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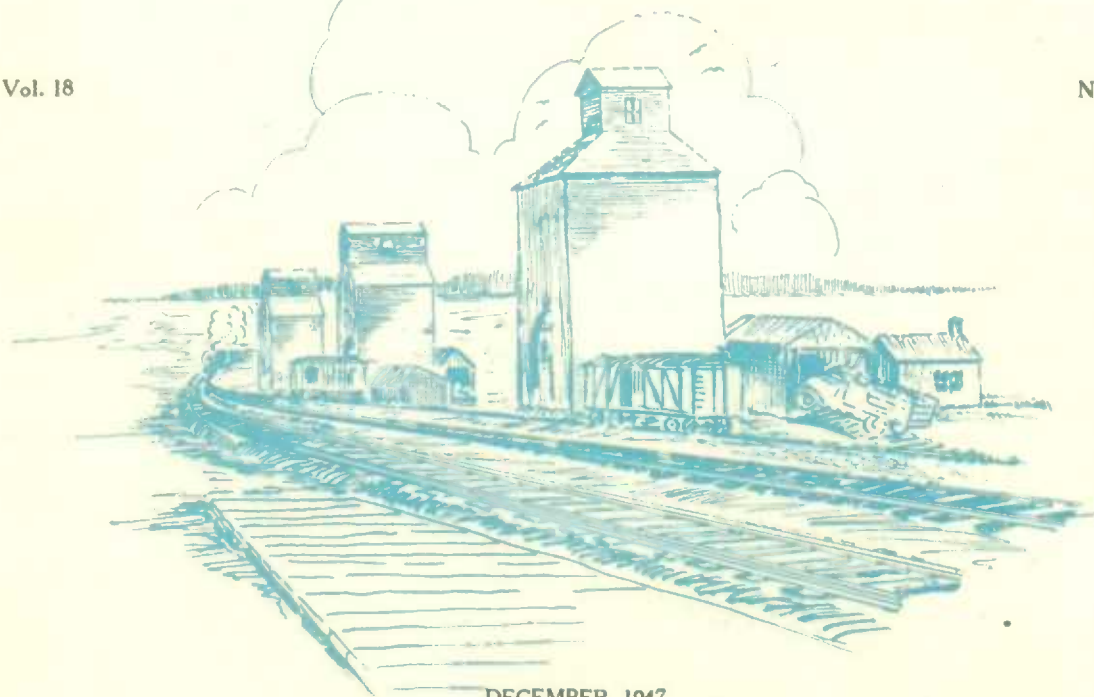
CANADA

DOMINION BUREAU OF STATISTICS
AGRICULTURAL DIVISION

MONTHLY REVIEW OF THE WHEAT SITUATION

Vol. 18

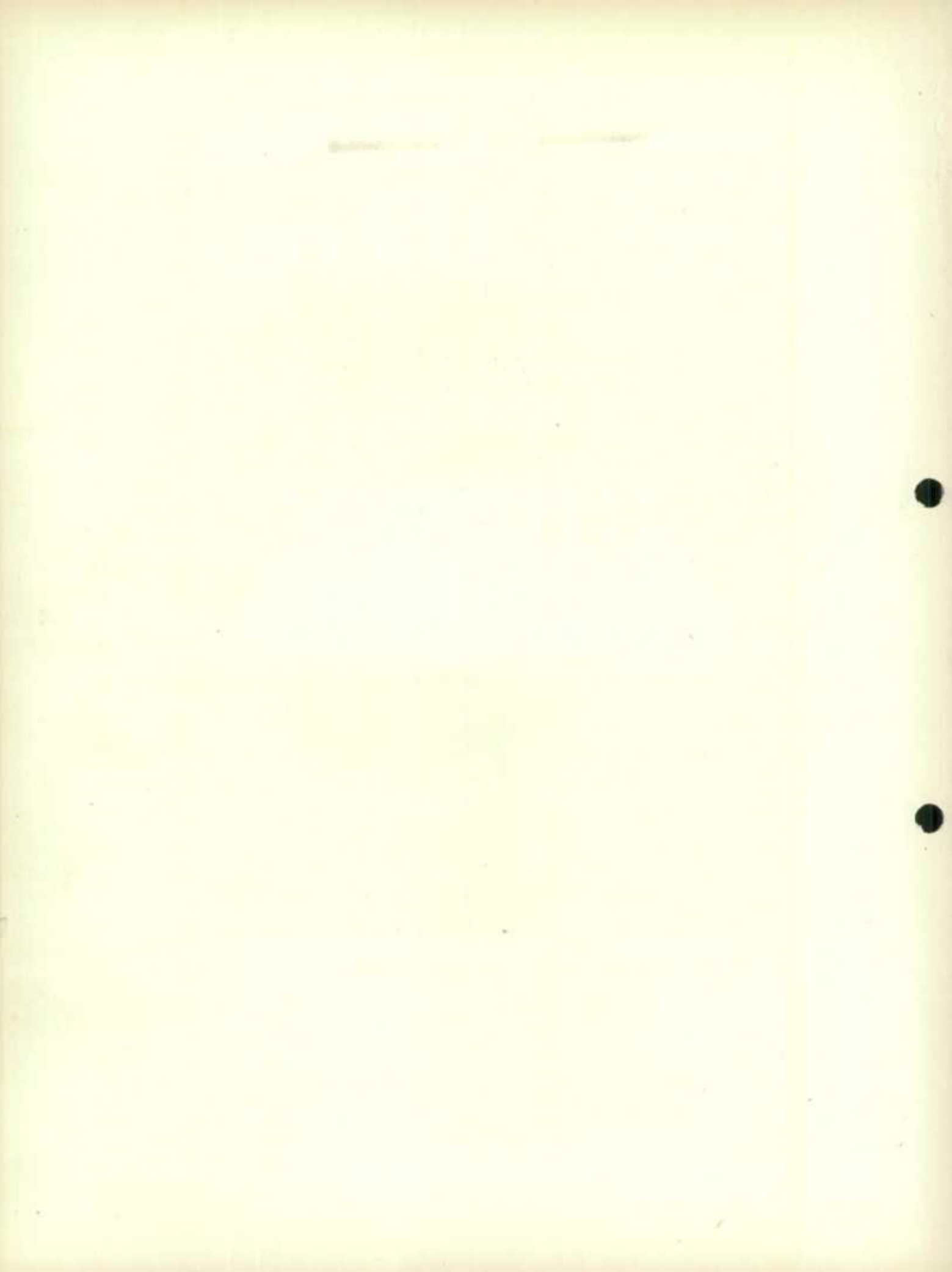
No. 5



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MONTHLY REVIEW OF THE WHEAT SITUATION

DECEMBER 1947

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AGRICULTURAL DIVISION
OTTAWA, CANADA

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

Dominion Statistician: Herbert Marshall
Director, Agricultural Division: C. V. Parker
Chief, Crop Branch: W. D. Porter

WORLD WHEAT SITUATION

The Supply Outlook - The record crop currently being harvested in Australia and an Argentine crop of greater than anticipated proportions should afford a measure of relief to the immediate pressure on world wheat supplies. The United Kingdom has contracted for a minimum of 80 million bushels from the new Australian crop while India will receive at least 25 million bushels from the same source. If the Australian crop exceeds 210 million bushels, each of these countries may be allotted another 5 million bushels. Mid-December reports indicated an exportable surplus from the Australian crop of perhaps 150* million bushels which, if realized, would leave around 35 millions for export to countries other than the United Kingdom and India. By way of comparison, total wheat exports during the Australian crop year ending November 30 were estimated at only 47 million bushels. Trade reports from the Argentine indicate that the exportable surplus from the new crop in that country may reach upwards of 100 million bushels—on the assumption that production will approach last year's outturn of 206 million bushels.

While the enhanced wheat supplies available from the Southern Hemisphere will doubtless be of material assistance in relieving the tight supply situation, the world food crisis is far from over—and on the basis of calculations made by the Food and Agriculture Organization, the gap between supplies and requirements will still be wide. The December 1 crop report issued by the United States Department of Agriculture indicates a prospective 1948 winter wheat crop of some 839 million bushels, about 229 millions less than the 1947 outturn. Should this indication be realized, exports of wheat (and flour in terms of wheat) from the United States in 1948-49 must fall far below the 450 to 500 million bushel level envisaged for the current crop year. In Canada, exports of wheat and flour in terms of wheat for the current crop year may reach 200 million bushels but to achieve this, the year-end carry-over must drop to about 75 million bushels, about 10 millions below the stock figure at July 31, 1947. While it is too early to speculate seriously as to the probable outturn of Canada's 1948 wheat crop, there is good evidence to indicate that, on the basis of reserve moisture supplies, western Canadian grain crops should at least get away to a good start. According to recent reports, rainfall during the August-October period was well above normal in all three of the Prairie Provinces.

The extent of the 1947 Russian harvest is uncertain but there is evidently some surplus for export. Agreements to supply certain quantities of grain to Czechoslovakia, Poland, Roumania and Finland were announced some time

* A report received just before going to press indicates that unfavourable harvesting weather may have an adverse effect on Australia's wheat outturn. If this should occur the exportable surplus would be reduced accordingly.

ago. Press despatches report an agreement between Russia and the United Kingdom, the former to deliver 750,000 tons (about 27,500,000 bushels) of coarse grains between next February and September. According to Tass, the Russian News Agency, the British Government "agreed to assist in placing orders in Britain by Soviet import organizations for equipment for mechanization of the (Soviet) timber industry, for plywood factories and sawmills, as well as for electrical and other equipment". Further, Britain agreed "to deliver to the Soviet Union in the near future a first consignment of rails for narrow gauge railways, and to help in the purchase of wool, rubber, aluminium, cocoa beans, coffee and other goods". The News Agency also reported that the trade agreement contained a decision to begin new and longer range trade talks by May. Another press report from Stockholm states that Sweden will get 50,000 tons (1,865,000 bushels) of wheat and 15,000 tons (600,000 bushels) of rye from Russia during 1948 under a new trade agreement announced in Stockholm on December 19.

Entirely apart from potential exportable supplies, a great deal depends upon the ability of deficit countries to build up their indigenous production of bread grains. Current indications are that moisture conditions, at least in Europe, are greatly improved, and that winter grains are going into the dormant period with much better prospects than a year ago. Acreages are expected to be greater but no official forecasts are yet available. Despite these favourable indications, shortages of draft power, labour and fertilizers are still serious in many countries—and until and unless production difficulties in these countries are overcome and 'normal' production is resumed, the world cereal shortage is almost certain to remain critical.

World Grain Exports - World exports of grains and their products, exclusive of rice, during the year ended June 30, 1947 have been reported by the United States Department of Agriculture's Office of Foreign Agricultural Relations at a total of 28,444,000 long tons. This compares with 28,526,000 tons in 1945-46 and with pre-war average exports of 28,388,000 tons for the 5-year period ending June 30, 1938. More than 96 per cent of the 1946-47 exports moved from just four countries, the United States, Canada, the Argentine and Australia.

Despite their huge volume, world grain exports during 1946-47 fell short of meeting stated import requirements by approximately 24 per cent. The world's import requirements of cereals (exclusive of rice) for food, as stated to the International Emergency Food Council last season, totalled 37,351,000 long tons. The actual world exports fell short of these requirements by 8,907,000 tons.

Somewhat earlier this season FAO forecast a gap of 10 million tons between supplies and requirements for the current crop year. While it is probable that world exports in 1947-48 may exceed those of 1946-47 it is certain that the increase cannot be of sufficient magnitude to meet a deficit of this order.

