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CANADIAN COARSE GRAINS

QUARTERLY REVIEW

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AGRICULTURAL BRANCH

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THE FEED SITUATION IN CANADA

Supplies of feed grains in Canada, translated into terms of supply per grain-consuming animal unit, are more than sufficient to maintain the existing live-stock population during the crop year 1943-44. The hay-consuming animals are also well provided with hay and fodder but the position with respect to high-protein supplements is very unsatisfactory and likely to adversely affect the output of certain important products.

Statistics show that the supply of feed grains available in the current crop year, exclusive of wheat, is equal to the supply consumed per animal unit during the crop year 1942-43 which included 2,700,000 tons of wheat. Moreover, this year's total supply of feed grains other than wheat, takes into account the prospect of large exports of oats and barley to the United States and to the extent that these export shipments are not made, the supply will be increased in Canada.

If existing wheat surplus stocks, after allowing for substantial export and relief shipments and normal human food requirements in Canada during the current crop year, could be considered as animal feed, there are almost as many tons of wheat available for live-stock feeding as the combined tonnage of other feed grains which include oats, barley, rye, corn, buckwheat, peas and mixed grains.

The distribution of feed grain supplies is much less satisfactory than the volume. All of the surplus is located in the three Prairie Provinces while there are serious deficiencies in the five eastern provinces. This involves the transportation of large quantities of feed grains from west to east. The Federal Government, through the operation of several schemes including Freight Assistance, has made a substantial contribution to the transfer of feed grains from surplus to deficiency areas.

A "feed bank" is in process of being established in eastern Canada to be held in case of an emergency and to safeguard against transportation difficulties such as were experienced last winter. A bonus scheme to encourage the purchase and shipment of western grain early enough to move it to the point of consumption before wintry conditions prevail is also operative. This went into effect last July, payments commencing at the rate of 3 cents per bushel on wheat, oats and barley, and decreasing at the rate of one-half cent per month until they get down to 1/2 cent per bushel in December.

The Federal Government has also revised the drawback payments on western wheat used for live-stock feeding in the five eastern provinces and in British Columbia. This drawback was originally set at 8 cents per bushel but has now been increased to 25 cents per bushel in view of the increase in the Canadian Wheat Board's initial price from 90 cents to \$1.25 per bushel for No. 1 Northern wheat. The new drawback payment applies only to No. 4 Manitoba Northern or grades of equal or lower value, whereas the old drawback payment was applicable to all grades of western wheat used for feed outside of the Prairie Provinces.

Farmers in western Canada have delivered substantial amounts of both oats and barley since the new season opened and the transportation interests, both lake and rail, have done a big job in moving the grain to areas of consumption. Lake shipments have been very heavy in recent weeks while rail movement from Fort William and Port Arthur has been appreciable. Moderately good shipments have been made also by rail direct from western Canada to points in the five eastern provinces, by-passing the head of the lakes. These latter shipments are subject to the provision that the dockage is not more than 3 per cent.

The record of claims paid under the Freight Assistance Policy shows that in the three months August-October this year a total of more than 18,000,000 bushels of wheat, oats and barley and more than 100,000 tons of millfeeds and screenings had been distributed in the six provinces entitled to receive freight assistance on western grain used for live-stock feed. During the entire crop year 1942-43 these provinces received almost 58,000,000 bushels of western wheat, oats and barley under the Policy.

Millfeeds and Protein Feeds

Detailed discussion of the millfeed and high-protein feed situation will be found elsewhere in this Review but for the purposes of the summary it may be said that production of millfeeds (bran, shorts and middlings) is running close to the maximum output of the Canadian flour milling industry. Production in the crop year 1942-43 totalled 788,229 tons of which almost 95 per cent was consumed in Canada. It is expected there will be a moderate increase in production during the current crop year but demand is likely to continue to exceed supply.

In the high-protein field the situation is the most serious. Many ingredients of the balanced ration are in very short supply and there is little hope of more than minor improvement taking place in the course of the next year. The United States is faced with a similar situation and therefore not in a position to give much assistance, although some imports are being obtained from that source.

Supplies of oilcake and meal are likely to be somewhat larger during 1943-44 due to the production of sunflower and rape seed in western Canada this year and some increase in the crushing capacity of Canadian mills. Flaxseed supplies are ample, but soybean is likely to be in short supply. Animal proteins may be a little more plentiful than in the past year but still far short of requirements.

The minimum requirement of high-protein feeds, stretching supplies fairly well through the various production programmes of Canada's wartime agriculture, is in the neighbourhood of 650,000 tons, but present prospects are that less than half this amount will be available during the next year.

SECOND ESTIMATE OF 1943 GRAIN PRODUCTION

The second estimate of grain production in Canada in 1943 issued by the Dominion Bureau of Statistics on November 12 showed a drop of 2,500,000 bushels in wheat, 17,000,000 bushels in oats, and 7,000,000 bushels in barley compared with the first estimate made on September 10. The wheat crop is now estimated at 293,704,000 bushels of which 277,000,000 bushels was produced in the three Prairie Provinces. The oats crop is placed at 482,860,000 bushels and the barley crop at 215,816,000 bushels.

Most of the decrease occurred in Alberta where killing frosts in September caught a considerable area of late wheat and coarse grain. The Alberta wheat crop showed a reduction of 5,000,000 bushels compared with the preliminary estimate, while the oats crop declined 13,000,000 bushels and the barley crop 8,000,000 bushels. Forage crops across the country showed little change, but a slight increase was noted in the estimate of flaxseed production.

The second estimates of principal crops in Canada together with the unrevised estimates of 1942 production are shown below:

	Area		Yield Per Acre		Production	
	1942	1943	1942	1943	1942	1943
	acres		bushels		bushels	
CANADA						
Fall wheat	757,000	601,000	30.9	22.0	23,391,000	13,222,000
Spring wheat	20,829,500	16,886,600	27.3	16.6	569,293,000	280,482,000
All wheat	21,586,500	17,487,700	27.5	16.8	592,684,000	293,704,000
Oats	13,782,300	15,406,900	47.3	31.3	651,954,000	482,860,000
Barley	6,972,900	8,396,800	37.2	25.7	259,156,000	215,816,000
Fall rye	1,013,600	351,300	18.0	12.7	18,201,000	4,468,000
Spring rye	324,100	224,800	20.2	11.9	6,541,000	2,676,000
All rye	1,337,700	576,100	18.5	12.4	24,742,000	7,144,000
Peas	90,100	104,300	18.8	15.3	1,692,000	1,594,000
Beans	80,400	85,200	19.3	16.5	1,553,000	1,402,000
Buckwheat	239,800	285,900	21.7	21.8	5,207,000	6,225,000
Mixed grains	1,680,700	1,463,200	40.8	24.5	68,622,000	35,906,000
Flaxseed	1,492,200	2,797,800	10.0	6.3	14,992,000	17,700,000
Corn for husking	358,000	257,000	40.1	40.3	14,372,000	10,366,000
PRAIRIE PROVINCES						
Wheat	20,653,000	16,729,000	27.4	16.6	565,000,000	277,000,000
Oats	9,666,000	11,789,500	51.7	33.2	500,000,000	392,000,000
Barley	6,414,000	7,896,000	37.6	25.8	241,000,000	204,000,000
Rye	1,246,000	498,100	18.5	11.8	23,000,000	5,870,000
Flaxseed	1,466,000	2,768,400	10.0	6.3	14,700,000	17,400,000

