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AGRICULTURAL BRANCH



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MONTHLY REVIEW OF THE WHEAT SITUATION

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AGRICULTURAL BRANCH

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THE WORLD WHEAT SITUATION - SUMMARY

Only moderate success has attended efforts in 1943 to reverse wheat acreage policy from one of contraction in recent years to one of expansion for 1944. Both the United States and Argentine agricultural authorities encouraged increased wheat acreage this year, but in Argentina the plantings were actually smaller, while in the United States the winter wheat acreage for next year's harvest is below expectation.

United States farmers were frustrated by weather conditions in their attempts to expand wheat acreage to meet the goal set for 1944. Reversal of the acreage policy was announced in mid-summer and an increase of 14,000,000 acres for the 1944 harvest was set as the national goal. It was expected that the winter wheat States would take up a substantial share of this proposed increase, but on first count they appear to have failed to reach their expected quota.

Drought has persisted over a wide area including the important wheat producing sections of western Kansas, south-western Nebraska, Oklahoma and Texas. Current estimates concede an increase of between 10 and 15 per cent in wheat acreage over the entire winter wheat belt, and this in terms of acres is between 3.7 and 5.6 million acres. Some of the seed went into a very dry seed bed and is not germinating satisfactorily. Rains now could bring about recovery, but unless moisture is received soon abandonment of seeded acreage might be quite considerable.

There is still the spring wheat area to be reckoned with in the fulfilment of the 1944 acreage goal, but it is considered doubtful that sufficient expansion of spring wheat plantings will take place to make up the leeway indicated at the present time. The spring wheat area in 1943 was approximately 16,000,000 acres, and it is conceivable that this could be expanded to the 1938 level of around 23,000,000 acres. It was between 1938 and 1939 that spring wheat acreage in the United States was so extensively cut.

Just a year ago the emphasis was on wheat acreage reduction in both the United States and Canada. At that time stocks of surplus wheat were enormous and efforts were being made to produce feed grains and oil-bearing seeds. Since then the diversion of wheat to non-food use has been quite extensive, particularly in the United States and this, together with the expectation of some increase in relief shipments of cereal grains to Europe has caused the about-face.

The wheat surplus in Canada is still very substantial and there are quite considerable stocks in Argentina and Australia available for export, but the rapid disappearance of wheat in non-food channels, which has been a topic of discussion the past several months, is a factor of importance. The Food Research Institute of Stanford University had a word to say about this in a recent study of the wheat situation, when pointing out that world wheat stocks as of August 1, 1943 were about 1,500,000,000 bushels above pre-war normals.

Such abundance of wheat if reserved only for human food and seed for planting would easily meet the maximum potential requirements in the current crop year and leave substantial carry-overs, but the Institute was concerned about the huge quantities these non-food channels are capable of absorbing and noted that unrestrained diversion of wheat to animal feed and for industrial use, including alcohol manufacture and fuel, would soon exhaust the surplus. It was their view that the problems of the current situation in wheat were not those of supplies, but of the management of supplies.

Some indication of the use of wheat for live-stock feed in the United States is to be found in the record of sales by the Commodity Credit Corporation. The latest available figures show that during the first nine months of 1943 a total of almost 360,000,000 bushels of wheat was sold for animal feed. Sales during the four months July-October amounted to 158,000,000 bushels and the C.C.C. has been adding to its holdings through purchases of wheat on the open market in the United States and through imports from Canada and Argentina.

Since Canada is likely to be a heavy shipper of wheat to the United States in the current crop year, the question of wheat acreage in Canada next year will be a topic at the forthcoming Dominion-Provincial Conference on the 1944 production objectives. Wheat acreage in Canada was slashed in 1941 and heavily reduced again in 1943, but the higher prices now obtaining for Canadian wheat, together with expanding markets for the surplus, are likely to encourage expansion in 1944. It will be early December, however, before the acreage objectives are named.

Southern Hemisphere Estimates

In the meantime new crops are being gathered in Argentina and Australia. The Australian crop is now estimated at 96,000,000 bushels compared with 156,000,000 bushels produced a year ago. The Argentine crop is unofficially estimated at 239,000,000 bushels compared with 235,000,000 bushels harvested last year. Both countries have substantial stocks of old wheat but quite considerable quantities are being diverted to animal feeding and fuel use.

Argentine farmers, although encouraged to increase their acreage this year, planted 65,000 acres less wheat. The season was good, but it would appear that the Government announcement came too late for any appreciable change in acreage plans to be effected. Australian farmers reduced their acreage quite considerably, but in view of recent wheat-flour contracts between Australia and Great Britain and shipments of Australian wheat to India, it will not be surprising if there is some relaxation of acreage restriction in Australia in 1944.

Advices from Europe indicate that further expansion of wheat acreage is being planned in the Balkan countries and in Great Britain. There were indications earlier that the British farmer would be encouraged to return to grass and live-stock production, but this is not borne out by the most recent advices, which suggest that the present high level of food production in the United Kingdom will be maintained. The wheat for the 1944 harvest is now being seeded but no estimates have been made of the probable increase in acreage.

Figures on wheat acreage in the United Kingdom have not been officially quoted during the war, but it has been deduced from various semi-official statements that the wheat area is more than doubled the pre-war acreage of approximately 1,700,000 acres.

