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A large, stylized yellow wheat stalk is positioned vertically in the center of the cover, behind the title text.

MONTHLY REVIEW OF THE WHEAT SITUATION

JULY 1946

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MONTHLY REVIEW OF THE WHEAT SITUATION

JULY 1946

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N.B. - The Monthly Review of the Wheat Situation for July 1946 contains issue numbers 11 and 12. This arrangement has been used in order to publish the Wheat Review for August, the first issue of the 1946-47 crop year, as Volume 17, No. 1.

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DOMINION BUREAU OF STATISTICS - CANADA
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(Issued July 1946)

| | |
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WORLD WHEAT SITUATION

Crop Year 1946-47 at Hand - At this time the major wheat producing countries in the Northern Hemisphere are witnessing the close of the 1945-46 crop year—a year high-lighted by the end of World War II and the beginning of its aftermath of increased starvation in the war-stricken areas, intensified by a thoroughly disorganized system of distribution and an inadequate supply of the basic cereal foodstuffs. At the same time, these major wheat producers are approaching the threshold of the new 1946-47 season and attempting to appraise the supply and demand situation in the world of wheat for the next twelve months.

Favourable Factors in 1946-47 Wheat Supply Outlook - On the credit side we have a significant improvement in the European crops as compared with a year ago. It is reported that some countries on the Continent are anticipating an increase in their bread-grain production, sufficient to make them more nearly self-sustaining while others, which have been forced to import grain during the past couple of years, may be able to return to a limited export position. The United States is estimated to be harvesting an all-time record wheat crop, while the present Canadian prospects appear extremely favourable. In Argentina soil conditions are reported to be excellent for the seeding of grain and Australia is thought to be increasing her wheat acreage this year.

World Wheat Stocks at July 1 - One of the major items on the debit side is the extremely small world wheat stocks available at the present time. On July 1, these stocks were estimated to be the smallest since 1937 and only about one-fourth as large as the year-end carry-over in the period 1941 to 1944. While the European harvest appears to be somewhat better than a year earlier, the output is expected to be only about 90 per cent of the prewar level, as acreage is below prewar and yields are likely to be reduced by shortage of fertilizers and facilities. In the Far East conditions have not been generally favourable for planting of the 1946-47 crops. Although above-average crops of winter grains are being harvested in North China and favourable conditions are aiding the sowing of summer grains, drought in southern China has delayed the planting of rice and other crops. In eastern India heavy rains have hampered normal planting operations, while summer rainfall had not begun in southern India in early June.

Total 1946-47 World Wheat Supplies Below Prewar Level - After placing these debit and credit factors in the balance, and assuming that present crop producing conditions continue until harvest, it would appear that, although the world's 1946-47 food production will be somewhat larger than that of 1945-46, it will be definitely below prewar levels. Consequently it is felt that the careful use of all foodstuffs will have to be continued during the approaching season in order to avoid a critical world food shortage before the 1947 harvest.

Canada-United Kingdom Wheat Agreement - On July 25, the Minister of Trade and Commerce announced that a four-year wheat agreement (see pages 24, 25 and 26 for complete text) between Canada and the United Kingdom had been consummated. Under this agreement Canada will sell to the United Kingdom during that period a total amount of 600 million bushels of wheat. During each of the first two years 160 million bushels will be provided at a fixed price of \$1.55 per bushel, basis in store Fort William-Port Arthur, Vancouver or Churchill. The United Kingdom during each of the last two years

of the agreement will accept 140 million bushels of wheat at a price not less than \$1.25 per bushel in 1948-49 and not less than \$1.00 per bushel in 1949-50, basis in store Fort William-Port Arthur, Vancouver or Churchill. The actual prices to be paid during the 1948-49 and 1949-50 seasons will be negotiated and settled not later than the December 31 immediately preceding the crop year for which it is effective. In the event of the United Kingdom requiring from Canada any additional quantities of wheat that the Canadian Government is prepared to make available, such additional quantities which the Canadian Government offers and the United Kingdom Government accepts shall in all respects be subject to the provisions of this agreement.

All-Time Record Wheat Crop Indicated for the United States - As the United States wheat harvest has progressed yields have continued to turn out better than earlier anticipated and on July 22, an official estimate placed the 1946 outturn at 1,132.1 million bushels—about nine million bushels above the previous record established in 1945. Secretary of Agriculture Anderson has reported that the 400-million bushel "bread" grain export commitment for 1945-46 had been met by the end of June. Wheat and flour exports of 10,336,000 long tons which together with corn and corn products shipped after May 1, amounted to a total of 401 million bushels. Farm stocks have been reduced to their lowest level since 1937. On July 1, 1946 they stood at 42.7 million bushels—less than half of the stocks on farms a year ago and only 3.8 per cent of the 1945 production.

Argentina Swings Production from Live Stock to Grain - While excessive moisture conditions have been hampering soil preparation and seeding operations in the Argentine overall conditions for the new crops remain extremely favourable. An increase in coarse grain acreage is anticipated, but it is felt that it will not be at the expense of wheat. With the price of live stock unfavourable when compared with that of grain, it is felt that much land formerly used for grazing will be given over to the raising of grain.

Crop Conditions Variable in Australia - Crop conditions in south-eastern sections of Australia appear to be quite favourable, but lack of rain in the north-eastern districts and parts of western Australia has delayed the sowing of grain. Prospective plantings are still above the 1945 acreage but well below the 15.5-million acre goal. By the end of June it was estimated that more than half of Australia's exportable wheat surplus had been cleared to overseas destinations.

The European Situation - The wheat harvest is well underway in southern areas and will soon be extending into the central regions. While reports on yields have been fragmentary so far, indications are that they will be generally much better than in 1945. Italy, a major European importer during the past season, has been actively harvesting a wheat crop indicated to be much larger than that of a year ago. However, it is felt that substantial imports will be necessary during the 1946-47 season in order to maintain the present increased bread ration and prevent the reintroduction of secondary cereals into flour production. France, too, is harvesting a much larger wheat crop this year and with supplies coming from her North African colonies, imports from other countries are expected to be greatly reduced during 1946-47. High temperatures in the United Kingdom have been forcing grain crops along and out-turns this year may be somewhat larger than a year ago, despite a decrease in the 1946 acreage. On July 21, the United Kingdom found it necessary to resort to bread rationing as a means of conserving the present short wheat supplies.

CANADIAN SITUATION

Supply Position - During the month of June Canada's exportable and carry-over surplus of wheat dropped below the 100-million bushel mark and at the first of July it stood at 89.5 million bushels, as compared with 309.2 million bushels at the same date in 1945. While total exports up to the end of June 1946 amounted to 324.8 million bushels as against 295.3 million for the corresponding period a year ago, greatly reduced monthly exports during the past three months as compared with monthly exports of the same months in 1945 have narrowed the gap which existed earlier in the season between the 1944-45 and 1945-46 export totals. With present prospects indicating a considerable reduction in overseas clearances for the month of July, this gap may be reduced to the vanishing point by the end of the crop year.

While only 18.1 million bushels of additional wheat exports are required during the present month to bring the 1945-46 crop year export total up to that of a year ago, visible supplies are extremely low and wheat stocks in export positions have been seriously depleted. Consequently, it now appears rather unlikely that exports during the 1945-46 crop year will exceed the level of 342.9 million bushels attained in 1944-45.

Canadian Wheat Supplies

| | <u>1945-46</u> | <u>1944-45</u> |
|---|---------------------|----------------|
| | - million bushels - | |
| Carry-over in North America July 31 | 258.4 | 356.5 |
| New Crop | 305.9 <u>1/</u> | 416.6 |
| Total Supply | 564.3 | 773.1 |
| Estimated domestic requirements | 150.0 <u>1/</u> | 168.6 |
| Available for export or carry-over | 414.3 | 604.5 |
| Deduct: | | |
| Overseas Clearances of wheat as grain August 1 - June 30 | 257.3 | 197.7 |
| United States imports of Canadian wheat for home consumption and milling in bond | 10.7 <u>2/</u> | 40.1 |
| Total wheat exports | 268.0 | 237.8 |
| Exports of wheat flour in terms of wheat August 1 - June 30 . | 56.8 | 57.5 |
| Total exports wheat and wheat flour | 324.8 | 295.3 |
| Balance on July 1 for export or carry-over | 89.5 | 309.2 |

