

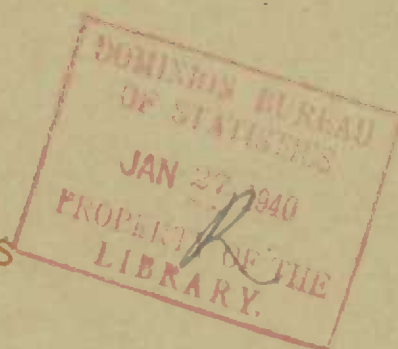
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CANADA

DOMINION BUREAU OF STATISTICS  
AGRICULTURAL BRANCH



Vol. 10

No. 5



# MONTHLY REVIEW OF THE WHEAT SITUATION

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THE WORLD WHEAT SITUATION - SUMMARY

Wheat prices have assumed an easier trend during the past month, after touching the highest levels within two and a half years on December 18. Commencing with the Christmas week-end, the United States winter wheat crop has received a frequently renewed snow covering, which has checked the previously rapid rate of deterioration. Although a recent cold wave has caused some additional concern, the protection from soil-blowing afforded by the snow covering, together with some small improvement in top-soil moisture supplies, has afforded in the main a better outlook for the winter wheat crop. Additional factors acting as a check on prices in the United States have been the prospective increase in available supplies through withdrawals from loans and none too distant maturity of the latter, as well as the existence of a 25 million bushel surplus of Pacific Northwest wheat. In consequence, Chicago prices have experienced greater declines within the past month than have Winnipeg prices, and the wide disparity between United States and Canadian wheat prices has narrowed somewhat.

The European news has been unsettling at times, and renewed concern over possible extension of the arena of warfare has led to some firming of prices. On the other hand, sensationally large wheat purchases by the British Ministry of Food left futures markets almost undisturbed. On January 10, the British Government purchased through Canadian exporters a volume estimated at from 22 to 25 million bushels including some wheat flour. These purchases were followed on January 11 by an announcement that a contract had been signed between the British Ministry of Food and the Australian Wheat Board for the purchase of 60 million bushels of Australian wheat and flour. At the same time, trade reports indicated that some British purchases had been made in Argentina as well. The unprecedented volume of the total wheat purchases in this period was interpreted as an indication that the United Kingdom would not need to enter the market again for some considerable time. This in turn led to price reactions.

The large Australian contract with the British Government materially improved the statistical position in that country. Having just harvested a large crop of 186.5 million bushels, the export surplus for the 1940 season was placed at 134 millions, with little prospect of commensurate export outlets while it was uncertain that the British Government would undertake to provide shipping for the long haul. The "ear-marking" of 60 million bushels, however, for the United Kingdom with the latter undertaking to provide freight space over a period of months has provided an outlet for a large fraction of the season's surplus. Consequently the Australian position has acquired a brighter aspect, and it is understood that discussions which had been arranged regarding a reduction in the 1940 wheat acreage have been abandoned.

Much conjecture has surrounded the size of the Argentine wheat crop as the result of an estimate issued late in December by the Bank of the Argentine Nation at 114 million bushels. The first official estimate had been given on December 15 at 147 millions. While private advices suggested at first that the official figure was high, the most recent advices indicate that the crop may be well up to the Government estimate. The second Government estimate is due in



mid-February. Weekly exports of Argentine wheat have averaged somewhat better than 3 million bushels weekly for the past month, a rate which should give no concern for the disposition of the comparatively small export surplus placed at 120 million bushels. The greater part of this surplus results from a year-end carry-over of 75 million bushels.

Winter wheat conditions in central and eastern Europe have been adversely affected by the extremely cold weather of the past few weeks. In the more northerly districts the snow cover provides an adequate protection. In the south, however, including Hungary, Roumania and to some extent Italy, the snow protection was very little and damage to the wheat plants has been reported. Frost damage to some extent has also occurred in Belgium. The Russian winter wheat belt has suffered very low temperatures, but information on the extent of snow covering is lacking. North-western India has received heavy rains during January which have relieved the drought experienced in December. It is now anticipated that India will harvest a normal crop in March.

World Statistical Position in Wheat, 1939-40 and 1938-39.

On the basis of revised estimates received up to the present week, total world wheat production in 1939, excluding the U.S.S.R. and China, amounted to 4,273 million bushels, which is just an even 300 million bushels less than the record "world" harvest of 4,573 million bushels in 1938. The 1939 crop taken in conjunction with the August 1, 1939 "world" carry-over, estimated at 1,101 million bushels by the Food Research Institute, provides a total "world" wheat supply of 5,374 millions for the 1939-40 season. This volume establishes a new record for total wheat supplies, exceeding the 1938 "world" crop plus carry-over by 180 million bushels. With the return of more abundant world wheat supplies together with low prices in the 1938-39 season, "world" disappearance of wheat rose to a new high level at 4,093 million bushels. Even if this rate of "world" disappearance is maintained at 4,000 million bushels in the 1939-40 season, a record world carry-over of 1,374 million bushels at August 1, 1940, remains in prospect. The "world" statistical position respecting production, carry-overs and disappearance may be set out for the present and preceding crop years as follows:

	1939-40	1938-39
	(million bushels)	
World carry-over (beginning of season) .....	1,101	587
World production .....	4,273	4,573
Russian net exports .....	0	34
Total world supplies .....	5,374	5,194
World disappearance .....	4,000	4,093
World carry-over (end of season) .....	1,374	1,101

The increased world carry-over at August 1, 1940, will be distributed notably through larger holdings in Canada, as an aftermath of the unusually large 1939 harvest, and in European countries as part of their security stocks. A somewhat higher carry-over is likely to occur in the United States in consequence of the almost complete withdrawal of the export subsidy. Australian wheat stocks at August 1 next will likely be unchanged from the previous year, while Argentine stocks will undoubtedly show a material reduction from the record stocks of 175 million bushels estimated to have been held on August 1 last.

## World Wheat and Flour Shipments

-3-

The weekly volume of world wheat shipments has been maintained at a barely modest level for the past six weeks, having averaged only 7.5 million bushels weekly, exclusive of the unreported Australian shipments. Altogether for the first twenty-five weeks of the crop year, world shipments have totalled 213.2 million bushels. To this amount should be added an approximation of 35 million bushels for Australia, which in all probability has been exported from that country since war began. Thus an estimated total of 248 million bushels for world shipments to date in 1939-40 are lagging some 21 million bushels behind the 269 million bushels reported to have been shipped in the corresponding period of the previous crop year. Mr. Broomhall has reduced from 584 to 560 million bushels his estimate for the total world shipments for the 1939-40 season, which is 41 millions below his reported shipments of 601 million bushels for the previous crop year.

Argentina has been the heaviest shipper to date in the 1939-40 season, with 86.9 million bushels exported from that country, according to Broomhall's figures. The combined figures of Canada and the United States are given as only 87.2 million bushels. The Danubian countries have shipped 30.3 millions to date in the present crop year, while Russia has exported less than one million bushels, and India has not yet made any exports.

### The Wheat Situation in the United States

By mid January Kansas generally had an adequate snow covering which ranged from four to eight inches in the western two-thirds of the State. Recent zero and sub-zero temperatures, however, have prevented the conversion of snowfall into top soil moisture. In Oklahoma and Texas the greater part of the precipitation has been received in the form of rainfall and wet snows, and the top soil has benefited accordingly. Generally the winter wheat crop is in a dormant state with appreciable areas seeded, but as yet ungerminated. Doubt continues whether these areas will ever make a crop.

After restricting the wheat and flour export subsidy program to the export of Pacific Northwest flour to the Philippines on January 3, the United States Department of Agriculture extended the program on January 19 to include Northwest wheat and flour exports to China and Hong Kong as well as the Philippines. This extension was intended to assist in the disposal of a 25 million bushel surplus of Pacific Northwest wheat. On January 19, the Department of Agriculture also announced that loans against 3.5 million bushels of 1938 wheat stored on farms would not be extended beyond their maturity date of March 31. In addition, no extension of 1939 wheat loans beyond their maturity date of April 30 was contemplated, with the exception of loans against 23 million bushels of farm-stored wheat in the spring wheat States. This implied that some 145 million bushels would have to be withdrawn from loans and presumably sold by farmers prior to April 30, otherwise the Commodity Credit Corporation would take title to the wheat.

### The Wheat Situation in Canada

Canadian Customs exports of wheat and wheat flour for the month of December showed an exceptionally large total of 38.5 million bushels. This was primarily due to the heavy movement from Fort William-Port Arthur to United States lake ports prior to the close of navigation. Much of the total volume was actually shipped during the last week of November, but was recorded too late for inclusion in the November figures. An interesting feature of the December export volume was the flour movement of 902,714 barrels which was more than double the usual December volume of flour exports, and was the highest recorded for any month since June, 1929.

Overseas export clearances of wheat, plus flour exports and United States imports of Canadian wheat for milling in bond during the month of December totalled only 15.6 million bushels. The export clearance figures, of course, do not include Canadian wheat moving into United States storage until the wheat leaves American seaboard ports or is otherwise withdrawn from bond. For this reason the wheat and flour export movement based on the clearance figures totalled 71.5 million bushels from August to December whereas the Customs totals reached 110 millions.



## CALENDAR OF WHEAT EVENTS

1939

- December 18. Wheat prices reach seasonal peaks at Winnipeg and Chicago.  
 19. United States total wheat production in 1939 revised upward to 754,971,000 bushels.  
 21. United States 1940 winter wheat crop officially forecasted at 399 million bushels, the smallest indicated yield since 1925.  
 23. Heavy snow and rain in United States south-west.  
 27. United States Department of Agriculture predicts 10 per cent increase in spring wheat area.  
 Argentine millers authorized to use up to 60 per cent of new-crop wheat in 1940 millings.  
 30. Dry weather reported in north-west India.  
 Bank of the Argentine Nation estimates Argentine crop at 114 million bushels.

