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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

MARCH 1946

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MONTHLY REVIEW OF THE WHEAT SITUATION

MARCH 1946

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REPORT OF THE BOARD OF DIRECTORS

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

(Issued March 1946)

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WORLD WHEAT SITUATION

New Programs to Reduce Domestic Wheat Consumption - The over-all position has varied little during the present month. Supplies to date have been coming forward more or less in accordance with past commitments. No change has been made in the estimate of the world's exportable surplus (11 to 12 million long tons) but a recheck of deficit areas indicates that the estimate of requirements (over 17 million long tons) quoted last month should be revised upward by at least 20 per cent. The failure of the Indian Monsoon, the droughts which struck France and North Africa, the lack of adequate fertilizer supplies and the dislocations occasioned by war took a terrible toll of food production in Europe, Asia and Africa last year. This, combined with below-average crops in three of the four large exporting countries, inevitably brought about the current shortage. The United States Department of Agriculture's Office of Foreign Agricultural Relations states that the 1945 world wheat production of 5,200 million bushels was the smallest since 1929 and 8 per cent less than 1944.

World Wheat Production in 1945 Smallest since 1929 - Further programs intended to reduce domestic consumption of foodstuffs, thereby providing additional exportable supplies, have been announced by both the Canadian and United States Governments. Canada hopes to increase her available exportable surplus by reducing the amount of wheat used by distillers and millers by encouraging conservation practises, and by offering certain concessions to farmers which will permit them to deliver their old wheat now and take cash settlement any time in 1946, 1947 or 1948. President Truman has established a Famine Emergency Committee to draw up recommendations and to institute programs designed to reduce appreciably the quantities of wheat, fats and oils used by householders and by hotels, restaurants and other members of the public feeding industry.

Canada - New Programs Announced - On March 17 Prime Minister MacKenzie King announced a nine-point program intended principally to provide more food for export: (1) Wheat available for milling is to be reduced by 10 per cent on the basis of 1945 purchases (2) Wheat for distilling purposes is to be reduced by 50 per cent compared with the amount used in 1945 (3) A campaign will be undertaken to encourage saving by consumers of wheat products (4) Increased quantities of oats and No. 4 wheat are to be made available for export if possible (5) Farmers are being urged to plan production to obtain a maximum food yield over the next four years (6) Special arrangements are to be made to encourage immediate marketing of wheat now stored on farms (7) Reduction of inventories of wheat and wheat products will be encouraged (8) Priorities for rail transport of wheat for export have been established (9) Modification of regulations affecting bulk shipments of flour and feed is planned.

It is anticipated that the reduction in milling may add 2.5 million bushels to exports in the next six months. The halving of wheat moving into alcohol manufacture should make available several million bushels more for export over the next year.

On March 20, the Hon. James A. MacKinnon, Minister of Trade and Commerce announced that the Government will continue the present initial payment of \$1.25 per bushel, basis No. 1 Northern in store at Fort William-Port Arthur, for another crop year up to July 31, 1947. He also stated that there would be no over-all restrictions on the deliveries of wheat during 1946-47, although temporary delivery quotas will probably be used in the early part of the marketing season to distribute local elevator space as evenly as possible among the producers.

Mr. MacKinnon further announced in the House on March 25 that between April 1 and June 30 growers may elect to deliver their wheat with cash settlement taken at their option in 1946, 1947 or 1948. By taking advantage of this plan, growers may benefit by delivering their stored wheat without having to report the proceeds of their sales as income in any one year for income tax purposes. As sales need be reported as income only in the years that cash settlement is taken it is hoped that farmers will now bring forward any grain they may have been withholding through fear of paying excessive income tax in the current year.

United States - 1946 Total Crop Acreage Expected to Equal Last Year's Figure - The Crop Reporting Board states in their release of March 20 on Prospective Plantings for 1946 that "Farmers are responding to the currently heavy peacetime demands upon them and their farms in much the same manner that resulted in four successive seasons of heavy wartime production. An acreage of principal crops equalling the relatively high level of recent years will be planted this year if weather permits farmers to carry out their plans as reported in March to the Crop Reporting Board. Producers anticipate that they will have to contend with more than usual difficulty with respect to certain major factors essential to their operations, chiefly in the matter of adequacy of the supply of hired labour and new machinery for replacements".

Argentina - Estimate of Exportable Surplus Raised - In a report issued by the Ministry of Agriculture, the exportable wheat surplus, as of February 15, was placed at 69.7 million bushels. When compared with the January 15 estimate of 69.4 million bushels and an allowance made for 2.5 million bushels exported during that four-week period, it will be noted that an upward revision of nearly 3 million bushels was made.

