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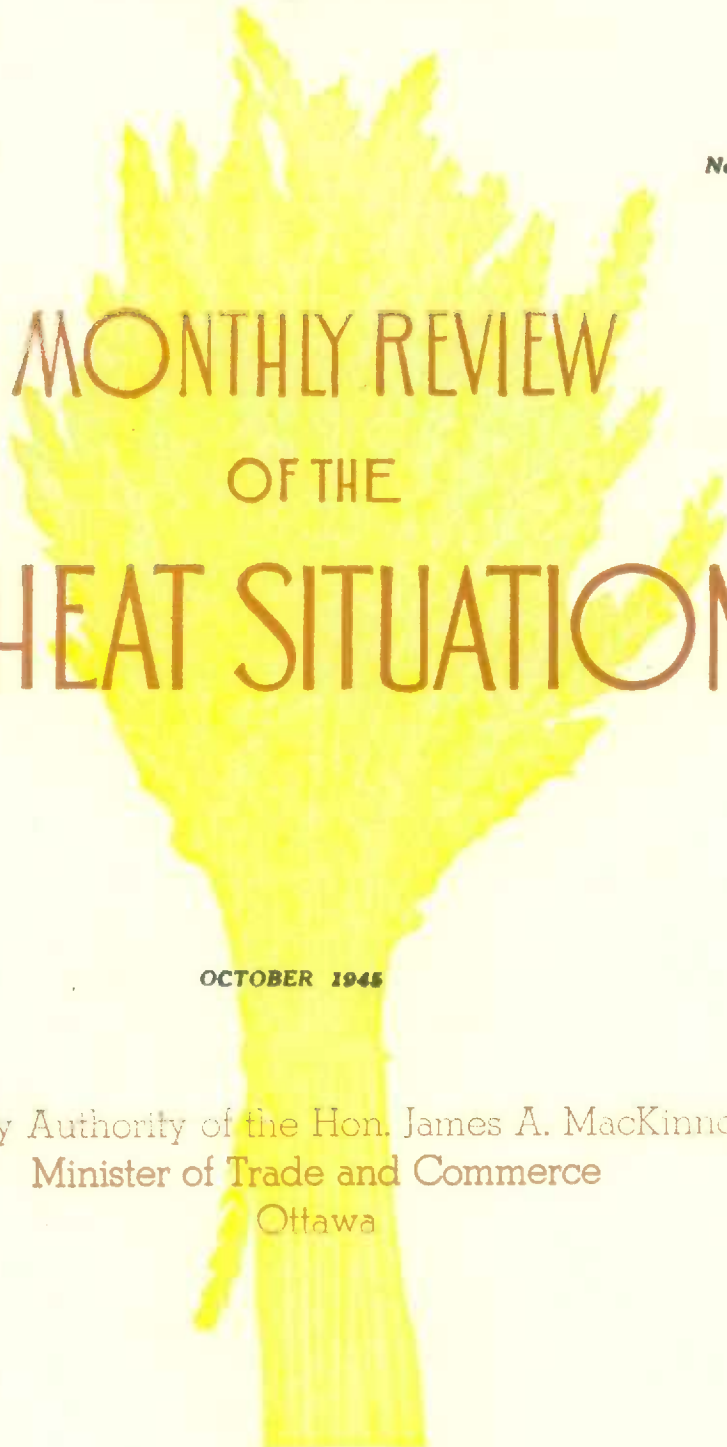
CANADA

*Monthly averages
again published in this
issue*

DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH

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No. 2

A large, stylized yellow wheat stalk is positioned vertically in the center of the cover, serving as a background for the title text.

MONTHLY REVIEW OF THE WHEAT SITUATION

OCTOBER 1945

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AGRICULTURAL BRANCH

(Issued October 1945)

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WORLD WHEAT SITUATION - SUMMARY

As the wheat harvest draws to a close in the Northern Hemisphere and the cereals south of the equator enter their critical growing stage, it has been customary, in the past, to try and arrive at a figure representative of world wheat production against which can be balanced possible consumption needs. Times change, and so do the objectives. Not so long ago "troublesome surpluses" were the curse of the wheat world, a situation in which attempts were made to equate production to demands, and to this end International Wheat Agreements were devised among the major wheat importing and exporting countries of the world.

In 1933 a multilateral agreement was entered into by twenty-two wheat producing and consuming nations for the purpose of overcoming evils associated with the accumulation of wheat surpluses for export and consequent price cutting and dumping. Prices were to be supported by export quotas, minimum price levels and increased imports. To achieve these objectives importers agreed to reduce tariffs, while exporters, on their part, were to reduce production by 15 per cent and export quotas were allotted to the exporting countries on the basis of the 560 million bushels exported from the 1933 crop.

This agreement was to be binding on all members for a period of two years, but it broke down within a year when Argentina defaulted. A large crop the following year, together with an improved demand on the world market and inadequate storage facilities forced her to exceed her quota limit. Contrary to expectation, prices did not rise, tariffs were not lowered and acreages and production instead of decreasing began to increase.

The opening of World War II in 1939 interrupted attempts at further agreement in that year. With the advent of war and the consequent curtailment of exports, wheat surpluses began to accumulate. Finally wheat meetings were called in Washington, July 1941—June 1942, which resulted in a memorandum being drafted and signed by Great Britain, the United States, Canada, Argentina and Australia.

This draft convention set forth four main provisions. First, reserve stocks of carry-over grain were to be maintained by each of the four chief exporting countries; the size of the stocks to be kept within a given range. Second, production controls necessary to keep the carry-over within the proposed ranges were to be established. Third, a system of export quotas was evolved, with allotments assigned to each country according to a certain formula. Finally, basic minimum and maximum prices for export wheat were to be fixed annually. Immediate provisions established a pool of wheat for the relief of war-stricken countries and, secondly, the four exporters were to adopt measures to control production in order to prevent the accumulation of excessive stocks.

In addition, the memorandum contained four provisional agreements requiring further action or ratification before coming effective. The first of these provisions called for an international wheat conference at some suitable date in the future, the

purpose of which was to conclude a comprehensive wheat agreement. Secondly, the draft convention was to be submitted to this conference as a basis for the agreement. Thirdly, the five countries resolved that if no earlier agreements were thus achieved, the draft convention provisions, relating to the countries of production, export and stocks of wheat, would become effective at a date unanimously decided on and announced within six months of the end of hostilities. Lastly, if unanimously consented to, the price control provisions of the draft convention were to come into effect "on the cessation of hostilities or such earlier date as they may agree". Otherwise, for six months after the end of the war, export prices of wheat were to be maintained at the latest price quoted by Canada to Great Britain on a bulk sale. Subsequently, the clause relating to the latest Canadian bulk sale price was deleted and the five countries attempted to work out an alternative price arrangement. At the end of September 1945, the Honourable James A. MacKinnon, Minister of Trade and Commerce, announced before the House of Commons that the International Wheat Committee had failed to reach agreement on the question of export prices.