1940

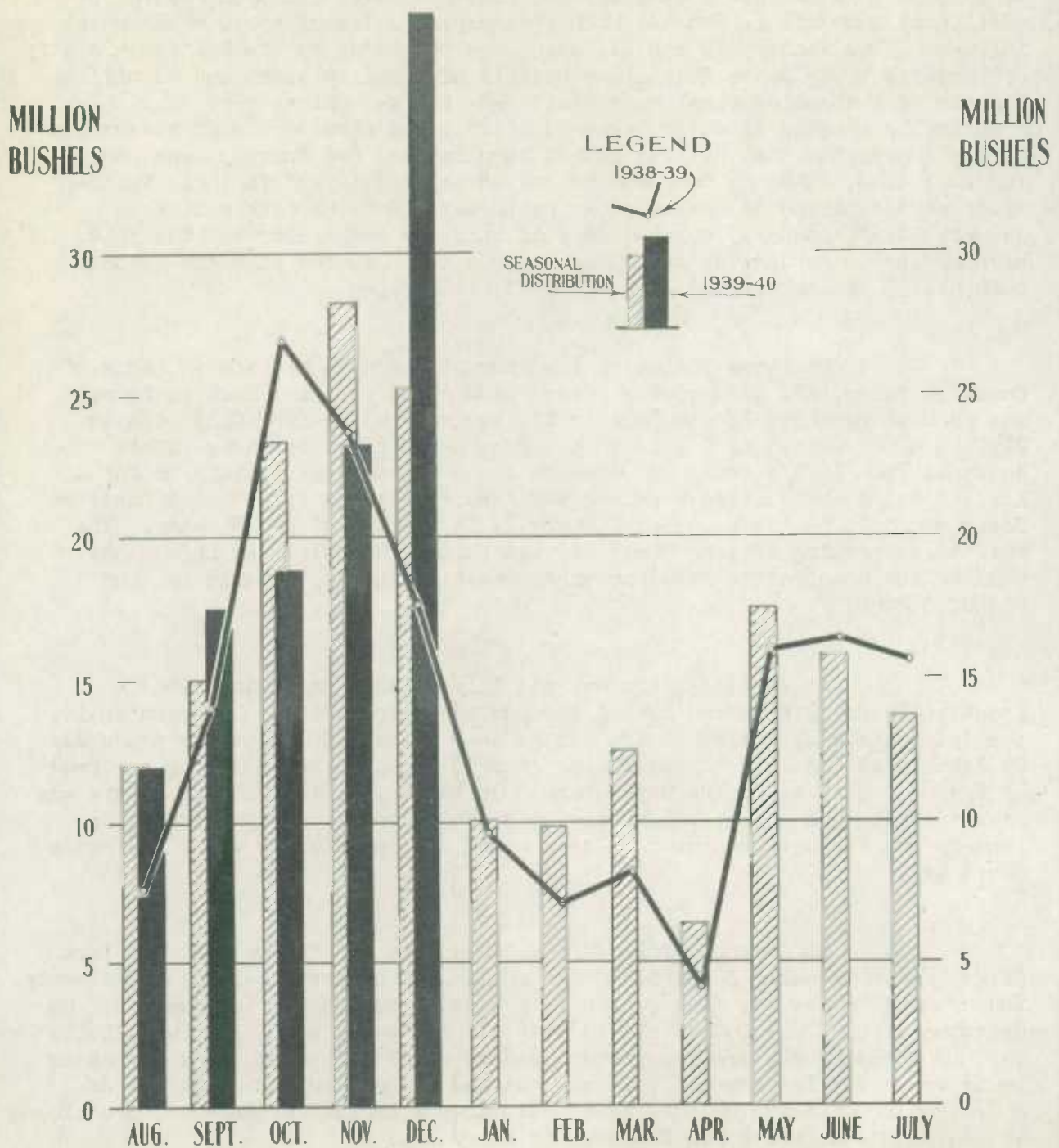
- January 2. Pessimistic private report on United States winter wheat situation.  
 3. United States wheat and flour subsidies suspended, except for Pacific North-west flour to the Philippines.  
 3-5. Snowfall over Kansas.  
 8. Further week-end moisture in American winter wheat area including snows in Kansas.  
 9. Third official estimate of Australian crop at 186,543,000 bushels.  
 10. Canadian export sales to the United Kingdom estimated at 22 to 25 million bushels. Heaviest day's export business on record at Winnipeg.  
 11. British Ministry of Food contracts for the purchase of 60 million bushels of Australian wheat and wheat flour.  
 13. Further snow in Kansas and rains in Oklahoma and Texas.  
 15. Good rains in Argentina benefit corn crop.  
 18. Spain expected to buy 36 million bushels this season.  
 19. Third estimate 1939 Canadian wheat crop published at 489,623,000 bushels compared with final estimate of 1938 crop of 360,010,000 bushels.  
 United States reinstated on Pacific North-west wheat and flour shipments to China and Hong Kong.  
 Cold wave in United States winter wheat belt.  
 20. Broomhall places Argentine surplus at 120 million bushels.  
 22. United Kingdom reported to have purchased 3,750,000 bushels from Roumania. Spain reported to have taken 6,400,000 bushels from France on a barter basis.

An Appraisal of the Canadian Export Movement

The December Customs export figure for wheat and flour totalled 38,474,661 bushels, bringing the total wheat and flour export movement from August to December inclusive to 110,030,302 bushels. Actually something less than half of the volume reported in December wheat shipments from the Head of the Lakes to United States Lower Lake ports during the last week of November, with the Customs returns filed too late to be included in the November export totals. The total export volume now compares favourably with the August-December seasonal allocation from a crop-year's total exports of 190 million bushels. The August-December seasonal allocation calls for exports of 104.1 million bushels, whereas the recorded exports have exceeded this amount by 5.9 million bushels.

# 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





### PRICES

The period of rising prices from November 28 to December 18, which had been inspired by the small Argentine crop and the serious condition of the United States winter wheat crop, culminated in a technical reaction during the week before Christmas. Despite good snowfall in Kansas over the Christmas week-end, futures markets made some recovery during the last week of December. After New Year's further reaction developed upon receipt of additional snowfall in Kansas, with slow export sales of wheat a secondary influence. On January 10 and 11, when huge purchases by the British Ministry of Food involving 22 to 25 million bushels of Canadian wheat and 60 million bushels of Australian wheat were disclosed, futures prices were only momentarily checked in their downward trend. The size of the purchases led to the impression that British import requirements had thereby been covered for some time, which in turn was construed as a "bearish" factor. Further snows were received in the American south-west over the week-end of January 14, followed by several days of very low temperatures. The cold weather led to an upswing in Chicago prices which abated when the weather moderated. The upswing was not followed at Winnipeg.

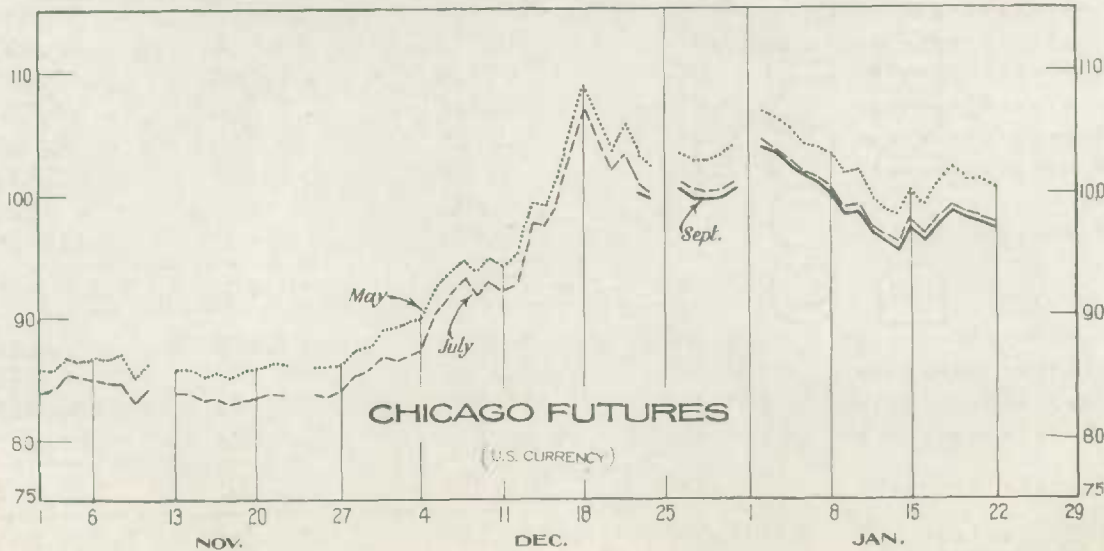
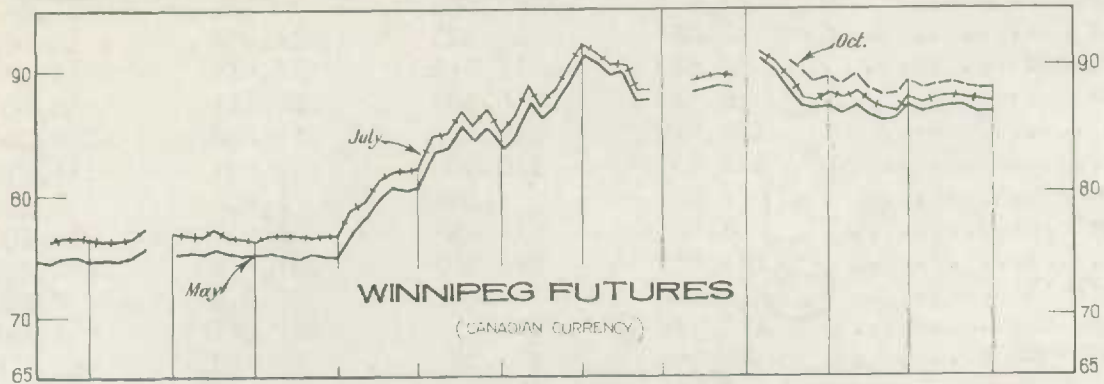
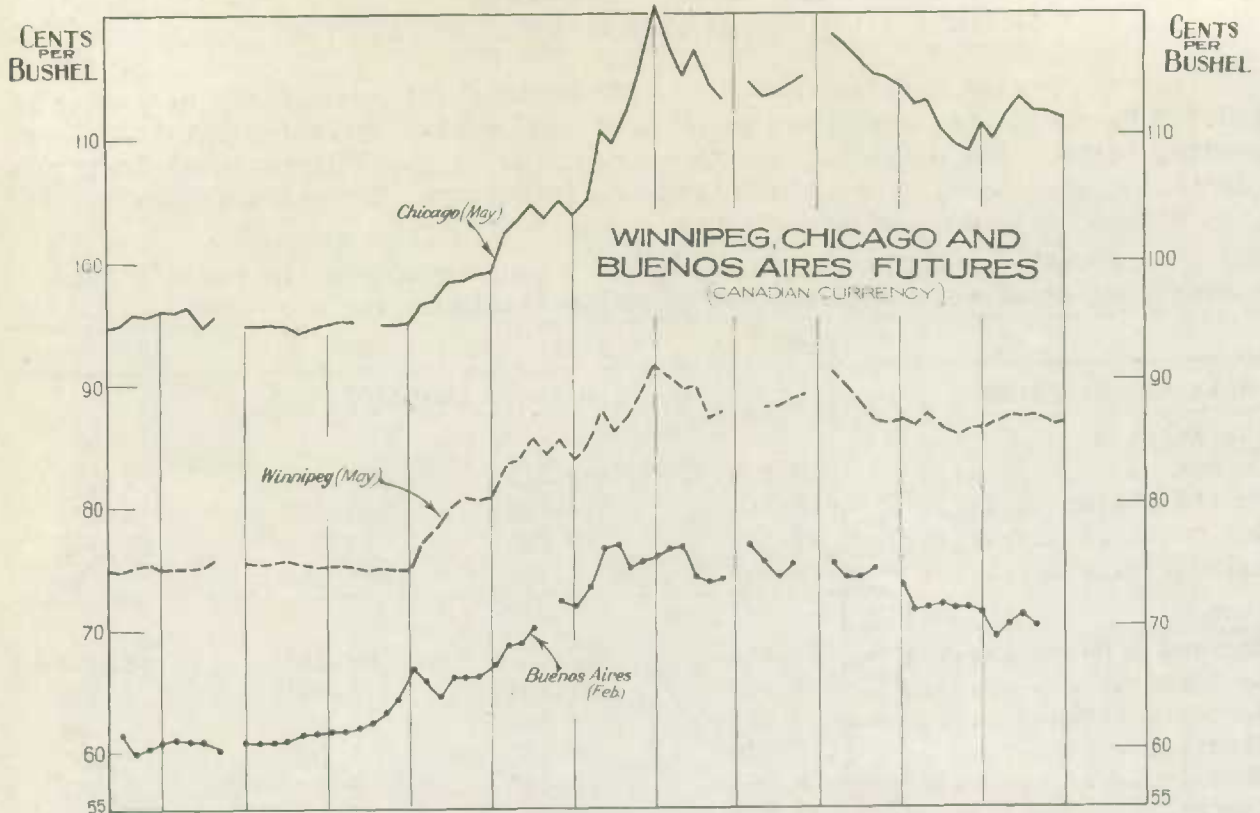
With the following intermarket comparisons made in terms of Canadian funds, the Chicago May future showed the greatest decline between the peak of December 18 and January 22, having dropped from \$1.20  $\frac{3}{4}$  to \$1.11  $\frac{1}{4}$  for a loss of 9  $\frac{1}{2}$  cents. The Buenos Aires February future declined from 75  $\frac{3}{4}$  cents on December 18 to 70 cents on January 19 for a loss of 5  $\frac{3}{4}$  cents. The Winnipeg May future declined from 91  $\frac{1}{4}$  cents on December 18 to 86  $\frac{5}{8}$  cents on January 22 for a loss of 4  $\frac{5}{8}$  cents. The relative narrowing of the spread between Chicago and Winnipeg prices has reduced the prospect of Canadian wheat reaching an import basis in the United States.

