

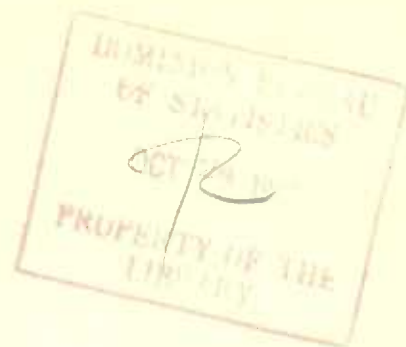
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CANADA

DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH



Vol. 13

No. 2



MONTHLY REVIEW OF THE WHEAT SITUATION

OCTOBER 23, 1942

Published by Authority of the Hon. James A. MacKinnon, M.P.
Minister of Trade and Commerce
Ottawa

Price \$1 a year

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
AGRICULTURAL BRANCH

(Issued October 1942)

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THE WORLD WHEAT SITUATION - SUMMARY

The high tide of world wheat supplies continues to rise. The harvest in the United Kingdom, described there as a "miracle" has been successfully gathered, while a few weeks hence another river of new wheat will flow from the farms in Australia. In 1942 the bread-grain supplies are stacked high in favour of the United Nations, while Nazi Germany and German-occupied Europe produced this year 15 per cent less bread grain (wheat and rye) than a year ago, and 25 per cent less than the average of the four years 1935-38, according to a statement credited to the British Ministry of Economic Warfare.

Official figures on the size of the United Kingdom wheat crop are not available, but private observers estimate the production at between 100 and 115 million bushels which points to record yields per acre. The pre-war yield per acre was in the neighbourhood of 36 bushels on approximately 1.7 million acres, but this year it would appear to have exceeded 40 bushels and the area planted to wheat is said to be 2.4 million acres. Such a crop means much to Britain in terms of valuable shipping space freed to carry war materials other than wheat to the United Kingdom, although it probably also means that Canada's market for wheat and flour in Britain will suffer curtailment.

The Australian crop is currently estimated at 145 million bushels of which probably not more than 60 millions will be used at home, leaving 85 million bushels to be added to the accumulated surplus of previous crops which is believed now to be quite substantial. A high yield per acre in Australia, as in Canada and the United States, appears to have more than offset the reduction in wheat acreage.

These enormous reserves of wheat behind the United Nations are a guarantee that where it is possible to ship supplies there will be no shortage of bread, while they stand also as an assurance that wartime live-stock programs will not fail for lack of animal feed. At the same time, they have created storage and transportation problems, particularly in Canada and the United States where unusually large crops of other grain were also harvested this year. In this connection, we quote the following interesting commentary by the Food Research Institute, Stanford, California, in its most recent "World Wheat Survey and Outlook".

"The 1943 carry-over in North America may exceed 1,500 million bushels, which is more than the two countries ever produced in any year prior to 1942. The needs are obvious: to facilitate the fullest utilization of this abundant resource, in every possible way, at prices low compared with prices of goods that are absolutely or relatively scarce; to remove the stimuli to excessive production; and further to reduce the acreage sown to wheat. Yet in the United States, political measures still keep forcing up wheat prices and returns to growers; disposition of government-owned stocks for feed and export is hampered by the terms set by act of Congress; and acreage restriction is limited by a legal minimum already proved excessive. Such policies are clogging the war effort as well as making wheat farmers involuntary 'profiteers'."

With reference to the situation in Russia, the Institute believes the food position has been seriously impaired by recent Axis gains and that Russia will probably need more wheat from abroad than is likely to reach her. Other comment on the Russian grain situation from England suggests that territory lost in the Ukraine, North Caucasus and White Russia represents about 45 per cent of the pre-war spring and winter wheat area, but adds that Germany is not likely to benefit extensively because of the damage to land and machinery.

Switzerland Rations

Tightening of belts still further appears certain in a number of European countries. Switzerland has joined the ranks of countries rationing bread supplies and on October 15 established a basic ration of eight ounces daily. The large number of refugees in the country coupled with reduced harvest prospects this year has compelled this action.

Among the occupied countries, Belgium and Norway are short of supplies to maintain present rationing, but in Holland and France the crops are as good or slightly better than a year ago, while in Poland the harvest is said to be the best since the war began. In Germany itself and in the Balkans the crop situation appears to be worst, but the Nazis have already intimated that no matter who starves, the German people will have food.

In Turkey, the Government has increased by 50 per cent the price it will pay to peasants for that portion of their wheat crop which they must deliver, and latest estimates of the wheat yield point to rapid deterioration in the last month as the result of drought. The latest figures quoted for the 1942 crop are 92,000,000 bushels compared with 128 millions harvested last year.

Some press comment has appeared recently on reported negotiations between Turkey and Argentina for the barter of some 18 million bushels of Argentine wheat for Turkish tobacco. No official statement has been made on the matter but the Argentine press continues to indicate that the deal might be made and that the Turkish Government will pay for its purchases with gold. The question of available ships appears to be the snag now.

Coming back to the situation in the United Kingdom, it has just been announced by Lord Woolton, the Food Minister, that it is the intention to add a small proportion of barley and oat flour to the national wheatmeal loaf. Apparently, the coarse grain crops are as abundant as wheat, and this measure is being adopted to make an outlet for these grains as well as to conserve further the shipping space that would be necessary for the importation of flour.

It will be recalled that just about a month ago the price of bread was permitted to rise in the United Kingdom for the first time since the war began, while the price of potatoes was lowered. Both measures had for their chief purpose the reduced consumption of bread which, it was hoped, would be reflected in curtailment in the use of ships to bring in wheat and flour from overseas. There is now a further suggestion that potato flour of suitable quality may soon be added also to the wheatmeal loaf.

Another item of interest and recent development in the United Kingdom is the establishment of new high fixed prices for rye of milling quality, in addition to an acreage bonus, in an effort to encourage a larger rye acreage for the 1943 harvest. The Minister of Food has agreed to purchase rye of millable quality on or after December 1, 1943, for which farmers or approved buyers have not found a purchaser, and to pay 14 shillings per cwt., which is the fixed price.

Wheat Situation in Canada

The gathering of Canada's record wheat crop has made rapid progress during October following periods of delay occasioned by bad weather and shortage of labour. The manpower problem was partly overcome by the transportation of farmers and students from eastern to western Canada at Government expense, and for the first time in years the prairie regions witnessed the arrival of "harvester" trains.

Cutting of wheat is practically completed in the three Prairie Provinces and while threshing and combining have made good progress under ideal weather conditions this month, it will probably be the end of October before the bulk of the crop is threshed and only then if dry weather continues. Outturns from threshing machines received by private agencies confirm a high yield per acre but grading appears to have been lowered by September weather conditions which included much rain and heavy frost.

Only about 10 per cent of the crop had been marketed by farmers in western Canada up to the middle of October, or approximately 58.5 million bushels compared with 68.8 million bushels in the same period a year ago from a crop half the size of the 1942 crop. The slowness of the movement from farms is not wholly due to the lateness of the harvest but is in part the result of the quota regulations which restrict growers to the marketing of five bushels per "authorized" acre.

