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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

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MONTHLY REVIEW OF THE WHEAT SITUATION

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

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WORLD WHEAT SITUATION

World Wheat Requirements Exceed Available Supplies - Despite the fact that fairly satisfactory wheat crops were harvested in many deficit areas this year, world requirements for wheat still appear to exceed available exportable supplies. Until live-stock populations can be rebuilt in all of the war-affected countries, it seems very probable that cereal grain requirements will remain above prewar needs and thereby create rather more than ordinary demands on the surplus producing countries. The situation has been tightened further this past month by adverse crop reports from Australia and by the reduced estimate of the 1946 Canadian crop. The current Argentine crop remains problematical and in any event a major portion of whatever supplies she may have for export has been contracted for by Brazil and Spain. The extent of the 1946 United States wheat crop is well known but, due to the exceedingly low carry-over into the new crop year, total wheat supplies in that country for the 1946-47 crop year are about 135 million bushels less than those available in the preceding crop year. Transportation tie-ups induced by factors such as strikes and box car shortages have aggravated the situation still further by impeding the scheduled flow of badly needed export supplies from North America to the deficit areas.

Second Estimate Reduces Canada's Wheat Crop - The second official estimate of production of Canada's field crops, issued November 14, indicated a reduction of nearly 22 million bushels from the first estimate. Eighteen million bushels of this decline are accounted for in Saskatchewan, while the estimate decreased Alberta's production by 5 million and increased Manitoba's figure by one million. The reduction in the estimate is attributed chiefly to unsatisfactory harvesting and threshing conditions subsequent to the first estimate and to earlier underestimates of the extent of damage caused by the July frosts. Taking the new estimate into consideration, 1946 wheat production in the Prairie Provinces is now placed at 398 million bushels with the all-Canada figure standing at 418,758,000 bushels. At November 1, the estimated amount available for export and carry-over was 263.8 million bushels.

The United States Position - An export goal of 267 million bushels of wheat and flour in terms of wheat has been set for the current crop year. This figure includes 17 million bushels of 1945 wheat delivered after July 1 on the 1945-46 commitment. Some domestic wheat traders are of the opinion that the United States may have to raise its export objective considerably, perhaps by 25 per cent. Achievement of such an increase is theoretically possible since exports of only 267 million bushels would leave a carry-over of some 235 millions at the end of the crop year—a figure more than double this year's carry-over of 101 million bushels. However, on August 23 the Secretary of Agriculture stated that it was intended to export during 1946-47 some 400 million bushels of all grains. It would, therefore, appear that any increase in wheat exports would almost certainly be at the expense of other grains such as corn and oats—since various transportation bottlenecks may make the shipping of even present commitments a most difficult task. In point of fact, about 34 million bushels of wheat and flour programmed for export in the

July-September quarter had to be carried over into the current quarter and it is now anticipated that a good share of the exports programmed for this quarter will still be awaiting shipment in the new year.

North American Exports Seriously Hampered by Transportation

Difficulties - Canada's export program was thrown off schedule early in the season. Lakehead stocks were very low at the beginning of the crop year and only minimum stocks were available in export positions. While farmers were generous with their deliveries as soon as threshing started, some time was required to move workable stocks down to the Lakehead. Once this was accomplished a shortage of cargo space developed on the lakes, due principally to the diversion of many grain boats to the coal trade. This situation led to many ocean-going vessels paying demurrage in Montreal harbour while awaiting grain cargoes. With the replenishment of Canada's coal reserves the lake-boats returned to the grain trade and movements down the Lakes have been accelerated in recent weeks. Unfortunately only two or three weeks of open navigation remain on the Lakes and the railways will have to assume the burden of grain shipments from the Lakehead to seaboard positions. In this connection, thousands of box cars now in use are in poor condition and in need of replacement. It may severely tax the resources of the railroads to keep grain moving to seaboard positions in the required quantities. However, country marketings are exhibiting the usual seasonal decline and a considerable amount of equipment will thereby become available for the eastern rail haul.

It has already been observed that the United States export program is behind schedule. The Maritime strikes have been serious obstacles while the shortage of box cars for the movement of grain from country points to terminals is perhaps more stringent than it is in this country. While some of the difficulties associated with these problems have cleared up, the current coal strike has brought another disturbing element into the picture. The duration of this strike may well determine the success or failure of a major part of the United States export program.

Argentine Contracts with Brazil and Spain - Reports indicate that the Argentine has made 5-year pacts with Brazil and Spain which will account for some 59 million bushels out of this year's crop. The Brazilian contract calls for 44 million bushels annually unless Argentina's exportable surplus falls below approximately 95.5 million bushels, in which case Brazil will take but 45 per cent of the exportable surplus available. The Spanish agreement provides that Spain will receive a minimum of 15 million bushels in 1947, about 11 million in 1948 and for the succeeding three years an annual amount representing about 90 per cent of Spain's requirements. Should Argentina's exportable surplus in any year fall below approximately 95.5 million bushels, Spain will receive 15 per cent of whatever surplus is available.

Cutting of wheat has commenced in the northern areas of the Argentine and is slowly moving southwards. No official crop estimate is yet available but trade sources have made guesses ranging from 225 to 237 million bushels. However, rather heavy frosts occurred in October and it remains to be seen whether the effects of these have been sufficiently discounted by the trade.

Australia's Crop Prospects Reduced - Continued drought conditions in Queensland, New South Wales and some deterioration in other states have resulted in estimates of the wheat crop being lowered to the 105 to 110 bushel level. Last year's crop amounted to 144 million bushels, out of which there may be a carry-over of some 15 million bushels. After taking domestic consumption of perhaps 80 million bushels into consideration, along with the 28 million bushels promised to the United Kingdom, it would appear that Australia will have little wheat left for export to other countries in 1947.

New Crop Prospects - In the United States, winter grains are in good condition generally. Rains in the far west have improved the late-seeded wheat where lack of moisture in some areas had prevented proper germination and growth. In the main belt, winter wheat covers the ground and is in very good to excellent condition. Broomhall states that damp weather has prevailed over most of western Europe and crops will enter the winter with good moisture supplies. Seeding is still under way in some sections but forecasts of colder weather and frosts indicate that this work may be halted shortly, at least temporarily. There have been no estimates of probable acreages, but import uncertainties and high world prices are expected to act as a spur to increased acreages wherever possible.

