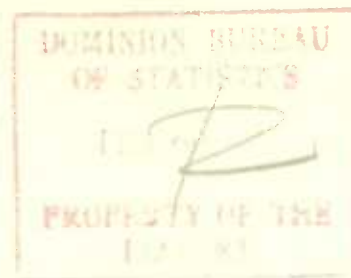


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CANADA

DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH



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MONTHLY REVIEW OF THE WHEAT SITUATION

FEBRUARY 26, 1943

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AGRICULTURAL BRANCH

(Issued February 1943)

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THE WORLD WHEAT SITUATION - SUMMARY

Recovery by the Red Army of the rich wheat lands of North Caucasus and eastern Ukraine is a highlight of developments in the world wheat situation the past month. If these gains can be held through the summer of 1943 the results may be threefold. Firstly, the Nazis will be robbed of the harvest on which they have doubtless counted and which they so badly need; secondly, the Soviet Union will be closer to a state of self-sufficiency in wheat supplies; and thirdly, some of the shipping space that might have been used to carry wheat and flour to Russia will be available for the transport of other materials of war.

The areas which the Nazis are so hurriedly vacating are devoted largely to the production of the winter variety of wheat which is seeded in the fall and lies dormant under the snow until the following spring. On the assumption that wheat was sown last fall the Russians will get the 1943 harvest and will have an opportunity to sow spring wheat on acreage not planted in the fall or damaged by the movement of war machines. In earlier years the North Caucasus grew a considerable volume of spring wheat, and it was from this section that the famous Kubanka variety of durum wheat, well known in North America, came.

Latest war maps indicate that the Red Army has recaptured all territory lost in North Caucasus, an area estimated to be roughly the equal of the States of Iowa and Kansas combined, with a wheat acreage comparable to the wheat area of Kansas or last year's wheat acreage in Saskatchewan. Next to the Ukraine, the North Caucasus region was, before the war, the most important winter wheat section of the Soviet Union and in 1938 accounted for 24 per cent of the total winter wheat acreage in the U.S.S.R. As we have pointed out, however, it is equally capable of producing spring wheat although the winter varieties give a higher yield per acre.

But the Red Army's advance does not stop at the borders of North Caucasus. It is now swinging through the Ukraine toward the Dnieper river and into territory which also produces a large volume of wheat. Here again winter wheat is the chief type produced with about half the wheat acreage of the Ukraine lying east of the Dnieper. In this region, as in North Caucasus, surplus wheat is produced for export or for shipment to the deficiency areas of the U.S.S.R. These areas have the advantage also of an early harvest and the gathering of small grains in North Caucasus is usually well advanced by the end of July.

Efforts have been made since the war with Germany began to extend the wheat area eastward to make up for the loss of the Ukraine and North Caucasus, but the harsh climate of eastern Russia is not as suitable for the production of high-yielding winter wheat varieties, and spring wheat acreage predominates as the Volga is reached. It should be noted, however, that spring wheat before the war occupied about two-thirds of the wheat acreage in Russia, just about the reverse of the position in the United States where the distribution of spring and winter wheat is approximately two-thirds winter and one-third spring.

This is the picture as it now presents itself in Russia, but looking at the European situation as a whole, the harvest in 1943 means much to the Nazis and to countries under their domination. Supplies at present are very short in most continental countries and even if the weather is kind to the crops this year there is still the question of labour, a question that must be bothering the Nazis a good deal as their manpower problem grows more acute through casualties on the Russian front and contemplation of a strike by the United Nations on a new front this year.

On the North American side of the Atlantic the situation has not changed materially in recent weeks, except perhaps that there is evidence now of a greater domestic utilization of wheat in the United States which promises to reduce the prospective carry-over for July 1, 1943 from 800 to 700 million bushels. The Canadian statistical position at the moment points to a substantial carry-over on July 31, 1943, but if the objectives set for coarse grains and grass crops are carried out this spring, wheat acreage will be reduced by about 3,000,000 acres.

The Dominion Government's grain policy for 1943-44 was announced in the House of Commons on January 29, 1943 by the Minister of Trade and Commerce and details will be found elsewhere in this Review but, briefly stated, it leaves the initial price of wheat at 90 cents per bushel for No. 1 Northern, basis in store Fort William-Port Arthur or Vancouver, the same as in the current year. It provides for delivery of 14 bushels of wheat per "authorized" acre or approximately 280 million bushels which is the same as in the current year, but it differs in the fact that growers may deliver in 1943-44 wheat that was produced in 1943 or in any previous year.

Latest crop estimates from Argentina and Australia where the new harvest has just been completed show a combined wheat crop of 390 million bushels, which is almost exactly what these two countries produced a year earlier. Argentina's latest crop is placed at 235 millions and Australia's at 155 million bushels, while a year ago they harvested 224 and 167 million bushels respectively. Both countries have an accumulation of old wheat but Australia may get an enlargement of her market if exports to India develop. This will depend a good deal on the new harvest in India, which is shaping up much better now, and on the general shipping situation.

Argentina is disposing of most of her export shipments in two markets, Brazil and Spain. She has done very little business with the United Kingdom during the past several months, and her wheat surplus indicated by statistics compiled to the end of January is approximately 290 million bushels. It is just possible, however, that a very poor corn crop this year will divert demand to wheat for feeding and in this way bring about greater domestic disappearance of wheat. Usually the domestic requirements of Argentina are estimated at just over 100 million bushels.

The recent decree authorizing the Argentine Grain Board to buy 1943 wheat from farmers is quoted by Broomhall as follows:

"For the purpose of complying with decree No. 31,864.....sellers whose products are purchased by the Board will be obliged to reduce their sowings 10 per cent the following year compared to the present....."

This provision brings Argentina into line with Canada, the United States and Australia where steps have been taken toward reduction of wheat acreage for the next crop.

Reference was made earlier to the wheat crop in India. It will be recalled that a serious shortage of bread grains developed some weeks ago in the larger centres and prospects were further darkened by an unfavourable outlook for the new wheat crop which is now approaching harvest. Weather conditions have since improved and the prospects for wheat as well as rice and millet are now brighter, while arrangements are reported to have been made for the shipment of Australian wheat to India. Trade estimates place the probable Australian shipments at 25 million bushels.

Canada's Wheat Policy 1943-44

Outlining Canada's grain policy for 1943-44 to the House of Commons on January 29, 1943, the Hon. J. A. MacKinnon, Minister of Trade and Commerce announced the following programme for wheat.