At Winnipeg, the May and July futures have maintained a practically uniform spread during the period under review. On December 18, the July future closed at 92  $\frac{1}{4}$  cents, at a spread of 1 cent above the May. By January 22 the July future closed at 87  $\frac{3}{8}$  cents, representing a spread of  $\frac{3}{4}$  of a cent above the May future. On January 4, the October future was boarded at 90  $\frac{1}{2}$  cents, which was 2  $\frac{3}{8}$  cents above the May future. On January 22, the October future closed at 88  $\frac{1}{2}$  cents which was 1  $\frac{7}{8}$  cents above May.

At Chicago, in American funds, the May future declined from \$1.09  $\frac{1}{4}$  on December 18 to \$1.00  $\frac{5}{8}$  on January 22 for a loss of 8  $\frac{5}{8}$  cents. The premium in the May future over July widened out during this period. On December 18 the July future closed at \$1.07  $\frac{3}{8}$  which was 1  $\frac{7}{8}$  cents below May. On January 22, the July future closed at 97  $\frac{7}{8}$  cents, or 2  $\frac{3}{4}$  cents below May. The September future was boarded on December 22 at \$1.00, or 3  $\frac{1}{8}$  cents below May on that date. On January 22 the September future closed at 97  $\frac{1}{4}$  cents, which was 3  $\frac{3}{8}$  cents below May.



# 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
<b>Northern Hemisphere</b> (thousand bushels)				
<b>North America</b>				
Canada .....	219,218	180,210	360,010	489,623
United States .....	626,766	875,676	931,702	754,971
Mexico .....	13,581	10,587	11,845	11,942
Totals .....	859,565	1,066,473	1,303,557	1,256,536
<b>Europe</b>				
England & Wales .....	51,445	52,005	69,253	58,053
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	15,065
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	38,291
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	1,252,352
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	104,487
Totals .....	384,278	361,461	466,210	453,332
Total Europe .....	1,481,304	1,538,621	1,832,682	1,705,684

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 4,273,000,000 bushels, showing a reduction of 300 million bushels from the record world production of 1938.

Within the past month upward revisions have been made in the 1939 wheat estimates for Canada, the United States, England and Wales, Denmark, Greece, and Australia, while the first official estimate for Turkey is higher than the tentative estimate used in December. Small reductions have been made in the estimates for Mexico, Yugoslavia and the Union of South Africa.

	1936	1937	1938	1939
	(thousand bushels)			
<b>Africa:</b>				
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
<b>Asia:</b>				
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	61,086
Chosen .....	8,161	10,323	10,401	12,286
Turkey .....	141,582	132,985	156,097	169,312
Totals .....	565,637	579,702	638,905	640,595
Totals 42 Countries ....	3,002,297	3,301,810	3,893,154	3,751,765
<b>Estimated Northern Hemisphere</b>				
Total, ex U.S.S.R.				
and China .....	3,107,000	3,406,000	4,008,000	3,856,000
<b>Southern Hemisphere</b>				
Argentina .....	249,193	184,799	336,199	146,972
Australia .....	151,390	187,258	154,543	186,543
Union of South Africa ..	16,077	10,157	17,093	16,047
Totals .....	416,660	382,214	507,835	349,562
<b>Estimated World Total, ex</b>				
U.S.S.R. and China ..	3,579,000	3,852,000	4,573,000	4,273,000

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

### AUSTRALIAN CABLE

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

"Official forecast of production for 1939-40 crop 186,543,000 bushels. Situation here considerably brightened by British Government purchase of 1,659,000 tons wheat including 150,000 tons flour. Price fixed by Australian Wheat Board for half this quantity not disclosed, but believed between three and four shillings per bushel f.o.b. Price for remainder to be fixed later in year. Delivery on first half of wheat to be taken by July 15, when payment to be made for any undelivered balance, and second half of contract to be taken by January 1941. Flour being equal to about 25 per cent of normal annual flour export trade of Australia will be delivered throughout 1940. Shipping of wheat still a problem and possibility being examined of shipping wheat to New Orleans for storage and reshipment to Great Britain as required. Since neutral shipping possibly to be utilized for carrying wheat, this proposal obviates necessity for entering combat zone. Current prices of wheat in Australia fixed by Wheat Board, four shillings and one halfpenny per bushel f.o.b. for bagged, approximately seventy cents Canadian, and three shillings nine pence halfpenny for bulk, approximately sixty-six cents Canadian. Sales of 23,500,000 bushels wheat other than to Great Britain made since acquisition of wheat by Australian Government in September. Enquiries from India indicate willingness to buy but freight position checks volume of business. Freight space very scarce to all destinations. Nominal rate fixed by British Government, Australia to United Kingdom fifty-five shillings ninepence a ton. Neutral shipping asking one hundred shillings. Export quotations for flour approximately nine pounds fifteen shillings per ton in 49-pound calico bags, equivalent to thirty-four dollars and forty-two cents Canadian, and nine pounds twelve shillings sixpence per ton in 150-pound sacks, equivalent to thirty-three dollars and eighty-eight cents Canadian. Flour business quiet, some demand from near East and northern China but exchange difficulties debar sales to latter."

### ARGENTINE LETTER

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of January 4, 1940, dealing with the grain situation in Argentina.

#### First Official Estimate of Grain Crops

In mid-December the Ministry of Agriculture made public its first estimate of the volume of the principal field crops, excluding maize, for the season 1939-40. This is based upon the final estimate of the areas seeded, issued a month earlier, the calculated probable losses, and the probable average yields. The official figures are as reproduced below:

Wheat .....	4,000,000	metric tons, or	146,972,000	bushels
Linseed .....	1,250,000	"	"	" 49,210,000 "
Oats .....	900,000	"	"	" 58,358,000 "
Barley .....	750,000	"	"	" 34,447,000 "
Rye .....	360,000	"	"	" 14,173,000 "
Totals .....	<u>7,260,000</u>	"	"	" <u>303,160,000</u> "

Of the 146,972,000 bushels of wheat, the Ministry's memorandum points out there is a high percentage which has been cut and stacked, but on account of its deficient quality will only be threshed if quotations for the grain are such as will cover the cost of labour involved.



The new crop of wheat is smaller than that of last season by 189,227,000 bushels, or 56.3 per cent, and linseed crop by 5,879,000 bushels, or 11.4 per cent. On the other hand, the crops of oats, barley and rye exceed those of last season by 23.3 per cent; 70.5 per cent and 30.9 per cent respectively.

The lower wheat production is due to the unfavourable climatic conditions of the season, which affected both the yields and the quality of the grain. On this account there has been left unharvested an area which at the time of the publication of the report was estimated as reaching 4,200,700 acres. The same factors influenced the decrease in the area seeded, which is estimated at 2,965,200 acres.

In the case of linseed, in spite of the increase in the area planted, as compared with the preceding season, of 992,100 acres, the low yields prevailing have cut down the production, and the lost and abandoned areas to date have reached around 1,557,000 acres. The following comparative figures will be found interesting:

	Wheat	Linseed	Oats	Barley	Rye
	(bushels)				
1938-39 final .....	336,199,000	55,509,000	47,335,000	20,209,000	10,826,000
5-year average 1935-39 ..	230,607,000	66,629,000	47,256,000	24,054,000	8,900,000
10-year average 1930-39..	229,459,000	67,516,000	54,615,000	23,606,000	8,262,000

#### Crop Conditions

The monthly report on crop conditions published by the Ministry of Agriculture made its appearance this morning. The gist of its contents with regard to grain and seed crops will be found in the following excerpts:

Harvesting was carried on during the month of December with results which cause no change in the forecast given a month ago as to the low yields of wheat and linseed and the better results in the case of oats, barley and rye.

A frost which occurred on December 5 caused damage to the cereals and linseed of late varieties, especially in the province of Buenos Aires. The maize also was affected by this frost, above all in the northern zone of the province of Buenos Aires; nevertheless the prospective production of this grain is good considering the country as a whole. Details with regard to the various crops are reproduced below:

Wheat: The fields of wheat in the province of Buenos Aires and the territory of the Pampa were affected by the frost registered on December 5 and the prospects for the crop have deteriorated.

In the northern part of the cereal region no damage was done by this frost, the greater part of the cutting having already been finished. It may be pointed out that within the cereal zone only in the districts on the southern coast of the province of Buenos Aires and in the northern part of the Pampa, is the condition of the wheat good.

In the zone of Coronel Suarez and adjoining districts the condition of the fields of wheat is bad, due to the action of grubs and rust, added to the excessive rains, which caused a disproportionate development of the upper part of the plants to the detriment of the root system.

The yields obtained in threshing in the southern part of the province of Cordoba make the crop look rather better than at the beginning of December; but in the other zone of the country the prospective yields seem approximately the same.

Throughout the northern part of the cereal region harvesting is finished, and threshing is proceeding slowly, with the greater part of the crop stacked and no assurance that it will all be threshed. In Buenos Aires and the Pampa cutting is proceeding, and threshing also has been commenced. In general the quality of the grain obtained is poor. The best lots are in the south-east part of Buenos Aires and the northern Pampa.

The province of Buenos Aires is by far the most important factor in the production of Argentine grain crops, its contribution greatly exceeding that of any other province or territory. For that reason a report of the Provincial Department of Agriculture of Buenos Aires on the condition of the crops as at January 1 will be of interest. The principal sections of the report are as follows:

The results obtained in the first threshings are deficient in respect of wheat and linseed; from fair to good for oats and rye, the fields of which have mostly been pastured during the winter; and abundant for barley, which in general has given exceptional yields.

The quality of the wheat and linseed threshed up to now has been deficient in the north, and variable in the centre, east and part of the west, where low yields predominate. There are some good lots, which the farmers are keeping for sale as seed. In the remainder of the west, and especially in the south, a large proportion of farms have produced good yields of grain of good quality, in spite of having been damaged by the worst conjunction of adverse weather conditions which can be remembered, finishing with the general frost of December 5.

This last frost deserves special mention for having hastened the maturity of grains already formed, reducing their specific weight; and for having spoiled the fields which were caught in the formation of the grain, weakened in part by the irregular temperatures, the weeds and the great diffusion of plant diseases.

For the maize, already afflicted by the late frosts of November, it was fatal, causing partial and total losses in the early and medium plantings.

#### Supplies and Markets

Wheat: The official estimate places the volume of the new crop at 146,972,000 bushels. At the time this was published there was an inclination to regard it as a little too pessimistic; but as the severe effects of the frost of the first week of December became more apparent, with its destructive effects in the districts from which the best results had been expected, doubts began to be expressed as to whether the official figures were not too optimistic.

The Bank of the Argentine Nation made a private survey of the crop situation, in accordance with its usual practice, and the result is understood to justify a total crop of wheat of only 114,014,000 bushels. The Bank, which has a vast organization covering every part of the country through its 263 branches, is well equipped to make such a survey, provided that its local officials have at their command reliable sources of information as to acreages and probable yields. If not, the basis of the survey is unsound. If the local officials or their informants become infected with the prevailing pessimistic spirit, their figures are apt to be coloured accordingly, however unintentionally; and this is what in the opinion of some competent critics has occurred in this case, although it is pretty generally felt that the Ministry's figures will be cut down when the next official estimate is published in February.

