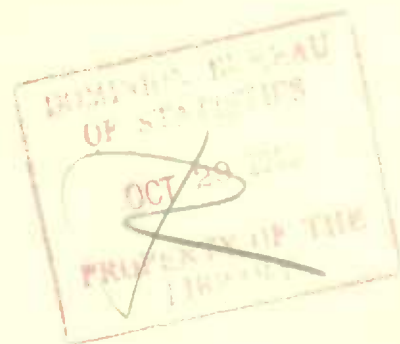


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AGRICULTURAL BRANCH



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MONTHLY REVIEW OF THE WHEAT SITUATION

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AGRICULTURAL BRANCH

(Issued October 1943)

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THE WORLD WHEAT SITUATION - SUMMARY

The suspension of wheat trading on the Winnipeg Grain Exchange and the rise in wheat prices at Chicago to their highest levels since 1929, were among the major developments in the world wheat situation during the past month. Changes occurred also in the supply and demand position, but on balance these changes favoured the reduction of the existing surplus before the 1944 crops are harvested.

Current supplies of wheat are still abnormally heavy but the demand for wheat in the United States and the vagaries of the weatherman give promise of bringing about substantial improvement in the surplus position by the end of next July. Both Canada and Argentina are finding an important outlet for surplus supplies in the United States, while drought is cutting down harvest prospects in Australia at a time when export demand for Australian wheat and flour is expanding.

A new harvest is approaching in both Australia and Argentina but drought in one country and frost in the other, combined with reduced wheat acreage in both, promises to keep 1943 production of wheat within manageable limits. The Australian crop has been tentatively estimated at 89,000,000 bushels compared with 156,000,000 bushels produced a year ago. The carry-over of old crop may exceed 150,000,000 bushels, but the large flour order recently placed by the British Ministry of Food, and the shipment of Australian wheat to India, will cut into this surplus, while greater use of wheat in live-stock feeding at home will take up additional amounts.

Argentina's harvest will not extend to the heavy producing areas until late December or early January, so that it is too early yet to measure the new crop. The old crop surplus on December 31, may be as large as 200,000,000 bushels, but part of this is earmarked for fuel and animal feed. It is noteworthy also, that the expected increase in wheat acreage did not materialize, according to the preliminary estimate of the area seeded to wheat.

It would appear then, that the situation in the four major exporting countries is somewhat brighter, more by reason of expanding domestic demand than through the opening up of export markets. Canada is an exception in that her export clearances to the United Nations, including sizeable quantities to the United States, are likely to be very substantial in the current crop year, while domestic utilization may equal and probably exceed the record total of the past season.

The conquest of Sicily and southern Italy will provide some outlet for North American wheat. These territories do not normally produce sufficient to meet local requirements and much of the 1943 crop was probably lost to the Germans or destroyed in the fighting. The Island of Sicily, for its size, produces a fairly large wheat crop. The pre-war acreage was close to 2,000,000 acres and production around 32,000,000 bushels. Durum wheat for macaroni or bread is the principal variety grown, and about one-third of the agricultural area of the Island is utilized for wheat production.

War developments may be expected to open up other European territories during the current crop year but in the meantime Portugal is still a heavy importer of wheat, principally from Canada. Her own crop was very poor this year and native supplies are calculated to be some 13,000,000 bushels below domestic requirements. Eire is also an importer of moderate amounts, while the gift shipments from Canada to Greece are continuing at the rate of 500,000 bushels monthly.

United Kingdom imports for domestic use are not likely to be any larger than last season, but purchases for shipment to areas in the Mediterranean and against reserve stocks will probably keep Canadian wheat and flour flowing fairly freely across the Atlantic. Russia too, will probably get the bulk of her needs from North America.

Spain's requirements are being met by Argentina, while the occupied countries appear to have fared better in 1943 than in any of the previous war years. The British Ministry of Economic Warfare is credited with the statement that the bread grain harvest in all enemy occupied countries on the continent was larger this year than last and that bread rationing has been increased or the quality of bread improved in a number of these countries.

Turkey appears to have sufficient wheat from the 1943 harvest to meet her needs, while supplies in North Africa including Egypt are more satisfactory than they were a year ago. There is famine in Bengal, however, and British supplies, including wheat or flour from Australia are reported to have been shipped in to alleviate the distress there.

Futures Trading Halted

Back on the home front the big news was the discontinuance of wheat trading on the Winnipeg Grain Exchange ordered by the Federal Government on September 28. The Canadian Wheat Board was empowered to take over all commercial stocks of wheat in Canada not covered by contract or agreement for sale, at the closing prices on the Winnipeg market on September 27. In addition, the Government decided to raise the initial price to be paid by the Board to producers in western Canada, from 90 cents to \$1.25 per bushel for No. 1 Northern, basis carload lots, in store Fort William-Port Arthur or Vancouver.

The new price was made effective on September 28 for the balance of the 1943-44 crop year and for the whole of the 1944-45 crop year, while the issuance of participation certificates to wheat producers was continued. It was announced also that the distribution of payments on participation certificates held by producers for the 1940-41, 1941-42 and 1942-43 crop accounts of the Canadian Wheat Board would be made.

The text of the first part of the Order in Council making regulations for the discontinuance of wheat trading on the Winnipeg Grain Exchange is as follows:

"Whereas by reason of wartime developments it is deemed necessary that the Government of Canada should exercise greater control over the marketing of Canadian wheat so that supplies of wheat and wheat flour may be made available at appropriate prices, as required for domestic use and for shipment abroad to countries in receipt of Mutual Aid;

"And whereas under existing financial arrangements with Canadian flour millers and with countries in receipt of Mutual Aid, the Government of Canada has been, in effect, the ultimate buyer of large quantities of wheat and at the same time has been acting through the Canadian Wheat Board as the

farmers' selling agent, thus placing dual and opposing responsibilities upon the Government which it is desirable to avoid;

"And whereas transportation difficulties and other unusual circumstances have interfered with the normal operation of existing market machinery;

"And whereas it is desirable to afford greater certainty to farmers as to prices during the remainder of the crop year 1943-44 and during the full crop year 1944-45 and to reduce the abnormal buying margins at country points that have prevailed on the open market;

"And whereas it is therefore considered necessary to make provision for:-

- (1) the discontinuance of wheat trading on the Winnipeg Grain Exchange;
- (2) the empowering of The Canadian Wheat Board to acquire for Government account all wheat in commercial positions in Canada in respect of which no contract of sale or agreement for sale of actual wheat or wheat products is outstanding, including wheat held in the 1940-41, 1941-42 and 1942-43 Wheat Board crop accounts on the basis of the closing prices for each grade of wheat on the Winnipeg Grain Exchange on Monday, September 27th, 1943;
- (3) the fixing of prices at the closing levels registered on the Winnipeg Grain Exchange on September 27th, 1943, for the closing out of outstanding open futures contracts in the period before the final clearance thereof;
- (4) the discontinuance of export sales of wheat until further notice;
- (5) the discontinuance of the purchase of wheat from producers on an open market basis;
- (6) the payment to producers delivering wheat to the Board of an initial advance of one dollar and twenty-five cents per bushel basis No. One Manitoba Northern wheat in store Fort William-Port Arthur or Vancouver for the remainder of the crop year 1943-44 from September 28th and for the full crop year 1944-45, and for the issuance to producers of participation certificates in respect thereof;
- (7) the distribution of payments on participation certificates outstanding in the hands of producers in connection with the 1940-41, 1941-42 and 1942-43 crop accounts of the Canadian Wheat Board.

