 28 day pre-advice limit previously imposed on the issuance of permits will no longer be relevant. Orders will be placed in the blocks, under the conditions outlined above, in the appropriate week or weeks to provide for arrival in Vancouver in time. Because of the limitation of "free" stocks, and because of the general need to make the best possible use of all Vancouver space and transportation, it may be necessary for the Board from time to time, working with the companies, to propose that orders for rapeseed be advanced or delayed from the week requested by the companies.

Quota on Flaxseed      The Canadian Wheat Board in its instructions to the trade re quotas (general) No. 12 under date of November 20, 1969 stated in part that effective immediately, at all delivery points within the designated area, the quota of five (5) bushels per seeded acre to flaxseed as indicated in our instructions to the Trade re Quotas (General) No. 1 of July 31, 1969, is hereby increased to eight (8) bushels per seeded acre, or four hundred (400) bushels, whichever is the larger.

Urgently Required Grain      The Canadian Wheat Board in its instructions to the trade No. 28 under date of December 5, 1969 stated that effective immediately Instructions to the Trade No. 22 of October 7, 1969, is hereby cancelled. Elevator companies are requested to instruct their managers that Shipping Order No. 500 is no longer to be used for the shipment of flaxseed ex delivery points in Manitoba, Saskatchewan and Alberta to the Lakehead. Shipments of flaxseed must be made in accordance with Instructions to the Trade No. 49 of February 24, 1969.

Crushings of Vegetable Oilseeds and Production of Oil and Oil Meal, 1966-67 — 1969-70

	Crop Year			August-October	
	1966-67	1967-68	1968-69	1968	1969
thousand pounds					
<u>Crushings</u>					
Flaxseed .....	142,405	126,913	116,780	27,764 <sup>r</sup>	25,116
Soybeans .....	1,192,578	1,190,767	1,203,253	278,648	299,017
Rapeseed .....	248,150	257,955	346,691	76,765	88,655
Sunflower seed .....	14,054	24,401	24,246	8,434 <sup>r</sup>	4,295
<u>Oil Production</u>					
Flaxseed .....	50,487	44,946	41,044	9,679 <sup>r</sup>	8,643
Soybeans .....	201,522	198,999	204,027	46,830	51,174
Rapeseed .....	99,367	103,471	140,543	31,805	35,416
Sunflower seed .....	5,561	9,967	9,449	3,163	1,727
<u>Meal Production</u>					
Flaxseed .....	87,354	78,274	71,644	17,061 <sup>r</sup>	15,694
Soybeans .....	948,730	944,641	952,656	221,991	236,375
Rapeseed .....	141,675	148,349	196,414	43,209	51,272
Sunflower seed .....	5,394	8,599	9,150	3,020	1,709

r Revised figures.

Month-end Stocks of Oil and Meal, October 1967-69

	Oil			Meal		
	1967	1968	1969	1967	1968	1969
thousand pounds						
Flaxseed .....	9,355	2,729 <sup>r</sup>	3,507	14,955	10,401 <sup>r</sup>	5,172
Soybeans .....	11,064	7,935	9,446	27,429	16,674	23,456
Rapeseed .....	6,259	2,598	4,483	2,418	6,993	4,905
Sunflower seed .....	553	77	117	176	1,345	343

<sup>r</sup> Revised figures.



# OILSEED PRODUCTION

Based on conditions at October 28 the 1969 flaxseed crop, now estimated at 30.7 million bushels is 56 per cent above last year's outturn of 19.7 million and 58 per cent above the 1958-67 average of 19.5 million bushels. Acreage sown to this crop increased 60 per cent this year and average yields at 12.6 bushels per acre are 2 per cent below last year's 12.9 bushels. Rapeseed production in 1969 is estimated at a record 37.1 million bushels compared with 19.4 million last year and the ten-year average of 13.4 million bushels. Acreage seeded to this crop was some 91 per cent larger than in 1968 and average yields of 18.4 bushels per acre are unchanged from last year. Production of soybeans currently estimated at 7.7 million bushels is 15 per cent smaller than last year's 9.0 million. The average yield per acre is estimated at 23.8 bushels compared with 30.6 bushels last year and the ten-year average of 27.9 bushels per acre.

The area sown to sunflowers, all of which was grown in Manitoba this year, is placed at 48,000 acres up from 40,000 acres planted in 1968. The indicated yield at 708 pounds per acre is 14 per cent higher than the 1968 average of 619 pounds. Indicated total production at 34.0 million pounds, is 37 per cent above last year's crop of 24.8 million, and 16 per cent larger than the ten-year average of 29.4 million pounds. The area in mustard seed, all of which was grown in the Prairie Provinces, at 267,000 acres in 1969 is down 50 per cent from the 1968 area of 533,000 acres, and average yields at 966 pounds per acre are 10 per cent above those of last year. Total production is expected to amount to 258.0 million pounds, 45 per cent below the record 469.0 million produced in 1968. The acreage seeded to the yellow, brown and oriental types of mustard consecutively, in thousands of acres are as follows: Manitoba 28.8, 5.6, 2.6; Saskatchewan, 55.8, 100.8, 23.4; and Alberta, 16.5, 15.0, 18.5.

Acreage, Yield and Production of Oilseed Crops, by Provinces, Canada, 1968 and 1969

Crop and province	Acreage		Yield per acre		Production	
	1968	1969	1968 <sup>r</sup>	1969(1)	1968 <sup>r</sup>	1969(1)
	acres		bushels		bushels	
<u>Flaxseed</u>						
Quebec .....	15,600	16,800	16.4	11.4	256,000	192,000
Ontario .....	6,000	3,000	16.8	15.3	101,000	46,000
Manitoba .....	820,000	1,100,000	12.7	10.2	10,400,000	11,200,000
Saskatchewan .....	397,000	770,000	11.6	14.7	4,600,000	11,300,000
Alberta .....	285,000	550,000	15.1	14.5	4,300,000	8,000,000
British Columbia .....	800	900	11.1	11.1	9,000	10,000
Totals .....	1,524,400	2,440,700	12.9	12.6	19,666,000	30,748,000
<u>Soybeans</u>						
Ontario .....	295,000	322,000	30.6	23.8	9,027,000	7,664,000
<u>Rapeseed</u>						
Manitoba .....	91,000	196,000	20.9	17.9	1,900,000	3,500,000
Saskatchewan .....	511,000	1,000,000	20.2	19.6	10,300,000	19,600,000
Alberta .....	450,000	816,000	16.0	17.2	7,200,000	14,000,000
Totals .....	1,052,000	2,012,000	18.4	18.4	19,400,000	37,100,000
<u>Sunflower seed</u>						
Manitoba .....	37,000	48,000 <sup>r</sup>	650	708	24,000,000	34,000,000
Saskatchewan .....	2,500	—	240	—	600,000	—
Alberta .....	500	—	300	—	150,000	—
Totals .....	40,000	48,000 <sup>r</sup>	619	708	24,750,000	34,000,000
<u>Mustard seed</u>						
Manitoba .....	65,000	37,000	846	810	55,000,000	30,000,000
Saskatchewan .....	320,000	180,000	900	990	288,000,000	178,000,000
Alberta .....	148,000	50,000	851	1,000	126,000,000	50,000,000
Totals .....	533,000	267,000	880	966	469,000,000	258,000,000

(1) As indicated on basis of conditions on or about October 28.

<sup>r</sup> Revised figures.