Since the middle of October the quotas have been raised at a large number of points and many growers are now permitted to deliver between 8 and 10 bushels per "authorized" acre. This will result in heavier marketings of wheat but with oats and barley enjoying a minimum quota of 10 bushels per seeded acre these grains are moving in relatively heavier volume.

The quality of the new crop both from the standpoint of protein content and grading is expected to be considerably inferior to crops of recent years. The sample so far inspected for grade is not large enough to indicate the classification of the crop as a whole but it does suggest that the percentage of cars grading No. 2 Northern and lower will be considerable. Likewise the protein tests made on early samples reveal a low content compared with recent years.

Storage space continues at a premium. The total quantity of wheat and coarse grain in store on October 15 occupied all but 163 million bushels of the licensed capacity in Canada. The large terminal elevators and their temporary annexes at Fort William-Port Arthur were filled within about 12 million bushels of their rated capacity, while in the western division as a whole, which includes the lakehead terminals and everything west to the Pacific coast, only about 139 million bushels of empty space existed at mid-October with only 10 per cent of the wheat crop then marketed.

Until the next official estimate of the 1942 crop is made on November 13, the supply situation for 1942-43 consists of 424 million bushels of old crop carry-over and 615 million bushels produced in 1942. This makes a total of 1,039,000,000 bushels, or the largest seasonal supply on record. There have been suggestions that this amount of wheat represents 20 years supply for Canada but that would be true only if 11,000,000 Canadian people were asked to eat this wheat in the form of flour or bread. In actual fact, one billion bushels of wheat is 51 million bushels less than Canada disposed of in the first three years of the war, by one means or another.

PRICES

The most notable feature of price movement in the Winnipeg market the past month has been the narrowing of spreads on low grade wheat, the grades chiefly affected being Nos. 5 and 6 wheat and Feed wheat. These grades were quoted about the middle of September at 11, 14 and 17 cents respectively, under the October future price of 90 cents, but on October 17 the spreads had narrowed to 6 3/4 cents, 8 cents and 10 cents under the October future, so that Feed wheat was quoted at 80 cents per bushel, basis in store Fort William.

Explanation of this strength in low grade wheat is to be found not in the scarcity of these grades in the Canadian crop so much as their scarcity at terminal markets. In the movement of grain from country points to the terminal markets it appears so far that priority has been given to oats and barley and while there is doubtless a good supply of low grade wheat forthcoming it has not yet reached a point in transit where the merchandiser can lay his hands on it.

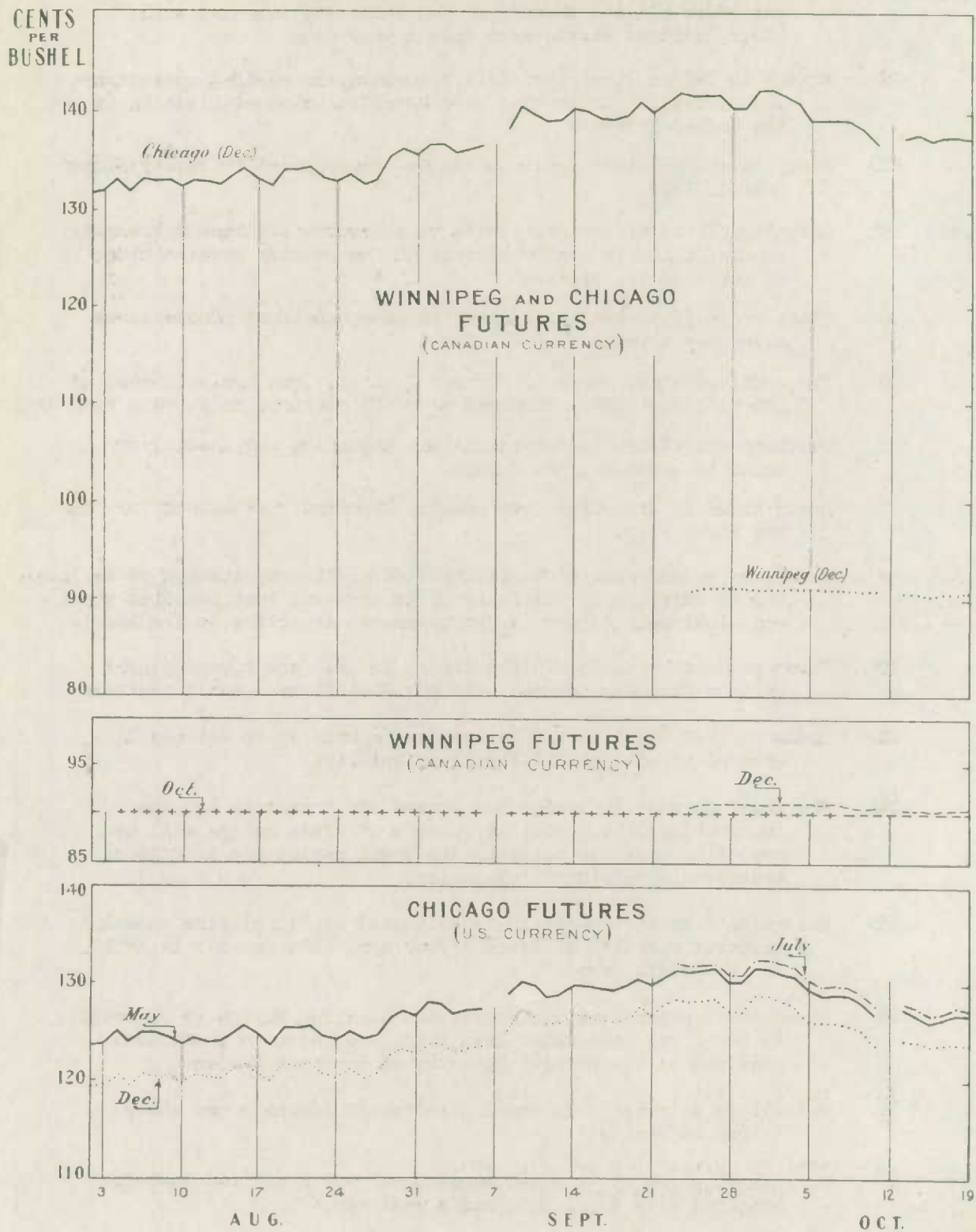
The demand for low grade western Canadian wheat is reported to be quite good in eastern Canada for several reasons, chief among which are cited the free freight from the head of the lakes and the drawback which is allowed in order to maintain ceiling prices established before the new price of western wheat went into effect on August 1. There is evidence also that Ontario farmers are not delivering their wheat freely, despite a much larger production in 1942, and this is adding to the demand for western wheat which is cheap even at 80 cents for Feed grade when the freight and drawback concessions are taken into consideration.

