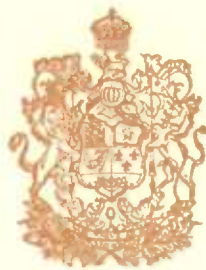


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CANADA

DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH

Vol. 17

No. 1

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

AUGUST 1946

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MONTHLY REVIEW OF THE WHEAT SITUATION

AUGUST 1946

TABLE OF CONTENTS

	Page
World Wheat Situation	1
Canadian Situation -	
Farmers' Marketings	5
Visible Supplies	6
Lake Shipments of Canadian Grain	6
Rail Movement from Fort William-Port Arthur	7
Freight Assistance Shipments	8
Monthly Overseas Clearances, Etc.	9
Selling Prices	10
Carry-Over of Canadian Grain at July 31, 1946	11
Canadian Wheat Carry-Over, 1922-1946	12
Condition of Field Crops of Canada, July 31, 1946	13
Area and First Estimate of Production of Fall Wheat and Fall Rye	15
Condition of Spring Wheat in the Prairie Provinces (Maps)	16
Telegraphic Crop Report	17
United States Situation -	
All-Time Record Wheat Crop	20
Certificate Plan for Producers Required to Sell Under W.F.O. 144	21
Chicago Cash Wheat	22
Argentine Situation	23
Australian Situation	24
Shippers' Offers to the United Kingdom (Chart)	25
Calendar of Wheat Events	26

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS - CANADA
AGRICULTURAL DIVISION

(Issued August 1946)

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WORLD WHEAT SITUATION

World Bread-Grain Requirements To Remain Heavy - If the present favourable crop prospects in the Northern Hemisphere are carried through to the end of the harvest, the critical world wheat supply position which has prevailed for the past several months will be eased considerably in the near future. Furthermore, present indications suggest for the 1946-47 season as a whole a somewhat narrower margin between the over-all supply and demand than was the case in 1945-46. However, these brighter prospects should not engender undue optimism and veil the fact that world requirements for bread grains are likely to continue very heavy for some months to come.

United States Harvesting A Bumper Crop - On the supply side, it appears evident that the United States will harvest an all-time record crop of wheat this year. As of August 1, 1946 official estimates placed the crop at 1,160 million bushels, the fourth billion bushel wheat harvest in the country's history. A crop of this size when added to a year-end carry-over of 101 million bushels, the lowest since 1937, would give a total supply, exclusive of imports, amounting to 1,261 million bushels. This supply figure is 143 million bushels lower than that of a year ago and the lowest since 1940.

United States Export Goal For 1946-47 - Domestic disappearance of wheat for present season is expected to reach the 700-million bushel mark. With the present export goal for wheat set at upwards of 250 million bushels, the carry-over stocks at July 1, 1947 would be in the neighbourhood of 300 million bushels. It is felt that some increase in carry-over is desirable in order to provide a reserve against years of below-average yields.

Canadian Harvest Under Way - Canada's wheat crop is now being harvested in the Prairie Provinces and while the first official estimate of production will not be available until September 12, several private estimates suggest that the crop may reach the 450-million bushel mark. In the event that this production estimate is realized, the 1946 crop will be the largest since 1942 and will help to offset the small year-end carry-over stocks of only 70 million bushels. Including the Ontario winter wheat crop of 16 million bushels, the total supply figure for 1946-47 would be approximately 25 million bushels short of last year's supply total.

New Wheat Policy For Producers In Western Canada - On July 30, 1946, the Minister of Trade and Commerce announced a new price policy concerning the initial payment to western farmers, complete text on pages 3 and 4. Retroactive to August 1, 1945 and continuing until July 31, 1950 these initial payments have been raised from \$1.25 to \$1.35 per bushel, basis No. 1 Northern in store Fort William-Port Arthur or Vancouver. After participation payments have been completed for the 1943 and 1944 wheat crops and after the ten cent payment on the 1945 crop has been made to bring the initial payment up to \$1.35 per bushel, all the remaining surplus from that crop, along with the surpluses from the succeeding four crops of 1946, 1947, 1948 and 1949 will be placed in a five-year pool. Participation certificates will be issued in the usual way, but the payment on these certificates will not be made until after the conclusion of the five-year pool at July 31, 1950.

Export Prices Raised To Non-Contract Countries - With the exception of the United Kingdom, which is a contract country, the fixed export price of \$1.55 to non-contract countries will be lifted and an attempt will be made to sell at prices roughly corresponding to those of the other principal supplier, now the United States. The domestic price of wheat will be continued at \$1.25 per bushel, with the Government assuming carrying costs on the amounts of wheat used domestically. The Government will continue to pay a drawback to millers covering the difference between 77 3/8 cents and \$1.25 per bushel on wheat used in Canada for human consumption.

Drought Adversely Affecting Australian Wheat Crop - Although it is estimated that Australia's wheat acreage for 1946 was increased about two million acres above that of 1945, extreme drought in the major wheat producing areas has considerably reduced earlier favourable prospects. A preliminary forecast of the present crop places production at 155 million bushels, only 11 million bushels above the 1945 crop. Despite the small crop and reduced carry-over of wheat at the beginning of the year, Australia's exports have been well maintained and by August 22 they totalled 42 million bushels. If the present rate of export is continued for the next four months, little wheat will be left for carry-over into the new year. Australia, too, is attempting to stabilize wheat prices for the Australian producer. To that end the Federal Government has passed a stabilization bill which for the next five years will guarantee a price of five shillings twopence per bushel f.o.b. bagged for all wheat marketed domestically and the same price for all f.a.q. wheat entering the export trade.

Argentine Wheat Acreage Up - The first official estimate of the area sown or to be sown to wheat in Argentina this year is placed at 16.6 million acres as compared with the revised estimates of 14.2 million acres in 1945 and 15.4 million in 1944. So far, moisture conditions have been extremely favourable and the Government appears to be making a greater effort to combat the locust invasion this year. If this move is successful it may be instrumental in reducing acreage abandonment which has run as high as 30 per cent of the seeded acreage in the last couple of years. Total exports during the period January 1 to August 23 amounted to 41.6 million bushels as against 70.3 million during the corresponding period a year ago. All but 10.1 million bushels of the 1946 total was consigned to the United Kingdom and the Continent.

European Situation - The United States Office of Foreign Agricultural Relations in its publication 'Foreign Crops and Markets' has this to say concerning European wheat prospects: "Present prospects are for a European wheat crop considerably larger than the reduced 1945 production, but still substantially below average. Wheat crops larger than those of a year ago are expected from most areas, but the largest gains are indicated throughout the Mediterranean area and in parts of western Europe, on the basis of available information.

"Good crops in the Mediterranean area were the outcome of both increased seedings and more favourable weather than in 1945, when severe drought took a heavy toll of the wheat crop. Heavy rains in the late spring and early summer of the current year apparently did not damage the crop to the extent feared earlier, and the outturns in these countries are not only much above those of a year ago, but for Spain and Portugal are reported to be substantially above the 1935-39 average.

"Weather conditions in western Europe were generally more favourable than in 1945 and the fertilizer shortage was also relieved to some extent. As a result, wheat prospects were substantially improved in 1946. ...

"No production estimates have been received from northern European areas but the Scandinavian countries are reported as having about average prospects with little change from last year's relatively good crops expected. In Finland, however, the crop is expected to be below average, largely as a result of excessive rainfall.

"Conditions in central and eastern Europe are relatively the least favourable on the Continent. The lack of rainfall over much of this area in spring and early summer is reported to have caused extensive crop damage though rainfall later improved the outlook in parts of the area. "

WHEAT POLICY FOR WESTERN CANADA

On July 30, 1946 the Honourable James A. MacKinnon, Minister of Trade and Commerce, announced before the House of Commons, Canada's new wheat policy with respect to western producers and domestic and export prices. The text of his speech as recorded in Hansard is as follows:

Hon. J. A. MacKinnon (Minister of Trade and Commerce) - Mr. Speaker, as the house has been advised, the government's attention has been directed for some time to the question of wheat policy for western Canada. The United Kingdom-Canada wheat contract, signed on July 24 and announced to the house on July 25, is an important element in the new policy for western wheat producers that I now wish to describe. The contract establishes a market for a considerable proportion of the next four western wheat crops, with underlying price guarantees. This factor, along with the continued shortage of foodstuffs and the high prices of competing wheats, makes it possible to deal more generously with the wheat producer than I indicated in this house on March 20, 1946. At that time, I announced the continuation of the initial price at \$1.25 per bushel basis No. 1 Northern in store, Fort William-Port Arthur or Vancouver, for the 1946-47 crop year.

The new policy is based upon an initial price of \$1.35 per bushel basis No. 1 Northern in store Fort William-Port Arthur or Vancouver, applicable to all the wheat delivered to the Canadian Wheat Board in the five-year period from and including August 1, 1945 and July 31, 1950. The 1945-46 deliveries, based on an initial price of \$1.25 will be brought up to a \$1.35 basis by payment of a flat ten cents per bushel on all grades.

As the house has been informed, the payment of about 12 cents per bushel as participation on the 1943 crop is now under way. This participation payment will be followed by one on the 1944 crop the sale of which has progressed to a point where I am safe in saying that the participation payment will be upwards of 16 cents per bushel. After the ten cent payment on the 1945 crop has been made—to bring the initial payment up to \$1.35—the plan is to place the remaining surplus from that crop in a five-year pool with the succeeding four crops of 1946, 1947, 1948 and 1949. Participation certificates will be issued in the usual way, but the payment on these certificates will not be made until after the conclusion of the five-year pool at July 31, 1950. In other words, the deliveries of all five-years will be bulked in one pool, with the same initial price of \$1.35 ruling throughout the period and the surplus resulting from the marketing of these crops will constitute the participation payments.