- (1) The fixed initial price of wheat under the Canadian Wheat Board Act will remain at 90 cents a bushel for No. 1 northern wheat basis in store Fort William-Port Arthur or Vancouver.
- (2) Marketings of wheat in western Canada in 1943-44 will be restricted to 14 bushels per authorized acre. The limitation of marketings to 14 bushels per authorized acre, instead of using a total marketable quantity, will greatly simplify administration and each producer will know exactly how much wheat he can market.
- (3) The most important change in policy is in connection with wheat deliverable in 1943-44. Under the present regulations only wheat grown in 1942 may be delivered against the 1942-43 quota of 280 million bushels. Under the new programme any wheat which the farmer has on hand produced in 1943 or in any previous year will be deliverable within the quotas fixed for the crop year 1943-44. The government feels that this feature of its 1943-44 policy will result in a further reduction in wheat acreage and will enable producers to devote more of their land to the production of other crops which are required. Most producers in the west will have wheat on their farms at the end of the crop year, and consequently will be able to further reduce their wheat acreage in 1943 and still fill their 1943-44 delivery quotas. The general farm production programme contemplates a reduction of at least 3,000,000 acres in the area sown to wheat in 1943 as compared with 1942.

The Canadian Wheat Board interprets item 2 above as follows:

"By 'authorized acreage' is meant the wheat acreage for delivery purposes recorded in the 1942-43 permit book and shown on the inside cover page under the heading 'Wheat acreage on which deliveries may be made in 1942-43.' The authorized acreage of each farm in 1943-44 will, therefore, be the same as in 1942-43. It is important to note that deliveries in 1943-44 will be based upon this authorized acreage and not upon the acreage seeded to wheat in 1943.

"The total amount of wheat deliverable in 1943-44 from each farm may be determined now by taking the authorized acreage as shown on the inside cover page of the 1942-43 permit book under the heading 'Wheat acreage on which deliveries may be made in 1942-43', and multiplying this authorized acreage by 14, which is the number of bushels per authorized acre which can be delivered in 1943-44.

"It is important to bear in mind the following points:

- (1) The authorized acreage for each farm will be the same in 1943-44 as in 1942-43;
- (2) For each farm the authorized acreage will determine deliveries in 1943-44, and not the acreage seeded to wheat in 1943. A producer, therefore, may seed no wheat in 1943 and still retain his full delivery quota upon which old wheat may be delivered;
- (3) All producers who seeded no wheat in 1942 and consequently hold 'nil' permits in 1942-43, will have their authorized acreage shown in 1943-44 permit books. In other words, the fact that producers seeded no wheat in 1942 will not affect their position in 1943-44.

"The total authorized acreage for wheat delivery purposes in the West amounts to about 20 million acres. Therefore, if all farms are covered by 1943-44 permit books, and if all farms market 14 bushels per authorized acre, total marketings in the West will be about 280 million bushels. In the present crop year, 1942-43, marketings are restricted to 280 million bushels."

PRICES

Firmer prices for low-grade wheat featured the cash wheat market at Winnipeg during the past month. The grades chiefly affected were Nos. 5 and 6 and Feed wheat. These grades were quoted on February 1, at 15 cents, 17 3/4 cents and 19 1/4 cents respectively, under the May wheat future, but on February 20, the discounts had narrowed to 11 1/4 cents, 12 cents and 13 cents respectively, to show gains of 3 3/4 to 6 1/4 cents per bushel. Thus, the price of Feed wheat on February 20, was 78 7/8 cents per bushel compared with 90 1/2 cents quoted for No. 1 Northern, both basis in store Fort William-Port Arthur.

Futures prices as reflected by the May option eased about one-half cent per bushel in the same period to finish on February 20 at 91 7/8 cents per bushel, basis in store Fort William-Port Arthur.

Weekly Average of Daily Closing Cash Prices at Winnipeg

(basis in store Fort William-Port Arthur)

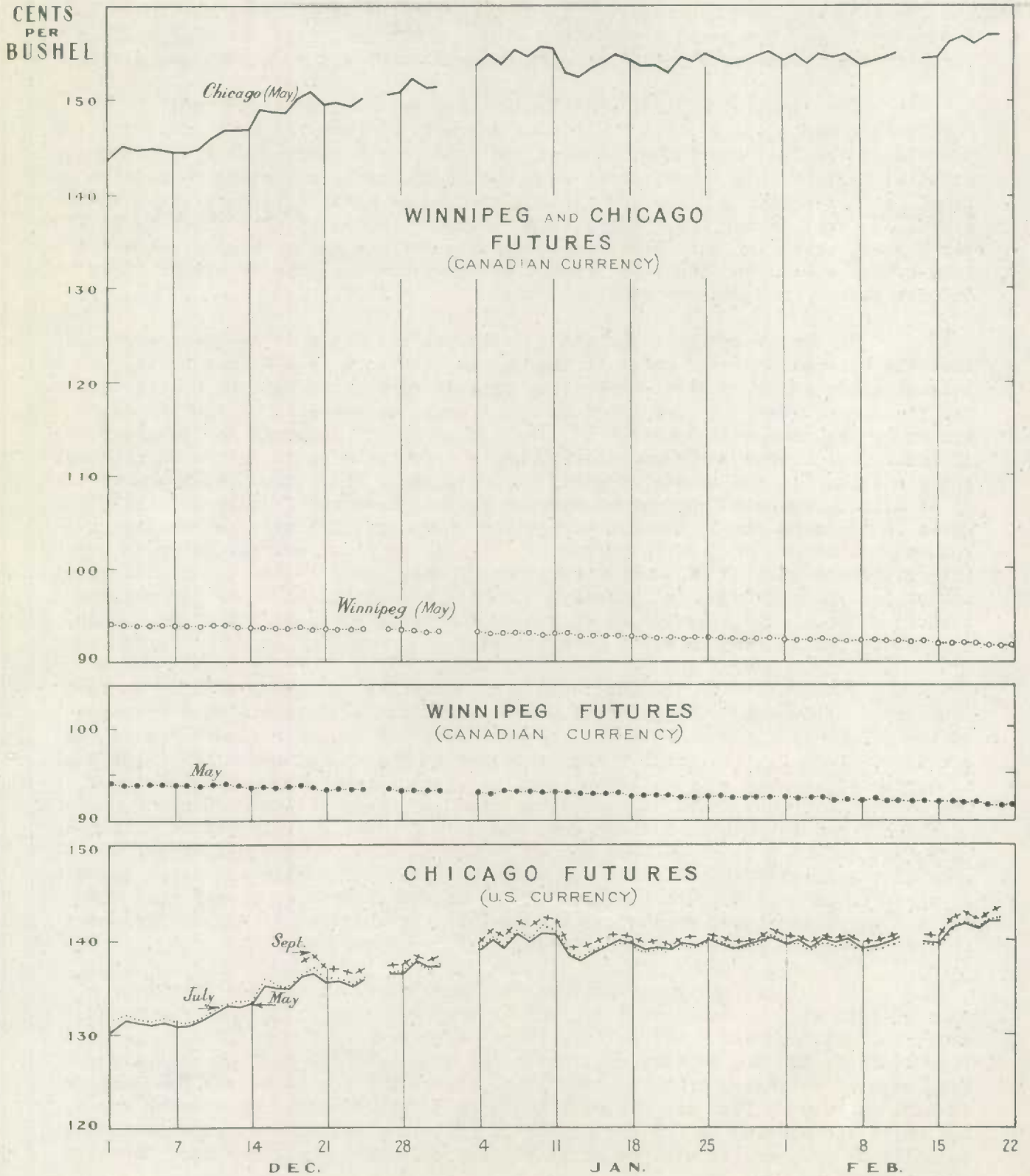
<u>Grade</u>	<u>Jan. 28</u>	<u>Feb. 4</u>	<u>Feb. 11</u>	<u>Feb. 18</u>
	(cents and eighths per bushel)			
No. 1 Northern	90/3	90/3	90/4	90/4
No. 2 Northern	87	87	87	87
No. 3 Northern	83/5	83/5	83/5	84/1
No. 4 Northern	80/2	80/2	80/2	81
No. 5 Wheat	77	77/3	77/3	78/1
No. 6 Wheat	74/5	74/5	74/5	76/6
Feed Wheat	73/1	73/1	73/1	75/4
Tough 1 Northern	88/5	88/5	88/6	88/6
Tough 2 Northern	85/2	85/2	85/2	85/2
Tough 3 Northern	81/5	81/5	81/7	82/5
No. 1 C.W. Garnet	86/5	86/3	86/2	86/2
No. 2 C.W. Garnet	85/5	85/3	85/2	85/2
No. 3 C.W. Garnet	84/1	83/7	83/6	83/6
No. 1 A. Red Winter	91/1	90/7	90/6	90/6
No. 2 Red Winter	91/1	90/7	90/6	90/6
No. 3 Red Winter	89/1	88/7	88/6	88/6
No. 1 C.W. Durum	100/5	100/3	100/6	102/6
No. 2 C.W. Durum	100/5	100/3	100/6	102/6
No. 3 C.W. Durum	98/5	98/3	98/6	100/6

