



CANADA

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AGRICULTURAL DIVISION

MONTHLY REVIEW OF THE WHEAT SITUATION

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Minister of Trade and Commerce

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WORLD WHEAT SITUATION

The Supply Position -

A fairly steady flow of shipments from the four major wheat exporting countries has been maintained over the past few months. Record 1947 wheat crops in the United States and Australia, together with an excellent crop in the Argentine, have made it possible to maintain rations in deficit areas at better levels than had been hoped for earlier in the season. While Canada's 1947 wheat crop was below average and carry-over stocks at the outset of the crop year were very low—nevertheless exports of wheat and flour in terms of wheat will be close to the 200 million bushel mark for the current crop year. Exports of grains from Russia, too, have not been inconsiderable. It is estimated that, by the end of May, exports of grains and grain products from the United States will have amounted to 521.9 million bushels (in grain equivalent). This amount includes 432.5 million bushels of wheat and flour in terms of wheat. It now appears likely that crop-year exports of all grains and grain products from the United States may approach a total of 570 million bushels, of which wheat and flour will make up considerably more than 450 million bushels.

In the light of the favourable factors just outlined some international food authorities have gone so far as to forecast an end to the international allocation of cereal grains. Any such final decision, however, would likely hinge on the size of the United States 1948 winter wheat and corn crops in addition to satisfactory 1948 harvests in the world's deficit areas.

The Outlook for 1948 -

Of immediate interest is the current condition of the world's 1948 winter wheat crops. Reports from the United States are relatively optimistic with an official forecast being due on April 9. No official forecasts are available from India, but trade reports indicate the presence of rust on the wheat crop. It is reported that India will find it necessary to import 2 million tons of food grains this year. In an official release dated March 18, at Washington, it was stated that "On the basis of present indications and assuming normal weather until harvest, Europe's 1948 harvest of breadgrains (wheat and rye) will exceed that of the very unfavourable 1947 harvest and may equal or possibly exceed 1946 production, but will still be considerably below average prewar production.

The 1935-39 average annual production of breadgrains in Europe excluding the U.S.S.R. was 61.6 million long tons; in 1946 production was 47.8 million tons, but in 1947 only 39.6 million tons.

In its early March preliminary forecast of European food production prospects, the Department of Agriculture's Office of Foreign Agricultural Relations noted that after a prolonged fall drought which delayed grain seeding, abundant rain has fallen since mid-November in most European countries with a generally mild winter in almost all growing areas.

On the whole, crops and pastures are in good condition all over western and central Europe. The mild winter and favourable working weather this spring have advanced preparations and improved prospects for 1948 spring-planted crops.

Temperatures dropped to considerably below freezing about the middle of February and remained there for about 10 days over wide areas of northern Europe and the Balkans. This cold weather was not everywhere accompanied by snow. Reports generally state that the cold spell, followed by milder weather in early March, did not cause large-scale damage to grains, and may even have been beneficial in checking too-rapid growth. ... Indications are that grain sowings increased in the fall of 1947 in France, the Netherlands, Sweden, Denmark and Poland, but some known declines are reported in Greece and Belgium. Definite estimates of fall-sown grain acreages cannot yet be made. ...

Some complaints of damage due to recent excessive rains were reported from Portugal and Spain, while Greece indicated some shortage of soil-moisture, due to considerable deficiency in precipitation from September to February. Even in these countries, however, no definitely unfavourable forecasts have been made. ... In North Africa, reports from Algiers indicate that continued rains raise hopes for a good grain crop this year, while Tunisia reported that general rains at the end of February have saved the grain crop from further deterioration."

Recent trade reports have forecast the Italian wheat crop at 232 million bushels compared with the 1935-39 average of 279 millions. The French wheat crop has been placed at about 305 million bushels as against the prewar average of 287 millions. The 1947 wheat crops in Italy and France amounted to 205 million and 150 million bushels respectively, according to the latest estimate available.

International Wheat Agreement - The February 1948 issue of this Review contained a press report in which was outlined the main provisions of the International Wheat Agreement with respect to the duration and scope of the Agreement and quantities and prices under the Agreement. Other provisions in the Agreement deal with rights and obligations of the signatory countries, enforcement of rights, adjustments of obligations, stocks, provision for additional sales, the Council (establishment, powers and voting), establishment of committees, finance, co-operative arrangements with inter-governmental organizations and relationship with other agreements. In all there are 22 articles to the Agreement.

The rights and obligations deal with the purchases and sales of the specified quantities of wheat within the range of prices set out in the Agreement. All transactions must be reported to the Council and provision is made for adjustment of obligations under unforeseen circumstances such as a crop failure in an exporting country or the necessity to safeguard monetary reserves in the case of an importing country. In the case of critical need an importing country may apply to the Council for aid in obtaining additional quantities.

Under Article IX of the Agreement, exporting countries agree to ensure that stocks of old wheat held at the end of their respective crop years shall not fall below specified quantities. For Canada the quantity is 70 million bushels, exclusive of farm stocks; for Australia 25 million bushels, exclusive of farm stocks and for the United States 170 million bushels, including farm stocks. Stocks may fall below these minima, however, if the Council decides that this is necessary in order to provide needed supplies for domestic or export needs. In addition to these minimum stocks, exporting countries and certain importing countries shall operate price stabilization reserves up to 10 per cent of their respective guaranteed quantities. For example, Canada's guaranteed quantity being 230 million bushels her reserve will be 23 million bushels. These reserves are to be built up at times when the free market prices are below the basic minimum prices and are to be sold or utilized when free market prices go above the basic minimum prices.

The Agreement will be administered by an international Wheat Council of which each contracting government is a member. Each government may appoint one delegate and one alternate. Delegates to the Council from importing countries shall hold 1,000 votes which shall be distributed between them in the proportion that each country's guaranteed purchases bears to the total guaranteed purchases. Similarly, exporting countries shall hold 1,000 votes to be apportioned on the basis of the distribution of guaranteed sales.

THE CANADIAN SITUATION

Initial Price of Wheat to Producers Increased -

On Thursday, March 25, The Rt. Hon. C. D. Howe, Minister of Trade and Commerce announced an increase of 20 cents per bushel effective April 1 in the initial payment made to farmers by the Canadian Wheat Board. The increase will be retroactive on all wheat delivered by farmers to the Board since August 1, 1945. The Board will proceed "at once" with the distribution of cheques covering the retroactive payments. The increase brings the initial payment up to the level at which Canada is selling wheat to Britain in the second year of the four-year Anglo-Canadian Wheat Agreement. That price, fixed at \$1.55 per bushel, will advance to \$2 per bushel in the third year of the agreement, beginning August 1, 1948. The price for the fourth year is still to be announced. Funds to cover the retroactive increase in the price to producers are obtained out of profits made by the Wheat Board on its sales during the last three crop years.

Supply Position - Exports of wheat and flour in terms of wheat amounted to approximately 14.8 million bushels during the month of February, bringing the total for the first seven months of the crop year to 112.8 million bushels. During the same period last year 126.2 million bushels of wheat and flour were exported. An estimated 162.5 million bushels remained on March 1, 1948 for export or carry-over at August 1, 1948, the end of the current 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
Total Supply	425.3	487.3
Estimated Domestic Requirements	150.0	161.0 <u>2/</u>
Available for Export or Carry-over	275.3	326.3
Deduct:		
Overseas Clearances of Wheat as Grain Aug.1-Feb.29	74.6	84.6
United States Imports of Canadian Wheat	0.1 <u>3/</u>	1.6
Total Wheat Exports	74.7	86.2
Exports of Wheat Flour in Terms of Wheat Aug.1-Feb. 29 ..	38.1	40.0
Total Exports Wheat and Wheat Flour	112.8	126.2
Balance on March 1 for Export or Carry-over	162.5	200.1

1/ Subject to revision.

2/ Revised estimate, basis preliminary disposition data.

3/ U.S. imports August to December amount to 51,657 bushels. January and February data not yet available.