THE CANADIAN SITUATION

The Supply Position - Shortly before the close of lake navigation in mid-December, Lakehead wheat stocks on December 11 at 3.7 million bushels were in the neighbourhood of the all-time low. With eastward movement now limited to rail shipments, Lakehead wheat stocks had increased to 6.2 million bushels by December 25. Total commercial visible supplies at that date in all positions amounted to 141.8 million bushels. As was the case last year at the

same date, over 50 per cent of Canada's commercial stocks was situated in western country elevators. Nearly 10 million bushels of wheat were in position at December 25 this year in Bay and Upper Lake Ports and another 6.5 millions were located at Lower Lake and Upper St. Lawrence ports. Storage afloat accounted for 9 million bushels. Over 12 million bushels were in United States positions as compared with 5 millions last year. With only 7 per cent of commercial supplies located in all seaboard positions the rate of export from Canada during the winter months will again depend upon the facility with which the railways can expedite movement from interior points to forward export positions.

Exports of wheat and flour in terms of wheat amounted to approximately 17.4 million bushels during the month of November, bringing the total for the first four months of the crop year to 66.0 million bushels. During the same period last year 75.5 million bushels of wheat and flour equivalent were exported. An estimated 209.3 million bushels remained on December 1, 1947 for export or carry-over at the end of the crop year.

Canadian Wheat Supplies

	<u>1947-48</u>	<u>1946-47</u>
	- million bushels -	
Carry-over in North America July 31	84.5 <u>1/</u>	73.6
New Crop	340.8 <u>1/</u>	413.7
	<hr/>	<hr/>
Total Supply	425.3	487.3
Estimated domestic requirements	150.0	161.0 <u>2/</u>
	<hr/>	<hr/>
Available for export or carry-over	275.3	326.3
Deduct:		
Overseas Clearances of wheat as grain Aug. 1 - Nov. 30 ...	40.6	49.1
United States imports of Canadian wheat	0.1 <u>3/</u>	1.3
	<hr/>	<hr/>
Total Wheat Exports	40.7	50.4
Exports of wheat flour in terms of wheat Aug. 1 - Nov. 30	25.3	25.1
	<hr/>	<hr/>
Total Exports Wheat and Wheat Flour	66.0	75.5
	<hr/>	<hr/>
Balance on December 1 for export or carry-over	209.3	250.8

1/ Subject to revision.

2/ Revised estimate, basis preliminary disposition data.

1947

3/ U. S. imports August to October amount to 48,690 bushels. November data not yet available

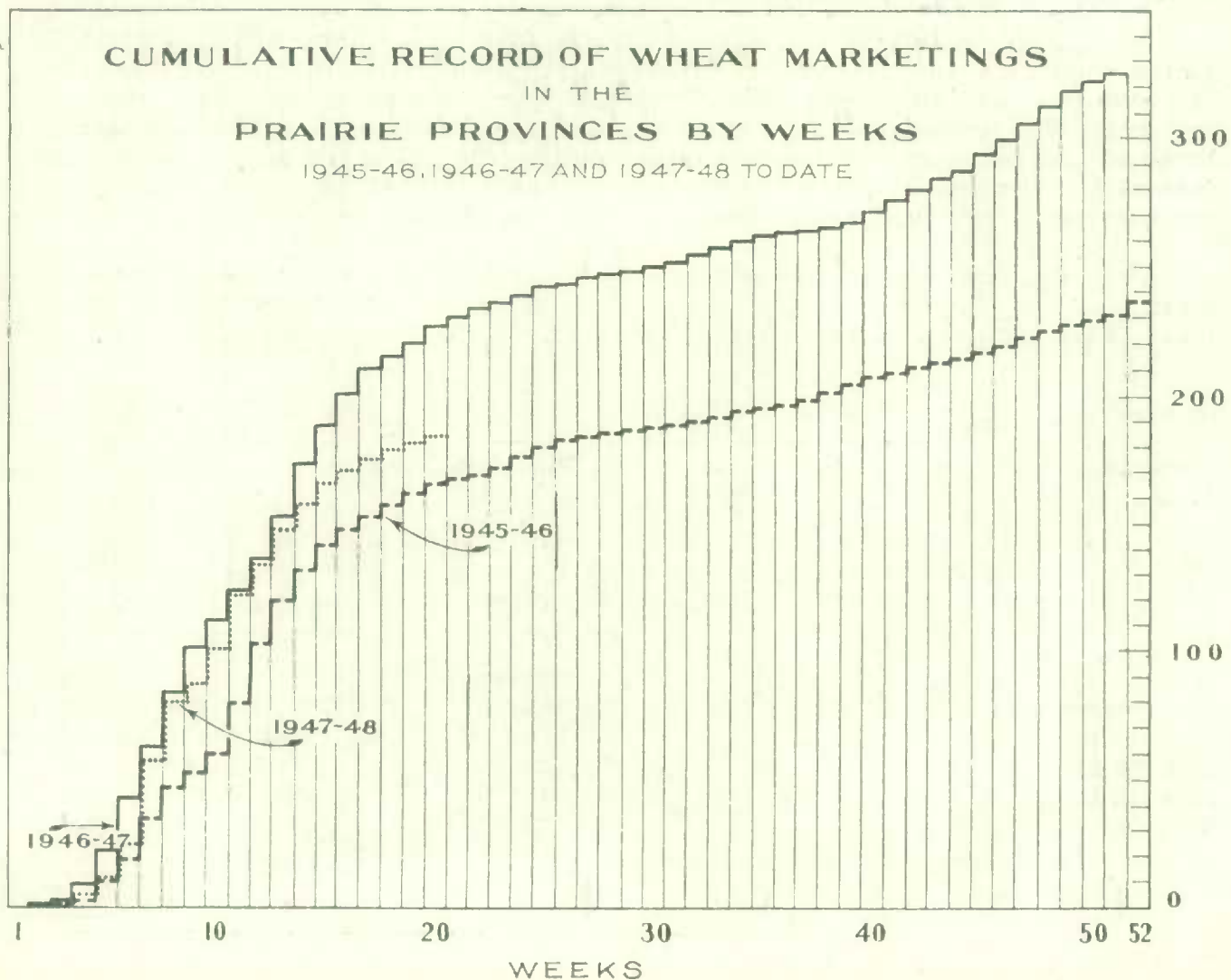
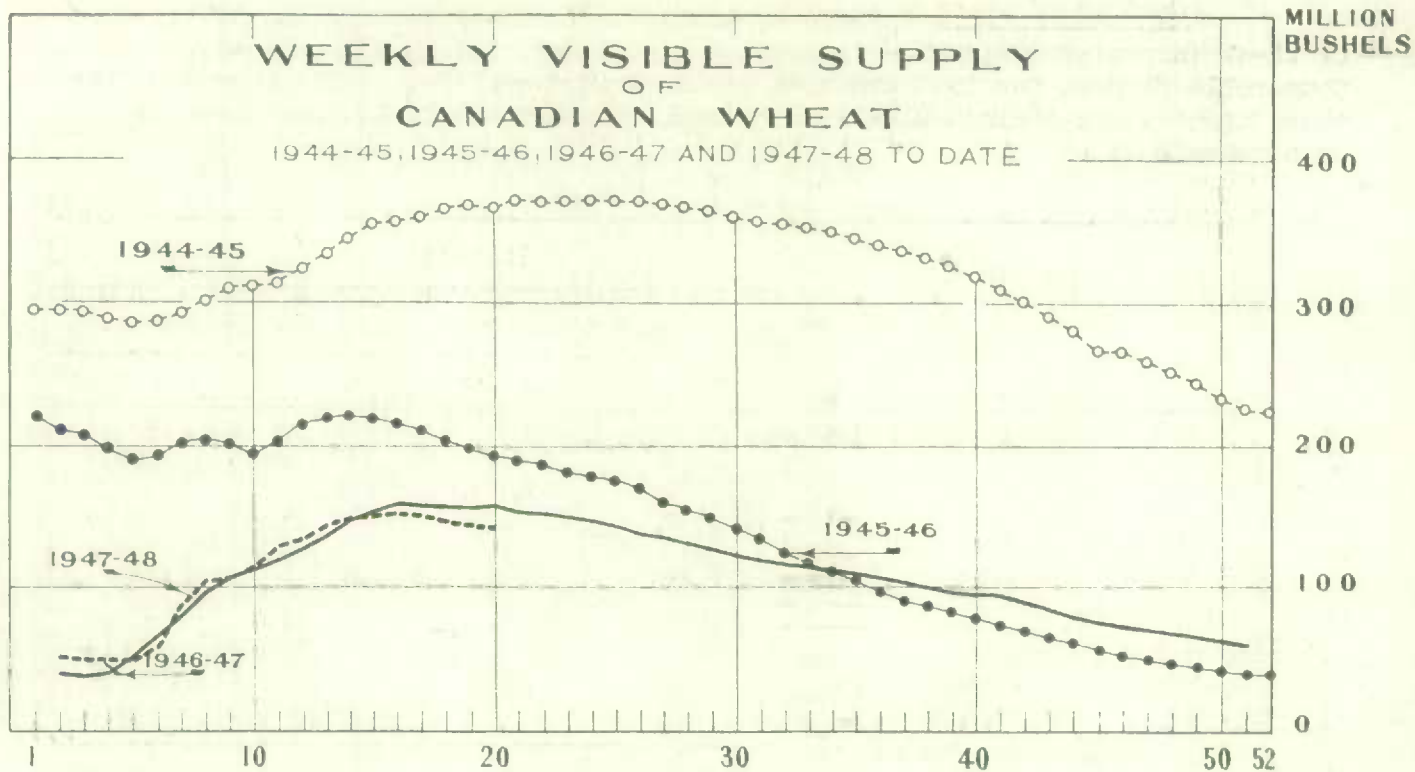
Farmers' Marketings - The following table shows primary receipts of wheat in the Prairie Provinces for the 1947-48 crop year along with comparative figures for 1946-47:

Week ending	Manitoba	Saskatchewan	Alberta	Total	Last Year
- bushels -					
August 1-7	32,021	141,687	555,182	728,890	1,419,443
14	73,314	761,176	838,570	1,673,060	2,364,945
21	244,141	2,096,729	1,477,364	3,818,234	5,312,878
28	2,014,085	2,689,001	978,155	5,681,241	14,581,052
September 4	5,148,064	5,631,203	2,528,671	13,307,938	19,643,656
11	7,292,497	18,710,446	6,955,198	32,958,141	19,650,323
18	2,854,735	14,201,062	5,881,846	22,937,643	21,871,880
25	1,188,968	4,460,164	1,130,219	6,779,351	16,312,603
October 2	1,402,524	9,751,555	2,446,758	13,600,837	10,793,147
9	1,639,027	13,255,822	6,325,330	21,220,179	11,688,801
16	1,043,657	6,809,636	4,146,024	11,999,317	12,350,319
23	753,541	5,674,298	6,865,689	13,293,528	17,722,686
30	628,279	4,294,423	4,852,038	9,774,740	20,104,410
November 6	313,817	3,562,227	4,106,957	7,983,001	14,967,353
13	282,002	2,320,280	2,450,689	5,052,971	12,484,468
20 ^{1/}	475,936	2,373,918	1,848,518	4,698,372	9,960,782
27	304,864	2,024,829	1,397,764	3,727,457	4,771,177
December 4	231,362	1,382,463	1,247,342	2,861,167	4,812,108
11	208,117	1,379,617	1,090,287	2,678,021	6,019,618
T o t a l	26,130,951	101,520,536	57,122,601	184,774,088	226,831,649

^{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 December 11, 1947, along with comparative figures for approximately the same date in 1946 and 1945:

	1947	1946	1945
- 000 bushels -			
Country Elevators - Manitoba	5,398	5,825	3,645
Saskatchewan	37,244	40,490	26,485
Alberta	35,379	38,365	32,395
T o t a l	78,021	84,680	62,525
Interior Private and Mill Elevators	4,201	3,134	4,965
Interior Public & Semi-Public Terminals .	110	354	4,963
Pacific Ports	4,373	8,449	10,041
Churchill	110	43	1,878
Fort William and Port Arthur	3,703	7,174	12,126
In Transit Rail (Western Division)	7,932	7,215	11,430
Eastern Elevators - Lake Ports	15,938	21,127	25,582
St. Lawrence and Seaboard Ports	2,089	2,389	13,915
Storage Afloat	-	-	12,110
In Transit - Lake	11,909	16,290	-
In Transit - Rail (Eastern Division)	1,579	2,374	2,299
United States Ports	13,507	5,138	29,045
In Transit - U.S.A.	1,203	40	6,500
T o t a l	144,675	158,407	197,379



Grading of Wheat - The following table shows the grading of all cars of wheat inspected during the four-month period August to November 1947. Comparable figures for 1946 are also included in the table. It is observed that these inspections include a relatively small proportion of old-crop wheat in both years.

