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MONTHLY REVIEW OF THE WHEAT SITUATION

Vol. 19

No. 11



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MONTHLY REVIEW OF THE WHEAT SITUATION

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UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF PLANT INDUSTRY
WASHINGTON, D. C.

World Trade in Plant Products
1900-1909
The following table shows the value of the principal plant products of the United States, in millions of dollars, for the years 1900-1909.

Year	Wool	Woolen Goods	Other Animal Products	Grain	Grain Products	Other Plant Products	Total
1900	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1901	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1902	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1903	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1904	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1905	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1906	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1907	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1908	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1909	10.0	10.0	10.0	10.0	10.0	10.0	60.0

Continued on page 2.

Year	Wool	Woolen Goods	Other Animal Products	Grain	Grain Products	Other Plant Products	Total
1910	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1911	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1912	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1913	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1914	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1915	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1916	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1917	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1918	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1919	10.0	10.0	10.0	10.0	10.0	10.0	60.0

Continued on page 3.

Year	Wool	Woolen Goods	Other Animal Products	Grain	Grain Products	Other Plant Products	Total
1920	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1921	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1922	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1923	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1924	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1925	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1926	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1927	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1928	10.0	10.0	10.0	10.0	10.0	10.0	60.0
1929	10.0	10.0	10.0	10.0	10.0	10.0	60.0

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WORLD WHEAT SITUATION

International Wheat Agreement to Become Effective - Eighteen importing countries accounting for some 346 million bushels of guaranteed purchases have now officially ratified the agreement. Of the five exporting signatory nations, Canada, the United States, Australia and France have formally ratified the pact. These four countries account for all but 1.8 million bushels of the guaranteed sales of 454 million bushels included in the agreement. Further opportunity will be given to those countries who have not yet ratified and it is expected that many of them will take advantage of the time extension and become active parties to the agreement. The minimum requirements for making the agreement effective having been met, the Government of the United States has convened the first meeting of the newly created International Wheat Council for July 5. Administrative procedure preparatory to the Agreement's becoming fully effective will be worked out at this meeting.

World Food Supplies Show Improvement - World food production and supplies in 1948-49 were materially higher than in the previous year, and the grain export surplus was the largest since 1930-31.^{1/} With grain production in 1948 exceeding or approaching prewar levels in nearly all regions the stringent postwar shortage of grain is apparently at an end. Several important developments during the past year have resulted from the general improvement in the food situation. The international allocation of all foodstuffs except rice has ceased. Bread rationing has been discontinued in most countries and ration controls on other foodstuffs have been considerably relaxed throughout most of Europe. Larger supplies of many foodstuffs, including wheat have also been reflected by gradually declining prices.

The improvement in breadgrain supplies during 1948-49 together with fairly satisfactory current prospects for the 1949-50 crop indicates that further adjustments will soon take place in the production and price patterns in many producing countries. The ratification of the International Wheat Agreement by enough countries to make the scheme operative shows that both importing and exporting nations are desirous of bringing a greater measure of stability to international wheat marketing. Other recent developments, particularly in the United States give further evidence of the effects of the improved breadgrain supply situation. In view of a near record wheat production, estimated as of June 1 at 1,337 ^{2/} million bushels and a carry-over of some 300 million, the United States Secretary of Agriculture announced early in June that consideration is being given to the introduction of acreage allotments and possible marketing quotas for the 1950 crop.

^{1/} According to the latest 'World Food Appraisal' issued by the Food and Agriculture Organization.

^{2/} By the end of June trade sources indicated that unfavourable harvesting weather, disease and other factors experienced during the month would likely occasion a considerable decline from this figure when the next official estimate is issued.

In the event marketing quotas were considered necessary, approval of at least two-thirds of the growers voting in referendum would be required to put them into effect. While no action will be taken on either of these proposals until there are more definite indications of the size of this year's crop, it is considered probable that acreage allotments at least will be used as an aid in carrying out the United States government's extensive price support program.

In Canada it is still too early to attempt any quantitative estimate of the 1949 wheat crop. Based on their intentions at April 30, farmers planned to seed almost 3 million more acres to wheat in 1949 than they did in 1948. Weather conditions in the Prairies, however, have been extremely variable with crop prospects ranging all the way from poor to excellent. A significant development in the Canadian wheat situation during the past month has been the decline in the price of Class II Commercial wheat now selling under the price for wheat in the United Kingdom-Canada agreement for the first time.

In the Southern Hemisphere seeding is progressing in both Australia and Argentina. No official estimates are available on Australian wheat acreage, but it is generally considered that it should equal last year's. In contrast to the proposed acreage reduction program in the United States, the Argentine government has recommended an increase of 1.5 million hectares (3.7 million acres) to bring the wheat acreage up to 7 million hectares (17.3 million acres). There has been little indication, according to trade sources that the Government's policy in this respect is meeting with much success.

Latest reports on crop conditions in Europe indicate that breadgrain production will be somewhat below that of 1948 when the wheat crop was only 8 per cent below the 1935-39 average and the rye crop 13 per cent below the prewar average. Prospects for both crops, however, are considerably above the outturns in 1947 and in some countries should equal and perhaps exceed those of last year. The general relaxation of rationing programmes in the past year is probably the best criterion of the improved breadgrain supply situation in most European countries. As FAO points out, however, this does not mean that a satisfactory state of nutrition has been reached.

THE CANADIAN WHEAT SITUATION

Crop and Weather Conditions in the Prairie Provinces - Advantage has been taken of an unavoidable delay in the release of the June issue of this publication to include the following extract from the Telegraphic Crop Report of July 5:

Rains have fallen over wide areas of the Prairie Provinces. Crop prospects in Manitoba remain generally excellent with material improvement indicated in some sections of Saskatchewan and Alberta. Grain stands in Manitoba are heavy in most areas with nearly all early-seeded fields heading or in head. Rain, however, is required in the south-central portion of the province around Morden where moisture supplies are still poor and lowered grain yields are anticipated. Moisture conditions are much improved in the central part of Saskatchewan from Davidson to Saskatoon but the situation is little changed in the dry south-central and south-western districts. Prospects are favourable in eastern and northern districts and fair to good in the west-central area from Rosetown to Senlac. Although the rains brought some relief to the drought affected areas in east-central Alberta, it is still too early to determine to what extent the crops have benefited. Conditions in west-central Alberta remain very dry and a tight feed situation is anticipated. The outlook in the south-western part of the province and in the Peace River district is good although further general rains will be needed to carry crops to maturity in all parts of this province. Grasshoppers have been kept quite well in check in the affected areas of all three provinces. Sawflies are in full flight in southern Alberta and while susceptible varieties are severely infested it is too early to determine the extent of the damage.

Supply Situation -

Total exports of wheat and wheat flour during the first ten months of the current crop year amounted to 179.1 million bushels, an increase of 17.5 million bushels over the comparable period of 1947-48. Exports of wheat as grain to May 31 amounted to 137.3 million bushels, an increase of 29.2 million bushels over last year's total for the same period. Exports of wheat flour, however, continue at a lower level than last year. In terms of wheat equivalent, exports of wheat flour for the ten-month period ending May 31 were 41.8 million bushels, a decrease of approximately 22 per cent from the total for the same period in 1947-48. The balance remaining on June 1 for export or carry-over was estimated at 142.2 million bushels compared with 110.8 million bushels on the same date last year.