A figure mid-way between the National Bank's estimate of 114,014,000 bushels and the Ministry of Agriculture's 146,972,000 bushels, as at present looked for.



Meanwhile, with the official figures as a basis, the following is the statistical position as the new year commences:

Exportable surplus at January 1, 1939 .....	245,289,000 bushels
Shipments ) ... Wheat .....	175,314,000 bushels
during 1939) Wheat as flour .	<u>1,410,000</u> "
	<u>176,724,000</u> "
Carry-over into 1940 .....	68,566,000 "
First official estimate 1939-40 crop .....	<u>146,972,000</u> "
Total supplies .....	215,538,000 "
Deduct for seed and domestic requirements .....	<u>101,044,000</u> "
Surplus available for export .....	<u>114,494,000</u> "

Exports during the month of December were: wheat 16,309,000 bushels, flour in terms of wheat 187,000 bushels, total 16,496,000 bushels. This compares with the combined November total of 19,070,000 bushels.

Of the stocks of the old crop wheat it is believed that 55,115,000 bushels are in the hands of the official Control Board, and the balance is held by farmers and others.

The governmental Decree requiring millers to fill all their requirements for wheat to grind into flour by purchasing from the official Board at the basic price of 7. pesos per quintal (as mentioned in the report dated November 4); which was protested against by the millers, was cancelled in December and replaced by a new Decree permitting the millers to acquire up to 40 per cent of their requirements from the Board at the basic price provided the grain is purchased and delivery taken before March 31. It is estimated that under this Decree the millers will absorb 20,200,000 bushels of the Board's stocks, and will have to buy in the open market the balance of their requirements, or 44,000,000 bushels.

In the matter of quality the new crop is not turning out at all well. Due to the frost and other climatic factors, there is a great deal of light weight wheat. The average weight last season was about 63 1/2 pounds per bushel. Experienced grain men estimate that this year there will be at least 18,372,000 bushels with an average of not more than 58 pounds per bushel; and 64 pounds of wheat will be very scarce.

During December and the latter half of November no Argentine wheat was purchased for account of the United Kingdom, whose interest was centred on the British Dominions. Some moderate sales were made by the Grain Board to neutral nations at relatively high prices, more or less 7.50 per 100 kilos. Brazil also purchased some parcels at 7.20.

The storage situation tends to improve, as the new crop is not being delivered as fast as the old stocks are moving out.

At the close of the month Spot wheat was changing hands at 8.20 pesos per 100 kilos, or say 66 1/2 cents United States per bushel at prevailing official rates of exchange; and the March option, the most distant quoted, at 8.59, or 69 3/4 cents per bushel. On the same day in Winnipeg May wheat was selling at 88 7/8 cents per bushel.

# INTERNATIONAL TRADE

The following table shows the world shipments of wheat and wheat flour for the first twenty-five 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	4,648	4,264	-	-	2,064	-	32	11,008
16	2,664	2,440	-	-	1,448	-	-	6,552
23	1,408	5,776	-	-	1,824	-	48	9,056
30	3,312	3,344	-	-	1,880	-	56	8,592
Jan. 6, 1940	2,469	2,737	-	-	792	-	72	6,070
13	2,446	3,656	-	-	1,240	-	200	7,542
20	3,217	3,038	-	-	760	-	64	7,079
TOTALS	87,236	86,879	4,896 1/	912	30,304	-	2,960	213,187
Comparative 1938-39								
25th week	4,704	2,264	2,024	168	1,784	-	424	11,368
TOTALS	118,336	26,160	38,896	34,312	43,680	3,392	4,488	269,264

1/ 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 Jan. 20, 1940 (25 weeks)	Jan. 20, 1940 to July 31, 1940 (27 weeks)
560 million bushels	213.2 million bushels	346.8 million bushels
or	or	or
10.8 million bushels weekly	8.5 million bushels weekly	12.8 million bushels weekly

During the first twenty-five weeks of 1939-40 world shipments have amounted to 213.2 million bushels, or an average of 8.5 million bushels per week. In order to fulfil the world estimate of 560 million bushels, weekly shipments will have to average 10.8 million bushels per week for the balance of the cereal year.



BUSHEL  
'000,000

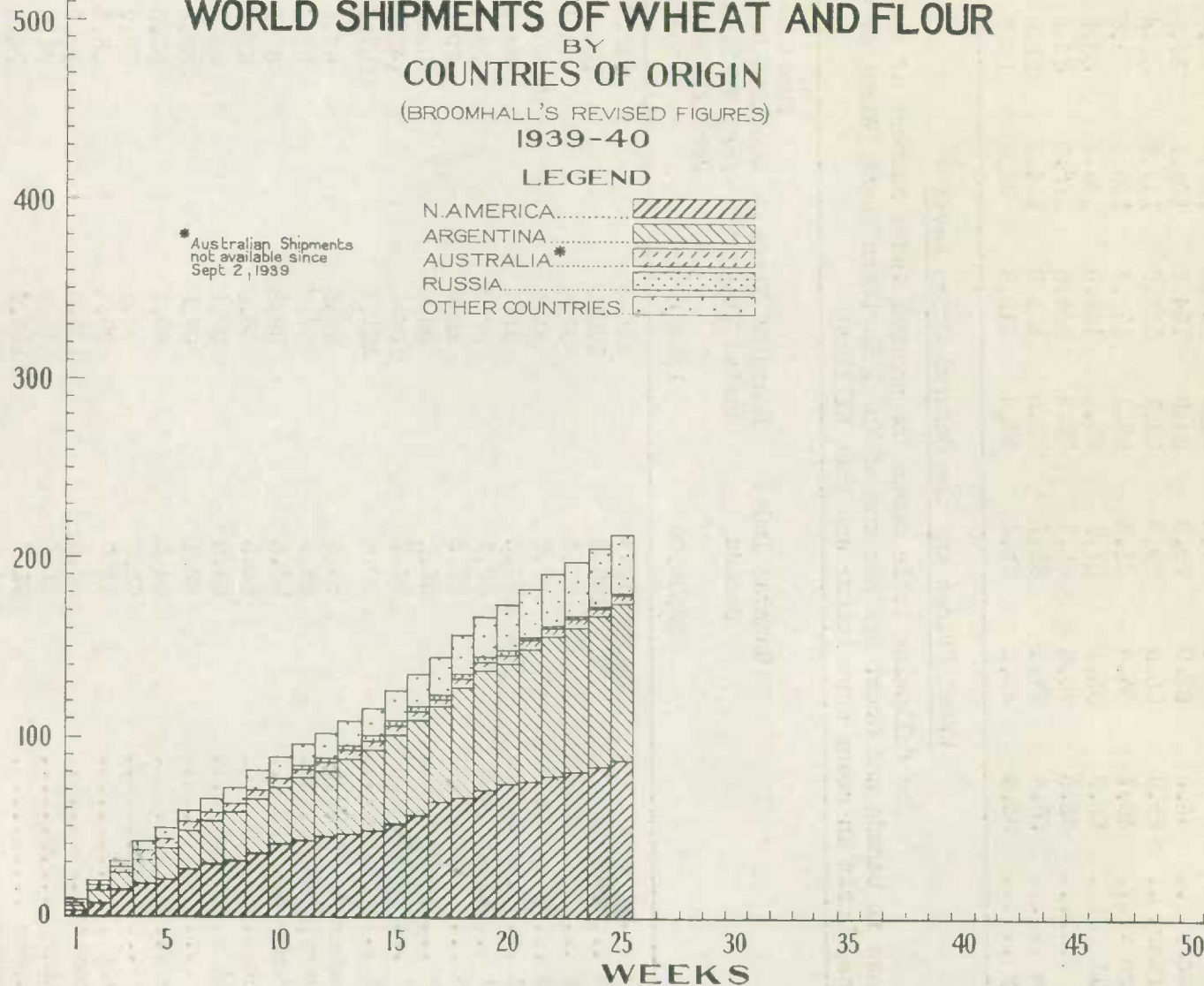
# CUMULATIVE RECORD OF WORLD SHIPMENTS OF WHEAT AND FLOUR BY COUNTRIES OF ORIGIN

(BROOMHALL'S REVISED FIGURES)  
1939-40

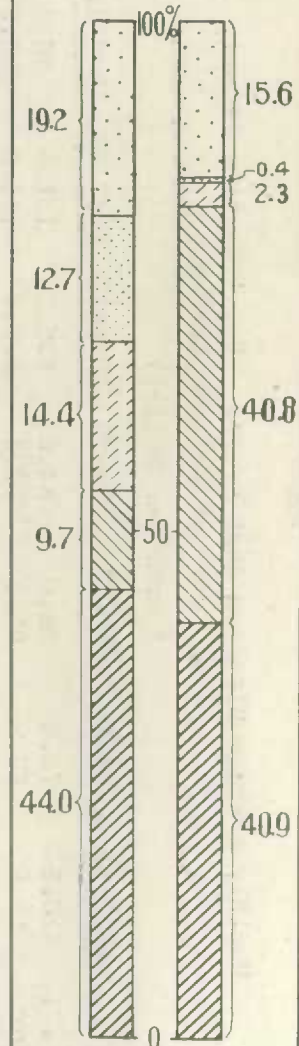
## LEGEND

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	82.4
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
December, 1938 .....	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	105.6	78.5
October .....	91.6	110.9	74.6
November .....	92.7	117.2	74.8
December .....	94.3	-	87.5

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



FOREIGN EXCHANGE <sup>1/</sup>

(December 19 -- January 22)