Harvesting operations were completed except in parts of Saskatchewan and New Brunswick at the end of October. A considerable amount of grain remained to be threshed in New Brunswick, while approximately 7 per cent of the flaxseed crop in Saskatchewan had not been threshed at that date.

FEED SUPPLIES PER ANIMAL UNIT

The supply and consumption of grain in Canada per grain-consuming animal unit since 1936-37, and the supply position indicated for the crop year 1943-44, are summarized herewith. Wheat has been ignored in arriving at the available supply of feed grain, but the estimated quantities of wheat fed to live stock have been taken into account in the calculation of feed consumed.

In the compilation of Table I which follows, the various feed grains have been bulked and converted to a tonnage basis. Carry-over stocks have been added to production each year, and exports, seed requirements, and human food deducted to arrive at the net supply position. The grains included in this calculation are oats, barley, rye, corn, buckwheat, peas and mixed grains.

Table I.- Feed Grain Available Per Grain-Consuming Animal Unit

Crop Year	Net Supply Feed Grain	Grain-Consuming Animal Units	Supply Per Grain- Consuming Animal Unit
	tons		tons
1936-40 (average)	8,104,843	16,202,000	0.50
1941-42	8,420,634	17,546,000	0.48
1942-43	16,503,882	19,193,000	0.86
1943-44	15,794,299	20,741,000	0.76

The same feed grains are included in Table II, but the estimated amount of wheat fed to animals has been added to the amount consumed. The total consumption figure, therefore, is the net supply in Table I, less the carry-over of grains, except wheat, but plus the amount of wheat estimated to have been fed to live stock.

Table II.- Grain Consumed Per Grain-Consuming Animal Unit

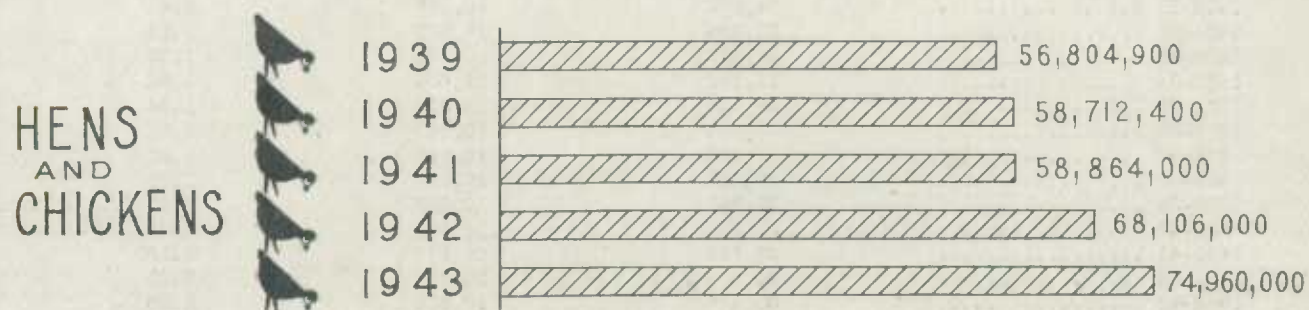
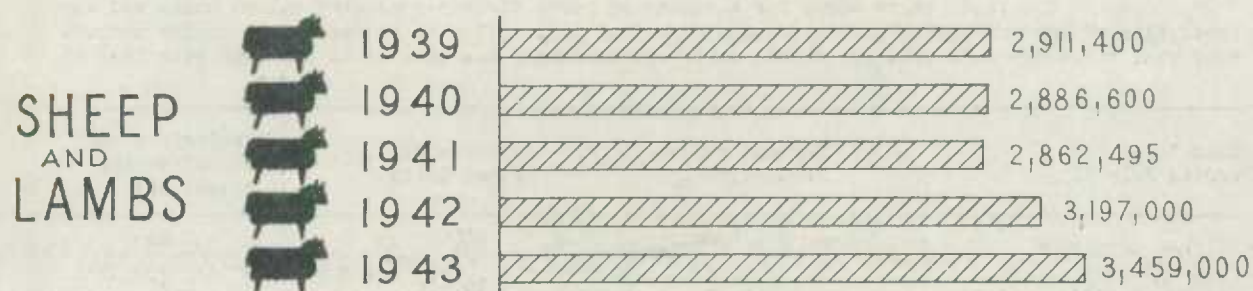
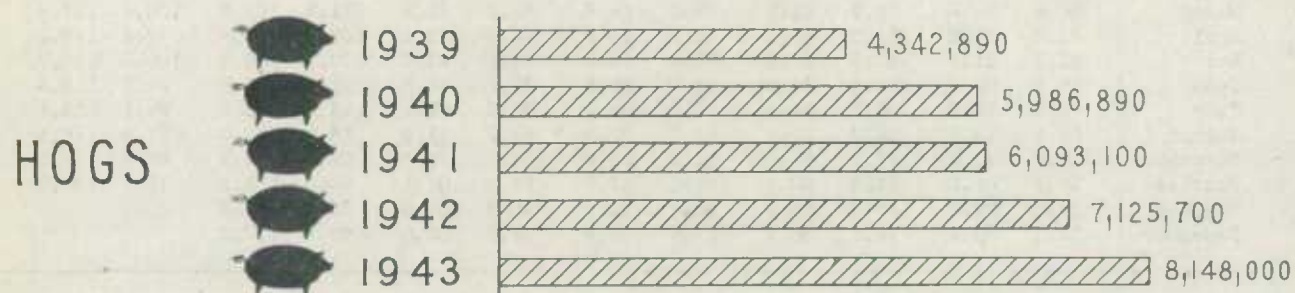
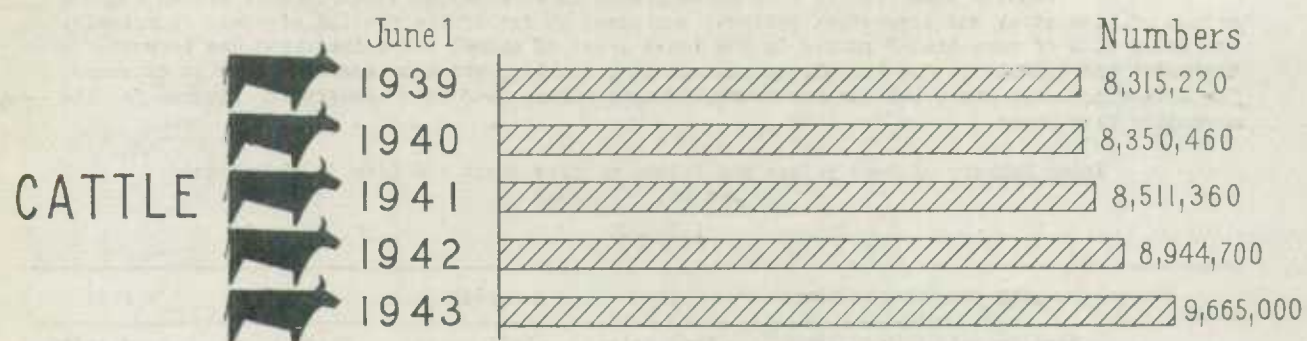
Crop Year	Amount Consumed	Grain-Consuming Animal Units	Amount Consumed Per Grain-Consuming Animal Unit
	tons		tons
1936-40 (average)	7,976,643	16,202,000	0.49
1941-42	9,656,034	17,546,000	0.55
1942-43	14,589,282	19,193,000	0.76

