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# MONTHLY REVIEW OF THE WHEAT SITUATION

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(Issued December 1941)

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THE WORLD WHEAT SITUATION - SUMMARY

Already badly throttled by war, international trade in wheat suffered a new blow when Japanese treachery on December 7 added the United States to the growing list of belligerents. Numerous island and mainland markets in the Pacific which have been a consolation during the past two years of conflict on the Atlantic side of the world are now in the line of fire and for the time being at least, further curtailment of export trade appears certain. The wheat-flour business of United States, Canadian and Australian flour mills will feel the impact first since markets like the Philippines, Hong Kong and Malaya were important outlets for their product and all have already become actual theatres of war.

In the light of these new developments, the outlook for disposition of surplus wheat in the current crop year becomes more obscure and about the only thing now clear is the available supply of wheat in the major exporting countries. In the case of Canada and the United States the position is already well known but in Australia and Argentina the harvest is only now becoming general and the first official Argentine estimate has just been released. The combined harvest of the "Big Four", to use trade parlance, is actually 71.5 million bushels less than in 1940-41 but when added to the carry-over of unsold surplus wheat and considered in relation to present market prospects it is a rather top-heavy picture. Latest official estimates of wheat production this year and last are shown in the following table:

	1941	1940
	(bushels)	
United States .....	961,194,000	816,698,000
Canada .....	302,626,000	551,390,000
Argentina .....	220,440,000	271,141,000
Australia .....	166,096,000	82,640,000
T o t a l .....	<u>1,650,356,000</u>	<u>1,721,869,000</u>

It is estimated that approximately three-fifths of this year's total harvest in the countries specified will be consumed by them collectively leaving an exportable surplus of about 670,000,000 bushels. This of itself is not so burdensome but combined with the carry-over from previous crops the surplus becomes greater than the total production in 1941, and is several times the size of the estimated prospective demand in crop year 1941-42.

Canada has made a good showing to date in her export shipments of both wheat and wheat flour and has, of course, made heavy forward sales to the United Kingdom, but Argentina is scratching hard for markets and is more and more having to rely on Brazil and other South American countries for the reduction of her wheat surplus. The United States recently announced plan to expand exports of wheat and wheat flour, details of which are to be found elsewhere in this Review, received a nasty knock at the outset when the Japanese brought war to the Pacific, while Australia's position appears to be even more difficult at the moment, particularly with regard to her flour trade. It can safely be assumed, however, that in time the Allied navies will combine to keep open the trade routes of the Pacific just as they have steadily gained control on the Atlantic.



Figures compiled by Broomhall for the first nineteen weeks of the crop year show world shipments of wheat and wheat flour to have reached a total of 103.1 million bushels on December 13, compared with 95.2 million bushels in the corresponding period last season. The totals in each case represent shipments from Canada, the United States and Argentina only, as Australia is no longer publishing her export shipments currently and the Nazis are not telling us how they are juggling with the surplus of European countries which they dominate. There is a measure of encouragement in the fact that shipments so far this season are an improvement over a year ago but it should be remembered that last season's world shipments totalled only 490 million bushels, according to the Food Research Institute, and were the smallest since 1917-18. Current estimates for season 1941-42 are substantially below this figure but any forecast made under existing conditions is a leap in the dark.

In the first year of the war international trade in wheat reached respectable proportions and exporting countries were able to dispose of 620 million bushels. In the second year only 490 millions were traded and estimates for the third year of conflict range from 400 to 450 million bushels. These estimates were made, however, prior to the extension of the war to the Pacific involving the United States and Japan, and are, therefore, subject to further consideration in the light of latest developments. Canada appears to have an edge on other large exporting countries with a ready-made market in the United Kingdom, but it may be assumed that the United States, now a partner in war and using her own shipping facilities, will share to a larger extent this season in the shipment of foodstuffs across the Atlantic.

#### United Kingdom Market

This brings us to the question of probable demand for overseas wheat in the United Kingdom market. It has been stated officially that wheat reserves are of record proportions in the British Isles and that production of grain crops in 1941 was 50 per cent greater than the pre-war level. How much of this was wheat has not been disclosed but the pre-war average yield of wheat was just over 62 million bushels in the five years 1935-1939, and half this much again would mean a crop of 93 million bushels in 1941. The average disappearance of wheat in the United Kingdom is placed at 280 million bushels annually by Broomhall and now that reserve stocks are accumulated on a large scale the increased domestic production is likely to lead to smaller import requirements.

As an incentive to growers to market their wheat, the British Government has established a scale of prices beginning at 14/6 per 112 pounds (\$1.72 3/4 Canadian cents per bushel) and rising to a maximum of 15/9 per 112 pounds (\$1.87 3/4 Canadian cents per bushel) effective from November 1941 to June 1942, but in July 1942 the price drops back to 15/6 per 112 pounds. In further support of the wheat programme, maximum prices have been established for barley so that acreage sown to barley will not be increased at the expense of wheat acreage, all of which would appear to point in the direction of contraction rather than expansion of the market in the United Kingdom for Empire and other wheats.

That there is a need for wheat supplies in many European countries appears certain but war and the Nazis stand between them and their needs at the moment. The price of bread in unoccupied France has been increased and a daily ration of 8 ounces per person is in effect which to the Frenchman is a poor bread ration. In Finland there is a shortage which the Germans may or may not cover but Holland, Belgium and the Scandinavian countries can be sure that any bread shortage there will not cause their masters any loss of sleep. The wheat shortage in Turkey is being met by the British Government from stocks owned and controlled in the Middle East. It is believed that Egypt's wheat output which was purchased by the Government of the United Kingdom and Australian wheat also was ordered to Syria and other territories now accommodating Empire military forces. The sales to Turkey are estimated at 2,600,000 bushels and the latest estimate of the Turkish wheat crop indicates a yield of 128.6 million bushels compared with an average in recent years of about 136 million bushels.

### The Wheat Situation in Canada

Turning to the home front, the situation in Canada is one of improved export clearances, the lifting of restrictions on the marketing of wheat by farmers in western Canada and a visible supply which, though large, is still below the peak figure of 503,695,508 bushels reached November 14. Export clearances of wheat in the nineteen weeks since August 1 amount to 54 million bushels or 19 millions more than the total for the corresponding period a year ago. These clearances are exclusive of wheat flour and United States imports and should not be confused with customs exports which include wheat shipped to the United States and still held there in bond.

Half the prairie crop has now been delivered and farmers are at liberty now to market the balance of the 1941 crop as they see fit. On December 12, there was visible 503,632,908 bushels of Canadian wheat in all North American positions and about half of this was in country elevators in western Canada and less than 7 per cent in the United States. Elevators and annexes at the Head of the Lakes held 92.4 million bushels or 18.4 per cent.

In the matter of grading, the 1941 wheat crop is turning out satisfactory and probably better than expected. Total inspections between August 1 and December 7 show 32.6 per cent grading One Northern; 38.7 per cent Two Northern; 13.5 per cent Three Northern; and 10 per cent Tough. This leaves only about 5 per cent to cover all other grades. Compared with a year ago, the principal difference is in the reduced percentage of One Northern, but there is still a very substantial part of the crop grading Three Northern and better, and the quantity of low-grade wheat so far inspected is smaller than was anticipated in view of the bad harvesting weather in some sections of western Canada.

Shipping activities on the lakes greatly increased as the season of navigation neared its end. There was a big rush of steamers in the last week of November before lake insurance rates were increased and between November 22 and 30, no fewer than 91 boats carrying 19.4 million bushels of wheat loaded at Fort William and Port Arthur. Another 65 boats loaded 15.7 million bushels of wheat between December 1 and 12, the latter date marking the official closing of navigation on the lakes for 1941.

Substantial amounts went to the United States to be held in bond until exported overseas or ground into flour for export. United States imports of Canadian wheat during the four months August-November 1941, partly estimated, were about double those of the corresponding period a year ago, but no more Canadian wheat for human consumption in the United States can be imported. A proclamation by the President of the United States on May 28, 1941 established a quota of 795,000 bushels for such imports from Canada effective May 29. This quota had been filled before the end of September. It is still possible, however, to import Canadian wheat for milling in bond or for animal use.

