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# MONTHLY REVIEW OF THE WHEAT SITUATION

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THE WORLD WHEAT SITUATION - SUMMARY

Within the past month the wheat situation generally has acquired a measure of stability in contrast with the unsettled conditions which marked the first month and a half of war. Among the constructive factors has been the resumption of British buying, as indicated by the substantial amount of export business reflected on the Winnipeg Grain Exchange on several occasions within the past month. In addition, the United States has virtually withdrawn from the export market so far as new wheat sales are concerned, in view of the distinctly uncertain prospects for the new domestic winter wheat crop. In the Southern Hemisphere, the Argentine and Australian crops, which are just maturing, have hardly maintained their condition within the past month. Present estimates for these two countries show a combined reduction of 81 million bushels from their harvest of a year ago. These factors have operated against the influence of a continued "bearish" world supply situation, and have sustained Winnipeg wheat prices around the 70 cent level for the nearby futures, while adding a slight buoyancy to Chicago and Buenos Aires prices.

On the basis of somewhat meagre reports, it appears that if any curtailment in European winter wheat seedings occurs this autumn it will have been caused by excessive moisture rather than by the presence of war. It is natural under present conditions that every European government should encourage the planting of winter wheat to the fullest possible extent. In Russia an increase of 2 1/2 per cent in the seedings of winter grains has been reported. In the Danubian countries, efforts have been made to increase acreage, although wet weather has delayed seeding in Roumania to some extent. Similarly in western Europe, a full acreage was intended, although seeding has been slow because of excessive rains.

World shipments of wheat and flour during the first sixteen weeks of the present crop year have turned in a disappointing performance, with a total of 134.6 million bushels shipped up to November 18, in comparison with 181.2 millions for the same period a year ago. Australian shipments, however, have not been reported since September 2, and it is possible that upwards of 10 million bushels have been shipped from this source. Argentina has been the heaviest single shipper since the beginning of the crop year, with shipments up to November 17 totalling 53.2 million bushels. Canadian and United States shipments combined have totalled 56.3 millions, according to Broomhall's figures. Within the past few weeks, the weekly volume of world shipments has shown a tendency to improve, due to an upturn in the movement from Canada. Canadian export sales within recent weeks indicate that the export volume from this country should continue to improve.

Additional governments have undertaken within the past month to husband their wheat supplies. On November 3, it was announced that the Spanish government, through its National Wheat Board, had assumed control of all native-grown wheat, and had fixed prices to growers. Spain's normal consumption requirements are 150 million bushels and her domestic production of 112 million bushels



this year emphasizes the need for conservation of supplies and imports. On November 6, it was also reported that the Irish government had taken over control of wheat imports, subject to maximum price control. On November 10, the Australian Commonwealth government, which had assumed control over exports since the outbreak of war, announced a measure of financial aid to growers, which will ensure the latter 3 shillings Australian or 51 cents Canadian per bushel for marketings from the new crop. This price will be paid in two instalments, half on delivery and the balance in April. Meanwhile, the British government, in its plan to encourage more home-grown wheat, has raised the standard price to be paid to growers from 45 to 49 1/2 shillings per quarter, which in its Canadian equivalent amounts to an increase from \$1.19 to \$1.32 per bushel. Any deficiency between the standard price and the average market price received by growers in the United Kingdom is paid from the proceeds of a tax on flour.

### Southern Hemisphere Crop Prospects

The Argentine wheat crop received an excessive amount of rainfall during October, particularly in the northern districts including Cordoba and Santa Fe. In central Buenos Aires, however, there were also complaints of excessive rains. Black rust has been reported in northern districts, but the damage appears to have been local in character. Within the past two weeks, clearer weather has prevailed, and the crop has had an opportunity to recuperate, with ample moisture on hand for filling. The inclement weather in late October brought in its wake some pessimistic private crop estimates. The first official estimate of production is not expected until mid-December. In the meantime an approximation of 230 million bushels appears to be reasonably conservative. A crop of this amount would be 106.2 million bushels less than the unusually heavy production last year.

The first official estimate of the Australian wheat crop was issued on November 13 at 180 million bushels. This represents an increase of 25.4 million bushels over the 1938 crop. Harvesting has already begun in the northern districts of New South Wales, where the yields are reported as only fair.

### The Wheat Situation in the United States

Some improvement in the United States winter wheat situation has occurred as a result of rains during the second week of November. Missouri, eastern and central Kansas and parts of Oklahoma and Texas received particular benefit, although western Kansas and the Oklahoma and Texas panhandles received very little relief. In the latter "dust bowl" area germination has been poor and there is considerable potential danger from soil blowing. Elsewhere in the winter wheat belt, there is only a scanty reserve of subsoil moisture, and further rainfall is badly needed for root development in the plant to insure against winterkilling. Private acreage estimates indicate a total winter wheat area seeded of 43,799,000 acres, which is a reduction of 2,374,000 acres from the area sown in the autumn of 1938.

United States farmers have availed themselves of the Federal loan facilities much more extensively this year than was the case in 1938. Up to November 14, loans had been made on 157 million bushels of wheat in comparison with a total of 40 million bushels up to November 14, 1938. In addition, 10.5 million bushels have been pledged as crop insurance premiums on the 1940 crop.

With poor prospects for the new winter wheat crop, and an appreciable portion of existing wheat stocks pledged against loans, the Federal Surplus Commodities Corporation is showing no effort to press wheat exports under subsidy, although an export business in flour is still being done.

## The Wheat Situation in Canada

A substantial increase of 29.9 million bushels in the 1939 Canadian wheat crop estimate was indicated in the second estimate of 478,965,000 bushels issued by the Dominion Bureau of Statistics on November 10. The increase amounted to 30 million bushels in the Prairie Provinces where the wheat crop is now estimated at 452 million bushels, including 63 millions in Manitoba, 239 millions in Saskatchewan and 150 millions in Alberta.

The second estimate places the 1939 Canadian crop approximately equal to the 1927 crop which was the second largest on record. With improved harvesting and hauling facilities available for the present crop in comparison with those available for the 1927 and 1928 crops, primary deliveries of wheat from farms established new records in volume for the months of September and October. Total primary elevator receipts and platform loadings from August 1 to November 17, in the present crop year have amounted to 331,831,120 bushels in comparison with marketings of 307,618,684 bushels during the same period in the 1928-29 crop year. On the basis of the second crop estimate this year, it is estimated that total primary marketings during the 1939-40 season will approximate 400 million bushels. Accordingly, 83 per cent of total 1939-40 marketings have already come forward up to November 17, in comparison with 82 per cent in the same period of the previous crop year. In the autumn of 1927, however, only 49 per cent of total marketings had been delivered by November 17, and 66 per cent in the same period of 1928.

The rapid and heavy primary movement this season in addition to a 95 million bushel carry-over of old-crop wheat soon taxed the handling facilities and capacity of the terminal elevators. From October 16 to November 17, an embargo was placed on rail shipments of wheat from country points to Fort William and Port Arthur terminals, so that congestion at the Head of the Lakes might be relieved. In the meantime the visible supply of Canadian wheat has repeatedly established new records, with the 356,670,000 bushels in store or in transit on November 17 providing the latest peak. In the previous week, the visible had registered a decline from 351.5 to 350.5 million bushels, but the increase of 6.2 millions within the past week dispelled the belief that the maximum for the crop year had been reached at that time. With exports and domestic millings about ready to overtake the dwindling primary marketings of wheat, the visible supply is expected to decline in the very near future.

The Customs export figures are furnishing a picture of the Canadian export movement at variance with overseas clearance figures at the present time, but the discrepancy is largely explained by the increased stocks of Canadian wheat in store in the United States, which raise the Customs totals when leaving the Canadian border, but do not affect the overseas clearance figures. Customs exports of wheat and flour for the August-October period amounted to 48.3 million bushels, whereas the elevator overseas clearances, with United States imports for consumption and milling in bond and wheat flour exports added in, amounted to only 35.3 million bushels from August 1 to October 31. Canadian wheat in store in the United States at August 1 amounted to 7.1 million bushels, and on November 3 to 16.1 millions, with the increase in these stocks accounting for 9 millions of the 13 million bushel discrepancy between the Customs and the elevator clearance figures in the August-October period.

Exports on the basis of overseas clearances from August 1 to November 17 amount to 45.5 million bushels, made up as follows: overseas clearances of wheat 35.6 millions; imports into the United States for consumption and milling in bond 3.3 millions; flour exports partly estimated and expressed as wheat 6.3 million bushels. Exports computed on the same basis and for the same period in the previous crop year totalled 63.8 million bushels.



## CALENDAR OF WHEAT EVENTS

- October 20. Argentine wheat area 17,791,000 acres according to second official estimate.
26. Rainfall in Oklahoma, Kansas and Texas heavy in places, but light in western Kansas.
28. Stem rust is observed in Australia. Dust storms are reported in Kansas.
30. United States Federal Crop Insurance Corporation announces 300,000 winter wheat farmers have paid in premiums on 1940 crop insurance with 10,458,501 bushels pledged as premiums.
- November 1. Unwanted rains in Argentina.
2. United States private estimates average 43,799,000 acres sown to winter wheat this autumn. Production forecasted around 400,000,000 bushels.
3. Spanish government commandeers all native-grown wheat.
4. Argentine official report claims damage from excessive rain.
6. Eire imposes government control of wheat imports and prices.
9. Six to ten cargoes of United States wheat sold to Vladivostok under subsidy.
- Showers at several points in Kansas, Oklahoma and Nebraska.
10. Canadian crop estimate raised to 478,965,000 bushels. Beneficial rains in Australia. Australian government announces financial aid to growers.
11. Rains in Argentina. Black rust appears in north-west.
13. Australian wheat crop officially estimated at 180,000,000 bushels.
14. United States flour export subsidy increased.
16. United Kingdom raises guaranteed price to growers from 45s. to 49s. 6d. per quarter of 504 pounds, equivalent to an increase from \$1.19 to \$1.32 per bushel, Canadian funds, at current rates of exchange.
17. Rail embargo on wheat shipments to Fort William Port Arthur lifted.
20. United States wheat under Federal loan as of November 14 announced at 157,004,955 bushels.

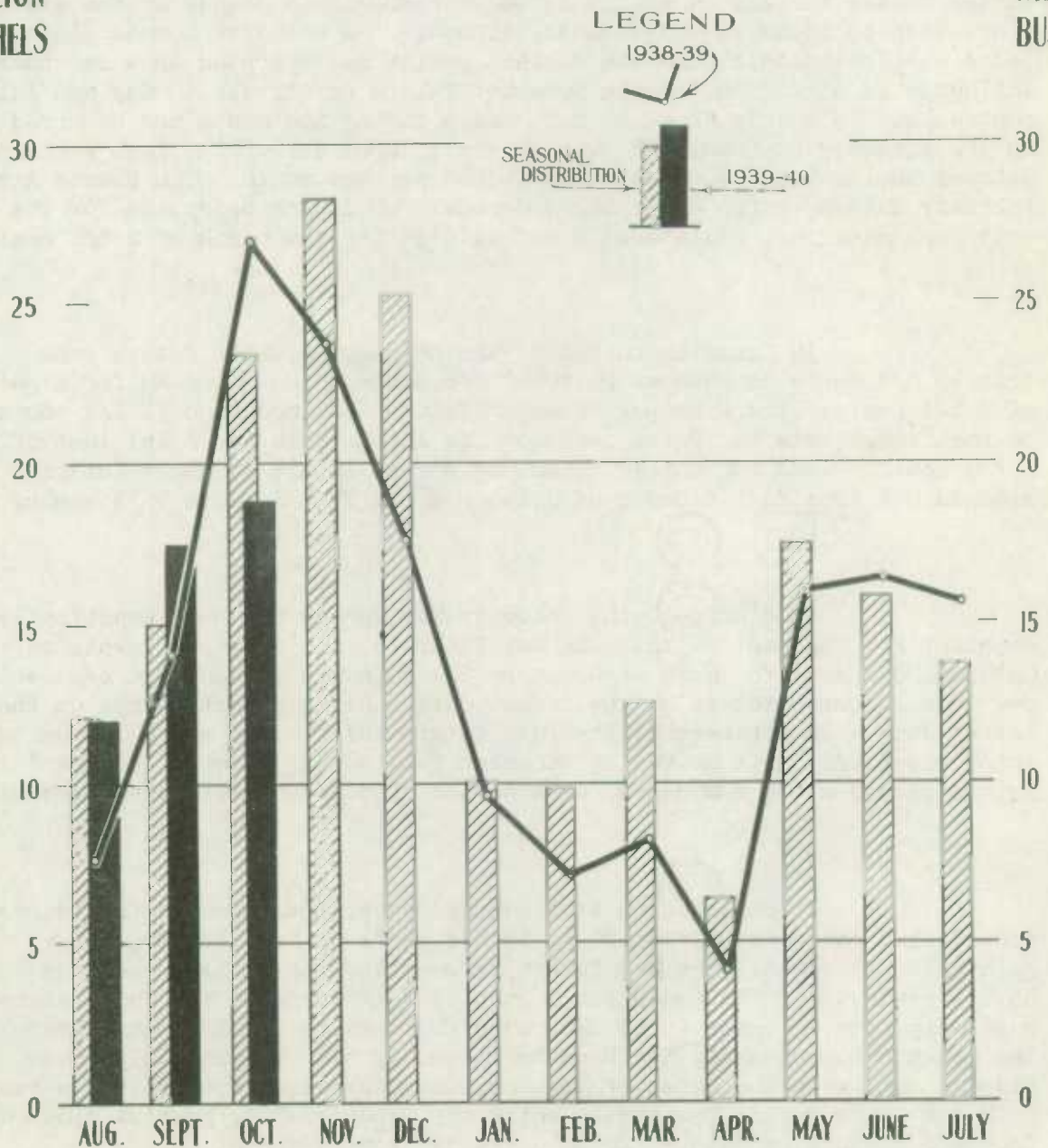
### An Appraisal of the Canadian Export Movement

The Customs exports of wheat and wheat flour for the first three months (August-October) of the present crop year, have amounted to 48,342,797 bushels. Total Customs exports of wheat and wheat flour for the 1939-40 season are estimated within a range of 180 to 200 million bushels. In the chart on the opposite page, a seasonal distribution for the total crop year's exports based upon 190 million bushels is shown, together with actual exports of the three-month period already elapsed. In order to maintain the seasonal distribution during the August-October period 50.5 million bushels would need to be exported. Accordingly at the end of October, the Customs exports of 48.3 million bushels were only 2.2 millions below the amount required to maintain the average seasonal rate of exporting a crop-year total of 190 millions. During September and the first half of October, export sales of Canadian wheat were considerably disrupted in the transition from peace to war conditions. Since mid-October export sales have been made in much larger volume and these should shortly be reflected in a larger actual export movement.

COMPARISON OF EXPORTS  
OF  
CANADIAN WHEAT AND WHEAT FLOUR IN 1939-40  
WITH  
1938-39 EXPORTS  
AND A  
SEASONAL DISTRIBUTION OF CROP YEAR EXPORTS  
OF  
190 MILLION BUSHELS

MILLION  
BUSHELS

MILLION  
BUSHELS



## PRICES

The spread between the Winnipeg and the Chicago December futures has been gradually widening out during the past month. While Winnipeg prices have eased slightly within the month with a tendency for the nearby positions to settle around the 70 cent level, Chicago prices have been working moderately upward. The underlying influence in United States markets generally is the threatening collapse of the winter wheat crop to be harvested in 1940, although the withdrawal under loan of 153.4 million bushels from the current market has operated as a secondary influence in strengthening the December future relatively to May and July contracts. In Buenos Aires no net change during the month has occurred in the November contract, the weakness displayed during the last week in October having been overcome early in the present month. The Buenos Aires February future, affected by the moderately declining prospects for the crop just maturing, registered a net gain during the month of  $2 \frac{3}{8}$  cents.