It will be noted from the above figures, that the supply of feed grain, exclusive of wheat, available in the 1943-44 crop year, is equal to the amount consumed, including wheat, in the crop year 1942-43, on a per animal unit basis. With stocks of wheat still abnormally heavy and marketings restricted, it appears certain that a large volume of wheat will again be fed in the current crop year, so that the feed supply of grains per grain-consuming animal unit is ample.

Allowance has been made for generous exports of oats and barley to the United States in the calculation of available supplies in the crop year 1943-44, and to the extent that these are not realized, the feed grain supplies apart from wheat will be increased.

Figures covering the five years 1936-40 show that consumption of feed grains was almost equal to available supply. In those years the quantity of wheat fed to live stock was relatively small and carry-over stocks of other grains were negligible. The position in 1941-42 was made acute by the poor crops harvested in 1941, particularly in eastern Canada, and in that crop year more than 2,000,000 tons of wheat were fed to live stock. The feeding of wheat to live stock rose to more than 2,700,000 tons in the crop year 1942-43.

WARTIME EXPANSION OF CANADIAN LIVESTOCK POPULATION



FEED AND LIVE-STOCK PRICES

Despite some rise in feed grain prices in October the index of feed prices and the prices of live stock and live-stock products continues to favour the feeding of grain to animals. The sharp rise of more than 7 points in the index level of animal and animal products between September and October is due largely to the new milk subsidy, which became effective in October. The following table shows the changes month by month during 1943 with comparative figures for the preceding five years.

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

Month	1938		1939		1940		1941		1942		1943	
	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal
January	87.3	82.2	59.5	81.6	75.8	85.4	69.6	90.0	102.4	101.5	96.3	116.2
February	89.4	81.1	59.6	81.3	76.6	85.0	70.7	91.6	105.8	102.1	100.2	116.8
March	86.6	81.6	59.8	81.9	75.5	84.9	72.2	91.8	111.2	102.7	100.0	117.8
April	83.8	81.2	61.5	81.1	76.9	84.1	74.3	92.2	109.4	103.7	99.2	118.2
May	81.7	81.7	62.9	80.5	73.6	84.3	74.1	93.3	109.3	104.8	100.0	118.7
June	79.5	80.4	61.4	75.9	68.0	83.5	75.7	94.3	107.2	107.0	99.7	119.4
July	72.9	80.7	58.7	75.4	66.0	83.9	78.8	96.1	99.9	103.6	99.1	119.4
August	62.9	79.6	55.2	75.4	62.2	83.3	84.7	97.9	93.8	102.9	97.2	118.6
September	59.2	81.1	67.5	81.8	62.9	85.8	94.8	99.6	89.8	112.3	97.8	117.6
October	58.9	81.0	64.6	86.6	66.1	87.3	97.2	101.1	90.0	115.5	99.8	125.0
November	57.6	82.1	65.6	86.8	68.2	91.0	95.8	102.0	88.8	116.3		
December	58.2	82.6	72.2	86.4	67.9	91.6	98.0	100.5	93.9	117.3		

HAY AND FODDER

The table below shows for a number of years the hay-consuming animal units and the production of hay and fodder per hay-consuming animal unit. It will be noted that in the current crop year there are 2.34 tons per animal unit, approximately the same as in the crop year 1942-43.

Crop Year ending July 31	Hay and Fodder Production 1/	Hay-Consuming Animal Units	Production per Hay-consuming Animal Unit
	000 tons	000	Tons
1926-27	25,372	10,466	2.42
1927-28	26,968	10,197	2.64
1928-29	26,212	10,057	2.61
1929-30	23,089	10,108	2.28
1930-31	24,672	10,177	2.42
1931-32	22,424	10,372	2.16
1932-33	21,522	10,824	1.99
1933-34	19,166	11,004	1.74
1934-35	18,119	11,075	1.64
1935-36	22,024	10,981	2.01
1936-37	19,907	10,892	1.83
1937-38	20,832	10,899	1.91
1938-39	21,946	10,583	2.07
1939-40	21,596	10,552	2.05
1940-41	22,729	10,670	2.13
1941-42	20,930 2/	10,414	2.01
1942-43	25,477	10,828	2.35
1943-44	26,660	11,388	2.34

1/ Including Hay and Clover, Fodder Corn, Alfalfa and Grain Hay.

2/ Based on preliminary Census data.