Farmers' Marketings - The following table shows primary receipts of wheat in the Prairie Provinces for the 1947-48 ^{1/} crop year along with comparative figures for 1946-47.^{1/}

Week ending	Manitoba	Saskatchewan	Alberta	Total	Last Year
- bushels -					
August 1-7	48,176	177,510	579,479	805,165	1,680,367
14	83,434	807,343	817,263	1,708,040	2,396,389
21	290,330	2,231,980	1,336,799	3,859,109	4,989,464
28	2,162,249	3,146,592	1,122,620	6,431,461	14,707,825
September 4	5,533,798	5,877,077	2,528,161	13,939,036	19,603,983
11	6,686,135	17,788,507	6,955,198	31,429,840	19,206,621
18	2,854,735	14,201,062	5,865,008	22,920,805	21,565,806
25	1,188,968	4,460,164	1,130,219	6,779,351	16,320,368
October 2	1,402,524	9,751,555	2,471,494	13,625,573	10,246,130
9	1,639,027	13,255,822	6,325,330	21,220,179	12,230,700
16	1,043,657	6,809,636	4,146,024	11,999,317	12,347,694
23	753,541	5,674,298	6,842,270	13,270,109	17,722,342
30	628,279	4,294,423	4,871,038	9,793,740	20,118,778
November 6	313,817	3,562,227	4,087,957	7,964,001	14,867,353
13	282,002	2,372,079	2,449,260	5,103,341	12,454,486
20	475,936	2,371,363	1,848,518	4,695,817	9,962,340
27	304,864	2,024,829	1,351,548	3,681,241	4,793,904
December 4	231,402	1,382,463	1,297,186	2,911,051	4,801,991
11	213,907	1,381,350	1,157,117	2,752,374	6,029,735
18	148,038	980,874	1,202,851	2,331,763	3,220,314
24	149,444	817,046	1,096,796	2,063,286	2,979,468
31	184,282	744,415	968,717	1,897,414	2,233,301
January 8	198,646	729,522	1,609,711	2,537,879	2,778,982
15	226,546	1,031,959	1,641,887	2,900,392	3,721,482
22	56,047	382,100	1,212,208	1,650,355	1,798,153
29	45,044	318,168	1,139,508	1,502,720	2,498,619
February 5	71,854	332,748	1,013,931	1,418,533	1,186,877
12	88,807	315,717	499,128	903,652	933,378
19	83,561	221,250	526,826	831,637	1,816,968
26	50,860	170,436	335,346	556,642	2,336,513
March 4	76,944	319,896	436,088	832,928	2,178,755
11	108,829	344,906	408,099	861,834	2,646,735
18	95,037	330,866	652,018	1,077,921	2,836,816
T o t a l	27,720,720	108,610,183	69,925,603	206,256,506	259,212,637

^{1/} Revised.

Wheat Marketings by Crop Districts 1946-47 - Farmers in the Prairie Provinces and certain areas of British Columbia marketed 334.6 million bushels of wheat during the 1946-47 crop year according to revised figures compiled by the Statistics Branch of the Board of Grain Commissioners.

In the following tables, farmers' deliveries are shown by the method of marketing employed, i.e., through country elevators, directly to Interior Private and Mill Elevators, etc. The deliveries to country elevators are, in turn, broken down by crop districts and provinces.

Total Farmers' Deliveries of Wheat

<u>Prairie Provinces</u>	<u>Total - All Wheat bushels</u>
Country Elevators	330,949,817
Interior Private and Mill Elevators	2,989,663
Platform Loadings	657,514
Interior Public and Semi-Public Terminals	9,068
From Farms Direct to U.S.A. by Truck <u>1/</u>	11,498
T o t a l	334,617,560

Farmers' Marketings Through Country Elevators

<u>Manitoba</u>	<u>Wheat (Other than Durum)</u>	<u>Durum Wheat</u>	<u>Total Wheat</u>
		- bushels -	
Crop District 1	2,820,613	271,309	3,091,922
2	5,491,554	286,996	5,778,550
3	9,813,518	1,651,630	11,465,148
4	1,432,328	144,313	1,576,641
5	1,329,954	9,416	1,339,370
6	238,512	3,978	242,490
7	5,593,758	112,831	5,706,589
8	3,985,514	79,386	4,064,900
9	2,881,388	28,706	2,910,094
10	4,426,877	1,238	4,428,115
11	2,881,301	-	2,881,301
12	684,629	-	684,629
13	1,814,958	-	1,814,958
14	355,350	-	355,350
T o t a l	43,750,254	2,589,803	46,340,057
Sub-Division Fort Frances Station Stratton, Ont.	4,783	-	4,783
T o t a l	43,755,037	2,589,803	46,344,840

1/ Customs Returns, Dominion Bureau of Statistics.

Farmers' Marketings through Country Elevators - Cont'd

		Wheat (Other than Durum) bu.	Durum Wheat bu.	Total Wheat bu.
<u>Saskatchewan</u>				
Crop District	1A	6,601,886	221,250	6,823,136
	1B	6,279,238	78,585	6,357,823
	2A	8,552,235	142,094	8,694,329
	2B	21,088,357	913,356	22,001,713
	3AN	5,382,616	245,129	5,627,745
	3AS	6,522,794	748,866	7,271,660
	3BN	10,837,676	742,869	11,580,545
	3BS	2,784,489	503,742	3,288,231
	4A	1,182,017	215,113	1,397,130
	4B	5,685,939	376,938	6,062,877
	5A	12,822,115	88,882	12,910,997
	5B	13,538,797	37,506	13,576,303
	6A	13,519,869	738,122	14,257,991
	6B	9,383,932	125,383	9,509,315
	7A	15,360,141	208,932	15,569,073
	7B	4,984,915	2,452	4,987,367
	8A	6,961,807	-	6,961,807
	8B	9,565,927	8,996	9,574,923
	9A	6,033,714	475	6,034,189
	9B	4,702,577	230	4,702,807
T o t a l		171,791,041	5,398,920	177,189,961
<u>Alberta</u>				
Crop District	1	7,457,067	8,224	7,465,291
	2	10,147,403	2,820	10,150,223
	3	2,368,942	29,620	2,398,562
	4	14,845,549	199,695	15,045,244
	5	6,221,270	-	6,221,270
	6	15,967,535	5,292	15,972,827
	7	8,390,354	-	8,390,354
	8	9,404,480	94	9,404,574
	9	1,271,202	-	1,271,202
	10	8,957,533	133	8,957,666
	11	4,825,225	-	4,825,225
	12	420,436	-	420,436
	13	2,217,549	-	2,217,549
	14	5,243,335	-	5,243,335
	15	1,367,816	46	1,367,862
	16	6,161,062	-	6,161,062
T o t a l		105,266,758	245,924	105,512,682
<u>British Columbia</u>		1,902,334	-	1,902,334
GRAND TOTAL		322,715,170	8,234,647	330,949,817

Wheat Visible Supply - The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on March 18, 1948, along with comparative figures for approximately the same date in 1947 and 1946.

