

Myrtle Daly



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A large, stylized illustration of a wheat stalk, rendered in a golden-yellow color, serves as a background for the title text.

MONTHLY REVIEW OF THE WHEAT SITUATION

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THE WORLD WHEAT SITUATION - SUMMARY

Deflation of the wheat surplus in 1944 now appears to be fairly certain. The prospect is not alarming, however, and there is no danger of the wheat shortage experienced in North America in 1917-18 being repeated, even if the huge pile of surplus wheat accumulated during the present war diminishes in stature this year.

The present generation knows something about "Meatless Tuesdays" but there are those among us who remember "Wheatless Wednesdays" and other restrictions in the use of wheat products back in the dark days of 1917-18. Wheat then was more precious than Kimberley diamonds, and it may be of interest to recall that some six months after the United States entered the first Great War the people of that country were asked to observe "Wheatless Wednesdays". In the early part of 1918, they were asked to adopt two wheatless days per week and at least one wheatless meal per day.

By February 18, the situation had become really tough and regulations in the United States forbade the sale of wheat-flour to individual consumers without an equal amount of substitutes, such as corn meal, corn grits, oatmeal and rye. A month later the United States Food Administrator found it necessary to request that no wheat or wheat products be served in any first-class hotel or restaurant until after the harvest. The records show that in the crop year 1917-18 less wheat was used for civilian and military use in the United States than is expected to be fed to their live stock and poultry in the crop year 1943-44.

Things were not quite so bad in Canada where the domestic consumption, by reason of smaller population, was much less, but in June 1918, it was found that if Canada was to continue to export wheat and flour, which was urgently needed in Europe, the people at home would have to make sacrifices. Action was taken by the Canadian Food Board to provide for and arrange the distribution of substitutes for wheat-flour. A number of mills turned to the production of these substitutes which included flour or meal from corn, oats, barley and rye.

The statistical position of wheat then and now differs greatly. It is true that bumper crops were produced in both Canada and the United States in 1915, but in the two years following the production was much smaller and at no time up to 1918 was there really any surplus of wheat in North America for which markets could not be found. The major surplus-producing countries went into the present war with larger-than-normal stocks of wheat, and their combined production during the first four years of war was much better than average. Fewer deficiency countries are among the non-belligerents in the present conflict and outlets for surplus wheat are, therefore, greatly reduced. It is estimated that world exports of wheat and flour in the crop year 1942-43 were the smallest in any year since the late 1880's.

The latest available figures indicate that Canada, Argentina and Australia between them had at least 1,000,000,000 bushels of surplus wheat on hand at January 1, 1944. The Argentine crop has since been reduced by about 30,000,000 bushels, while the harvest prospects for winter wheat in the United States appear to have been lowered very considerably by the unfavourable moisture situation, which is a threat also to the spring wheat crops of both Canada and the United States this year. The export shipments of Canadian wheat and flour to the end of December are well ahead of the corresponding figures a year earlier, while estimates of wheat to be fed to live stock in the United States have been revised upward to about 500,000,000 bushels for the year ending June 30.

These are some of the signs pointing to reduction of the present wheat surplus. It might be assumed also that relief shipments will increase in 1944 as occupied territories are retaken from the Nazis. It is quite obvious, however, that the wheat surplus will still be quite substantial at the end of the year unless disaster befalls the crops in 1944.

The latest estimate of the Argentine wheat crop is 261,000,000 bushels compared with 235,000,000 a year ago, while the Australian crop is still estimated at 97,000,000 bushels compared with 156,000,000 the previous year. Canada's 1943 crop was approximately 294,000,000 bushels compared with 556,000,000 in 1942, and wheat production in the United States in 1943 was 836,000,000 bushels compared with 981,000,000 in 1942. Much of the difference in production between the two years in this group of countries was offset by increases in old crop carry-over.

European Situation

There is little new to report about the situation in Europe. Weather conditions last fall were generally favourable for seeding and it is believed that a full acreage was planted in most countries. The Balkan areas continue to report good prospects although there is some danger that the mild winter is promoting too rapid growth which may make crops vulnerable in the event of a very cold spell.

Reports from the United Kingdom speak of very heavy deliveries of native wheat from the record 1943 crop but indicate that acreage seeded for the 1944 harvest may have been below expectation. Unofficial estimates place the 1943 production at 125,000,000 bushels which is more than double the pre-war average. Almost 60 per cent of native wheat is now being used in the production of wheat-flour in the United Kingdom.

The Russians are steadily retaking much of the rich wheatland lost in 1941 and will be able to seed down spring crops in 1944. Nothing official has been said about areas recovered at harvest time last summer and fall, but private reports from various sources suggest that much of the crop was still standing when the Ukraine was over-run by the Red Armies and that much grain was salvaged for Russia's use.

Famine conditions in India appear to have been alleviated by shipments of wheat from Australia and elsewhere, while the first part of the gift of 100,000 tons of Canadian wheat to India is believed to be on its way. The shipment of this wheat was held up by lack of shipping space.

The food situation in southern Italy was found to be unsatisfactory and shipments of flour have been made to that area. The last harvest in North Africa was also reported to be disappointing, but new crops will be harvested in Algeria and Tunisia in May and June this year. No recent reports have been received on the condition of the new crops, but under normal conditions these North African areas produce a sizeable surplus over requirements.

THIRD ESTIMATE CANADA'S 1943 WHEAT CROP

Canada's wheat harvest in 1943 is placed at 293,660,000 bushels, valued at \$293,191,000 or more than one dollar per bushel at the farm, in the third estimate of production issued by the Dominion Bureau of Statistics on January 21, 1944. This compares with the 1942 wheat crop still provisionally estimated at 528,134,000 bushels, with a farm value of 69 cents per bushel and a total gross farm value of \$385,133,000.

Wheat production in the three Prairie Provinces in 1943 is estimate at 277,000,000 bushels compared with 528,450,000 bushels in 1942. Under ordinary circumstances the estimate of 1942 wheat production would be finalized at this time, but it has not been found possible to obtain complete marketing and disposition data in time for this report and the provisional revision which appeared in the August issue of the "Monthly Review of the Wheat Situation" still stands.

