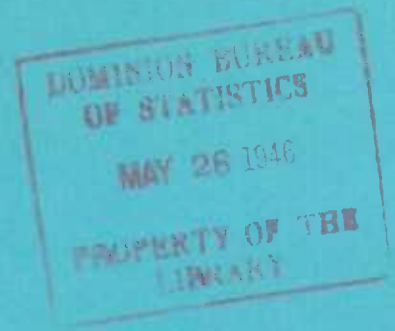


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CANADA

DOMINION BUREAU OF STATISTICS  
AGRICULTURAL BRANCH



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# CANADIAN COARSE GRAINS

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## QUARTERLY REVIEW

MAY, 1946

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### TABLE OF CONTENTS

	<u>Page</u>
The Feed Situation in Canada .....	1
Acreage Intentions in 1946 .....	3
Production and Marketings in Prairie Provinces .....	4
Farmers' Marketings .....	5
Farmers' Marketings by Crop Districts .....	6
Farm Stocks on March 31, 1946 and Use of Wheat for Feed .....	8
Wheat Fed to Live Stock and Poultry; Shipments to United States .....	9
Commercial Disposition of Western Grains .....	10
Live Stock and Poultry Population in Canada .....	11
Rail Movement from Fort William-Port Arthur .....	12
Freight Assistance Shipments .....	13
Hog-Barley Ratio and Feed and Live-Stock Prices .....	14
Millfeeds .....	15
Oilcake and Oilcake Meal .....	16
Oilseed Crops .....	17
Telegraphic Crop Report .....	18
Prices .....	19
United States Situation .....	20





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THE FEED SITUATION IN CANADA

Feed Grain Supplies Low - During the past few months Canadian grain supplies have been disappearing at a rapid rate and the over-all picture at the present time seems to suggest the development of a relatively tight situation, particularly among certain varieties of the feed grains. In addition, due in part to transportation problems, there may be some difficulty in assuring an even distribution of available supplies. A cool, wet spring in the Maritimes, Quebec and parts of Ontario has retarded pasture growth and necessitated the continued stabling of live stock and a further drain on the dwindling feed-grain stocks. Offsetting this situation, is the fact that Canada's expanded wartime live-stock population is continuing a decline, which became evident in the middle of 1945.

March 31 Stocks - By March 31, 1946 the total supply of coarse grains in all positions had reached the lowest level for that date since 1942. The huge backlog of feed supplies provided by the bumper crop of 1942 has been largely depleted over the ensuing years and now Canadian oat stocks as of March 31, 1946 stand at 168.1 million bushels as against 243.0 million at the same date a year ago and barley supplies have shrunk to 66.9 million bushels, 22.3 million bushels less than the March 31 stocks of 1945.

Prairie Farm Stocks of Grain Depleted - The Prairie Provinces, the source of much of our feed grain supply for eastern Canada and British Columbia, revealed that their March-end farm stocks of grain had declined still further from the high mark established at March 31, 1943. After assuming that the rate of live-stock feeding, which was set during the first eight months of the current crop year, will continue for the remainder of the season and, after making allowances for seed for the new crop and for probable marketings to the end of July, the year-end carry-over farm stocks of oats in western Canada will not likely exceed 20 to 25 million bushels, while barley stocks will be reduced to the absolute minimum required, until the new crop becomes available.

Feed Wheat Conservation is Necessary - Feed wheat supplies have become extremely scarce and early in April the Feeds Administrator advised the eastern Canadian grain and feed trade of the critical situation with respect to supplies of wheat for feeding purposes. He suggested that they help to adjust this situation by (1) reducing to the absolute minimum the use of wheat in all manufactured mixed feeds, especially cattle and hog feeds, and if at all possible, confine the use of wheat to poultry feeds exclusively, using the minimum quantity required for that purpose; (2) encouraging retail dealers to substitute oats and barley for wheat in sales to their customers, and (3) advising their customers that they should order no more wheat than is absolutely necessary, and that in the interests of all concerned they should not accumulate supplies. The release of 2.5 million bushels of lower grade wheat to famine-stricken countries has created a further drain on feed wheat supplies.

Millfeed Exports Embargoed - Despite a record production of millfeeds in Canada, domestic demand continues to outstrip supplies. In order to conserve all possible millfeed stocks for home use, the Feed Administrator announced at the end of February that permits for the export of millfeeds would be discontinued until June 15 at least.

Barley Situation - Barley exports have been embargoed since early in the present crop year and will continue to be prohibited until the end of the season. Any easing of these restrictions during the coming crop year will, of course, depend on the size of the 1946 crop. On April 30, farmers indicated that they intended to sow an acreage of barley in 1946 some 8 per cent below that of a year ago. As barley stocks have become increasingly difficult to obtain in eastern Canada, eastern barley reserve stocks have been released in order to meet urgent requirements.

Purchase Policy for Oats and Barley - In an effort to further safeguard the Canadian live-stock industry by acquiring and holding sufficient quantities of oats and barley, the Agricultural Supplies Board, through the Feeds Administration, has been buying at the ceiling price of 51 1/2 cents for oats and 64 3/4 cents for barley, basis in store at Fort William-Port Arthur, all oats and barley of all grades, including toughs, but excepting oats and barley grading damp and rejected mixed heated.

Exports Down During First Nine Months of 1945-46 - Exports of oats during the first nine months of the current crop year have amounted to 30.5 million bushels as against 84.0 million bushels for the comparable period a year earlier. Recently, Canada permitted the sale of 5 million bushels of oats for export to Europe for human consumption. Barley exports, all on commitments made previous to the export restriction order, have totalled 5.5 million bushels as compared with 30.1 million shipped out during the nine-month period of 1944-45.

Acreage Changes Indicated in Western Canada, 1946 - The following table sets out the prospective changes in the acreages to be seeded to the principal grain crops in the Prairie Provinces during the 1946 season. These estimates were obtained from a survey of farmers' intentions at April 30. Seeding conditions during the spring have been generally favourable and a large share of the grain crops were sown early.

	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Prairie Provinces</u>
	- acres -			
Increases:				
Wheat .....	405,000	1,905,000	955,000	3,265,000
Rye .....	1,700 <u>1/</u>	51,000	2,000	57,300
Decreases:				
Oats .....	51,000	515,000	300,000	866,000
Barley .....	150,000	294,000	164,000	608,000
Flaxseed .....	39,000 <u>2/</u>	33,000	15,000	9,000

1/ Decrease. 2/ Increase.

In the event that average yields are realized on the intended acreage, the oat crop in the Prairie Provinces would amount to 303 million bushels and the barley crop would total about 145 million bushels. A year ago farmers in western Canada harvested oats and barley crops amounting to 273.5 million and 144.0 million bushels respectively.

