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THE FEED SITUATION IN CANADA

The feed problem in Canada at the present time is primarily one of distribution. The overall supply situation, especially if wheat reserves are looked upon as feed reserves, is not stringent. These supplies of feed concentrates are, for the most part however, located at the Lakehead, in country elevators and on farms in the Prairie Provinces. The railways, hampered by heavy snow and freezing conditions, face a difficult task in maintaining an adequate stream of wheat moving to the eastern seaboard for export overseas and at the same time keeping Eastern Canada supplied with feed grains.

The grain carriers on the lakes this year moved a record 456 million bushels out of the Fort William-Fort Arthur terminals. Box cars had to be shifted to the haul from country elevators in order to keep ahead of the demands of the Lake freighters. Since the close of navigation it has been possible to build Lakehead stocks up until they are now nearly double those of a year ago. However, the rail movement east has declined by over 50 per cent so that eastern feeders using western grains have begun to feel the pinch.

Fortunately, emergency reserve stocks of feed grains have been accumulated by the Feeds Administrator at Montreal, Toronto and Sarnia. The bulk of this grain is located in Montreal, but releases are being made from all three points to supplement receipts by rail from the Lakehead. The drain is especially heavy in Western Ontario and reserves of feed wheat at Sarnia have been halved in recent weeks.

Overall supplies of coarse grains, especially barley, are decreasing fairly rapidly as a result of both heavy domestic disappearance and an active export movement. While no official estimate is made of farm stocks of coarse grains at December 31, indications are that the quantities of barley on western farms at the end of December were some 45 million bushels lower than at the close of 1943. If deliveries made by farmers in the Prairie Provinces measure up to those made last year and the present rate of feeding continues, farm stocks of barley at July 31, 1945 will be well below the 23 million bushels carried over last season.

A keen demand for Canadian barley for malting purposes exists in the United States at the present time. The details of our shipments to this market will be found elsewhere in this Review. At the time of the Dominion-Provincial Conference in December it was anticipated that about 35 million bushels of barley would be exported during the current crop year. This rate of exports has, so far, been exceeded.

The supply position with respect to oats is somewhat brighter, although with the present export demand and the domestic requirements for feed no "surplus" is in sight. Ordinarily only about half as much of the oat crop finds its way into commercial channels as in the case of barley. A brisk export demand exists for oats with the outward movement considerably above that of a year ago. Some 15 million bushels of oats had been moved under Freight Assistance during the first five months of the crop year and indications are that nearly that much more will be required during the remaining seven months. This estimate does not, moreover, take into consideration oats required to build up supplies in emergency grain reserves in the East for next year.

Farmers in some areas are short of hay and the difficulty of moving hay from surplus to deficit areas is enhanced by transportation difficulties. With the roads snowed in it is hard to get presses to bale hay and also to move it to the railway. Prices are prevented from rising further by the operation of the ceiling and further exports to the United States from the 1944 hay crop have been stopped. Dairy farmers and lumbermen are most seriously affected by the short supply.

Millfeeds are scarce relatively to demand although the domestic market is absorbing almost all of the supply which is made available by the heavy production of flour for export. Production increased by nearly 10,000 tons in November, but during December dropped back to the October level, and promises to decline even further in January. Difficulties of securing cars to ship out flour has apparently been a factor limiting production in some of the larger mills. Millfeeds derived from western grain qualify for freight assistance resulting in a favourable price relationship for this feedstuff as compared with others available.

HIGH PROTEIN FEEDS

The present supply position of high protein feeds is fairly satisfactory. Canada produces more animal proteins relatively to her requirements than she does vegetable proteins. Some fishmeal and tankage are, therefore, exported and vegetable proteins imported when these are available. Last year soybean and cottonseed cake and meal were imported in addition to soybeans and peanuts for crushing.

The main source of vegetable protein, however, is linseed cake and meal. Ample supplies of flaxseed are available to permit crushing operations to continue at capacity levels during the present year. With increased crushing capacity Canadian plants may process about 5 million bushels of flaxseed this season. Should this level of production be realized linseed cake and meal will supply nearly half of Canada's supply of vegetable proteins in 1945. A larger supply of domestic soybeans is available for crushing this year but reduced imports from the United States may prove more than sufficient to offset this increased supply.

Increased supplies of rapeseed and sunflower seed meal will be available in 1945 but, quantitatively, these are not important in the overall supply picture. Sunflower seed meal is nearly as high in protein content as linseed meal and is highly regarded as a protein supplement. Rapeseed meal is lower in protein and is less well known as a feedstuff.

Peanut oil cake meal is being made available to feeders in Eastern Canada in limited quantities. This meal is slightly higher in protein content than soybean meal and about 10 per cent higher than linseed meal. Small amounts of cottonseed cake and meal were imported during the past year. This meal is, approximately, equivalent to peanut oilcake meal in protein content.

FEED SITUATION IN THE UNITED STATES

The Bureau of Agricultural Economics reports the supply of feed concentrates in the United States to be ample to meet all domestic requirements in 1944-45 in contrast to the tight situation experienced a year earlier. These requirements are expected to be smaller than for either of the two previous years but larger than in most other years. Poultry and all classes of live stock except dairy cattle will need less feed than in either 1942-43 or 1943-44 because of reduced numbers. Since little change has taken place in the number of hay consuming animals, hay requirements are not expected to have changed appreciably. Quantities of wheat used for feed are also anticipated to be down from the high levels used for this purpose during the two preceding crop years.

The principal factor responsible for the smaller disappearance of feedstuffs in the United States is the reduction in the size of the 1944 fall pig crop which declined by a third as compared with 1943. A survey of breeders' intentions indicates that the spring pig crop may also be down below that of 1944, but only by about 7 per cent. The upward trend in the numbers of chickens, sheep and beef cattle on farms has also been reversed, although the dairy cow population is still increasing.