"And whereas by reason of the unusual conditions prevailing in the wheat trade and the necessity of avoiding serious disturbance of normal trading therein prior to provision for the foregoing matters being made, it was deemed to be essential in the public interest to issue instructions that immediate steps be taken to carry the foregoing into effect and instructions were so issued on September 28th, 1943; and pursuant thereto such steps were taken."

This is the second occasion on which closure of the Winnipeg wheat futures market has been brought about by wartime developments. The previous suspension of trading was ordered in 1917 when the Board of Grain Supervisors was appointed to handle the wheat business for the Dominion Government. Only Chicago, of the leading pre-war wheat futures markets continues to function. The Liverpool market suspended operations at the commencement of the war and the closure of the Argentine futures market at Buenos Aires followed some time later. The Canadian Wheat Board ordered the closing out of all open wheat futures contracts on the Winnipeg Grain Exchange not later than October 16. These trades were executed at the closing prices on September 27.

WHEAT BOARD PRICES 1943-44

Following the suspension of wheat trading in the Winnipeg Grain Exchange and the raising of the initial price of wheat to be paid by the Canadian Wheat Board from 90 cents to \$1.25 per bushel, basis in store Fort William-Port Arthur or Vancouver, the Canadian Wheat Board issued on October 14, 1943, a new list of initial prices established for various grades of wheat. These prices are for carload lots at the terminal markets named above. The principal grades and the new prices are listed below.

<u>Grade</u>	<u>Straight Grade</u>	<u>Tough</u>	<u>Smutty</u>	<u>Rejected</u>
	(cents per bushel)			
No. 1 Hard	125	122	115	114
No. 1 Northern	125	122	115	114
No. 2 Northern	122	119	112	111
No. 3 Northern	120	117	110	109
No. 4 Northern	115	112	108	107
No. 5 Wheat	110	107	103	102
No. 6 Wheat	106	103	99	98
Feed Wheat	104	101	-	-
No. 4 Special	115	112	108	107
No. 5 Special	110	107	103	102
No. 6 Special	106	103	99	98
No. 1 C.W. Amber Durum	130	125	119	118
No. 2 C.W. Amber Durum	128	123	117	116
No. 3 C.W. Amber Durum	126	121	115	114
No. 4 C.W. Amber Durum	116	113	110	109
No. 5 C.W. Amber Durum	113	110	107	106
No. 6 C.W. Amber Durum	110	107	104	103
No. 1 C.W. Garnet	120	117	112	111
No. 2 C.W. Garnet	118	115	110	109
No. 3 C.W. Garnet	116	113	108	107
No. 1 Alberta Red Winter ...	135	132	128	128
No. 2 Alberta Winter	134	131	127	127
No. 3 Alberta Winter	131	128	124	124
No. 1 Mixed Wheat	113	110	106	105
No. 2 Mixed Wheat	108	105	101	100
No. 3 Mixed Wheat	111	108	104	103
No. 4 Mixed Wheat	108	105	101	100
No. 5 Mixed Wheat	113	110	106	105
No. 6 Mixed Wheat	108	105	101	100
Sample Amber Durum and Broken Wheat	105	102	98	97
No. 1 Mixed Grain	100	97	93	92

CHICAGO WHEAT FUTURES

Daily closing prices of wheat futures on the Chicago Board of Trade, showing only the high point of the closing range, are tabulated below:

<u>1943-44</u>	<u>December</u>	<u>May</u>	<u>July</u>
(cents and eighths per bushel)			
September 27	149	149/1	145/7
28	150/2	150/7	148/2
29	151/4	152	149/2
30	151/1	151/6	148/7
October 1	151/4	152	149/1
2	150/7	151/4	148/6
4	150/1	150/6	148/1
5	151/1	151/4	149
6	151/7	151/7	149
7	152/2	152/3	149/5
8	152/6	152/6	149/7
9	152/7	152/5	149/6
11	152/6	152/1	149/3
12	(Columbus Day)		
13	153/5	152/6	150
14	154/3	153/2	150/2
15	155	153/5	150/1
16	155/2	153/6	150/3
18	156/2	154/2	151/3
19	155/2	153/4	151
20	154/5	153/1	150/5
21	154/4	153	150/2
22	154/5	153/2	150/5
23	154/6	153/1	150/4
25	154/4	152/7	150/2
26	154/6	153/2	150/4

The high price of the day reached in the December future on October 18, namely \$1.57 1/8, was the highest price recorded for any wheat future in the Chicago market since 1929.