Australia - Achievement of 1946-47 Acreage Goal Uncertain - As in the case of Argentina, Australian wheat prices to farmers may be a deciding factor in the acreage sown to wheat this year. The acreage goal has been set at 15.5 million acres, but private opinion doubts whether this can be achieved unless prices are raised substantially. Australian exports, since the first of the year, have averaged nearly a million bushels a week, all to non-European destinations.

European Situation - In their endeavour to prevent widespread starvation in Europe, Canada and the United States are exporting wheat as quickly as ocean and rail transport can be made available. So far, there has been no substantial assistance from Australia, Argentina, Russia or the Balkans, and European supplies are running very short. It is reported that Italy will add 20 per cent of oat flour to the standard bread flour and that Belgium is going to mix wheat and rye flour for breadmaking. France expects some wheat from Russia to help maintain her present bread ration until the home crops are harvested in August.

European crops of winter wheat appear much more favourable than they did a year ago. With larger acreages and some improvement in fertilizer supplies it is expected that the outturn may be considerably larger this year. Beneficial rains in the Mediterranean area have dispelled all fears of drought for this season and as these crops are harvested much earlier than in the more northern sections it should be possible to reduce shipments now being made to these areas before the end of June or July.

CANADIAN SITUATION

Supply Position -

On March 1 the supply of Canadian wheat available for export and for carry-over amounted to 183.6 million bushels as compared with 448.7 million at the same date a year ago. During the four-week period ending February 28, 25 million bushels of wheat and flour in terms of wheat were exported from Canada with about 94 per cent of this total cleared to overseas destinations and the remainder to the United States. While the total export of flour during the first seven months of the current year closely parallels that for the corresponding period in 1944-45, total wheat exports have increased by 74 million bushels. The distribution of wheat exports as between overseas clearances and United States imports has shifted considerably in comparison with the situation existing in the 1944-45 crop year. Overseas clearances this crop year to March 1 are 96.4 million bushels higher, while United States imports are 22.4 million bushels lower than in the same period a year ago.

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 Aug. 1 - Feb. 28	186.6	90.2
United States imports of Canadian wheat	11.0 <u>2/</u>	33.4 33.0
Total wheat exports	197.6	123.6
Exports of wheat flour in terms of wheat Aug. 1 - Feb. 28 .	33.1	32.2
Total exports wheat and wheat flour	230.7	155.8
Balance on March 1 for export or carry-over	183.6	448.7

1/ Subject to revision.

2/ Estimate.