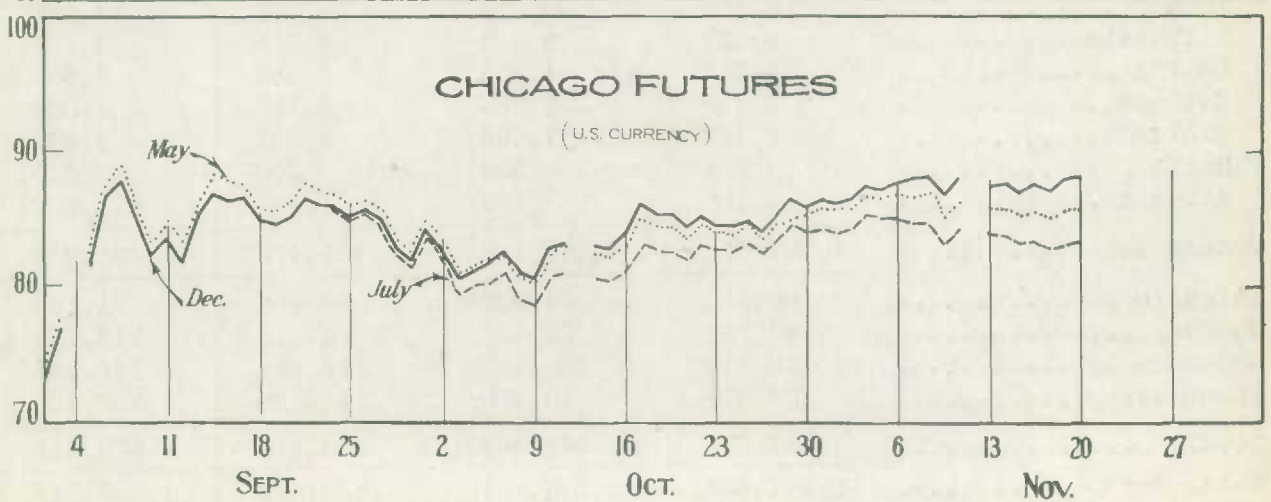
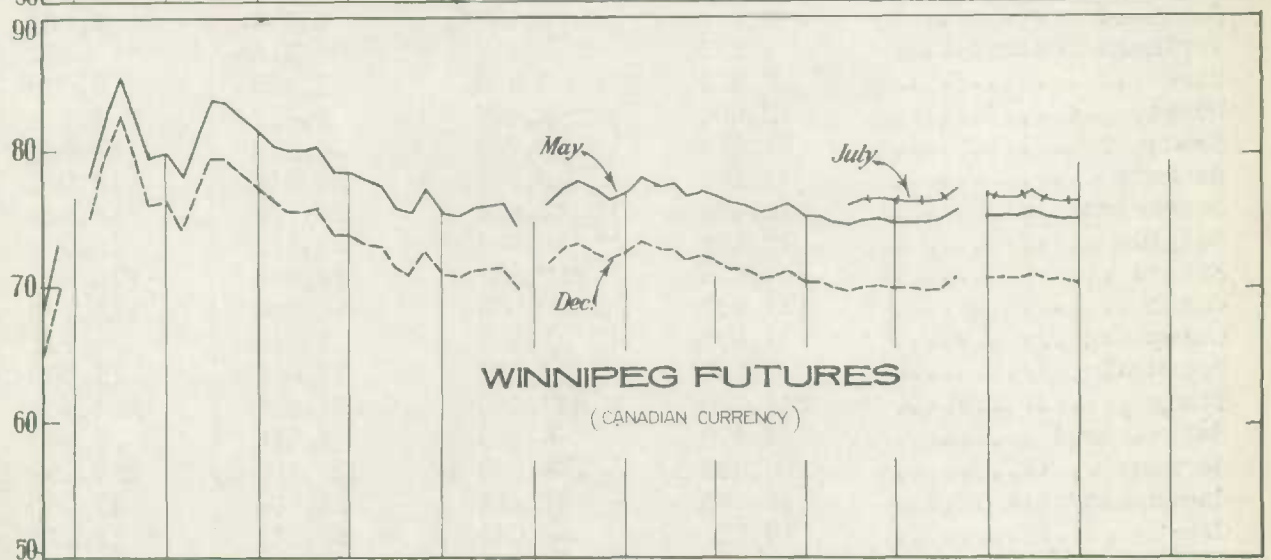
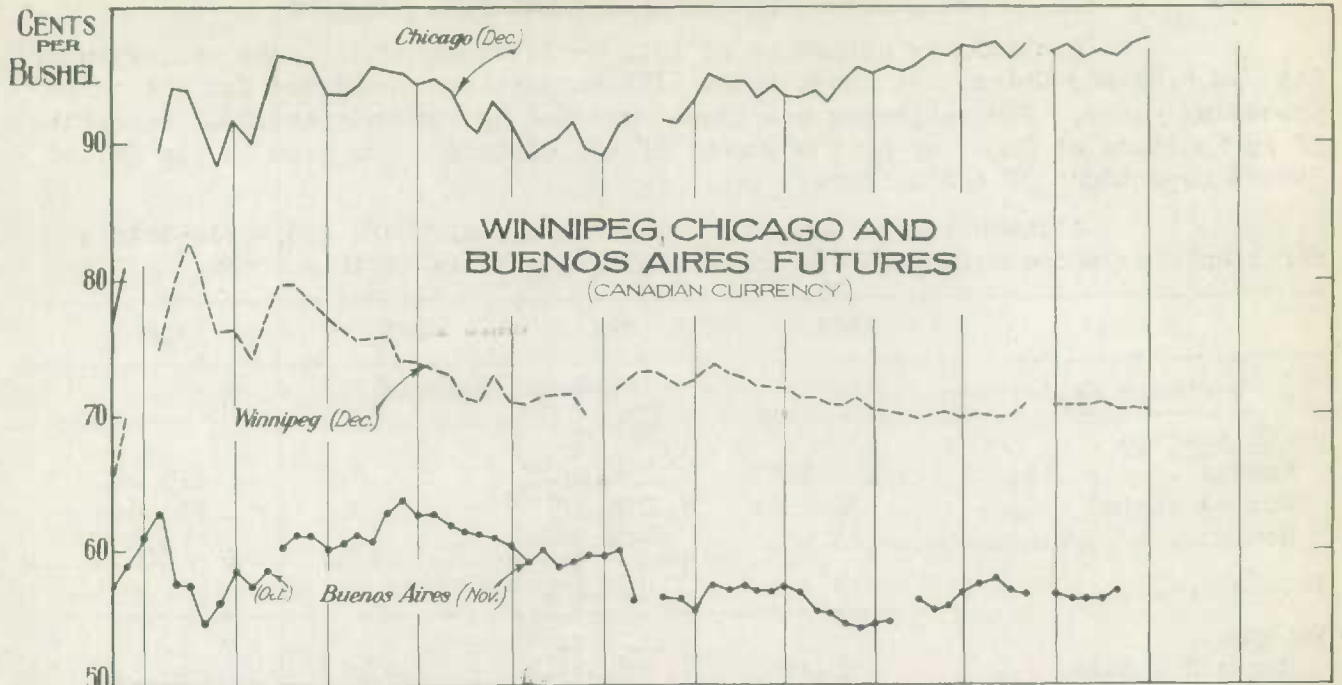
In Canadian currency, the Chicago December future rose from  $93 \frac{3}{8}$  cents on October 20 to  $97 \frac{5}{8}$  cents on November 20 for a gain of  $4 \frac{1}{4}$  cents. The Winnipeg December future declined from  $72 \frac{1}{8}$  cents on the former date to  $70 \frac{1}{4}$  cents on the latter date for a net loss of  $1 \frac{7}{8}$  cents. Thus the Chicago-Winnipeg spread in the December futures widened out from  $21 \frac{1}{4}$  cents on October 20 to  $27 \frac{3}{8}$  cents on November 20.

At Winnipeg, the December-May spread has been practically constant for the past month. The May future closed at  $76 \frac{7}{8}$  cents on October 20 and at 75 cents on November 20, with the spread of  $4 \frac{3}{4}$  cents over the December future on the former date showing no net change on the latter date. On November 2, the July future was boarded at  $76 \frac{1}{8}$  cents, which was  $6 \frac{3}{8}$  cents above the December future. On November 20 the July future closed at  $76 \frac{3}{8}$  cents, at a spread of  $6 \frac{1}{8}$  cents above December.

At Chicago, in American currency, the December future rose from  $84 \frac{1}{2}$  cents on October 20 to  $88 \frac{3}{8}$  cents on November 20, for a gain of  $3 \frac{7}{8}$  cents. The May future between the same dates rose from  $83 \frac{3}{4}$  cents to  $85 \frac{7}{8}$  cents for a gain of  $2 \frac{1}{8}$  cents. The July future rose only from 82 cents to  $83 \frac{1}{2}$  cents for a gain of  $1 \frac{1}{2}$  cents over the month. Consequently the December premiums over May and July have widened out, with the December-May premium increasing from  $\frac{3}{4}$  of a cent to  $2 \frac{1}{2}$  cents during the month, while the December-July premium widened from  $2 \frac{1}{2}$  cents on October 20 to  $3 \frac{1}{4}$  cents on November 20.



# 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)				
<u>Northern Hemisphere</u>				
<u>North America</u>				
Canada .....	219,218	180,210	350,010	478,965
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	1,231,410
<u>Europe</u>				
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	2,551
Sweden .....	21,635	25,720	30,184	31,441
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 .....	121,457	110,000	70,694	111,773
Luxemburg .....	1,071	1,206	1,830	991
Portugal .....	8,651	14,668	15,802	18,300
Italy .....	224,570	296,280	297,317	294,400
Switzerland .....	4,470	6,184	7,812	6,360
Germany .....	176,699 1/	178,829 1/	221,163 1/	205,192 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	3,002
Finland .....	5,259	7,665	9,403	8,671
Malta .....	236	326	296	(279)
Albania .....	1,106	1,636	1,650	(1,600)
Totals .....	1,097,026	1,177,160	1,366,472	1,245,933
Bulgaria .....	60,350	64,909	78,950	71,155
Hungary .....	87,789	72,157	98,777	112,094 4/
Roumania .....	128,717	138,157	177,154	164,941
Yugoslavia .....	107,422	86,238	111,329	105,422
Totals .....	384,278	361,461	466,210	453,612
Total Europe .....	1,481,304	1,538,621	1,832,682	1,699,545

1/ Including Austria. 2/ Including Austria and Sudetenland. 3/ Approximation for Bohemia-Moravia and Slovakia. 4/ Present frontiers excluding Sub-Carpathian Russia.

World production of wheat in 1939, excluding the U.S.S.R. and China, is now estimated at 4,298,000,000 bushels, showing a reduction of only 265 million bushels from the record world production of 1938.

Principal revisions in the 1939 estimates within the past month included those for Canada, Australia and Roumania. The Canadian estimate shows an increase of 29.9 million bushels, while the first official estimate for Australia at 180 million bushels is 5 millions higher than the private estimate used a month ago. The Roumanian estimate, on the other hand, is 11.4 million bushels lower than in October. While no official estimate of the Argentine crop has yet been made, and one trade forecast was published as low as 200 million bushels, the tentative figure of 230 million bushels continues to appear sufficiently conservative for the present.

	1936	1937	1938	1939
(thousand bushels)				
<u>Africa:</u>				
Algeria .....	29,774	33,106	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	117,014	118,010	148,950
<u>Asia:</u>				
Palestine .....	2,795	4,682	1,633	5,000
Syria & Lebanon ....	15,704	17,227	23,674	22,303 <sup>1/</sup>
India.....	352,203	364,075	401,856	370,608
Japan .....	45,192	50,410	45,244	54,413
Chosen .....	8,161	10,323	10,401	12,286
Turkey .....	141,582	132,985	156,097	(158,000)
Totals .....	565,637	579,702	638,905	622,610
Totals 42 Countries ..	3,002,297	3,301,810	3,883,833	3,702,505
<u>Estimated Northern Hemisphere</u>				
<u>Total, ex U.S.S.R.</u>				
<u>and China</u> .....	3,107,000	3,406,000	3,988,000	3,806,000
<u>Southern Hemisphere</u>				
Argentina .....	249,193	184,799	336,201	230,000
Australia .....	151,390	187,258	154,426	180,000
Union of South Africa .	16,077	10,157	17,093	(15,000)
Totals .....	416,660	382,214	507,720	425,000
<u>Estimated World Total, ex</u>				
U.S.S.R. and China ..	3,579,000	3,852,000	4,563,000	4,298,000

<sup>1/</sup> Not including Alexandrette.



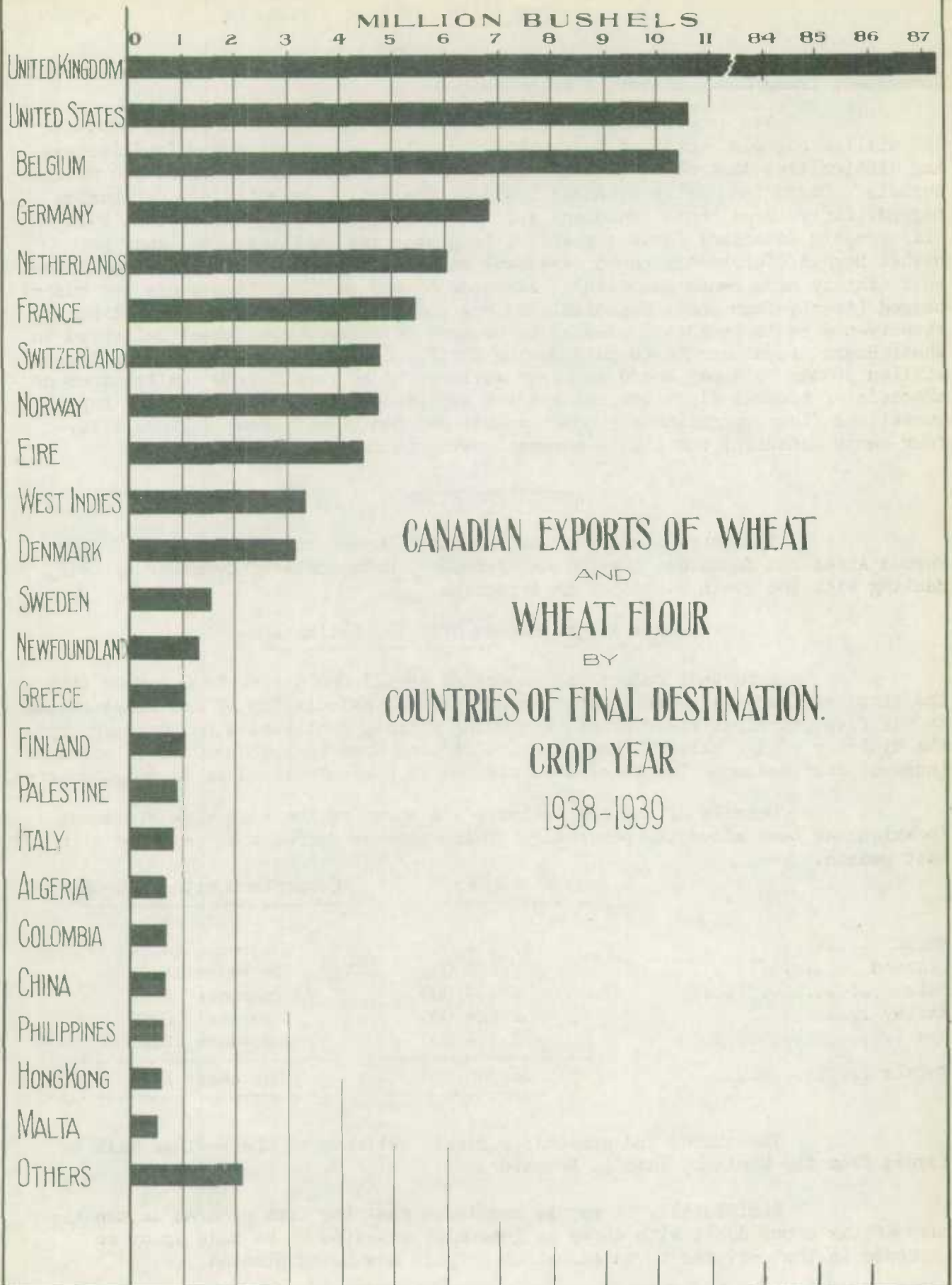
Canadian Exports of Wheat and Wheat Flour by Countries of Final Destination  
Crop Year, 1938-39.

The table below shows Canadian wheat exports by countries of final destination for the 1938-39 crop year, as based upon the elevator overseas clearances figures, with all cargoes and parcels traced to their final destination by the Board of Grain Commissioners in co-operation with several Canadian Trade Commissioners and a London representative. Durum wheat exports are shown separately from other wheat, except in the case of the United States. United States imports for consumption and milling in bond, as shown below, are those recorded by the United States Bureau of Foreign and Domestic Commerce. The flour exports shown below are based upon the Canadian customs returns for wheat flour by countries of consignment. Because wheat flour diversions in transit are comparatively minor, these figures may be taken for practical purposes as indicating the countries of final destination for wheat flour exports.

Distribution - by Countries of Final Destination of Canadian Wheat and Wheat Flour Exports,  
Crop Year, 1938-39

COUNTRY	WHEAT (Other than Durum)	DURUM WHEAT	WHEAT FLOUR (expressed as wheat at 4½ bus. per bbl.)	TOTAL WHEAT and WHEAT FLOUR
			<u>Bushels</u>	
United Kingdom	74,843,140	1,360,610	11,048,734	87,252,484
Eire	4,459,980	-	35,348	4,495,328
Belgium	9,470,600	981,101	2,641	10,454,342
Belgian Colonies	-	-	1,144	1,144
Cyprus	-	74,078	-	74,078
Czecho-Slovakia	-	38,134	-	38,134
Denmark	3,142,465	23,978	1,273	3,167,716
Finland	812,804	136,187	84,598	1,032,389
France	2,556,995	2,906,439	1,206	5,464,640
French Colonies	-	-	59,567	59,567
Germany	4,503,797	2,381,548	284	6,885,629
Greece	37,335	1,041,064	-	1,078,399
Greenland - Iceland	-	-	34,388	34,388
Netherlands	5,818,562	113,740	119,653	6,051,955
Dutch Colonies	-	-	125,388	125,388
Italy	719,330	138,491	4,505	862,326
Malta	213,956	55,949	237,358 <sup>1</sup>	507,263 <sup>1</sup>
Norway	3,844,550	-	918,338	4,762,888
Portugal	-	-	5,440	5,440
Portuguese Colonies	147,070	-	46,318	193,388
Sweden	1,092,817	415,011	19,075	1,526,903
Switzerland	3,484,785	1,317,475	-	4,802,260
British South Africa	24,882	-	14,111	38,993
British East Africa	-	-	324	324
British West Africa	-	-	91,203	91,203
Southern Rhodesia	-	-	8,578	8,578
Algeria	-	693,778	-	693,778
Egypt	-	35,463	4,735	40,198
Liberia	-	-	7,600	7,600
Morocco	-	-	882	882
Aden	-	-	1,395	1,395
China	33,334	-	619,899	653,233
Hawaii	123	-	-	123
Hong Kong	33	-	605,620	605,653
India	294,037	-	-	294,037
Japan	-	-	12,343	12,343
Fiji Islands	-	-	868	868
Philippine Islands	917	-	628,440	629,357
Straits Settlement	-	-	16,264	16,264
Palestine and Syria	415,430	482,743	32,574	930,747
Australia	-	-	1,034	1,034
New Zealand	108,750	-	-	108,750
Mexico	-	-	207	207
Brazil	15,465	-	39,486	54,951
British Guiana	-	-	428,402	428,402
Chile	-	-	1,845	1,845
Ecuador	-	-	450	450
Colombia	677,987	1,250	-	679,237
Venezuela	2,000	-	133,516	135,516
Bermuda	-	-	109,229	109,229
West Indies	29,446	8,487	3,339,039	3,376,972
Central America	16,214	-	118,282	134,496
Newfoundland	-	-	1,324,762	1,324,762
Alaska	-	-	54	54
U. S. A.	-	-	-	-
for home consumption	239,409	-	433,113	672,522
for grinding in bond	9,987,141	-	-	9,987,141
wrecked	117,200	-	-	117,200
TOTAL	127,110,554	12,204,626	20,719,103	160,034,183

<sup>1</sup> Including 126 bushels to Gibraltar.