Present day needs seem alien to those which called forth the restrictive production controls of the 1930's and instead of planning production to meet demands, present circumstances indicate a need for the curtailment of consumption to fit supplies. An entirely new note is being struck at the United Nations Food and Agricultural Organization Conference being held in Quebec City this month. The keynote of this organization is expansion rather than contraction of world food production, because "surpluses are surplus only in relation to purchasing power—and not in relation to the needs of human beings". The problem to be faced is not one of overproduction, but rather one of underconsumption. Many millions of people have never been properly fed and the aim of the F.A.O. is to take steps towards providing more food for them. While present plans for expanded production can only affect supplies in the future, the present short-food situation necessitates careful distribution of available supplies to insure against starvation of peoples in the deficient areas of war-torn countries. Because immediate availability and adequacy are absolute prerequisites for relief food-stuffs, much dependency has been placed on the cereal grains, especially wheat, from export countries.

An inventory of wheat stocks in the four major exporting countries reveal stocks in the United States and Canada for 1945-46 totalling 2,011 million bushels, or about 177 million bushels less than the total supplies available a year ago. Canada's decline in stocks from 792 million bushels in 1944-45 to 580 million this year has been partially offset by a record wheat harvest of 1,150 million in the United States, plus an old wheat carry-over of 281 million bushels. In the two large wheat-producing countries of the Southern Hemisphere the outlook for the new crop, because of disappointingly small acreages will not greatly augment the exportable surplus so much in demand at the present time.

Argentina experienced severe drought conditions during the planting period, which reduced acreages sown to wheat. While no very accurate estimate of production can be made until later in the season, present expectations are for a crop of about 185 million bushels, providing weather conditions remain as favourable as they have since the end of the planting season. Whatever carry-over remains in the Republic at the end of the crop year will be quite insignificant as most of the present stocks have been sold and only lack of transportation from the interior prevents them from being shipped. It has been estimated that during the current crop year close to 190 million bushels have been domestically consumed in Argentina or 80 million bushels above normal home consumption. Lack of feed and fuel necessitated the use of additional quantities for these purposes. With favourable weather prevailing for the seeding of corn, it is hoped that smaller quantities will be required for feed and that a more normal wheat consumption level will be attained in the coming year. If present export levels are maintained with South American importers during 1946, it is evident that Argentina is destined to play a minor role in the European relief picture.

By the end of September, Australian stocks totalled about 20.5 million bushels, and at the present rate of disappearance old crop stocks will be virtually exhausted at the end of the present crop year. Lack of adequate rainfall in southern sections of the country has resulted in a downward revision of estimated wheat production to some 125 million bushels as compared with the average crop of 178 million bushels for the ten-year period ending in 1940. In recent years, Australia has used increasing amounts of wheat for live-stock feed, until now, total domestic disappearance approaches 90 to 100 million bushels. After making allowances for home consumption, there may be 25 to 35 million bushels left for export and carry-over. Of the exportable surplus, most of it is reserved for shipment to the United Kingdom and the Far East.

The Office of Foreign Agricultural Relations of the United States Department of Agriculture states in its publication, World Food Situation in 1945-46, that Continental Europe, exclusive of the U.S.S.R. will require approximately 18 million tons of food imports during 1945-46, in order to raise legal non-farm supplies in liberated countries to 2,000 calories per person per day, permit some increase in imports to the neutral countries, and provide the minimum food supplies necessary to prevent widespread disease and unrest in the ex-enemy countries. Of this total, 15 to 16 million tons should be composed of wheat or over 500 million bushels. North Africa, normally a net exporter, will require over 65 million bushels to meet minimum requirements. At this time, the requirements of the Far East are not definitely known, although they will be much less than in Europe.

With Australia and Argentina eliminated, as important sources of wheat supply, the onus of supplying the major part of the import needs of the deficit areas seems to rest on the United States and Canada. While sizeable stocks are on hand in the two countries, it would appear that they will be barely adequate to meet all demands.

THE CANADIAN SITUATION

On October 4, the Honourable James A. MacKinnon, Minister of Trade and Commerce, announced the removal of the restrictive quota on farmers' wheat deliveries for the current crop year. Producers having outstanding storage tickets covering wheat deliveries, regardless of when the wheat was delivered, may now sell the wheat covered by these storage tickets. Early in March 1945, Mr. MacKinnon stated that a fixed limitation of fourteen bushels per "authorized acre" would be placed on farmers' marketings during the 1945-46 season, but a smaller crop and larger export demands than were anticipated before the end of the World War II allowed a rapid expansion of quotas from five bushels per authorized acre at the beginning of August until their abolition a few weeks ago. In order to expedite the movement of grain from the Prairie Provinces to the Lakehead, arrangements were made whereby three carloads of wheat must be shipped before one carload of oats can move.

Farmers' marketings to the end of September totalled 52 million bushels as compared with 67 million bushels at the same date a year ago or a decrease of about 23 per cent. This decline was attributable, in part, to a late crop and cold, wet harvesting weather during the latter part of September and the forepart of October. At the same time, extremely short crops in some areas of the Prairie Provinces provided many farmers with less wheat to market than permitted by the maximum quota of fourteen bushels per "authorized acre". Since stocks of Canadian wheat in store or in transit in North America at the end of September were over 100 million bushels less than at the same time a year ago, it was thought advisable to remove restrictions on marketing to ensure the movement of as much wheat as possible into export positions before winter. Since the return of open quotas and more favourable harvesting weather, farmers' marketings have shown substantial gains

until totals, so far, this crop year are about 103 million as compared with 109 million bushels for the corresponding period a year ago.

Recent instructions to the trade by the Canadian Wheat Board states that the Board has in prospect a very heavy program for the shipment of wheat through British Columbia ports for the balance of the present crop season and to implement this program, it will be necessary to restrict shipments of high-grade wheat from Alberta stations to the Lakehead so that this wheat can be made available for shipment to Vancouver as required.

EUROPEAN SITUATION

Nearly all the staple food supplies of the world will be in short supply this year, as a result of lowered farm production, reduced carry-over of old stocks and disrupted distribution agencies. The Office of Foreign Agricultural Relations of the United States Department of Agriculture declares that Continental Europe (excluding U.S.S.R.) and North Africa have experienced greater declines in food production than any other major geographic region in the world. Owing to the widespread drought throughout North Africa and the southern half of Europe and the continued shortages and disruptions resulting from the war, this year's output will be about 15 per cent less than that of 1944-45 and may be 25 per cent below the pre-war average. It is estimated that, in order to provide for minimum food requirements, some 18 million tons of food will have to move into Europe during 1945-46. Of this amount, 15 to 16 million tons or over 500 million bushels should be composed of wheat.

The European wheat harvest used to approximate 1,630 million bushels, but this year's crop is estimated to be 1,100 million bushels, the smallest since the early 1920's. Excessive rain and cold hampered fall and winter sowing. Drought conditions developed last spring throughout the Mediterranean area and continued through the growing season, while some parts of the Continent near the North Sea had excessive rainfall during the grain harvesting season with some reports telling of crops rotting in the fields.