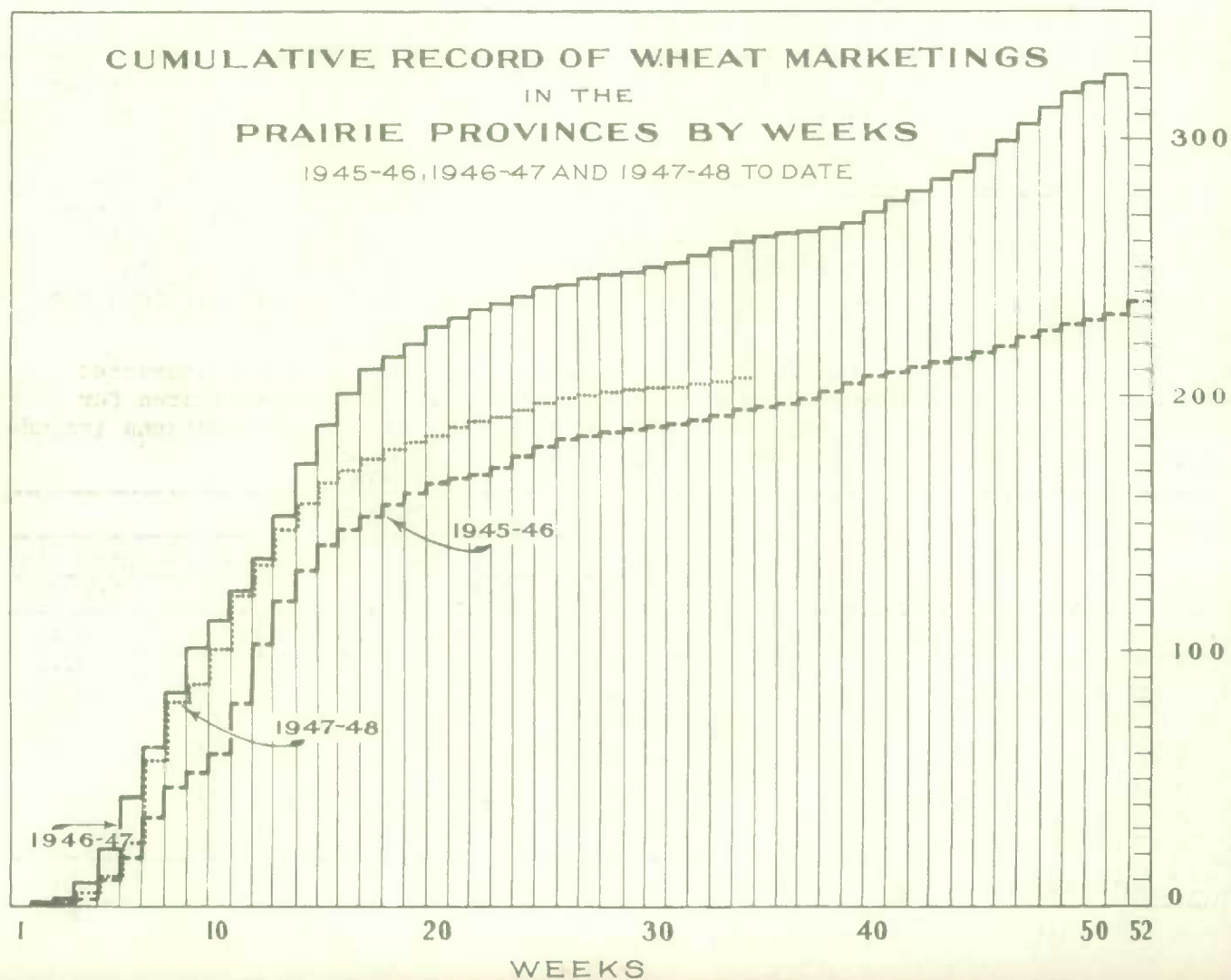
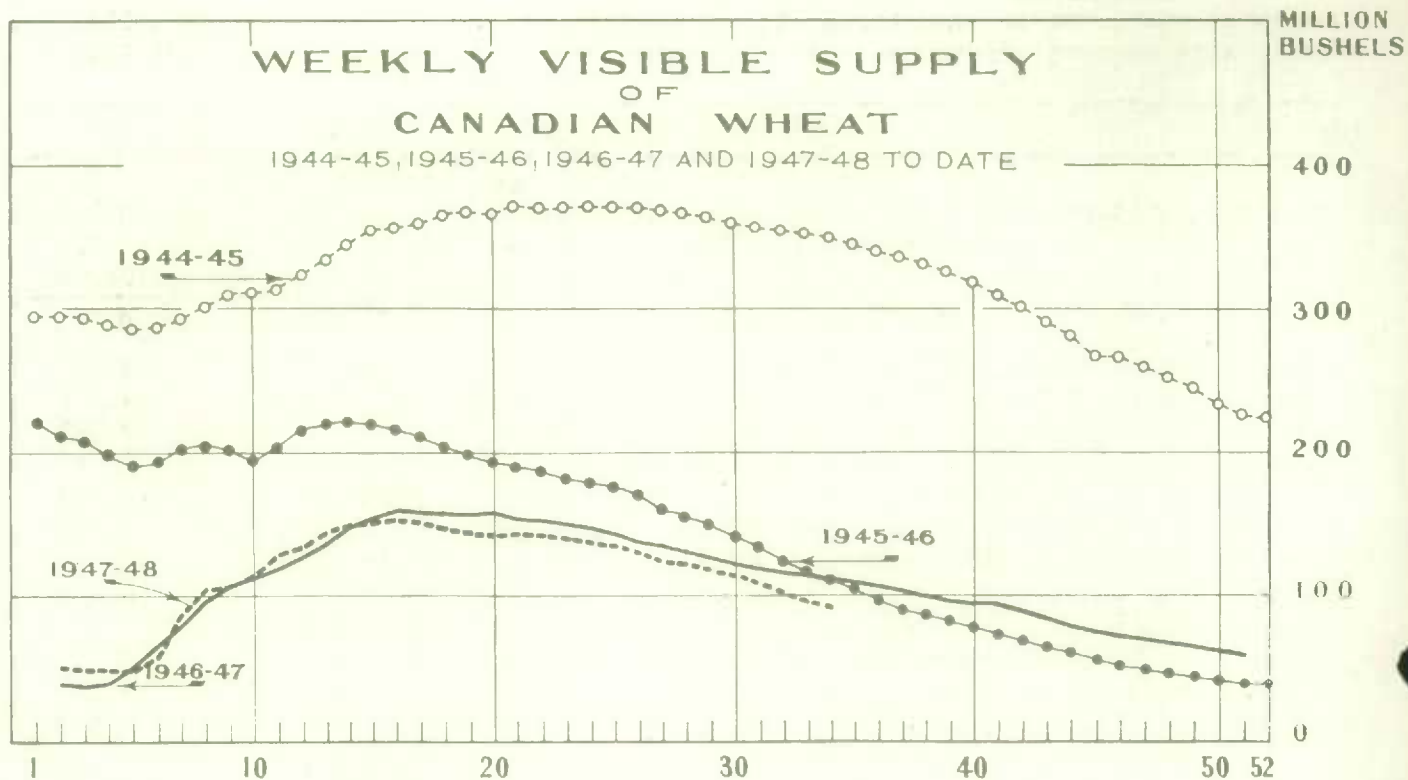
	1948	1947	1946
	- 000 bushels -		
Country Elevators - Manitoba	3,009	5,565	3,125
Saskatchewan	20,643	30,865	18,705
Alberta	22,530	33,950	18,050
T o t a l	46,182	70,380	39,880
Interior Private and Mill Elevators	3,135	2,820	4,772
Interior Public & Semi-Public Terminals ..	1,041	64	1,976
Pacific Ports	7,104	2,747	7,065
Churchill	110	43	1,878
Fort William and Port Arthur	15,550	14,971	23,114
In Transit Rail (Western Division)	4,493	5,112	5,745
Eastern Elevators - Lake Ports	7,325	12,615	11,293
St. Lawrence and Seaboard Ports	2,731	1,312	8,963
Storage Afloat	1,919	620	570
In Transit - Rail (Eastern Division)	2,028	1,826	3,193
United States Ports	2,684	806	3,662
In Transit - U.S.A.	532	-	1,569
T o t a l	94,834	113,316	113,680

Total visible wheat stocks at March 18, 1948 were down over 18 million bushels from the levels recorded for the corresponding date in each of the two previous years. It will be noted, however, that a much larger proportion of the stocks this year is in seaboard or near-seaboard positions, while the proportion of grain in country elevators is considerably less than was the case in March of 1947.

Grading of Wheat - Fifty-six per cent of cars inspected during the first seven months of the current crop year have graded No. 3 Northern or better (excluding toughs in these grades) as against nearly 70 per cent for the same period of the previous crop year. The proportion of toughs (all grades and varieties) at 29.6 per cent is well above last year's level of 19.7 per cent for the corresponding period.

The following table shows the grading of all cars of wheat inspected during the seven-month period August to February 1948. Comparable figures for 1947 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-February 1948		August-February 1947	
	Cars	Per Cent	Cars	Per Cent
1 Northern	6,552	6.8	14,260	13.0
2 Northern	31,408	32.4	49,471	45.3
3 Northern	17,305	17.8	12,359	11.3
4 Northern	2,966	3.0	2,820	2.6
Garnet	185	0.2	501	0.5
Amber Durum	3,875	4.0	2,848	2.6
Alberta Winter	697	0.7	1,342	1.2
Tough - All varieties and grades.	28,724	29.6	21,572	19.7
All others	5,384	5.5	4,183	3.8
T o t a l	97,096	100.0	109,356	100.0



Wheat Shipments to the United States - Shipments of Canadian wheat to the United States between August 1, 1947 and March 18, 1948 were up about three million bushels over the quantity moved into the States during the same period a year ago. Practically all of this grain is scheduled for re-export and all but 60,577 bushels was moved by vessel to Buffalo and Erie prior to the closing of navigation in December.

The following table sets out details of wheat shipments to the United States, by destination:

	August 1, 1947 to March 18, 1948		
	1948	1947	1946
	bu.	bu.	bu.
<u>By Vessel</u>			
U.S.A. Pacific Ports	-	-	15,000
Buffalo	14,266,961	8,442,773	46,948,319
Chicago	-	-	331,494
Erie	1,155,260	2,948,381	6,981,861
Total - Vessel Shipments	15,422,221	11,391,154	54,276,674
<u>By Rail</u>			
U.S.A. Seaboard Ports	-	995,340	6,569,985
Other U.S.A. Points	60,577	15,418	96,795
Total - Rail Shipments	60,577	1,010,758	6,666,780
GRAND TOTAL	15,482,798	12,401,912	60,943,454

Rail Movement of Wheat to Maritime Ports from Lake & St. Lawrence Ports-

Rail shipments from Bay, Lower Lake and St. Lawrence Ports to Maritime Ports from the beginning of the current crop year to March 18 amounted to just over nine million bushels. Movement during the same period of 1946-47 was 9.7 million bushels.

The following table shows a breakdown of these shipments by port of departure:

	August 1, 1947 to March 18, 1948	August 1, 1946 to March 20, 1947
	- bushels -	
Collingwood	790,148	332,278
Midland	4,084,468	3,690,459
Owen Sound	729,479	508,998
Port McNicoll	2,129,024	3,347,444
Goderich	233,514	122,658
Sarnia	348,217	1,608,813
Walkerville	-	71,622
Port Colborne	339,496	66,100
Toronto	68,369	-
Kingston	270,000	-
Prescott	8,712	-
Montreal	4,706	1,496
T o t a l	9,006,133	9,739,868

Rail Movement from Fort William-Port Arthur - Shipments of wheat from the Lakehead during February dropped to 1.9 million bushels, just slightly more than the amount moved in the same month of 1947. Most of the wheat moved by rail from the Lakehead in February went to Maritime ports for export.