In connection with deliveries, there was, of course, no restriction on 1945-46 deliveries and it is the intention of the government to instruct the Canadian Wheat Board to accept all the wheat that producers wish to deliver in 1946-47. The best information we can get indicates a continued over-all world shortage of wheat and wheat flour in the coming crop year. Deliveries in the last three years of the pool will depend upon conditions of production and of markets. It will be provided in the new orders that the deliverable quantities will be determined by the governor in council before each new crop year, but in any event, the deliverable quantity shall not be less than 14 bushels per authorized acre. The latter provision should safeguard wheat producers against an extreme reduction in deliverable amounts, should available markets be smaller than we expect.

I should also mention the provisions for domestic and export prices. In the interests of general price control that benefits the wheat producers along with other Canadians, the domestic price of wheat will be continued at \$1.25, with the government assuming carrying costs on the amounts of wheat used domestically. The government will continue to pay a drawback to millers covering the difference between 77 3/8 cents and 125 cents per bushel on wheat used in Canada for human consumption. This is, of course, not a direct charge against the producer. With regard to export

prices, the supplies for the United Kingdom will obviously be sold within the terms of the contract. In sales to non-contract countries, a serious effort will be made to sell at prices roughly corresponding to those of the other principal supplier—now, the United States. To this end, order in council P.C. 6122 of September 19, 1945 has been revoked. It will be remembered that through this order the government directed the Canadian Wheat Board for the time being not to exceed a sales price of \$1.55 per bushel for No. 1 Northern in store Fort William-Port Arthur or Vancouver in its export sales.

It will be apparent from what I have just said and from the terms of the United Kingdom-Canada wheat contract that the government considers it wise and advisable to continue the Canadian Wheat Board as the sole purchaser of western Canadian wheat from the producers. The government believes that the great majority of western producers are satisfied, for the present at least, with this method of marketing. The present powers of the Canadian Wheat Board will be extended under the National Emergency Transitional Powers Act for the duration of this statute. When it expires, the government will direct its attention to the form and authority under which the Board's powers may be further continued.

Other powers of the Board, such as delivery quotas, will continue to be employed as in the past. For 1946-47, however, the quotas will not be finally restrictive but employed for the purpose of fairly dividing elevator space and railway cars among all the producers.

The representations that have been made to the government by spokesmen for the organized producers of western Canada stress their great desire for stability, so far as it can be attained by government action, during the post-war years. I think it can be fairly said that the policy I have outlined helps the producers materially toward that objective. There is no question that the wheat producers have made possible the success of domestic price control by immediate sacrifices in their 1945-46 and current export prices. These sacrifices have also assisted in overseas rehabilitation. The government is convinced that the outlined policy will give fair and comparatively stable returns to the producers, so far as it is within the power of the government.

Mr. John Bracken (Leader of the Opposition) - Mr. Speaker, I wish to commend the minister for certain aspects of the announcement he has just made. I should like to ask one question which has to do with the non-deliverable wheat after this year. As I understand the minister's statement, he made four or five definite announcements. First, the initial price is to be increased from \$1.25 to \$1.35; second, the participation certificates are to be increased from 12 cents to 16 cents.

Mr. MacKinnon - For one year.

Mr. Bracken - Third, the Canadian Wheat Board is to be continued; fourth, all the wheat from this year's crop is to be accepted under the present terms, and fifth, the dominion is to assume all the cost of carrying the domestically used wheat.

Mr. MacKinnon - Assume the carrying charges.

Mr. Bracken - I understood the minister to say that there is no assurance that more than 14 bushels would be accepted in any one year after this year. Am I correct?

Mr. MacKinnon - Included in the statement is an announcement that the amount of wheat that will be taken from the producers each year will be reviewed each year, but there will be a minimum of 14 bushels per authorized acre.

Mr. Bracken - For each of the four years after this year?

Mr. MacKinnon - Each of the three years. The period for 1945-46 is almost past. For the next year we are taking all the wheat, and for the following year a minimum of 14 bushels per acre.

Mr. Bracken - It would be the next three years after this year?

Mr. MacKinnon - Yes—for 1947-48, 1948-49 and 1949-50.

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

<u>Week ending</u>	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Totals</u>	<u>Last Year</u>
		- bushels -			
August 1-2	-	-	112,355	112,355	1,643,649
9	29,396	79,152	137,853	246,401	1,070,379
16	8,686	123,772	249,883	382,341	2,045,803
23	96,463	755,302	921,069	1,772,834	5,368,793
30	1,271,860	4,568,677	1,685,584	7,526,121	6,832,745
September 6	2,240,434	4,665,078	2,139,568	9,045,080	7,218,921
13	2,444,009	9,681,705	3,518,952	15,644,666	15,518,385
20	963,800	7,020,619	3,844,220	11,828,639	14,619,037
27	444,784	3,974,279	1,024,858	5,443,921	12,662,549
October 4	2,067,492	3,428,517	1,613,780	7,109,789	12,429,817
11	4,198,777	10,147,043	5,647,547	19,993,367	12,129,372
18	2,686,475	14,274,064	7,079,466	24,040,005	17,889,562
25	1,236,158	9,375,221	5,120,006	15,731,385	17,118,910
November 1	1,275,290	7,071,685	3,256,083	11,603,058	16,813,108
8	983,850	7,259,954	2,266,876	10,510,680	13,202,329
15	548,654	3,401,162	1,403,183	5,352,999	12,283,645
22	563,398	2,927,636	1,249,802	4,740,836	11,730,036
29	397,061	2,758,969	1,348,822	4,504,852	9,797,987
December 6	415,040	3,220,454	1,322,269	4,957,763	7,101,707
13	418,686	2,385,278	1,071,454	3,875,418	8,794,546
20	222,497	1,305,273	846,361	2,374,131	8,727,864
27	179,247	1,164,776	688,466	2,032,489	4,990,520
January 3	200,023	1,416,085	492,204	2,108,312	3,514,237
10	565,523	2,628,773	1,493,312	4,687,608	4,729,367
17	401,077	2,467,033	1,310,217	4,178,327	7,209,926
24	198,829	1,141,194	1,078,059	2,418,082	6,386,020
31	132,666	635,905	658,645	1,427,216	5,414,776
February 7	125,328	338,561	416,868	880,757	3,225,434
14	116,387	402,761	498,218	1,017,366	2,960,808
21	90,057	465,047	541,270	1,096,374	2,430,701
28	152,664	805,267	681,000	1,638,931	3,796,921
March 7	147,692	985,658	621,921	1,755,271	3,332,843
14	193,905	766,368	644,189	1,604,462	3,928,029
21	175,336	801,489	666,783	1,643,608	2,759,393
28	100,666	466,710	465,554	1,032,930	2,186,764
April 4	130,624	573,836	420,362	1,124,822	2,761,272
11	221,034	1,335,842	624,253	2,181,129	4,767,559
18	339,663	1,691,081	631,407	2,662,151	3,776,348
25	418,798	2,384,689	715,136	3,518,623	5,281,428
May 2	357,753	1,693,468	705,547	2,756,768	3,376,635
9	324,361	1,157,720	590,211	2,072,292	2,711,113
16	299,763	1,391,027	518,704	2,209,494	2,547,657
23	196,655	1,271,033	502,217	1,971,905	2,210,532
30	323,781	1,696,524	666,740	2,687,045	3,969,828
June 6	290,428	1,506,027	388,704	2,185,159	4,089,300
13	234,540	1,416,617	392,901	2,044,058	4,924,755
20	252,097	1,924,234	628,055	2,804,386	4,609,146
27	263,171	2,134,080	671,725	3,068,976	5,231,864
July 4	204,178	2,233,843	567,546	3,005,567	2,505,577
11	110,520	738,966	384,112	1,233,598	4,615,826
18 1/	73,801	918,122	409,856	1,401,779	5,261,254
25	134,250	1,533,654	529,731	2,197,635	6,631,233
31	248,460	2,093,653	779,219	3,121,332	11,795,117
T o t a l	29,718,087	140,603,883	66,243,123	236,565,093	352,931,327

1/ Revised.

Visible Supplies - The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on August 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	1,150	3,050	9,570
Saskatchewan	5,375	22,020	65,480
Alberta	4,640	27,750	51,690
T o t a l	11,165	52,820	126,740
Interior Private and Mill Elevators	3,563	5,878	5,961
Interior Public and Semi-Public Terminals	97	8,939	10,991
Pacific Ports	1,714	15,772	16,810
Churchill	1,242	1,878	1,878
Fort William and Port Arthur	4,512	45,076	27,843
Eastern Elevators - Lake Ports	7,442	23,778	34,327
St. Lawrence and Seaboard Ports	3,473	8,141	21,284
United States Ports	119	14,232	15,103
In Transit - Lakes	744	5,763	2,379
In Transit - Rail	3,906	19,559	26,622
In Transit - U.S.A.	-	7,536	5,692
T o t a l	37,977	209,372	295,630

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

Preliminary figures reveal that shipments of the five principal grains from Fort William-Port Arthur since the opening of navigation to August 14 were nearly 65 per cent smaller than the record shipments of the corresponding period a year ago. Depleted Lakehead stocks of grain have been the major cause of the reduced lake movement for the period July 14 to August 14. During that time only 16 million bushels were moved as against 58.7 million for the same period in 1945. Except for 22,104 bushels consigned to the United States, all lake shipments of wheat have been destined for Canadian ports.