The requirements of feed grains for industrial and food uses in 1945 will be larger than in 1944 but the increase relatively to total requirements will not be large. This includes corn for alcohol, barley for malt, and oats for breakfast foods.

The combined stocks of corn and oats on January 1 were 8 per cent larger than at January 1, 1944. As a result of the large corn crop the West North Central region is holding large stocks of corn, but the late maturing corn marketed is of higher-than-average moisture content. The War Food Administration has announced its intention to create an emergency feed reserve of about 50 million bushels. This corn is to be held in farm cribs and delivered to W.F.A. during the summer months.

THE AGRICULTURAL PROGRAM FOR 1945

The Dominion-Provincial Conference on Agriculture, meeting in Ottawa last December, recommended that a full acreage be seeded to grains in 1945 without reducing the acreage in summerfallow. These recommendations call for an increase in the acreage seeded to oats and barley and a contraction in the area devoted to wheat. It is expected that an announcement with respect to flaxseed will be made shortly.

An increase in the slaughterings of meat animals, other than hogs, was considered desirable and it was hoped that hog marketings would not decline by more than 6 per cent. The recommendation for eggs is up 6 per cent.

Recommended Production for Selected Crops and Live-Stock Products

	Unit	Average 1936-40	1944	Recommended 1945	1945 of 1944 %
<hr/>					
	1,000 seeded acres				
Wheat	"	26,518	23,284	21,500	92
Oats	"	12,887	14,315	16,000	112
Barley	"	4,382	7,291	8,038	110
Rye	"	879	648	500	77
Mixed Grain	"	1,180	1,518	1,518	100
Flaxseed	"	321	1,323	to be announced	
Summerfallow	"	16,297	19,428	20,000	103
Marketings of:					
Cattle	number	1,008,874	1,320,000	1,420,000	108
Hogs	"	4,038,038	8,850,000	8,300,000	94
Sheep and Lambs ...	"	777,109	1,100,000	1,138,000	103
Eggs	1,000 doz.	236,895	374,772	397,263	106

February 23, 1945.

THIRD ESTIMATE 1944 CROPS

A rather substantial downward revision has been made in the production of oats in the third estimate of the crop which was published on January 22. On the basis of later yield estimates and disposition data the estimate of the crop in Saskatchewan and Alberta has been cut by 21.3 million bushels. The estimated output of barley in these two provinces has also been cut by 4.4 million bushels.

The third estimate of the Canadian oat crop in 1944 is 499.6 million bushels with 370.8 million bushels in the Prairie Provinces; the Canadian barley crop is placed at 194.7 million bushels with 178.4 million bushels in the Prairie Provinces. Rye is estimated at 8.5 million bushels with 7.1 million in the Prairie Provinces. The final estimate of these crops will not be made until January 1946, but further changes are unlikely.

Production of the principal grains by provinces is shown in the following table, rounded off to millions of bushels:

	Oats	Barley	Rye	Flaxseed	Shelled Corn	Mixed Grains
Prince Edward Island .	4.6	0.4	-	-	-	1.9
Nova Scotia	2.6	0.3	-	-	-	0.2
New Brunswick	6.7	0.5	-	-	-	0.5
Quebec	44.5	3.2	0.2	-	-	7.3
Ontario	66.7	11.2	1.2	0.2	11.0	40.7
Manitoba	61.0	54.7	0.6	1.8	0.7	1.2
Saskatchewan	198.0	72.0	4.8	6.4	-	3.8
Alberta	111.8	51.7	1.7	1.3	-	1.6
British Columbia	3.7	0.7	-	-	-	0.3
T o t a l	499.6	194.7	8.5	9.7	11.7	57.5

The production of forage crops during the past season shows little change from that of a year ago but the shelled corn crop recorded a marked improvement while fodder corn production exhibits little change.

FINAL ESTIMATE 1943 COARSE GRAIN CROPS IN WESTERN CANADA

The final estimate of the production of oats, barley, rye and flaxseed in the three Prairie Provinces in 1943 is tabulated below:

	Manitoba	Saskatchewan	Alberta	Total Prairie Provinces
- bushels -				
Oats	63,000,000	200,000,000	129,000,000	392,000,000
Barley	68,000,000	80,000,000	56,000,000	204,000,000
Rye	836,000	3,800,000	1,234,000	5,870,000
Flaxseed	2,800,000	11,500,000	3,300,000	17,600,000

FARMERS' MARKETINGS

Farmers in the West have this year marketed fewer oats than a year ago, but more barley. The farm supplies of both these grains have been smaller this year owing to reduced carry-overs at July 31, 1944, but country elevator space has been more readily available and delivery quotas more generous. At the present time about 65 per cent of all delivery points are on an open quota for oats and most of the remainder on a 10-bushel quota. A year ago 99 per cent were on a 10-bushel quota. Barley is now on an open quota basis while deliveries a year ago were limited to 10 bushels per authorized acre. It is likely, however, that total deliveries of these two grains during 1944-45 will be approximately the same as in 1943-44 when 144 million bushels of oats and 85 million bushels of barley were delivered.

The decreased deliveries of flaxseed this year reflect the smaller crop, but deliveries of rye are lower despite a higher production.

Marketings by provinces are shown in the following table, the records being those of the Statistics Branch of the Board of Grain Commissioners.