QUALITY OF THE 1943 WHEAT CROP

The reputation of Canadian wheat will be maintained by the 1943 crop which has average baking strength and protein content, according to a report issued by the Board of Grain Commissioners Laboratory. The new crop is similar in quality to the wheat marketed during the past year, which was partly 1942 crop and partly 1941 crop. The situation is thus more satisfactory than it was a year ago, when a high-protein crop was carried over and a low-protein crop was harvested.

The 1943 crop is the smallest harvested since 1937, and it is estimated that about 85 per cent will grade 2 Northern and higher. Bushel weight and absorption are higher this year than in 1942 but gluten quality and dough handling properties are somewhat inferior. Fairly high gassing power, at levels approximating those of last year, can be expected throughout the crop year. Flour colours are all satisfactory for the grade, and yellow pigment content, grade for grade, is lower than for samples collected at this time a year ago. Average protein content is 13.7 per cent which is very close to the 15-year average (13.8 per cent).

In both new-crop composites and in average samples representing all wheat, both old and new, inspected at Winnipeg, protein content tends to decrease with grade. Differences in baking strength among the first four new-crop grades are small, and in general, the baking strength of the new-crop composites is somewhat superior to corresponding Winnipeg average grades. In both sets of samples crumb colour and crumb texture tend to decrease with grade.

Owing to the slow delivery of the crop, the laboratory again sought co-operation in the collection of several thousand samples of new wheat from country elevators, and these were composited to provide samples of grades 1, 2, 3 and 4 Northern. It is believed that the composite samples of the first three grades prepared will be fairly representative of the complete crop, but there is reason to believe that the 4 Northern is somewhat too high in protein content and baking strength.

Results of Tests on the Northern Grades

<u>Property</u>	<u>1 Northern</u>	<u>2 Northern</u>	<u>3 Northern</u>	<u>4 Northern</u>
Bushel weight lb.	64	63	63	63.5
Wheat protein p.c.	13.8	13.6	13.1	13.1
Flour yield p.c.	71.5	70.6	70.6	70.1
Flour Ash p.c.	0.45	0.45	0.46	0.48
Yellow pigments p.p.m.	2.55	2.65	2.65	2.50
Gassing power cc.	232	256	299	346
Absorption p.c.	60.7	61.2	62.1	63.7
Loaf volume cc.	795	795	775	770

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. The nearby future is at its highest level since 1925 and the May future at its best level since 1929.

<u>1943-44</u>		<u>December</u>	<u>May</u>	<u>July</u>
		(cents and eighths per bushel)		
October	27	155/1	153/5	150/7
	28	156	154/6	152
	29	156/7	155/5	152/6
	30	155/6	154/6	152
November	1	156/4	155/2	152/7
	2	158/4	157/4	155/6
	3	157/6	156/7	155/1
	4	156/6	155/7	153/7
	5	157/2	156/3	154/2
	6	157/3	156/5	155
	8	156/5	155/4	153/2
	9	157/2	156/3	154/2
	10	157/1	156/2	154/3
	11	(Armistice Day)		
	12	157/5	156/5	154/6
	13	157/5	156/3	154/4
	15	158/5	157/3	155/4
	16	159/1	157/6	155/6
	17	160/4	158/6	156/4
	18	160/6	159/4	157/3
	19	161/3	160	158/3
	20	162/3	160/7	159/5
	22	163/1	161/3	160/1
	23	163	160/7	159/4
	24	162	159/4	157/6

A ceiling price for soft winter wheat outside of the Pacific area became effective on November 6. Maximum prices at terminal markets for No. 1 soft wheat of any class, carlots, bulk, with transit billing annexed to the lot sold, are established as follows per bushel.

Chicago \$1.64 1/2, St. Louis \$1.64 1/2, Milwaukee \$1.64 1/2, lower Missouri River markets, including Kansas City \$1.59 1/2, Baltimore \$1.78 3/4, Philadelphia \$1.79 1/4, New York \$1.80 1/2, Boston \$1.81 3/4 and Atlanta \$1.86 1/8.

CENTS
PER
BUSHEL

140

120

100

80

60

No. 1 Man. St John

SHIPPERS' OFFERS TO THE UNITED KINGDOM

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

Nov. 1942 to date

(Canadian cents per bushel)

Australian

Argentine Rosafé

NOV.

DEC.

JAN.

FEB.

MAR.

APR.

MAY

JUNE

JULY

AUG.

SEPT.

OCT.

NOV.

