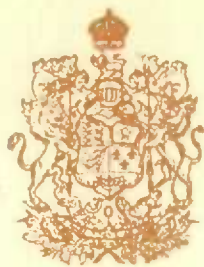


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AGRICULTURAL BRANCH

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MONTHLY REVIEW OF THE WHEAT SITUATION

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THE WORLD WHEAT SITUATION - SUMMARY

Argentine and Australian farmers are busy adding their quota to the world wheat supply of bread grain for 1944. The new harvest is well advanced in Australia and is extending southward in Argentina to the heavy producing areas in the province of Buenos Aires. Production in Australia is estimated at 97,000,000 bushels compared with 156,000,000 bushels a year ago, while the Argentine crop, recently revised downward to 291,000,000 bushels, compares with 235,000,000 bushels produced last year. Thus, the combined wheat crop of these two southern hemisphere countries is 388,000,000 bushels or approximately the same as they produced a year ago.

Making allowance for normal domestic disappearance in both countries during the next twelve months, the surplus available for export from the new crop is about 225,000,000 bushels. Australia has a carry-over of 153,000,000 bushels of old wheat and Argentina 122,000,000 bushels after deducting quantities set aside for fuel and animal feed. This makes a total surplus of 500,000,000 bushels available for export and carry-over in Argentina and Australia during 1944.

When joined to the Canadian wheat surplus, which stood at 670,000,000 bushels on October 1, 1943, this reservoir of wheat would seem to hold assurance that a Europe liberated in 1944 and provided with adequate ocean tonnage would not go short of bread. Moreover, both Canada and the United States will harvest another wheat crop in the middle of 1944 and the United States is endeavouring to increase the acreage under wheat for the 1944 harvest by 14,000,000 acres.

Tremendous quantities of wheat have been disappearing into non-food channels during the past year under stress of the burden of supplies in some countries and because of the lack of adequate feed supplies for live stock in others. There are indications that this diversion of bread grain supplies will taper off in 1944, particularly if the end of the European struggle comes in sight. In this event, at least 1,000,000,000 bushels of wheat, half of it in Canada, would be available for shipment to the hungry people of Europe.

It was with this statistical picture in the background that the Dominion-Provincial Agricultural Conference held in Ottawa early in December, decided to recommend that no increase in wheat acreage in Canada be encouraged in 1944. The production of coarse grain and oil-bearing seed crops, as well as peas, beans and corn was regarded as more urgent and it was suggested that a high proportion of the land in western Canada be summerfallowed again in 1944. This summerfallow, it was contended, would be an asset if circumstances justified an increase in wheat acreage in 1945.

Both the United States and Argentina removed wheat acreage restrictions in 1943 but Canada and Australia held to a policy of acreage reduction. The two Dominions were successful in their efforts, but the other two countries accomplished very little in the way of increased plantings, partly because the restrictions were removed too late to permit of farmers altering their seeding plans.

The trend of wheat acreage in each of the four principal exporting countries since 1939 is shown below:

	<u>Canada</u>	<u>United States</u>	<u>Argentina</u>	<u>Australia</u>
		acres		
1939	26,757,000	63,516,000	17,830,000	13,284,000
1940	28,726,000	61,464,000	17,510,000	12,645,000
1941	21,882,000	62,404,000	18,040,000	12,063,000
1942 <u>1/</u>	21,586,000	52,533,000	16,979,000	9,280,000
1943 <u>1/</u>	17,488,000	54,159,000	16,914,000	8,300,000
1944 (Goal) .	17,488,000	68,000,000	-	-

1/ Subject to revision.

The peak of wheat acreage in Canada was reached in 1940. Three years later the acreage was at its lowest level in a quarter of a century when in 1943 only 17,488,000 acres were planted to wheat. This figure is the objective officially set for 1944. The fall wheat crop is already planted and an increase of 28,000 acres or 4 per cent is noted in Ontario where the bulk of the fall wheat is produced.

Wheat acreage in the United States has been held down by law during recent years but all restrictions were removed last spring and the objective for 1944 is 68,000,000 acres, an increase of 14,000,000 acres over the seeded area for the 1943 harvest. Winter wheat seeding is over and unofficial estimates indicate that the increase in acreage is only 5,000,000 acres or about 13 per cent. This leaves spring wheat farmers with a high objective if the over-all increase of 14,000,000 acres is to be secured.

Acreage policy in Australia the past two years has compelled reduction in wheat plantings in Western Australia and encouraged reduction in the other States. These efforts have been successful and as was the case in both Canada and the United States, farmers in Australia were compensated for reducing wheat acreage.

European Acreage

Authentic information on wheat acreage in Europe has been unobtainable. Unofficial estimates have indicated that wheat acreage in the United Kingdom has been doubled since the war began. The acreage in Eire is known to be higher but only piecemeal information of an unofficial character has been available for continental Europe. It is generally assumed that labour difficulties, the lack of fertilizer supplies and the scars of battle have reduced the crop area, and that wartime production has been consistently below the pre-war average. It is reported, however, that bread grain production in 1943 was the highest of the war years.

Latest advices suggest that efforts to increase acreage for the 1944 harvest have been successful in many European countries. Fall conditions were favourable for ploughing and seeding except in the Balkan areas where drought conditions hampered field work. This drought has since been broken and information credited to Roumanian sources indicates that the outlook is now very favourable. Cabled reports from Turkey point to good conditions there, while advices from the United Kingdom not only confirm a record harvest in 1943 but report satisfactory progress in the seeding of crops for next year's harvest.

Much valuable wheat land in the Ukraine is back in Russian hands. It can be assumed that as much as possible of this recaptured territory was seeded to grain this fall and that the Russians will benefit from the harvest in 1944. Production of grain is reported to be in full swing again in Tunisia and Algeria and it is very probable that the rehabilitation of agriculture in Sicily and southern Italy is underway. The North African territories are surplus-producing areas and in pre-war days they supplied France with substantial amounts of wheat and wheat products.

CANADA'S 1944 ACREAGE OBJECTIVE

Wheat acreage for the 1944 harvest in Canada will be the same as the acreage planted in 1943 if the recommendations of the Dominion-Provincial Agricultural Conference are adopted by Canadian farmers. The Conference, held in Ottawa early in December, decided after lengthy examination of the wheat situation, to recommend that no increase in wheat acreage take place next year. Speaking in support of this recommendation, the Federal Minister of Agriculture expressed the view that an average crop next year on the 1943 acreage would give Canada sufficient wheat to meet the highest possible demand during the next two years.

Wheat acreage in Canada in 1943 totalled approximately 17,500,000 acres, and this is the objective for 1944. The long-time average yield of 16 bushels per acre on this acreage would produce 280,000,000 bushels of wheat and this amount, added to the prospective carry-over on July 31, 1944, would provide a total supply for the crop year 1944-45 of between 600,000,000 and 700,000,000 bushels of wheat. The current estimate of export and domestic disappearance of Canadian wheat during the crop year 1943-44 is in the neighbourhood of 475,000,000 bushels and the balance available for export on October 1, 1943, after two months of the crop year had expired, was approximately 670,000,000 bushels.

Emphasis is again placed on the production of coarse grains in 1944 to meet the feed demands of live stock and poultry producers. It has been proposed also that a larger acreage be devoted to the production of oil-bearing seeds crops and to peas, beans and corn for husking. If these objectives are met, any upward change in wheat acreage would result in the lowering of summerfallow acreage and this was argued to be undesirable, at least in 1944.