	Inspections -			
	August-November 1947		August-November 1946	
	Cars	Per Cent	Cars	Per Cent
1 Northern	4,358	6.6	11,704	13.9
2 Northern	23,730	35.9	40,105	47.8
3 Northern	14,348	21.7	9,618	11.5
4 Northern	2,510	3.8	2,270	2.7
Garnet	133	0.2	364	0.4
Amber Durum	3,291	5.0	2,450	3.0
Alberta Winter	531	0.8	1,154	1.4
Tough - All varieties and grades ..	13,493	20.4	12,796	15.3
All others	3,726	5.6	3,403	4.0
T o t a l	66,120	100.0	83,864	100.0

Approximately 65 per cent of the cars inspected during the first four months of the current crop year graded No. 3 Northern or better as against over 73 per cent placed in these grades during the comparable period of 1946. The proportion of toughs at 20.4 per cent is well above last year's relatively high level of 15.3 per cent. Despite the fact that nearly 18,000 fewer cars came forward for inspection during the four-month period in 1947 as compared with the same period in 1946, nearly 700 more cars were classed as tough in 1947.

While it appears that the top grades will account for a smaller percentage of the 1947 crop, it is interesting to note that protein content of the lower grades is somewhat higher than last year.

Rail Movement of Wheat to Maritime Ports - The table sets out the movement of wheat by RAIL from ports on the Great Lakes during the current season, with comparable figures for last year.

	August 1 to December 11, 1947	August 1 to December 12, 1946
	- bushels -	
Collingwood	71,859	199,394
Midland	1,673,314	2,217,770
Owen Sound	203,758	191,921
Port McNicoll	1,330,234	2,296,606
Goderich	233,514	122,658
Sarnia	89,712	165,023
Port Colborne	339,496	-
Montreal	1,549	-
T o t a l	3,943,436	5,193,372

Shipments to United States - Shipments of wheat to the United States during the period under review were somewhat heavier than in the comparable period in 1946 but were little more than a quarter of that moved into United States positions during the 1945 period August 1 to December 18. The principal shipments were by lake vessel to Buffalo with smaller quantities going to Erie by the same method. Rail movement was light with all such shipments being directed to interior points.

Details of Wheat Shipments to the United States, by Destination

	August 1 - December 18		
	1947	1946	1945
	bu.	bu.	bu.
<u>By Vessel</u>			
U.S.A. Pacific Ports	-	-	15,000
Buffalo	14,266,961	8,442,772	47,211,121
Chicago	-	-	331,494
Erie	1,155,260	2,948,382	6,719,050
Total - Vessel Shipments ...	15,422,221	11,391,154	54,276,665
<u>By Rail</u>			
U.S.A. Seaboard Ports	-	217,463	4,679,245
Other U.S.A. Points	57,809	3,210	84,601
Total - Rail Shipments	57,809	220,673	4,763,846
GRAND TOTAL	15,480,030	11,611,827	59,040,511

Lake Shipments of Canadian Grain from the Opening of Navigation to

December 14. - With navigation closed on the lakes and the St. Lawrence, all movement of grain from the head of the lakes to eastern positions must now be by rail. Export shipments now must clear from winter ports and wheat stocks in seaboard positions are being built up by rail shipments. A total of 255.8 million bushels of grain moved through the lakes this past navigation season, 167.2 million bushels of which were wheat. Total shipments were heavier than in 1946 by 15.6 million bushels due chiefly to the heavier movement of wheat.

Lakehead grain shipments reportedly reached their seasonal peak on December 1, with 32 vessels said to have cleared with 6.4 million bushels of grain in the end of the season rush to get much needed cereals into shipping position at eastern ports. All but one million bushels of that day's movement cleared as wheat.

Shipments between Opening and Closing of Navigation

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
- bushels -						
1938 ...	132,230,539	8,812,016	16,623,538	1,477,134	608,919	159,752,146
1939 ...	209,780,420	18,535,455	18,434,141	4,660,217	478,387	251,888,620
1940 ...	174,690,549	16,825,500	10,021,209	3,311,433	1,239,213	206,087,904
1941 ...	232,946,021	9,045,957	11,602,419	6,092,230	2,336,705	262,023,332
1942 ...	178,510,838	17,045,934	10,554,118	1,029,639	4,039,688	211,180,217
1943 ...	246,159,195	39,406,374	44,034,103	5,439,156	8,875,748	343,914,576
1944 ...	304,248,479	80,008,997	56,343,534	8,156,013	7,205,043	455,962,066
1945 ...	344,092,226	84,927,448	45,179,553	4,827,669	4,384,058	483,410,954
1946 ...	147,431,373	56,006,383	30,777,084	3,770,656	2,184,421	240,169,917
1947 1/.	167,237,282	46,519,431	29,827,359	8,561,145	3,611,491	255,756,708

1/ Subject to revision.

Rail Movement from Fort William-Port Arthur - Rail shipments during November amounted to some 100,000 bushels, a decline of about 30,000 bushels from the October level. With the closing of navigation on the lakes in December the usual seasonal increase in rail shipments may be anticipated.

No. 4 Northern continues to make up the greater portion of wheat moved eastward with Ontario and Quebec the principal recipients. During November no wheat moved into Prince Edward Island or the United States by rail from the lakehead, and apart from small portions sent to New Brunswick and Nova Scotia, Ontario and Quebec absorbed all the shipments.

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

	1947-48	1946-47	1945-46	1944-45
- bushels -				
August	90,573	187,825	23,255	91,891
September	91,366	175,773	57,533	169,603
October	131,290	255,754	73,776	86,571
November	100,562	256,249	99,197	97,512
December		1,601,883	2,280,636	1,236,339
January		2,462,002	4,533,707	1,936,038
February		1,816,087	1,127,764	764,629
March		1,711,013	2,223,266	1,091,909
April		566,006	1,015,730	196,042
May		361,386	536,462	66,154
June		241,475	920,233	58,642
July		123,145	130,276	52,726
Total - 12 months		9,758,598	13,021,835	5,848,056

The grades of wheat shipped during November 1947 and the provincial distribution of this rail movement are shown in the following table:

	Ontario	Quebec	New Brunswick	Nova Scotia
- bushels -				
4 Northern	14,200	30,455	5,667	3,400
No. 5	1,133	2,134	2,266	-
Tough 4 Northern	1,133	67	-	-
Tough No. 5	-	10,800	-	-
Tough No. 6	-	7,000	-	-
Rejected 2 Northern Mixed Heated ...	-	1,133	-	-
Tough Rejected 4 Nor. Mixed Heated .	-	1,000	-	-
Rejected 4 Special Mixed Heated	-	1,000	-	-
Tough Sample Heated	-	1,333	-	-
Rejected 4 Sample Mixed Heated	-	1,000	-	-
Tough Smutty 4 Northern Mixed Heated	1,000	-	-	-
1 C.W.A.D.	7,575	-	-	-
3 C.W.A.D.	3,200	-	-	-
Tough 2 C.W. Soft White Spring	1,624	-	-	-
Tough 3 C.W. Soft White Spring	3,342	-	-	-
Sample Red Spring Broken	100	-	-	-
T o t a l	33,307	55,922	7,933	3,400
GRAND TOTAL	100,562			

Freight Assistance Shipments - Wheat continues to move into the major food deficit areas in significantly larger quantities than during the comparable period of 1946-47. Ontario and Quebec have both received larger shipments than last year, but the other eastern provinces (with the exception of Nova Scotia) and British Columbia have shown reduced receipts.

Consideration should be given to the fact that the filing of late claims for assistance under the plan will necessitate upward revisions, particularly in the current figures, and the general increase over last year's levels will accordingly be greater than that now indicated by the data published herewith.

The provincial distribution of wheat shipments is shown in the following table, by months, with comparative figures for the crop year 1946-47:

1947-48	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia	Total
- bushels -							
August	627,932	516,002	57,650	48,705	25,940	320,038	1,596,267
September .	1,529,018	824,156	72,610	81,563	20,577	242,922	2,770,846
October ...	734,138	794,180	60,328	93,653	24,158	139,208	1,845,665
T o t a l .	2,891,108	2,134,338	190,568	223,921	70,675	702,168	6,212,778
Same Period							
1946-47 .	2,088,541	1,643,178	204,078	220,915	93,204	1,194,451	5,444,367

Whereas shipments of wheat under the freight assistance plan are higher than last year those of millfeeds are considerably lower. The decline is common to all provinces, but upward revisions of the current data will be required due to filing of late claims and the gap between shipments in the two periods under review will, no doubt, be narrowed somewhat as more complete figures become available.

The provincial distribution of millfeeds under the freight assistance plan is shown in the following table. One column of figures cover the first three months of the present crop year and the other the corresponding period a year ago.

	August 1, 1947 to October 31, 1947	August 1, 1946 to October 31, 1946
- tons -		
Ontario	57,321	71,183
Quebec	68,946	84,730
New Brunswick	10,423	15,753
Nova Scotia	9,523	15,687
Prince Edward Island	2,589	4,335
British Columbia	12,815	19,164
T o t a l	161,617	210,852

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

	Overseas Clearances of Canadian Wheat	U. S. Imports ^{1/} of Canadian Wheat for consumption and milling in bond	Customs Exports of Canadian Wheat Flour	Total	Customs Exports of Wheat and Wheat Flour
<u>1945-46</u> - 000 bushels -					
August	35,358	1,114	4,979	41,451	48,074
September ...	26,645	1,143	4,294	32,082	34,428
October	37,551	1,265	4,789	43,605	36,139
November	29,679	2,139	4,501	36,319	42,817
December	20,163	1,582	4,344	26,089	42,443
January	19,984	1,988	5,125	27,097	20,373
February	19,592	351	5,111	25,054	14,959
March	22,780	587	4,690	28,057	20,075
April	16,220	559	6,651	23,430	20,095
May	15,131	465	7,507	23,103	23,003
June	16,161	754	4,771	21,686	14,718
July	6,471	386	5,275	12,132	18,910
T o t a l ...	265,735	12,333	62,037	340,105	336,034
<u>1946-47</u> ^{2/}					
August	5,981	227	8,896	15,104	17,339
September ...	10,134	241	5,563	15,938	11,338
October	12,478	437	4,436	17,351	23,653
November	20,494	441	6,156	27,091	23,008
December	10,815	124	3,248	14,187	17,488
January	14,303	77	6,208	20,588	20,406
February	10,439	75	5,538	16,052	13,639
March	8,121	31	6,102	14,254	14,085
April	10,273	4	5,015	15,292	12,152
May	17,803	1	10,385	28,189	28,701
June	22,192	5	10,537	32,734	31,594
July	18,354	9	7,386	25,749	26,404
T o t a l ...	161,387	1,672	79,470	242,529	239,807
<u>1947-48</u> ^{2/}					
August	9,601	2	6,956	16,559	18,140
September ...	9,362	12	5,817	15,191	15,990
October	9,680	35	7,123	16,838	17,204
November	12,006	<u>3/</u>	5,387	17,393	22,761
T o t a l ...	40,649	49	25,283	65,981	74,095

^{1/} U.S.A. official figures.