Deliveries August 1, 1944 to February 8, 1945

	O A T S		B A R L E Y	
	Bushels	% 1944 Harvest	Bushels	% 1944 Harvest
Manitoba	8,816,219	14.5	20,862,606	38.1
Saskatchewan	40,746,904	20.6	31,539,501	43.8
Alberta	16,693,605	14.9	11,481,440	22.2
T o t a l	66,256,728	17.9	63,883,547	35.8
Same Period in 1943-44 .	73,075,327	18.6	56,950,068	27.9

	R Y E		F L A X S E E D	
	Bushels	% 1944 Harvest	Bushels	% 1944 Harvest
Manitoba	175,193	28.6	1,240,519	70.4
Saskatchewan	2,093,653	43.6	4,623,198	72.2
Alberta	601,050	35.4	761,158	61.2
T o t a l	2,869,896	40.4	6,624,875	70.4
Same Period in 1943-44 .	3,304,043	56.3	13,757,496	78.2

PRODUCTION AND MARKETINGS IN PRAIRIE PROVINCES ^{1/}

Harvest Year	Seeded Acreage	Yield Per Acre	Total Production	Carry-over on Farms ^{2/}	Total on Farms	Farmers' Marketings ^{3/}	Per Cent of Supply Marketed
	acres	bu.	bu.	bu.	bu.	bu.	p.c.
<u>OATS</u>							
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	9,666,000	51.7	500,000,000	11,952,000	511,952,000	120,841,072	23.6
1943	11,789,500	33.2	392,000,000	102,000,000	494,000,000	144,046,208	29.2
5-year average .	9,127,500	32.8	306,100,000	36,760,800	342,860,800	73,186,163	21.3
1944	10,446,900	35.5	370,800,000	61,830,000	432,630,000	66,256,728 ^{4/}	15.3
<u>BARLEY</u>							
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	6,414,000	37.6	241,000,000	4,194,000	245,194,000	85,858,654	35.0
1943	7,896,000	25.8	204,000,000	40,000,000	244,000,000	85,234,231	34.9
5-year average .	5,254,800	25.8	140,740,000	12,053,200	152,793,200	48,123,501	31.5
1944	6,763,400	26.4	178,400,000	22,825,000	201,225,000	63,883,547 ^{4/}	31.7
<u>RYE</u>							
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	1,246,000	18.5	23,000,000	145,000	23,145,000	9,863,332	42.6
1943	498,100	11.8	5,870,000	6,000,000	11,870,000	4,692,981	39.5
5-year average .	912,440	13.7	12,961,800	1,486,800	14,448,600	6,042,029	41.8
1944	572,550	12.4	7,109,000	1,000,000	8,109,000	2,869,896 ^{4/}	35.4
<u>FLAXSEED</u>							
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	1,466,000	10.0	14,700,000	19,000	14,719,000	11,393,906	77.4
1943	2,918,400	6.0	17,600,000	385,000	17,985,000	14,409,711	80.1
5-year average .	1,203,720	7.3	8,553,200	89,860	8,643,060	7,003,653	81.0
1944	1,297,500	7.2	9,405,000	814,000	10,219,000	6,624,875 ^{4/}	64.8

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

^{2/} Stocks at end of July.

^{3/} August 1 to July 31, 1939-40 to 1943-44. Excludes minor quantities loaded over platforms prior to 1940-41.

^{4/} August 1, 1944 to February 8, 1945.

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 from January 1940 to January 1945.
(Long-time Average = 17.2)

Month	1940	1941	1942	1943 ^{1/}	1944 ^{2/}	1945 ^{2/}
January	20.5	21.4	20.0	21.4	18.1	18.3
February	20.0	20.4	20.0	21.4	18.1	
March	20.5	17.6	19.7	22.0	18.2	
April	18.9	17.7	19.5	22.0	18.2	
May	24.2	21.0	18.9	21.9	18.2	
June	31.0	22.0	18.3	21.2	18.3	
July	31.7	23.1	19.4	20.5	18.3	
August	32.2	24.9	21.3	20.4	18.3	
September	31.3	22.1	21.0	20.3	18.3	
October	26.1	22.3	23.4	20.2	18.3	
November	21.0	22.4	23.5	20.8	18.3	
December	23.4	21.1	23.5	21.1	18.3	

^{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, in October at 16.1, in November at 16.5 and in December at 16.7

^{2/} Including Equalization payment on barley and Subsidy on hogs.

FEED AND LIVE-STOCK PRICES

Although the spread between the price indexes of feed and animal products has narrowed during the crop year, feeds are still cheaper relatively to animal products than during the base year of 1926.

The index of feed prices has posted a substantial increase since August of this year as hay prices have made sharp advances. Small increases have also occurred in the prices of corn and rye. The index of live stock and live-stock product prices fell during August and September owing to a decline in the price of cattle and lambs. The upward trend in October is largely attributable to a seasonal increase in fluid milk subsidies. The following table shows the changes month by month during 1944 with comparative figures for the preceding three years.

Index Numbers of Feed Prices and Prices of Live Stock and Live-Stock Products
by Months, 1942-1945
1926=100

Month	1942		1943		1944		1945	
	Feed	Animal	Feed	Animal	Feed	Animal	Feed	Animal
January ...	102.4	101.5	96.3	116.2	101.4	123.8	115.5	122.7
February ..	105.8	102.1	100.2	116.8	103.0	124.1		
March	111.2	102.7	100.0	117.8	102.4	123.7		
April	109.4	103.7	99.2	118.2	102.6	123.4		
May	109.3	104.8	100.0	118.7	102.8	119.6		
June	107.2	107.0	99.7	119.4	102.7	120.2		
July	99.9	103.6	99.1	119.4	102.0	119.0		
August	93.8	102.9	97.2	118.6	102.1	117.9		
September .	89.8	112.3	97.8	117.6	107.7	117.8		
October ...	90.0	115.5	99.8	125.0	115.6	122.0		
November ..	88.8	116.3	101.3	125.7	116.1	122.5		
December ..	93.9	117.3	101.4	126.1	116.4	122.0		

RAIL MOVEMENT FORT WILLIAM-FORT ARTHUR

Shipments of grain from the Lakehead by rail are continuing at a fraction of the movement for last year. The recent heavy snowstorms have made transportation difficulties very acute. With box cars snowed in on sidings it is difficult to get sufficient cars to move grain for feeding in the East and wheat to the eastern seaboard for export. The impact of transportation difficulties on the supply of feed-stuffs in Ontario and Quebec has been cushioned by the use of grain accumulated in "feed banks" by the Feeds Administrator. These supplies are not sufficiently large to meet demands for any extended period and are intended only as an emergency supply. The needs of eastern feeders will, therefore, have to be met by continued rail shipments from the Lakehead.