The summerfallow area in western Canada has increased considerably in recent years under the Dominion Government's acreage policy. The Dominion Census taken in 1941 revealed an increase of about 6,000,000 acres between 1940 and 1941. A large part of this increase was absorbed in 1942 when acreage seeded to oats and barley was expanded but the acreage under summerfallow in 1943 was still 20,637,000 acres compared with 17,325,700 acres in 1940. Very little change was noted between 1942 and 1943 despite a further increase in acreage planted to coarse grains and flaxseed, this being accomplished at the expense of wheat.

Spokesmen for the Dominion Department of Agriculture favoured retention of a high summerfallow acreage in 1944 contending that since there was no case for increased wheat acreage next year, a large summerfallow acreage would be an asset of high value if circumstances warranted heavier production of wheat in 1945. The seeding of a large proportion of the crops on summerfallowed land in recent years was believed by agricultural authorities to have been a factor of importance in the high yields per acre obtained generally in 1942 and in some areas in 1943.

In the following table, the summerfallow acreage in each of the three Prairie Provinces during recent years is set out, revised on the basis of final census data.

Summerfallow Acreage in West

	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Total</u>
	- acres -			
1936-39 (average) ..	2,030,000	9,343,000	4,667,000	16,040,000
1940	2,202,000	10,189,900	4,933,800	17,325,700
1941	2,768,700	13,800,850	6,541,900	23,111,450
1942	2,360,000	11,744,000	5,875,000	19,979,000
1943	2,313,000	11,979,000	6,345,000	20,637,000

The area summerfallowed in 1941 was the largest on record, amounting to almost 38 per cent of the total cultivated acreage in the Prairie Provinces. In 1940 the percentage in summerfallow was 28.8 per cent and in 1943 it was 32.6 per cent of the total cultivated acreage.

WHEAT BOARD PRICES

The new price list for Canadian wheat issued by the Canadian Wheat Board on October 14, 1943, and which appeared in the October "Monthly Review of the Wheat Situation", is repeated below for straight grade wheat, with the addition of prices for some of the off grades. These prices are for carload lots, basis in store at Fort William or Vancouver.

Grade	Straight Grade	Smutty Rej'd.	Rej'd. Spr'td.	Rej'd. Mixed Heated	Tough Smutty	Tough Rej'd.
No. 1 Hard	1.25	1.09	1.15	1.12	1.13	1.12
No. 1 Northern	1.25	1.09	1.15	1.12	1.13	1.12
No. 2 Northern	1.22	1.06	1.12	1.10	1.10	1.09
No. 3 Northern	1.20	1.04	1.10	1.10	1.08	1.07
No. 4 Northern	1.15	1.03	1.08	1.08	1.06	1.05
No. 5 Wheat	1.10	.98	1.03	1.03	1.01	1.00
No. 6 Wheat	1.06	.94	.99	.99	.97	.96
Feed Wheat	1.04					
No. 4 Special	1.15	1.03	1.08	1.08	1.06	1.05
No. 5 Special	1.10	.98	1.03	1.03	1.01	1.00
No. 6 Special	1.06	.94	.99	.99	.97	.96
No. 1 C.W. Amber Durum ...	1.30	1.12	1.19	1.14	1.17	1.16
No. 2 C.W. Amber Durum ...	1.28	1.10	1.17	1.12	1.15	1.14
No. 3 C.W. Amber Durum ...	1.26	1.08	1.15	1.10	1.13	1.12
No. 4 C.W. Amber Durum ...	1.16	1.06	1.10	1.09	1.08	1.07
No. 5 C.W. Amber Durum ...	1.13	1.03	1.07	1.06	1.05	1.04
No. 6 C.W. Amber Durum ...	1.10	1.00	1.04	1.03	1.02	1.01
No. 1 C.W. Garnet	1.20	1.06	1.12	1.09	1.10	1.09
No. 2 C.W. Garnet	1.18	1.04	1.10	1.07	1.08	1.07
No. 3 C.W. Garnet	1.16	1.02	1.08	1.05	1.06	1.05
No. 1 Alberta Red Winter .	1.35	1.24	1.28	1.10	1.26	1.26
No. 2 Alberta Winter	1.34	1.23	1.27	1.09	1.25	1.25
No. 3 Alberta Winter	1.31	1.20	1.24	1.06	1.22	1.22
No. 1 Mixed Wheat	1.13	1.01	1.06	1.02	1.04	1.03
No. 2 Mixed Wheat	1.08	.96	1.01	.97	.99	.98
No. 3 Mixed Wheat	1.11	.99	1.04	1.00	1.02	1.01
No. 4 Mixed Wheat	1.08	.96	1.01	.97	.99	.98
No. 5 Mixed Wheat	1.13	1.01	1.06	1.02	1.04	1.03
No. 6 Mixed Wheat	1.08	.96	1.01	.97	.99	.98
Sample Am.Dur.&B'ken.Wheat	1.05	.93	.98		.96	.95
No. 1 Mixed Grain	1.00	.88	.93		.91	.90

CHICAGO WHEAT FUTURES

The price of wheat in the Chicago futures market has been rising steadily during the past month, and the December contract closed at \$1.71 1/2 per bushel on December 15. This is the highest level reached in the December delivery month in Chicago since 1925 when, during the month of December in that year, the December future ranged from \$1.61 1/2 to \$1.90 1/2.

The fixing of ceiling prices on hard wheat is believed to be under consideration, but so far no decision has been announced. The flour milling trade has been protected by a subsidy on wheat-flour, which became effective on December 1. Details of this subsidy are set out elsewhere in this Review.

The November issue of "Agricultural Prices" published by the United States Department of Agriculture shows that the average price received by farmers in the United States was \$1.37 for wheat as of November 15. The parity price at the same date was figured at \$1.48, so that the price received by farmers for their wheat was still 7 per cent under parity. The market has risen substantially since then, however, as will be noted in the following table. The prices quoted therein are the high points of the closing range in each of the four wheat futures on the board at Chicago.

<u>1943-44</u>	<u>December</u>	<u>May</u>	<u>July</u>	<u>September</u>
(cents and eighths per bushel)				
November 25		Thanksgiving	Day	
26	160/5	157/7	155/7	155/5
27	163/2	160/1	157/3	157/2
29	163/6	160/2	157/3	157/1
30	164/3	161/3	158/3	157/7
December 1	164/7	162/1	159/3	158/5
2	165/4	162/2	159/4	158/5
3	166/1	162/3	159/6	159
4	166/4	163	159/6	159
6	168/6	164/4	162/3	161/3
7	168/4	164/4	162	161/1
8	168/2	164/1	161/7	160/6
9	167/7	163/4	161/2	160/1
10	169/1	164/7	162/6	161/6
11	170/3	166/2	164/3	163/2
13	170	166/4	164/2	163/1
14	170/7	166/7	165/3	164/1
15	171/4	167/2	165/5	164
16	171/1	166/4	164/4	163/1
17	170/5	165/7	163/4	162/1
18	170/4	166	163/5	162