The first three estimates of the 1943 wheat crop in western Canada and the provisionally revised estimate of the 1942 crop are tabulated below:

	<u>1943 Wheat Crop</u>			<u>1942 Crop</u>
	<u>1st Estimate</u>	<u>2nd Estimate</u>	<u>3rd Estimate</u>	<u>4th Estimate</u>
	- bushels -			
Manitoba	39,000,000	41,000,000	41,000,000	53,650,000
Saskatchewan	155,000,000	156,000,000	156,000,000	304,400,000
Alberta	85,000,000	80,000,000	80,000,000	170,400,000
T o t a l	279,000,000	277,000,000	277,000,000	528,450,000

The protein survey of the 1943 crop of hard red spring wheat produced in western Canada shows that the average protein content is 13.5 per cent or 0.2 per cent lower than the average for the 17 surveys conducted by the laboratory of the Board of Grain Commissioners for Canada. The 1943 level is higher than that for 1942 by 0.7 per cent.

1942 Wheat Crop

The final estimate of the 1942 wheat crop in the three Prairie Provinces would ordinarily be made at this time but a combination of circumstances has made it impossible to obtain complete marketing data. A provisional revision, based on preliminary disposition data, has been made, however, and is tabulated by provinces hereunder:

	<u>Yield Per Acre</u>	<u>Production</u>
	- bushels -	
Manitoba	27.8	53,650,000
Saskatchewan	24.6	304,400,000
Alberta	26.8	170,400,000
T o t a l	25.6	528,450,000

The above figures represent a downward revision of approximately 36,500,000 bushels from the third estimate of the 1942 crop which was issued on January 21, 1943. About 30,000,000 bushels of this revision affected the wheat crop in Saskatchewan. Final figures will be published on April 14 as part of the report dealing with stocks of grain on Canadian farms as of March 31, 1944.

CHICAGO WHEAT FUTURES

The advance in wheat prices at Chicago continued steadily during the latter part of December and into the new year, but on January 4 maximum prices for all wheat in the United States were announced by the Office of Price Administration. A basic price of \$1.71 3/8 was established at Chicago with freight differentials to other markets. This price applied to both hard and soft wheat excepting durum varieties. The new regulation superseded the soft wheat ceiling price which was established last November and actually increased soft wheat prices by almost 7 cents per bushel.

The durum wheat ceiling, basis Chicago, was set at \$1.75 3/8, which is 4 cents above the basic price of bread grain. The exception is No. 1 Red durum, which has a ceiling price of \$1.65 3/8 at Chicago.

The following are the high points of closing in the wheat futures market at Chicago for the various contract months.

<u>1943-44</u>	<u>May</u>	<u>July</u>	<u>September</u>	<u>December</u>
	(cents and eighths per bushel)			
December 20	167/1	164/7	163/3	
21	165/6	165/7	162/4	
22	165/7	164	163	
23	165/3	163/2	162/3	
24	165/4	163/4	162/6	
25			Christmas Day	
27			Boxing Day	
28	166/7	164/5	163/7	
29	167/2	165/1	164/3	
30	168/2	165/7	164/7	
31	169/6	167/6	167/1	
January 1			New Year's Day	
3	169/4	167/5	167/3	167/7
4	169/5	168/3	167/6	168/1
5	171/3	169/7	169/4	169/4
6	171/3	170/4	169/5	169/5
7	171/3	171/3	171/3	171/4
8	171/3	171/2	170/6	170/4
10	171/7	169/7	169/3	169/1
11	172	170/1	169/7	169/7
12	172	170/1	169/7	169/6
13	171	168/6	168/1	168
14	171	169	168/6	168/6
15	169/7	167/5	167/1	167/2
17	169	166/7	166/6	167/1
18	169/2	167/3	167	167/3
19	169/2	167/4	167/2	167/5
20	170/4	168/6	168/1	168/6
21	170/7	168/6	168/2	168/2
22	170/6	168/5	167/7	168
24	170/6	168/3	167/6	167/7
25	171/3	169	168/5	168/6

CENTS
PER
BUSHEL

140

120

100

80

60

No. 1 Man. St. John

SHIPPERS' OFFERS TO THE UNITED KINGDOM

FOB PORT OF SHIPMENT, AS REPORTED DAILY BY BROOMHALL'S LIVERPOOL OFFICE
Jan. 1942 to date

(Canadian cents per bushel)

Australian

Argentine Rosafé

JAN.

FEB.

MAR.

APR.

MAY

JUNE

JULY

AUG.

SEPT.

OCT.

NOV.

DEC.

JAN.

1943

CALENDAR OF WHEAT EVENTS

- December 23 The fall season in Europe was favourable for seeding operations and crops have gone into the winter in good condition.
- 24 Seeded acreage in winter wheat in the United States is reported to be 47,127,000 acres compared with 37,834,000 seeded for the 1943 harvest.
- 27 Harvesting is well advanced in Argentina and good yields of wheat are confirmed.
- 28 Deliveries of native wheat in the United Kingdom have been heavy lately. The 1943 crop was of record size.
- 29 Mexico is reported to be a buyer of Canadian wheat, some of which has been shipped to Chicago for furtherance in the spring.
- 30 Argentina exported about 70,000,000 bushels of wheat during the calendar year 1943 compared with 79,000,000 bushels in 1942.
- 31 Parity price for wheat in the United States as at December 15 was \$1.49 per bushel compared with parity of \$1.38 on December 15, 1942.

1944

- January 3 Subsidy rates on wheat ground for flour in the United States have been increased to 21 cents per bushel for hard wheat ground outside of the Pacific coast zone.
- 4 Ceiling prices for all wheat have been established in the United States. The price basis Chicago is \$1.71 3/8 per bushel for hard and soft varieties except durum.
- 5 Reports from the United Kingdom indicate that seeding conditions in the late fall were irregular and there is doubt that a full acreage was planted to wheat.
- 6 Unofficial estimates of the 1943 wheat crop in the United Kingdom place production at 125,000,000 bushels.
- 10 Private reports from the United States winter wheat area indicate that acreage abandonment will be heavy in 1944 due to the poor moisture situation last fall.
- 11 It is reported that Australia shipped more than 6,000,000 bushels of wheat into India during 1943.
- 12 Stocks of wheat on United States farms on January 1, 1944 totalled 379,000,000 bushels or 112,000,000 bushels less than a year earlier.
- 13 Arrangements have been made for shipment of the first part of Canada's gift of 100,000 tons of wheat to India.
- 16 Loans had been completed on 129,000,000 bushels of 1943 wheat in the United States as at mid-January.
- 18 Rank growth of crops in Europe is resulting from the unseasonably mild winter.
- 19 Australia exported less than 39,000,000 bushels of wheat in the year ending June 30, 1943.
- 21 The third estimate of Canada's 1943 wheat crop shows practically no change from the second estimate and Prairie production is placed at 277,000,000 bushels.
- 22 Argentina's new wheat crop has been revised downward to 261,000,000 bushels, almost 30,000,000 bushels down from the December figure.