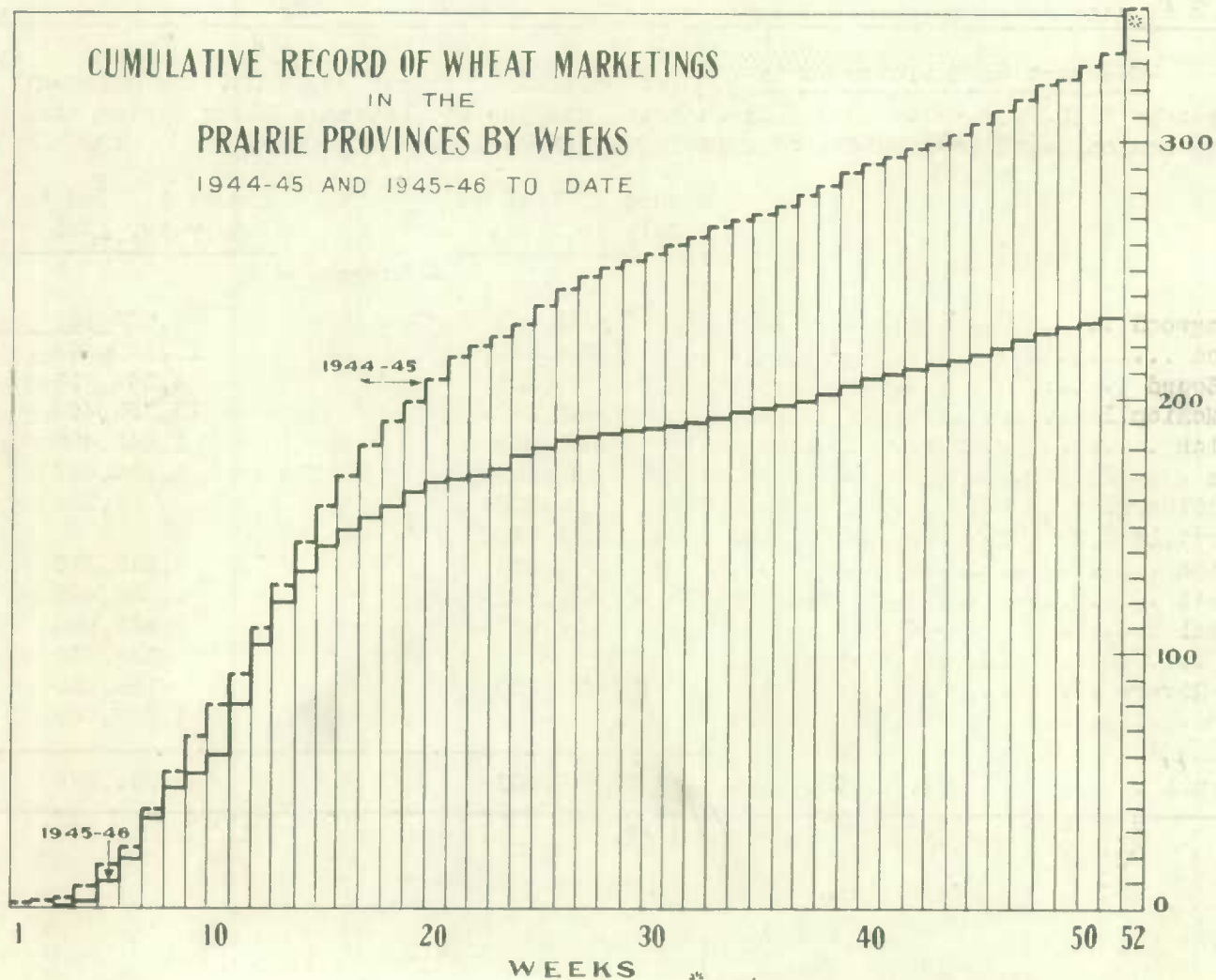
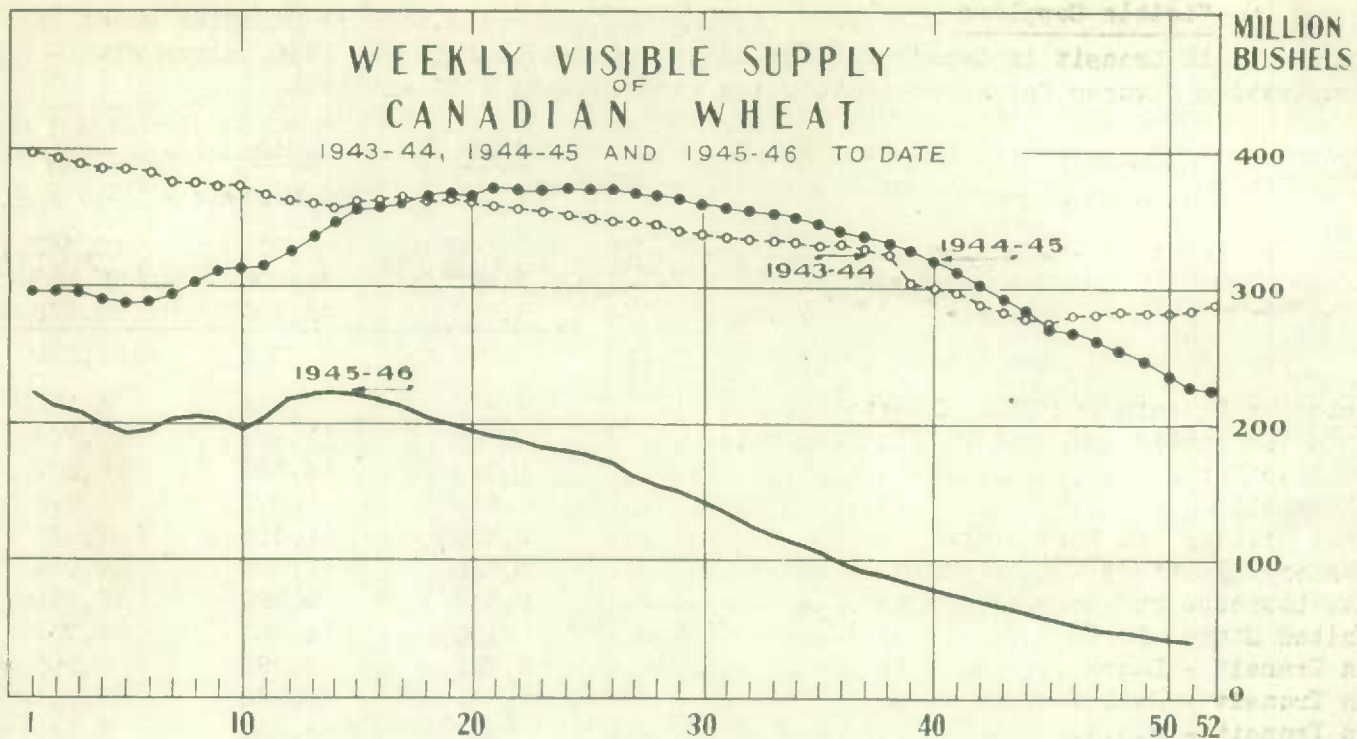
1/ Subject to revision. 2/ Estimate.

Farmers' Marketings -

The following table shows primary receipts of wheat in the Prairie Provinces for the 1945-46 crop year along with comparative figures for 1944-45:

| <u>Week ending</u> | <u>Manitoba</u> | <u>Saskatchewan</u> | <u>Alberta</u> | <u>Totals</u> | <u>Last Year</u> |
|--------------------|-----------------|---------------------|----------------|---------------|------------------|
| - bushels - | | | | | |
| August 1-2 | - | - | 112,355 | 112,355 | 1,643,649 |
| 9 | 29,396 | 79,152 | 137,853 | 246,401 | 1,070,379 |
| 16 | 8,686 | 123,772 | 249,883 | 382,341 | 2,045,803 |
| 23 | 96,463 | 755,302 | 921,069 | 1,772,834 | 5,368,793 |
| 30 | 1,271,860 | 4,568,677 | 1,685,584 | 7,526,121 | 6,832,745 |
| September 6 | 2,240,434 | 4,665,078 | 2,139,568 | 9,045,080 | 7,218,921 |
| 13 | 2,444,009 | 9,681,705 | 3,518,952 | 15,644,666 | 15,518,385 |
| 20 | 963,800 | 7,020,619 | 3,844,220 | 11,828,639 | 14,619,037 |
| 27 | 444,784 | 3,974,279 | 1,024,858 | 5,443,921 | 12,662,549 |
| October 4 | 2,067,492 | 3,428,517 | 1,613,780 | 7,109,789 | 12,429,817 |
| 11 | 4,198,777 | 10,147,043 | 5,647,547 | 19,993,367 | 12,129,372 |
| 18 | 2,686,475 | 14,274,064 | 7,079,466 | 24,040,005 | 17,889,562 |
| 25 | 1,236,158 | 9,375,221 | 5,120,006 | 15,731,385 | 17,118,910 |
| November 1 | 1,275,290 | 7,071,685 | 3,256,083 | 11,603,058 | 16,813,108 |
| 8 | 983,850 | 7,259,954 | 2,266,876 | 10,510,680 | 13,202,329 |
| 15 | 548,654 | 3,401,162 | 1,403,183 | 5,352,999 | 12,283,645 |
| 22 | 563,398 | 2,927,636 | 1,249,802 | 4,740,836 | 11,730,036 |
| 29 | 397,061 | 2,758,969 | 1,348,822 | 4,504,852 | 9,797,987 |
| December 6 | 415,040 | 3,220,454 | 1,322,269 | 4,957,763 | 7,101,707 |
| 13 | 418,686 | 2,385,278 | 1,071,454 | 3,875,418 | 8,794,546 |
| 20 | 222,497 | 1,305,273 | 846,361 | 2,374,131 | 8,727,864 |
| 27 | 179,247 | 1,164,776 | 688,466 | 2,032,489 | 4,990,520 |
| January 3 | 200,023 | 1,416,085 | 492,204 | 2,108,312 | 3,514,237 |
| 10 | 565,523 | 2,628,773 | 1,493,312 | 4,687,608 | 4,729,367 |
| 17 | 401,077 | 2,467,033 | 1,310,217 | 4,178,327 | 7,209,926 |
| 24 | 198,829 | 1,141,194 | 1,078,059 | 2,418,082 | 6,386,020 |
| 31 | 132,666 | 635,905 | 658,645 | 1,427,216 | 5,414,776 |
| February 7 | 125,328 | 338,561 | 416,868 | 880,757 | 3,225,434 |
| 14 | 116,387 | 402,761 | 498,218 | 1,017,366 | 2,960,808 |
| 21 | 90,057 | 465,047 | 541,270 | 1,096,374 | 2,430,701 |
| 28 | 152,664 | 805,267 | 681,000 | 1,638,931 | 3,796,921 |
| March 7 | 147,692 | 985,658 | 621,921 | 1,755,271 | 3,332,843 |
| 14 | 193,905 | 766,368 | 644,189 | 1,604,462 | 3,928,029 |
| 21 | 175,336 | 801,489 | 666,783 | 1,643,608 | 2,759,393 |
| 28 | 100,666 | 466,710 | 465,554 | 1,032,930 | 2,186,764 |
| April 4 | 130,624 | 573,836 | 420,362 | 1,124,822 | 2,761,272 |
| 11 | 221,034 | 1,335,842 | 624,253 | 2,181,129 | 4,767,559 |
| 18 | 339,663 | 1,691,081 | 631,407 | 2,662,151 | 3,776,348 |
| 25 | 418,798 | 2,384,689 | 715,136 | 3,518,623 | 5,281,428 |
| May 2 | 357,753 | 1,693,468 | 705,547 | 2,756,768 | 3,376,635 |
| 9 | 324,361 | 1,157,720 | 590,211 | 2,072,292 | 2,711,113 |
| 16 | 299,763 | 1,391,027 | 518,704 | 2,209,494 | 2,547,657 |
| 23 | 198,655 | 1,271,033 | 502,217 | 1,971,905 | 2,210,532 |
| 30 | 323,781 | 1,696,524 | 666,740 | 2,687,045 | 3,969,828 |
| June 6 | 290,428 | 1,506,027 | 388,704 | 2,185,159 | 4,089,300 |
| 13 1/ | 234,540 | 1,416,617 | 392,901 | 2,044,058 | 4,924,755 |
| 20 | 252,097 | 1,924,234 | 628,055 | 2,804,386 | 4,609,146 |
| 27 | 263,171 | 2,134,080 | 671,725 | 3,068,976 | 5,231,864 |
| July 4 | 204,178 | 2,233,843 | 567,546 | 3,005,567 | 2,505,577 |
| 11 | 110,520 | 738,966 | 384,112 | 1,233,598 | 4,615,826 |
| 18 | 73,108 | 918,122 | 409,709 | 1,400,939 | 5,261,254 |
| T o t a l | 29,334,684 | 136,976,576 | 64,934,026 | 231,245,286 | 334,504,977 |