CALENDAR OF WHEAT EVENTS

1943

- November 27 Legislation before the United States Congress proposes suspension of import duties on grain for live-stock feed for a 90-day period.
- 29 Harvesting operations are progressing in Australia and the estimates of wheat production are being revised upward.
- 30 Seasonable weather in Europe is favouring winter wheat and seeding is completed in many countries.
- December 1 Argentina's new wheat crop is officially estimated at 312,000,000 bushels compared with 235,000,000 last year.
- 2 A subsidy on wheat-flour production became effective in the United States on December 1.
- 3 Vessel movement of Canadian grain from Fort William-Port Arthur is extremely heavy and lakehead elevators report sharply lower stocks in store.
- 4 The 1943 wheat harvest in the United Kingdom is reported to be a record.
- 6 Turkey reports good soil moisture conditions and a good acreage seeded to wheat.
- 7 Rust damage may lower the wheat crop prospects in Argentina.
- 8 British flour millers are now compelled to use native wheat to the extent of 55 per cent of the total grist.
- 9 Eire and Portugal are both in the market for Canadian wheat.
- 10 Spain is a heavy importer of wheat this year but is getting her supplies from Argentina.
- 11 Recent snow and rain in the winter wheat belt of the United States greatly improved moisture conditions.
- 13 Australia had a surplus of 153,000,000 bushels of old wheat on hand at December 1.
- 14 Insurance on lake shipments on the Great Lakes has been extended to December 16.
- 15 Wheat prices at Chicago reach new high levels with the December future closing at \$1.71 1/2 per bushel.
- 16 Stocks of wheat at Fort William-Port Arthur down to 11,120,000 bushels.
- 17 Australia's new wheat crop estimated to be 97,000,000 bushels compared with 156,000,000 a year ago.
- 18 Argentina's new wheat crop has been revised downward and is now placed at 291,000,000 bushels.
- 20 Between August 1 and December 16, 1943 a total of 163,142,225 bushels of Canadian grain was moved by water from the lakehead.

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

Dec. 1942 to date

(Canadian cents per bushel)

Australian

Argentine Rosafé

DEC.

JAN.

FEB.

MAR.

APR.

MAY

JUNE

JULY

AUG.

SEPT.

OCT.

NOV.

DEC.

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	125.0
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	80.6	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
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	162.5	131.7
November	118.2	2/	132.7

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

UNITED STATES

Good rains and snow have blanketed the United States winter wheat belt to break the drought which has persisted in some of the important wheat growing areas. It is fairly evident, however, that the increase in wheat acreage for the 1944 harvest is considerably below the objective set for the winter wheat territory. In Kansas, for instance, which is the largest wheat-producing state in the Union, an increase of only 15 per cent over last year is reported, instead of the 34 per cent increase which was sanctioned under the goals programme. The western half of Kansas has been particularly dry, but a heavy wet snow covered the northern portion on December 9.

No official estimate has yet been made of the total area seeded to winter wheat for the 1944 harvest, but trade estimates indicate an acreage of about 42,500,000 acres, which is approximately 5,000,000 acres greater than the area seeded for the 1943 harvest. If this is confirmed by the official figures a very heavy increase in spring wheat sowings will be necessary if the objective of an over-all increase of 14,000,000 acres is to be reached. Spring wheat acreage in 1943 was approximately 16,000,000 acres and if an increase of about 9,000,000 acres is attained, in order to meet the goal, the seeded acreage in spring wheat would approach its highest level since 1919, when just over 26,000,000 acres were planted.

A number of new developments affecting the wheat position in the United States occurred during the past month. An increase of 20 cents a bushel in the price of feed wheat became effective on December 6. Previously, wheat for feed had to be sold at not less than \$1.05 per bushel, which was the national parity price for corn, but simultaneous with the raising of the ceiling price of corn from \$1.07 to \$1.16 per bushel for No. 2 yellow, basis Chicago, the price of feed wheat was boosted 20 cents per bushel. On the old basis, feed wheat had been relatively cheap and the adjustments recently announced, which included the freezing of the prices of oats, barley and grain sorghums, are said to be designed to conserve transportation. The official announcement intimated that the relatively low prices of feed wheat made it difficult to prevent unnecessary hauling of feed wheat into some areas and other feed grains out of the same areas.

Sales of wheat for live-stock feed fell off in November according to preliminary figures, but records of the Commodity Credit Corporation indicate that between July 1 and November 30, 1943, almost 190,000,000 bushels of wheat were sold for feed. In approximately the same period, the War Food Administration purchased more than 39,000,000 bushels of wheat from Canada and over 2,000,000 bushels from Argentina. Government-owned stocks of wheat declined about 12,500,000 bushels during November and the holdings of the C.C.C. on November 30 were placed at slightly over 87,000,000 bushels.

For some months now the sales of feed wheat have exceeded the intake through loans, open market purchases, and purchases made in Canada and Argentina. Farmers have been redeeming large quantities of 1942 wheat under loan and the amount of 1943 wheat going into the loan is substantially below that of a year ago. Figures compiled to November 30, show that loans had been completed on 122,286,000 bushels of 1943 wheat, while on the same date last year loans had been completed on 339,225,000 bushels of 1942 wheat.

The price of hard wheat in the Chicago market has been advancing to new high levels with cash sales made above the \$1.70 per bushel mark. There has been much talk of establishing a ceiling price on hard wheat, but no official statement has yet been made. The authorities have, however, announced a subsidy programme for flour millers in order to protect the ceiling price of flour. The subsidy payments became effective December 1 and will be paid to millers on the amount of wheat ground during each calendar month. The rates of subsidy are determined between the difference

of wheat prices used by the O.P.A. as the basis of flour ceilings, and current wheat markets. The following rates of payment are announced:

1. All wheat ground in the Pacific Coast area 14 cents per bushel
2. Hard wheat ground outside the Pacific Coast area . 16 cents per bushel
3. Soft wheat ground outside the Pacific Coast area . 5½ cents per bushel
4. Durum wheat ground outside the Pacific Coast area. 6 cents per bushel

A committee of the Millers National Federation, somewhat alarmed at the disappearance of wheat into non-food channels, has recommended the banning of sales of domestic bread grains for feed purposes. It recommended also that the use of wheat for alcohol distillation be reduced and that sales of wheat for feeding by the C.C.C. be held down to presently-owned stocks. No official decision has been made in the matter.

Another recent development was the introduction of legislation to suspend import duties on feed grains for a 90-day period. This would permit of the free entry of Canadian wheat, oats and other grains for feeding to live stock and poultry for a 3-month period, and since the Government purchases have been entered duty-free it simply means that the passage of the bill would place private distributors on a competitive basis with the Government agencies. The duty on Canadian wheat for use for human consumption is 42 cents per bushel, but if unfit for humans it is admitted at 5 per cent ad valorem. The duty on oats per 32-pound bushel is 8 cents, and on barley 15 cents per bushel.

Lake Shipments

The shipment of feed grains by water, organized by the War Food Administration last spring, has exceeded expectations. A total of approximately 180,000,000 bushels of both Canadian and United States grain is reported to have been moved on the Great Lakes to the North-East compared with 118,000,000 bushels shipped during the same period last year. Approximately 100,000,000 bushels of the lake shipments this season comprised feed grains for use in the North Atlantic states, including New York, Vermont, Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New Jersey and Pennsylvania.

The W.F.A. reports that arrangements have been made for winter storage of 15,000,000 bushels of feed wheat on ships at the Lower Lake ports and this, together with warehouse stocks, will be moved into consumption during the winter to supplement receipts by rail. The production of live stock and live-stock products has increased about 15 per cent in the nine North Atlantic states during the last three years and the quantity of feed shipped annually into these states has almost doubled in this period, having increased from 3,521,000 tons in 1939-40 to 6,600,000 tons in 1942-43.

For the first time in many years the shipments of Canadian grain from Fort William and Port Arthur across the Great Lakes moved in greater volume to United States ports than to Canadian ports. Records of the 1943 season of navigation compiled to December 7 show that approximately 170,000,000 bushels of Canadian wheat, oats, barley, rye and flaxseed were delivered to United States lake ports from Fort William-Port Arthur, compared with less than 56,000,000 bushels during the entire season of navigation in 1942. The shipments of the same grains to Canadian ports this year totalled just over 162,000,000 bushels or only about 7,000,000 bushels more than were moved by water during 1942. It is true that a considerable part of the movement to United States ports was made up of wheat being placed in position for export, but almost 80,000,000 bushels of oats, barley, rye and flaxseed, presumably for domestic use, were also included.