In the futures market at Winnipeg, the October future has shown no change from day to day, closing at the minimum price of 90 cents per bushel. The December future was posted for trading on September 24 and closed on that day at 90 7/8 cents per bushel. On succeeding days the deferred month rose to 91 1/4 cents but eased off again to finish on October 17 at a price of 90 1/2 cents, or only one-half cent over the minimum level.

Ontario mills have been offering for native winter wheat between 85 and 90 cents per bushel at the mill door, while the carlot market has been reporting prices of around 95 cents per bushel, f.o.b. basis Chatham. Millers report that farmers are holding in anticipation of higher prices.

Price movement in the Chicago market reflected a strong tone until the anti-inflation legislation bill was passed by Congress. It appears from Chicago market reports that there is need of clarification of some aspects of the bill, particularly where there is reference to the parity price calculations. The new bill calls for inclusion of increased farm labour costs since the beginning of January 1941 and this would raise the parity price from its present level of \$1.34 to about \$1.40 per bushel, but it seems that the President's "directive" asked for conservation and other payments to be deducted and this would reduce the price to \$1.17 which is only a few cents above the present national loan price for wheat on the farm. The president of the Chicago Board of Trade made a trip to Washington in an effort to clarify the situation, but further market comment on the subject has not yet come to hand.

DAILY CLOSING WHEAT FUTURES QUOTATIONS IN LEADING MARKETS



CALENDAR OF WHEAT EVENTS

1942

- Sept. 28 The total amount of 1942 wheat under loan in the United States was 157.5 million bushels on September 19, compared with 206.5 millions on the same date a year ago.
- 29 Except in Balkan countries, fall ploughing and seeding operations are active in Europe with concentration on wheat planting in the United Kingdom.
- 30 Newly developed wheat areas in Russia are reported to have yielded well in 1942.
- Oct. 2 Shipping difficulties are slowing up shipments of Argentine wheat to Brazil and in southern areas of the country some shortage of supplies is reported.
- 3 Wheat crops in Australia continue to show excellent prospects on a reduced acreage.
- 5 The combined wheat crops of Turkey, Iran and Iraq are estimated at 158 million bushels compared with 202 millions produced a year ago.
- 6 Weather conditions are retarding fall ploughing and seeding of wheat in south-eastern Europe.
- 7 Heavy rains in Argentina have greatly improved the outlook for the new wheat crop.
- 9 Russia's requirements of North American grain are expected to be large and if shipping is available it is expected that Canadian wheat and flour will figure in the movement, according to Broomhall.
- 10 Wheat production in the United States in 1942 now placed at 984 million bushels compared with 981.8 millions a month earlier.
- 13 Loans on 1942 wheat in the United States made up to October 3, covered a total of 197.5 million bushels.
- 14 The wheat harvest in Sweden has proved disappointing and the importation of 6.5 million bushels of wheat or rye will be needed in order to maintain the bread ration now in effect, according to advices from England.
- 15 Australia's wheat production is estimated at 145 million bushels compared with 170 millions a year ago. The harvest is still about a month away.
- 16 Bread grain production in Germany and Occupied Europe is reported to be 15 per cent under last year, according to a statement credited to the British Ministry of Economic Warfare.
- 19 Drought is delaying fall wheat planting in Roumania and other Balkan countries.
- 20 Visible supplies of Canadian wheat total 428.5 million bushels compared with 485.1 millions a year ago.

UNITED STATES

Developments in the past month affecting the wheat situation in the United States include an upward revision of the 1942 production estimate, an embargo on cash wheat shipments (except under license) to several terminal markets in the north-west States, and the passing of anti-inflation legislation by Congress.

Wheat production in 1942 is now estimated at 984 million bushels, only about 16 million bushels less than the record-breaking crop of 1915. The revision affects only the spring wheat crop which is now estimated at 286.3 million bushels, compared with 274.6 millions in 1941, and the 1930-39 average of 178 million bushels.

The embargo on shipments to Minneapolis, St. Paul, Duluth-Superior and Itasca resulted from storage congestion and the risk of railway equipment being unduly detained at these points. Increasing amounts of low grade and high moisture grain in the shipments have slowed up the handling process and, despite the excellent performance of elevators and shippers at these points, it was found necessary to institute a system of permits as from midnight October 9.

On the anti-inflation bill the trade at Chicago and other markets appears to be awaiting clarification. The legislation made some changes in the parity price calculations. It called for the inclusion of increased farm labour costs as from January 1, 1941, and it was calculated that this would raise the parity price of wheat by about 4 per cent.

The current parity price of wheat is \$1.34 and the addition of increased labour costs would raise this to about \$1.40, but it seems that the President in his "directive" ordered that conservation and parity payments be deducted in calculating the parity. It is here that most of the confusion appears to have arisen as these payments, amounting to almost 23 1/2 cents per bushel, would reduce the ceiling to about \$1.17, which is only 3 cents per bushel above the present national loan value of \$1.14 on the farm.

In the meantime, new crop wheat continues to flow freely to the Commodity Credit Corporation and loans had been made on 197 million bushels up to October 3. Of this amount, just over 62 million bushels were stored on farms and 135 million bushels in warehouses. Loans remain at 85 per cent of the parity price.

The tightness of the storage position is reflected in the record stocks on farms at the beginning of October. These amounted to 644.5 million bushels compared with 488 millions on the same date a year ago and the ten-year average of 337.5 million bushels. The farm stocks this year include about 62 million bushels on which loans had been made by the C.C.C.

New Buying Program

A new buying program affecting wheat damaged by Black Point or sprouted, was announced by the Secretary of Agriculture, C. R. Wickard. The Commodity Credit Corporation is authorized to purchase such wheat as an aid to farmers who might find that their grain so damaged was severely discounted on the markets. For the present, all purchase will be made by the Minneapolis office of the C.C.C.

Under the program, the C.C.C. can purchase country-run wheat grading No. 3 or lower, solely because of fungus or sprout damage, but containing not more than 14.5 per cent moisture. The minimum prices to be paid for this wheat are 13 cents per bushel below the 1942 loan values, and for each one per cent damage in excess of a total of 7 per cent damage, there will be an additional 1 cent per bushel discount.

Authority is granted also for the C.C.C. to purchase wheat grading below No. 3 because of factors other than fungus or sprout damage, at relative prices depending on its condition. Under no circumstances, however, will they buy wheat grading musty, sour, weevily, or heat damaged.

It is not clear whether the re-sale of such wheat for feed purposes will be reckoned as part of the 125 million bushels which the C.C.C. is authorized by Congress to sell for feeding of live stock and poultry. The original Feed Wheat Sales Program called for the release of loan wheat, but the new acquisitions by the C.C.C. are separate and distinct although they too will be sold as feed wheat. No very recent figures have been noted on the sales of wheat for feed by the C.C.C., but the last published figures to hand showed that up to September 19, approximately 57 million bushels had been disposed of, and about half of this in the Chicago region.