CANADIAN SITUATION

Farmers' Marketings at High Level - Up to November 21, 211 million bushels of wheat had been delivered at country points. Deliveries to the same date last year amounted to 151 million bushels. The seasonal decline in marketings has begun, however, and a much lower rate of delivery will prevail over the remainder of the crop year.

Supply Situation - As pointed out last month, due to the low carry-over at July 31, most of the 1946-47 commercial wheat supplies must be obtained from marketings of the 1946 crop. While deliveries to date have been particularly gratifying it is known that substantial quantities of low-grade wheat remain on farms and much of this will doubtless be fed to live stock. Other factors which may limit total marketings were noted in last month's issue of this publication.

It will be noted from the following table that the estimated balance available for export and carry-over as at November 1 stood at 263.8 million bushels, a reduction of 40.8 million bushels from the corresponding figure at October 1. Unfortunately, 21.8 million bushels of this decline are accounted for by the reduced crop estimate, while actual exports of wheat and flour totalled only 19 million bushels during October.

Canadian Wheat Supplies

	<u>1946-47</u>	<u>1945-46</u>	
	- million bushels -		
Carry-over in North America July 31.....	69.9	258.1	
New Crop	418.8 <u>1/</u>	318.5 <u>2/</u>	
Total Supply	488.7	576.6	
Estimated domestic requirements	175.0	167.0 <u>2/</u>	
Available for export or carry-over	313.7	409.6	
Deduct:			
Overseas Clearances of wheat as grain Aug. 1 - Oct. 31 .	30.2	100.5	??6
United States imports of Canadian wheat8 <u>1/</u>	3.5	
Total wheat exports	31.0	104.0	
Exports of wheat flour in terms of wheat Aug. 1 - Oct. 31	18.9	14.1	
Total exports wheat and wheat flour	49.9	118.1	
Balance on November 1 for export or carry-over	263.8	291.5	

1/ Subject to revision.

2/ Tentatively revised on the basis of disposition data.

Second Estimate of 1946 Wheat Crop - Canada's 1946 wheat production is now placed at 418.8 million bushels in the second estimate of 1946 field crops of Canada released November 14 by the Dominion Bureau of Statistics. This represents a reduction of nearly 22 million bushels from the first estimate. Most of the reduction occurred in Saskatchewan where the outturn is now placed at 198 million bushels as compared with the September estimate of 216 million bushels. The new estimate also reduced Alberta's wheat crop by 5 million bushels to a figure of 137 million, while the estimate for Manitoba has been increased to 63 million bushels, up one million from the earlier estimate. Chief causes of the reduced estimate are deemed to be unsatisfactory threshing conditions in Alberta and Saskatchewan subsequent to the September estimate, as well as earlier underestimates of the extent of damage caused by the July frosts.

The second estimate of wheat production for all Canada and for the Prairie Provinces follows:

	Area		Yield Per Acre		Production	
	1945	1946	1945 <u>1/</u>	1946	1945 <u>1/</u>	1946
	acres		bushels		bushels	
<u>Canada -</u>						
Fall wheat	675,000	546,000	29.8	29.8	20,115,000	16,271,000
Spring wheat ..	22,739,100	25,354,000	13.1	15.9	298,344,000	402,487,000
All wheat	23,414,100	25,900,000	13.6	16.2	318,459,000	418,758,000
<u>Prairie Provinces -</u>						
Wheat	22,566,000	25,178,000	13.1	15.8	294,547,000	398,000,000

1/ Tentatively revised on the basis of disposition data.

Ontario accounts for the total production of fall wheat shown in the above table. However, Alberta has been recently increasing its acreage of fall wheat and this year reliable private estimates indicate that upwards of three million bushels of fall wheat have been turned out in that province. While it has been necessary for statistical reasons to include Alberta fall wheat under spring wheat in the above table, it is anticipated that it will be possible to publish official figures on fall wheat production in Alberta in future crop years.

The distribution of the 1946 wheat crop among the three Prairie Provinces is now estimated as follows:

	<u>Bushels</u>
Manitoba	63,000,000
Saskatchewan	198,000,000
Alberta	137,000,000
T o t a l	398,000,000

Fall Wheat Sowings - The area sown to fall wheat (Ontario only), in the autumn of 1946 is estimated at 693,000 acres, an increase of 106,000 acres or 18 per cent as compared with the area sown in 1945, viz., 587,000 acres. The condition at October 31, was reported at 101 per cent of the long-time average yield per acre as compared with 81 per cent in 1945.

Delivery Quotas on Wheat - The Canadian Wheat Board stated on November 20 that the wheat marketing quota was open at all elevator shipping points in Alberta and British Columbia. Wheat-quota restrictions at Saskatchewan and Manitoba shipping points had been lifted earlier. A ten-bushel quota still remains in effect at all points for deliveries of oats and barley. The retention of this quota should assist in maintaining deliveries of wheat at a satisfactory level over the next few weeks.

At the opening of the new crop year the Canadian Wheat Board announced that the delivery quota on wheat, either old or new crop, at all points, would be 10 bushels per authorized acre. The quota system has been used with the intention of providing a fair allocation of country elevator space to individual farmers, and quotas have been lifted as rapidly as storage conditions permitted.

The following table prepared by the Canadian Wheat Board sets out the quota position of wheat, oats and barley as at November 22:

Summary Showing the Number of Elevator Shipping Points
in Each Quota Group By Province

<u>Province</u>	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u>
Manitoba -			
10 bushel Quota	-	368	368
Open	368	-	-
	368	368	368
Saskatchewan -			
10 bushel Quota	-	1,127	1,127
Open	1,127	-	-
	1,127	1,127	1,127
Alberta -			
10 bushel Quota	-	593	593
Open	593	-	-
	593	593	593
British Columbia -			
10 bushel Quota	-	4	4
Open	4	-	-
	4	4	4
All Provinces -			
10 bushel Quota	-	2,092	2,092
Open	2,092	-	-
	2,092	2,092	2,092

