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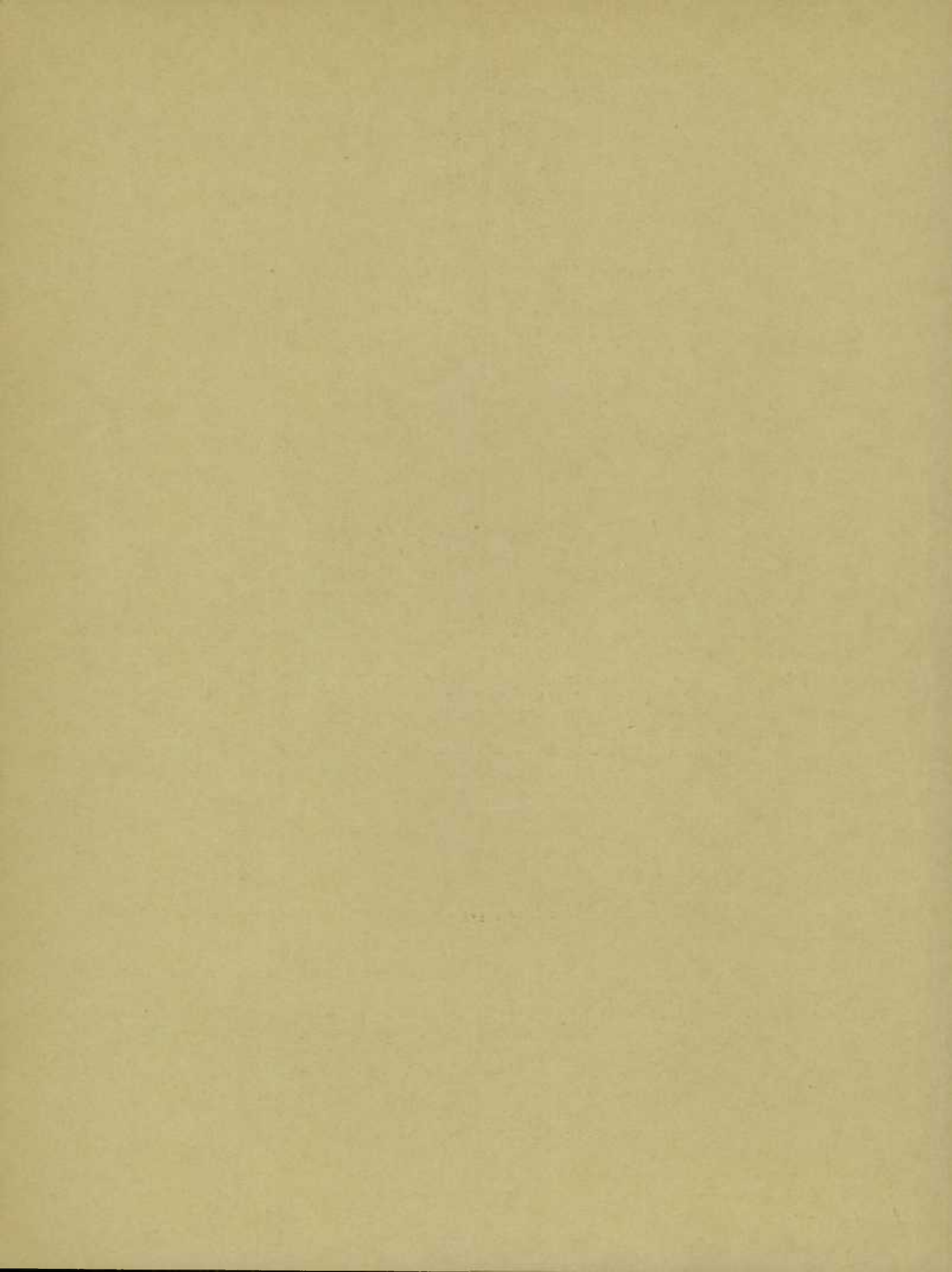
MONTHLY REVIEW OF THE WHEAT SITUATION

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THE WORLD WHEAT SITUATION - SUMMARY

As the second month of the war draws to a conclusion the wheat situation is characterized by a slow world export movement, a return to steadier prices, and the continued existence of a surplus world stocks position, which in turn is modified only tentatively by the autumn drought situation in the United States hard winter wheat belt. World wheat shipments which had been averaging better than 10 million bushels weekly during August of this year have dropped to a weekly average of less than 8 million bushels since September 1. Australian shipments, which have not been reported since the beginning of the war, would not materially alter this comparison. The slowing up in the world export movement is, of course, directly related to the disruption in shipping and in import buying which has occurred during the initial stages of the war. Meanwhile, abrupt price changes in grain markets which marked the opening of war have disappeared. Winnipeg and Chicago markets have shown little net change in the past month, and Winnipeg cash prices have been holding mainly just above the Canadian Wheat Board's guaranteed level of 70 cents to growers.

World wheat production in 1939 is presently estimated at 4,273 million bushels, being second only to the record world crop of 1938 which exceeded this year's production by 290 million bushels. The 1939 world carry-over, however, estimated by the Food Research Institute at 1,101 million bushels exceeds the 1938 world carry-over by 514 millions and the 1939 world production and carry-over combined amount to a record total of 5,374 million bushels, in comparison with total world supplies of 5,150 million bushels for the 1938-39 season. European production in 1939 is 123 million bushels less than in 1938. The whole of this reduction occurred in the importing countries, because production in the Danube Basin is practically unchanged from last year. Among the exporting countries Canada holds the major exportable surplus, although Argentina is likely to have a record old-crop carry-over at January 1, 1940, and prospects for the new crop continue favourable. In view of autumn drought conditions the United States can afford to pursue a policy of light exports for the present, and Australia will have no appreciable export supplies until the new crop is harvested.

The United States continues to experience a major autumn drought in the hard winter wheat belt. Only two rains of any significance occurred on September 29 and October 8. The former rain missed the greater part of Kansas, and the latter rain was too light in western Kansas to be of much benefit. Winter wheat seeding has been considerably delayed through lack of rain, and much of it has been done since October 8. The Kansas Weekly Weather and Crop Bulletin of October 17 reports as follows: "Seeding of winter wheat was general over most of the State during the past week. Top soil moisture is greatly deficient except in a few eastern counties. In some parts of the State wheat is germinating and made some growth but is greatly in need of additional moisture. To date approximately 60 per cent of the State's wheat acreage has been seeded, however, in the southwestern area the wheat acreage will be greatly reduced.

In the western third of the State severe dust storms occurred during the past week. The Oklahoma and Texas Panhandles and Nebraska have fared somewhat better in moisture supplies but are still greatly in need of additional quantities. The United States winter wheat crop is much more dependent upon autumn moisture supplies than are the spring wheat crops to the north. Even germination and the development of a good root system for winter wheat are dependent upon autumn rains. When these fail, a heavy abandonment of acreage may be expected in addition to a poor spring start on the acreage retained. Heavy rains, if received in the next few weeks, would help to alter the present picture.

At the same time in the Canadian west, Saskatchewan and the greater part of Alberta have had a deficiency of autumn moisture. A map on page five of this Review shows the actual in relation to normal precipitation from August 1 to October 13 for the three Prairie Provinces. Manitoba has had average to above-average rainfall since August 1, but eastern Saskatchewan has not fared nearly so well, and western Saskatchewan and south-central Alberta have been extremely dry. North-central Alberta has also had appreciably below-normal rainfall. While this situation is by no means as alarming as the drought in the United States south-west, it signifies that so far no subsoil moisture reserve is being built up in Saskatchewan and Alberta to augment current rainfall during the growing season next spring and that the main reliance for a 1940 crop will have to be placed on timely rains from April through July.

Southern Hemisphere Crop Prospects

The Argentine official crop report issued early in the month reported better-than-average prospects in the important wheat producing province of Buenos Aires as well as in the La Pampa. A small acreage abandonment caused by August frosts has occurred in Santa Fe, eastern Cordoba and western Entre Rios. Otherwise wheat prospects in these provinces are good. While no official forecast of the crop is available the United States Department of Agriculture forecast is placed at 230 million bushels and private forecasts are higher. The second official estimate of the wheat area issued on October 20 amounts to 17,795,000 seeded acres, which is 6 per cent below the first estimate and almost 15 per cent below last year's sown area.

In Australia, an official report of October 19 stated that "the new wheat crop is generally good with the exception of the States of Western Australia and part of Victoria where more rain is needed." The Canadian Government Trade Commissioner cabled on October 16 that an Australian crop of 175 million bushels is in prospect, whereas a month earlier a crop as high as 193 million bushels had been predicted.

Ocean Freight Rates

Since September 26 ocean freight rates on grain carried in British vessels have been under regulation of the British Board of Trade. Rates at present in force between overseas markets and the United Kingdom afford a significant comparison with those prevailing in mid-August before the war rise. Rates from Montreal to the United Kingdom have fared the best under war conditions. Higher rates from various ports have been reported for neutral vessels.