New Crop Seeding

The sowing of the winter wheat crop for harvest in 1943 is well advanced except in areas where it is usual to await the disappearance of Hessian fly. In other areas of the south-west, the wetness of the ground has hindered operations, but where the grain has been sown it shows excellent growth. Volunteer wheat and fall sowings in western Kansas are furnishing excellent grazing for live stock.

Farmers have been urged by the Department of Agriculture to divert as much wheat acreage as they can to crops more needed in the war program. Among the more important alternatives named are flaxseed, dry beans and peas, cover crop seed, sugar beets, hemp, peanuts for oil, soybeans for beans, castor beans and certain feed grains.

The Department has intimated that farmers may select any of these crops which can be grown satisfactorily and substitute such crops acre for acre for wheat in earning 1943 A.A.A. payments. The list of approved crops will help wheat farmers in making plans to increase their 1943 production of these needed commodities. The 1942 bumper wheat crop, plus carry-over, has resulted in a two-year supply which taxes storage and transportation facilities.

Acreage allotment for 1943 remains the same as this year, or at the minimum of 55 million acres established by legislation, but for the 1942 harvest only 53.4 million acres were sown, partly because of unfavourable weather conditions at seeding time. There is some expectation that the area sown to wheat for harvest in 1943 will be considerably below the minimum allotment.

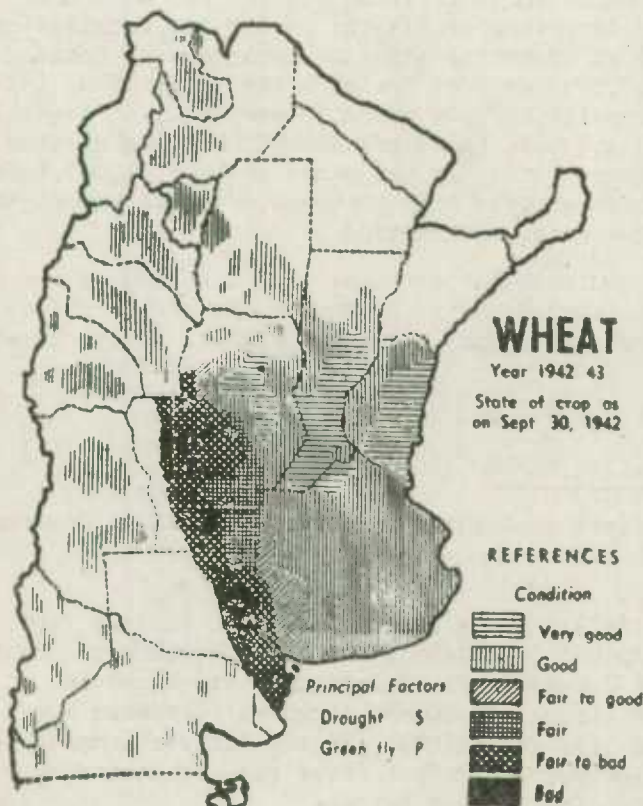
ARGENTINE LETTER

The second official estimate of wheat acreage in the Argentine shows an increase of 247,100 acres over the original estimate, according to the monthly report from the correspondent of the Dominion Bureau of Statistics in Buenos Aires, under date of October 3, 1942. A comparison with the acreage of last year and the five and ten-year averages is shown below:

	Wheat Acreage
	acres
1942-43	16,061,500
1941-42	18,038,300
5-year average	19,079,400
10-year average	18,712,600

Crop Conditions

The monthly official crop report states that weather conditions during September were unfavourable for the crops in almost the whole cereal region, and especially in the West. The crops in San Luis, the Pampa, the south-west of Buenos Aires and of Cordoba were appreciably affected by the lack of rains. Recent precipitation has been scarce and insufficient to make any noticeable improvement in the crops. Nevertheless, the general condition over the whole country may be considered from fair to good in the case of wheat.



Private reports say that the prospects for the wheat crop are very good in the provinces of Santa Fe and Entre Rios, with a total of 2,831,800 acres, while Cordoba has good prospects on about half its area of 5,633,900 acres, the remainder being far from good.

In the important province of Buenos Aires, with the biggest acreage of any province, crop prospects are as yet uncertain. Parts of the south and west do not appear promising. The crop in the Pampe is poor.

Supplies and Markets

Wheat shipments during September were a little higher, totalling 7,406,000 bushels of which 7,224,000 bushels were grain and 182,000 bushels flour in terms of grain. In the preceding month the exports only reached 5,485,000 bushels. The following is now the statistical position:

	<u>Bushels</u>
Third official estimate 1941-42 crop	224,133,000
Carry-over from 1940-41 crop	<u>119,765,000</u>
Total supplies	343,898,000
Deduction for seed and domestic needs	<u>110,229,000</u>
Surplus available for export	233,669,000
Shipments to) Wheat 60,151,000 bushels	
September 30) Wheat as Flour <u>1,817,000</u> "	<u>61,968,000</u>
Balance still available	<u>171,701,000</u>

The now chronic state of inactivity in the grain markets continued throughout September. Some interest was shown in Argentine wheat by the United Kingdom, but the interest was only translated into action to the extent of the purchase of some small parcels of Rosafe grain for October-November shipment, intended, no doubt, to bridge a short gap until the new crop wheat from Canada becomes available. The sale of 20,000 or 25,000 tons (735,000 to 919,000 bushels) to Sweden was also reported. All other sales were for South American countries, principally Brazil.

The Grain Board's prices remain unchanged. In the open market it is possible to obtain from 6.50 to 7.0 pesos per 100 kilos for 78 kilo wheat in the country stations, but not much business is being done.

The agreement with Spain referred to in previous reports has been duly completed and signed. One of its most important provisions is for the acquisition of a million tons (36,743,000 bushels) of Argentine wheat for shipment to Spain during the next 18 months. The average purchases by Spain in the years 1939, 1940 and 1941 were a little over 460,000 tons (16,902,000 bushels) per annum of Argentine wheat. On the other side of the account, Spain is to provide 30,000 tons of iron and steel for the Argentine, and is to construct for her two cargo ships of 9,000 tons each and a destroyer for the navy. Those are the main features of an agreement which covers many less important items of commercial interchange.

With a million tons (36,743,000 bushels) of wheat thus disposed of prospectively, and a smaller acreage planted with the grain for the next crop the out-turn of which is somewhat doubtful, the statistical position of wheat in the Republic is now regarded as rather better.