HOG-BARLEY RATIO

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

(Long-time Average = 17.2)

Month	1938	1939	1940	1941	1942	1943
January	15.1	29.4	20.5	21.4	20.0	21.4
February	15.1	31.1	20.0	20.4	20.0	21.4
March	18.6	31.1	20.5	17.6	19.7	22.0
April	19.8	27.9	18.9	17.7	19.5	22.0
May	20.9	25.2	24.2	21.0	18.9	21.9
June	23.2	30.3	31.0	22.0	18.3	21.2
July	29.6	34.8	31.7	23.1	19.4	20.5
August	31.1	31.1	32.2	24.9	21.3	20.4 <u>1/</u>
September	34.1	22.3	31.3	22.1	21.0	20.3 <u>1/</u>
October	26.9	23.3	26.1	22.3	23.4	20.2 <u>1/</u>
November	28.9	23.7	21.0	22.4	23.5	
December	29.5	21.2	23.4	21.1	23.5	

1/ If the advance Equalization payment of 15 cents per bushel was added to the price of barley, the hog-barley ratio in August and September would stand at 16.2 and in October at 16.1 or less than the long-time average.

DRAWBACK ON WHEAT USED FOR FEED

The feed wheat payment policy which went into effect on August 1, 1942 has been revised. The original Order in Council dated September 11, 1942, provided for a payment of 8 cents per bushel on Western Canadian wheat purchased for feeding purposes in the five eastern provinces and British Columbia. This payment applied to any grade of Western wheat which was used exclusively as feed for live stock and poultry.

The new Order in Council dated November 11, 1943 makes effective on and after November 15, 1943 a payment of 25 cents per bushel, but specifies that this payment will apply only to Manitoba No. 4 Northern wheat and all grades of equal or lower value as established by the Canadian Wheat Board. No claims for the 25 cent drawback will be paid on any grade of wheat having a higher value than No. 4 Northern.

At the time of setting the original drawback of 8 cents per bushel the initial price paid by the Canadian Wheat Board for No. 1 Northern wheat was 90 cents per bushel, basis in store Fort William. The increase to 25 cents per bushel arises from the change in the initial price of No. 1 Northern from 90 cents to \$1.25, which became effective on September 28, 1943.

This drawback of 25 cents per bushel on certain grades of Western wheat used for live-stock feed is in addition to the Freight Assistance afforded wheat and other feed grains moved from Western Canada to the five eastern provinces and British Columbia.

FREIGHT ASSISTANCE POLICY

Claims were paid during the first quarter of the crop year 1943-44 on more than 18,000,000 bushels of Western wheat, oats, barley and rye, as well as 101,000 tons of millfeeds and screenings shipped to the five eastern provinces and British Columbia under the Federal Freight Assistance Policy. The wheat shipments totalling nearly 5,000,000 bushels represented about 25 per cent of the quantity of wheat moved under the Policy during the crop year 1942-43, but in the case of oats claims paid in the first quarter of this crop year were equal to almost 37 per cent of the total claims in the last crop year, while barley movement was about one-third of the 1942-43 crop year total. Shipments of rye are much smaller this year so far, while the movement of screenings and millfeeds in the first quarter are only about 14 per cent of the 1942-43 total.

Ontario has received the major share of the movement this year except in millfeed, where Quebec heads the list with almost 42,000 tons in the August-October period. Shipments to the Maritime provinces have been moderately good with Nova Scotia receiving the largest supplies in that area. A fair amount of wheat and oats went to British Columbia, in addition to moderate amounts of barley and millfeed. The distribution of shipments under freight assistance during last crop year and the first quarter of the current crop year is shown below.

August 1, 1942 to July 31, 1943

Crop Year	Wheat	Oats	Barley	Rye	Screenings	Millfeeds
	bu.	bu.	bu.	bu.	tons	tons
<u>1942-43</u>						
Ontario	8,500,972	10,189,079	6,986,507	383,380	22,267	202,447
Quebec	6,080,817	7,147,588	6,574,714	135,271	16,516	313,947
New Brunswick	671,728	1,110,409	745,281	26,077	1,409	45,799
Nova Scotia	966,250	1,346,629	1,277,827	19,454	800	50,452
Prince Edward Island.	388,462	386,047	409,960	3,872	160	12,051
British Columbia	2,329,702	1,800,700	858,241	-	3,200	43,432
Total (12 months) ...	18,937,931	21,980,452	16,852,530	568,054	44,352	668,128

August 1 to October 31, 1943

1943-44

Ontario	2,741,787	5,586,197	2,877,577	35,705	4,615	31,822
Quebec	1,396,201	1,827,429	2,146,389	5,198	1,100	41,534
New Brunswick	130,932	200,365	188,383	216	133	7,866
Nova Scotia	160,823	227,785	132,300	1,102	485	6,702
Prince Edward Island.	85,243	25,826	72,194	-	4	2,293
British Columbia	239,223	182,562	62,282	-	121	4,359
Total (3 months)	4,754,209	8,050,164	5,479,125	42,221	6,458	94,576

OTHER FEED ASSISTANCE PLANS

In addition to the Freight Assistance Policy, other plans sponsored by the Federal Government and designed to assist in the movement of surplus western feed grains to the other six provinces are in effect. Two of these plans, known as Plan "A" and Plan "B", have been in operation for sometime but a third, which has been designated Plan "C", is also in effect.

Plan "A" aims at the establishment of a "Feed Bank" of western grain to be held at strategic points in eastern Canada and released to live-stock producers only in the event of an emergency arising with respect to animal feed supplies. This "Feed Bank" will be a safeguard against repetition of last winter's transportation difficulties, when heavy snowfall and other hazards prevented the free movement of feed supplies by rail. The administration of the Plan is in the hands of the Feeds Administrator.

Plan "B" is in the form of a bonus to encourage the purchase and early shipment of western grain to deficiency areas in the eastern provinces. Under this plan only wheat, oats and barley, for which freight assistance claims are satisfactorily established, will be eligible for the payments. These payments, which began in July, amounted to 3 cents per bushel for grain purchased in that month and are reduced at the rate of half a cent a bushel per month through to December. Farmers in Ontario receive in addition to the Federal bonus a subsidy from the Provincial Government which is established on a tonnage basis.

The Provincial subsidy covers not only wheat, oats and barley, but rye or mixtures thereof, as well as No. 1 feed screenings. Under a recent amendment of the original Order the subsidy between May 15 and September 30 amounts to \$1.80 per ton. This is reduced to \$1.20 in October, 90 cents per ton in November and 60 cents in December. The subsidy rates in the case of the Provincial scheme are determined on the date of the delivery of the grain.

Plan "C" was designed to overcome the congestion at terminal elevators at Fort William and Port Arthur. This Plan makes possible the shipments from western country points direct to eastern Canada, by-passing the lakehead terminals, provided cars contain only whole wheat, oats or barley with a dockage not exceeding 3 per cent. Shipments under this Plan inclusive of the dockage are eligible for freight assistance.