	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>	<u>Total</u>
	- bushels -					
1939	79,668,349	9,563,237	6,952,591	1,803,971	64,804	98,052,952
1940	96,863,586	9,367,815	3,775,448	1,963,264	328,682	112,298,795
1941	138,842,322	5,132,894	3,556,109	3,449,642	801,609	151,782,576
1942	107,989,751	1,209,346	1,789,148	698,423	295,412	111,982,080
1943	105,353,575	21,513,885	25,461,662	1,259,098	2,388,652	155,976,872
1944	157,477,444	35,144,606	23,360,245	5,362,419	3,685,961	225,030,675
1945	186,259,061	53,666,627	21,848,130	3,171,690	1,941,220	266,886,728
1946	51,079,939	30,609,175	10,383,037	696,150	899,343	93,667,644

Rail Movement from Fort William-Port Arthur - During the 1945-46 season the rail movement of wheat from Fort William-Port Arthur totalled 13.0 million bushels as against 5.8 million bushels shipped for the crop year 1944-45. Compared with the previous month, July 1946 shipments from the Lakehead declined by more than 85 per cent. Much of this decrease can be attributed to a sharp drop in the shipments to Quebec, which dwindled from 628,900 bushels in June to 56,708 bushels a month later. Ontario too, received substantially reduced shipments during July.

With the exception of 3,000 bushels of No. 2 Northern destined for Quebec, the July wheat shipments were entirely composed of the lower grades. July marks the first month since February of this year that Quebec has failed to receive the largest shipment of wheat from the Lakehead.

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

	<u>1945-46</u>	<u>1944-45</u>	<u>1943-44</u>	<u>1942-43</u>
	- bushels -			
August	23,255	91,891	990,879	390,263
September	57,533	169,603	1,547,042	600,921
October	73,776	86,571	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	4,364,157	1,757,163
February	1,127,764	764,629	4,397,318	3,196,248
March	2,223,266	1,091,909	1,076,193	1,997,276
April	1,015,730	196,042	107,257	3,968,148
May	536,462	66,154	269,533	1,135,059
June	920,233	58,642	108,739	999,605
July	130,276	52,726	47,517	983,323
Total - 12 months ..	13,021,835	5,848,056	15,298,474	20,795,181

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

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island
	- bushels -				
2 Northern	-	3,000	-	-	-
4 Northern	27,034	31,375	2,500	1,833	2,300
No. 5	9,430	4,000	500	1,000	-
Feed	3,000	8,000	1,000	-	1,000
Rej. 4 Northern	10,500	3,334	-	-	1,000
Rejected No. 5	4,000	6,000	-	1,000	-
Rej. 2 Nor. Mxd. Htd.	1,513	-	-	-	-
Rej. 3 Nor. Mxd. Htd.	1,457	-	-	-	-
1 C.W.A.D.	4,500	1,000	-	-	-
T o t a l	61,434	56,709	4,000	3,833	4,300

GRAND TOTAL 130,276

Freight Assistance Shipments -

Claims paid on Freight Assistance Shipments

during the first eleven months of the 1945-46 season reveal that the total movement of wheat under this scheme was only slightly more than a million bushels above that for the same period a year earlier. While the filing of additional claims at a later date will raise somewhat the total monthly shipments for the last couple of months, it will not entirely overcome the decline apparent since last March and attributable, in part, to the scarcity of feed wheat supplies.

Millfeed supplies moving under the Freight Assistance plan are also slightly larger this year with Quebec continuing to absorb the larger share of these by-product feeds.

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

1945-46	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia	Total
- bushels -							
August	1,163,783	864,462	74,287	83,563	68,320	353,505	2,607,920
September ..	1,026,213	848,778	97,768	91,215	51,017	344,563	2,459,554
October	1,223,795	972,008	101,615	99,648	41,420	364,420	2,802,906
November ...	1,099,365	891,155	99,748	112,468	44,445	316,217	2,563,398
December ...	1,179,240	664,675	90,863	128,237	40,288	322,093	2,425,396
January	1,057,123	655,617	93,558	94,072	37,940	299,182	2,237,492
February ...	1,091,722	609,670	53,937	66,675	34,523	266,528	2,123,055
March	1,407,023	811,562	88,590	86,530	59,230	292,685	2,745,620
April	845,642	721,360	55,545	82,153	47,358	284,812	2,036,870
May	751,245	599,368	56,732	61,522	43,840	369,750	1,882,457
June	305,247	351,435	47,677	47,528	20,548	78,303	850,738
T o t a l ..	11,150,398	7,990,090	860,320	953,611	488,929	3,292,058	24,735,406
Same Period 1944-45	10,337,524	7,490,909	812,861	1,058,212	365,168	3,380,290	23,444,964

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

	August 1, 1945 to June 30, 1946	August 1, 1944 to June 30, 1945
- tons -		
Ontario	227,582	217,327
Quebec	283,819	277,648
New Brunswick	49,692	47,952
Nova Scotia	51,241	55,680
Prince Edward Island	13,428	10,989
T o t a l	625,762	609,596

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

	Overseas Clearances of Canadian Wheat	U. S. Imports of Canadian Wheat for consumption and milling in bond	Customs Exports of Canadian Wheat Flour	Total	Customs Exports of Wheat and Wheat Flour
<u>1943-44</u>			- 000 bushels -		
August	13,926	8,744	5,047	27,717	23,143
September ..	8,950	9,332	3,933	22,215	21,426
October	7,424	12,597	3,824	23,845	23,791
November ...	7,900	11,429	3,860	23,189	28,733
December ...	10,639	9,802	4,979	25,420	43,022
January	10,956	14,178	5,063	30,197	22,336
February ...	8,977	20,704	3,844	33,525	24,655
March	7,859	14,529	5,518	27,906	20,566
April	9,394	24,979	6,943	41,316	40,092
May	14,148	15,420	7,090	36,658	40,009
June	11,720	8,617	5,999	26,336	31,061
July	11,444	9,497	4,490	25,431	29,640
T o t a l ..	123,337	159,828	60,590	343,755	348,474
<u>1944-45</u>					
August	12,351	9,043	3,391	24,785	19,899
September ..	11,798	8,940	5,470	26,208	32,107
October	15,428	5,758	4,908	26,094	33,624
November ...	14,658	4,891	4,417	23,966	27,601
December ...	9,972	2,169	5,591	17,732	32,815
January	14,730	1,413	3,781	19,924	8,944
February ...	10,858	766	4,642	16,266	11,998
March	13,890	763	5,571	20,224	15,665
April	22,703	2,157	6,154	31,014	21,606
May	39,351	2,499	6,307	48,157	35,432
June	34,366	1,725	7,257	43,348	50,552
July	38,322	1,737	5,168	45,227	43,362
T o t a l ..	238,427	41,861	62,657	342,945	333,605
<u>1945-46 1/</u>					
August	34,227	1,114	4,979	40,320	48,074
September ..	22,454	1,143	4,294	27,891	34,428
October	40,764	1,265	4,789	46,818	36,139
November ...	30,424	2,139	4,501	37,064	42,817
December ...	17,755	1,582	4,344	23,681	42,443
January	22,443	1,988	5,125	29,556	20,373
February ...	18,512	352	5,111	23,975	14,959
March	21,054	587	4,690	26,331	20,075
April	16,612	559	6,651	23,822	20,095
May	16,524	465	7,507	24,496	23,003
June	16,546	2/	4,771	21,317	14,718
July	6,969	2/	5,276	12,245	18,910
T o t a l ..	264,284	11,194	62,038	337,516	336,034

1/ Subject to revision.

2/ Not yet available.

Selling Prices of Canadian Wheat - On July 30 the Minister of Trade and Commerce announced that with the exception of the United Kingdom, which is a contract country, the fixed price of \$1.55 per bushel, basis in store Fort William-Port Arthur, or Vancouver, to non-contract countries would be lifted and an attempt made to sell at prices roughly corresponding to those of the United States. Since August 1, the price of No. 1 Northern to non-contract countries has been quoted at \$2.05 per bushel. This is not a fixed price and will be subject to change as supply and demand vary.

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

1/ Selling price to United Kingdom only.

CARRY-OVER OF CANADIAN GRAIN AT JULY 31, 1946

The Canadian carry-over of wheat at July 31, 1946 stood at 69,858,181 bushels as against 258,072,830 bushels at the end of July 1945 and is the lowest carry-over figure recorded since 1938. The reduction was due mainly to a small wheat crop in 1945 and the high level of exports achieved during the crop year. Reductions also occurred in the carry-over of oats, rye and flaxseed.

Stocks of grain remaining on farms were also reduced during the crop year. Stocks of wheat on farms at 27,203,000 bushels were moderately below the 28,650,000 bushels on farms at the same date a year ago and compare with 53,871,000 bushels at the end of July 1944. Farm stocks of coarse grains are below those of July 31, 1944. The farm position in each of the three Prairie Provinces is shown in the following table.