Canadian Wheat Supplies

	1948-49	1947-48
	- million bushels -	
Carry-over in North America July 31	77.7	86.1
New Crop	393.3	341.8
Imports of wheat and wheat flour, Aug. 1—April 30	0.3	0.5
 Total Supply	 471.3	 428.4
Estimated domestic requirements	150.0	156.0
 Available for export or carry-over	 321.3	 272.4
 Deduct:		
Overseas clearances of wheat as grain Aug.1—May 31	136.1	108.0
United States imports of Canadian wheat Aug.1—May 31 ..	1.2 ^{1/}	0.1
 Total wheat exports	 137.3	 108.1
Exports of wheat flour in terms of wheat Aug.1—May 31 .	41.8 ^{2/}	53.5 ^{2/}
 Total exports wheat and wheat flour	 179.1	 161.6
Balance on June 1 for export or carry-over	142.2	110.8

^{1/} May 1949 data not yet available.

^{2/} Adjusted for time-lag in returns made by Customs.

Farmers' Marketings of Wheat in the Prairie Provinces

Week ending		Manitoba	Saskatchewan	Alberta	Total	Last Year
- bushels -						
August	1-5	51,716	410,600	584,457	1,046,773	805,165
	12	132,832	707,579	556,582	1,396,993	1,708,040
	19	245,027	1,517,800	357,533	2,120,360	3,859,109
	26	1,945,212	6,126,122	2,371,473	10,442,807	6,431,461
September	2	6,536,917	15,904,916	3,604,565	26,046,398	13,937,958
	9	7,878,137	17,182,853	6,427,530	31,488,520	31,427,694
	16	5,695,795	21,704,886	7,079,407	34,480,088	22,920,805
	23	3,306,717	15,233,933	9,008,967	27,549,617	6,779,351
October	30	1,661,381	9,102,599	7,083,138	17,847,118	13,625,573
	7	1,038,266	6,574,159	6,395,661	14,008,086	21,220,179
	14	523,365	5,228,970	5,493,253	11,245,588	11,999,317
	21	610,668	4,493,233	4,158,751	9,262,652	13,270,109
November	28	503,263	4,069,166	3,294,105	7,866,534	9,793,740
	4	650,593	3,397,120	2,580,479	6,628,192	7,964,001
	11	301,508	3,105,262	1,567,409	4,974,179	5,103,341
	18	440,480	2,639,126	1,719,238	4,798,844	4,695,817
December	25	305,274	2,468,702	1,639,182	4,413,158	3,681,241
	2	213,292	2,048,423	1,273,179	3,534,894	2,911,051
	9	311,094	2,059,856	1,068,560	3,439,510	2,752,374
	16	192,926	1,072,566	747,353	2,012,845	2,331,763
January	23	212,247	1,433,780	1,425,230	3,071,257	2,063,286
	30	204,642	1,073,904	1,747,875	3,026,421	1,897,414
	6	295,424	1,330,257	1,813,318	3,438,999	2,537,879
	13	199,693	1,001,110	1,990,051	3,190,854	2,900,392
February	20	203,620	1,203,302	2,239,333	3,646,255	1,650,355
	27	101,307	356,507	658,177	1,115,991	1,502,720
	3	97,574	445,126	879,334	1,422,034	1,418,533
	10	137,667	456,472	787,234	1,381,373	903,652
March	17	60,233	372,213	333,045	765,491	831,637
	24	51,907	249,236	418,893	720,036	556,642
	3	79,637	484,989	758,330	1,322,956	832,928
	10	125,773	705,324	999,082	1,830,179	861,834
April	17	161,303	651,330	1,066,745	1,879,378	1,077,921
	24	152,498	469,852	1,030,684	1,653,034	1,202,150
	31	120,964	543,507	527,340	1,191,811	834,846
	7	122,598	471,559	693,144	1,287,301	732,709
May	14	67,468	978,754	1,031,334	2,077,556	674,476
	21	296,783	1,662,072	831,773	2,790,628	469,721
	28	413,197	1,427,838	504,333	2,345,368	427,355
	5	327,579	871,636	496,721	1,695,936	739,274
June	12	267,715	850,016	486,955	1,604,686	1,223,879
	19	278,463	1,028,307	526,637	1,833,407	1,439,654
	26	186,231	1,209,916	464,604	1,860,751	1,370,788
	2	264,307	1,033,407	444,436	1,742,150	2,820,876
	9	333,337	1,033,790	474,896	1,842,023	4,108,579
	16	422,197	1,354,520	496,499	2,273,216	4,450,813
Total		37,728,827	147,746,595	90,136,825	275,612,247	226,748,402