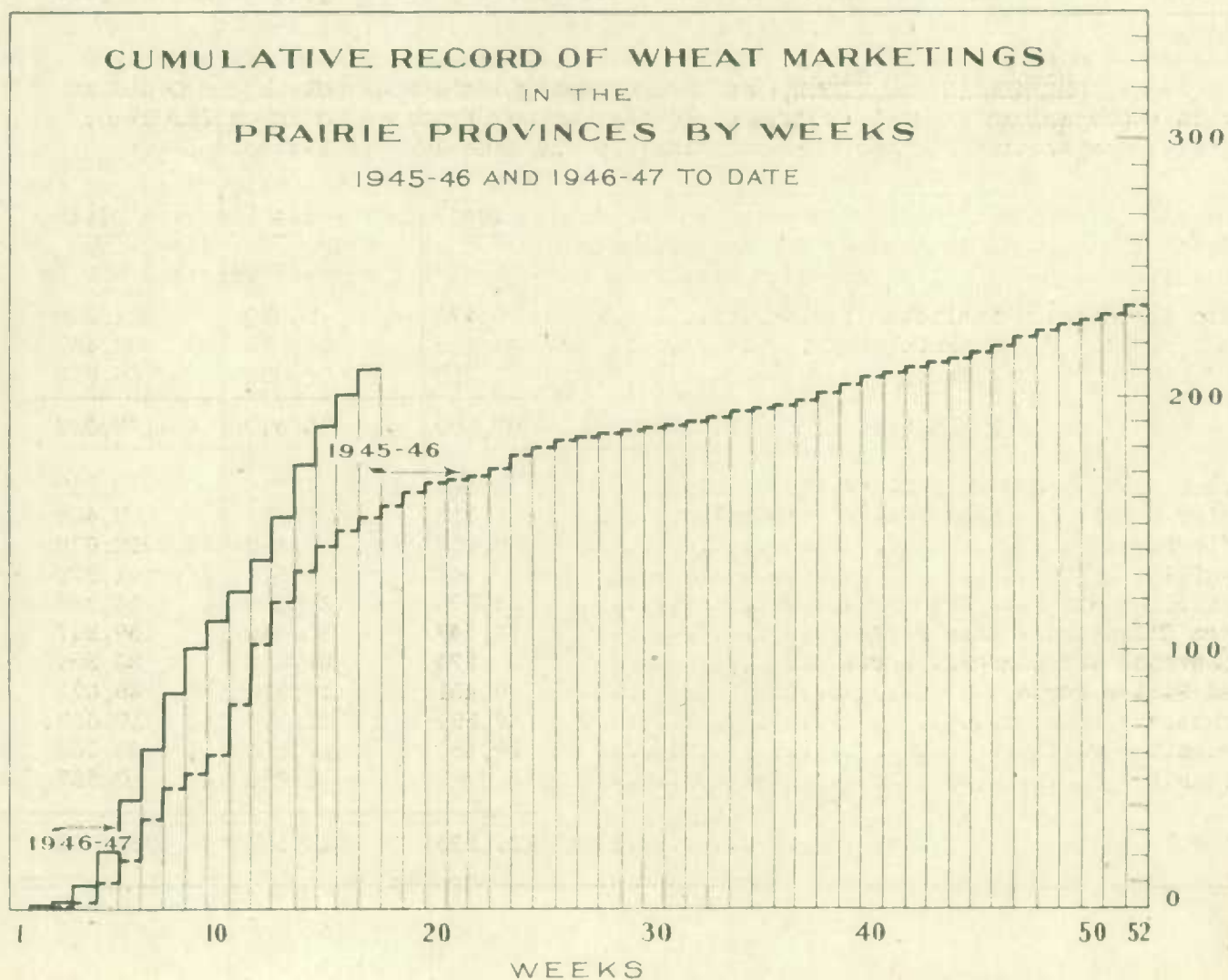
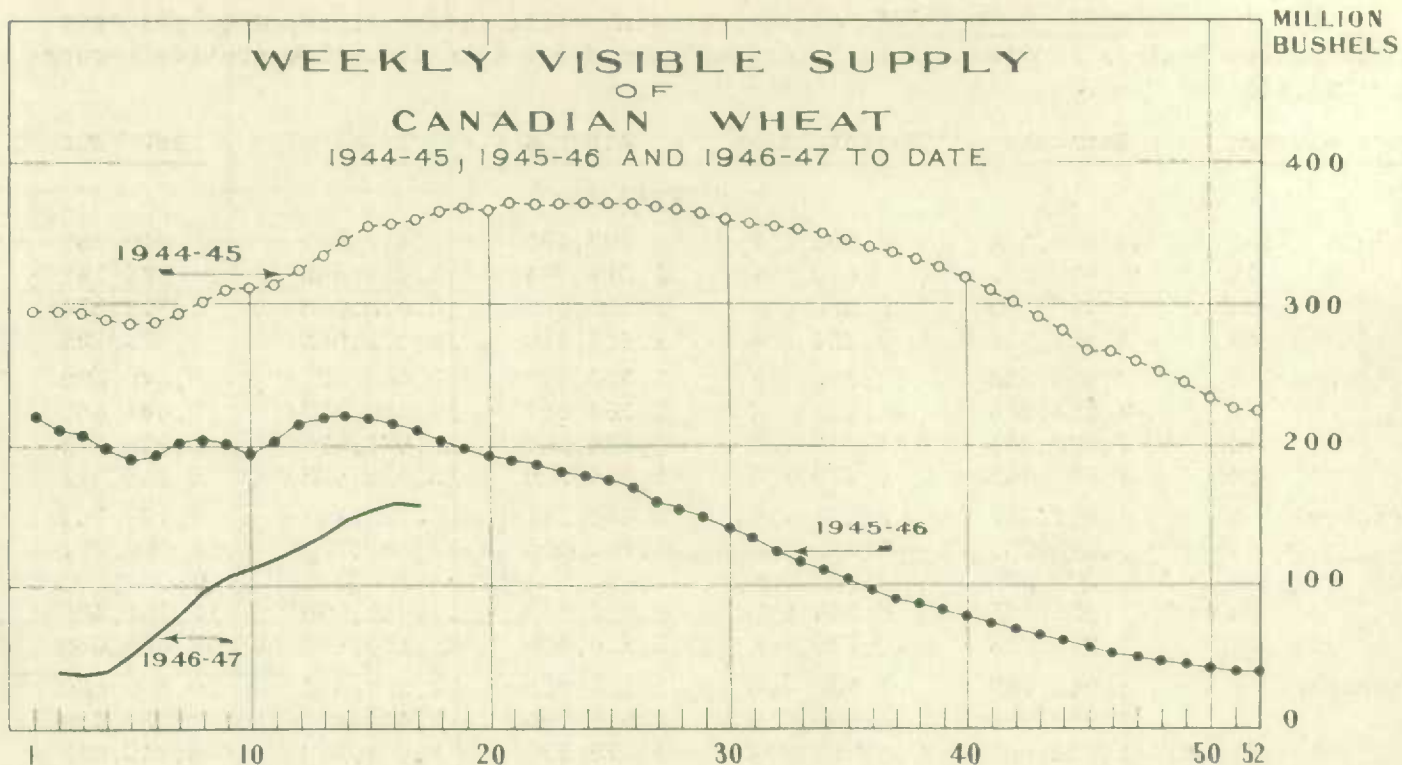
Farmers' Marketings - The following table shows primary receipts of wheat in the Prairie Provinces for the 1946-47 crop year along with comparative figures for 1945-46:

<u>Week ending</u>	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Total</u>	<u>Last Year</u>
- bushels -					
August 1-8	225,324	396,627	797,492	1,419,443	358,756
15	665,222	679,789	1,019,934	2,364,945	382,341
22	1,700,523	2,026,729	1,585,626	5,312,878	1,772,834
29	5,360,908	7,254,234	1,965,910	14,581,052	7,526,121
September 5	4,993,343	11,916,951	2,733,362	19,643,656	9,045,080
12	4,653,986	12,712,510	2,283,827	19,650,323	15,644,666
19	3,986,469	15,047,267	2,838,144	21,871,880	11,828,639
26	1,892,442	9,173,163	5,246,998	16,312,603	5,443,921
October 3	1,313,287	6,231,719	3,248,141	10,793,147	7,109,789
10	1,995,033	6,911,412	2,782,356	11,688,801	19,993,367
17 <u>1/</u>	734,685	4,983,080	6,632,554	12,350,319	24,040,005
24	1,338,741	8,340,613	8,043,332	17,722,686	15,731,385
31	1,756,616	10,128,806	8,218,988	20,104,410	11,603,058
November 7	1,246,737	7,731,400	5,989,216	14,967,353	10,510,680
14	1,058,969	6,499,519	4,925,980	12,484,468	5,352,999
21	1,020,639	5,355,794	3,473,337	9,849,770	4,740,836
T o t a l	33,942,924	115,389,613	61,785,197	211,117,734	151,084,477

1/ Revised.

Wheat Visible Supply - The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on November 21, 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	6,475	5,280	14,520
Saskatchewan	44,125	34,135	92,430
Alberta	37,280	35,895	66,875
T o t a l	87,880	75,310	173,825
Interior Private and Mill Elevators	3,517	4,954	5,349
Interior Public and Semi-Public Terminals	113	5,619	8,404
Pacific Ports	8,052	8,199	18,078
Churchill	42	1,878	1,878
Fort William and Port Arthur	22,394	20,000	26,847
Eastern Elevators - Lake Ports	12,347	22,649	39,847
St. Lawrence and Seaboard Ports	974	21,155	23,854
United States Ports	6,431	18,910	26,071
In Transit - Lake	7,394	11,538	10,663
In Transit - Rail	10,433	17,353	20,005
In Transit - U.S.A.	16	5,955	7,567
T o t a l	159,593	213,520	362,388



Grading of Wheat - The following table shows the grading of wheat inspected during the three-month period August to October 1946. Comparable figures for 1945 are also included in the table.

	Inspections -			
	August-October 1946		August-October 1945	
	Cars	Per Cent	Cars	Per Cent
No. 1 Northern	10,055	16.3	27,312	40.3
No. 2 Northern	31,813	51.7	26,333	38.9
No. 3 Northern	7,144	11.6	5,110	7.5
No. 4 Northern	1,732	2.8	1,362	2.0
Garnet	231	.4	338	.5
Amber Durum	2,050	3.3	949	1.4
Alberta Winter	1,041	1.7	249	.4
Tough - All varieties and grades .	5,099	8.3	4,306	6.4
All Others	2,406	3.9	1,725	2.6
T o t a l	61,571	100.0	67,684	100.0

The generally lower grading of this year's crop is indicated by the percentage distribution of grades shown above. Only 16.3 per cent of inspections during the August to October period this year has graded No. 1 Northern as compared with a figure of 40.3 per cent for the same period last year. At the same time, the proportion grading Nos. 2 and 3 Northern amounts to 63.3 per cent this year as against 46.4 per cent last year. Unfavourable fall weather conditions have also led to an increase in the proportion of inspections grading tough.

Movement of Wheat to Maritime Ports - The table below sets out the movement of wheat by RAIL from ports on the Great Lakes and the St. Lawrence river during the current season, with comparable figures for last year. The disparity in shipments between the two years continues to reflect the current shortage of box cars in eastern parts of the country.

	<u>August 1, 1946 to November 21, 1946</u>	<u>August 1, 1945 to November 22, 1945</u>
	- bushels -	
Collingwood	-	968,590
Midland	881,318	1,880,337
Owen Sound	65,618	654,698
Port McNicoll	979,013	4,388,978
Goderich	94,628	470,795
Walkerville	-	195,873
Kingston	-	187,796
Montreal	-	41,385
T o t a l	2,020,577	8,788,452

Wheat Shipments to the United States - Shipments of Canadian wheat to the United States between August 1 and November 21 have lagged over 35 million bushels behind the quantity shipped in the same period a year ago. Aided by some improvement in the supply of lake shipping nearly 4 million bushels have moved to Buffalo and Erie by water during the five weeks ended November 21, but rail movement to the United States for the same period was nil. Only 4,337 bushels of wheat had moved by rail to the United States between August 1 and November 21.

Shipments August 1 - November 21

	<u>1946</u>	<u>1945</u>
	- bushels -	
<u>By Vessel</u>		
U.S.A. Pacific Ports	-	15,000
Buffalo	8,442,772	38,496,993
Erie	2,948,382	4,770,237
Total - Vessel Shipments	11,391,154	43,282,230
<u>By Rail</u>		
U.S.A. Seaboard Ports	4,337 ^{1/}	3,634,388
Other U.S.A. Points	-	80,068
Total - Rail Shipments	4,337	3,714,456
GRAND TOTAL	11,395,491	46,996,686

^{1/} Revised.