Ports	August 15 Rates	Canadian cents per bushel
Montreal to United Kingdom	2/9 per quarter	8
Black Sea to United Kingdom	10/3 to 11/- per ton	6 3/8 - 6 7/8
Gulf to Continent	3/3 per quarter	9 1/2
Argentina to United Kingdom	20/- to 21/- per ton	12 1/2 - 13 1/8
Australia to United Kingdom	30/- to 31/- per ton	18 7/8 - 19 1/2

Ports	October 19 Rates	Canadian cents per bushel	Increase
Montreal to United Kingdom	4/6 per quarter	12 1/2	4 1/2
Black Sea to United Kingdom	35/- per ton	20 3/4	13 7/8 - 14 3/8
Gulf to Continent	45/- per 100 lbs.	29 7/8	20 3/8
Argentina to United Kingdom	32/6 per ton	19 3/8	6 1/4 - 6 7/8
Australia to United Kingdom	45/- per ton	26 3/4	7 1/4 - 7 7/8

World Wheat Supplies

World wheat supplies during the present crop season have reached a record total presently estimated at 5,374 million bushels. Although this year's world production, excluding the U.S.S.R. and China is somewhat less than a year ago, the considerable increase in the 1939 world carry-over in combination with the 1939 crop have resulted in the existence of record world supplies. The annual world disappearance of wheat reached a new level in the 1938-39 season at 4,083 million bushels. Part of this may be only an apparent increase, however, in so far as the 1938 crops for some countries may have been over-estimated. Even if world disappearance of 4,000 million bushels is realized in the 1939-40 season, a year-end world carry-over of record proportions close to 1,400 million bushels is in sight. For comparative purposes, a table is shown below, giving part of the Food Research Institute's revised series of world carry-overs, which are added to the annual estimates of world production, ex U.S.S.R. and China, with actual Russian net exports added in to make up the total "world" supplies.

Crop Year	Carry-over Stocks	World Production ex U.S.S.R. and China	U.S.S.R. Net Exports	Total Supplies	Annual Disappearance
(million bushels)					
1930-31	874	3,881	113	4,868	3,943
1931-32	925	3,873	63	4,861	3,910
1932-33	951	3,874	17	4,842	3,724
1933-34	1,118	3,810	34	4,962	3,774
1934-35	1,188	3,490	2	4,680	3,740
1935-36	940	3,557	29	4,526	3,768
1936-37	758	3,579	4	4,341	3,823
1937-38	518	3,852	43	4,413	3,826
1938-39	587	4,563	34	5,184	4,083
1939-40	1,101	4,273	?	5,374	-

The Wheat Situation in Canada

The primary movement of wheat up to the week ending October 13 amounted to 270.3 million bushels of which 46.6 millions were delivered in Manitoba, 154.8 millions in Saskatchewan and 68.8 millions in Alberta. Primary deliveries during September established a record volume for the month, and the resulting crop movement has taxed country and terminal elevators as well as railway facilities. During the past week a complete embargo on wheat shipments by rail to the Head of the Lakes has been imposed.

With the heavy primary movement the visible supply of Canadian wheat has been mounting weekly by huge amounts, and on October 20 continued to mark up a new record at 336.6 million bushels. The export movement of Canadian wheat has been very moderate in relation to available export supplies. Customs exports of Canadian wheat and flour during August and September totalled 29,495,302 bushels. Overseas clearances of wheat, United States imports, and flour exports from August 1 to October 19 approximated 32.2 million bushels.

CALENDAR OF WHEAT EVENTS

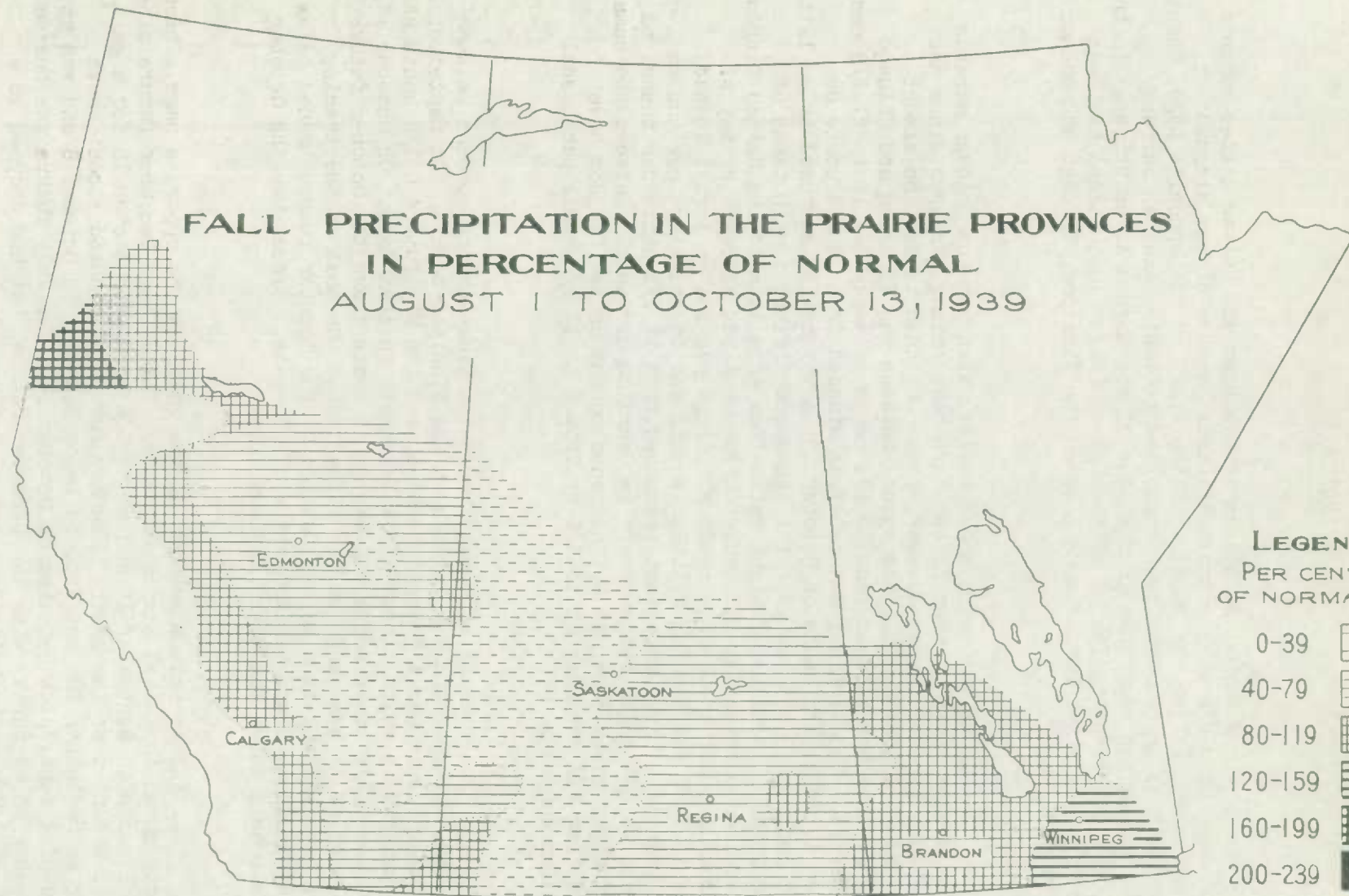
- September 21. United States government resumes export subsidy program.
26. British Board of Trade fixes ocean freight schedules for full grain cargoes on British vessels. United States government wheat loans up to September 21 announced at 109,811,000 bushels.
28. United States official declared that United States wheat export sales are not expected to exceed 50 million bushels during current crop year.
29. Soft wheat States receive fair precipitation, but hard winter wheat belt in United States receives light precipitation far short of requirements.
- October 5. Favourable crop conditions reported by Argentine government.
8. Beneficial rains in United States hard winter wheat belt, but still too light in western Kansas.
12. Argentine government prohibits domestic millers from buying new-crop supplies. Millers are required to buy old-crop wheat from Board up to November, 1940, at 7 pesos per quintal.
14. United States export sales July 1-September 30 announced at 16,735,000 bushels.
19. Australia officially reports wheat crop in generally good condition, except in Western Australia and part of Victoria where more rain is needed.

Autumn Precipitation in the Prairie Provinces

A widespread deficiency in autumn moisture supplies, particularly in Saskatchewan and Alberta, is indicated by the rainfall records of the Meteorological Division of the Department of Transport covering the period from August 1 to October 13. In contrast with the situation last autumn, Manitoba has enjoyed normal to above normal precipitation since August 1 of this year. In eastern Manitoba including the Winnipeg and Red River Valley districts, moisture receipts have averaged well above normal. Elsewhere in the province, except along the central part of the western boundary, precipitation has been up to, or slightly above the long-time average for the August 1 period to date. Extending over into roughly the eastern half of Saskatchewan, the autumn rainfall for individual points has measured principally from 50 to 70 per cent of normal. In almost the whole of western Saskatchewan, excepting the extreme south-west corner the rainfall has been exceptionally light, ranging from 20 to 40 per cent of normal at individual points. This very dry area extends well into east-southern and central Alberta. In the extreme south of Alberta and along the foothills, better moisture supplies have been received. In central and northern districts rainfall has been appreciably below normal. In the Peace River area, however, better than average precipitation has been received.

In appraising the present autumn moisture situation in the light of 1940 crop prospects, any moisture supplies received before freeze-up are a welcome addition to sub-soil moisture reserves. Adequate sub-soil moisture during the growing season is essential in the making of a crop, particularly if the current rainfall at that time turns out to be light. So far as the spring wheat crop in the Prairie Provinces is concerned, a good crop can be harvested if spring rains are ample, even though the preseasonal rainfall has been deficient. However, with light autumn moisture reserves, much greater dependence must be placed upon the receipt of heavy spring rains.

