

DOMINION BUREAU OF STATISTICS AGRICULTURAL BRANCH

Vol. 16

No. 4

MONTHLY REVIEW OF THE WHEAT SITUATION

DECEMBER 1945

Published by Authority of the Hon. James A. MacKinnon, M.P. Minister of Trade and Commerce
Ottawa



DEPARTMENT OF TRADE AND COMMERCE DOMINION BUREAU OF STATISTICS - OTTAWA AGRICULTURAL BRANCH

(Issued December 1945)

Dominion Statistician: Chief, Agricultural Branch: Editor: Herbert Marshall, B.A., F.S.S. J. B. Rutherford, M.Sc. W. G. Morris.

WORLD WHEAT SITUATION - SUMMARY

Although the wheat harvest is becoming quite general in both Argentina and Australia, there appears to be no significant change in the total supplies available for export by the "Big Four". The first official estimate of the Argentine wheat crop places total production at about 165.7 million bushels as compared with 150.1 million bushels a year ago and the average crop of 240 million bushels for the ten-year period 1932-41. As yet there is no official estimate of Australian wheat production for this year, but latest cabled advices suggest a crop of approximately 125 million bushels, which, while more than twice as large as the 1944 crop of 51.9 million bushels, is substantially below the 1932-41 average of 162 million bushels.

Thile moisture supplies have been adequate in the major grain growing areas of Argentina, drought conditions in the western sections have served to provide extremely variable yields ranging all the way from 3 to 24 bushels per acre. As a result, the first estimate was somewhat below earlier expectations. Total supplies of old and new wheat for the coming year are currently estimated at some 215.7 million bushels, about 110 million bushels less than the total supplies available on January 1, 1945.

Domestic disappearance estimates for Argentina in 1946 range up to 125 million bushels or more. That, of course, will depend upon the amount required for livestock feeding and fuel purposes. However, assuming a home consumption of 110 million bushels, supplies available for export and carry-over will be a little over 100 million bushels. Up to the end of November 1945 approximately 90 million had been exported from Argentina with almost 40 million bushels destined for the United Kingdom and the continent. In the event that the 1946 wheat requirements of the other South American countries remain at their 1945 level, it is now estimated that some 50 million will be available for Europe during the coming year.

Australian wheat supplies will allow very little for European exports in 1946. A small wheat acreage combined with irregular rainfall has resulted in a below-average crop this year. Old wheat stocks have been reduced almost to the vanishing point owing to the extremely small crop in 1944 and the heavy rate of disappearance during the ensuing year. Estimates of domestic consumption in 1946 vary considerably and will depend in large measure upon the size of the livestock feeding program and pasturage conditions. A domestic disappearance of 90 million bushels would leave 45 million bushels for export and carry-over in 1946.

Contributing almost equal amounts, Canada and the United States are estimated to be in a position to provide about 650 million bushels of wheat for export during the current season. Limitations on the present rate of export from North America seem to be available transportation and loading and unloading facilities.

In contrast to the estimated supplies of wheat available in each of the four major exporting countries, can be placed the United States Department of Agriculture's estimated world wheat requirements of 750 to 800 million bushels. In the event that minimum requirements could be met it is estimated that the volume of international trade would be the largest in 15 years. However it is questionable whether full requirements can be met.

The fact that there exists an urgent demand for wheat by the war-torn areas in Europe and the Orient was not lost on the delegates to the Dominion-Provincial Agricultural Objectives Conference meeting in Ottawa during the first week in December. On the other hand, it was felt that the same urgency existed for other agricultural products and the problem to be faced was one of allocating agricultural resources in such a manner as to insure maximum production of all commodities required. In order to maintain the present balance of production, few changes were recommended in the acreages devoted to cereal crops and, the suggested wheat area for 1946 was set at the 1945 mark of 23.4 million acres. Maintenance of summerfallow acreage was emphasized when it was suggested that the 19.4 million acres of 1945 be recommended for 1946 as the best means of ensuring above-average yields in the future.

Seeded Acreage in Principal Wheat Exporting Countries

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

		Canada	United States	Argentina	Australia
			(1,	000 acres)	
1939	• • • : . • • : • : : • • • •	26,757	62,801	17,830	13,284
1940	• 5 3 2 2 2 2 2 2 2 2 2 2	28,726	61,610	17,510	12,645
1941	4.0000000000000000000000000000000000000	21,882	62,332	18,040	12,063
1942		21,586	52,227	16,979	9,280
1943	0000000000000000	16,850	55,109	16,914	8,300
1944	# # # # D D D D D D D D D D D D D D D D	23,284	59,309	15,373	8,421
1945 1/	003000000000000000000000000000000000000	23,414	64,961	14,186	10,947
1946	(recormended).	23,414	68,900	-	100

Then the wheat surpluses began to accumulate in the four principal exporting countries, various restrictive measures and economic incentives were used to reduce wheat acreages and thus curtail production. Even though stocks were at near record levels, in February 1943 acreage and marketing restrictions were removed because of the prospective greatly increased demand for wheat for feed and industrial purposes. In the same year Argentine relaxed her restrictions while Canada waited until 1944 before lifting the premium of two dollars per acre paid on all land diverted from wheat to coarse grain, flax or grass production. Not until this year did Australia endeavour to increase her wheat acreage in an effort to replanish her dwindling supplies,

The European Situation

Reports coming from the continent reveal conditions as being extremely variable. Some areas, particularly France, are in urgent need of moisture and in these instances fall seeded acreages have been materially reduced. As a result extensive spring plantings will be necessary in order to meet 1946 acreage goals. Other sections, however, have benefited for timely rains over the past few weeks and crops are entering the winter in good condition.