Chicago Prices

Wheat prices at Chicago have displayed steadiness during February, reflecting a better milling demand and the hopeful outlook for heavy domestic disappearance of wheat in the United States during the present crop year. The May future has hovered around \$1.40 per bushel in United States funds, with Cash wheat selling at good premiums over the future.

The visible supply of wheat in the United States has been declining quite rapidly and the quantity in store and afloat at domestic markets on February 16, was 223.4 million bushels compared with 256.5 million bushels a year earlier. A large part of the 1942 crop under loan to the C.C.C. is stored on farms.

DAILY CLOSING WHEAT FUTURES QUOTATIONS IN LEADING MARKETS



UNITED STATES

While it is still too early to determine the full effect of wintry weather there is some evidence of injury to the winter wheat crop in certain areas of the south-west. Eastern portions of the belt report alternate thawing and freezing and this has resulted in heaving and the exposure of the roots to severe weather. The acreage seeded to winter wheat last fall was 37.5 million acres or a decrease of about 2 per cent compared with the area planted in 1941.

The quantity of 1942 wheat under loan to the Commodity Credit Corporation was 404.4 million bushels on February 6, compared with 355.5 million bushels of the 1941 crop under loan at the same date a year ago. A very substantial part of this loaned wheat from the 1942 crop is stored on farms, the total in this position being 182 million bushels as against 117 million bushels stored on farms a year ago. The average amount advanced on this wheat is \$1.13 per bushel, which includes some transportation charges and storage advances on farm-stored wheat, and the total amount of money now advanced by way of loans on last year's crop exceeds \$457,000,000.

In recent summaries of the statistical situation it has been suggested that the disappearance of wheat in the United States in 1942-43 may be the largest since about 1920, at which time exports were being made on a large scale. The feeding of wheat to live stock and poultry is expected to be the biggest factor in the increased domestic utilization of wheat, although the manufacture of industrial alcohol from granular flour is expected also to make a substantial contribution. In the matter of wheat sold for feed, the C.C.C. reports a total of 85 million bushels disposed of between July 1, 1942 and January 30, 1943, while in the same period farmers themselves redeemed 1 1/2 million bushels of loaned wheat also for feeding purposes. It will be recalled that Congress authorized the sale of 125 million bushels of wheat held by the C.C.C. and this amount is expected to be fully realized, while an additional 80 to 100 million bushels of wheat are expected to be fed on the farms where it was grown. Such a quantity fed to animals would be a record.

With regard to the manufacture of industrial alcohol, returns up to February 6, show that a total of about 5 1/2 million bushels had been released by the C.C.C. to flour millers for the production of granular flour used in the making of alcohol. It is fully expected that by the end of March the sales will have reached a total of 11 million bushels. Figures recently published in United States trade papers indicate that granular flour yields 5.45 proof gallons of alcohol per 56 pounds of flour compared with 5 proof gallons per 56 pounds of corn, and only 4.6 proof gallons per 56 pounds of wheat. It would appear that many of the distillers are favouring granular flour and, while the total quantity of wheat to be used for alcohol manufacture in the current crop year will not reach figures indicated earlier in the season, the quantity likely to disappear in this direction before the end of June will be appreciable.

It is now fairly evident that the carry-over at the end of the crop year 1942-43 will be substantially smaller than appeared probable a few months ago. Indications last November were for a carry-over of 800 million bushels on July 1, 1943, but the greater utilization of wheat at home and moderate exports have reduced estimates of carry-over by about 100 million bushels. The surplus on hand on July 1, 1942 was 632 million bushels, which was a record carry-over, and while the surplus at the end of the current crop year is now expected to be 68 millions greater, it will be substantially less than the carry-over forecast of a few months ago.

ARGENTINE LETTER

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of February 3, 1943.

Wheat production has been reduced 7.3 million bushels in the second official estimate and the crop is now placed at 235.2 million bushels compared with 224 million harvested a year ago. Cutting operations may be considered completed and threshing is now proceeding. The yields obtained are good in quantity and quality, except in the south-west part of the provinces of Cordoba and Buenos Aires, and in the Pampa territory, where the prolonged lack of rains and the green fly caused the loss of considerable areas and also affected yields.