Lake Shipments of Canadian Grain from the opening of Navigation to November 14 - The movement of all grains by water from the Lakehead so far during the current season is the lowest recorded for the period since 1942 and is about 236.9 million bushels below the all-time record set a year ago. Wheat movement down the Lakes this year to date is at the lowest ebb since 1937. Several factors have contributed to this situation. Early in the navigation season a seamen's strike on the Great Lakes tied up Canadian shipping for several weeks. In addition, a heavy export program in the months prior to the opening of navigation had severely depleted Lakehead grain stocks, and this hindered the usual flow of grain down the Lakes during the summer season. Finally, later in the season, much lake shipping was diverted to coal carrying in an attempt to build up Canadian stockpiles prior to the advent of winter. The situation has eased of late and the grain flow has proceeded at an accelerated rate during recent weeks.

Shipments between Opening of Navigation and November 14

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
	- bushels -					
1940 ...	141,488,298	13,450,250	8,861,550	2,748,611	1,114,176	167,662,885
1941 ...	192,725,046	8,062,232	9,044,536	5,194,523	1,496,620	216,523,017
1942 ...	150,552,556	7,269,756	7,165,615	991,137	1,105,954	167,085,018
1943 ...	185,525,717	36,838,465	39,178,053	1,518,654	6,020,344	269,081,233
1944 ...	259,415,988	68,572,732	50,390,152	7,203,335	5,696,178	391,278,385
1945 ...	302,197,198	78,642,307	39,750,437	3,876,375	3,405,769	427,872,086
1946 ...	111,887,381	49,523,180	25,724,269	2,150,554	1,668,215	190,953,599

Rail Movement from Fort William-Port Arthur - Shipments of wheat

by rail from the Lakehead during October reached the highest level since June of this year but were still only slightly in excess of one quarter of a million bushels. The heavy demand for cars in the Western Division to clear country elevators and to build up Lakehead stocks still leaves insufficient equipment available to allow of any sizeable eastern rail movement. Substantial increases in rail shipments east from the Lakehead may be expected concurrent with the closing of navigation on the Lakes in December. The greater part of the October rail shipments was consigned to Quebec with Ontario a poor second. Very small quantities were consigned to the Maritimes. With the exception of 760 bushels of No. 2 Northern and 7,000 bushels of No. 1 C.W.A.D. all of the wheat moving by rail from the Lakehead during October graded No. 4 Northern or lower.

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

	<u>1946-47</u>	<u>1945-46</u>	<u>1944-45</u>	<u>1943-44</u>
	- bushels -			
August	187,825	23,255	91,891	990,879
September	175,773	57,533	169,603	1,547,042
October	255,754	73,776	86,571	780,035
November		99,197	97,512	711,238
December		2,280,636	1,236,339	898,566
January		4,533,707	1,936,038	4,364,157
February		1,127,764	764,629	4,397,318
March		2,223,266	1,091,909	1,076,193
April		1,015,730	196,042	107,257
May		536,462	66,154	269,533
June		920,233	58,642	108,739
July		130,276	52,726	47,517
Total - 12 Months ...		13,021,835	5,848,056	15,298,474

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

	Ontario	Quebec	New Brunswick	Nova Scotia
	- bushels -			
2 Northern	-	760	-	-
4 Northern	24,819	109,400	-	-
No. 5	4,125	13,000	-	-
Feed	21,000	20,000	1,000	1,000
4 Special	2,633	-	-	-
Rejected 4 Northern	13,834	34,917	1,266	1,000
1 C.W.A.D.	4,500	2,500	-	-
T o t a l	70,911	180,577	2,266	2,000
GRAND TOTAL -	255,754			

Freight Assistance Shipments - Claims filed to date for payment on freight assistance shipments relative to the months of August and September 1946 indicate that shipments to all provinces are down substantially in comparison with shipments for the same months a year ago. In connection with the 1946 data, however, it should be emphasized that the filing of late claims will necessitate upward revisions in the shipment figures. Thus, it may be expected that the decline in shipments may turn out to be considerably less than the table would indicate. Ontario and Quebec absorbed about two-thirds of the August and September shipments with the remainder going to British Columbia and the Maritimes.

The provincial distribution of wheat shipments is shown in the following table, by months, with comparative totals for the crop year 1945-46:

1946-47	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia	Total
- bushels -							
August	546,890	454,400	48,793	63,520	31,236	383,253	1,528,092
September ..	234,428	282,258	35,110	28,250	15,570	176,376	771,992
T o t a l ..	781,318	736,658	83,903	91,770	46,806	559,629	2,300,084
Same Period							
1945-46 ...	2,192,438	1,713,240	172,055	174,778	119,337	698,068	5,069,916

Millfeed shipments for September under the freight assistance policy appear to have declined quite extensively from the same month a year ago. However, it is probable that, as in the case of freight assisted wheat shipments, the filing of late claims may wipe out much of this apparent decline. It will be observed that Quebec and Ontario received the major portion of the millfeeds moved under the freight assistance plan in September.

The provincial 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 two months of the present crop year and the other the corresponding period a year ago:

	<u>August 1, 1946 to September 30, 1946</u>	<u>August 1, 1945 to September 30, 1945</u>
- tons -		
Ontario	32,636	36,864
Quebec	40,342	51,431
New Brunswick	7,249	9,910
Nova Scotia	6,931	10,259
Prince Edward Island	2,043	2,289
T o t a l	89,201	110,753

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>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</u> ^{1/}					
August	34,967	1,114	4,979	41,060	48,074
September	24,412	1,143	4,294	29,849	34,428
October	41,139	1,265	4,789	47,193	36,139
November	28,175	2,139	4,501	34,815	42,817
December	18,094	1,582	4,344	24,020	42,443
January	22,593	1,988	5,125	29,706	20,373
February	19,592	352	5,111	25,055	14,959
March	21,288	587	4,690	26,565	20,075
April	15,296	559	6,651	22,506	20,095
May	16,949	465	7,507	24,921	23,003
June	16,299	754	4,771	21,824	14,718
July	6,931	386	5,276	12,593	18,910
T o t a l	265,735	12,334	62,038	340,107	336,034
<u>1946-47</u> ^{1/}					
August	6,053	200 ^{2/}	8,896	15,149	17,339
September	9,610	- ^{2/}	5,563	15,173	11,338
October	14,600	600 ^{2/}	4,436	19,636	23,653
T o t a l	30,263	800	18,895	49,958	52,330

^{1/} Subject to revision.