Another item of note in the Canadian situation was the establishment of a ceiling price of \$1.26 for wheat grown in Ontario. The present market price is below this level and as the bulk of Ontario's wheat crop is apparently fed to live stock and poultry only a small part of this year's crop will come to market. There has been some thought that in view of the freight assistance given by the Federal Government to western grain for feeding in eastern Canada, farmers in Ontario might be induced to sell more extensively their own higher-priced wheat and replace it with western wheat. This possibility is discounted in trade circles where it is pointed out that the market for Ontario winter wheat for milling is restricted and could not be enlarged appreciably at existing price levels and current price relationship with western wheat.



# ARGENTINE CROP ESTIMATE

On December 12, the first official estimate of the new Argentine wheat crop placed the yield at 220,440,000 bushels from 18,038,000 acres, indicating a yield of 12.2 bushels per acre. The crop harvested a year ago totalled 271,141,000 bushels from 17,507,000 acres and yielded 15.4 bushels to the acre, according to latest revised figures.

Wheat crops produced in Argentina over the past five years are shown in the following table:

<u>Crop Year</u>	<u>Bushels</u>
1941-42 .....	220,440,000 <sup>1/</sup>
1940-41 .....	271,141,000
1939-40 .....	119,451,800
1938-39 .....	379,139,000
1937-38 .....	207,598,515
Five-year average .....	<u>239,554,063</u>

<sup>1/</sup> First official estimate.

# AUSTRALIAN CABLE

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

"Estimated production of wheat in Australia 1941-42 approximately 158,000,000 bushels. Harvesting conditions generally satisfactory although an outbreak of red rust in South Australia and Victoria caused loss of about 12,000,000 bushels. No change in official wheat prices. The Commonwealth Bank is advancing the Australian Wheat Board £A 21,000,000 to cover first payment to growers for 140,000,000 bushels of new season's wheat of three shillings per bushel bagged and two shillings and tenpence bulk, less freight (equal to 53 and 50 Canadian cents respectively). Export flour situation at present obscure. Prices nominally as quoted in November cable but with increased cost of calico bags and labour shortages in mills owing to mobilization for home defence, f.o.b. prices are expected to move upwards."

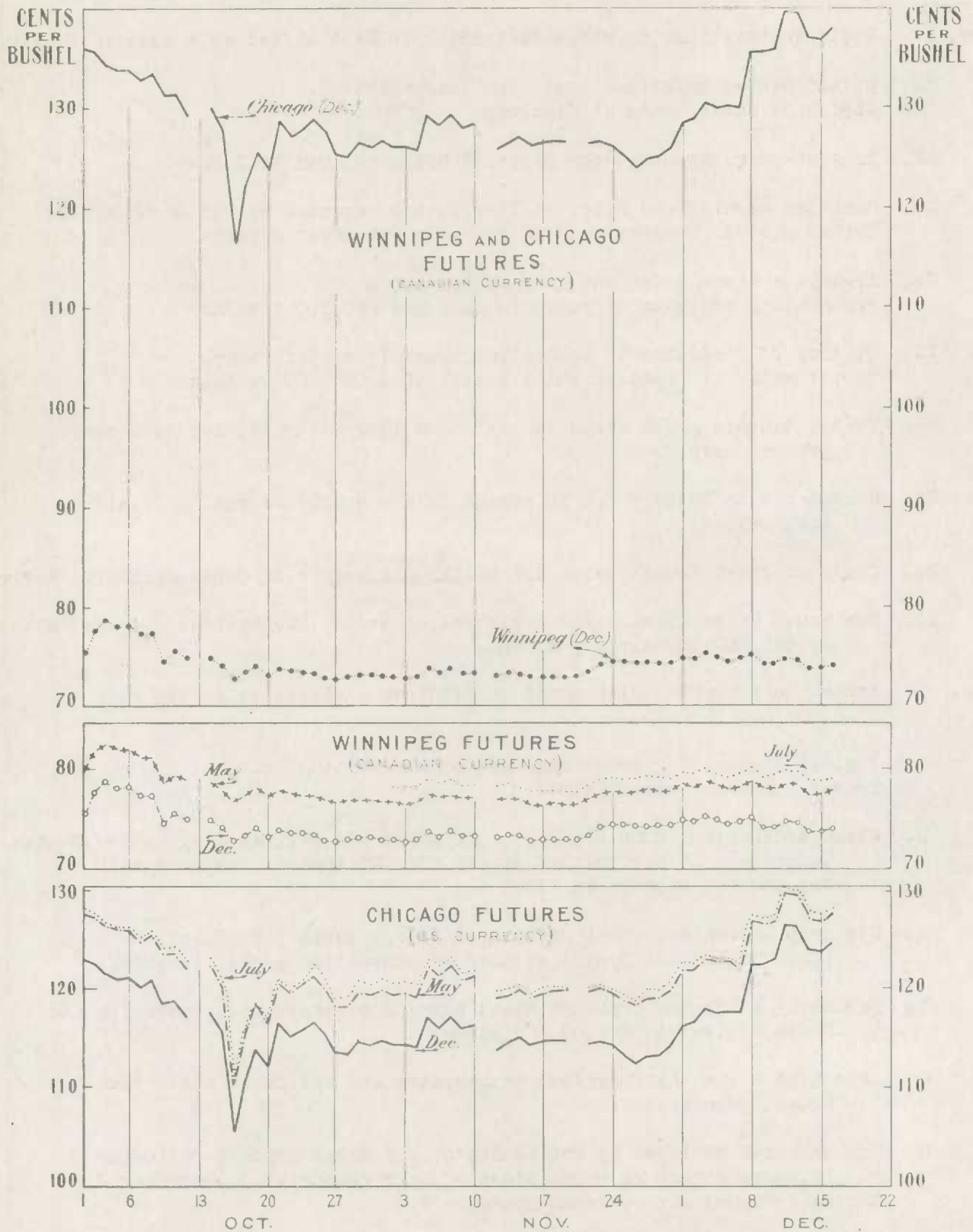
# PRICES

Most of the price movement in North American wheat markets the past month has occurred at Chicago where the entry of the United States into the world war caused a flurry which carried values to their highest levels of the current crop year. There was some reaction at Winnipeg but it was a feeble effort and prices made a net gain of only approximately one cent per bushel in the four-week period. Chicago prices on the other hand advanced about 10 cents in this same period, the July future closing at its peak of \$1.30 1/2 per bushel on December 10 or the equivalent of \$1.44 1/4 in Canadian funds.

The spread between Chicago and Winnipeg futures was consequently widened by about 9 cents and in the case of the cash month (December) there was a premium of 63 1/8 cents per bushel at Chicago on December 15 if calculated in Canadian currency and about 50 cents using the actual quotations at Chicago and Winnipeg. A price of 80 cents per bushel was recorded in the July future at Winnipeg on December 3 and this was the closing level again on December 8 but while this was a new high in the life of this particular future it did not better the levels recorded by the May future in August or again in the early part of October this year.

With the futures market at Buenos Aires now suspended the only prices for Argentine wheat are those quoted f.o.b. and recorded on the chart on page 12.

## DAILY CLOSING WHEAT FUTURES QUOTATIONS IN LEADING MARKETS



CALENDAR OF WHEAT EVENTS

1941

- Nov. 19. Quota restrictions on wheat deliveries in West lifted at a number of points.
20. United States markets closed for "Thanksgiving".  
Good cash wheat trade at Winnipeg.
21. British-owned wheat stocks reported being shipped to Turkey.
22. Canadian wheat-flour sales to Vladivostok reported by Vancouver mills.  
United States announce new subsidy plan for wheat exports.
24. Argentine wheat being cut in northern areas.  
Broomhall's estimate of yield is only 184,000,000 bushels.
25. Quality of first run of Australian wheat is satisfactory.  
Export sales of Canadian wheat placed at 3,000,000 bushels.
26. United Kingdom grain crops in 1941 show increase of 50 per cent over  
pre-war level.
27. Winter has definitely set in around Balkan countries and all field  
work halted.
28. Canadian Wheat Board places 106 additional points on "open delivery" basis.
29. New South Wales wheat yield estimated at 45,000,000 bushels compared with  
24,441,000 bushels a year ago.
- Dec. 1. Export sales of Canadian wheat on Winnipeg exchange estimated at  
2,000,000 bushels.
2. Finland complaining about shortage of wheat supplies.  
France increases bread prices.
3. Wheat production in China, Japan and Manchukuo estimated by United States  
Department of Agriculture at 803,000,000 bushels compared with  
794,000,000 bushels in 1940.
4. New crop Australian wheat offered at 76 1/2 cents per bushel  
(Canadian funds) f.o.b. steamer at Australian ports, in bulk.
5. Broomhall estimates combined wheat surplus of Argentina, Australia and  
South Africa at 362,000,000 bushels.
6. Argentina's new wheat harvest progressing and yields in some areas  
exceed expectations.
8. War declared on Japan by United States and Great Britain following  
Japanese attack on possessions of both countries on December 7.  
Canada declared war on Japan December 7.
9. Private crop reporters in the United States interpret December 1 wheat  
crop conditions to indicate a yield of winter wheat of between  
539 and 589 million bushels in 1942.