Although the United Kingdom is urging farmers to grow as much wheat as possible for next year, wheat plantings to date have been disappointing and there is some doubt as to whether the acreage will reach the desired goal next year. One factor which apparently has discouraged many farmers has been the reduction in the wheat acreage bonus for 1946.

^{1/} Subject to revision.

Canada's first Dominion-Provincial Agricultural Objectives Conference since the end of World War II was assembled in Ottawa during the first week in December 1945. While the cessation of hostilities has altered the circumstances which prompted the establishment of the Conference for the purpose of guiding war-time agricultural production, hope was expressed by some of the delegates that the organization would continue to function as a guidepost to farm production during the coming years. In the face of the urgent need of the liberated countries in Europe and the Far East for greater amounts of all kinds of agricultural products, including wheat, the first peace-time conference was faced with the problem of distributing its agricultural land resources to provide a maximum production of the major grain crops needed for human food and live-stock feeding.

After considering the present day requirements of many of the liberated countries, some of the delegates from the Prairie Provinces were inclined to favour a substantial increase in wheat acreages for 1946. Nevertheless it was felt that any significant expansion in wheat acreages would mean a contraction in the acreages devoted to coarse grains and/or summerfallow. Experience has shown, however, that increased production cannot be secured, particularly in the drought periods, by increasing grain acreages at the expense of summerfallow. On the other hand, it was feared that any substantial decrease in feed-grain acreages might be detrimental to our live-stock feeding program, especially that of hogs. Finally, as Europe endeavours to re-establish its agriculture, it is likely that the production of bread grains will take precedence over livestock production for the first few years at least. With these factors in mind it was finally agreed that the recommended wheat acreage for the 1946 season should be set at the 1945 level of 23.4 million acres for the whole of Canada and 22.6 million for the three Prairie Provinces.

The acreage objective for oats in Canada in 1946 was set at 14.3 million acres which, while slightly below the 1945 seeded acreage, is above the 1940-44 average. Some expansion in wheat acreages at the expense of oats is expected in the Prairie Provinces, but it is suggested that an increased acreage sown to coarse grains in Ontario and Quebec during the coming year will tend to offset this possibility

The greatest possible expansion in barley production is desired in 1946, and a barley acreage for all Canada of at least 8 million acres is recommended. This is an increase of about 9 per cent above the 1945 seeded acreage. All of the increase is suggested for the Prairie Provinces where it is felt that barley might advantageously take the place of wheat over large areas in central and south-western Saskatchewan. In this area it has been proven that an early ripening barley sown early on summerfallow is a greater insurance against drought and sawfly than is the sowing of wheat.

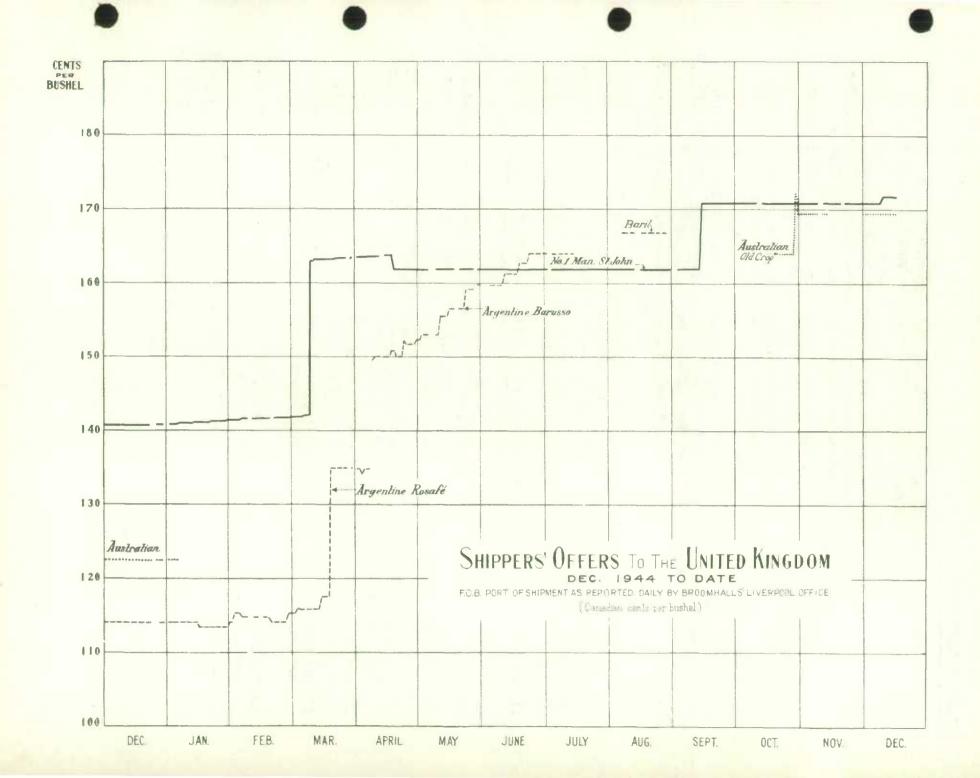
During the 1940-44 period, the average area in summerfallow increased to 20.1 million acres or about 22 per cent above the 1935-39 pre-war average of 15.7 million acres. For 1946 it has been recommended that the summerfallow acreage be maintained at the 1945 level of 19.4 million acres, as one of the best means of insuring above-average yields in the fature.