^{2/} Estimate.

Current Wheat Prices - The table below sets out weekly averages of both domestic and export prices of western Canadian wheat for the weeks ending October 26 through November 23. All prices have remained fixed with the exception of the commercial classification which comprises wheat for export to countries other than the United Kingdom. Prices of this class of wheat have been at advanced levels since August 1, when the restriction was lifted on the export price to countries other than the United Kingdom. Since September 17 the commercial export price of Durum wheat has been quoted at a substantial premium over the commercial export price of other varieties.

Average Prices for the weeks ending -					
	Oct. 26	Nov. 2	Nov. 9	Nov. 16	Nov. 23
- cents and eighths per bushel -					
Wheat 1/					
(1) Class I Domestic					
(A) Domestic Use					
1 Hard	125	125	125	125	125
1 Northern	125	125	125	125	125
2 Northern	122	122	122	122	122
3 Northern	120	120	120	120	120
4 Northern	115	115	115	115	115
Number 5	112	112	112	112	112
Number 6	108	108	108	108	108
Feed	106	106	106	106	106
1 C. W. Garnet	120	120	120	120	120
2 C. W. Garnet	118	118	118	118	118
3 C. W. Garnet	116	116	116	116	116
1 Alberta Red Winter	135	135	135	135	135
2 Alberta Winter	134	134	134	134	134
3 Alberta Winter	131	131	131	131	131
1 C. W. Amber Durum	135	135	135	135	135
2 C. W. Amber Durum	132	132	132	132	132
3 C. W. Amber Durum	130	130	130	130	130
(B) Country Points - 10 cents per bushel above Schedule A.					
(2) Class II Export					
(A) United Kingdom					
1 Hard	155	155	155	155	155
1 Northern	155	155	155	155	155
2 Northern	152	152	152	152	152
3 Northern	150	150	150	150	150
(B) Commercial					
1 Hard	215/1	220	226/7	225/2	230/5
1 Northern	215/1	220	226/7	225/2	230/5
2 Northern	212/1	217	223/7	222/2	227/5
3 Northern	210/1	215	221/7	220/2	225/5
1 C. W. Amber Durum	230/1	233/7	236/7	235/2	240/5
2 C. W. Amber Durum	230/1	233/7	234/1	232/2	237/5
3 C. W. Amber Durum	229/1	232/7	232/3	230/2	235/5

1/ Price - Basis in store Fort William-Port Arthur and Vancouver.

UNITED STATES SITUATION

Wheat Exports of 267 Million Bushels Planned - Domestic wheat supplies in the United States in 1946-47 are estimated at just over 1,270 million bushels, consisting of a carry-over of 101 million bushels and a new crop of 1,169.4 million bushels. The 1946 crop is the largest on record but the carry-over is the smallest in twenty years, except for 1937. As a result, total supplies are below each of the past five years, although over a fourth above the ten-year prewar average. The September-October issue of the Wheat Situation published by the Bureau of Agricultural Economics states that wheat disappearance in the United States during the current crop year is expected to total about 770 million bushels. The quantity estimated for human consumption is placed at about 510 million bushels, estimated at the restored extraction rate beginning September 1, but assuming distribution will still be limited to 85 per cent of the 1945 level. Feed use is estimated at 180 million bushels and seed at 82 million. The use of wheat for spirits and beer is still prohibited. On the basis of the total estimated supplies and domestic consumption, some 502 million bushels would remain for export and carry-over. The present export goal for wheat and flour includes 250 million bushels out of the 1946 crop and about 17 million bushels out of the 1945 crop delivered after July 1 on the 1945-46 commitment. Exports of 267 million bushels would leave a carry-over on July 1, 1947 about equal to the 235 million bushel average in the 1932-41 period.

Foreign demand could most probably absorb more than 267 million bushels of wheat and flour from the United States but, as the Wheat Situation points out, the exportation of a total of 400 million bushels of all grains from the United States in 1946-47, in accordance with a statement by the Secretary of Agriculture on August 23, may involve serious difficulties in transportation and movement through ports, especially with the delay caused by the Maritime strike. If wheat and flour exports are increased beyond the quantity programmed, it would likely reduce proportionately the export of other grains including, principally, corn and oats.

Car Shortages and Keen Demand Exert Upward Pressure on Prices - Spot prices and the nearby futures particularly, have been at relatively high prices during the current year, and have advanced considerably in recent weeks. Demand, both export and domestic, has been keen while marketings have been restricted by a shortage of cars. Mill demand has been active, with mills bidding for the box cars as much as for the wheat, in order to obtain shipping facilities for their flour.

United States Export Program - Exports of wheat and flour in terms of wheat during the July-September quarter were estimated, according to the 'Wheat Situation' at about 75 million bushels. Exports programmed for the October-December quarter total 105 million bushels, including about 34 million bushels carried over from the third quarter, principally because of interruptions in Maritime service. Part of these planned exports undoubtedly will be carried over into the new year, leaving actual exports from July-December at 150 million bushels, or even possibly less. In the last six months of 1945, exports totalled 200 million bushels, but for the same period in 1937-41 they averaged only 29 million bushels. The export program for the October-December quarter by countries of destination, as printed in the September-October issue of the 'Wheat Situation' is set out in the following table.