Supplies and Markets

Publication of the official export figures of the National Statistical Office reveals that the shipments of wheat in 1942 given in the report of a month ago were below the actual figures, and the carry-over into this new crop year was therefore overstated. In the following tabulation the figures have been revised, and the second official crop estimate has been incorporated, thus giving a correct picture of the current statistical position:

Exportable surplus for the year 1942	242,854,000 bushels	
Shipments during 1942 (revised)		
Wheat	79,875,000 bushels	
Wheat as flour	3,104,000 "	82,979,000 "
Carry-over into 1943	159,875,000	"
Second official estimate 1942-43	235,156,000	"
Total Stocks as at January 1, 1943	395,031,000	"
Deduct for seed and domestic consumption	101,044,000	"
Surplus available for export	293,987,000	"
Shipments in January:		
Wheat	4,324,000 bushels	
Wheat as flour	89,000 "	4,413,000 "
Balance still available	289,574,000	"

The official Grain Board is actively engaged in purchasing the new wheat, especially in the northern areas, on the basis of the minimum price of 6.75 pesos per 100 kilos, equivalent to 54 3/4 cents United States per bushel (60 3/4 Canadian cents).

The selling price of the Board is 7.60 for the new grain in bulk, with an addition of 1.50 if shipment in bags is required. No sales are reported.

Wheat trading during the month of January was practically confined to a few transactions with buyers for Brazil, and almost all recent shipments have been to Brazilian ports. Great Britain is not in the market, and for some little time has not bought any Argentine wheat.

AUSTRALIAN CABLE

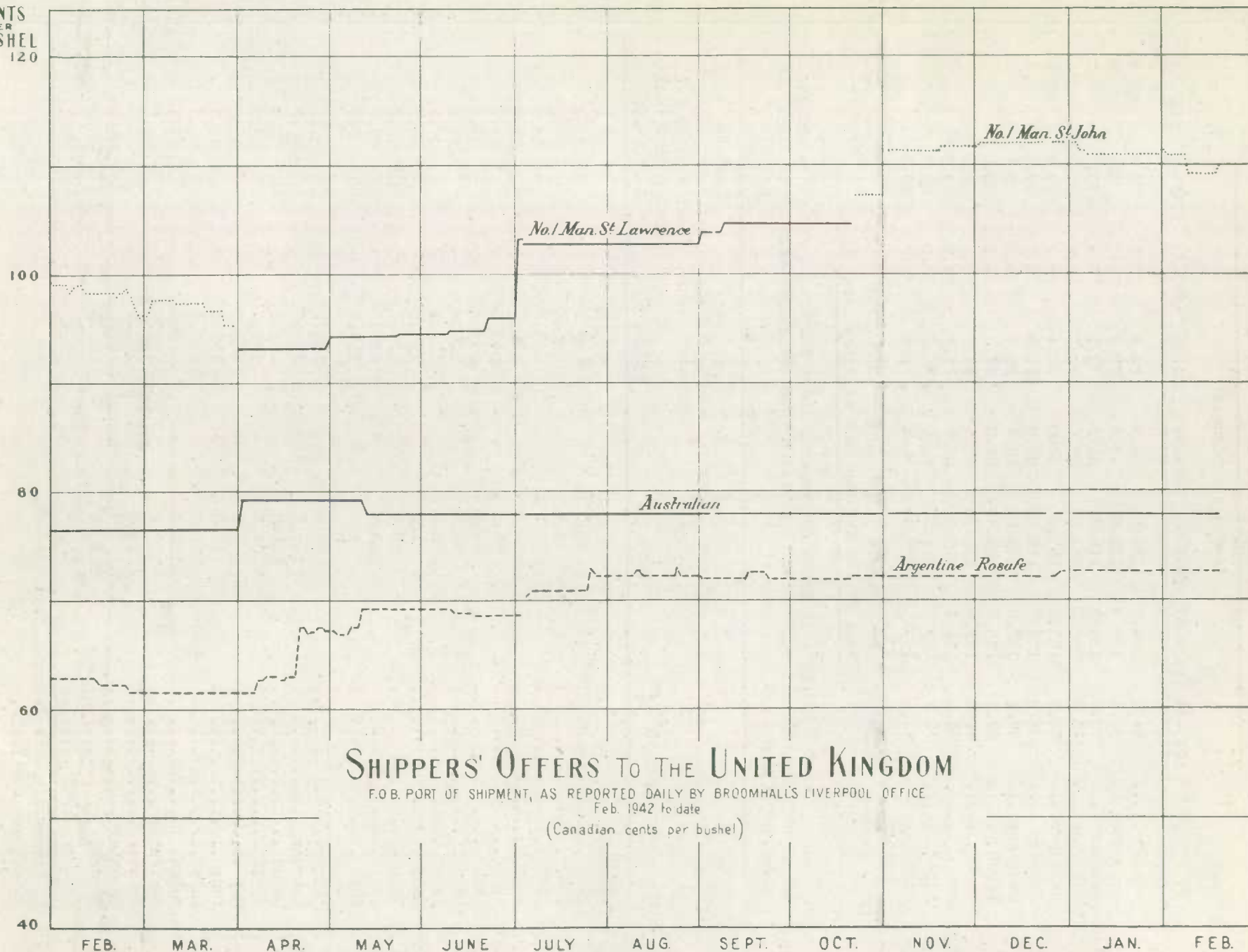
Australian wheat production 1942-43 is now estimated at 165,000,000 bushels. No change in official wheat quotations. Shipments of flour to Ceylon in fair volume on the basis of \$39.38 and some shipments to United Kingdom and Middle East on the basis of \$34.52 per short ton f.o.b.

CALENDAR OF WHEAT EVENTS

1943

- Feb. 1 Wheat harvest completed in Argentina and results satisfactory according to an official report.
- 2 Trade reports indicate that Australian wheat will be moved to India by British Government to tide over the present shortage.
- 3 Favourable winter wheat conditions are reported from many sections of Europe.
- 5 Rains in India have benefitted the growing wheat crop.
- 6 Finland reports a very serious shortage of bread grains as well as potatoes.
- 8 Denmark's wheat crop in 1942 is reported to have totalled less than one million bushels compared with seven millions in 1941.
- 9 Winter wheat conditions in the United Kingdom are reported to be very favourable.
- 10 Wheat acreage in Denmark is being reduced in favour of coarse grain production.
- 13 The Red Army is recovering large areas of valuable Russian crop land which the Nazis planted for the 1943 harvest.
- 15 India may harvest an average wheat crop in 1943 after a poor start but domestic needs will be greater because of inability to import rice.
- 16 Mild weather in many sections of the European continent is bringing winter crops along but a sudden drop in temperature might result in damage.
- 17 Less favourable crop news has been received from the Balkan countries in Europe recently.
- 18 Surface soil is becoming dry in some sections of the winter wheat area of Kansas.
- 19 India's new wheat crop continues to progress favourably and a good harvest is now anticipated.
- 20 Argentine exports of wheat are confined almost exclusively to Brazil and Spain.
- 21 Sale of wheat for feed by the C.C.C. in the United States was halted until further notice in an order issued to its regional offices yesterday.
- 22 Washington reports that existing loans on 1942 wheat as of February 13, covered 385 million bushels. Heavy sales have recently been made under the feed wheat program and total liquidation of 1942 loans exceeded 19 million bushels at this date.
- 23 The small corn crop produced in Argentina in 1942-43 may give some relief to the congested wheat situation there.