1943

CALENDAR OF WHEAT EVENTS

- Sept. 28 Wheat trading on the Winnipeg Grain Exchange ordered discontinued by the Dominion Government and initial price to be paid by Canadian Wheat Board raised from 90 cents to \$1.25 per bushel, basis in store Fort William-Port Arthur or Vancouver.
- 29 Unsold stocks of wheat in Australia on September 1 were estimated at 183,000,000 bushels.
- 30 Loans completed on 1943 wheat in the United States covered 77,089,548 bushels compared with 191,000,000 bushels on September 30, 1942.
- Oct. 1 Rains have interfered with the harvesting of new crops in some parts of Great Britain, but the outturn is expected to exceed that of 1942.
- 2 Berlin claims that the German harvest of grains in 1943 was one-third larger than a year ago and the best since the war began.
- 4 Australia's new wheat crop has been tentatively estimated at 89,000,000 bushels compared with 156,000,000 bushels harvested a year ago.
- 5 The 1943 wheat crop in Spain is estimated at 115,000,000 bushels, but this is only about 80 per cent of normal requirements.
- 6 Purchases of Argentine wheat by the C.C.C. were made known. The amount involved in the transactions reported is about 2,000,000 bushels.
- 7 Bread rations are being increased in a number of European countries as the result of a better cereal harvest this year.
- 9 Wheat and other foodstuffs are being shipped into Bengal to relieve the food shortages there.
- 11 United States wheat production in 1943 based on October 1 reports, is now indicated to be 835,816,000 bushels, a slight increase over the previous estimate.
- 12 Shortage of wheat supplies in Portugal to meet domestic needs is in the neighbourhood of 13,000,000 bushels.
- 14 Canadian Wheat Board announced new prices for cash wheat based on the new initial price of \$1.25 per bushel for No. 1 Northern, basis in store Fort William-Port Arthur or Vancouver.
- 15 Mexico is reported to have a poor crop in 1943. Normal requirements total about 19,000,000 bushels and production this year is placed at 11,000,000 bushels.
- 16 The C.C.C. had placed under loan 85,650,261 bushels of the 1943 wheat crop in the United States up to October 9.
- 18 Wet weather at harvest time has resulted in much new wheat in the United Kingdom requiring drying before going to mills.
- 20 Reported that Canadian Wheat Board released about 500,000 bushels of Canadian wheat for export to Portugal.
- 22 Wheat prices at Chicago have moved up to the highest levels seen there since 1929.
- 25 A larger wheat acreage is reported planned for the United Kingdom 1944 harvest.

UNITED STATES

A very slight increase in wheat production in the United States this year is indicated in the official estimate based on reports furnished by crop correspondents to the Department of Agriculture at Washington on October 1. Production of wheat is now placed at 835,816,000 bushels compared with 981,327,000 bushels harvested in 1942. Approximately 534,000,000 bushels comprise winter wheat and 302,000,000 bushels spring wheat, the latter including 36,251,000 bushels of Amber Durum variety.

The yield per acre of 16.8 bushels for all wheat shows a reduction of 3 bushels compared with last year, but the winter wheat yield is down about 4 bushels per acre. Production of wheat by States shows the greatest reduction in outturn occurring in Kansas where the crop amounted to 150,659,000 bushels compared with 306,775,000 bushels harvested last year.

Wheat feeding to live stock continues to be an outstanding feature of the United States domestic situation. The Commodity Credit Corporation is reported to have sold about 135,000,000 bushels of wheat for feeding purposes between July 1 and the end of the first week in October, while in the same period the Corporation acquired approximately 37,000,000 bushels of wheat. More than 24,000,000 bushels of this was bought from Canada, some 10,000,000 bushels on the open market and about 2,000,000 bushels from Argentina. Stocks of wheat owned by the Government on October 9, 1943, were reported to be 109,180,000 bushels.

A much smaller amount of wheat is going under loan this season than was the case a year ago. The records of the C.C.C. show that through October 9, in the current crop year, which in the United States commenced July 1, a total of 85,650,261 bushels went under loan compared with 228,829,563 bushels in the corresponding period last year. The high prices in the open markets are a factor in the smaller amounts going under the loan, the price of wheat at Chicago having risen far above loan value to a new seasonal peak.

Domestic Needs Lowered

The latest estimate of domestic requirements of wheat show a reduction of about 90,000,000 bushels from a month ago when it was calculated that 1,194,000,000 bushels of wheat would be used for all purposes in the United States between July 1, 1943 and June 30, 1944. Human consumption figures have been lowered from 537 to 535 million bushels, animal feed from 427 to 390 millions and alcohol needs from 150 to 100 million bushels. Seed requirements are placed at 80 million bushels.

It is hoped to obtain a sufficient quantity of molasses to reduce the quantity of wheat going into the manufacture of industrial alcohol and steps have been taken by the O.P.A. to provide an additional incentive for production of domestic sugar beet molasses in case the required amount cannot be imported.

The total supply of wheat available for the crop year 1943-44, adding 1943 production to the carry-over, is 1,454,000,000 bushels and if domestic utilization is held down to 1,105,000,000 bushels, as now indicated, the carry-over on July 1, 1944 would be in the neighbourhood of 300,000,000 bushels compared with 618,000,000 bushels on July 1 this year. The extent to which Canadian wheat will be imported will depend largely on transportation facilities, but the quantity imported will help to cover any enlargement of domestic or export needs or go to swell the year-end stocks.

An allowance of 45,000,000 bushels is made for export or lend-lease shipments of wheat and wheat-flour and this would bring total disappearance of United States wheat to 1,150,000,000 bushels for the crop year, compared with 995,000,000 bushels during the crop year 1942-43.

AUSTRALIA

Australia's new wheat crop is tentatively estimated at only 89,000,000 bushels compared with 156,000,000 bushels produced a year ago. Reduced acreage and an unfavourable growing season, together with shortage of fertilizer contributed to the poor harvest. The area seeded to wheat has been estimated at 8,300,000 acres compared with 9,300,000 acres a year ago, while the ten-year average (1933-42) is 13,359,000 acres.

A substantial carry-over of old crop wheat will offset to some extent the smaller production for the 1943-44 season. It is estimated that more than 150,000,000 bushels of old wheat will be on hand at the beginning of the new Australian crop year on December 1, 1943.

The Wheat Industry Stabilization Plan will continue to operate during the crop year 1943-44. Under the Plan, the control of acreages by registration of farms and licensing of areas remains unaltered. The area allotted to each grower is fixed according to the average sown during the basic four-year period, or according to the rotational system adopted. In Western Australia, however, growers' acreages were reduced by one-third for the season 1942-43 to obviate the accumulation of additional surplus stocks. This reduction was effective again for season 1943-44 and compensation paid to growers as was done last season.

According to a statement issued by the Commonwealth Statistician, the basis of payment to growers was amended for the 1942-43 and 1943-44 seasons. The amended plan provides that any licensed grower on a registered farm shall receive 4/- (four shillings) net per bushel for bagged wheat, or 3/10 (three shillings and tenpence) net per bushel for bulk wheat at the grower's siding, up to the first 3,000 bushels produced.

Where the production exceeds 3,000 bushels, the excess quantity will be acquired by the Australian Wheat Board in the normal way and an advance of 2/- (two shillings) made at sidings for bagged wheat, and 1/10 (one shilling and tenpence) net per bushel for bulk wheat. Subsequent payments will be made when the wheat has been sold.

In view of the large surplus of wheat in recent years and the expansion in the poultry and hog population, wheat is being made available for live-stock feed. Quantities sold for this purpose are placed on the market at 6d (sixpence) per bushel less than the price obtained by the Australian Wheat Board. The cost of this subsidy is borne by the Commonwealth Government and the plan will be continued into the 1943-44 financial year.