# AUSTRALIAN CABLE

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

New crop conditions generally favourable, first official estimate 180 million bushels. British Government indicates only portion required, increasing difficulties Australian Wheat Board in disposal exportable surplus 130 million bushels. Guaranteed price by Wheat Board at present three shillings per bushel bagged (fifty-three cents Canadian) and two shillings tenpence per bushel bulk (fifty cents Canadian) f.o.b., yielding to grower two shillings one penny per bushel bagged (thirty-six cents Canadian) and two shillings three pence per bushel bulk (thirty-nine cents Canadian). Advances of one shilling five pence per bushel bagged (twenty-four cents Canadian) and one shilling threepence per bushel bulk (twenty-one cents Canadian) planned to be made to growers when wheat delivered to Wheat Board, remainder to be paid during April. Commonwealth Bank lending twenty million pounds to Wheat Board to cover advances to be repaid from realizations of proceeds of Federal flour tax and special subsidy of two million pounds. Export quotations flour approximately seven pounds per ton (twenty-four dollars sixty-four cents Canadian) but little movement owing to freight difficulties.

## ARGENTINE LETTER

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

### Seeded Areas. Second Official Estimate

A further reduction, amounting to 421,000 acres, as compared with the first estimate is shown in the second official calculation of the areas seeded to the five principal field crops (excluding maize), published a few days ago by the Ministry of Agriculture, bringing the figures down to 1,836,000 acres below those of last season. The total area planted is now calculated as 33,308,000 acres.

Details of the new estimate are shown in the following statement to which has been added the percentage of increase or decrease as compared with last season:

	Acres	Comparison with 1938-39 p.c.
Wheat .....	17,791,000	Decrease 14.74
Linseed .....	7,660,000	Increase 15.93
Oats .....	3,459,000	Increase 2.94
Barley .....	2,224,000	Increase 8.30
Rye .....	2,174,000	Decrease 3.51
Totals .....	33,308,000	Decrease 5.2

The third, and presumably final, estimate of the sowings will be issued from the Ministry late in November.

Unofficially it may be mentioned that the loss of area in the the case of the crops dealt with above is generally expected to be made up by an increase in that devoted to maize, which crop is now being planted.



### Crop Conditions

While there were a few fine and sunny days during October, generally speaking it was another rainy month, with unusually heavy precipitation at frequent intervals. Far too much moisture fell for the good of the grain crops.

The actual damage in the way of lodged or drowned grain may not be very serious, but the potential damage may prove quite considerable. Conditions are now such that should subsequent hot weather produce an outbreak of rust, great destruction may result. Future weather conditions will now be of great interest.

The official report on crop conditions during the month of October, issued yesterday by the Ministry of Agriculture, is summarized below:

The frequent and copious rains which fell in October caused deterioration in the grain crop prospects, and the condition of the wheat and linseed crops throughout the country as a whole is now only somewhat better than medium. Recently germinated maize was also affected, and ploughing in preparation for the planting of this grain has in many districts been stopped.

The Wheat Crop: The state of the wheat fields has perceptibly deteriorated since the last report, this being especially evident in the province of Santa Fe, the east of Entre Rios and the central part of Cordoba, there being also some damage from excessive moisture in the centre and east of Buenos Aires. In the south of Cordoba, the Pampa and the south-west of Buenos Aires, zones normally stricken by drought, the rains on the other hand, have been of great benefit and the condition of the wheat crop has consequently improved. Nevertheless, the improvement here is not sufficient to compensate for the damage caused in the rest of the country. In fact, apart from the lodging of much of the wheat, particularly noticeable in the province of Santa Fe and in the central portion of Buenos Aires, the extreme humidity has caused intensified attacks of rust throughout the cereal zone, especially in the leaves and stalks, the rust not being yet generally noticeable in the heads. If the weather should remain relatively cool, attacks of striped rust (*P. Glumarum*), which would cause a still further reduction in the yields, may be avoided.

In the province of Santa Fe army grubs have also caused appreciable damage, and in the remainder of the Republic overflowing rivers and creeks have flooded areas, which however in relation to the whole crop is of little importance.

In Santiago del Estero harvesting has begun, the yields up to now being very low. This also applies to the north of Santa Fe.

For all the reasons above indicated the condition of the wheat crop, considered as a whole, can be regarded only as somewhat better than medium, improvement being possible if weather conditions become normal before long.

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### Supplies and Markets

Wheat: The October movement was somewhat slower than that of September. Shipments amounted to 12,292,000 bushels of wheat and 204,000 bushels of flour in terms of wheat, a total of 12,496,000 bushels as compared with a combined total of 13,955,000 bushels in the previous month.

The statistical position is now as set out 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 ) Wheat..... 140,144,000 bushels		
to Oct. 31 ) Wheat as flour . 1,014,000 "	141,158,000	"
Balance still available .....	104,131,000	"

Early in the month the National Government took the step of prohibiting the millers of the country grinding any wheat into flour other than grain purchased from the Grain Trade Control Board, which must be of the 1938-39 crop. This measure is effective up to the end of November 1940. The wheat will be sold to the millers at the price paid by the Board to the producers, viz., 7 pesos per 100 kilos. The quantity of wheat used by the millers averages about 73,486,000 bushels per annum. The Board is thus assured an outlet for the major portion of the stocks which it is believed to still hold, even though the **quality** may have suffered or will suffer during storage leaving the more readily marketable new crop available to supply the export demand.

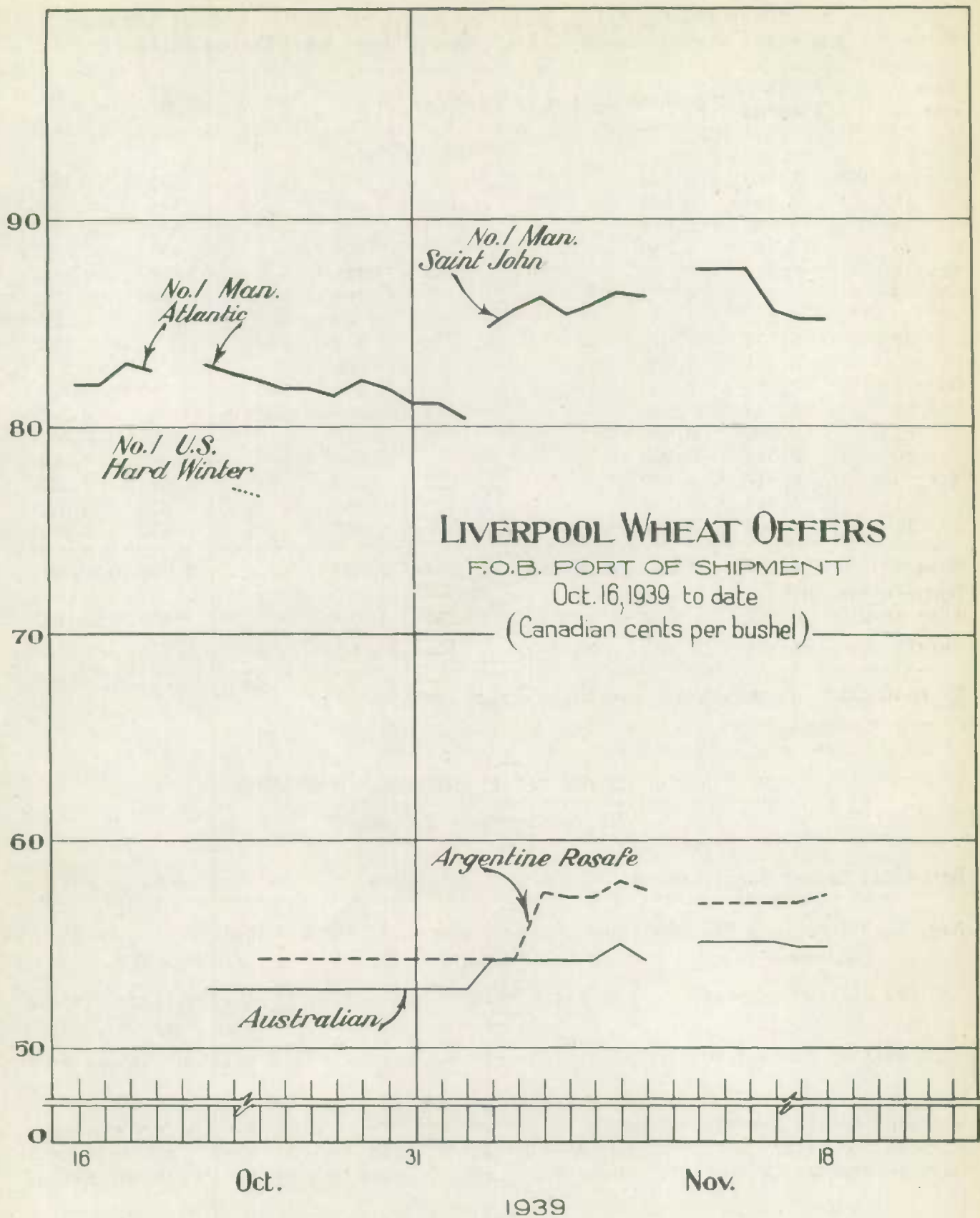
Strong protests against the action of the Government have been made by the millers and the grain trade. The former will be compelled to purchase their wheat at a price which is above the world's level, and will be at the disadvantage of not having the opportunity to select the grain most suited to their particular needs as they do at present by purchasing in the sample market or at country points.

The objection of the grain trade is that the millers, who are now prohibited from operating in the futures market, have been an important market element in the past through their activity in purchasing to assure themselves of stocks. Consequently there will now be little or no competition against the exporting houses, who will be left with a clear field, with possibly disastrous results in the matter of prices unless an official minimum price is re-established for the protection of producers. On this point there has been as yet no official announcement or hint.

During the month selling of wheat of the new crop was officially authorized, and trading for February delivery commenced at a price of 6.60 pesos per quintal, equal to 30 centavos above the current quotations for old wheat. At the close of the month this price had advanced to 6.70, the equivalent of 54 3/8 cents United States per bushel at prevailing official rates of exchange. Spot wheat at the same time closed at 5.95, or say 48 1/4 cents per bushel; and November 6.12, or say 49 5/8 cents per bushel. In Winnipeg on the same day December wheat closed at 70 1/4 cents.

Freights: The very abnormal conditions described in this report a month ago have suffered some modification, and although freights are still high and space scarce, the situation is not so difficult as it was.

The tendency is more and more to bring the cargo boats under official control and government supervision, with fixed rates and orderly allocation to the waiting shipping firms. This process has been made complete in the case of the nations at war, and in the case of neutral nations more and more control is being exercised so that the number of "free" tramp vessels is apparently declining, and order is emerging from confusion.





## INTERNATIONAL TRADE

The following table shows the world shipments of wheat and wheat flour for the first sixteen 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	1,840			1,664			7,328
14	1,744	2,688		464	1,296			6,192
21	2,512	2,696			1,112			6,320
28	2,040	3,968			1,296			7,304
Nov. 4	2,042	3,890		352	280		648	7,212
11	3,549	5,148			1,264		656	10,617
18	4,206	3,115			960		440	8,721
Totals	56,253	53,241	4,896 <sup>1/</sup>	1,264	15,096		3,888	134,638
Comparative 1938								
16th week	6,312	712	584	224	3,712		408	11,952
Totals	83,104	16,232	24,320	31,352	20,968	3,392	1,872	181,240

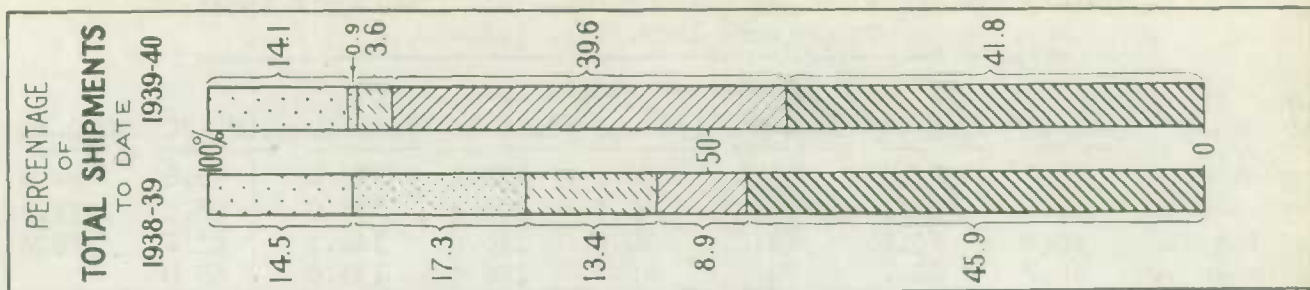
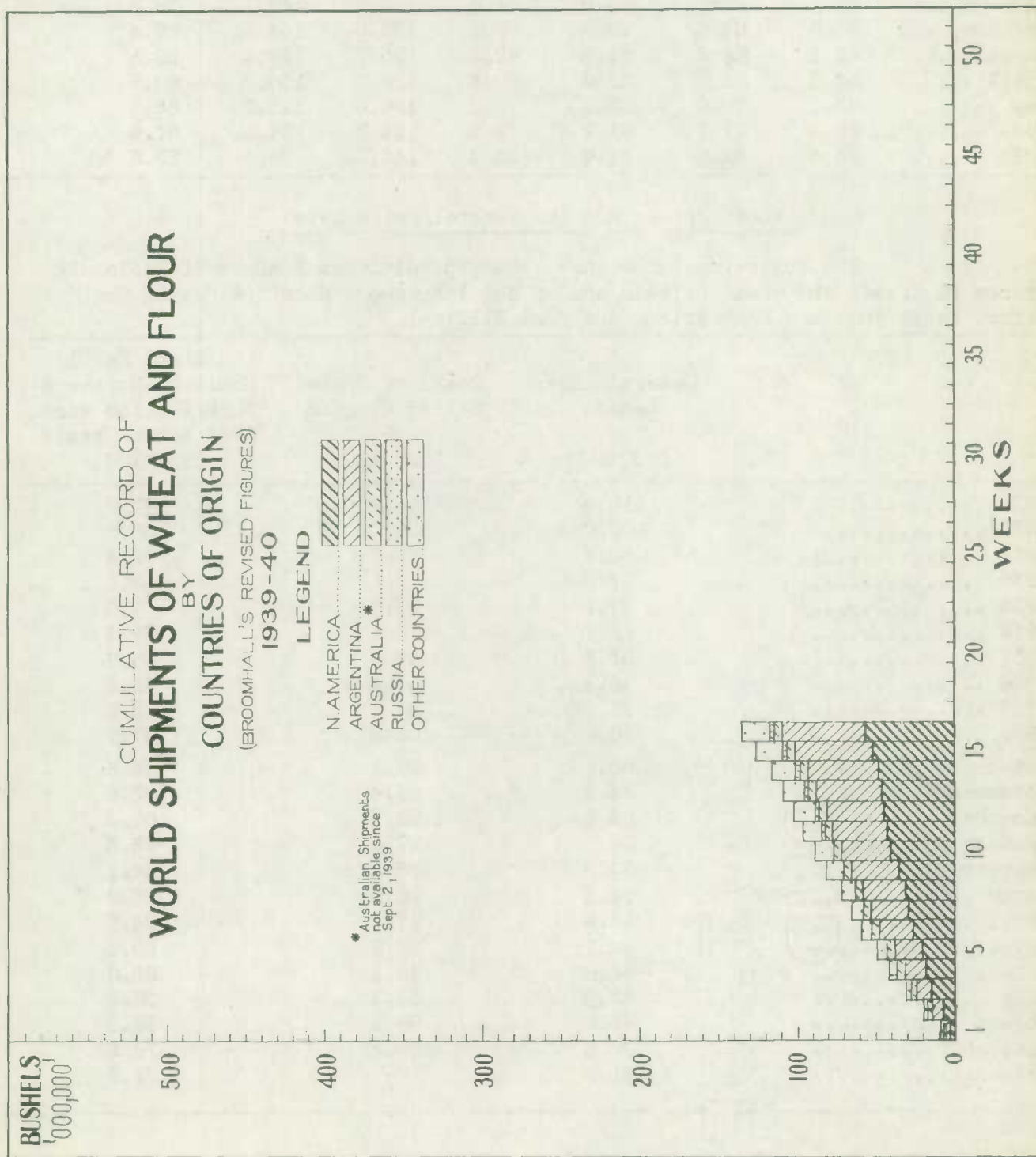
<sup>1/</sup> Australian shipments not available since September 2.

## THE POSITION OF THE IMPORT REQUIREMENTS ESTIMATE

(Mr. Broomhall's Estimate)

Estimated Import Requirements	Actual Shipments	Balance to be Shipped
Aug. 1, 1938 to July 31, 1939 (52 weeks)	Aug. 1, 1939 to Nov. 18, 1939 (16 weeks)	Nov. 18, 1939 to July 31, 1940 (36 weeks)
584 million bushels	134.6 million bushels	449.4 million bushels
or	or	or
11.2 million bushels weekly	8.4 million bushels weekly	12.5 million bushels weekly

During the first sixteen weeks of 1939-40 world shipments have amounted to 134.6 million bushels, or an average of 8.4 million bushels per week. In order to fulfil the world estimate of 584 million bushels, weekly shipments will have to average 12.5 million bushels per week for the balance of the cereal year.



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	70.3
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 <sup>1/</sup>

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
October, 1938 .....	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 .....	90.3	105.2	78.5
October .....	91.6		74.6



FOREIGN EXCHANGE <sup>1/</sup>

(October 17 - November 20)

Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unaltered during the five-week period ended November 20 at \$4.43-\$4.47 and \$1.10-\$1.11 respectively. Erratic fluctuations in free rates for sterling and Canadian funds at New York were, however, indicative of increased pressure on these units. Sterling ranged between a high of \$4.02 1/8 on October 24 and \$3.85 on November 9, finally closing at \$3.93 1/2 for a net loss of 6 1/4 cents. During the same period Canadian funds moved between 90 cents and 86 3/4 cents, the close at 87 cents indicating a net decline of 2 1/4 cents. The Australian pound remained unchanged in terms of the Canadian dollar at \$3.5760. Argentine unofficial or free peso rates dropped from a peak of 26.14 cents on October 25 to 25.25 cents on November 10, but subsequently stiffened to 26.03 cents on November 20.