On October 1, 1943, the Canadian Wheat Board announced that it would permit direct shipments from stations in western Canada on one carload of oats and/or barley and /or rye over and above existing delivery quotas from one producer to another producer or from a farm owned by a producer to another farm owned by the same producer. This special delivery privilege was not made applicable to wheat.

Where producer-to-producer shipments under this arrangement are made between a producer in the Prairie Provinces and a producer in eastern Canada or British Columbia, such shipments have to conform with regulations established by the Railway Companies, the Transport Controller, and the Feeds Administrator, including regulations in respect to the Freight Assistance Policy. Such direct shipments in order to obtain freight assistance must not have more than 3 per cent dockage.

FARMERS' MARKETINGS

The deliveries of oats from farms in western Canada between August 1 and November 11, 1943 were about 7,000,000 bushels greater than in the corresponding period in 1942, while deliveries of barley were about the same in both years. Rye marketings this year are much smaller because of the smaller crop produced in 1943, while flaxseed marketings are up largely on account of the increase in production this year.

Delivery quotas established by the Canadian Wheat Board show that the effective quota for oats and barley at most points in western Canada is still 5 bushels per seeded acre, and for rye only 3 bushels per seeded acre. At one or two points, however, the quota on oats and barley has recently been increased to 10 bushels per seeded acre.

Deliveries August 1 to November 11, 1943

	O A T S		B A R L E Y	
	Bushels	% 1943 Harvest	Bushels	% 1943 Harvest
Manitoba	6,794,473	10.8	13,992,350	20.6
Saskatchewan	23,747,991	11.9	14,771,214	18.5
Alberta	10,008,825	7.8	4,667,432	8.3
T o t a l s	40,551,289	10.3	33,430,996	16.4
Same Period in 1942	33,792,464	6.8	33,206,080	13.8

	R Y E		F L A X S E E D	
	Bushels	% 1943 Harvest	Bushels	% 1943 Harvest
Manitoba	68,356	8.2	1,509,580	53.9
Saskatchewan	585,675	15.4	8,460,299	70.5
Alberta	126,018	10.2	2,320,576	89.3
T o t a l s	780,049	13.3	12,290,455	70.6
Same Period in 1942	2,691,024	11.7	9,326,344	63.4

During October the deliveries of oats were keeping pace fairly well with the marketings of wheat but toward the end of the month the increased quotas on wheat brought the leading cereal well into first place and coarse grain deliveries decreased. This has been even more pronounced during the first half of November with a number of points now on the maximum delivery quota of 14 bushels per "authorized" acre for wheat. Flaxseed marketings are not subject to quota restrictions but with more than 70 per cent of the estimated 1943 crop already marketed there is a falling off in the movement from farms.

PRODUCTION AND MARKETINGS 1/ IN PRAIRIE PROVINCES

Year	Sown Acreage	Yield Per Acre	Total Production	Carry-over on Farms <u>2/</u>	Total on Farms	Farmers' Marketings <u>3/</u>	Per Cent of Supply Marketed
	acres	bu.	bu.	bu.	bu.	bu.	p.c.
<u>OATS</u>							
1938	8,518,000	27.2	232,000,000	7,106,000	239,106,000	32,649,088	13.6
1939	8,227,000	28.1	231,500,000	26,501,000	258,001,000	35,562,880	13.8
1940	7,818,000	29.3	229,000,000	23,214,000	252,214,000	32,274,610	12.8
1941	8,137,000	21.9	178,000,000	20,137,000	198,137,000	33,206,047	16.8
1942 <u>4/</u>	9,666,000	51.7	500,000,000	11,952,000	511,952,000	119,565,709	23.4
5-year average .	8,473,200	31.6	274,100,000	17,782,000	291,882,000	50,388,644	17.3
1943	11,789,500	33.2	392,000,000	102,000,000	494,000,000	40,551,289 <u>5/</u>	8.2
<u>BARLEY</u>							
1938	3,687,000	21.8	80,200,000	2,233,000	82,433,000	24,567,700	29.8
1939	3,607,000	22.5	81,000,000	5,826,000	86,826,000	22,008,867	25.3
1940	3,622,000	22.9	83,000,000	5,351,000	88,351,000	20,980,344	23.7
1941	4,735,000	20.0	94,700,000	4,895,000	99,595,000	26,535,412	26.6
1942 <u>4/</u>	6,414,000	37.6	241,000,000	4,194,000	245,194,000	85,032,020	34.7
5-year average .	4,413,000	25.0	115,980,000	4,499,800	120,479,800	35,616,461	29.6
1943	7,896,000	25.8	204,000,000	40,000,000	244,000,000	33,430,996 <u>5/</u>	13.7
<u>RYE</u>							
1938	655,000	14.3	9,340,000	44,000	9,384,000	3,440,843	36.7
1939	1,014,100	13.5	13,700,000	345,000	14,045,000	5,228,230	37.2
1940	943,000	13.0	12,250,000	545,000	12,795,000	5,091,064	39.8
1941	861,000	11.6	9,989,000	399,000	10,388,000	5,334,539	51.4
1942 <u>4/</u>	1,246,000	18.5	23,000,000	145,000	23,145,000	9,713,346	42.0
5-year average .	943,820	14.2	13,655,800	295,600	13,951,400	5,727,670	41.1
1943	498,100	11.8	5,870,000	6,000,000	11,870,000	780,049 <u>5/</u>	65.7
<u>FLAXSEED</u>							
1938	201,700	5.9	1,185,000	1,000	1,186,000	855,838	72.2
1939	288,500	6.8	1,950,000	4,800	1,954,800	1,723,980	88.2
1940	363,700	7.9	2,875,000	26,500	2,901,500	2,587,846	89.2
1941	982,000	5.7	5,641,000	14,000	5,655,000	4,902,825	86.7
1942 <u>4/</u>	1,466,000	10.0	14,700,000	19,000	14,719,000	11,415,907	77.6
5-year average .	630,380	7.3	5,270,200	13,060	5,283,260	4,292,306	81.2
1943	2,768,400	6.3	17,400,000	385,000	17,785,000	12,290,455 <u>5/</u>	69.1

1/ Includes Peace River block in British Columbia.

2/ Stocks at end of July.

3/ August 1 to July 31, 1938-39 to 1942-43. Excludes minor quantities loaded over platforms prior to 1940-41.

4/ Subject to revision.

5/ August 1 to November 11, 1943.