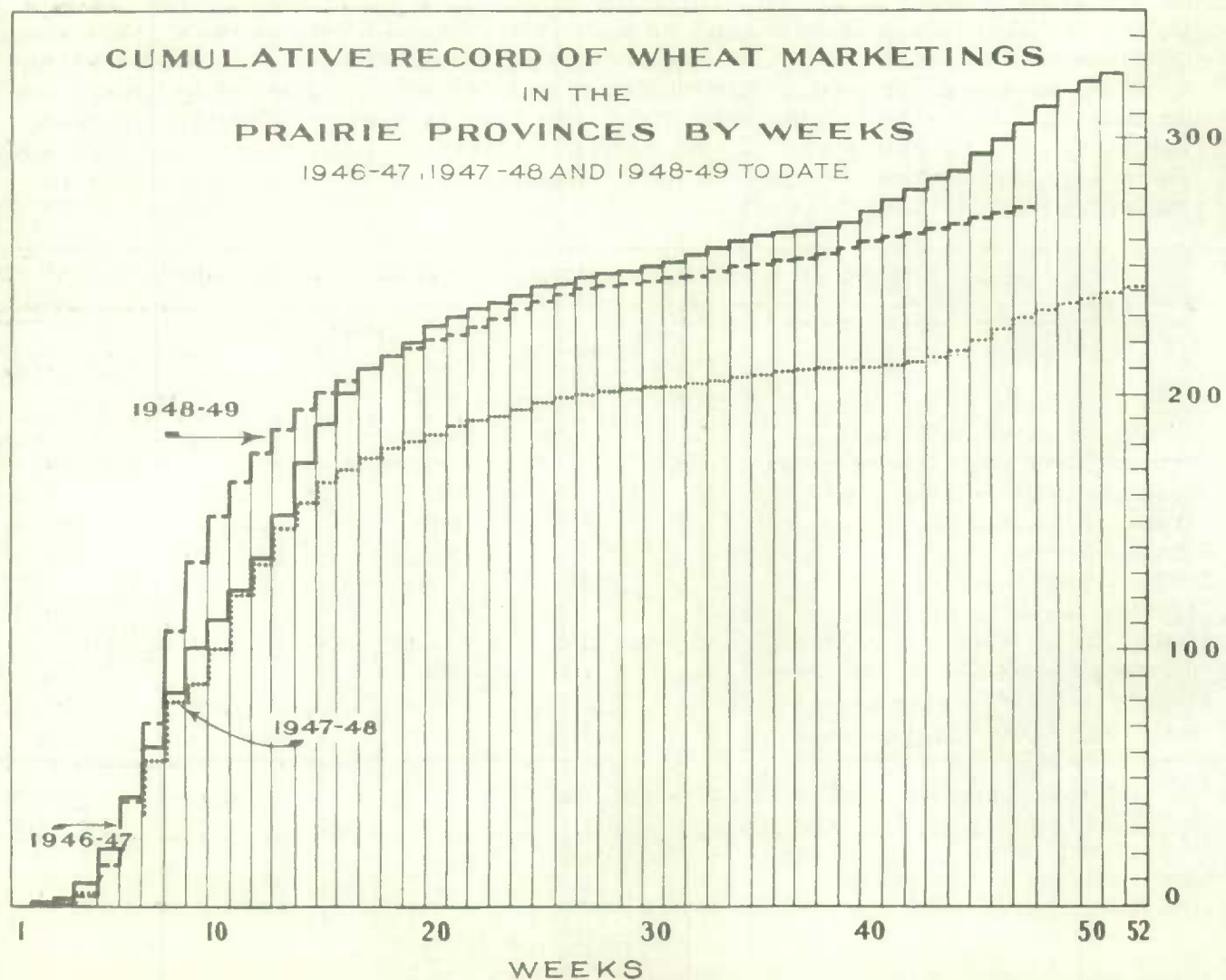
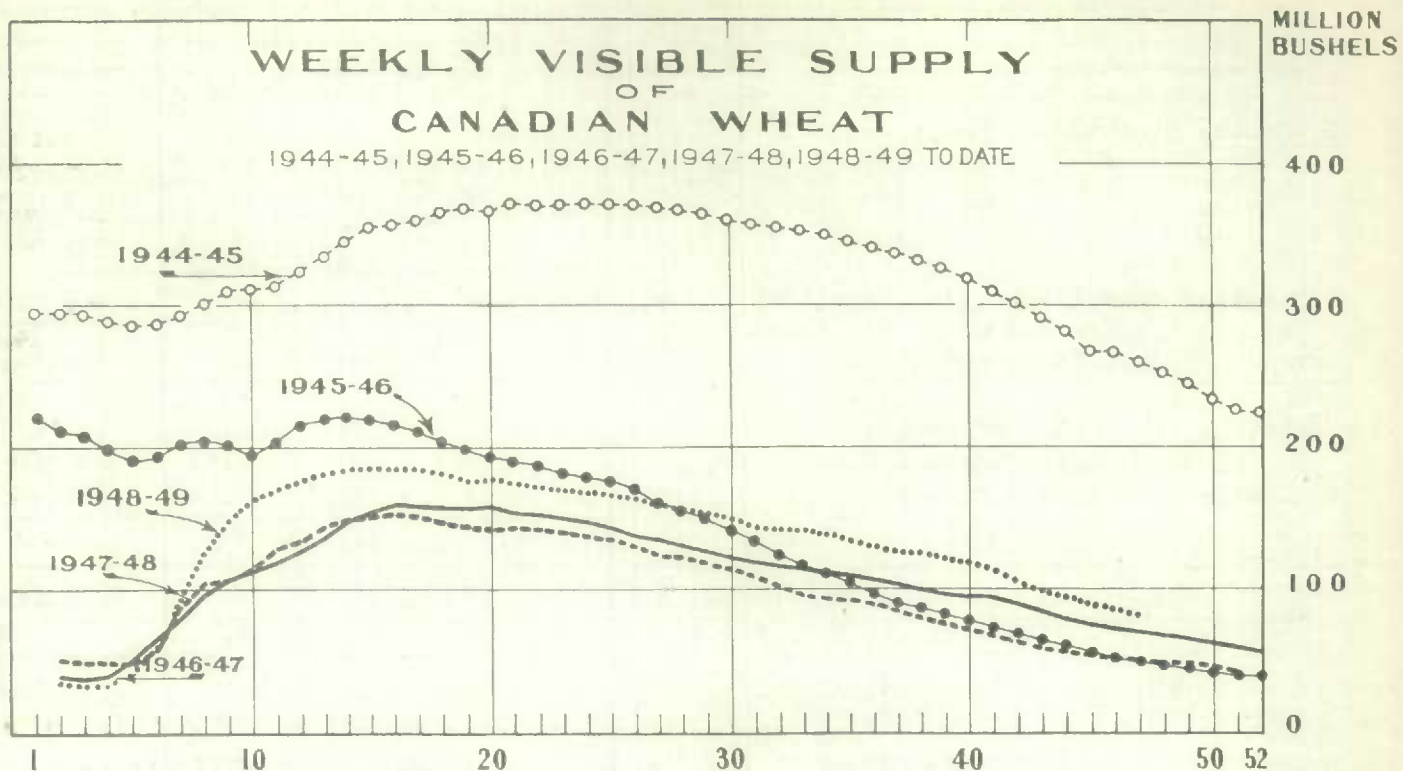
Visible Supply of Canadian Wheat, June 16, 1949 Compared With
Approximately the Same Date, 1948 and 1947

	1949	1948	1947
	- 000 bushels -		
Country Elevators - Manitoba	1,841	1,937	2,195
Saskatchewan	7,599	9,525	11,035
Alberta	9,739	6,358	9,625
Total	19,179	17,820	22,855
Interior Private and Mill Elevators	4,127	3,017	4,690
Interior Public & Semi-Public Terminals .	83	418	142
Vancouver-New Westminster	10,544	3,740	7,701
Churchill	125	144	43
Fort William and Port Arthur	7,027	6,948	8,836
In Transit - Rail (Western Division)	4,636	6,027	9,106
Eastern Elevators - Lake Ports	16,671	3,777	9,007
St. Lawrence and Seaboard Ports	15,132	6,730	2,676
In Transit - lake	2,461	1,214	5,821
In Transit - Rail (Eastern Division)	770	218	1,545
United States Ports	126	60	8
Total	80,881	50,113	72,430

The visible supply of Canadian wheat in all commercial positions at mid-night June 16, 1949 amounted to 80.9 million bushels compared with 50.1 million and 72.4 million bushels on approximately the same date in the preceding two years. During the four-week period ending June 16 in the current crop year, visible wheat supplies dropped by 18.9 million bushels. Most of the decrease was accounted for by drops in stocks in country elevators, in west coast and lakehead terminals and in transit lake. Stocks in elevators at lake, St. Lawrence and eastern seaboard ports, at 31.8 million bushels, were only 0.7 million bushels lower than four weeks ago and are indicative of a fairly heavy movement to these forward positions to replace outgoing wheat.

Grading of Wheat Inspected, August-May 1948-49 and 1947-48

	Inspections -			
	August 1948 to May 1949		August 1947 to May 1948	
	Cars	Per Cent	Cars	Per Cent
1 Man. Northern	45,894	30.4	8,851	7.2
2 Man. Northern	61,501	40.8	38,589	31.3
3 Man. Northern	13,854	9.2	20,355	16.5
4 Man. Northern	2,940	2.0	3,452	2.8
Garnet	1,932	1.3	220	0.2
Amber Durum	8,083	5.4	4,434	3.6
Alberta Winter	1,462	1.0	829	0.7
Toughs - All Varieties and Grades	9,119	6.0	39,983	32.4
All others	5,920	3.9	6,555	5.3
Total	150,705	100.0	123,268	100.0



Wheat Shipments to the United States by Destination,
August 1, 1948--June 16, 1949
Compared with Approximately the same period, 1947-48 and 1946-47

	1948-49	1947-48	1946-47
	bu.	bu.	bu.
<u>By Vessel</u>			
Buffalo	11,110,435	14,326,600	8,442,773
Oswego	737,500	-	-
Erie	1,575,567	1,155,260	2,948,381
Toledo	325,053	-	-
Duluth-Superior	111,902	-	-
Total - Vessel Shipments .	13,860,457	15,481,860	11,391,154
<u>By Rail</u>			
U.S.A. Seaboard Ports	-	-	1,429,863
Other U.S.A. Points	92,000	60,577	16,015
Total - Rail Shipments ...	92,000	60,577	1,445,878
GRAND TOTAL	13,952,457	15,542,437	12,837,032

Shipments of Canadian wheat to the United States, either for re-export or retention, from August 1, 1948 to June 16, 1949 amounted to 14.0 million bushels, compared with 15.5 million and 12.8 million bushels for approximately the same periods in 1947-48 and 1946-47, respectively. During the four-week period ending June 16 of the current crop year, shipments of Canadian wheat to the United States amounted to 1.2 million bushels, all of which went by vessel to Buffalo. This port continues to be the principal destination of Canadian wheat shipments to the United States and up to June 16 had received 79.6 per cent of the current crop year's total.