CALENDAR OF WHEAT EVENTS

1943

- October 29 Planting of winter wheat in the Balkans is very active and there are indications that acreage is being increased.
- 30 Rains in Argentina have improved crop prospects and the condition of new wheat is reported to be favourable.
- November 1 Field work in the United Kingdom is backward due to periods of unfavourable weather.
- 2 Although wheat crop prospects in Australia are still unfavourable, recent estimates of production are slightly higher.
- 3 The C.C.C. is reported to have bought No. 3 Northern wheat at Vancouver for shipment to the Pacific Northwest.
- 4 Harvesting of wheat in Australia has commenced, but the crop is expected to be the smallest but one in more than twenty years.
6. A shipment of 338,000 bushels of Argentine wheat to the United States, as part of a 2,000,000 bushel order, is reported.
- 8 Each year since the war started wheat acreage in Great Britain has increased and a further expansion is scheduled for the 1944 harvest.
- 9 Fall wheat seeding in Turkey is well advanced and the moisture situation is favourable.
- 10 United States wheat production in 1943 is confirmed at 835,816,000 bushels.
- 12 The estimate of the Canadian wheat crop in 1943 was reduced about 2,500,000 bushels from the first estimate in September.
- 13 Unofficial estimates of the new Argentine crop run as high as 239,000,000 bushels, compared with 235,000,000 last year.
- 15 The subsidy on western Canadian wheat used for animal feed outside of the Prairie Provinces has been raised from 8 cents to 25 cents per bushel.
- 16 Australian wheat is arriving in India to relieve the famine conditions in the Bengal area.
- 17 The Australian wheat crop is now estimated at 96,000,000 bushels compared with the previous estimate of 89,000,000 bushels.
- 18 The visible supply of Canadian wheat stands at approximately 364,000,000 bushels compared with 453,000,000 a year earlier.
- 19 South Africa is now harvesting a new wheat crop on a smaller acreage than a year ago.
- 20 Wheat prices at Chicago reached new high levels.
- 22 Roumania is complaining of drought and fall seeding has been slowed up.

UNITED STATES

There appears to be some doubt about the acreage goal in wheat for the 1944 harvest being reached in the United States. Preliminary reports suggest that an increase of between 10 and 15 per cent in the winter wheat acreage has been seeded, and if this is confirmed it would mean an enormous increase in the spring wheat area, in order to meet the objective of 68,000,000 acres for next year's crop.

The area seeded to winter wheat a year ago for the 1943 harvest was approximately 37,500,000 acres, and of this area 33,859,000 remained for harvest. If the reported increase in sowings this year is based on the seeded area of a year ago, it means that the winter wheat area has been increased between 3.7 and 5.6 million acres. The 1944 objective called for an increase of 14,000,000 acres in all wheat and it is not at all likely that spring wheat plantings can make up the leeway.

Very dry weather over a large part of the south-west is responsible for the small increase in acreage and current reports indicate that considerable areas may be abandoned because the wheat has failed to germinate properly. The moisture situation in the soft winter wheat states has improved and good stands are reported in Ohio, but in the hard winter wheat areas, particularly south-western Nebraska, western Kansas, Oklahoma and Texas, the moisture situation is very unsatisfactory and present prospects are not at all promising.

The statistical situation continues to show improvement due to the heavy sales of wheat for feeding purposes. It is reported that on October 1, the Commodity Credit Corporation held slightly more than 115,000,000 bushels of wheat and that during the month they sold 32,500,000 bushels. Between July 1 and October 31, the C.C.C. disposed of 158,000,000 bushels of wheat for feed, although the net decrease in their holdings during this period was only about 90,000,000 bushels. The difference is made up by purchases of domestic wheat on the market and imports from Canada and Argentina.

Wheat from the 1943 crop placed under loan to November 6, totalled just over 113,000,000 bushels compared with 279,000,000 bushels a year previous. About 2,500,000 bushels of these loans had been redeemed at this date, so that the net outstanding figure on this year's crop is just under 111,000,000 bushels at the end of the first week in November.

The November 1 report of the Department of Agriculture showed no change in the estimate of wheat production in 1943. This leaves the winter wheat total at 333,857,000 bushels and spring wheat at 301,959,000 bushels, which included 36,251,000 bushels of Amber Durum variety. The total 1943 crop, therefore, is 835,816,000 bushels or 145,511,000 bushels less than was harvested in 1942. It might be noted, however, that the 1943 crop of wheat was about 100,000,000 bushels greater than the average during the ten years 1932-1941, all of this being accounted for in the spring wheat production.

The use of wheat for the manufacture of industrial alcohol is likely to be much smaller than at first estimated. It is now reported that a number of the large distilleries now making alcohol from grain will switch over in the very near future to molasses, thereby saving about 68,000,000 bushels of grain earmarked for this purpose during the year. This downward revision of distillery requirements, however, may be more than offset by an increase in feeding to animals.

ARGENTINE LETTER

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

Crop Conditions

The regular monthly official report on crop conditions states that October weather conditions were quite favourable, and the abundant rains which were recorded in the greater part of the cereal zone and the mild temperatures considerably improved the grain fields, particularly in the western part of Buenos Aires and in the Pampa, where the crop prospects are now promising and yields are likely to be above normal. The rains notably diminished the damage which the September frosts had caused, especially in the wheat fields in Santa Fe.

Generally, the condition of the wheat fields may be said to be from good to very good. In Santa Fe, cutting will begin in the first half of November, and yield in excess of 22 bushels per acre is foreseen in the southern areas. On the other hand, in the northern part of the same province the north-east of Cordoba and south-east of Santiago, although the plants have shown some improvement, the crop prospects are only fair, if one takes into account that owing to the September frosts there were losses of area which, perhaps prematurely, had live stock turned in to pasture without waiting for the reaction which opportune rains might bring about. In the district of San Justo in Cordoba, a heavy attack of rust (*Puccinia triticina*) is causing damage.