The following table shows the shipments monthly during the present crop year together with comparative figures for last season.

	Wheat	Oats	Barley	Rye
- bushels -				
<u>1944-45</u>				
August	91,891	104,111	92,112	147,022
September	169,603	60,650	133,892	3,000
October	86,572	147,886	130,979	-
November	97,512	219,456	118,020	2,000
December	1,236,339	2,485,676	848,466	27,829
January	1,936,038	3,667,010	1,081,368	64,091
T o t a l	3,617,955	6,684,789	2,404,837	243,942
<u>1943-44</u>				
August	990,879	2,645,379	1,591,611	-
September	1,547,042	2,925,651	1,866,752	14,700
October	780,035	2,167,058	1,313,810	4,152
November	711,238	1,336,258	821,433	2,000
December	898,565	1,034,982	447,929	-
January	4,364,157	1,377,871	796,885	93,081
T o t a l	9,291,916	11,487,199	6,838,420	113,933

SHIPMENTS UNDER FREIGHT ASSISTANCE

The shipment of feedstuffs to Eastern Canada and British Columbia under the provisions of the Dominion Freight Assistance Policy during the present crop year does not measure up to the movement during the same period a year ago but remains very substantial. Wheat is exhibiting the smallest decrease; total shipments amount to 11.1 million bushels for the first five months of 1944-45 as compared with 14.5 million bushels for a similar period a year ago. The comparative figures for oats are 15.0 and 27.0 million bushels; for barley 13.8 and 21.0 million bushels and for millfeeds 286,308 tons and 302,098 tons.

The Maritime Provinces are actually taking more feed wheat this year than last but otherwise the reduction in shipments is fairly evenly distributed among the six provinces importing feedstuffs.

The following tables contain the distribution of shipments for the first five months of 1944-45 and the crop year 1943-44.

August 1, 1944 to December 31, 1944

Crop Year	Wheat	Oats	Barley	Rye	Screenings	Millfeeds
	bu.	bu.	bu.	bu.	tons	tons
<u>1944-45</u>						
Ontario	4,522,869	6,267,529	5,095,009	7,032	17,805	87,298
Quebec	3,971,176	6,184,088	6,810,768	8,152	10,305	120,988
New Brunswick	388,151	595,129	611,362	-	890	21,036
Nova Scotia	524,324	764,526	655,208	-	253	27,797
Prince Edward Is. ..	165,678	67,282	162,092	-	80	4,217
British Columbia ...	1,479,997	1,082,800	509,254	36	673	24,272
Total (5 months) ...	11,052,195	14,961,354	13,843,699	15,220	30,006	286,308

August 1, 1943 to July 31, 1944

<u>1943-44</u>						
Ontario	14,082,707	30,814,385	18,437,110	138,185	31,440	244,642
Quebec	8,362,922	13,958,426	14,573,022	93,284	11,074	282,876
New Brunswick	870,950	1,722,568	1,326,485	574	856	48,132
Nova Scotia	1,447,793	1,946,524	1,667,561	1,623	449	54,173
Prince Edward Is. ..	564,667	432,518	575,934	475	72	14,682
British Columbia ...	3,787,630	3,025,373	1,369,031	-	1,564	64,580
Total(12 months) ...	29,122,669	51,899,794	37,949,143	234,141	45,455	709,085

Correction: Shipments of screenings and millfeeds under Freight Assistance, as published in the November issue of this Quarterly, should read 3,342 tons and 44,179 tons respectively.

SHIPMENTS TO THE UNITED STATES

The shipments of Canadian grains to the United States during the first 29 weeks of the crop year aggregated about 144 million bushels with wheat accounting for more than one-half of this total. About 31 million bushels out of the 76 million of wheat shipped to the United States have, however, been re-exported overseas from American ports. During a similar period in 1943-44 Canada shipped over 107 million bushels of wheat south but about 70 million bushels of this wheat remained in the United States for live-stock feeding and milling in bond.

The movement of oats and barley to the United States, in contrast to wheat, has been greater than a year ago. This year we have moved out 40 and 22 million bushels respectively of these grains. In the similar period in 1943-44 oat shipments totalled 26 million bushels and barley shipments 16 million bushels.

Owing to a smaller crop this season Canada has shipped less than one-half as much flaxseed to the United States as a year ago.

The following table shows the shipments of the various grains and the areas from which they have been made during the 29 weeks ending February 15, 1945.

	Pacific Coast Terminals	Western Elevators	Fort William- Port Arthur	Eastern Elevators	Total
- bushels -					
Wheat	695,671	87,775	65,456,919	9,641,236	75,881,601
Oats	588,266	2,693,411	37,081,177	38,634	40,401,488
Barley	-	1,842,710	20,292,741	-	22,135,451
Rye	-	2,585	2,661,508	-	2,664,093
Flaxseed	-	-	3,115,438	-	3,115,438
T o t a l	1,283,937	4,626,481	128,607,783	9,679,870	144,198,071

COARSE GRAIN EXPORTS 1943-44

Exports of coarse grains from Canada during the past crop year went mainly to the United States as was also the case in 1942-43. The following are export clearance figures for coarse grains and flaxseed to all destinations during 1943-44. Since these statistics do not overlap at either the beginning or end of the crop year they are preferable to the Customs exports previously published.