UNITED STATES

The unfavourable moisture situation in the winter wheat belt of the United States continues to hold the spotlight. Much of the seed has failed to germinate and some plants have withered for lack of plant food. Trade reports are already pointing to heavy abandonment of acreage, some suggesting upwards of 25 per cent, but it is a little early yet to be placing figures on acreage losses.

An increase of 9,293,000 acres over the 1942 plantings of winter wheat were indicated in the Government report of December 1, 1943. The area seeded for this year's harvest was placed at 47,127,000 acres compared with 37,834,000 acres planted in 1942 for the 1943 harvest. This increase in sowings was much greater than trade reports had previously indicated but it may have lost some of its significance because of the moisture situation.

Some indication of the moisture deficiency is to be gleaned from the position in the State of Kansas. Precipitation there during the three months September-November averaged only 72 per cent of normal, while in the same three months in 1942 it was 125 per cent of normal and in 1941 it was 200 per cent of normal. Some areas enjoyed good rain or wet snow in December, while others remained generally dry. It is now very apparent that spring and summer rains of a generous character will be needed to improve the outlook for the 1944 harvest.

The statistical position of wheat in the United States is still featured by the feeding of wheat to live stock, although the preliminary estimate of sales made by the Commodity Credit Corporation during December show some decline from previous months. Sales made during the last half of 1943 totalled approximately 213,000,000 bushels, the highest month being August with nearly 45,000,000 bushels and the lowest December with an estimated 25,000,000 bushels.

Purchases from Canada

Purchases of Canadian wheat by the C.C.C. for feeding purposes continued on a fair scale and while large figures have been quoted from time to time as to the probable imports from Canada, the matter has become so much one of transportation facilities that the naming of quantities means very little. It had been anticipated that 200 cars per day would come to Canada from the United States to take back feed grains but this became the subject of controversy in Congress and the result was that the question of sending United States box cars to Canada was left to the discretion of railroad companies themselves.

The purchase of large amounts of molasses from Cuba is expected to divert about 45,000,000 bushels of wheat away from alcohol production but this reduction is more than offset by the increased estimates of the amount of wheat likely to be fed to live stock. It is now estimated that a total of about 500,000,000 bushels of wheat will be fed to animals in the year ending June 30, 1944. This compares with the previous estimates of 390,000,000 to 427,000,000 bushels.

Loans completed in 1943 wheat up to mid-January were only one-third the volume reported for the corresponding period last crop year. A total of approximately 129,000,000 bushels of the 1943 crop has gone under loan, of which about one-third covered wheat stored on farms. On January 15, 1943, loans had been completed on almost 400,000,000 bushels of the 1942 crop.

Redemptions of 1943 loans to January 15, 1944 amount to 30,721,516 bushels, the bulk of which was stored in warehouses. It was disclosed by the C.C.C. that nearly 44,000,000 bushels of 1942 wheat stored on farms are still outstanding under Government loan.

ARGENTINE LETTER

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of January 7, 1944.

Following its preliminary estimate of the new wheat crop issued on November 22, the Argentine Government made public in mid-December an official estimate of the principal field crops. Compared with the preliminary figures, wheat was reduced by 21,605,000 bushels because of damage done by strong winds, heavy rains and rust. Most of this damage took place in the province of Cordoba.

The official figures are reproduced below, together with the five-year averages for comparison.

	<u>First Estimate 1943-44</u>	<u>5-year Average</u>
	bushels	
Wheat	290,711,400	253,723,300
Linseed	70,705,300	58,055,000
Oats	132,063,300	40,590,600
Barley	39,223,900	23,787,700
Rye	48,855,900	10,019,000

Although some reductions have been made in the oats, rye and barley figures, these still have a somewhat inflated appearance, due to the customary allowances not having been made for the seeded areas used for pasturage. Such technical "abandonments" occur annually to a variable extent.

Supplies and Markets

Exports of wheat in December totalled 8,084,000 bushels, of which 7,289,000 bushels were grain and 795,000 bushels were flour in terms of grain. The combined total in the preceding month was 9,320,000 bushels.

On the basis of the first official estimate of the crop, and subject to revision later, the following statement shows the statistical situation as the new year opens:

Third official estimate 1942-43 crop	235,136,000	bushels
Carry-over from previous crops	159,875,000	"
Total supplies as at January 1, 1943	395,031,000	"
Deductions for domestic use, fuel, etc. 1943	209,068,000	"
Exportable surplus for 1943	185,963,000	"
Shipments during 1943 (provisional)		
Wheat	67,737,000	"
Wheat as flour	3,862,000	"
	71,599,000	"
Balance on hand at December 31, 1943	114,364,000	"
First official estimate 1943-44 crop	290,711,000	"
Total stocks at January 1, 1944	405,075,000	"
Deduct normal feed and seed requirements	110,229,000	"
Normal exportable surplus	294,846,000	"
Reserve for damage, fuel and forage	36,743,000	"
Surplus available for export in 1944	258,103,000	"

The exportable surplus thus shown is merely a tentative figure. Judging by the experience of last season, the allowance made for losses of grain through damage in storage, fuel needs, etc., may prove inadequate. But on the other hand the situation with regard to coarse grains for animal feed promises to be very much better this season than last.

The harvesting of the new crop is well advanced, and may be said to be approaching its close. Yet the growers appear to be in no hurry to dispose of their grain to the official Board at the guaranteed minimum price of 8 pesos per 100 kilos (65 cents U.S. per bushel). Only about 27,557,000 bushels are understood to have yet been sold to the Board. The continued favourable war news is looked upon as a factor in this slow movement to market.