CHICAGO WHEAT FUTURES

The nearby deliveries on the Chicago futures markets have held persistently at the ceiling during the past few weeks while the deferred new crop wheat futures remained within a few cents of the maximum price level. Domestic wheat markets have maintained a very strong tone owing to the tremendous demand for wheat by exporters, millers, distillers and feed manufacturers. At the same time the visible supply continued to go down and by the middle of the month it totalled less than 98 million bushels as compared with 139 million a year ago.

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

1945		December	May	July	September
			(cents and eight	ths per bushel)	
November	26	180/4	180/4	176/4	174/2
	27	180/4	180/4	177	174/5
	28	180/4	180/4	177/2	174/7
	29	180/4	180/4	177/3	174/7
	30	180/4	180/4	177/2	174/7
December	1	180/4	180/4	177/2	175
	3	180/4	180/4	177/1	174/6
	4	180/4	180/4	176/1	173/3
	5	180/4	180/4	176/5	174/1
	6	180/4	180/4	176/4	173/6
	7	180/4	180/4	177	174/2
	8	180/4	180/4	177/4	174/7
	10	180/4	180/4	177/5	175/1
	11	180/4	180/4	177/5	175/2
	12	180/4	180/4	177/2	174/3
	13	180/4	180/4	177/6	175/1
	14	180/4	180/4	177/3	174/5
	15	180/4	180/4	177/4	174/7
	17	180/4	180/4	177/2	174/5
	18	180/4	180/4	177/2	174/4
	19	180/4	180/4	177/2	174/4



CALENDAR OF WHEAT EVENTS

- Dec. 1 Reports continue to stress the probability that Australia will have little wheat for Europe this coming year and only moderate quantities for non-European consumers.
 - 3 This week started with a sizable export business in Canadian wheat. The sales included 400,000 bushels for the United Kingdom and 800,000 bushels for other European countries presumably Belgium, The Netherlands or France.
 - 4. Recent reports indicate that the United Kingdom wheat acreage will be about equal to that of last season or possibly slightly larger.
 - 5 The Dominion-Provincial Agricultural Objectives Conference recommended that Canada's 1946 wheat acreage be maintained at the 1945 level of 23.4 million acres.
 - 6 Canadian wheat flour production during October amounted to 2,227,182 barrels, the highest monthly production for the present crop year, and compares with 2,048,508 barrels milled in October 1944.
 - 7 The Argentine Government, in its first production estimate, places the outturn of the present wheat crop at 165.7 million bushels.
 - 8 Australia is still quoting old or new wheat for export at a price equivalent to \$1.69 1/4 (Canadian Currency) f.o.b. the ports.
 - 9 Early yields of Argentine wheat vary all the way from 3 to 24 bushels per acre.
 - 10 To-day Vancouver reported 12 ships in port for cargoes of wheat. Considerable quantities of wheat are going to Russia, China, the United Kingdom and India.
 - ll Grain crops in Spain are reported to be entering the winter in good condition as a result of beneficial rains over the past few weeks which broke the prolonged drought.
 - 12 Lake shipments of Canadian grain from Fort William-Fort Arthur established a new all-time high in 1945 when some 484 million bushels were moved as compared with the previous record of 456 million bushels in 1944.
 - 13 Argentine millers must pay farmers a minimum of 121 3/7 cents (U.3.) a bushel for wheat but later they will receive a subsidy of 40 1/2 cents a bushel from the government in order to hold the price of bread down.
 - 15 Drought conditions have prevailed in France for the last 3 months and it appears likely that a comparatively small wheat acreage was sown this fall.
 - 17 Broomhall reports that the harvesting of wheat in Australia is well advanced and scattered reports on yields are about in line with trade expectations.
 - 18 The United States flour export subsidy is to be continued at 15 cents per 100 pounds until January 2, 1946.
 - The final United States estimates of 1945 production showed reductions for most crops as compared with the November calculations. The final estimate of wheat production is placed at 1,123 million bushels as compared with the November estimate of 1,150 million, 1,072 million in 1944 and the ten-year, 1934-43, average of 789 million bushels.