ARGENTINE LETTER

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

Official Estimate of Crop Yields

On November 22 the Ministry of Agriculture took the unusual course of issuing what it described as a preliminary estimate of the probable production of the small grain and seed crops of the 1943-44 season, anticipating by nearly a month the usual date for putting out the first official estimate.

The surprise caused by the early date of publication was even exceeded by that occasioned by some of the figures revealed. In the case of the wheat crop, for instance, whereas private estimates had been running around 238,830,000 bushels to 257,202,000 bushels, the official view is that 312,316,000 bushels is not unlikely.

Details of the estimates are shown below:

	<u>Bushels</u>	<u>Increase over 1942-43</u>
Wheat	312,316,000	32.8 %
Linseed	70,863,000	18.0
Oats	136,168,000	262.1
Barley	40,418,000	151.4
Rye	55,115,000	827.8

In the memorandum accompanying the figures attention is called to the official view that the prospects for the wheat crop appear somewhat uncertain because of the abnormal indications of rust in certain districts. These, at the moment, are not serious, but they hold possibilities of grave future damage should weather conditions favour it.

Crop Conditions

The monthly official crop report issued December 3 by the Ministry of Agriculture rather discounts some of the optimism apparent in the foregoing estimate. The report is as follows:

The abundant rains which fell in November, accompanied in some zones by strong winds and hail storms of a certain intensity, affected the excellent condition which had been shown by the maturing crops, especially the wheat fields in the greater part of the cereal region. While the prospects are still good, the excess of moisture and the sharp changes of temperature considerably encouraged the development of such plant diseases as rust in the provinces of Córdoba, Santa Fe and Entre Ríos; and root-rot in the south-west of Buenos Aires. The volume of the new crop of wheat will be reduced, and the specific weight of the grain will be lighter.

Partly hindered by the repeated rains, cutting of wheat and linseed has commenced, with results which in the case of wheat are from 25 to 30 per cent below what might otherwise have been obtained.

Generally, the wheat crop prospects are good, notwithstanding the important damage sustained from the attacks of parasites above mentioned. The yields obtained up to now have been mostly satisfactory, although varying extraordinarily in adjoining fields on the same farms according to the variety planted, so that while obtaining yields of 27 bushels per acre on one side, on the other the crop is so poor as not to be worth cutting. As an exception there should be mentioned the western zone of what is called the cereal region, including the north of the Pampa territory, where the yields are more uniform and are superior to normal.

In the province of Buenos Aires the prospects may still be considered from good to very good, notwithstanding the widespread attacks of root-rot in the wheat fields. This with the heavy winds which have prevailed has caused the lodging of extensive areas planted with wheat.

Supplies and Markets

The November movement of wheat was a little heavier, 9,316,000 bushels moving out, of which 8,893,000 bushels were grain and 424,000 bushels flour in terms of grain. This compares with a combined total of 7,039,000 bushels in the preceding month. The statistical position remains as under:

Third official estimate 1942-43 crop	235,156,000 bushels
Carry-over from 1941-42 crop	159,875,000 "
Total supplies	395,031,000 "
Deduct for domestic use, fuel, etc.	209,068,000 "
Exportable surplus	185,963,000 "
Shipments to) Wheat	60,448,000 bushels
November 30) Wheat as flour	3,067,000 " 63,515,000 "
Balance still available	122,448,000 "

An increased export demand was the feature of the wheat market during November. Great Britain was the principal customer, but her purchasing was limited to distant positions such as March-April. Brazil bought steadily, but was handicapped by lack of boat space to fill her requirements. Switzerland and Portugal and Sweden acquired relatively important quantities.

The Grain Board made a slight increase in its selling prices, quoting now 9. pesos per 100 kilos in bulk at Buenos Aires. As from December 1 the new buying price of 8. pesos per 100 kilos or 65 cents per bushel has become effective, but as yet there is, of course, very little movement to market.

AUSTRALIAN CABLE

The following cable was received from the Canadian Government Trade Commissioner at Melbourne on December 16.

"Stocks of wheat in Australia at December 1 approximately 153,000,000 bushels. Harvesting is being delayed by manpower shortages while rain caused further delays in northern areas. In other districts, favourable weather has obtained, preventing rust and permitting complete maturation. The crop is now estimated at 97,000,000 bushels compared with the 10-year average of 162,000,000. Crop estimates for States in million bushels are as follows: Victoria 17, New South Wales 42, South Australia 17, Western Australia 16, and Queensland 4. The 10-year average for each State was Victoria 37, New South Wales 55, South Australia 33, Western Australia 32, and Queensland 4. The consumption of wheat as stock food is 40 per cent higher than in 1942, while the export of wheat and flour continues as shipping space offers.

THE CANADIAN SITUATION

I. WHEAT SUPPLIES ON OCTOBER 1, 1943

Approximately 670,000,000 bushels of Canadian wheat were available for export or carry-over on October 1, 1943, or about 119,000,000 bushels less than the surplus a year earlier. The total supply of wheat at the beginning of the 1943-44 crop year was almost 94,000,000 bushels below the 1942-43 total supply, the smaller crop harvested this year more than offsetting the increase in carry-over.

The allowance for domestic disappearance in the current crop year is 175,000,000 bushels, an increase of 9,000,000 bushels over the 1942-43 domestic requirements. This total provides for a small increase in the use of wheat for alcohol production and fairly substantial feeding of wheat to live stock. Human food requirements are placed at 50,000,000 bushels or nearly 29 per cent of the total domestic needs.

Western farmers are expected to feed about the same amount of wheat as they did during the past crop year but some increase in wheat feeding is probable in eastern Canada due to the very unfavourable harvest and general shortage of all feed stuffs. Almost 19,000,000 bushels of western wheat were fed in the five eastern provinces and in British Columbia during the crop year 1942-43, in addition to large amounts of wheat grown in these provinces. Quite substantial amounts of western wheat have moved under the Federal Freight Assistance Policy during the first four months of the current crop year.

The statistical position of Canadian wheat is set out below with comparative figures for the crop year 1942-43:

<u>Canadian Wheat Supplies</u>		
	<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-September	41,311,541	16,795,765
Flour exports in terms of wheat - August-September.	8,979,683	8,190,230
Total Exports Wheat and Flour	50,291,224	24,985,995
Balance on October 1	669,889,960	788,887,342

It will be noted that exports during the first two months of the 1943-44 crop season were more than double those of the same period last crop year. Flour exports are up only slightly but the wheat movement was 2 1/2 times greater. The increase in wheat shipments reflects demand from the United States but the exports to other regions were also substantially above the August-September shipments in 1942.

^{1/} Provisionally estimated.

II. EXPORTS OF WHEAT AND WHEAT-FLOUR

With more than 50,000,000 bushels of wheat and wheat-flour exported from Canada in the two months August-September, an auspicious start has been made in the 1943-44 crop year. Less than half that amount was moved in the corresponding period last season. The previous best during the war years was in the crop year 1941-42 when 36,000,000 bushels were exported during August and September.

Some increase in flour exports compared with a year ago is noted but most of the increase occurred in the shipments of wheat as grain. Exports to the United States for the feeding of live stock accounted for a substantial part of the increase in volume, but shipments of wheat overseas were also much greater during the August-September period this year than they were a year earlier.