Since the new wheat became available the most active buyers have been the local millers, who are eager to pick up the choicest parcels to fill the 30 per cent of the milling requirements which they are permitted to buy in the open market. The export market was quiet during the month. No purchases were made by Great Britain, although some feelers are said to have been put out towards the end of the year. Only small purchases were made by Brazil and the other neighbouring consuming countries.

Official selling prices remain unchanged, the Board quoting 9.50 for 1941-42 wheat and 10. pesos for 1942-43, for export in bulk. For domestic use all the old crop milling wheat is 9. pesos per 100 kilos yet the Grain Board are not offering any wheat of the new crop, and no prices have been established.

Pursuing its efforts to build up a trade in wheat on the basis on which all Canadian wheat is sold, the Argentine Government has authorized the Grain Board to purchase up to 11,023,000 bushels of wheat of the new crop which will be typified and stored in official elevators operated by the Argentine Grain and Elevator Board, for sale on the basis of certificates of quality issued by the Board, at a small premium above f.a.q. prices.

AUSTRALIAN CABLE

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

"Stocks of wheat in Australia at January 1 approximately 105,000,000 bushels plus new season's wheat. Crop estimate unchanged at 97,000,000 bushels with harvesting continuing slowly owing to manpower shortage. Weather conditions favourable except in Victoria and South Australia where early substantial rains are badly needed. On January 4 Prime Minister announced increase of 1 1/3 pence or 2 cents Canadian per bushel in price of wheat to be paid to growers under wheat acquisition scheme. Price for quota wheat now 49 1/3 pence, or 74 cents Canadian per bushel and first advance of 25 1/3 pence or 38 cents Canadian on non-quota wheat both on a bagged basis. Export continues as shipping offers."

Statistics covering exports of wheat and wheat-flour from Australia have been withheld since early in the war, but it can be seen from the stock position that these have been sub-normal during the past three years. Some improvement has taken place in recent months as the result of improved shipping conditions, while the domestic market has been enlarged by the presence of United States troops and the diversion of wheat into live-stock feeding. The famine conditions in parts of India have also provided an outlet for Australian surplus wheat.

Australia had a total wheat stock of approximately 250,000,000 bushels at the beginning of 1943 and a carry-over of about 105,000,000 bushels on December 31, 1943, so that disappearance for the calendar year was in the neighbourhood of 145,000,000 bushels.

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	125.0
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	Board of Trade United Kingdom	Wheat No. 1 Manitoba Northern Fort William and Port Arthur basis
	1930=100	1930=100	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	148.3
1938	90.8	101.4	107.7
1939	87.1	102.8	63.5
1940	95.7	136.6	82.0
1941	103.9	152.6	79.3
1942	110.5	159.6	88.6
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	162.7	132.7
December	118.4	<u>2/</u>	132.7

1/ Prepared by the Internal Trade Branch.

2/ Not yet available.

THE CANADIAN SITUATION

I. WHEAT SUPPLIES ON JANUARY 1, 1944

Canada's wheat surplus on January 1, 1944 was about 132,000,000 bushels smaller than on the same date in 1943. The totals available for export or carry-over, after making allowance for domestic requirements, were 620,000,000 and 752,000,000 bushels respectively. Some relaxation of censorship regulations makes possible the publication of export totals and these have been included in the following summary of the statistical position at the end of the calendar year 1943. Data for November and December 1943 are incomplete, but in spite of this the export shipments of wheat and wheat-flour in the current crop year show a gain of 38,000,000 bushels over the corresponding period in the crop year 1942-43.

The statistical position of Canadian wheat is 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	233,880,000 <u>1/</u>	556,134,000 <u>1/</u>
Total Supply	895,137,184	979,886,337
Estimated domestic requirements	175,000,000	166,000,000
Available for export or carry-over	720,137,184	813,886,337
<u>Deduct:</u>		
Exports of wheat as grain August-December	78,262,526 <u>2/</u>	41,739,432
Flour exports in terms of wheat August-December .	21,642,934	20,194,925
Total Exports Wheat and Flour	99,905,460	61,934,357
Balance on January 1 for export or carry-over ...	620,231,724	751,951,980

Shipments to the United States for use as animal feed there have contributed in large measure to the increase in exports during the current crop year, but it should be added that clearances of Canadian wheat for overseas destinations are also substantially higher than they were at the same date a year earlier.

Domestic requirements are still estimated at 175,000,000 bushels compared with 166,000,000 bushels last crop year. This increase is expected to be taken up in the feeding of western wheat in the five eastern provinces and in British Columbia where it is being transported under the Federal Freight Assistance Policy. Figures for the first five months of the current crop year reveal an increase of 3,250,000 bushels in the claims paid on western wheat fed in the other six provinces compared with the same five months in the crop year 1942-43.

Exports of wheat-flour continue to gain on last year when a record total of 12,575,215 barrels of flour, the equivalent of 56,588,469 bushels of wheat were exported. The Canadian flour milling industry continues to operate close to capacity levels to take care not only of export business but an increased domestic trade.

1/ Subject to revision.

2/ Incomplete.

II. EXPORTS OF WHEAT AND WHEAT-FLOUR

While it is now permissible to publish up to date exports in total, the complete data for November and December are not yet available and the table reproduced below includes only the first three months of the current crop year for which complete figures are at hand. These figures covering the first quarter of the crop year are substantially greater than those for the same period in any of the war years and compared with 1942-43 indicate an increase of more than 90 per cent.

Incomplete records for the five-month period August-December, show exports in the current crop year to be nearly 100,000,000 bushels compared with about 62,000,000 bushels in the same five months of the crop year 1942-43. The upward revision of this year's figures is expected to be quite large so that the increase over last year will be substantially greater than available figures now indicate.

Sales of wheat to the United States have accounted for a large part of the increase in exports this season but there has been at the same time some increase in wheat-flour exports and a quite appreciable increase in clearances of Canadian wheat for destination overseas. Separate figures for these shipments are not available for publication.

The following table sets out the month by month exports to all destinations but covers only the first three months of the current crop year for which the data are final.