LAKE AND RAIL MOVEMENT OF GRAIN

Shipments of grain from Fort William and Port Arthur, both by vessel and by rail, have been substantially greater in 1943 than they were a year ago. The lake movement has been particularly heavy during the 1943 season of navigation, and already exceeds by a considerable margin the shipment records of recent years which are tabulated below:

Lake Shipments

Opening of Navigation to November 14.

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
- bushels -						
1938 ...	113,195,871	7,409,769	15,576,057	1,477,134	495,546	138,154,377
1939 ...	148,794,312	14,696,872	15,569,565	3,310,611	290,326	182,661,686
1940 ...	141,488,298	13,450,250	8,861,550	2,748,611	1,114,176	167,662,885
1941 ...	192,725,046	8,062,232	9,044,536	5,194,583	1,496,620	216,523,017
1942 ...	150,552,556	7,269,756	7,165,615	991,137	1,105,954	167,085,018
1943 ...	185,525,717	36,838,465	39,178,053	1,518,654	6,020,344	269,081,233

August 1 to November 14.

1943 ...	89,591,898	16,425,462	15,631,621	259,556	4,120,909	126,029,446
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With approximately four weeks of the navigation season remaining, the current rate of shipments, if maintained, would bring the 1943 lake movement well over 300,000,000 bushels for the five principal grain crops. This would still be considerably below the 385,000,000 bushels moved in the happier days of 1928, but it would represent one of the best shipping seasons of the last decade.

Rail Shipments

The movement of grain by rail from the terminal elevators at the head of the lakes since the beginning of the current crop year has been fairly substantial and considerably above the corresponding shipments in 1942. A good part of this movement has been in connection with the transfer of western feed grains to the five eastern provinces, where there is an urgent demand for feed supplies.

In the following table is shown the month by month shipments of the various grains from Fort William and Port Arthur:

1943-44	Wheat	Oats	Barley	Rye	Flaxseed	Total
- bushels -						
August	990,879	2,645,379	1,591,611	-	49,095	5,276,964
September	1,547,042	2,925,651	1,866,752	14,700	165,179	6,519,324
October	780,035	2,167,058	1,313,810	4,152	413,957	4,679,012
November (1-14)	374,022	709,838	419,477	-	157,082	1,660,419
Total	3,691,978	8,447,926	5,191,650	18,852	785,313	18,135,719

SHIPMENTS TO UNITED STATES

During the first fifteen weeks of the crop year 1943-44 almost 86 million bushels of Canada's five principal grain crops have been shipped to the United States. This total includes more than 50,000,000 bushels of wheat, a large proportion of which is intended for re-export, but the total of oats, barley, rye and flaxseed exceeds 35 million bushels, practically all of which is for use in the United States.

The bulk of the movement has been made by vessel from Fort William and Port Arthur, but fairly substantial shipments have also gone from points in western Canada and from terminal elevators located east of the lakehead. There has been a moderate movement of wheat from the Pacific Coast in connection with domestic requirements in the United States.

The following table shows the shipments of the various grains and the areas from which they have been made during the fifteen weeks ending November 11, 1943.

	Pacific Coast Terminals	Western Elevators	Fort William- Port Arthur	Eastern Elevators	Total
- bushels -					
Wheat	2,117,533	2,373,074	35,656,140	10,436,268	50,583,015
Oats	27,253	5,667,739	13,273,909	86,428	19,055,329
Barley	-	2,048,053	10,937,050	24,436	13,009,539
Rye	-	31,205	-	-	31,205
Flaxseed ...	-	-	3,259,494	-	3,259,494
T o t a l ..	2,144,786	10,120,071	63,126,593	10,547,132	85,938,582

COARSE GRAIN EXPORTS 1942-43

Exports of Canadian coarse grain and flaxseed during the crop year 1942-43 went largely to the United States, but small shipments were made also to a number of other countries. The following are the unrevised figures for the twelve months ended July 31, 1943 showing the total exports to all destinations:

	<u>Bushels</u>
Oats	58,862,161
Barley	33,729,344
Rye	1,661,569
Flaxseed	5,201,933

The figures for oats do not include the by-products of rolled oats and oatmeal, the exports of which are usually quite substantial. During the crop year 1941-42, for instance, the exports of rolled oats and oatmeal were the equivalent of almost 7,000,000 bushels of oats. The figures for 1942-43 are not yet available.

EQUALIZATION PAYMENTS ON OATS AND BARLEY

In order to maintain the ceiling prices on western oats and barley in the Canadian domestic market and at the same time pass on to producers the advantage of higher prices obtained in the export of these grains, the Federal Government gave the Canadian Wheat Board authority to collect equalization fees on the export permits granted for oats and barley shipments out of Canada. This policy was announced on April 6, 1943, and special funds were set up by the Canadian Wheat Board into which equalization fees were paid. These funds were to be distributed on a pro-rata basis to the western growers who delivered oats and barley between April 1 and July 31, 1943, inclusive.

On September 17, the Minister of Trade and Commerce announced a change in the plan for the 1943-44 crop season. It was decided to make advance payments against the equalization fees to be collected as from August 1. The official statement read in part as follows:

"At time of delivery, Prairie farmers will receive payments of 10 cents per bushel on oats and 15 cents per bushel on barley, in addition to market prices. The additional payments on oats and barley represent a guaranteed initial advance against equalization fees being collected by the Wheat Board on exports of these grains to the United States. No change has been made in the ceiling prices on oats and barley which remain at 51 1/2 cents for oats and 64 3/4 cents for barley, basis in store Fort William.

"Given a continuation of present United States demand and prices, it is expected that the Wheat Board will recover at least enough by way of equalization fees on oats to justify the initial advance of 10 cents per bushel.

"Because of serious damage to crops in eastern Canada, that area will require greatly increased quantities of western feed grains. In order to protect the vital live-stock feeding programme of eastern Canadian farmers, it may be necessary to retain in Canada larger quantities of western feeds, particularly barley. By guaranteeing an additional 15 cents per bushel on barley at time of delivery, the Dominion Government is, in effect, assuring the farmer that any resulting curtailment of exports will not be permitted to reduce the additional return he might reasonably have expected to receive at the end of the crop year.

"The surplus, if any, in the equalization funds in excess of 10 cents on oats and 15 cents on barley, will be distributed to farmers after July 31, 1944."

Although the official statement specifically mentions the collection of equalization fees on exports of oats and barley to the United States, the Canadian Wheat Board made it clear in an announcement on May 27, that equalization fees are collected on all exports of oats and barley, or products manufactured from these grains if they contain more than 25 per cent of either oats or barley, regardless of the country to which the export is made.