Farm Stocks in Prairie Provinces, July 31, 1946

	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>
	- bushels -				
Manitoba	1,773,000	6,166,000	2,830,000	7,400	57,000
Saskatchewan	15,283,000	21,688,000	4,966,000	111,000	489,000
Alberta	8,785,000	13,048,000	5,454,000	97,000	89,000
Prairie Provinces ...	25,841,000	40,902,000	13,250,000	215,400	635,000

Position of Canadian Grain Stocks, July 31, 1946

	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flaxseed</u>
	- bushels -				
<u>In Canada</u>					
On Farms	27,203,000	51,087,000	13,884,000	253,000	643,000
Country & Pte. Term. Elevs. .	11,200,198	5,446,800	5,868,896	210,363	60,921
Western Mills & Mill Elevs. .	3,974,865	1,329,429	321,643	30,021	65,073
Interior Terminal Elevators .	44,159	874,091	1,078,713	-	47,785
Vancouver-New Westminster ...	1,628,845	730,467	96,301	-	-
Victoria and Prince Rupert ..	-	-	-	-	-
Churchill	1,877,737	57	-	-	-
Port William-Port Arthur	3,035,317	3,572,850	2,314,086	70,364	338,017
In Transit - Lakes	1,672,784	865,116	532,161	20,000	15,975
In Transit - Rail	6,437,303	2,849,757	1,255,765	40,538	12,556
Eastern Elevators	9,853,173	7,922,521	3,806,084	81,750	459,932
Eastern Mills	2,796,800	543,400	372,500	8,450	-
Total in Canada	69,724,181	75,221,488	29,530,149	714,486	1,643,259
Canadian Grain in U.S.A.	134,000	-	104,540	-	-
Total Canadian Grain in Canada and United States ...	69,858,181	75,221,488	29,634,689	714,486	1,643,259
<u>Carry-over on July 31, 1945 - Revised</u>					
In Canada	238,480,041	94,749,878	28,253,191	2,023,933	2,932,111
In United States	19,592,789	3,505,284	665,990	-	-
Total in Canada and U.S.A. ..	258,072,830	98,255,162	28,919,181	2,023,933	2,932,111

Canadian Wheat Carry-Over 1922-1946 - The total carry-over of 69.9 million bushels of Canadian wheat in North American positions on July 31, 1946 was the smallest since 1938. A small crop in 1945 and a high level of exports during the crop year are chiefly responsible for the sharp decline from the 258.1 million-bushel carry-over of a year ago. A feature of the present carry-over position is the 134,000-bushel carry-over of Canadian wheat in the United States, the smallest year-end stock figure ever recorded for that country. Details of stock positions will be found on the preceding page.

Carry-over of Canadian Wheat in Canada and the United States

	Carry-over of Wheat in Canada	Stocks of Canadian Wheat in U. S. Ports	Total Carry-over of Canadian Wheat in Canada and U.S.
	bu.	bu.	bu.
September 1, 1922	20,591,000	1,558,092	22,149,092
1923	11,690,296	483,324	12,173,620
August 1, 1924	45,158,819	2,958,084	48,116,903
1925	27,713,810	3,027,284	30,741,094
1926	36,475,183	3,664,179	40,139,362
1927	50,786,435	4,835,148	55,621,583
1928	77,547,071	13,609,623	91,156,694
1929	104,325,221	22,913,925	127,239,146
1930	110,516,848	16,065,242	126,582,090
1931	133,059,501	5,538,334	138,597,835
1932	130,053,092	5,888,255	135,941,347
1933	209,968,856	7,688,210	217,657,066
1934	192,947,925	9,954,252	202,902,177
1935	202,147,582	11,704,536	213,852,118
1936	108,094,277	19,268,321	127,362,598
1937	32,937,991	4,110,848	37,048,839
1938	23,553,228	982,630	24,535,858
1939	94,631,948	8,278,905	102,910,853
1940	272,927,932	27,545,533	300,473,465
1941	448,337,801	31,791,510	480,129,311
1942	404,896,791	18,855,546	423,752,337
1943	579,370,626	15,255,393	594,626,019
1944	338,137,557	18,393,522	356,531,079
1/ 1945	238,480,041	19,592,789	258,072,830
2/ 1946	69,724,181	134,000	69,858,181

1/ Revised. 2/ Preliminary.

It should be pointed out that the figures in the above table are not strictly comparable because of certain omissions in the earlier years. Figures for the years 1922 to 1923, for instance, do not include wheat afloat to Canadian lake or river ports, while from 1922 to 1931, wheat afloat for United States ports was not included. It should be noted further that from 1922 to 1931, the stocks of Canadian wheat in United States lake and seaboard ports are reported for the week-end nearest to the close of the crop year. Stocks of Canadian wheat held in bond by United States flour mills were omitted each year until 1940-41 when they were included for the first time, and have since been part of the carry-over. The carry-over totals now include all Canadian wheat in North American positions, whether on farms, in store or in transit.

Field Crop Conditions at July 31, 1946 - The following is extracted from the Dominion Bureau of Statistics' report on the condition of field crops as of August 9, 1946:

With the exception of pasture crops, the numerical condition of the principal field crops in Canada at the end of July revealed only relatively small changes from the condition data of June 30, 1946. During the month, some crops suffered slight deterioration while others posted small gains. The condition of spring wheat, based on weather factors, improved in Manitoba and Saskatchewan during the month and declined only one per cent in Alberta. With the exception of Manitoba, the condition of oats was slightly lower in the Prairie Provinces, while barley gained in Manitoba, lost in Saskatchewan and remained relatively constant in Alberta.

The condition of coarse grains deteriorated in all of the five eastern provinces during July, while Nova Scotia was the exception to the decline in the spring wheat condition in that area. Flaxseed gains were noted in Manitoba and Saskatchewan but only slight losses occurred in Ontario and Alberta.

The condition data for all crops with the exception of spring wheat in the Prairie Provinces are obtained through the medium of reports from hundreds of informed persons who express their opinion of crop conditions at July 31, as a percentage of the long-time average yield per acre. The condition figures for the western wheat crop are derived from an analysis of weather factors. In each case it is emphasized that numerical condition figures do not necessarily reflect ultimate yields. Any deviations from normal in respect to weather factors, plant diseases, or insect infestations occurring between July 31 and harvest time may lead to outturns which will vary considerably from those apparently indicated by the July 31 numerical condition figures.

The first estimate of the Ontario winter wheat crop places the outturn at 16,052,000 bushels as against 20,115,000 bushels a year ago. The acreage remaining for harvest this year is 546,000 acres, a substantial decrease from the 675,000 acres harvested a year ago. The yield per acre is placed at 29.4 bushels as compared with 29.8 bushels per acre in 1945.

Fall rye production in the four provinces growing this crop is estimated at 5,122,000 bushels from 335,000 acres and compares with 4,062,000 bushels from 317,500 acres last season. Substantially increased rye acreages in Alberta and Saskatchewan have more than offset the acreage reduction in Ontario. The yield per acre for this crop is 15.3 bushels this year as against 12.8 bushels in 1945.

Comparison with 1945 - With the exception of such forage crops as hay and clover and pasture, together with buckwheat, the condition of field crops in Canada at the end of July 1946 is generally much more favourable than at the same date a year ago. The improvement is most marked in the Prairie Provinces, especially Saskatchewan and Alberta. With the exception of the forage crops and sugar beets, conditions in Ontario appear to be somewhat improved over those of 1945. Generally dry weather in Quebec and the Maritimes has allowed very little, if any, improvement in crop conditions in those provinces and in the case of Quebec the over-all prospects appear to be below those of last year. Conditions in British Columbia are, for the most part, much better than at July 31, 1945 and in many instances they are close to normal.

Forage crops in all provinces, except Saskatchewan, Alberta and British Columbia are decidedly poorer than a year ago. Especially is this true in Quebec and the Maritimes. Next to the spring wheat crop the flaxseed condition figures display the most pronounced improvement over last year's prospects at July 31 and are closely followed by those of rye. The condition of dry peas and beans is much improved this year and husking corn prospects are more promising than a year ago.

Condition of Wheat by Crop Districts in the Prairie Provinces - The two charts on page 16 of this Review show the condition of the spring wheat crop within crop districts of the Prairie Provinces at July 31, 1946 and 1945. The charts are directly comparable. The crop district condition figures are based on the more important weather factors affecting the growth of the wheat plant, including precipitation during the preceding autumn period, and precipitation and temperatures during the growing season from April to July.

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

In Manitoba, the wheat crop in crop districts 10 and 11 benefited greatly from well above normal rainfall during July and compares favourably with the condition of a year ago. Elsewhere in the province the condition of wheat is lower than at July 31st of the previous year. Districts 1 and 12 recorded the lowest condition.

All crop districts in Saskatchewan, with two exceptions, show increases in the condition of wheat compared with last year. In district 3B no change in condition is indicated, while a considerable reduction is evident in district 1A.

Apart from districts 2 and 16, crop district wheat conditions in Alberta at July 31, this year were considerably higher than in 1945. The wheat condition figure in district 2 dropped slightly in comparison with the previous year. Below-normal rainfall throughout the season in district 16 reduced the condition figures below the normal of 100.

Summary of Weather during July, Prairie Provinces - Precipitation during July was very favourable to crops in Manitoba and Saskatchewan, averaging 32 and 15 per cent respectively above normal. In Alberta rainfall during the month averaged 23 per cent below normal. Temperatures, on the other hand, were normal or lower in all three provinces, with Manitoba averaging not quite one degree below normal.

Rainfall within the provinces was variable. In Manitoba below-normal amounts were received in crop districts 4, 5, 6 and 13, with normal or better rainfall in the remaining districts. Districts 10 and 11 received bountiful rains averaging three to four inches over normal. Precipitation in south-eastern, south-central and east-central Saskatchewan during the month was well above normal while districts 8B and 9A were slightly above normal. Elsewhere in the province July rains were below normal, the western third of the province suffering most from inadequate moisture supplies. Only one district, number 14, in Alberta received above-normal precipitation. Appreciably below-normal amounts were recorded in districts 7, 9, 12, and 16.

Below normal temperatures were experienced in all crop districts of Manitoba, with the exception of districts 10, 12 and 13. Temperatures averaged higher than normal in south-central, and western Saskatchewan crop districts, further accentuating the relatively dry conditions in those districts. Other districts experienced below-normal temperatures which were considerably lower in east-central and north-central Saskatchewan. Temperatures in eastern Alberta districts were above-normal becoming lower toward the western border.

Frosts which occurred on the nights of July 22 to 24 across the northern and central sections of Saskatchewan and Alberta have caused undetermined damage to crops, particularly on low-lying fields. Some reduction in both yield and grade of wheat is expected.