Supplies and Markets

Exports of wheat during October totalled 7,039,000 bushels, of which 6,776,000 bushels were grain and 263,000 bushels flour in terms of grain. In the month of September the combined total was 6,729,000 bushels.

The official Statistics have written off from the wheat stocks an additional 4,042,000 bushels regarded as lost. Taking this duly into account, the following is now the supply position:

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	16,167,000	"
Reserve fuel and forage	91,858,000	"
	<u>209,069,000</u>	"
Exportable Surplus	185,963,000	"
Shipments to) Wheat	51,555,000 bushels	
October 31) Wheat as flour	2,643,000	"
	<u>54,198,000</u>	"
Balance still available	131,765,000	"

Of the available balance something over 300,000 tons (11,023,000 bushels) is under contract to Spain, but has not yet been shipped. It is reported unofficially that 150,000 tons (5,511,000 bushels) have been purchased by the Commodity Credit Corporation for shipment to the United States, and additional purchases are not unlikely should the necessary shipping be found available.

Trading in the wheat market was very quiet during the month. Brazil is still a steady buyer, and 551,000 bushels were sold to Sweden. Great Britain is showing no interest at present. The Grain Board last week again made a slight increase in the prices asked for export wheat. Higher handling charges in the ports, made necessary by increases in the wages paid to port employees, are now an additional impediment to business.

On December 1 the new basic prices guaranteed to the producer will become effective, giving the wheat grower the equivalent of 65 cents per bushel for this grain of standard weight and quality.

Seeded Areas - Third Official Estimate

The third, and presumably final, official calculation of the areas seeded to the five principal field crops (excluding maize), which was published a few days ago, shows relatively minor changes from the earlier figures.

Wheat and linseed acreages are still below those of last season, and the other three crops continue to show higher areas, as will be seen from the statement below:

	<u>1943-44 Sowings</u>	<u>Comparison with 1942-43</u>
	acres	acres
Wheat	16,914,000	65,300 decrease
Linseed	5,827,400	282,300 "
Oats	5,258,800	503,000 increase
Barley	1,743,500	323,000 "
Rye	4,509,500	217,900 "
<u>Total</u>	<u>34,253,200</u>	<u>696,300 net increase</u>

AUSTRALIAN CABLE

The following cable was received from the Canadian Government Trade Commissioner at Melbourne on November 17, 1943.

"Stocks of wheat in Australia at November first were approximately 163,000,000 bushels with the rate of export increasing during October. Weather continues generally unfavourable, but no widespread reports of pests or plague. New wheat crop estimate now 96,000,000 bushels compared with 158,400,000 last season. The largest declines are reported from Victoria, south Australia, and west Australia where the crop is 15,000,000 bushels compared with 37,000,000 last year and the smallest crop for 21 years. Lack of fertilizers will affect yields in west and south Australia till post-war period.

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	124.1
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	90.5	
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	103.9	152.6	79.3
1942	110.5	159.6	88.6
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	116.9	162.9	124.7
October	117.7	2/	131.7

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

THE CANADIAN SITUATION

I. STATISTICAL POSITION ON SEPTEMBER 1, 1943

Exports of Canadian wheat and wheat-flour during August totalled nearly 28,000,000 bushels, almost twice as much as was exported in the same month a year ago and the best August shipments in many years. Movement of Canadian wheat to the United States was a factor in the high total.

The total supply of Canadian wheat in the crop year 1943-44 is just over 895,000,000 bushels but after allowing for a full year's estimated domestic requirements and deducting the August exports, the amount available for export or carry-over on September 1 was 692,474,000 bushels or 106,000,000 bushels less than the available supply a year earlier.

Details of the statistical position of Canadian wheat are set out below with comparative figures for the crop year 1942-43.

Canadian Wheat Supplies

	<u>1943-44</u>	<u>1942-43</u>
	bushels	
Carry-over in North America July 31	601,477,184	423,752,337
New crop production	293,704,000	556,121,000 ^{1/}
Total Supply	895,181,184	979,873,337
Estimated domestic requirements	175,000,000	166,000,000
Available for export or carry-over	720,181,184	813,873,337
Deduct		
Exports of wheat as grain - August	22,660,079	11,077,000
Flour exports in terms of wheat - August	5,047,056	4,364,996
Total Exports Wheat and Flour	27,707,135	15,441,996
Balance on September 1	692,474,049	798,431,341

^{1/} Provisionally revised on preliminary disposition data.

Wheat and Flour Exports

	<u>1943-44</u>	<u>1942-43</u>	<u>1941-42</u>	<u>1940-41</u>	<u>1939-40</u>
	bushels -				
August	27,707,135	15,441,996	20,407,113	11,560,065	13,198,877
September		9,543,999	15,684,290	9,622,992	14,688,827
October		14,024,761	13,938,564	10,810,971	9,220,393
November		15,233,465	17,233,506	13,705,174	18,826,047
December		7,690,136	20,274,406	8,953,630	15,480,129
January		13,634,483	18,191,621	15,220,986	20,148,824
February		15,514,761	15,568,893	18,110,049	16,556,686
March		22,781,717	19,109,161	21,497,072	21,268,085
April		23,104,964	29,029,368	30,757,859	16,831,280
May		25,953,868	22,740,894	36,815,411	22,366,323
June		26,946,425	16,942,859	31,084,121	12,042,247
July	^{1/} 21,647,051		12,879,466	23,067,916	12,046,650
Crop-Year Totals.		211,517,686	222,007,141	231,206,246	192,674,368

^{1/} Subject to revision.