FARMERS' MARKETINGS OF FLAXSEED AND RAPESEED

Marketings of flaxseed and rapeseed in the Prairie Provinces from the beginning of the current crop year to November 19 were both sharply above their comparable figures of the previous year. Deliveries of flaxseed, at 8.0 million bushels, were 58 per cent higher than the 1968 comparable total of 5.1 million but one per cent below the 10-year (1958-67) average for this period of 8.1 million bushels. Rapeseed marketings, at 11.7 million bushels, were more than double both the 4.3 million for the period August 1-November 20, 1968 and the ten-year average of 5.7 million bushels.

Farmers' Marketings of Flaxseed and Rapeseed in the Prairie Provinces  
1969-70 with Comparisons

Period or week ending		Flaxseed(1)			
		Man.	Sask.	Alta.	Total
thousand bushels					
August	6, 1969 .....	—	—	—	—
	13 .....	—	—	1	1
	20 .....	4	2	15	21
	27 .....	11	3	13	27
September	3 .....	15	20	48	83
	10 .....	58	80	135	273
	17 .....	210	314	139	663
	24 .....	514	633	190	1,337
October	1 .....	340	282	124	746
	8 .....	85	90	144	320
	15 .....	73	37	207	317
	22 .....	292	118	113	522
	29 .....	673	254	167	1,095
November	5 .....	674	167	74	915
	12 .....	472	176	82	730
	19 .....	563	316	61	941
Totals .....		3,984	2,491	1,514	7,989
Similar period 1968 .....		3,435	823	796	5,054
10-year average similar period 1958-67 .....		3,970	2,364	1,721	8,055
Rapeseed(2)					
August	6, 1969 .....	—	—	—	—
	13 .....	19	7	51	77
	20 .....	19	(3)	55	74
	27 .....	19	115	70	204
September	3 .....	25	185	79	289
	10 .....	66	424	113	603
	17 .....	148	510	220	877
	24 .....	154	881	236	1,272
October	1 .....	166	805	315	1,286
	8 .....	80	155	388	623
	15 .....	61	512	416	990
	22 .....	131	743	480	1,354
	29 .....	142	852	518	1,512
November	5 .....	87	482	412	980
	12 .....	56	363	321	741
	19 .....	67	474	272	813
Totals .....		1,240	6,508	3,947	11,695
Similar period 1968 .....		487	2,189	1,613	4,289
10-year average similar period 1958-67 .....		441	2,956	2,262	5,658

(1) Includes receipts at country, interior private and mill, interior semi-public terminal elevators and platform loadings. (2) Includes receipts at country and mill elevators as well as unlicensed handlings. (3) Less than 500 bushels.



Visible Supply of Canadian Flaxseed, November 19, 1969 Compared with  
Approximately the Same Date 1967 and 1968

Position	1967	1968	1969
thousand bushels			
Country elevators — Manitoba .....	428	1,397	1,008
Saskatchewan .....	945	985	1,352
Alberta .....	894	553	570
Sub-totals .....	2,267	2,935	2,930
Interior private and mill .....	39	112	101
Interior terminals .....	—	15	1
Vancouver-New Westminster .....	2,036	291	633
Fort William-Port Arthur .....	3,060	768	1,222
In transit rail (western division) .....	694	1,372	1,638
Bay, Lake and upper St. Lawrence ports ...	227	—	12
Lower St. Lawrence and Maritime ports ....	1,397	217	289
In transit lake .....	607	281	420
Totals .....	10,327	5,991	7,246

Visible Supply of Canadian Rapeseed, November 19, 1969 Compared with  
Approximately the Same Date 1967 and 1968

Position	1967	1968	1969
thousand bushels			
Country elevators — Manitoba .....	128	228	202
Saskatchewan .....	1,510	1,973	2,979
Alberta .....	1,755	1,360	1,832
Sub-totals .....	3,393	3,561	5,013
Interior private and mill .....	481	444	361
Interior terminals .....	2	1	5
Vancouver-New Westminster .....	1,488	1,767	1,836
Fort William-Port Arthur .....	148	295	576
In transit rail (western division) .....	716	648	1,266
Lower St. Lawrence and Maritime ports ....	—	30	109
In transit lake .....	—	—	331
Totals .....	6,228	6,746	9,497

GRADING OF FLAXSEED AND RAPESEED 1969-70

The total number of cars of flaxseed and rapeseed inspected by the Board of Grain Commissioners for Canada during the first quarter of the 1969-70 crop year amounted to 4,747 and represented an increase of 75 per cent over the 2,711 cars of these oilseeds inspected during the first three months of the 1968-69 crop year.

Some 87.0 per cent of the August - October inspections of flaxseed graded No. 1 C.W. compared with 92.4 per cent for the first quarter of 1968-69. The 93.2 per cent of the August - October 1969 rapeseed inspections which were graded 1 Canada represents a decrease from the 98.4 per cent falling into this category in August - October, 1968.

Gradings of Flaxseed and Rapeseed Inspected(1),  
August-October 1969-70 with Comparisons

Grain and grade	Crop year		August-October	
	Average			
	1963-64	1968-69		1969-70
	—			
	1967-68			
	per cent		cars	per cent
<u>Flaxseed</u>				
1 C.W. ....	88.6	57.0	2,026	87.0
2 C.W. ....	1.7	4.7	94	4.0
3 C.W. ....	0.7	1.1	36	1.5
4 C.W. ....	0.1	0.2	6	0.3
Tough (2) (3) .....	7.2	27.0	105	4.5
Damp (2) (4) .....	0.4	9.9	6	0.3
Rejected (2) .....	0.6	0.1	40	1.7
All Others .....	0.7	0.1	15	0.6
Totals .....	100.0	100.0	2,328	100.0
Bushel equivalent (approximately) ..	4,476,000			
<u>Rapeseed</u>				
1 Canada .....		90.9	2,255	93.2
2 Canada .....		4.4	80	3.3
3 Canada .....		0.9	21	0.9
Others .....		3.9	63	2.6
Totals .....		100.0	2,419	100.0
Bushel equivalent (approximately) ..	5,313,000			

(1) Both old and new crop.

(2) All grades.

(3) Moisture content 10.6 per cent to 13.5 per cent.

(4) Moisture content over 13.6 per cent.



	Crop year			August — October	
	1966-67	1967-68	1968-69	1968	1969
	bushels				
<u>Flaxseed</u>					
Stocks at beginning					
of crop year .....	11,141,301	11,830,585	4,678,047	4,678,047	4,658,000
Production .....	22,020,000	9,378,000	19,666,000	19,666,000	30,748,000
Imports .....	1,746	1,138	4,925	—	—
Exports .....	16,568,065	12,610,558	13,421,430	1,999,791 <sub>r</sub>	3,269,602
Domestic crushing .....	2,542,947	2,266,312	2,085,364	495,790 <sub>r</sub>	448,495

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Prices(1)
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cents and eighths per bushel

August .....	300/7	348/3	346/6	319/2
September .....	299/2	345	339/6	322/1
October .....	292	332/7	332	322/6
November .....	290/5	345	321/5	305/5
December .....	293/2	345/1	316/1	
January .....	293/5	348/5	327/7	
February .....	295/6	348/6	330/4	
March .....	299/6	342/4	325/4	
April .....	301/5	332	327/6	
May .....	396/5	354/3	329/3	
June .....	304/4	350	327/1	
July .....	335/2	354/6	343/5	
Yearly average .....	300/2	345/5	330/5	

Flaxseed oil

pounds

Exports .....	10,116,500	21,986,300	10,865,400	4,348,100 <sup>r</sup>	1,115,110
Domestic production ...	50,487,408	44,946,101	41,044,253	9,678,924 <sup>r</sup>	8,642,919

## Flaxseed meal

tons

Exports .....	14,373	6,990	5,929	2,154 <sup>r</sup>	1,765
Domestic production ...	43,677	39,137	35,822	8,530 <sup>r</sup>	7,847

(1) Winnipeg Grain Exchange No. 1 C.W. Flaxseed, basis Fort William-Port Arthur.  
r Revised figure.