For all Canada, the condition of field crops at July 31, 1946, expressed in percentage of the long-time average yield per acre, was as follows, with the condition at June 30, 1946 and July 31, 1945, within brackets: Spring wheat 126 (122, 92); oats 86 (89, 71); barley 86 (84, 71); spring rye 87 (87, 67); peas 90 (93, 80); beans 93 (92, 83); buckwheat 86 (94, 91); mixed grains 93 (96, 85); flaxseed 89 (83, 68); corn for husking 91 (82, 77); potatoes 92 (95, 88); turnips, etc. 89 (94, 89); hay and clover 86 (88, 101); fodder corn 89 (92, 84); sugar beets 92 (95, 93); pasture 82 (93, 99).

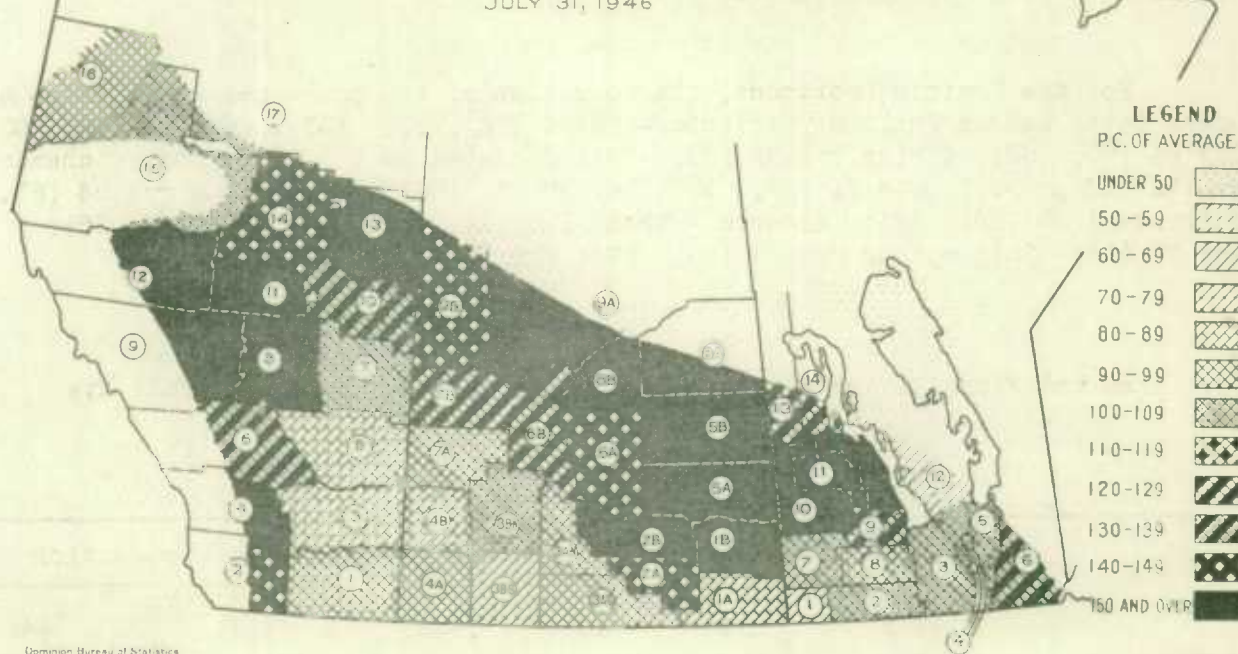
For the Prairie Provinces, the condition of the principal grain crops at the same dates was as follows: Manitoba - Wheat 112 (103, 139); oats 84 (70, 83); barley 84 (70, 82); spring rye 89 (72, 78); flaxseed 88 (75, 85); Saskatchewan - Wheat 129 (123, 90); oats 81 (87, 67); barley 81 (84, 70); spring rye 84 (85, 67); flaxseed 88 (85, 62); Alberta - Wheat 126 (127, 80); oats 95 (98, 55); barley 97 (96, 56); spring rye 95 (93, 59); flaxseed 93 (94, 62).

1. Area and First Estimate of the Production of Fall Wheat, and Fall Rye
(First Cutting), 1945 and 1946.

	Area		Yield Per Acre		Production	
	1945	1946	1945	1946	1945	1946
	acres		bushels		bushels	
<u>Fall Wheat</u>						
Ontario	675,000	546,000	29.8	29.4	20,115,000	16,052,000
<u>Fall Rye</u>						
Ontario	67,500	49,000	18.5	19.9	1,249,000	975,000
Manitoba	19,000	17,000	14.9	17.0	283,000	289,000
Saskatchewan	148,000	179,000	9.0	12.0	1,332,000	2,148,000
Alberta	83,000	90,000	14.5	19.0	1,204,000	1,710,000
CANADA	317,500	335,000	12.8	15.3	4,068,000	5,122,000

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

JULY 31, 1946



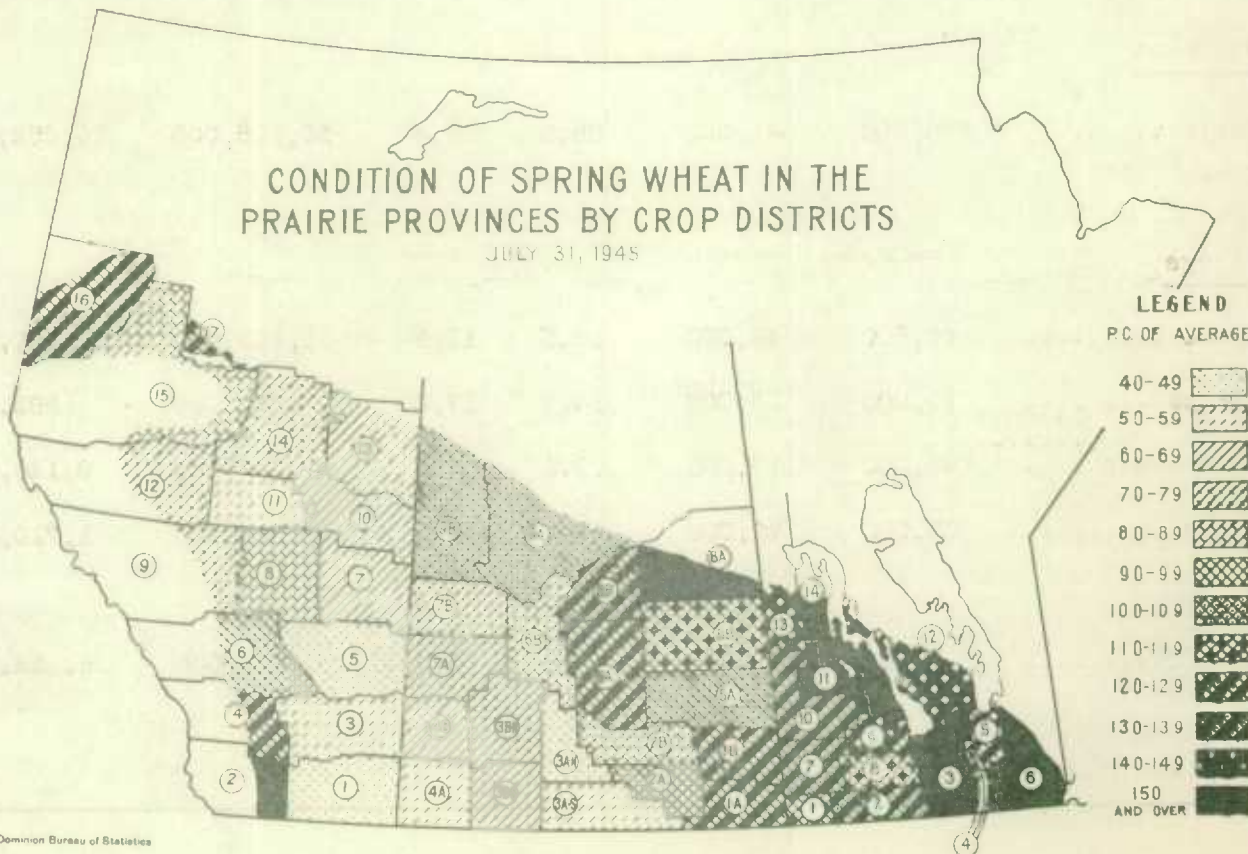
Dominion Bureau of Statistics

LEGEND P.C. OF AVERAGE

UNDER 50	[Stippled pattern]
50-59	[Diagonal lines, top-left to bottom-right]
60-69	[Diagonal lines, bottom-left to top-right]
70-79	[Cross-hatch pattern]
80-89	[Dense cross-hatch pattern]
90-99	[Dense stippled pattern]
100-109	[Dense cross-hatch pattern]
110-119	[Dense stippled pattern]
120-129	[Dense cross-hatch pattern]
130-139	[Dense stippled pattern]
140-149	[Dense cross-hatch pattern]
150 AND OVER	[Solid black]

CONDITION OF SPRING WHEAT IN THE PRAIRIE PROVINCES BY CROP DISTRICTS

JULY 31, 1945



Dominion Bureau of Statistics

LEGEND P.C. OF AVERAGE

40-49	[Stippled pattern]
50-59	[Diagonal lines, top-left to bottom-right]
60-69	[Diagonal lines, bottom-left to top-right]
70-79	[Cross-hatch pattern]
80-89	[Dense cross-hatch pattern]
90-99	[Dense stippled pattern]
100-109	[Dense cross-hatch pattern]
110-119	[Dense stippled pattern]
120-129	[Dense cross-hatch pattern]
130-139	[Dense stippled pattern]
140-149	[Dense cross-hatch pattern]
150 AND OVER	[Solid black]

Telegraphic Crop Report - The following is quoted from the telegraphic report issued by the Dominion Bureau of Statistics on August 20, 1946:

Summary - Reports from Manitoba reveal that broken weather during the past week has delayed harvesting, especially threshing. Most of the crops in the southern districts have been cut and about 20 per cent threshed. In the north swathing is becoming general. Most of the wheat is expected to yield well. Early-sown oats and barley outturns are expected to be only fair, while the late-sown coarse grains appear to be poor. Rains have benefited flax, sunflowers, beets and potatoes. Outside of some hail, crop damage has been held to a minimum.