CALENDAR OF WHEAT EVENTS (Concluded)

1941

- Nov. 10. Export sales of Canadian wheat estimated at 3,500,000 bushels.
11. Germany and Italy declare war on the United States.
12. Argentine wheat crop officially estimated at 220,440,000 bushels.
13. Carry-over of old wheat in Argentina unofficially placed at 110,000,000 bushels.
15. Turkey's wheat crop estimated at 128.6 million bushels which is below average.
16. The Punjab area of India needs rain to improve wheat prospects. The crop was sown in a very dry seed bed.

THE UNITED STATES

Loans had been made on 331,849,807 bushels of 1941 wheat up to and including December 6 and of this amount 102,704,190 bushels were stored on farms in the United States. According to figures released on November 22 the Commodity Credit Corporation, the body which makes the loans, had on hand approximately 174,000,000 bushels of wheat from the 1939 and 1940 wheat pools and as a means of reducing these holdings a plan for the expansion of exports of wheat and wheat flour was announced. Part of the official announcement is quoted below:

"To aid in the exportation of wheat flour, Commodity Credit Corporation will make sales of equivalent quantities of wheat either upon the presentation of satisfactory evidence that the flour has been exported or the furnishing of bond guaranteeing the performance of a contract to export such flour in the future. Commodity Credit Corporation will quote such prices on wheat for sale under its export sales plan as are deemed necessary to promote the exportation of flour, after taking into consideration the payments which Surplus Marketing Administration will make.

"Under the wheat export sales plan of Commodity Credit Corporation, flour sales are permitted to Venezuela, Colombia, Ecuador, and to any country or place north of such countries in the Americas and adjacent islands, and to islands east of the Americas lying on or west of 40° West Longitude, and to the Philippine Islands and the Virgin Islands. The plan does not include flour sales to Puerto Rico, Alaska, and the Canal Zone.

"The Surplus Marketing Administration will purchase wheat from Commodity Credit Corporation under the plan for sale for export to such foreign countries as may be designated by Surplus Marketing Administration. Either the identical wheat sold or an equivalent quantity may be exported under such sales, and satisfactory evidence of exportation must be furnished Surplus Marketing Administration. The plan will be effective from the present date until July 1, 1942."

# ARGENTINE LETTER

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of December 4, 1941, dealing with the grain situation in Argentina.

## Seeded Areas - Fourth Official Estimate

A further official calculation (the fourth) has been issued by the Ministry of Agriculture of the principal grain and oilseed crop areas (excluding maize) for the 1941-42 season. The new figures show little variation from those of the third estimate. Three of the five items remain unchanged. Wheat is raised by 124,000 acres, linseed by 7,000 acres, and rye by 277,000 acres. The total plantings are higher by 408,000 acres. The amended figures are reproduced below, together with the corresponding acreages in other seasons:

	<u>Wheat</u>	<u>Linseed</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>
	(acres)				
1941-42 .....	18,038,000	6,746,000	3,519,000	1,972,000	2,661,000
1940-41 .....	17,507,000	7,103,000	3,943,000	2,146,000	3,327,000
1939-40 .....	17,833,000	7,600,000	3,446,000	2,121,000	2,296,000
5-year average .....	19,323,000	7,423,000	3,765,000	1,944,000	2,827,000
10-year average .....	18,638,000	7,468,000	3,600,000	1,845,000	2,279,000

About the middle of the current month it is expected that the first calculation of the production of the crops will be issued.

## Increased Official Control of Grain Trade

By a Decree dated November 14 the Government of the Republic has assumed virtual control of the grain trade. Dealing in futures in wheat, linseed and sunflower seed is now prohibited, and all pending operations in these products have been ordered to be liquidated on the basis of the prices prevailing on the day of the issue of the Decree. These being the only active products dealt in, the official measure has resulted in the closing of the Buenos Aires and Rosario Grain Exchanges. Milling and exporting of grain are prohibited unless the same has been purchased from the official Board. Minimum prices have been established for the new wheat and linseed crops: 6.75 and 9.25 pesos per 100 kilos respectively, these being the same as those of the last crops.

By a subsequently issued Decree millers have been forbidden to utilize wheat other than that of the crop of 1940-41, until the end of November of next year, even though the grain be of their own production. All the wheat they grind must be acquired from the Grain Board, and they must pay for it 9 pesos per 100 kilos. If the flour be exported a refund of 2.25 pesos per 100 kilos will be made by the Board.

It will be seen from the above that free operations in wheat and linseed have necessarily been brought to a complete standstill. Assurances have been given that the measures taken are purely temporary, and are necessary in order to enable the Government to protect itself as the owner of enormous stocks of grains and seeds purchased at minimum prices for the benefit of the producers. Nevertheless, considerable grief has been caused in business circles, and especially in the grain trade.

## Supplies and Markets

November shipments of wheat were a little higher than those of the preceding month, 5,651,000 bushels having moved out (5,628,000 bushels of grain and 23,000 bushels of flour in terms of grain). The combined total for October was 5,063,000 bushels.

As the last month of the crop year opens, the supply situation is as shown on the following page.



Third official estimate 1940-41 crop .....	271,171,000 bushels	
Carry-over from 1939-40 crop .....	2,729,000	"
Total supplies .....	273,900,000	"
Deduction for seed and domestic needs .....	101,044,000	"
Surplus available for export .....	172,856,000	"
Shipments ) Wheat .....	79,851,000 bushels	
to Nov. 30 ) Wheat as Flour .....	1,445,000	"
	81,296,000	"
Balance still available .....	91,560,000	"

Something under 200,000 tons (7,349,000 bushels) are estimated to have been sold but not yet shipped.

The official Grain Board has made purchases of wheat totalling 197,462,000 bushels, according to a statement issued by the Ministry of Agriculture. In another official statement it is calculated that the Board will be holding about 3,000,000 tons (110,229,000 bushels) at the end of the crop year, to which is to be added an estimated new crop of 5,000,000 tons (183,716,000 bushels); a total of 8,000,000 tons (293,945,000 bushels). Out of this 2,800,000 tons (102,881,000 bushels) is the calculated domestic requirements for seed and consumption, leaving an exportable balance of 5,200,000 tons (191,064,000 bushels). Shipments of 2,500,000 tons (91,858,000 bushels) are foreseen, leaving a probable unrequired surplus of 2,700,000 tons (99,206,000 bushels) at the end of 1942.

Sales during November were principally to neighbouring countries, Brazil, Bolivia, Peru and Uruguay all taking moderate quantities. The only sales to the United Kingdom were some Rosafe and Barusso totalling 30,000 to 40,000 tons (1,102,000 to 1,470,000 bushels), for which the equivalent of the Board's basic price for the purchase of wheat from the producer was obtained. The local millers are interested in securing parcels of high grade wheat, but there is only a moderate quantity obtainable at present.

Judging by samples from the early deliveries of the new crop, the quality is likely to be better than that of the last crop, although there is a good deal of light weight grain in evidence, as a result of drought and frost damage in the north.