UNITED STATES

At the middle of December the condition of winter wheat in the United States was reported as being good in all areas except in the Great Plains where more moisture is needed. In the central and eastern states, most of the wheat has developed good stands but growth was somewhat retarded during the forepart of the month due to lack of moisture. In the more Northern sections, wheat is well protected by snow cover. Reports coming from the Southwest stress dry top soil conditions and reveal some deterioration in many areas as a result of wind and overgrazing. Some late planted fields have not received sufficient moisture to promote germination while some of the earlier, more advanced growth is in need of rain.

The present available wheat supply situation is estimated to be one of the tightest ever witnessed by the United States grain trade and so far there seems to be no signs of easing in the immediate future. Exporters, millers and others have created a tremendous demand for cash wheat and are bidding the full ceiling price plus all permissable mark-ups. Nevertheless they are experiencing considerable difficulty in securing adequate supplies. Some relief from the present wheat famine in the face of plentiful stocks is anticipated after the beginning of the new year when it is hoped that additional boxcars will become available for internal transportation and the producers will be more willing to sell.

In the meantime visible supplies in the United States continue to dwindle and at December 14 they stood at less than 98 million bushels as compared with over 139 million at the same date a year ago. At the same time a fair percentage of wheat stored at terminal markets is owned by the government and earmarked for export. However, some aid was recently afforded the milling trade when the Commodity Credit Corporation gave millers access to its stocks in the Kansas Sity region; the mills providing their own transportation.

The artificial scarcity of wheat and the resultant ceiling prices for wheat were instrumental in boosting December flour subsidy rates to the highest levels for any month since the program was inaugurated in December 1943. December subsidy rates for wheat ground in the Pacific Coast area is 34 1/2 cents per bushel as compared with 33 cents in November. The subsidy rate for the rest of the United States is 31 1/2 cents against 30 cents in November. A year ago this month the rate was 19 cents in all parts of the country on all classes of wheat.

With prices of all grades and classes of wheat at full ceilings, it is thought that the December flour subsidy rate is at the maximum, unless there is some revision in wheat ceilings. With this factor in mind buyers appeared less hesitant to place orders and in many instances, the millers had to make adjustments in requests to insure equitable distribution.

Rye, which has been the cause for much speculation on the grain exchange during the past six months, is to be placed under a ceiling effective June 1, 1946. Only the 1946 crop is affected by this order. The ceiling price to be effective in Chicago at June 1, 1946 is now set at \$1.42 (U.S.). At the same time a maximum accumulation of mark-ups of 3 3/4 cents per bushel is permitted to be added to the maximum price for all merchandising and commission merchants services on carlots.

THE ARGENTINE SITUATION

An official Argentine weather report covering conditions during the month reveals that rainfall was sufficient in central and southern Buenos Aires, northern and central Santa Fe, eastern Cordoba and the entire province of Entre Rios. In other areas, however, rainfall was insufficient and crops deteriorated slightly as compared with conditions prevailing at the end of October. This deterioration of crops on the fringes of the grain-growing belt may account for the first official wheat production estimate of 165.7 million bushels, somewhat lower than was anticipated at first. So far this month, very little moisture has been received which, while favourable for harvesting, may result in further deterioration in late fields.

Some rust outbreaks were reported but apparently were not considered serious. Reports of large flights of locusts came from Entre Rios, the north of Santa Fe and parts of Cordoba. It was stated, however, that they came too late to cause much damage to wheat and linseed, although they constitute a serious menace to the growing maize crops.

The wheat harvest commenced in the northern areas during the latter part of November. Gradually working south, it was expected to become quite general throughout the republic by the middle of December. Early wheat yields show great variation, ranging all the way from 3 to 24 bushels per acre. The quality is described as being from fair to good.

With the harvest well under way in Argentina and first production estimates having been made, it is somewhat easier to determine the prospective supply position. At present the unfolling wheat supply picture seems to substantiate earlier predictions that the quantities of wheat available for Europe during 1946 will be very small.

When the estimated new wheat crop production of some 166 million bushels is added to a probable carry-over of 50 million bushels of old wheat, the total supply for the coming year amounts to about 216 million bushels as compared with some 325 million bushels on January 1, 1945. Domestic disappearance in 1946 will depend to a great extent upon the outturn of the maize crop and the amount of relief accorded to a "light" fuel situation, but tentative estimates of home requirements leave approximately 110 million bushels for export and carry-over. After meeting the needs of other South American countries and a minimum carry-over, there may be in the neighbourhood of 50 million bushels available for European requirements.

The new basic wheat price to farmers of \$1.21 3/8 (U.S.) in bags at the seaboard, while substantially above the price received during the last two years, is creating some dissatisfaction among the farmers, especially those in the central zone. They claim that with low yields and constantly increasing costs it is not worth while to gather the crop.

The milling trade is obliged to buy its wheat requirements on the open market, but in order to keep the price of bread down, the government will pay subsidies to the millers on all of their purchases. On the other hand, all wheat intended for export must be bought from the Grain Regulating Board. It is hoped that any profits realized on the export of wheat will be adequate to provide funds for the allowances to millers.

AUSTRALIAN CABLE

Since the monthly cable from the Canadian Trade Commissioner at Melbourne was not available at the time this Review went to press the following brief statement has been prepared from other source material

By the middle of December the Australian wheat harvest was well advanced but, as yet, no official estimate of production has been forthcoming. However, scattered reports on yields are about in line with trade expectations. Trade circles are inclined to support the view that the surplus for export during the 1946 season will be small and that no difficulty will be experienced in finding outlets in India and the Far East where requirements are heavy.