Rapeseed — Selected Statistics, 1966-67 — 1969-70

	Crop year			August — October	
	1966-67	1967-68	1968-69	1968	1969
	bushels				
<u>Rapeseed</u>					
Production .....	25,800,000	24,700,000	19,400,000	19,400,000 <sup>r</sup>	37,100,000
Exports .....	13,817,739	12,308,678	14,311,194	3,979,870 <sup>r</sup>	3,429,867
Domestic crushing ..	4,963,009	5,159,104	6,933,822	1,535,291	1,773,090
 <u>Prices(1)</u>					
	cents and eighths per bushel				
August .....	289/5	258	209/1		204/5
September .....	274/6	238	214/6		220/6
October .....	265/5	231/4	208/3		262/7
November .....	271	232/1	215/4		282/3
December .....	285/6	235/7	227/2		
January .....	280/7	233/1	234/7		
February .....	284/3	231/2	244/5		
March .....	294/4	224/2	231/2		
April .....	280/5	212/6	226/6		
May .....	273/3	213/2	219		
June .....	269/3	210/3	215		
July .....	271/1	201/2	217/6		
Yearly average ...	278/3	226/6	222		
 <u>Rapeseed oil</u>					
	pounds				
Domestic production	99,366,504	103,470,711	140,543,142	31,804,656	35,416,236
 <u>Rapeseed meal</u>					
	tons				
Exports .....	127	N.A.	N.A.	N.A.	N.A.
Domestic production	70,838	74,175	98,207	21,604	25,636

(1) Winnipeg Grain Exchange No. 1 Canada Rapeseed, basis in store Vancouver.

N.A. — Not available.

<sup>r</sup> Revised figure.



Soybeans — Selected Statistics, 1966-67 — 1969-70

	Crop year			August — October	
	1966-67	1967-68	1968-69	1968	1969
bushels					
<u>Soybeans</u>					
Production .....	9,012,000	8,091,000	9,027,000	9,027,000	7,664,000
Imports .....	16,294,633	13,328,316	12,469,497	2,274,428	2,011,111
Exports .....	3,599,042	1,570,763	1,122,895	202,138	44,903
Domestic crushing ..	19,876,294	19,846,111	20,054,212	4,644,133	4,983,622
<u>Prices(1)</u>					
cents and eighths per bushel					
August .....	339/2	297/3	270/4		267/1
September .....	325/3	295	261/5		249
October .....	310/4	287/6	248/7		245/5
November .....	305/5	276/6	254/7		246/6
December .....	303	271/5	258/1		
January .....	296/6	273/6	260/4		
February .....	295/1	276/5	261/2		
March .....	300/4	276/3	260		
April .....	298/5	272/3	264/7		
May .....	300/4	272/1	267/2		
June .....	304/5	269/1	264/3		
July .....	300/2	269/5	270/3		
Yearly average ...	306/4	278/3	261/7		
<u>Soybean oil</u>					
pounds					
Imports .....	20,372,400	20,941,700	25,651,900	7,566,800	4,734,300
Exports .....	34,624,000	30,291,500	32,090,600	3,171,000	8,549,400
Domestic production	201,522,206	198,999,327	204,026,576	46,830,413	51,173,839
<u>Soybean meal</u>					
tons					
Imports .....	228,429	237,107	246,826	57,471	68,664
Exports .....	170,391	169,321	131,235	26,045	30,314
Domestic production	474,365	472,321	476,328	110,995	118,187

(1) Buying prices, carlots, f.o.b. Chatham, No. 2 and better.

Monthly Prices of Oils and Meals(1) Crop Years 1967-68 — 1969-70

Year and month	Linseed oil	Rapeseed oil	Soybean oil	Linseed meal(2)	Rapeseed meal	Soybean meal
	cents per pound			dollars per ton		
<u>1967-68</u>						
August .....	14.78	10.07	11.87	117.20	66.95	106.00
September .....	14.55	9.57	11.78	117.80	68.90	108.60
October .....	13.78	9.17	11.42	118.00	63.43	107.80
November .....	14.55	8.93	11.13	118.00	63.83	101.40
December .....	14.44	8.95	11.20	118.00	63.95	102.20
January .....	14.44	8.89	11.06	118.40	65.27	104.20
February .....	14.22	8.92	11.45	118.40	65.95	104.60
March .....	13.89	9.09	11.35	118.40	65.43	103.80
April .....	13.00	8.69	10.86	118.80	65.05	104.80
May .....	14.55	8.68	10.60	119.00	64.08	104.80
June .....	14.11	8.52	9.72	119.00	63.32	110.60
July .....	14.33	8.17	9.30	119.00	61.33	112.20
Yearly average ....	14.22	8.97	10.98	118.33	64.79	105.92
<u>1968-69</u>						
August .....	13.89	7.93	9.26	117.20	60.00	115.80
September .....	13.78	7.97	9.01	117.80	63.73	117.80
October .....	13.67	7.90	8.84	118.00	64.15	110.80
November .....	13.22	8.04	9.61	118.00	62.07	104.40
December .....	13.44	8.66	10.37	118.00	59.40	104.00
January .....	13.89	8.94	10.05	118.40	58.83	102.60
February .....	13.67	8.93	9.97	119.00	58.87	102.10
March .....	13.74	8.92	10.35	119.40	59.29	103.93
April .....	13.67	8.86	10.11	119.20	60.82	106.20
May .....	13.67	8.93	10.28	119.40	62.05	110.50
June .....	13.37	8.15	9.26	120.20	64.03	111.33
July .....	13.86	8.29	9.47	120.20	62.52	109.13
Yearly average ....	13.66	8.46	9.72	118.73	61.31	108.22
<u>1969-70</u>						
August .....	14.11	8.76	10.35	119.40	62.72	107.78
September .....	14.59	8.75	10.50	120.00	60.56	107.62
October .....	13.86	9.71	12.35	119.60	65.93	105.25

(1) Average wholesale prices paid to crushers by processors and manufacturers.

(2) Average retail prices to farmers.



Exports of Canadian Flaxseed(1) 1969-70 and 1968-69

Destination	August 1969	September 1969	October 1969	August - October	
				1969-70	1968-69
bushels					
<u>Western Europe</u>					
EEC:					
Belgium and Luxembourg ..	60,325	—	—	60,325	—
France .....	66,500	—	—	66,500	—
Germany, Federal Republic	—	—	213,202	213,202	203,716
Italy .....	—	—	51,520	51,520	—
Netherlands .....	618,649	—	210,300	828,949	20,000
Sub-totals .....	745,474	—	475,022	1,220,496	223,716
<u>Other Western Europe</u>					
Britain .....	466,623	—	285,203	751,826	763,846
Norway .....	—	—	—	—	42,000
Spain .....	—	201,890	—	201,890	—
Sub-totals .....	466,623	201,890	285,203	953,716	805,846
Totals .....	1,212,097	201,890	760,225	2,174,212	1,029,562
<u>Asia</u>					
Israel .....	—	—	—	—	10,500
Japan .....	329,527	401,689	223,806	955,022	959,711
Korea, South .....	—	39,368	—	39,368	—
Totals .....	329,527	441,057	223,806	994,390	970,211
<u>Oceania</u>					
Australia .....	101,000	—	—	101,000	—
<u>Western Hemisphere</u>					
United States(2) .....	—	—	—	—	18
Totals, all countries ...	1,642,624	642,947	984,031	3,269,602	1,999,791

(1) Overseas clearances as reported by the Statistics Division, Board of Grain Commissioners for Canada.