FALL PRECIPITATION IN THE PRAIRIE PROVINCES IN PERCENTAGE OF NORMAL AUGUST 1 TO OCTOBER 13, 1939



PRICES

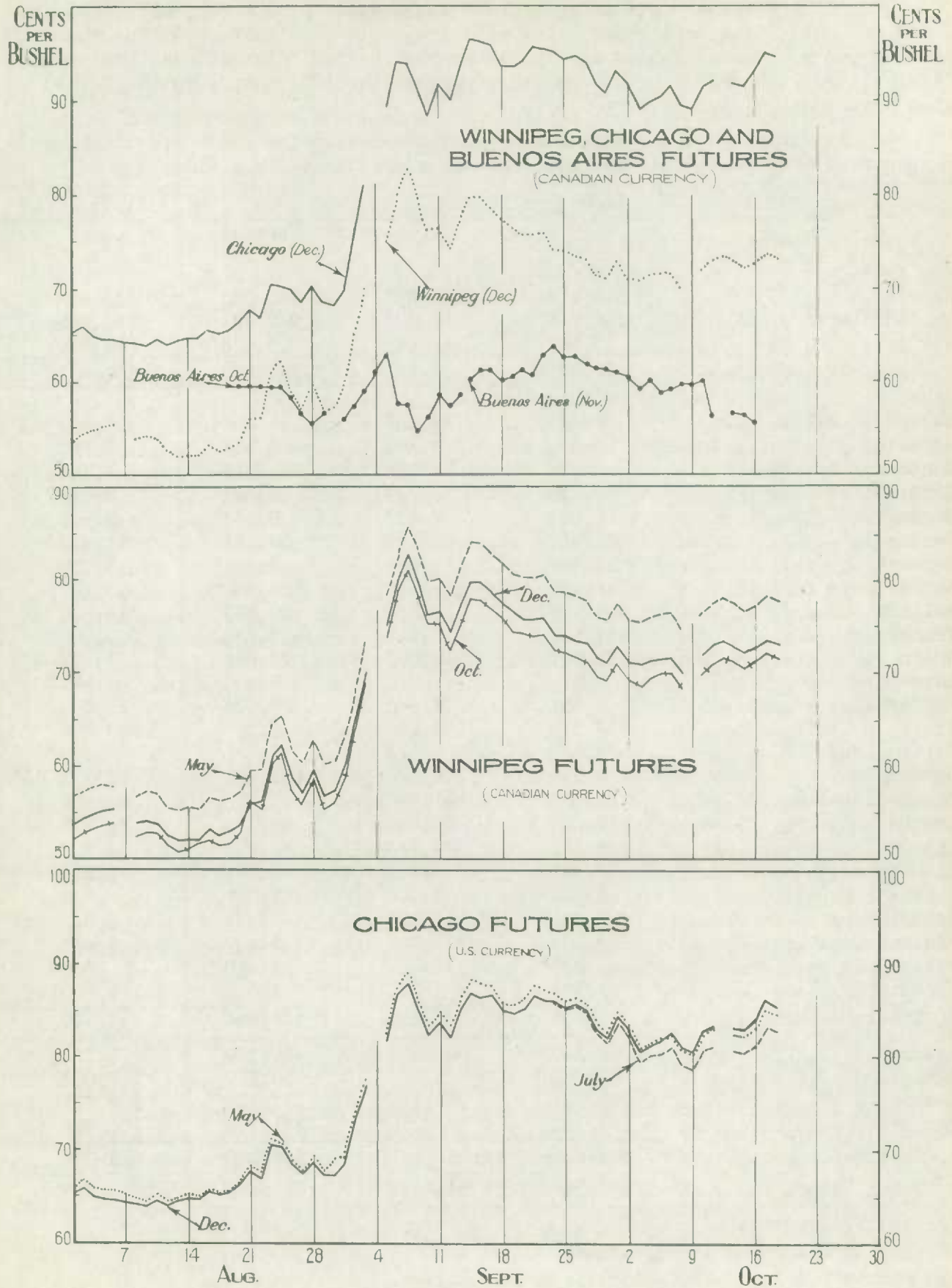
Since August 25 prices in Canadian and United States markets have not been on a directly comparable basis because of the discount on Canadian funds. In the top section of the chart on the opposite page, Chicago December futures prices have been converted to their Canadian currency equivalents, as has been done in the case of the Buenos Aires prices. In this manner, the complicating factor of foreign exchange fluctuations has been removed from the price comparisons between the Winnipeg, Chicago and Buenos Aires futures.

During the month under review, Winnipeg and Chicago markets tended to weaken up to October 7, but have been ruling stronger since that date. Buenos Aires futures, however, have continued to decline almost steadily since September 23. The spread between the Winnipeg and Chicago December futures has widened from 17 1/4 cents on September 19 to 21 5/8 cents on October 18. The Winnipeg-Buenos Aires widened from 15 3/4 cents on September 19 to 17 1/8 cents on October 16, after having narrowed to as little as 9 7/8 cents on September 29. All these comparisons are in terms of Canadian funds. Increased freight rates from Argentina to the United Kingdom have exercised a deterring influence on Buenos Aires prices. By way of comparison, freight quotations at 20 shillings per ton on August 15 had advanced to 32/6 per ton for British vessels and 40 shillings per ton on neutral vessels. These represent increases from 12 1/2 cents per bushel to 19 3/8 and 23 3/4 cents respectively in Canadian currency. Between the same dates, freight rates from the St. Lawrence to the United Kingdom have advanced from 2/9 per quarter to 4/6 or from 8 to 12 1/2 cents per bushel in Canadian currency.

Practically no change has taken place in the spreads between the October, December and May futures on the Winnipeg market. On September 19, the December future was 1 7/8 cents above, and the May future 6 1/8 cents above the October future which closed at 74 5/8 cents on that date. On October 18, December was 1 1/2 cents above and May 6 1/4 cents above the October future which closed at 71 5/8 cents on the latter date. On most of the trading sessions between September 28 and October 7, the October future traded below the Canadian Wheat Board minimum price of 70 cents. Since then the October future has held above the Board minimum.

In the bottom section of the chart on the opposite page, Chicago prices are shown in United States currency. The Chicago December future closed at 84 7/8 cents on September 19 and at 85 3/4 cents on October 18 for a gain of 7/8 of a cent over the month. The May future was quoted 1 cent above December on September 19, but dropped below December on October 6 and was at a spread of 1 cent below December on October 18. The July future was boarded on September 23 at parity with the December future, but had dropped to a discount of 2 7/8 cents below December on October 18.

DAILY CLOSING WHEAT FUTURES QUOTATIONS IN LEADING MARKETS



WORLD WHEAT PRODUCTION ESTIMATES, 1939

WITH COMPARATIVE ESTIMATES FOR 1936, 1937 AND 1938.

Preliminary estimates of 1939 world wheat production, exclusive of the U.S.S.R. and China, are shown below with comparative estimates for the three preceding years. The estimates are those reported by the International Institute of Agriculture at Rome, or by the Bureau of Agricultural Economics in the United States Department of Agriculture.

Allowances are made in the northern hemisphere and world totals for countries whose estimates are not normally available at this time.

	1936	1937	1938	1939
(thousand bushels)				
Northern Hemisphere				
North America				
Canada	219,218	180,210	350,010	449,058
United States	626,766	875,676	930,801	739,445
Mexico	13,581	10,587	13,425	(13,000)
Totals	859,565	1,066,473	1,294,236	1,201,503
Europe				
England & Wales	51,445	52,005	69,253	56,149
Scotland	3,547	4,181	3,883	3,360
Northern Ireland	273	164	213	152
Eire	7,839	6,990	7,398	8,000
Norway	2,094	2,497	2,637	2,535
Sweden	21,635	25,720	30,184	31,452
Denmark	11,266	13,521	16,935	14,000
Netherlands	15,428	12,615	15,938	13,301
Belgium	16,153	15,550	20,131	16,000
France	254,618	257,837	372,864	276,000
Spain	121,492	110,000	70,694	111,773
Luxemburg	1,071	1,206	1,830	991
Portugal	8,651	14,668	16,534	18,300
Italy	224,570	296,280	297,317	294,000
Switzerland	4,470	6,184	7,812	6,559
Germany	176,699 1/	178,590 1/	221,163 1/	205,173 2/
Czechoslovakia	55,583	51,266	65,708	40,000 3/
Greece	19,537	30,049	36,135	35,273
Poland	78,357	70,774	79,802	83,407
Lithuania	8,027	8,109	9,233	9,231
Latvia	5,272	6,302	7,052	6,500
Estonia	2,433	2,786	3,139	3,013
Finland	5,259	7,665	9,403	8,671
Malta	236	326	296	(300)
Albania	1,106	1,636	1,650	(1,600)
Totals	1,097,061	1,176,921	1,367,204	1,245,740
Bulgaria	60,350	64,909	78,950	71,155
Hungary	87,789	72,157	98,777	112,094
Roumania	128,717	138,157	177,154	176,367
Yugoslavia	107,422	86,238	111,329	105,422
Totals	384,278	361,461	466,210	465,038
Total Europe	1,481,339	1,538,382	1,833,414	1,710,778

1/ Including Austria.

2/ Including Austria and Sudetenland.

3/ Approximation for Bohemia-Moravia and Slovakia.

World production of wheat in 1939, excluding the U.S.S.R. and China, is estimated at 4,273,000,000 bushels, which is a reduction of only 290 million bushels from the record world production of 1938. The 1939 world crop is second largest produced.

Very little change in the total world production of wheat is indicated by the new and revised individual estimates received during the month. United States production is 3.3 million bushels higher, while production in greater Germany at 205 million bushels is 47 million bushels higher than the preliminary estimate used a month ago. Southern Hemisphere forecasts have been reduced with the Argentine crop now placed at 230 million bushels compared with 260 millions a month ago. The Canadian Government Trade Commissioner in Melbourne has reduced his forecast of the Australian crop from 193 to 175 million bushels.