CENTS
PER
BUSHEL
120



SHIPPERS' OFFERS TO THE UNITED KINGDOM

F.O.B. PORT OF SHIPMENT, AS REPORTED DAILY BY BROOMHALL'S LIVERPOOL OFFICE

Feb. 1942 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	90.0
November ...	85.7	108.4	134.6	59.0	70.5	71.8	73.2	90.5
December ...	84.7	120.2	137.4	60.6	82.4	73.4	74.4	90.4
January	84.8	124.7	149.1	59.9	82.8	74.2	77.0	90.4
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	72.3	
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
1942	2/	159.6	2/
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	160.2	85.8
August	110.4	159.0	94.4
September	110.9	159.1	95.1
October	111.8	160.1	95.5
November	112.1	161.0	96.1
December	112.2	161.5	96.0
January, 1943	111.9	2/	96.0

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

^{2/} Not yet available.

THE CANADIAN SITUATION

I. ACREAGE OBJECTIVES 1943

Consideration of acreage objectives for grain and forage crops in 1943 began with the premise that maintenance of the total cultivated area at the 1942 level was desirable. This meant that acreage taken out of one crop would be utilized for the production of some other more essential crop. Hence, while the statistical position of wheat strongly supported acreage reduction in 1943, the whole question of wheat acreage was set aside pending examination of supplies and requirements of other crops occupying an important place in the wartime economy. Thus the wheat acreage objective of 18.6 million acres for 1943, which is 3,000,000 acres below the 1942 level, is a residual figure emerging from an analysis of the supplies and requirements of other crops and bears no relationship to actual wheat requirements. If wheat acreage had been considered from the standpoint of wheat production required in 1943, the objective for this year would be at an extremely low figure.

Present supplies of wheat are greatly in excess of current or prospective demand in the 1942-43 season. A carry-over of 673 million bushels is in prospect for July 31, 1943, and this is 249 million bushels more than the amount on hand at the beginning of this season on August 1, 1942. A yield of 17 bushels per acre, which is slightly better than the long-time average yield per acre, secured on the proposed acreage for 1943 would produce a wheat crop of 318 million bushels which, added to the prospective carry-over, would mean almost one billion bushels of wheat available for the crop year 1943-44.

With most of the wheat acreage located in the Prairie Provinces it necessarily follows that the shift from wheat to other more essential crops chiefly affects western Canada and the changes necessary to meet the 1943 objectives are as follows by provinces:

	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Total</u>
	(acres)			
<u>Increases</u>				
Oats	200,000	848,000	550,000	1,598,000
Barley	200,000	400,000	200,000	800,000
Hay and clover ..	no change	23,000	93,000	116,000
Alfalfa	50,000	80,000	50,000	180,000
Mixed Grain	10,800	5,000	7,000	22,800
<u>T o t a l s</u>	<u>460,800</u>	<u>1,356,000</u>	<u>900,000</u>	<u>2,716,800</u>

The decreases in wheat acreage in the West would correspond to the above increases in other crops, while the provincial wheat acreage objectives for Canada as a whole in 1943 would be as follows:

	<u>Wheat Acreage</u>			1942	1943	1943
	1941	1942	Goal	%	%	%
	1941	1942	1943	1941	1941	1942
	acres	acres	acres	p.c.	p.c.	p.c.
CANADA	21,882,000	21,586,500	18,648,000	98.6	80.9	86.0
Prince Edward Island.	9,900	9,000	10,000	90.9	-	111.0
Nova Scotia	2,200	2,500	2,750	113.6	-	110.0
New Brunswick	4,700	3,800	3,800	80.9	-	100.0
Quebec	29,600	28,700	29,000	97.0	-	101.0
Ontario	611,000	799,000	576,000	130.8	-	72.0
Manitoba	2,442,000	1,930,000	1,469,000	79.0	-	76.0
Saskatchewan	12,217,000	12,353,000	10,997,000	101.1	-	89.0
Alberta	6,481,000	6,370,000	5,470,000	98.3	-	86.0
British Columbia	84,800	90,500	90,500	106.7	-	100.0