Rail shipments of wheat from the Lakehead 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	691,223	1,601,883	2,280,636	1,236,339
January	3,143,984	2,462,002	4,533,707	1,936,038
February	1,851,773	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 February 1948 and the provincial distribution of this rail movement are shown in the following table:

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island
	- bushels -				
1 Hard	3,000	-	-	-	-
1 Northern	-	-	-	136,000	-
2 Northern	-	-	34,000	26,000	-
3 Northern	-	-	-	160,000	-
4 Northern	30,767	46,200	3,000	2,267	1,500
No. 5	4,933	9,667	-	-	-
No. 6	1,000	-	-	-	-
Tough 2 Northern	-	-	659,500	-	-
Tough 3 Northern	-	-	412,000	147,000	-
Tough 4 Northern	28,633	39,400	1,500	-	-
Tough No. 5	13,367	26,200	1,133	1,500	1,500
Tough No. 6	2,000	2,000	-	-	-
4 Special	12,000	9,000	-	3,000	-
Smutty 3 Northern	-	536	-	-	-
Tough Smutty 2 Northern	-	1,900	-	-	-
Rejected No. 5 Mixed Heated .	1,133	-	-	-	-
Tough Rejected 3 Nor. Mxd. Htd.	1,571	1,133	-	-	-
Tough Sample Heated	2,267	1,133	-	-	-
2 C.W. Garnet	8,000	-	-	-	-
3 C.W.A.D.	1,167	-	-	-	-
4 C.W.A.D.	1,133	-	-	-	-
Rejected 2 C.W.A.D.	1,500	-	-	-	-
2 C.W. Soft White Spring	1,733	-	-	-	-
1 A.R.W.	6,000	-	-	-	-
2 A.W.	3,000	-	-	-	-
3 A.W.	1,500	-	-	-	-
T o t a l	124,704	137,169	1,111,133	475,767	3,000
GRAND TOTAL	1,851,773				

Freight Assistance Shipments - The quantity of wheat on which freight subsidy was claimed during January amounted to 1.1 million bushels. The total movement indicated for the first half of the current crop year lags more than a million bushels behind shipments for the corresponding period of 1946-47. Consideration must, however, 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--thus narrowing the gap between shipments in the periods under review.

The provincial distribution of freight-assisted 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	630,495	520,857	59,503	51,185	26,023	320,038	1,608,101
September	1,559,857	864,758	84,987	89,493	22,472	365,137	2,986,704
October	953,017	1,076,123	92,247	114,385	31,588	390,743	2,658,103
November	638,063	476,828	54,192	77,000	25,065	317,877	1,589,025
December	634,053	425,355	56,480	43,322	14,922	213,543	1,387,675
January	606,910	323,748	26,933	28,223	20,522	132,628	1,138,964
T o t a l	5,022,395	3,687,669	374,342	403,608	140,592	1,739,966	11,368,572
Same Period							
1946-47	4,964,633	4,130,572	477,677	582,775	252,905	2,325,884	12,734,446

Freight-assisted shipments of millfeeds for the first half of the current crop year at 366 thousand tons are down some 72 thousand tons from movements during the same period last year. While late claims will occasion upward revisions of the current data, decreased production of millfeeds will adversely affect shipments and it is expected that movement of millfeeds throughout 1947-48 will be significantly lower than the level reached in 1946-47.

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

	<u>August 1, 1947 to January 31, 1948</u>	<u>August 1, 1946 to January 31, 1947</u>
- tons -		
Ontario	133,702	151,147
Quebec	145,469	174,173
New Brunswick	23,826	31,710
Nova Scotia	24,754	32,757
Prince Edward Island	6,137	9,332
British Columbia	31,832	38,490
T o t a l	365,720	437,609

Monthly Export 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
- 000 bushels -					
<u>1945-46</u>					
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 ^{2/}</u>					
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 ^{2/}</u>					
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	1	5,389	17,396	22,763
December	7,480	2	4,912	12,394	20,717
January	15,175	<u>3/</u>	4,460	19,635	15,962
February	11,296	<u>3/</u>	3,464	14,760	10,743
T o t a l	74,600	52	38,121	112,773	121,519

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

^{2/} Subject to revision

^{3/} U.S.A. imports for January and February not available.

Overseas Clearances of Canadian Wheat and Wheat Flour (including U.S.A. Imports) August 1947 to February 1948 - The following statistics on monthly overseas clearances have been compiled by the Statistical Branch of the Board of Grain Commissioners:-

	FEBRUARY		JANUARY		AUGUST - FEBRUARY	
	Wheat Flour 1/	Wheat 2/	Wheat Flour 1/	Wheat 2/	Wheat Flour 1/	Wheat 2/
	- bushels -		- bushels -		- bushels -	
BRITISH EMPIRE						
United Kingdom	2,424,101	9,944,405	2,929,140	14,157,895	20,547,027	65,735,691
Eire	59,764	-	71,834	-	943,002	-
<u>Africa</u>						
Br. East Africa ...	-	-	747	-	4,783	-
Br. South Africa ..	-	-	-	-	1,818	-
<u>Br. West Africa</u>						
Gambia	-	-	1,166	-	1,166	-
Gold Coast	4,068	-	6,052	-	44,766	-
Nigeria	-	-	3,892	-	4,743	-
Sierra Leone	4,590	-	5,508	-	54,576	-
<u>Asia</u>						
Aden	-	-	-	-	450	-
Hong-Kong	6,129	-	63,729	-	107,388	-
India	19,467	-	-	-	3,916,809	-
Palestine	-	-	-	-	9,162	777,785
<u>Europe</u>						
Gibraltar	-	-	-	-	-	-
Malta	-	168,000	-	334,056	-	1,587,829
<u>North America</u>						
Bahamas	5,283	-	26,095	-	150,241	-
Barbados	10,953	-	42,237	-	271,058	767
Jamaica	42,863	-	293,013	-	955,463	16,273
St. Vincent	-	-	-	-	-	10
Trinidad-Tobago ...	157,356	-	203,603	-	1,306,751	-
Other Br. W. Indies	41,161	-	71,797	-	394,159	-
Bermuda	7,938	-	6,147	-	66,276	-
Br. Honduras	-	-	3,010	-	25,425	-
Newfoundland	85,824	-	112,365	-	1,128,424	-
<u>South America</u>						
Br. Guiana	53,919	-	101,120	-	500,900	-
TOTAL BRITISH EMPIRE.	2,923,416	10,112,405	3,941,455	14,491,951	30,434,387	68,118,355
FOREIGN COUNTRIES						
<u>Africa</u>						
Azores & Madeira ..	2,799	-	5,963	-	40,343	-
Belgian Congo	4,950	-	2,012	-	15,260	-
Egypt	-	-	-	-	143,496	1,716,131
Liberia	-	-	-	-	5,706	-
Portuguese Africa .	4,545	-	12,614	-	52,660	-
<u>Asia</u>						
China	-	-	-	-	14,274	-
Iraq-Iran	-	-	-	-	-	339,000
Philippine Islands.	34,281	-	61,897 3/	-	500,354	-
Portuguese Asia ...	-	-	-	-	18,797	-
Syria	-	-	2,151	-	325,476	-

Overseas Clearances of Canadian Wheat and Wheat Flour - concluded

	FEBRUARY		JANUARY		AUGUST - FEBRUARY	
	Wheat Flour 1/	Wheat 2/	Wheat Flour 1/	Wheat 2/	Wheat Flour 1/	Wheat 2/
	- bushels -		- bushels -		- bushels -	
<u>FOREIGN COUNTRIES</u>						
<u>Europe</u>						
Austria	-	-	-	-	29,074	-
Belgium	-	492,966	22,955	336,000	348,282	2,393,491
Denmark	-	-	-	-	16,596	-
France	-	-	4,941	-	672,062	-
Germany	-	-	172,953	-	281,678	-
Greece	-	-	-	-	19,134	-
Iceland	-	-	5,522	-	50,535	-
Italy	6,885	-	2,758	-	1,782,288	-
Netherlands	-	690,666	27,000	347,200	249,075	2,033,333
Norway	172,238	-	52,411	-	951,727	-
Portugal	-	-	-	-	30,803	-
Switzerland	25,191	-	-	-	134,537	-
<u>North America</u>						
Costa Rica	13,185	-	5,877	-	77,720	-
Cuba	22,955	-	-	-	222,224	-
Dominican Republic ..	15,309	-	9,905	-	89,704	-
French West Indies ..	23,868	-	1,886	-	131,486	-
Guatemala	9,383	-	4,819	-	46,053	-
Haiti	32,323	-	3,330	-	65,151	-
Honduras	918	-	2,525	-	12,159	-
Netherlands W. Indies	11,691	-	8,973	-	92,146	-
Nicaragua	2,772	-	517	-	11,425	-
Panama	9,297	-	6,543	-	58,413	-
Salvador	918	-	2,758	-	6,659	-
St. Pierre-Miquelon .	2,556	-	572	-	9,297	-
<u>United States</u>						
For grinding in bond.	-	4/	-	4/	-	10,731 ^{5/}
For human consumption	76	4/	225	4/	702	97 ^{5/}
Unfit for						
human consumption 6/	-	4/	-	4/	-	40,829 ^{5/}
Alaska	-	-	-	-	508	-
Virgin Islands	-	-	-	-	5,661	-
<u>South America</u>						
Brazil	33,233	-	40,392	-	494,456	-
Colombia	688	-	-	-	111,595	-
Ecuador	12,051	-	2,754	-	39,694	-
French Guiana	7,807	-	4,000	-	11,807	-
Netherlands Guiana ..	11,880	-	9,760	-	56,582	-
Peru	-	-	1,998	-	7,740	-
Venezuela	78,286	-	39,051	-	443,254	-
TOTAL FOREIGN COUNTRIES	540,085	1,183,632	519,062	683,200	7,686,593	6,533,612
GRAND TOTAL EXPORTED	3,463,501	11,296,037	4,460,517	15,175,351	38,120,980	74,651,967

1/ Canadian Customs Returns - conversion rate 4½ wheat bushels equals 1 barrel.