The recently announced contract between the British Ministry of Food and the Australian Government for 500,000 tons of Australian flour will greatly increase the export movement of Australia's surplus, while shipments to the Bengal area of India, where the food situation is reported to be acute, will also aid in the disposition of surplus wheat stocks.

In pre-war years Australia disposed of a large part of her wheat surplus in the form of flour, but since Japan entered the conflict many of those markets for flour have been lost. The records show that in 1938-39 a total of 172 flour mills in operation ground approximately 67,000,000 bushels of wheat, but in the crop year 1942-43, wheat grindings were estimated at 50,548,000 bushels and only 158 mills were reported in operation. The new flour order for Britain will probably mean full-time operation of all flour mills during the new season.

Milling statistics compiled for the years ending June show that between 1938 and 1941 the percentage of the total flour production exported from Australia exceeded 50 per cent on the average, while in the year ended June 30, 1942, only 36.7 per cent of the flour produced in Australia was shipped abroad.

ARGENTINE LETTER

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of October 4, 1943.

Seeded Areas - Official Estimate

The first published official calculation of the probable areas seeded to the five principal field crops (excluding maize) for the 1943-44 season was made public on September 18. It is understood that the figures were subjected to careful revision before being issued, and they are, therefore, actually the second estimate.

Notwithstanding the official encouragement to the farmers to plant grains and seeds liberally, in contrast to the former policy of restricting acreages, little change is to be seen from the figures of the past season except in the case of barley, the area of which has increased by one-fifth. Wheat and linseed show small decreases. The details are as shown below:

	Seeded Acreage	
	<u>1942-43</u>	<u>1943-44</u>
Wheat	16,979,481	16,768,206
Linseed	6,110,373	5,994,646
Oats	4,755,709	5,082,847
Barley	1,420,442	1,709,932
Rye	4,291,551	4,348,960
Total acres	<u>33,557,556</u>	<u>33,904,591</u>

The wheat area is the smallest since the year 1935, that of linseed the smallest since 1923. The oats and rye areas, on the other hand, have established new high records, this being due to a large extent to the prosperous conditions of the live-stock industry and the necessity of ensuring ample pasturage. It is a common practice in the Republic to plant coarse grains with sufficient liberality to have a reserve of pasturage, and if this is not needed, to fence out the live stock in time to cut the grain for threshing.

Crop Conditions

The damage to wheat caused by the frosts of the 13th and 15th September is visible almost exclusively in the districts of Las Colonias, Castellanos and San Cristobal (Santa Fe), in the zone of San Francisco (Cordoba), and in the whole wheat region of Santiago del Estero, where as the grain is very advanced and ready to head out, the losses of planted area exceed 50 per cent in many cases. The remainder of the province of Santa Fe shows fields which are from fair to good. Only about 15 per cent of the wheat which has formed stalks is in a doubtful condition, and with opportune rains this may recover.

No frost damage appeared in the remainder of the cereal zone, but the lack of rains, aggravated by strong winds, is apparent in Cordoba, Western Buenos Aires, and the Pampa territory.

In pursuance of its promise to the producers, the Government has decreed that a basic price of 8 pesos per 100 kilos be established for wheat of the coming crops, which is equivalent to 65 cents United States per bushel, and for linseed a basic price of 12 pesos per 100 kilos, or 90 cents United States per bushel.

Supplies and Markets

The movement overseas in September consisted of 6,729,000 bushels, of which 6,288,000 bushels were grain and 441,000 bushels were flour in terms of grain. The combined total in the preceding month was 6,416,000 bushels. The statistical position is now as follows:

Third official estimate 1942-43 crop	235,156,000 bushels	
Carry-over from 1941-42 crop	159,875,000	"
Total supplies	395,031,000	"
Deductions:		
Seed and domestic use .	101,044,000 bushels	
Probable waste	12,125,000	"
Reserve for fuel	73,486,000	"
Reserve for forage	18,372,000	"
	205,027,000	"
Exportable surplus	190,004,000	"
Shipments to) Wheat	44,780,000	"
September 30) Wheat as flour ..	2,380,000	"
	47,160,000	"
Balance still available	142,844,000	"

Of the above balance there is a quantity of 12,768,000 bushels under contract to Spain but not yet delivered, leaving actually disposable 130,078,000 bushels.

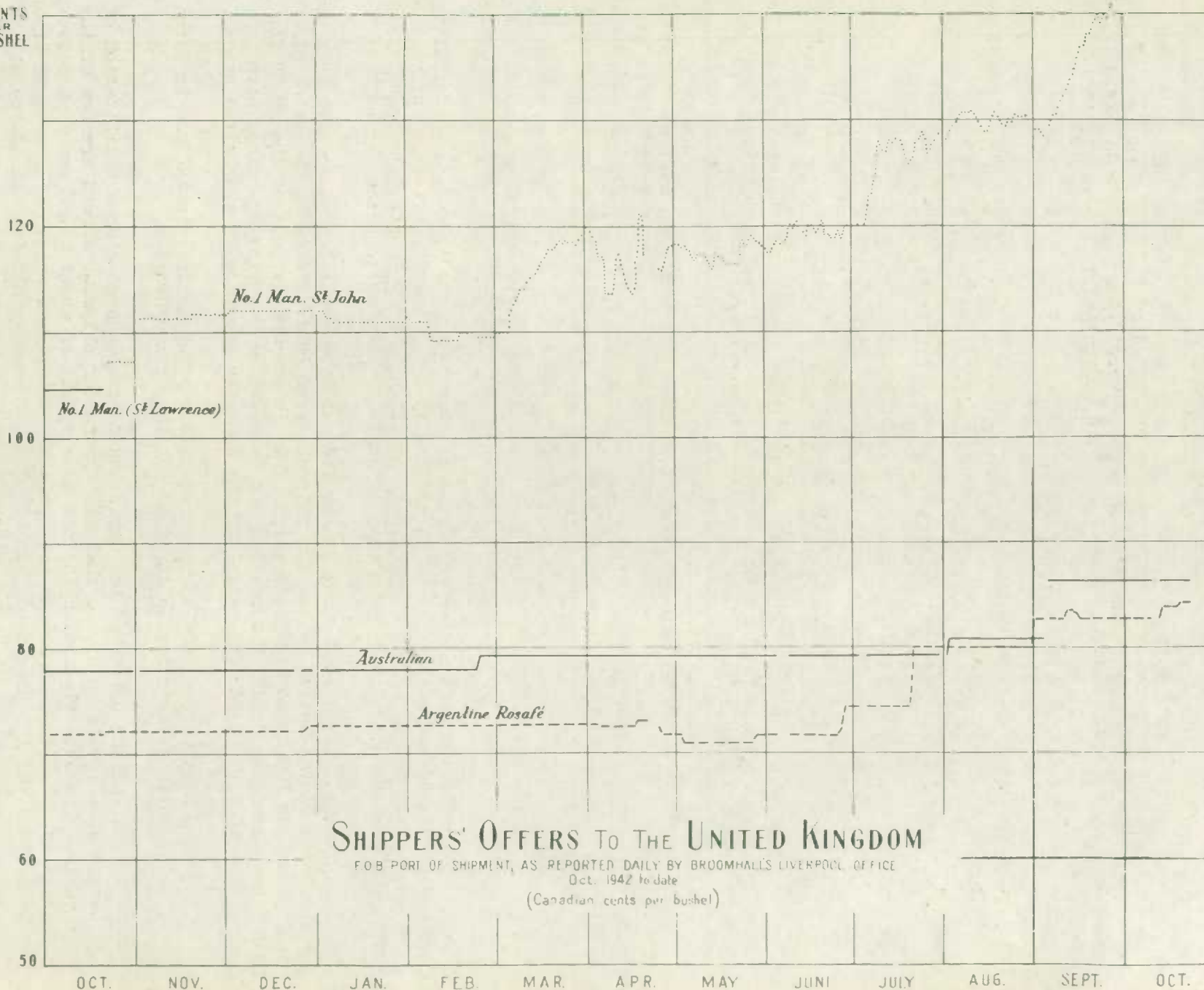
During the month there was greater activity in the market, a contributory factor in this being the resumption of trading by Great Britain after an interval of many months. About 2,939,000 bushels were acquired, mostly Rosafe. It is understood that some Barusso may also be purchased if British views as to price can be met.