Official purchasing of the new crop will commence on December 9, and as mentioned elsewhere in this Report there is a basic minimum price of 6.75 pesos per quintal, or say 54 3/4 cents U.S. per bushel. The Board is the only buyer, and this is the only quotation, as contrasted with purchases at 7.75 for February delivery (62 7/8 cents per bushel) a month ago.

Fairly heavy deliveries are anticipated in the next few weeks, provided the Board can handle them. A shortage of bags is holding up cutting in some districts where combines are used, with the grain bagged on the machines and then dumped on the stubble to be hauled away later. Supplies of bags have all been expropriated by an official board, in order to secure equitable distribution to the farmers through local committees. A shortage of about one-third of requirements is at present anticipated. Lack of elevators for bulk storage is proving an immense handicap under existing conditions.

#### Crop Conditions

The weather during November was extremely variable. Frequent light rains fell, and were very beneficial, improving the prospects in the northern districts, where drought and frost had been very detrimental previously. Some frost damage occurred in the south, where the best grade of wheat is usually produced. Whereas a month ago a wheat crop of around 5 million tons (183,716,000 bushels) was generally looked for, it is now thought that 5 1/2 millions (202,087,000 bushels) may be reached. The monthly official crop report just issued gives the following details regarding wheat:

In the north of Santa Fe the production prospects are not satisfactory, frosts having affected the plants badly. Harvesting is well advanced, and the yields obtained are generally uneven, depending upon the state of development of the plants when the frosts occurred which were followed by the drought of September and October. The first yields proved to be around 11 bushels per acre, although some would hardly reach 4 bushels. The quality of the grain is good. In the southern part of the province the plants have reacted satisfactorily, and the present condition is from Fair to Good, with a probable yield of 15 bushels per acre. Taking the province as a whole, it is calculated that the abandoned areas may reach 30 per cent of the plantings.



In the south-east of Cordoba the condition of the wheat fields is Good; in the centre and south Fair; and in the north Fair to Poor. There was some local damage from hail in the province. Taking these losses into account, but more especially the earlier damage from frost, the total abandonments in Cordoba may reach a fourth part of the seeded area. The yields obtained up to now are from Fair to Poor in the north, improving towards the south. Generally the probable yield over the area which will be harvested in the province should be Good.

In the province of Entre Rios harvesting is well advanced in the west, and is being pressed forward elsewhere. The crops have been greatly benefited by the November rains, and present prospects are good. Yields will probably reach 15 bushels per acre.

In the south-east of Buenos Aires the appearance of the wheat fields is excellent, standing out from the rest of the country in this respect. In the northern and central zones the condition varies from Fair to Good, being most deficient in the west, where frost damage was proportionately greater. In some zones there were hail losses, which, while covering small areas, were important by reason of the percentage of the crops affected, especially in the neighbourhood of the Federal Capital and La Plata.

In the northern Pampa the condition of the wheat crop is from Fair to Good, except in one district, where it is bad. The first yields tested varied around 9 bushels per acre. In the south, and more particularly in the centre, the drought has caused heavy losses, in some districts reaching 90 per cent. Here the yields will not exceed 6 bushels.

#### Railway Transport of Grains in Year 1940

Some interesting data on this subject have been published by the National Grain and Elevator Board, according to which in the year 1940 the quantity of wheat moved by the railways was 127,025,000 bushels, on which the freight charges were 6.24 pesos per ton, which represented 8.2 per cent of the value of the wheat laid down in the ports. The average distance moved was 107 miles.

#### WEEKLY WORLD SHIPMENTS OF WHEAT AND WHEAT FLOUR

(Broomhall's Records)

Week ending		North America	Argentina	Russia	Danube	Other	TOTALS
(thousand bushels)							
August	9, 1941	4,224	2,172	-	-	-	6,396
	16	3,912	2,560	-	-	-	6,472
	23	4,760	1,260	-	-	-	6,020
	30	4,208	1,216	-	-	-	5,424
September	6	4,376	1,400	-	-	-	5,776
	13	3,496	1,152	-	-	-	4,648
	20	3,640	1,544	-	-	-	5,184
	27	3,960	936	-	-	-	4,896
October	4	4,272	1,960	-	-	-	6,232
	11	3,216	1,120	-	-	-	4,336
	18	3,960	1,512	-	-	-	5,472
	25	4,256	1,256	-	-	-	5,512
November	1	3,832	784	-	-	-	4,616
	8	2,824	1,496	-	-	-	4,320
	15	3,866	1,378	-	-	-	5,244
	22	4,453	970	-	-	-	5,423
	29	3,741	1,574	-	-	-	5,315
December	6	4,943	1,454	-	-	-	6,397
	13	4,341	1,116	-	-	-	5,457
T O T A L S		76,280	26,860	-	-	-	103,140
<u>Comparative 1940</u>							
19th week		2,616	872	1,176	-	-	4,664
T O T A L S		59,024	32,632	2,128	1,456	-	95,240

BUSHEL  
'000,000'

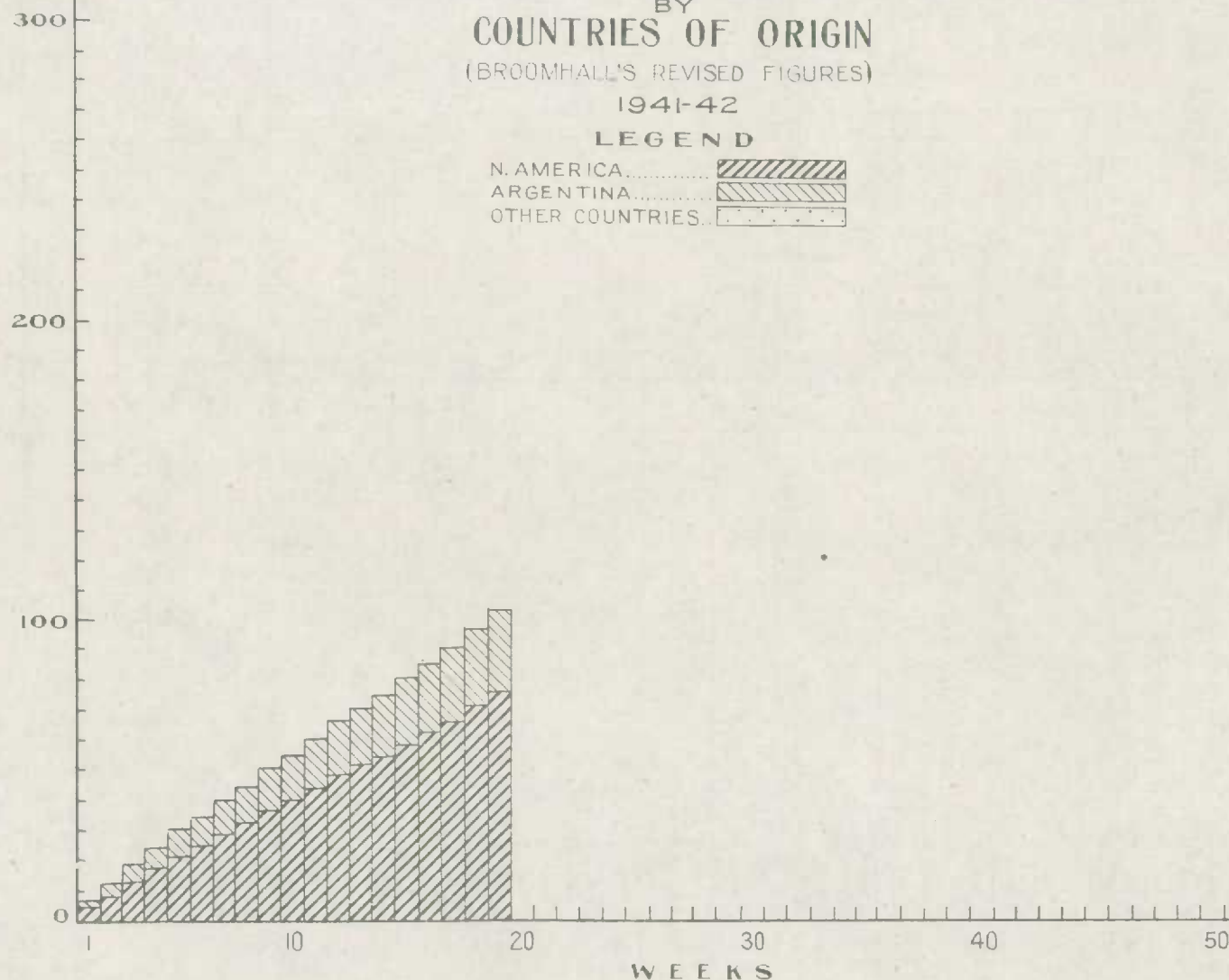
# CUMULATIVE RECORD OF WORLD SHIPMENTS OF WHEAT AND FLOUR BY COUNTRIES OF ORIGIN