1/ Revised.



*52nd week includes deliveries for 10 days.

Visible Supplies - The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on July 18, 1946, along with comparative figures for approximately the same date in 1945 and 1944:

| | <u>1946</u> | <u>1945</u> | <u>1944</u> |
|---|-----------------|-------------|-------------|
| | - 000 bushels - | | |
| Country Elevators - Manitoba | 1,000 | 4,835 | 10,765 |
| Saskatchewan | 6,625 | 29,800 | 67,685 |
| Alberta | 4,395 | 35,695 | 52,870 |
| T o t a l | 12,020 | 70,330 | 131,320 |
| Interior Private and Mill Elevators | 4,406 | 5,677 | 6,180 |
| Interior Public and Semi-Public Terminals | 48 | 11,921 | 10,764 |
| Pacific Ports | 1,964 | 15,628 | 15,872 |
| Churchill | 1,878 | 1,878 | 1,878 |
| Fort William and Port Arthur | 5,299 | 51,355 | 27,472 |
| Eastern Elevators - Lake Ports | 5,558 | 27,928 | 29,064 |
| St. Lawrence and Seaboard Ports | 2,447 | 5,590 | 16,930 |
| United States Ports | 150 | 12,685 | 12,932 |
| In Transit - Lakes | 2,751 | 2,993 | 2,908 |
| In Transit - Rail | 4,503 | 20,275 | 25,211 |
| In Transit - U.S.A. | - | 3,619 | 4,148 |
| T o t a l | 41,024 | 229,879 | 284,679 |

Movement 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, 1945 to July 18, 1946</u> | <u>August 1, 1944 to July 19, 1945</u> |
|---------------------|--|--|
| | - bushels - | |
| Collingwood | 1,099,955 | 4,067,101 |
| Midland | 7,224,061 | 12,306,695 |
| Owen Sound | 2,021,566 | 4,544,913 |
| Port McNicoll | 7,469,290 | 13,359,402 |
| Goderich | 597,473 | 1,842,480 |
| Sarnia | 291,625 | 1,050,467 |
| Port Colborne | 50,000 | 29,932 |
| Walkerville | 195,873 | - |
| Kingston | 717,978 | 2,545,319 |
| Prescott | 330,815 | 1,088,499 |
| Montreal | 130,967 | 1,457,986 |
| Sorel | - | 139,795 |
| Three Rivers | 220,000 | 159,000 |
| Quebec | - | 1,259,787 |
| T o t a l | 20,349,603 | 43,851,376 |

Wheat Shipments to the United States -

So far, the movement of Canadian wheat to the United States which ceased during the week of May 10 to 16, shows no indication of reviving. At the same time, a trickle of overseas clearances of Canadian wheat from United States ports has been maintained with the result that visible supplies of Canadian wheat in that country have shrunk from about 351,000 bushels as of May 17 to less than 150,000 bushels at July 18.

Shipments August 1 - July 18

| | <u>1946</u> | <u>1945</u> |
|--------------------------------|-------------|-------------|
| | - bushels - | |
| <u>By Vessel</u> | | |
| U. S. A. Pacific Ports | 15,000 | 2,433,912 |
| Buffalo | 46,948,319 | 70,076,859 |
| Chicago | 331,494 | 7,846,957 |
| Duluth-Superior | 22,104 | 5,990,405 |
| Erie | 6,981,861 | 11,379,875 |
| Milwaukee | - | 677,554 |
| Oswego | - | 1,833,013 |
| Toledo | - | 4,469,371 |
| Total - Vessel Shipments | 54,298,778 | 104,707,946 |
| <u>By Rail</u> | | |
| Seaboard Ports | 7,302,708 | 16,085,169 |
| Other Points | 105,594 | 1,303,770 |
| Total - Rail Shipments | 7,408,302 | 17,388,939 |
| GRAND TOTAL | 61,707,080 | 122,096,885 |

Lake Shipments of Canadian Grain from the Opening of Navigation to July 14

The seamen's strike which tied up Canadian shipping on the Great Lakes for the greater part of June is partially reflected in the lake shipments of wheat for the period June 7 to July 14. During that time only about 8.5 million bushels were moved by boat as compared with 53.8 million for the corresponding period a year ago. Total shipments of the five principal grains since the opening of navigation have amounted to 77.7 million bushels at July 14 as compared with 208.2 million shipped during the same period in 1945.

| | <u>Wheat</u> | <u>Oats</u> | <u>Barley</u> | <u>Rye</u> | <u>Flaxseed</u> | <u>Total</u> |
|------|--------------|-------------|---------------|------------|-----------------|--------------|
| | - bushels - | | | | | |
| 1939 | 61,959,278 | 6,533,971 | 5,099,789 | 840,639 | 23,117 | 74,456,794 |
| 1940 | 81,872,805 | 7,872,850 | 2,709,937 | 1,401,349 | 181,190 | 94,038,131 |
| 1941 | 119,642,428 | 4,440,083 | 2,784,819 | 2,840,923 | 466,423 | 130,174,676 |
| 1942 | 93,831,905 | 1,102,814 | 1,538,283 | 661,517 | 269,986 | 97,404,505 |
| 1943 | 83,373,910 | 15,870,264 | 19,285,069 | 1,259,098 | 1,474,648 | 121,262,989 |
| 1944 | 123,639,138 | 30,145,402 | 18,306,240 | 4,987,300 | 3,603,131 | 180,681,211 |
| 1945 | 139,883,060 | 44,620,240 | 19,326,794 | 2,494,183 | 1,874,474 | 208,198,751 |
| 1946 | 41,568,042 | 26,176,984 | 8,614,102 | 676,150 | 651,176 | 77,686,454 |

Rail Movement from Fort William-Port Arthur

After a substantial slump in the rail shipment of wheat from the Lakehead during May, the June movement climbed near the million-bushel mark to bring the total for the current season up to 12.9 million bushels. This unseasonable rise in rail shipments can, in part, be attributed to the seamen's strike which tied up Canadian shipping on the Great Lakes for the greater part of the month and necessitated an increased use of eastern rail facilities.

More than half of the June rail movement of wheat was composed of Nos. 1 and 2 Northern destined for Quebec and Ontario. Smaller amounts of lower grades were also moved into the above areas as well as to New Brunswick and Nova Scotia.

Shipments month-by-month during the past four crop years are shown in the following table:

| | <u>1945-46</u> | <u>1944-45</u> | <u>1943-44</u> | <u>1942-43</u> |
|-----------------------|----------------|----------------|----------------|----------------|
| | - bushels - | | | |
| August | 23,255 | 91,891 | 990,879 | 390,264 |
| September | 57,533 | 169,603 | 1,547,042 | 600,921 |
| October | 73,776 | 86,572 | 780,035 | 644,926 |
| November | 99,197 | 97,512 | 711,238 | 1,250,952 |
| December | 2,280,636 | 1,236,339 | 898,565 | 3,871,297 |
| January | 4,533,707 | 1,936,038 | 4,364,158 | 1,757,163 |
| February | 1,127,764 | 764,629 | 4,397,318 | 3,196,248 |
| March | 2,223,266 | 1,091,909 | 1,076,142 | 1,997,275 |
| April | 1,015,730 | 196,042 | 107,257 | 3,968,148 |
| May | 536,462 | 66,154 | 271,533 | 1,135,059 |
| June | 920,233 | 58,642 | 108,739 | 999,605 |
| Total - 11 months ... | 12,891,559 | 5,795,331 | 15,252,906 | 19,811,858 |

The grades of wheat shipped during June 1946 and the provincial distribution of this rail movement are shown in the following table:

| | Ontario | Quebec | New Brunswick | Nova Scotia | Prince Edward Island |
|------------------------|-------------|---------|---------------|-------------|----------------------|
| | - bushels - | | | | |
| 1 Northern | - | 498,367 | - | - | - |
| 2 Northern | 154,000 | - | - | - | - |
| 4 Northern | 108,000 | 124,533 | 4,500 | 4,500 | 1,500 |
| No. 5 | 3,000 | - | - | - | 333 |
| Feed | 1,000 | 5,000 | - | - | - |
| 1 C. W. A. D. | 9,000 | 1,000 | - | - | - |
| 3 C. W. A. D. | 4,000 | - | - | - | - |
| 3 Alberta Winter | 1,500 | - | - | - | - |
| Total | 280,500 | 628,900 | 4,500 | 4,500 | 1,833 |

GRAND TOTAL 920,233

Freight Assistance Shipments - During the first ten months of the current crop year the total amount of wheat moving into the Canadian feed deficit areas aggregated 23.3 million bushels as compared with 21.1 million for the corresponding period a year ago. The 1945-46 data are based on preliminary returns for payment of May shipments and the upward revisions of earlier monthly payments arising out of more complete returns for the preceding months. As additional claims are presented, the 1945-46 total will increase still further. Ontario continues to absorb the largest proportion of freight assistance wheat, while Quebec remains the largest consumer of millfeeds distributed under this scheme.