Arrangements have been made also by the Canadian Wheat Board to pass on the benefits of the advance equalization payments to farmers who sell oats or barley to another farmer or feeder who intends to use them for feed, etc., and is not purchasing for re-sale. Certain regulations have been drawn up to safeguard against abuses in transactions of this kind. Payments in this instance are made on the basis of net bushels and it is necessary for the grain to be hauled to a licensed elevator company where it can be weighed and graded, the dockage established, and the proper entries made in the Canadian Wheat Board permit books by the elevator agent.

PRICES

Monthly Average of Closing Prices, Basis in Store Fort William-Port Arthur
Crop Year 1943-44

	August	September	October
cents and eighths per bushel			
<u>OATS</u>			
No. 2 C.W.	51/4	51/4	51/4
No. 3 C.W.	51/4	51/4	51/4
No. 1 Feed	51/4	51/4	51/4
No. 2 Feed	51/4	51/2	51/4
No. 3 Feed	50/4	50/4	51
<u>BARLEY</u>			
Nos. 1 and 2 C.W. 6-Row	64/6	64/6	64/6
No. 3 C.W. 6-Row	64/6	64/6	64/6
Nos. 1 and 2 C.W. 2-Row	64/6	64/6	64/6
No. 1 Feed	64/6	64/6	64/6
No. 2 Feed	64/6	64/6	64/6
No. 3 Feed	64/6	64/6	64/6
<u>RYE</u>			
No. 2 C.W.	93/3	99/2	109/4
No. 3 C.W.	88/3	94/2	104/4
No. 4 C.W.	84	87/4	95
Ergoty	82	85/4	93
Rejected 2 C.W.	85/3	89/4	97
<u>FLAXSEED</u>			
No. 1 C.W.	250	Fixed Prices	
No. 2 C.W.	246		
No. 3 C.W.	237		
No. 4 C.W.	233		
<u>CORN</u>			
3 C.W. Yellow 20% moisture	80	80	80

It will be noted from the price quotations above that most of the straight grades of oats have been pressing on the ceiling price of 51 1/2 cents per bushel. In the case of barley all of the six grades tabulated have been at ceiling levels during the first quarter of the current crop year. This was the case also during the month of July and is indicative of a good demand for all grades of barley.

Rye prices have been without ceiling restrictions since April and have been steadily advancing with No. 2 C.W. rye making an average of \$1.09 1/2 during the month of October. The price of flaxseed has been fixed at \$2.50 per bushel for No. 2 C.W., effective since August 1, 1943. This is an advance of 25 cents per bushel over the fixed price which prevailed during the crop year 1942-43.

GRADING OF CROPS 1943-44

The following tabulation shows the grading of coarse grain and flaxseed inspected by the Board of Grain Commissioners between August 1 and November 14, 1943. Some old crop grain is included in these inspection returns but the bulk of cars contained grain grown in western Canada in 1943.

<u>OATS</u>	<u>Cars</u>	<u>BARLEY</u>	<u>Cars</u>
No. 2 C.W.	757	1 & 2 C.W. 6-Row	1,196
No. 3 C.W.	3,733	No. 3 C.W. 6-Row	5,210
No. 1 Feed	5,299	1 & 2 C.W. 2-Row	291
No. 2 Feed	778	No. 1 Feed	4,748
No. 3 Feed	102	No. 2 Feed	3,626
Toughs	174	No. 3 Feed	683
All others	5,089	Toughs	901
		All others	94
Total Cars	<u>15,932</u>	Total Cars	<u>16,749</u>
Bushel equivalent	37,977,586	Bushel equivalent	31,910,195

<u>RYE</u>	<u>Cars</u>	<u>FLAXSEED</u>	<u>Cars</u>
1 & 2 C.W.	52	No. 1 C.W.	7,538
No. 3 C.W.	301	No. 2 C.W.	135
No. 4 C.W.	9	No. 3 C.W.	51
Toughs	128	Toughs	28
All others	86	All others	11
Total Cars	<u>576</u>	Total Cars	<u>7,763</u>
Bushel equivalent	1,017,245	Bushel equivalent	10,606,354

The average gross contents of cars unloaded at Fort William-Port Arthur and the Pacific coast elevators during the first quarter of the crop year 1943-44 was as follows:

	<u>Average bushels per car</u>
Oats	2,405
Barley	1,929
Rye	1,816
Flaxseed	1,690

In the case of oats, the average content figure is based on 8,624 cars unloaded at these terminal markets. The barley unloads totalled 9,462 cars, while rye accounted for only 641 cars. The flaxseed average is based on the unloading records of 5,809 cars.

OIL-BEARING SEED CROPS

In the following table the preliminary estimates of 1943 production of the four oil-bearing seed crops is summarized. Except for flaxseed, comparable data by provinces are not available for 1942.

Flaxseed	17,700,000 bushels
Soybean	909,750 "
Sunflower seed	18,600,000 pounds
Rape seed	3,423,000 "

FLAXSEED

An increase of approximately 89 per cent took place in flaxseed acreage in western Canada in 1943, but the growing season was disappointing and the harvest in the three Prairie Provinces was only 2,700,000 bushels greater than in 1942, although 1,300,000 acres more had been planted in 1943. Weeds were a source of heavy loss, while rust also reduced the outturn. The flaxseed crop for all of Canada is now estimated at 17,700,000 bushels compared with 14,992,000 bushels produced in 1942. Approximately 7 per cent of the flaxseed area in Saskatchewan remained to be threshed at the end of October.

More than 70 per cent of the western Canadian crop had been delivered by mid-November, so that the supply of flaxseed now in commercial channels is sufficient to meet the full requirements of the Canadian crushing industry. Additional crushing capacity will be in operation during the current crop year and it is anticipated that the output of linseed oilcake and meal, so urgently required by the live-stock producers for feed, will be appreciably increased over the 1942-43 production.