(BROOMHALL'S REVISED FIGURES)

1941-42

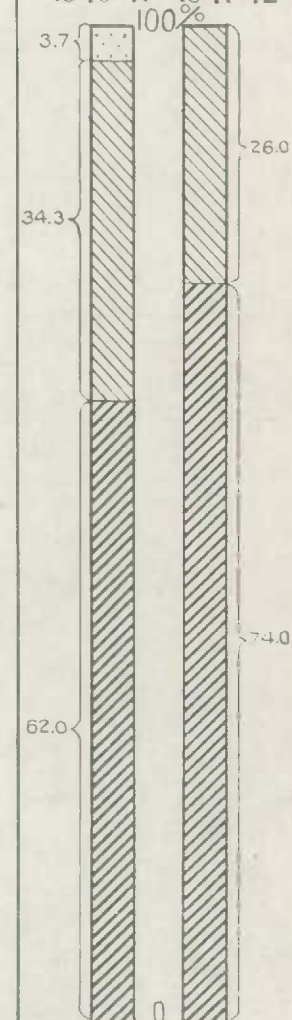
## LEGEND

N. AMERICA.....  
ARGENTINA.....  
OTHER COUNTRIES.....



## PERCENTAGE OF TOTAL SHIPMENTS CROP YEARS

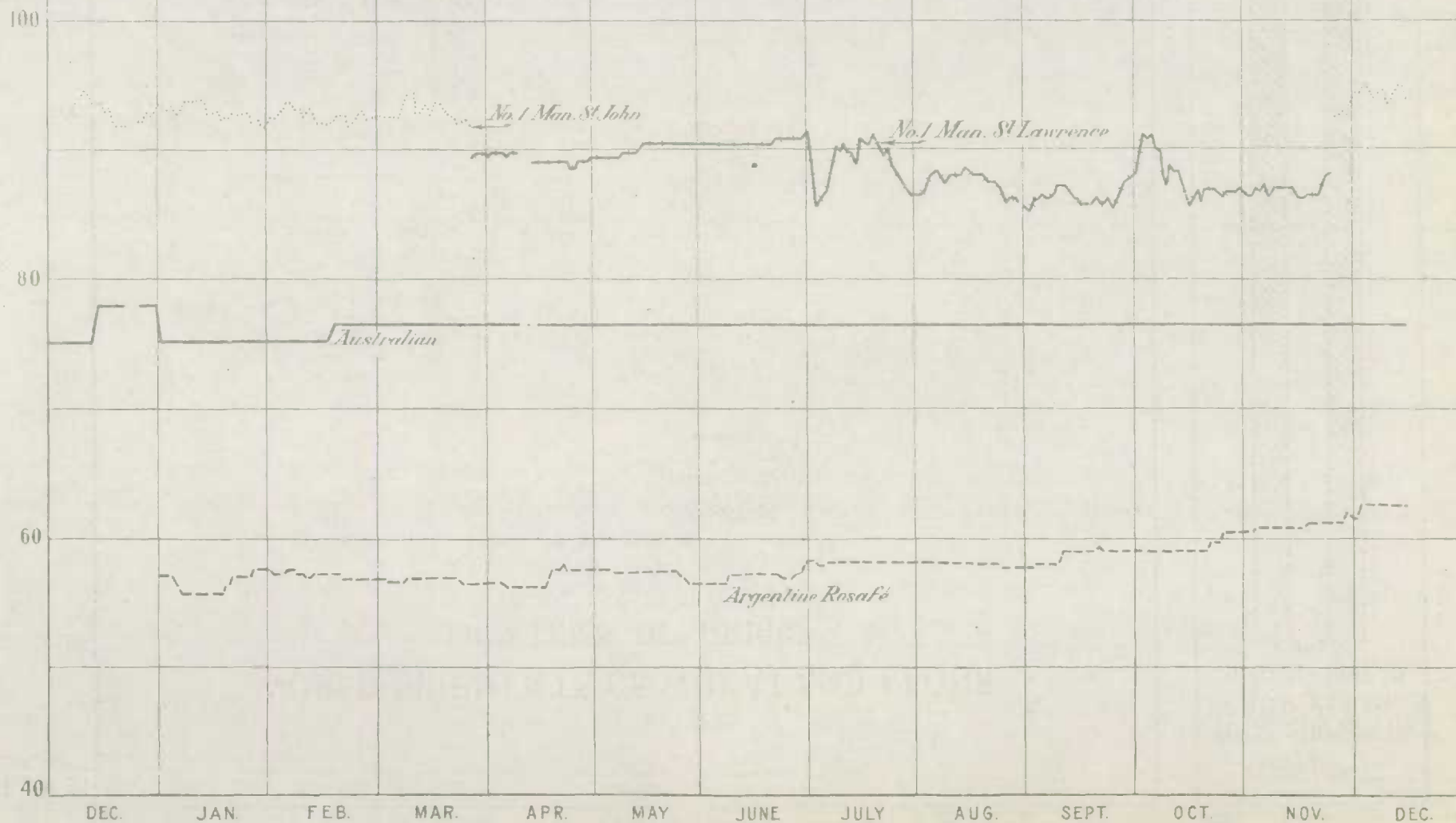
1940-41 1941-42



CENTS  
PER  
BUSHEL

## SHIPPERS' OFFERS TO THE UNITED KINGDOM

F.O.B. PORT OF SHIPMENT, AS REPORTED DAILY BY BROOMHALL'S LIVERPOOL OFFICE  
Dec. 1940 to date  
(Canadian cents per bushel)





Monthly Average Winnipeg Cash Price - No. 1 Northern Wheat,  
Crop Years 1934-35 to 1941-42

	(cents per bushel)							
	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42
August .....	86.0	84.5	102.2	131.8	76.6	54.9	72.2	73.3
September ..	82.3	90.3	103.9	133.6	63.3	73.9	71.7	72.6
October .....	78.2	90.8	110.9	142.3	61.5	70.3	70.4	73.7
November ...	79.6	85.7	108.4	134.6	59.0	70.5	71.8	73.2
December ...	79.2	84.7	120.2	137.4	60.6	82.4	73.4	
January .....	79.0	84.8	124.7	149.1	59.9	82.8	74.2	
February ...	79.5	82.1	127.0	144.6	60.4	83.8	75.2	
March .....	81.9	82.1	135.7	138.4	59.5	87.0	76.2	
April .....	87.6	80.5	138.9	138.4	60.5	89.2	75.7	
May .....	85.7	76.8	130.6	115.2	65.5	79.7	75.9	
June .....	81.7	79.5	124.2	114.3	61.8	72.3	77.0	
July .....	81.4	93.4	145.6	98.4	55.3	71.4	74.7	

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 Fort William and Port Arthur)

	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
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	101.4	107.7
1939 .....	87.1	102.8	68.5
1940 .....	95.7	136.6	82.0
November, 1940 .....	96.9	146.9	76.2
December .....	97.2	148.2	77.9
January, 1941 .....	97.7	149.5	78.8
February .....	98.4	150.0	79.8
March .....	99.2	150.8	80.9
April .....	100.0	150.9	80.4
May .....	102.2	151.3	80.6
June .....	103.9	152.4	81.7
July .....	105.2	153.2	79.3
August .....	106.0	153.2	77.8
September .....	107.6	154.3	77.1
October .....	108.4	154.6	78.2
November .....	<u>2/</u>	<u>2/</u>	77.7

<sup>1/</sup> Prepared by the Internal Trade Branch.    <sup>2/</sup> Not yet available.