Since July 1 this year, the War Food Administration in the United States has purchased more than 39,000,000 bushels of Canadian wheat for importation into the United States. In addition, there have been the usual quantities imported for milling in bond and re-export in the form of flour. Shipments to Buffalo and Duluth-Superior were very heavy during the closing weeks of the navigation season on the Great Lakes, and a substantial movement by rail was also in evidence. The movement by rail is expected to continue during the winter months and legislation has just been passed suspending the United States tariffs on all feed grains for a 90-day period.

Exports of Canadian wheat and wheat-flour to all destinations are set out by months in the following table:

	1943-44	1942-43	1941-42	1940-41	1939-40
	- bushels -				
August	27,707,135	15,441,996	20,407,113	11,560,065	13,198,877
September	22,584,089	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		26,946,485	16,949,859	31,084,121	12,042,247
July		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
Total for 2 Months					
August - September ..	50,291,224	24,985,995	36,091,403	21,183,057	27,887,704
2 Months' Exports as % of Crop Year Total		11.81	16.26	9.16	14.47

III. WHEAT SHIPMENTS TO U.S.A.

Almost 87,000,000 bushels of Canadian wheat were shipped to the United States during the 19 weeks ended December 9, 1943. Approximately 83 per cent of this total was moved by vessel, chiefly from Fort William and Port Arthur. The principal ports of discharge from steamers were Buffalo and Duluth, but substantial amounts were unloaded also at Erie, Chicago and Toledo. For the first time in many years, sizeable amounts of Canadian wheat were moved by vessel from Canada's west coast to United States Pacific ports. This movement was in connection with purchases of Canadian wheat for live-stock feeding in the Pacific north-west states.

A summary showing where the shipments originated follows. The figures cover shipments by both vessel and rail during the period August 1 to December 9, 1943.

<u>Shipped from -</u>	<u>Bushels</u>
Fort William-Port Arthur	68,374,706
Eastern elevators	12,060,420
Western elevators	3,263,689
Pacific coast elevators	3,223,138
T o t a l	<u>86,921,953</u>

The figures above should not be confused with United States imports of Canadian wheat. The total includes a substantial quantity in transit to the United States seaboard for export overseas and wheat shipped into bonded warehouses for subsequent shipment abroad. The amount of Canadian wheat still in bond or in transit on December 9, was 29,299,870 bushels, or approximately one-third of the total shipments between August 1 and December 9, 1943.

Publication of official import figures has been suspended but it was announced by the War Food Administration that 39,000,000 bushels of Canadian wheat were purchased between July 1 and November 26, 1943, for importation into the United States. Estimates as high as 150,000,000 bushels have been circulated on the probable imports of wheat from Canada during the current crop year, but there is considerable doubt, apart from transportation difficulties, that such a volume of Canadian wheat will move across the border for use in the United States.

There is little doubt that wheat imports from Canada in the current crop year will be the largest on record for the United States, surpassing those of 1935-36, which exceeded 50,000,000 bushels, including imports for milling in bond. During the 16 years 1923-24 to 1938-39, annual imports of Canadian wheat averaged 18,500,000 bushels. The total amount imported in this 16-year period was almost 297,000,000 bushels and nearly one-third of this quantity was imported during the two crop years 1935-36 and 1936-37.

The following is a summary of wheat imports from Canada during the seven crop years ended July 31, 1941 prior to the entry of the United States into the war:

	<u>Milling in Bond</u>	<u>Human Food</u>	<u>Animal Feed</u>	<u>Total</u>
	- bushels -			
1934-35	11,058,975	5,994,479	8,801,225	25,854,579
1935-36	12,172,650	28,575,746	9,578,938	50,327,334
1936-37	13,232,247	27,317,128	2,971,001	43,520,376
1937-38	2,096,421	107,625	500	2,204,546
1938-39	9,987,141	39,056	200,353	10,226,550
1939-40	9,169,602	241,635	43,261	9,454,498
1940-41	7,521,894	176,476	3,648,987	11,347,357

IV. FARMERS' MARKETINGS IN WEST

Farmers in the three Prairie Provinces marketed more than 101,000,000 bushels of wheat during the first 19 weeks of the current crop year. All but a small part of this, delivered during the first half of August against the 1942-43 quota, is charged against the total of approximately 280,000,000 bushels which farmers will be permitted to deliver under the 1943-44 quota.