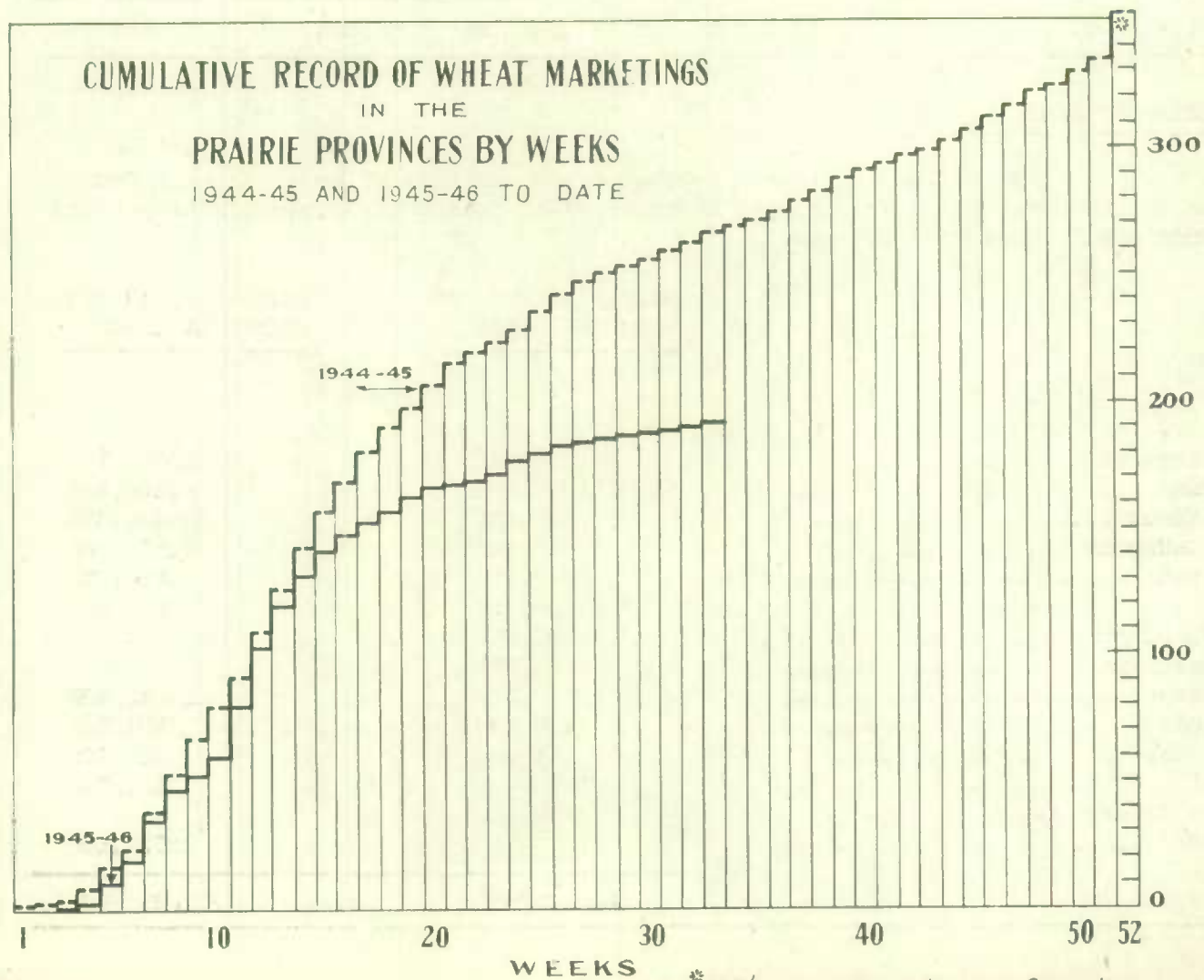
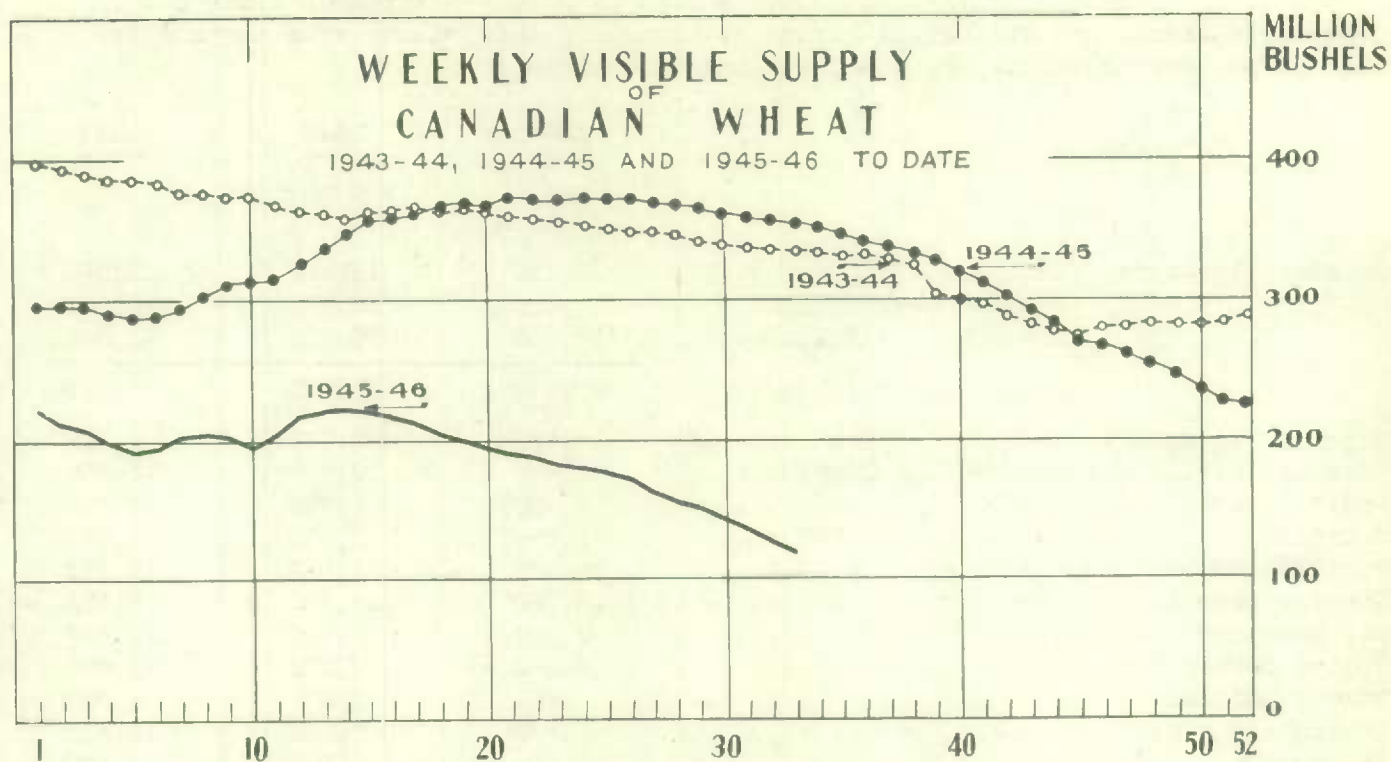
FARMERS' MARKETINGS

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 ^{1/}	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	192,895	766,040	640,561	1,599,496	3,928,029
T o t a l		25,015,198	111,640,940	54,980,732	191,636,870	266,918,726

^{1/} Revised.