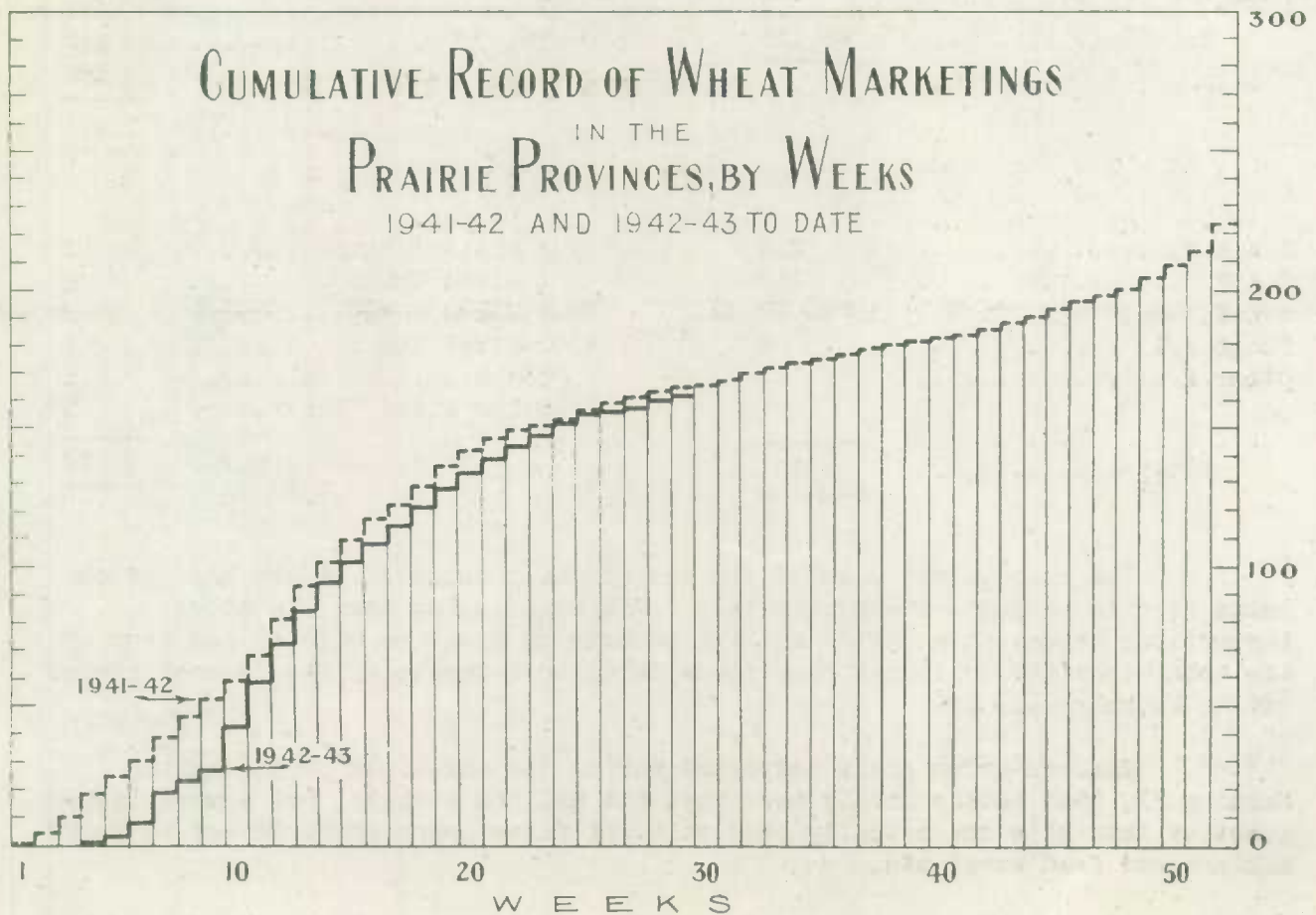
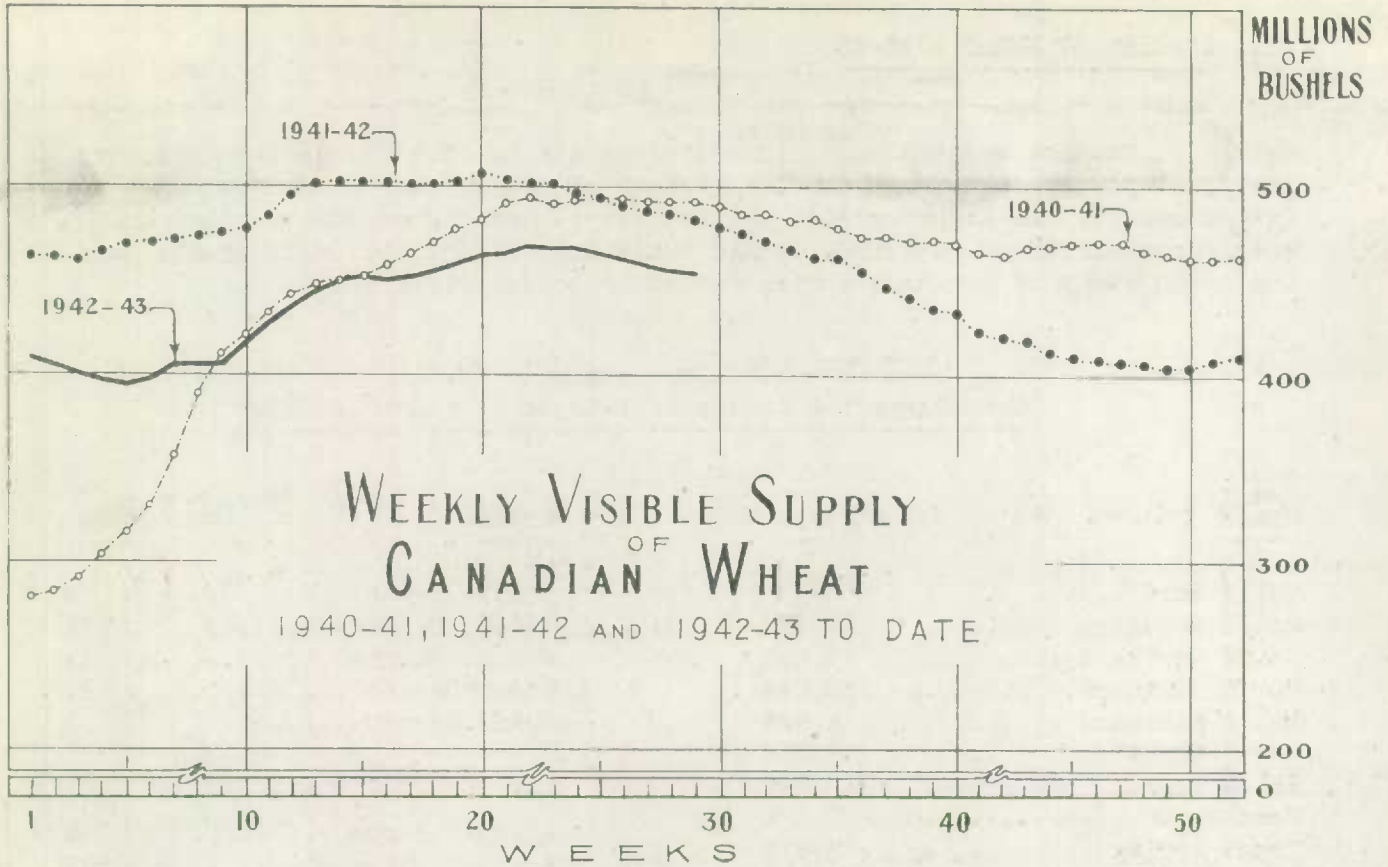
II. PRIMARY MOVEMENT

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:

Week ending 8 a.m.	Manitoba	Saskatchewan	Alberta	Total	Last Year
			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	6,935,017	1,420,730	10,685,129	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	1,453,893	10,302,484	5,228,887	16,985,264	8,955,586
23	1,362,178	7,015,246	4,626,223	13,003,647	13,205,315
30	1,727,213	6,461,391	3,679,654	11,868,258	11,680,720
November 6	1,359,157	5,898,751	3,262,855	10,520,763	8,430,399
13	686,801	3,881,337	2,910,961	7,479,099	7,934,272
20	1,383,038	2,793,927	2,296,704	6,473,669	7,569,401
27	1,077,529	2,887,825	1,781,268	5,746,622	4,684,716
December 4	853,153	3,416,263	2,249,336	6,518,756	7,148,256
11	848,689	3,031,012	2,235,495	6,115,196	7,192,993
18	557,789	4,085,314	2,395,093	7,038,196	5,770,135
25	365,948	3,812,771	1,522,467	5,701,186	4,218,084
January 1	323,001	2,248,785	1,755,241	4,327,027	3,330,597
8	184,740	1,950,886	1,433,345	3,568,971	1,800,651
15	229,756	2,492,010	1,888,904	4,610,670	2,179,323
22	242,029	2,037,598	1,128,201 ^{1/}	3,407,828 ^{1/}	3,050,237
29	106,089	390,723	269,111	765,923	2,690,410
February 5	174,383	1,017,123	754,219	1,945,725	1,932,395
12	161,007	1,442,614	1,152,007	2,755,628	1,793,578
19	163,702	651,410	548,169	1,363,281	1,543,403
T o t a l s ..	21,410,498	90,130,498	51,060,427	162,601,423	165,005,848

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

In the first 29 weeks of the crop year, farmers in western Canada delivered 162.6 million bushels of wheat. This leaves a balance of 117.4 millions to be marketed in the remaining 23 weeks in order to fill the quota of 280 million bushels, the maximum amount which growers can deliver in the crop year 1942-43.