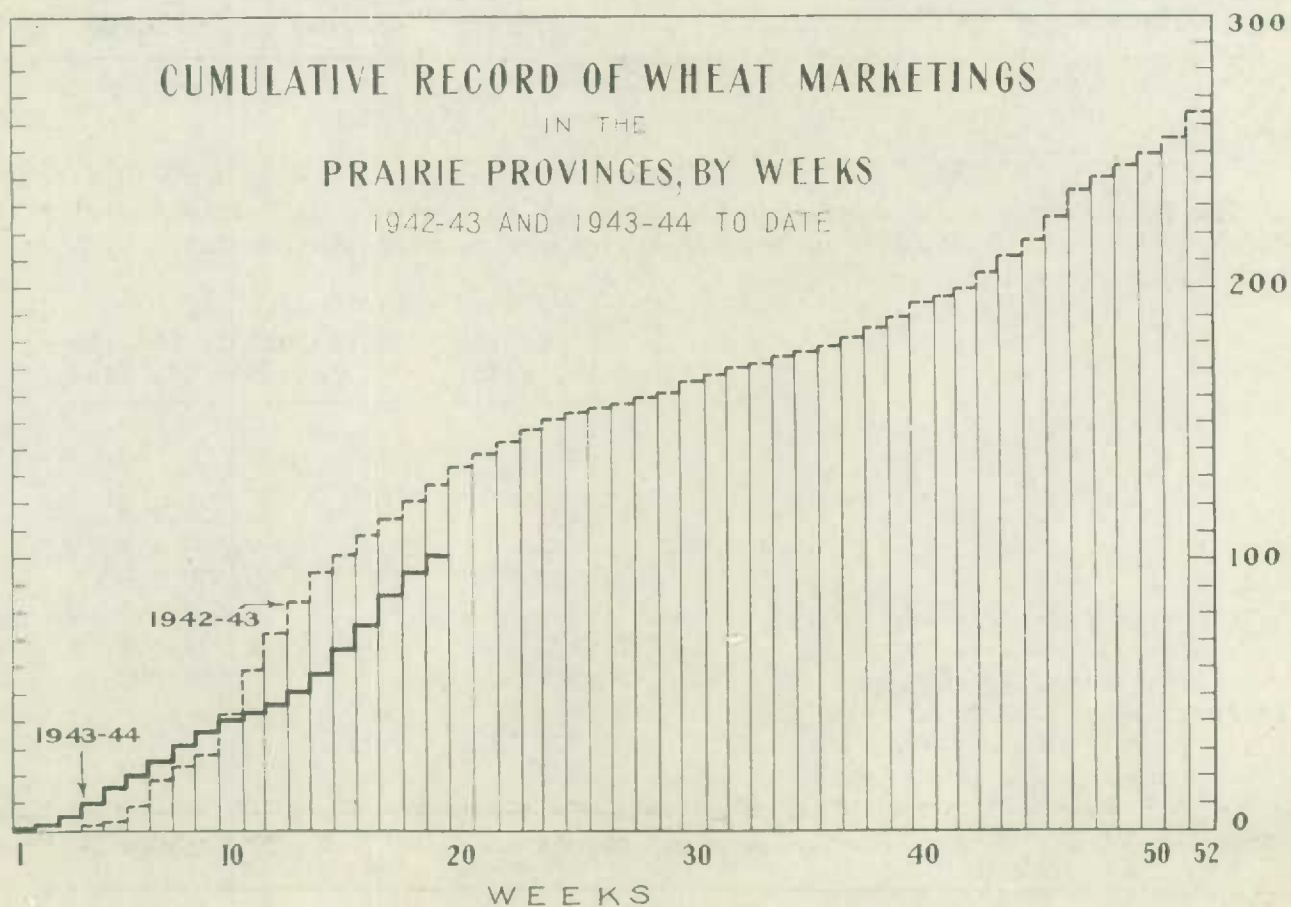
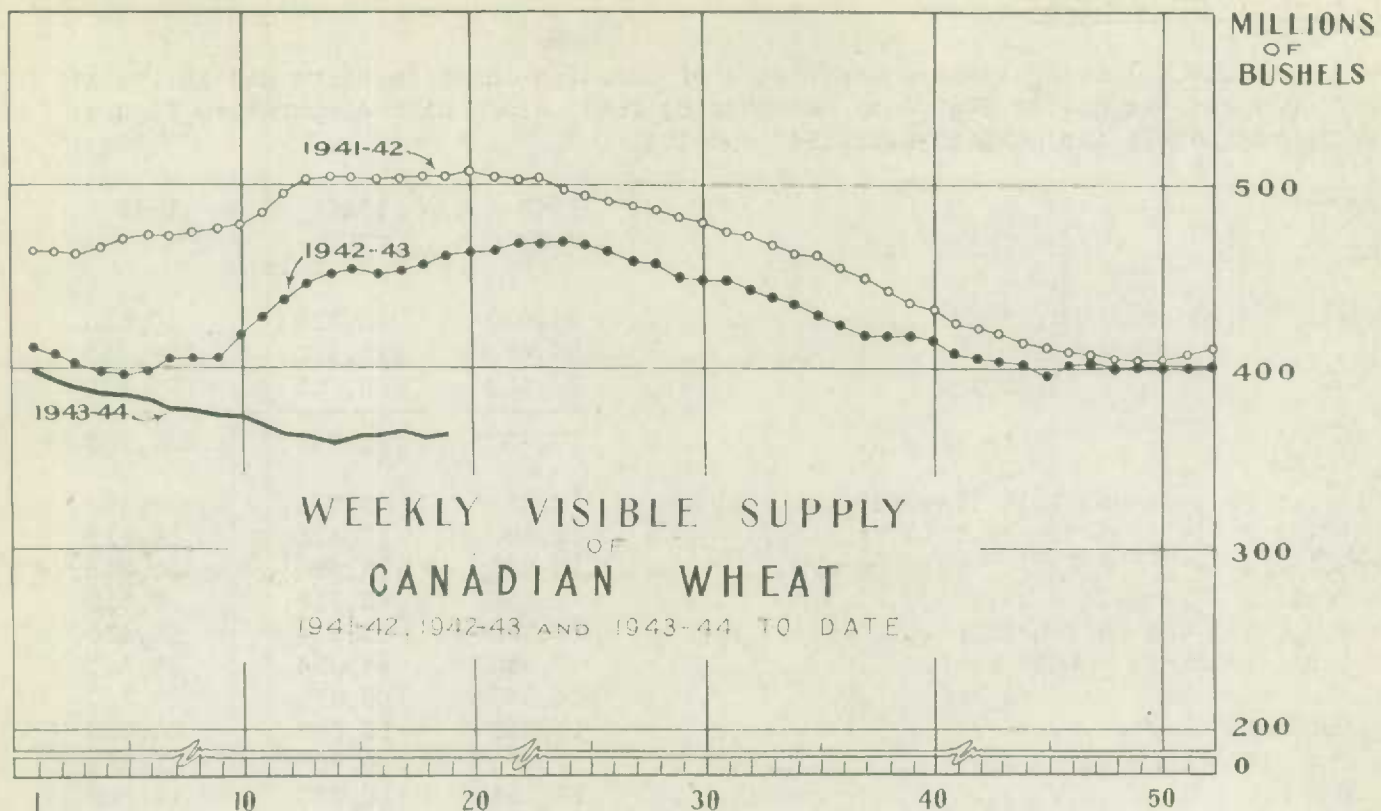
During the remaining 33 weeks of the crop year, prairie farmers could deliver about 180,000,000 bushels, or an average of nearly 5,500,000 bushels weekly. They have plenty of wheat on hand to make this possible, but such was the case in the 1942-43 crop season yet they failed to fill the quota despite an extension of time.

The carry-over of wheat on western farms on July 31, 1943 was 194,000,000 bushels. The 1943 crop has been estimated at 277,000,000 bushels, making a total supply of 471,000,000 bushels. Marketings to December 9, were just over 101,000,000 bushels, including some 1942-43 deliveries, leaving approximately 370,000,000 bushels of wheat still in farmers' hands at that date. Deducting seed and feed requirements equal to the volume used during 1942-43, the balance available for marketing is about 288,000,000 bushels or 108,000,000 bushels more than the quota will allow in the 1943-44 season.

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	16,986,475
	21	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	1,466,869	6,568,395	10,521,570
	11	2,625,264	4,171,833 ^{1/}	1,992,099	8,789,196 ^{1/}	7,480,345
	18 ^{1/}	2,617,067	5,309,289	2,169,987	10,096,343	6,474,567
	25	2,810,965	5,263,236	1,858,404	9,932,605	5,747,765
December	2	2,119,419	5,254,345	1,542,106	8,915,870	6,518,752
	9	1,131,378	3,925,206	1,014,935	6,071,519	6,115,971
T o t a l s		20,786,397	56,583,384	24,062,451	101,432,232	127,141,794

^{1/} Revised



V. WHEAT VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on December 9, 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	24,820	23,715	30,610
Saskatchewan	99,470	112,990	120,045
Alberta	76,460	69,335	78,480
T o t a l s	200,750	211,040	229,135
Interior Private and Mill Elevators	4,536	5,741	8,192
Interior Public and Semi-Public Terminals	11,436	17,425	16,618
Pacific Ports	18,943	19,382	20,345
Churchill	1,878	2,617	2,617
Fort William and Port Arthur	9,835	89,624	92,436
Eastern Elevators - Lake Ports	37,943	44,694	45,501
St. Lawrence and Seaboard Ports	14,335	23,612	29,330
United States Ports	19,643	19,368	24,788
In Transit - Lake	21,759	6,768	11,221
In Transit - Rail	13,294	12,372	14,528
In Transit - U.S.A.	9,657	2,540	8,922
T o t a l s	364,012	460,183	503,633

VI. 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.

August 1, 1943 to December 16, 1943	August 1, 1942 to December 17, 1942
--	--

bushels

Collingwood	752,451	1,539,173
Midland	7,381,863	7,005,411
Owen Sound	1,058,859	2,007,055
Port McNicoll	5,104,964	7,374,087
Goderich	472,471	1,094,854
Sarnia	275,919	2,058,809
Port Colborne	46,400	-
Prescott	5,900	-
Montreal	3,097	7,568
T o t a l s	15,108,924	21,086,957

VII. LAKE MOVEMENT OF GRAIN

Despite all the difficulties of labour and transportation, the movement of grain across the Great Lakes from Fort William and Port Arthur during the season of navigation in 1943 reached a volume exceeded only once in the history of the trade and that was in the banner year of 1928. Up to and including December 12, a total of nearly 344,000,000 bushels of wheat, oats, barley, rye and flaxseed was transported by vessel from the Canadian lakehead ports to Canadian and United States ports located on the Great Lakes and St. Lawrence River. In 1928, the total was 385,000,000 bushels and the third best year was 1925 with a total of 305,422,575 bushels.