^{2/} Subject to revision.

^{3/} U.S.A. imports for November not available.

Overseas Clearances of Canadian Wheat and Wheat Flour (including U.S.A. Imports) August 1947 to November 1947. - The following statistics on monthly overseas clearances have been compiled by the Statistical Branch of the Board of Grain Commissioners:-

	October		November		August-November	
	Wheat Flour 2/	Wheat 1/	Wheat Flour 2/	Wheat 1/	Wheat Flour 2/	Wheat 1/
	bushels		bushels		bushels	
<u>BRITISH EMPIRE</u>						
United Kingdom	3,444,800	8,837,917	3,273,952	10,384,772	11,731,770	34,172,299
Eire	251,460	-	45,441	-	763,686	-
<u>Africa</u>						
Br. E. Africa	-	-	-	-	4,036	-
Br. S. Africa	-	-	-	-	1,818	-
<u>Br. W. Africa</u>						
Gold Coast	6,368	-	-	-	34,646	-
Nigeria	-	-	-	-	851	-
Sierra Leone	2,182	-	20,012	-	41,229	-
<u>Asia</u>						
Aden	-	-	-	-	450	-
Hong Kong	9,180	-	-	-	37,530	-
India	895,554	-	363,641	-	3,871,310	-
Palestine	9,162	187,852	-	515,267	9,162	703,119
<u>Europe</u>						
Gibraltar	-	-	-	-	-	-
Malta	-	350,000	-	336,306	-	1,085,773
<u>North America</u>						
Bahamas	14,562	-	48,533	-	95,940	-
Barbados	42,219	-	51,323	-	165,974	767
Jamaica	140,652	-	191,201	13,502	524,678	15,673
St. Vincent	-	-	-	-	-	10
Trinidad-Tobago	170,086	-	213,876	-	798,408	-
Other Br.W.Indies	54,792	-	75,146	-	190,247	-
Bermuda	7,366	-	11,669	-	36,257	-
Br.Honduras	5,279	-	6,849	-	22,415	-
Newfoundland	129,217	-	301,882	-	738,409	-
<u>South America</u>						
British Guiana	74,486	-	75,605	-	272,039	-
TOTAL BR. EMPIRE	5,257,367	9,375,769	4,679,130	11,249,847	19,340,855	35,977,641
<u>FOREIGN COUNTRIES</u>						
<u>Africa</u>						
Azores & Madeira	360	-	8,933	-	20,115	-
Belgian Congo	-	-	-	-	8,298	-
Egypt	-	304,500	32,139	755,877	89,523	1,790,797
Liberia	1,368	-	918	-	5,706	-
Portuguese Africa	1,148	-	14,206	-	26,829	-
<u>Asia</u>						
China	-	-	2,295	-	14,274	-
Iraq-Iran	-	-	-	-	-	339,000
Portuguese Asia	15,770	-	-	-	18,797	-
Philippine Is.	213,286	-	3,447	-	404,176	-
Syria	195,588	-	51,196	-	295,776	-
<u>Europe</u>						
Austria	-	-	29,074	-	29,074	-
Belgium	11,241	-	145,188	-	158,724	1,546,419

Overseas Clearances of Canadian Wheat and Wheat Flour - concluded

	October		November		August-November	
	Wheat Flour <u>2/</u>	Wheat <u>1/</u>	Wheat Flour <u>2/</u>	Wheat <u>1/</u>	Wheat Flour <u>2/</u>	Wheat <u>1/</u>
	bushels		bushels		bushels	
<u>FOREIGN COUNTRIES</u>						
<u>Europe (continued)</u>						
Denmark	-	-	6,750	-	12,096	-
France	156,897	-	27,396	-	630,099	-
Germany	83,561	-	9,949	-	96,399	-
Greece	-	-	16,884	-	19,134	-
Italy	605,206	-	139,360	-	1,768,023	-
Netherlands	9,720	-	19,400	-	49,347	995,467
Norway	186,327	-	68,940	-	727,078	-
Poland	-	-	-	-	-	-
Portugal	7,898	-	-	-	30,803	-
Switzerland	9,369	-	4,581	-	56,916	-
<u>North America</u>						
Costa Rica	11,709	-	-	-	46,485	-
Cuba	1,724	-	-	-	199,269	-
Dom. Republic	-	-	-	-	57,146	-
Fr. W. Indies	47,754	-	15,386	-	82,773	-
Guatemala	4,603	-	6,462	-	19,098	-
Haiti	6,278	-	-	-	29,498	-
Honduras	1,607	-	1,831	-	8,716	-
Iceland	-	-	18,841	-	28,966	-
Nether.W.Indies	13,806	-	3,433	-	65,281	-
Nicaragua	-	-	1,435	-	5,575	-
Panama	571	-	4,532	-	45,000	-
Salvador	-	-	-	-	2,983	-
St.Pierre-Miquelon	1,935	-	2,515	-	5,710	-
<u>United States</u>						
For grinding in bond	-	-	-	<u>3/</u>	-	10,731 ^{5/}
For human consumption	261	45 <u>4/</u>	-	<u>3/</u>	338	95 ^{5/}
Unfit for						
human consumption	-	35,030 <u>1/</u>	-	<u>3/</u>	-	37,864 ^{3/}
Alaska	-	-	-	-	508	-
Virgin Islands	1,822	-	-	-	5,661	-
<u>South America</u>						
Brazil	177,023	-	46,948	-	393,151	-
Colombia	58,752	-	17,213	-	110,907	-
Ecuador	2,065	-	2,213	-	19,381	-
Nether.Guiana	6,381	-	-	-	32,278	-
Peru	-	-	-	-	5,742	-
Venezuela	35,678	-	-	-	316,620	-
TOTAL FOREIGN COUNTRIES	1,865,710	359,575	708,067	755,877	5,942,273	4,720,373
GRAND TOTAL EXPORTED	7,123,077	9,715,344	5,387,197	12,008,724	25,283,128	40,698,014

1/ Subject to revision.

2/ Canadian Customs Returns-Conversion Rate - 4 1/2 wheat bushels = 1 barrel.

3/ U.S.A. Imports for November not available.

4/ Revised.

5/ Source- Department of Commerce, Bureau of Census.

Current Wheat Prices - The table below sets out the weekly averages of both domestic and export prices of western Canadian wheat for the weeks ending November 29 through December 27. The prices for domestic use and for export to the United Kingdom have remained unchanged during the period covered. The price of 'commercial' wheat for export to countries other than the United Kingdom eased somewhat during the last two weeks of the period, with the average for No. 1 Northern for the week ending December 27 standing at 325/4, a decline of 14 1/2 cents per bushel from the average for the first week of the period.

Note:- The prices quoted for domestic use and for sale to the United Kingdom include carrying charges of 3 1/2 cents per bushel.

		Average Prices for the weeks ending ^{1/}				
		Nov. 29	Dec. 6	Dec. 13	Dec. 20	Dec. 27
		- cents and eighths per bushel -				
<u>WHEAT</u> ^{2/}						
(1) Class I Domestic						
(A) Domestic Use						
1 Hard	158/4	158/4	158/4	158/4	158/4	158/4
1 Northern	158/4	158/4	158/4	158/4	158/4	158/4
2 Northern	155/4	155/4	155/4	155/4	155/4	155/4
3 Northern	153/4	153/4	153/4	153/4	153/4	153/4
4 Northern	150/4	150/4	150/4	150/4	150/4	150/4
Number 5	145/4	145/4	145/4	145/4	145/4	145/4
Number 6	141/4	141/4	141/4	141/4	141/4	141/4
Feed	139/4	139/4	139/4	139/4	139/4	139/4
1 C. W. Garnet	153/4	153/4	153/4	153/4	153/4	153/4
2 C. W. Garnet	151/4	151/4	151/4	151/4	151/4	151/4
3 C. W. Garnet	149/4	149/4	149/4	149/4	149/4	149/4
1 Alberta Red Winter	158/4	158/4	158/4	158/4	158/4	158/4
2 Alberta Winter	157/4	157/4	157/4	157/4	157/4	157/4
3 Alberta Winter	154/4	154/4	154/4	154/4	154/4	154/4
1 C. W. Amber Durum	158/4	158/4	158/4	158/4	158/4	158/4
2 C. W. Amber Durum	155/4	155/4	155/4	155/4	155/4	155/4
3 C. W. Amber Durum	153/4	153/4	153/4	153/4	153/4	153/4
(B) Initial Price to Producers - 23 1/2 cents under Schedule A.						
(2) Class II Export						
(A) United Kingdom						
1 Hard	158/4	158/4	158/4	158/4	158/4	158/4
1 Northern	158/4	158/4	158/4	158/4	158/4	158/4
2 Northern	155/4	155/4	155/4	155/4	155/4	155/4
3 Northern	153/4	153/4	153/4	153/4	153/4	153/4
(B) Commercial						
1 Hard	340	332/3	332/3	329/7	325/4	
1 Northern	340	332/3	332/3	329/7	325/4	
2 Northern	337	329/3	329/3	326/7	322/4	
3 Northern	335	327/3	327/3	324/7	320/4	
1 C. W. Amber Durum	340	332/3	332/3	329/7	325/4	
2 C. W. Amber Durum	337	329/3	329/3	326/7	322/4	
3 C. W. Amber Durum	335	327/3	327/3	324/7	320/4	

^{1/} Source: Statistics Branch, Board of Grain Commissioners, Fort William.

^{2/} Price - Basis in store Fort William-Port Arthur and Vancouver.

Flour Milling Situation - Production of wheat flour during November of this year amounted to 2,159,483 barrels, the lowest outturn of any month since August of 1946 and the lowest November production since 1942.

Total wheat flour production for the first four months of the current crop year exceeds somewhat that of the same period last year. The smaller 1947 wheat crop, however, is already making itself felt and it is not anticipated that total flour production for the current crop year will come up to the record established in 1946-47. According to Customs returns, more than half of Canada's flour output continues to flow into export channels.

Mills reporting operations in November had a total rated milling capacity of 97,130 barrels per 24-hour day and on the basis of a 26-day working period in the month 85.5 per cent of the rated capacity was effective.

In the following table the record of production and exports during the past ten years is shown together with statistics for the first four months of the current crop year.