Up to the middle of March total farmers' marketings of wheat amounted to 191.6 million bushels as compared with 266.9 million during the corresponding period a year ago. During the four-week period ending March 14, primary marketings totalled 6.1 million bushels as compared with 13.5 million for the like period a year ago.



*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 March 15, 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	3,250	19,240	25,385
Saskatchewan	19,635	93,175	100,530
Alberta	19,500	70,655	72,320
T o t a l	42,385	183,070	198,235
Interior Private and Mill Elevators	4,738	5,617	5,708
Interior Public and Semi-Public Terminals ...	2,450	12,718	10,858
Pacific Ports	6,753	18,749	12,331
Churchill	1,878	1,878	1,878
Fort William and Port Arthur	23,025	55,627	39,513
Eastern Elevators - Lake Ports	13,573	22,252	19,953
St. Lawrence and Seaboard Ports	9,196	17,088	11,147
United States Ports	4,945	20,774	11,885
Storage Afloat	856	2,376	1,366
In Transit - Rail	8,239	7,889	16,218
In Transit - U.S.A.	1,784	6,947	5,622
T o t a l	119,822	354,985	334,714

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 March 14, 1946</u>	<u>August 1, 1944 to March 15, 1945</u>
	- bushels -	
Collingwood	1,099,955	2,991,122
Midland	5,244,476	7,326,654
Owen Sound	1,435,836	3,446,432
Port McNicoll	7,076,345	9,297,183
Goderich	597,473	970,042
Sarnia	116,954	451,436
Port Colborne	50,000	-
Walkerville	195,873	-
Kingston	717,978	1,043,468
Prescott	113,340	1,057,309
Montreal	44,368	656,359
Sorel	-	139,795
Three Rivers	220,000	-
Quebec	-	513,108
T o t a l	16,912,598	27,892,908

SHIPMENTS TO THE UNITED STATES

During the four-week period ending March 14 the rail movement of Canadian wheat to the United States picked up considerably when nearly a million bushels were shipped into that country as compared with 117,515 bushels during the previous monthly period; at the same time it was substantially below the 2.9 million bushels moved into the United States during the equivalent period a year ago.

Since the beginning of the current season, over 61 million bushels of Canadian wheat have been cleared from United States ports to overseas destinations, with about 11 million bushels of this total cleared between the middle of February and the middle of March. It is estimated that between August 1 and March 14 of the current crop year about 12 million bushels of Canadian wheat have been retained in the United States for domestic consumption and milling in bond.

Shipments August 1 - March 14

	<u>1946</u>	<u>1945</u>
	- bushels -	
<u>By Vessel</u>		
U. S. A. Pacific Ports	15,000	686,666
Buffalo	47,211,121	38,462,390
Chicago	331,494	7,746,957
Duluth-Superior	-	5,479,526
Erie	6,719,050	8,365,922
Milwaukee	-	677,554
Oswego	-	1,615,403
Toledo	-	4,829,371
Total - Vessel Shipments	54,276,665	67,863,789
<u>By Rail</u>		
Seaboard Ports	6,291,499	9,862,564
Other Points	93,438	1,052,220
Total - Rail Shipments	6,384,937	10,914,784
GRAND TOTAL	60,661,602	78,778,573

RAIL MOVEMENT FROM FORT WILLIAM-PORT ARTHUR

Rail shipments of wheat from the Lakehead displayed a decided slump during the month of February, when only 1.1 million bushels were moved out as compared with 4.5 million in January, the record high for the last three and a half years. Total shipments for the first seven months of the current crop year are nearly twice as large as they were for the corresponding period a year ago, but are smaller than the 1942-43 and 1943-44 shipments by about 30 and 40 per cent respectively.