Price Policy for 1946-47 - As in 1945-46, a minimum price of 45 cents per bushel for No. 2 C.W. oats, basis Fort William-Port Arthur, will be guaranteed for the 1946-47 season. The oats equalization fund will again operate in 1946-47, with an advance payment of 10 cents per bushel made on delivery. The guaranteed minimum price of 60 cents per bushel for top grades of barley at the Lakehead will be continued during the coming season. The barley equalization fund will operate in 1946-47 and advance equalization payments of 15 cents per bushel will be made on delivery. Premiums up to 5 cents per bushel will be paid for malting barley.



## ACREAGE INTENTIONS IN 1946

Canadian farmers indicated that at April 30, they intended to seed approximately three million more acres to wheat in 1946 than they did in 1945. This increase in wheat acreage will be achieved largely at the expense of oats, barley and summerfallow, although a considerable acreage will also be seeded on new breaking and previously idle cultivated land. The acreage devoted to flaxseed will remain at approximately the same level as in 1945. Except in the case of oats, it now appears that the grains acreage intentions figures for the coming year will bear little direct relationship to the acreages recommended by the Dominion-Provincial Agricultural Objectives Conference in December 1945. Wheat acreage has increased by 13 per cent above the recommendations, while barley and flaxseed were each more than 15 per cent below the suggested figures.

The largest acreage changes appear to be in prospect for the Prairie Provinces. Manitoba intends to sow considerably more wheat and flaxseed this year, while wheat and rye acreages are scheduled for substantial increases in Saskatchewan and Alberta. In all of the Prairie Provinces the oats and barley acreages are expected to be reduced..

In the event that the intended acreage increase is realized, Canada's wheat acreage in 1946 will almost equal the 26.8 million acres seeded in 1939. However, it would still be well below the record year of 1940, when some 28.7 million acres were devoted to wheat.

In the following table acreage intentions for Canada as a whole are compared with the acreage goals set at the Dominion-Provincial Conference.

	1945 Acreage	Intentions in 1946		Acreage Objectives 1946
		p.c. of 1945	Acres	
<u>Canada</u>				
Wheat (all types) ...	23,414,100	113	26,451,000	23,414,100
Oats .....	14,393,200	95	13,691,900	14,310,200
Barley .....	7,350,100	92	6,737,500	8,000,000
Rye (all types) .....	487,100	108	525,100	487,100
Flaxseed .....	1,059,200	99	1,049,000	1,250,000
Summerfallow .....	19,859,000	94	18,724,000	19,397,000

### Prairie Provinces

The shifts that have taken place in acreage seeded to the principal grain crops in the three Prairie Provinces during the war years will be seen in the following table: (thousand acres)

	Wheat	Oats	Barley	Flaxseed	Summerfallow
1934-39 (average) .....	24,464	8,765	3,455	285	15,552
1940 .....	27,750	7,818	3,622	364	17,226
1941 .....	21,140	8,137	4,735	982	23,111
1942 .....	20,653	9,666	6,414	1,466	19,979
1943 .....	16,091	11,790	7,896	2,918	20,637
1944 .....	22,444	10,447	6,763	1,298	19,428
1945 .....	22,566	10,749	6,859	1,034	19,859
Average 1940-45 .....	21,774	9,768	6,048	1,344	20,116
1946 1/ .....	25,831	9,883	6,251	1,025	18,724

1/ Intentions indicated on April 30, 1946.

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>							
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	144,276,857	29.2
1944 .....	10,446,900	35.5	370,800,000	61,830,000	432,630,000	135,964,571	31.4
5-year average ..	9,571,480	34.3	333,960,000	43,826,600	377,786,600	93,312,631	24.7
1945 .....	10,749,000	25.4	273,500,000	54,500,000	328,000,000	88,315,706 4/	26.9
<u>BARLEY</u>							
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	85,549,252	35.1
1944 .....	6,763,400	26.4	178,400,000	22,825,000	201,225,000	76,627,540	38.1
5-year average ..	5,886,080	26.5	160,220,000	15,453,000	175,673,000	59,110,240	33.6
1945 .....	6,859,000	21.0	144,000,000	17,000,000	161,000,000	59,920,500 4/	37.2
<u>RYE</u>							
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	4,690,383	39.5
1944 .....	572,550	12.4	7,109,000	1,000,000	8,109,000	4,087,348	50.4
5-year average ..	824,130	13.5	11,643,600	1,617,800	13,261,400	5,813,333	43.8
1945 .....	410,000	10.9	4,476,000	465,000	4,941,000	2,784,826 4/	56.4
<u>FLAXSEED</u>							
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	14,239,167	79.2
1944 .....	1,297,500	7.2	9,405,000	814,000	10,219,000	7,172,674	70.2
5-year average ..	1,405,520	7.4	10,044,200	251,700	10,295,900	8,059,284	78.3
1945 .....	1,034,000	7.1	7,338,000	750,000	8,088,000	4,691,462 4/	58.0

1/ Includes Peace River Block in British Columbia.

2/ Stocks at end of July.

3/ August 1 to July 31, 1940-41 to 1944-45.

4/ August 1, 1945 to May 9, 1946.



# FARMERS' MARKETINGS

During the first forty weeks of the current crop year the volume of oats, barley, rye and flaxseed delivered by farmers in the Prairie Provinces was substantially below that for the corresponding period a year ago. This can be largely attributed to the reduced farm carry-over of these grains at the beginning of the 1945-46 season, together with smaller crops harvested in 1945. This fact is further illustrated, particularly in the case of barley and rye, by comparing the percentage of the 1945 crop delivered during the current forty-week period with the percentage of the 1944 crop delivered during the same period a year ago. It will be seen that although the 1945-46 percentages are larger than they were last year, the volume delivered is considerably smaller than it was in 1944-45. The deliveries of oats reveal the greatest absolute reduction with 88.3 million bushels marketed so far this year, as against 106.4 million during the first forty weeks of previous past season.

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, 1945 to May 9, 1946

	OATS		BARLEY	
	Bushels	% 1945 Crop	Bushels	% 1945 Crop
Manitoba .....	13,822,575	25.4	22,164,366	42.2
Saskatchewan .....	54,356,839	38.0	28,335,086	52.0
Alberta .....	20,136,292	26.5	9,421,048	25.5
T o t a l .....	88,315,706	32.3	59,920,500	41.6
Same Period in 1945 ....	106,379,836	38.7	70,157,283	39.3

	RYE		FLAXSEED	
	Bushels	% 1945 Crop	Bushels	% 1945 Crop
Manitoba .....	199,120	52.5	1,620,922	57.9
Saskatchewan .....	1,630,489	62.2	2,527,152	66.5
Alberta .....	955,217	64.7	543,388	73.6
T o t a l .....	2,784,826	62.2	4,691,462	63.9
Same Period in 1945 ....	3,780,645	53.2	6,821,929	72.5

# FARMERS' MARKETINGS OF COARSE GRAINS AND FLAXSEED BY CROP DISTRICTS

CROP YEAR 1944-45

The following tables give a breakdown of the coarse grains and flaxseed marketed by farmers in the Prairie Provinces in 1944-45 according to the marketing channel through which the grain passed. Deliveries to country elevators are further classified by crop districts. These are revised data compiled by the Statistics Office of the Board of Grain Commissioners.