(2) Compiled from returns of Canadian elevator licensees and shippers and advice from American grain correspondents.

Exports of Canadian Rapeseed(1) 1969-70 and 1968-69

Destination	August 1969	September 1969	October 1969	August - October	
				1969-70	1968-69
bushels					
<u>Western Europe</u>					
EEC:					
Netherlands .....	46,253	—	134,400	180,653	—
<u>Other Western Europe</u>					
Britain .....	—	—	70,838	70,838	—
Totals .....	46,253	—	205,238	251,491	—
<u>Africa</u>					
Morocco .....	—	—	—	—	550,368
<u>Asia</u>					
Japan .....	810,609	1,492,637	871,136	3,174,382	2,860,775
Taiwan .....	—	—	—	—	489,793
Totals .....	810,609	1,492,637	871,136	3,174,382	3,350,568
Sub-totals, all countries	856,862	1,492,637	1,076,374	3,425,873	3,900,936
<u>Western Hemisphere</u>					
United States(2) .....	58	3,936	—	3,994	78,934
Totals, all countries .....	856,920	1,496,573	1,076,374	3,429,867	3,979,870

(1) Overseas clearances as reported by the Statistics Division, Board of Grain Commissioners for Canada.

(2) Customs exports.

Customs Exports of Canadian Soybeans 1969-70 and 1968-69

Destination	August 1969	September 1969	October 1969	August — October	
				1969-70	1968-69
bushels					
<u>Other Western Europe</u>					
Britain .....	—	37,333	—	37,333	199,750
Sweden .....	2,000	2,000	3,570	7,570	2,388
Totals .....	2,000	39,333	3,570	44,903	202,138
Totals, all countries	2,000	39,333	3,570	44,903	202,138



### UNITED STATES SITUATION

The following summary of the fats and oils situation in the United States has been taken from the November 20, 1969 issue of the Fats and Oils Situation published by the Economic Research Service, United States Department of Agriculture.

Increased carryover stocks are lifting soybean supplies for the current marketing year by 14 per cent to an estimated 1,416 million bushels. The 1969 crop at a record 1,094 million bushels is roughly equal to the 1968 crop and only a little above prospective disappearance, which will top a billion bushels for the first time. Thus, only a moderate further rise in carryover is likely at the end of the 1969-70 marketing year.

Prices to soybean farmers this harvesting season are averaging near the CCC national support rate of \$2.25 per bushel (No. 1 grade)—about 5 per cent below a year ago. Prices this fall have not dropped as much seasonally relative to support as in 1968. This reflects the small "free" carryover of soybeans, tight supplies of soybean oil and meal, some delays in harvesting, and continued record utilization. Prices after harvest probably will increase seasonally into the spring.

Soybean production and prospective requirements are in closer balance than during any of the past 3 years. Soybean use is expected to increase approximately 100 million bushels over the 1968-69 record of about 950 million bushels, reflecting continuing strong demand for soybeans and products both here and abroad. Such a utilization rate would represent around 96 per cent of the 1969 soybean crop compared with 87 per cent for the 1968 crop. Thus, carryover next September 1 may increase only moderately from the 322 million bushels this year.

Soybean crushings for the marketing year that started September 1 are estimated to increase some 50 million bushels from the 606 million in 1968-69. U.S. soybean processing capacity--estimated at around 770 million bushels-- is adequate to handle the record crush. Processing margins this fall are quite favourable—about 61 cents per bushel in October based on spot prices compared with 29 cents in October 1968—and this is stimulating a record crush. Most of the price strength this fall is in soybean oil; the October average was 10 1/2 cents per pound (crude, Decatur), about 3 cents above October 1968. Soybean oil stocks on October 1, 1969, were at a minimum and sharply below a year ago and "pipeline" supplies were probably also drawn down. Soybean meal prices in October were slightly below a year earlier.

Lower U.S. prices, reduced availabilities of fish meal and sunflower seed oil, and expanding overseas demand are expected to boost soybean exports some 50 million bushels above the 1968-69 record of 287 million. World markets for edible oils and oilseed meals and fish meal have strengthened this fall, stimulating U.S. exports of soybeans for processing abroad.

Cottonseed oil supplies for the current marketing year that started August 1 are estimated at 1.8 billion pounds, a tenth more than in 1968-69. The increase reflects larger carryover stocks since the 1969 cottonseed crop is down an indicated 8 per cent from 1968. Since the August crop report, the deterioration in yield prospects for the 1969 cottonseed crop has been equivalent to an estimated 275 million pounds of oil. This reduction has brought 1969-70 cottonseed oil production and prospective use into closer balance than earlier anticipated.

Domestic use of cottonseed oil dropped steadily from 1.7 billion pounds in 1965-66 to a near-record low of 1.0 billion last year. Continued stiff competition in

domestic markets is likely this marketing year although the cottonseed support price has been reduced from \$48 to \$37 per ton. CCC sales and increased commercial export sales of cottonseed oil are expected to boost exports sharply above the 132 million pounds shipped in 1968-69.

Lard production during the current marketing year probably will drop a little below the 2.0 billion pounds of 1968-69. Hog slaughter this fall is running well below a year earlier and is expected to continue a little below in the first half of 1970. Moreover, the downtrend in lard yield per hog is expected to continue. Lard utilization likely will decline slightly from the 1.7 billion pounds used domestically and 0.3 billion exported (including shipments) in 1968-69. Lard prices (loose, Chicago) started the 1969-70 marketing year strong--averaging 11 1/2 cents per pound in October, about 5 cents above October 1968 and the highest average since August 1966.

Butter production during the 1969-70 fats and oils marketing year may be down slightly from the 1,138 million pounds of last year. Domestic use is estimated around 1.0 billion pounds compared with 1.1 billion in 1968-69. The decline likely will occur in commercial consumption, as CCC donations are expected to run slightly above last season's level. Butter prices likely will remain near the support rate.

Peanut supplies for the marketing year that started August 1 are estimated at 2.9 billion pounds--approximately the same as 1968-69. As in recent years, supplies are well in excess of prospective requirements. Accordingly, around one-fourth of the 1969 crop will be diverted by CCC from the edible market into crushings or export channels. Prices to peanut growers this season are averaging near the support price of \$247.50 per ton, somewhat above 1968-69 due to the increased support rate.

Flaxseed supplies for the year that started July 1 totalled 46 million bushels, a third more than a year ago and sharply above prospective market outlets. Prices to farmers are averaging 10 cents per bushel below the 1969-crop support price of \$2.75, which had been \$2.90 in preceding years. The domestic crush probably will total around 15 million bushels, roughly equalling the record low of 1968-69. Flaxseed exports will probably total below the 10 million bushels shipped in 1968-69, due to increased world export availabilities, particularly in Canada. Thus, the carryover may at least double the 10 million bushels of last June 30.

#### NOTES ON FOREIGN OILSEEDS CROPS

Argentina The following information relative to Argentine oilseeds is extracted from a report provided by Mr. S.E. Kidd, Assistant Commercial Secretary (Agriculture) Canadian Embassy, Buenos Aires, under date of November 24, 1969 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce. Conversions to Canadian measures have been made for the convenience of our readers.