Several cargoes of wheat of the 1941-42 crop are reported to have been sold by the Board to the United States for shipment from Bahia Blanca at the price of 8.60 pesos per 100 kilos alongside ship. This is presumably part of the grain for which the Commodity Credit Corporation was known to be negotiating, along with quantities of barley, for the relief of the domestic shortage in the United States.

The Corporation is also inviting offers of Argentine wheat-flour in large quantities, which however may be intended for the United Kingdom.

The selling prices of the Grain Board have undergone some modification of the nature of a levelling up, so that all buyers for shipment abroad are now on the same basis. The only discrimination now is a spread of about 6 1/2 per cent between old grain of the 1941-42 crop and new grain of the 1942-43 crop. Old wheat 78 kilos per hectolitre (62 1/2 pounds per bushel) can now be obtained from the Board at 8.50 pesos per 100 kilos in Buenos Aires and 8.00 in Rosario.

CENTS
PER
BUSHEL



Monthly Average Winnipeg Cash Price - No. 1 Northern Wheat,
Crop Years 1936-37 to 1943-44

(cents per bushel)

	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44
August	102.2	131.8	76.6	54.9	72.2	73.3	88.9	111.9
September ...	103.9	133.6	63.3	73.9	71.7	72.6	89.6	117.5
October	110.9	142.3	61.5	70.3	70.4	73.7	90.0	
November	108.4	134.6	59.0	70.5	71.8	73.2	90.5	
December	120.2	137.4	60.6	82.4	73.4	74.4	90.4	
January	124.7	149.1	59.9	82.8	74.2	77.0	90.4	
February	127.0	144.6	60.4	83.8	75.2	78.0	90.3	
March	135.7	138.4	59.5	87.0	76.2	78.0	97.1	
April	138.9	138.4	60.5	89.2	75.7	79.0	99.0	
May	130.6	115.2	65.5	79.7	75.9	79.3	99.0	
June	124.2	114.3	61.8	72.3	77.0	80.0	101.5	
July	145.6	98.4	55.3	71.4	74.7	80.8	109.3	

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	103.2	152.6	79.3
1942	110.5	159.6	88.5
September	110.6	158.9	95.1
October	111.5	159.9	95.5
November	112.0	160.8	96.1
December	112.0	161.3	96.0
January, 1943	112.1	162.1	96.0
February	112.6	162.1	96.1
March	113.7	162.2	103.1
April	114.2	162.8	105.1
May	114.5	163.3	105.1
June	114.9	163.1	107.7
July	115.6	164.0	116.0
August	115.9	162.2	118.8
September	115.9	2/	124.7

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

THE CANADIAN SITUATION

I. EXPORTS OF WHEAT 1942-43

A total of 211,517,686 bushels of wheat (including wheat-flour in terms of wheat) was exported from Canada during the crop year 1942-43 which ended July 31, 1943. This is only about 95 per cent of the 1941-42 exports, and approximately 91 per cent of the 1940-41 total, but compared with the first war year it represents an increase of about 10 per cent.

The month by month shipments with comparative figures for the four preceding crop years are tabulated below. These exports include Canadian wheat and wheat-flour purchased by the United States and cleared through their customs records within the crop years. For security reasons, the amounts taken by the United States are not shown separately.

Monthly Overseas Clearances and U.S.A. Imports Combined

	1942-43	1941-42	1940-41	1939-40	1938-39
	- bushels -				
August	15,441,996	20,407,113	11,560,065	13,198,877	8,176,794
September	9,543,999	15,684,290	9,622,992	14,688,827	16,162,050
October	14,024,761	13,938,564	10,810,971	9,220,393	26,272,260
November	15,233,465	17,233,506	13,705,174	18,826,047	22,137,189
December	7,690,136	20,274,406	8,953,630	15,480,129	8,910,753
January	13,634,483	18,191,621	15,220,986	20,148,824	11,149,030
February	15,514,761	15,568,893	18,110,049	16,556,686	9,606,590
March	22,781,717	19,109,161	21,497,072	21,268,085	7,973,110
April	23,104,964	29,029,368	30,757,859	16,831,280	5,979,025
May	25,953,868	22,740,894	36,815,411	22,366,323	17,996,576
June	26,946,485	16,949,859	31,084,121	12,042,247	13,502,421
July	1/21,647,051	12,879,466	23,067,916	12,046,650	12,168,385
Crop-Year Totals	211,517,686	222,007,141	231,206,246	192,674,368	160,034,183

1/ Subject to revision.

Record Flour Exports

Exports of wheat-flour were an important part of the 1942-43 total exports. These amounted to 56,588,469 bushels in terms of wheat, compared with 45,926,003 bushels in the crop year 1941-42. This established a new record in barrels of Canadian flour shipped abroad, the total being 12,575,215 barrels of 196 pounds each.