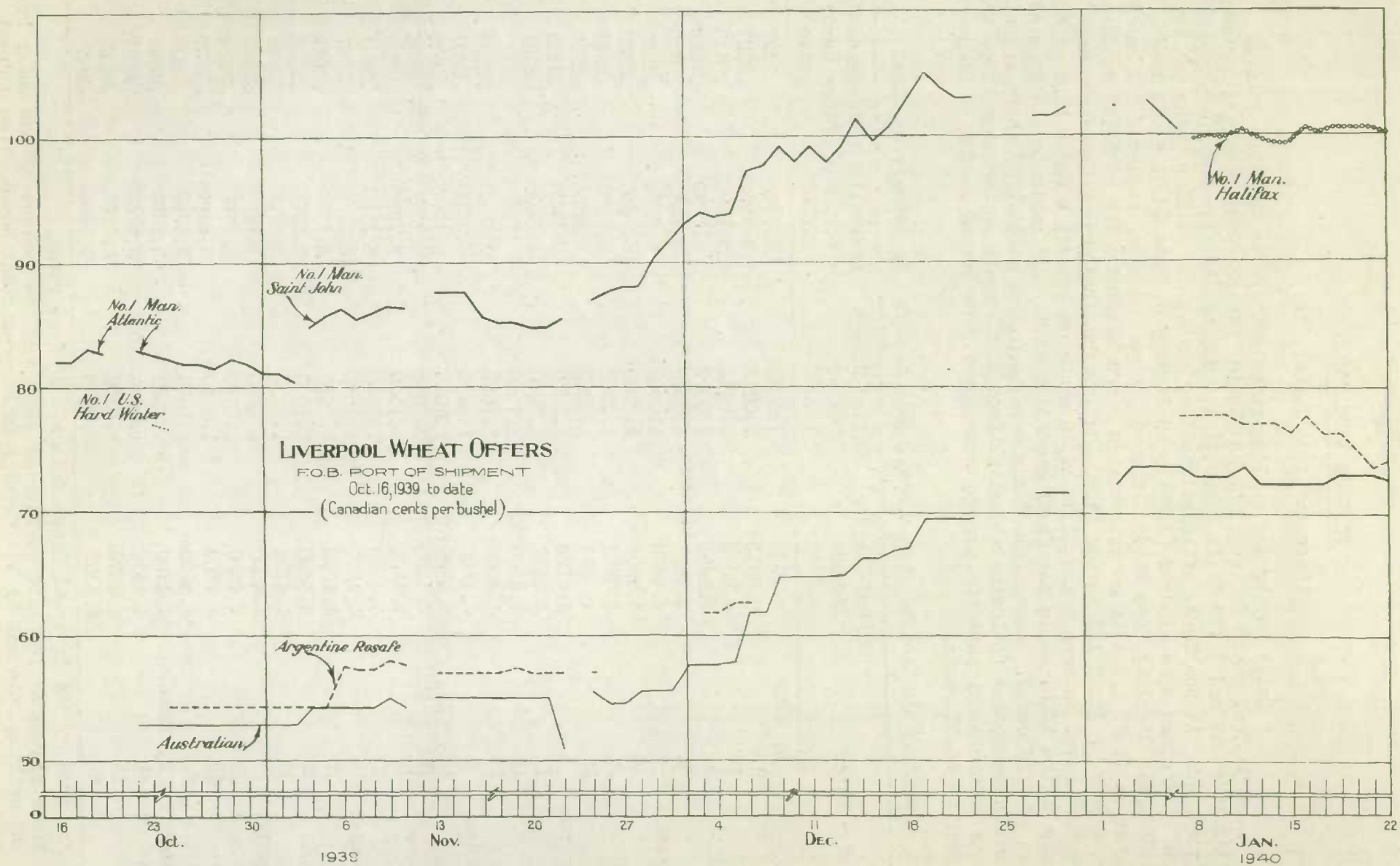
Daily buying and selling rates set by the Canadian Foreign Exchange Control Board for sterling and United States funds remained unchanged at \$4.43-\$4.47 and \$1.10-\$1.11 respectively during the five-week period ended January 22. At New York, official sterling buying and selling rates set by the Bank of England were altered slightly on January 8, from \$4.02-\$4.04 to \$4.02 1/2-\$4.03 1/2. Sterling free rates finished the period under review 1 1/2 cents higher at \$3.96 1/2 with an intervening range between a low of \$3.93 on January 4 and a peak of \$3.97 1/2 on the 15th. During the same period Canadian funds at New York moved between a low of 87 13/16 cents on January 4 and a high of 88 5/16 cents on the 13th, while the final quotation at 88 1/16 cents indicated a net loss of 3/16 cents. Australian funds were unchanged at \$3.5760 while Argentine pesos (free rates) following a decline from 25.20 cents on December 18 to 24.86 cents in the early part of January, subsequently recovered to finish 11 points higher at 25.31 cents.

Exchange Quotations at Montreal, July 3, 1939, to January 22, 1940.

Monday Rates		United Kingdom Pounds	United States Dollars	Australia Pounds	Argentina <sup>2/</sup> Paper Pesos
		4.8667	1.0000	4.8667	.4244
July	3, 1939	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
	27	4.4500	1.1050	3.5760	.2509
January	2, 1940	4.4500	1.1050	3.5760	.2503
	8	4.4500	1.1050	3.5760	.2491
	15	4.4500	1.1050	3.5760	.2519
	22	4.4500	1.1050	3.5760	.2531

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

<sup>3/</sup> Since September 16, 1939 quotations shown 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. CROP REPORT OF JANUARY 19, 1940.

On January 19, the Dominion Bureau of Statistics issued the third estimate of the production of the 1939 field crops, together with the final estimates of the 1938 crops. Excerpts from the report relating to wheat are reproduced herewith:

#### Summary

The third estimate of the 1939 wheat crop in Canada at 489,623,000 bushels represents an upward revision of 10,658,000 bushels from the second estimate issued last November. The 1939 wheat crop is 129,613,000 bushels above the final estimate of the 1938 crop of 360,010,000 bushels, and is the second largest wheat crop so far produced in Canada. The production of fall wheat in 1939 amounted to 22,271,000 bushels, and that of spring wheat to 467,352,000 bushels. The spring wheat estimate includes 11,300,000 bushels of Durum wheat, of which 9,000,000 bushels were produced in Manitoba, and 2,300,000 bushels in Saskatchewan. The 1939 Durum crop is 6,200,000 bushels below the final revision of the 1938 Durum crop of 17,500,000 bushels, of which 15,000,000 bushels were produced in Manitoba, and 2,500,000 bushels in Saskatchewan.

Total spring wheat production in the Prairie Provinces in 1939 is now estimated at 463,000,000 bushels, an increase of 11,000,000 above the second estimate in November. This increase was made in the Saskatchewan estimate which now stands at 250,000,000 bushels, while the estimates for Manitoba and Alberta remain unchanged at 63,000,000 and 150,000,000 bushels respectively. Minor reductions have been made in the third estimates of spring wheat production in Quebec and the Maritime provinces, while the fall wheat estimate for Ontario shows a reduction of 294,000 bushels. The spring wheat crop in British Columbia is now placed slightly higher.

The gross farm value of production of the 1939 field crops is now estimated at \$634,130,000 an increase of 15 per cent over the value of \$550,069,000 on the basis of finally revised estimates of the 1938 field crops. Higher farm values are shown in almost all of the individual field crops. The farm value of the 1939 wheat crop is estimated at \$252,779,000, an increase of \$41,514,000 from 1938. The effect of increased wheat production on the value of the crop was partly offset by lower farm prices. Coarse grains prices, however, were improved this year. The farm value of the oat crop is \$16,628,000 higher, while the barley value is \$4,701,000 higher. The 1939 potato crop is valued at \$39,040,000, an increase of \$5,947,000 compared with the farm value of the 1938 crop.

#### Agricultural Season of 1939

Manitoba began the season with poor fall-moisture reserves from the previous autumn, but June rains made up for the moisture deficiency except in a few scattered districts. Apart from the extreme heat at the end of July and rainy weather during harvest which caused some loss of colour in the grain, the wheat harvest was one of the best the province has enjoyed. Coarse grains, however, bore the brunt of the heat and made a poorer showing than in 1938. With rust-resistant and Durum varieties of wheat sown almost exclusively in the province, rust was not a deteriorating factor in 1939. Hay and clover and other fodder crops showed reductions in yields from 1938 levels.

Although the weather was cold and dry in Saskatchewan during May, with consequent damage from soil-blowing and drifting, the unprecedented rains of June and early July overcame all moisture deficiencies with the exception of the south-eastern districts. Despite the intense heat of late July and early August, Saskatchewan harvested its heaviest wheat crop since 1928. Sowings of the Thatcher and Renown rust-resistant varieties were well extended through the central part of the grass plains area, and for the first time Thatcher wheat displaced Marquis as the principal variety of wheat grown in Saskatchewan. Coarse grains also yielded better in 1939 than in 1938. With the exception of fodder corn, which is confined principally to the south-east, fodder crops also yielded much better in 1939 than in 1938.

Alberta harvested a large wheat crop, slightly better in size than that of 1938. While much better weather conditions prevailed in northern Alberta and the Peace River districts this year, south-western Alberta experienced a dry season for that area. Yields of coarse grains and fodder crops were all somewhat below their 1938 levels.

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

The following table lists the three estimates of the 1939 wheat crop in the Prairie Provinces, together with the final estimate for 1938:

	1 9 3 9			1 9 3 8
	September	November	January	Final
	(bushels)			
Manitoba .....	59,000,000	63,000,000	63,000,000	50,000,000
Saskatchewan .....	218,000,000	239,000,000	250,000,000	137,800,000
Alberta .....	145,000,000	150,000,000	150,000,000	148,200,000
Prairie Provinces.	422,000,000	452,000,000	463,000,000	336,000,000

The third estimate of the 1939 production of wheat in the Prairie Provinces at 463,000,000 bushels shows an increase of 11,000,000 bushels over the second estimate published in November. The whole of this increase has been made in the estimate for Saskatchewan, where the wheat crop is now estimated at 250,000,000 bushels, compared with 239,000,000 estimated in November. Wheat marketings August 1, 1939, to January 5, 1940, have warranted the increase in the Saskatchewan estimate, whereas the Manitoba and Alberta estimates remain unchanged from their November levels. For the three provinces the 1939 wheat crop exceeds the 1938 crop by 127 million bushels.

#### Progress of Marketings, 1939 Wheat Crop

From the total crop in the Prairie Provinces, estimated at 463 million bushels, farm deliveries of wheat between August 1 and January 5 have amounted to 363.7 million bushels. It is estimated that an additional 50-55 million bushels are likely to be delivered before the end of July and that total marketings from the 1939 crop will approximate 414-419 million bushels. On this basis, 87 per cent of this year's marketable wheat has already been delivered, compared with 88 per cent at the same date in the 1938-39 season, and 80 per cent at the same date in 1937-38.

Regarding other disposition of the 1939 crop, wheat feeding to live stock and poultry is expected to show only a small increase in comparison with the amount of wheat fed during the 1938-39 season. Very little change is expected in the



amount of wheat required for the seeding of the 1940 crop, as compared with that used for the 1939 crop. Only small amounts of seed will need to be withdrawn from elevators, although further extension of the areas sown to rust-resistant varieties will result in the exchanging of some wheat for seed at the elevators. Altogether, farm disposition of wheat from the 1939 crop is expected to approximate 50 million bushels, an amount equal to the farm disposition from the 1938 crop.

From August 1 to January 5 of the present crop season, primary elevator receipts and platform loadings of wheat in the Prairie Provinces amounted to 363.7 million bushels, representing the heaviest primary movement of wheat since the 1928-29 season. This year's volume exceeded last year's marketings of 255.1 million bushels in the same period by 108.6 millions, and exceeded the 1937-38 deliveries to date of 99.2 millions by 264.5 million bushels. Up to January 5 in the present season, deliveries by provinces have been as follows: Manitoba 50.5 million, Saskatchewan 202.9 million, and Alberta 110.3 million bushels.

### 1938 Crop Estimates

Final revisions for the 1938 wheat crop estimates have been made for the Prairie Provinces on the basis of disposition data that are now complete. The final 1938 wheat estimates are as follows: Manitoba 50,000,000, Saskatchewan 137,800,000, Alberta 148,200,000, Prairie Provinces 336,000,000 bushels. These estimates and the final disposition data are given in the following table:

	Manitoba	Saskatchewan	Alberta	Prairie Provinces
	(000 bushels)			
Supplies:-				
Carry-over on farms, July 31, 1938	1,248	407	1,924	3,579
Final Estimate, 1938 crop .....	50,000	137,800	148,200	336,000
Total Supplies .....	51,248	138,207	150,124	339,579
Disposition:-				
Marketings .....	42,753	115,735	130,902	289,390
Seed <sup>1/</sup> .....	4,789	14,510	11,228	30,527
Feed .....	2,687	5,662	4,967	13,316
Unmerchantable .....	100	1,300	715	2,115
Country Millings .....	358	472	596	1,426
Carry-over on farms, July 31, 1939	561	528	1,716	2,805
Total Disposition .....	51,248	138,207	150,124	339,579

<sup>1/</sup> The figures shown do not include 300,000 bushels in Manitoba and 1,890,000 bushels in Saskatchewan estimated to have been withdrawn from elevators for seed purposes.