Rail Shipments of Wheat to Maritime Ports from Bay, Lake and St. Lawrence Ports

	August 1, 1948 to June 16, 1949	August 1, 1947 to June 17, 1948
	- bushels -	
Collingwood	1,357,387	796,915
Midland	544,377	4,084,468
Owen Sound	1,911,907	729,479
Port McNicoll	2,695,480	2,129,024
Goderich	379,769	233,514
Sarnia	996,095	348,217
Port Colborne	27,426	339,496
Humberstone	-	175,000
Toronto	-	68,369
Kingston	-	280,887
Prescott	11,066	8,712
Montreal	3,911	6,617
Total	12,826,818	9,200,698

Rail shipments of wheat to Maritime ports from bay, lake and St. Lawrence ports have dropped off sharply since the opening of navigation and amounted to only 67,600 bushels in the four-week period ending June 16, 1949. Total rail shipments between these groups of ports from August 1, 1948 to June 16, 1949 were 12.8 million bushels compared with 9.2 million bushels during the similar period of 1947-48.

Lake Shipments of Canadian Grain from the Opening of Navigation to June 16, 1949
and to Approximately the Same Date, 1939 to 1948

	Wheat	Oats	Barley	Rye	Flaxseed	Total
	- bushels -					
1939	37,585,748	4,352,909	3,674,644	276,017	~	45,891,318
1940	66,814,335	6,775,052	2,217,956	1,203,009	181,190	77,191,542
1941	90,046,397	3,528,560	1,929,756	1,978,334	339,182	97,822,229
1942	75,842,629	872,523	1,101,302	580,610	211,921	78,608,985
1943	56,442,648	13,596,530	13,542,112	1,158,229	662,680	85,402,199
1944	85,203,594	26,812,244	15,106,818	4,787,442	3,582,858	135,492,956
1945	95,235,339	30,937,356	16,480,474	2,226,000	1,464,008	146,343,177
1946	32,976,423	21,420,432	6,803,888	517,568	417,925	62,136,236
1947	45,592,526	13,592,310	6,256,213	1,526,983	~	66,968,032
1948	29,080,665	5,171,897	5,366,438	301,929	2,511,282	42,432,211
1949	61,206,778	7,289,912	8,662,518	4,500,555	3,922,543	85,582,306

Lake shipments of the five major grains from Fort William-Port Arthur from the opening of navigation to June 16, 1949 amounted to 85.6 million bushels. Shipments of wheat accounted for 61.2 million bushels, approximately 72 per cent of the total. Flaxseed shipments of 3.9 million bushels were the largest of any comparable period during the preceding ten years while rye shipments of 4.5 million bushels were exceeded only once in the same period. Shipments of oats and barley amounted to 7.3 million and 8.7 million bushels respectively.

Weather Summary for the Prairie Provinces - The following report on weather conditions in the Prairie Provinces was issued on June 27 by the Meteorological Division, Department of Transport:

The weather was generally clear and dry over the Prairie Provinces on Monday and Tuesday. During the remainder of the week the weather was dominated by a series of disturbances moving eastward across the Prairies, producing cloudy weather accompanied by showers and thundershowers. Mean temperatures for the week were normal to four degrees above normal over the grain area of Manitoba, north-eastern and west-central Saskatchewan and north-eastern Alberta. Throughout the remainder of the agricultural area of Saskatchewan and Alberta temperatures ranged from one to four degrees below normal. Light frosts occurred during the week in the foothill valleys of the Rockies and in northern Alberta.

Total rainfall for the week was quite heavy in a belt extending from central Alberta eastward across central and northern Saskatchewan into north-western Manitoba. In southern Alberta, southern Saskatchewan and central and southern Manitoba light to moderate rains fell. In the Peace River and Lesser Slave lake regions rainfall was also heavy but elsewhere in northern Alberta only light showers fell.

For the period since April 1st mean temperatures have averaged two to four degrees above normal in Manitoba. In Saskatchewan there have been excesses of two to seven degrees while in Alberta temperatures have been normal to five degrees above normal.

For the current crop season rainfall has been decidedly above normal in the Dauphin district. There have been excesses of 10 to 35 per cent in crop district 1, 7, 10, 13 and 14 of Manitoba while elsewhere in the province there have been deficiencies ranging to 50 per cent. In Saskatchewan small excesses have occurred in east-central, north-eastern and north-central sections of the grain area, but elsewhere deficiencies ranged to 60 per cent. Rainfall has been only slightly below normal in southern and far northern sections of the Alberta grain area, but elsewhere in the province deficiencies range to 65 per cent.

Rail shipments from Fort William-Port Arthur - Details of monthly rail shipments of wheat from the Lakehead for the past three crop years and the distribution of the May 1949 shipments are set forth in the tables below.

Monthly Rail Shipments of Wheat from the Lakehead, 1945-46 to 1948-49

	1948-49	1947-48	1946-47	1945-46
- bushels -				
August	51,283	90,574	187,825	23,255
September	30,017	91,366	175,773	57,533
October	46,274	131,290	255,754	73,776
November	138,600	100,563	256,249	99,197
December	1,740,405	691,223	1,601,883	2,280,636
January	3,794,390	3,149,421	2,462,002	4,533,707
February	3,720,733	1,851,773	1,816,087	1,127,764
March	1,510,905	3,423,684	1,711,013	2,223,266
April	659,467	371,950	566,006	1,015,730
May	884,171	154,551	361,386	536,462
June		81,133	241,475	920,233
July		231,414	123,145	130,276
Total (12 months) ...		10,368,942	9,758,598	13,021,835

Distribution of Rail Shipments of Wheat from the Lakehead
by Provinces and Grades, May 1949

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island
- bushels -					
1 Northern	-	354,000	-	-	-
2 Northern	-	384,000	-	-	-
3 Northern	-	1,500	-	-	-
No. 5	12,183	59,592	-	-	1,566
Tough No. 5	167	7,833	3,000	-	-
Rej. 2 Nor. Mxd. Htd. .	2,667	19,333	-	-	-
Rej. No. 5 Mxd. Htd. .	-	13,480	-	-	-
Sample Htd.	3,000	9,000	-	-	-
Tough Sample Htd.	750	-	-	-	-
1 C.W.A.D.	9,000	-	-	-	-
3 C.W.A.D.	-	3,000	-	-	-
T o t a l	27,767	851,738	3,000	-	1,666

GRAND TOTAL - 884,171

Freight Assistance Shipments - Wheat shipments from the Prairie Provinces to Eastern Canada and British Columbia under the Freight Assistance Plan during the August-April period of the current crop year amounted to 7.6 million bushels. This preliminary total, based on claims filed for payment up to May 31, is subject to upward revision as additional claims are filed. It is quite evident, however, that current crop year shipments are continuing at a considerably reduced level from those of 1947-48 when a serious shortage of locally-grown feed grain existed in Eastern Canada.