The National Grain Board was authorized to import sunflowerseed oil under Decree No. 3837-69 but no purchases were made under this Decree. The Secretariat of Industry and Trade therefore prepared two new measures to promote the imports of edible oils. The first was to eliminate the import surcharge on this product in order to facilitate direct purchases by private buyers and the other was to empower the National Grain Board to import crude sunflowerseed, cottonseed, soybean, turnip and rapeseed oil through calls for tenders in the quantities and subject to the conditions to be established in each case by the Agriculture and Industry and Trade Secretariats.



These measures will be in effect until December 31. It is unlikely that these products will be obtained at prices that would cause a decline in local prices in view of the firmness in edible oils markets abroad.

On November 12, 5,900 tons of cottonseed oil were offered ex-New Orleans at an f.o.b. price of U\$S273.54 (\$294.33 Canadian) per ton and 4,750 tons of Bulgarian sunflowerseed oil were offered at an f.o.b. price of U\$S310 (\$334 Canadian). Both offers were rejected by the National Grain Board.

Flaxseed. — The Secretariat of Agriculture and Livestock has issued the second official estimate of the area sown to flaxseed in 1969-70 of 920,000 hectares (2,272,000 acres). This is 80,000 hectares (198,000 acres) larger than the first estimate and 41,400 hectares (102,000 acres) larger than the area planted in 1968-69.

The areas sown to flaxseed and production, by province, compared with 1968-69, are as follows:

	<u>Acreage</u>		<u>Production</u>	
	<u>1968-69(1)</u> thousand acres	<u>1969-70(2)</u> thousand acres	<u>1968-69</u> thousand bushels	<u>1969-70</u> thousand bushels
Buenos Aires .....	970	1,124	8,641	12,991
Entre Rios .....	557	642	5,732	5,078
Santa Fe .....	344	308	3,248	1,772
Cordoba .....	282	183	2,272	453
Others .....	18	16	185	177
Totals .....	2,170	2,272	20,078	20,471

(1) Final estimate.

(2) Second estimate.

The minimum price for flaxseed for the 1969-70 crop has been set at 2,900 pesos per 100 kilos (\$2.27 per bushel) f.o.r. Buenos Aires, an increase of 100 pesos (8 cents) from the 1968-69 level. This is the lowest price at which the private trade may buy from flaxseed producers. The administration costs of purchasing and marketing the flaxseed (other than transportation costs) are to be paid by the National Grain Board.

A support price has been established for linseed oil from 1969-70 of 56 pesos (17 cents) per kilo in bulk, f.o.r. Buenos Aires. This is the support price which is in effect for 1968-69 and is the lowest price at which the National Grain Board can purchase from flaxseed processors. The private trade may purchase linseed oil freely in the open market.

Payment of 90 per cent of both the minimum and support prices are to be made on purchase of the flaxseed or linseed oil with the remaining 10 per cent to be paid in 90 days, with interest.

The current base index value for linseed oil is U\$S204 (\$220 Canadian). This is the price on which the export retention tax of 12 per cent and a series of fixed taxes totalling 5.6 per cent are levied.

There was an exceptionally large volume of late sowings of flaxseed, particularly

in the province of Buenos Aires, as a result of the improvement in planting conditions during September.

Weather conditions earlier in the year were very unfavourable, mainly because of drought in the northern regions, but the rains of recent weeks have assisted the recovery of the plants and a good flaxseed crop is now expected.

Flaxseed prices have continued to firm and at the end of October were 3,310 pesos per 100 kilos (\$2.60 per bushel). By November 21, however, prices had slipped back to 3,180 pesos (\$2.49 per bushel) as crop prospects improved.

Also at November 21, flaxseed prices on the Buenos Aires Futures Exchange were 3,190 pesos (\$2.50 per bushel) for December delivery; 3,151 (\$2.47 per bushel) for January; 3,013 (\$2.36 per bushel) for February and 3,033 (\$2.38 per bushel) for March.

In early September, the National Grain Board sold 10,300 tons of linseed oil for export at 59.96 pesos (19 cents) per kilo f.o.b. Necochea and 59.20 pesos (18 cents) f.o.b. Buenos Aires. Later in the month, the Board sold 2,000 tons at 61.75 pesos (19 cents) per kilo for October-November shipment from Buenos Aires.

Linseed expellers have been very firm and at the end of October sold at 27,500 pesos per metric ton.

Sunflowerseed. — The Secretariat of Agriculture and Livestock has issued the first official estimate of the area sown to sunflowerseed for 1969-70 of 1,420,000 hectares (3.5 million acres), 4.9 per cent larger than in 1968-69 and 13.3 per cent and 19.9 per cent larger than the averages of the last five- and ten-year periods, respectively.

The planting of sunflowerseed was delayed by a lack of moisture but sowings are now well underway. This first estimate should be considered sowing intentions as there will be considerable second plantings of sunflowerseed on cereals and linseed areas following the harvest of these crops.

The increase in seeded area is mainly the result of the favourable market conditions during the 1968-69 crop year. The planted area is larger in the main sunflowerseed growing provinces of Buenos Aires and Santa Fe but lower in Cordoba and the Chaco, which were most adversely affected by the recent dry conditions earlier in the crop year. As a result of the dry conditions, the sowing of sunflowerseed was delayed and seeding will not conclude until early December. A considerable area is being sown where wheat, corn and sorghum could not be sown earlier in the year.

The sunflowerseed market continued firm, rising to 3,490 pesos per 100 kilos (\$1.47 per bushel) by the end of October. By November 21, prices had risen once more to 3,620 pesos (\$1.52 per bushel) in the face of very short supply.

Sunflowerseed pellets at the end of October were very strong at 21,500 pesos per metric ton.

Peanuts. — In the peanut producing zone, which is concentrated in Cordoba, rains are needed before seeding can commence. Unless there are rains before the first days of December, the area sown to peanuts is likely to continue to decline.

Peanut prices have risen sharply and by November 21 had reached 5,500 pesos per 100 kilos.



Australia      The following information relative to the Australian oilseeds situation has been extracted from a report from Mr. R.A. Groundwater, Assistant Commercial Secretary for Canada, Melbourne, under date of November 13, 1969 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

The Australian oilseed industry is still in its infancy without a crystal clear picture of its future from a viable economic viewpoint. Observers of rural events paint a rosy picture of oilseeds whereas a few Commonwealth Government officials are more pessimistic in their outlooks. The reason for the minority viewpoint is that varieties of any of the oilseed crops are not particularly adaptable to Australian conditions, although a bit more breeding work is currently being carried on. With climatic conditions not conducive to oilseed production at the present time, the industry has been struggling along with the help of tariffs and other Government policies (affecting most agricultural enterprises) such as fertilizer bounties to create an atmosphere of economic inefficiency. This is a generalized statement which may have less reality in the upcoming crop year, when cereal grains will not provide as good a return on a per acre basis as in previous seasons.

There has been no major move into oilseeds by farmers as yet, although the situation could change very quickly. The major cereal crops will be harvested by January, and with the wheat quotas expected to be finalized by the end of January, farmers will have time to evaluate next year's programme. Information on alternative crops, such as oilseeds, is being made available through agriculture extension agents as well as through the farmer organizations. In most cases the difficulties in growing oilseeds are emphasized, but farmer feedback indicates that such problems are minimized in their thinking.

The oilseed companies have not been vocal as yet but they hold the key to expansion. Repeated warnings have been made to farmers that contracts for oilseeds are necessary for reasonable returns.