## Total Farmers' Deliveries of Coarse Grains and Flaxseed, Crop Year 1944-45

<u>Prairie Provinces</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>
	- bushels -			
Country Elevators .....	133,146,083	74,868,405	4,085,052	7,040,503
Interior Private & Mill .	1,009,838	402,935	24,331	87,540
Platform Loadings .....	383,311	399,331	12,601	16,388
Interior Terminals .....	76,123	19,231	-	9,450
T o t a l .....	134,615,355	75,689,902	4,121,984	7,153,881

## Farmers' Marketings Through Country Elevators

	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>
	- bushels -			
<u>Manitoba</u>				
Crop District 1 .....	1,192,832	1,176,560	15,219	138,866
2 .....	1,594,856	3,283,113	9,653	108,038
3 .....	3,546,058	5,498,672	21,205	276,241
4 .....	1,776,563	1,563,512	10,416	42,714
5 .....	384,229	522,938	7,677	15,003
6 .....	53,290	27,117	2,197	24,657
7 .....	2,390,353	3,298,663	36,923	153,943
8 .....	1,411,184	2,291,399	23,057	86,041
9 .....	1,269,870	1,548,321	6,716	203,606
10 .....	3,508,468	2,329,737	36,489	37,339
11 .....	928,787	1,399,332	22,502	77,171
12 .....	164,705	189,789	796	39,719
13 .....	550,952	908,125	36,837	5,705
14 .....	104,152	126,901	3,171	5,469
Sub. Div. Fort Frances Station, Stratton, Ontario ..	8,283	3,951	683	8,945
Total - Manitoba .....	18,884,582	24,168,130	233,541	1,223,457



FARMERS' MARKETINGS THROUGH COUNTRY ELEVATORS

	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>
	- bushels -			
<u>Saskatchewan</u>				
Crop District 1A .....	5,064,726	3,442,716	119,840	560,052
1B .....	5,952,180	2,533,987	77,610	76,822
2A .....	4,706,323	2,418,823	51,224	341,863
2B .....	4,331,251	3,058,383	89,187	275,957
3AN .....	1,140,130	1,297,470	170,349	135,462
3AS .....	1,583,145	1,380,758	29,184	753,445
3BN .....	1,529,335	1,263,078	326,818	472,962
3BS .....	923,064	936,804	52,416	179,438
4A .....	369,581	419,677	147,247	61,555
4B .....	152,332	148,241	76,938	142,275
5A .....	6,167,474	2,074,917	257,696	80,125
5B .....	7,726,304	2,187,461	134,492	63,140
6A .....	5,141,485	2,237,305	118,363	294,206
6B .....	4,837,244	2,515,869	412,954	453,381
7A .....	844,839	624,421	11,921	733,627
7B .....	7,249,559	886,731	170,444	106,813
8A .....	3,125,748	3,705,758	19,954	58,370
8B .....	3,631,218	2,482,398	45,621	100,168
9A .....	5,270,875	1,917,643	363,096	64,389
9B .....	8,691,007	1,201,834	272,207	29,206
Total - Saskatchewan ...	78,437,820	36,734,274	2,947,561	4,983,256
<u>Alberta</u>				
Crop District 1 .....	7,636	37,772	15,692	40,759
2 .....	47,996	25,222	28,515	143,098
3 .....	62,644	34,059	5,531	113,741
4 .....	438,728	261,593	75,818	134,194
5 .....	556,524	137,571	41,488	60,355
6 .....	2,806,725	1,730,799	220,591	116,891
7 .....	5,493,692	860,636	183,409	28,615
8 .....	8,116,084	3,469,503	135,741	32,311
9 .....	641,578	995,313	35,470	2,264
10 .....	7,171,409	2,629,663	78,580	42,272
11 .....	3,504,996	1,538,645	13,750	7,776
12 .....	16,429	8,298	178	1,481
13 .....	498,580	422,692	8,749	2,316
14 .....	2,033,089	1,479,303	21,026	17,088
15 .....	1,055,466	156,109	512	8,673
16 .....	2,893,710	139,483	38,900	55,988
Total - Alberta .....	35,345,286	13,926,661	903,950	807,822
British Columbia .....	478,395	39,340	-	25,968



## FARM STOCKS ON MARCH 31, 1946

The total stocks of oats held on farms at March 31, 1946 totalled 130.5 million bushels as compared with 200.6 million bushels at the same date a year ago. Farm-held barley stocks amounted to 41.0 million bushels, nearly 30 per cent below the 57.3 million held on farms at March 31, 1945. Stocks of rye, 0.7 million bushels, were substantially lower than the 1.8 million bushels on farms a year earlier. Flaxseed stocks also show a significant decline from nearly 2.0 million bushels in 1945 to 1.4 million on farms as of March 31, 1946.

While the above data are for Canada as a whole, the bulk of the farm-held grain stocks is concentrated in the surplus grain-growing area of the Prairie Provinces. Of the total farm stocks of oats in Canada, some 104.5 million bushels, or 80 per cent, were to be found in western Canada. At the same time, the Prairies claimed 38.7 million bushels or nearly 95 per cent of the farm-held barley stocks.

From the following table it will be noted that, although the March-end stocks of coarse grains, except rye, are substantially above the average for the 1935-39 period, they are well below the wartime average, 1940-44.

### Stocks of Wheat and Coarse Grains on Farms in the Prairie Provinces

at March 31, 1935-1946

	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>
	- 000 bushels -				
Average 1935-39 ...	45,955	61,266	13,999	1,145	168
1940 .....	98,500	92,115	22,090	2,559	312
1941 .....	163,500	91,020	24,890	3,963	610
1942 .....	98,000	71,000	32,500	2,800	1,094
1943 .....	321,000	314,500	131,000	14,600	3,200
1944 .....	207,250	194,000	83,000	2,450	3,100
Average 1940-44 ...	177,650	152,527	58,696	5,274	1,697
1945 .....	149,000	164,000	54,000	1,575	1,920
1946 .....	101,700	104,500	38,700	586	1,388

It should be remembered that the farm-held grain stocks of the end of March include the amount to be used as seed for the 1946 crop, as well as the quantities required for live stock and poultry feeding during the remaining third of the crop year—the balance to be divided between marketings and July 31 carry-over stocks of sufficient magnitude to meet farm requirements until new grain is available.