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

	1945-46	1944-45	1943-44	1942-43
	- 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
Total (7 Months)	8,195,868	4,382,584	13,689,235	11,711,771

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

	Ontario	Quebec	New Brunswick	Nova Scotia	U.S.A.
	- bushels -				
1 Hard	4,500	1,987	-	-	-
1 Northern	-	-	28,067	-	-
2 Northern	-	-	335,567	- 16,000	3,338
3 Northern	-	-	-	-	1,956
4 Northern	176,191	160,320	7,133	3,000	-
No. 5	31,500	45,500	3,000	1,500	-
No. 6	-	1,500	-	1,500	-
Feed	7,717	4,500	-	-	-
Tf. 4 Northern	36,000	46,500	1,500	1,500	-
Tf. No. 5 and 6	10,510	14,000	-	-	-
Rej. 2 Nor.	-	1,542	-	-	-
Rej. 1 Nor. Mxd. Htd.	-	1,500	-	-	-
Sple. Htd.	-	1,500	-	-	-
Sple. Red Spg. Brkn.	-	2,000	-	-	-
Smutty 1, 2 and 4 Nor.	-	60,659	-	-	-
Tf. Smutty 1 Nor.	-	1,500	-	-	-
1, 2 and 3 C.W. Garnet	13,000	31,000	-	-	-
Tf. 2 and 3 C.W. Garnet	5,067	1,567	-	-	-
Tf. Rej. 2 C.W. Garnet Mxd. Htd. .	-	1,500	-	-	-
1 C.W.A.D.	3,000	-	-	-	-
Smutty 1, 2, 3 and 4 C.W.A.D.	-	21,434	-	-	-
Rej. 3 C.W.A.D. Mxd. Htd.	-	2,000	-	-	-
Tf. Rej. 3 C.W.A.D. Mxd. Htd.	1,500	-	-	-	-
Smutty Rej. 2 C.W.A.D. Mxd. Htd. .	-	3,000	-	-	-
Tf. Sple 3 C.W.A.D.	-	1,557	-	-	-
Tf. Smutty 2 and 3 C.W.A.D.	-	3,085	-	-	-
1 A.R.W.	36,000	-	-	-	-
2 A.W.	21,000	-	-	-	-
Rej. 2 A.W. Sptd.	1,567	-	-	-	-
T o t a l	347,552	408,151	375,267	- 8,500	5,294
GRAND TOTAL	1,127,764				

FREIGHT ASSISTANCE SHIPMENTS

Preliminary returns for the month of January indicate that the amount of wheat moving into eastern Canada and British Columbia under the Federal Freight Assistance Policy was the lowest for any month since the beginning of the current crop year. Total freight assistance movement for the first six months of the 1945-46 season is some 4 per cent larger than the shipments during the corresponding six-month period in 1944-45.

During the first half of the current season Quebec absorbed nearly 50 per cent of the total amount of millfeeds distributed under this scheme while Ontario came second, taking a little less than 40 per cent of the total.

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	1,158,575	864,462	74,287	83,563	68,320	353,505	2,602,712
September	1,024,656	848,686	97,768	91,215	51,017	344,563	2,457,905
October	1,223,082	971,853	101,615	99,648	41,420	364,417	2,802,035
November	1,095,325	888,343	99,370	112,468	44,445	316,217	2,556,168
December	1,161,567	658,392	90,080	126,082	40,288	308,170	2,384,579
January	829,702	522,420	60,047	65,040	23,308	89,493	1,590,010
T o t a l	6,492,907	4,754,156	523,167	578,016	268,798	1,776,365	14,393,409
Same Period 1944-45	5,684,030	4,709,304	494,112	697,908	214,359	1,964,134	13,763,847

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

	<u>August 1, 1945 to January 31, 1946</u>	<u>August 1, 1944 to January 31, 1945</u>
- tons -		
Ontario	113,579	113,825
Quebec	155,353	148,827
New Brunswick	27,497	26,959
Nova Scotia	29,697	35,241
Prince Edward Island	7,930	6,354
T o t a l	334,056	331,206

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 -					
<u>1943-44</u>					
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 1/</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 2/</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	36,064	42,817
December	17,755	1,486 3/	4,344	23,585	42,443
January	22,443	1,987 3/	5,135	29,555	20,373
February	18,512	1,910 3/	5,081	25,503	14,928

1/ Revised. 2/ Subject to revision. 3/ Estimate.

WEIGHTED AVERAGES 1/ OF TOTAL PRECIPITATION IN PROVINCES OF MANITOBA, SASKATCHEWAN,
AND ALBERTA, APRIL-JULY, 1935-1945. 2/