Provincial Distribution of Freight-Assisted Wheat Shipments,
1948-49 and 1947-48

1948-49	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia	Total
- bushels -							
August	397,645	379,067	30,697	37,583	11,985	263,178	1,120,155
September	407,943	324,255	35,188	42,278	18,175	243,858	1,071,697
October	353,715	305,142	25,188	40,273	9,615	246,988	980,921
November	491,952	408,418	23,643	34,810	10,235	230,938	1,199,996
December	270,080	222,266	19,885	31,460	10,950	256,012	810,653
January	403,470	285,845	23,073	31,993	9,188	226,075	979,644
February	290,478	142,265	18,875	24,460	5,403	176,253	657,734
March	123,985	166,160	13,330	19,748	8,618	166,567	498,408
April	88,145	141,432	10,233	12,525	5,820	56,527	314,837*
Total	2,827,413	2,374,850	200,112	275,130	89,989	1,866,396	7,634,045
Same Period 1947-48	6,665,450	5,320,646	587,753	620,843	258,516	2,979,032	16,432,240

* Includes 155 bushels for Newfoundland.

Claims filed for payment under the Freight Assistance Plan represent millfeed shipments of 430,990 tons during the nine-month period ending Apr. 30, 1949. Although this preliminary total is below the comparable figure for freight-assisted millfeed shipments in 1947-48, the decline has not been as great as in wheat shipments. As with the latter, the current crop year's millfeed shipments are subject to revision as additional claims are filed for payment. It should be noted that, effective April 1, 1949, freight-assisted shipments of wheat and millfeeds to Newfoundland have been included in the totals.

Provincial Distribution of Freight-Assisted Millfeed Shipments,
1948-49 and 1947-48

	August 1, 1948 to April 30, 1949	August 1, 1947 to April 30, 1948
- tons -		
Ontario	138,833	206,212
Quebec	186,748	227,802
New Brunswick	28,061	38,514
Nova Scotia	33,563	41,037
Prince Edward Island	7,056	10,983
British Columbia	36,715	52,940
Newfoundland	14	-
Total	430,990	577,488

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 Grinding in Bond	Customs ^{2/} Exports of Canadian Wheat Flour	Total	Customs ^{3/} Exports of Wheat and Wheat Flour
- 000 bushels -					
<u>1946-47</u>					
August	5,982	227	6,306	12,515	17,339
September	10,131	241	4,080	14,452	11,338
October	12,481	437	5,771	18,689	23,653
November	20,494	441	5,748	26,683	23,008
December	11,044	124	3,604	14,772	17,488
January	14,333	77	6,247	20,657	20,406
February	10,439	75	5,601	16,115	13,639
March	8,121	31	6,211	14,363	14,085
April	10,286	4	7,113	17,403	12,152
May	17,859	1	10,623	28,483	28,701
June	22,192	5	7,301	29,498	31,594
July	18,354	9	7,428	25,791	26,404
T o t a l	161,716	1,672	76,033	239,421	239,807
<u>1947-48</u>					
August	9,601	2	7,048	16,651	18,140
September	9,363	12	5,864	15,239	15,990
October	9,680	35	7,001	16,716	17,204
November	12,006	1	5,796	17,803	22,763
December	7,480	2	3,829	11,311	20,717
January	15,175	3	4,064	19,242	15,961
February	11,296	71	4,970	16,337	10,743
March	10,323	2	4,082	14,407	15,058
April	10,080	3	5,783	15,866	9,965
May	12,955	1	5,086	18,042	19,924
June	12,464	1	4,730	17,195	15,881
July	12,949	-	3,224	16,173	17,129
T o t a l	133,372	133	61,477	194,982	199,475
<u>1948-49 ^{4/}</u>					
August	9,111	1	4,244	13,356	13,829
September	10,555	3	3,671	14,229	11,942
October	11,566	1	6,509	18,076	21,913
November	15,604	6	5,455	21,065	20,792
December	12,744	8	3,803	16,555	18,205
January	14,431	22	3,756	18,209	18,342
February	12,053	43	3,082	15,178	14,214
March	13,806	206	3,195	17,207	13,707
April	13,769	869	3,921	18,559	20,303
May	22,483	5/	4,135	26,618	26,683
T o t a l	136,122	1,159	41,771	179,052	179,930

^{1/} U.S.A. Official figures. ^{2/} Exports for months of August 1946 to February 1949 revised to remove effect of time lag in the returns made by Customs. Subsequent months to be revised as data become available. ^{3/} Unadjusted, as published by External Trade Division, Dominion Bureau of Statistics. ^{4/} Subject to revision. ^{5/} U.S.A. imports for May not available.

Exports of Canadian Wheat and Wheat Flour
August 1948 to May 1949

	April		May		August-May	
	Wheat Flour <u>1/</u>	Wheat <u>2/</u>	Wheat Flour <u>1/</u>	Wheat <u>2/</u>	Wheat Flour <u>1/3/</u>	Wheat <u>2/</u>
	- bushels -		- bushels -		- bushels -	
<u>COMMONWEALTH COUNTRIES</u>						
United Kingdom	2,144,664	9,047,580	2,414,979	16,241,020	19,262,799	104,521,925
Eire	-	-	2,088	-	19,579	1,707,492
<u>Africa</u>						
Br. E. Africa	-	-	-	-	6,543	-
Br. S. Africa	-	905,267	-	1,652,878	227,002	3,467,474
<u>Br. West Africa</u>						
Gold Coast	3,159	-	11,997	-	168,142	-
Nigeria	459	-	112	-	9,755	-
Sierra Leone	5,738	-	2,758	-	54,077	-
Other Br.W. Africa	-	-	-	-	2,066	-
<u>Asia</u>						
Aden	-	-	-	-	73,782	-
Hong Kong	65,164	-	25,821	-	782,631	-
India	-	1,597,243	2,295	1,021,526	2,484	8,580,779
Pakistan	-	-	-	-	459,144	-
<u>Europe</u>						
Gibraltar	45,414	-	-	-	127,665	-
Malta	-	145,600	-	212,800	-	1,865,132
<u>North America</u>						
Bahamas	8,820	-	32,063	-	228,614	-
Barbados	24,372	-	55,616	17	397,094	17
Jamaica	182,812	-	114,480	1,770	1,039,095	21,706
St. Vincent	-	-	-	-	-	6
Trinidad-Tobago ..	98,114	-	151,853	-	1,907,250	166
Leeward-Windward Is.	54,400	-	81,999	-	646,825	-
Bermuda	8,456	-	14,877	-	98,974	-
British Honduras .	342	-	2,065	-	31,895	-
Newfoundland	-	-	-	-	1,031,386	17
<u>South America</u>						
British Guiana ...	88,889	-	85,032	-	800,857	-
<hr/>						
TOTAL COMMONWEALTH						
COUNTRIES	2,730,803	11,695,690	2,998,035	19,130,011	27,377,659	120,164,714

Note:- Exports to Newfoundland August to March 31 only. Not reported subsequently.