## Weekly Average Exchange Quotations at Montreal, May 1, 1939 to November 20, 1939.

Week ending		United Kingdom	United States	Australia	Argentina 2/
Monday		Pounds	Dollars	Pounds	Paper Pesos
		4.8667	1.0000	4.8667	4244
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
	29 ....	4.6943	1.0026	3.7550	2331
June	5 ....	4.6912	1.0012	3.7527	2323
	12 ....	4.6925	1.0018	3.7540	2319
	19 ....	4.6925	1.0023	3.7550	2325
	26 ....	4.6940	1.0028	3.7550	2327
July	3 ....	4.6945	1.0029	3.7550	2327
	10 ....	4.6915	1.0021	3.7550	2325
	17 ....	4.6883	1.0014	3.7500	2323
	24 ....	4.6865	1.0009	3.7500	2312
	31 ....	4.6807	1.0000	3.7450	2310
August	7 ....	4.6806	1.0000	3.7445	2320
	14 ....	4.6807	1.0000	3.7446	2320
	21 ....	4.6812	1.0001	3.7450	2315
	28 ....	4.3867	1.0250	3.5100	2306
September	5 ....	4.4525	1.0950	3.5620	2519
	11 ....	4.4325	1.0950	3.5468	--
	18 ....	4.4500(3)	1.1050(3)	--	--
	25 ....	4.4500	1.1050	3.5762	2609
October	2 ....	4.4500	1.1050	3.5763	2607
	10 ....	4.4500	1.1050	3.5763	2609
	16 ....	4.4500	1.1050	3.5763	2603
	23 ....	4.4500	1.1050	3.5763	2609
	30 ....	4.4500	1.1050	3.5763	2597
November	6 ....	4.4500	1.1050	3.5763	2577
	13 ....	4.4500	1.1050	3.5763	2531
	20 ....	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. SECOND ESTIMATES OF PRODUCTION

On November 10, the Dominion Bureau of Statistics issued the second estimate of grain production in Canada, and the following excerpts are taken from the report:

The second estimates of 1939 grain production in Canada are featured mainly by a substantial increase in the estimate for wheat. Based on crop correspondents' returns received at the end of October, the Canadian wheat crop of 1939 is now estimated at 478,965,000 bushels, which is 29,907,000 bushels above the September estimate. This increase almost wholly reflects a higher appraisal of the wheat crop in the Prairie Provinces, which is now placed at 452,000,000 bushels, an increase of 30,000,000 bushels in comparison with the September estimate. The second estimates in each of the Prairie Provinces are as follows: Manitoba 63,000,000, Saskatchewan 239,000,000 and Alberta 150,000,000 bushels. These represent increases of 4,000,000, 21,000,000 and 5,000,000 bushels respectively over the September estimates of production. Included in Manitoba's estimate is 9,000,000 bushels of Durum wheat, unchanged from September, while Saskatchewan's Durum production is reduced slightly to 2,300,000 bushels. Spring wheat production in eastern Canada is somewhat lower than indicated in September, although Ontario's fall wheat crop and British Columbia's spring wheat production show increases. The total 1939 wheat crop in Canada is approximately equal to the 1927 crop of 479,665,000 bushels, which has hitherto held undisputed second place in the annals of Canadian wheat production.

Oats production in Canada is now estimated at 385,930,000 bushels, which is 12,798,000 bushels above the September estimate, with higher yields now indicated in Quebec, Ontario, Manitoba and Alberta. Barley production at 103,226,000 bushels shows an increase of 4,017,000 bushels over the September estimate. Both fall and spring rye show small reductions with total Canadian rye production now placed at 15,307,000 bushels. Flaxseed production is also somewhat lower at 2,149,000 bushels. Mixed grains, on the other hand, are higher at 44,350,000 bushels. Peas, beans and buckwheat are very little changed from their first estimates. Corn for husking shows a slight increase.

#### Wheat Production in the Prairie Provinces, 1939

With threshing results providing a more accurate basis for estimating yields per acre on the first heavy western crop since 1932, crop correspondents in each of the three provinces almost unanimously reported higher yields at the end of October than at the end of August this year. In consequence, the second estimate of wheat production in the Prairie Provinces at 452,000,000 bushels shows an increase of 30,000,000 bushels over the first estimate of 422,000,000 bushels. In Manitoba and Saskatchewan, the heavy rate of wheat deliveries to country elevators and over platforms has supported the increased estimates. In Alberta the primary movement has been slower due to congested elevators in some instances and to unfavourable weather conditions delaying threshing, particularly in northern districts.

#### Wheat Marketings in the Prairie Provinces, 1939

Primary elevator receipts and platform loadings of wheat in the Prairie Provinces for the fourteen-week period from August 1 to November 3, 1939, have amounted to 313,946,590 bushels. For this period, wheat deliveries during the present season have established a new record, supplanting the 251,095,122 bushels delivered from the 1928 crop during the first fourteen weeks of the crop season. That a much heavier primary movement has taken place to date this year from a crop smaller than that harvested in 1928 is the result of progress in harvesting methods which has been accomplished over the past decade. Straight and pick-up combining has speeded up threshing, and the use of farm trucks for delivery to elevators has hastened the rate of marketings early in the crop season.



Marketings during the present crop year are devided by provinces as follows: Manitoba 48,521,287 bushels; Saskatchewan 179,137,760 bushels; and Alberta 86,287,543 bushels. In appraising the volume of marketings still to come forward during the remainder of the crop year, allowance should be made for only a small amount of seed to be withdrawn from elevators, as well as for somewhat higher amounts of wheat to be fed to live stock and poultry. Accordingly, from the total crop of 452 million bushels, approximately 400 million bushels should be delivered from farms. If this estimate of marketings is borne out, then 78 per cent of this year's marketings have already taken place, in comparison with 79 per cent for the same period in 1938, and 69 per cent in 1937.

Second Estimate of the Production of Grain Crops in Canada, 1939,  
as compared with 1938.

Field crops	1938	1939	Field crops	1938	1939
bushels			bushels		
<u>CANADA --</u>			<u>SASKATCHEWAN -</u>		
Fall wheat	19,814,000	22,565,000	Spring wheat	132,000,000	239,000,000
Spring wheat	330,196,000	456,400,000	Oats	90,000,000	115,000,000
All wheat	350,010,000	478,965,000	Barley	20,000,000	26,000,000
Oats	371,382,000	385,930,000	Fall rye	2,400,000	7,600,000
Barley	102,242,000	103,226,000	Spring rye	1,000,000	1,700,000
Fall rye	8,363,000	12,178,000	All rye	3,400,000	9,300,000
Spring rye	2,625,000	3,129,000	Peas	4,000	--
All rye	10,988,000	15,307,000	Beans	3,000	--
Peas	1,365,000	1,288,000	Mixed grains	444,000	710,000
Beans	1,557,000	1,558,000	Flaxseed	725,000	1,150,000
Buckwheat	7,079,000	6,834,000			
Mixed grains	39,161,000	44,350,000			
Flaxseed	1,389,000	2,149,000			
Corn, husking	7,690,000	8,097,000			
<u>MANITOBA --</u>			<u>ALBERTA --</u>		
Spring wheat	51,000,000	63,000,000	Spring wheat	143,000,000	150,000,000
Oats	41,000,000	34,000,000	Oats	101,000,000	82,000,000
Barley	31,000,000	28,000,000	Barley	29,200,000	27,000,000
Fall rye	2,800,000	1,600,000	Fall rye	1,725,000	1,600,000
Spring rye	440,000	400,000	Spring rye	975,000	800,000
All rye	3,240,000	2,000,000	All rye	2,700,000	2,400,000
Peas	50,000	27,000	Peas	22,000	19,000
Buckwheat	123,000	94,000	Beans	12,000	14,000
Mixed grains	625,000	646,000	Mixed grains	480,000	557,000
Flaxseed	340,000	570,000	Flaxseed	250,000	340,000

II. AREA AND CONDITION OF FALL WHEAT

On November 17, the Dominion Bureau of Statistics issued the following estimates:

The area sown to fall wheat in the autumn of 1939 is estimated at 813,000 acres, an increase of 39,000 acres or 5 per cent as compared with the area sown in 1938, viz., 774,000 acres. The condition at October 31 was reported at 98 per cent of the long-time average yield per acre as compared with 98 per cent in 1938.



### 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;

Week ending		Manitoba	Saskatchewan	Alberta	Totals	Last Year
(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	694,711	14,164,210	8,351,324	23,210,245	11,142,554
	20	633,872	9,976,018	6,603,381	17,213,271	14,555,994
	27	603,760	7,767,275	6,870,865	15,241,900	11,973,646
November	3	659,387	5,320,453	3,496,106	9,475,946	8,619,449
	10	394,763	5,337,400	3,526,329	9,258,492	4,502,145
	17	412,166	3,584,166	3,069,236	7,065,568	4,675,524
Totals		49,412,305	189,194,842	93,223,973 <sup>1/</sup>	331,831,120 <sup>1/</sup>	238,805,298

1/ The totals for Alberta and the Prairie Provinces include a downward revision of 37,000 bushels which has not been allocated to the weekly figures.

### IV. GRADING OF THE 1939 WHEAT CROP

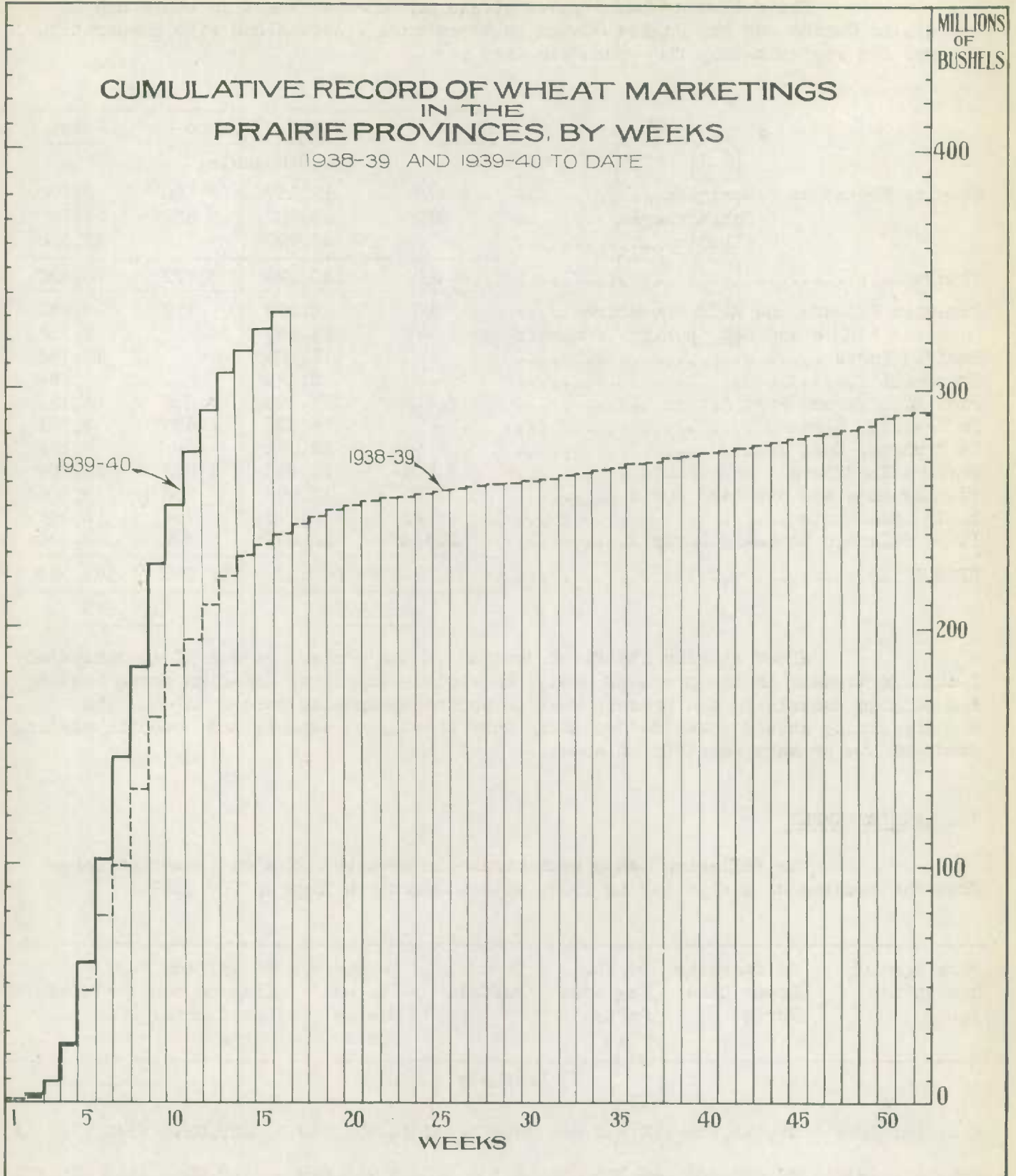
The following shows the grading of new-crop inspections during August to October 1939, in comparison with the same months in 1938:

	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
October .....	24,123	92.78	30,778	82.40
Totals .....	95,767	94.86	75,398	87.28

Omitting special grades such as Garnets, Durums, White Springs and Winters, the number of cars of new wheat inspected in October, 1939 totalled 26,000 of which 24,123 or 92.78 per cent graded No. 3 Northern, or higher. October 1939 inspections of new Durum wheat amounted to 148 cars of which 131 or 88.51 per cent graded No. 3 Amber Durum or higher. In October, 1938, new Durum inspections numbered 742 cars of which 718, or 96.77 per cent graded No. 3 Amber Durum or higher.

# CUMULATIVE RECORD OF WHEAT MARKETINGS IN THE PRAIRIE PROVINCES, BY WEEKS

1938-39 AND 1939-40 TO DATE



## V. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on November 17, 1939 along with comparative figures for approximately the same date last year.

	1939		1938	
	Durum	Other	Durum	Other
	(000 bushels)			
Country Elevators -- Manitoba .....	2,450	12,150	3,190	5,700
Saskatchewan .....	950	83,580	539	21,780
Alberta .....	--	44,790	--	31,340
Totals .....	3,400	140,520	3,729	58,820
Interior Private and Mill Elevators .....	25	6,070	112	5,932
Interior Public and Semi-public Terminals .....	7	14,893	--	6,158
Pacific Ports .....	--	11,265	--	16,768
Churchill .....	--	2,485	--	896
Fort William and Port Arthur .....	3,318	71,706	4,531	33,181
In Transit, Lakes .....	--	5,823	2,470	3,771
In Transit, Rail .....	--	22,098	--	9,175
Eastern Elevators -- Lake Ports .....	4,001	33,543	1,524	13,356
St. Lawrence and Seaboard Ports .....	1,310	17,686	853	9,555
U. S. Lake Ports .....	25	5,498	784	3,261
U. S. Atlantic Seaboard Ports .....	2,454	10,543	907	1,096
TOTALS .....	14,540	342,130	14,910	161,969
	356,670		176,879	

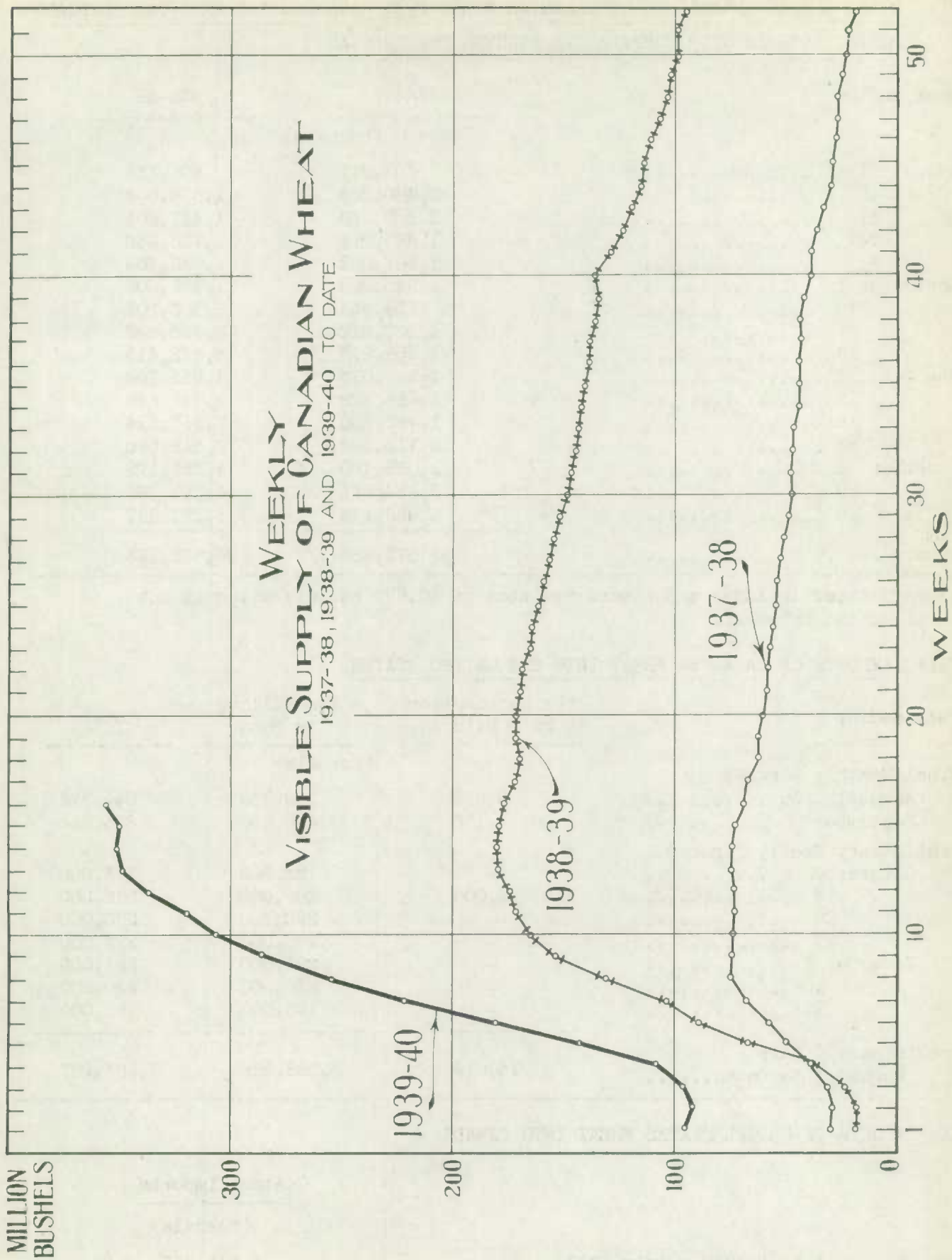
After showing its first decline in the present season of approximately 1 million bushels in the previous week, the visible supply of Canadian wheat rose by 6.2 million bushels in the present week to establish another record level. The visible supply should commence declining very shortly as exports and domestic millings overtake the primary receipts of wheat.