- in inches -

	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
<u>MANITOBA -</u>											
April	1.17	.46	2.37	.92	.87	1.12	1.83	1.52	.45	.58	1.58
May	1.76	1.15	2.21	1.27	1.73	1.84	3.17	2.35	2.99	2.43	1.58
June	6.38	2.47	4.18	1.66	3.56	3.22	3.20	2.71	3.75	7.51	3.28
July	4.67	.96	2.93	2.50	2.07	3.43	2.40	3.29	2.82	2.28	2.35
T o t a l	13.98	5.04	11.69	6.35	8.23	9.61	10.60	9.87	10.01	12.80	8.79
<u>SASKATCHEWAN -</u>											
April	1.12	.46	.55	.73	.46	1.00	.86	2.00	.27	.57	1.18
May	2.00	1.32	1.31	1.91	1.70	1.30	1.83	1.00	1.94	2.60	.99
June	3.64	2.31	.84	2.22	5.31	2.83	2.18	5.22	1.90	3.26	2.88
July	2.40	1.02	2.06	2.15	1.34	2.51	1.86	2.64	1.59	2.32	1.08
T o t a l	9.16	5.11	4.76	7.01	8.81	7.64	6.73	10.86	5.70	8.75	6.13
<u>ALBERTA -</u>											
April	1.54	.81	.76	.70	.64	2.55	.45	.73	.56	.40	1.12
May	2.14	1.93	1.72	2.70	2.14	1.32	1.92	2.28	1.50	2.37	1.49
June	2.65	1.84	2.00	1.84	4.78	2.01	2.48	4.51	2.72	3.10	2.46
July	2.62	.95	3.00	2.27	1.24	3.34	1.35	3.89	1.35	3.42	1.91
T o t a l	8.95	5.53	7.48	7.51	8.80	9.22	6.20	11.41	6.13	9.29	6.98

1/ The averages are weighted by annual wheat acreages in crop districts within each province.

2/ These data are included in this issued in response to numerous request for information relative to precipitation in the Prairie Provinces during the growing season.

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 1 - March 27	155	152	150	149

UNITED STATES SITUATION

Seeding Intentions - On March 20 the Crop Reporting Board of the United States Department of Agriculture issued its report on Prospective Plantings for 1946. This release is based upon reports received from farmers in all parts of the country on or about March 1, with reference to their acreage plans for the 1946 season. The table below shows the position with regard to several major crops:

	Planted Acreages			
	Acreage 1935-44	1945	Indicated 1946	1946 as % of 1945
			- thousands -	%
Spring wheat	19,401	18,658	18,961	101.6
Corn	94,772	92,867	92,993	100.1
Oats	41,191	45,234	46,444	102.7
Barley	14,918	11,429	11,521	100.8
Flaxseed	3,054	4,066	3,497	86.0
Sorghums for all purposes	16,792	15,837	14,787	93.4

Reasonable satisfaction has been noted with respect to these expressed intentions, although the total acreage indicated for all crops is some 3 per cent under the Government goal. It appears that wheat, oats, peanuts, tobacco and rice may exceed the Government's goals; corn, hay, grain sorghums, barley, soybeans, flaxseed, potatoes, sweet potatoes, sugar beets, dry beans and peas, will apparently fall under the acreages requested by Secretary of Agriculture Anderson. While anticipated acreage of corn is nearly 5 million acres under the desired goal, the aggregate acreage of crops now planned may slightly exceed that finally planted last year. However, when interpreting reports of this nature it is well to remember that the acreages actually planted may turn out to be larger or smaller than indicated by reason of weather conditions, available labour supply, financial conditions, price changes and the agricultural program as well as the possible effect of the report itself upon farmers' actions.

Weather Conditions - Generally favourable reports have been received in the small grain areas. Rains have fallen in dry areas of the western plains and in some sections of the Rocky Mountain States and the south-west. In Kansas and Nebraska progress of the winter wheat crop has been good to excellent. Spring wheat is being seeded in Washington State and preparations are under way in the north-central states.

Production Estimate - The U.S.D.A. suggests that production of all spring wheat in 1946 may run to 257 million bushels. This forecast is based on the prospective seeded acreage noted above multiplied by the average annual yield per seeded acre for the period 1937-1944. Combining this estimate with the 751 million bushel December estimate of the winter wheat crop, it would appear that the United States has a billion bushel wheat crop in prospect for 1946.

Milling - The United States Bureau of the Census reports that flour production in 1945 in the United States set an all-time record. Nearly 630 million bushels of wheat, an increase of 81.5 million over the previous year, were ground into flour for human consumption. In addition, about 29.3 million bushels were used in making granular flour for alcohol manufacturers, this figure being about 15.3 million bushels less than were used for the same purpose in 1944.

CHICAGO WHEAT FUTURES

On March 4 the Chicago wheat futures market was featured by an advance of three cents for each of the delivery months and reflected the full increase provided in the revised ceiling regulations. Later, deferred futures fell slightly below the ceiling price levels for a few days, as it was then believed that domestic consumption for the remainder of the season might be curtailed to such an extent that year-end carry-over stocks would be larger than earlier anticipated. However, as cash wheat remained at the ceiling with the Commodity Credit Corporation taking over excess cash wheat holdings and the Department of Agriculture anticipating a wheat carry-over at June 30 of some 154 million bushels, the futures market tightened again until all months were once more at ceiling.