On the basis of unrevised data on marketings and feed available last August, the January 1939 estimate of the 1938 wheat crop of 326 million bushels in the Prairie Provinces was indicated at that time to have been 10,572,000 bushels too low. (See Monthly Bulletin of Agricultural Statistics Vol. 32, No. 372, August, 1939, p.267.) Final figures on marketings as shown above are 1,052,000 bushels less than those used last August, while the Saskatchewan feed estimate is now placed 392,000 bushels higher. Taking these principal changes into account, the final estimate of the 1938 Prairie wheat crop is now shown as 10,000,000 bushels higher than the January 1939 estimate.

Regarding the estimates of 1938 flaxseed production in the Prairie Provinces, the final marketing, seed and feed data warrant a final estimate of 1,185,000 bushels, compared with the estimate of 1,315,000 bushels published last January. The Manitoba flaxseed estimate has been reduced from

340,000 to 300,000 bushels; the Saskatchewan estimate remains unchanged at 725,000 bushels, while the Alberta estimate has been reduced from 250,000 to 160,000 bushels. The over-estimate in the Alberta flaxseed production figure was evidently due more to an over estimate in the area sown than in the yield per acre. Consequently, the Alberta 1938 flaxseed area has been revised from 31,000 to 20,000 acres.

No revisions have been made in the January 1939 estimates of the remaining crops in the Prairie Provinces.

#### Quality of the 1939 Wheat Crop

The grading of the 1939 crop is highly concentrated in the No. 1 Northern grade and is establishing a precedent in this regard, being approximated only by the grading of the 1932 crop. The quality of this year's crop, however, is just normal as judged by the protein content in comparison with that of earlier crops. Dry summer weather during the ripening period, and in the main, dry harvesting weather contributed to the production of a crop of high grade. The best grading of the 1939 crop has predominated in a wide area extending from Swift Current to Saskatoon where the predominant grade is No. 1 Hard. Elsewhere in central and western Saskatchewan, and in Alberta excepting the south-east, the predominant grade is No. 1 Northern. In the Red River valley and the Dauphin area of Manitoba, No. 1 Northern is the most frequently occurring grade. Elsewhere in Manitoba and in eastern Saskatchewan, No. 2 Northern predominates. Durum grades are principally No. 2 Amber Durum this year with the distribution of Durum grades similar to those of the 1938 Durum crop.

After eliminating special grades such as Garnets, Durums, White Springs and Winters, the percentages of inspections grading No. 3 Northern or higher by months in 1939 are shown as follows, with comparative figures for 1938 within brackets: August 95 (96); September 96 (90); October 93 (82); November 84 (83); December 73 (89). For the five month period August-December, 1939, the percentage of inspections grading No. 3 Northern or higher amounted to 92 per cent as compared with 87 per cent for the same months in 1938. The decline in the grading of November and December 1939 inspections has been due to a high proportion of the late-threshed Alberta marketings grading "tough".

Examining the inspections by grades for the August-December period, 1939, the principal grade is No. 1 Northern, whereas a year ago No. 2 Northern occurred most frequently. From August to December, 1939, 60 per cent of the inspections have graded No. 1 Northern or No. 1 Hard, while 30 per cent occurred in these grades in the corresponding months of 1938. Nos. 2 and 3 Northern grades accounted for 32 per cent of the 1939 inspections, compared with 57 per cent in these grades in 1938. Grades No. 4 Northern, 5, 6 and Feed accounted for 1.6 per cent this year, compared with 7.8 per cent a year ago. On the other hand the proportion grading "tough" this year has amounted to 4.8 per cent, compared with 0.5 per cent a year ago. In the Durum grades, 70 per cent have graded No. 2 Amber Durum or higher, compared with 72 per cent during August-December, 1938. A higher proportion of the Garnet crop is grading No. 1 Garnet during the present season. The first two Garnet grades include 72 per cent of the Garnet inspections from the 1939 crop, as compared with 60 per cent of inspections from the 1938 crop.

The protein content of the 1939 crop is 14.1 per cent, compared with 13.8 per cent a year ago for the hard red spring varieties, as estimated by the Grain Research Laboratory of the Board of Grain Commissioners. The present crop's protein content is just equal to the average from 1932 to 1938. With the 1939 crop, the protein content increases with each decrease in grade. This peculiarity is attributed to favourable harvesting weather in northern districts, and in some southern districts to extreme heat during ripening, resulting in shriveled kernels of high protein content. As more wheat is delivered from northern Alberta districts, the average protein content of the lower grades may be reduced.



District Yield Charts in the Prairie Provinces by Crop Districts  
1938 and 1939.

Accompanying this report are two charts showing the average yields per acre of wheat by crop districts for the Prairie Provinces in 1938 and 1939.

Distribution of Crop Districts According to Yield of Wheat per Acre,  
1938 and 1939.

Yield per Acre Bushels	Number of Districts							
	Manitoba		Saskatchewan		Alberta		Prairie Provinces	
	1938	1939	1938	1939	1938	1939	1938	1939
0 - 4.0	0	0	0	0	0	0	0	0
4.1 - 8.0	0	0	6	2	0	0	6	2
8.1 - 12.0	1	0	8	3	1	1	10	4
12.1 - 16.0	5	2	4	4	5	5	14	11
16.1 - 20.0	7	2	2	5	6	3	15	10
20.1 - 24.0	1	6	0	2	3	5	4	13
24.1 - 28.0	0	3	0	2	2	3	2	8
28.1 - 32.0	0	—	0	1	—	—	0	1
32.1 - 36.0	0	1	0	1	—	—	0	2
Totals	14	14	20	20	17	17	51	51

Of the 51 crop districts in 1939, 6 reported average yields of 12 bushels or less, 21 reported yields from 12.1 to 20 bushels, and 24 yields in excess of 20 bushels. In 1938 there were 16 districts with average yields of 12 bushels or less, 29 with average yields from 12.1 to 20 bushels, and 6 with average yields above 20 bushels. In 1939, 5 of the 6 districts reporting 12 bushels per acre or less were in southern and south-eastern Saskatchewan. The remaining district in this category was in south-eastern Alberta.

Manitoba

All crop districts in Manitoba reported higher yields per acre in 1939 than in 1938, with district yields ranging from 14.6 to 33.5 bushels in 1939, as compared with a range of 9.6-20.3 bushels in 1938. Yields in 1939 were lightest along the Saskatchewan boundary and in south-central Manitoba. Excellent yields were obtained in the Red River Valley and in the north western districts.

Saskatchewan

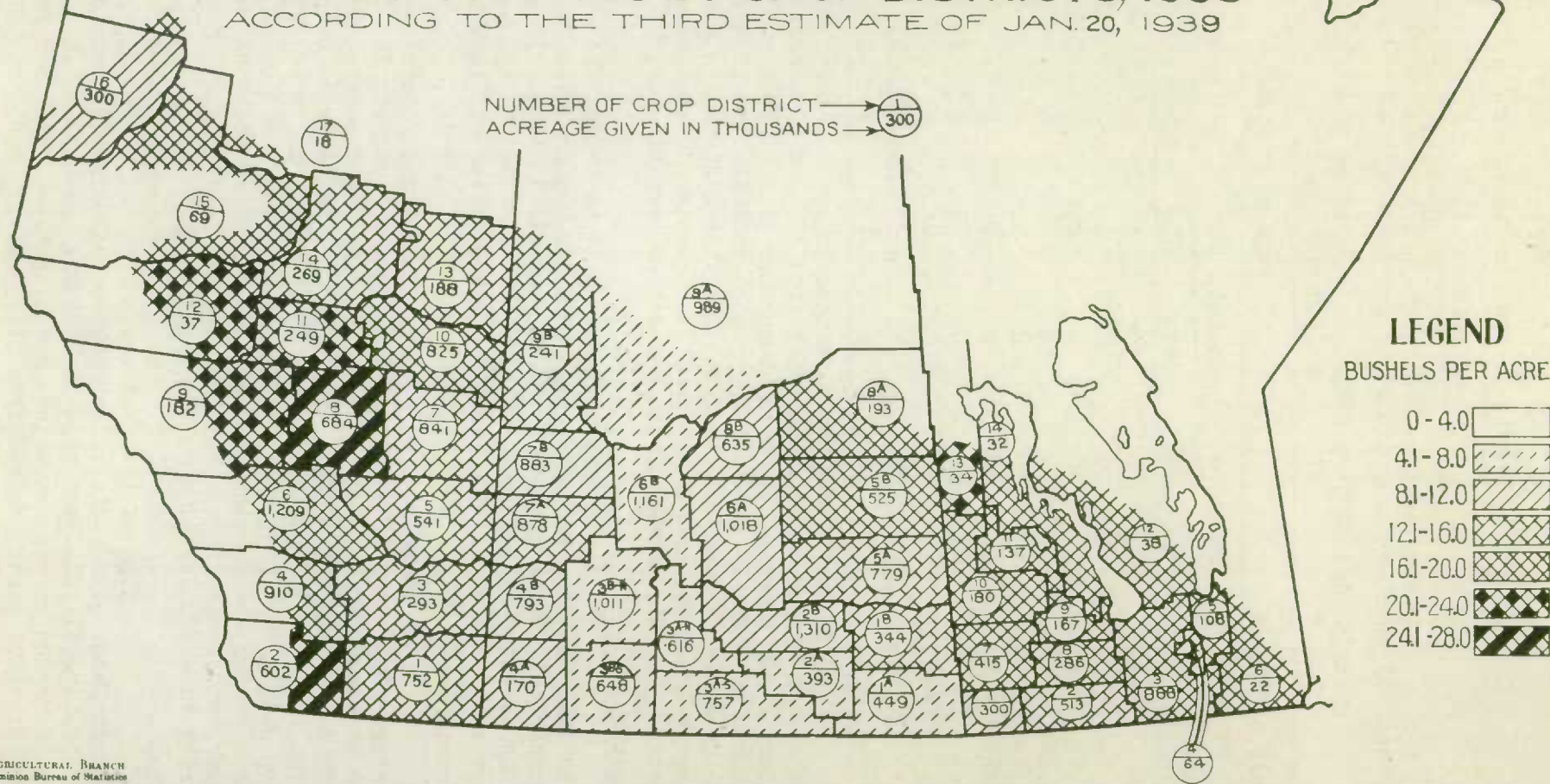
There were only three districts in Saskatchewan reporting lower average yields in 1939 than in 1938, namely Districts 1B, 2A, and 2B. All central and northern districts in 1939 showed wide improvement over the 1938 yields. The 1939 district yields ranged from 5 bushels in 1A to 34 bushels in 8A. In 1938 the range was from 4.6 bushels in 1A to 20 bushels per acre in 8A. In 1939 the wheat crop made a very poor start in the south eastern districts where rainfall was also light during the growing season. South-western Saskatchewan districts, on the other hand, which frequently bear the brunt of drought, received a record rainfall during June and July.

Alberta

Nine of the 17 Alberta crop districts reported higher average yields than in 1938. The 8 districts with decreased yields were Nos. 1-4, 7, 8, 10 and 12. The provincial yield per acre in 1939 was 0.7 bushels less than in 1938, although the increased acreage resulted in a slightly higher 1939 production estimate. The 1939 district yields ranged from 11.8 bushels in District 1 to 25.5 bushels in District 14. In 1938 the average yields ranged from 10.7 bushels in Peace River District 16 to 28 bushels in District 2. Due to light rainfall the 1939 yields in the Lethbridge-Cardston District were considerably below the 1938 levels. Northern Alberta and Peace River Districts enjoyed much better yields in 1939, however, than in 1938.