## VI. 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)						
Nov. 14, 1939	97,675,238	12,515,550	24,473,738	13,904,760	225,026	148,794,312
Nov. 14, 1938	82,438,644	16,303,557	8,376,315	5,965,289	112,066	113,195,871





VII. 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
19 .....	1,783,960	7,357,314
26 .....	2,115,480	6,318,680
November 2 .....	1,038,460	4,196,129
9 .....	3,184,625	4,249,266
16 .....	2,996,116	5,297,487
Totals .....	35,572,655 1/	54,852,198

1/ This total includes a downward revision of 40,880 bushels which is not allocated by weeks.

VIII. IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES

Week ending	For Consumption Duty Paid	For Milling in Bond	Totals
	(bushels)		
Final Monthly Figures ..			
August, 1939 .....	5,634	938,738	944,372
September .....	7,185	686,650	693,835
Preliminary Weekly Figures			
October 6 .....		123,000	123,000
13 .....	2,000	266,000	268,000
20 .....		290,000	290,000
27 .....		273,000	273,000
November 3 .....		291,000	291,000
10 .....		230,000	230,000
17 .....		190,000	190,000
Preliminary Totals			
August 1 to Date .....	14,819	3,288,388	3,303,207

IX. 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

# X. THE STATISTICAL POSITION

(a) In Canada only: The table below summarizes the statistical position of wheat in Canada as at November 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-October. Supplies are available for export or carry-over at November 1, 1939, are shown at 397.6 million bushels, representing an increase in current supplies of 195.2 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 <u>1/</u>	478,965,000 <u>2/</u>
Total Supplies .....	373,563,228	573,978,476
Domestic Requirements .....	122,563,689	128,000,000 <u>3/</u>
Available Supplies .....	250,999,539	445,978,476
Exports, August-October .....	48,566,029	48,342,797
Balance for Export or Carry-over, November 1 .	202,433,510	397,635,679

(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 417.8 million bushels on November 1, available for export or for the July 31 carry-over in Canada and the United States, compared with 201.4 million bushels a year earlier, indicating an increase of 216.4 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 <u>1/</u>	478,965,000 <u>2/</u>
Total Supplies .....	374,545,858	581,126,568
Domestic Requirements .....	122,563,689	128,000,000 <u>3/</u>
Available Supplies .....	251,982,169	453,126,568
Export Movement, August-October		
Overseas Clearances .....	43,345,341	27,151,325
United States' Imports .....	2,159,617	2,589,835
Flour as wheat .....	5,105,746	5,579,879
	50,610,704	35,321,039
Balance for Export or Carry-over, November 1 .	201,371,465	417,805,529

1/ Subject to final revision, January 19, 1940.

2/ Subject to revision, January 19, 1940.

3/ Tentative.





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# XI 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 .....	16,848,847	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 .....	444,144	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 .....	18,847,495	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

DEC 23 1939



CANADA

DOMINION BUREAU OF STATISTICS  
AGRICULTURAL BRANCH

Vol. 10

No. 4

A large, stylized wheat stalk is centered on the cover, serving as a background for the title text.

# MONTHLY REVIEW OF THE WHEAT SITUATION

DECEMBER 22, 1939

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(Issued December 22, 1939)

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Statistician, Agricultural Branch:

R. H. Coats, LL.D., F.R.S.C.  
C. F. Wilson, Ph.D.

THE WORLD WHEAT SITUATION - SUMMARY

After several weeks of minor price fluctuations, North American wheat markets at the end of November started on an upward surge which has continued almost unabated to the present. Between November 27 and December 21 net gains in Winnipeg futures ranged from 14 to 15 cents, while Chicago registered gains of 19 to 21 cents. Supporting the price advance was the threatened collapse of the new Argentine wheat crop, which due to very late frosts in addition to excessive rains, is now reported to be the second smallest in post-war years. At the same time that alarming reports were emanating from Argentina, further aggravation of the drought situation in the United States winter wheat belt was occurring. The partial crop failure in Argentina and the continued poor outlook for the American winter wheat crop are significant for the modifications they imply to the "bearish" world supply situation in general, and more particularly to the export capacity during the coming season for these two normally major exporting countries.

With the Argentine crop recently estimated at 147 million bushels, and with due allowance for the end-of-season carry-over, and 1940 domestic requirements, the total Argentine export surplus in the coming season will be only 122 million bushels, compared with an export surplus of twice that size in the year just closing. In the United States, the 1940 winter wheat crop has just been officially forecasted at 399 million bushels. Even allowing for possible improvement, and for an unusually favourable spring wheat crop, which is unlikely in light of the fall moisture situation, it appears that total wheat production in the United States will still fall short of meeting a year's domestic requirements. This situation implies a reduction of the existing reserve stocks in the United States, as well as suspension of United States wheat exports throughout the 1940-41 crop season.

It is hardly necessary to add that disposition of the Canadian export surplus will be enhanced by the reduction of export competition in prospect for 1940. Furthermore, a repetition of 1939 yields in 1940 in the Prairie Provinces for the present appears unlikely. Dry autumn moisture conditions have persisted until freeze-up, and although fields summer-fallowed this past year have a reserve of sub-soil moisture, the stubble fields are quite dry. The spring wheat crop in the Prairie Provinces, however, is not nearly so dependent upon autumn rainfall as is the winter wheat crop in the United States. Lacking autumn rainfall, of course, the spring wheat crop becomes more dependent upon adequate spring rains.

The Australian harvest is nearing completion with a substantial production of 182.6 million bushels indicated by the second official estimate. Compared with last year's production of 154.4 million bushels, the crop this year will make available an export surplus of approximately 130 million bushels compared with 100 millions available from the 1938 crop. Australians are expressing considerable concern over the disposition of the new surplus due to the current shortage of freight.

In Russia, the winter wheat crop is reported in good condition with no change in acreage. In the Danubian countries winter wheat condition is also good, although Roumania is reported to have sown a smaller area. In Italy and Spain the weather is permitting late seeding to make up for delays through wet weather earlier in the autumn. In western Europe, however, excluding France and Germany, the weather has continued cold and rainy preventing field work, and reductions in the winter wheat areas of these countries are expected.

### The Wheat Situation in the United States

On December 21, the United States Department of Agriculture placed a forecast of 399 million bushels on the 1940 winter wheat crop. This estimate was but 10 million bushels higher than the average of five private estimates issued earlier in the month. The sown area of winter wheat is officially estimated at 45,014,000 acres, a reduction of only 1,350,000 acres from last year's sown area, and somewhat higher than expected. The official report, however, explains that increased seedings of winter wheat in Oklahoma and Washington have offset partly the reductions in Kansas and Texas, but adds that of the total sown area at least one-third is expected to be abandoned due to the unprecedented drought conditions. No moisture relief of significance has occurred in the dry areas since December 1. Two areas are in acute condition where abandonment will be heavy. The first is in the Texas panhandle, extending north-easterly into Oklahoma. The second starts in the Oklahoma panhandle and extends through south-eastern Colorado through western Kansas into south-central Nebraska.

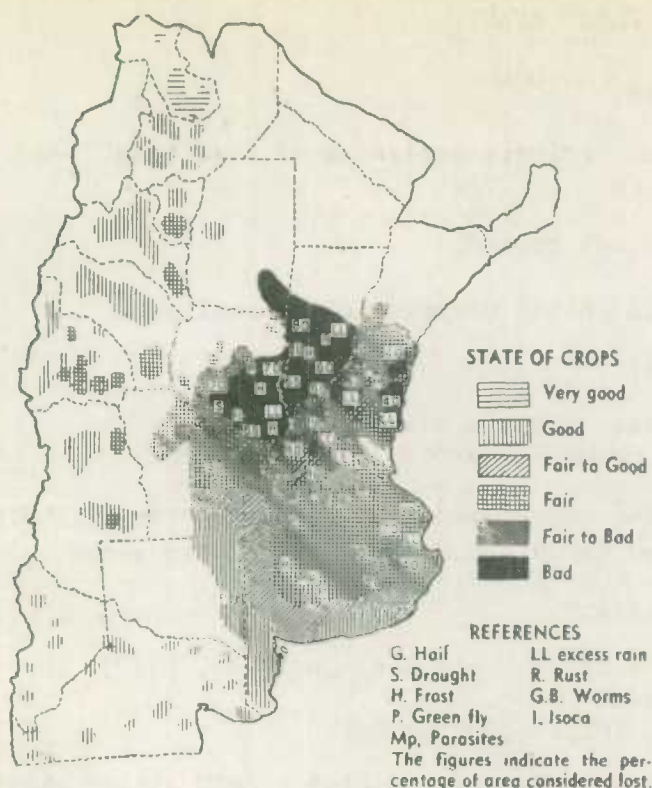
Revised 1939 production estimates, too late to include in the world production table on page eight of this Review, give the total United States wheat crop at 754,971,000 bushels, including winter wheat of 563,431,000 bushels, and spring wheat production of 191,540,000 bushels. The total 1939 estimate represents an upward revision of 15.5 million bushels from the previous estimate.

### The Wheat Situation in Canada

With the closing of navigation on the Great Lakes the total volume of wheat shipped down the lakes from Fort William-Port Arthur, during the 1939 navigation season, amounted to 209,780,445 bushels. This is the best volume since 1928. Lake shipments were particularly heavy within the past month, amounting to 61 million bushels between November 14 and December 12. An appreciable portion of this late movement has gone into winter storage afloat, with Canadian wheat in lake vessels for storage in all positions amounting to 17,598,992 bushels on December 15. Heavy shipments of Canadian wheat have gone to United States Lake and Seaboard ports with the visible supply on December 15 showing 38,082,000 bushels in these positions, whereas 18,520,000 bushels were shown in store in the United States at mid-November. The total visible supply of Canadian wheat on December 15 amounted to 351.4 million bushels, after having established an all-time high on November 24 of 360.2 million bushels.

Export clearances of Canadian wheat from August 1 to December 14 totalled 49.3 million bushels as compared with 65.2 millions in the same period last year. Imports into the United States for consumption and milling-in-bond to mid-December amounted to 3.9 million bushels, while flour exports (partly estimated) have totalled 9.1 million bushels. Accordingly on the basis of clearances, United States imports, and flour exports, the total export movement from August 1 to December 14 has amounted to 62.3 million bushels. The Customs records of exports to November 30 only totalled 71.6 million bushels, with the difference between the two sets of export figures explained largely by the heavy movement of wheat via the United States.





## ARGENTINE WHEAT CONDITION AT DECEMBER 1, 1939

On December 15 the Argentine Ministry of Agriculture issued its first estimate of the Argentine wheat crop at 4,000,000 metric tons, equivalent to 146,960,000 bushels. This low estimate confirmed the numerous private reports which preceded it, claiming serious losses in consequence of the record rainfall in October and the frosts in late November and early December. The official condition map depicting the condition of the crop as of December 1 is reproduced above. The map indicates the extremely poor condition of the crop in the Provinces of Cordoba and Santa Fe. Cordoba is second to the Province of Buenos Aires in the size of its wheat area. The northern provinces bore the brunt of the heavy October rains which affected the crop through flooding and erosion. Then during the last week in November the same areas were visited by frost. In consequence harvesting reports from the northern districts have stressed not only poor yields but also low quality. Up to December 1 as the condition map indicates, central Buenos Aires was in fair condition, while southern and western Buenos Aires had the best prospects at that time. On December 5, however, a very late frost, exceeded only by the December frost of 1935, damaged the southern and western districts in Buenos Aires, which induced the sharply lower predictions on the outturn of the crop.

The 1939 Argentine crop at 147 million bushels is the lowest within post-war years, with the exception of the 1935 crop which amounted to 141.5 million bushels. The Argentine carry-over from the 1938 crop, generally placed at 75 million bushels, and domestic requirements of 100 million bushels during 1940, indicate that the Argentine export surplus for the 1940 season will be 122 million bushels, or just half the export surplus of 245 million bushels which was available for the year just closing.



CALENDAR OF WHEAT EVENTS

- November 20. Frost reported in Argentina.
24. Further frost in Argentina. Private estimates of Argentine crop lowered.
25. Buenos Aires export offers not quoted.
27. Scattered snows and rain in United States winter wheat belt.
28. Heavy Canadian export sales.
29. Unwanted rains in Argentina.
30. U.S.S.R. invades Finland.  
Argentine-German barter deal negotiated last March reported withdrawn.  
Weevil infestation reported in United States farm-stored wheat.
- December 1. Dust storms in western Kansas.
2. United States Department of Agriculture sets April 30, 1940, as maturity date for all wheat loans.  
Loans to November 28 total 161,065,000 bushels.
5. Average of private estimates places United States 1940 winter wheat crop at 389,000,000 bushels.  
Frost in Argentina.
7. Pessimistic Argentine private crop estimate.  
United States wheat export sales from July 1 to November 30 reported at 22,701,431 bushels.
11. Australian second estimate 182,568,000 bushels, up 2.6 millions from first estimate.
12. Bad dust storms in United States south-west.  
Drought conditions intensified.
15. Argentine crop officially estimated at 146,960,000 bushels, comparing with the small 1935 crop of 141.5 million bushels.

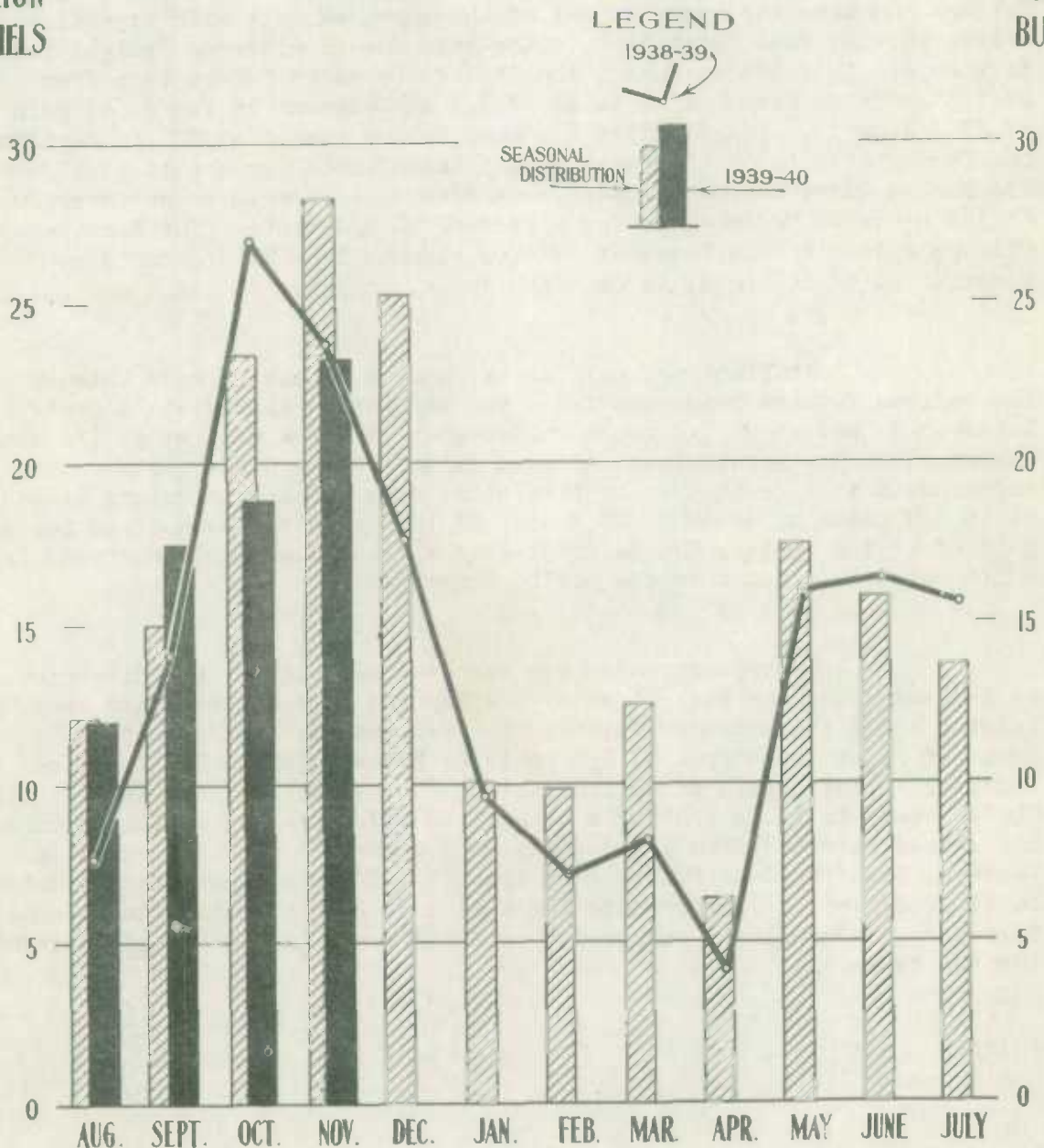
An Appraisal of the Canadian Export Movement

The total wheat and flour export movement from August through November of this year has amounted to 71,555,641 bushels, according to the Customs returns. This volume is within a million bushels of the exports of 72.4 million bushels for the same period of the previous crop year. For a second time this season, however, the monthly volume of exports has fallen behind its seasonal allocation, with November exports totalling 23,212,844 bushels in comparison with the monthly seasonal allocation of 28.4 million bushels for November out of a total crop year's exports estimated at 190 million bushels. The August-November share of the 190 million bushel total amounts to 78.8 million bushels, so that the Customs export volume to date is lagging 7.3 million bushels behind the estimated seasonal movement for 1939. A deficiency of this moderate amount does not warrant any revision in the 190 million bushel estimate for the total crop season, with a heavier than normal winter export volume at present in prospect.