AUSTRALIAN CABLE

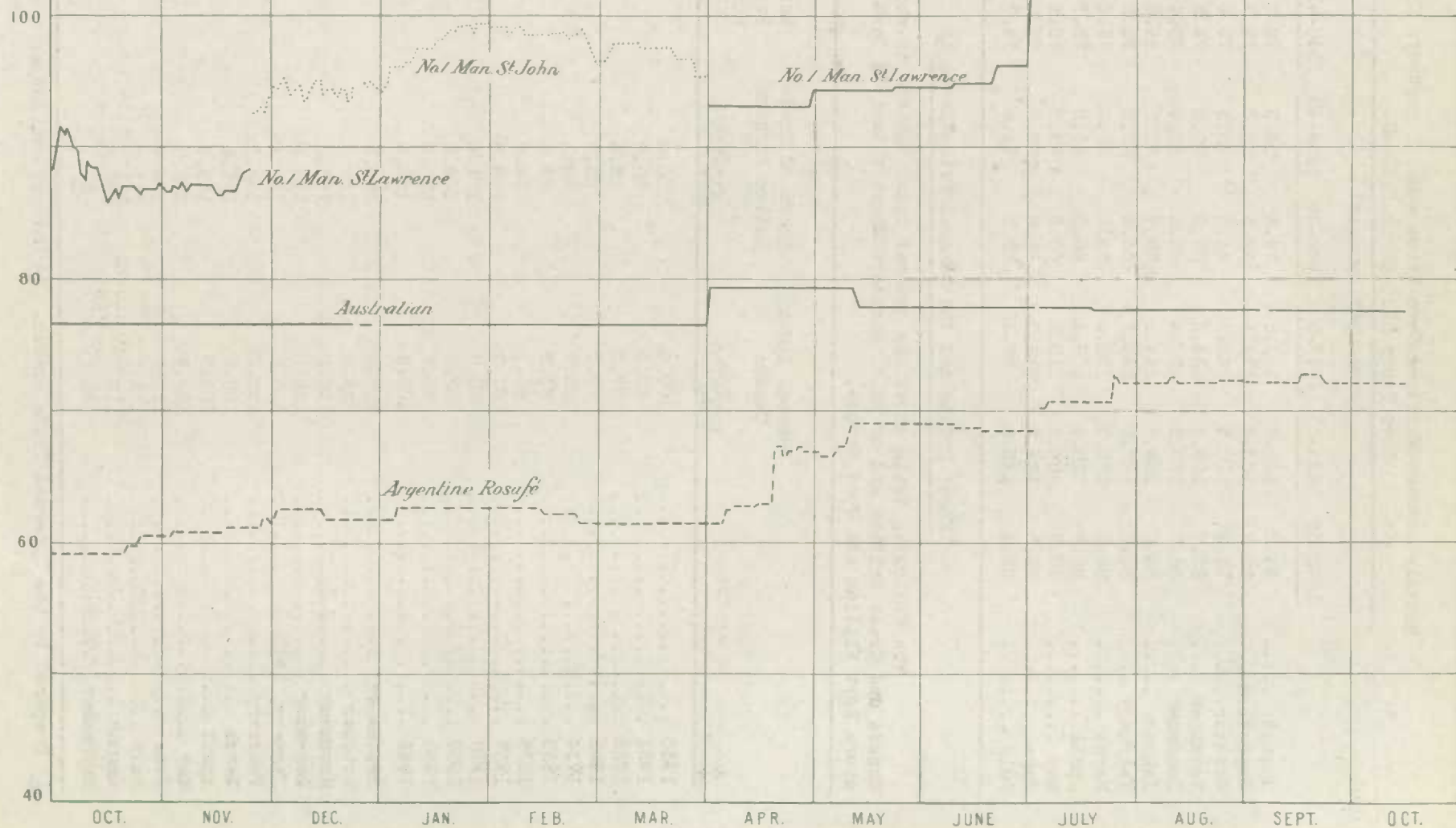
The following cable was received on October 15 from the Canadian Government Trade Commissioner in Melbourne:

"Estimated production 1942-43 wheat crop 145,000,000 bushels from 10,973,000 acres compared with 170,000,000 bushels from 12,000,000 acres last season. Reasons for decrease are compulsory restriction of one-third in western Australia and shortage of labour and superphosphate. Decrease would have been greater had season been less favourable. Fairly large shipments of flour taking place on Government account only. Price varies between \$33.04 and \$39.38 a short ton depending on destination.

CENTS
PER
BUSHEL

SHIPPERS OFFERS TO THE UNITED KINGDOM

FOB PORT OF SHIPMENT, AS REPORTED DAILY BY BROOMHALL'S LIVERPOOL OFFICE
Oct. 1941 to date
(Canadian cents per bushel)



Monthly Average Winnipeg Cash Price - No. 1 Northern Wheat,
Crop Years 1935-36 to 1942-43

	(cents per bushels)							
	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43
August	84.5	102.2	131.8	76.6	54.9	72.2	73.3	88.9
September ...	90.3	103.9	133.6	63.3	73.9	71.7	72.6	89.6
October	90.8	110.9	142.3	61.5	70.3	70.4	73.7	
November	85.7	108.4	134.6	59.0	70.5	71.8	73.2	
December	84.7	120.2	137.4	60.6	82.4	73.4	74.4	
January	84.8	124.7	149.1	59.9	82.8	74.2	77.0	
February	82.1	127.0	144.6	60.4	83.8	75.2	78.0	
March	82.1	135.7	138.4	59.5	87.0	76.2	78.0	
April	80.5	138.9	138.4	60.5	89.2	75.7	79.0	
May	76.8	130.6	115.2	65.5	79.7	75.9	79.3	
June	79.5	124.2	114.3	61.8	72.3	77.0	80.0	
July	93.4	145.6	98.4	55.3	71.4	74.7	80.8	

Wheat Prices and the General Price Level 1/

The following table shows the general index numbers of wholesale prices in Canada and Great Britain and of No. 1 Northern Wheat (Winnipeg Cash Price, basis in store Fort William and Port Arthur)

	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
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
1941	103.9	152.6	79.3
September, 1941	107.6	154.3	77.1
October	108.4	154.6	78.2
November	108.5	155.2	77.7
December	108.1	155.9	79.0
January, 1942	108.9	156.4	81.7
February	109.2	158.5	82.8
March	109.8	158.8	82.8
April	109.7	159.6	83.9
May	109.9	160.7	84.2
June	110.6	159.8	84.9
July	111.0	159.8	85.8
August	110.4	158.6	94.4
September	95.1	2/	110.9

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

THE CANADIAN SITUATION

I. GRADING OF WHEAT 1942-43

During the first two months of the crop year 1942-43, it was found possible to separate old and new wheat, and the inspection branch of the Board of Grain Commissioners reported the following grading of 1942 wheat during August and September:

<u>New Crop Wheat</u>		
	<u>Cars</u>	<u>p.c.</u>
No. 1 Northern	312	23.2
No. 2 Northern	641	47.7
No. 3 Northern	221	16.4
No. 4 Northern	8	0.6
Amber Durums	36	2.7
Alberta Winters	47	3.5
Toughs	66	4.9
All others	13	1.0
<u>T o t a l</u>	<u>1,344</u>	<u>100.0</u>

The number of cars inspected during the first two weeks of October was 2,053 but no distinction was made between old and new wheat. The average contents of these cars was approximately 1,727 bushels per car, so that the inspections during the fourteen-day period represented about 3.5 million bushels of wheat. The grading of this wheat was as follows:

<u>Old and New Crop</u>		<u>Cars</u>
No. 1 Northern		585
No. 2 Northern		933
No. 3 Northern		170
No. 4 Northern		9
Tough Springs		101
Amber Durum		154
Alberta Winters		83
All others		18
<u>T o t a l</u>		<u>2,053</u>

Lateness of the harvest, particularly in Saskatchewan and Alberta, combined with a tight storage situation all over the country, accounts for the slow movement of wheat and the relatively light inspection returns. This is to be seen in a comparison with a year ago when during August and September the total number of cars of wheat inspected in the western division was 31,883, while in the same two months this year the total was only 16,985 cars.