	<u>Bushels</u>
Oats	74,737,335
Barley	36,103,102
Rye	8,107,902
Flaxseed	10,050,072

The exports of oats do not include rolled oats and oatmeal, which amounted to an equivalent of 2,569,000 bushels of oats during the crop year.

MILLFEEDS

The output of millfeeds during December was nearly 10,000 tons below the November level and a preliminary survey of returns for the month of January indicates a further reduction. Relatively to production exports have been very small. Millers of Ontario winter wheat are permitted to export 50 per cent of their wheat offal to the higher priced export market. In addition all millfeeds derived from the milling of flour for export to non-sterling countries in the Western Hemisphere, exclusive of the United States, may be exported. Export permits are also granted for small additional quantities of millfeeds which are being shipped to meet the feeding requirements of British colonies in the Western Hemisphere.

Since Canadian flour mills are now operating as near capacity as possible with the present labour and transportation difficulties it is not possible to meet the strong domestic demand for millfeeds. The favourable price relationship between millfeeds and other concentrates is partly responsible for this keen demand. The feeder in Ontario pays about \$24.75 net per ton for bran, while No. 4 wheat costs him about \$31.50 per ton. Standard bran is quoted at about \$41.50 per ton in Buffalo.

In the table which follows, the production, exports and domestic disappearance are shown by months.

Production and Use of Millfeeds

<u>1944-45</u>	<u>Production</u>	<u>Exports</u>	<u>Domestic Disappearance</u>
	tons	tons	tons
August	66,596	2,370	64,589
September	65,053	3,689	59,350
October	68,072	3,968	64,395
November	77,579	4,921	73,884
December	67,933	3,444	64,705
 Total (5 months)	 345,233	 18,392	 326,923

The breakdown of millfeed production during the first five months of the current season with comparative figures for the corresponding period in the crop year 1943-44 is as follows:

	<u>Bran</u>	<u>Shorts</u>	<u>Middlings</u>	<u>Total</u>
	tons	tons	tons	tons
<u>August-December</u>				
1943-44	138,051	136,601	67,338	341,990
1944-45	139,611	134,319	71,303	345,233

GRADING OF CROPS 1944-45

The following tabulation shows the grading of coarse grain and flaxseed inspected by the Board of Grain Commissioners between August 1, 1944 and January 31, 1945. Some old-crop is included in these inspection returns but the bulk of the cars contained grain grown in western Canada in 1944.

<u>OATS</u>	<u>Cars</u>	<u>BARLEY</u>	<u>Cars</u>
No. 2 C.W.	1,507	1 & 2 C.W. 6-Row	1,170
No. 3 C.W.	6,813	No. 3 C.W. 6-Row	7,153
No. 1 Feed	8,926	1 & 2 C.W. 2-Row	1,080
No. 2 Feed	1,536	No. 1 Feed	5,618
No. 3 Feed	185	No. 2 Feed	6,896
Toughs	1,038	No. 3 Feed	1,918
All Others	5,147	Toughs	5,542
		All Others	324
Total Cars	25,152	Total Cars	29,701
Bushel equivalent	60,267,210	Bushel equivalent	56,288,741
<u>RYE</u>	<u>Cars</u>	<u>FLAXSEED</u>	<u>Cars</u>
1 & 2 C.W.	324	No. 1 C.W.	3,905
No. 3 C.W.	696	No. 2 C.W.	138
No. 4 C.W.	55	No. 3 C.W.	41
Toughs	246	Toughs	57
All Others	97	All Others	18
Total Cars	1,418	Total Cars	4,159
Bushel equivalent	2,403,638	Bushel equivalent	6,758,500

The average gross contents of cars unloaded at Fort William-Port Arthur and the Pacific coast elevators during the first six months of the crop year 1944-45 was as follows:

	<u>Average bushels per car</u>
Oats	2,396
Barley	1,895
Rye	1,695
Flaxseed	1,625

COMMERCIAL DISPOSITION OF WESTERN GRAINS

The disposition of the commercial stocks of western grains during the past two crop years, as compiled by the Statistics Branch of the Board of Grain Commissioners is shown in the following tables. Quantities used for seed or fed on farms where produced are not included in this disposition.

Crop Year 1943-44

	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>
	- bushels -			
<u>Domestic Use</u>				
Flour mills	19,047,821	9,044,682	245,235	-
Feed plants, etc.	48,940,648	35,431,157	545,358	714,081
Crushers, etc.	-	-	-	4,318,404
Distilleries	-	-	153,384	-
Breweries	-	7,133,837	-	-
Total domestic	67,988,469	51,569,676	943,977	5,032,485
<u>Exported</u>				
United States	68,016,563	35,804,972	7,863,732	10,050,072
Others	265,565	298,130	244,170	-
Total disposition	136,270,597	87,672,778	9,051,879	15,082,557

Crop Year 1942-43

<u>Domestic Use</u>				
Flour mills	12,200,456	4,562,448	449,742	-
Feed plants, etc.	22,980,362	16,171,425	857,093	477,545
Crushers, etc.	-	-	-	3,267,147
Distilleries	-	-	69,261	-
Breweries	-	7,051,573	-	-
Total domestic	35,180,818	27,785,446	1,376,096	3,744,692
<u>Exported</u>				
United States	58,085,234	33,440,384	1,609,586	4,710,052
Others	776,933	288,960	51,953	491,881
Total disposition	94,042,985	61,514,790	3,037,635	8,946,625

These data indicate that the quantity of oats and barley drawn from commercial channels for domestic use have nearly doubled during the past crop year. Since these disposition data include grains shipped to the Eastern Provinces and British Columbia for feed this expansion is in large part attributed to increased freight assistance shipments. Exports of these grains to countries other than the United States during these two years have been negligible.