	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	14,682,827
October	24,476,268	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 3 Months August - October ..	74,767,492	39,010,756	50,029,967	31,994,028	37,108,097
3 Months' Exports as % of Crop Year Total		18.4	22.5	13.8	19.3

III. WHEAT SHIPMENTS TO U.S.A.

A total of 95,194,479 bushels of Canadian wheat has been shipped to the United States since August 1, 1943. Approximately 81 per cent of this movement went by vessel and Buffalo, Duluth-Superior and Erie were the chief ports of unloading. The rail movement amounted to almost 18,000,000 bushels, more than half of which was destined to seaboard ports for export.

It should be pointed out that almost 30,000,000 bushels of this wheat was still held in bonded storage in the United States on January 21, 1944, and that a substantial amount had also been exported overseas, so that the total movement of Canadian wheat over the border should not be confused with purchases for consumption in the United States.

Shipments from the Canadian west coast have been increasing, some going by water and some by rail. The following table shows the areas of origin of all shipments made between August 1, 1943 and January 20, 1944.

	<u>Bushels</u>
From Pacific coast elevators	6,211,204
From Western country points	4,840,530
From Fort William-Port Arthur	70,356,205
From Eastern elevators	13,786,540
T o t a l	<u>95,194,479</u>

It is noteworthy that over 90 per cent of the above total comprised wheat graded No. 3 Northern or higher. The quantities of Nos. 2 and 3 Northern were almost equal and between them accounted for approximately 74,000,000 bushels of the total.

Official import statistics are not now made public by the United States Government on a monthly basis but a bulletin recently issued by the War Food Administration indicates that between July 1, 1943 and mid-January 1944, a total of 65,000,000 bushels of Canadian wheat had been brought in by the Commodity Credit Corporation. In the same period the C.C.C. purchased about 64,000,000 bushels of domestic wheat on the open market, while some wheat was imported also from Argentina.

It is reported by the "Chicago Journal of Commerce" that a substantial amount of Canadian wheat shipped by vessel from Fort William-Port Arthur to Chicago is being held afloat at that port for furtherance to Mexico. This wheat is expected to move forward in the spring to Gulf ports and then by water to Mexico. The grain is being routed this way, apparently, to get around the transportation difficulties by rail, and to avoid the situation which developed a year or so ago when the Inter-State Commerce Commission halted the use of United States railway equipment for the transport of grain from one foreign country to another through the United States.

The suspension of import duties for a 90-day period which was contained in legislation passed by Congress recently now places private traders in a competitive position with the C.C.C. in purchases of foreign wheat to be used for animal feeding purposes in the United States. The duty on wheat fit for human consumption is 42 cents per bushel but the Government Agency, previous to the new legislation, had been importing wheat from Canada and Argentina under its feed wheat programme free of duty.