Harvesting operations in Saskatchewan are reported to be making good progress in southern and central districts, while in others they are just getting under way. From 20 to 40 per cent of the wheat has been cut, swathed or combined in the more advanced areas and the cutting of the coarse grains is progressing favourably in southern and central sections. For the province as a whole, it is estimated that 17 per cent of the wheat, 23 per cent of the oats and 34 per cent of the barley has been cut or harvested. Generally speaking, crop prospects have been maintained in most areas and good to fair yields are expected in the eastern half of the province and on the heavy soils of the west-central district. In other regions prospects are fair to poor. Sawfly infestation is serious in south-central and south-western districts and farmers are swathing the wheat crop to prevent heavy losses. Recent rains have benefited late-sown crops but have delayed cutting operations in many districts. Hail damage is reported in some areas. Live stock generally are in good condition and pastures have improved as a result of the rains.

Cooler weather prevailed over Alberta during the past week with heavy rains in the central districts and lighter showers elsewhere. Cutting is general in southern and Peace River districts and is expected to be general in the remaining districts in two weeks. Some cutting of early crops has occurred in the central and northern areas. Yields in the south-east are poor to fair and in the Peace River district outturns are fair but below average. Yield prospects elsewhere in the province are fair to good. Losses from the wheat stem sawfly have been severe in parts of southern Alberta. The pale western cutworm moth is reported in flight.

Manitoba - Harvesting in Manitoba has been delayed during the past week by broken weather. Most crops in the southern sections have been good and are 20 per cent threshed. In the north, cutting and swathing are becoming general. Most of the wheat will yield well, while oats and barley outturns will vary from fair to poor.

At Morden during the last week 1.17 inches of rain delayed harvest operations. Present indications suggest that wheat may average 20 bushels per acre, oats 30 and barley 28. Row crops are benefiting from the recent rain and corn and sunflower crops look good. The potato crop is fair and pastures good. Hail in the south-east part of the district caused heavy damage.

Around Teulon 90 per cent of the grain has been cut and some threshed. The first carload of wheat graded No. 1 and 2 Northern. Yields vary from 20 to 35 bushels per acre. Barley has been grading around 3 C.W., and the average yields have been approximately 30 bushels per acre. First yields of oats have been a fair sample and have been running around 40 bushels per acre.

At Melita, in the south-west, 1.5 inches of rain last week delayed harvesting. Eighty-five per cent of the cutting is now complete. So far very little combining or threshing has been done. Some hail damage occurred in restricted areas.

At Portage la Prairie 90 per cent of all crops has been cut, except flax. Forty per cent of the wheat and 60 per cent of the oats and barley have been threshed and in another ten days the harvest will be complete. Light showers delayed work most of last week. Sugar beets are excellent, potato crops are good and pastures are improving. No frost or hail damage is reported but dry weather is needed.

Heavy rains at Dauphin halted harvesting until the middle of last week. The first wheat is grading No. 2 Northern and is beginning to show some second growth. The average yield is likely to be 25 bushels per acre. Beardless barley yields are expected to vary from 20 to 35 bushels and malting barley prospects are good with yields of 35 bushels per acre. Field peas promise an average yield of 25 bushels per acre.

Light to heavy hail has been experienced at St. Jean, Melita, Sinclair, Napinka, Lyleton, Elkhorn, Broomhill, Cypress River, Treherne, Deloraine, Glenboro, Pierson, Elva, Starbuck, Darlingford, Manitou and Russell.

Average precipitation for the province since April 1 has been 11 per cent below normal as compared with 16 per cent below normal a week ago. Mean temperature for the week ending August 19 was one degree below normal.

Saskatchewan - During the past week crop prospects in Saskatchewan have generally been maintained in most areas and good to fair yields are expected in the eastern half of the province, and on the heavy soils of the west-central district. In other regions prospects are fair to poor. Harvesting operations have made good progress in southern and central districts, while in other areas it has just commenced. Cutting of coarse grains is also well under way in southern and central districts. Sawfly infestation is serious in the south-central and south-western parts of the province, and the farmers are swathing the wheat crop in order to prevent further loss.

In the south-eastern sections, around Indian Head, periodic showers throughout the week, totalling .75 of an inch, held up harvesting operations practically all week. Cutting and swathing of coarse grains and wheat have become quite general throughout the district, but late-sown wheat will not be ready to combine for a week or ten days. Some sawfly damage has been noted in early crops. Rains have greatly improved pasture fields and live stock are in good condition.

At Yellow Grass combining will start in the next couple of days if the weather remains dry. Wheat is expected to grade No. 2 Northern and average 18 to 20 bushels per acre. At Willowbrook in the east-central district harvesting is 25 per cent completed. Rains within the last few days have hampered operations, but they will help late-sown oats. The weather has been very cool, but no frost or other damage to crops has been reported. First threshings around Rosetown indicate an average grade for wheat of No. 3 Northern and a yield of 20 bushels per acre. The hot, dry weather of a couple of weeks ago has resulted in some shrunken grain.

During the week the Melfort district received 1.08 inches of rain and as a result, late-sown crops should yield more than previously estimated. Swathing is now in full swing, and a little straight combining has been done. Continued wet weather in the south-west has prevented progress with harvesting during the past two weeks. Wheat has continued to go down from sawfly cutting, and the damage throughout the district now varies from slight to 90 per cent, with many fields showing 25 to 50 per cent down.

In the Kincaid district harvesting of oats and barley is mostly completed. Much of it was cut with binders to save the straw for feed. Swathing of wheat is under way and some combining started. There has been considerable damage from sawfly, and the wheat is expected to yield from 5 to 15 bushels per acre. Grasshoppers are causing some damage to late oats.

In the north-west, around Prince, moisture conditions are good and wheat is filling well where it was not hurt previously with frost and drought. It is expected to grade lower in the surrounding districts than a year ago. Recent showers

will improve the oat crop. At Scott, cutting was delayed last week by the rains but it is now in full swing, with binders and swathers. Combining has started north of the South Saskatchewan River. No reports have been received on wheat yields, but it is anticipated that they will be light west of Saskatoon to Unity, but above average west of Zealandis and south to the River.

Considerable hail damage is reported from the following storms: August 13 at Redvers, Alameda, Bengough, Willow Bunch, Glentworth, Carlyle, Heward, Creelman, Kincaid, Ponteix, Fillmore, Cedoux, Bayard, Dunkirk, Francis, Drunkwater, Mossbank, Regina, Tudford, Lumsden, Markinch and Davidson; August 14 at Gainsborough, Oxbow, Bienfait, Torquay, Lafleche and Aneroid.

Average precipitation for the province since April 1 has been fractionally below normal as compared with 5 per cent below normal a week ago. Mean temperature for the week ending August 19 was one degree above normal.

Alberta - Light to heavy rains occurred in Alberta during the past week, with the central and north-central districts experiencing the heavier fall. In some areas crops are too far advanced to benefit from the additional moisture supplies, while in others the late-sown crops have shown improvement. In spite of temperatures which were generally below normal the crops moved rapidly toward maturity. Cutting is general in the south and in the Peace River district with early outturns promising only poor to fair yields. Combining in the south-east is in full swing and harvesting of oats and barley is completed. In the area of Manyberries the expected wheat yield is below average and much low-grade wheat is anticipated.

In the south-western districts harvesting operations are not as far advanced. In the Cardston area thirty per cent of the grain has been cut and threshing and combining is expected to be general by the end of the week. Wet weather in other areas held up the harvest. Threshing is not far enough advanced in these districts to indicate outturns but average or better yields are anticipated.

Crop development in central Alberta is variable. Some early fields of grain have been cut but harvesting is not expected to be general before one to two weeks. Prospects for wheat are very good in all central districts whereas some reports for rye and oats indicate less promising yields. Some lodging resulting from rain and snow occurred in the Calgary area. Pastures benefited from the rainfall.

In the north-central districts some cutting of barley and wheat is reported. Harvesting, however, will not get under way for another week. Plenty of sunshine during the week was ideal for ripening of the grain fields and prospects remain very good.

Cutting is general in the Peace River district and fair yields are anticipated. Good grades are expected except in low-lying fields touched by early frosts. Snow-flattened crops in the western part of the district during the week and some hail damage was reported in small areas.

Average precipitation for the province since April 1 has been two per cent below normal as compared with 4 per cent below normal a week ago. Mean temperature for the week ending August 19 was one degree below normal.

UNITED STATES SITUATION

United States Wheat Crop Largest On Record - The Crop Reporting Board of the United States Department of Agriculture reveals that the indicated production of all wheat, as of August 1, was 1,160 million bushels or about 37 million bushels above the previous record of 1,123 million bushels set last year. Winter wheat yields exceeded earlier expectations, and timely rains in the spring wheat belt raised the production outlook 70 million bushels above the July 1 estimate. Winter wheat production of 880 million bushels is an all-time high, exceeding the previous record of 825 million bushels in 1931 by 6.6 per cent. The August 1 preliminary yield estimate for winter wheat is 18.6 bushels per acre, a bushel higher than last year and 2.7 bushels above average.

Spring Wheat Production - Although the indicated spring wheat production of 280.5 million bushels at August 1 was 6 per cent less than last year's production of nearly 300 million bushels, it is still 24 per cent above average. The August 1 indicated production represents a 48 million bushel increase over that of a month earlier. Spring wheat yields are now placed at 15.2 bushels per acre, 1.4 bushels below the 1945 yield figure, but above the average of 13.9 bushels per acre.