The records show that in the years immediately preceding the outbreak of war, exports of wheat-flour were running below 5,000,000 barrels annually, and only on one other occasion, 20 years ago, did flour exports exceed 12,000,000 barrels. That was in the crop year 1923-24 when they amounted to 12,031,424 barrels. The next best year was 1923-29 when a total of 11,808,775 barrels was exported.

II. FARMERS' MARKETINGS

The following table shows primary receipts of wheat in the Prairie Provinces for the 1943-44 crop year along with comparative figures for 1942-43:

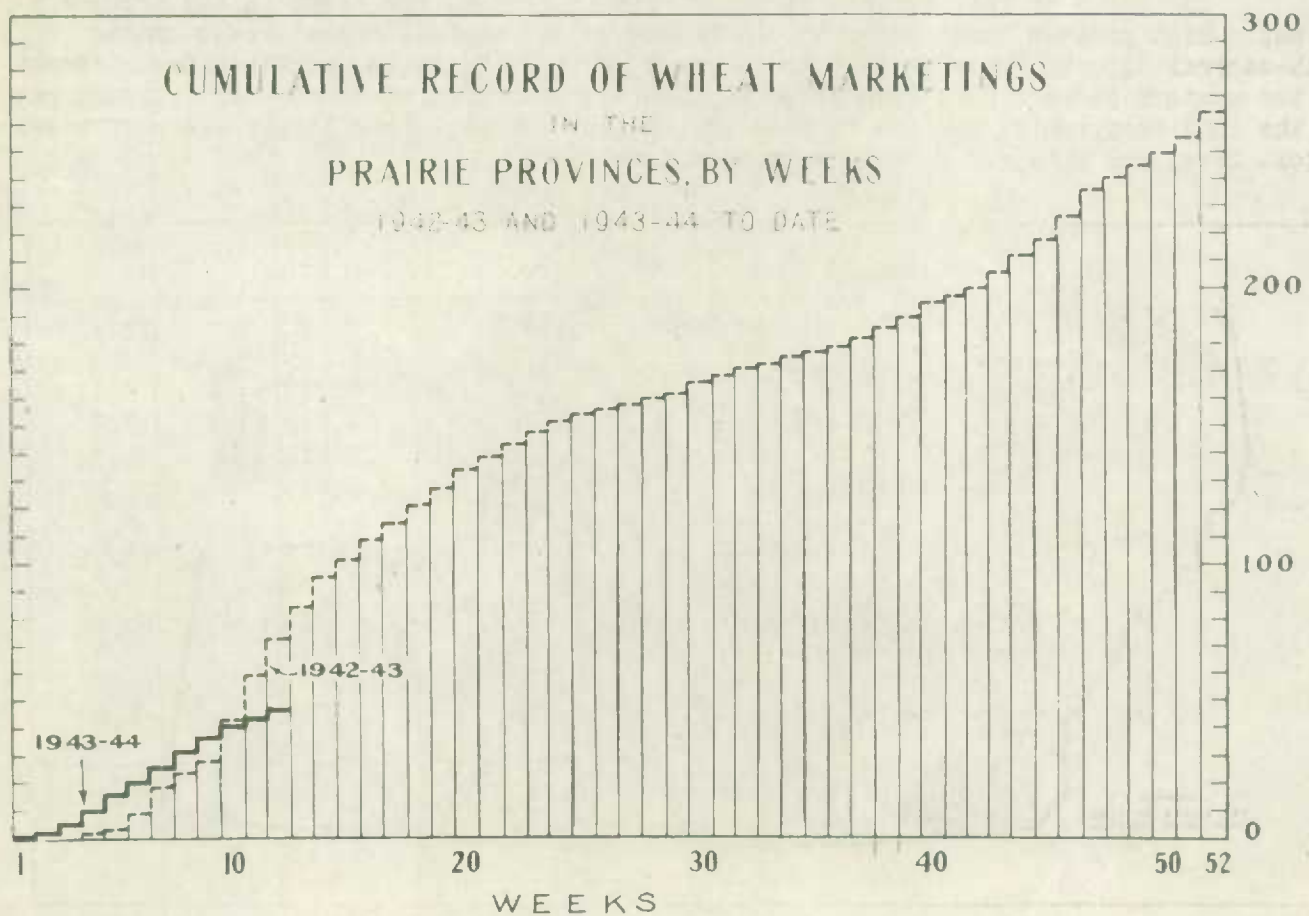
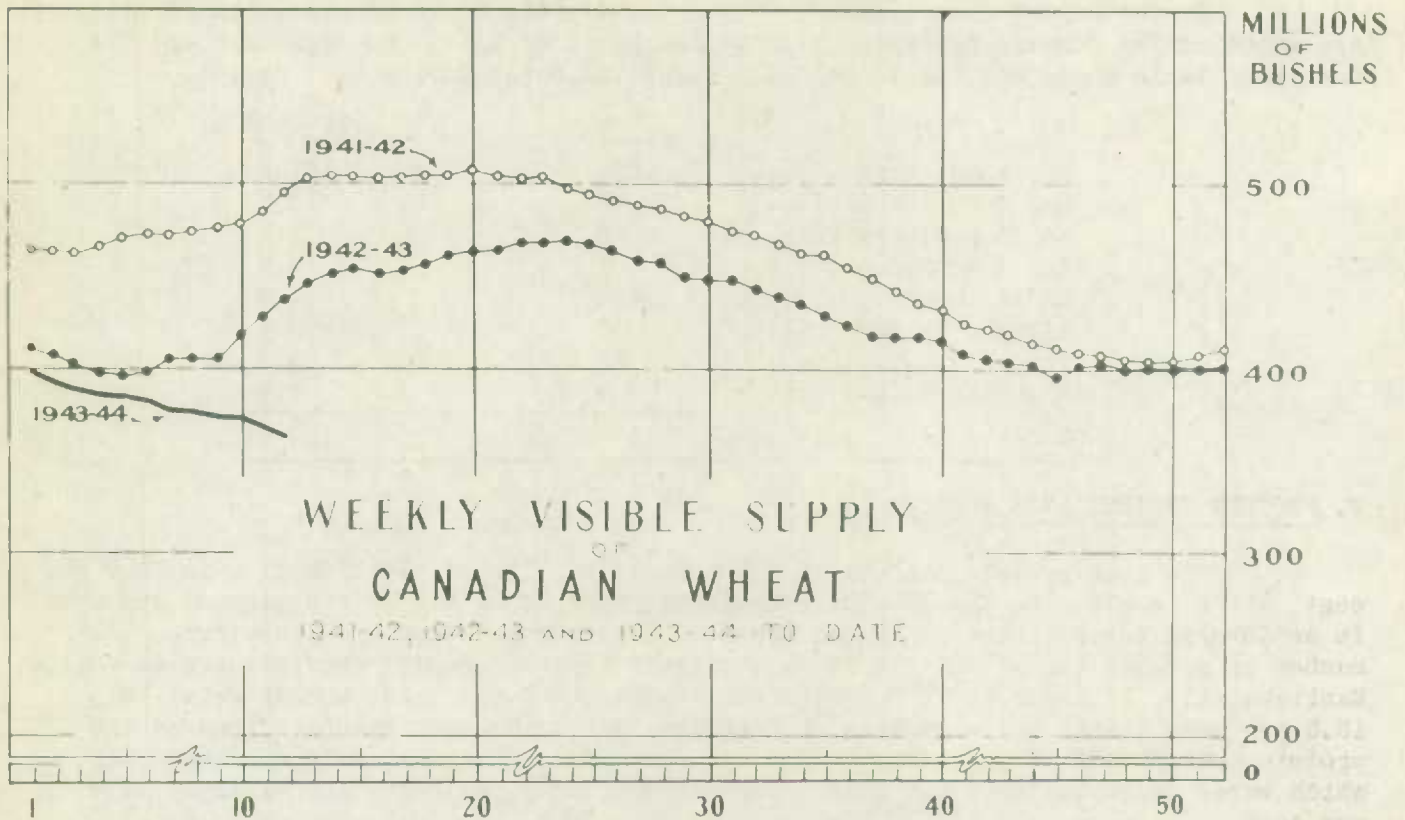
Week ending	Manitoba	Saskatchewan 1/	Alberta	Totals 1/	Last Year
		- bushels -			
August 1-5	57,657	279,815	246,948	584,420	485
12	148,233	958,691	407,232	1,514,156	15,164
19	285,074	1,773,075	1,354,924	3,413,073	352,523
26	619,172	2,120,191	1,597,306	4,336,669	1,610,296
September 2	1,200,888	3,124,271	1,313,604	5,638,763	1,658,994
9	655,047	2,835,663	1,100,003	4,590,713	4,850,107
16	782,765 1/	3,238,644	1,331,775	5,353,184	10,689,344
23	1,092,348	3,635,247	1,427,618	6,155,213	4,202,525
30	671,910	3,036,891	1,239,927	4,948,728	3,432,189
October 7	514,543	2,375,620	1,103,026	3,993,189	15,611,559
14	480,821	1,795,830	1,016,407	3,293,058	16,986,475
21	426,678	1,751,792	773,732	2,952,202	13,004,282
Totals	6,935,136	26,925,730	12,912,502	46,773,368	72,413,943