GRADING OF 1945 WHEAT

The following table sets forth the grading of wheat inspected during the fourmonth period August to November 1945:

	Cars	Per Cent
No. 1 Northern	31,760	34.66
No. 2 Northern	36,487	39.82
No. 3 Northern	7,963	2.58
No. 4 Northern	2,052	2.24
Garnet	670	.73
Amber Durum	1,594	1.74
Alberta Winter	273	.30
Toughs	8,697	9.49
All others	2,238	2.44
T o t a 1	91,634	100.00

The percentage of cars of lower grading wheat continued to increase during the month of November. Out of a total of 23,950 cars insepcted last month, over 14 per cent graded No. 3 and 4 Northern, while almost 20 per cent were designated as tough. However, the bulk of the wheat graded since the beginning of the crop year continues to grade No. 1 and 2 Northern.

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:

	1 Northern	2 Northern	3 Northern	4 Northern
foot art of me atter		(cents and eigh	ths 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 1-December 22	155	152	150	149

Canada's supply of wheat at December 1 available for export during the remainder of the crop year and for carry-over at July 31, 1946 amounted to 253.0 million bushels as compared with 530.4 million bushels at the same date a year ago.

This estimate is based upon a projected domestic disappearance of 160 million bushels during the current crop year. The probable requirements of 1945-46 for domestic use have been placed as follows, in million bushels: human food, 50; seed, 30; industrial use, 8; feed, 72.

Exports of wheat flour in terms of wheat for the first four months of the present crop year closely parallel the flour exports for the corresponding period a year ago. Imports of Canadian wheat for domestic consumption and milling in bond in the United States are about one quarter as large as they were in 1944. Overseas clearances of wheat as grain account for the increased trade this year, with 127.9 million bushels cleared for overseas destinations up to November 30, 1945 as compared with 54.4 million bushels up to the same date last year.

Canadian Mheat Supplies

		1945-	46	1944-45	
		mil	lion bush	nels	
	merica July 31		.4 .6 <u>1</u> /	356. 5 435.5	
Total Suppl	у	567	.0	792.0	
Estimated domestic re	quirements		.0 1/	160.0	
Available f	or export or carry-over	407	.0	632.0	
Deduct:					
Overseas clearances	of wheat as grain Aug. 1	- Nov. 30 127	.9	54.4	
United States impor	ts of Canadian wheat		.5 2/	29.0	28.6
Total wheat	exports		.4	83.4	
Exports of wheat flou	r in terms of wheat Aug. 1	- Nov. 30 18	.6	18.2	
Total expor	ts wheat and wheat flour .		.0	101.6	
Balance on Dec. 1 for	export or carry-over	253	. 0	530.4	

^{1/} Subject to revision.

^{2/} Estimate.

FARMERS' MARKETINGS

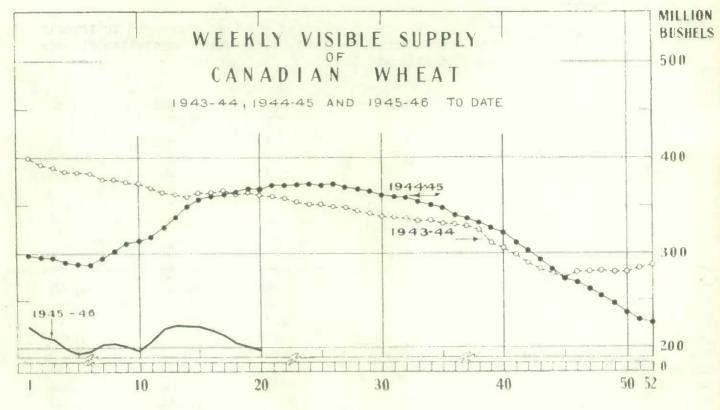
The following table shows primary receipts of wheat in the Prairie Provinces for the 1945-46 crop year along with comparative figures for 1944-45:

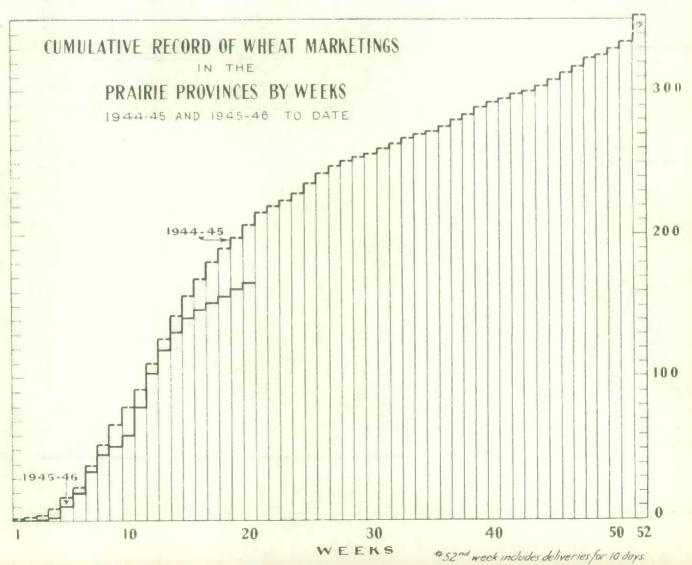
Week ending		Manitoba	Saskatchewan	Alberta	Totals	Last Year 1/
			– bi	ushels -		
August	1-2	-	10.15	112,355	112,355	1,643,649
	9 16	29,396 8,686	79,152	137,853 249,883	246,401 382,341	1,070,379 2,045,803
	23 30	96,463 1,271,860	755,302 4,568,677	921,069 1,685,584	1,772,834 7,526,121	5,368,793 6,832,745
September	6	2,240,434	4,665,078	2,139,568	9,045,080	7,218,921
	13 20	2,444,009 963,800	9,681,705 7,020,619	3,518,952 3,844,220	15,644,666 11,828,639	15,518,385 14,619,037
October	27	444,784 2,067,492	3,974,279 3,428,517	1,024,858	5,443,921 7,109,789	12,662,549 12,429,817
00 00001	11	4,198,777	10,147,043	5,647,547	19,993,367	12,129,372
	18 25	2,686, 475 1,236,158	14,274,064 9,375,221	7,079,466 5,120,006	24,040,005	17,889,562 17,118,910
November	1 8	1,275,290 983,850	7,071,685 7,259,954	3,256,083 2,266,876	11,603,058	16,813,108 13,202,329
	15 1	548,654	3,401,162	1,403,183	5,352,999	12,283,645
	22	563,398 397,061	2,927,636 2,758,969	1,249,802	4,740,836 4,504,852	11,730,036 9,797,987
December	6	415,040 418,037	3,220,454 2,385,278	1,322,269 984,632	4,957,763	7,101,707 8,794,546
				<u> </u>		, ,
Total		22,289,664	97,118,567	44,926,808	164,335,039	206,271,280

^{1/} Revised.

From August 1 until December 13, farmers in the Prairie Provinces marketed over 166 million bushels of wheat. This compares with marketings of over 206 million bushels during the comparable period in 1944-45 crop year.

When the new wheat crop of 284 million bushels is added to the farm carryover at July 31, 1945 of 27 million bushels, total wheat supplies on farms amount to
about 311 million bushels for the current crop year. Allowing some 65 million bushels
of this total supply to be used for feed and seed there is about 246 million bushels
for delivery and/or carry-over on the farms at July 31, 1945. After deducting deliveries
to December 13 of 164 million bushels, there remains about 82 million bushels on farms
to be delivered during the remainder of the crop year or carried over into 1946-47.





WHEAT VISIBLE SUPPLY:

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on December 13, 1945, along with comparative figures for approximately the same date in 1944 and 1943:

	1945	1944	1943
		- 000 bushels	urzen Orazilia
Country Elevators - Manitoba	3,645 26,485 32,395	14,480 86,715 67,710	25,585 101,005 76,510
Total	62,525	168,905	203,100
Interior Private and Mill Elevators Interior Public and Semi-Public Terminals Pacific Ports Churchill Fort William and Port Arthur Eastern Elevators - Lake Ports St. Lawrence and Seaboard Ports United States - Ports Storage Afloat In Transit - Rail In Transit - U.S.A.	4,965 4,963 10,041 1,878 12,126 25,582 13,915 29,045 12,110 13,729 6,500	5,383 8,093 17,982 1,878 26,652 39,795 23,866 39,013 12,104 18,038 6,860	4,433 11,431 18,706 1,878 11,126 36,167 14,525 21,659 10,558 11,493 6,471
Total	197,379	368,569	361,547

MOVEMENT OF WHEAT TO MARITIME PORTS

The following figures represent the movement of wheat by RAIL from ports on the Great Lakes and the St. Lawrence River during the current season, with comparative figures for last year.

	August 1, 1945 to December 13, 1945	August 1, 1944 to December 14, 1944
	- bu	shels -
Collingwood	1,098,455	2,421,537
Midland	3,697,982	5,675,908
Gwen Sound	709,698	2,236,296
Port McNicoll	5,304,302	6,849,167
Goderich	597,473	970,042
Walkerville	195,873	The Contract of the
Kingston	187,796	Marie and Wallet
Port Colborne	50,000	111111111111111111111111111111111111111
Montreal	41,385	3,095
Total	11,882,964	18,156,045

FREIGHT ASSISTANCE POLICY

With smaller crops of feed grains produced in eastern Canada this year, it is felt that larger amounts of western grains for livestock feeding will be required in this feed-deficit area during 1945-46 than were used a year ago. This has been partially reflected in somewhat larger amounts of wheat being moved in Ontario and Quebec under the Freight Assistance plan.

During the first three months of the present crop year, increased wheat shipments into Ontario, Quebec and Prince Edward Island more than offset decreased shipments into Nova Scotia and New Brunswick to make a total of 6.2 million bushels moved into eastern Canada as compared with 5.8 million bushels during the corresponding period a year ago.