III. GRADING OF WHEAT 1942-43

Cars of western wheat inspected by the Board of Grain Commissioners in the first twenty-eight weeks of the current crop year were graded as shown below. In the case of the higher grades particularly, there is an undetermined amount of wheat grown prior to 1942 included in these inspections, but most of the cars of low-grade wheat of northern spring variety represent 1942 crop.

Cars Inspected August 1, 1942 to February 14, 1943

<u>Grade</u>	<u>Cars</u>	<u>Grade</u>	<u>Cars</u>
No. 1 Hard	-	1 C.W. Garnet	3
No. 1 Northern	7,679	2 C.W. Garnet	16
No. 2 Northern	14,850	3 C.W. Garnet	21
No. 3 Northern	8,846	Tough Garnet	25
No. 4 Northern	1,926	Other Garnet	2
No. 5 Wheat	4,072	Total	67
No. 6 Wheat	700		
Feed Wheat	172	1 Amber Durum	5
Tough Spring	2,978	2 Amber Durum	519
Other Spring	893	3 Amber Durum	482
Total	42,116	Tough	283
		Other Durum	182
		Total	1,471
1 A.R.W.	210	3 White Spring	2
2 A.W.	110	1 Mixed Wheat	8
3 A.W.	32	3 Mixed Wheat	3
Tough A.W.	2	5 Mixed Wheat	6
Other A.W.	27	Tough	5
Total	381	Other Mixed Wheat	3
		Total	27

The average net bushels per car of wheat unloaded at the head of the lakes in this period was approximately 1,715 bushels, so that the above inspections represent about 76 million bushels of wheat or only 47 per cent of the total quantity delivered from farms in western Canada in the 28-week period ending February 11, 1943.

Eastern-grown grain inspected during the six-month period ending January 31, 1943 totals little more than one million bushels, but a much larger quantity than this has actually been sold off farms, much of it direct to flour millers and feed merchants.

IV. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on February 18, 1943, along with comparative figures for approximately the same date in 1942 and 1941:

	<u>1943</u>	<u>1942</u>	<u>1941</u>
	(000 bushels)		
Country Elevators - Manitoba	29,055	29,720	31,745
Saskatchewan	116,300	109,365	132,205
Alberta	75,410	75,335	78,850
T o t a l s	220,765	214,420	242,800
Interior Private and Mill Elevators	5,745	6,204	7,934
Interior Public and Semi-Public Terminals ...	16,980	17,616	17,846
Pacific Ports	19,564	20,347	20,075
Churchill	2,618	2,618	2,617
Fort William and Port Arthur	97,875	123,094	89,073
Eastern Elevators - Lake Ports	38,969	37,966	37,876
St. Lawrence and Seaboard Ports	26,438	27,607	21,126
United States Ports	9,076	19,329	44,488
Storage Afloat	4,363	-	-
In Transit - Rail	5,530	11,260	6,573
In Transit - U. S. A.	3,047	2,005	2,125
T o t a l s	450,970	482,466	492,533

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.

	<u>August 1, 1942 to February 18, 1943</u>	<u>August 1, 1941 to February 19, 1942</u>
	bushels	
Humberstone	128,326	-
Depot Harbour	-	100,000
Port McNicoll	7,374,087	9,201,279
Midland	7,742,500	14,067,370
Collingwood	2,100,430	966,788
Owen Sound	2,392,179	3,163,664
Goderich	1,609,174	3,592,549
Sarnia	2,187,136	1,034,462
Montreal	8,952	1,723,377
Port Colborne	-	414,060
Prescott	-	837,084
T o t a l s	23,542,784	35,100,633

VI. RAIL MOVEMENT FROM FORT WILLIAM-PORT ARTHUR

A total of 8.5 million bushels of wheat was moved by rail from the lakehead elevators during the first half of the current crop year or more than twice as much as was moved in the corresponding period last season. Substantial amounts were destined to large flour mills in Ontario, but the records show also that there was a wide distribution to country points under the benefits of the Freight Assistance Policy. The shipments by months were as follows:

	<u>1942-43</u>	<u>1941-42</u>
	<u>bushels</u>	
August	390,264	90,122
September	600,921	143,816
October	644,926	209,376
November	1,251,952	472,194
December	3,870,297	1,488,427
January	1,757,163	1,781,993
6-month Total	<u>8,515,523</u>	<u>4,185,928</u>

Details of the January shipments to the five eastern provinces and the United States are tabulated below:

Rail Shipments from Fort William-Port Arthur

January 1943

Grade	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	U.S.A.
	(bushels)					
1 Northern	1,500	-	-	-	-	-
2 Northern	265,010	14,000	-	-	-	-
3 Northern	277,015	55,130	2,000	-	-	1,500
4 Northern	240,478	35,000	-	1,667	3,750	-
No. 5	189,233	313,253	18,833	16,500	-	-
No. 6	65,608	45,626	-	1,500	-	-
No. 6 Sprouted	833	-	-	-	-	-
Feed	15,855	3,000	-	-	-	-
Tough 3 Northern	1,000	750	-	-	-	-
Tough 4 Northern	-	2,032	-	-	-	-
Rej. 2 Northern Mxd. Htd. ...	-	4,714	-	-	-	-
Tough Rej. 3 Nor. Mxd. Htd. .	1,567	-	-	-	-	-
Sample Frbt.	9,000	-	-	-	-	-
1 C.W. Garnet	452	-	-	-	-	-
1 C.W. Amber Durum	-	-	4,129	-	-	-
2 C.W. Amber Durum	9,000	-	52,269	-	-	70,000
3 C.W. Amber Durum	4,000	-	24,000	-	-	-
Rej. 4 C.W. Amber Durum	-	1,500	-	-	-	-
Tough Rej. 4 C.W. Amber Durum	-	1,500	-	-	-	-
Tough Rej. 2 C.W. Amber Durum Mxd. Htd.	-	1,979	-	-	-	-
1 A.W.	1,980	-	-	-	-	-
TOTAL	1,082,531	478,484	101,231	19,667	3,750	71,500
GRAND TOTAL	-	1,757,163				

VII. CASH INCOME FROM WHEAT - PRAIRIE PROVINCES

Estimates of the gross cash income from the sale of wheat and other farm products have been prepared by the Agricultural Branch of the Dominion Bureau of Statistics and are tabulated below for calendar years 1926 to 1942 inclusive. These figures do not include bonus payments made by the Dominion Government under various schemes including the Prairie Farms Assistance Act and the Wheat Acreage Reduction Policy.