1/ Revised.

III. WHEAT VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on October 21, 1943, along with comparative figures for approximately the same date in 1942 and 1941:

	1943	1942	1941
	(000 bushels)		
Country Elevators - Manitoba	28,380	23,140	29,975
Saskatchewan	111,970	96,555	122,840
Alberta	76,565	57,320	73,620
Totals	216,915	177,015	226,435
Interior Private and Mill Elevators	4,383	6,318	8,112
Interior Public and Semi-Public Terminals ...	13,668	19,257	17,954
Pacific Ports	19,463	19,376	20,209
Churchill	1,877	2,617	2,617
Fort William and Port Arthur	45,079	121,258	102,063
Eastern Elevators - Lake Ports	28,505	40,872	44,569
St. Lawrence and Seaboard Ports	13,221	23,755	29,644
United States Ports	5,787	15,607	20,600
In Transit - Lake	3,019	2,085	3,413
In Transit - Rail	6,475	5,656	16,786
In Transit - U.S.A.	5,483	3,702	4,281
Totals	363,875	437,518	496,683



IV. GRADING OF 1943 WHEAT

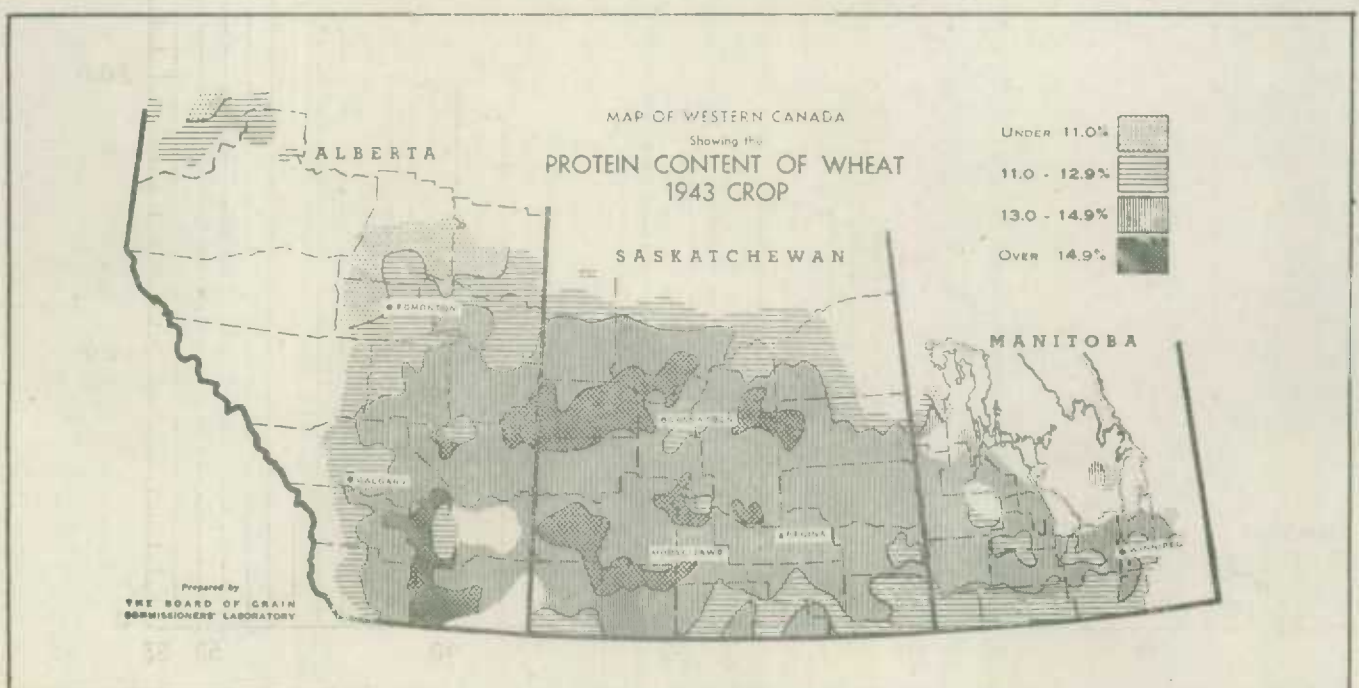
During August and September it was found possible to preserve the identity of new wheat coming forward for inspection by the Board of Grain Commissioners and the following table shows the grading of 1943 wheat inspected during that period.