As a general rule, the Committee on Grain Standards meets in Winnipeg in October. It met last year on October 23, by which date sufficient quantities of the crop had come forward to enable standards to be set for 1941-42. It is expected that the meeting will be later this year because of the late harvest and the size of the crop, much of which is believed to have suffered in grade from the bad weather at harvest time, and from mid-September frosts.

A preliminary survey of the protein content of the 1942 crop was conducted with a small number of samples collected early in the season and this revealed a sharp decline in the protein content compared with a year ago. This was not unexpected in view of the kind of growing season experienced in western Canada this year, but a better picture of the situation will appear in the report to be submitted to the Western Committee on Grain Standards, when it meets.

II. PRIMARY MOVEMENT

The following table shows primary receipts of wheat in the Prairie Provinces for the 1942-43 crop year along with comparative figures for 1941-42:

<u>Week ending 8 a.m</u>	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Totals</u>	<u>Last Year</u>
bushels					
August 1-7	345	140	nil	485	894,869
14	8,677	1,906	nil	10,583	3,625,532
21	37,951	29,112	285,460	352,523	6,266,631
28	478,909	441,273	689,590	1,609,772	8,272,557
September 4	333,967	576,080	748,947	1,658,994	6,437,995
11	1,500,458	2,561,064	785,846	4,847,368	5,745,447
18	2,329,382 ^{1/}	6,935,017 ^{1/}	1,420,730 ^{1/}	10,685,129 ^{1/}	8,176,398
25	780,180	2,549,235	870,308	4,199,723	7,590,185
October 2	569,812	1,888,075	972,064	3,429,951	6,100,344
9	2,110,722	9,331,126	4,169,342	15,611,190	6,785,419
16	1,277,134	9,603,923	5,213,071	16,094,128	8,955,586
T o t a l s	9,427,537	33,916,951	15,155,358	58,499,846	68,850,963

^{1/} Revised since last issue of this Review.

III. LAKE MOVEMENT

The following table summarizes the movement of wheat down the lakes from the opening of navigation in 1942 with comparative figures for 1941.

<u>From opening of navigation to -</u>	<u>To Canadian Lower Lake Ports</u>	<u>To St. Lawrence Ports</u>	<u>To Buffalo</u>	<u>To Other United States Ports</u>	<u>TOTALS</u>
bushels					
Oct. 14, 1942	104,568,721	2,611,442	23,525,332	2,471,231	133,176,726
Oct. 14, 1941	135,995,806	5,963,360	27,319,728	3,317,446	172,596,340

CUMULATIVE RECORD OF WHEAT MARKETINGS

IN THE

PRAIRIE PROVINCES, BY WEEKS

1941-42 AND 1942-43 TO DATE

MILLIONS
OF
BUSHELS

500

400

300

200

100

0

1

10

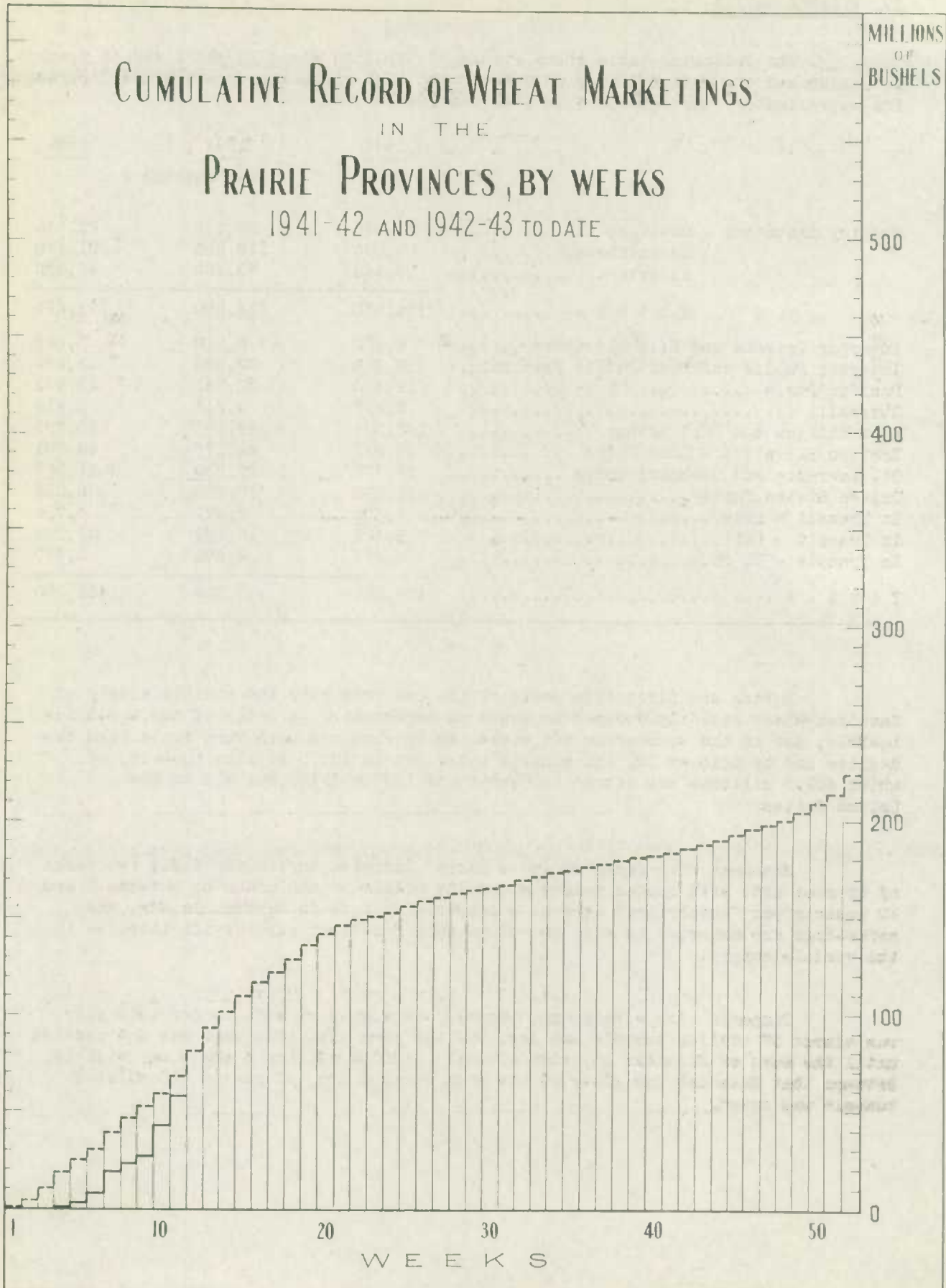
20

30

40

50

W E E K S



IV. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on October 15, 1942 along with comparative figures for approximately the same date in 1941 and 1940.