The provincial distribution is shown in the following table, by months, with comparative totals for the crop year 1944-45.

| 1945-46 | Ontario | Quebec | New Brunswick | Nova Scotia | Prince Edward Island | British Columbia | Total |
|------------------------|------------|-----------|---------------|-------------|----------------------|------------------|------------|
| - bushels - | | | | | | | |
| August | 1,163,783 | 864,462 | 74,287 | 83,563 | 68,320 | 353,505 | 2,607,920 |
| September | 1,024,657 | 848,778 | 97,768 | 91,215 | 51,017 | 344,563 | 2,457,998 |
| October | 1,223,415 | 972,008 | 101,615 | 99,648 | 41,420 | 364,420 | 2,802,526 |
| November | 1,099,365 | 891,155 | 99,748 | 112,468 | 44,445 | 316,217 | 2,563,398 |
| December | 1,178,953 | 664,675 | 90,863 | 128,237 | 40,288 | 322,093 | 2,425,109 |
| January | 1,056,605 | 655,617 | 93,558 | 94,072 | 37,940 | 298,932 | 2,236,724 |
| February | 1,091,640 | 609,670 | 53,937 | 66,675 | 34,523 | 266,528 | 2,122,973 |
| March | 1,406,895 | 809,607 | 88,590 | 86,530 | 58,230 | 286,953 | 2,736,805 |
| April | 821,783 | 711,755 | 54,027 | 79,633 | 43,898 | 270,170 | 1,981,266 |
| May | 657,553 | 474,246 | 47,480 | 47,032 | 39,599 | 115,597 | 1,381,507 |
| T o t a l | 10,724,649 | 7,501,973 | 801,873 | 889,073 | 459,680 | 2,938,978 | 23,316,226 |
| Same Period 1944-45 | 9,261,786 | 6,710,349 | 737,976 | 981,165 | 324,340 | 3,060,287 | 21,075,903 |

Millfeeds - The distribution of millfeeds under the Freight Assistance plan is shown for the five eastern provinces in the following table. One column of figures covers the first ten months of the present crop year and the other the corresponding period a year ago.

| | August 1, 1945 to May 31, 1946 | August 1, 1944 to May 31, 1945 |
|----------------------------|-----------------------------------|-----------------------------------|
| - tons - | | |
| Ontario | 207,213 | 197,355 |
| Quebec | 254,838 | 251,008 |
| New Brunswick | 45,017 | 43,269 |
| Nova Scotia | 47,294 | 51,982 |
| Prince Edward Island | 12,529 | 10,093 |
| T o t a l | 566,891 | 553,707 |

Monthly Overseas Clearances, Etc., in Comparison with the Customs Exports of

Wheat and Wheat Flour

| | Overseas Clearances of Canadian Wheat | U. S. Imports of Canadian Wheat for consumption and milling in bond | Customs Exports of Canadian Wheat Flour | Total | Customs Exports of Wheat and Wheat Flour |
|-------------------|--|---|--|---------|---|
| <u>1943-44</u> | | | - 000 bushels - | | |
| August | 13,926 | 8,744 | 5,047 | 27,717 | 23,143 |
| September ... | 8,950 | 9,332 | 3,933 | 22,215 | 21,426 |
| October | 7,424 | 12,597 | 3,824 | 23,845 | 23,791 |
| November | 7,900 | 11,429 | 3,860 | 23,189 | 28,733 |
| December | 10,639 | 9,802 | 4,979 | 25,420 | 43,022 |
| January | 10,956 | 14,178 | 5,063 | 30,197 | 22,336 |
| February | 8,977 | 20,704 | 3,844 | 33,525 | 24,655 |
| March | 7,859 | 14,529 | 5,518 | 27,906 | 20,566 |
| April | 9,394 | 24,979 | 6,943 | 41,316 | 40,092 |
| May | 14,148 | 15,420 | 7,090 | 36,658 | 40,009 |
| June | 11,720 | 8,617 | 5,999 | 26,336 | 31,061 |
| July | 11,444 | 9,497 | 4,490 | 25,431 | 29,640 |
| T o t a l ... | 123,337 | 159,828 | 60,590 | 343,755 | 348,474 |
| <u>1944-45</u> | | | | | |
| August | 12,351 | 9,043 | 3,391 | 24,785 | 19,899 |
| September ... | 11,798 | 8,940 | 5,470 | 26,208 | 32,107 |
| October | 15,428 | 5,758 | 4,908 | 26,094 | 33,624 |
| November | 14,658 | 4,891 | 4,417 | 23,966 | 27,601 |
| December | 9,972 | 2,169 | 5,591 | 17,732 | 32,815 |
| January | 14,730 | 1,413 | 3,781 | 19,924 | 8,944 |
| February | 10,858 | 766 | 4,642 | 16,266 | 11,998 |
| March | 13,890 | 763 | 5,571 | 20,224 | 15,665 |
| April | 22,703 | 2,157 | 6,154 | 31,014 | 21,606 |
| May | 39,351 | 2,499 | 6,307 | 48,157 | 35,432 |
| June | 34,366 | 1,725 | 7,257 | 43,348 | 50,552 |
| July | 38,322 | 1,737 | 5,168 | 45,227 | 43,362 |
| T o t a l ... | 238,427 | 41,861 | 62,657 | 342,945 | 333,605 |
| <u>1945-46 1/</u> | | | | | |
| August | 34,227 | 1,114 | 4,979 | 40,320 | 48,074 |
| September ... | 22,454 | 1,143 | 4,294 | 27,891 | 34,428 |
| October | 40,764 | 1,265 | 4,789 | 46,818 | 36,139 |
| November | 30,424 | 2,139 | 4,501 | 37,064 | 42,817 |
| December | 17,755 | 1,582 | 4,344 | 23,681 | 42,443 |
| January | 22,443 | 1,988 | 5,125 | 29,556 | 20,373 |
| February | 18,512 | 352 | 5,111 | 23,975 | 14,959 |
| March | 21,054 | 587 | 4,690 | 26,331 | 20,075 |
| April | 16,612 | 559 | 6,651 | 23,822 | 20,095 |
| May | 16,524 | - | 7,507 | 24,031 | 23,003 |
| June | 16,546 | - | 4,771 | 21,317 | 14,718 |
| T o t a l | | | | | |
| August to June | 257,315 | 10,729 | 56,762 | 324,806 | 317,124 |

1/ Subject to revision.

Selling Prices of Canadian Wheat - The export price of Canadian wheat to overseas destinations remains unchanged at \$1.55 per bushel, basis No. 1 Northern in store Fort William-Port Arthur or Vancouver. The monthly averages of Canadian Wheat Board prices are as follows:

| | <u>1 Northern</u> | <u>2 Northern</u> | <u>3 Northern</u> | <u>4 Northern</u> |
|---------------------------|----------------------------------|-------------------|-------------------|-------------------|
| | - cents and eighths per bushel - | | | |
| October 19-30, 1943 | 128/2 | 125/2 | 123/2 | 118/2 |
| November | 132/3 | 129/3 | 127/3 | 122/3 |
| December | 141/2 | 138/2 | 136/2 | 131/2 |
| January, 1944 | 145/5 | 142/5 | 140/5 | 135/5 |
| February | 144/7 | 141/7 | 139/7 | 134/7 |
| March | 146/7 | 143/7 | 141/7 | 136/7 |
| April | 148 | 145 | 143 | 138 |
| May | 148 | 145 | 143 | 138 |
| June | 143/3 | 140/3 | 138/3 | 134/2 |
| July | 138 | 135 | 133 | 130 |
| August | 135/2 | 132/2 | 130/2 | 127/4 |
| September | 136 | 133 | 131 | 129/7 |
| October | 143/2 | 140/2 | 138/2 | 137/2 |
| November | 146/2 | 143/2 | 141/2 | 140/2 |
| December | 146/3 | 143/3 | 141/3 | 140/3 |
| January, 1945 | 145/6 | 142/6 | 140/6 | 139/6 |
| February | 150/1 | 147/1 | 145/1 | 144/1 |
| March | 152/3 | 149/3 | 147/3 | 146/3 |
| April | 153/5 | 150/5 | 148/5 | 147/5 |
| May | 154/4 | 151/4 | 149/4 | 148/4 |
| June | 155 | 152 | 150 | 149 |
| July | 155 | 152 | 150 | 149 |
| August | 155 | 152 | 150 | 149 |
| September | 155 | 152 | 150 | 149 |
| October | 155 | 152 | 150 | 149 |
| November | 155 | 152 | 150 | 149 |
| December | 155 | 152 | 150 | 149 |
| January, 1946 | 155 | 152 | 150 | 149 |
| February | 155 | 152 | 150 | 149 |
| March | 155 | 152 | 150 | 149 |
| April | 155 | 152 | 150 | 149 |
| May | 155 | 152 | 150 | 149 |
| June | 155 | 152 | 150 | 149 |
| July 1 - 20 | 155 | 152 | 150 | 149 |

Wheat Acreages in the Prairie Provinces 1946

The acreage seeded to wheat in the Prairie Provinces in 1946 totals 25,178,000 acres, an increase of 12 per cent above the 1945 acreage of 22,566,000 acres. Generally favourable seeding weather in the spring and the current strong demand for wheat have worked together to bring about this substantial increase in acreage. Much of the increase has been achieved at the expense of coarse grains and summerfallow. Seedings of oats and barley have decreased by 11 and 9 per cent respectively, while the 1946 summerfallow acreage has declined by 5 per cent below that of a year ago.