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
The second second				- bushels	-		
August September October	1,155,190 1,022,660 959,270	858,668 846,823 751,558	74,142 88,768 66,242	81,256 86,840 71,417	66,820 51,016 30,418	350,508 330,818 134,887	2,586,584 2,426,925 2,013,792
Total	3,137,120	2,457,049	229,152	239,513	148,254	816,213	7,027,301
Same Period 1944-45	2,771,200	2,304,689	248,299	376,020	119,820	1,040,899	6,860,927

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

	August 1, 1945 to October 31, 1945		August 1, 1944 to October 31, 1944
		- tons -	
Ontario	50,597		55,974
Quebec	75,341		72,173
New Brunswick	14,116		12,754
Nova Scotia	14,154		16,957
Prince duard Island	3,574		2,859
Total	157,782		160,717

SHIPMENTS TO UNITED STATES

Canadian wheat shipments to the United States, August 1 to December 13 of the current crop year total 58.9 million bushels as compared with 67.9 million bushels for the corresponding period a year ago. Rail shipments reveal little change from those of a year ago, but movement by vessel has declined over 13 million bushels. During November, Chicago received its first vessel consignment of Canadian wheat for the 1945-46 season.

Shipments August 1 - December 13

By Vessel	1945	- bushels -
U.S.A. Facific Ports Buffalo Chicago Duluth-Superior Erie Milwaukee Oswego Toledo	15,000 47,211,121 331,494 6,719,050	686,666 38,863,223 7,746,957 5,479,527 8,365,920 677,555 1,615,403 4,428,540
Total - Vessel Shipments	54,276,665	67,863,791
By Rail Seaboard Forts	4,508,445 84,601	4,279,596 761,118
Total - Rail Shipments	4,593,046	5,040,714
GRAND TOTAL	58,869,711	72,904,505

LAKE MOVEMENT OF GRAIN

Three new records for grain movement from the Lakehead were established during the 1945 season of navigation. Total grain shipments of 483.7 million bushels this year surpassed the previous record of 456.0 million bushels set in 1944. The former record of 312 million bushels of wheat handled in 1928 was broken during the past season when 344.4 million bushels passed down the lakes from Fort William-Port Arthur. Finally, oat shipments in 1945 were greater by some 4.9 million bushels than the previous all-time record movement in 1944.

Shipments between Opening of Navigation and December 12

		Theat	Oats	Barley	Rye	Flaxseed	Total
			:	- bush	els -		
1938		132,230,539	8,812,016	16,623,538	1,477,134	608,919	159,752,146
1939		209,780,420	18,535,455	18,434,141	4,660,217	478,387	251,888,620
1940		174,690,549	16,825,500	10,021,209	3,311,433	1,239,213	206,087,904
1941		232,946,021	9,045,957	11,602,419	6,092,230	2,336,705	262,023,332
1942		178,510,838	17,045,934	10,554,118	1,029,639	4,039,688	211,180,217
1943		246,159,195	39,406,374	44,034,103	5,439,156	8,875,748	343,914,576
1944		304,249,000	80,010,547	56,343,559	8,156,022	7,205,054	455,964,183
1945		344,406,437	84,927,712	45,186,570	4,827,679	4,384,070	483,732,468

RAIL MOVEMENT FROM FORT WILLIAM-PORT ARTHUR

Total movement of wheat by rail from the Lakehead during the first four months of the present crop year was the smallest recorded for a like period in the last four years. Up to the end of November 1945, only a little over 253 thousand bushels moved by rail from Fort William-Port Arthur as compared with 445.6 thousand in 1944; 4.0 million in 1943 and 2.9 million in 1942.

This can be attributed to the fact that all available boxcars were diverted to the task of moving as much wheat as possible from the Prairie Provinces to the head of the Great Lakes before the end of navigation. With the closing of the Lakes to vessel movement early in December, it is expected that the eastern rail movement will be increased during the winter months.

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

	1945-46	1944-45	1943-44	1942-43
		- bu	shels -	
August September October November December January February March April May June July	23,255 57,533 73,776 99,197	91,891 169,603 86,572 97,512 1,236,339 1,936,038 764,629 1,091,909 196,042 66,154 58,642 52,726	990,879 1,547,042 780,035 711,238 898,565 4,364,158 4,397,318 1,076,142 107,257 271,533 108,739 47,516	390,264 600,921 644,926 1,250,952 3,871,297 1,757,163 3,196,248 1,997,275 3,968,148 1,135,059 999,605 983,324
Total (12 months)		5,848,057	15,300,422	20,795,182

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

	Ontario	Quebec	Nova Scotia	U.S.A.
		- bus	shels -	
7 77				2 400
l Northern	-		-	2,490
4 Northern	8,940	72,634		-
No. 5	2,500	3,000	-	-
Vo. 6	-	2,000	-	-
eed	-	1,000		_ = -
Rej. 3 Northern	ton	4,000	-	_
1 C.W.A.D	1,500		1,133	_
rotal	12,940	82,634	1,133	2,490

Grain storage capacity in Canada at December 1, 1945 totalled 575 million bushels as compared with 603 million at the same date a year ago. All of the reduction occurred in Western Country Elevators and at Fort William-Port Arthur where storage capacity declined by 14 million bushels in each case.