	1936	1937	1938	1939
	(thousand bushels)			
Africa:				
Algeria	29,774	33,208	34,941	42,622
Morocco	12,234	20,895	23,172	38,764
Tunisia	8,083	17,637	13,962	18,555
Egypt	45,700	45,376	45,935	49,009
Totals	95,791	117,116	118,010	148,950
Asia:				
Palestine	2,795	4,682	1,633	5,000
Syria & Lebanon	15,704	17,227	23,674	(22,000)
India	352,203	364,075	401,856	370,608
Japan	45,192	50,410	45,244	54,413
Chosen	8,095	10,323	10,401	12,286
Turkey	141,582	132,985	156,097	(158,000)
Totals	565,571	579,702	638,905	622,307
Totals 42 Countries ..	3,002,266	3,301,673	3,884,565	3,683,538

Estimated Northern Hemisphere

Total, ex U.S.S.R.

and China 3,107,000 3,406,000 3,988,000 3,786,000

Southern Hemisphere

Argentina	249,193	184,799	336,201	230,000
Australia	151,390	187,258	154,543	175,000
Union of South Africa	16,077	10,157	17,093	(15,000)
Totals	416,660	382,214	507,837	420,000

Estimated World Total, ex

U.S.S.R. and China 3,579,000 3,852,000 4,563,000 4,273,000

UNITED STATES CROP REPORT

On October 11, the Crop Reporting Board of the United States Department of Agriculture released the crop report as of October 1, 1939, from which the following section relating to wheat is quoted:

"The preliminary estimate of wheat production is 739,445,000 bushels, compared with 930,801,000 bushels in 1938 and the 10-year (1928-37) average of 752,952,000 bushels. The 1939 production is smaller than the 1938 crop by 191,356,000 bushels, or approximately 21 per cent, but it is smaller than the 10-year average by only 13,507,000 bushels or about 2 per cent. The decrease in production compared with last year is a result of decreased acreage, since the indicated 1939 yield per acre is .1 bushel above the 1938 yield. The October 1 preliminary estimate of the production in 1939 is slightly above the September 1 forecast, due to spring wheat yields exceeding earlier expectations in a few Northern Plains and northwestern States. No change has been made in the estimates of winter wheat production since August, at which time the 1939 crop was estimated at 550,710,000 bushels.

"The production of spring wheat, other than durum, is estimated to be 155,591,000 bushels, which is nearly a fourth smaller than the 1938 crop, but only 1 per cent below the 10-year average. The 1938 production of other spring wheat was 203,719,000 bushels and the 10-year average is 157,716,000 bushels. Other spring wheat yields exceeded earlier expectations in Colorado and the northwestern States. The October 1 indicated yield is 11.7 bushels per acre compared with the 1938 yield of 12.0 bushels and the 10-year average of 10.9 bushels.

"Durum wheat production is estimated at 33,144,000 bushels. This production is smaller than the 1938 crop of 40,445,000 bushels by 7,301,000 bushels or 18 per cent, but, excepting last year's crop, it is the largest production of durum wheat since 1932. The 10-year average production of durum wheat is 35,076,000 bushels. The October 1 indicated yield of 10.7 bushels per acre is somewhat lower than the 1938 yield of 11.4 bushels, but above the 10-year average of 9.4 bushels.

"Wheat Stocks on Farms: Wheat remaining on farms October 1 amounted to 332,213,000 bushels, which is 44.9 per cent of this year's production. The quantity on farms on October 1 was smaller than the 401,411,000 bushel farm reserves on October 1, 1938, and smaller than the 10-year average farm stocks of 340,348,000 bushels, but it was larger than October 1 farm stocks in any year since 1932 excepting 1938. The disappearance of wheat from farms during the period July 1 to October 1 was 498,070,000 bushels, compared with 588,503,000 during that period last year, and the 10-year average July 1-October 1 disappearance of 463,816,000 bushels."

AUSTRALIAN CABLE

The following cable was received on October 16 from the Canadian Government Trade Commissioner in Melbourne:

As from midnight October 9, all wheat in Australia with certain exemptions taken over by Commonwealth. To date 100,000 tons wheat sold to Imperial Government. Prices fixed by Australian Wheat Board vary from two shillings ten pence per bushel (equivalent fifty cents Canadian) for wheat on trucks, Melbourne basis, to two shillings seven pence halfpenny a bushel (equivalent to forty-six cents Canadian) f.o.b. for bulk West Australian wheat. Arrangements made with Commonwealth Bank to finance advances of two shillings per bushel f.o.b. against old season's wheat acquired, netting one shilling four pence per bushel (equivalent to twenty-three cents Canadian) to growers. Approximately five pence per bushel proceeds from tax on flour consumed in Australia to be distributed to producers on all wheat sold, delivered or acquired during 1938-39 season. Latest freight rate arranged forty five shillings a ton for transport from West Australia to United Kingdom. Demand for flour fairly steady and purchase of 50,000 tons by Imperial Government for shipment October-November-December f.o.b. ex basis to be spread among millers in all exporting states. New crop prospects continue fairly satisfactory although conditions dry in Northern districts of New South Wales and in parts of South Australia. Crop may reach 175 million bushels.

ARGENTINE LETTER

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of October 4, 1939, dealing with the grain situation in Argentina.

Seeded Areas, First Official Estimate

The first calculation made by the staff of the Ministry of Agriculture of the probable areas seeded to the principal field crops (excluding maize) for the 1939-40 season, was issued to the public in the middle of the month.

The estimate shows a total area of 33,729,000 acres, which is smaller than that of last season by 642,000 acres.

In the statement appearing below will be found the areas devoted to the five crops dealt with, and the percentage of increase or decrease as compared with the 1938-39 season:

	Acres	Comparison with 1938-39 %
Wheat	18,533,000	Decrease 11.2
Linseed	7,413,000	Increase 12.2
Oats	3,459,000	Increase 2.9
Barley	2,174,000	Increase 5.9
Rye	2,150,000	Decrease 4.6
Totals	33,729,000	Decrease 1.9

According to the official memorandum accompanying the statistics, the decrease in the area planted with wheat is due principally to the low quotations for that grain throughout the seeding season, and an added factor was the lack of rains especially in the western regions which have been affected by soil erosion in recent years.

Favourable weather conditions while linseed and barley were being planted, with the attractive prices then being quoted for these crops, influenced the increases in areas.

For purposes of comparison, the acreages planted in recent seasons are reproduced below:

	Wheat	Linseed	Oats	Barley	Rye
	(acres)				
1939-40	18,533,000	7,413,000	3,459,000	2,174,000	2,150,000
1938-39	20,015,000	6,869,000	3,361,000	2,026,000	2,100,000
1937-38	19,219,000	7,023,000	3,254,000	1,942,000	2,184,000
Five-year Average.	17,951,000	7,201,000	3,251,000	1,969,000	2,074,000
Ten-year Average .	18,826,000	7,350,000	3,461,000	1,750,000	1,775,000

Of the 2,174,000 acres devoted to barley it is noteworthy that 1,334,000 acres have been planted with malting varieties. This figure is said to be 8,000 acres lower than that of last season.

Crop Conditions

Frequent rains and moderate temperatures during September brought the various field crops into excellent condition, and even in the semi-arid sections of the country reports on the wheat crop are quite optimistic.

A special official report issued in mid-month, dealing with the effects of the frost of late August, made it evident that the total losses were relatively small, and that the damaged areas had made a good recovery, thanks to the subsequent favourable weather conditions.

Another period of frost danger will shortly be due, when the wheat kernels enter the milk stage; but at the moment plants generally are strong and healthy, moisture supplies are ample, and temperatures are seasonable for early spring.

The official report on crop conditions during the month of September, published by the Ministry of Agriculture, made its appearance this morning. The contents are summarized below:

The cereal and linseed crops experienced an appreciable improvement during September, on account of the very favourable weather conditions, and at the present moment the state of the wheat and linseed crops as a whole may be considered as somewhat superior to good.

The Wheat Crop: In the province of Buenos Aires and the territory of La Pampa the crop has not been affected by adverse factors from the time it was sown to the present moment, and its condition is somewhat better than good. In Santa Fe, the eastern part of Cordoba and the west of Entre Rios, the frosts of late August caused losses varying from two to eight per cent of the total area seeded in this region. In these abandoned areas are included some which were ploughed under. Other areas into which live stock were turned to pasture immediately after the frost, have had the animals withdrawn again and recovered in excellent form. In the western part of Cordoba the abandoned areas are greater because of the drought which prevailed at the beginning of the growing period, followed by the August frosts. Green fly has caused some losses in eastern Entre Rios and northern Cordoba. All the damage to which reference has here been made occurred prior to September, and during the last month the crops have developed under very good conditions.

Supplies and Markets

Freights: The outbreak of a major war in Europe has of course completely changed the Argentine picture by creating an abnormal demand at a time when unusually heavy supplies of grain are on hand. But while the potential outlet has been greatly enlarged, the means of transportation have become unusually restricted. Foreign buying of most raw materials produced in the Republic has been very active; but the ocean freight market has almost disappeared.

British ships are normally the biggest factor in transportation to and from the River Plate. Now all British ships have been taken over by the Imperial Government. German boats, which in recent years have attained an important position in the trade, quickly disappeared on the outbreak of war. Many of these appear to have taken refuge in Brazilian ports and have laid up there. The limited freight business which is being done is therefore confined to neutral ships carrying cargoes to neutral countries. For these there is a brisk demand, with few ships available.