Calendar Years	Gross Cash Income - All Products million dollars				Cash Income from Wheat million dollars			
	Man.	Sask.	Alta.	Total	Man.	Sask.	Alta.	Total
1926	89.4	289.2	161.0	539.6	41.6	240.3	107.4	389.3
1927	78.6	269.8	168.7	517.1	31.8	216.3	116.7	364.8
1928	82.1	319.5	210.8	612.4	34.4	256.4	149.9	440.7
1929	72.5	242.9	169.5	484.9	29.3	184.3	110.0	323.6
1930	47.6	123.7	93.5	264.8	19.3	86.8	52.6	158.7
1931	30.7	70.0	69.7	170.4	9.3	44.2	38.6	92.1
1932	28.4	73.4	67.2	169.0	13.3	55.1	42.8	111.2
1933	32.2	73.4	66.4	172.0	15.6	52.9	40.5	109.0
1934	44.1	91.8	92.8	228.7	20.9	61.3	54.1	136.3
1935	36.1	108.2	96.6	240.9	11.9	74.6	55.2	141.7
1936	45.9	119.0	91.5	256.4	16.8	75.6	41.9	134.3
1937	74.0	82.8	121.3	278.1	34.5	34.8	61.6	130.9
1938	62.8	90.2	132.3	285.3	28.6	64.3	81.1	174.0
1939	63.7	155.9	118.7	338.3	27.9	120.0	65.0	212.9
1940 1/..	64.1	149.4	125.9	339.4	23.3	101.5	57.8	182.6
1941 1/..	80.5	158.7	152.8	392.0	25.3	88.7	55.2	169.2
1942	100.1	189.6	172.5	462.2	21.7	74.7	41.7	138.1

Calendar Years	Cash Income from Live Stock and Animal Products million dollars				Cash Income from Wheat Percentage of Total Cash Income			
	Man.	Sask.	Alta.	Total	Man.	Sask.	Alta.	Total
1926	22.1	28.4	44.3	94.8	46.6	83.1	66.7	72.1
1927	25.5	28.6	39.5	93.6	40.5	80.2	69.1	70.6
1928	25.5	30.2	42.4	98.1	41.9	80.2	71.1	72.0
1929	26.2	32.8	46.6	105.6	40.4	75.9	64.9	66.7
1930	20.2	24.2	34.8	79.2	40.5	70.2	56.2	59.9
1931	16.6	18.3	23.9	58.8	30.2	63.1	55.4	54.1
1932	11.2	12.6	17.0	40.8	46.7	75.1	63.7	65.8
1933	11.8	13.5	19.5	44.8	48.5	72.0	61.0	63.4
1934	15.0	19.5	29.1	63.6	47.4	66.8	58.3	59.6
1935	17.2	24.4	34.4	76.0	33.0	69.0	57.1	58.8
1936	18.7	29.4	39.0	87.1	36.6	63.6	45.8	52.4
1937	23.0	40.3	45.9	109.1	46.7	42.0	50.7	47.1
1938	23.8	20.3	39.6	83.7	45.5	71.2	61.3	61.0
1939	27.6	26.1	45.1	98.8	43.8	77.0	54.8	62.9
1940 1/..	33.2	37.9	57.9	129.0	36.3	67.9	45.9	53.8
1941 1/..	39.5	55.1	85.2	179.8	31.4	55.9	36.1	43.2
1942	55.4	76.5	112.2	244.1	21.7	39.4	24.2	29.9

VIII. ALCOHOL FROM WHEAT

The production of industrial alcohol from wheat commenced in Canada at the beginning of November 1942 and it is expected that before the close of the crop year on July 31, 1943, close to 4.5 million bushels of wheat will have been utilized for this purpose. During the entire calendar year 1943 it is possible that between 6.5 and 7.5 million bushels of wheat will be used for the production of alcohol in Canadian distilleries.

Some distilleries are using granular flour for the purpose of their alcohol production and this entails the use of flour milling machinery. At least three flour mills are now operating part of their facilities in this connection and the use of granular flour may be extended as the process of making alcohol from wheat expands. Wheat in the form of granular flour is being used quite extensively in the United States in the production of alcohol and latest figures indicate that for the first quarter of 1943 a total of 11 million bushels will be processed.

By the use of granular flour, the distilleries are not only saved the grinding of the grain, but they pay freight only on what they require for their alcohol production, while the millers who process the wheat for them are obtaining additional quantities of millfeed for which there is an excellent demand in Canada this year.

IX. CANADIAN WHEAT BOARD REPORT

The Canadian Wheat Board report recently tabled in the House of Commons deals with the operations of the Board during the crop year 1941-42. Excerpts from the report follow:

Marketings and Prices

"During the crop year 1941-42, producers in Western Canada marketed 227.9 million bushels of wheat as compared with marketings of 456 million bushels during 1940-41. Thus, marketings in 1941-42 were about one-half the volume of the preceding crop year. Of particular importance, wheat marketings by producers during the last month of the crop year amounted to about 25 million bushels. The last week of July was the third heaviest delivery week of the entire crop year, over 9 million bushels of wheat being marketed in that week. These heavy deliveries in the last few weeks of the crop year materially affected the storage situation at a large number of points in the West, and had definite repercussions upon available storage space and delivery quotas in the early part of the new crop year commencing on August 1st, 1942. Heavy deliveries of wheat in the final months or weeks of the crop year will always present administrative difficulties for The Canadian Wheat Board, and will have repercussions on the ensuing crop year as long as relatively large stocks are being carried in Canada.

"Of total marketings of 227.9 million bushels in the West during the crop year 1941-42, producers delivered 100 million bushels to the Board, or about 44% of their marketings. In the previous crop year producers delivered 395 million bushels to the Wheat Board out of total marketings of 456 million bushels.

"The relatively small amount of wheat delivered to the Board in 1941-42 was a reflection of the fact that the market price for wheat remained steadily above the Board's price throughout the crop year."

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