II. SECOND ESTIMATE 1943 WHEAT CROP

The second estimate of the 1943 wheat crop made on November 12 shows a reduction of only 2,500,000 bushels from the preliminary figure issued on September 10. The Alberta crop was reduced by 5,000,000 bushels but an increase of 2,000,000 bushels was noted in the second estimate of the Manitoba crop and 1,000,000 bushels in the Saskatchewan wheat crop. Killing frost in September caught green wheat in central and northern areas of Alberta with consequent reduction in both yield and grade. The second estimate for Canada and for the Prairie Provinces follows:

	Area		Yield Per Acre		Production	
	1942	1943	1942	1943	1942	1943
	ac.	ac.	bu.	bu.	bu.	bu.
<u>CANADA -</u>						
Fall wheat	757,000	601,000	30.9	22.0	23,391,000	13,222,000
Spring wheat	20,829,500	16,886,700	27.3	16.6	569,293,000	280,482,000
All wheat	21,586,500	17,487,700	27.5	16.8	592,684,000 ^{1/}	293,704,000
<u>PRAIRIE PROVINCES -</u>						
Wheat	20,653,000	16,729,000	27.4	16.6	565,000,000 ^{1/}	277,000,000

Production of fall wheat which is estimated for Ontario only, shows a reduction of about 600,000 bushels from the first estimate, but no change has been made in the estimate of 6,700,000 bushels of Amber Durum wheat which is included in the spring wheat total. The crop by provinces in western Canada is now estimated as follows:

	<u>Bushels</u>
Manitoba	41,000,000
Saskatchewan	156,000,000
Alberta	80,000,000
T o t a l	<u>277,000,000</u>

Deliveries of wheat from farms in western Canada up to November 18, were equal to about 27 per cent of the 1943 crop but were not necessarily this year's crop since the regulations covering 1943-44 deliveries permit of the marketing of old as well as new wheat.

Fall Wheat Sowings

The area seeded to fall wheat in Ontario this year for harvest in 1944 shows an increase of only 28,000 acres or 4 per cent over the area sown in 1942 for the 1943 harvest. The acreage is estimated at 735,000 acres and the condition of the crop on October 31, was reported to be 84 per cent of the long-time average yield per acre compared with 94 per cent at the same date in 1942.

^{1/} Over-estimated by 36,000,000 bushels according to preliminary disposition data.

III. SHIPMENTS TO UNITED STATES

Lake shipments of Canadian wheat to the United States totalled more than 22,000,000 bushels during the five weeks ended November 18, or about 1,500,000 bushels more than was shipped in the preceding ten weeks. The bulk of the shipments went to Buffalo, but there was a moderate increase in the movement to Duluth-Superior and to other U.S. lake ports.

Rail shipments increased from a total of almost 10,000,000 bushels, moved between August 1 and October 14, to more than 12,000,000 bushels on November 18. This makes a total vessel and rail movement for the fifteen weeks to November 18 of just under 56,000,000 bushels.

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

<u>Shipments August 1 to November 18, 1943</u>		<u>Bushels</u>
<u>By Vessel</u>		
Pacific Ports		2,129,041
Buffalo		22,818,823
Duluth-Superior		14,429,424
Other U.S. Ports		4,078,290
Total by Vessel		<u>43,455,578</u>
<u>By Rail</u>		
Seaboard Ports		6,420,614
Other Points		5,965,951
Total by Rail		<u>12,386,565</u>
Total Vessel and Rail		<u>55,842,143</u>

IV. 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, 1943 to November 18, 1943</u>	<u>August 1, 1942 to November 19, 1942</u>
	bushels	
Collingwood	533,654	1,045,977
Midland	5,091,093	5,788,826
Owen Sound	791,879	1,813,833
Port McNicoll	2,990,316	5,678,147
Goderich	472,471	1,049,887
Sarnia	156,427	1,654,039
Prescott	5,900	-
Montreal	3,097	6,113
Totals	<u>10,044,837</u>	<u>17,036,822</u>

V. FARMERS' MARKETINGS

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

<u>Week ending</u>		<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Totals</u>	<u>Last Year</u>
- 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	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	15,986,475
	21 ^{1/}	525,806	1,880,566	810,824	3,217,196	13,004,282
	28	1,024,429	1,927,056	1,068,457	4,019,942	11,868,881
November	4	1,423,611	3,677,915	1,466,369	6,568,395	10,521,570
	11	2,625,264	4,172,833	1,992,099	8,790,196	7,480,345
	18	2,411,255	4,808,231	1,981,364	9,200,850	6,474,567
T o t a l s		14,518,823	41,640,539	19,458,383	75,617,745	108,759,306

^{1/} Revised.