Visible Supply of Flax

The commercial stocks of flaxseed on November 11, 1943 were located as follows:

	<u>bushels</u>
In Country Elevators	2,309,000
Interior Terminals	1,617,570
Fort William-Port Arthur	6,293,621
Eastern Elevators	128,766
In Transit by Rail	654,609
Total in Canada	<u>11,003,566</u>

SOYBEAN

Soybean production is not new in Canada, but heavy expansion in acreage was sought in 1943. Weather conditions interfered with planting operations, especially in Ontario where the bulk of the crop is produced, and while some increase in the seeded area took place the plantings fell far short of the objective of 90,000 acres. The preliminary estimate of the total production is placed at 909,750 bushels from 50,400 acres distributed by provinces as follows:

	<u>Acreage</u>	<u>Yield</u>	<u>Production</u>
	acres	bu.	bu.
Ontario	47,000	18.6	874,200
Manitoba	2,500	9.0	22,500
British Columbia	900	14.5	13,050
Total	<u>50,400</u>	<u>18.1</u>	<u>909,750</u>

Since this preliminary estimate of soybean production was issued, it has been learned that frost severely damaged the crop in British Columbia, so that the yield per acre is likely to show a considerable drop when the revised estimate is made. Advices from the soybean country in Ontario point also to a reduction in the crop, due to the fact that beans were not sufficiently matured in many cases to give satisfactory yields.

During the crop year 1942-43 approximately 300,000 bushels of Canadian soybean reached the commercial market, but there appears to be considerable doubt about this year's commercial marketings approaching those of last season. Some of the Ontario acreage is being cut for hay, and because of the scarcity of high-protein feeds many growers in Ontario are expected to hold back supplies for feed purposes on the farm.

Sunflower Seed

The production of commercial crops of sunflower seed was confined to the three Prairie Provinces and concentrated in Manitoba and Saskatchewan. A crop of almost 19,000,000 pounds of seed was produced on 29,000 acres. The provincial production is shown below.

	<u>Acreage</u> acres	<u>Yield</u> lbs.	<u>Production</u> lbs.
Manitoba	14,000	700	9,800,000
Saskatchewan	14,500	600	8,700,000
Alberta	500	200	100,000
T o t a l	29,000	641	18,600,000

In Alberta approximately 1,000 acres of sunflower seed were planted, but 50 per cent of this was abandoned and the yield on the area remaining for harvest was very low at only 200 pounds per acre. The crop turned out very well in Manitoba, but in Saskatchewan the results were a little mixed, although the average yield for the province at 600 pounds per acre was reasonably good. The Canadian Wheat Board is buying this crop at a price of 5 cents per pound at shipping points which have been named.

Rape Seed

Commercial production of Argentine rape seed in Canada this year was a new venture. Seed was distributed in five provinces, chiefly in Manitoba and Saskatchewan, and a crop of 3,423,400 pounds is estimated on 4,051 acres. Yields per acre were very high in Manitoba, but only slightly above average in the other provinces. The provincial distribution of the crop was as follows:

	<u>Acreage</u> acres	<u>Yield</u> lbs.	<u>Production</u> lbs.
Manitoba	1,500	1,200	1,800,000
Saskatchewan	1,700	605	1,028,500
Alberta	22	700	15,400
Ontario	821	700	574,700
Quebec	8	600	4,800
T o t a l	4,051	845	3,423,400

MILLFEEDS

Production of bran, shorts and middlings by the Canadian flour milling industry during the crop year 1942-43 reached an all-time record of 788,229 tons. This exceeded the production in 1923-24 and 1928-29 the previous two best years. Indications are that an even greater output of millfeed will be seen in the crop year 1943-44 as the industry has sufficient orders on hand to keep it working at capacity levels.

In the first two months of the current crop year production of millfeeds totalled almost 131,000 tons compared with 120,559 tons in the same two months a year ago. Exports in the present crop year are not expected to exceed those of the past crop year, so that a greater supply of millfeed will be available for domestic feeding.

The following table sets out the production month by month together with the apparent domestic consumption:

<u>Crop Year 1942-43</u>	<u>Production</u>	<u>Domestic Disappearance ^{1/}</u>
	tons	tons
August 1942	61,255	62,463
September	59,302	56,864
October	61,534	56,266
November	67,242	59,997
December	69,435	62,019
January 1943	65,698	57,534
February	66,646	64,049
March	73,688	73,880
April	68,503	67,433
May	67,694	64,371
June	62,185	58,713
July	65,047	60,163
Total for 12 months	788,229	743,752

In pre-war years, a substantial volume of Canadian millfeed was exported but the war-time food production programmes in Canada have provided a home market for a much greater volume of this commodity and less than 6 per cent of the production in the crop year 1942-43 was permitted to go for export.

<u>Crop Years</u>	<u>Production</u>	<u>Domestic Disappearance ^{1/}</u>
	tons	tons
1935-36	544,296	373,676
1936-37	525,006	335,200
1937-38	444,586	402,151
1938-39	555,515	383,395
1939-40	656,205	380,712
1940-41	681,083	382,491
1941-42	675,550	584,993
1942-43	788,229	743,752

^{1/} Imports, exports and changes in stock taken into account.

HIGH-PROTEIN FEEDS

The supply of high protein feeds during the past crop year was far short of the demand, and while some increase in certain ingredients is likely to occur during the 1943-44 season the total supply will still be considerably below requirements. Additions to the oilseed crushing equipment and the production of commercial quantities of sunflower and rape seed in 1943 will increase the supply of oilcake and meal, but soybean meal supplies will continue short unless substantial imports can be arranged.

A theoretical minimum requirement of high-protein feeds to obtain a reasonably-balanced ration for live stock in the coming year is in the neighbourhood of 650,000 tons, but in 1943 the available supply was less than 45 per cent of this amount. The following table sets out the principal high-protein feeds and the calculated supply available during the calendar year 1943.

	Net Supply 1943
	tons
Linseed Oilcake and Meal	69,000
Soybean Oilcake and Meal	21,500
Cottonseed Oilcake and Meal	4,750
Sunflower Oilcake and Meal	-
Rape Seed Oilcake and Meal	-
Copra Meal	3,500
Gluten Feed	90,500
Malt Sprouts	
Brewers' and Distillers' Dried Grains	
Alfalfa Meal	20,000
Fishmeal	27,000
Tankage and Blood Meal	9,700
Meat Scraps	39,100
Milk, Buttermilk and Whey Powder	4,867
Total Supply	289,917

The outlook for 1944 supplies suggests a definite increase in the output of linseed oilcake and meal. A higher production of copra meal, based on heavier imports of raw material, is also anticipated. The production of brewers' and distillers' grains and malt sprouts is expected to be about the same as in 1943, but there will probably be some decrease in the supplies of gluten feed.

Alfalfa meal production is likely to be maintained at the 1943 level, while in the animal protein field it is expected that there will be a slight increase in the supplies of tankage and meat scraps. The fishmeal situation is very problematical, while the supplies of milk, buttermilk and whey powder are expected to be slightly less than in 1943. The over-all supply picture for 1944 continues to point to a shortage of at least 50 per cent of minimum requirements.