Stocks of grain in store at December 6 occupied only 35 per cent of the storage capacity as compared with 57 per cent at the close of navigation in 1944. Heavy export movement of wheat coupled with reduced year-end carry-over grain stocks and smaller crops this year have resulted in ample storage space in country elevators and at the Lakehead.

In addition to the 202 million bushels of grain in elevators and annexes at December 6, about 35 million bushels were in transit by lake and rail in Canada, and about 41 million in United States positions making a total visible supply of 278 million bushels.

The storage position in summarized form, was briefly as follows on December 6, 1945:

	Storage Capacity	Grain in Store December 6, 1945	% Capacity Occupied
		- Million Bushels -	
Western Country Elevators Vancouver-New Westminster	293	87	29.6
Fort William-Port Arthur	131	27	20.6
Bay Ports, Goderich, Sarnia Lower Lake Ports	37 21	30	66.7
Maritime Ports	28	14	50.0
All Others	41	16	39.0
Total	575	202	35.1

ONTARIO WINTER WHEAT

The amount of outerio winter wheat milled during the first quarter of the current crop year was only slightly above that for the corresponding period a year ago and almost twice the quantity milled during the first three months in 1943. The marked similarity in the quantities of Ontario winter wheat ground in the last two years can be attributed to the production of almost equal crops in 1944 and 1945. A below-average crop of 13.2 million bushels in 1943 accounts for the reduced millings in that year. Ontario winter wheat flour production for the first quarter of the crop year amounted to 307,796 barrels against 223,487 barrels in the same period 1944-45 and 145,270 barrels in 1943-44

The monthly millings of Ontario winter wheat during the first quarter in the last three years are listed below in bushels:

		1945	1944	1943
August	0 * * * * * * * * * *	450,623	392,947	320,294
September	0 0 * 9 * 0 * 0 0 0 0 0	470,540	368,862	228,204
October	0 0 * * * * 4 * * * * *	442,040	431,697	169,458
Total	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1,363,203	1,193,506	717,956

Flour milling statistics reveal that, during the first three months of the current crop year, wheat-flour production amounted to 6,293,879 barrels, some 256,884 barrels above total output for the corresponding period in 1944. If the present production can be maintained for the remainder of the crop year, it may surpass the all-time record wheat-flour production of 24,684,403 barrels in 1944-45.

During the past crop year the flour milling industry operated at a little over 91 per cent of its total capacity as compared with 90 per cent in 1943-44. Mills reporting operations for October 1945 had a total milling capacity of 90,145 barrels per 24-hour day, and over a 26-day working period in the month 95.0 per cent was effective. Mills reporting in September operated at 96.4 per cent of their capacity, a rate of operation surpassed only twice in the last three years when the operation percentage rose to 96.7 in November 1943 and 98.1 in November 1944.

Exports of wheat-flour during the crop year 1944-45 were also the highest on record reaching a total of 13,923,832 barrels, 459,461 barrels above 1943-44 exports. For the first quarter of the present crop year exports have been maintained at a high level, totalling 3,124,919 barrels as compared with 3,059,811 barrels during the same period in 1944.

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

PRODUCTION AND EXPORTS OF WHEAT-FLOUR

(barrels of 196 pounds)

Crop Year	Production	Exports
1936-37	14,249,010	4,525,665
1937-38	12,867,728	3,609,656
1938-39	15,197,297	4,604,245
1939-40	17,778,311	6,781,367
1940-41	19,575,833	10,288,827
1941-42	19,905,741	10,205,778
1942-43	23,549,707	12,575,215
1943-44	24,288,877	13,464,371
1944-45	24,684,403	13,923,832
1945-46		
August	2,020,867	1,106,467
September	2,045,830	954,215
October	2,227,182	1,064,237
TOTAL 3 MONTHS	6,293,879	3,124,919
SAME PERIOD 1944-45	6,036,995	3,059,811

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WHEAT AND WHEAT FLOUR

1010686598	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 Flou
			- 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
rotal	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
Tanuary	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
white the same and a same		~ 4 + ~ +	0,104		
			-		
lay	46,420	2,338	6,307	55,065	35,432
lay			-		
May June July	46,420	2,338 1,725	6,307 7,257	55,065 40,629	35,432 50,552
May June July	46,420 31,647 41,805	2,338 1,725 1,737	6,307 7,257 5,168	55,065 40,629 48,710	35,432 50,552 43,362
May	46,420 31,647 41,805 237,902	2,338 1,725 1,737 42,050	6,307 7,257 5,168 62,657	55,065 40,629 48,710 342,609	35,432 50,552 43,362 333,605
May	46,420 31,647 41,805 237,902	2,338 1,725 1,737 42,050	6,307 7,257 5,168 62,657	55,065 40,629 48,710 342,609	35,432 50,552 43,362 333,605
May June July Total	46,420 31,647 41,805 237,902	2,338 1,725 1,737 42,050	6,307 7,257 5,168 62,657	55,065 40,629 48,710 342,609	35,432 50,552 43,362 333,605

^{1/} Subject to revision. 2/ Estimate.