	Cars	Per Cent
No. 1 Northern	330	71.1
No. 2 Northern	73	15.7
No. 3 Northern	5	1.1
No. 4 Northern	1	0.2
Amber Durum	18	3.9
Alberta Winter	18	3.9
Toughs	15	3.2
All Others	4	0.9
T o t a l	464	100.0

V. PROTEIN CONTENT 1943 WHEAT

The mean protein content of 2,961 wheat samples of the 1943 crop is 13.7 per cent, which is close to the 15-year average of 13.8 per cent. This statement appears in an interim report prepared by the Board of Grain Commissioners' Laboratory. The number of samples tested and the average protein levels for each province are as follow:- Manitoba, 512, 13.1 per cent; Saskatchewan, 1,528, 14.0 per cent; and Alberta, 921, 13.5 per cent. With the exception of Manitoba, where abundant rainfall lowered the protein content, the figures are higher than the corresponding levels for last year, which were: Manitoba, 13.0 per cent; Saskatchewan, 12.9 per cent; and Alberta, 12.4 per cent.

The areas of low, average and high protein content are shown in the accompanying map. High protein areas occur in south-western and central Saskatchewan and in south-central Alberta. Low protein areas cover southern Manitoba, northern Saskatchewan and the western and northern boundaries of Alberta. Compared with the corresponding map for the 1942 crop, which was low in protein, the current map shows larger areas of average protein level and more areas of high protein level.



VI. SHIPMENTS TO UNITED STATES

Canadian wheat shipments to the United States have increased sharply since September 9. At that time the crop year total of vessel and rail shipments was 14,299,348 bushels, but figures compiled to October 14, show a total of 30,719,731 bushels. The movement from Fort William-Port Arthur to Buffalo showed the greatest increase in this five-week period, the shipments increasing from 2,575,401 to 9,803,302 bushels. Shipments to Duluth-Superior from the lakehead terminals also increased while further shipments were noted at the Pacific coast.

Details of the lake and rail movement since August 1 are shown below:

Shipments August 1 to October 14, 1943

<u>By Vessel</u>	<u>Bushels</u>
Pacific Ports	880,864
Buffalo	9,803,302
Duluth-Superior	9,269,976
Erie and Toledo	1,111,030
Total by Vessel	<u>21,065,172</u>
 <u>By Rail</u>	
Seaboard Ports	5,120,162
Other Points	4,534,397
Total by Rail	<u>9,654,559</u>
Total Vessel and Rail	<u>30,719,731</u>

VII. LAKE MOVEMENT

Movement of Canadian grain down the Great Lakes since the opening of navigation this year has been substantially greater than the volume recorded for any of the previous five years. Wheat shipments have not exceeded those of 1941 but the movement of feed grains has been on a large scale. A total of nearly 230,000,000 bushels of the five principal grains was moved by vessel from Fort William-Port Arthur up to October 21, compared with less than 146,000,000 bushels in the corresponding period of 1942. Wheat accounted for 154,517,310 bushels of this year's movement or approximately 67 per cent.

Details of lake shipments during the past six years are shown below. These figures include shipments to both Canadian and United States ports and are compiled for the period ended October 21 in each year.

Shipments between Opening of Navigation and October 21

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
- bushels -						
1938 ..	91,512,124	5,915,301	13,862,592	1,403,255	376,159	113,069,431
1939 ..	130,965,769	12,243,860	13,842,483	3,012,895	197,263	160,262,270
1940 ..	129,681,182	11,846,563	7,430,008	2,412,800	748,081	152,118,634
1941 ..	176,062,572	6,927,995	7,307,902	4,824,994	1,069,198	196,192,661
1942 ..	136,304,350	3,158,103	4,855,136	904,911	587,937	145,810,437
1943 ..	154,517,310	33,295,910	36,688,044	1,331,875	3,714,538	229,547,677

VIII. RAIL SHIPMENTS FROM FORT WILLIAM-PORT ARTHUR

Grain shipments by rail from Fort William and Port Arthur during the month of September were the largest since last April. They totalled 3,888 cars, made up of 965 cars of wheat, 1,411 cars of oats, 1,091 cars of barley and the balance rye, flaxseed and screenings. This was an average of 155 cars daily, excluding Sundays and holidays. The August movement totalled 3,169 cars of all grains and screenings, while during the first two weeks of October, the number of cars shipped was 1,318 which included 269 cars of wheat.

The grades of wheat shipped to destinations in the five eastern provinces and the provincial distribution of these shipments during the month of September, are shown in the following table.

SEPTEMBER 1943

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island
- bushels -					
2 Northern	57,827	7,000	-	-	1,500
3 Northern	112,000	145,000	-	-	-
4 Northern	213,427	240,917	10,500	18,500	5,000
No. 5	195,512	297,850	18,433	2,600	13,900
No. 6	28,500	53,623	4,500	1,500	-
Tough 2 Northern	5,176	-	-	-	-
Tough 3 Northern	10,133	25,504	-	-	-
Tough 4 Northern	-	4,500	-	-	-
Feed	7,500	21,000	-	-	-
Rej. 2 Northern Mxd. Htd.	1,501	-	-	-	-
Rej. 3 Northern Mxd. Htd.	11,633	-	-	-	-
Rej. 3 Nor. Mxd. Htd. Grav. and Cind.	-	3,200	-	-	-
Sample Heated	-	8,000	-	-	-
Tough Sample Htd. and Htg.	1,500	-	-	-	-
2 C.W.A.D.	9,500	-	-	-	-
4 C.W.A.D.	-	1,600	-	-	-
Rej. 2 C.W.A.D. Mxd. Htd.	-	1,559	-	-	-
Tf. Rej. 4 C.W.A.D. Mxd. Htd.	-	1,575	-	-	-
1 A.R.W.	1,473	-	-	-	-
Smutty 2 A.W.	3,599	-	-	-	-
T o t a l s	659,281	811,328	33,433	22,600	20,400
GRAND TOTAL	1,547,042				

In addition to this movement eastward from lakehead terminals, there has been a fairly good movement of wheat direct from points in western Canada which by-passed the terminals at Fort William and Port Arthur. This movement reported in bushels during August and September amounted to 456,629 bushels of wheat including 19,365 bushels of Amber Durum variety. Approximately 260 cars would be required to carry this amount of wheat based on the average out-turn of wheat cars at terminal markets.

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