2/ Subject to revision.

3/ Previously reported to Puerto Rico now advised to be Philippine Islands.

4/ United States Imports for January and February not available.

5/ Source: United States Department of Commerce - Bureau of the Census.

6/ Revised to include 2,145 imported December.

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 March 6 through March 27. The prices for domestic use, for export to the United Kingdom and the initial price to producers have remained unchanged during the period covered. On March 25, however, it was announced that effective April 1, the initial price to producers will be increased by 20 cents per bushel to \$1.55 per bushel. The 20 cents increase is retroactive and will be applied to all wheat delivered to the Board during the crop years 1945-46, 1946-47 and up to April 1 of the current (1947-48) crop year.

The price of 'commercial' wheat for export to countries other than the United Kingdom has held quite steady during the last three weeks of the period under review. The average prices for the weeks ending March 6, 13, 20 and 27 for No. 1 Northern were 276/1, 266/7, 265/5 and 266/3 respectively.

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: <u>1/</u> <u>2/</u>				
	March 6	March 13	March 20	March 27
(1) Class I Domestic	- cents and eighths per bushel -			
(A) Domestic Use				
1 Hard	158/4	158/4	158/4	158/4
1 Northern	158/4	158/4	158/4	158/4
2 Northern	155/4	155/4	155/4	155/4
3 Northern	153/4	153/4	153/4	153/4
4 Northern	150/4	150/4	150/4	150/4
Number 5	145/4	145/4	145/4	145/4
Number 6	141/4	141/4	141/4	141/4
Feed	139/4	139/4	139/4	139/4
1 C. W. Garnet	153/4	153/4	153/4	153/4
2 C. W. Garnet	151/4	151/4	151/4	151/4
3 C. W. Garnet	149/4	149/4	149/4	149/4
1 Alberta Red Winter	158/4	158/4	158/4	158/4
2 Alberta Winter	157/4	157/4	157/4	157/4
3 Alberta Winter	154/4	154/4	154/4	154/4
1 C. W. Amber Durum	158/4	158/4	158/4	158/4
2 C. W. Amber Durum	155/4	155/4	155/4	155/4
3 C. W. Amber Durum	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
1 Northern	158/4	158/4	158/4	158/4
2 Northern	155/4	155/4	155/4	155/4
3 Northern	153/4	153/4	153/4	153/4
(B) Commercial				
1 Hard	276/1	266/7	265/5	266/3
1 Northern	276/1	266/7	265/5	266/3
2 Northern	273/1	263/7	262/5	263/3
3 Northern	271/1	261/7	260/5	261/3
1 C. W. Amber Durum	276/1	266/7	265/5	266/3
2 C. W. Amber Durum	273/1	263/7	262/5	263/3
3 C. W. Amber Durum	271/1	261/7	260/5	261/3

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

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

Grain and Summerfallow Acreages in the Prairie Provinces, 1946 and 1947

Editor's Note - With the 1948 seeding season close at hand a number of our readers have requested publication of a statement setting out the acreages seeded by crop districts in the Prairie Provinces in the last two years. In response to these requests the latest estimates of these acreages are provided herewith. (The Bureau's release on Intentions to Plant Field Crops-for harvest in 1948-will be released this year on May 13, and will be reported in the May issue of the Monthly Review of the Wheat Situation).

Seeded Acreages of Principal Grain Crops and Summerfallow by Crop Districts, Prairie Provinces, 1947

Province	Crop District	Wheat	Oats	Barley	Fall Rye	Spring Rye	Flax-seed	Summer-fallow
- 000 acres -								
MANITOBA	1	217	82	65	3.0	0.3	114	149
	2	357	149	262	2.0	0.2	66	280
	3	679	343	533	8.0	0.5	138	424
	4	30	15	25	0.6	-	6	20
	5	107	70	103	1.0	0.1	14	70
	6	25	33	23	1.0	0.2	6	22
	7	302	146	203	4.0	0.3	54	315
	8	197	117	139	4.0	2.0	50	197
	9	137	90	108	1.0	-	65	164
	10	192	134	182	0.9	-	6	254
	11	117	83	108	1.0	1.1	17	135
	12	37	39	49	0.5	-	7	41
	13	65	44	65	4.0	1.8	1	66
	14	35	36	36	1.0	1.5	12	50
Provincial Total		2,497	1,381	1,901	32.0	8.0	556	2,187
SASKATCHEWAN	1A	483	251	183	9.4	0.5	128	344
	1B	356	211	133	5.0	1.1	29	344
	2A	583	163	95	3.2	0.1	51	448
	2B	1,110	155	117	9.9	1.5	21	746
	3AS	968	147	156	22.7	2.2	68	666
	3AN	569	76	97	37.1	4.6	8	517
	3BS	669	72	147	20.4	2.0	9	666
	3BN	1,081	96	139	69.9	11.0	87	723
	4A	341	48	75	72.0	8.4	16	333
	4B	683	20	47	132.7	8.3	38	321
	5A	697	335	203	24.9	5.1	9	723
	5B	669	426	234	9.6	12.2	5	735
	6A	1,236	307	156	12.2	5.3	64	930
	6B	1,081	243	164	40.9	22.2	16	712
	7A	1,096	104	92	12.2	1.1	123	815
	7B	640	370	67	18.9	13.7	5	551
	8A	313	175	209	4.3	1.6	8	367
	8B	598	187	200	4.7	7.8	7	494
	9A	612	346	183	15.6	41.1	7	586
	9B	441	251	83	11.4	17.2	1	459
Provincial Total		14,226	3,983	2,780	537.0	167.0	700	11,480

Seeded Acreages of Principal Grain Crops and Summerfallow by Crop Districts,
Prairie Provinces, 1947

Province	Crop District	Wheat	Oats	Barley	Fall Rye	Spring Rye	Flax-seed	Summer-fallow
- 000 acres -								
ALBERTA	1	763	33	64	44.8	8.5	32	612
	2	451	56	64	8.0	1.2	28	462
	3A	140	5	9	(21.6	(10.8	3	98
	3B	166	28	26	((42	52
	4	730	73	87	24.1	8.2	46	629
	5	584	109	52	11.4	38.0	20	393
	6	869	218	287	40.7	5.5	26	808
	7	690	287	108	13.6	36.2	5	514
	8	477	340	414	17.3	5.8	5	571
	9	72	81	200	3.4	0.1	-	185
	10	611	400	275	5.3	10.6	9	525
	11	179	261	311	1.1	0.8	-	260
	12	33	28	19	0.2	-	-	35
	13	140	101	101	0.7	1.6	-	115
	14	218	177	280	1.3	2.5	5	208
	15	93	74	24	0.1	-	5	52
	16	385	248	31	3.4	1.2	28	237
	17	33	15	2	-	-	3	17
Provincial Total		6,534	2,534	2,354	197.0	131.0	257	5,773

Seeded Acreages of Principal Grain Crops and Summerfallow by Crop Districts,
Prairie Provinces, 1946

Province	Crop District	Wheat	Oats	Barley	Fall Rye	Spring Rye	Flax-seed	Summer-fallow
- 000 acres -								
MANITOBA	1	231	87	58	2.0	0.2	57	174
	2	364	150	250	0.5	0.1	37	320
	3	690	357	486	2.2	0.3	82	546
	4	31	16	23	-	-	4	28
	5	112	72	96	0.8	0.3	9	104
	6	25	33	17	0.6	-	3	27
	7	297	158	163	3.1	0.5	35	369
	8	185	124	136	1.8	1.1	22	213
	9	134	99	103	0.2	0.2	35	173
	10	200	141	144	0.5	0.8	3	281
	11	122	85	90	0.2	0.9	8	164
	12	44	41	43	0.1	0.2	4	48
	13	55	42	64	2.7	0.7	1	74
	14	32	34	24	0.3	0.7	4	52
Provincial Total		2,522	1,439	1,697	15.0	6.0	304	2,573

Seeded Acreages of Principal Grain Crops and Summerfallow by Crop Districts,
Prairie Provinces, 1946