# AVERAGE YIELDS PER ACRE OF WHEAT IN THE PRAIRIE PROVINCES BY CROP DISTRICTS, 1938

ACCORDING TO THE THIRD ESTIMATE OF JAN. 20, 1939





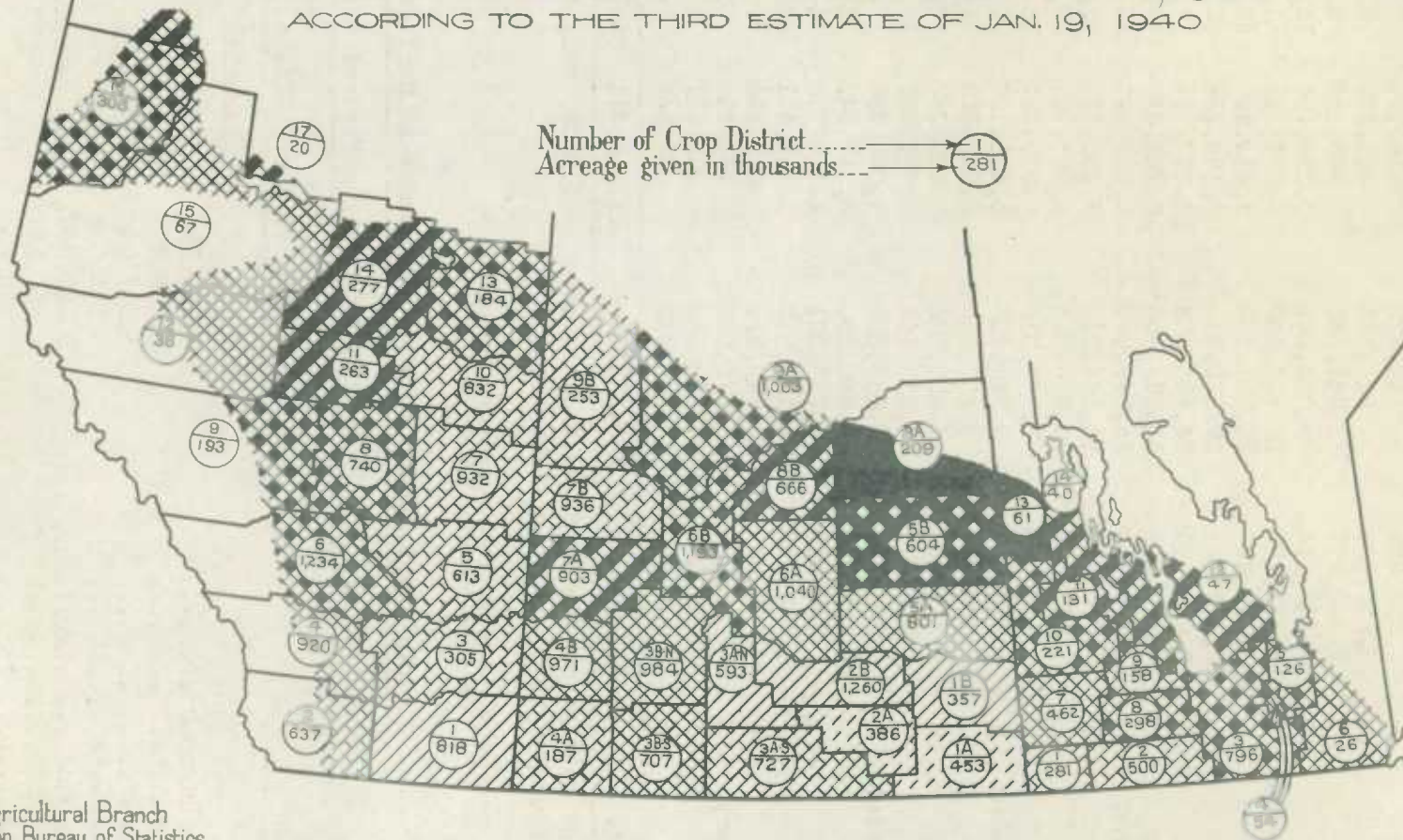
# AVERAGE YIELDS PER ACRE OF WHEAT IN THE PRAIRIE PROVINCES BY CROP DISTRICTS, 1939

ACCORDING TO THE THIRD ESTIMATE OF JAN. 19, 1940

Number of Crop District.....  
Acreage given in thousands.....

## LEGEND BUSHELS PER ACRE

0-4	
4.1-8.0	
8.1-12.0	
12.1-16.0	
16.1-20.0	
20.1-24.0	
24.1-28.0	
28.1-32.0	
32.1-36.0	



## II. 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	186,019	1,717,221	2,178,770	4,082,010	2,226,832
	22	89,960	1,108,745	1,712,431	2,911,136	1,936,373
	29	89,667	749,210	672,895	1,511,772	1,338,021
January	5	25,250	778,233	466,568	1,270,051	618,772
	12	57,299	529,685	662,221	1,249,205	1,062,913
	19	49,508	388,314	454,942	892,764	1,241,384
Totals	.....	50,206,598 <sup>1/</sup>	204,272,310 <sup>1/</sup>	111,516,371	365,995,279	257,426,188

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

## III. MOVEMENT OF WHEAT TO MARITIME PORTS

Origin and Amount of Wheat Shipments to Maritime Ports

to January 18, 1940 with Comparative Figures for 1938-39.

Origin	Total to January 18, 1940	Total to January 19, 1939
(bushels)		
Depot Harbour .....	822,115	-
Port McNicoll .....	5,509,579	182,084
Midland .....	3,807,049	-
Collingwood .....	502,087	-
Owen Sound .....	867,057	619,204
Goderich .....	846,137	297,409
Sarnia .....	452,700	-
Port Colborne .....	526,435	32,128
Kingston .....	-	48,070
Prescott .....	728,029	8,000
Montreal .....	80,000	-
Totals .....	14,141,188	1,193,895



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

1938-39 AND 1939-40 TO DATE

MILLIONS  
OF  
BUSHELS

400

300

200

100

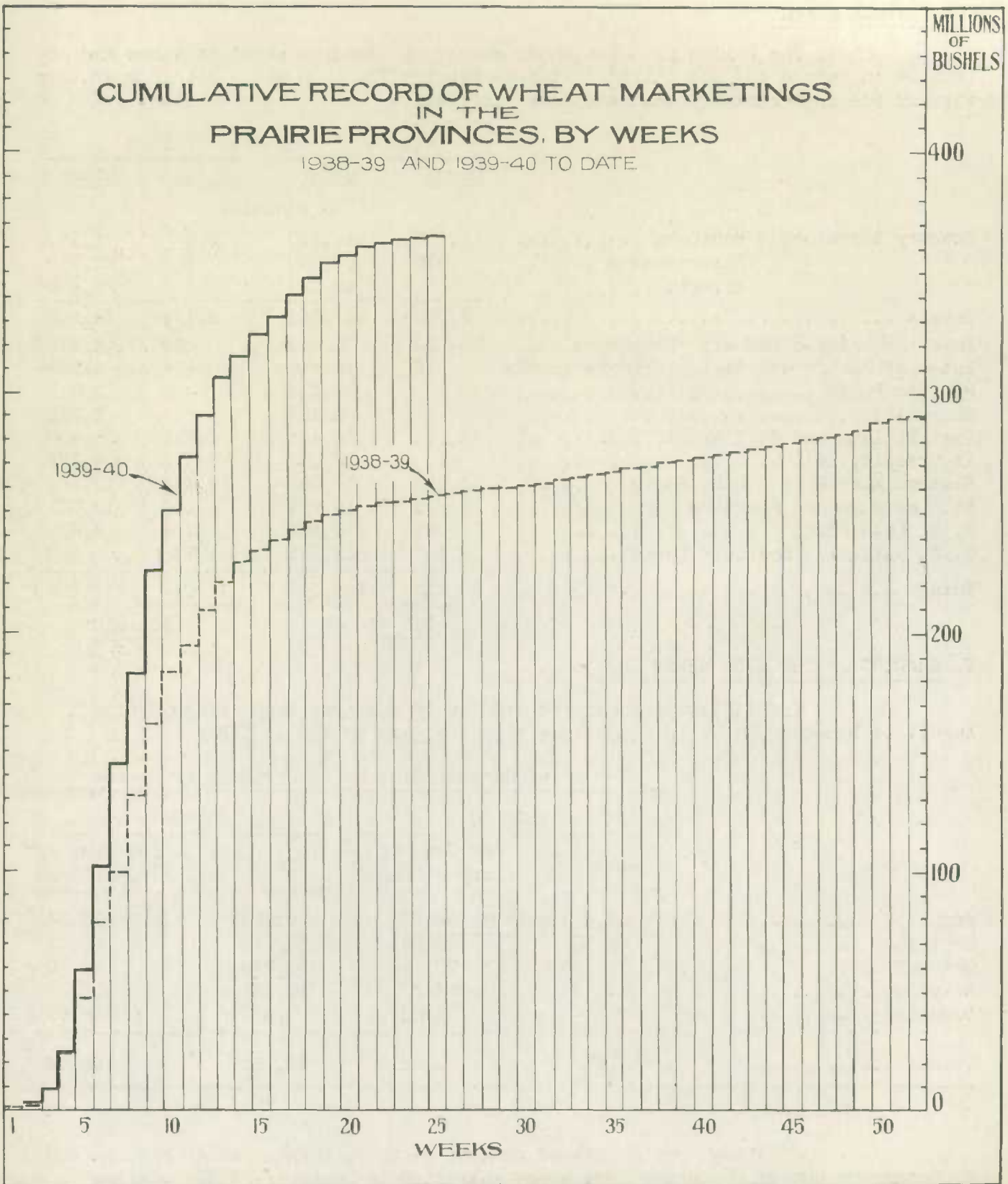
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1939-40

1938-39

WEEKS

1 5 10 15 20 25 30 35 40 45 50



#### IV. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on January 19, 1940 along with comparative figures for approximately the same date last year.

	1940		1939	
	<u>Durum</u>	<u>Other</u>	<u>Durum</u>	<u>Other</u>
	(000 bushels)			
Country Elevators - Manitoba .....	1,880	12,280	2,675	4,150
Saskatchewan .....	910	82,050	500	21,015
Alberta .....	-	43,220	-	23,280
Totals .....	2,790	137,550	3,175	48,445
Interior Private and Mill Elevators .....	20	6,840	69	6,175
Interior Public and Semi-public Terminals .....	3	16,011	-	8,141
Pacific Ports .....	-	17,654	-	12,615
Churchill .....	-	2,484	-	2,213
Fort William and Port Arthur .....	2,724	52,115	3,763	35,400
In Transit, Rail .....	-	8,085	-	4,223
Eastern Elevators - Lake Ports .....	3,703	37,565	4,444	15,494
St. Lawrence and Seaboard Ports .....	1,298	16,764	587	10,021
U. S. Lake Ports .....	25	11,164	459	4,979
U. S. Atlantic Seaboard Ports .....	2,567	22,282	548	859
Totals .....	13,130	328,514	13,045	148,565
	<u>341,644</u>		<u>161,610</u>	