Exports of Canadian Wheat and Wheat Flour - continued

	April		May		August-May	
	Wheat Flour <u>1/</u>	Wheat <u>2/</u>	Wheat Flour <u>1/</u>	Wheat <u>2/</u>	Wheat Flour <u>1/3/</u>	Wheat <u>2/</u>
	- bushels -		- bushels -		- bushels -	
<u>FOREIGN COUNTRIES</u>						
<u>Africa</u>						
Azores and Madeira	2,556	-	1,278	-	14,198	-
Belgian Congo	11,016	-	5,738	-	92,921	-
Canary Island	1,147	-	2,295	-	11,574	-
Egypt	2,984	-	4,936	157,613	210,213	2,243,298
French Africa	-	-	-	-	20,146	-
Liberia	459	-	1,773	-	8,198	-
Morocco	-	-	-	-	91,418	-
Portuguese Africa.	1,800	-	1,570	-	174,753	-
Spanish Africa ...	-	-	-	-	3,672	-
<u>Asia</u>						
Arabia	20,705	222,167	56,074	24,334	92,614	445,864
China	-	54,133	-	-	367,983	522,666
Indonesia	-	-	-	-	1,800	-
Iran	-	273,092	-	-	3,568	306,134
Israel	-	184,413	-	-	-	184,413
Japan	230	-	1,606	-	2,800	-
Lebanon	-	-	-	-	-	448,408
Palestine	-	-	16,290	-	269,208	-
Philippine Is. ...	347,940	-	450,536	-	2,568,178	-
Portuguese Asia ..	27,540	-	11,475	-	72,081	-
Siam	4,810	-	4,590	-	40,971	92
Syria	135,810	-	-	-	2,483,748	-
Trans-Jordan	-	-	-	-	9,306	-
<u>Europe</u>						
Belgium	56,182	519,500	81,972	1,383,845	234,229	2,185,840
Denmark	-	-	-	-	4,568	-
Germany	106,704	-	38,768	-	817,052	-
Greece	6,426	-	7,690	-	63,126	-
Iceland	11,709	-	-	-	295,029	-
Italy	8,262	155,181	21,483	264,000	2,224,381	3,003,246
Netherlands	643	-	688	-	99,535	361,066
Norway	-	-	-	-	-	957,830
Portugal	-	622,585	1,724	37,333	82,378	659,918
Spain	-	-	2,282	-	2,282	-
Switzerland	49,473	11,200	70,902	433,533	233,406	3,501,277
Yugoslavia	3,213	-	1,148	-	10,787	-
<u>North America</u>						
Costa Rica	21,141	-	18,364	-	217,313	-
Cuba	80,676	-	40,707	3,000	567,720	3,000
Dominican Republic	13,410	6,000	16,250	8	178,533	6,008
French W. Indies .	-	-	-	-	1,445	-
Guatemala	2,308	-	7,106	-	93,545	-
Haiti	13,167	-	8,973	-	216,644	-
Honduras	2,066	-	2,295	20,000	9,639	35,833
Mexico	-	-	-	700,000	-	700,000

Exports of Canadian Wheat and Wheat Flour - concluded

	April		May		August-May	
	Wheat Flour <u>1/</u>	Wheat <u>2/</u>	Wheat Flour <u>1/</u>	Wheat <u>2/</u>	Wheat Flour <u>1/3/</u>	Wheat <u>2/</u>
	- bushels -		- bushels -		- bushels -	
<u>North America - con.</u>						
Nether. Antilles ..	10,472	-	8,901	-	125,941	-
Nicaragua	1,436	-	1,966	-	22,428	-
Panama	13,558	-	14,517	-	87,255	-
Salvador	7,020	-	6,390	-	35,437	10,000
St. Pierre-Miquelon.	-	-	1,836	-	17,523	-
<u>Oceania</u>						
French Oceania ...	-	-	-	-	9	-
Guam	-	-	-	-	4,545	-
Hawaii	-	-	-	-	9,995	-
<u>United States</u>						
For grinding						
in bond	-	705,706	-	<u>4/</u>	-	904,559 <u>5/</u>
For human						
consumption	50,746	161,726	108,108	<u>4/</u>	204,758	252,707 <u>5/</u>
Unfit for human						
consumption	-	1,500	-	<u>4/</u>	-	2,054 <u>5/</u>
Alaska	-	100	-	-	2,637	266
Virgin Islands ...	-	-	-	-	207	-
<u>South America</u>						
Bolivia	4,590	-	-	-	7,623	-
Brazil	-	-	-	-	284,270	-
Colombia	-	2,415	-	-	13,275	30,480
Ecuador	24,210	22,400	12,622	-	119,889	22,400
French Guiana	-	-	-	-	8,388	-
Netherlands Guiana.	11,732	-	8,919	-	96,601	-
Peru	-	-	-	329,653	49	329,653
Venezuela	133,776	-	94,946	-	1,461,376	-
<u>TOTAL FOREIGN COUNTRIES</u>						
	1,189,917	2,942,118	1,136,718	3,353,319	14,393,123	17,117,012
<u>GRAND TOTAL</u>						
EXPORTED	3,920,720	14,637,808	4,134,753	22,483,330	41,770,782	137,281,726

1/ Canadian Customs Returns - conversion rate 4 1/2 wheat bushels equal 1 barrel.

2/ Overseas clearances as reported by the Statistics Branch of the Board of Grain Commissioners. Subject to revision.

3/ Exports for the months of August 1948 to February 1949 revised to remove effect of time lag in the returns made by the Customs.

4/ United States imports for May not available.

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

Current Wheat Prices - Prices of Canadian wheat for domestic use and for export to the United Kingdom remain at \$2.05 per bushel (including carrying charges of 5 cents per bushel) basis No. 1 Northern in store Fort William-Port Arthur or Vancouver. The initial price to producers is currently 30 cents per bushel less than the domestic price for the corresponding grade.

During the five weeks ending June 18 prices set by the Canadian Wheat Board for Class II 'Commercial' wheat (for export to countries other than the United Kingdom) moved generally downward ranging between a daily high of \$2.15 and a low of \$2.00 per bushel. The latter price, established on June 17, dropped for the first time to the current level of the price (exclusive of carrying charges) of wheat for export to the United Kingdom.

Weekly Average Prices of Canadian Wheat,
Basis in Store Fort William-Port Arthur and Vancouver
(Source: Statistics Branch, Board of Grain Commissioners, Fort William)

	Week ending				
	May 21	May 28	June 4	June 11	June 18
	- cents and eighths per bushel -				
(1) Class I Domestic					
(A) Domestic Use					
1 Hard	205	205	205	205	205
1 Northern	205	205	205	205	205
2 Northern	202	202	202	202	202
3 Northern	200	200	200	200	200
4 Northern	197	197	197	197	197
Number 5	192	192	192	192	192
Number 6	188	188	188	188	188
Feed	186	186	186	186	186
1 C.W. Garnet	200	200	200	200	200
2 C.W. Garnet	198	198	198	198	198
3 C.W. Garnet	196	196	196	196	196
1 Alberta Red Winter	205	205	205	205	205
2 Alberta Winter	204	204	204	204	204
3 Alberta Winter	201	201	201	201	201
1 C.W. Amber Durum	205	205	205	205	205
2 C.W. Amber Durum	202	202	202	202	202
3 C.W. Amber Durum	200	200	200	200	200
(B) Initial Price to Producers - 30 cents per bushel under Schedule A.					
(2) Class II Export					
(A) United Kingdom					
1 Hard	205	205	205	205	205
1 Northern	205	205	205	205	205
2 Northern	202	202	202	202	202
3 Northern	200	200	200	200	200
(B) Commercial					
1 Hard	213/5	211/5	206	208	205
1 Northern	213/5	211/5	206	208	205
2 Northern	210/5	208/5	203	205	202
3 Northern	208/5	206/5	201	203	200
1 C.W. Amber Durum	213/5	211/5	206	208	205
2 C.W. Amber Durum	210/5	208/5	203	205	202
3 C.W. Amber Durum	208/5	206/5	201	203	200

THE CANADIAN FLOUR MILLING SITUATION

Production - Canadian flour production during May amounted to 1,569,841 barrels compared with 1,586,961 barrels in the preceding month and 1,732,093 barrels in May 1948. Mills reporting operations during May had a rated capacity of 99,280 barrels and, on the basis of a 25-day working period, 63.3 per cent of the rated capacity was effective. During the August-May period of the current crop year, production amounted to 17,220,783 barrels, a decrease of approximately 16 per cent from the total for the comparable period of 1947-48.