THE CANADIAN SITUATION

I. VALUE OF CANADIAN FIELD CROPS, 1941

On December 11, the Dominion Bureau of Statistics issued a bulletin giving by provinces the first estimate of the farm value of field crop production for 1941 as compared with the values for 1939 and 1940.

Summary

The gross value of the principal field crops produced in Canada in 1941 has been estimated at \$649,058,000. This total represents a decline of \$33,308,000 from the revised estimate of 1940. Annual comparisons of the value of field crop production since 1931 are as follows:

	\$		\$
1931 .....	435,966,400	1937 .....	556,222,000
1932 .....	452,526,900	1938 .....	550,069,000
1933 .....	453,598,000	1939 .....	685,839,000
1934 .....	549,079,600	1940 .....	682,366,000
1935 .....	511,872,900	1941 .....	649,058,000
1936 .....	612,300,400		

A principal factor in the decline of the total value of 1941 field crops was wheat. In the case of this crop the sharp reduction in production resulted in a lowering of the total value from \$287,620,000 in 1940 to \$160,953,000 in 1941. The 1941 values for all other crops except buckwheat, grain hay and sugar beets were higher than the corresponding estimates for the 1940 crops. The higher values in 1941 were brought about largely by increases in prices but in some cases production was also increased. The gross value of the 1941 oat crop has been estimated at \$136,282,000 as compared with \$106,771,000 in 1940. The barley crop also increased in value from \$33,350,000 in 1940 to \$49,225,000 in 1941. The average farm price of wheat in 1941 has been estimated at 53 cents per bushel, an increase of only 1 cent above the average price received by farmers in 1940. In the case of the other grains the price increases have been much more substantial. The average price of oats rose from 28 cents in 1940 to 39 cents in 1941, while that of barley increased from 32 cents to 42 cents per bushel.

Value of the Wheat Crop, by Provinces, 1939, 1940 and 1941

	1939	1940	1941
	\$	\$	\$
Prince Edward Island ....	165,000	226,000	205,000
Nova Scotia .....	45,000	56,000	57,000
New Brunswick .....	147,000	188,000	145,000
Quebec .....	508,000	473,000	512,000
Ontario .....	15,753,000	14,508,000	17,083,000
Manitoba .....	33,715,000	34,980,000	29,120,000
Saskatchewan .....	146,502,000	144,160,000	69,360,000
Alberta .....	83,928,000	91,630,000	43,200,000
British Columbia .....	1,388,000	1,399,000	1,271,000
CANADA .....	232,151,000	287,620,000	160,953,000

## II. GRADING OF THE 1941 WHEAT CROP

The following table shows the grading of both old and new crop inspections for the months of August to November 1941, compared with total inspections for August to November 1940. The inspection reports for this period last year did not show new and old-crop inspections separately.

### Number of Cars Grading No. 3 Northern or Better

	1941-42		1940-41	
	Cars	Per Cent of Inspections	Cars	Per Cent of Inspections
August .....	13,918	97.09	9,919	95.50
September .....	16,247	97.12	18,900	98.01
October .....	11,648	85.30	9,601	97.16
November .....	14,101	74.51	5,343	87.01
T o t a l s .....	55,914	87.86	43,763	95.78

Omitting special grades such as Garnets, Durums, White Springs and Winters, the number of cars of new wheat inspected in November 1941 totalled 18,924 of which 14,101 or 74.51 per cent graded No. 3 Northern or higher. November 1941 inspections of Durum wheat amounted to 215 cars of which 119 or 55.35 per cent graded No. 3 Amber Durum or higher. In November 1940, new Durum inspections numbered 55 cars of which 51 or 92.73 per cent graded No. 3 Amber Durum or higher.

## III. MOVEMENT OF WHEAT TO MARITIME PORTS

The growing scarcity of the canal type of freighters most of which are engaged in other war work is resulting in a large movement of Canadian wheat by rail from Bay ports to the Maritimes during the season of navigation as the following figures will show.

### Rail Shipments of Wheat to Maritime Ports

Origin	August 1 to December 11, 1941	August 1 to December 12, 1940
	(bushels)	
Port McNicoll .....	6,217,504	2,531,345
Midland .....	10,074,406	681,205
Collingwood .....	966,788	383,311
Owen Sound .....	1,639,136	227,746
Goderich .....	3,171,573	947,287
Sarnia .....	455,462	-
Port Colborne .....	-	214,157
Toronto .....	-	1,161
T o t a l s .....	22,524,869	4,986,212



#### IV. PRIMARY MOVEMENT

The following table shows primary receipts of wheat in the Prairie Provinces for the 1941-42 crop year along with comparative figures for 1940-41:

Week ending		Manitoba	Saskatchewan	Alberta	Totals	Last Year
				(bushels)		
August	1-8	233,953	185,573	475,343	894,869	2,644,119
	15	1,058,592	1,625,647	941,293	3,625,532	4,702,436
	22	1,585,939	3,175,816	1,504,876	6,266,631	10,322,287
	29	1,902,244	4,532,417	1,837,896	8,272,557	15,153,697
September	5	1,260,321	4,022,305	1,155,369	6,437,995	16,958,385
	12	381,573	4,143,005	1,220,869	5,745,447	16,557,664
	19	1,071,540	5,530,119	1,574,739	8,176,398	29,004,674
	26	1,291,556	4,901,461	1,397,168	7,590,185	34,523,035
October	3	705,887	4,013,644	1,380,813	6,100,344	24,739,670
	10	1,032,456	4,502,758	1,250,205	6,785,419	12,866,908
	17	1,327,425	5,130,608	2,497,553	8,955,586	13,996,674
	24	2,933,196	5,692,549	4,579,570	13,205,315	16,189,654
	31	2,032,726	5,726,654	3,921,340	11,680,720	11,578,885
November	7	1,475,991	4,125,897	2,828,511	8,430,399	6,743,125
	14	1,745,473 <sup>1/</sup>	3,331,334 <sup>1/</sup>	2,857,465 <sup>1/</sup>	7,934,272 <sup>1/</sup>	7,508,726
	21	1,408,094	3,569,290	2,592,017	7,569,401	9,496,207
	28	1,054,838	1,794,486	1,835,392	4,684,716	10,173,053
December	5	1,685,625	2,972,117	2,490,514	7,148,256	10,874,279
	12	1,629,949	2,720,979	2,647,258	6,998,186	9,693,336
T o t a l s		25,817,378	71,696,659	38,988,191	136,502,228	263,726,814