#### V. GRADING OF THE 1939 WHEAT CROP

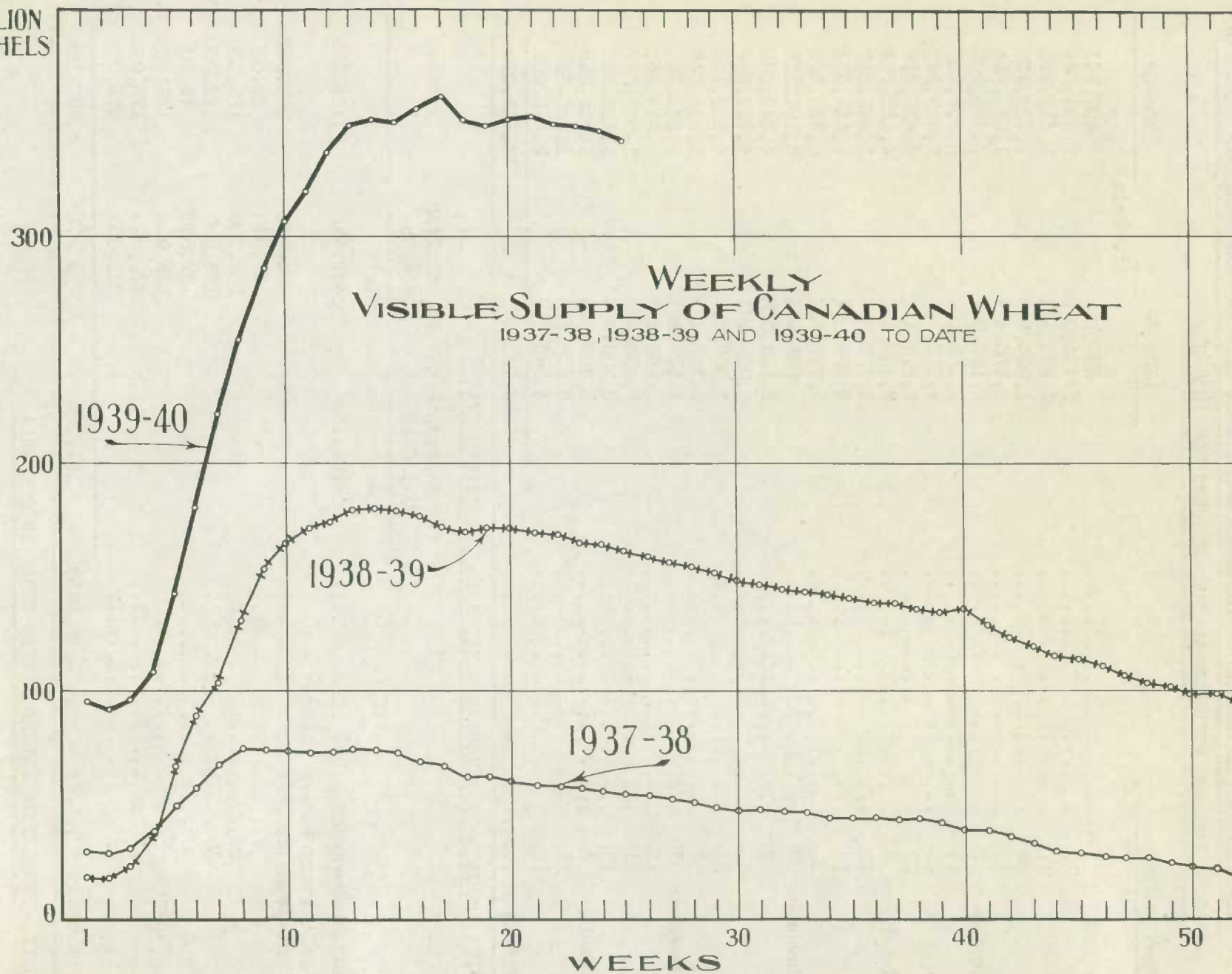
The following shows the grading of new-crop inspections during August to December 1939, in comparison with the same months in 1938:

	Number of Cars Grading No. 3 Northern or Better			
	1939-40		1938-39	
	<u>Cars</u>	<u>Per Cent of Inspections</u>	<u>Cars</u>	<u>Per Cent of Inspections</u>
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
December .....	7,449	72.62	7,413	88.69
Totals .....	115,374	91.83	95,152	86.84

Omitting special grades such as Garnets, Durums, White Springs and Winters, the number of cars of new wheat inspected in December, 1939 totalled 10,257, of which 7,449 or 72.62 per cent graded No. 3 Northern, or higher. December 1939 inspections of new Durum wheat amounted to 98 cars, of which 91 or 92.86 per cent grade No. 3 Amber Durum or higher. In December, 1938, new Durum inspections numbered 159 cars of which 153 or 96.23 per cent graded No. 3 Amber Durum or higher.



MILLION  
BUSHELS



VI. 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 .....	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
	21 .....	2,830,486	1,913,867
	28 .....	3,109,406	1,109,866
January	4 .....	1,289,059	1,938,138
	11 .....	2,276,610	2,080,553
	18 .....	4,943,617	2,262,082
<u>Totals .....</u>		<u>63,701,288</u>	<u>74,548,290</u>

VII. IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES

	<u>For Consumption Duty Paid</u>	<u>For Milling in Bond</u>	<u>Totals</u>
	(bushels)		
August-November, 1939 .....	184,188	3,480,981	3,665,169
<u>Preliminary Weekly Figures -</u>			
December 2, 1939 .....	—	182,000	182,000
9 .....	—	82,000	82,000
16 .....	—	158,000	158,000
23 .....	—	123,000	123,000
30 .....	—	42,000	42,000
January 5, 1940 .....	—	189,000	189,000
12 .....	—	179,000	179,000
19 .....	—	279,000	279,000
<u>Preliminary Totals August 1 to Date</u>	<u>184,188</u>	<u>4,714,981</u>	<u>4,899,169</u>

VIII. IMPORTS OF UNITED STATES WHEAT INTO CANADA

	<u>Customs Imports (bushels)</u>
August, 1939 .....	29
September .....	4,036
October .....	1,006
November .....	2,025
<u>Total August-November, 1939 .....</u>	<u>7,096</u>



# IX. THE STATISTICAL POSITION

(a) In Canada only: The table below summarizes the statistical position of wheat in Canada as at January 1, 1940, with comparative figures for the same date in 1939. 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-December. Supplies available for export or carry-over at January 1, 1940, are shown at 346.6 million bushels, representing an increase in current supplies of 175.7 million bushels, compared with those of a year earlier.

	<u>1938-39</u>	<u>1939-40</u>
	(bushels)	
Carry-over in Canada, July 31 .....	23,553,228	95,013,476
New Crop .....	360,010,000	489,623,000
Total Supplies .....	383,563,228	584,636,476
Domestic Requirements .....	122,563,689	128,000,000 <u>1/</u>
Available Supplies .....	260,999,539	456,636,476
Exports, August-December .....	90,045,388	110,030,302
Balance for Export or Carry-over, January 1	170,954,151	346,606,174

(b) In Canada and the United States: A second method of calculating the statistical position takes into account stocks in the United States as well as in Canada, then works from the elevator returns of overseas clearances, plus United States' imports for consumption and milling in bond. The calculation shown below, based on this method, indicates a balance of 392.3 million bushels on January 1, available for export or for the July 31 carry-over in Canada and the United States, compared with 180.3 million bushels a year earlier, indicating an increase of 212.0 million bushels in the current available supplies between the two years.

	<u>1938-39</u>	<u>1939-40</u>
	(bushels)	
Carry-over in Canada and the United States, July 31 .....	24,535,858	102,161,568
New Crop .....	360,010,000	489,623,000
Total Supplies .....	384,545,858	591,784,568
Domestic Requirements .....	122,563,689	128,000,000 <u>1/</u>
Available Supplies .....	261,982,169	463,784,568
Export Movement, August-December		
Overseas Clearances .....	69,204,949	55,203,730
United States' Imports .....	3,555,031	4,070,169
Flour as wheat .....	8,899,065	12,219,737
	81,659,045	71,493,636
Balance for Export or Carry-over, January 1.	180,323,124	392,290,932

1/ Tentative.

X. EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR

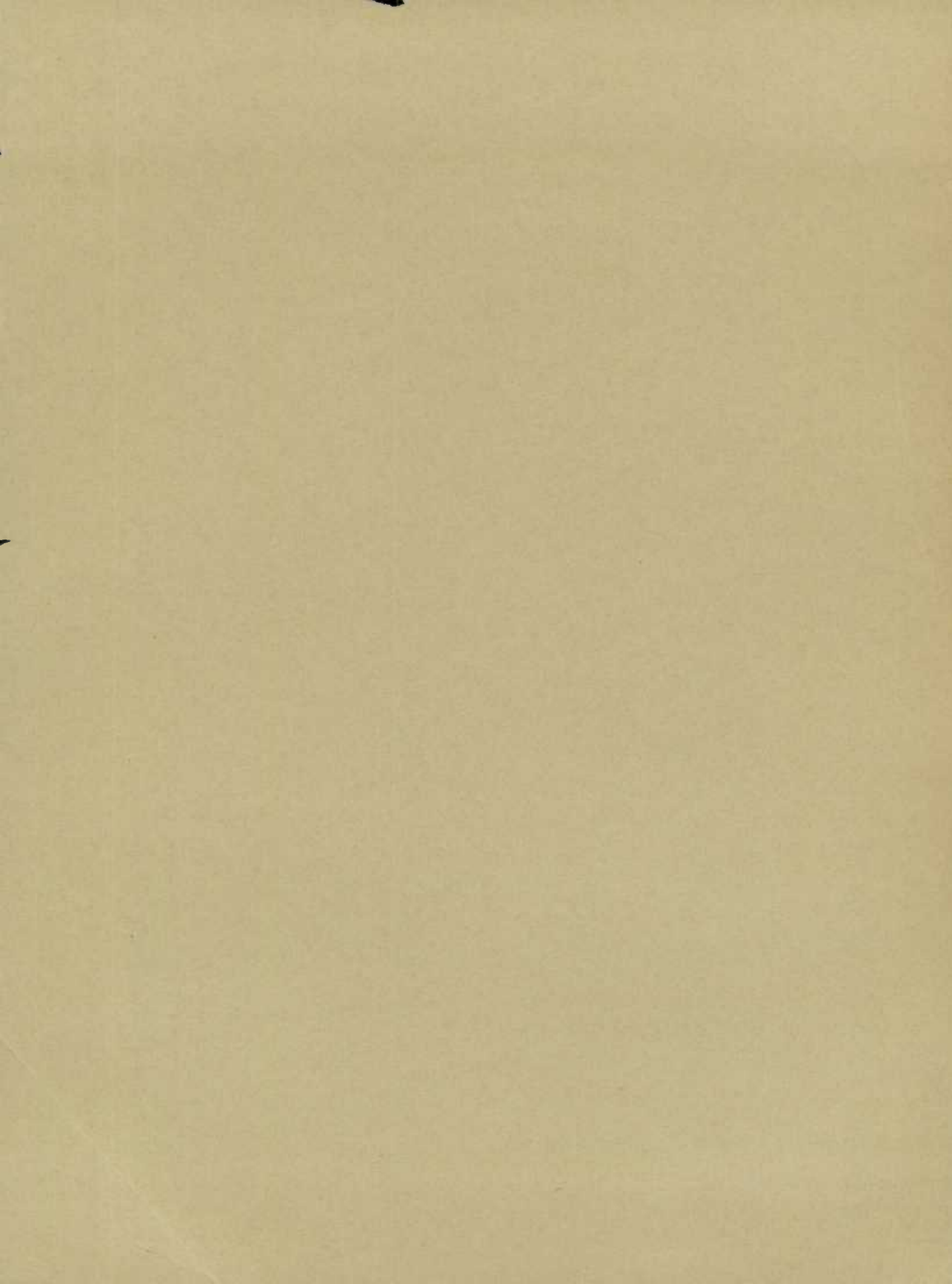
The following tables give the Customs totals of wheat and flour exports during the 1939-40 crop year with comparative figures for preceding years:

	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 .....	20,635,199	21,703,514	14,542,227	33,308,840
December .....	34,412,448	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 .....	572,810	477,875	405,921	408,653
December .....	902,714	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 .....	23,212,844	23,853,951	16,368,871	35,147,778
December .....	38,474,661	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





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