Exports - Based on customs returns, exports of Canadian flour in May totalled 918,834 barrels, slightly below the monthly average for the current crop year. Total exports for the first ten months of 1948-49 were 9,282,396 barrels, approximately 22 per cent lower than the total for the similar period of 1947-48.

Production and Exports of Wheat Flour, Canada, 1937-38 to 1948-49

	Production	Exports ^{1/}
	- barrels of 196 pounds -	
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	14,470,177 ^{2/}
1946-47	28,588,456	16,896,233 ^{2/}
1947-48	24,159,696	13,661,573 ^{2/}
1948-49: August	1,619,752	943,152 ^{2/}
September	2,174,417	815,658 ^{2/}
October	1,959,206	1,446,462 ^{2/}
November	1,936,427	1,212,229 ^{2/}
December	1,727,899	845,172 ^{2/}
January	1,468,422	834,741 ^{2/}
February	1,462,175	684,917 ^{2/}
March	1,715,683	709,960
April	1,586,961	871,271
May	1,569,841	918,834
Total - 10 months	17,220,783	9,282,396
Same Period 1947-48	20,461,986	11,894,064

^{1/} Based on Customs returns.

^{2/} Exports for months of August 1948 to February 1949 revised to remove effect of time lag in the returns made by Customs. Subsequent months to be revised as data become available.

THE UNITED STATES WHEAT SITUATION

Wheat Acreage Allotments May Be Necessary In 1950 - Secretary of Agriculture Charles F. Brannan made the following announcement on June 2 with respect to plans for next year's wheat crop:

"If the present favourable conditions for a large 1949 wheat crop continue, the Department may be required by law to proclaim acreage allotments and possibly marketing quotas for the 1950 crop. A final decision cannot be made until after the June crop report is available, but the time is fast approaching when farmers and the Department of Agriculture must make plans for wheat production for the coming year.

I have therefore asked the State Production and Marketing Administration committees and county Agricultural Conservation Committees to gather from farmers the crop acreage and production information which will be needed if farm acreage allotments are required and marketing quotas are proclaimed. If quotas are proclaimed, approval of at least two-thirds of the growers voting in a referendum would be required to put them into effect.

The total wheat supply for the 1949-50 marketing year, which starts July 1, is at present expected to be in excess of 1.6 billion bushels. Such a supply might be 30 to 60 million above the level at which a proclamation for marketing quotas would be required by law. The estimate of a total supply greater than 1.6 billion bushels July 1 is based on an expected carry-over of about 300 million bushels and an assumed 1949 wheat crop of more than 1.3 billion bushels. Estimates for the winter wheat crop alone amount to more than a billion bushels. Total supplies minus domestic requirements and probable exports would leave an indicated carry-over July 1, 1950, of more than 460 million bushels of wheat.

Even if marketing quotas are not put into effect for the 1950 wheat crop, it is likely that we shall have to use wheat acreage allotments as a practical means of carrying out price support programs. Based on data presently available, our best estimates as to carry-over, normal domestic consumption, exports, and a required reserve, indicate the need for a national acreage allotment which would yield a 1950 wheat crop of about a billion bushels. A comparison with the 1949 crop, now indicated at more than 1.3 billion bushels, points up the almost unavoidable conclusion that it will be necessary to bring about a substantial reduction in the wheat acreage planted for harvest in 1950.

Even a reduction in wheat production to a billion bushels annually would leave a wide margin for export, and we can scarcely hope to maintain exports large enough to absorb this margin in the years to come without the export quota of 168 million bushels assigned to United States farmers under the International Wheat Agreement, now before the Senate for ratification. Without the International Wheat Agreement we would be likely to face the necessity of a much more drastic reduction in wheat acreage."

Loan Program Liberalized - In a statement made on June 7 following the signing of a bill restoring to the Commodity Credit Corporation the authority to assist farmers to store their grain and other products and to provide storage for these commodities when they are turned over to the Corporation in the conduct of the authorized price support programs, the Secretary of Agriculture said, in part:

"Because wheat is already being harvested in the south-west, and because farmers are finding it difficult to make use of available commercial storage, CCC

will temporarily liberalize the provisions of its price-support grain loan program. This will make it possible for grain farmers to take advantage of the protection offered by the support program, even though adequate storage facilities are not immediately available to them.

In all areas where climatic conditions make it feasible to store wheat for short periods on the ground in the open, or in other temporary ways which are available to farmers, CCC will grant "distress" grain loans immediately. These distress loans will be granted with the definite understanding that the farmer himself is to build or acquire satisfactory farm storage facilities within not more than 90 days. When he does, and the wheat is properly housed, the distress loan will become a regular loan under the CCC price support program.

Seventy-five per cent of the full support level will be advanced to the farmer at the time he takes out the distress loan. He will receive the balance of the full price support loan when the grain is in his new storage facility. Determination of grade and quality will be made at the time the grain is put under the distress loan. The quantity will be estimated at the time the distress loan is granted, and it will be finally checked and determined when the grain goes into the permanent storage. The farmer will not be responsible for changes in grade and quality which may occur during the period of the distress loan.

In areas where it is not feasible for farmers to leave wheat in the open or in other temporary storage, and where adequate storage facilities are not available to them, the CCC itself will undertake to find suitable emergency storage. It will use Government owned war-surplus facilities where available or take other special measures to get the wheat under cover. This will make it possible for farmers in such areas to take advantage of the distress loan provisions, on the same general basis as those where the climate is drier and under comparable requirements for acquisition of additional farm storage.

..... As part of this effort to increase farm storage quickly, CCC will make loans to farmers for the purchase or construction of farm storage to the extent of 85 per cent of the cost of the facility. These loans, bearing interest at the rate of 4 per cent a year, will be payable in five annual instalments, or earlier at the farmer's option.

In addition, and as a part of the farm storage loan program, the Department will include a provision for deferment of repayments in a year when the farmer, because of conditions over which he has no control, is not in position to utilize the storage space. To illustrate, in the event of crop failure in an area, payments for that year will be deferred--in effect extending for a year the time during which the total storage loan is to be repaid. The PMA committees will be responsible for determining the local justification for such deferrals.

It is anticipated that CCC will be required to carry over considerable grain stocks from year to year, both as a result of its price support operations and in providing for carry-over of part of the necessary reserve supply in the national interest. CCC will therefore contract for storage facilities to be placed on leased sites at strategic points throughout the country, for storage of CCC-owned or controlled grain stocks when other facilities are not available.

The Corporation at present owns approximately 45 million bushels capacity of bin-type storage and believes that about an additional 50 million bushels of comparable storage, properly located, will materially assist in meeting storage needs for the immediate future. This additional storage for CCC stocks will help make it possible for farmers, grain dealers and the railroads to handle the volumes of grain coming in at the peak of harvest.

This CCC storage is intended to supplement existing facilities only to the extent necessary to help meet urgent current needs. The bins or other storage facilities on these sites, when not needed by the Corporation, will be subject to lease by farmers or groups of farmers. We regard the CCC bin purchase approach to the grain storage problem as a temporary measure, made necessary by the lack of time in which to meet situations which are immediately ahead."