Although the crushing industry claims a capacity of 15,000,000 gallons per annum on a three shift production basis, it does not appear that the processors would do so. A large proportion of the imported oilseeds are brought as oil rather than crushing in Australia, making it difficult to know what is the effective working capacity of the crushing industry. One might expect that sufficient capacity would be available to handle any substantial rise in production. However, this would depend upon the relative world price levels of oils as to whether some oilseeds would be exported and others imported regardless of capacity. The upcoming season will be difficult to judge as many expect farmers to grow oilseeds without contracts and processors to offer less lucrative contracts.

Production. - Production estimates are not very accurate and it is difficult to obtain any reliable reports. The other problem is that states differ in their crop years, making it somewhat difficult to estimate for any one season with very few consistent figures. The following figures refer to the year July, 1969 to June 30, 1970 with crops harvested within this period. The estimates were made by the BAE but are subject to revision.

Australian Production — 1969-70

	tons
Safflower .....	3,500
Sunflower .....	13,000-18,000
Soybeans .....	3,000
Rapeseed .....	5,000- 6,000
Peanut .....	8,000
Cotton seed .....	40,000
Linseed .....	22,000

Rapeseed. — The major area for rapeseed production appears to be Victoria in the central and western districts, although it is expected that South Australia and New South Wales could also grow this crop. The main reason for Victoria seems to be Government support through extension agents.

The two main varieties are Arlo and Target, which were directly imported from Canada. So far, general yields have been poor although it is expected that yields will be as good as in Canada. The oil has been largely used for shelf oils and this use is expected to continue. Margarine companies have indicated their interest to a limited extent. The major purpose of this crop seems to be the desire to export the seed to Japan rather than solely concentrating on the domestic market, as the crushing industry is located in Sydney and Queensland. Interstate transportation is quite expensive and puts the crop on a marginal basis other than meeting requirements of the Meggitt plant in Melbourne, unless cheap transportation can be found, or through exports.

Victoria estimated 2,000 acres of rapeseed grown in 1968-69 and 13,000 this year. Crop statistics are not the most reliable in Victoria and thus considerable reservation must be exercised in interpreting such figures. However, the Victorian Department of Agriculture expects up to 30,000 acres to be planted in the new season.

Soybeans. — The major growing state has been Queensland, mainly in the areas of the Darling Downs, Kingaroy, Burnett and St. George, although irrigation areas of New South Wales appear to have some potential. The crop competes with sorghum, maize and sweet corn.

This has been the major problem with the industry as there is no variety that is readily adaptable to Australia. American varieties are still used. The University of Queensland has a breeding programme under way, although no major breakthrough has occurred. Soybeans are used for pasture to a limited extent and this may explain why some of the crop yields are low. The primary reason for production seems to stem from the demand for soybean oilmeal rather than the oil itself. Very little of the crop is sold for commercial crushing, but seems to find its way into broiler rations. The following table gives some indication as to the production of soybeans.

Soybean Acreage, Production and Yield

<u>Crop year</u>	<u>Queensland</u>		
	<u>Area</u> acres	<u>Production</u> bushels	<u>Average yield</u> bushels (60 lb) per acre
1963-64 .....	4,133	27,477	6.6
1964-65 .....	4,539	40,843	9.0
1965-66 .....	4,729	24,715	5.2
1966-67 .....	2,694	27,664	10.3
1967-68 .....	1,000	16,016	16.0



Only a few people in Australia foresee soybeans as being a major oilseed crop within the next few years, with the majority looking at ten or more years for reasonable varieties.

Peanuts. — The Australian peanut industry is largely confined to Queensland with a small area in northern New South Wales devoted to commercial peanut production. Three-quarters of the peanuts are in Queensland, and are grown in the South Burnett area with the remaining portion grown in the Upper Burnett area, the Atherton Tablelands and the Maryborough area.

Varieties are Red Spanish and Virginia Bunch. The bulk of the peanuts are grown for the edible market with inferior grades used for oil extraction. Prices have not been attractive for the sole purpose of oil extraction. The proportion of peanuts used for oil is usually 25 to 30 per cent but varies largely with weather conditions.

Peanut meal is relatively expensive, containing 45 per cent protein which is largely used for swine and poultry rations. The Peanut Marketing Board handles peanuts in Queensland with first, second and final payments plus a levy and reserve fund. The distribution of proceeds from the sale of peanuts ranges from seven cents per pound to over nine cents per pound from the Number one pool.

Oil. — The average extraction rate is 45 per cent when converting shelled nuts to oil equivalent.

#### Acreage and Production of Peanuts

1965-66 to 1967-68

Crop year	Peanuts used for oil per cent	<u>New South Wales</u>		<u>Queensland</u>		<u>Australia</u>	
		<u>Area</u>	<u>Production</u>	<u>Area</u>	<u>Production</u>	<u>Area</u>	<u>Production</u>
		acres	cwt.	acres	cwt.	acres	cwt.
1965-66 ....	20	394	4,468	57,298	543,735	57,708	548,279(1)
1966-67 ....	29	397	5,194	69,330	821,957	69,727	827,151
1967-68 ....	N.A.	353	3,920	61,373	602,207	61,738	606,159

(1) Including 7,900 pounds in Northern Territories.

N.A. Not available.

The yields have ranged from 400 pounds per acre in 1968-69 to 1,328 pounds in 1966-67. Extensive plantings were made in October which could set a new production record under favourable conditions. The peanut by-law of 3:1 ratio of specified imported oil to domestic oil is to be examined and a BAE survey is expected but has been delayed by the department.

Safflower. — The major growing area has been Queensland although it is grown to a lesser extent in New South Wales, Victoria and Western Australia. The marginal wheat areas of the Dawson-Callide Valleys, Fitzroy Basin, Central Highlands and the Darling Downs have grown this crop with a varying degree of success.

The chief variety is Gila although others are being used or being developed. The average oil content is 36 per cent. The usual extraction rate is 33 per cent. The chief use of safflower in Australia is for table margarine although it is used for salad oils and bottled oils. The major market for safflower oil has been Marrickville Margarine Pty. Ltd.

The meal is used for broiler feed after the serious problem of fibre content was solved. The remaining meal is sold for other livestock although the high fibre meals are sold as ruminant feed. The high-protein-low fibre ranges from 40-43 per cent protein and the low-protein-high fibre ranges from 20-22 per cent protein. The marketing of safflower seed has been largely on the contracts between farmers and the dominant safflower crusher, Pacific Safflower Pty. Ltd.

Acreage and Production of Safflower

1963-64 — 1967-68

<u>New South Wales</u>			<u>Victoria</u>		<u>Queensland</u>	
<u>Crop year</u>	<u>Area</u> acres	<u>Production</u> bushels	<u>Area</u> acres	<u>Production</u> bushels	<u>Area</u> acres	<u>Production</u> bushels
1963-64 ...	113	1,546	N.A.	N.A.	18,141	275,106
1964-65 ...	2,253	33,373	1,902	20,218	43,350	693,524
1965-66 ...	2,539	13,941	935	11,738	56,727	522,810
1966-67 ...	5,092	71,823	729	7,336	88,803	1,290,087
1967-68 ...	8,550	59,310	489	1,375	99,351	815,354
			<u>Western Australia</u>		<u>Australia</u>	
1963-64 .....			1,125	26,387	19,379	303,029
1964-65 .....			4	280	47,509	697,395
1965-66 .....			75	1,070	60,276	549,559
1966-67 .....			N.A.	N.A.	94,624	1,369,249
1967-68 .....			225	2,207	104,615	878,246

1 bushel = 40 pounds.

N.A. Not available.

The yields have varied from 6.9 bushels in 1967-68 to 15.8 bushels in 1962-63.