Eastern Europe has suffered major dislocations in her agricultural activities during and since the war. Not only have military operations left their mark but also extensive social changes, population transfers, land reforms, altered farm controls and heavy losses of live stock, farm machinery and transport vehicles.

For example, Hungary, which was an important wheat exporter prior to the war, expects a crop of about 27 million bushels this year as compared with a pre-war average of 91 million bushels and imports in that country will be necessary. Other European exporting countries, including Poland and Yugoslavia are now receiving supplies from UNRRA. Areas in eastern Germany, which normally exported grains, report little or no harvest because of unsettled conditions. Aside from adverse weather conditions, western European agriculture seems to be suffering from a lack of fertilizers, shortage of fuel, disorganized transport and a further deterioration of agricultural and food control.

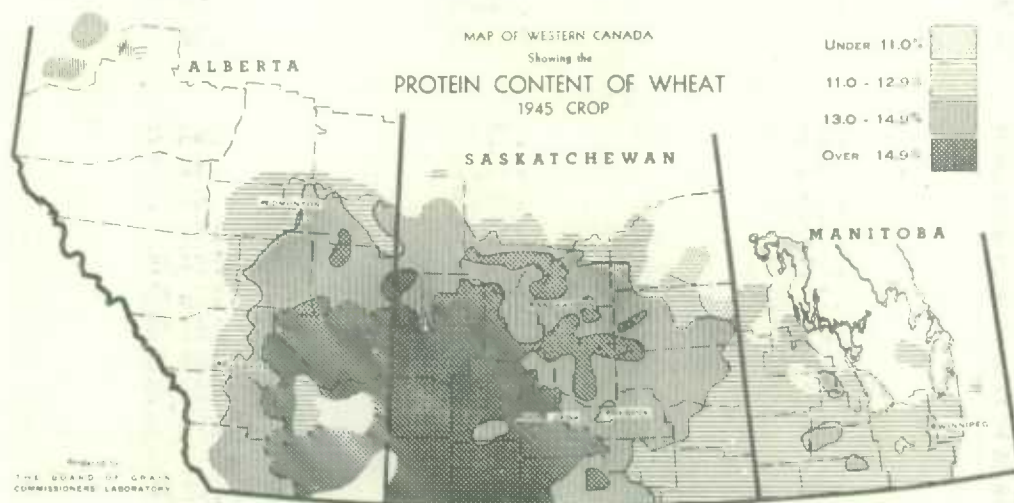
The fact that there are little or no bread-grain surpluses available in Europe, intensifies the impact of deficits on other areas. Before the war there were usually one or two countries or regions with a yearly requirement of about 35 million bushels of bread grains; this year there are nine in prospect including North Africa, and four of these have reported deficits of over 66 million bushels each.

Great Britain harvested a wheat crop of 75.5 million bushels in 1945 as compared with 111.3 million in 1944 and the 1943 peak of 129.0 million bushels. While accurate wartime wheat consumption statistics are not available, they are estimated to be equal to, if not well above, the prewar level of about 280 million bushels. This would indicate a deficiency of about 200 million bushels for the present crop year.

PROTEIN CONTENT OF CANADA'S 1945 WHEAT CROP - REVISED

The mean protein content of the 1945 western Canadian wheat crop is now estimated to be 14.2 per cent according to an interim report released by the Board of Grain Commissioners' laboratory. This protein level is higher than that for 1944 by 1.2 per cent and higher than the mean for the past eighteen years by 0.6 per cent. As forecast in the preliminary September report, the average figure has decreased considerably because the much larger number of samples tested represent a good coverage in northern Manitoba and Saskatchewan and fairly good coverage in northern Alberta. In these areas protein content is usually lower and this year the proportion of northern grown wheat in the total crop is higher than usual.

Areas of low, average and high protein content are shown on the following interim map. A large area of high protein wheat (15 per cent and over) extends across central and southern Alberta into west, central and southern Saskatchewan, and this huge area is bordered by an area of average protein content (13.0 to 14.9 per cent). A large low protein area covers most of Manitoba, south-eastern and north-western Saskatchewan and western Alberta.



The total number of samples tested was 3,621, including 553 from Manitoba, 2,118 from Saskatchewan and 950 from Alberta. The average protein levels for each province, with corresponding final values for 1944 shown in brackets, are: Manitoba 12.3 per cent (12.7), Saskatchewan 14.6 per cent (13.2) and Alberta 14.5 per cent (12.8). This year the protein levels for Saskatchewan and Alberta are distinctly higher and that for Manitoba is slightly lower. Little change in the final figures can be expected for Manitoba, but some lowering may occur for Saskatchewan and Alberta as additional samples from the northern areas are received.

CHICAGO WHEAT FUTURES

The bullish movement of the futures market in Chicago, which started about the middle of August, reached its peak October 13, when prices moved into new seasonal high ground. The great strength came from the Pace Bill calling for higher parities, followed by an increase in the export flour subsidy rate. Other factors included a readjustment of the hog price ceiling, an announcement by the Commodity Credit Corporation that it would pay ceiling prices plus for cash wheat for the export program and news of frost damage to the new corn crop. The subsequent decline was more or less a natural correction, which traders had felt was long overdue.

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

<u>1945</u>	<u>December</u>	<u>May</u>	<u>July</u>	<u>September</u>
(cents and eighths per bushel)				
September 22	170/4	168/2	160/1	158/7
24	171/2	168/7	160/6	158/5
25	172/4	169/5	161/3	159/1
26	171/7	169/1	160/6	158/6
27	173	169/7	161/1	159/1
28	171/6	168/6	159/7	158
29	172/7	169/6	161	159/2
October 1	174/2	171/2	162/3	160/5
2	174/7	172/3	165/1	163/4
3	173/5	171/3	164/1	162/2
4	175/2	173/1	167	165
5	175/2	173/2	166/5	164/4
6	175/5	174/2	168/2	166/4
8	176/4	175/2	169/5	168
9	176/2	174/7	169/3	168/1
10	177/6	175/7	170/5	169/6
11	178	176/1	170/6	169/6
12		Columbus Day		
13	178/2	176/4	171/1	170
15	176/5	174/4	168/6	167/6
16	177/2	174/1	168	166/3
17	176/7	174/7	168/6	167/2
18	175/4	173/5	167/1	165/6
19	175	172/7	166/6	165
20	175/1	173/2	167/1	165/2
22	175/6	174	168/3	166/6
23	176/1	174/3	168/3	166/7
24	175/7	174/2	168	166/2
25	176/3	174/3	168/3	166/5
26	176/5	175	168/4	166/6
27	176/7	175/1	168/7	167

CENTS
PER
BUSHEL

170

160

150

140

130

120

110

100

90

OCT.

NOV.

DEC.

JAN.

FEB.

MAR.

APR.

MAY

JUNE

JULY

AUG.

SEPT.

OCT.