### USE OF WHEAT FOR FEED

The estimated quantities of wheat used for feed in the province in which it was produced during the August 1 to July 31 period indicate that some 39.2 million bushels of wheat will have been fed by the end of the current crop year as compared with 49.9 million bushels fed during the 1944-45 season. The downward trend in the feeding of wheat which became apparent last year is, therefore, continuing. This estimate of wheat used for feed excludes western wheat which was moved under the Federal Freight Assistance Policy to the eastern provinces and to British Columbia to be fed to live stock. Freight assistance shipments of wheat for the 8-month period ending March 1946 amounted to 19.1 million bushels.

# Wheat Fed to Live Stock and Poultry

Province	Production 1944	Fed Crop Year 1944-45		Production 1945	Fed and to be fed Crop Year 1945-46 1/	
		p.c. 1944 crop	Quantity		p.c. 1945 crop	Quantity
	000 bu.	p.c.	000 bu.	000 bu.	p.c.	000 bu.
Prince Edward Island	128	60	77	80	61	49
Nova Scotia .....	32	80	26	21	80	17
New Brunswick .....	60	63	38	41	75	31
Quebec .....	506	87	440	398	85	338
Ontario .....	21,679	67	14,500	20,828	60	12,500
Manitoba .....	50,300	11	5,700	40,000	9	3,700
Saskatchewan .....	242,100	6	14,500	162,000	6	10,300
Alberta .....	99,300	13	13,000	80,000	13	10,500
British Columbia ...	2,530	65	1,645	2,544	70	1,781
CANADA .....	416,635	12	49,926	305,912	13	39,216

1/ Preliminary estimate, subject to revision.

## SHIPMENTS TO UNITED STATES

Total shipments of grain from Canada to the United States for re-export or retention during the first forty weeks of the current season amounted to almost 85 million bushels. When compared with shipments for the corresponding period a year ago, the total grain movement to the south so far this year is about 55 per cent less. Shipments of each of the five grains during the August to May period of 1945-46 reveal substantial decreases below those of the same period in 1944-45. Flaxseed movement to the United States showed the greatest percentage decrease, with a reduction of about 90 per cent below that of a year ago.

The following table shows the shipments of the various grains and the areas from which they have been made during the 40 weeks ending May 9, 1946.

	Pacific Coast Terminals	Western Elevators	Fort William- Port Arthur	Eastern Elevators	Total
			- bushels -		
Wheat ....	15,000	87,992	54,794,227	6,805,695	61,702,914
Oats .....	773,410	928,760	13,744,170	1,646,699	17,093,039
Barley ...	-	220,056	3,958,304	1,666	4,180,026
Rye .....	-	-	1,635,455	-	1,635,455
Flaxseed..	-	2,170	367,210	-	369,380
T o t a l.	788,410	1,238,978	74,499,366	8,454,060	84,980,814



# 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.

	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>
	- bushels -			
<u>Crop Year 1944-45</u>				
<u>Domestic Use -</u>				
Flour mills .....	28,017,212	11,655,331	179,845	-
Feed plants, etc. ...	35,772,623	27,530,091	351,878	488,517
Crushers, etc. ....	-	-	-	3,016,247
Distilleries .....	-	-	411,015	-
Breweries .....	-	8,591,659	-	-
Loss in handling ....	190,279	105,726	5,866	10,898
Total Domestic .....	63,980,114	47,882,807	948,604	3,515,662
<u>Exported -</u>				
United States .....	68,859,912	35,793,931	5,067,140	4,327,362
Others .....	7,937,803	3,612,587	1,120,443	-
Total Disposition .....	140,777,829	87,289,325	7,136,187	7,843,024
<u>Crop Year 1943-44</u>				
<u>Domestic Use -</u>				
Flour mills .....	19,047,821	9,004,682	245,235	-
Feed plants, etc. ...	48,274,228	38,515,420	772,323	714,081
Crushers, etc. ....	-	-	-	3,965,936
Distilleries .....	-	-	153,384	-
Breweries .....	-	7,133,837	-	-
Loss in handling ....	143,396	251,000	78,500	30,557
Total Domestic .....	67,465,445	54,904,939	1,249,442	4,710,574
<u>Exported -</u>				
United States .....	68,402,609	35,804,972	7,863,732	10,050,072
Others .....	265,565	298,130	244,170	-
Total Disposition .....	136,133,619	91,008,041	9,357,344	14,760,646

A comparison of the above tables reveals that the quantities of oats, barley, rye and flax drawn from commercial channels for domestic consumption during the season 1944-45 were closely in line with those of a year earlier. Total exports of oats and barley during the 1944-45 season were larger than during the previous year, while rye and particularly flaxseed exports were reduced. The United States remained the principal importer of these Canadian grains.

In addition to the above disposition some 33 million bushels of oats, 13 million bushels of barley, 0.8 million of rye and about 0.6 million bushels of flaxseed were used for seed in 1945. Feed accounted for an additional 380 million bushels of oats and 150 million bushels of barley during the 1944-45 season.



## LIVE STOCK AND POULTRY POPULATION IN CANADA

Canada's over-all live-stock numbers, which expanded more or less steadily during the war years, revealed by the December 1, 1945 survey a continuance of the decline which became evident in June of 1945 and, in the case of hogs, as early as June 1944. According to the December 1, 1945 survey the number of all classes of live stock, as well as poultry, have registered losses when compared with the population figures of the same date a year ago. Cattle numbers showed a decrease of nearly 3 per cent as a result of the very heavy marketings in 1945, particularly in the last half of the year. Hog numbers displayed the largest percentage decline when they dropped 23.5 per cent below the December 1, 1944 totals. The numbers of sheep as well as those of poultry have declined by approximately 13 per cent below their respective population figures of a year ago.

The following table sets forth the numbers of live stock and poultry on farms in Canada, as of December 1, for the past three years:

	<u>1943</u>	<u>1944</u>	<u>1945</u>
Cattle .....	9,506,000	10,257,900	9,960,800
Swine .....	9,473,000	7,646,800	5,853,100
Horses .....	2,845,000	2,780,300	2,663,100
Sheep .....	2,733,000	2,821,500	2,455,800
Hens, Chickens ....	57,512,000	61,918,300	53,717,700

Hog numbers in the Prairie Provinces displayed the greatest decline when they dropped more than 30 per cent below the December 1, 1944 figures. The greatest provincial reduction occurred in Saskatchewan where they declined over 40 per cent, while both Alberta and Manitoba registered decreases of approximately 30 per cent.

Decreases of over 4 per cent in cattle numbers occurred in New Brunswick, Quebec, Manitoba and Saskatchewan. The numbers of milk cows on farms at December 1, 1945 were only slightly below those of the previous year, the reduction amounting to 1.9 per cent.