IV. FARMERS' MARKETINGS IN WEST

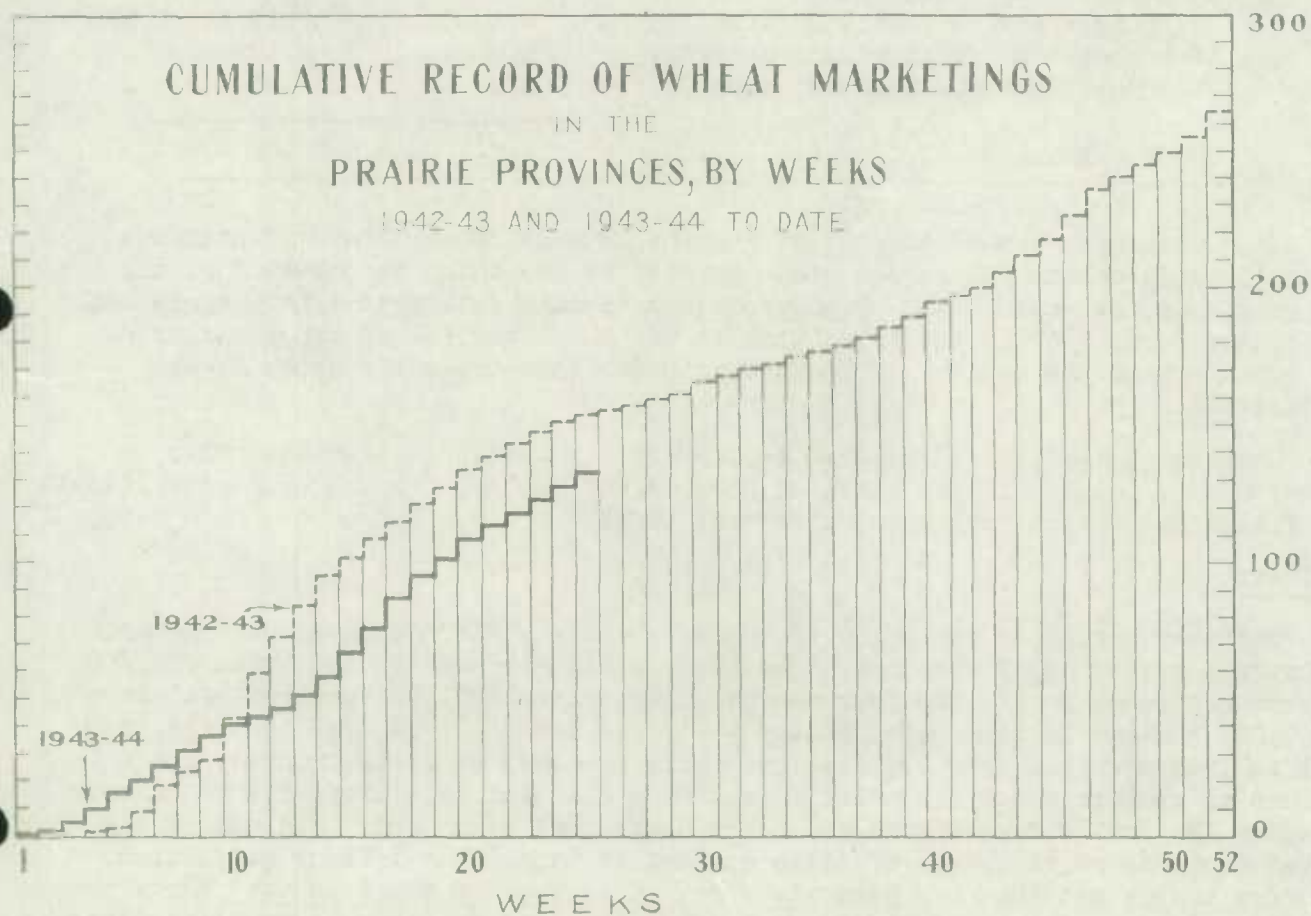
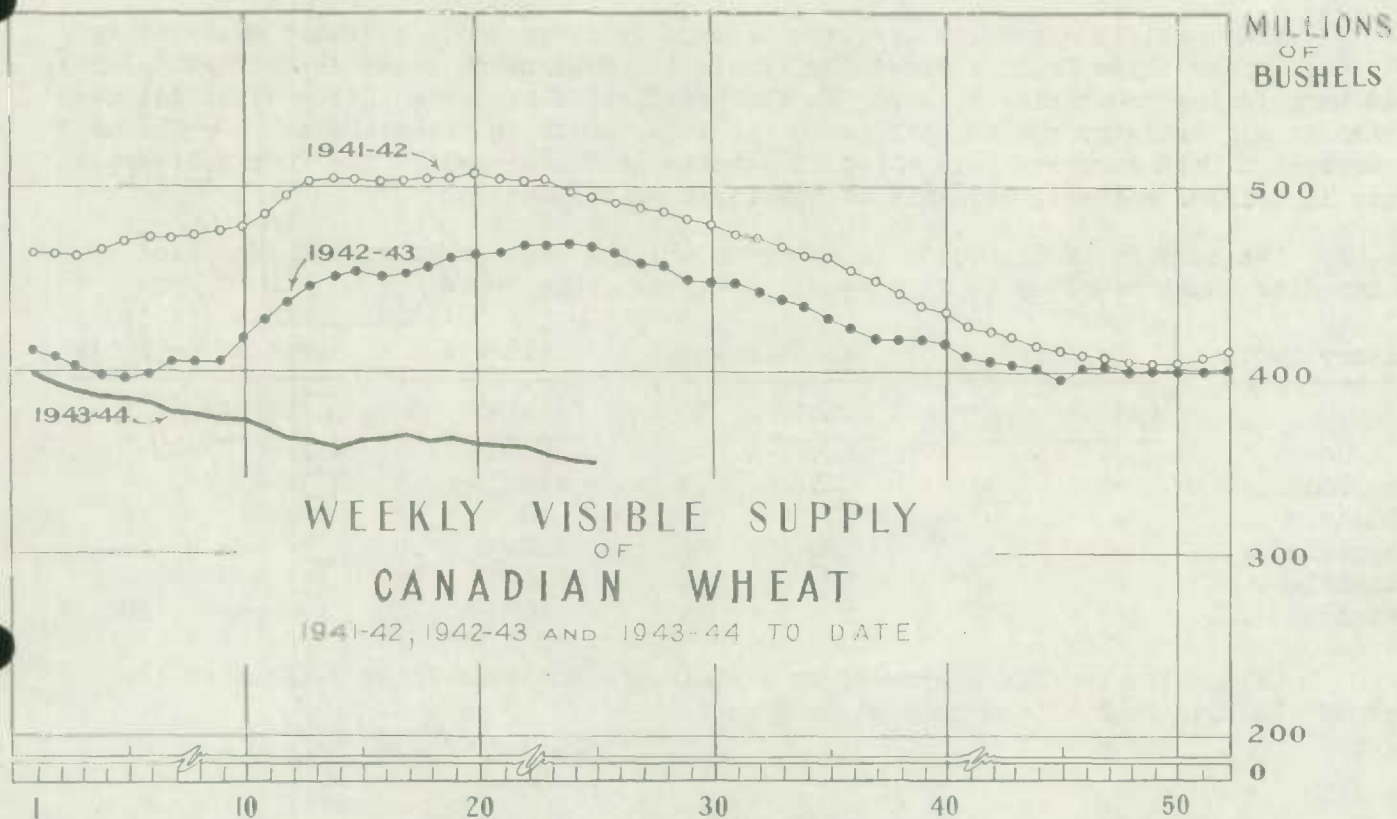
With approximately one-half of the current crop year behind them, the farmers in western Canada have delivered approximately 47.5 per cent of the total delivery quota of 280,000,000 bushels permitted for the entire crop year under existing regulations. Compared with the same period in the crop-year 1942-43, this season's marketings are almost 23,000,000 bushels less, and it should be noted that the total of 133,000,000 bushels delivered up to January 20, 1944 included some wheat charged against the 1942-43 quota.

Calculated as a percentage of wheat production in 1943, wheat deliveries from Manitoba farms in the first 25 weeks of the season equal about 60 per cent, while in Saskatchewan they equal about 49 per cent and in Alberta 40 per cent. Manitoba farmers benefitted from the emergency conditions last fall, which forced the Canadian Wheat Board to favour shipments from points giving the fastest turn-round of railway cars. This accounts largely for the higher percentage of deliveries in that province.

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	1,200,882	3,124,271	1,313,604	5,638,763	1,652,994
	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	1,992,099	8,789,196	7,480,345
	18	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	1,139,899	4,081,630	1,154,898	6,376,427	6,115,971
	16	943,716	4,560,168	1,240,800	6,744,684	7,038,196
	23	691,737	3,349,874	992,051	5,033,662	5,701,257
	30	383,028	2,801,300	901,037	4,085,365	4,327,017
January	6	449,856	3,541,271	1,271,675	5,262,802	3,568,971
	13	676,405	2,420,338	1,697,708	4,794,451	4,610,670
	20	384,228	2,839,715	2,194,423	5,418,366	3,407,828
T o t a l		24,323,888	76,252,474	32,500,108	133,076,470	155,795,743

/1 Revised.



V. DELIVERY QUOTAS ON WHEAT

Under existing regulations, the maximum delivery quota on wheat marketed by producers in the three Prairie Provinces, including designated areas in British Columbia, is 14 bushels per "authorized" acre. In the province of Manitoba this maximum had been reached at all delivery points on January 21, 1944, while in Saskatchewan it ruled at 34 per cent of the delivery points and in Alberta at 33 per cent. The four delivery points in British Columbia were all at the limit of 14 bushels.