No.1 Mar. St John

Barriso

Australian

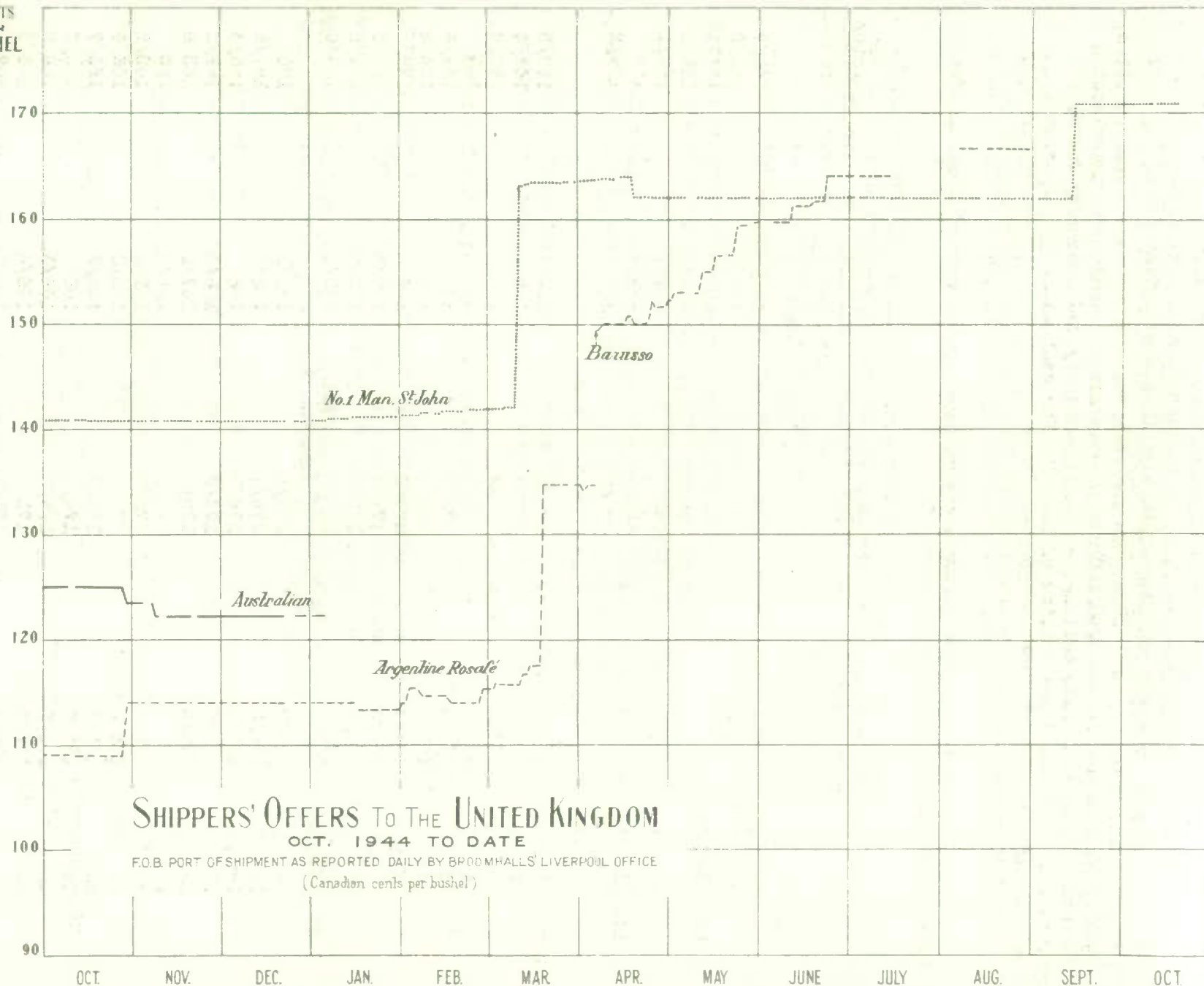
Argentine Rosalé

SHIPPERS' OFFERS TO THE UNITED KINGDOM

OCT. 1944 TO DATE

F.O.B. PORT OF SHIPMENT AS REPORTED DAILY BY BROOMHALLS' LIVERPOOL OFFICE

(Canadian cents per bushel)



CALENDAR OF WHEAT EVENTS

- Oct. 1. The United States Department of Agriculture's Office of Foreign Agricultural Relations forecasts that Continental Europe, exclusive of the Soviet Union, will be short by about 18 million tons of having enough food this year to maintain rations moderately above the wartime levels in liberated countries.
2. United States' millers were released from their subsidy squeeze by an advance, ranging from 3 to 7 cents, in the October subsidy rate.
4. A revised estimate now places the protein content of Canada's 1945 wheat crop at 14.2 per cent as compared with the final estimate of 13.0 per cent for the 1944 wheat crop and the 18-year average of 13.6 per cent.
5. An open quota has been declared for farmers' marketings of Canadian wheat at all delivery points.
6. As a result of the small harvest this year, the United Kingdom officials have decreed that mills use only 30 per cent home-grown wheat, whereas 40 per cent was required during the past season and it appears probable that a further reduction will be made as the season progresses - Broomhall.
9. It is reported that approximately 55 to 60 per cent of German milling capacity was destroyed during the war and complete restoration is not likely before 1950.
10. Reports reveal that the export of flour from Argentina has been prohibited for the time being, and the export of 7,000,000 bushels of wheat for Great Britain has been held up.
11. In its last crop report until December 18 next, Washington places its wheat production at 1,149,825,000 bushels which, although slightly below its August estimate, remains an all-time record crop.
14. Revised official estimates of grain crops in Great Britain, as cabled by Broomhall, reveal a wheat production of 75,520,000 bushels as compared with 111,280,000 bushels in 1944.
15. Canadian flour mills did their first direct business with the Continent of Europe.
16. The second estimate of acreages seeded to cereals and linseed this season issued by the Argentine Government discloses a wheat acreage of 14,191,000 acres as compared with the first estimate of 14,130,000 acres.
18. In the past forty-two weeks, Brazil and other South American countries have taken 49,489,000 bushels of wheat and flour or eight millions more than last year.
19. Portugal has been allocated some United States Pacific soft wheat as shipments from the Argentine have diminished recently and Canada has other countries to provide - Broomhall.
22. Although India has harvested a good crop this year, imports from Canada have been necessary in order to meet requirements.
24. Australia is not offering any new crop for export at the present time, but it is expected that moderate amounts will be offered as soon as it is harvested.
27. Intercoastal shipping of United States Pacific soft wheat flour via the Panama canal to United States Atlantic ports has been resumed this week.

UNITED STATES

Although the United States 1945 wheat production figure has declined slightly from its September 1 estimate of 1,152 million to 1,150 million bushels on October 1, it remains the largest crop on record and exceeds the previous record crop of 1,079 million bushels in 1944 by nearly 7 per cent. Nearly all the decline in estimated production is attributable to a decrease of nearly 2.5 million bushels in the spring wheat harvest. This was due to some moderate harvesting losses which occurred in limited areas. Northern Minnesota and parts of North Dakota experienced some sprouting of unthreshed grain along with shattering of standing crops. Generally speaking, however, harvesting losses this year were small when compared with such losses in the heavy crops of recent years, and an unusually high percentage of the crop was completely harvested.