Wheat and Flour Export Program, United States,
October-December 1946 1/

Claimant	Wheat	Flour <u>2/</u>	Total
- 1,000 bushels -			
United Kingdom	597	-	597
India	-	-	-
Belgium	2,538	1,195	3,733
Netherlands	3,173	1,232	4,405
Norway	933	597	1,530
Finland	299	336	635
Portugal	635	-	635
Sweden	336	-	336
Switzerland	635	336	971
Mexico	2,613	747	3,360
Brazil	1,493	2,986	4,479
Philippines	-	1,306	1,306
Ceylon and Hong Kong	-	933	933
Miscellaneous <u>3/</u>	187	5,600	5,787
Peru	299	336	635
Uruguay	635	-	635
Bolivia	299	336	635
Military Zone			
UK Germany	1,904	1,493	3,397
US Germany	10,079	3,733	13,812
US Italy	635	299	934
US Japan and Korea	6,346	4,480	10,826
UNRRA			
Austria	1,269	933	2,202
Greece	1,568	1,232	2,800
Italy	1,605	2,240	3,845
China	933	1,680	2,613
T o t a l	39,011	32,030	71,041

1/ Wheat, with the exception of a quantity for Mexico, will be supplied by the Production and Marketing Administration. Flour, with the exception of quantities for UNRRA and the U. S. Occupied Zone in Germany, Italy, Japan, and Korea, will be procured by claimants through commercial channels.

2/ In terms of wheat equivalent.

3/ Includes 32 countries, mostly in Latin America, but also in Africa and Asia.

Chicago Cash Wheat - As anticipated last month, cash wheat at Chicago has remained strong, with relatively little wheat being offered in the spot market during the month. It has been difficult to obtain box cars, either for the receipt of wheat or the shipment of flour. Continued upward pressure may be expected on the cash market as an active mill demand exists and the government is in need of large quantities of wheat to meet early export commitments. As a result, the spot market is not likely to weaken until receipts at terminals pick up considerably. On November 20 a car of No. 1 mixed wheat sold for \$2.25 per bushel, the highest price in this market for that class and grade since 1920.

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

October 26, 1946	2 Red	218
28	2 Red	219
29	2 Red	220 1/2
30	2 Red	219-220
31	2 Red	219-220
November 1	1 Red	219-220
2	2 Red	219-220
	2 Hard	214-215
4	None	
5	Market Closed	
6	None	
7	2 Red	220
8	2 Hard	217
11	Armistice Day	
12	None	
13	None	
14	2 Red	219
15	2 Red	220
16	2 Red	220
18	2 Red	220
19	2 Red	220
20	1 Mixed	225
21	None	
22	None	
23	None	
25	None	
26	None	
27	None	

Chicago Wheat Futures -

With futures at Chicago after indicating some weakness at the first part of the week ending November 21, 1946 recovered, due to improved demand, and remained strong until the 27th, the last date available. The January future was particularly strong and closed on November 21 at \$2.15 1/2, the highest price reached for that delivery since 1920. The deferred positions were weaker with the July future sagging from \$1.83 1/2 at November 1 to \$1.78 on November 27.

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

	<u>January</u>	<u>March</u>	<u>May</u>	<u>July</u>
	- cents and eighths per bushel -			
October 26	202	193/2	187/4	
28	204	195	189/2	
29	203/6	194/1	188/2	
30	204/2	194/4	188/2	
31	204/6	195/4	189/6	
November 1	205/4	197/3	191/4	183/4
2	206/7	200/1	193/7	184/6
4	209/2	201/6	195	185/6
5		Market	Closed	
6	204/2	196/6	190	180/6
7	205/2	197	190	179
8	204/2	196/7	189/5	177/6
9	203/4	195/4	188	174/6
11		Armistice	Day	
12	203/4	196	187/6	173/4
13	203/4	195/6	188	172/2
14	206/7	198/4	190/1	174
15	207	199	190/1	174/6
16	206/6	199/6	190/6	174/6
18	210	201/6	191/7	176/6
19	211/6	202/5	192/4	177/2
20	213	203/4	193	178/2
21	215/4	206	194/7	179
22	216	208	195/6	178/6
23	215/2	207/4	195/6	179/1
25	213/4	206/6	195	179
26	214	208/2	195/4	178/2
27	213	206/2	194/6	178

ARGENTINE SITUATION

October Crop Conditions - During the first week in October fairly favourable weather conditions prevailed throughout the greater part of the grain-growing zone. With few exceptions supplies of moisture appeared to be ample and temperatures were quite satisfactory. Towards the middle of the month, however, temperatures dropped considerably and frosts were reported from practically the whole province of Buenos Aires and from extensive areas of the Pampa, Santa Fe, Cordoba and Entre Rios. Although it is feared that considerable damage has been done to the new wheat crop, any definite estimates of the loss will have to wait until harvest time. Since that time crop conditions have been generally favourable again with extensive rains interspersed with spells of clear warm weather.

Locust Problem - It is reported that locusts are moving southward and that authorities are making determined efforts to combat this scourge. The damage at present is not great as it is not the flying locust that does most damage. These are settling and laying their eggs and the real devastation comes later from the hoppers. At this time it seems that the small grains will largely escape with the greater damage reserved for the corn crop. Harvesting of the wheat is under-way in northern areas and is gradually moving southward. As yet, no official estimates of production has been made, but some unofficial estimates made by members of the grain trade range from 225 to 237 million bushels.

Wheat Prices to Producers for 1946-47 Season - Of interest to Argentine growers has been the recent announcement regarding prices for the new crop. The basic price to wheat producers for the 1946-47 crop has been set at 17 pesos per 100 kilograms (\$1.38 per bushel - converted at the rate of 29.77 cents per peso). This price, while larger than the basic rate set at the beginning of the present crop season, is less than the total price paid since April 1946, when a delivery bonus was added to the basic price. This 5 pesos bonus when added to the former basic price of 15 pesos per 100 kilos (\$1.22 per bushel) brought the price up to \$1.62 per bushel. Although originally paid only for the 1945-46 crop wheat, the bonus has applied to all wheat marketed since September 4, 1946.

According to the terms of the new order the announced price of \$1.38 per bushel will apply only on the first 300 metric tons (about 11,000 bushels) marketed by each grower, with marketings above that amount made at the rate of \$1.22 per bushel. The basic rate is for standard weight Grade 2 grain on lighters or cars in the port of Buenos Aires. No change in the subsidized price to mills for domestic use has been announced. The rate to mills is 12 pesos per 100 kilograms (97 cents per bushel). The export price has been 35 pesos (\$2.84 per bushel) since late in May 1946.

Argentina-Brazil Wheat Agreement - Latest reports reveal that Brazil signed a five-year wheat purchasing contract with Argentina last month. This contract which was signed in Rio de Janeiro and comes into effect January 19, 1947 stipulates that Argentina is to deliver and Brazil to take approximately 44 million bushels of Argentine wheat for the life of the contract, so long as Argentina's exportable surplus does not fall below approximately 95.5 million bushels annually. In the event of the Argentine exportable surplus not reaching the agreed figure, then Brazil agrees to take 45 per cent of the amount of exportable surplus available.