	<u>1942</u>	<u>1941</u>	<u>1940</u>
	(000 bushels)		
Country Elevators - Manitoba	21,920	28,435	22,545
Saskatchewan	89,795	119,955	101,175
Alberta	53,140	70,460	47,955
T o t a l s	164,855	218,850	171,675
Interior Private and Mill Elevators	6,603	8,010	5,623
Interior Public and Semi-Public Terminals.	19,274	17,989	17,693
Pacific Ports	19,430	20,243	16,979
Churchill	2,617	2,618	2,618
Fort William and Port Arthur	123,594	99,281	82,797
Eastern Elevators - Lake Ports	40,911	44,177	44,291
St. Lawrence and Seaboard Ports	23,326	29,220	21,567
United States Ports	15,330	20,992	36,016
In Transit - Lake	2,208	2,477	3,766
In Transit - Rail	6,485	16,597	27,185
In Transit - U. S. A.	3,878	4,672	2,570
T o t a l s	428,511	485,126	432,780

During the first five weeks of the new crop year the visible supply of Canadian wheat steadily dropped to reach on September 3, a total of 396.9 million bushels, but in the succeeding six weeks the upswing was much more rapid than the decline and by October 15, the visible had risen to 428.5 million bushels, of which 409.3 millions was stored in Canada and 19.2 million bushels in the United States.

Movement from farms showed a marked increase during the first two weeks of October and, with quotas raised about the middle of the month to between 8 and 10 bushels per "authorized" acre at a number of points in western Canada, the marketings are expected to rise in volume with resultant substantial increase in the visible supply.

Compared with a year ago, the visible supply at mid-October this year was almost 57 million bushels smaller, but the peak last crop year was not reached until the week of December 17, when a total of 507.5 million bushels was visible. Between that date and the close of the crop year, a drop of nearly 100 million bushels was noted.

MILLION
BUSHELS

600

500

400

300

200

100

0

1

10

20

30

40

50

52

WEEKS

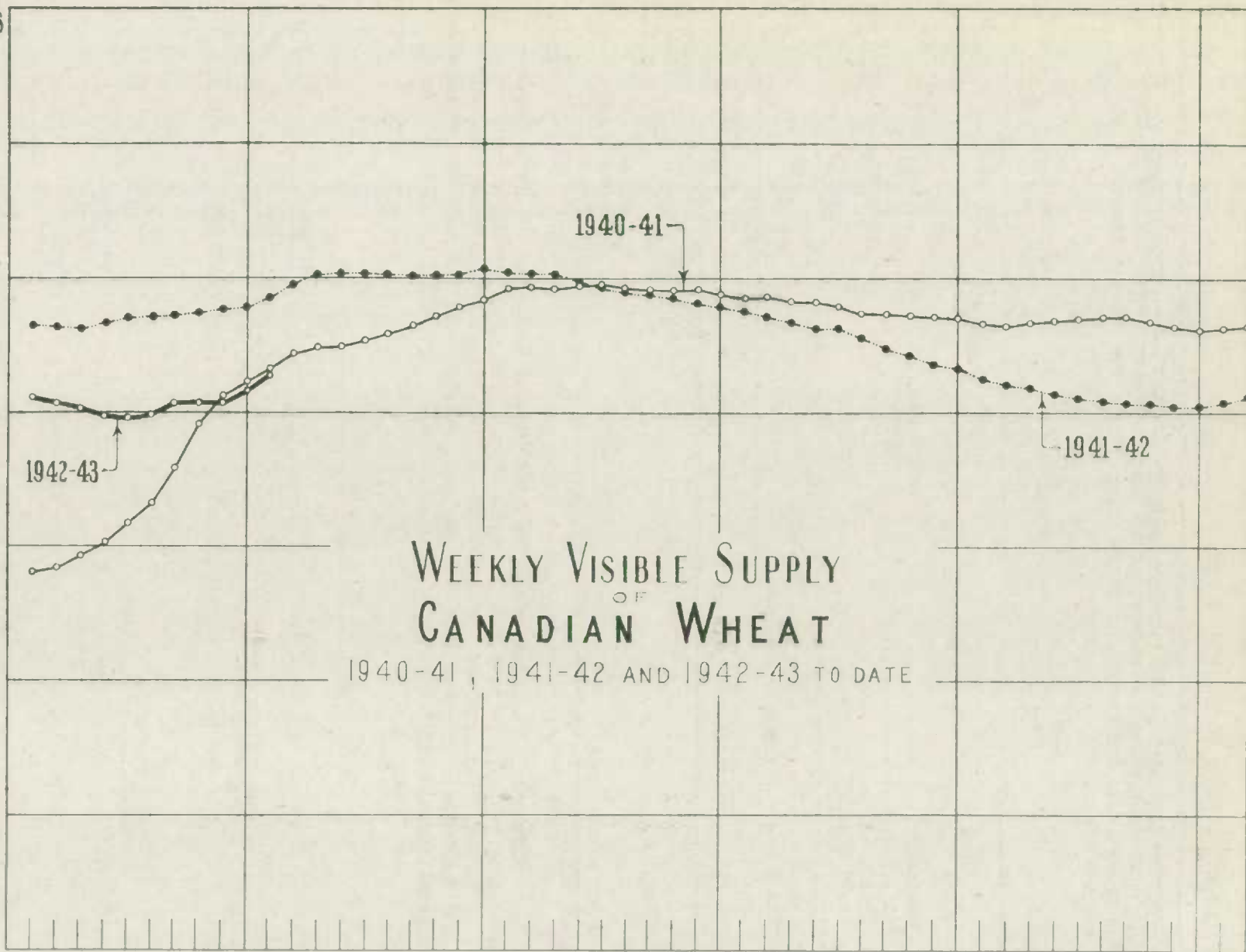
1940-41

1942-43

1941-42

WEEKLY VISIBLE SUPPLY
OF
CANADIAN WHEAT

1940-41, 1941-42 AND 1942-43 TO DATE



V. MOVEMENT OF WHEAT TO MARITIME PORTS

The following figures represent the movement of wheat by RAIL from ports on the Great Lakes and the St. Lawrence River during the current season, with comparative figures for last year.

Origin	August 1 to October 15, 1942	August 1 to October 16, 1941
	bushels	
Port McNicoll	3,386,757	2,101,123
Midland	2,652,395	4,988,153
Collingwood	541,882	678,956
Owen Sound	871,756	1,038,657
Goderich	676,249	2,305,705
Sarnia	359,227	-
Montreal	4,646	-
T o t a l s	8,492,912	11,112,594

VI. MOVEMENT OF WHEAT TO U.S.A.

Shipments of Canadian wheat to United States ports via the Great Lakes show a moderate decrease this year compared with a year ago, but the movement by rail is larger. The combined figure for the period August 1 to October 15, was 5.4 million bushels compared with lake and rail shipments in the same period last year totalling 8.5 million bushels.