All spring wheat production is placed at 312.9 million bushels as compared with 314.6 in 1944. Other spring wheat production is estimated at 279.9 million bushels, or slightly below last year's crop of 282.6 million. Durum wheat production is set at 32.9 million bushels, a little over one million more than a year ago.

The 1945 all spring wheat yield per acre remains at the 1944 figure of 16.9 bushels, and has been exceeded in only three previous years. The Durum wheat yield of 17.4 bushels per acre, 2.3 bushels above the 1944 yield, has been topped by only one other year on record. The other spring wheat yield of 16.8 bushels per acre is about one-half bushel below last year's yield, but it has been exceeded in only four other years on record.

Farm stocks of wheat in the United States at October 1, were estimated to be about 539.2 million bushels as compared with 532.3 million bushels on the same date a year ago, and the ten-year (1934-43) average of 378.4 million bushels. It is pointed out that, although farm stocks are higher than any other year on record, except the 640 million bushels on October 1, 1942, they are comparatively low when expressed as a percentage of production. Disappearance of wheat from farms during the first quarter of the crop marketing year is the highest on record—8 per cent larger than last year and two-fifths larger than average.

Since its re-entry to the market for wheat at Duluth-Superior on October 10, the Commodity Credit Corporation has purchased approximately 9 million bushels of wheat. This agency has taken fairly liberal amounts at Chicago and has entered the cash wheat market in the Pacific Northwest. Its takings since October 10, have been for the purpose of filling out boat cargoes before the close of navigation. A serious shortage of cars has hindered the movement of grain already owned by the C.C.C. at country points and accounts for its unexpected entrance into the Pacific Northwest wheat market. At present there is some speculation as to whether or not the agency will remain in the market after these water shipment commitments have been made. On September 30, the C.C.C. owned some 125 million bushels of wheat, a quantity sufficient to cover its monthly export program of 30 million bushels for some time.

Since the announcement of the higher October flour subsidy rate, rising wheat prices have once again brought on a price squeeze which makes mills indifferent about selling even at ceiling prices. At the same time buyers are equally indifferent about buying at the ceiling with the result that both parties are content to mark time and hope for a release from the squeeze by a higher subsidy rate in November. However, neither party is suffering any inconvenience at the present time, as the buyers are well protected by forward bookings and the mills have enough business on hand to keep them busy until the end of December.

THE ARGENTINE SITUATION

Crop Condition

On October 5 the Argentine Ministry of Agriculture published their official monthly crop report, which states the following regarding weather and crop conditions at the end of September:

"Weather conditions in the main producing zone were favourable during September both for field work and for the growing crops as there were good rains and no extremes of temperature, which factors allowed sowing to be carried on actively and benefited the development of the fields which had already sprouted.

"At the same time, in some districts in the west, south-east and south-west of the province of Buenos Aires, north-west and extreme south of Cordoba and in the Pampa, the rains although contributing to an improvement in conditions, were not sufficient for crop requirements.

"The rains registered in the north, north-west and centre of Buenos Aires, south of Santa Fe, extreme east of Cordoba and north of Entre Rios were excessive, in some cases temporarily interrupting sowing and causing some deterioration in the growing crops.

"Flights of locusts have been reported in Santa Fe, Cordoba, Entre Rios and Corrientes and cover extensive zones in these provinces.

"High winds have caused some "laying" in the most advanced wheat fields in the north of Buenos Aires and south Santa Fe.

"Wheat sowing has now been completed under favourable circumstances due to the timely and abundant rains which fell in August and September. This is not the case in the province of Cordoba, however, as the lack of rain during, and prior to, the sowing period was more pronounced.

"The favourable reaction in crop conditions which was evident last month has continued due to the excellent weather conditions and, in general, prospects are favourable.

"The crops in Buenos Aires, south of Santa Fe, Entre Rios and the Pampa are, on the whole, in satisfactory condition, while in the centre of Santa Fe they are only fair. In Cordoba prospects are doubtful."

Latest reports continue to emphasize the prevalence of favourable growing weather and any fears for the future are centred in November and the early part of December when the Republic will be subject to frost, hot winds and rust.

Seeded Areas - Second Official Estimate

Prior to the second estimate of acreages seeded to cereals and linseed this year, it was anticipated that there would be a slight revision upwards, compared with first estimates, in wheat acreages and a substantial increase in linseed acreages as seeding had continued beyond the usual date. However, the publication of the second estimate figures by the Argentine Government at the middle of October revealed that wheat acreages had increased over the first estimate by only 61,000 acres to make a total of 14,191,000 acres, while flaxseed acreages, contrary to expectations declined from 4,561,000 to 4,518,000 acres.

	Plantings 1945-46		Plantings 1944-45
	<u>First Estimate</u>	<u>Second Estimate</u>	<u>Final</u>
	- acres -		
Wheat	14,130,000	14,191,000	15,373,000
Coarse Grains	14,387,000	14,559,000	15,347,000

Since crop conditions in Argentina are better than average, it is anticipated that yields will average about 13 bushels per seeded acre or a crop of some 185 million bushels, which is about 8 million bushels more than an earlier estimate made in September. Nevertheless, it provides no significant change in the importance of Argentina's export position during 1946.

Supplies and Markets

According to the Department of Commerce and Industry, Argentina had 332 million bushels of old and new wheat on hand at December, 1944. From that time until the first week in October almost 80 million bushels were exported with some 38 million bushels being cleared to Brazil. By the end of September stocks of wheat on hand were estimated at a little over 65 million bushels, or a decrease of over 13 million from the stocks on hand at the middle of August. This would mean that nearly 190 million bushels were consumed or burnt at home or about 80 million bushels more than normally consumed domestically. At the present rate of export, over 30 million bushels of old wheat will be on hand at December 1, but it must be borne in mind, that, of this amount, most of it has **already** been sold and any further commitments will have to be made out of the new crop. If it can be assumed that domestic consumption will approach more normal levels in 1946 and that exports to other South American countries will maintain their 1945 volume during the coming year, it can readily be seen that the Argentine contribution to European relief will be insignificant.

Despite repeated urgings to increase acreages sown to cereals this year, adverse weather conditions prevented the planting of as large an area as had been intended. At the same time, the "Times" of Argentina is of the opinion that farmers would have been induced to work harder towards their objective if prices had been more encouraging and the liberty of sale assured in 1946. Moreover, at the time of planting, world wheat shortages were not so apparent as they are at the present time.

AUSTRALIAN CABLE

The Canadian Government Trade Commissioner in Melbourne has sent the following cable under date of October 15.

"Australian wheat stocks at the end of September totalled 20,500,000 bushels. The new crop estimate is now placed at 125,000,000 bushels. Soaking spring rains are needed in Victoria, New South Wales and South Australia.

"Flour mills are still working one shift in Victoria, one and a half in New South Wales, two in West Australia and South Australia and three in Queensland and Tasmania.

"Australian Wheat Board has announced that arrangements are being made to complete all wheat pools except number eight within the next few months. It has also been announced that they will study methods of regaining and expanding Australia's markets for wheat and flour in the Far East, Middle East, South Africa and New Zealand."