Ordinarily, insurance protection to vessels and their cargoes is lifted on December 12, but this year the insurance was extended for four more days to December 16, so that the total of shipments quoted above will be raised when the final figures become available. Wheat was the largest item of grain carried this year but oats and barley also figured prominently in the shipments as will be noted from the following record compiled to December 12.

	Bushels
Wheat (ex-durum)	241,813,824
Durum wheat	4,345,388
Oats	39,406,385
Barley	44,034,116
Rye	5,439,160
Flaxseed	8,875,758
T o t a l	343,914,631

The following table is a record of the lake shipments of Canadian grain from Fort William and Port Arthur during the past 20 years. These figures cover the entire season of navigation each year with the exception of 1943. This year's total is minus the shipments made in the last four days of shipping.

Season of Navigation	To Canadian Ports	To U.S.A. Ports	Direct to Europe	Total
	- bushels -			
1924	152,148,664	120,304,178	-	272,452,842
1925	142,870,160	162,357,679	194,736	305,422,575
1926	149,167,875	145,912,855	249,750	295,330,480
1927	126,768,971	153,719,743	-	280,488,714
1928	179,729,650	204,676,969	654,825	385,061,444
1929	101,186,294	95,612,600	-	196,798,894
1930	108,667,598	101,825,326	-	210,492,924
1931	113,335,050	76,971,451	-	190,306,501
1932	147,266,271	49,214,579	105,058	196,585,908
1933	131,426,678	42,979,067	170,777	174,576,522
1934	110,919,243	70,866,684	-	181,785,927
1935	109,799,507	77,539,358	-	187,338,865
1936	110,212,358	92,127,525	1,324,880	203,664,763
1937	96,184,436	16,907,672	278,168	113,370,276
1938	137,500,110	21,030,036	222,066	158,752,212
1939	163,100,217	88,126,234	337,497	251,563,948
1940	150,726,520	55,659,184	-	206,385,704
1941	198,196,561	63,826,861	-	262,023,422
1942	155,397,707	55,734,080	-	211,131,787
1943 1/ ...	166,486,738	177,427,893	-	343,914,631

1/ Incomplete.

VIII. GRAIN STORAGE POSITION

Stocks of wheat in the terminal elevators at Fort William and Fort Arthur were down to slightly more than 11,000,000 bushels at the close of business December 16, 1943. Less than nine months earlier they totalled 100,400,000 bushels and on March 27, 1942 they stood at 132,000,000 bushels, the largest quantity of wheat ever held in the elevators at the head of the lakes.

The rated storage capacity of elevators at Fort William-Port Arthur is in excess of 145,000,000 bushels, including about 52,000,000 bushels of temporary storage space erected during 1941. This space was almost fully occupied on March 27, 1942 when the quantity of all grains held at the lakehead was 140,100,000 bushels. On December 17, 1943 less than 20,000,000 bushels of all grains were in store as the result of the tremendous lake shipments made in the closing weeks of the 1943 season of navigation.

Grain storage capacity in Canada has risen sharply since the war began. There were 5,733 elevators and warehouses with a capacity of 423,000,000 bushels on December 1, 1939. One year later, storage space had expanded to 508,700,000 bushels. Preliminary figures compiled by the Board of Grain Commissioners for Canada indicate a licensed capacity of 603,700,000 bushels on December 1, 1943 which represents an increase of 180,000,000 bushels during the four war years. A substantial part of this increase is in the form of temporary storage, built and licensed to meet emergency conditions.

Country elevators in the three Prairie Provinces were fairly well plugged with grain at the beginning of the current season, but an exceptionally heavy movement across the lakes eased the situation and created space at the terminals. The storage position, in summarized form, was briefly as follows on December 9, 1943.

	<u>Licensed Capacity</u>	<u>Grain in Store December 9, 1943</u>	<u>% Capacity Occupied</u>
		- million bushels -	
Western Country Elevators ...	308	236	76.6
Vancouver-N. Westminster	19	17	89.5
Fort William-Port Arthur	145	18	12.4
Bay Ports, Goderich, Sarnia .	37	30	81.1
Lower Lake Ports	19	15	78.9
St. Lawrence Ports	28	16	57.1
Maritime Ports	5	3	60.0
All Others	42	27	64.3
T o t a l	603	362	60.0

In addition to the 362,000,000 bushels of Canadian grain in store in elevators and annexes in Canada on December 9, more than 28,000,000 bushels were then in transit by vessel on the Great Lakes, and 23,000,000 bushels were in transit by rail, making a total visible supply of approximately 413,000,000 bushels in Canada. Some 35,000,000 bushels more were in store or in transit in the United States bringing the total visible supply of Canadian grain on December 9, 1943 to 448,000,000 bushels. Of this total, wheat accounted for 364,000,000 bushels, oats almost 33,000,000 bushels, and barley 30,560,000 bushels.

Farm stocks of grain are not included in these totals and it has been calculated elsewhere in this Review that the amount of wheat still in farmers' hands in the three Prairie Provinces amounted to 370,000,000 bushels on December 9, 1943.

IX. FREIGHT ASSISTANCE SHIPMENTS

A total of more than 7,000,000 bushels of wheat from western Canada has been distributed in the five eastern provinces and in British Columbia for the feeding of live stock. This is revealed in the record of claims paid under the Federal Freight Assistance Policy during the first four months of the present crop year. Ontario and Quebec accounted for more than 6,000,000 bushels of the total.

During the same four-month period a year ago, claims paid under freight assistance covered just over 5,000,000 bushels of western Canadian wheat, Ontario and Quebec each taking about 2,000,000 bushels and British Columbia 709,000 bushels. The total for the 1942-43 crop year was almost 19,000,000 bushels, but at the current rate of shipments, this total will be exceeded in the crop year 1943-44.

In addition to the freight assistance payments, there is a drawback of 25 cents per bushel on western wheat used for live stock and poultry feed. This drawback applies to No. 4 Northern and all grades of equal or lower value as established by the Canadian Wheat Board.

<u>WHEAT</u>							
1943-44	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia	Total
- bushels -							
August ..	1,532,553	641,068	64,132	96,723	64,948	256,337	2,655,761
September	1,461,547	918,727	70,882	69,900	46,673	266,873	2,834,602
October .	692,160	606,385	70,896	127,693	39,892	61,597	1,604,623
November.	112,028	91,070	9,710	14,675	5,334	10,900	243,717
Total - 4 months	3,804,288	2,257,250	215,620	308,991	156,847	595,707	7,338,703

X. ONTARIO WINTER WHEAT

Figures compiled for the first three months of the crop year 1943-44 show that the quantity of Ontario winter wheat milled into flour during this period was less than half the quantity milled in the corresponding period last year. The short crop produced in 1943 combined with the general shortage of feeding stuffs in Ontario is resulting in poor marketings of wheat this year despite the fact that wheat from western Canada can be brought east and delivered to Ontario farmers at a price considerably under the prevailing market price of winter wheat.

Ontario millers have built up a specialized trade in the type of flour produced from winter wheat but this year they are finding it extremely difficult to procure supplies in sufficient volume to meet the demand of that trade. The ceiling price of Ontario winter wheat is \$1.26 per bushel, basis Montreal domestic freight rates.