COMPARISON OF EXPORTS  
OF  
CANADIAN WHEAT AND WHEAT FLOUR IN 1939-40  
WITH  
1938-39 EXPORTS  
AND A  
SEASONAL DISTRIBUTION OF CROP YEAR EXPORTS  
OF  
190 MILLION BUSHEL

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BUSHEL

MILLION  
BUSHEL



## PRICES

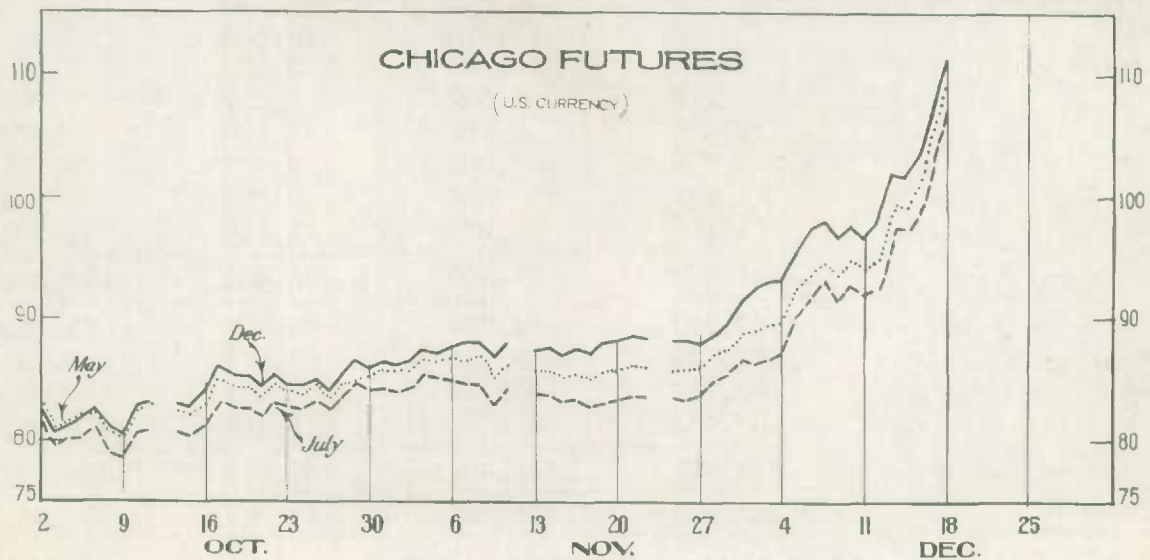
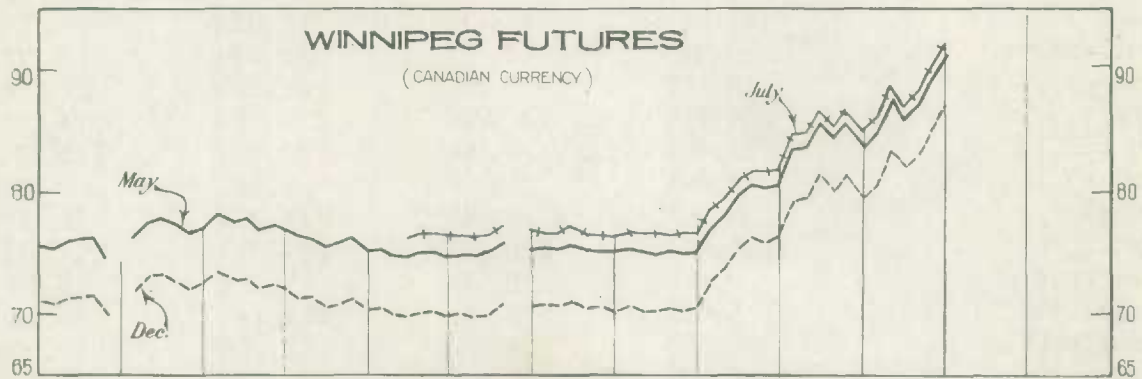
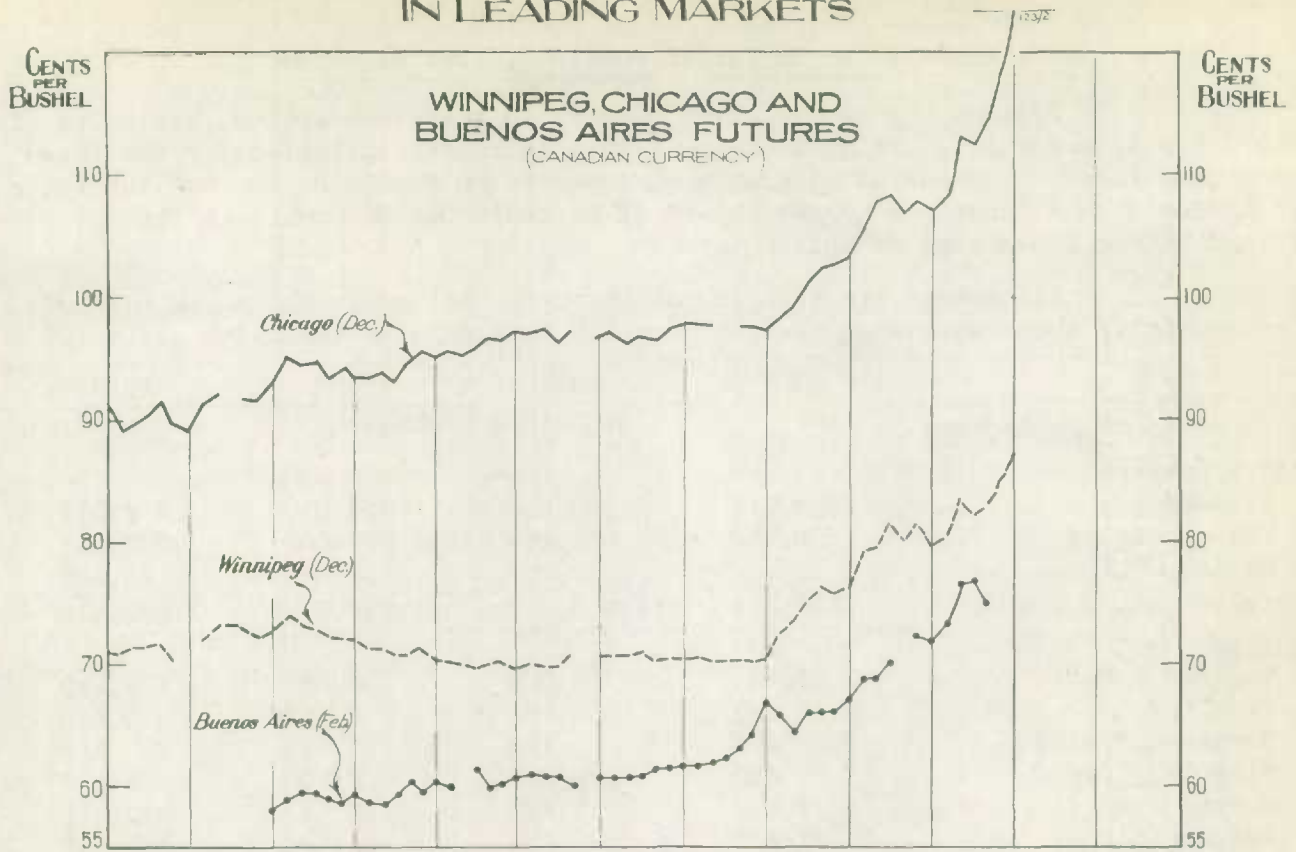
Wheat prices in the principal markets have taken a sharp turn higher within the past month. While the rise in North American markets did not develop until November 28, Buenos Aires prices had been moving upward since November 24 on reports of frost damage to the maturing crop. Heavy export sales at Winnipeg on November 28 marked the commencement of the rise in that market as well as in Chicago. Much of the strength in all three markets has been inspired by the rapid decline in prospects for the Argentine crop, in addition to intensified drought conditions in western districts of the United States winter wheat belt. Chicago has been the most buoyant of the three markets with Argentine prices showing some hesitation in the rise due to widening freight rates to Europe. In Canadian funds, the Chicago December future rose from 97 5/8 cents on November 20 to \$1.23 1/4 on December 18 for a net gain of 25 5/8 cents. The Winnipeg December future rose from 70 1/4 cents on the former date to 87 1/4 cents on the latter date for a gain of 17 cents. The Buenos Aires February future rose from 61 1/2 cents on November 20 to 75 1/4 cents on December 18 for a gain of 13 3/4 cents. The Winnipeg-Chicago spread in the December futures widened from 27 3/8 cents on November 20 to 36 cents, in Canadian funds, on December 18.

At Winnipeg, only minor changes in the spreads between the various futures have occurred. The May future closed at 75 cents on November 20 and at 91 1/4 cents on December 18 for a gain of 16 1/4 cents. The December-May spread thus narrowed slightly from 4 3/4 cents on the former date to 4 cents even on the latter date. The July future closed at 76 3/8 cents on November 20 and at 92 1/4 cents on December 18 for a gain of 15 7/8 cents. The December-July spread accordingly narrowed from 6 1/8 cents to 5 cents in the period under review.

Chicago spreads have narrowed slightly in the direction of lessening the discount at which the May and July futures have been holding below the December future. In American funds, the Chicago December future rose from 88 3/8 cents on November 20 to \$1.11 1/2 on December 18 for a gain of 23 1/8 cents. The May future rose from 85 7/8 cents to \$1.09 1/4 for a gain of 23 3/8 cents. Thus the December-May spread narrowed from 2 1/2 cents on November 20 to 2 1/4 cents on December 18. The July future rose from 83 1/2 cents on the former date to \$1.07 3/8 on the latter date for a gain of 23 7/8 cents. The December-July spread accordingly narrowed from 4 7/8 cents to 4 1/8 cents between the two dates.



# 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)				
<u>Northern Hemisphere</u>				
<u>North America</u>				
Canada .....	219,218	180,210	350,010	478,965
United States .....	626,766	875,676	930,801	739,445
Mexico .....	13,581	10,587	11,845	(13,000)
Totals .....	859,565	1,066,473	1,292,656	1,231,410
<u>Europe</u>				
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	2,551
Sweden .....	21,635	25,720	30,184	31,441
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 .....	121,457	110,000	70,694	111,773
Luxemburg .....	1,071	1,206	1,830	990
Portugal .....	8,651	14,668	15,802	18,300
Italy .....	224,570	296,280	297,317	294,400
Switzerland .....	4,470	6,184	7,812	6,360
Germany .....	176,699 1/	178,829 1/	221,163 1/	205,192 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	7,300
Estonia .....	2,433	2,786	3,139	2,965
Finland .....	5,259	7,665	9,403	8,341
Malta .....	236	326	296	279
Albania .....	1,106	1,636	1,650	(1,600)
Totals .....	1,097,026	1,177,160	1,366,472	1,246,365
Bulgaria .....	60,350	64,909	78,950	71,155
Hungary .....	87,789	72,157	98,777	112,765 4/
Roumania .....	128,717	138,157	177,154	164,925
Yugoslavia .....	107,422	86,238	111,329	105,422
Totals .....	384,278	361,461	466,210	454,267
Total Europe .....	1,481,304	1,538,621	1,832,682	1,700,632

1/ Including Austria. 2/ Including Austria and Sudetenland. 3/ Approximation for Bohemia-Moravia and Slovakia. 4/ Present frontiers excluding Sub-Carpathian Russia.

World production of wheat in 1939, excluding the U.S.S.R. and China, is now estimated at 4,227,000,000 bushels, showing a reduction of 335 million bushels from the record of world production of 1938.

The first official estimate of the Argentine crop at 146,960,000 bushels is the principal feature of the present month in wheat production estimates. Earlier in the season an Argentine crop of 230-260 million bushels had been anticipated. Frost damage in late November and early December in addition to excessive October rainfall was responsible for the small crop this year.

Within the past month the Japanese estimate has been revised upward by 6.7 million bushels, and the Australian estimate has been increased by 2.6 million bushels.

	1936	1937	1938	1939
	(thousand bushels)			
Africa:				
Algeria .....	29,774	33,106	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	117,014	118,010	148,950
Asia:				
Palestine .....	2,795	4,682	1,633	5,000
Syria & Lebanon ....	15,704	17,227	23,674	22,303 1/
India .....	352,203	364,075	401,856	370,608
Japan .....	45,192	50,410	45,244	61,104
Chosen .....	8,161	10,323	10,401	12,286
Turkey .....	141,582	132,985	156,097	(158,000)
Totals .....	565,637	579,702	638,905	629,301
Totals 42 Countries	3,002,297	3,301,810	3,882,253	3,710,293
Estimated Northern Hemisphere				
Total, ex U.S.S.R.				
and China .....	3,107,000	3,406,000	3,987,000	3,814,000
Southern Hemisphere				
Argentina .....	249,193	184,799	336,199	146,960
Australia .....	151,390	187,258	154,426	182,568
Union of South Africa ..	16,077	10,157	17,093	16,790
Totals .....	416,660	382,214	507,718	346,318
Estimated World Total, ex				
U.S.S.R. and China ..	3,579,000	3,852,000	4,562,000	4,227,000

<sup>1/</sup> Not including Alexandretta.



AUSTRALIAN CABLE

The following cable was received on December 15 from the Canadian Government Trade Commissioner in Melbourne:

Crop estimate for Australia 132,568,000 bushels. Difficulty anticipated in disposing of exportable surplus and position likely to become acute owing to shortage of adequate storage facilities. Federal Government to pay advances of two shillings tenpence halfpenny (equivalent to 50 cents Canadian) per bushel on bagged wheat and two shillings eightpence halfpenny (equivalent to 48 cents Canadian) on bulk, both less rail freight equal to an average of two shillings sixpence (equivalent to 44 cents Canadian) a bushel on bagged wheat at country sidings. Payments to be made in one amount as soon as practicable after delivering wheat to Wheat Board. No sales of wheat made to Great Britain since purchase of 200,000 tons old crop grain shortly after war began. Shortage of shipping space a determining factor in interest of Great Britain in Australian wheat. A report current is that the Federal Government is to call a conference of State premiers to consider plans for restricting production next year. Owing to scarcity of freight and with little enquiry, most flour mills working at reduced time. Export quotations for flour in 49 lb. calico bags nine pounds two shillings and sixpence per ton (thirtytwo dollars twelve cents Canadian), 150 lb. sacks nine pounds per ton (thirtyone dollars sixtyeight cents Canadian).

ARGENTINE LETTER

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

Seeded Areas, Third Official Estimate

The third and final estimate of the areas seeded to the five principal field crops, excluding maize, shows a slight decrease in the total (less than 12,000 acres) as compared with the second estimate, and a small variation in each of the items, as will be seen from the following figures:

	<u>Third Estimate</u>	<u>Second Estimate</u>
	(acres)	
Wheat .....	17,833,000	17,791,000
Linseed .....	7,600,000	7,660,000
Oats .....	3,446,000	3,459,000
Barley .....	2,121,000	2,224,000
Rye .....	2,296,000	2,174,000
Totals .....	<u>33,296,000</u>	<u>33,308,000</u>

The following comparative acreage data will be of interest:

	<u>Wheat</u>	<u>Linseed</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>
	(acres)				
1939-40 estimate .....	17,833,000	7,600,000	3,446,000	2,121,000	2,296,000
1938-39 .....	20,868,000	6,607,000	3,361,000	2,053,000	2,254,000
Average 1934-39 .....	18,122,000	7,149,000	3,251,000	1,975,000	2,105,000
Average 1929-39 .....	18,911,000	7,324,000	3,461,000	1,752,000	1,791,000

Crop Conditions

November, always regarded as the most critical month for the Argentine crops, this year maintained its reputation most fully. Following the very wet month of October, there were a few days of comparatively warm weather; then unseasonably low temperatures until near the close of the month. Frosts fell over large areas. Three times within two weeks there were frosts in southern Buenos Aires and the Pampa southern areas, and damage to the wheat undoubtedly resulted, but to what extent will not be known until the crop is cut. Farther north the grain was in too advanced a stage to suffer much from the frosts.

In the northern provinces harvesting is well advanced, and results are proving most disappointing. In Cordoba, Santa Fe and Entre Rios the wheat is of poor quality and low specific weight. From last year's average weight of 63 1/2 lb. per bushel, the first threshings show a drop to 52-59 lb., with a comparatively high percentage of defective grains.

In the three provinces named linseed also is showing unfavourable outturns, some of the fields giving only half a normal crop, with low grade seeds which promise a light oil percentage. Farther south the prospects for both the wheat and flax crops are at present much more optimistic. The maximum wheat crop now expected is generally placed at 184,000,000 bushels and the linseed crop at 59,000,000 bushels.

A summary of the official crop report of the Ministry of Agriculture, which made its appearance this morning, is as follows:

As the crops of wheat, linseed and other cereals advance towards maturity the poor prospects of production are confirmed. Both with wheat and linseed the present condition of the crops considered as a whole must be taken as being inferior to fair, and the possibility that important areas will be left unharvested permits a forecast that the total yield will be lamentably low.

The weather conditions during November were relatively favourable for the maize crop. Ploughing of the land also was possible in places where this work had been delayed, as in the northern cereal zones, where areas in which the wheat crop has been lost are to be replanted with maize.

Details with regard to the wheat crop are as mentioned below:

Wheat: The yields obtained up to now in the northern part of the cereal region are extremely poor, the grain being of low specific weight. In the province of Buenos Aires and in the Pampa harvesting has not yet begun except for some isolated fields in the north of Buenos Aires.

In general it is noticeable that the wheats of earliest maturity are those which display the most deficient condition, and the zones of most backward vegetative progress promise the best crops.

The present crop conditions may become worse if, as is normal at this period of the year, high temperatures are experienced. On the other hand they may be maintained, or they may even improve, especially in the southern districts.

The primary factor causing the failure of the crop this year is the disproportion between the poorly developed root system and the abundant leafage caused by the frequent rains of October. Only cool weather would permit normal development of the grain.



## Supplies and Markets

The comparative failure of the wheat crop in the provinces of Cordoba, Santa Fe and Entre Rios had a distinct influence on the market during the latter half of November. A keen demand developed, partly speculative, and prices became very firm. Linseed was not affected in the same way, nor were the other grains.

Wheat: Shipments during November were the heaviest of any month this year totalling 19,070,000 bushels (18,862,000 bushels of wheat and 208,000 bushels of flour in terms of wheat) as compared with 12,496,000 bushels in October, leaving the statistical position as set out 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) Wheat .....	159,005,000 bushels	
to Nov.30) Wheat as flour ..	1,223,000	"
	160,228,000	"
Balance still available .....	85,061,000	"

Although the large surpluses on hand in the principal exporting countries continue to be a depressing influence in the various markets, the local crop situation in the Argentine put some life into the business during the second half of November, and there was some moderately active buying. Farmers, however, were far from eager to sell, apparently having faith in war waste reducing burdensome stocks and eventually raising price levels.