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

<u>1945-46</u>	<u>May</u>	<u>July</u>	<u>September</u>	<u>December</u>
(cents and eighths per bushel)				

February	23	180/4	180/4	180/4	180/4
	25	180/4	180/4	180/4	180/4
	26	180/4	180/4	180/4	180/4
	27	180/4	180/4	180/4	180/4
	28	180/4	180/4	180/4	180/4
March	1	180/4	180/4	180/4	180/4
	2	180/4	180/4	180/4	180/4
	4	183/4	183/4	183/4	183/4
	5	183/4	183/4	183/4	183/4
	6	183/4	183/4	183/4	183/4
	7	183/4	183/4	183/4	183/4
	8	183/4	183/4	181/6	181/3
	9	183/4	183/4	181/6	181/6
	11	183/4	183/4	181/7	181/5
	12	183/4	183/4	182/1	182
	13	183/4	183/4	183/2	183/1
	14	183/4	183/4	183/4	183/4
	15	183/4	183/4	183/4	183/4
	16	183/4	183/4	183/4	183/4
	18	183/4	183/4	183/4	183/4
	19	183/4	183/4	183/4	183/4
	20	183/4	183/4	183/4	183/4
	21	183/4	183/4	183/4	183/4
	22	183/4	183/4	183/4	183/4
	23	183/4	183/4	183/4	183/4

THE ARGENTINE SITUATION

Crop Conditions - Fears of another drought developing in Argentina were largely dissipated at the beginning of the month when heavy rains fell over the central and northern sections of the country. Rainfall was the lightest in western Buenos Aires and South Cordoba where moisture was badly needed, especially for pastures. Nevertheless, soil moisture conditions have greatly improved for the late-sown maize and for the preparation of wheat land which will be starting shortly.

Conflicting reports regarding the new maize crop are circulating throughout the Republic. Some quarters estimate that locust damage has been much less than expected owing to the remarkably cool summer which has confined them to the north. In addition, it is stated that in the most important district, Pergamino, where holdings are relatively small and owners comparatively well off, many tenants had their own locust barriers and were able to keep the locusts off their fields.

Some correspondents suggest extensive locust damage north of Rosario. Others contend that the real harm was done by the drought early in the season and particularly during the period of extremely high temperatures late in December when the maize was ripening, with the result that many of the cobs have failed to fill.

Despite these conflicting reports, estimates generally have indicated a crop of very modest proportion. Locust losses, whatever the extent, when combined with a small seeded acreage will lead to a smaller corn production than anticipated earlier in the year.

Supplies and Markets - During last month the Ministry of Agriculture revised its original estimate of the exportable wheat surplus from 69.4 million bushels as at January 15, to 69.7 million bushels on February 15. In view of the fact that over 2.5 million bushels were exported during that four-week period, it follows that the previously estimated surplus has been raised by nearly 3 million bushels. Despite this upward revision, members of the trade seem inclined to view the exportable surplus as still too low. They feel that farmers are dissatisfied with prices and are holding back their wheat offers.

The following table sets forth the estimated Argentine supply position as at February 15, 1946.

	<u>Million Bushels</u>
Wheat on hand at December 1, 1945	81.9
Second official estimate 1945-46 crop	149.5
Total Supplies	231.4
Deduct:	
Seed, domestic consumption and government commitments in respect of agreements and donations	154.2
Surplus available for export and carry-over	77.2
Shipments December 1 to February 15	7.5
Balance still available February 15	69.7

The Ministry bases its upward revision on a readjustment of the calculation for local needs as indicated by actual consumption in January and February.

From January 1 to March 15 exports of wheat from Argentina totalled 8.4 million bushels with 3.4 million bushels destined for the United Kingdom and 3.4 million for the continent. Recently, there have been no offers made to Europe but it is still felt by some members of the trade that the paucity of wheat shipments is due largely to the withholding of wheat stocks by farmers rather than to inadequate internal transportation facilities.

As yet, farmers have not expressed their wheat acreage intentions and there is considerable apprehension that wheat seeding, which will get under way next month, may be curtailed, owing to the relatively low price which farmers get for this grain as compared with the coarse grains. Farmers have expressed their dissatisfaction with the present wheat price as set by the government and are demanding that prices be raised or marketing be freed entirely from governmental control and prices allowed to seek their own level on the world market. So far, however, the government has given no indication of its price policy for the approaching season.

AUSTRALIAN SITUATION

On March 15, the following cable was received from the Canadian Government Trade Commissioner in Melbourne:

"Australian wheat stocks at March 8, totalled 106,800,000 bushels. During the past month flour has been exported freely to India, Ceylon and the Far East. Flour mills are working three shifts in nearly all of the States.