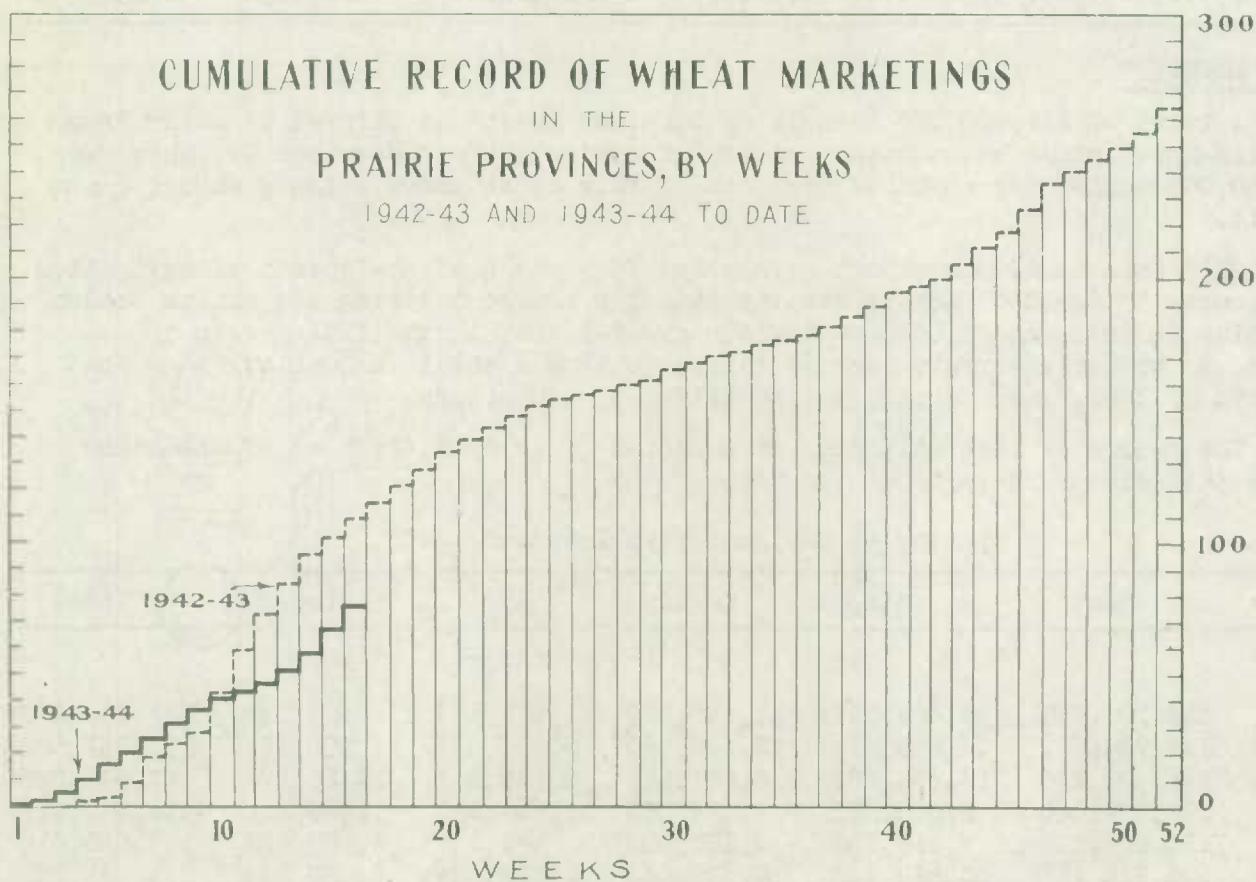
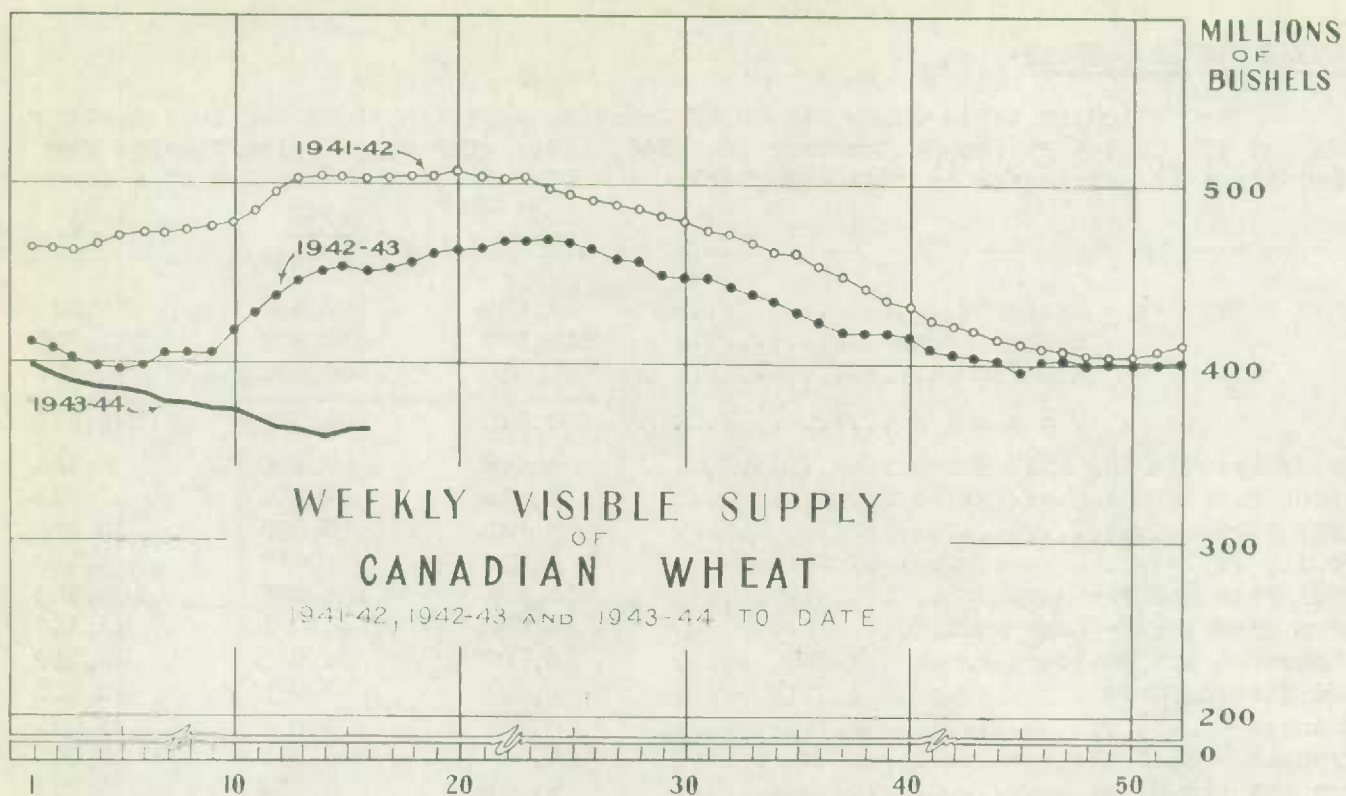
Movement of wheat from prairie farms has increased very considerably since the beginning of November. Delivery quotas have been stepped up until now at a number of points they have reached the maximum of 14 bushels per "authorized" acre.