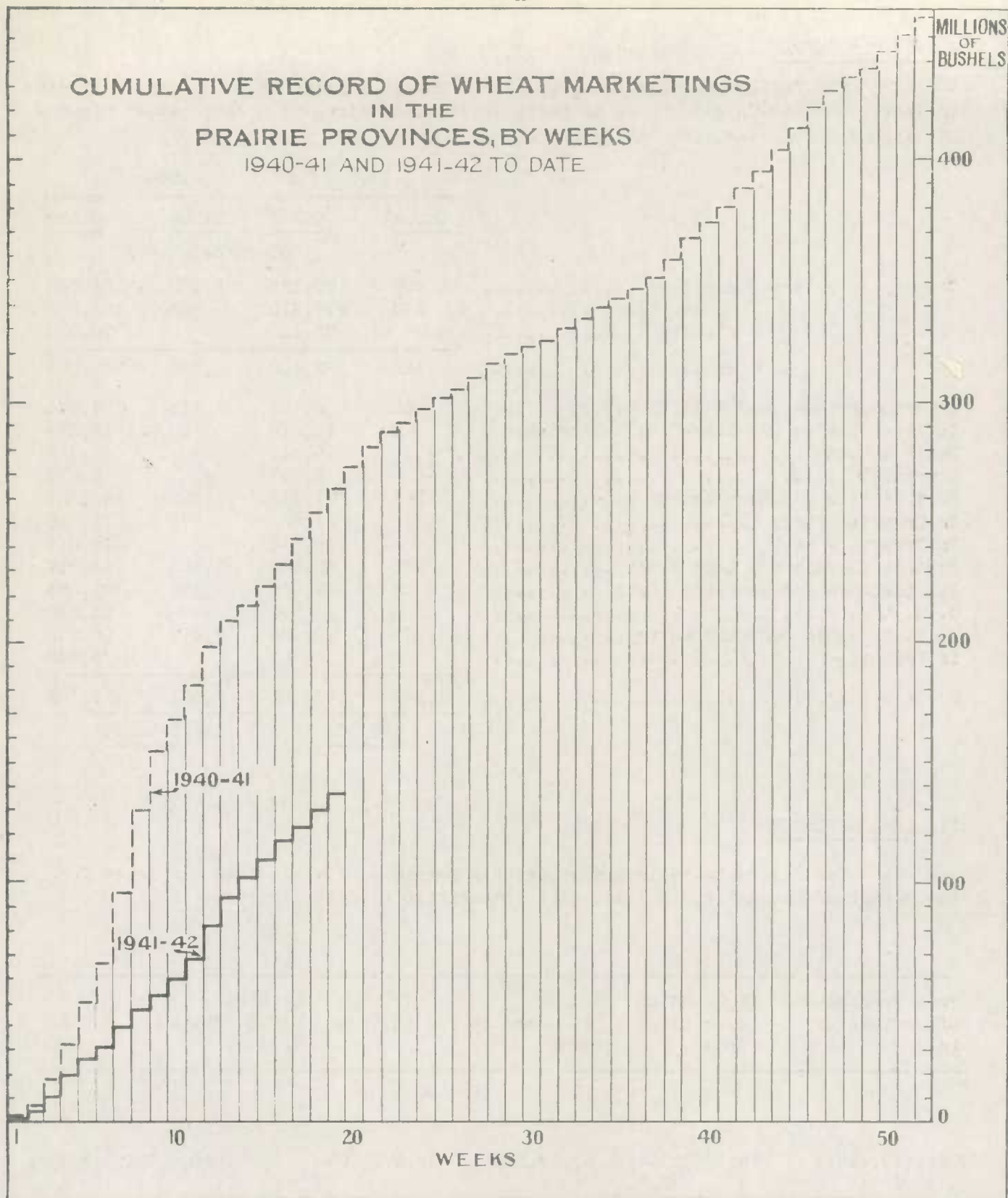
<sup>1/</sup> Revised

Almost half the crop produced in western Canada in 1941 has already been hauled to market. The delivery from farms of 136.5 million bushels of wheat between August 1 and December 12 puts marketings in relation to size of crop this year about on a par with figures for the corresponding period last year.

Saskatchewan is leading the way in deliveries with nearly 53 per cent of her estimated production off the farms while Manitoba is next with about 46 per cent and Alberta third with just over 43 per cent delivered. For the past six weeks the primary movement has averaged more than 7,000,000 bushels weekly which is approximately the weekly average for the season commencing August 1.

With quota restrictions lifted by the Canadian Wheat Board there is now nothing to prevent the full movement of wheat from western farms and growers are no longer compelled to deliver to the point named on their permits.

CUMULATIVE RECORD OF WHEAT MARKETINGS  
IN THE  
PRAIRIE PROVINCES, BY WEEKS  
1940-41 AND 1941-42 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 December 12, 1941 along with comparative figures for approximately the same date last year.

	1941		1940	
	Durum	Other	Durum	Other
	(000 bushels)			
Country Elevators - Manitoba .....	455	30,155	2,055	26,840
Saskatchewan .....	230	119,815	885	123,075
Alberta .....	-	78,480	-	70,920
Totals .....	685	228,450	2,940	220,835
Interior Private and Mill Elevators .....	65	8,127	113	7,174
Interior Public and Semi-Public Terminals .	0	16,618	0	17,014
Pacific Ports .....	-	20,345	-	19,423
Churchill .....	-	2,617	-	2,617
Fort William and Port Arthur .....	523	91,913	592	60,385
In Transit - Lake .....	-	11,221	70	11,739
In Transit - Rail .....	-	14,528	-	13,817
Eastern Elevators - Lake Ports .....	175	45,326	1,262	43,714
St. Lawrence and Seaboard Ports .....	22	29,308	1,432	21,583
U. S. Lake Ports .....	-	11,774	-	25,349
U. S. Atlantic Seaboard Ports .....	75	12,939	2,512	20,992
In Transit - U. S. A. ....	-	8,922	-	4,642
T o t a l s .....	1,545	502,088	8,921	469,284
	<u>503,633</u>		<u>478,205</u>	

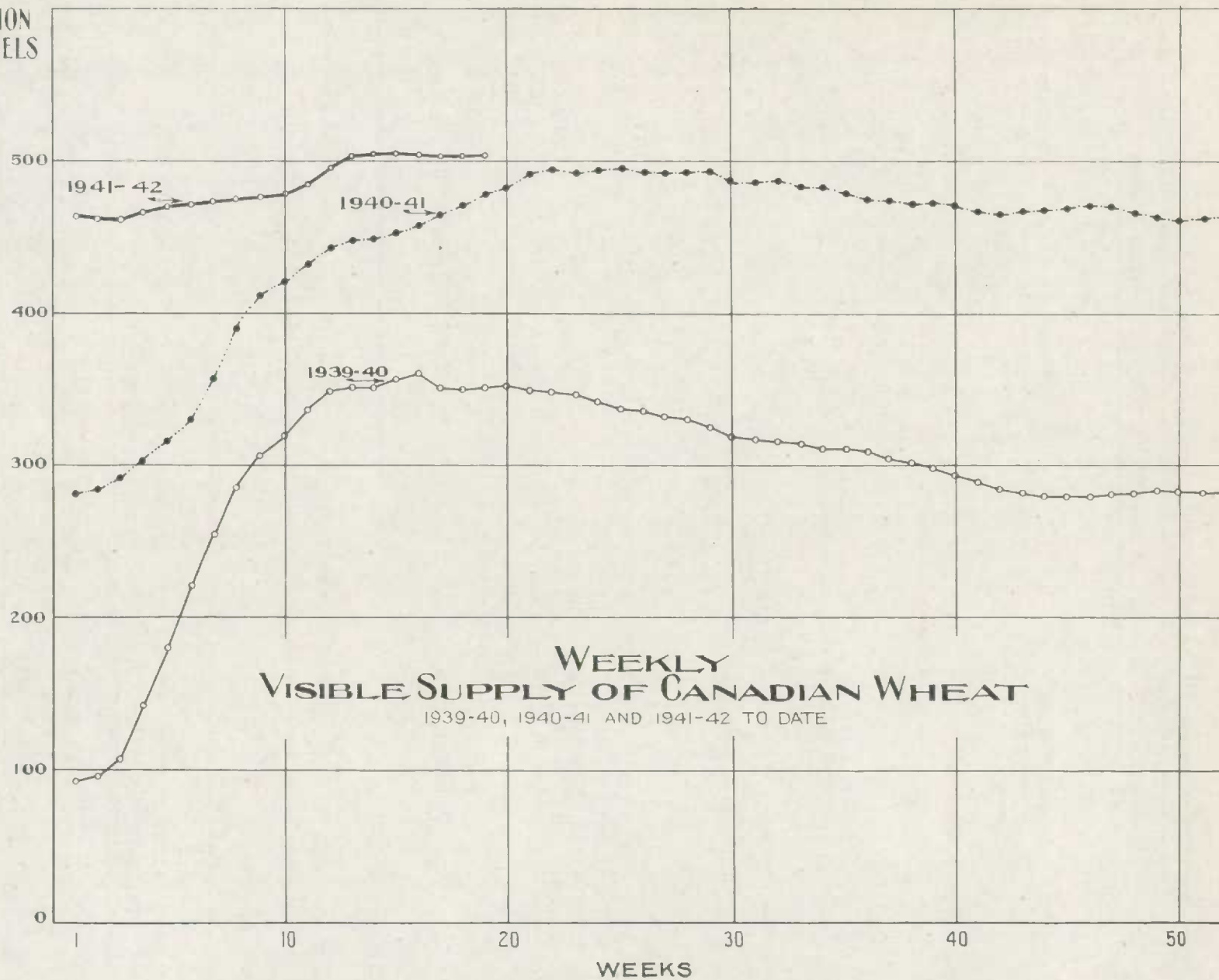
## VI. LAKE MOVEMENT

The following table summarizes the movement of wheat down the lakes for the season of navigation in 1941, with comparative figures for 1940.