	August 1 to October 15, 1942	
		bushels
<u>Lake Shipments</u>		
To Buffalo		4,398,852
<u>Rail Shipments</u>		
To All Points		975,876
T o t a l		5,374,728

The grades of wheat shipped to the United States were largely the top Northern grades of spring wheat. No. 2 Northern accounted for 3.1 million bushels while Nos. 1 and 3 Northern shipped in almost equal amounts accounted for another 1.7 million bushels. The balance included some durums and lower grades of spring wheat.

VII. RAIL MOVEMENT FROM FORT WILLIAM-PORT ARTHUR

Wheat shipments by rail from the head of the lakes increased sharply during September to reach a total of 600,921 bushels, making a grand total of 991,185 bushels for the two months of August and September. The grades and provincial distribution are shown below.

SEPTEMBER 1942

Grade.	Ontario	Quebec	Nova Scotia	New Brunswick	Prince Edward Island
				bushels	
1 Northern	-	1,333	-	-	-
3 Northern	5,167	12,333	-	-	1,333
4 Northern	14,000	18,994	2,000	5,334	1,333
Tough 3 Northern	45,834	251,275	-	16,000	2,667
Tough 4 Northern	2,167	9,092	-	-	-
Tf. Rej. 2 Nor. Mxd. Htd.	2,000	-	-	-	-
Tf. Rej. 4 Nor. Mxd. Htd.	-	3,035	-	-	-
Tf. Rej. 3 Nor. Sptd.	-	1,333	-	-	-
Tf. Rej. 2 Nor. Rej. Htd. & Musty ...	-	1,396	-	-	-
Tf. Rej. 3 Nor. Mxd. Htd. Rej. Sptd.	-	1,333	-	-	-
Tf. Rej. 5 Mxd. Htd. & Musty	-	1,365	-	-	-
Rej. 1 Nor.	-	1,617	-	-	-
Rej. 3 Nor.	-	4,167	-	-	-
Rej. 1 Nor. Mxd. Gravel	-	1,498	-	-	-
Rej. 1 Nor. Mxd. Fireburnt	32,185	9,950	-	-	-
Rej. 5 Rej. Mxd. Htd.	-	4,000	-	-	-
No. 5	-	1,500	-	-	-
Tough No. 5	-	2,674	-	-	-
Rej. No. 5	-	2,667	-	-	-
Smutty 2 Nor.	-	9,672	-	-	-
Smutty 3 Nor.	-	2,407	-	-	-
Tough Smutty 1 Nor.	1,349	260	-	-	-
2 C.W. Garnet	-	5,333	-	-	-
3 C.W. Garnet	2,667	31,328	-	-	-
Tough 3 C.W. Garnet	-	8,105	-	-	-
1 C.W. A. Durum	8,019	-	-	-	-
2 C.W. A. Durum	7,100	1,333	-	-	-
3 C.W. A. Durum	31,842	-	-	-	-
4 C.W. A. Durum	193	8,579	-	-	-
Tough 3 C.W. A. Durum	3,697	2,000	-	-	-
Tough Rej. 3 C.W. A. Durum	2,000	-	-	-	-
Tough Rej. 3 C.W. A.D. Sptd.	-	584	-	-	-
Rej. 3 C.W. A.D. Sptd.	3,955	-	-	-	-
Rej. 3 C.W. A.D. Sptl. Mxd. Htd.	-	1,333	-	-	-
Rej. 6 C.W. A.D. Mxd. Rej. Sptd.	-	1,600	-	-	-
Smutty 3 C.W. A. Durum	-	819	-	-	-
Damp Rej. Mxd. Htd. 3 C.W. A. Durum .	374	-	-	-	-
Sample Sour Sptd. Htd.	-	1,477	-	-	-
1 A.R.W.	2,000	-	-	-	-
Rej. A.W. Sptd.	-	1,498	-	-	-
3 C.W. Mxd.	833	-	-	-	-
Tf. Sample Htd.	-	1,583	-	-	-
T o t a l	164,781	407,473	2,000	21,334	5,333
GRAND TOTAL	-	600,921			

GRAIN STORAGE CAPACITY IN CANADA

Figures covering grain storage capacity in Canada, revised up to July 31, 1942, are tabulated below by provinces and type of license. Present indications point to an increase in "special annexes" in western Canada, but the complete record of new storage will not be published until December 1.

Licensed Capacity

Province	Kind of Licence	Elevators Proper and Permanent Annexes	Temporary Annexes	Special Annexes	Total Capacity
<u>Western Division</u>					
Manitoba	Public Country	24,163,200	16,622,000	3,180,000	43,965,200
	Private Country	70,000	-	-	70,000
	Mill	1,775,000	-	-	1,775,000
	Private Terminal	2,465,000	-	-	2,465,000
	Semi-Public "	3,500,000	-	-	3,500,000
		31,973,200	16,622,000	3,180,000	51,775,200
Saskatchewan	Public Country	102,490,200	55,300,600	1,996,491	159,787,291
	Private Country	25,000	-	-	25,000
	Mill	4,393,500	13,000	-	4,406,500
	Public Terminal	11,000,000	-	-	11,000,000
		117,908,700	55,313,600	1,996,491	175,218,791
Alberta	Public Country	67,751,550	30,960,950	1,442,713	100,155,213
	Private Country	205,000	-	-	205,000
	Mill	3,126,000	10,000	-	3,136,000
	Private Terminal	1,245,000	-	-	1,245,000
	Semi-Public "	50,000	-	-	50,000
	Public Terminal	6,100,000	-	-	6,100,000
		78,477,550	30,970,950	1,442,713	110,891,213
British Columbia	Public Country	699,000	329,000	-	1,028,000
	Mill	893,110	-	-	893,110
	Semi-Pub. Term.	20,674,500	-	-	20,674,500
	Public Terminal	1,250,000	-	-	1,250,000
		23,516,610	329,000	-	23,845,610
Ontario	Public Country	25,000	-	-	25,000
	Mill	1,480,000	-	-	1,480,000
	Private Terminal	485,000	-	-	485,000
	Semi-Public "	92,567,210	53,263,000	-	145,830,210
		94,557,210	53,263,000	-	147,820,210
Total	Western Division	346,433,270	156,498,550	6,619,204	509,551,024
<u>Eastern Division</u>					
Ontario	Eastern	53,825,000	3,072,000	-	56,897,000
Quebec	Eastern	24,912,000	3,000,000	-	27,912,000
New Brunswick	Eastern	3,076,800	-	-	3,076,800
Nova Scotia	Eastern	2,200,000	-	-	2,200,000
Total	Eastern Division	84,013,800	6,072,000	-	90,085,800
GRAND TOTALS		430,447,070	162,570,550	6,619,204	599,636,824

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