Harvest Earlier Than Usual - Harvesting this year has been much earlier than usual. This early harvest and the tremendous volume of wheat moving out of the fields is placing a heavy load on farm and local market storage and transportation facilities. To facilitate timely harvesting, much wheat has been piled on the ground in some areas, but reports have given no evidence of resultant spoilage except in some cases of wheat harvested with a high moisture content.

Carry-over Stocks Lowest Since 1937 - With the exception of 1937, the United States' carry-over wheat stocks of 101 million bushels at June 30, were the smallest in twenty years. This old-crop figure, when added to the present prospective crop, gives a total supply for the 1946-47 season of 1,261 million bushels as against 1,404 million bushels for the past season. With a larger crop in prospect than was earlier anticipated, the wheat situation has improved greatly and the tentative estimates of distribution for the present season are, (millions of bushels): food 450; feed 150; seed 85; and exports upwards of 250 million bushels.

Acreage Goals For 1947 Announced - State wheat acreage goals for 1947, totalling 71.7 million acres, were announced on August 14. This acreage figure recommended by State Goals Committees is nearly the same as the indicated plantings of 71.9 million acres in 1946. About 70 per cent of the total will be planted to winter wheat and the remainder to spring wheat. If yields in 1947 equal those of the last few years, the 1947 acreage would produce the fourth successive crop of more than a billion bushels. Because of the low level of world food stocks, the proposed acreage is somewhat larger than would normally be desirable for proper conservation and land utilization.

Changes Announced In Export Goals And Domestic Restrictions - On August 24 Secretary of Agriculture Anderson announced an increase in the goal for total United States grain exports during the 1946-47 marketing year and partial removal of limitations on the domestic use of grains. In making this announcement, Mr. Anderson said, "Consideration of the effects of recontrol of live stock and review of crop returns and prospects against the total needs for grain for food and feed show that the time has come when export targets can be raised and domestic use limitations can be modified. The time has not yet come, however, when all restrictions can be removed. Use of our grain supplies must still be managed with care."

The highlights of this action are as follows:

1. The 1946-47 export goal, or "target" has been increased from 250 million bushels of wheat and flour alone to a probable total of 400 million bushels of all grains and grain products.

2. The quantity of corn and grain sorghums that may be used monthly by wet and dry processors and food manufacturers and the quantity of grain that may be used by feed manufacturers will be increased, effective September 1, 1946, by 5 per cent of the 1945 base period use. In the case of wet processors the increase is authorized from 80 to 85 per cent of the average monthly use of the first six months of 1945. For food manufacturers and dry processors the increase is from 85 to 90 per cent of the average use during the 1945 calendar year. For feed manufacturers the increase is from 80 to 85 per cent of the use in the corresponding month of 1945.

3. The provision of War Food Order 144 requiring 80 per cent extraction of wheat flour as compared with the normal rate of about 72 per cent is being terminated effective September 1, 1946. The higher extraction rate which became effective March 1, 1946 assisted in making flour available for domestic use and export during the past six months of extremely short wheat supplies, but the record wheat crop of 1946 now makes possible the elimination of this provision.

4. Limitations on the quantity of flour which may be produced for domestic distribution and restrictions on the use of wheat for other food and non-food purposes are being continued.

5. Owing to the increased quantities of millfeeds which will be made available by the authorized reduction in the flour milling extraction rate and the increased availability of feed grains, the use of milling-quality wheat by feed mixers is being further restricted. Effective October 1, 1946, feed manufacturers will not be permitted to use any wheat of milling quality in mixed feeds, except in the western states where the quantity of milling wheat contained in mixed feeds will be limited to 40 per cent of the total grains used.

6. For the three-month period beginning September 1 brewers will be permitted to use grain and grain products up to 85 per cent of the quantity used in the corresponding quarter of 1945, as compared with the 70 per cent now permitted. In view of the continuing serious shortage of rice, the use of rice by each brewery will be limited to 85 per cent of the quantity used in the base period. Breweries have been restricted since March 1, 1946 in the quantities of rice which they could use in the manufacture of beer and they will now be limited on the quantity as well as the quality of the rice which can be used for this purpose. The prohibition against the use of wheat and wheat products in the manufacture of alcoholic beverages is being continued.

7. Producers of distilled spirits will be permitted to use grain (other than wheat and wheat products) at a level of approximately 3 million bushels for the month of September, as compared with the present level of about 2 1/2 million bushels per month. The increases will go to companies whose plants historically have been the principal producers of distilled spirits.

Certificate Plan For Producers Required To Sell Under W.F.O. 144 - In accordance with the provisions of the Price Control Extension Act of 1946, wheat producers who had been required to sell their wheat under provisions of War Food Order 144 between May 23, 1946 and July 1, 1946 were given an opportunity to receive a certificate from the Commodity Credit Corporation under which they could choose a subsequent date to determine the sales price of such wheat. Prior to August 25, these producers were required to furnish satisfactory evidence that a certain quantity of wheat had been sold under the requirements of W.F.O. 144 and to pay to the C.C.C. the amount for which the wheat was sold. Evidence of sale and payment to C.C.C. must be made through County Agricultural Conservation Committees. Producers will be given a certificate requiring the C.C.C. to pay the market price for wheat sold as of any date the purchaser elects prior to April 1, 1947.

Chicago Cash Wheat -

Cash prices on the Chicago market have been holding slightly above the old ceilings for nearly a month. While the 1946 crop is expected to be the largest on record, the Government's intention to buy 250 million bushels for export at the old ceiling, plus markups, has acted to prevent price declines. Little change in price levels was noted with the continued decontrol of grain prices after August 20.

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

July 24	2 Mixed	197 1/2
25	2 Red	198 1/2
26	1 Mixed	198 1/2
27	2 Mixed	200
29	1 Red	202
30	1 Red	202 1/2
31	1 Red	202 1/2
August 1	1 Hard	202
2	1 Hard	201 1/2
3	1 Hard	202
	2 Red	202 1/2
	2 Mixed	201
5	1 Red	203
6	1 Hard	202
7	1 Red	201 1/2
8	None	
9	1 Red	202
10	1 Red	202
	1 Hard	202
12	1 Hard	202 1/2
13	1 Hard	203
14	1 Red	202
15	2 Red	202 1/2
16	1 Hard	203
17	1 Red	202
	1 Hard	202
19	1 Hard	202 1/2
20	2 Red	201 1/2
21	1 Hard	202 1/2
22	None	
23	1 Hard	203 1/4
24	2 Red	203

ARGENTINE SITUATION

Reports coming from Argentina reveal that good rains fell throughout most of the grain growing areas during the forepart of August. The heaviest precipitation occurred in the south and south-west of the province of Buenos Aires and west of the Pampa but the rains were general and the country as a whole received ample moisture. After the rains, clear, cold weather with some frosts in the south and west was soon followed by rising temperatures and latest information indicates that the weather is clear and favourable for the new crops.

Although these heavy rains further hampered field work and the sowing of the new crops in those districts where the ground was already water-logged, there appeared to be time to complete the seeding in the south of Buenos Aires where flooding was the worst. It is felt that despite all hindrances the country in general will benefit from these frequent heavy rains as they will serve to replenish the reserves of subsoil moisture which have been largely depleted during the past three years of semi-drought conditions.

The first official estimate of the area sown or to be sown to wheat in Argentina this year is placed at 16.6 million acres as compared with the revised estimate of 14.2 million acres in 1945 and 15.4 million in 1944. During each of the last two years, however, locust damage has been largely responsible for the abandonment of about 30 per cent of the seeded acreage at harvest time.

The prospects for the coming crop of corn have been much improved by the amount of moisture already in the ground and farmers who intend to plant this crop have been offering actively for delivery next year. As in the case of wheat, the chief danger to the next corn crop is likely to come from locusts rather than lack of moisture. It is reported that locusts have already destroyed most of the crops in the northern province of Santiago del Estero and have made their way as far south as the middle of Entre Rios. This year the government is making greater efforts to limit the invasion of this pest as far as possible and the swarms have been sprayed with D.D.T. from the air.

Much dissatisfaction has been expressed at the manner in which the government has been hampering the shipments of corn through its export permit system. During the recent period of high export prices, the trade has been anxious to supply external demand, but has been unable to do so due to the denial of these permits. Now that new corn from the United States has been placed on the market, Argentine corn prices have dropped sharply. Consequently, the grain trade in that country feels that it has sustained considerable loss as a result of incompetent state interference.

At the beginning of August a Decree was issued by the Industry and Commerce Secretariat which fixed an export quota of 500,000 tons for wheat by-products (mill-feeds) in the period between February 1, 1946 and January 31, 1947. It was provided that exports would only be authorized on condition that a proven amount equal to 50 per cent of the tonnage applied for had been delivered for domestic consumption during the two months prior to the date of projected shipments, or since the last exportation was authorized. To ensure the provision of these feedstuffs for domestic consumption at reasonable prices, not more than 5 pesos per 100 kilos (approximately \$13.60 per ton Canadian) may be charged for the wheat by-products bagged at the mill or in the case of a boat, at the loading point nearest the mill.

Total exports during the period January 1 to August 23 amounted to 41.6 million bushels as against 70.3 million during the corresponding period a year ago. All but 10.1 million bushels of the 1946 total was consigned to the United Kingdom and the Continent.

AUSTRALIAN SITUATION

A cable received from the Canadian Government Trade Commissioner in Melbourne on August 15 states that:

"Australian wheat stocks at the end of July amounted to 57 million bushels. A preliminary forecast of the 1946-47 wheat crop places the production at 155 million bushels as compared with 144 million estimated for 1945-46.