Since the middle of September, Australia's wheat stocks have decreased 5.5 million bushels. If the present rate of disappearance continues, old stocks will be almost exhausted by the end of the present crop year.

SELLING PRICES OF CANADIAN WHEAT

The selling price of Class 2 Canadian wheat remains unchanged at \$1.55 per bushel, basis No. 1 Northern in store Fort William-Port Arthur or Vancouver.

The monthly averages of Class 2, or price to non-mutual aid countries, are as follows:

Canadian Wheat Board Prices

	<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 1-October 24 ..	155	152	150	149

CANADIAN SUPPLY POSITION

On October 1, 1945 the amount of Canadian wheat available for export or carry-over was estimated to be about 341.6 million bushels as compared with 582.3 million bushels at the same date a year ago. Exports of wheat and wheat flour during the first two months of the present crop year were 78.2 million bushels as compared with 49.7 million during the corresponding period last year. Flour exports for the 1945 period are slightly above those of 1944.

Total supplies available for export or carry-over on October 1 were some 240.7 million bushels less than a year ago, owing to smaller total supplies at the beginning of the crop year, together with heavier export demands. Domestic requirements are estimated to remain the same as a year ago, although shortages of coarse grains in the Prairie Provinces may result in large quantities of low grade wheat being used for feeding purposes.

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	321.4 <u>1/</u>	435.5
Total Supply	579.8	792.0
Estimated domestic requirements	160.0 <u>1/</u>	160.0
Available for export or carry-over	419.8	632.0
Deduct:		
Overseas clearances of wheat as grain Aug. 1-Sept.30	56.7	22.8
United States imports of Canadian wheat	12.2 <u>2/</u>	18.0 ✓
Total wheat exports	68.9	40.8
Exports of wheat flour in terms of wheat Aug. 1-Sept.30	9.3	8.9
Total exports wheat and wheat flour	78.2	49.7
Balance on Oct. 1 for export or carry-over	341.6	582.3

1/ Subject to revision.

2/ Estimate.

DISPOSITION OF THE 1944 WHEAT CROP OF THE PRAIRIE PROVINCES

The preliminary disposition data available indicate that the 1944 wheat crop in western Canada was over-estimated by approximately 18,960,000 bushels or about 5 per cent. The estimate for Saskatchewan was approximately 7.9 million bushels too high, while Manitoba and Alberta were over-estimated by 4.7 and 6.4 million bushels respectively. A preliminary adjustment of the estimate for the 1944 wheat crop in the Prairie Provinces would place production at 391.6 million bushels as compared with the third estimate of 410.6 million bushels. The final estimate of the 1944 crop will not be made until January 1946.

Wheat fed on farms in the Prairie Provinces for the 1944-45 crop year is now estimated at 33.2 million bushels as compared with 46.5 million bushels in 1943-44. The greatest reductions took place in Saskatchewan and Alberta, while the volume of wheat fed in Manitoba did not decrease appreciably. Farmers' marketings rose from 325.0 million in 1943-44 to 352.7 in 1944-45, with the greatest increase recorded in Saskatchewan.

Wheat Supply and Disposition in the Prairie Provinces, Crop Year 1944-45.

	Manitoba	Saskatchewan	Alberta	Prairie Provinces
- '000 bushels -				
Supply -				
Carry-over on farms, July 31, 1944 ..	3,000	26,200	23,650	52,850
January estimate 1944 crop	54,900	250,000	105,700	410,600
Total Supply	57,900	276,200	129,350	463,450
Disposition -				
Deliveries ^{1/}	41,849	218,305	92,540	352,694
Seed	2,665	17,013	8,530	28,208
Feed	5,700	14,500	13,000	33,200
Country millings	1,000	1,516	872	3,388
Carry-over on farms, July 31, 1945 ..	2,000	17,000	8,000	27,000
Total Disposition	53,214	268,334	122,942	444,490
Extent of error indicated	+4,686	+7,866	+6,408	+18,960
Production estimates as indicated by preliminary disposition data	50,214	242,134	99,292	391,640

^{1/} Subject to revision.

RAIL MOVEMENT FROM FORT WILLIAM-PORT ARTHUR

September shipments of wheat by rail from Fort William and Port Arthur displayed the usual seasonal increase. However, when they are compared with the September shipments of the previous three years, they appear quite insignificant. This substantial decrease from other years can be attributed to a smaller crop, later harvest and heavier lake movements.

More than 47.5 thousand bushels were shipped to Quebec as compared with 8.9 and 1.2 thousand bushels for Ontario and Nova Scotia respectively. No. 4 Northern continues to command the largest volume of any one grade.

Shipments month-by-month during the **past four** crop years are shown in the following table covering the period August-July in each year.

	<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		86,572	780,035	644,926
November		97,512	711,238	1,250,952
December		1,236,339	898,565	3,871,297
January		1,936,038	4,364,158	1,757,163
February		764,629	4,397,318	3,196,248
March		1,091,909	1,076,142	1,997,275
April		196,042	107,257	3,968,148
May		66,154	271,533	1,135,059
June		58,642	108,739	999,605
July		52,726	47,516	983,324
Total (12 months)		5,848,057	15,300,422	20,795,182

The grades of wheat shipped during September 1945 and the provincial distribution of this rail movement are shown in the following table:

	Ontario	Quebec	Nova Scotia
	- bushels -		
<u>WHEAT</u>			
4 Northern	2,733	47,467	-
No. 5	2,000	-	1,200
Rej. 3 Nor. Mxd. Htd.	1,133	-	-
1 C.W.A.D.	3,000	-	-
T o t a l	8,866	47,467	1,200
GRAND TOTAL	57,533		

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	1,468,012
9	29,396	79,152	137,853	246,401	722,471
16	8,686	123,772	249,883	382,341	1,895,882
23	96,463	755,302	921,069	1,772,834	4,687,547
30	1,271,860	4,568,677	1,685,584	7,526,121	7,328,883
September 6	2,240,434	4,665,078	2,139,568	9,045,080	7,472,016
13	2,444,009	9,681,705	3,518,952	15,644,666	15,291,695
20 1/	963,800	7,020,619	3,844,220	11,828,639	14,544,855
27	444,784	3,974,279	1,024,858	5,443,921	13,414,420
October 4	2,067,492	3,428,517	1,613,780	7,109,789	12,549,359
11	4,198,777	10,147,043	5,647,547	19,993,367	12,134,132
18	2,581,388	14,097,568	6,841,188	23,520,144	17,906,457
T o t a l	16,347,089	58,541,712	27,736,857	102,625,658	109,415,729