Manitoba shows the greatest percentage increase with this year's acreage of 2,835,000 acres being 33 per cent larger than that of 1945. Wheat acreages in Saskatchewan and Alberta increased 9 and 10 per cent respectively. These estimates are obtained from the annual June Survey conducted by the Agricultural Branch of the Dominion Bureau of Statistics. Since the regular quinquennial census is being taken in the Prairie Provinces this year, all acreage figures for these provinces are subject to adjustment as the census data become available.

Seeded Acreages of Principal Grain Crops and Summerfallow in the Prairie Provinces 1946 - Estimate Based on June Survey.

| Province | Year | Wheat | Oats | Barley | Fall Rye | Spring Rye | Flax-seed | Summer-fallow |
|---------------------|----------------|--------|--------|--------|----------|------------|-----------|---------------|
| - 000 acres - | | | | | | | | |
| Manitoba | 1946 | 2,835 | 1,598 | 1,883 | 17 | 9 | 343 | 2,016 |
| | 1945 | 2,132 | 1,697 | 2,139 | 19 | 7 | 260 | 2,452 |
| | 1946 in % 1945 | 133 | 94 | 88 | 89 | 129 | 132 | 82 |
| Saskatchewan | 1946 | 14,843 | 5,055 | 2,484 | 179 | 123 | 557 | 11,271 |
| | 1945 | 13,610 | 5,717 | 2,672 | 148 | 111 | 655 | 11,692 |
| | 1946 in % 1945 | 109 | 88 | 93 | 121 | 111 | 85 | 96 |
| Alberta | 1946 | 7,500 | 2,957 | 1,902 | 90 | 42 | 90 | 5,619 |
| | 1945 | 6,824 | 3,335 | 2,048 | 83 | 42 | 119 | 5,715 |
| | 1946 in % 1945 | 110 | 89 | 93 | 108 | 100 | 76 | 98 |
| Prairie Provinces . | 1946 | 25,178 | 9,610 | 6,269 | 286 | 174 | 990 | 18,906 |
| | 1945 | 22,566 | 10,749 | 6,859 | 250 | 160 | 1,034 | 19,859 |
| | 1946 in % 1945 | 112 | 89 | 91 | 114 | 109 | 96 | 95 |

Wheat Crop Conditions at June 30, 1946 -

The following is extracted from the Dominion Bureau of Statistics' report on the condition of field crops as of June 30, 1946.

The spring wheat condition figures for the Prairie Provinces as based on an analysis of weather factors present a fairly bright picture this year. In sharp contrast to last year, Alberta leads the three provinces with a condition figure of 127, while Manitoba is lowest with a figure of 103. Saskatchewan's condition figure at 123 is up 14 points from last year's level and is one point above the 1944 figure. Manitoba's relatively low position is largely attributable to inadequate rainfall between April 1 and June 30. While spring rainfall has been well below normal in both Manitoba and Saskatchewan and slightly below normal in Alberta, generally good preseasonal moisture conditions, together with fairly satisfactory spacing of the spring rains, have maintained conditions at a higher level than would otherwise have prevailed. In arriving at the final wheat condition figures, consideration has also been given to the fact that a larger percentage of the wheat crop is currently being sown on summerfallow than was the case in most pre-war years.

It is emphasized that numerical condition figures do not necessarily reflect ultimate yields. The condition data for all crops with the exception of spring wheat in the Prairie Provinces are obtained through the medium of reports from hundreds of informed persons who express their opinion of crop conditions at June 30 as a percentage of the long-term average yield per acre. The condition figures for the western wheat crop are derived from an analysis of weather factors, but the same caution applies. Any deviations from normal in respect to weather factors, plant diseases, or insect infestations occurring between June 30 and harvest-time may lead to outturns which will vary considerably from those apparently indicated by the June 30 numerical condition figures.

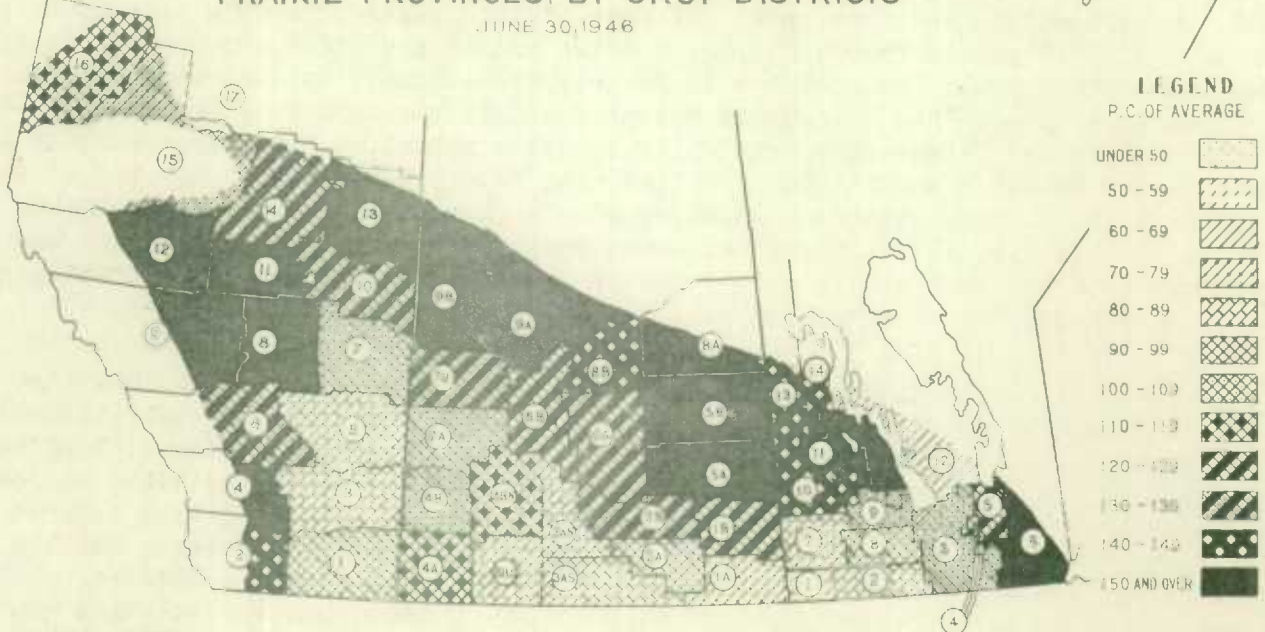
Feed grain crops in nearly all parts of the country are in better condition than last year but hay, clover, alfalfa and pastures have not generally fared as well, except in Alberta and British Columbia where fairly substantial improvements in condition over last year are indicated. Dry weather early in the season in some areas of Manitoba and Saskatchewan retarded germination and growth of coarse grains, and stands are thin with light yields in prospect.

The two charts on the following page show the condition of the spring wheat crop within crop districts of the Prairie Provinces as it existed at June 30, for 1946 and 1945. The charts are directly comparable as between the two years. The crop district condition figures are based on the more important weather factors affecting the growth of the wheat plant, including precipitation during the preceding autumn period, and precipitation and temperatures during the months of April, May and June.

The sharp differences in wheat condition between adjacent crop districts as shown on the charts is an inherent characteristic where crop-district averages of condition are employed, and the true gradations of condition must be inferred. The condition figures are expressed as percentages of the long-time average yields of wheat for each province.