The summary of the quota position in all the western provinces, compiled by the Canadian Wheat Board as at January 21, 1944, is shown below:

Delivery Quota	Manitoba		Saskatchewan		Alberta		British Columbia	
	Points	%	Points	%	Points	%	Points	%
3 bushels	-	-	21	2	18	3	-	-
5 bushels	-	-	116	10	35	6	-	-
7 bushels	-	-	233	20	120	20	-	-
10 bushels	-	-	379	34	230	38	-	-
14 bushels	368	100	379	34	200	33	4	100

Taking the western provinces as a whole the position is as follows at the close of the 25th week of the current crop year.

	Points	% of Total
3 bushels per "authorized" acre ...	39	2
5 bushels per "authorized" acre ...	151	7
7 bushels per "authorized" acre ...	353	17
10 bushels per "authorized" acre ...	609	29
14 bushels per "authorized" acre ...	951	45
T o t a l	2,103	100

In a statement issued on January 20, the Canadian Wheat Board pointed out that a considerable amount of storage space existed at one-third to one-half of the delivery points in the west. They urged producers to make deliveries where space and delivery quotas permitted and intimated that it was the intention of the Board to increase quotas until the maximum is reached in order that available space may be fully utilized.

Marketing statistics compiled to January 21, 1944 show that less than 48 per cent of the total delivery quota of 280,000,000 bushels for the crop year 1943-44 had been filled by western producers up to that time.

Ontario Wheat

Delivery quotas do not apply to wheat grown in eastern Canada but the marketings of Ontario winter wheat continue to be disappointingly small. Less than 850,000 bushels were delivered during the four months August-November 1943 compared with more than 2,000,000 bushels in the corresponding period in 1942. It is true that the crop was small in 1943 and that feed supplies generally are very short in Ontario, but a large volume of western wheat and other feed grains has been made available to eastern farmers under the freight assistance and other Government sponsored plans and it was anticipated that the requirements of mills engaged in winter-wheat flour production would be more nearly met than has been the case. This type of wheat is used largely for biscuit and pastry flour and the current situation is creating serious difficulties for the mills in meeting the demand.

VI. GRAIN STORAGE CAPACITY IN CANADA

Grain storage capacity in Canada licensed as at December 1, 1943 by the Board of Grain Commissioners amounted to 602,775,587 bushels. This was made up of 430,579,420 bushels in elevators proper and permanent annexes, 161,534,350 bushels in temporary annexes, and 10,661,817 bushels in special annexes. The over-all total showed practically no change from the year previous, but compared with licensed storage on December 1, 1939, the present capacity is approximately 180,000,000 bushels greater.

Storage space by types of elevators and by provinces is shown in the following table supplied by the Board of Grain Commissioners for Canada.

Province	Kind of Licence	Elevator proper and Permanent Annexes	Temporary Annexes	Special Annexes	TOTAL
<u>WESTERN DIVISION</u>					
Manitoba	Public Country	23,890,600	16,595,000	3,250,583	43,736,183
	Private Country	40,000	-	-	40,000
	Mill	1,775,000	-	-	1,775,000
	Private Terminal	2,465,000	200,000	-	2,665,000
	Semi-Public "	3,500,000	-	-	3,500,000
		31,670,600	16,795,000	3,250,583	51,716,183
Saskatchewan	Public Country	101,980,200	54,798,000	4,606,385	161,384,585
	Private Country	25,000	-	-	25,000
	Mill	4,393,500	13,000	-	4,406,500
	Public Terminal	11,000,000	-	-	11,000,000
		117,398,700	54,811,000	4,606,385	176,816,085
Alberta	Public Country	67,306,500	30,264,350	2,804,849	100,375,699
	Private Country	205,000	-	-	205,000
	Mill	3,196,000	-	-	3,196,000
	Private Terminal	1,285,000	-	-	1,285,000
	Public Terminal	6,100,000	-	-	6,100,000
		78,092,500	30,264,350	2,804,849	111,161,699
British Columbia	Public Country	654,000	329,000	-	983,000
	Mill	1,118,110	-	-	1,118,110
	Semi-Public Term.	20,474,500	-	-	20,474,500
	Public Terminal	1,250,000	-	-	1,250,000
		23,496,610	329,000	-	23,825,610
Ontario	Public Country	25,000	-	-	25,000
	Mill	1,480,000	-	-	1,480,000
	Private Terminal	85,000	-	-	85,000
	Semi-Public "	92,967,210	53,263,000	-	146,230,210
		94,557,210	53,263,000	-	147,820,210
TOTAL - WESTERN DIVISION		345,215,620	155,462,350	10,661,817	511,339,787
<u>EASTERN DIVISION</u>					
Ontario	Eastern	55,175,000	3,072,000	-	58,247,000
Quebec	Eastern	24,912,000	3,000,000	-	27,912,000
New Brunswick	Eastern	3,076,800	-	-	3,076,800
Nova Scotia	Eastern	2,200,000	-	-	2,200,000
TOTAL - EASTERN DIVISION		85,363,800	6,072,000	-	91,435,800
GRAND TOTAL - LICENSED STORAGE		430,579,420	161,534,350	10,661,817	602,775,587

VII. FREIGHT ASSISTANCE POLICY

Claims were paid on more than 10,000,000 bushels of wheat from the Prairies shipped into the other six provinces under Federal freight assistance during the five months August-December 1943. Ontario received almost half this quantity and Quebec more than one-third, while about 10 per cent went to British Columbia. Compared with the same period in 1942 the movement this crop year is substantially greater and the largest increase appears in Ontario.