Province	Crop District	Wheat	Oats	Barley	Fall Rye	Spring Rye	Flax-seed	Summer-fallow
- 000 acres -								
SASKATCHEWAN	1A	500	253	138	4.4	0.5	140	362
	1B	352	237	119	2.3	1.0	12	380
	2A	626	159	90	1.5	0.1	44	421
	2B	1,088	190	113	4.6	1.4	8	802
	3AS	906	163	138	10.6	2.0	82	717
	3AN	536	91	95	17.3	4.3	12	500
	3BS	606	92	171	9.5	1.9	4	676
	3BN	1,091	112	81	32.6	10.2	33	821
	4A	321	57	103	33.6	7.8	6	342
	4B	728	26	44	62.4	7.7	15	404
	5A	718	358	142	11.6	4.7	5	759
	5B	666	427	192	4.5	11.3	3	687
	6A	1,247	356	133	5.7	4.9	15	1,008
	6B	1,086	270	126	19.1	20.6	18	748
	7A	1,043	110	50	5.7	1.0	43	846
	7B	665	397	47	8.8	12.7	5	586
	8A	323	176	173	2.0	1.5	3	315
	8B	596	212	162	2.2	7.2	3	521
	9A	654	347	141	7.3	38.2	3	548
	9B	474	296	59	5.3	16.0	1	394
Provincial Total		14,226	4,329	2,317	251.0	155.0	455	11,835
ALBERTA	1	797	34	35	35.2	3.8	6	638
	2	528	66	37	6.3	0.5	6	429
	3A	152	7	4	10.2	2.3	1	117
	3B	151	29	20	6.8	2.6	13	78
	4	796	88	72	18.9	3.7	10	622
	5	589	117	23	9.0	17.0	6	442
	6	906	275	234	32.0	2.5	8	810
	7	706	294	57	10.7	16.4	1	592
	8	527	367	310	13.6	2.6	1	549
	9	84	96	176	2.6	0.1	-	145
	10	622	423	202	4.1	4.8	2	561
	11	218	285	260	0.9	0.4	-	258
	12	30	33	20	0.2	-	-	35
	13	150	101	74	0.6	0.7	-	143
	14	235	206	213	1.1	1.1	1	238
	15	91	64	13	0.1	-	1	60
	16	367	254	25	2.7	0.5	4	278
	17	34	15	2	-	-	2	19
Provincial Total		6,983	2,754	1,783	155.0	59.0	62	6,014

Flour Milling Situation - Production of wheat flour in Canadian mills for the month of February amounted to 1,799,279 barrels a decline of roughly 90,000 barrels from January millings.

Total wheat flour production for the first seven months of the current crop year is 1.4 million barrels below output for the corresponding period of the 1946-47 crop year. The smaller 1947 wheat crop has resulted in lowered supplies available to millers and flour production is expected to remain below last year's level at least until the 1948 crop is harvested. According to Customs returns, an amount of flour equivalent to 57 per cent of the total flour produced in the August-February period had moved into export channels by the end of February.

Mills reporting operations in February had a total rated milling capacity of 99,040 barrels per 24-hour day and on the basis of a 24-day working period in the month, 75.7 per cent of this was effective.

In the following table the record of production and exports of flour during the past ten years is shown together with statistics for the first seven 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	1,197,563
December	1,691,610	1,091,555
January	1,889,350	991,226
February	1,799,279	769,667
Total - 7 months	14,964,409	8,471,329
Same Period 1946-47	16,377,917	8,898,574

* Based on Customs returns.

THE UNITED STATES SITUATION

March

Spring Seeding Intentions and 1948 Outlook -

A report issued on April 19 by the Crop Reporting Board of the United States Department of Agriculture indicates that the 1948 acreage of all spring wheat in the United States will be about the same as last year—19,789,000 acres compared with 19,879,000 acres planted last year according to farmers reported intentions. A total planted acreage of all wheat of 78,437,000 acres is indicated by combining the prospective acreage of spring wheat with the winter wheat acreage as estimated last December. This acreage of all wheat would be only a fraction of a per cent larger than the 77,947,000 acres planted for harvest last year.

Although no material change in all spring wheat acreages is in prospect planting intentions vary among States and areas. Even though the moisture situation to date has been favourable in the northern Great Plains, intended spring wheat acreage is below last year in parts of the area, with declines of 5 per cent indicated for North Dakota and 4 per cent for Minnesota and Wyoming. Intentions to increase acreage of spring wheat were reported by all important mountain and northwestern States except Washington, where conditions were favourable for planting last fall. Factors encouraging the increase in Montana are heavy winter kill of winter wheat in recent years and better adapted varieties of spring wheat.

Intended plantings of durum wheat of 3,092,000 acres are nearly 5 per cent above the 2,952,000 acres planted last year. The increase is in North Dakota and Minnesota, while South Dakota shows a small decrease. Plantings of other spring wheat of 16,697,000 acres are 1.4 per cent lower than the 16,927,000 acres planted last year. The increase in other spring wheat acreage in North Dakota is only partly offset by the increase in durum, indicating some replacement of that crop by flaxseed, other feed crops and summer fallow.

Production of all spring wheat would be approximately 272 million bushels if the intended acreage is planted and yields per seeded acre are equal to the 1937-46 average, by States. A production of 1,110 million bushels of all wheat would be indicated by combining such a spring wheat production with the winter wheat production of approximately 839 million bushels as estimated last December.

(Editor's Note: The next official estimate of the winter wheat crop is due on April 9.)

Late reports indicate that small grains east of the Rockies are showing general improvement as a result of recent warm weather, with fields greening as far north as the lower lake region and Nebraska. Kansas stands of wheat are termed good in the eastern and northwestern sections and fair in the central and southwestern areas, with a few reports of poor stands in the southwestern counties. Moisture is deemed generally ample for present needs in the western portion of the great plains region to excessive in the remaining portion of the main wheat belt. Some observers point out, however, that despite good moisture conditions the wheat over much of the southwestern wheat belt is extremely late—and is small and poorly developed as a result of the long drought last fall. The Santa Fe railway crop report states that "no matter how favourable conditions are from now on, the crop will mature late with harvest almost certain to encounter hot weather ...". At the same time, this report indicates that "...despite a severe winter, little killing is reported, probably due to the fact that much of the wheat belt was covered with snow when temperatures dropped. Neither has there been much wind damage up to this time, although the danger still exists. Everything considered, it will take a period of good growing weather to get an accurate picture ...".

Grain Exports Maintained at High Levels - Grain export quotas for May have been set at 838,000 long tons (31,353,000 bushels) including 30,613,000 bushels of wheat and flour (in wheat equivalent), and 720,000 bushels of grain sorghums. The April quotas totalled 864,500 long tons (32,397,000 bushels). The May quotas are divided among a number of countries, the chief recipients being the United States-United Kingdom zone of Germany, France and French North Africa, Greece, the Netherlands, Japan and Korea and Italy in that order. It is of interest to note that allocations to Italy have been dwindling month by month—due, according to trade reports, to the fine outlook for the new crop in Italy and large imports of macaroni products by the Italians.

In an official announcement the Department of Agriculture stated that the May allocation to Italy, in addition to quantities being exported to that country from other sources, appears to be adequate to maintain the cereals ration until indigenous supplies become available. However, it was stressed that if subsequent developments threatened maintenance of the Italian cereals ration at present levels, such as a sudden, drastic reduction in shipments from other supplying areas, the United States would make every effort to allocate and ship such emergency quantities as might be required.

Cumulative July 1947-May 1948 grain export quotas (including a carry-over from June allocations) total 521,900,000 bushels. This figure is made up of 432,500,000 bushels of wheat and flour in terms of wheat and 89,400,000 bushels of other grains and grain products. The total figure includes actual exports July through February, plus allocations (adjusted for carry-overs or preshipments on March 1) and estimated shipments of non-allocated products March through May.

In the light of accomplishments to date and in view of optimistic reports on the new crop, many observers consider the Government could easily move its total grain export goal up to the 570 million bushel level. If this were done, exports of wheat and flour for the current United States crop year would run well in excess of the 450 million bushel goal established earlier in the season.

Drop in Flour Production Foreseen - Officials of the Millers National Federation believe that 1948 flour production will be lower than in 1947. The Northwestern Miller (issue of March 9) quotes Federation officials as stating " 1948 flour production will be much less than for 1947 ... How much less only time can tell, and for present purposes millers should figure that last year's monthly average of 25 million sacks will fall to a level of no greater than 20 million sacks this year. It is possible that even this figure may not be reached for the yearly average. In fact, judging from what we hear about the current rate of mill operations, the industry has already just about reached the level of 20 million sacks production a month." In explaining the reason for declining production the officials stated that " ... While flour export totals are still quite high, they are well below the levels prevailing a few months ago, and we think that exports of flour will continue to be substantial in amount, but it must be clear to everyone that they will not approach the 1947 rate at any time ..." The Federation also pointed to a significant decline in domestic consumption of flour in the United States as a factor leading to a reduction in the future output of flour. The Federation says use of flour in the United States is now averaging 12 per cent below the 1945 level. A recent report of the Bureau of Agricultural Economics, indicating for 1947 a decline of 6 per cent over the past ten years in the per capita use of wheat (grain equivalent) as food in the United States, substantiates the existence of a downward trend, at least in per capita wheat consumption. The Federation attributes the present decline in consumption to the impact of long extraction flour, to the wheat conservation program and to the competition of other foods.

Chicago and Minneapolis Cash Wheat -

The cash wheat market in Chicago was very quiet with very few sales reported and those only small ones. Most of the small receipts were applied to previous orders. At Minneapolis the cash wheat market opened the month strong with premiums advancing. The advanced premiums, however, were caused by small offerings rather than any real activity in the demand. On March 4, mills buying in anticipation of government flour business, caused some activity and advanced prices to the highs for the month. This buying continued through the 5th after which the market returned to a quieter mood.

Between March 4 and 11 cash wheat declined approximately 15 cents. From this point on to March 16 some slight recovery was noted to be followed by rather sharp declines in sympathy with the May future, which carried prices downward to a point actually lower than the low point of last month's price break. Somewhat heavier and firmer demand during the closing days of the month along with increased receipts made for a more active market.