Provincial totals of the principal types of live stock and poultry on Canadian farms as at December 1, 1945 are listed below:

	<u>Cattle</u>	<u>Swine</u>	<u>Horses</u>	<u>Sheep</u>	<u>Hens and Chickens</u>
Prince Edward Island .	102,100	62,600	27,100	28,000	890,700
Nova Scotia .....	210,200	68,100	35,000	95,400	1,090,000
New Brunswick .....	195,900	79,600	45,500	54,400	1,082,400
Quebec .....	1,799,800	1,030,000	400,800	543,900	9,600,500
Ontario .....	2,822,300	1,714,300	504,800	440,100	16,938,600
Manitoba .....	904,800	400,600	255,700	145,000	5,085,000
Saskatchewan .....	1,795,800	849,700	791,000	393,600	8,868,200
Alberta .....	1,771,300	1,399,000	546,200	680,800	6,139,900
British Columbia .....	358,600	55,200	57,000	74,600	2,022,400
<b>T o t a l s .....</b>	<b>9,960,800</b>	<b>5,853,100</b>	<b>2,663,100</b>	<b>2,455,800</b>	<b>53,717,700</b>

# RAIL MOVEMENT FORT WILLIAM—PORT ARTHUR

The rail movement of grain from the Lakehead during the first nine months of the present crop year tends to indicate a preference accorded to bread grains with regard to available box-car space. Shipments of wheat during the nine-month period ending April 1946 have increased to 11.4 million bushels from 5.7 million shipped during the corresponding period a year ago; rye movement increased from 0.2 million during the first nine months of the 1944-45 crop year to over 0.5 million during the current season.

At the same time, coarse grain shipments, especially those of oats, have declined. While the barley movement shows no significant reduction, oat shipments have declined from 12.5 million in 1944-45 to 9.2 million during the August to April period of 1945-46.

Despite the early opening of navigation on the Great Lakes this spring, the rail shipments of grain in April 1946 failed to reveal the decline which was widened in the same month a year earlier. On the contrary, in the case of oats and barley, the April rail movement has displayed an increase above that of the two previous months.

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>1945-46</u>				
August .....	23,255	119,004	73,451	12,000
September .....	57,533	245,986	233,729	11,000
October .....	73,776	224,427	123,897	3,000
November .....	99,197	135,740	35,941	21,732
December .....	2,280,636	1,035,367	688,060	11,310
January .....	4,533,707	2,313,500	1,624,006	183,000
February .....	1,127,764	1,192,514	824,524	37,450
March .....	2,223,266	1,756,601	799,149	230,982
April .....	1,015,730	2,157,563	1,063,837	35,891
T o t a l .....	11,434,864	9,180,702	5,466,594	546,365
<u>1944-45</u>				
August .....	91,891	104,111	92,112	-
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	1,081,367	64,091
February .....	764,629	2,095,612	919,559	21,507
March .....	1,091,909	2,372,905	1,615,269	39,828
April .....	196,042	1,374,638	567,098	4,500
T o t a l .....	5,670,535	12,527,944	5,506,762	162,755



## FREIGHT ASSISTANCE SHIPMENTS

Preliminary data on payments made in March on feed grains moved to Eastern Canada and British Columbia under the Federal Freight Assistance program indicate a close parallel between the shipments made during the first eight months of the current season and those of the corresponding period in 1944-45. Wheat and oats shipments reveal small increases this year, while the movement of barley has declined slightly.

Ontario continues to receive the major share of the total grain shipments, with over one-half of the wheat and nearly one-half of the oats and barley shipments being destined for that province. On the other hand, Quebec has absorbed over 40 per cent of the millfeed shipments.

The following tables contain the distribution of shipments for the first eight months of 1945-46 and the crop year 1944-45.

### August 1, 1945 to March 31, 1946

Crop Year	Wheat	Oats	Barley	Rye	Screen- ings	Mill- feeds
	bu.	bu.	bu.	bu.	tons	tons
<u>1945-46</u>						
Ontario .....	8,983,710	15,367,888	9,757,739	725	25,165	157,457
Quebec .....	6,085,140	11,309,626	8,958,857	1,123	11,448	204,723
New Brunswick .....	663,589	1,386,006	972,517	-	1,725	35,915
Nova Scotia .....	721,771	1,540,709	1,031,077	-	487	37,899
Prince Edward Island .	355,925	321,559	360,550	-	7	9,980
British Columbia .....	2,272,892	2,240,711	772,375	-	1,754	38,913
Total (8 months) .....	19,083,027	32,166,499	21,853,115	1,848	40,586	484,887

### August 1, 1944 to July 31, 1945

<u>1944-45</u>						
Ontario .....	11,570,500	20,562,021	12,793,623	9,371	39,026	234,863
Quebec .....	8,294,162	14,887,094	13,390,619	9,227	23,893	300,675
New Brunswick .....	883,238	1,751,805	1,348,448	150	2,530	50,828
Nova Scotia .....	1,130,533	1,931,518	1,409,856	70	687	58,348
Prince Edward Island .	407,586	243,291	412,690	-	216	11,883
British Columbia .....	3,742,623	3,303,573	1,213,608	36	1,889	62,331
Total (12 months) ....	26,028,642	42,679,302	30,568,844	18,854	68,241	718,928



# HOG-BARLEY RATIO

In the following table is shown the number of bushels of No. 1 Feed barley equivalent in price to 100 pounds of B-1 hog at Winnipeg, by months, from January 1941 to April 1946.

(Long-time Average = 17.2)

	1941	1942	1943 1/	1944	1945 2/	1946 2/
January .....	21.4	20.0	21.4	18.1	18.3	17.1
February .....	20.4	20.0	21.4	18.1	18.3	17.3
March .....	17.6	19.7	22.0	18.2	18.3	17.1
April .....	17.7	19.5	22.0	18.2	18.4	18.9
May .....	21.0	18.9	21.9	18.2	18.5	
June .....	22.0	18.3	21.2	18.3	19.0	
July .....	23.1	19.4	20.5	18.3	19.1	
August .....	24.9	21.3	20.4	18.3	18.0 3/	
September .....	22.1	21.0	20.3	18.3	18.2 3/	
October .....	22.3	23.4	20.2	18.3	17.2 3/	
November .....	22.4	23.5	20.8	18.3	17.0	
December .....	21.1	23.5	21.1	18.3	17.0	

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.

3/ Revised.

## FEED AND LIVE-STOCK PRICES

During the past three months the margin between the index of live stock and animal product prices and that of feed prices gradually increased, owing largely to a reduction in the latter index, occasioned by a decline in hay prices. A further decline in the index of feed prices was avoided when the price of rye posted slight gains.

On the basis of the present relationships between the index of live-stock and animal product prices and that of feed prices, the situation still remains favourable to the live-stock producer.