CONDITION OF SPRING WHEAT IN THE PRAIRIE PROVINCES, BY CROP DISTRICTS

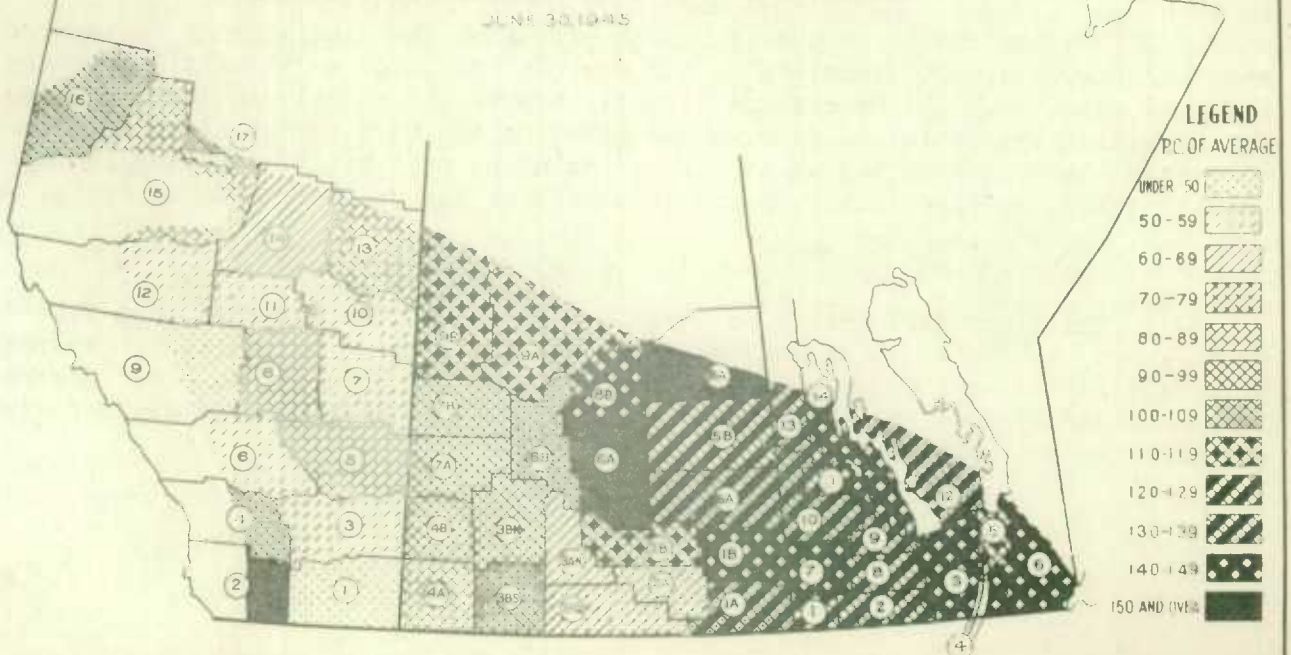
JUNE 30, 1946



Dom. Bureau of Statistics

CONDITION OF SPRING WHEAT IN THE PRAIRIE PROVINCES, BY CROP DISTRICTS

JUNE 30, 1945



Dom. Bureau of Statistics

Telegraphic Crop Report - The following is quoted from the telegraphic crop report issued by the Dominion Bureau of Statistics on July 23:

"Crop conditions remain generally good throughout the Prairie Provinces with Manitoba reporting further improvement during the past week. Dry, hot weather has caused some deterioration particularly in west-central Saskatchewan and south-eastern Alberta but has promoted growth in other areas where moisture reserves were ample. Average precipitation since April, shows a further slight improvement in Manitoba and Saskatchewan and is still fractionally above normal in Alberta. No insect damage of importance has been reported and hail damage has not been widespread.

"Ideal weather and moisture conditions have promoted rapid crop growth in Manitoba during the past few days and heads are filling well. Showers have retarded haying, but yields are turning out better than expected. Early barley is ripening in some areas of the province and harvesting of this crop will likely be well under way by the end of this month. Some leaf rust is present in the Brandon area but it has apparently developed too late to affect yields adversely. Row crops and corn are coming along well. Conditions in Saskatchewan have been generally well maintained during the past week but hot, dry weather has caused some deterioration, particularly in west-central districts. Further general rains throughout the province will be required to bring the crop along to maturity in a satisfactory condition. Temperatures have averaged above normal during the past week and have had an adverse effect in areas where the moisture reserve was low. Optimistic reports continue to come from most eastern sections of the province and should favourable weather prevail over the next two or three weeks above-average yields are anticipated. Lighter yields are indicated in the south-west and in some western areas. Prospects in Alberta remain excellent in most districts although conditions are now only fair in parts of the south-eastern and Peace River areas. Hot weather has caused deterioration north of Medicine Hat but prospects have been fairly well maintained south of that city to the International Border. Conditions are very favourable along the Calgary-Edmonton line although some districts would welcome more rainfall. Hay crops are quite good and pastures generally are holding up well. Live stock are in good condition.

"Manitoba - Ideal weather has prevailed throughout the past week with no points requiring immediate rainfall. Crops are making excellent progress. Early barley is beginning to turn and harvest of this crop will commence about the end of the month. While some stands of grain are patchy, the majority of fields are very promising. Special crops, particularly field peas, are generally good. Flax yields should be good provided the rains continue. Only fair progress has been made with haying as showery weather has been a handicap. Stands are not heavy but are better than expected. Pastures are holding up well and summerfallows have been mostly well cultivated.

"In the south-central portion of the province around Morden, crops are progressing well with moisture adequate for the present. Early fields of wheat and barley are maturing and some barley will be cut by the end of this week. Row crops and corn are doing well. A heavy rain on the 17th fell over the south-eastern part of the province around Melita. No crop damage has been reported. Wheat is filling well. The rye crop is reported as good to fair with some already swathed.

"Crop conditions continue favourable in the Brandon district with about one and a half inches of rain during the past week. The early crops are beginning to turn and heads are filling particularly well. No insect damage has occurred and while leaf rust is present, it is thought to have developed too late to have any effect on yields. Haying is well advanced, although some damage has occurred from

showery weather. Our correspondent at Teulon in the north-central portion of the province reports warm weather has promoted good growth of all crops. Early barley is turning. Considerable crop damage occurred in the Arborg district, due to flooding. The hay crop is very light but summerfallow is in good shape and corn has made excellent growth. Harvest will start early if the weather remains dry and warm.

"No insect damage has been reported during the past week in Manitoba. Light hail has been reported during the week from Tyndal, Justice, Basswood, Kelloe, Lyleton, Thornhill, Minto, Lenore, Dand and Oak River with light to heavy hail falling at Elkhorn, Two Creeks and Hamsworth. Average precipitation for the province since April 1 has been 9 per cent below normal as compared with 14 per cent below normal a week ago. Mean temperature for the week ending July 22 was 3 degrees above normal.

"Saskatchewan - Excellent weather has resulted in good growth and the condition of the grain crops has been generally maintained. Further rains are required, however, to properly fill the grain. In the south-western district and the west side of the south-central area low yields are in prospect. In central, west-central and north-western districts moisture reserves are deficient and much depends on timely rains to satisfactorily mature the crops. Wheat averages about 24 inches in height and 87 per cent is now in head. Coarse grains average about 23 inches in height. Flax prospects are very favourable in the south-eastern districts. Harvesting of fall rye has commenced in south-eastern and south-western districts and an average yield of 15 bushels per acre is indicated. The weather has been warm with scattered light to heavy showers. Live stock are in good condition, while pastures generally have improved but require more rain in the drier areas.

"Above-average crops appear to be developing in the south-eastern corner of the province. Good rains have fallen since the last report and these, coupled with satisfactory temperatures, have made for steady growth. Some lodging has occurred in heavy crops which now appear to be earlier than last year. Gardens are good. In the Yellow Grass area of the south-east wheat is filling well and oats and barley are making good progress. Flax prospects are fair with a small percentage of the crop having been drowned out by recent heavy rains. While the hay crop is only fair, pastures are in excellent condition. In the Indian Head area, east of Regina, practically all grain crops are fully headed and are now making excellent growth. Traces of leaf rust are appearing in the wheat crop. The weather has been favourable for hay crops and pastures, and much improvement has taken place during the past week.

"Swift Current reports that while prospects are still improved by the July rainfall the moisture reserve is becoming low owing to recent hot weather and two very windy days. Shattering in fall rye is not yet serious, although most fields are nearing maturity. In the Shackleton district the July rains considerably improved the crop situation with wheat on fallow now showing a fairly good stand and starting to fill. Barley, too, is filling well with about an average crop anticipated. Oats are fair.

"Reports from the east-central section of the province are optimistic with all grains headed out and excellent growing weather prevailing. Moisture is plentiful and pastures are very good. Less favourable reports have been received from west-central Saskatchewan, where grain crops have deteriorated during the past week due to dry weather and hot winds, crops on lighter soils having suffered to a greater extent than on the heavy land. Rain is needed in many districts in this area during this critical period of crop growth.

"Further rain has fallen during the past week in the Melfort area in the north-east and crops are now developing nicely in spite of earlier set-backs. Indications are that an average crop will be harvested. Crops in the north-western section of the province around Prince are now reported as fair to good with late-sown oats needing rain badly. The moisture reserve appears to be poor and further rain will be required to assure proper filling of all grains. The wheat crops are showing white tips on the heads. Summerfallow crops are still holding up well in this area.

"The Entomological Laboratory at Saskatoon reports that white heads of wheat caused by wheat stem maggots are very common, but fortunately the percentage infestation is light. Considerable local hail damage is reported from hail storms occurring on July 11 at Browning; on July 14 at Torquay, Harptree and Oungre; on July 15 at Lafleche, Spring Valley, Vantage, Moose Jaw, Mortlach, Nokomis, and on July 19 at Worcester. Average precipitation for the province since April 1 has been 8 per cent below normal as compared with 12 per cent below normal a week ago. Mean temperature for the week ending July 22 was 3 degrees above normal.

Alberta - Aided by good growing weather, crops are making satisfactory progress and prospects remain excellent in most areas, although in the south-east portion of the province and the Peace River district conditions are only fair. About 75 per cent of the wheat is headed and about 45 per cent of the coarse grains. No serious crop damage has been reported and pastures and live stock are in generally good condition.

"Scorching heat during the past three days has caused rapid deterioration in the area north of Medicine Hat but conditions are still good south of Medicine Hat to the International Border. Further rain, however, is necessary to maintain prospects and to assure proper filling. Range conditions are good and haying is now general. The Dominion Experimental Station at Lethbridge reports that crop prospects continue generally satisfactory in southern Alberta but hot winds have caused some deterioration east of Lethbridge. A good hay crop is being harvested in the foothills area. In the large wheat area around Vulcan good weather conditions have rapidly advanced a better-than-average crop with both wheat and flax showing good prospects.