From opening of navigation to-	To Canadian Lower Lake Ports	To St. Lawrence Ports	To Buffalo	To Other United States Ports	TOTALS
(bushels)					
Dec. 12, 1941	175,272,033	6,117,393	45,372,205	6,214,390	232,976,021
Dec. 12, 1940	125,226,965	5,909,210	33,983,512	9,570,882	174,690,569



MILLION  
BUSHELS



VII. TOTAL EXPORT CLEARANCES OF CANADIAN WHEAT FROM CANADIAN AND AMERICAN SEABOARD PORTS, 1941-42 WITH COMPARATIVE FIGURES FOR 1940-41.

<u>Week ending</u>		<u>1941-42</u>	<u>1940-41</u>
		(bushels)	
August	1-8 .....	2,115,587 <sup>1/</sup>	1,506,622
	15 .....	3,455,376	1,059,383
	22 .....	2,682,273	1,947,542
	29 .....	2,853,324	2,861,338
September	5 .....	1,535,797	2,457,281
	12 .....	2,250,178	895,148
	19 .....	2,874,290	1,532,713
	26 .....	3,398,467	1,160,710
October	3 .....	1,683,514	2,082,555
	10 .....	2,967,703	1,062,178
	17 .....	2,186,116	1,594,706
	24 .....	2,930,042	741,734
	31 .....	2,203,223	2,609,404
November	7 .....	2,346,270	1,846,438
	14 .....	5,744,833	3,014,550
	21 .....	2,333,826	3,558,005
	28 .....	2,541,708	997,865
December	5 .....	3,796,359	2,518,964
	12 .....	4,183,113	1,480,527
T o t a l s .....		54,081,999	34,927,663

<sup>1/</sup> Revised.

VIII. IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES

	<u>For Milling in Bond and Export</u>	<u>For Consumption 42¢ per bushel Duty Paid</u>	<u>Unfit for Human Consumption 5% Ad Valorem</u>	<u>Total</u>	<u>Comparative Totals 1940-41</u>
	(bushels)				
August ....	1,072,869	105	743,697	1,816,671	592,971
September .	971,329	735,518	297,381	2,004,228	619,998
T o t a l s	2,044,198	735,623	1,041,078	3,820,899	1,212,969

# IX. THE STATISTICAL POSITION

The statistical position of Canadian wheat in Canada and the United States as of December 1 this year and last is shown in the following table and indicates a decrease of about 105 million bushels in the balance for export and carry-over compared with a year ago. Home requirements are larger and exports show an increase over last year, while the smaller crop in 1941 more than offsets the increase in carry-over at the beginning of the season. With eight months of the crop year to run the balance to be disposed of is 576.7 million bushels and unless exports for the year decline very sharply from last season's total a reduced carry-over on July 31, 1942 is in prospect.

	<u>1940-41</u>	<u>1941-42</u>
	(bushels)	
Carry-over in Canada and the United States		
July 31 .....	300,473,465	480,083,691
New Crop .....	<u>551,390,000</u> <sup>1/</sup>	<u>302,626,000</u> <sup>2/</sup>
Total Supplies .....	851,863,465	782,709,691
Domestic Requirements .....	<u>125,000,000</u> <sup>2/</sup>	<u>140,000,000</u> <sup>3/</sup>
Available Supplies .....	<u>726,863,465</u>	<u>642,709,691</u>
Export Movement, August-November		
Overseas Clearances .....	31,408,285	46,734,371
United States' Imports .....	2,773,523	5,220,899
Flour as Wheat .....	<u>11,517,394</u>	<u>14,063,220</u>
	<u>45,699,202</u>	<u>66,018,490</u>
Balance for Export or Carry-over, December 1	<u>681,164,263</u>	<u>576,691,201</u>

<sup>1/</sup> Subject to final revision, January 21, 1942.

<sup>2/</sup> Subject to revision.

<sup>3/</sup> Tentative.

A figure of 140,000,000 bushels has been used as a tentative estimate of total Canadian home requirements of wheat in the current crop year. This represents an increase of 15,000,000 bushels over the revised figure for season 1940-41, which has been lowered seven million bushels largely under the heading of wheat fed to live stock and poultry. In the allocation of stocks to be used at home this crop year, a preliminary figure of 60 million bushels is placed on feed requirements and a figure of 29.5 million bushels allocated to seed. The balance of just over 50 million bushels represents wheat ground into flour for domestic consumption, including gristing for farmers at small mills, and the requirements of breakfast food and other manufacturers who use wheat in their preparations.



X. MONTHLY OVERSEAS CLEARANCES, ETC., IN COMPARISON WITH THE CUSTOMS EXPORTS OF  
WHEAT AND WHEAT FLOUR

November exports of wheat and flour, based on overseas clearance records from Canadian and United States ports, amounted to 16,685,610 bushels. This amount is 8.1 million bushels lower than the Customs export total for the month of November.

	Overseas Clearances of Canadian Wheat	U. S. Imports of Canadian Wheat for con- sumption and milling in bond	Customs Exports of Canadian Wheat Flour	Totals	Custom Exports of Wheat and Wheat Flour
(bushels)					
1939-40					
August .....	10,547,763	944,372	1,706,742	13,198,877	11,979,671
September .....	12,120,504	693,835	1,874,489	14,688,828	17,515,631
October .....	6,225,133	996,611	1,998,648	9,220,392	18,847,495
November .....	15,218,051	1,030,351	2,577,645	18,826,047	23,212,844
December .....	11,011,279	406,637	4,062,213	15,480,129	38,474,661
January .....	15,946,245	938,657	3,263,922	20,148,824	13,621,527
February .....	13,212,338	827,327	2,517,021	16,556,686	9,115,258
March .....	17,190,619	857,361	3,220,106	21,268,086	11,848,383
April .....	13,753,300	738,565	2,339,415	16,831,280	7,421,151
May .....	18,293,320	821,326	3,251,677	22,366,323	26,717,997
June .....	9,180,759	569,602	2,291,886	12,042,247	15,861,993
July .....	10,004,408	629,854	1,412,388	12,046,650	13,279,904
T o t a l s ....	152,703,719	9,454,498	30,516,152	192,674,369	207,896,515
1940-41					
August .....	8,376,192	592,971	2,590,902	11,560,065	13,992,063
September .....	6,524,601	619,998	2,478,393	9,622,992	11,978,247
October .....	6,610,523	824,580	3,375,868	10,810,971	13,034,755
November .....	9,896,969	735,974	3,072,231	13,705,174	20,349,791
December .....	6,858,081	540,299	1,555,250	8,953,630	13,317,661
January .....	12,841,576	782,729	1,596,681	15,220,986	6,476,761
February .....	14,690,299	689,344	2,730,406	18,110,049	12,190,000
March .....	18,324,872	656,074	2,516,126	21,497,072	14,138,845
April .....	25,988,574	945,113	3,824,172	30,757,859	24,146,572
May .....	28,381,667	2,400,657	6,033,087	36,815,411	35,656,016
June .....	21,999,756	1,205,207	7,879,158	31,084,121	30,992,762
July .....	13,066,057	1,354,411	8,647,448	23,067,916	27,993,781
T o t a l s ....	173,559,167	11,347,357	46,299,722	231,206,246	224,267,254
1941-42					
August .....	12,125,895 <sup>1/</sup>	1,816,671	6,464,547	20,407,113 <sup>1/</sup>	21,185,505
September .....	10,705,499	2,004,228 <sup>1/</sup>	2,974,563	15,684,290 <sup>1/</sup>	14,315,604
October .....	10,656,675	600,000 <sup>2/</sup>	1,984,802	13,241,477 <sup>2/</sup>	13,825,389
November .....	13,246,302	800,000 <sup>2/</sup>	2,639,308	16,685,610 <sup>2/</sup>	24,744,361
Aug.-Nov. 1941-42	46,734,371	5,220,899 <sup>2/</sup>	14,063,220	66,018,490 <sup>2/</sup>	74,070,859
Aug.-Nov. 1940-41	31,408,285	2,773,523	11,517,394	45,699,202	59,354,856

<sup>1/</sup> Revised. <sup>2/</sup> Subject to revision.



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