In addition to the above disposition some 22 million bushels of oats, 11 million bushels of barley, 0.6 million each of rye and flaxseed were used for seed in 1944. Feed accounted for an additional 206 million bushels of oats and 125 million bushels of barley in the crop year 1943-44.

CORN FOR HUSKING

The production of corn for husking was much higher in 1944 than during the preceding year; the estimates of production are 11.8 and 7.8 million bushels respectively. The 1943 season in Ontario was exceptionally dry and average yield per acre was only 33.8 bushels per acre as compared with 43.6 bushels this past year. Manitoba devoted 30,000 acres to corn last season and realized an average yield of 24 bushels to the acre.

Ontario

The production of husking corn in Ontario is largely confined to the southwestern section of the province. About 75 per cent of the total acreage is located in Kent and Essex counties while Lambton, Elgin, Middlesex and Norfolk account for another 20 per cent. It is always difficult to estimate the amount of corn that is being fed on farms and particularly so this year. During the past two months road conditions in many areas have been such that farmers have been unable to get their feed supply from their local market. As a result a considerable quantity of corn which was originally intended for market has been fed on the farm. The moisture content of this year's corn crop has also been very high and, especially in those areas where no drier is available, much of this grain will be fed locally to steers and hogs.

Grading of the 1944 Ontario Corn Crop

The following data on corn inspected up to January 31 are indicative of the good grade and high moisture content of the 1944 crop of eastern corn.

Inspections of Canadian Eastern Corn, August 1, 1944 to January 31, 1945

<u>Yellow Corn</u>	<u>Bushels</u>	<u>White Corn</u>	<u>Bushels</u>
1 C.E.	43,445	Damp 1 C.E.	1,607
2 C.E.	16,858		
Ex. Dry 1 C.E.	19,536		
Ex. Dry 2 C.E.	4,982		
Ex. Dry 4 C.E.	1,643		
Tough 1 C.E.	9,654	<u>Mixed Corn</u>	
Tough 2 C.E.	13,551		
Damp 1 C.E.	390,714	1 C.E.	1,333
Damp 2 C.E.	3,094	Damp 1 C.E.	3,267
Damp 3 C.E.	1,333	Moist 1 C.E.	9,468
Damp Sample C.E.	405		
Moist 1 C.E.	1,411,261		
Moist 2 C.E.	56,908		
Moist 3 C.E.	1,725		
Moist 4 C.E.	1,428		
Moist 5 C.E.	1,339		
Moist Sample C.E.	1,994		
Wet 1 C.E.	217,749	Total Eastern Corn ...	2,240,388
Wet 2 C.E.	24,002		
Wet 3 C.E.	3,092		

Manitoba

The acreage devoted to the production of corn in Manitoba is concentrated in the Red River Valley. The standing crop suffered losses from the extremely heavy rainfall during the late summer which also caused a high moisture content in the later maturing fields. It is estimated that the harvesting of about 10 per cent of the crop had to be delayed until the ground froze sufficiently hard to carry harvesting machinery. The quality of the crop was satisfactory but the following inspection data indicates a high percentage with an excessive moisture content.

Inspections of Canadian Western Corn August 1, 1944 to January 31, 1945

	<u>Bushels</u>
2 C.W. Yellow	19,144
3 C.W. Yellow	7,977
4 C.W. Yellow	7,976
5 C.W. Yellow	11,167
Sample	9,572
Tough	28,716
Damp	4,786
Moist	14,358
Wet	71,790
Total Western Corn	175,486

Small quantities of Manitoba corn have been shipped to British Columbia under the Freight Assistance Plan. These shipments totalled about 150,000 bushels in 1943-44 and about 55,000 bushels for the five months ending December 31, 1944.

Utilization in Canada

Statistics are not yet available covering the commercial utilization of corn in Canada during 1944 but the industrial disposition in the calendar years 1942 and 1943 is as follows:

	<u>1942</u>	<u>1943</u>
	<u>bushels</u>	
Stock and poultry feeds	1,717,178	1,259,857
Flour and grist mills	2,550,000	1,481,717
Breakfast foods	681,935	822,512
Biscuits, confectionery, etc.	18,510	16,317
Malt and malt products	41,374	50,517
Distilleries	1,700,817	410,183
Starch and glucose	5,011,177	5,036,750
T o t a l	<u>11,720,991</u>	<u>9,077,853</u>

The total for 1942 includes 3,410,526 bushels of imported corn, while that for 1943 includes 2,152,151 bushels. This imported corn was used by distillers and starch manufacturers with about 0.3 million bushels going to the farmer and 1.8 million to the latter. During the war years our corn imports have been almost entirely from the United States, although South Africa and Argentina contributed a substantial part of our larger pre-war imports. The United States this year harvested a record corn crop of 3,228 million bushels as compared with the 1933-42 average of 2,369 million bushels.

The rate of duty on imports of American corn is 10 cents per bushel to which must be added a war exchange tax of 10 per cent and an exchange premium of 11 per cent. This would put the price of No. 3 Yellow corn in Chicago at about \$1.49 per bushel.

The maximum price of Canadian Eastern and Western Yellow corn has been established at \$1.30, basis f.o.b. Montreal for corn with a moisture content up to 15.9 per cent. Additional discounts are established for specified ranges of moisture content exceeding this level.