Receipts of wheat at Minneapolis from February 27 to March 25 were 2,406 cars, while Duluth reported 1,154 cars; the heaviest receipts were during the week of March 19 to 25.

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

1948	Chicago -		Minneapolis -	
	Grade	Price	Grade	Price
March 1	2 Red	257	1 Heavy Dark Nor.	253 3/4 - 256 3/4
2	1 Hard	253	1 Heavy Dark Nor.	255 - 258
3	None		1 Heavy Dark Nor.	254 3/4 - 257 3/4
4	None		1 Heavy Dark Nor.	262 1/2 - 265 1/2
5	None		1 Heavy Dark Nor.	261 3/4 - 264 3/4
6	3 Red	259 1/4	1 Heavy Dark Nor.	253 1/2 - 258 1/2
8	2 Mixed	250	1 Heavy Dark Nor.	244 1/2 - 249 1/2
9	None		1 Heavy Dark Nor.	240 1/2 - 245 1/2
10	1 Hard	246 1/2	1 Heavy Dark Nor.	243 3/4 - 248 3/4
11	None		1 Heavy Dark Nor.	241 1/4 - 246 1/4
12	3 Red	248	1 Heavy Dark Nor.	240 3/4 - 245 3/4
13	None		1 Heavy Dark Nor.	249 - 254
15	1 Red	257	1 Heavy Dark Nor.	248 1/2 - 253 1/2
16	1 Dark Hard	251 1/2	1 Heavy Dark Nor.	249 5/8 - 254 5/8
17	2 Red	259	1 Heavy Dark Nor.	247 1/4 - 252 1/4
18	1 Hard	249	1 Heavy Dark Nor.	244 1/4 - 249 1/4
19	2 Red	254 1/4	1 Heavy Dark Nor.	240 3/8 - 245 3/8
20	2 Red	245	1 Heavy Dark Nor.	233 - 238
22	3 Red	247	1 Heavy Dark Nor.	234 3/4 - 239 3/4
23	None		1 Heavy Dark Nor.	238 - 243
24	None		1 Heavy Dark Nor.	242 1/4 - 247 1/4
25	None		1 Heavy Dark Nor.	246 - 251
26		Good	Friday	
27	2 Red	261 1/2	1 Heavy Dark Nor.	251 1/2 - 256 1/2
29	None		1 Heavy Dark Nor.	250 1/4 - 255 1/4
30	None		1 Heavy Dark Nor.	248 3/8 - 253 3/8
31	2 Red	259	1 Heavy Dark Nor.	245 1/4 - 248 1/4

Chicago Wheat Futures -

All futures opened March 1 on a much firmer note than the closing days of February. The March future opened its last month nearly 10 cents higher than it appeared on the last day of February; the May future was up 7 1/2 cents and others showed somewhat lighter advances. Prices held rather firm during the first week only to slump over the week-end of March 6-8, the July and distant futures reaching levels nearly as low as those recorded during the mid-February crash. The nearby futures, though showing a greater drop than the distant futures, did not approach their previous lows so closely. The middle of the week showed some recovery and the week closed on March 13, with all futures on a firm tone. Monday and Tuesday of the following week showed advances for all futures but then a slide started which carried the March and May futures on March 20 to levels below those recorded for February 13, the low point of that month's price break. The March future made its closing bid at recovery on the 22nd before disappearing, while all other futures started a slow but steady climb throughout the week with May widening from 11 cents over July on the 22nd to nearly 15 cents on the 27th. The closing days of the month brought minor losses to all futures.

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

<u>1948</u>	<u>March</u>	<u>May</u>	<u>July</u>	<u>September</u>	<u>December</u>
- cents and eighths per bushel -					
March 1	253	245/4	228/6	226/2	225/2
2	252/4	245	228	225/4	224/2
3	250	243	225/4	222/4	221/2
4	256/6	249	228/6	225/2	223/6
5	257	249/2	228/6	225/4	223/6
6	252/6	244/4	225/4	224	223
8	243/4	236/4	219/6	217/4	216/6
9	241/6	235/4	221	218	217/2
10	245/1	238/2	221/6	220	219
11	243/4	237	220/2	218/4	217
12	241/6	235	220	218	217/2
13	248/2	240/2	225	222/4	221/4
15	249/2	238/6	224	221/4	220/4
16	250/2	241/6	226	223/4	222/6
17	248	239	224/2	221/4	220/6
18	243/4	237	224/4	221/4	220/6
19	241/4	234	223/4	221/2	220/6
20	239	231/4	222/2	219/6	219/6
22	244	234/6	223/6	222	222
23		236/4	225	222/6	222/2
24		238/6	226/2	223/2	222/7
25		241/2	227/6	225/2	224/6
26			Good	Friday	
27		247	232/2	230	229/2
29		245/4	231/4	229/4	229
30		243/6	231/2	229/4	229/2
31		241/4	228/6	226/4	226/2

THE ARGENTINE SITUATION

A report dated March 22, 1948 has been received from Mr. W. B. McCullough, Commercial Secretary (Agriculture) at Buenos Aires covering several aspects of the wheat situation in the Argentine. This month's review of the Argentine situation is based on Mr. McCullough's report. Conversion of Argentine to Canadian measures has been made in most instances for the convenience of Canadian readers.

" Weather and Crops - Reports continue favourable on the condition and yield of most crops and high production figures are expected.

Wheat - The Bank of the Province of Buenos Aires in their monthly review of conditions in the province reports wheat yields of 22.3 to 25.3 bushels per acre, and in the northern portion adjoining Santa Fe 37.2 bushels have been reached. However, low production in the drought-stricken area in the vicinity of Bahia Blanca reduces the average to 17.8 for the whole province, which, nevertheless, compares favourably with the five year average of 16.4. Yields in the Northern belt including Cordoba and Santa Fe were higher than average and in some areas record crops were harvested. Trade circles estimate the 1947-48 crop at 238.8 to 257.2 million bushels which would provide an export surplus of about 128.6 million bushels.

Trade Agreement with the Netherlands - Under date of March 18th a trade agreement was signed between Argentina and the Netherlands exchanging agricultural products for certain specified manufactures. According to a press release, Argentina agrees to sell and the Netherlands to buy during the years 1948 to 1952 inclusive, the following minimum quantities in bushels: wheat 4,600,000, rye 1,000,000, corn 8,300,000, barley 2,500,000, oats 2,300,000 and casein 1,300,000 pounds. Should production decrease radically during these years, Argentina contracts to assign to the Netherlands the following percentages of the exportable surplus: wheat 4.8, rye 14.7, corn 3.3, barley 9.2, oats 7.8 and casein 4.

Prices are not disclosed. All sales are to be made through IAPI, payments to be arranged through special accounts in the respective central banks.

Seed Prices - Inasmuch as the crops in the Territory of La Pampa have been almost completely lost due to drought, a government decree dated February 27th authorizes IAPI to sell to farmers within that stricken area seed grain at last year's prices (bagged, at station), i.e.: wheat \$1.38 per bushel, rye \$1.09, barley 87 cents and oats 62 cents. The Ministry of Agriculture will cooperate in the distribution of this seed.

Shipments - After the peak reached towards the end of last year, shipments have fallen off somewhat, due, in part, to delays in moving grain from farms to dockside. They are, however, proceeding at more than double the rate of the same period last year, as shown below:

	<u>Wheat - Million Bushels</u>
February 1948	10.4
February 1947	5.0
2 months 1948	21.4
2 months 1947	8.3

Official export statistics by country and commodity have not been published for some years, but the following figures, computed by the trade, are indicative of the destination of grain shipments:

<u>Country</u>	<u>Wheat - Million Bushels</u> <u>Year 1947</u>
United Kingdom	16.6
Continent	35.0
Brazil	14.8
Other South American Countries	11.4
Others	3.6

Direct Cost of Wheat Production - The "Economic Survey", a local market publication, has made the following analysis of the present cost of wheat production, compared with that of previous years:

	<u>1926-7</u>	<u>1938-9</u>	<u>1942-3</u>	<u>1944-5</u>	<u>1945-6</u>	<u>1946-7</u>	<u>1947-8</u>
	- pesos per 100 kilos - <u>1/</u>						
1. Railway to Rosario	.6615	.6615	.6615	.8162	.8162	.8161	.8162
2. Middlemen's Commission	.20	.20	.50	.62	.85	1.04	1.23
3. Transport to station	.60	.20	.22	.324	.53	.74	.85
4. Harvest machinery	2.50	1.56	1.90	1.90	2.19	2.81	3.33
5. Bags	.38	.55	.90	1.00	.90	.90	.90
6. Other harvesting expense	.10	.20	.20	.25	.35	.50	.51
	4.4415	3.3715	4.3815	4.9102	5.6362	6.8062	7.6362
7. Seed	.54	.66	.32	.55	.54	1.30	1.10
8. Sowing & cultivation	1.15	1.24	1.24	1.55	1.55	2.95	3.30
9. Other expenses & insurance	.15	.25	.31	.42	.51	.67	.71
GRAND TOTAL - EXPENSES	6.2815	5.5215	6.2515	7.4302	8.2362	11.7262	12.7462
GRAND TOTAL - in equivalent cents per bushel <u>2/</u>	50.916	44.756	50.673	60.227	66.760	95.049	103.317
PRICE AT DOCK	11.30	6.71	6.93	9.50	15.09	17.00	20.00
NET PROCEEDS FOR PRODUCER	5.02	1.19	.68	2.07	6.85	5.27	7.25

1/ The Argentine peso equals 29.77 cents Canadian; 100 kilos equals 220.46 pounds; One Peso per 100 kilos equals 8 cents per bushel approximately.