As already mentioned, the new wheat in the northern provinces does not promise well. Yields are low and quality poor. It seems likely that there will be frost-damaged grain coming in from the south at harvesting time. With a possible total outturn of 184,000,000 bushels, not all of exportable quality, and probably not enough of a carry-over to quite take care of all domestic requirements, the statistical position at the end of the current year promises to be distinctly better than at the commencement, when there were 248,016,000 bushels of wheat of good quality available for export.

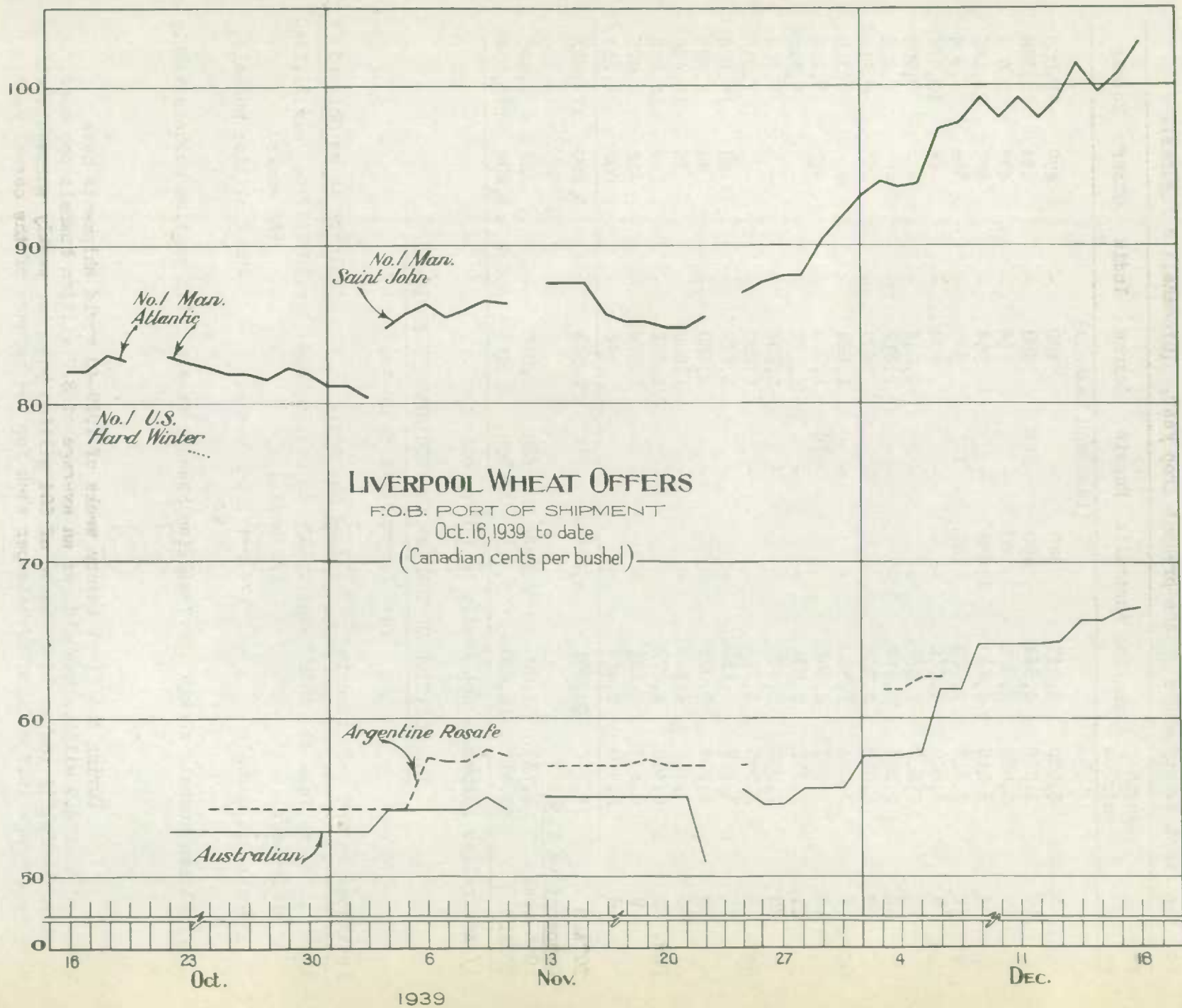
The official Grain Board made some progress in disposing of its holdings during the month. It is understood that 9,186,000 bushels were sold to the United Kingdom at 5.80 pesos per 100 kilos. Later in the month, having put up its price when the adverse crop news was confirmed, another 3,674,000 bushels are said to have been sold to other buyers, mostly Brazil, at 6.30 pesos. Substantial sales were also made to the local millers, buying to cover their flour sales, at the fixed price of 7.00.

Producers apparently are still hoping that a minimum price will again be guaranteed to them by the Government, but as yet no indication has been made by the Administration.

A feature of the export situation continues to be the unusual quantities of wheat and other grains leaving for Italian ports in transit to Switzerland.

On the local market at the close of the month Spot wheat was selling at 6.60 pesos per quintal, equal to 53 1/2 cents United States per bushel at official rates of exchange; and for March delivery 7.46, or say 60 1/2 cents per bushel. In Winnipeg on the same day May wheat closed at 79 3/4 cents. (Locally March is the most distant month quoted).





# INTERNATIONAL TRADE

The following table shows the world shipments of wheat and wheat flour for the first twenty 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	1,840	-	-	1,664	-	-	7,328
14	1,744	2,688	-	464	1,296	-	-	6,192
21	2,512	2,696	-	-	1,112	-	-	6,320
28	2,040	3,968	-	-	1,296	-	-	7,304
Nov. 4	2,040	3,896	-	-	1,280	-	-	7,216
11	3,552	5,152	-	-	1,872	-	48	10,624
18	4,208	3,088	-	-	1,320	-	80	8,696
25	4,408	4,328	-	-	1,600	-	96	10,432
Dec. 2	6,408	4,072	-	-	1,632	-	120	12,232
9	4,644	4,281	-	-	1,664	-	432	11,021
16	2,660	2,456	-	-	848	-	600	6,564
TOTALS	74,376	68,361	4,896 <sup>1/</sup>	912	22,808	-	3,520	174,873
Comparative 1938								
20th week	1,736	1,000	1,696	624	2,016	-	256	7,328
TOTALS	97,912	19,480	29,816	33,208	32,888	3,392	3,208	219,904

<sup>1/</sup> Australian shipments not available since September 2.

## THE POSITION OF THE IMPORT REQUIREMENTS ESTIMATE

(Mr. Broomhall's Estimate)

Estimated Import Requirements	Actual Shipments	Balance to be Shipped
Aug. 1, 1938 to July 31, 1939 (52 weeks)	Aug. 1, 1939 to Dec. 16, 1939 (20 weeks)	Dec. 16, 1939 to July 31, 1940 (32 weeks)
584 million bushels or	174.9 million bushels or	409.1 million bushels or
11.2 million bushels weekly	8.7 million bushels weekly	12.8 million bushels weekly

During the first twenty weeks of 1939-40 world shipments have amounted to 174.9 million bushels, or an average of 8.7 million bushels per week. In order to fulfil the world estimate of 584 million bushels, weekly shipments will have to average 12.8 million bushels per week for the balance of the cereal year.

BUSHELS  
'000,000

# CUMULATIVE RECORD OF WORLD SHIPMENTS OF WHEAT AND FLOUR BY COUNTRIES OF ORIGIN

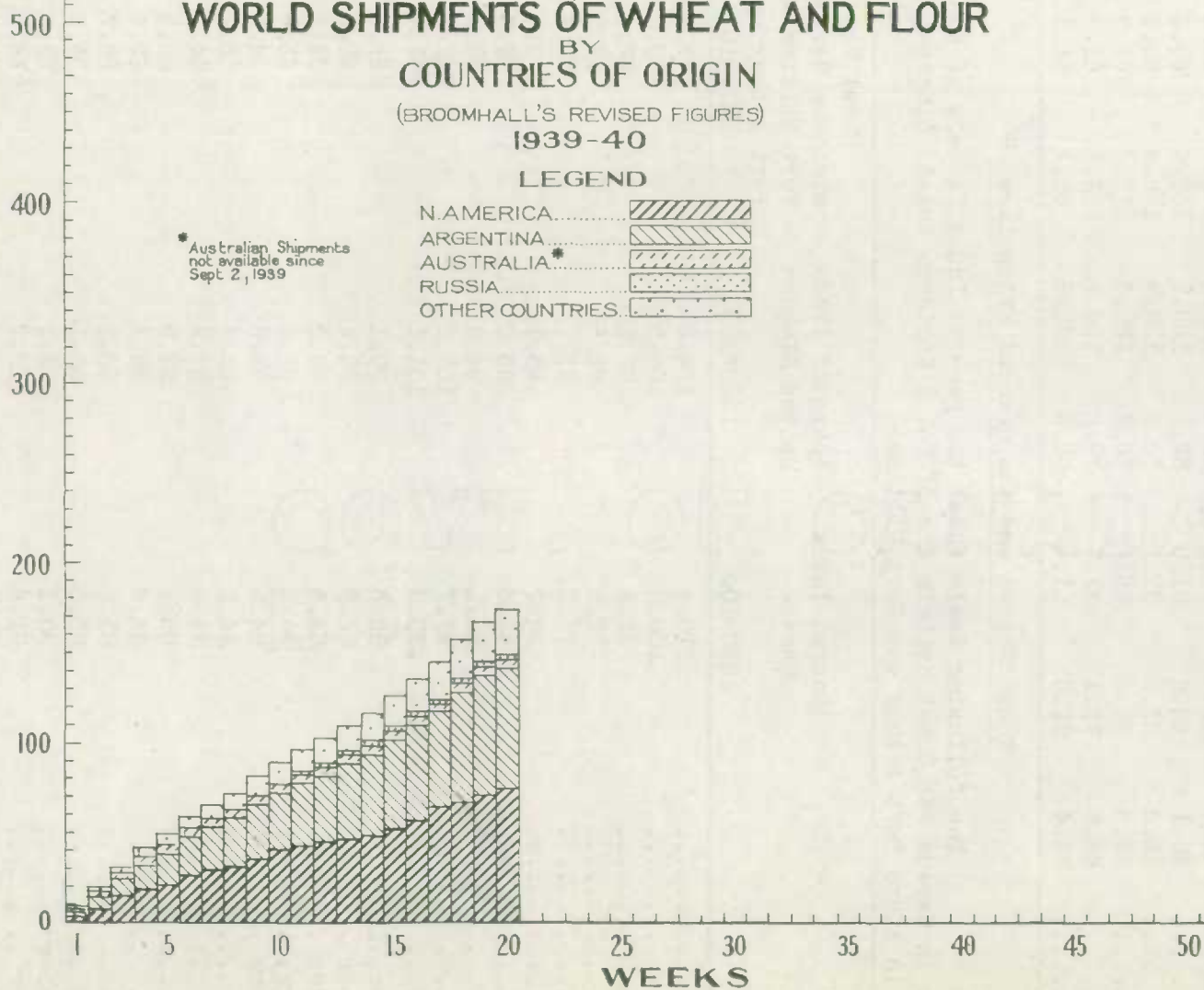
(BROOMHALL'S REVISED FIGURES)

1939-40

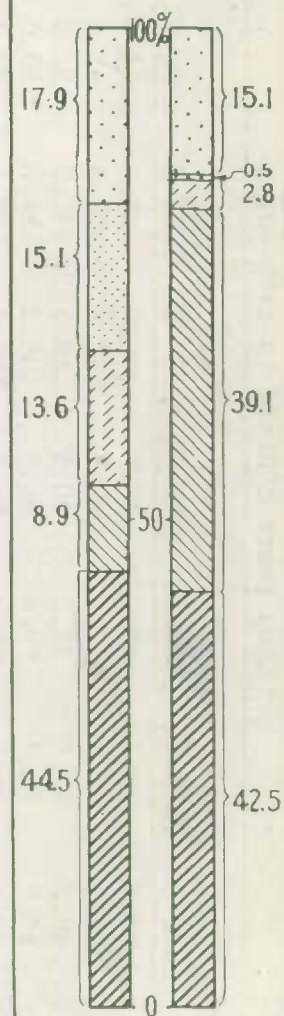
## LEGEND

N.AMERICA.....  
ARGENTINA.....  
AUSTRALIA.....  
RUSSIA.....  
OTHER COUNTRIES.....

\* Australian Shipments  
not available since  
Sept 2, 1939



## PERCENTAGE OF TOTAL SHIPMENTS TO DATE 1938-39 1939-40





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	70.3
November ..	46.7	63.7	79.6	85.7	108.4	134.6	59.0	70.5
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 <sup>1/</sup>

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 1930=100	Board of Trade United Kingdom 1930=100	Wheat No. 1 Manitoba Northern Fort William and Port Arthur basis 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
October, 1938 ...	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 .....	90.3	105.2	78.5
October .....	91.6	110.7	74.6
November .....	92.7	-	74.8

<sup>1/</sup> Prepared by the Internal Trade Branch.

FOREIGN EXCHANGE <sup>1/</sup>

(November 21 - December 18)

Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively during the four week period ended December 18. In terms of the United States dollar at New York both the £ sterling and Canadian dollar showed a stronger tone than was in evidence in the preceding review period. Sterling opened at \$3.94 1/4, dropped to a low of \$3.88 1/4 on November 30, but thereafter improved gradually to a high for the period of \$3.95 on December 18. During the same interval Canadian funds dropped from 87 cents to a seven year low of 86 cents on November 22, but subsequently recovered to rule around 87 1/8 cents for the last two weeks, and the close at 88 1/4 cents showed a net gain of 1 1/4 cents. Australian currency remained unchanged in terms of the Canadian dollar at \$3.5760. Argentine pesos (free rates) on the other hand were weaker, quotations falling irregularly from 26.03 cents on November 20 to a low of 25.03 cents on December 15. The close at 25.20 cents indicated a net loss of 83 points. On November 21 the Argentine Government announced new import regulations designed to broaden trade relations with the United Kingdom and France for the duration of the war.

## Exchange Quotations at Montreal, June 5 to December 18, 1939.

Monday Rates		United Kingdom Pounds	United States Dollars	Australia Pounds	Argentina <sup>2/</sup> Paper Pesos
		4.3667	1.0000	4.8667	.4244
June	5, 1939	4.6909	1.0013	3.7527	.2323
	12	4.6925	1.0019	3.7540	.2319
	19	4.6929	1.0023	3.7543	.2325
	26	4.6940	1.0028	3.7551	.2327
July	3	4.6945	1.0030	3.7556	.2327
	10	4.6915	1.0022	3.7532	.2325
	17	4.6883	1.0014	3.7507	.2323
	24	4.6865	1.0009	3.7492	.2312
	31	4.6807	1.0000	3.7446	.2310
August	7	4.6806	1.0000	3.7445	.2320
	14	4.6807	1.0000	3.7446	.2320
	21	4.6812	1.0002	3.7450	.2315
	28	4.3867	1.0250	3.5094	.2306
September	5	4.4525	1.0950	3.5620	.2519
	11	4.4335	1.0950	3.5468	.2601
	18	4.4500 <sup>3/</sup>	1.1050 <sup>3/</sup>	-	-
	25	4.4500	1.1050	3.5760	.2609
October	2	4.4500	1.1050	3.5760	.2607
	10	4.4500	1.1050	3.5760	.2609
	16	4.4500	1.1050	3.5760	.2603
	23	4.4500	1.1050	3.5760	.2609
	30	4.4500	1.1050	3.5760	.2597
November	6	4.4500	1.1050	3.5760	.2577
	13	4.4500	1.1050	3.5760	.2531
	20	4.4500	1.1050	3.5760	.2603
	27	4.4500	1.1050	3.5760	.2569
December	4	4.4500	1.1050	3.5760	.2547
	11	4.4500	1.1050	3.5760	.2536
	18	4.4500	1.1050	3.5760	.2520

<sup>1/</sup> Prepared by the Internal Trade Branch.      <sup>2/</sup> Free rates.

<sup>3/</sup> 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 rates for sterling are \$4.43 and \$4.47 and for United States funds \$1.10 and \$1.11.

# THE CANADIAN SITUATION

## I. GRADING OF THE 1939 WHEAT CROP

The following shows the grading of new-crop inspections during August to November 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
October .....	24,123	92.78	30,778	82.40
November .....	12,158	84.30	12,341	83.18
Totals .....	107,925	93.54	87,739	86.68

Omitting special grades such as Garnets, Durums, White Springs and Winters, the number of cars of new wheat inspected in November, 1939 totalled 14,423 of which 12,158 or 84.30 per cent graded No. 3 Northern, or higher. November 1939 inspections of new Durum wheat amounted to 76 cars of which 72 or 94.74 per cent graded No. 3 Amber Durum or higher. In November, 1938, new Durum inspections numbered 747 cars of which 729, or 97.59 per cent graded No. 3 Amber Durum or higher.

## II. LAKE MOVEMENT

The following table summarizes the movement of wheat down the Lakes during the whole of the navigation season 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)						
Dec. 12, 1939	123,745,494	12,172,436	55,429,997	18,095,022	337,496	209,780,445
Dec. 9, 1938	96,930,023	14,994,330	13,551,908	5,642,233	112,066	131,230,560

At the close of navigation this year, the total lake movement for the 1939 season amounted to 209.8 million bushels, representing an increase of 78.6 millions over the movement during 1938. Within the past four weeks to December 12, lake shipments of wheat have been particularly heavy, amounting to 61 million bushels. Of this amount 26 million bushels went to Canadian Lower Lake ports and 31 million bushels went to Buffalo.



### III. VALUE OF CANADIAN FIELD CROPS, 1939

On December 8, the Dominion Bureau of Statistics issued a bulletin giving by provinces the first estimate of the farm value of field crop production for 1939 as compared with the values for 1937 and 1938.