Index Numbers of Feed Prices and Prices of Live Stock and Live-Stock Products  
by Months, 1943-1946 (1926= 100)

Month	1943		1944		1945		1946	
	Feed	Animal	Feed	Animal	Feed 1/	Animal	Feed	Animal
January ...	96.3	116.2	101.4	123.8	115.5	122.7	108.3	125.0
February ..	100.2	116.8	103.0	124.1	117.3	122.7	108.3	125.6
March .....	100.0	117.8	102.4	123.7	118.3	123.6	105.7	126.1
April .....	99.2	118.2	102.6	123.4	113.6	124.2	104.6	126.5
May .....	100.0	118.7	102.8	119.6	113.0	121.1		
June .....	99.7	119.4	102.7	120.2	113.7	122.4		
July .....	99.1	119.4	102.0	119.0	114.2	122.3		
August ....	97.2	118.6	102.1	117.9	109.3	121.4		
September .	97.8	117.6	107.7	117.8	108.5	119.5		
October ...	99.8	125.0	115.6	122.0	107.0	124.8		
November ..	101.3	125.7	116.1	122.5	106.9	125.5		
December ..	101.4	126.1	116.4	122.0	108.3	125.4		

1/ Revised.

## MILLFEEDS

Despite the maintenance of high levels of production, the supplies of millfeeds remain extremely tight, with the demand exceeding the supply. Total output during the month of March reached 79,318 tons, the highest monthly production so far this season. Production for the first eight months of the current crop year now amounts to 585,483 tons, some 36,227 tons above the eight-month total of 1944-45. Of the 1945-46 eight-month total production, more than 95 per cent was retained in Canada for domestic consumption.

Late in February the Feeds Administrator announced that effective February 28, permits for the export of millfeeds would be discontinued until at least June 15. Any exports in the meantime will be made on account of previous commitments.

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

### Production and Use of Millfeeds

<u>1945-46</u>	<u>Production</u>	<u>Exports</u>	<u>Domestic Disappearance</u>
	tons	tons	tons
August 1945 .....	68,104	3,716	63,696
September .....	68,403	4,272	61,824
October .....	75,259	3,551	72,406
November .....	76,768	3,255	74,349
December .....	72,425	3,397	68,857
January 1946 ....	74,088	4,018	70,824
February .....	71,118	2,742	68,094
March .....	79,318	3,313	77,949
Total (8 months).	585,483	28,264	557,999

The breakdown of millfeed production during the first eight months of the current season with comparative figures for the corresponding period in the crop year 1944-45 is as follows:

	<u>Bran</u>	<u>Shorts</u>	<u>Middlings</u>	<u>Total</u>
	tons	tons	tons	tons
<u>August-March</u>				
1944-45 (Revised)	223,906	212,407	112,943	549,256
1945-46 .....	251,084	232,229	102,170	585,483



## OILCAKE AND OILCAKE MEAL

The tremendous expansion in the production of oilcake and oilcake meal which occurred during the war years as a result of the wartime expansion of Canada's live-stock population has continued up to the end of 1945. Although supplies of these by-products of the oilseed crushing industry have increased with the expansion of the Canadian crushing capacity, the demand still remains far in excess of supply and even now these products are, in many instances, practically unobtainable.

Flaxseed remains the principal source of oilcake meal for the domestic market. Since 1939, when the production of linseed oilcake and oilcake meal totalled 35,372 tons, output has increased quite rapidly until it reached 86,508 tons in 1945. At the same time, exports have been curtailed during the past seven years in order to conserve supplies for home consumption which has more than tripled during that time.

The production of soy bean oilcake and oilcake meal has remained relatively small up until 1945, when it increased by more than two and a half-times above that of the previous year. Offsetting this gain was a drastic reduction in imports last year when they dropped to less than a thousand tons from over 16 thousand tons in 1944. As a result, there was no significant change in the amount made available to domestic users in 1945. Like linseed oilcake and oilcake meal, the soy bean by-product has been in heavy demand for use in the preparation of commercial mixed feeds.

The following table sets out the production, imports, exports and domestic consumption of linseed oilcake and oilcake meal in Canada since 1935 and partial statistics covering soy bean oilcake and oilcake meal for a similar period.

### Linseed Oilcake and Oilcake Meal

	<u>Production</u>	<u>Imports</u>	<u>Exports</u>	<u>Apparent Domestic Consumption</u>
			- tons -	
1935 .....	28,961	121	5,741	23,341
1936 .....	36,781	107	7,351	29,537
1937 .....	41,249	82	6,140	35,191
1938 .....	28,583	203	5,076	23,710
1939 .....	35,372	107	8,396	27,083
1940 .....	47,073	122	7,603	39,592
1941 .....	52,091	2,312	4,720	49,683
1942 .....	59,439	575	758	59,256
1943 .....	68,400	-	79	68,321
1944 .....	80,011	-	14	79,997
1945 .....	86,508	-	1,154	85,354

### Soy Bean Oilcake and Oilcake Meal

1935 .....	1/	5,965	-	-
1936 .....	572	2,644	-	3,216
1937 .....	1,682	10,401	-	12,083
1938 .....	1,651	23,836	-	25,487
1939 .....	2,264	22,483	-	24,747
1940 .....	2/	21,307	-	-
1941 .....	2/	20,898	-	-
1942 .....	2/	16,778	-	-
1943 .....	2/	16,457	-	-
1944 .....	9,358	16,634	-	25,992
1945 .....	23,203	991	-	24,194

1/ Not available.

2/ Figures confidential, less than three companies producing.



## OILSEED CROPS

### FLAXSEED

Total stocks of Canadian flaxseed in all positions at March 31, 1946 totalled 3.9 million bushels as compared with the 6.0 million bushels in all positions at the same date a year ago. Of the 1946 total, some 1.4 million bushels, or more than one-third of the stocks, were to be found on farms, 2.4 million in elevators and 0.1 million in transit by rail. At the end of March of this year, there were no stocks of Canadian flaxseed stored in the United States, while at the same date a year ago some 0.2 million bushels were to be found in that country.

Up to the end of April of the present crop year, farmers in the Prairie Provinces had delivered approximately 4.7 million bushels to the Canadian Wheat Board. During the same period the Wheat Board sold approximately 4.5 million bushels to Canadian crushers, about 0.4 million for export to the United States crushers and some 1,500 bushels for export to other countries. After making allowances for seed requirements and estimated deliveries of about 0.2 million bushels for the last three months of the current season, western Canadian farm carry-over stocks at the end of July 31, 1946 may be reduced as low as 0.5 million bushels.

On April 30, Canadian farmers indicated that they intended to sow 1,049,000 acres during the 1946 season as compared with 1,059,200 acres in 1945. In the event of an average yield this year, total production may reach well over 8 million bushels. When compared with the 1,250,000 acres suggested by the Dominion-Provincial Conference in December 1945, it will be seen that the acreage intentions are about 15 per cent below the recommendations.