The monthly millings of Ontario winter wheat during the first quarter of this year and last are listed below:

	<u>1943</u>	<u>1942</u>
	- bushels -	
August	320,294	535,635
September	228,204	458,857
October	161,595	501,197
T o t a l	<u>710,093</u>	<u>1,495,689</u>

XI. RAIL SHIPMENTS FROM FORT WILLIAM-PORT ARTHUR

More than 4,000,000 bushels of wheat were shipped by rail from Fort William and Port Arthur during the first four months of the current crop year, compared with less than 3,000,000 bushels in the corresponding period in 1942, according to figures supplied by the Statistics Branch of the Board of Grain Commissioners. These shipments were all destined for points in the five eastern provinces and were in addition to rail shipments direct from points in the three Prairie Provinces to eastern Canada under Plan "C" which operates in connection with the movement of feed grains to the east.

Details of grades shipped from the head of the lakes and the provincial distribution during the month of November are tabulated below:

November 1943

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island
- bushels -					
3 Northern	3,800	43,500	-	-	-
4 Northern	37,633	60,500	6,000	4,500	3,000
Number 5	65,397	222,500	13,900	5,000	3,083
Number 6	6,000	53,255	4,500	21,041	1,500
Feed	1,752	39,000	-	-	-
Tough 3 Northern	-	9,000	-	-	-
Rejected 2 Northern	4,023	3,000	-	-	-
Rejected 2 Northern Musty	-	1,545	-	-	-
Rejected 1 Northern Mixed Heated ..	12,000	-	-	-	-
Rejected 2 Northern Mixed Heated ..	9,834	17,267	-	-	-
Rejected 3 Northern Mixed Heated ..	-	5,031	1,550	-	-
Rejected 4 Northern Mixed Heated ..	-	3,564	-	-	-
Rej. 2 Nor. Mxd. Htd. Rej. Sour....	7,630	2,000	-	-	-
Rej. 3 Nor. Mxd. Htd. G. & Cinders.	-	3,500	-	-	-
Rej. No. 5 Mxd. Rotten Kernels	1,500	-	-	-	-
Tf. Rej. 2 Nor. Mxd. Htd. Rej. Sour	1,633	-	-	-	-
Tf. Rej. 2 Nor. Mxd. Htd.	1,550	-	-	-	-
Sample Htd.	-	1,328	-	-	-
Tf. Sample Heated	-	1,369	-	-	-
Tf. Sample, Mixed Heated	-	172	-	-	-
Tf. Sample Fireburnt	4,680	-	-	-	-
Tf. Sple. Htd. Mixed Fireburnt	-	131	-	-	-
Smutty 2 Nor.	-	2,000	-	-	-
Smutty Rej. 1 Nor. Mixed Heated ...	1,510	-	-	-	-
2 C.W. Garnet	2,000	-	-	-	-
3 C.W. Garnet	5,000	-	-	-	-
2 C.W.A.D.	10,000	-	-	1,000	-
1 A.R.W.	1,560	-	-	-	-
Totals	177,502	468,662	25,950	31,541	7,583

GRAND TOTAL 711,238

XII. FLOUR MILLING SITUATION

Records covering production of wheat-flour in Canada during the three months, August-October 1943, show that the output is approximately 600,000 barrels ahead of the same three months in 1942. The number of barrels of 196 pounds each produced in this period was 6,020,694 and if the output is continued at this rate for the balance of the crop year 1943-44, the production of wheat-flour in Canada will reach an all-time high.

A record in wheat-flour production was made during the crop year 1942-43 when a total of 23,549,707 barrels were produced. It is currently estimated that an output of about 25,000,000 barrels is feasible in the current crop year, and the orders on hand for export business appear to be large enough to keep the entire milling industry operating close to capacity levels.

Exports of wheat-flour during the crop year 1942-43 were also the highest on record reaching a total of 12,575,215 barrels. The only other occasion on which flour exports exceeded 12,000,000 barrels was in the crop year 1923-24. The export picture is shaping up quite well in the present crop year with clearances during the three months August-October amounting to 2,845,371 barrels or nearly 200,000 barrels more than was exported in the corresponding period a year ago.

In the following table the record of production and exports during the past seven crop years is shown, together with statistics for the first three months of the current crop year:

Production and Exports of Wheat-Flour

(Barrels of 196 pounds)

<u>Crop Year</u>	<u>Production</u>	<u>Exports</u>
1936-37	14,249,010	4,525,665
1937-38	12,867,728	3,609,656
1938-39	15,197,297	4,604,245
1939-40	17,778,311	6,781,367
1940-41	19,575,833	10,288,827
1941-42	19,905,741	10,205,778
1942-43	23,549,707	12,575,215
<u>1943-44</u>		
August	1,888,030	1,121,568
September	2,014,255	873,917
October	2,118,409	849,886
Total 3 months	6,020,694	2,845,371
Same period 1942-43	5,408,733	2,659,604

The number of flour mills in operation in Canada during the crop year 1942-43 was approximately 330. Fifteen years ago there were almost 100 mills more engaged in the production of wheat-flour but during the crop year 1928-29 a total of 423 flour and grist mills ground only about 95,000,000 bushels of wheat, compared with almost 105,000,000 bushels of wheat ground during the crop year 1942-43. Some large mills operated a 7-day week at 24 hours per day during part of the season.

XIII. WHEAT DELIVERY QUOTAS

Quotas established by the Canadian Wheat Board for the delivery of wheat from farms in western Canada have been raised to the maximum of 14 bushels per "authorized" acre at a large number of points. At others, the quotas are still low but these are expected to rise in the very near future now that the 1943 season of lake navigation is closed.

It will be recalled that the Canadian Wheat Board was compelled some weeks ago to arrange for wheat shipments to Fort William from points in the West, making possible the quickest turn-round of cars. Manitoba naturally benefitted from this emergency arrangement with the result that on December 3, the maximum delivery quota of 14 bushels was in effect at 62 per cent of the delivery points in the province.

A summary of the wheat delivery quota position in each of the provinces as at December 17, 1943 is shown below:

	Manitoba		Saskatchewan		Alberta		British Columbia	
	Points	%	Points	%	Points	%	Points	%
3 bushel quota	-		93	8	45	8	-	
5 bushel quota	-		258	23	212	35	-	
7 bushel quota	-		333	29	194	32	1	25
10 bushel quota	20	5	316	28	78	13	1	25
14 bushel quota	348	95	130	12	74	12	2	50
T o t a l	368	100	1,130	100	603	100	4	100

XIV. PROTEIN CONTENT 1943 WHEAT

The average protein content of the 1943 crop of Western Canadian hard red spring wheat is 13.5 per cent according to the final estimate released by the Board of Grain Commissioners' Laboratory. This figure is 0.7 per cent higher than the corresponding figure for 1942 and 0.2 per cent lower than the average for the protein surveys made by the Laboratory during each of the past seventeen years. A comparison of the 1943 and 1942 levels for each of the provinces follows:- Manitoba, 13.1 and 13.0 per cent; Saskatchewan, 13.8 and 12.9 per cent; and Alberta, 13.1 and 12.4 per cent. Additional and more detailed data are contained in the full report, "Protein Survey of Western Canadian Wheat, 1943 Crop".

The current survey was made on analyses of 5,645 samples, grading 1, 2, 3 and 4 Northern, and comprising:- 829 samples from 210 stations in Manitoba; 2,997 samples from 753 stations in Saskatchewan; and 1,819 samples from 438 stations in Alberta.

Protein Content of Hard Red Spring Wheat 1943 Crop

Province and Crop District	No. of samples	Mean %	Range %
Western Canada	5,645	13.5	8.5-18.6
Manitoba	829	13.1	9.4-17.0
Saskatchewan	2,997	13.8	9.3-18.2
Alberta	1,819	13.1	8.5-18.6

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