"In the east-central section of the province, around Hanna, general conditions have remained very good over the past week. Our Stettler correspondent reports no rain since the last report. Fifty per cent of the wheat and some of the barley is headed in that area. The crop here appears to be somewhat late and warm weather and more rain will be required to mature the crop satisfactorily. A good crop of hay is in prospect. In the Sedgewick district in the central portion of the province crops are excellent with wheat 80 per cent headed and barley and oats 75 per cent headed. Warmer weather would be welcome as the moisture supply is good.

"All correspondents along the Calgary line report rapid growth and favourable weather conditions. Around Calgary crops are heading rapidly and in early-sown barley fields the heads are filling better than average. Haying is making good progress with about average yields. Some crops now need moisture in the Lacombe area as the weather during the past week has been very hot here. Some lodging of grain crops has occurred in the Edmonton area and warm, dry weather will be required here to promote maturity of all grains.

"Our Vermilion correspondent reports a heavy wind on July 22 which caused slight damage to crops. Otherwise, conditions here are good with moisture supplies adequate to maintain good prospects for two weeks. Further heavy showers in the Peace River area have assured an average crop in some districts, but elsewhere the situation remains critical with the crop deteriorating as a result of heavy demands on limited moisture supplies and dry winds during the past week. An early harvest is in prospect.

"No insect damage has been reported recently but severe scattered hail damage has occurred in the Whitford, Bellis, Vilna, Derwent, Holden, Wetaskiwin, Daysland, Kelsey, Edberg, Clive, Bentley, Rimbey, Cereal and Oyen districts. Average precipitation for the province since April 1 remains fractionally above normal. Mean temperature for the week ending July 22 was one degree above normal."

On the nights of July 22 and 23 below-freezing temperatures were reported from many points in north-central Alberta and from some districts in north-western and north-eastern Saskatchewan. At the time of writing no estimate of the extent of possible frost damage is available.

UNITED STATES SITUATION

Latest Estimate Indicates All-time Record for 1946 Wheat Crop - As the harvest moves northward in the United States, yields continue to turn out above expectations. On June 14 total wheat production was estimated at 1,033.1 million bushels. This figure was increased to 1,090.1 million as of July 1 and now an official release dated July 22 places the expected outturn (based on July 15 conditions) at 1,132.1 million bushels. Realization of this estimate would result in an all-time record--about nine million bushels above the previous record crop of 1945.

Cool weather and improved moisture conditions over the past month have brought the winter wheat crop in northern areas well along to maturity. Heads have filled well and the grain is of good quality and high test weight. Similar conditions earlier in the season resulted in excellent crops in the Southern Plains. The official report states in part - "Good rains and cool weather were general throughout the spring wheat belt during the first half of July. Although the effects of the spring freeze and early drought which thinned stands and caused short growth of straw were not overcome, heads are filling well and quality of grain is good to excellent even on fields with short straw. Barring other deterrents, the moisture situation now is satisfactory for making the crop."

Farm Wheat Stocks Low - The Crop Reporting Board of the Bureau of Agricultural Economics, United States Department of Agriculture reports as follows on the stock situation: "Spurred by the Government purchase program to secure wheat for relief purposes, and by prospects of another bumper crop this year, stocks of old wheat on farms at July 1, 1946 were reduced to 42,703,000 bushels--less than half of reserves on farms a year ago and the smallest since 1937. Farm stocks on July 1 this year represent only 3.8 per cent of production in the preceding year, compared with 8.3 per cent on July 1, 1945, and an average of 10.6 per cent. Disappearance from farms of 161 million bushels since April 1, is 12 million bushels greater than the previous record of 149 million bushels in 1945, and compares with average disappearance of about 85 million bushels. By July 1 farm stocks had reached an abnormally low level in a majority of the States. In the eastern deficit-wheat producing States, stocks were about as large as at this time a year ago, but in most other States farmers held much smaller quantities."

"Bread" Grain Export Commitments Met - Secretary of Agriculture Anderson reported on July 8 that the 400 million bushel "bread" grain export commitment for the year had been met by June 30. Wheat and flour exports of 10,336,000 long tons, plus the corn and corn products shipped after May 1 from stocks acquired under the corn "bonus" plan, reached a total of 401 million bushels. Between January 1 and June 30, 5,556,000 tons of bread grains were exported and on July 1 enough wheat, flour, corn and corn products was at ports ready for ship loading to bring the total above the six million ton (225 million bushels) "goal" for the half-year period.

Chicago Cash Wheat

- Since trading on the Chicago wheat futures market was suspended indefinitely as of June 14, it has been thought desirable to publish Chicago cash wheat prices in place of the usual futures quotations. With the expiration of the O.P.A. on midnight of June 30, a substantial increase in cash prices was registered on July 2. For a time they appeared to fluctuate considerably, but by the third week in July a downward trend brought prices close to old ceiling price levels. This reaction was due, in large part, to the possibility of a roll-back of prices in the event of the reinstitution of some form of price control affecting grains.

The following are the daily cash prices by grades on the Chicago market:

| | | |
|---------------|--|-------------|
| June 15 & 29. | 2 Red, 2 Hard | 197 |
| 17-28 .. | 2 Red | 197 |
| July 1 | Wheat not quoted | |
| 2 | 1 Red Winter | 218 |
| 3 | All grades nominally quoted - Red Hard | 215-218 |
| 4 | Holiday | |
| 5 | All grades nominally quoted - Red Hard | 215-218 |
| 6 | 2 Red - 2 Hard | 210 |
| 8 | 2 Red and Yellow Hard | 209 |
| 9 | All 2 Grades | 209 |
| 10 | All 2 Grades | 209-216 |
| 11 | 2 Red | 216-218 1/2 |
| 12 | 1 Red | 216 |
| 13 | Unavailable | |
| 15 | 2 Red | 213 |
| 16 | 1 Red | 212 1/2 |
| | 2 Red | 212 |
| | 1 Hard | 209-210 |
| | 1 Mixed | 209 1/2 |
| 17 | 1 Red | 205-205 1/2 |
| | 1 Hard | 209 |
| 18 | 1 Hard | 205-206 |
| | 1 Red | 205 |
| 19 | 2 Red | 205 |
| 20 | 1 Red | 201-202 |
| | 2 Red | 200-202 |
| | 1 Hard | 201-202 |
| 22 | 1 Red | 198-199 |

ARGENTINE SITUATION

Crop Conditions -

An official Argentine Government report on crop conditions reveals that exceptionally wet weather during the month of June had retarded the sowing of wheat and linseed in the provinces of Buenos Aires and La Pampa. Elsewhere, however, progress had been satisfactory. In the north, field work was active and the early crops were up. So far during the month of July excess moisture conditions have continued to hamper soil preparations in some of the more important grain growing areas of the Republic. However, wheat and coarse grain seeding usually continues into August and members of the trade remain quite convinced that a fairly substantial increase in the acreage devoted to grain crops will take place this year.

Swing from Live Stock to Grain -

At the same time, opinions continue to differ regarding the area that will be seeded to wheat this year, as reports from the south of Buenos Aires reveal that farmers in that district are sowing oats and barley on land which formerly produced wheat. As stated before, this change can be largely attributed to the price relationships existing between these grains. However, any reduction in the 1946 wheat acreage which might result from this move, is not likely to be as great as might first appear. This can be explained in the light of an anticipated overall increase in the area of land devoted to grain crops at the expense of live stock. The swing from cattle to crops is thought to be inevitable, when the prices for the latter are so high.

Bonus Plan Extended to June 28 -

As a last effort to secure the farmers' wheat surpluses for use, in part, as export supplies, the Argentine Government extended its wheat bonus payment plan of 5 pesos per quintal (approximately 45 cents per bushel Canadian) to June 28. Originally, this scheme was planned for a 30-day period beginning April 16 and later extended through June 15.

Expropriation of Surpluses Remaining After June 28 -

At the time of the announcement of the second and final extension of the bonus plan, wheat holders were warned that, if necessary, surplus wheat of all crops, except seed requirements, found in their possession after June 28 would be expropriated for internal consumption at 15 pesos per quintal (approximately \$1.34 per bushel Canadian). This was the original price paid before the bonus scheme was inaugurated. Furthermore, holders were told that those who refused to sell voluntarily would be refused the opportunity to sell to the Grain Regulating Board in the future. At present the Board is the sole purchaser of wheat.

Export Market Inactive -

No cash wheat has been offered on the export market recently as most of the remaining surplus has already been contracted for relief and export. Total exports from the first of January to July 19 have amounted to 34.6 million bushels as against 57.4 million for the same period in 1945. The United Kingdom and the Continent continue to absorb the greater proportion of these exports as only 7.3 million bushels have been destined for non-European importers. Wheat shipments to Brazil, usually a major importer of Argentine wheat, continue to be very small and even the promised 1.8 million bushels monthly are far short of the minimum of the 40 million bushels required.

Flour Mill Production High -

During 1945, the Argentine milled some 97.7 million bushels of wheat as compared with 92.1 million bushels in 1944 and nearly 68 million for the five-year period 1929-33. Milling capacity has increased by one-third since before the war. Flour produced during the ten years 1929-38 averaged 15.4 million barrels, while in 1945 the mills turned out 21.3 million barrels.

AUSTRALIAN SITUATION

On July 16 a cable, which is quoted in part below, was received from the Canadian Government Trade Commissioner in Melbourne:

"Australian wheat stocks at the end of June totalled 67 million bushels. Crop conditions are very good in southern New South Wales, Victoria, South Australia and West Australia with the possibility of a record crop in Victoria and South Australia. Conditions are poor in northern New South Wales, while no wheat has yet been sown in Queensland where drought conditions prevail.

"Flour mills are working to capacity in all States. Exports of wheat during June totalled 56,960 tons mostly to India and exports of flour amounted to 84,252 tons mostly to India, Ceylon and Malaya.

"The bill to stabilize the wheat industry, as outlined in our cable of January 16 is now being debated in the Federal Parliament."