It was announced by the Canadian Wheat Board late in October that "drastic action" was being taken to meet a crisis in wheat movement. The Board pointed out that it was necessary to move more than 60,000,000 bushels of wheat to the terminal elevators at Fort William-Port Arthur before the close of lake navigation. A minimum of 110,000,000 bushels would be required at the lakehead to fill lake tonnage that would be available and necessary to meet commitments. Less than 50,000,000 bushels were then in store at Fort William-Port Arthur and only 40 days remained in which to get the additional 60,000,000 bushels brought forward from the west.

The railway companies were instructed to immediately load wheat for the head of the lakes from areas which would provide the quickest turn-around of cars. Delivery quotas were raised as country elevator space became available in the Prairie Provinces and farmers delivered almost 30,000,000 bushels of wheat in the four weeks ended November 18.

So much equipment had to be diverted to the movement of western grain to eastern Canada to meet the acute feed shortages in that area that under the Board's policy of endeavouring to place cars to the best advantage of all wheat producers in the west, shipments to the lakehead had not been of sufficient volume to meet commitments in the United States, the United Kingdom and supplies for the Canadian flour milling industry which is working to capacity on export orders for the United Nations.

The Wheat Board, in taking this temporary emergency action, gave producers the assurance that railway cars would be diverted to the other areas affected by their order, as soon as the crisis is past.



VI. WHEAT VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on November 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	24,090	27,460	30,330
Saskatchewan	102,775	110,915	121,715
Alberta	76,250	66,980	77,225
T o t a l s	203,115	205,355	229,270
Interior Private and Mill Elevators	4,448	5,730	8,486
Interior Public and Semi-Public Terminals	12,219	18,597	17,745
Pacific Ports	19,042	19,363	20,281
Churchill	1,877	2,617	2,617
Fort William and Port Arthur	31,504	104,238	108,623
Eastern Elevators - Lake Ports	33,074	40,801	42,567
St. Lawrence and Seaboard Ports	14,102	24,865	29,310
United States Ports	8,251	15,970	20,838
In Transit - Lake	8,167	3,671	3,031
In Transit - Rail	18,621	8,860	16,796
In Transit - U.S. A.	9,366	2,834	3,759
T o t a l s	363,786	452,901	503,323

VII. LAKE MOVEMENT

A total of 269,000,000 bushels of Canadian grain was shipped by water from Fort William-Port Arthur between the opening of navigation and November 14, this year, and 126,000,000 bushels or about 47 per cent of this total moved between August 1 and November 14.

Shipments to mid-November, with about four weeks of the season of navigation remaining, were 58,000,000 bushels greater than the movement during the entire season of navigation in 1942, and 7,000,000 bushels greater than in the 1941 season of navigation, so that the current year is likely to show a total unequalled since the happier days of 1928, when tonnage was plentiful by comparison.

The record of lake shipments of Canadian grain from the head of the lakes during the past six years is tabulated below.

Opening of Navigation to November 14.

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
- bushels -						
1938 ...	113,195,871	7,409,769	15,576,057	1,477,134	495,546	138,154,377
1939 ...	148,794,312	14,696,872	15,569,565	3,310,611	290,326	182,661,686
1940 ...	141,488,298	13,450,250	8,861,550	2,748,611	1,114,176	167,662,885
1941 ...	192,725,046	8,062,232	9,044,536	5,194,583	1,496,620	216,523,017
1942 ...	150,552,556	7,269,756	7,165,615	991,137	1,105,954	167,085,018
1943 ...	185,525,717	36,838,465	39,178,053	1,518,654	6,020,344	269,081,233

August 1 to November 14.