Rates naturally have soared to unusual heights. The Imperial Government has fixed the comparatively moderate rate of 32s.6d. per ton for freight from the River Plate to United Kingdom ports. But this is no indication of what has to be paid for ships of other flags. Recent bookings of Italian boats to Genoa are said to have been at the equivalent of 57s.6d. Some neutral space for Belgium is said to have been booked at about the same figure, although as high as 65s.0d. has previously been paid for Antwerp. For small parcels for ports of Northern Europe as much as 72s.6d. is the current rate.

Exchanges: Another very disturbing factor in Argentine business conditions at the present moment is international exchange. Traditionally the Argentine peso is linked to the pound sterling; but when late in August England removed the sterling from the dollar it was anticipated that the Argentine Central Bank would shift the peso peg from the pound to the dollar. Instead of this, after some delay the official buying rate was tied to the dollar, while the official selling rates remained tied to the pound at the rate of 15 pesos for the importation of essential goods and 17 pesos for other authorized importations.

A great deal of confusion has resulted from the apparent lack of a definite policy, and shipping firms have been handicapped accordingly. At one time the Central Bank would not buy sterling at any price, and it was necessary to resort to other markets to convert pounds to dollars and make settlement here in the latter currency.

The United Kingdom being much the largest buyer of Argentine grain, the selling of wheat was seriously obstructed by the exchange situation. But a new arrangement has now been made which is hoped will facilitate the business. Exporters are now to be permitted to deposit in London the sterling value of their purchases from the Argentine Grain Board of wheat destined for the United Kingdom.

At the close of the month the official buying rate for exporters' bills was 13.37 pesos to the pound sterling; and the free market rate 16.90.

For United States currency the official buying rate was 335.04 pesos per 100 dollars; and the open market rate 422.50.

If war conditions continue and the Republic is able to keep on selling its grain and meat, experts are of the opinion that there will be a steady improvement of the Argentine peso in relation to other currencies.

Wheat: Wheat moved out freely in September, 13,810,000 bushels of the grain and 145,000 bushels of flour in terms of wheat, being shipped, a combined total of 13,955,000 bushels. This, however, is below the August total of 15,858,000 bushels. The statistical position is now as shown below:

Third official estimate 1938-39 crop	336,199,000 bushels
Carry-over from 1937-38 crop	8,296,000 "
Total supplies	344,495,000 "
Deduct for seed and domestic consumption	99,206,000 "
Surplus available for export	245,289,000 "
Shipments to) Wheat	127,852,000 bushels
September 30) Wheat as flour	810,000 "
Balance still available	116,627,000 "

As has been mentioned previously in these reports, some members of the grain trade are of the opinion that the surplus still on hand is much higher than is shown above, there being probably another half million ton available for export. But the real figures are known only to the official Board, and it is against their policy to divulge them.

Immediately following the outbreak of war there was considerable activity in the wheat market, and prices rose for the first time above the official minimum of 7 pesos per quintal. Much of the business done was purely speculative. To combat this the National Government took the step of abolishing the official minimum price and announced that no more wheat would be bought on that basis. Coming without warning, this measure created considerable consternation amongst the speculators, with whom the guaranteed minimum has provided a useful basis for their operations. Prices immediately dropped, and they have remained consistently below the former official minimum.

Considerable wheat was sold by the official Board for export during the first half of the month, the Imperial Government being the chief buyer, with Belgium, Holland and Switzerland also purchasing freely. The buyers in neutral countries were principally interested in acquiring grain afloat and near at hand, for which they were willing to pay quite high prices.

Sales made by the Grain Board were on the basis of 6 pesos per 100 kilos for Rosafe wheat, with Barilo 2 per cent higher, and Barusso 10 per cent above Rosafe, and it is understood that these prices are still maintained, although sales recently have dropped off. One of the principal difficulties in the way of additional business with the United Kingdom has been the exchange situation, as referred to elsewhere in this report.

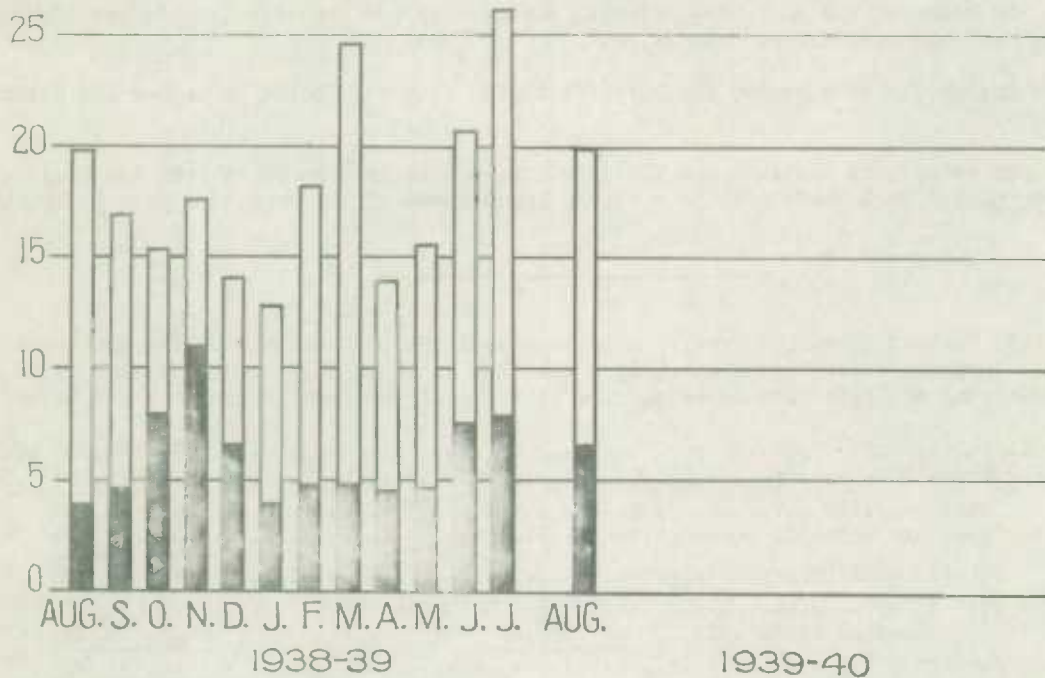
At the close of the month Spot wheat was being bought by local millers at 6.65 pesos per quintal (equivalent to 54 cents United States per bushel at current official exchange rates); and the November option 6.80, or say 55 1/4 cents per bushel; while on the same day December wheat closed in Winnipeg at 73 cents.

As mentioned on page eleven, the first forecast of the area seeded for the new crop is 11 per cent below this year's acreage. Early private estimates of the next crop, based on current conditions, are around 238,830,000 bushels.

MILLION
BUSHELS

IMPORTS OF WHEAT INTO THE UNITED KINGDOM

August to July 1938-39 and 1939-40 to date
(Black portions show Imports from Canada)



THE UNITED KINGDOM

The following table shows imports of wheat into the United Kingdom for the twelve months August to July, 1938-39 and June, July and August, 1939.

	August-July 1938-39	June 1939	July 1939	August 1939
	(bushels)			
From:				
Canada	73,924,663	7,715,464	8,271,076	6,731,934
United States	27,648,639	2,277,700	2,241,369	982,735
Argentina ...	28,186,017	4,422,283	9,558,315	6,320,593
Australia ...	33,625,937	2,273,355	3,021,270	3,717,422
Russia	12,737,937	-	-	-
British India	4,473,027	-	-	-
Roumania	16,964,324	139,726	231,766	-
Others	19,502,629	4,039,315	2,929,216	2,521,284
Totals	217,063,173	20,867,843	26,253,012	20,273,968
Previous year.	180,544,949	18,761,613	17,258,512	19,884,548

N. B. Due to war conditions, the August import figures were not received by cable until September 26, and the September export figures have not yet been received.

As shown by the foregoing table, imports of wheat into the United Kingdom during the twelve months from August 1938 to July 1939 amounted to 217 million bushels compared with 181 million bushels for the same months in 1937-38. Out of total imports of 217 million bushels Canada supplied 74 million bushels or 34 per cent; Australia 34 million bushels or 15.5 per cent; Argentina 28 million bushels or 13 per cent; United States 28 million bushels or 12.7 per cent; Roumania 17 million bushels or 7.8 per cent; Russia 13 million bushels or 5.9 per cent; British India 4 million bushels or 2.1 per cent.

The following table shows imports of wheat into the United Kingdom during August 1939, along with comparative figures for August 1938.

	August, 1939	August, 1938
From:	(bushels)	
Canada	6,731,934	3,929,551
United States	982,735	3,538,646
Argentina	6,320,593	894,253
Australia	3,717,422	4,774,858
Russia	-	4,757,295
British India	-	1,565,600
Roumania	-	-
Others	2,521,284	424,345
Totals	20,273,968	19,884,548

INTERNATIONAL TRADE

The following table shows the world shipments of wheat and wheat flour for the first eleven weeks of the present crop year. (Broomhall's figures):

Week ending	North America	Argentina	Australia	Russia	Danube	India	Other	Totals
	(thousand bushels)							
Aug. 5, 1939	3,920	3,240	880	-	480	-	488	9,008
12	4,856	3,544	880	256	488	-	344	10,368
19	5,832	2,672	1,160	-	736	-	496	10,896
26	3,840	4,240	1,688	-	984	-	400	11,152
Sept. 2	2,616	2,784	288	192	696	-	328	6,904
9	4,800	4,672	-	-	704	-	88	10,264
16	2,352	2,832	-	-	1,024	-	-	6,208
23	3,104	2,976	-	-	1,512	-	-	7,592
30	5,016	2,936	-	-	600	-	-	8,552
Oct. 7	3,824	1,853	-	-	832	-	832	7,341
14	1,740	2,698	-	464	872	-	424	6,198
Totals	41,900	34,447	4,896	912	8,928	-	3,400	94,483
Comparative 1938								
11th week	4,768	416	1,712	1,264	1,728	-	16	9,904
Total	48,648	11,312	20,040	27,000	8,600	3,248	16	118,864

Monthly Average Winnipeg Cash Prices - No. 1 Northern Wheat,
Crop Years 1932-33 to 1939-40.