#### Summary

The gross value of the principal field crops produced in Canada in 1939 is estimated at \$635,764,000, as compared with \$544,443,000 in 1938, indicating a gain of \$91,321,000 in the value of this year's production. The 1939 gross value is the highest recorded since 1930, when field crop production was valued at \$662,040,900. The considerable increase in wheat production this year was primarily responsible for the current increase in the total field crop valuation. The influence of the large wheat production was partially offset, however, by a somewhat lower level of prices received by farmers for this year's crop. Estimated values of field crop production in Canada for the past ten years are as follows:

	Dollars
1930 .....	662,040,900
1931 .....	435,966,400
1932 .....	452,526,900
1933 .....	453,598,000
1934 .....	549,079,600
1935 .....	511,872,900
1936 .....	612,300,400
1937 .....	556,222,000
1938 .....	544,443,000
1939 .....	635,764,000

The 1939 wheat crop in Canada is valued at \$251,371,000 representing an increase of \$45,876,000 as compared with the 1938 valuation. Although this year's crop is almost 129 million bushels greater than last year's production, the average farm price received has declined from 59 cents in 1938 to 52 cents per bushel in 1939, accounting for the relatively modest increase in the farm value of the 1939 wheat crop. While oats and barley production were very little changed from a year ago, an improvement of 3 cents in the farm price for oats and of 4 cents in the price for barley resulted in gains of \$16,429,000 and \$4,820,000 respectively in the values of these crops. Both the production and average farm prices of rye and flaxseed were better this year than in 1938. The gross values of rye production in 1939 at \$5,727,000, and of flaxseed production at \$2,995,000 were almost double the values of these crops in 1938.

#### Value of the Wheat Crop, by Provinces, 1937, 1938 and 1939

	1937	1938	1939
		Dollars	
Prince Edward Island .	312,000	173,000	165,000
Nova Scotia .....	70,000	54,000	53,000
New Brunswick .....	258,000	158,000	159,000
Quebec .....	1,094,000	705,000	512,000
Ontario .....	19,868,000	12,640,000	14,951,000
Manitoba .....	46,002,000	31,110,000	33,390,000
Saskatchewan .....	37,800,000	76,560,000	124,280,000
Alberta .....	77,214,000	82,940,000	76,500,000
British Columbia .....	2,033,000	1,155,000	1,361,000
CANADA .....	184,651,000	205,495,000	251,371,000

## IV. 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:

Week ending		Manitoba	Saskatchewan	Alberta	Totals	Last Year
			(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	694,711	14,164,210	8,351,324	23,210,245	11,142,554
	20	633,872	9,976,018	6,603,381	17,213,271	14,555,994
	27	603,760	7,767,275	6,870,865	15,241,900	11,973,646
November	3	659,387	5,320,453	3,496,106	9,475,946	8,619,449
	10	394,763	5,337,400	3,526,329	9,258,492	4,502,145
	17	419,266	3,820,282	3,290,045	7,529,593	4,675,524
	24	315,242	4,213,194	4,731,662	9,260,098	4,082,904
December	1	321,348	2,693,605	4,074,458	7,089,411	3,145,123
	8	85,885	2,230,160	3,117,642	5,433,687	2,968,568
	15	170,902	1,398,170	1,844,586	3,413,658	2,226,832
Totals		49,878,797 1/	200,399,072 1/	107,213,130	357,491,999	251,228,725

1/ The totals for Manitoba and Saskatchewan include a revision which has not been allocated to the weekly figures.

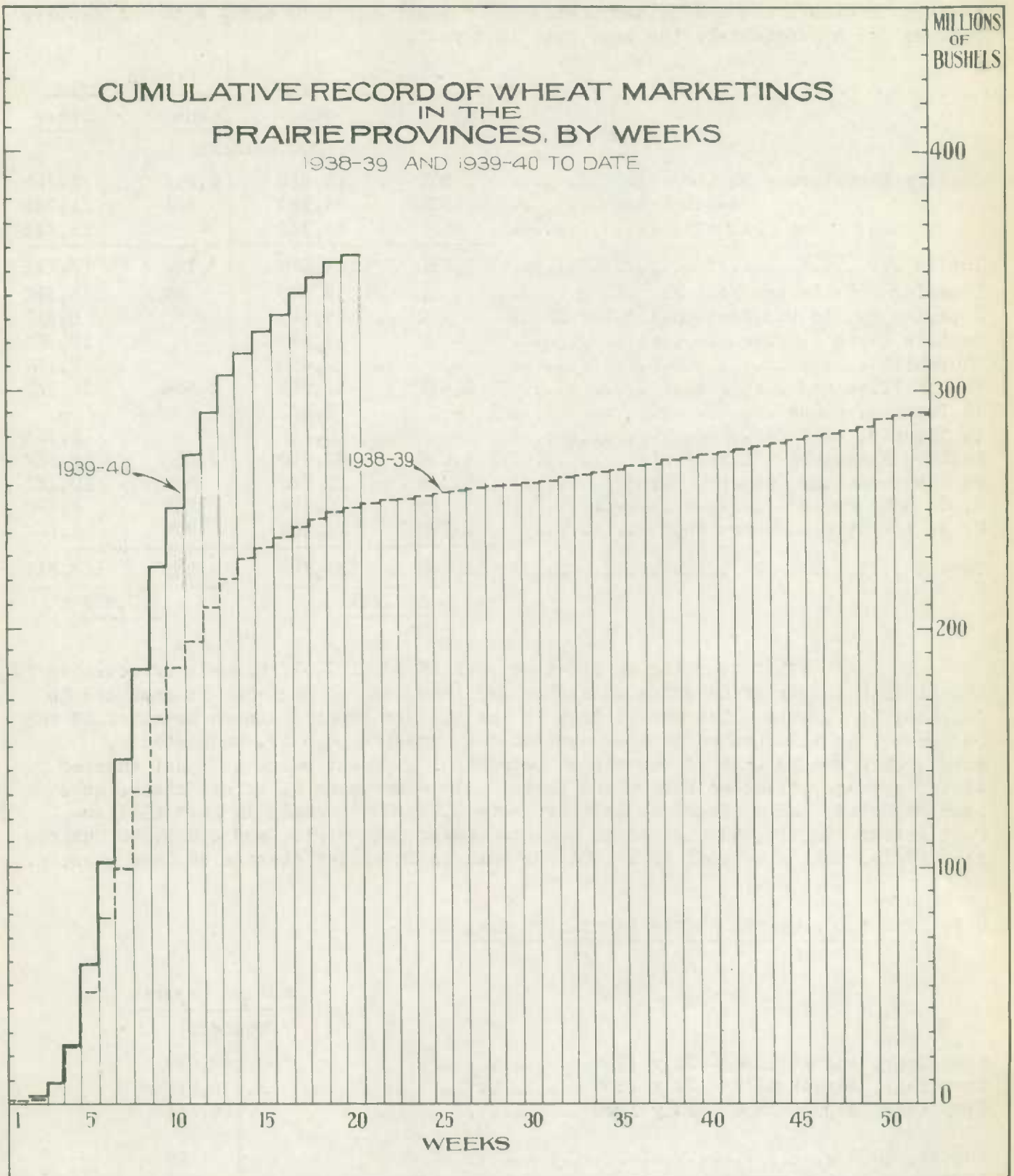
## V. MOVEMENT OF WHEAT TO MARITIME PORTS

The rail movement of wheat to Maritime ports this season has been exceptionally heavy to date in comparison with recent years. While more than 10 million bushels has been shipped by rail to December 14 this year, rail shipments a year ago were negligible, and the movement to December 16, 1937 amounted to 4,243,425 bushels.

Origin and Amount of Wheat Shipments to Maritime Ports,  
to December 14, 1939 with Comparative Figures for 1938.

Origin	Total to December 14, 1939	Total to December 15, 1938
	(bushels)	
Depot Harbour .....	96,304	-
Port McNicoll .....	4,805,553	24,000
Midland .....	2,943,855	-
Collingwood .....	389,652	-
Owen Sound .....	634,524	56,013
Goderich .....	340,716	43,741
Sarnia .....	462,700	-
Port Colborne .....	300,000	-
Prescott .....	91,100	-
Totals .....	10,054,404	123,754

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





## VI. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on December 15, 1939 along with comparative figures for approximately the same date last year.

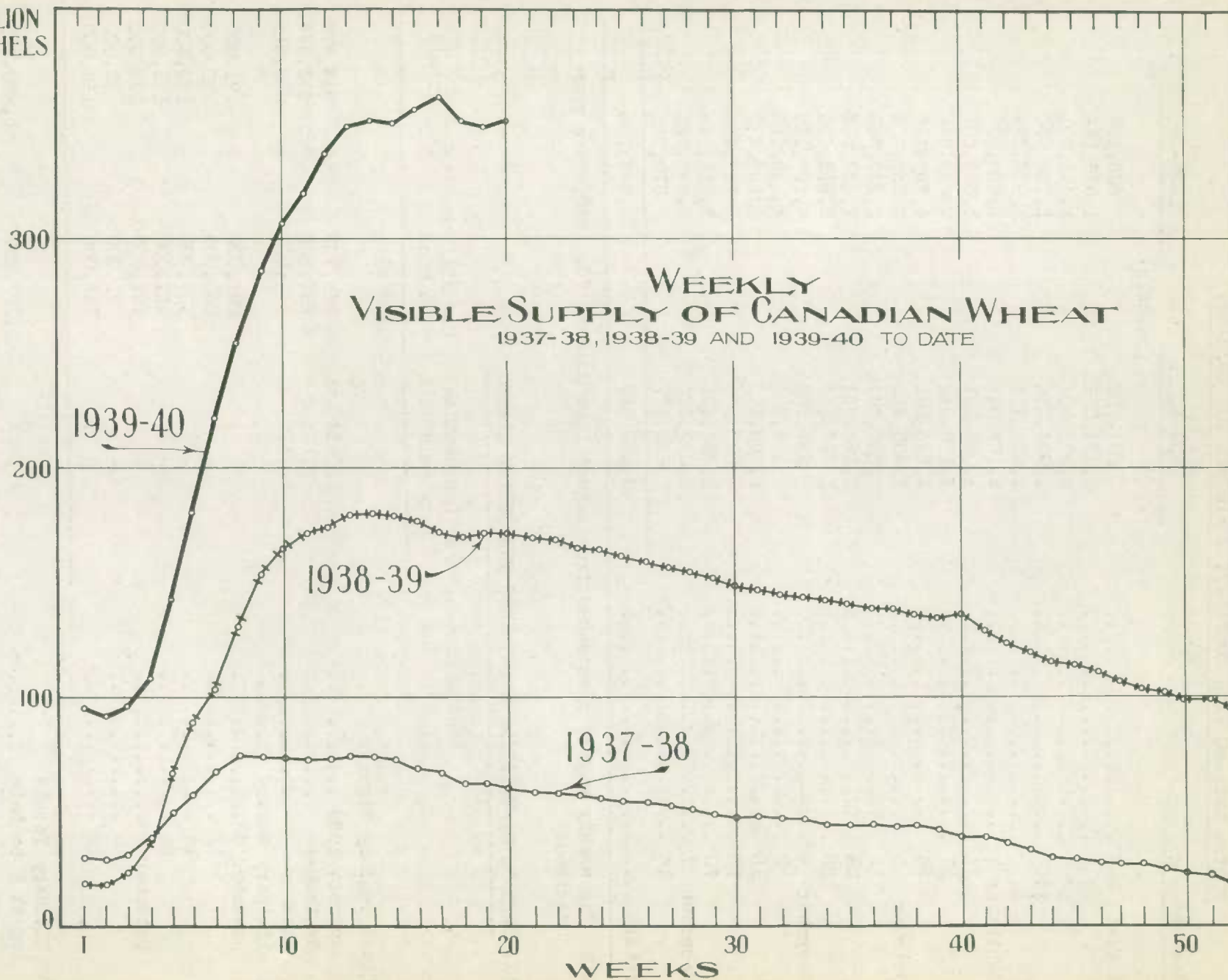
	1939		1938	
	<u>Durum</u>	<u>Other</u>	<u>Durum</u>	<u>Other</u>
	(000 bushels)			
Country Elevators -- Manitoba .....	1,910	12,610	2,615	5,555
Saskatchewan .....	920	84,950	485	21,245
Alberta .....	-	46,710	-	26,445
Totals .....	2,830	144,270	3,100	53,245
Interior Private and Mill Elevators .....	12	6,580	87	5,310
Interior Public and Semi-public Terminals .....	2	15,699	-	6,329
Pacific Ports .....	-	15,957	-	16,327
Churchill .....	-	2,485	-	2,157
Fort William and Port Arthur .....	2,641	41,911	3,656	32,253
In Transit, Lakes .....	-	1,370	-	-
In Transit, Rail .....	-	10,205	-	5,353
Eastern Elevators - Lake Ports .....	4,003	44,969	4,636	18,837
St. Lawrence and Seaboard Ports .....	1,365	19,030	726	10,151
U. S. Lake Ports .....	25	10,785	745	5,698
U. S. Atlantic Seaboard Ports .....	2,790	24,482	902	1,157
Totals .....	13,668	337,743	13,852	156,817
	<u>351,411</u>		<u>170,669</u>	

After reaching an all-time peak of 360,192,977 bushels on November 24, the visible supply of Canadian wheat has declined, and on December 15 amounted to 351,410,774 bushels. The abrupt drop in the visible supply between November 24 and December 1 as illustrated in the chart on the opposite page is, undoubtedly, exaggerated due to lack of reports on December 1 on wheat which had just entered winter storage afloat at Lower Lake ports. Since December 8, afloat stocks have been reported, and on December 15 there were 2,232,208 bushels in Fort William-Port Arthur, 10,413,784 bushels in Canadian Lower Lake ports, and 4,953,000 bushels at Buffalo, making a total of 17,598,992 bushels in winter storage on lake vessels.

## VII. IMPORTS OF UNITED STATES WHEAT INTO CANADA

	<u>Customs Imports</u>
	(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
September .....	4,036
October .....	1,006
Total August-October, 1939 .....	<u>5,071</u>

MILLION  
BUSHELS



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

<u>Week ending</u>	<u>1939-40</u>	<u>1938-39</u>
	(bushels)	
August 1-4 .....	697,722	406,135
10 .....	3,434,079	1,878,644
17 .....	2,973,101	1,411,201
24 .....	1,904,388	1,728,930
31 .....	1,538,471	1,936,384
September 7 .....	3,187,047	1,466,006
14 .....	1,059,101	3,303,207
21 .....	4,110,848	2,899,842
28 .....	2,696,101	4,822,415
October 5 .....	2,409,468	4,632,709
12 .....	1,300,394	2,947,849
19 .....	1,336,664	7,357,314
26 .....	1,777,114	6,318,680
November 2 <sup>nd</sup> .....	966,858	4,196,129
9 .....	3,184,626	4,249,266
16 .....	2,996,116	5,297,487
23 .....	3,502,525	5,389,455
30 .....	5,337,485	2,655,249
December 7 .....	3,979,525	1,535,921
14 .....	860,477	810,961
Totals .....	49,252,110	65,243,784

N.B. The weekly export clearances from August 1 to October 26, 1939, have been revised.

IX. IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES

	<u>For Consumption</u>	<u>For Milling</u>	<u>Totals</u>
	<u>Duty Paid</u>	<u>in Bond</u>	
	(bushels)		
Final Monthly Figures -			
August, 1939 .....	5,634	938,738	944,372
September .....	7,185	686,650	693,835
October .....	78,410	918,201	996,611
Preliminary Weekly Figures -			
November 4 .....	-	291,000	291,000
11 .....	-	230,000	230,000
18 .....	-	190,000	190,000
25 .....	-	121,000	121,000
December 2 .....	-	182,000	182,000
9 .....	-	82,000	82,000
16 .....	-	158,000	158,000
Preliminary Totals			
August 1 to Date .....	91,229	3,797,589	3,888,818



# X. THE STATISTICAL POSITION

(a) In Canada only: The table below summarizes the statistical position of wheat in Canada as at December 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-November. Supplies available for export or carry-over at December 1, 1939, are shown at 374.4 million bushels, representing an increase in current supplies of 195.9 million bushels, compared with those of a year earlier.

	1938-39	1939-40
	(bushels)	
Carry-over in Canada, July 31 .....	25,553,228	95,013,476
New Crop .....	350,010,000 1/	478,965,000 2/
Total Supplies .....	373,563,228	573,978,476
Domestic Requirements .....	122,563,689	128,000,000 3/
Available Supplies .....	250,999,539	445,978,476
Exports, August-November .....	72,419,980	71,555,641
Balance for Export or Carry-over, December 1	178,579,559	374,422,835

(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 397.2 million bushels on December 1, available for export or for the July 31 carry-over in Canada and the United States, compared with 179.2 million bushels a year earlier, indicating an increase of 218.0 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/	478,965,000 2/
Total Supplies .....	374,545,858	581,126,568
Domestic Requirements .....	122,563,689	128,000,000
Available Supplies .....	251,982,169	453,126,568
Export Movement, August-November		
Overseas Clearances .....	62,436,961	44,111,450
United States' Imports .....	3,055,148	3,648,818
Flour as wheat .....	7,256,183	8,157,524
	72,748,292	55,917,792
Balance for Export or Carry-over, December 1.	179,233,877	397,208,776

1/ Subject to final revision, January 19, 1940.

2/ Subject to revision, January 19, 1940.

3/ Tentative.



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XI. 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

	<u>1939-40</u>	<u>1938-39</u>	<u>1937-38</u>	<u>1936-37</u>
		(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 .....	16,848,847	24,579,370	10,055,102	26,917,096
November .....	20,635,199	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 .....		<u>146,240,344</u>	<u>76,713,595</u>	<u>174,858,160</u>

F L O U R

	<u>1939-40</u>	<u>1938-39</u>	<u>1937-38</u>	<u>1936-37</u>
		(barrels)		
August .....	379,276	286,270	288,608	387,728
September .....	416,553	319,739	306,655	378,318
October .....	444,144	528,601	336,478	464,013
November .....	572,810	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 .....		<u>4,604,245</u>	<u>3,609,656</u>	<u>4,525,665</u>

WHEAT AND WHEAT FLOUR

	<u>1939-40</u>	<u>1938-39</u>	<u>1937-38</u>	<u>1936-37</u>
		(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 .....	18,847,495	26,958,075	11,569,253	29,005,155
November .....	23,212,844	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 .....		<u>166,959,447</u>	<u>92,957,047</u>	<u>195,223,653</u>