Production and Exports* of Wheat Flour
(barrels of 196 pounds)

<u>Crop Year</u>	<u>Production</u>	<u>Exports</u>
1937-38	12,867,728	3,609,656
1938-39	15,197,297	4,604,245
1939-40	17,778,311	6,781,367
1940-41	19,575,833	10,288,827
1941-42	19,905,741	10,205,778
1942-43	23,590,516	12,575,215
1943-44	24,303,833	13,464,371
1944-45	24,634,905	13,923,832
1945-46	26,435,341	13,786,177
1946-47	28,518,602	17,660,109
1947-48 August	2,412,394	1,545,784
September	2,481,189	1,292,628
October	2,531,104	1,582,906
November	2,159,483	1,197,155
Total - 4 months	9,584,170	5,618,473
Same Period 1946-47	9,337,805	5,566,919

* Based on Customs returns.

Quality of Canada's 1947 Wheat Crop -

The editors are indebted to the Board of Grain Commissioners' Research Laboratory for the following report received under date of December 13:

"By comparison with the high quality 1946 crop, Western Canada's 1947 crop is slightly higher in protein content, fully equal if not superior in baking quality, about the same in absorption, and lower in bushel weight ... The first three new-crop grades are very satisfactory for improving the all-round quality of weaker wheats. It is estimated that about 8 per cent of the crop will grade 1 Northern, that about 65 per cent will grade 2 and 3 Northern, and that about 27 per cent will grade 4 Northern and lower. Percentages of tough and damp wheat will be high. With a carry-over of 84 million bushels and an estimated crop of 319 million bushels, about 403 million bushels of Western Canadian wheat will be available for domestic use and for export in 1947-48." (Editor's note:- carry-over stocks at July 31, 1948 will also have to be retained out of these 403 million bushels).

"Average protein content for grades 1 Northern to 4 Special and Carnet is 14.1 per cent, which is 0.3 per cent higher than the value for last year and 0.3 per cent higher than the mean for the past 20 years. This year, average protein content tends to increase with decrease in grade. Corresponding values for 1947 and 1946 are identical for 1 Northern at 13.5 per cent, but 2 Northern is slightly higher (13.9 and 13.8 per cent) and 3 Northern is slightly higher (14.2 and 14.0 per cent) this year. Baking strength parallels protein content, and, compared with last year, 1 Northern is definitely higher and 2 and 3 Northern are slightly higher this year.

"Bushel weight decreases with grade, and 1 Northern is definitely lower and 2 and 3 Northern are slightly lower, grade for grade, this year. Absorption increases slightly with decrease in grade, and differences between this year's and last year's corresponding grades are small. Dough handling quality is very satisfactory and the same for the first three grades. Diastatic activity and yellow pigment content are both definitely higher this year than last.

"By comparison with the 1946 crop, the 1947 amber durum wheat crop is lower in bushel weight, slightly lower in protein content, distinctly higher in yellow pigment content, and fully equal if not superior in macaroni-making quality. A high percentage of the crop (77 per cent) is grading 3 C.W. and lower, because Polissier, a variety recently excluded from the two top grades, is still being grown extensively in Saskatchewan. Production is estimated to be between 11 and 12 million bushels."

Licensed Grain Storage Position - Total licensed grain storage capacity in Canada at 482 million bushels on December 1, 1947 had declined by some 13 million bushels from the level of December 1, 1946. Head of the lakes licensed facilities were down 12 million bushels while Western Country Elevators accounted for a further drop of 4 million bushels. Licensed capacity of other classes remained unchanged with the exception of Interior Private and Mill Elevators in which group an increase of 3 million bushels was registered. This group is shown under 'all others' in the table below.

Stocks in store on December 11 were 177 million bushels, only 36.7 per cent of capacity. Stocks at the lakehead and St. Lawrence ports were low, while the Bay Ports, Goderich, Sarnia and Lower Lake Ports showed fairly substantial stocks. Maritime Ports were receiving heavier shipments in preparation for the winter export season. As was the case last year, low storage stock levels at the end of the crop year and a substantial export program have resulted in generally ample storage space being available all across Canada.

The licensed storage position in summarized form, was briefly as follows on December 1, 1947:

	<u>Storage Capacity</u>	<u>Grain in Store December 11, 1947</u>	<u>% Capacity Occupied</u>
	- million bushels -		
Western Country Elevators	265	105	39.6
Pacific Coast	17	5	29.4
Fort William-Port Arthur	76	16	21.1
Bay Ports, Goderich, Sarnia	34	24	70.6
Lower Lake Ports	19	10	52.6
St. Lawrence Ports	25	3	12.0
Maritime Ports	5	2	40.0
All Others	41	12	29.3
T o t a l	482	177	36.7

Ontario Winter Wheat Millings - Ontario winter wheat millings during the first quarter of the current crop year have declined by over 150,000 bushels from that milled during the corresponding period in 1946-47 and are down nearly 450,000 bushels from the 1945-46 figure. Marketings of the winter wheat crop in Ontario have been slightly heavier than a year ago. Ontario winter wheat flour manufactured during the first quarter of this crop year totalled 205,576 barrels as compared with 246,636 barrels in the same period of 1946-47.

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

	<u>1947</u>	<u>1946</u>	<u>1945</u>
August	308,645	439,392	450,623
September	247,788	345,449	470,540
October	363,963	287,963	442,040
T o t a l	920,396	1,072,804	1,363,203

UNITED STATES SITUATION

Outlook for Winter Wheat - The Crop Reporting Board of the United States Department of Agriculture, issued the following release on the acreage seeded, condition and possible production of the new winter wheat crop as of December 1, 1947:

"Acreage of winter wheat seeded for all purposes is estimated at 58,548,000 acres. This is a new seeded acreage record. The 1948 winter wheat production is forecast at 839 million bushels as of December 1. The acreage is one per cent larger than the 58,068,000 acres seeded last year, and is nearly one-fourth larger than the 10-year average of 47,464,000 acres. The increase in the total seeded acreage resulted from the substantial increase in acreage in the North Central States, continuation of seedings after mid-November with the improved moisture situation in much of the Great Plains, and further expansion of acreage in Inter-mountain and Pacific Coast States.

Weather was so dry before and during the usual winter wheat planting dates in a large part of the central and southern Great Plains that preparation of ground and seeding operations were greatly delayed, and a sharp reduction in acreage was threatened. Rains beginning in mid-November, however, materially changed the situation and farmers continued seeding beyond the usual dates making great headway toward planting the intended acreage. Only Kansas, Texas and New Mexico fall short of last year's acreage. For the three States estimated seedings are 7 per cent under last year. In the areas where seedings were delayed and continued beyond December 1, the total estimate includes an allowance for the acreage seeded after December 1. Nebraska equaled last year's acreage, but with much poorer prospects than a year ago, particularly in south central and south-eastern parts of the State where seed beds were rough and cloddy. By taking advantage of local rains as they came and continuing to plant beyond usual seeding dates, Oklahoma farmers increased their acreage 6 per cent. In Colorado the season was very favourable for seeding excepting in the south-eastern corner, and the State as a whole increased its acreage 6 per cent. In some Plains States this year's acreage was maintained at a high level by reseeding on wheat land, reducing the summer fallow for next year and by breaking out some sod.

There was a marked shift into winter wheat in the north-central States, particularly in Illinois, Missouri and Iowa, where the wheat acreage in recent years has been quite low and where land that was idle because of spring floods was put into wheat. Wheat acreage in these three States increased nearly 30 per cent. Moisture conditions in the Pacific Northwest favoured winter wheat seeding operations, resulting in a 6 per cent increase in acreage in that area. Prolonged wet weather in much of the south-eastern U. S. limited planting. Nine States seeded their largest winter wheat acreage of record, including the important States of Michigan, Oklahoma, Idaho, Colorado and Washington.

Winter wheat production in 1948 of 838,705,000 bushels is forecast on the basis of reported condition of the crop on December 1 this year, an appraisal of soil moisture conditions to date and other factors affecting yields. This production is about 239 million bushels or 21 per cent below the record 1947 winter wheat production of 1,067,970,000 bushels. The December 1 reported condition of 76 per cent is 17 points below a year earlier. Good yields are in prospect in the north-central States, the Pacific Northwest and

the Inter-mountain area. In most of the Great Plains, however, winter wheat was planted late and moisture was generally deficient until late November and December, so the crop is backward in much of that area. So far this fall, progress in seeding operations and plant development in the southern Great Plains have been somewhat similar to the fall of 1939 and 1943. In those years, seedlings continued well into the winter; conditions after December 1 were very favourable for development of the crop and good yields were finally obtained. In the present forecast of production, only normal weather has been assumed for the rest of the crop season.

The indicated yield is 14.3 bushels per seeded acre, compared with last year's record of 18.4 bushels and the 10-year average of 13.9. The 5-year (1941-45) average is 15.8 bushels per acre. The acreage that will not be harvested for grain is estimated at 15.0 per cent of the planted acreage compared with 5.7 per cent not harvested in 1947, and the 10-year average of 14.1 per cent. The average for the 5-year period 1941-45 is 10 per cent."

Wheat Production Estimate for 1947 Revised - The United States Department of Agriculture in a revised estimate for this year, reduced the wheat estimate by 41.8 million bushels to 1,364,919,000 bushels compared with 1,153,046,000 bushels last year and an average for the years 1936-1945 of 890,306,000 bushels.

Price Received by Farmers - The average farm price for wheat at \$2.74 per bushel on November 15, reached a record high, 8 cents above a month earlier, as compared with \$1.89 on November 15, 1946, and an average for the period August 1909 to July 1914 of .884 per bushel. This latter period is used as a base for establishing index numbers of farm prices and costs.

Flour Production at High Level - The Bureau of the Census, Department of Commerce, estimated that 26.3 million sacks of wheat flour were produced in October, 6 per cent more than the 24.8 million sacks produced in September and slightly over the October 1946 output of 26.1 million sacks.

Wheat grindings during the month were estimated 60.4 million bushels as compared with 56.7 million bushels in September; offal production was placed at 506,000 short tons, against 474,000 short tons the previous month.

These figures represent the output of approximately 1,100 flour mills, 425 of which report monthly to the Bureau, the rest annually. The 1,100 mills are believed to account for about 98 per cent of the entire United States wheat flour production.

Wheat flour production during the first 10 months of 1947 was estimated at 255 million sacks, compared with 222 million sacks for the corresponding period of 1946, an increase of 15 per cent. It was only 18 million sacks short of the total reported production of 273 million sacks for the entire year 1946.

Chicago and Minneapolis Cash Wheat - Chicago cash markets have been exceedingly quiet with receipts very light but evidently adequate for the limited purchases being made. Most of the wheat moving into Chicago was the property of the Commercial Credit Corporation and was being applied on previous contracts. Receipts of cash wheat held a fair volume at Minneapolis although offerings on the open market were not large since the bulk of the arrivals was placed in store or applied on sale. The general tone of the market was easy. Government purchases during the period were light; during the period December 12 to December 19 the Commodity Credit Corporation bought only 4,340 bushels of wheat. Mill demand was indifferent.

The following are the daily cash prices by grades on the Chicago and Minneapolis markets.