No explanation is available to account for the abrupt reduction in production of safflower, which is being re-checked by the BAE. The New South Wales Department of Agriculture has not recommended the crop although many seem interested.

Sunflowers. — The chief growing area has been Queensland with the sunflower seed used for birdseed. The first oil bearing crop can be assumed to be grown in 1967-68. The low content of oil was not suitable for extraction and only recently have claims been made to the effect that oil content is sufficiently high (30-40 per cent oil) for commercial oilseed production. The future oilseed growing area



will include the traditional areas as well as areas in New South Wales. Irrigated crops have yielded well and some agrologists think that irrigated areas in New South Wales will be the major sunflower oil producer.

The varieties used for oil have been developed by Pacific Safflower Pty. Ltd. using varieties from Russia, Bulgaria, Rumania and Yugoslavia. The reports are 38-40 per cent oil with yields of 500-800 pounds per acre. The average extraction rate thus far is approximately 20 per cent. The meal is sold for livestock feed with a protein content of 40-46 per cent and 10-12 per cent fibre. As in safflowers, Pacific Safflower is the chief contractor of sunflowers. Public claims by the company indicate a desire to contract for approximately 70,000 acres over the next few years, which means a huge expansion will take place. The limited oil has been used for table margarine and for cooking oil.

#### Acreege and Production of Sunflowers

1963-64 — 1967-68

<u>Crop year</u>	<u>Area</u> acres	<u>Production</u> tons
1963-64 .....	9,266	2,161
1964-65 .....	7,755	1,963
1965-66 .....	10,653	2,429
1966-67 .....	14,200	3,651
1967-68(1) .....	11,000	2,750

(1) Production estimates for crushing in 1967-68 and 1968-69 are 500 and 10,000 tons, respectively.

This is the main oilseed crop that most farmers in New South Wales have considered as a potential alternative for cereal grains. Little has been actually planted in Queensland but assumed planting indications are 35,000 acres for crushing. The word "assume" is very important as it is not clear that the plantings will be used strictly for crushing.

The short growing periods for sunflowers along with a slightly better price A.\$100 (\$120 Canadian) per ton, versus A.\$95 (\$114 Canadian) per ton, and comparable yields to safflower, has made this crop a somewhat better proposition than safflowers. It is also a favourite as it can follow a linseed or safflower crop in Queensland, and is more disease resistant than safflower.

Linseed. — The states of Queensland, New South Wales and Victoria have been the major producers of linseed. The Esperance area of Western Australia is obtaining quite good yields (up to 20 bushels per acre) and is exporting the products to Japan. All states have their own recommended varieties and can produce linseed with no difficulties other than weather. The Linseed Crushers Association is a major force in limiting the production of linseed to prevent over-supplies. Linseed oil is used largely for industrial purposes with meal used for livestock. The extraction rate averages 34 per cent. Most of the production is through contracts although a few farmers grow linseed in the hopes of selling it to someone.

Linseed Acreage

<u>Crop year</u>	<u>N.S.W.</u>	<u>Vic.</u>	<u>Qld.</u> acres	<u>Other States</u>	<u>Total</u>
1963-64 .....	15,335	16,240	83,336	2,590	117,501
1964-65 .....	23,769	9,953	97,092	3,033	133,847
1965-66 .....	3,658	7,370	12,266	1,293	24,587
1966-67 .....	9,560	5,012	17,854	2,140	34,586
1967-68 .....	9,947	9,365	27,764	7,402	54,478
1968-69(1) ....	7,915	6,500	10,750	N.A.	25,265

(1) Estimates.  
N.A. Not available.

Linseed Production

<u>Crop year</u>	<u>N.S.W.</u>	<u>Vic.</u>	<u>Qld.</u> tons	<u>Other States</u>	<u>Total</u>
1963-64 .....	3,722	4,758	20,342	694	29,516
1964-65 .....	8,761	2,671	34,175	993	46,600
1965-66 .....	213	2,538	2,895	418	6,064
1966-67 .....	3,265	2,319	7,338	832	13,744
1967-68 .....	952	804	6,571	2,155	10,482
1968-69 .....	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. Not available.

It is quite obvious that the yields are extremely variable, and already the flax has been damaged by frost in Queensland. The production estimates are still quite high but anything could happen in the next few months.

Britain The following information relative to the oilseed situation in Britain has been extracted from a report from Mr. G.D. Cooper, Commercial Officer, London, under date of December 12, 1969 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Production and requirements. — The United Kingdom is basically a non-producer of oilseeds and crops are limited to relatively small acreages of rapeseed and mustard seed and what amount to trial plantings of flaxseed. None of the oilseeds crops grown to date are likely to become commercially competitive with imported supplies to any major extent. The imports on which the United Kingdom is so dependent include groundnuts, soya beans, palm nuts and kernels, cottonseed and flaxseed. These make up the bulk of incoming supplies, but significant quantities of copra, castorseed, rapeseed and sunflower seed also enter the country. Some have specific uses, but price variation among competing products is an important influence in determining which will be imported. The price relationship of seed versus oil versus oil cake and meal will also affect to some degree the form in which the product is imported.

Rapeseed production. — The rapeseed crop in the United Kingdom remained insignificant at less than 5,000 acres until 1966-67 when there was some revival of interest, due mainly to the quest by many large-scale cereal producers for an effective break



crop. The planted area was estimated at 20,000 acres in 1967, 16,000 acres in 1968 and 13,000 acres in 1969. Production assessments were 15,000 and 13,000 long tons for the years 1967-68 and 1968-69, respectively, and a forecast of 12,000 long tons for 1969-70.

Mustard seed production. — Ministry of Agriculture returns estimate the extent of the yellow mustard crop which is used for seed, fodder and ploughing-in at 19,000, 22,000 and 23,000 acres for the years 1967, 1968 and 1969, respectively. An estimated 50 per cent of the crop is taken for condiment manufacture and is grown for this purpose under contract.

Flaxseed production. — This crop has only been grown on a trial basis as a break crop for cereals and is most unlikely to develop to any significant proportions. There are no estimates of acreage or production obtainable.

Supplies. — In comparison with the early post-war years, the contribution of vegetable oils to total supplies of oils and fats in the United Kingdom has fallen sharply. Since the opening of the present decade, vegetable oils have on balance, accounted for slightly under two-fifths of total fat supplies whereas for 1951, for example, they accounted for nearly two-thirds. In earlier years the main competition to vegetable oils came from animal fats which account for about half of all oils and fats supplies, but the last few years have seen a substantial growth in supplies of marine oils. As a consequence of the increased availabilities of animal fats and marine oils, vegetable oil supplies have been appreciably below the levels of 1960 and earlier years.

Oilseed crushing continued to decline in 1968 and by weight the total crush was 14 per cent smaller than in 1967. The decrease of some 90,000 long tons in the 1968 throughout reflected reduced processing of most seeds, other than groundnuts, rapeseed and copra.

The total volume of crude vegetable oil produced in 1968 at 203,200 long tons was 12 per cent less than in the preceding year compared with the 14 per cent drop in the tonnage of seed crushed. This reflected a somewhat greater proportion of seed with a higher oil content in the total crush, e.g., increased processing of rapeseed and shea nuts as well as improved extraction rates for certain oilseeds, such as groundnuts and copra.

New supplies of vegetable oils (i.e. production and net trade) however, were estimated in 1968 to have recovered to 661,000 long tons, the highest since 1960. This is attributed to a considerable rise in imports, which more than offset the further drop in oil produced from crushings. Oil imported as such accounted for over two-thirds of available supplies. The largest increases took place in sunflower and rapeseed oils. Increased sunflower oil was due to imports but rapeseed oil production was on account of a large volume of crushing. Oils showing reduced availabilities were palm kernel in particular, soya oil and, to a small extent, linseed oil.