The Dominion-Provincial Conference on Agriculture which met in Ottawa last December recommended that the acreage seeded to corn for husking be increased by 30 per cent in 1945 to 350,000 acres.

OIL-BEARING SEED CROPS

Flaxseed

The production of Canada's principal oil-bearing seed crops was down sharply in 1944 as compared with the previous year. The supply picture for these last two crop years is as follows:

	<u>1944-45</u>	<u>1943-44</u>
	million bushels	
Carry-over at July 31	3.6	3.7
New Crop	9.7	17.9
Total Supply	13.3	21.6
Exports		10.0
Available for domestic use		11.6
Domestic Disposition ^{1/}		
Dockage		2.7
Crushers		4.7
Seed		0.6
Total Domestic Disposition		8.0

1/ Preliminary

Farmers in the Prairie Provinces, where about 97 per cent of the crop was produced in 1944, had marketed about 6.4 million bushels of flaxseed during the first five months of the crop year. Shipments to the United States during this period accounted for 3.1 million bushels, while domestic crushers have processed about 1.6 million bushels. Crashings during the first five months of the 1943-44 crop year were slightly higher or about 1.7 million bushels.

Canada's supply for the present crop year will not permit of a volume of exports comparable to those of the 1943-44 crop year. If allowance is made for sufficient seed to plant three million acres, should such a program be recommended to farmers, and domestic crashings total five million bushels for the crop year, less than 2.5 million bushels would be available for export from January 1 to July 31 and/or for carry-over at July 31, 1945. This analysis is as follows:

	Million Bushels
Total supply for crop year 1944-45	13.3
Exports August 1 to December 31	3.1
Estimated crushings 1944-45	5.0
Dockage on new crop and farm carry-over	1.4
Seed for 3 million acres	1.5
T o t a l	11.0
Balance for export January 1—July 31 and for carry-over	2.3

The carlot price paid for the 1944 crop was fixed at \$2.75 per bushel for No. 1 C.W. flaxseed, basis in store Fort William-Fort Arthur or Vancouver. No announcement has yet been made regarding prices for the coming year nor has a recommendation been made to farmers respecting a desirable seeded acreage for 1945. Since the United States has been covering a portion of her oilseed deficit during the war years with the flaxseed imports from Canada her production policy with respect to this crop for 1945 is outlined here.

Flaxseed Production Policy in the United States

A very tight supply picture is in prospect for linseed oil in the United States during the coming summer. American production in 1944 amounted to only 23.5 million bushels as compared with 51.9 million bushels in 1943. A contraction in acreage was almost wholly responsible for this decline since average yields decreased by only half a bushel per acre. It is not likely that any importations from Argentina will be possible this year inasmuch as the new crop is only half the normal production and the shortage of petroleum necessitates the use of linseed oil as a substitute. Exports are now prohibited for these reasons.

In an effort to increase the acreage seeded to flaxseed in the coming season the United States has established a goal of 5 million seeded acres which is 65 per cent more than was seeded in 1944. This objective has been broken down by States and the latter will in turn be subdivided into county objectives "mainly on the basis of adaptability of soil, availability of land, equipment and labour and acreage and production of flaxseed in the county in recent years. Individual farm goals will be set on the basis of the same factors".

As an incentive to farmers to produce flaxseed, payments of \$5. per acre will be made to farmers for each acre planted to flaxseed, up to the number of acres set for each farmer as his farm goal. Congress has authorized an expenditure of \$30 million for this purpose. Flaxseed in the United States has been trading at the ceiling level of \$3.10 per bushel for No. 1 seed at Minneapolis. Crop insurance covering either 50 or 75 per cent of the average yield will be available to producers during the 1945 season.

Soybeans

The production of soybeans for beans is estimated at 681,820 bushels in 1944 as compared with 569,100 in 1943. There was little change in acreage during the two years, the higher production being largely attributable to better yields. The commercial production of beans was virtually confined to the province of Ontario during the past year as Manitoba harvested only 5,000 bushels for beans.

A higher proportion of soybeans is this year finding its way to market than in 1943. Although the total harvest of beans in Ontario in 1943 was estimated at 545,000 bushels, sales off farms were placed at 323,000 bushels. Sales off farms may this year run as high as 490,000 bushels.

The counties of Essex and Kent account for over four-fifths of the total bean output. A very good crop was harvested on Pelee Island with some fields averaging over 30 bushels to the acre and an average of 23 bushels being reported. About 130,000 bushels of beans were harvested and over 127,000 bushels sold. Marketings from the mainland portion of Essex county were at least 96,000 bushels. Nearly 200,000 bushels were marketed from Kent county and around 32,000 bushels from Elgin county. It is thought that Lambton and Middlesex counties between them will account for commercial marketings of about 40,000 bushels. Most of the beans produced in Huron and Norfolk counties are used as protein supplements on the farms where they are grown.

Over 324,000 bushels of soybeans have been inspected in the Eastern Division between August 1 and January 31, but receipts at eastern elevators to date exceed 435,000 bushels.

Canada's domestic supplies of soybeans were supplemented in 1944 by the importation of about 280,000 bushels. Some 17,000 tons of soybean cake and meal, out of a total available supply of 23,000 tons, were also imported. The maximum price of soybeans in Canada has been fixed at \$2.15 per bushel, in bulk, for No. 1 or No. 2 Canada grade at Toronto, Winnipeg, Lethbridge or Vancouver. On October 27 discounts were established from this maximum price for each one per cent of moisture content above 14 per cent. Recognizing the other cash crops, such as corn, white beans and sugar beets, with which soybeans have to compete, the farmers of Canada's Agricultural Program for 1945 estimated the probable soybean acreage (for beans only) at 40,000 acres. At the same time, it was pointed out that there existed a domestic outlet for a much greater quantity of beans than this acreage would provide.