This response is not encouraging in the light of the present world-wide shortage of both fats and vegetable oils and the Government's attempt to stimulate increased production by raising prices. On March 25, 1946, the Minister of Trade and Commerce announced that the Government proposes to increase the present guaranteed price of flaxseed from \$2.75 per bushel to \$3.25 per bushel, basis No. 1 C.W. flaxseed in store Fort William-Port Arthur or Vancouver, effective August 1, 1946, for the crop year 1946-47.

### RAPESEED AND SUNFLOWER SEED

The 1945-46 program for rapeseed and sunflower seed will be continued in the 1946-47 season. The Canadian Wheat Board is authorized to purchase the 1946 crop of rapeseed at 6 cents per pound for seed in a reasonably clean condition with a moisture content not exceeding 10 per cent, delivered f.o.b. shipping points named by the Board. In the case of sunflower seed, the 1946 crop will be purchased by the Canadian Wheat Board at 5 cents per pound for seed in reasonably clean condition, delivered f.o.b. shipping points named by the Board.

### UNITED STATES SITUATION

The United States Bureau of Agricultural Economics reports that on the basis of farmers' plans on March 1, flaxseed acreage in 1946 may total 3.5 million acres, or 14 per cent less than a year earlier. At the same time farmers have indicated that they will reduce the acreage devoted to soy beans and peanuts. This reduction in oilseed acreages in the United States is largely attributed to moderately higher prices received for competing crops—corn, wheat and cotton—this season than last, while prices for oil crops are little changed from those of a year ago.

Direct payments will be made to growers on sales of the 1946 flaxseed crop, with the payments representing the difference between the support price of \$3.60 per bushel, Minneapolis basis and the market price whenever the latter is below the \$3.60 level.

## SUMMARY OF TELEGRAPHIC REPORT FOR MAY 14

Weather in the Maritimes and Quebec has been generally backward, with work on the land just getting under way in most areas. Conditions in western and central Ontario have favoured early spring work and seeding is practically complete. Cold, wet weather has delayed progress in eastern Ontario. Spring work in the Prairie Provinces is well advanced with wheat seeding practically completed in Manitoba and nearing completion in Saskatchewan and Alberta. Sowing of coarse grains is coming along well. Weather conditions in Manitoba were generally ideal for early seeding as were conditions in Saskatchewan and Alberta until late April. Recently, however, cold weather with heavy, dry winds in some areas of the latter two provinces has deterred progress to some extent.

Very little seeding has been done in the Maritimes to date due to generally cool weather and heavy precipitation. There is evidence of considerable winter-killing of clover and grasses particularly in New Brunswick. Cool weather in the Annapolis Valley of Nova Scotia has retarded the budding of fruit trees and enhanced their chances of escaping frost damage this year.

In Quebec little work has been accomplished on the land as yet. Winter-killing appears to have been relatively slight in most districts. Western and central Ontario are relatively dry while spring work in eastern Ontario has been hampered by cold, wet weather. Fruit blossoms have been damaged by frost in parts of the peninsula and Georgian Bay regions but damage in the Niagara and Burlington areas is deemed negligible.

Conditions in the Prairie Provinces may be considered generally favourable to date but precipitation since April first has been well below normal in all three provinces. Mean temperatures were above normal in April but in the last week have been below normal. General rains are now needed in many areas to promote germination and growth and to eliminate the danger of serious soil drifting in southern Alberta and Saskatchewan.

Seeding is well advanced throughout British Columbia. Crop and pasture conditions are reported to be favourable in nearly all areas. Tree and small fruits wintered well and prospects at present appear to be excellent.



# PRICES

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

	<u>April</u>		<u>1945-1946</u>		
	1944	1945	February	March	April
- cents and eighths per bushel -					
<u>CATS</u>					
No. 2 C. W. ....	51/4	51/4	51/4	51/4	51/4
No. 3 C. W. ....	51/4	51/4	51/4	51/4	51/4
No. 1 Feed .....	51/4	51/4	51/4	51/4	51/4
No. 2 Feed .....	51	49/3	51/4	51/4	51/4
No. 3 Feed .....	50	48	51	51/4	51/4
<u>BARLEY</u>					
Nos. 1 and 2 C.W. 6-Row ...	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
Nos. 1 and 2 C.W. 2-Row ...	64/6	64/6	64/6	64/6	64/6
No. 1 Feed .....	64/6	64/6	64/6	64/6	64/6
No. 2 Feed .....	64/6	64/6	64/6	64/6	64/6
No. 3 Feed .....	63/6	64/6	64/6	64/6	64/6
<u>RYE</u>					
No. 2 C.W. ....	131/6	144/2	252/1	243/5	264/5
No. 3 C.W. ....	126/7	139/2	247/1	236/3	258/4
No. 4 C.W. ....	121/3	129/2	239/3	227/7	246/6
Ergoty .....	116/6	121/7	211/6	197/7	213/7
Rejected 2 C.W. ....	120/3	124/2	220/2	214/7	231/6
<u>FLAXSEED</u>					
No. 1 C.W. ....	250	275	275	275	275
No. 2 C.W. ....	246	271	271	271	271
No. 3 C.W. ....	237	262	262	262	262
No. 4 C.W. ....	233	258	258	258	258
<u>CORN</u>					
No. 3 C.W. Yellow, moisture content 20% ....	80	97/4	97/4	97/4	97/4

## UNITED STATES SITUATION

The Crop Reporting Board of the Department of Agriculture announced that, as of April 1, 1946, the total amount of feed grains on farms in the United States was the lowest for the date since 1938, with the exception of April 1, 1944. The supply of corn, amounting to about 1,072 million bushels, was 19 per cent smaller than the 1,325 million bushels of a year ago and the smallest since 1938. April 1 stocks of barley at 70.3 million bushels, were the smallest since these data have been available (April 1, 1940). On the other hand, a record quantity of oats, 578.6 million bushels, remained on farms at April 1, 1946, about 36 per cent above the 426 million bushels on farms April 1, 1945 and about 44 per cent above the ten-year April 1 average of 401 million bushels. Current farm stocks of oats represent about 37 per cent of the 1.5 billion bushel crop produced in 1945. The holding of these larger than usual quantities of oats on farms can be attributed in part to the existence of large amounts of soft corn in some areas which had to be fed as soon as possible in order to prevent spoilage.