The United Kingdom's food and soap industries provide the chief outlets for vegetable oil supplies, but industrial uses are considerable. Modern processing techniques have made possible more varied applications of vegetable oil, but in general, the "soft" edible oils, such as groundnut, soya bean and cottonseed are used principally by the food industry and the "hard" oils, (palm, palm kernel and coconut) have a dual use in margarine and specialised food manufactures and in the soap and detergent industries. Linseed, castor and tung may be classified as industrial oils, used chiefly as lubricants, drying agents and in the paint and plastics industries.

The margarine, cooking fats and oils industry is the main user of vegetable oils. Coconut, palm and palm kernel, groundnut and soya bean and cottonseed constitute the principal oils used, but marine oils and animal fats have become an increasingly important ingredient at the expense of vegetable oils.

The pattern of oils and fats usage in margarine and compound cooking fat did not change significantly in 1968 with regard to the quantities of the three main types of oils and fats utilized (i.e. vegetable, animal and marine). There was some recovery in the usage of vegetable oils in margarine production at the expense of animal and marine oils, whereas in compound cooking fat, animal fats to some degree suffered to the advantage of marine oils. Larger amounts of relatively cheaper sunflower and rapeseed oils were used both in margarine and compound cooking fat, but the off-take of soya and coconut oils was reduced.

Rapeseed oil. — Margarine is the main outlet for rapeseed oil, although small quantities are used in cooking fats and salad oils and there is also a small industrial use.

The use of rapeseed oil as a liquid oil is limited partly because it has a low linoleic acid content to which importance is attached on health grounds, but also because its high linolenic acid content makes it liable to develop off flavours in the product if hydrogenised. Past assessments showed that margarine manufacturers, were generally not prepared to use more than 10 per cent rapeseed oil in their formulations and on this basis, the maximum market for liquid rape oil has been assessed at about 25,000 long tons per annum. However, as a hardened oil rapeseed oil can compete with other hardened oils and at a realistic price, margarine manufacturers would, no doubt, use larger quantities and indications are that there is in any case a tendency towards increased acreage of rapeseed.

Soap production, which primarily uses the hard oils has declined in the face of competition from synthetic detergents. The soap industry is also replacing vegetable oils to some extent with relatively inexpensive tallows. Consumption of industrial oils has also been curtailed to a degree by the use of synthetics, particularly in the paint and plastics industry.

Oil cake and meal. — Oilseed cake and meal are the main high protein feeds for livestock, but as the content of amino-acids and biological protein value vary according to the type of meal, selectivity has to be observed in feeding. Use in the United Kingdom is heavy and with the increasing emphasis on higher livestock production, augmented protein supplies in the form of meal are likely to be required. Soya bean meal ranks as the most important oil meal and with its' particularly high biological protein value is in heavy demand as a pig and poultry feed. Rapeseed meal has become increasingly acceptable and prospects are good, but limiting factors have, at present, to be applied to quantities used for certain feeds.

Imports — general. — Imports into the United Kingdom of oilseeds, oil nuts and kernels in 1968 totalled 669,459 long tons, compared with 689,148 long tons in 1967. Canada held the largest share of this trade with 111,827 long tons in 1968 against 169,051 long tons in 1967, but was closely followed by Nigeria and the U.S.A.

United Kingdom imports of vegetable oil cake and other residues in 1968 totalled 975,127 long tons against 936,739 long tons in 1967. Canada was the third largest supplier and exported 148,928 long tons in 1968 compared with 154,740 long tons in 1967. The largest supplier in this sector was India, followed by Nigeria.



United Kingdom imports of vegetable oils and fats totalled 475,739 long tons in 1968, against 400,722 long tons in 1967. Canada's share of this market was 18,983 long tons in 1968 compared with 20,729 long tons in 1967. The chief exporters were Nigeria, Malaysia, Singapore, the Netherlands, Papua and New Guinea.

Soya beans. — During the first half of 1969, United Kingdom imports of soya beans and oil were higher than in the same period of the previous year. Larger availabilities of beans direct from the United States outweighed the fall in trans-shipment receipts from the Netherlands. Most of the increased oil imports were as a result of intra-European trade.

Flaxseed and linseed oil. — The United Kingdom took heavier quantities of flaxseed and linseed oil in the first six months of 1969 compared with 1968. While the flaxseed was obtained from Canada, the greater part of the oil was transhipped from the Netherlands.

Outlook. — The British seed crushing industry is now confined to a few large firms and is highly complex and specialised. Feed compounders have also amalgamated and are headed by a group of National Compounders comprising eight large companies. The food processing industries are also co-ordinated in groups and margarine production in which the United Kingdom is virtually self-sufficient is controlled by large integrated organizations.

A significant feature of the long-term outlook for the oilseeds and products industry in the United Kingdom is that newly independent and developing countries who are producers of seeds have undertaken crushing at their own plants and marketing of the oil and meal produced. As a result, oil and protein cake is entering the United Kingdom in competition with home produced output and there has, consequently been some decline in the importation of oilseeds. This has meant that British mills have, for some time, been working below capacity and there has been a tendency to phase out crushing operations. Other reasons for the decline in the seed crushing industry have been significant changes in patterns of consumption. For example, the formulation for margarine has evolved towards greater use of other components, particularly marine oils and lard. The oilcake trade has also suffered from changes in the formulation of animal feeds where a much wider range of compounds is now used. Particular oils have also lost ground in individual markets. For example, linseed, widely used industrially, is being replaced by various synthetic chemicals. However, vegetable oils produced by the extraction process remain in demand, particularly soya beans and rapeseed, but can only sell in competition on the world market.

We would comment particularly on the following specific commodities of interest to Canada:—

Rapeseed. — There were no imports of rapeseed from Canada during 1968 with imports coming mainly from the E.E.C. and Eastern Europe.

Long-term prospects for imports of oil and meal are good in view of reduced crushing operations in the United Kingdom. In the meantime, it is hoped that there will be some improvement in the trade in seed provided that present price difficulties can be solved and the outlook in this respect is now more promising as availabilities from Eastern Europe are expected to be down.

Flaxseed. — There is some decline in the demand for flaxseed and meal, probably on account of reduced requirements and the high price of the meal. Prospects for oil imports are promising but there is strong competition in this area from the Argentine,

The Netherlands and the U.S.A.

Soya beans. — There is continued demand for soya beans and requirements of soya bean meal remain very steady with imports virtually unchanged at a high level. Practically all meal is purchased from Canada. Demand for oil continues to be very satisfactory with Canada again the leading supplier.

Mustard seed. — Imports of mustard seed are basically from Canada and likely to remain stable.

Sunflower seed. — There is an excellent demand, particularly for oil and long term prospects are promising. Heavy shipments of oil from the U.S.S.R., Rumania and the Netherlands have entered the United Kingdom in the past.

Safflower seed. — Current trade is negligible and prospects are limited.

Markets. — From Commonwealth countries, oilseeds and their products enter Britain duty free and these tariff concessions play an important role in determining sources of supply.

Markets have recently been quiet with little buying interest in any sector. The only recent activity in soft oilseeds has been in soya beans. Prices of soft oils are also mostly unchanged although the underlying tendency appears to be towards easier levels. Quotations for hard oils show no change other than for increased firmness for forward delivery linseed oil. Prices of oil cakes and meals were mostly unchanged and no recent trading is reported.





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