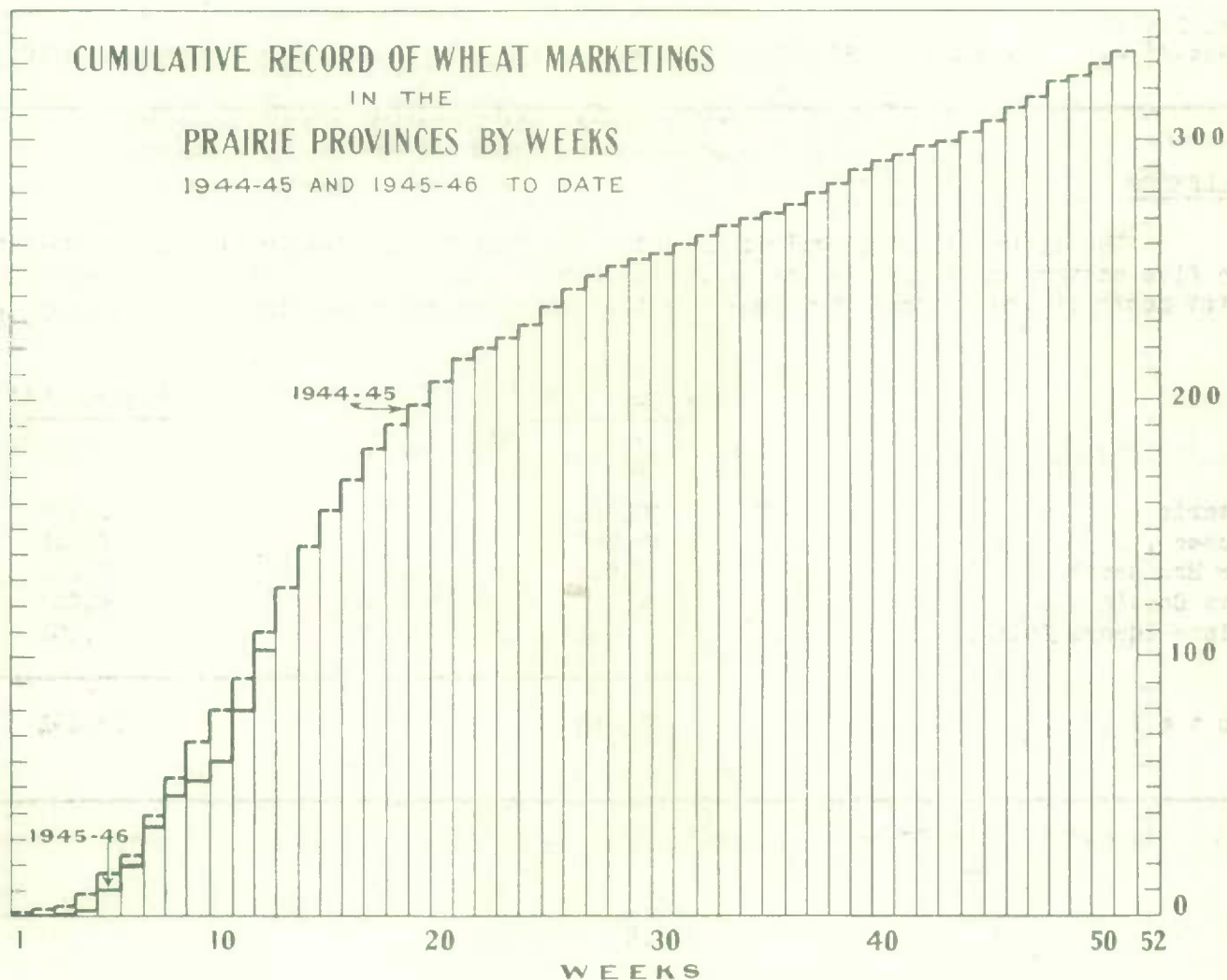
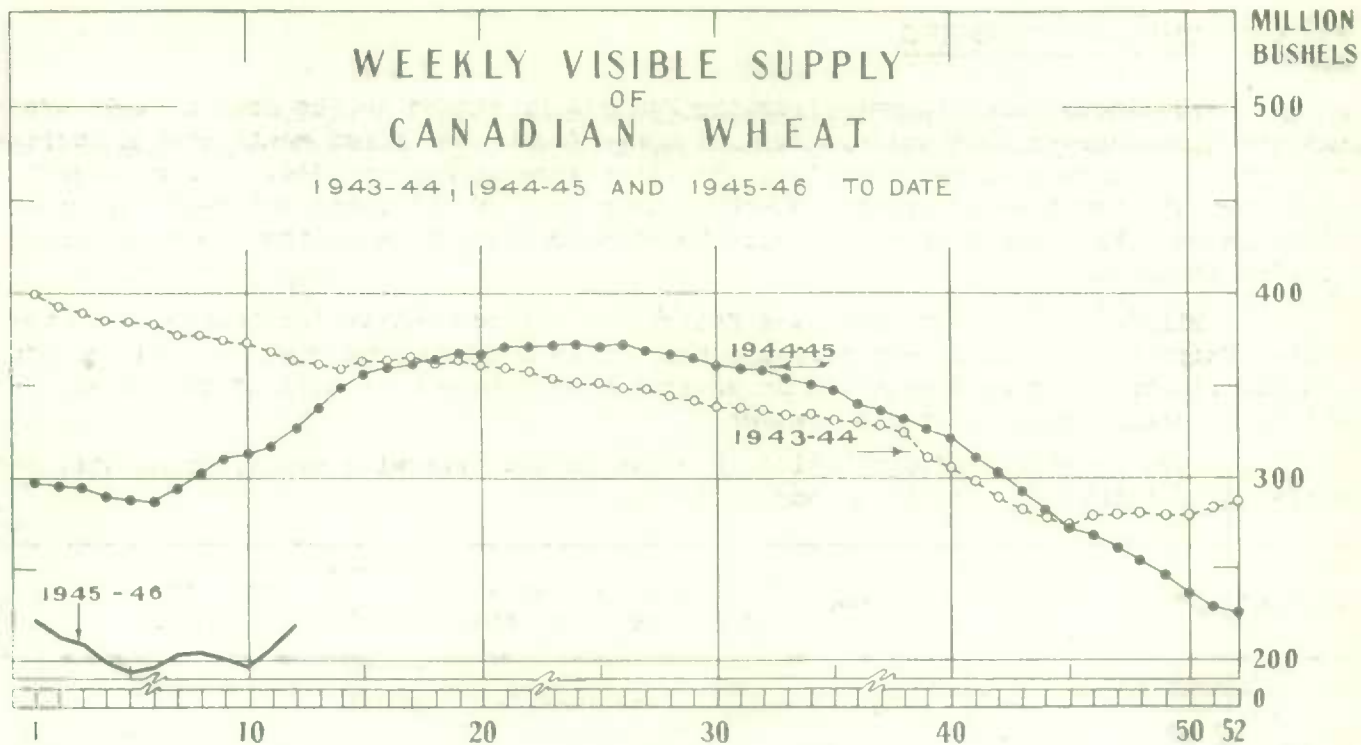
1/ Revised.

A smaller crop and unfavourable harvesting weather have been reflected in reduced primary marketings during the first twelve weeks of the current crop year as compared with the corresponding period a year ago. The establishment of open quotas for farmers' wheat deliveries and the return of better harvesting weather have served to increase primary receipts during the last couple of weeks.