Argentina-Spain Wheat Agreement - Under a contract with Spain, Argentina has agreed to supply Spain with a minimum of about 15 million bushels of wheat in 1947, about 11 million bushels in 1948 and for the succeeding three years an annual amount representing approximately 90 per cent of Spain's requirements. However, if Argentina's surplus falls below approximately 95.5 million bushels, Spain will receive 15 per cent of the surplus in 1947, 12 per cent in 1948 and 10 per cent in the 1949-51 period.

AUSTRALIAN SITUATION

On October 15 the Canadian Government Trade Commissioner in Melbourne dispatched the following cable concerning the wheat situation in Australia:

"Australian wheat stocks at October 26 dropped to 26 million bushels as compared with 46 million at the end of August. Wheat stocks include flour converted to a wheat basis. New crop estimates have again declined and now range from 105 to 110 million bushels as a result of continued drought conditions in Queensland, New South Wales and some deterioration in other states.

"Exports of wheat during October totalled 28,341 tons to New Zealand and India. Flour exports amounted to 56,756 tons, mostly to Malaya, India and Ceylon. Wheat exports from New South Wales have been discontinued on account of a shortage in that state.

"The wheat stabilization scheme is receiving strong opposition in state parliaments".

With the Australian wheat harvest scheduled to start next month, any rains which may occur between now and then are not expected to alter significantly the present production outlook. If present estimates should prove to be approximately correct, it would appear that Australia will face 1947 with smaller supplies than a year ago. At December 1, 1945 total supplies amounted to approximately 150 million bushels—144 million bushels of new-crop wheat and 6 million bushels of year-end carry-over stocks. If the rate of disappearance which prevailed during August, September and October of 1946 is continued until the end of November, Australia may have in the neighbourhood of 15 million bushels to carry over into the coming season. When added to the prospective new crop, total 1947 supplies approximate 120 to 125 million bushels. Estimates of domestic utilization are difficult at this time, as larger amounts may be reserved for feeding to live stock in the drought-stricken areas. However, allowing 80 to 85 million bushels for domestic consumption, about 40 million bushels are left for export and carry-over during the season. A statement made in the British House of Commons on October 16 revealed that the United Kingdom has already contracted for 28 million bushels of Australia's 1947 exportable wheat surplus. In that event, it appears at this time that Australia can be eliminated as a major factor in the 1947 world export picture, particularly in the Far Eastern theatre.

Next year the Commonwealth Government in agreement with the State Governments, plans to encourage seeding of as much wheat as possible. The only restriction is a determination to grant no licenses for seeding on land considered unsuitable for wheat.

Seeding restrictions were removed in 1945 following the small 1944 crop and the acreage in that year was increased about 30 per cent above the 1944 area. The Australian Wheat Stabilization Scheme which limited wheat acreage was inaugurated in 1941. The reduction that year was small, but in 1942 the scheme achieved definite results when the licensed acreage was 15 per cent less than in 1941 and actual seedings were about 25 per cent less than in the previous year.

With unrestricted acreage and government encouragement it is hoped to increase wheat production to about 200 million bushels. This figure may be compared with the present estimates of 1946-47 crop; 144 million bushels in 1945-46, and the prewar average of 170 million bushels.

During the period from the first of January until the middle of November, Australian wheat exports have been estimated to total 55.1 million bushels. Present export prices are quoted at \$1.93 per bushel in terms of Canadian currency.

CALENDAR OF WHEAT EVENTS

- November 1 Harvesting of wheat is under way in the northern areas of Argentina and is gradually moving southward.
- 4 The Argentine Government announced that it will pay farmers the equivalent of \$1.38 per bushel for the first 300 metric tons (about 11,000 bushels) marketed by each grower, with marketings above that amount made at the rate of \$1.22 per bushel.
 - 8 Since January 1 Argentina has exported 47.6 million bushels as against 89.3 million bushels for the same period in 1945. All but 12.7 million bushels of the 1946 total was shipped to the United Kingdom and the Continent.
 - 9 Wheat disappearance in the United States during 1946-47 is estimated at 770 million bushels. The quantity used for food would be about 510 million bushels. Feed use is now estimated at 180 million and seed at 82 million bushels.
 - 12 Wheat production in the United States as of November 1 was placed at 1,169 million bushels which, when added to the June 30 carry-over of 101 million bushels, gives a total supply of 1,270 million bushels for the 1946-47 season.
 - 13 It is reported that Argentina has signed five-year wheat agreements with Brazil and Spain. In addition, negotiations are under way for an agreement with Italy.
 - 14 In the second estimate of production Canada's wheat production was placed at 418.8 million bushels, 21.8 million bushels below the first estimate figure of 440.6 million issued September 12, 1946.
 - 15 A cable from Australia reveals that current estimates place the 1946-47 wheat crop at from 105 to 110 million bushels. This compares with a production of 144 million bushels a year ago.
 - 18 In order to relieve a threatened food shortage in Alaska the Canadian Wheat Board has authorized the shipment of up to 100 tons of wheat flour from Edmonton via the Alaska Highway.
 - 19 Hon. J. A. MacKinnon, Minister of Trade and Commerce, announced the removal of all quotas on wheat deliveries in the Prairie Provinces.
 - 20 A car of No. 1 mixed wheat sold for \$2.25 per bushel on the Chicago cash market, the highest price paid in this market for that class and grade since 1920.
 - 21 The January wheat future on the Chicago market closed at \$2.15 1/2, the highest price reached for that delivery since 1920.
 - 22 The Australian Commonwealth Government, in agreement with the State Governments, plans to encourage the seeding of as much wheat as possible. It is hoped to raise wheat production to about 200 million bushels as compared with 144 million bushels in 1945-46 and the prewar average of 170 million bushels.
 - 26 The fourth estimate of India's wheat production places the 1946 crop at 8.9 million tons from 34.5 million acres as against 10.5 million tons from 35.6 million acres in 1945.
 - 28 The Canadian flour milling industry set an all-time record by producing 2,432,875 barrels of flour during the month of October.