"Authorities confidently expect a high increase in acreage sown for 1946-47 over last season. During the past month good rainfall has been received in the wheat areas."

Preparation of wheat land for planting is now under way in Australia. Seeding will commence in the early districts within the next few weeks. Generally speaking, present conditions are described as fairly satisfactory.

While Australian officials have called for and confidently expect a substantial wheat acreage increase, some members of the trade have expressed doubts as to whether the acreage will reach the goal set since the price guaranteed to the farmers is far below the world level. According to reports, the fertilizer situation, which was bad during the war years, has improved and this may be an incentive for some expansion in plantings.

Australian Supply Position - The following table sets forth the Australian wheat supply position as at March 9, 1946:

	<u>Bushels</u>
Carry-over	6,000,000
New Crop	144,000,000
Total	150,000,000
Estimated home needs	80,000,000
Surplus available for export and carry-over	70,000,000
Deduct: Exports January 1 - March 9	8,656,000
Balance still available March 9	61,344,000

All of the 1946 Australian wheat exports, which have been averaging close to a million bushels weekly, have been shipped to non-European destinations. During the next few months it is expected that exports will be accelerated to help meet the urgency of world needs and indications now are that Australia will end the present crop-year with very small carry-over stocks.

CENTS
PER
BUSHEL

180

170

160

150

140

130

120

110

100

MAR.

APRIL

MAY

JUNE

JULY

AUG.

SEPT.

OCT.

NOV.

DEC.

JAN.

FEB.

MAR.

SHIPPERS' OFFERS TO THE UNITED KINGDOM

MAR 1945 TO DATE

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

(Canadian cents per bushel)

Brazil

No 1 Man. St. John

*Australian
Old Crop*

Argentine Barusso

Argentine Rosalé

V



1010686601

CALENDAR OF WHEAT EVENTS - MARCH 1946

- March 1 A revised government estimate now places the Argentine wheat surplus as of February 15 at 69.7 million bushels.
- 2 Secretary of Agriculture Anderson announced that ceiling prices on grains had been raised from 2 to 4 cents per bushel. New ceilings at Chicago are as follows: wheat \$1.83 1/2, up 3 cents; corn \$1.21 1/2, up 3 cents; oats 83 cents, up 2 cents; barley \$1.26 1/2, up 4 cents and effective June 1 rye \$1.48 1/2, up 4 cents.
- 6 Shortage of motive power and cars is reported to be a factor in the limitation of Canadian grain movement both from the country and from the lakehead.
- 7 Today, total sales of 1,800,000 bushels of Canadian wheat marked one of the largest amounts sold for export for several weeks. It included 1,500,000 bushels of milling grades for the United Kingdom and 300,000 bushels for Portugal.
- 8 Australian wheat stocks totalled 106,800,000 bushels.
- 12 There have been no reports of serious winter damage to European crops and in most countries they are reported to be entering the spring in good condition. - Broomhall.
- 15 It is reported that Italy will add 20 per cent of oat flour to standard flour for bread. Much American flour exported this week was diverted to Italy.
- 16 Broomhall reports that the United States produced 22.7 million cwt. of regular flour in December 1945 - the equivalent to nearly 53 million bushels of wheat. During the first 6 months of this season millers have ground 321.8 million bushels of regular flour compared to 279.4 million bushels a year ago, an increase of 15 per cent.
- 17 Prime Minister W. L. MacKenzie King announced a nine-point program to provide more food for export.
- 19 Preparations for wheat planting are underway in Australia with the Government encouraging a substantial acreage increase.
- 20 The Hon. James A. MacKinnon, Minister of Trade and Commerce announced that the Government will continue the present initial payment of \$1.25 per bushel basis No. 1 Northern, in store at Fort William-Port Arthur or Vancouver during another crop year up to July 31, 1947.
- 22 Broomhall's Argentine correspondent reports that exporters in that country have withdrawn all offers and are protesting the new Government regulation which, in addition to requiring licenses, also imposes a tax on sales which include previous transactions.
- 23 Reports from the United States reveal that winter wheat was greening as far north as east Nebraska and that winter killing, although less than normal, was somewhat higher than last year.
- 25 Minister of Trade and Commerce, the Hon. James A. MacKinnon announced a plan whereby deferred cash settlements for wheat delivered between April 1 and June 30 this year may be received at the farmer's option in 1946, 1947 or 1948.
- 26 Farmers in Argentina are busy preparing the soil for small grains and linseed, and planting should start within the next few weeks in the early districts. No acreage goals have been set and in view of the present price relationship between wheat and coarse grains, many farmers may divert their acreage to coarse grains.