Disappearance of grain, represented by farm utilization and by movement away from the farms was exceptionally heavy during the first three months of 1946. During that time, the disappearance of corn amounted to 859 million bushels, about 8 per cent more than during the same period a year ago and 36 per cent greater than the ten-year average disappearance of 633 million bushels for the quarter. Barley disappearance from farms from January 1 to March 31 of this year was about 56 million bushels, compared with 50 million in the first quarter of 1945, and an average of about 70 million bushels for the quarter in the 1940-44 period when production each year was larger than last year. Although farm stocks of oats, at April 1, were the highest on record for that date, disappearance from farms has been at a rapid rate. During the first quarter of 1946 about 410 million bushels disappeared from farms as compared with 316 million bushels for the corresponding period in 1945 and the ten-year average disappearance for the quarter of only 275 million bushels. With a continued heavy disappearance of grain anticipated during the second quarter of 1946, it is estimated that the carry-over of corn and barley at June 30 will be at fairly low levels, although the oats carry-over may be the largest on record.

It is reported that the supplies of feed grains and by-product feeds per animal unit for the period January to June of this year are about 5 per cent smaller than in the corresponding period of 1945. It is estimated that the output of by-product feeds during the first half of 1946 will be some 10 to 15 per cent smaller than for the same period a year earlier. This is largely accounted for by the reduction in wheat millfeeds, cottonseed cake and meal, corn gluten feed and meal and in distillers' dried grains. Recent enforcement of higher extraction rates in flour milling has resulted in a reduction of one-third in the millfeed output. A significant decrease in cottonseed crushings during the first six months of 1946 has reflected itself in a reduction of the total supply of oilseed cake and meal by some 10 per cent below that of the same period a year ago.

Despite the fact that total supplies of feed grains are fairly large and total production of by-product feeds during 1945 and early 1946 has been at near-record levels, available market supplies for the past several months have been far short of the exceptionally strong commercial demand at ceiling prices. While feed supplies in surplus feed production areas are regarded as being generally adequate for local use, many grain processors, feed mixers, and farmers in deficit areas are finding it increasingly difficult to obtain feed grain and it is anticipated that the extremely tight supply situation will become most acute during the April to June period with no relief in sight before the new crop becomes available in quantity.



In an effort to ease the critical feed situation during the second quarter of 1946 and to obtain more equitable distribution of market supplies of feed grains as well as to conserve grain supplies, several measures were instituted by the Government during February and March. Sales or deliveries of wheat mill-feeds to other than feeders or persons regularly engaged in the business of manufacturing or distributing feed are prohibited. Limitations have been placed on receipts of wheat millfeed and its use in the manufacture of mixed feed. The quantities of protein meal that may be handled in any month are limited, and processors are required to set aside specified quantities of their production for directed distribution. Beverage distillers were authorized to purchase and use an amount, equivalent to 5 full days' mashing capacity for the manufacture of beverage spirits during each month, March through June, of any grain other than (1) wheat or wheat products, (2) corn grading Nos. 1, 2 and 3 when purchased. Restrictions have also been placed on the quantity of rye to be used in producing beverage spirits.

Under War Food Order 145, effective April 1, 1946, widespread restrictions have been placed on the purchase and use of grain, particularly corn and sorghum grains. Principal restrictions on the use of grain under the Order are as follows:

1. Purchase of grain, grain products, or grain by-products by a livestock feeder are restricted to an amount which will allow him (a) to feed hogs up to but not to exceed 225 pounds; (b) to finish cattle up to but not better than Grade A; (c) to feed during the period April through September 1946, not more than 80 per cent of the number of poultry fed during the corresponding months of 1945. (Later (c) part of this restriction was amended to remove the restriction on the amount of grain and grain products fed to poultry until June 1, 1946).

2. The monthly use of grain, grain products, or grain by-products by a mixed feed manufacturer is restricted to not more than 80 per cent of the total quantity (including wheat and wheat millfeeds) used by him during the corresponding month of 1945.

3. Corn wet processors' monthly use of corn or sorghum grain is limited to not more than 80 per cent of the average quantity of those grains used during the first six months of 1945.

4. Food manufacturers' and corn dry processors' monthly use of corn or sorghum grain is limited to not more than 85 per cent of the average monthly use of those grains during 1945.

5. Feed grains may not be used in making any mixture of grains (grain base mix) for sale as an ingredient in the manufacture of mixed feed.

The Order also imposes various corn and sorghum grain inventory restrictions applicable to feeders, mixed feed manufactures, food manufacturers, wet processors and dry processors. These restrictions, generally, prohibit purchases or delivery of corn or grain sorghums if the user's inventory of those grains exceeds a 45-day supply based on specified permitted use.

Livestock feeders' inventories of oats, barley, wheat or other grains except corn are not restricted under W.F.O. 145 nor were restrictions placed on the purchase or use of oats or barley by food manufacturers or malsters.



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Although it appears that the above government orders resulted in some lessening of the demand for available market supplies of feed during April and May, there still remained a greater demand at ceiling prices than could be met by the market supplies. In order to meet the urgent demand for grain, the government, in the middle of April, instituted a grain purchase program which included the buying of 50 million bushels of the best quality corn at ceiling prices plus a bonus of 30 cents per bushel. This corn was to be used principally for export as a food and not for feed. Despite the fact that only about two-thirds of the quantity called for in the original goal was realized by May 11, the program was terminated owing to the announcement by the Government on May 8 of a new grain price policy.

This new policy, effective May 13, and providing for increased ceiling prices, sharply changed the price relationships between feed and livestock and livestock prices with the result that livestock-feed price relationships are now considered unfavourable for livestock feeding, particularly for hog and poultry producers and cattle feeders. Increases in grain price ceilings ranging from 8 to 35 per cent were announced as follows: Corn 25 cents per bushel; oats 5 cents per bushel; barley 9 cents per bushel; grain sorghums 18 cents per hundred pounds. Price ceilings on wheat were increased 15 cents per bushel; and on rye 10 cents per bushel. This action also provided for substantial increases in by-product feed price ceilings.

As a result of the higher price ceilings, the recent downtrend in livestock is likely to be accelerated in the coming months. Some increase in commercial supplies of feed grain is anticipated, but supplies probably will not be as large as last summer.

According to farmers' intentions as indicated on March 1, the area devoted to corn, oats, barley and sorghums in 1946 will total about 166 million acres, only slightly more than a year ago. Corn acreage is expected to increase from 92,867,000 acres in 1945 to 92,993,000 in 1946. Prospects for spring wheat indicate an acreage of 18,961,000 acres in 1946 as against 18,658,000 a year ago. Anticipated acreages of oats and barley for 1946, with 1945 acreage figures in brackets, are 46,444,000 (45,234,000) and 11,521,000 (11,429,000) acres, respectively.

If yields on the prospective acreage are about equal to the average for the past five years, the 1946 production of feed grains would be about the same as in 1945. Considering the smaller total carry-over in prospect, total supplies of feed grains for 1946-47 would be about 2 per cent less than in the current season. Although livestock feed requirements may be smaller in 1946-47 than during the current season, the prospective supply does not appear to allow for as heavy use of feed grains next year as this season and at the same time maintain reserves which for corn and barley will be at lower levels this summer than are desirable.