2/ Inserted by editors for the convenience of our readers.

Note:- Item (2) includes provincial tax, brokers commission, shrinkage, storage, etc.
(6) includes lifting bags from field after reaping
(8) includes principally insurance and handling of seed.

It is noted that this study has been based on very favourable conditions: land producing the relatively high yield of 22.3 bushels per acre and located 4 1/2 miles from the station. Furthermore, the table covers only the direct cost of production and not such items as depreciation, reserve, fencing, interest, etc.

The Central Bank Index (with 1926 as 100) shows that for the year 1947 the grain price level was 161.1 whereas that of non-agricultural products had risen to 272.0, indicating the growing disparity between the prices of primary and processed goods."

THE AUSTRALIAN SITUATION

The editors are indebted to the Sydney Office of the Trade Commissioners Service for providing the greater part of the material used in this month's review of the wheat situation in Australia. For the convenience of our readers Australian currency measures have been converted to Canadian equivalents.

Cost of Production of Wheat in Australia - An Interim Report of the Commonwealth Committee which was appointed to study the cost of production of wheat in Australia was published on December 1, 1947. Three methods of arriving at the cost were used:

Cost No. 1: This comprised all costs of production including cash and non-cash items other than interest on borrowed capital and interest on farmer's equity. The study revealed that this cost ranged from 75 cents to 78 cents.

Cost No. 2: This is arrived at by adding to cost No. 1 such interest charges on borrowed money as the farmer has to meet. This cost ranged from 81 cents to 85 cents.

Cost No. 3: This is cost No. 2 together with an allowance for interest on farmer's equity in his property. This cost ranged from 96 cents to 98 cents.

The Report, therefore, states that the cost per bushel of growing wheat in the Commonwealth is 96 cents (Cost No. 3). No. 1 cost is 77 cents and No. 2 Cost is 83 cents per bushel.

An interesting comment in this Report is that during its investigation the Committee only discovered one farmer whose sole product was wheat. With this exception the wheat farmers in Australia who were interviewed, or from whom returns were received, derived very considerable revenue from wool, mutton or fat lambs or from cereal crops and many had other sidelines such as peas, potatoes and dairy products. The Committee concluded: "We are satisfied that the pure wheat farmer has ceased to play any part in the production of wheat in Australia."

In arriving at the cost of producing wheat the Commission calculated that returns from sidelines in the period covered by the Committee's questionnaire were about 15 per cent higher than under normal conditions. An allowance of this percentage was made in determining the cost of production of wheat. The Committee applied this adjustment for prices received from sidelines in the following manner. The income from sidelines was determined from the schedule as stated by the farmers. This income was then adjusted on the assumption that prices were, in fact, 15 per cent lower than actually received. This adjusted figure for sideline income was then deducted from gross costs. The net costs so determined were deemed to be the cost of producing wheat. The bushel cost was then calculated by dividing the total net cost by the total output on the farms concerned.

Interest on capital invested was allowed at 3 1/2 per cent and the farmers time was charged at \$20.96 per week (when the wages of hired labour plus keep, amounts on the average to \$20.15 per week). This interim report does not give details of all the items of cost used in calculating the total cost of production.

Yield and Acreage of Wheat In Australia - The average yield of wheat per acre in Australia in the period 1937-46 was 13.42 bushels. This is a higher average yield than in any previous ten year period as far back as 1901 (Table 1). It is interesting to note that there has been a steady rise in the average yield

per acre in the years from 1901 to 1946. It would appear that some of the reasons for this steady increase in yield are:

- (a) better varieties which produce higher yields and are more disease-resistant,
- (b) more widespread adoption of summer fallow,
- (c) better weed control by the use of improved machinery,
- (d) the application of superphosphate with the seed,
- (e) improvement in harvesting machinery,
- (f) more fertile soils being used for wheat production.

The acreage of wheat sown in Australia in 1938-39 was 14,346,000 (Table 2). In 1943-44 the acreage declined to 7,875,000 but it has risen again for 1947-48 to an estimated total of 14,600,000 acres which is slightly larger than the acreage sown in 1938-39.

Table 1. Wheat for Grain - Australia
Averages for Ten Year Periods

Period	Average Production	Average Area Sown	Yield Per Acre
1901-10	56,058,000	5,711,000	9.82
1911-20	95,480,000	8,928,000	10.69
1921-30	138,400,000	11,291,000	11.99
1931-40	177,758,000	14,176,000	12.54
1937-46	141,419,000	10,558,000	13.42

Table 2. Recent Crops - By Seasons

Season	Production	Area Sown	Yield Per Acre
	bu.	acres	bu.
1938-39	155,369,000	14,346,000	10.83
1939-40	210,487,000	13,285,000	15.84
1940-41	82,233,000	12,645,000	6.50
1941-42	166,715,000	12,003,000	13.89
1942-43	155,728,000	9,280,000	16.78
1943-44	109,720,000	7,875,000	13.93
1944-45	52,880,000	8,463,000	6.25
1945-46	142,410,000	11,425,000	12.46
1946-47	117,262,000	13,172,000	8.90
1947-48 (a)	215,000,000	14,600,000	14.73

(a) Estimates.

Australian Cable - The following cable was received March 16 from the Canadian Trade Commissioner in Melbourne:-

"Australian wheat stocks at March 6th totalled 164 million bushels. Exports of wheat from February 7 to March 6 totalled 7,421,000 bushels principally to United Kingdom and India and 50,098 long tons of flour principally to Middle East, Mauritius, France and Malaya. Total exports of wheat from December first to March sixth totalled 19,766,000 bushels and of flour 208,802 long tons. Flour mills working to full capacity.



CALENDAR OF WHEAT EVENTS

1010686625

March

- 1 The guaranteed fixed price for millable wheat to United Kingdom farmers is 19s 9d per cwt. (\$2.13 per bushel) ex-farm, March delivery. April price to farmers is 20s 1d per cwt. (\$2.17 per bushel).
- 6 Agreement has been reached among the representatives of 36 countries on the terms of an International Wheat Agreement. The agreement is in the nature of a multilateral bulk contract involving the sale of 500 million bushels annually by Canada, United States and Australia to 33 importing countries. The agreement is to commence August 1, 1948 and run for 5 years.
- 10 Trade reports indicate that Russia is supplying Belgium with 9.8 million bushels of wheat, 2.6 million bushels of rye, 2.7 million bushels of barley and 1.6 million bushels of oats. It is also reported that Russia is offering to sell 8,000,000 bushels of wheat and 750,000 bushels of corn to Egypt.
- 18 The Office of Foreign Agricultural Relations reports that on the basis of present indications and assuming normal weather until harvest, Europe's 1948 harvest of bread grains (wheat and rye) will exceed that of the very unfavourable 1947 harvest and may equal or possibly exceed the 1946 production, but will still be considerably below average prewar production.

A trade agreement has been signed between Argentina and the Netherlands exchanging agricultural products for certain specified manufactures. According to a press release, Argentina agrees to sell and the Netherlands to buy during the years 1948-1952 inclusive the following minimum quantities in bushels: Wheat 4,600,000, rye 1,000,000, corn 8,300,000, barley 2,500,000 and oats 2,300,000. Prices are not disclosed. All sales are to be made through the Trade Promotion Institute.
- 19 The Crop Reporting Board of the Bureau of Agricultural Economics of the United States Department of Agriculture reports that the total acreage of principal crops planted or grown in 1948 may exceed 361 million acres. The indicated spring wheat acreage for 1948 is 19,789,000 acres. This compares with 19,879,000 acres planted in 1947 and an average of 18,612,000 acres for the years 1937-46.
- 24 Royal assent was given today to an Act to Amend the Canadian Wheat Board Act, 1935. The new Act authorizes the Board to provide pensions for members, officers and employees, makes provision for the increase of the fixed minimum price on wheat deliveries, extends the control of interprovincial movements of wheat products and empowers the Governor In Council to extend the present system of wheat marketing to oats and barley.
- 25 A 20 cents per bushel increase in the initial wheat payment retroactive three crop years was announced today by the Rt. Hon. C. D. Howe, Minister of Trade and Commerce. The increase goes into effect April 1 and will lift the initial payment the Canadian Wheat Board makes to Prairie producers on delivery of their wheat from \$1.35 to \$1.55 a bushel, basis No. 1 Northern in store Fort William-Port Arthur or Vancouver.
- 30 The Board of Transport Commissioners has authorized a 21 per cent increase in freight rates across Canada. However, the boost will not apply to rates on grain and grain products for domestic consumption which move by rail between points in western Canada or on rates applying to feed grains in the same area. The increase also does not apply to rates on grain and flour moving out of western Canada to either Vancouver, Fort William or Port Arthur, the collection points at which grain and flour are gathered for re-shipment to the domestic and export markets.
- 31 It is reported that heavy ice conditions still exist in the upper lakes and a late opening of navigation is indicated.