Individual State reports which are quoted in part follow:

"The New South Wales crop is in very unsatisfactory condition, and 90 per cent of the wheat crop area is in urgent need of rains of two and more inches. The only locations where the crop shows reasonable promise is within the South Western Slopes, where June rains gave considerable relief to half a million acres. The remainder of the crop, approximately 4.5 million acres, is in the balance. Portions in the north have yet to complete seeding. Within the other divisions of the State, germination has been patchy and appreciable areas have been damaged because of the malting of the grain and by grasshopper attack. Some early sown crops showed a satisfactory germination, but the growth throughout May and June was retarded owing to dry conditions.

"The reports from almost all districts are to the effect that the present season, from a wheat-grain point of view, is the most unsatisfactory which has been experienced for a very long period. Even though this may be so, a forecast as to the ultimate outcome of the crop cannot be attempted, as subsequent seasonal conditions may transform an apparent failure into a satisfactory crop. The position, however, is sufficiently serious to warrant the consideration of Government and Commercial interests in case some adjustment of the plans of home consumption and export may become necessary."

From the Department of Agriculture in Victoria comes the report that:

"Good rains throughout the cereal belt at the end of June relieved anxiety regarding the establishment of crops, and the cereal position is now very satisfactory. Scattered areas of wheat remain to be sown, for which fine weather early in July is required. It is estimated that the area planted to wheat this year is 3.4 million acres, slightly more than last year, but only about half of this area is on fallowed land. Farmers are pushing ahead with fallowing operations for the 1947 planting, but the work in some areas is difficult because of the growth of green rubbish and shortage of tractors."

For the country as a whole, the prospective outturn does not appear to be as optimistic as it was earlier in the season. The 1946 seeded acreage, although estimated to be somewhat above that of a year ago, is thought to be well below the goal set by the Government earlier in the season.

Australian wheat exports during the first six months of 1946 have totalled about 34 million bushels, all to non-European consumers. It is felt that well over half of Australia's exportable wheat surplus has been cleared to overseas destinations and that from now until the new crop becomes available, wheat exports will become smaller.

CENTS
PER
BUSHEL

180

170

160

150

140

130

120

110

100

Bark

*Australian
Old Crop*

No 1 Man. St John

SHIPPERS' OFFERS TO THE UNITED KINGDOM JULY, 1945 TO DATE

F.O.B. PORT OF SHIPMENT AS REPORTED DAILY BY BROOMHALLS' LIVERPOOL OFFICE
(Canadian cents per bushel)

JULY

AUG.

SEPT.

OCT.

NOV.

DEC.

JAN.

FEB.

MAR.

APR.

MAY

JUNE

JULY

CALENDAR OF WHEAT EVENTS

- July 1 Broomhall reports that the European grain harvest is now under way in many southern countries and with the exception of the south-west where rain has hampered operations, progress is reported to be good and yields satisfactory.
- 2 The expiration of the United States O.P.A. at midnight June 30 caused the Chicago cash price of No. 1 Red and Hard wheat to jump 20 cents above the old ceiling price of \$1.98 per bushel.
- 5 Exports of wheat from the Argentine since January 1 now total 31.1 million bushels as against 54.3 million for the corresponding period a year ago.
- 8 United States wheat and flour exports for the 1945-46 season is placed at 385.5 million bushels.
- 9 The London Times estimates the condition of the United Kingdom wheat crop as of July 1 at 93.1 per cent of average. Acreages are officially reported to be slightly smaller than last year.
- 10 The condition of the Canadian wheat crop as of June 30 stood at 122 per cent as compared with 100 per cent at the same date a year ago.
- 11 The estimate of United States 1946 wheat crop is now placed at 1,090,000,000 bushels.
- 12 France reports favourable crops and less need for imports as harvesting has commenced in the southern districts.
- 15 The Argentine Government reports that excessive rainfall during the month of June retarded the sowing of wheat and linseed in the provinces of Buenos Aires and La Pampa.
- 16 It was announced that Italy has discontinued the mixing of secondary cereals with wheat to produce flour and in addition the flour extraction rate is expected to be lowered.
- 19 The area seeded to wheat in the Prairie Provinces during 1946 is estimated to be 25.2 million acres as compared with 22.6 million acres in 1945.
- 21 Bread rationing was instituted in the United Kingdom.
- 22 The latest estimate of United States wheat production, based on conditions at July 15, places the outturn at 1,132,075,000 bushels, an all-time record.
- 23 During 1945 Argentina milled about 97.7 million bushels of wheat as compared with 92.1 million in 1944 and an average of about 68 million bushels for the five-year period 1929-33.
- 25 The Minister of Trade and Commerce announced to-day a four-year wheat agreement with the United Kingdom. Under this agreement Canada will sell to Great Britain 600 million bushels of wheat at a fixed price of \$1.55 per bushel for the first two years and at minimum prices of \$1.25 and \$1.00 per bushel for the third and fourth years respectively.

APPENDIX

Text of the Wheat Agreement Between The United Kingdom and Canada

The Government of Canada and the Government of the United Kingdom, recognizing that their mutual interest in the maintenance of reasonable prices and adequate supplies of wheat for consumers and of steady and remunerative prices for producers can best be met by international co-operation in the expansion of world trade and employment, have entered into the following arrangements designed to ensure a measure of security in the supply and of stability in the price of wheat supplied by Canada to the United Kingdom:

1. (a) The United Kingdom Government undertakes to purchase and the Canadian Government undertakes to sell the following quantities of Canadian wheat, which quantities include wheat to be processed into flour for sale to the United Kingdom Government:

- (i) within the crop year 1946-47, 160,000,000 bushels;
- (ii) within the crop year 1947-48, 160,000,000 bushels;
- (iii) within the crop year 1948-49, 140,000,000 bushels;
- (iv) within the crop year 1949-50, 140,000,000 bushels.

A bushel shall be of the weight of 60 pounds avoirdupois.

(b) In the event of the United Kingdom requiring from Canada any additional quantities of wheat that the Canadian Government is prepared to make available, such additional quantities which the Canadian Government offers and the United Kingdom Government accepts shall in all respects be subject to the provisions of this Agreement.

(c) Of the total quantity of wheat specified above for each crop year, the United Kingdom Government agrees to take the following quantity in long tons in the form of flour:

1946-47 - 500,000 tons as a minimum, with an additional quantity not exceeding 140,000 tons to be determined by negotiations in the light of the out-turn of the crop.

1947-48 - 400,000 tons as a minimum, with an additional quantity not exceeding 140,000 tons to be determined by negotiations in the light of the out-turn of the crop.

1948-49 - 300,000 tons as a minimum, the actual tonnage to be negotiated by the 1st July, 1947.

1949-50 - 300,000 tons as a minimum, the actual tonnage to be negotiated by the 1st July, 1948.

(d) The rate and place of deliveries of wheat and flour shall be determined from time to time by mutual agreement.

2. (a) The price per bushel to be paid by the United Kingdom Government to the Canadian Government, on the basis Number One Manitoba Northern, in store Fort William-Port Arthur, Vancouver or Churchill, shall be as follows:

- (i) In respect of wheat bought and sold in the crop year 1946-47, \$1.55.
- (ii) In respect of wheat bought and sold in the crop year 1947-48, \$1.55.
- (iii) In respect of wheat bought and sold in the crop year 1948-49, not less than \$1.25.
- (iv) In respect of wheat bought and sold in the crop year 1949-50, not less than \$1.00.

(b) The actual prices to be paid for wheat to be bought and sold within the crop year 1948-49 shall be negotiated and settled between the United Kingdom Government and the Canadian Government not later than the 31st December, 1947, and prices for wheat to be bought and sold within the crop year 1949-50 shall be negotiated and settled not later than the 31st December, 1948. In determining the prices for these two crop years, 1948-49 and 1949-50, the United Kingdom Government will have regard to any difference between the prices paid under this Agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in the 1946-47 and 1947-48 crop years.

(c) The prices to be paid for grades other than Number One Manitoba Northern to be delivered under this Agreement shall be determined yearly in consultation between the United Kingdom Government and the Canadian Government.

(d) In addition to the prices detailed in Section (a) of this Article, the United Kingdom Government undertakes to pay such carrying and forwarding charges as may be mutually arranged.

(e) Payment shall be made in full in Canadian funds at par Winnipeg by the United Kingdom Payments Office against presentation of completed statements of claim or otherwise as may be mutually agreed.



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3. It is agreed that the United Kingdom Government may sell or dispose of the wheat and flour purchased under this Agreement in whatsoever manner the United Kingdom Government may deem expedient both in regard to destination and price.

4. (a) The Canadian Government will use its best endeavours to arrange that the quantities of wheat set out in Article 1(a) shall at all times be available and at the disposal of the United Kingdom Government within the stipulated dates and in accordance with the rates and places of delivery determined under Section (d) of Article 1 of this Agreement.

(b) The United Kingdom Government will use its best endeavours to arrange for the provision of the required ocean tonnage within the stipulated dates and in accordance with the rates and places of delivery determined under Section (d) of Article 1 of this Agreement.

5. It is agreed that the detailed terms and conditions relating to such matters as carrying and forwarding charges, grades, routeing of shipments and all other matters incidental to the fulfilment of this Agreement shall be discussed and settled from time to time and incorporated in documents to form annexures to this Agreement.

6. It is mutually understood that matters arising from, or incidental to, the operation of this Agreement may at the instance of either party become subjects of discussion between the parties to this Agreement.

7. Having in mind the general purposes which this Agreement is designed to serve, the two Governments have agreed that its terms and conditions shall be subject to any modification or amendment which may be necessary to bring it into conformity with any international agreements or arrangements hereafter entered into to which both Governments are parties.

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