WHEAT VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on October 18, 1945, along with comparative figures for approximately the same date in 1944 and 1943:

	<u>1945</u>	<u>1944</u>	<u>1943</u>
		- 000 bushels -	
Country Elevators - Manitoba	7,655	14,815	28,380
Saskatchewan	34,245	87,690	111,970
Alberta	32,325	54,715	76,565
T o t a l	74,225	157,220	216,915
Interior Private and Mill Elevators	5,490	5,710	4,383
Interior Public and Semi-Public Terminals .	6,299	11,219	13,668
Pacific Ports	11,109	17,906	19,463
Churchill	1,878	1,878	1,877
Fort William and Port Arthur	34,492	25,759	45,079
Eastern Elevators - Lake Ports	19,454	41,071	28,505
St. Lawrence and Seaboard Ports	21,456	21,834	13,221
United States Ports	17,194	19,576	5,787
In Transit - Lake	5,573	4,244	3,019
In Transit - Rail	17,382	15,111	6,475
In Transit - U.S.A.	4,827	5,919	5,483
T o t a l	219,379	327,447	363,875



FREIGHT ASSISTANCE SHIPMENTS

Wheat continues to move from the Prairie Provinces to the feed-deficit areas of eastern Canada under this policy, but shipments during the first month of the current crop year are almost 25 per cent less than they were in August 1944. During August of this year the province of Ontario absorbed over half of the total shipments of wheat, with Quebec taking about one-third and the balance divided among the Maritimes and British Columbia.

Millfeed shipments under the freight assistance policy declined about 35 per cent. Shipments to Quebec are normally heavier than those consigned to Ontario, and the distribution during August was no exception with more than half of the total shipments consigned to that destination.

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	947,777	634,023	45,747	51,063	43,488	138,728	1,860,826
Same Period 1944-45	993,565	777,577	78,282	130,670	46,602	362,562	2,389,258

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 month of the present crop year and the other the corresponding period a year ago.

	<u>August 1945</u>	<u>August 1944</u>
- tons -		
Ontario	10,781	20,734
Quebec	18,386	24,826
New Brunswick	3,633	3,821
Nova Scotia	2,527	4,905
Prince Edward Island	521	1,005
Total	35,848	55,291

SHIPMENTS TO UNITED STATES

During the first twelve weeks of the current crop year, shipments of Canadian wheat to the United States were about 6.6 million bushels less than for the corresponding period a year ago. Buffalo continues to receive the major part of the lake shipments. During the past month no grain moved by vessel to United States Pacific ports, while lake movements of wheat to Chicago, Duluth-Superior, Milwaukee, Oswego and Toledo remained at a standstill.

Shipments August 1 - October 18

<u>By Vessel</u>	<u>1945</u>	<u>1944</u>
	- bushels -	
U.S.A. Pacific Ports	15,000	666,666
Buffalo	24,310,575	19,315,811
Chicago	-	6,366,921
Duluth-Superior	-	3,372,886
Erie	2,618,174	1,065,329
Milwaukee	-	340,098
Oswego	-	872,167
Toledo	-	454,811
Total - Vessel Shipments	26,943,749	32,454,689
<u>By Rail</u>		
Seaboard Ports	2,604,550	3,174,436
Other points	77,344	602,982
Total - Rail Shipments	2,681,894	3,777,418
GRAND TOTAL	29,625,643	36,232,107

LAKE MOVEMENT OF GRAIN

Shipments of Canadian grain from Fort William-Port Arthur since the opening of navigation this year continue at record proportions and surpass, by 30.3 million bushels, the wartime record established for the corresponding period in 1944. Increases in the shipments of oats and barley more than offset any decline made by barley, rye and flaxseed.

The record of shipments during the past eight years are tabulated below.

Shipments between Opening of Navigation and October 21

<u>Year</u>	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>	<u>Total</u>
	- bushels -					
1938	91,512,124	5,915,301	13,862,592	1,403,255	376,159	113,069,431
1939	130,965,769	12,243,860	13,842,483	3,012,895	197,263	160,262,270
1940	129,681,182	11,846,563	7,430,008	2,412,800	748,081	152,118,634
1941	176,062,572	6,927,995	7,307,902	4,824,994	1,069,198	196,192,661
1942	136,304,350	3,158,103	4,855,136	904,911	587,937	145,810,437
1943	154,517,310	33,295,910	36,688,044	1,331,875	3,714,538	229,547,677
1944	233,200,858	60,131,335	39,077,560	6,617,462	5,226,846	344,254,061
1945	267,063,620	68,641,145	32,567,204	3,431,764	2,844,737	374,548,470

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, 1945 to October 18, 1945</u>	<u>August 1, 1944 to October 19, 1944</u>
	- bushels -	
Collingwood	854,155	1,692,417
Midland	1,377,601	3,540,830
Owen Sound	442,399	1,443,904
Port McNicoll	3,292,719	4,104,749
Goderich	281,264	722,907
Walkerville	192,873	-
Kingston	187,796	-
Prescott	-	-
Montreal	3,098	-
<u>T o t a l</u>	<u>6,631,905</u>	<u>11,504,807</u>

GRADING OF 1945 WHEAT

During August and September it was found possible to preserve the identity of new wheat coming forward for inspection by the Board of Grain Commissioners and the following table shows the grading of 1945 wheat inspected during that period.

	<u>Cars</u>	<u>Per Cent</u>
No. 1 Northern	7,626	57.7
No. 2 Northern	4,198	31.7
No. 3 Northern	391	3.0
No. 4 Northern	43	.3
Garnet	16	.2
Amber Durum	267	2.0
Alberta Winter	63	.5
Toughs	482	3.6
All Others	138	1.0
<u>T o t a l</u>	<u>13,224</u>	<u>100.0</u>

Of the 13,224 cars of new wheat graded during August and September, 57.7 per cent graded No. 1 Northern and 32 per cent No. 2 Northern, as compared with 30.4 and 52.2 per cent respectively in 1944. The proportion of No. 3 Northern reported was about 4 per cent less than during the same months a year ago. However, the picture may change later as cold, wet weather in September and the forepart of October will lower grades through bleaching and sprouting.

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
--	--	---	--	-------	---

- 000 bushels -

1943-44

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

1944-45 1/

August	12,181	9,048	3,391	24,620	19,899
September	10,629	8,928	5,470	25,027	32,107
October	14,115	6,187	4,908	25,210	33,624
November	17,427	4,879	4,417	26,723	27,601
December	8,671	2,129	5,591	16,391	32,815
January	11,377	1,447	3,781	16,605	8,944
February	14,750	752	4,642	20,144	11,998
March	13,041	759	5,571	19,371	15,665
April	15,839	2,121	6,154	24,114	21,606
May	46,420	2,338	6,307	55,065	35,432
June	31,647	1,725	7,257	40,629	50,552
July	41,805	1,737	5,168	48,710	43,362
T o t a l	237,902	42,050	62,657	342,609	333,605

1945-46 1/

August	34,227	2,327 2/	4,979	41,533	48,074
September	22,454	9,929 2/	1,294	36,677	34,428

1/ Subject to revision.

2/ Estimates.



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