1947	Chicago -		Minneapolis -	
	Grade	Price	Grade	Price
November 25	None		1 Heavy Dark Nor.	307 - 310
26	2 Red	310 3/4	1 Heavy Dark Nor.	310 1/2 - 312 1/2
27		Thanksgiving	Day	
28	2 Mixed	321 1/2	1 Heavy Dark Nor.	317 1/4 - 319 1/4
29	None		1 Heavy Dark Nor.	313 - 315
December 1	None		1 Heavy Dark Nor.	312 3/8 - 313 3/8
2	2 Hard	306 1/2	1 Heavy Dark Nor.	305 3/4 - 306 3/4
3	2 Red	311	1 Heavy Dark Nor.	308 - 309
4	None		1 Heavy Dark Nor.	305 1/4 - 306 1/4
5	None		1 Heavy Dark Nor.	297 1/2 - 298 1/2
6	Sample Hard	288	1 Heavy Dark Nor.	302 1/4 - 303 1/4
8	None		1 Heavy Dark Nor.	307 - 308
9	None		1 Heavy Dark Nor.	309 - 310
10	2 Hard	311	1 Heavy Dark Nor.	313 1/2
11	2 Red	312	1 Heavy Dark Nor.	312 3/8
12	2 Red	309	1 Heavy Dark Nor.	309 1/4
13	None		1 Heavy Dark Nor.	308 3/4
15	2 Red	310 1/2	1 Heavy Dark Nor.	307 1/2 - 308 1/2
16	None		1 Heavy Dark Nor.	307 3/4 - 308 3/4
17	None		1 Heavy Dark Nor.	306 7/8 - 307 7/8
18	2 Red	311	1 Heavy Dark Nor.	307 1/4 - 308 1/4
19	2 Red	309 1/2	1 Heavy Dark Nor.	306 1/4 - 307 1/4
20	None		1 Heavy Dark Nor.	310 3/4 - 311 3/4
22	None		1 Heavy Dark Nor.	304 5/4 - 305 3/4
23	None		1 Heavy Dark Nor.	299 1/8 - 300 1/8

Chicago Wheat Futures - After closing out November at record highs for December wheat, the futures market weakened during the first week in December, then rallied and continued the period under review with some fluctuations but the tone remained generally firm. December wheat futures went off the boards on Monday, December 22 at 311/4 within 9 cents of the season's high of 320 reached on November 28. After trading ceased there were still liberal amounts to be delivered during the balance of the month. With the Commodity Credit Corporation out of the market for supplies for export and the announcement by the Department of Agriculture that the bulk of the Production and Marketing Administration's February wheat allocation and most of the flour had been bought, the market was relatively quiet. As the holiday season approached the customary lull ruled the grain markets at Chicago.

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

<u>1947</u>	<u>December</u>	<u>March</u>	<u>May</u>	<u>July</u>	<u>September</u>
- cents and eighths per bushel -					
November 25	310/2	303/2	295/2	260/6	255/2
26	313/6	308/4	299/4	265	258/2
27	Thanksgiving Day				
28	320	315	305/6	272/2	265
29	316/6	310	303	267/6	261/4
December 1	312/6	307/4	302	267/2	260/4
2	309	304	297/6	262/6	256/2
3	309/6	304/4	299/4	264/4	257/2
4	304	300	295/2	260/4	253
5	301	297/2	291	255/6	249/4
6	302	295	293	257/4	250/4
8	303	299/6	295/4	261	253/4
9	310	304	298/4	263/2	255/4
10	312	307	301/4	266/2	258/2
11	312	306	300/2	264/2	256
12	310	304/2	298	262/2	254/2
13	308/4	303/2	297/2	262	253/4
15	308/2	302/6	296	262	253/6
16	311	305/4	298/2	264/6	257
17	309/2	304/4	296/6	266/4	258/6
18	309/6	305	298	267/4	260/4
19	310	304/4	297	265	258/2
20	316/2	307	300/4	269	261/4
22	311/4	303/4	296/2	265/2	258/4
23		304/4	296	264/4	257/6

ARGENTINE SITUATION

The editors of this publication are indebted to Mr. W. B. McCullough, Commercial Secretary (Agriculture) at Buenos Aires for the following statement on the Argentine wheat situation. Mr. McCullough's excellent article is reproduced herewith by kind permission of the Trade Commissioner Service. Note:- Wherever possible the editors have taken the liberty of converting metric tons and kilos to bushels, pesos to dollars, and hectares to acres.

Argentine Wheat Situation

"Weather and Harvest Prospects" Seasonable, sunny weather, with periodical rainfall, has done a great deal towards improving agricultural conditions in November and early December. In La Pampa and southern Buenos Aires rain came too late in the season to benefit the grain crops with the result that yields will range from fair to poor in this zone. The wheat crop in the vicinity of Bahia Blanca, Coronel Rosales, Tornquist and Villarino is virtually lost.

The situation in the northern provinces of Cordoba, Santa Fe and Entre Rios is considerably better, and very optimistic reports have recently been printed regarding the anticipated harvest. Both quality and quantity are good with reported yields between two and three tons per hectare. It is now expected that there will be an average yield for the country of 14.9 bushels per acre, which is equal to last year's average of 14.9 bushels per acre.

The final official estimate of the area seeded to wheat for the year 1947-48 was 13,641,400 acres which, allowing for a moderate percentage of unharvested acreage, particularly in the South, would leave about 12,355,000 acres in actual production and a probable yield of 183,716,500 bushels. Other more enthusiastic reports regarding the condition of the harvest in the North portend an upward revision from this figure. To date, the lowest acreage in many years, combined with winter drought and fear of heavy damage from locusts, caused pessimism regarding the volume of current output. However, the heavier yield in the North may result in final production figures comparing favourably with last year's 206,314,000 bushels.

There is a general shortage of bags, but it is hoped that the burlap recently purchased from India in an exchange agreement for corn and barley will be ready in time for harvest requirements. There is still considerable anxiety over the locust menace although, to date, they have not inflicted any widespread damage. The Government has taken firm measures to combat this locust invasion which has been felt most in the Provinces of Cordoba and Santa Fe.

Grain Policy - In an address on November 29, President Peron referred to his government's long term intentions for the country's primary production policy. A great deal has been written and said about their policy of buying from the farmers at a low fixed price and selling abroad at exorbitant rates. He reiterated the official explanation that this is inspired by the consideration that so long as the country lacks equipment for transportation, it is undesirable that surpluses should be allowed to accumulate. Fears have been expressed that this will result in radically reduced acreages and the loss of Argentina's predominant place in world grain markets. The President does not envisage any such permanent recession of the country's position as a leading exporter. He promised expansion of agricultural production as soon as the transportation problem is solved, provided: "we shall be able to sell at a good price and not at the prices which formerly were fixed for us".

Grain Prices - At the beginning of December, the Government announced the new prices at which IAPI would buy this season's crops. The Instituto will pay \$1.61 3/4 per bushel for wheat of the current crop delivered up to July 31, 1948, and \$1.45 5/8 for subsequent deliveries; \$1.32 1/3 per bushel for rye and 73 1/2 cents per bushel for oats. These new prices may be compared with \$1.37 3/4, \$1.09 2/3 and 62 cents respectively for last year's crops. The implication is that the Government considers it necessary to make prices a little more attractive to the farmer in order to induce him to sell his grain to IAPI. On the other hand, the fact that this announcement is made too late to have any effect on this season's acreage would indicate that the authorities are taking seriously their statement that present transportation facilities are inadequate, and no encouragement is, therefore, offered increased production. The increase of 17 per cent on last year's price for wheat will be nearly offset by higher costs, especially with the new wage scale set for farm labour.

This new decree discriminates between wheat produced and sold directly by the farmer and wheat received by owners of lands tilled in payment of rentals. In the first case, the basic price is fixed at \$1.61 3/4 per bushel and in the second the price for last year's crops at \$1.37 3/4. For rye the ratio is \$1.32 1/3 to \$1.09 2/3 and for oats 73 1/2 cents to 62 cents.

On December 6 a decree was published establishing prices for linseed at \$2.27 per bushel, barley at 87 1/2 cents per bushel and rapeseed at 4 cents per pound, purchases to be made exclusively by IAPI.

According to present indications, government handling of agricultural products will be extended rather than restricted. It was recently decreed that export permits for bran, pollards, middlings and semitin will be issued only to IAPI or to private firms purchasing through the Instituto. Other applications will not be considered, even if sales have been effected prior to this announcement.

Prices for the new corn crop have not, as yet, been published, so last season's price of 90 cents per bushel still prevails. The \$2.65 per bushel being paid by the United States is, therefore, almost three times that obtained by the Argentine farmer. It is estimated by the Revista de Economia Argentina that the cost of corn in port for the 1945-46 crop was 83 3/4 cents per bushel and costs have risen in the interval.

Sale of Wheat to Brazil - On December 4 an agreement was announced between Argentina and Brazil for the delivery by the former of 12,370,000 bushels of wheat at \$4.86 1/2 per bushel, payment to be made in U.S. dollars. Under the terms of the Argentine-Brazilian convention of 1946, Brazil should have been receiving a minimum of 3,670,000 bushels of wheat per month during 1947, but up to the end of October shipments have been running well below that figure. The obstacle is understood to have been the Argentine price of \$4.86 1/2 per bushel. The agreement stipulated that Argentina would sell the wheat at the minimum price of sale to other countries during the month immediately preceding shipment to Brazil, and Argentina was obtaining a higher figure than Brazil was willing to pay. Stocks have been running so low that the Brazilian authorities were forced to capitulate, and ships are reported to be already under way to pick up cargo.

Shipments - Shipments of grain from Argentina have been greatly expedited during the past few months, largely due to the efforts of the Port Controller and a firmer attempt on the part of IAPI to meet commitments. The total shipped during November was 916,417 tons, surpassing October by over 100,000 tons and the highest since May 1940. Total grain clearances from

Argentine ports for 1947 are slightly above last year and nearly double the figure for 1945.

Wheat and corn exports during November amounted to 6,056,655 bushels and 16,372,000 bushels, against 1,960,770 bushels and 7,745,000 bushels in the same month of 1946. November wheat shipments were somewhat lower than the average for the first ten months, indicating that stocks of old wheat are dwindling, but the corn figures compare exceedingly favourably with this or previous years. The week ended December 11 established a record for postwar shipments when 252,155 tons of grain were cleared from Argentine ports. Corn was the largest item at 139,885, which includes part of the quantity purchased by the U.S. for Germany.

Argentine Grain Exports January 1 to December 13, 1947

Destination	Wheat	Corn	Oats	Bran and Middlings	Rye	Barley
	bu.	bu.	bu.	tons	bu.	bu.
United Kingdom	16,103,300	17,995,000	-	62,684	-	6,502,000
France	276,800	5,207,000	1,263,000	99	425,000	3,119,000
Belgium	525,500	7,208,000	200,000	4,282	1,420,000	4,578,000
Italy	12,517,800	959,000	-	-	240,000	11,000
Germany	-	620,000	-	-	89,000	-
Rest of Europe	21,652,700	26,935,000	2,608,000	301,067	5,756,000	6,020,000
Brazil	14,498,100	-	-	-	-	-
Various	12,966,800	18,381,000	769,000	41,549	-	5,051,000
T o t a l	78,541,000	77,305,000	4,840,000	409,681	7,930,000	25,281,000
<hr/>						
Same Period						
1946	47,648,160	84,056,000	20,648,000	209,548	6,184,000	27,389,000

Purchase of Corn by U.S. On November 19, an agreement was signed between Argentina and the United States for the purchase by the latter of 1,004,000 bushels of corn for relief in Germany. The contract price is reported to be 35 pesos per 100 kilos, \$2.65 per bushel (U.S. \$104.22 per metric ton, plus freight charges to Bremenhaven of \$14.02 and handling charges in port here of \$7.69). While the Argentine price was slightly lower than that prevailing in the United States, the landed cost in Germany will be higher due to the difference in freight rates.

The U.S. Military Mission who negotiated the contract are exploring the possibility of further purchases of corn, and possibly wheat."