(cents per bushel)

	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40
August	56.3	73.4	86.0	84.5	102.2	131.8	76.6	54.9
September ..	51.9	67.2	82.3	90.3	103.9	133.6	63.3	73.9
October	48.2	60.5	78.2	90.8	110.9	142.3	61.5	
November ...	46.7	63.7	79.6	85.7	108.4	134.6	59.0	
December ...	42.4	60.3	79.2	84.7	120.2	137.4	60.6	
January	44.2	65.0	79.0	84.8	124.7	149.1	59.9	
February ...	45.8	65.6	79.5	82.1	127.0	144.6	60.4	
March	49.1	66.4	81.9	82.1	135.7	138.4	59.5	
April	53.6	65.5	87.6	80.5	138.9	138.4	60.5	
May	63.3	70.6	85.7	76.8	130.6	115.2	65.5	
June	66.8	77.1	81.7	79.5	124.2	114.3	61.8	
July	83.4	82.0	81.4	93.4	145.6	98.4	55.3	

Wheat Prices and the General Price Level ^{1/}

The following table shows the general Index Numbers of Wholesale Prices in Canada and Great Britain and of No. 1 Northern Wheat (Winnipeg Cash Price, basis in store Port Arthur and Fort William)

	General Index Canada	Board of Trade United Kingdom	Wheat No. 1 Manitoba Northern Fort William and Port Arthur basis
	1930=100	1930=100	1930=100
1929	110.4	114.3	142.5
1930	100.0	100.0	100.0
1931	83.3	87.8	62.4
1932	77.0	85.6	59.0
1933	77.5	85.7	64.8
1934	82.7	88.1	79.4
1935	83.3	89.0	89.6
1936	86.1	94.4	99.5
1937	97.7	108.8	142.3
1938	90.8	101.5	107.7
September, 1938	86.0	98.4	67.2
October	85.6	99.1	65.3
November	84.9	98.4	62.6
December	84.6	98.3	64.3
January, 1939	84.5	97.2	63.6
February	84.5	96.8	64.1
March	84.5	96.6	63.2
April	84.8	97.2	64.3
May	85.1	97.8	69.5
June	84.6	98.1	65.6
July	83.8	98.1	58.7
August	83.6	98.1	58.3
September			78.5

^{1/} Prepared by the Internal Trade Branch.

FOREIGN EXCHANGE ^{1/}

(September 19 - October 16)

Sterling and United States funds remained unchanged during the four-week period ended October 16 at the Foreign Exchange Control Board's daily buying and selling rates of \$4.43-\$4.47 and \$1.10-\$1.11 respectively. During this period New York quotations for the Canadian dollar declined to a six-year low of 88 1/2 cents on October 6. Subsequent recovery, however, brought the rate back to 89 1/4 cents by the close which compared with 90 cents on September 18. Sterling free rates at New York were erratic, ranging between \$3.82 1/2 on September 18 and \$4.05 1/4 on October 4. The close at \$3.99 3/4 showed a net gain of 17 1/4 cents. Australian pounds, which have remained unchanged in relation to the Canadian dollar since September 20, were quoted at \$3.576. Continued strength in the Argentine peso lifted free rates at Montreal irregularly higher from 25.53 cents in mid-September to 26.03 cents on October 16. Current strength in the peso was reputed to be due mainly to easing of exchange restrictions, especially with the United States. A new preferential official rate of 3.7313 pesos to the United States dollar or 15-17 pesos to the pound sterling was set on October 4.

Weekly Average Exchange Quotations at Montreal, April 3, 1939 to October 16, 1939.

Week ending		United Kingdom	United States	Australia	Argentina ^{2/}
Monday		Pounds	Dollars	Pounds	Paper Pesos
		4.8667	1.0000	4.8667	.4244
April	3	4.7000	1.0037	3.7600	.2309
	11	4.7112	1.0065	3.7700	.2345
	17	4.7062	1.0056	3.7650	.2323
	24	4.7021	1.0046	3.7618	.2311
May	1	4.7012	1.0043	3.7610	.2330
	8	4.7013	1.0043	3.7610	.2320
	15	4.6975	1.0031	3.7575	.2317
	22	4.6983	1.0037	3.7580	.2324
June	29	4.6943	1.0026	3.7550	.2331
	5	4.6912	1.0012	3.7527	.2323
	12	4.6925	1.0018	3.7540	.2319
	19	4.6925	1.0023	3.7550	.2325
July	26	4.6940	1.0028	3.7550	.2327
	3	4.6945	1.0029	3.7550	.2327
	10	4.6915	1.0021	3.7550	.2325
	17	4.6883	1.0014	3.7500	.2323
August	24	4.6865	1.0009	3.7500	.2312
	31	4.6807	1.0000	3.7450	.2310
	7	4.6806	1.0000	3.7445	.2320
	14	4.6807	1.0000	3.7446	.2320
September	21	4.6812	1.0001	3.7450	.2315
	28	4.3867	1.0250	3.5100	.2306
	5	4.4525	1.0950	3.5620	.2519
	11	4.4325	1.0950	3.5468	
October	18	4.4500(3)	1.1050(3)		
	25	4.4500	1.1050	3.5762	.2609
	2	4.4500	1.1050	3.5763	.2607
	10	4.4500	1.1050	3.5763	
	16	4.4500	1.1050	3.5760	.2603

1/ Prepared by the Internal Trade Branch. 2/ Free Rates.

3/ Since September 16, 1939 quotations used are the average of the daily buying and selling rate set by the Foreign Exchange Control Board. The current buying and selling rate for sterling is \$4.43 and \$4.47 respectively and for United States funds \$1.10 and \$1.11.

THE CANADIAN SITUATION

I. GRADING AND QUALITY OF THE 1939 WHEAT CROP

The following shows the grading of new-crop inspections during August and September 1939, in comparison with the same months in 1938:

	Number of Cars Grading No. 3 Northern or Better			
	1939-40		1938-39	
	Cars	Per Cent of Inspections	Cars	Per Cent of Inspections
August	13,478	94.55	9,905	95.84
September	58,166	95.82	34,715	89.71

Omitting special grades such as Garnets, Durums, White Springs and Winters, the number of cars of new wheat inspected in September, 1939 totalled 60,702 of which 58,166 or 95.82 per cent graded No. 3 Northern, or higher. September 1939 inspections of new Durum wheat amounted to 2,257 cars of which 1,999 or 88.57 per cent graded No. 3 Amber Durum or higher. In August 1938, new Durum inspections numbered 2,385 cars of which 2,259, or 94.72 per cent graded No. 3 Amber Durum or higher.

In the "Interim Report of the Protein Content of the 1939 Crop of Western Canadian Wheat," the Grain Research Laboratory of the Board of Grain Commissioners for Canada shows the results of the protein survey made from 3,799 samples, representing every twentieth car of wheat, in each of the first nine grades inspected in the western Division from August 1 to September 30. The following excerpt and tables are quoted from the report:

"The average protein content of 1939 wheat inspected prior to October 1st is 14.2 per cent, which is 0.4 per cent higher than the final value for the 1938 crop. In the 1939 crop, protein content increases with decreasing grade, from 13.9 per cent for One Hard to 16.3 per cent for Four Special, and from 12.1 per cent for One C.W. Garnet to 12.5 per cent for Three C.W. Garnet. Protein levels for One Hard and One Northern are 0.2 and 0.3 per cent below corresponding levels for last year. Garnet grades are also lower this year. On the other hand, protein levels for grades Two Northern to Four Special are higher than last year, the differences between years increasing with decreasing grade from 0.5 per cent for the Two Northern to 2.6 per cent for Four Special."

Protein Contents of Grades of the 1939 Crop for Each Province

Grade	Protein Content %			No. of Samples Tested		
	Manitoba	Saskatchewan	Alberta	Manitoba	Saskatchewan	Alberta
1 Hard	14.3	14.1	13.7	7	251	18
1 Northern ..	14.3	14.1	13.9	283	1,397	360
2 Northern ..	14.5	14.6	14.1	368	556	176
3 Northern ..	14.4	15.6	14.4	98	91	50
4 Northern ..	16.0	16.2	15.5	8	17	26
4 Special ..	16.5	16.4	16.3	4	17	26
1 C.W. Garnet	-	-	11.4	-	-	15
2 C.W. Garnet	-	13.0	12.0	-	9	17
3 C.W. Garnet	-	13.7	12.4	-	1	4
All grades ..	14.5	14.3	14.0	768	2,339	692

NOTE: All protein (N. x 5.7) results are reported on a 13.5% moisture basis.

Protein Contents of Western Inspection Division "Averages"
for the 1939 and 1938 Crops

Grade	1939 Crop	1938 Crop	
	Aug. 1 to Sept. 30	Aug. 1 to Sept. 30	Aug. 1 to July 31
	%	%	%
1 Hard	13.9	14.1	14.0
1 Northern	14.0	14.3	14.2
2 Northern	14.4	13.9	13.8
3 Northern	14.7	13.6	13.9
4 Northern	15.5	14.0	13.8
4 Special	16.3	13.7	14.1
1 C.W. Garnet	12.1	12.7	12.6
2 C.W. Garnet	12.4	12.7	12.6
3 C.W. Garnet	12.5	12.7	12.7
Weighted mean for all grades	14.2	13.9	13.8

II. LAKE MOVEMENT

The following table summarizes the movement of wheat down the Lakes from the opening of navigation in 1939, with comparative figures for 1938.