The provincial distribution of the 1943-44 claims is shown in the following table set out by months with comparative totals for 1942-43:

1943-44	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia	Total
- bushels -							
August	1,553,107	651,357	69,617	105,732	67,497	356,540	2,803,850
September ...	1,756,014	952,533	79,267	80,658	48,173	299,905	3,216,550
October	1,086,490	882,828	79,111	160,592	52,908	215,593	2,477,522
November	679,805	640,057	69,608	100,915	20,615	93,540	1,604,540
December	70,617	114,631	10,775	16,983	1,167	2,534	216,707
T o t a l ...	5,146,033	3,241,406	308,378	464,880	190,360	968,112	10,319,169
Same Period 1942-43 ...	2,586,187	2,460,404	275,802	363,206	137,922	928,701	6,752,222

Returns for December 1943 are only partial and subject to upward revision, while figures for the other months and for last year have been revised since last published. It will be noted that shipments to British Columbia are approximately the same in both years, while the Maritime provinces as a group shown an appreciable increase.

Millfeeds

In addition to western wheat and other feed grains, the freight assistance plan covers millfeeds produced in all parts of Canada. Since the commencement of the freight subsidy in October 1941 and up to the end of December 1943, a total of 1,222,774 tons of millfeed enjoyed freight assistance in the five eastern provinces. The distribution was as follows:

	October 1, 1941 to December 31, 1943	August 1, 1943 to December 31, 1943
- tons -		
Ontario	395,194	62,974
Quebec	615,219	81,436
New Brunswick	90,382	14,258
Nova Scotia	98,821	16,034
Prince Edward Island.	23,158	5,093
T o t a l	1,222,774	184,795

VIII. RAIL SHIPMENTS FROM FORT WILLIAM-FORT ARTHUR

Rail shipments of wheat from Fort William and Fort Arthur during the month of December showed a slight increase over the previous month but compared with December 1942 they were almost 3,000,000 bushels smaller. The shipments monthly during the past three years are shown below:

	1943	1942	1941
	bu.	bu.	bu.
August	990,879	390,264	90,122
September	1,547,042	600,921	143,816
October	780,035	644,926	209,376
November	711,238	1,250,952	472,194
December	898,565	3,871,297	1,488,427
T o t a l	4,927,759	6,758,360	2,403,935

Grades shipped during December and the provincial distribution of the rail movement are shown in the following table:-

December 1943

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	U.S.A.
	- bushels -					
2 Northern	-	3,000	-	-	-	-
3 Northern	-	-	-	1,133	-	-
4 Northern	36,339	49,500	-	7,500	-	-
No. 5	73,900	277,500	12,567	6,167	15,000	-
No. 6	20,259	96,999	32,000	12,526	-	-
Rejected No. 5	-	-	-	-	-	1,050
Feed	5,285	41,120	-	7,500	2,000	-
Tough 3 Northern	-	3,000	-	-	-	-
Smutty 2 Northern	1,565	3,109	-	-	-	-
Smutty Rej. 2 Nor. Mxd. Htd. ..	-	1,628	-	-	-	-
Rej. 2 Nor.	-	11,293	-	-	-	-
Rej. 1 Nor. Mxd. Htd.	24,000	2,000	-	-	-	-
Rej. 2 Nor. Mxd. Htd.	6,562	24,536	-	-	-	-
Rej. 3 Nor. Mxd. Htd.	1,500	4,716	-	-	-	-
Tf. Rej. 2 Nor. Mxd. Htd. ...	3,141	6,160	-	-	-	-
Tf. Rej. 3 Nor. Mxd. Htd. ...	1,550	6,000	-	-	-	-
Tf. Rej. 4 Nor. Mxd. Htd. ...	-	1,536	-	-	-	-
Tf. Rej. 3 Nor. Musty	-	1,503	-	-	-	-
Rej. No. 5 Mxd. Rotten Kernels	3,000	-	-	-	-	-
Musty 4 Northern	1,567	-	-	-	-	-
Sample Heated	5,552	33,140	-	-	-	-
3 C.W. Garnet	2,761	-	-	-	-	-
2 C.W. A.D.	18,000	-	-	-	-	-
4 C.W. A.D.	-	3,698	-	-	-	-
Rej. 2 C.W. A.D. Mxd. Htd. ..	-	11,783	-	-	-	-
Rej. 3 C.W. A.D. Mxd. Htd. ..	-	5,143	-	-	-	-
Rej. 5 C.W. A.D. Mxd. Htd. ..	-	1,977	-	-	-	-
Tf. Rej. 3 C.W. A.D. Mxd. Htd.	-	3,614	-	-	-	-
Tf. Sple. C.W. A.D. Mxd. Htd.	-	1,541	-	-	-	-
Tf. Rej. 2 C.W. A.D. Musty ..	-	1,623	-	-	-	-
Tf. Sple. C.W. A.D. Htd.	-	23	-	-	-	-
T o t a l	204,981	596,142	44,567	34,826	17,000	1,050

GRAND TOTAL - 898,566



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IX. WHEAT VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on January 20, 1944, along with comparative figures for approximately the same date in 1943 and 1942:

	<u>1944</u>	<u>1943</u>	<u>1942</u>
	(000 bushels)		
Country Elevators - Manitoba	27,190	29,705	30,500
Saskatchewan	106,355	117,470	116,630
Alberta	75,960	74,310	78,535
T o t a l	209,505	221,485	225,665
Interior Private and Mill Elevators	5,079	6,027	6,014
Interior Public and Semi-Public Terminals ...	11,027	17,318	17,832
Pacific Ports	15,542	19,630	20,307
Churchill	1,878	2,617	2,617
Fort William and Port Arthur	20,059	96,807	108,301
Eastern Elevators - Lake Ports	34,145	50,047	43,865
St. Lawrence and Seaboard Ports	12,982	28,142	28,453
United States Ports	23,826	13,889	20,652
In Transit - Rail	10,669	6,787	14,560
In Transit - U.S.A.	6,064	4,414	5,880
T o t a l	350,776	467,163	494,146

X. 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 January 20, 1944</u>	<u>August 1, 1942 to January 21, 1943</u>
	bushels	
Collingwood	827,451	1,539,173
Midland	8,175,012	7,265,381
Owen Sound	1,283,984	2,177,364
Port McNicoll	6,187,524	7,374,087
Goderich	472,471	1,272,207
Sarnia	284,919	2,058,809
Port Colborne	326,820	-
Humberstone	-	39,987
Kingston	14,700	-
Prescott	1,066,668	-
Montreal	3,097	7,568
Sorel	631,558	-
Three Rivers	585,912	-
T o t a l	19,860,116	21,734,576