The production of soybeans in the United States in 1944 was 193 million bushels or about the same size as the 1943 crop. There exists a keen demand in liberated Europe for soybean oil and meal from North America owing to the shortage of fats and high protein feeding supplements. Prior to the war Manchuria supplied the greater proportion of the soybeans entering into world trade.

Rapeseed

The production of rapeseed in Canada in 1944 was concentrated in the province of Manitoba where nearly two-thirds of the crop was grown. Saskatchewan ranked second and smaller amounts were grown in Ontario and Alberta. During the first six months of the crop year, i.e., from August 1 to January 31, the Canadian Wheat Board had purchased nearly 2.7 million pounds of rapeseed from the western crop. This does not represent the whole of deliveries during this period, however, as crushing firms in the West have bought seed directly for their own use. Although more than 260,000 pounds of rapeseed have been delivered by producers in Ontario this is not a sufficient volume to permit of economical crushing by itself and much of this seed will be used in bird seed mixtures. Crushers have not yet started to process this year's crop but are expected to start operations very soon. During the calendar year 1944 about 824,000 pounds of rapeseed oil, which is the equivalent of about 2.7 million pounds of seed, were imported. Should the 1944 crop prove as large as the first estimate the domestic crop will provide the major source of supply during the current year.

The following is a summary of production and purchase by the Canadian Wheat Board of the 1944 rapeseed crop:

	Acreage	Yield Per Acre	Production	Purchased by C.W.B. Aug. 1 - Jan. 31
	acres	pounds	pounds	pounds
Ontario	600	650	390,000	
Manitoba	6,000	700	4,200,000	
Saskatchewan	4,800	400	1,920,000	
Alberta	630	143	90,000	
T o t a l	12,030	540	6,600,000	2,655,033

The Agricultural Program for 1945 recommended that 20,000 acres be sown to rapeseed in the coming year. This recommended acreage is 175 per cent of that seeded in 1944 and is allocated on the basis of 12,000 acres to Manitoba, 6,000 to Saskatchewan and 2,000 to Alberta. Assuming that an average yield of 750 pounds per acre is realized in Manitoba and 400 pounds per acre in Saskatchewan and Alberta the yield in 1945 will approximate 12.2 million pounds.

Sunflower Seed

The commercial production of sunflower seed in Canada in 1944 was confined to the two provinces of Manitoba and Saskatchewan with the crop estimated at 8.5 million pounds. Up to February 8 receipts of sunflower seed at country elevators totalled about 4.9 million pounds. The Canadian Wheat Board had purchased the greater part of this seed although some goes to commercial seed houses in the Prairie Provinces.

The final estimate of the 1943 crop was 5,302,500 pounds. Since receipts at country elevators during 1943-44 amounted to 5,295,677 pounds, the final production estimate may well have been slightly low inasmuch as farmers held seed for the next season and not all seed marketed would pass through country elevators.

The Canadian Wheat Board has been buying all sunflower seed offered to it at a price of 5 cents per pound for No. 1 C.W., delivered f.o.b. shipping points named by the Board.

Acreage and production for 1944, together with receipts at country elevators, are as follows:

	Acreage	Yield Per Acre	Production	Receipts at Country Elevators Aug. 1 - Feb. 8
	acres	pounds	pounds	pounds
Manitoba	11,300	500	5,650,000	
Saskatchewan	6,000	475	2,850,000	
T o t a l	17,300	491	8,500,000	4,930,705

During the past three years Canada has imported an average of about 21 million pounds of sunflower seed oil which is the product of approximately 85 million pounds of seed. Argentina's new crop of sunflower seed, estimated at 1,764 million pounds is less than 80 per cent of the preceding crop. The Canadian Agricultural Program for 1945 contains a recommendation to the effect that the area planted to sunflowers should be increased to 27,000 acres.



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PRICES

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

Crop Year 1944-45

August September October November December January

cents and eighths per bushel

OATS

No. 2 C.W.	51/4	51/2	51/4	51/4	51/4	51/4
No. 3 C.W.	51/4	50/6	51/4	51/4	51/4	51/4
No. 1 Feed	51/2	50	51/4	51/4	51/4	51/4
No. 2 Feed	50/1	48/4	50/6	50/2	49/7	49/6
No. 3 Feed	48/7	47	48/6	48/2	46/7	47/7

BARLEY

Nos. 1 and 2 C.W. 6-Row ...	64/6	64/6	64/6	64/6	64/6	64/6
No. 3 C.W. 6-Row	64/6	64/6	64/6	64/6	64/6	64/6
Nos. 1 and 2 C.W. 2-Row ...	64/6	64/6	64/6	64/6	64/6	64/6
No. 1 Feed	64/6	64/6	64/6	64/6	64/6	64/6
No. 2 Feed	64/6	64/6	64/5	64/6	64/6	64/6
No. 3 Feed	64/6	64/6	62/4	64/6	63/4	64/6

RYE

No. 2 C.W.	105	95/2	104/3	108/2	109/7	116/3
No. 3 C.W.	99/7	90/2	99/6	103/1	104/4	111/1
No. 4 C.W.	94/6	84/5	98	101/1	101/2	107/4
Ergoty.....	91/6	81/5	90/6	94/2	95/6	101/4
Rejected 2 C.W.	93/6	83/5	92/6	96/2	97/6	103/4

FLAXSEED

No. 1 C.W.	275	Fixed Prices
No. 2 C.W.	271	
No. 3 C.W.	262	
No. 4 C.W.	258	

CORN

Eastern and Western Yellow
Corn with less than
15.9 per cent moisture ... 1.05 maximum price