"Exports of wheat during July amounted to 43,445 tons mostly to India and flour 72,418 long tons mostly to India, Ceylon and Malay. Flour mills have been reduced to two shifts on account of the coal strike.

"The wheat stabilization bill and the wheat export charges bills have been passed by the Federal Parliament, but they will require enabling legislation by the state parliaments."

Further to the above cable, a letter under date of August 2 was received from Sydney, Australia, and it is quoted in part below:

"... the serious drought condition in New South Wales is causing considerable concern here, particularly to the wheat crop which can be expected to fail.

"Recent reports indicate the 4,000,000 acres of the 5,000,000-acres planted with wheat are seriously in need of rain. The Department of Agriculture here recently stated that four-fifths of the New South Wales wheat crop would fail unless rain fell soon, and that 4,000,000 acres of crops were in a critical position and at least between 1 1/2 to 2 inches of rain is required in the next fortnight to keep the crops growing.

"For comparative purposes in New South Wales, the wheat crop last year yielded 57,000,000 bushels from 4,200,000 acres. Wheat acreage this year has been increased by 800,000 acres.

"In the State of Queensland, apart from some under-average falls on the wet far north coast, practically no useful rains have occurred in any part of the State since the cyclonic falls of early April on the south coastal fringe. A rainless period of 51 days was the second longest Brisbane has ever recorded, and it was ended by a fall of only 22 points. Long spells of dry winds and sharp frosts have quickened the rate of deterioration of pastures and crop conditions, and the normally driest three months of the year lie just ahead.

"Dry weather in all districts and the severest frosts within memory in southern and central areas have stopped the growth of all cane crops and caused a further reduction of the estimates of sugar production. Rain is very urgently required for the germination of wheat sown dry and to permit the general planting of this crop. ...

"Northern and most central inland districts have dry feed, but in southern areas, stock losses, as yet surprisingly light, will become serious if good rains are much longer delayed."

The wheat stabilization bill referred to in the cable provides a five-year plan to stabilize the wheat industry. The plan includes (a) a guaranteed price of five shillings twopence (Australian), approximately 82 cents (Canadian), a bushel f.o.b. bagged for all wheat marketed in Australia; (b) a guaranteed price to growers of five shillings twopence f.o.b. bagged for all f.a.q. wheat exported during the five seasons 1945 to 1950; (c) the continuation of the Australian Wheat Board as a central marketing organization; (d) control of acreages; (e) when export prices exceed the guaranteed price a stabilization contribution by the industry of 60 per cent of such excess is to be paid into a fund to assist in meeting the guarantee when export prices are below it.

The total exports of wheat and wheat flour from January 1 to August 22 amounted to 42.3 million bushels, all consigned to non-European destinations. The price of wheat for export remains at about \$1.79 a bushel f.o.b. the ports, slightly above the price of Canadian wheat to the United Kingdom at St. John.

CENTS
PER
BUSHEL

250

240

230

220

210

200

190

180

170

160

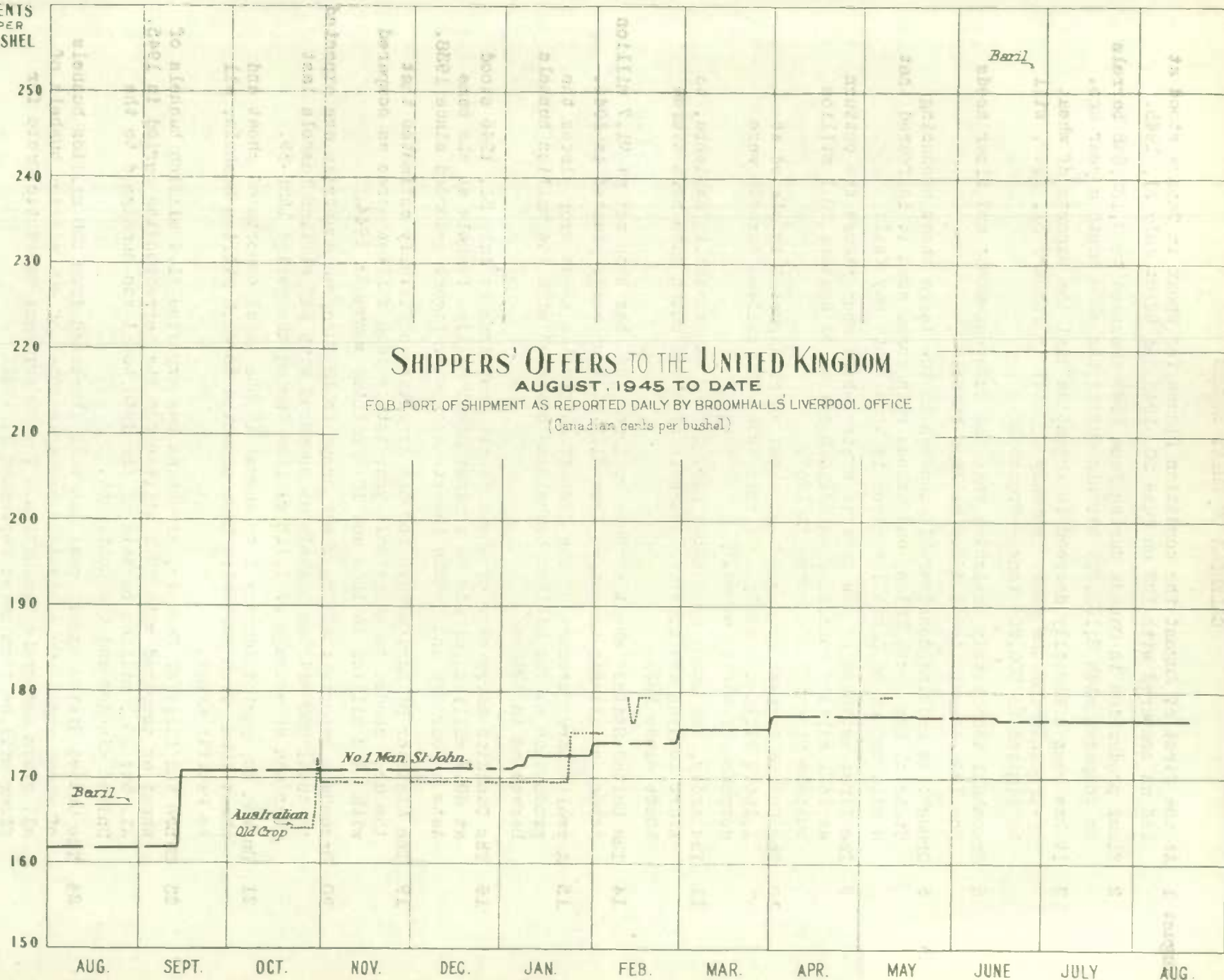
150

SHIPPERS' OFFERS TO THE UNITED KINGDOM

AUGUST, 1945 TO DATE

FOB. PORT OF SHIPMENT AS REPORTED DAILY BY BROOMHALL'S LIVERPOOL OFFICE

(Canadian cents per bushel)



CALENDAR OF WHEAT EVENTS

- August 1 At the first of August the condition figure for wheat in Canada stood at 126 as compared with 122 on June 30, 1946 and 92 at July 31, 1945.
- 2 Flour production in Canada during June 1946 amounted to 2,183,648 barrels as compared with 2,133,526 barrels during the same month a year ago.
- 3 It has been officially decreed in Argentina that the exports of wheat by-products for the year, February 1, 1946 to January 31, 1947, will be limited to 500,000 tons - Broomhall.
- 5 Broomhall tentatively estimates that the European wheat and flour needs for 1946-47 will total 481.6 million bushels.
- 6 Drought is causing considerable concern in the large wheat producing State of New South Wales, and unless rain comes soon it is feared that 4 million out of 5 million acres in that State may fail.
- 9 The first estimate of the Ontario winter wheat crop places the outturn at 16.1 million bushels from 546,000 acres, as against 20.1 million bushels from 675,000 acres in 1945.
- 10 The United States' production of wheat as of August 1 is placed at 1,160.4 million bushels. Of this total 880 million bushels were composed of winter wheat.
- 11 Yesterday, the Mount Revelstoke Park docked at Churchill, Manitoba, to start loading the 1,877,737 bushels of wheat which have been stored there since 1939.
- 14 The United States' wheat acreage goal for 1947 has been set at 71.7 million acres, relatively unchanged from 71.9 million acres planted in 1946.
- 15 A preliminary forecast of the 1946-47 Australian wheat crop places the production at 155 million bushels as compared with 144 million bushels harvested in 1945-46.
- 16 The Canadian carry-over of wheat in all positions at July 31, 1946 stood at 69.9 million bushels as against 258.1 million bushels at the same date a year ago and is the lowest carry-over figure recorded since 1938.
- 19 The Minister of Agriculture for the Argentine officially estimates that the area seeded to wheat this year totals 16.6 million acres as compared with 14.2 million in 1945 and 15.4 million acres in 1944.
- 20 Broomhall reports that the wheat crops in 12 European countries are expected to total 830 million bushels as compared with 647 million bushels last year and an average of 1,115 million during the period 1935-39.
- 21 During the period January 1 to August 10 the total exports of wheat and wheat flour from Australia have amounted to 42.3 million bushels, all to Pacific areas.
- 23 Since the first of January, Argentina has exported 41.6 million bushels of wheat as compared with 70.3 million for the corresponding period in 1945. All but 10.1 million bushels of the 1946 total was consigned to the United Kingdom and the Continent.
- 24 The United States export goal has been increased from 250 million bushels of wheat and flour alone to a probable total of 400 million bushels of all grain and grain production. The 80 per cent extraction rate for flour will be terminated September 1, 1946.
- 28 Effective September 1, Canada will rescind orders which restricted the amount of wheat for milling for domestic consumption to 90 per cent on the basis of the 1945 purchases.