Flour Production -

The Argentine Government has published statistics covering the milling of wheat during the first seven months of 1947. One hundred and seventy-one mills used 1,579,996 metric tons of wheat, 58,054,267 bushels, to produce 1,121,324 metric tons of flour and semolina (wheat meal) 12,612,652 barrels of 196 pounds each* and 470,356 metric tons of by-products, 518,473 short tons, a yield of 71 per cent and 30 per cent respectively.

The geographic distribution is as follows:

Province	Wheat Used	Flour and Semolina	By-Products
	bushels	196 pound barrels	short tons
Buenos Aires	13,581,132	2,990,145	115,751
Santa Fe	13,478,434	2,905,650	123,593
Cordoba	12,589,504	2,728,720	115,488
Capital Federal	11,708,767	2,539,124	101,492
Entre Rios	3,560,279	766,023	32,993
La Pampa	1,351,235	299,737	11,636
Mendoza, San Juan, and San Luis	1,400,397	298,578	13,790
Santiago del Estero	333,115	72,257	3,342
Salta and Jujuy	588	169	-
Others	50,816	12,249	388
T o t a l	58,054,267	12,612,652	518,473

During July flour production reached 246,563 metric tons (2,773,341 barrels) the heaviest recorded for the year.

Exports of flour for the first seven months of 1947 were reported to be 8,005 metric tons (90,040 barrels) compared with 25,839 metric tons (290,637 barrels) for the same period last year.

The above data on flour production were also provided by Mr. W. B. McCullough.

* While the Argentine flour is not packaged in 196 pound barrels their figures have been converted to this unit for the convenience of Canadian readers.

AUSTRALIAN SITUATION

By kind permission of the Trade Commissioner Service, the editors of this publication are pleased to publish in full the following article prepared by Dr. W. C. Hopper, Commercial Secretary for Canada (Agricultural Specialist), Sydney, Australia. Dr. Hopper's succinct review of the Australian Government's wheat stabilisation proposals provides an excellent and much-needed background to our monthly reports on the Australian wheat situation.

WHEAT STABILISATION IN AUSTRALIA

In order to assist the growers of wheat in Australia, wheat industry assistance legislation, passed by the Commonwealth Government in 1938, and complementary legislation by the six State Governments, established a price for wheat for use in Australia as flour for human consumption at a reasonable level for both producers and consumers. The plan provided for a flour tax, varying inversely with the world price of wheat, but assuring Australian growers of five shillings two pence a bushel, (5/2) in bags, for fair average quality (f.a.q.), free on rail (f.o.r.) at terminal ports. The plan, in simple language, provides that if millers purchase wheat at less than 5/2 per bushel, a Flour Tax, bringing the price to producers up to 5/2, is payable to the Commonwealth Government. However, if the world price of wheat, at which millers must purchase their requirements, reached 5/2 the tax would cease to exist.

State legislation provided for a minimum and maximum price for flour and the Commonwealth legislation fixed a maximum rate for the flour tax based on the lowest price to which it was thought wheat prices could fall.

With a wheat price of 5/2 it was possible to stabilise bread prices, to all Australian consumers, at approximately six pence for a two pound loaf. This plan for maintaining a stabilised bread price in Australia and returning a reasonable price to wheat growers, has been called the Home Consumption Price or the Two-Price Plan for Wheat. It was not in any way related to the export price for wheat.

The validity of the Wheat Industry Assistance Act, 1938, was challenged before the High Court on the grounds that the legislation discriminated between States and favored Tasmania. The High Court and the Privy Council upheld the validity of the Act.

Wartime Marketing of Wheat - When the second World War started the Commonwealth Government through its agency, the Australian Wheat Board, and under the authority of the National Security Regulations, acquired all the wheat grown in Australia. Prior to the war, a number of attempts were made to develop, and put into effect, a stabilisation plan for the wheat industry but all of these attempts failed because the Commonwealth Government could not induce all States to control production.

A wheat industry stabilisation plan was adopted in 1940 to be operated during the war period. Under this plan the wheat farmer was guaranteed a price of three shillings ten pence (3/10) per bushel for bagged wheat f.o.b., ports, and provision was made that half of any excess realizations over and above that price would go to the grower, the other half going into the fund for subsequent use when prices again fell. For example, if the price of wheat went to 4/10 per bushel f.o.b. the fund would receive six pence and the grower 4/4 f.o.b. This principle was accepted by the growers' representatives and by the Commonwealth and State representatives of the day.

As a condition of the benefits conferred on the industry it was provided by the Regulations that wheat farms must be registered, and that wheat-growers must be licensed annually in respect of the acreage they could sow to wheat.

The above plan operated in respect of the wheat year 1941-42, but in 1942-43 the plan was varied by guaranteeing to each wheat-grower four shillings per bushel for bagged wheat delivered by him at his country siding, for the first 3,000 bushels of his production, i.e., an average rise of 1ld. per bushel f.o.b. ports, compared with the original plan. Wheat produced by a farmer in excess of 3,000 bushels was paid for according to realizations.

The plan was again altered to provide, in respect of the 1945 sowing that the guarantee should be 4/3 per bushel at the grower's siding for the total production. This was equal to 5/- per bushel f.o.b. ports, or 1/2 per bushel higher than the original guarantee approved in 1940. Thus the limitation of the guarantee to the first 3,000 bushels of a grower's production was waived. There was no provision for the accumulation of a fund to meet the cost of the stabilisation plan in the event of a return to low prices.

By the recent passage through the Federal Parliament of the Wheat Industry Stabilisation Act, 1946, and the Wheat Export Charge Act 1946 (and provided that the State Parliaments enact the necessary complementary legislation) the plan will be re-established as a stabilisation plan, to apply to the five seasons 1945-46 to 1949-50. The new plan provides for the following:

- (a) A price of 5/2 f.o.r. at ports bagged for all wheat consumed within Australia.
- (b) A guaranteed minimum price for export of 5/2 per bushel f.o.r. at ports bagged basis.
- (c) When the export price exceeds the guaranteed minimum price, growers contribute to a fund to an amount not exceeding 50 per cent of the difference between the export price and the guaranteed price of 5/2 but in no case shall the contribution to this fund exceed 2/2 per bushel.
- (d) When the export price falls below 5/2, the fund will be called upon to provide the amount necessary to bring the export price up to 5/2.
- (e) If and when the fund is exhausted in any one year, the Government, pursuant to its guarantee, will provide, out of general revenue, the funds necessary to bring export prices up to 5/2.

In August, 1947, the Commonwealth Government announced that its 1946 plan of wheat stabilisation would be extended to cover a period of seven years up to and including the 1952-53 crop. At the same time the guarantee to growers was revised to 5/- per bushel bulk basis f.o.r. ports, in view of the fact that the bagged basis has become unsuitable because of large variations in price of corn sacks.

The Premiers' Conference in August approved Commonwealth Plans to carry on wartime marketing of wheat to cover the 1947-48 crop and decided that a conference be held to endeavour to evolve a satisfactory basis for organized wheat marketing in future seasons.

The Stabilisation Fund, provided from the contribution of 50 per cent of export prices above 5/2 per bushel bagged wheat (with a limit of 2/2 per bushel), will be substantially in credit from collections on the No. 9 (1945-46 Harvest) and No. 10 (1946-47 Harvest) Pools. These are expected to contribute £7 million

and £4 million respectively and export prospects for 1948 indicate a further substantial payment from the 1947-48 crop.

The area allotted to each grower for wheat was originally fixed in proportion to the average acreage sown during the basic four-year period, 1937-38 to 1941-42. Although licensing continued during the 1945-46 and 1946-47 seasons growers were permitted to plant without restriction and this freedom has been continued in 1947-48. In Western Australia, growers' acreages during 1942-43 were restricted to a maximum of two-thirds of their basic acreages and this restriction continued during the 1943-44 and 1944-45 seasons. During 1945-46, no such restriction was imposed but where growers voluntarily restricted the area sown to five-sixths or less of their basic acreage, compensation equal to one-sixth of their basic acreages was payable; subject to the qualification that half of the area licensed for wheat was cropped for grain.

A Wheat Production Costs Committee was appointed by the Commonwealth Government in February, 1947, to enquire into and report upon:

- (1) The reasonable costs of production of wheat per bushel in Australia's main wheat-growing districts; and
- (ii) Whether basic items of cost could be established as an index to periodical variations in costs of the production of wheat.

The Committee is at present engaged in obtaining evidence from wheat farmers in several States.

All returns from the sales of wheat plus the flour tax now at a level of about 1/- per bushel of wheat on wheat sold to Australian millers for flour consumed in Australia, less deductions for the stabilisation fund (at a maximum of 2/2 per bushel) about 9d. to 10d. per bushel for pool expenses and freight to terminal ports are distributed to producers. The pool returns per bushel to wheat growers in 1944-45 were 4/9.9d. bulk and 5/0.9d. bagged, less freight. The payments to growers in 1945-46 were 6/2.75d. bulk and 6/6.25d. bagged, less freight. Payments to date for 1946-47 have been 6/7 bulk and 6/10 bagged, less freight. Further payments have yet to be made on the 1946-47 pool.

Wheat is now being rationed to Australian farmers, on the recommendation of a Wheat Committee, for poultry, cattle and pig feed. The price of wheat to be used as feed is at the present time, the same as it is for flour for home consumption.

At the present time the Australian Wheat Board is acquiring wheat under the Commonwealth emergency powers and the only action being taken by that Board under the 1946 Wheat Stabilisation Act is the retention of a deduction from the sale of export wheat to build up a stabilisation fund.

When the Commonwealth emergency powers cease to exist no provisions of the Federal Wheat Stabilisation Act of 1946 can be operated unless the State Governments pass complementary legislation. Only the home consumption price plan adopted in 1938 can be operated as it was approved by all governments prior to the war.

With respect to the Federal stabilisation plan of 1946 the present situation is that the Queensland and Tasmanian Governments, where wheat is not a very important crop, have approved the stabilisation scheme. In South Australia and Western Australia, the stabilisation plan was passed by the State Governments but with the limitation that a poll of growers must be held to determine their

wishes with respect to the plan. In South Australia a poll was held but the plan was rejected by the wheat growers. In Western Australia a poll has not yet been held, in New South Wales the necessary State legislation has not yet been introduced while in Victoria the legislation was introduced but no legislative action has yet been taken with regard to it.

If the stabilisation scheme is approved by all State Governments, provision must be made for production control, under State authority, which can be put into operation in the event of a world surplus of wheat.

While wheat growers generally agree that some pooling machinery is necessary, some of their objections to the Commonwealth stabilisation plan are that the period of operation of the scheme should be ten years rather than five or seven years; that the guarantee should be higher than 5/2 and that, in view of the present high world price of wheat, the guarantee of 5/2 should not start in 1945-46 but in a later year so that growers might now obtain a larger part of the present high export prices.

The study of the costs of producing wheat in the various wheat growing areas referred to above is now being conducted under the direction of the Commonwealth Bureau of Agricultural Economics. It is hoped that the results of this study will be released early in 1948.

The Commonwealth Minister of Commerce and Agriculture announced recently that a conference of State Ministers of Agriculture will shortly be called to further consider the question of wheat stabilisation legislation.

W. C. Hopper.

Editor's note:- At present rates of exchange 1 shilling (Australian) equals 16.1 cents (Canadian).