From opening navigation to	To Canadian Lower Lake Ports	To St. Lawrence Ports	To Buffalo	To Other United States Ports	To United Kingdom and Continental Ports	Totals
(bushels)						
Oct. 14, 1939	86,449,471	11,801,824	18,704,555	11,008,628	225,026	128,189,504
Oct. 14, 1938	69,558,126	21,586,055	7,039,239	4,781,377	112,000	103,076,797

III. PRIMARY MOVEMENT

The following table shows primary receipts of wheat in the Prairie Provinces for the 1939-40 crop year along with comparative figures for 1938-39:

<u>Week ending</u>	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Totals</u>	<u>Last Year</u>
	(bushels)				
August 4	400,929	143,422	136,978	681,329	608,014
11	2,222,896	121,744	266,227	2,610,867	2,231,338
18	3,550,957	1,241,585	928,424	5,720,966	6,562,985
25	6,242,914	6,073,204	3,234,534	15,550,652	14,920,847
September 1	13,032,482	16,424,590	5,699,321	35,156,393	23,112,502
8	8,132,617	24,991,538	9,414,191	42,538,346	31,342,019
15	5,513,903	29,122,977	8,184,234	42,821,114	20,725,068
22	2,899,684	24,573,608	10,322,765	37,796,057	32,148,351
29	2,826,976	24,683,007	16,251,437	43,761,420	30,241,394
October 6	1,190,288	15,669,645	6,905,621	23,765,554	21,443,468
13	594,020	11,766,609	7,503,847	19,864,476	11,142,554
Totals	46,607,666	154,811,929	68,847,579	270,267,174	194,478,540

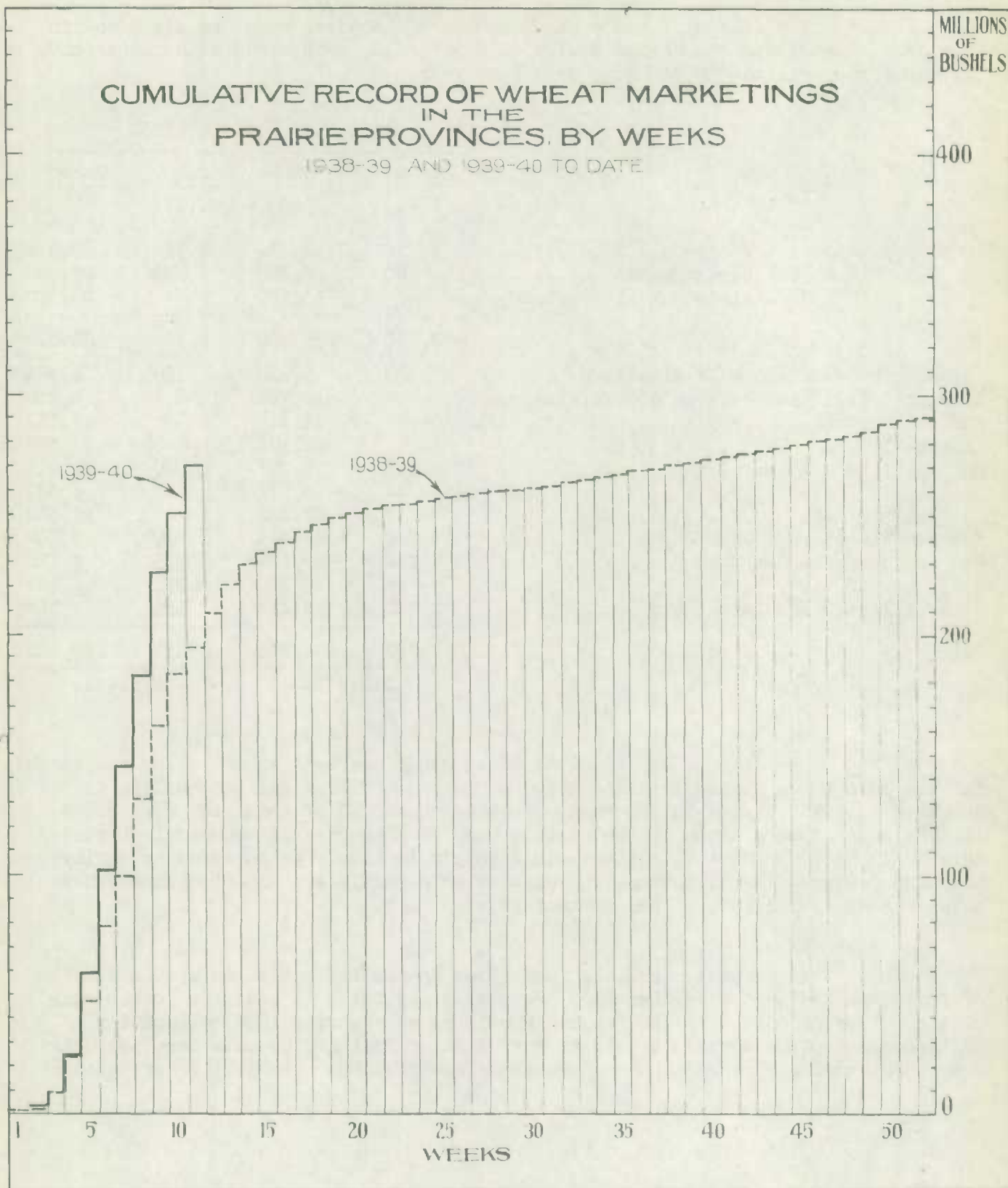
Primary receipts of wheat in the Prairie Provinces during the first two weeks of October have shown a considerable decline from the weekly amounts delivered during the month of September. Deliveries in September easily established a new record for the month with country elevator receipts and platform loadings in September, 1939, amounting to 172 million bushels, compared with 134 million bushels delivered during the month of September, 1928, from the record crop of that year. It must be remembered, of course, in comparing 1939 deliveries with those of 1928, that the increased use of combines in threshing and of grain trucks in hauling to elevators has materially increased the capacity to market early in the crop season. This has been borne out by an almost steady advance in the rate of marketings since 1928.

Manitoba marketings of 46.6 million bushels in the present season reached their peak in the week ending September 1. Weekly deliveries have since declined sharply until in the week ending October 13, they have dropped below the million bushel mark. Deliveries in this province are expected to be small during the balance of the crop season.

Saskatchewan deliveries of 154.8 million bushels reached their peak in the week ending September 15 at 29.1 million bushels for the week although in the week ending October 13, Saskatchewan marketings continued substantially at 11.8 million bushels, with deliveries in volume expected to continue for several weeks yet.

Alberta marketings of 68.8 million bushels reached their peak in the week ending September 29, with a total for that week of 16.3 million bushels. Alberta deliveries should be substantial for several weeks yet, with 1939 marketings at October 13, lagging 10.7 million bushels behind the volume marketed up to the same date in 1938.

CUMULATIVE RECORD OF WHEAT MARKETINGS
IN THE
PRAIRIE PROVINCES, BY WEEKS
1938-39 AND 1939-40 TO DATE



IV. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on October 13, 1939 along with comparative figures for approximately the same date last year.