1943 ...	89,591,898	16,425,462	15,631,621	259,556	4,120,909	126,029,446
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VIII. DRAWBACK ON WHEAT USED FOR FEED

The feed wheat payment policy which went into effect on August 1, 1942 has been revised. The original Order in Council dated September 11, 1942, provided for a payment of 8 cents per bushel on Western Canadian wheat purchased for feeding purposes in the five eastern provinces and British Columbia. This payment applied to any grade of Western wheat which was used exclusively as feed for live stock and poultry.

The new Order in Council dated November 11, 1943 makes effective on and after November 15, 1943 a payment of 25 cents per bushel, but specifies that this payment will apply only to No. 4 Manitoba Northern wheat and all grades of equal or lower value as established by the Canadian Wheat Board. No claims for the 25 cent drawback will be paid on any grade of wheat having a higher value than No. 4 Northern.

At the time of setting the original drawback of 8 cents per bushel the initial price paid by the Canadian Wheat Board for No. 1 Northern wheat was 90 cents per bushel, basis in store Fort William. The increase to 25 cents per bushel arises from the change in the initial price of No. 1 Northern from 90 cents to \$1.25, which became effective on September 28, 1943.

This drawback of 25 cents per bushel on certain grades of Western wheat used for live-stock feed is in addition to the Freight Assistance afforded wheat and other feed grains moved from Western Canada to the five eastern provinces and British Columbia.

IX. FREIGHT ASSISTANCE POLICY

Almost 5,000,000 bushels of western Canadian wheat were distributed in the five eastern provinces and in British Columbia under the Freight Assistance Policy during the three months August-October this year. This was approximately 25 per cent of the total on which claims were paid during the entire crop year 1942-43.

The distribution by provinces during the past crop year and in the first quarter of the current crop year was as follows:

	<u>Crop Year 1942-43</u>	<u>August-October 1943</u>
	bushels	
Ontario	8,500,972	2,741,787
Quebec	6,080,817	1,396,201
New Brunswick	671,728	130,932
Nova Scotia	966,250	160,823
Prince Edward Island .	388,462	85,243
British Columbia	2,329,702	239,223
T o t a l	18,937,931	4,754,209

With the drawback on certain grades of western wheat used for feed raised from 8 cents to 25 cents per bushel as from November 15, 1943 it might be expected that wheat will be fed liberally to live stock in those provinces enjoying the benefits of freight assistance provided the grades eligible for drawback are available in volume. The claims paid so far have covered a remarkably good volume of western wheat in view of the much higher price obtaining this season and the fact that the drawback was only 8 cents per bushel during the first quarter of the current crop year.

X. RAIL SHIPMENTS FROM FORT WILLIAM-PORT ARTHUR

A total of 780,035 bushels of wheat moved by rail from Fort William and Port Arthur to points in the five eastern provinces during the month of October, according to records furnished by the Statistics Branch of the Board of Grain Commissioners. All but 44,000 bushels went to Ontario and Quebec and the principal grades shipped were No. 4 Northern and No. 5 wheat.

The total of rail shipments from the head of the lakes to eastern Canada between August 1 and November 14 was 3,691,978 bushels moved by months as follows:

	<u>Bushels</u>
August	990,879
September	1,547,042
October	780,035
November 1-14	374,022
Total 3 1/2 months	<u>3,691,978</u>

Grades of wheat shipped during October and the provinces to which they were destined are tabulated below:

October 1943

	<u>Ontario</u>	<u>Quebec</u>	<u>New Brunswick</u>	<u>Nova Scotia</u>	<u>Prince Edward Island</u>
	- bushels -				
3 Northern	5,217	-	-	-	-
4 Northern	140,500	123,750	3,000	11,200	3,000
No. 5	168,262	194,500	11,833	1,133	1,917
No. 6	2,133	22,500	9,000	1,500	1,500
Tough 3 Northern	-	14,042	-	-	-
Tough 4 Northern	-	1,524	-	-	-
Tough No. 6	-	1,500	-	-	-
Feed	1,533	11,000	-	-	-
Smutty 2 Northern	9,263	-	-	-	-
Smutty 3 Northern	4,030	-	-	-	-
Smutty 4 Northern	6,084	-	-	-	-
Rej. 2 Nor. Mxd. Htd.	-	6,246	-	-	-
Tough Rej. 2 Nor. Mxd. Htd.	1,583	-	-	-	-
Rej. 3 Nor. Mxd. Htd. Grav. & Cinders .	3,000	1,600	-	-	-
Sample Heated	-	4,000	-	-	-
Sple. Htd. Mxd. Grav. and Cinders	1,500	-	-	-	-
Tough Sple. Htd. & Htg.	3,500	1,583	-	-	-
5 C.W.A.D.	1,522	-	-	-	-
Rej. 3 C.W.A.D. Mxd. Htd.	-	3,610	-	-	-
1 A.R.W.	1,970	-	-	-	-
T o t a l s	350,097	385,855	23,833	13,833	6,417
GRAND TOTAL	780,035				

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