Australian-United Kingdom Wheat Agreement - Press reports from Australia giving details of contracts with Britain and India have been received. Under these contracts Reuters state that "Britain will buy 80,000,000 bushels of wheat at the over-all price of 17 shillings a bushel, Australian (\$2.72), f.o.b. at Australian ports. India will purchase 25,000,000 bushels of wheat and flour at an overall price of 18s 6d a bushel Australian (\$2.96) f.o.b.

The British contract includes the supply of wheat and flour to Malaya and other areas for which the United Kingdom is responsible. Both the British and Indian contracts provide for the allocation of an additional 5,000,000 bushels to each country in the event the total Australian crop for the season exceeds 210,000,000 bushels of average quality.

The agreements also provide that the contract price is to be reviewed should any of the countries concerned become party to any international wheat agreement."

Australian Cable - The following cable was received December 15 from the Canadian Trade Commissioner in Melbourne, Australia:

"Australian wheat stocks at December 1 totalled about 13.5 million bushels. Exports of wheat during November totalled 1,672,000 bushels to India, United Kingdom, New Zealand and Rhodesia. Exports of flour during the same period totalled 26,721 long tons to Ceylon, Middle East, Pacific Islands, Hong Kong, Malaya and Burma. Shipments from Australia from December 1, 1946 to November 30, 1947 totalled wheat 12,722,000 bushels and flour totalled 645,552 long tons.

Crop has deteriorated because of unfavourable weather conditions and first delivery of new crop is light weight. Latest estimate of yield is 230 million bushels and it is hoped to export about 155 million bushels."

Production and Utilization of Australian Wheat - The Commonwealth Statistician in a recent review gives the following data on production and disposition of wheat during the crop years 1940-41 to 1946-47:

Production and Disposal of Wheat - Australia
Crop Year ^{1/} ending November 30

	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47
- million bushels -							
Opening stocks includes							
flour as wheat	77.5	42.0	104.5	154.0	77.9	11.5	20.2
Production	82.2	166.7	155.7	109.7	52.9	142.4	117.3 ^{2/}
Total Available Supplies.	159.7	208.7	260.2	263.7	130.8	153.9	137.5 ^{3/}
Exports:							
Wheat	26.8	28.7	18.6	54.3	6.1	19.4	12.3 ^{3/}
Flour as bushels wheat .	31.3	15.9	18.6	36.9	12.9	36.7	34.6 ^{3/}
Local Consumption:							
Flour as wheat	32.2	32.9	34.3	34.5	33.1	32.2	33.2 ^{3/}
Stock feed	11.2	14.7	20.3	40.7	44.9	24.4	23.0 ^{3/}
Breakfast food, etc. ...	1.0	1.0	1.0	3.2	3.1	3.0	4.2 ^{3/}
Seed	12.8	10.0	8.3	9.0	12.0	14.0	16.0 ^{3/}
Balance retained on farm (excludes seed)	2.4	1.0	5.1	7.2	7.2	4.0	5.0 ^{3/}
Closing stocks include							
flour as wheat	42.0	104.5	154.0	77.9	11.5	20.2	9.2 ^{3/}
TOTAL DISPOSAL	159.7	208.7	260.2	263.7	130.8	153.9	137.5 ^{3/}

^{1/} The crop year in Australia runs from December 1 to November 30, i.e., the 1946-47 crop year began on December 1, 1946 and ends on November 30, 1947.

^{2/} Subject to revision.

^{3/} Estimated.

Assuming an outturn of 230 million bushels from the current crop, Australia will start her 1947-48 year with approximately 240 million bushels. Domestic requirements in the past have been around 75-80 million bushels and assuming another small carry-over of 10 million bushels at November 30, 1948 there would remain a surplus of 150-155 million bushels for export during 1947-48. As already indicated, the United Kingdom and India have agreed to take 105 million bushels from Australia plus an additional ten millions should the crop yield over 210 million bushels. Broomhall states that France has been promised ten million bushels. These commitments account for 115 to 125 million bushels leaving a possible 'free' export surplus of from 25 to 40 million bushels.

Commerce Minister Reginald Pollard announced in Parliament that Australia expects sixty-nine ships in the next few weeks to collect the wheat harvest. He said thirty-one of these ships had been chartered by Britain, six by India and thirty-two by the rest of the world.

UNITED KINGDOM POLICY

Guaranteed Prices to Farmers -

The guaranteed fixed price for millable wheat to farmers is 18s 7d per cwt. (\$2.00 per bushel) ex farm, November delivery, farmers having received from the State a grant of £2 per acre on all land cropped with wheat. December price to farmers is listed at 18s 9d per cwt. (\$2.02 1/2 per bushel) and the January price at 19s 1d per cwt (\$2.06 per bushel). Growers may sell millable quality to approved buyers only, except under license. A grower is not permitted to feed his millable wheat to his live stock unless he has grown not more than two acres of wheat in which case he may feed the whole of it but no acreage payment will then be made. Otherwise, with certain limited exceptions, including sowings on his own land, he must sell all of his wheat to an approved buyer. (Extracted from London Corn Circular).

The guaranteed fixed price is set for each month by the Ministry of Agriculture and is so arranged that the average price for the season of deliveries of the 1947 crop shall be 19s 2d per cwt. (\$2.07 per bushel). This average seasonal price is also set each year by the Ministry. In addition to this price for wheat there is a payment for acreage sown to wheat--for the season just past this payment was £2 per acre--for 1948 it will be £3 per acre for the first 10 acres seeded to wheat by any one grower irrespective of whether the wheat is grown on one or more holdings. There is no payment for acreage in excess of 10 acres.

British--U.S.S.R. Trade Agreement

It has been officially announced that an agreement has been reached with Russia whereby the United Kingdom will receive substantial quantities of coarse grains in exchange for machinery. The agreement does not call for any wheat to move out of the U.S.S.R. nor was any mention made of prices. A news release on December 28 credited the Russian News Agency, Tass, with a statement to the effect that the agreement covered 750,000 tons of coarse grains.

Source of British Wheat Supplies -

According to Foreign Trade, Canada served as the source of supply for 81.5 per cent of Great Britain's foreign purchases of wheat during the first seven months of the current calendar year, 68.2 per cent of her flour purchases and 94 per cent of the oats imported in this period. Relatively small quantities of wheat were procured from the United States and Argentina, and flour from the United States and Australia. Fairly substantial supplies of maize were obtained from Argentina and the United States, but none from Canada.

Wheat imports during the first seven months of 1947 amounted to 53,998,098 cwt. (approximately 100 million bushels) ^{1/} valued at £59,042,781 which figures compares with 41,777,545 cwt. (approximately 78 million bushels) valued at £38,873,345 during the corresponding period of 1946. Although purchases for seven months of 1938 were higher at 59,282,041 cwt. (approximately 110 million bushels), the value was considerably lower, at £22,532,740.

^{1/} British hundredweight (cwt.) is 112 pounds.

Sources of British Wheat Supply

	7 months of 1938	7 months ending July	
		1946	1947
	- bushels -		
British India	4,788,825	-	-
Australia	33,756,387	-	-
Canada	31,398,846	72,569,032	82,231,983
Other British Countries	19	-	-
United States	17,213,277	1,411,361	9,850,061
Argentina	6,328,288	4,018,284	7,896,872
Other Foreign Countries	17,193,929	-	835,533
T o t a l	110,679,571	77,998,677	100,814,449

Flour - Substantial increases in both quantities and values have occurred in imports of wheat meal and flour. In 1938, seven-twelfths of that year's imports amounted to 4,478,104 cwt., equivalent to 2,558,789 barrels of 196 pounds each, valued at £2,321,660. During the first seven months of 1946, these imports were 7,753,314 cwt. (4,430,244 barrels) valued at £9,538,038, while for the corresponding period of 1947 they were 11,235,082 cwt. (6,419,726 barrels) valued at £17,296,709.

Sources of British Flour Supply

	7 months of 1938	7 months ending July	
		1946	1947
	- barrels of 196 pounds -		
Australia	976,774	33,889	681,797
Canada	1,217,478	4,114,492	4,373,084
Other British Countries	1,940	797	-
United States	131,741	182,294	1,364,832
Argentina	129,765	98,772	-
Other Foreign Countries	101,091	-	13
T o t a l	2,558,789	4,430,244	6,419,726

British-Australian Wheat Agreement - The recently concluded wheat agreement with Australia (as reported elsewhere in this publication) will put that Commonwealth back in her prewar position as a supplier of substantial quantities of wheat to Britain. Due to the long haul to Britain and the scarcity of shipping during war time and the needs of our Allies in the Near East and the Far East, most of Australia's exports were diverted from Britain to these other destinations during the war and immediate post-war period. However, with a record crop assured in Australia this year, Britain will, at least during 1948, be able to obtain quantities comparable or in excess of her prewar imports from this source. Mr. Strachey, the Food Minister in the United Kingdom, has assured Canada that the contract with Australia will not affect the Canadian agreement.

On December 18 it was announced in the House of Commons at Ottawa that an agreement had been reached with the United Kingdom food mission which "provides for the continuance of the wheat agreement.....and for the continuance and renewal of the contracts for live-stock products....."

CALENDAR OF WHEAT EVENTS

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November

- 30 Seeding in France is progressing favourably with ample moisture. It is hoped to reach an acreage of 9.9 million acres by January 1, compared with 9.2 in 1947 and a prewar average of 12.6 in the years 1935-39. (Broomhall)

December

- 2 Danish production was severely cut by drought and frost last season and it is estimated that 8 million bushels more bread grain will be needed to maintain the ration. Production of wheat was only 2 million bushels compared with a prewar average of 14.5 million; rye production at 5.3 million was only half prewar production. (Agriculture Abroad).
- 6 The partition of India has resulted in the new Dominion of India having 82.2 per cent of the population, while Pakistan has 17.8 per cent. India has approximately 24.5 million acres of wheat land while Pakistan has 9.6 million acres. India has 65 flour mills to Pakistan's 25 (Broomhall). Wheat production in India before partition usually amounted to 350 million bushels or better annually.
- 8 Three of the six major prizes, those for wheat, barley and oats, were won by Canadians at the 48th International Grain and Live Stock Exposition at Chicago. Besides these wins Canadians captured 11 championship and 30 first prizes.
- 10 Broomhall has published figures for the 1947 European wheat crop excluding Russia. Total production reached only 968.8 million bushels compared with 1,242.4 million bushels in 1946 and a prewar average of 1,623.2 million bushels for the years 1935-39. The principal producers of wheat in Europe are France, Germany and Italy.
Soviet newspapers, according to "Agriculture Abroad", have recently estimated the 1947 wheat harvest throughout the U.S.S.R. at about 1,465 million bushels., this volume is well above last year's drought-stricken crop, and surpasses the annual prewar average production of 1,371 million bushels for the period 1935-38.
12. In its December 12 release on value of Canadian field crops the Dominion Bureau of Statistics placed the value of the 1947 wheat crop at 398.7 million dollars, a reduction of nearly 74 million dollars from the 1946 level.
15. It is estimated, according to the annual report of the Field Crops Commissioner of Saskatchewan, that over nine per cent of Saskatchewan field crops was destroyed in 1946 by insect pests. The crop thus lost includes 26.5 million bushels of wheat.
- 22 A letter from the India Government Trade Commissioner contains official all-India final wheat forecast 1946-47. From 34,121,000 acres a harvest of 7,788,000 tons (290.5 million bushels) was realized as against 34,977,000 acres and 9,038,000 tons (337.1 million bushels) the preceding year. The low yield in 1947 was due to very extensive damage by rust. The total outturn of wheat was the lowest since the crop year 1927-28.