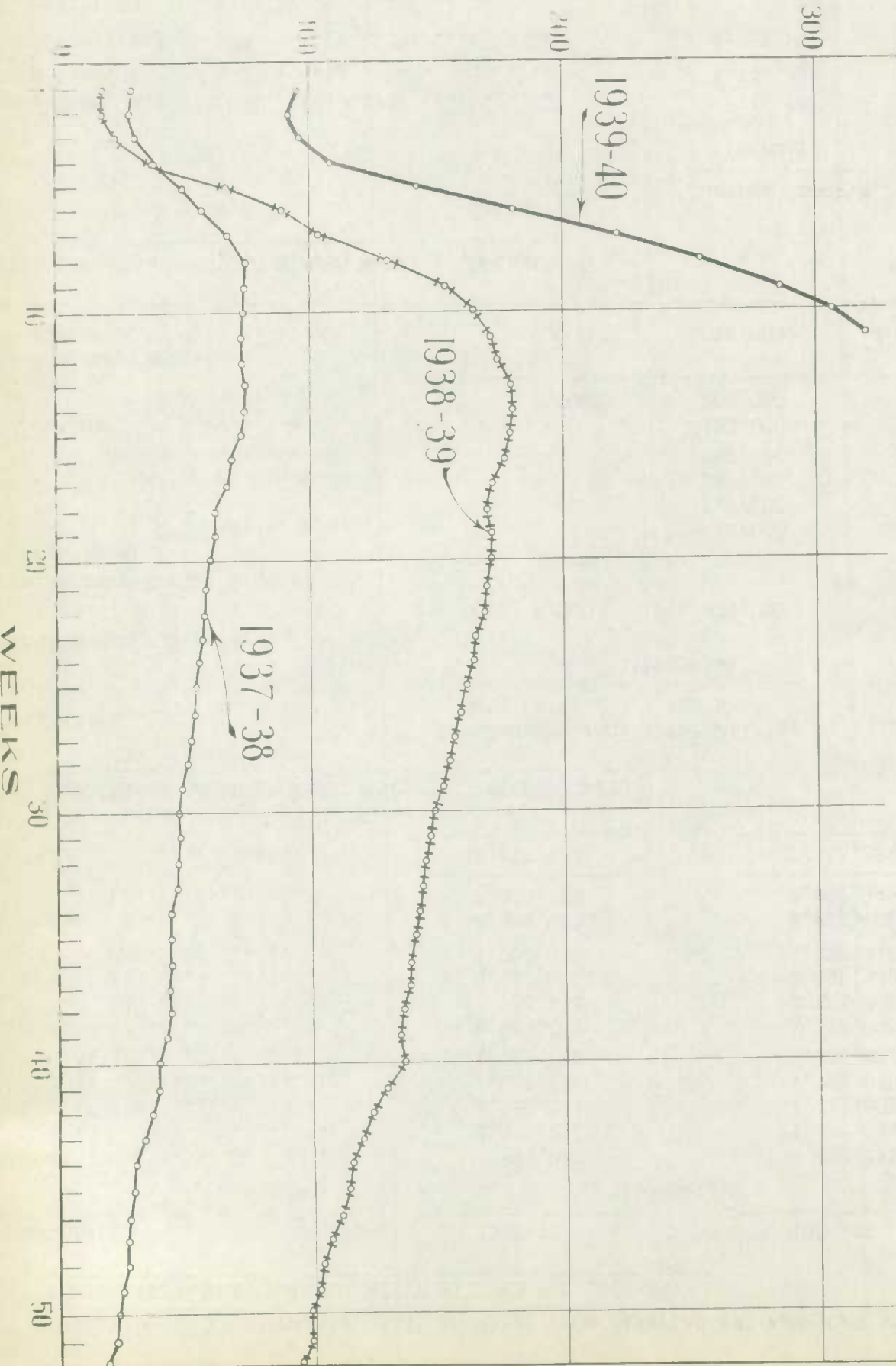
	1939		1938	
	Durum	Other	Durum	Other
	(000 bushels)			
Country Elevators - Manitoba	2,160	10,370	3,360	5,875
Saskatchewan	890	57,590	1,070	28,580
Alberta	-	35,170	-	29,360
TOTALS	3,050	103,130	4,430	63,815
Interior Private and Mill Elevators	20	5,210	126	4,984
Interior Public and Semi-public Terminals	6	15,732	-	5,230
Pacific Ports	-	4,413	-	16,674
Churchill	-	2,194	-	378
Fort William and Port Arthur	3,843	71,757	8,570	21,047
In Transit, Lakes	44	3,677	758	9,321
In Transit, Rail	-	37,282	-	17,332
Eastern Elevators - Lake Ports	4,020	31,404	1,119	5,259
St. Lawrence and Seaboard Ports	1,238	19,526	909	8,128
U. S. Lake Ports	25	5,390	221	2,199
U. S. Atlantic Seaboard Ports	2,789	5,223	186	755
TOTALS	15,035	304,938	16,319	155,122
	319,973		171,441	

The visible supply of Canadian wheat has been establishing new records for the past three weeks, with the previous record of 270.7 million bushels on November 1, 1935, passed in the week ending September 29 of this year when 286.4 million bushels were shown in the visible supply. The present amount of approximately 320 million bushels in the visible supply is likely to be added to during the next few weeks until current disposition in domestic and export channels overtakes the declining rate of new marketings.

At present, handling facilities in the key positions at the Head of the Lakes and on the St. Lawrence are completely taxed in addition to numerous country elevator points in the Prairie Provinces which are filled to capacity. Rail shipments from country points to Fort William-Port Arthur have been temporarily suspended until the congestion at Lakehead elevators, has been partly corrected.

MILLION
BUSHELS

WEEKLY VISIBLE SUPPLY OF CANADIAN WHEAT 1937-38, 1938-39 AND 1939-40 TO DATE



V. TOTAL EXPORT CLEARANCES OF CANADIAN WHEAT FROM CANADIAN AND AMERICAN SEABOARD PORTS, 1939-40 WITH COMPARATIVE FIGURES FOR 1938-39.

Week ending	1939-40	1938-39
	(bushels)	
August 1-4	707,077	406,135
10	3,460,263	1,878,644
17	2,950,136	1,411,201
24	1,885,711	1,728,930
31	1,561,002	1,936,384
September 7	2,943,560	1,466,006
14	734,554	3,303,207
21	4,557,612	2,899,842
28	1,901,877	4,822,415
October 5	2,548,013	4,632,709
12	1,163,329	2,947,849
Totals	24,413,134	27,433,322

VI. IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES

Week ending	For Consumption Duty Paid	For Milling in Bond	Totals
	(bushels)		
Final Monthly Figure -			
August, 1939	5,000	939,000	944,000
Preliminary Weekly Figures -			
September 1	-	-	-
8	-	48,000	48,000
15	-	179,000	179,000
22	-	207,000	207,000
29	-	267,000	267,000
October 6	-	123,000	123,000
13	2,000	266,000	268,000
Preliminary Totals -			
August 1 to date	7,000	2,029,000	2,036,000

VII. IMPORTS OF UNITED STATES WHEAT INTO CANADA

	Customs Imports
	(bushels)
Crop Year, August 1936 - July 1937	146,957
Crop Year, August 1937 - July 1938	5,743,953
Crop Year, August 1938 - July 1939	1,558,551
August, 1939	29

VIII. THE STATISTICAL POSITION

(a) In Canada only: The table below summarizes the statistical position of wheat in Canada as at October 1, 1939, with comparative figures for the same date in 1938. The calculation is based upon available supplies for the crop year in Canada only, from which are deducted the Customs exports for the months of August-September. Supplies available for export or carry-over at October 1, 1939, are shown at 386.6 million bushels, representing an increase in current supplies of 157.2 million bushels, compared with those of a year earlier.

	1938-39	1939-40
	(bushels)	
Carry-over in Canada, July 31	23,553,228	95,013,476
New Crop	350,010,000 ^{1/}	449,058,000 ^{2/}
Total Supplies	373,563,228	544,071,476
Domestic Requirements	122,563,689	128,000,000 ^{3/}
Available Supplies	250,999,539	416,071,476
Exports, August-September	21,607,954	29,495,302
Balance for Export or Carry-over, October 1. ..	229,391,585	386,576,174

(b) In Canada and the United States: A second method of calculating the statistical position takes into account stocks in the United States as well as in Canada, then works from the elevator returns of overseas clearances, plus United States' imports for consumption and milling in bond. The calculation shown below, based on this method, indicates a balance of 397 million bushels on October 1, available for export or for the July 31 carry-over in Canada and the United States, compared with 227.6 million bushels a year earlier, indicating an increase of 169.4 million bushels in the current available supplies between the two years.

	1938-39	1939-40
	(bushels)	
Carry-over in Canada and the United States, July 31	24,535,858	102,161,568
New Crop	350,010,000 ^{1/}	449,058,000 ^{2/}
Total Supplies	374,545,858	551,219,568
Domestic Requirements	122,563,689	128,000,000 ^{3/}
Available Supplies	251,982,169	423,219,568
Export Movement, August-September		
Overseas Clearances	20,677,109	20,986,192
United States' imports	934,694	1,645,000
Flour as wheat	2,727,041	3,581,231
	24,338,844	26,212,423
Balance for Export or Carry-over, October 1	227,643,325	397,007,145

^{1/} Subject to final revision, January 19, 1940

^{2/} Subject to revision, November 10, 1939.

^{3/} Tentative.

IX. EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR

The following tables give the Customs totals of wheat and flour exports during the 1939-40 crop year with comparative figures for preceding years:

W H E A T

	1939-40	1938-39	1937-38	1936-37
		(bushels)		
August	10,272,929	6,266,055	6,554,967	21,157,268
September	15,641,142	12,614,858	5,903,060	20,720,316
October		24,579,370	10,055,102	26,917,096
November		21,703,514	14,542,227	33,308,840
December		15,982,526	6,636,261	20,427,916
January		7,878,963	7,193,986	9,789,027
February		5,746,333	2,838,804	5,362,031
March		6,564,277	3,487,449	4,748,599
April		2,831,612	1,617,703	3,617,803
May		13,655,266	3,370,545	8,026,507
June		14,637,016	7,275,376	12,180,068
July		13,780,554	7,248,115	8,602,689
Totals		146,240,344	76,713,595	174,858,160

F L O U R

	1939-40	1938-39	1937-38	1936-37
		(barrels)		
August	379,276	286,270	288,608	387,728
September	416,553	319,739	306,655	378,318
October		528,601	336,478	464,013
November		477,875	405,921	408,653
December		365,085	337,678	475,282
January		379,538	295,776	313,923
February		290,766	272,488	347,884
March		360,752	301,735	390,315
April		275,275	184,703	285,724
May		515,778	297,126	348,866
June		401,189	299,503	389,995
July		403,377	282,985	334,964
Totals		4,604,245	3,609,656	4,525,665

WHEAT AND WHEAT FLOUR

	1939-40	1938-39	1937-38	1936-37
		(bushels)		
August	11,979,671	7,554,270	7,843,703	22,902,044
September	17,515,631	14,053,684	7,283,008	22,422,747
October		26,958,075	11,569,253	29,005,155
November		23,853,951	16,368,871	35,147,778
December		17,625,408	8,155,812	22,566,685
January		9,586,884	8,524,978	11,201,680
February		7,054,780	4,065,000	6,927,509
March		8,187,661	4,845,256	6,505,017
April		4,070,350	2,448,867	4,903,561
May		15,976,267	4,707,612	9,596,404
June		16,442,366	8,623,139	13,935,046
July		15,595,751	8,521,548	10,110,027
Totals		166,959,447	92,957,047	195,223,653