Supply Position -

Disappearance of United States' wheat for milling and export in the eleven months ending May 31, 1949 amounted to 906.0 million bushels, according to the Production and Marketing Administration, United States Department of Agriculture. Wheat milled for flour totalled 560.0 million bushels, a decrease of 48.8 million bushels from last year's comparable figure. Exports of wheat as grain during the July-May period of the current crop year were 346.0 million bushels, compared with 280.2 million bushels for the same period in 1947-48. Exports of flour, including semolina and macaroni, were equivalent to 124.0 million bushels of wheat during the first eleven months of 1948-49 as against 166.0 million in the same period of the preceding crop year. The balance remaining on June 1, 1949 for milling, export or carry-over was 378.4 million bushels, more than 100 million bushels greater than on the same date last year.

United States Wheat Supplies

	1942-46 Average	1947-48	1948-49 Preliminary
- million bushels -			
Carry-over stocks, July 1	389.1	83.8	195.9
New Crop	1,026.9	1,367.2	1,288.4
Imports, July 1 to April 30	31.2	.1	.1
Total Supply	1,447.2	1,451.1	1,484.4
Estimated quantity for feed, seed and industrial use for season <u>1/</u>	483.2	288.1	200.0
Quantity remaining for milling, export or carry-over	964.0	1,163.0	1,284.4
Disappearance July 1 to May 31 <u>2/</u>			
Wheat milled for flour	561.8	608.8	560.0
Exports of wheat as grain	102.4	280.2	346.0
Total exported or milled	664.2	889.0	906.0
Balance on June 1 for milling, export or carry-over	299.8	274.0	378.4
Exports of flour including semolina in grain equivalent, July-May	85.1	166.0	124.0
(not included in grain exports)			

1/ Includes an estimate for breakfast food, which is not included in the quantity of wheat milled for flour.

2/ May 1949 flour milling and export data estimated.

Chicago and Minneapolis Cash Wheat -

Quotations for wheat in the spot market in Chicago remain largely nominal in character, with cash transactions taking place on only 7 of the 24 trading days in the May 27-June 24 period. Receipts were light and there was only scattered buying by mills and the Commodity Credit Corporation.

On the Minneapolis market receipts were fairly heavy but most went to the CCC on defaulted loans and under purchase agreements, and to dealers to be applied against previous sales. During the latter part of the period the large local receipts together with sharp breaks in premiums on markets in the southwest forced premiums lower at Minneapolis. Total CCC purchases of wheat in all markets during the four-week period ending June 17 amounted to 20.6 million bushels, most of which was acquired under the 1948 price support program. Cumulative purchases of wheat by the CCC since July 1, 1948 were 403 million bushels.

Daily Cash Wheat Prices on the Chicago and Minneapolis Markets

1949	Chicago		Minneapolis	
	Grade	Price	Grade	Price
May 27	None		1 Dark Northern	221 1/8 - 226 1/8
28	None		1 Dark Northern	217 3/8 - 222 3/8
30		Memorial Day		
31	2 Hard	210 3/4	1 Dark Northern	210 1/4 - 215 1/4
June 1	None		1 Dark Northern	211 - 216
2	None		1 Dark Northern	211 1/8 - 216 1/8
3	None		1 Dark Northern	213 5/8 - 218 5/8
4	4 Red	205 1/4	1 Dark Northern	218 1/4 - 223 1/4
6	4 Red Tough	206	1 Dark Northern	217 1/4 - 222 1/4
7	None		1 Dark Northern	216 1/2 - 222 1/2
8	None		1 Dark Northern	219 1/4 - 225 1/4
9	None		1 Dark Northern	219 1/4 - 225 1/4
10	None		1 Dark Northern	220 1/8 - 226 1/8
11	None		1 Dark Northern	222 - 228
13	None		1 Dark Northern	218 1/2 - 223 1/2
14	3 Red	217	1 Dark Northern	217 1/4 - 222 1/4
15	None		1 Dark Northern	218 1/4 - 223 1/4
16	None		1 Dark Northern	217 3/8 - 222 3/8
17	3 Hard	205	1 Dark Northern	217 1/2 - 222 1/2
18	None		1 Dark Northern	219 - 224
20	4 Mixed	206	1 Dark Northern	219 3/4 - 224 3/4
21	None		1 Dark Northern	221 3/4 - 226 3/4
22	None		1 Dark Northern	221 1/8 - 226 1/8
23	None		1 Dark Northern	219 3/4 - 224 3/4
24	1 Red	198	1 Dark Northern	222 7/8 - 227 7/8

Chicago Wheat Futures - The wheat futures market at Chicago showed fairly wide fluctuations in the period May 28 to June 25, with the lowest prices in several months being established on June 6. Statistically, the market remains bearish in character, with an all-time record supply of wheat in prospect as the new crop year approaches. As harvesting progressed in the south-west, however, conflicting reports of the amount of damage caused by wet weather, kept the market in an unsettled state throughout the entire period.

Government policy is still probably the most influential factor in the futures market and Secretary of Agriculture Brannan's announcement on June 7 with respect to the Commodity Credit Corporation's "distress loans" had an immediate strengthening influence on all wheat futures. Under the new policy the CCC will make loans of 75 per cent of parity to farmers storing wheat **on the ground** where climatic conditions make this feasible and where the farmer undertakes to build or acquire satisfactory storage facilities within not more than ninety days. With the storage problem eased, at least temporarily, the futures market showed general firmness although it was still sensitive to developments in the harvesting area.

Chicago Wheat Futures, High Points of Closing

1949	July	September	December	March
- cents and eighths per bushel -				
May 28	191/3	192/1	194/3	
30		Memorial	Day	
31	188	189/4	191/4	189/3
June 1	189	189/7	191/7	189/2
2	187/4	188/6	191	188
3	187/7	189/1	191/6	188/3
4	188/5	189/5	191/7	188/5
6	186/4	187/7	190	187
7	187/6	188/5	191/2	188
8	193/4	194/2	195/5	191/4
9	194	194/3	195/5	190/3
10	194/5	195	196/3	190/5
11	196/3	196/5	197/4	192
13	194	194/3	195/5	190/2
14	195/5	195/7	197	191/3
15	197/1	197/3	198/7	194
16	194/4	195/4	196/7	192/7
17	193/5	194/7	196/5	193/2
18	194/7	195/5	197/2	193/4
20	197/6	197/6	199/3	195/5
21	200/1	201/4	203	199/2
22	199/3	199/7	202	197/6
23	197/7	198/6	200/3	196/4
24	199/5	201	203	199/2
25	196/2	198/3	200/2	197/5

THE ARGENTINE WHEAT SITUATION

The following review of the grain situation in the Argentine has been extracted from a report forwarded on June 17, 1949 by Mr. W. B. McCullough, Commercial Secretary (Agriculture) at Buenos Aires and is reproduced herewith by kind permission of the Trade Commissioner Service.

Note - Where possible, conversions to Canadian measures have been made by the editors for the convenience of Canadian readers. (Pesos converted to dollars at the rate of one peso equals \$0.2977).

Weather and Crops - In their monthly review of agricultural conditions in Argentina, the Ministry of Agriculture state that, on the whole, growing conditions are at present favourable. As is customary in May, rainfall was light, but in most sectors it was sufficient to maintain soil moisture built up from the rains of February and March. This factor, combined with clear, warm weather proved propitious for preparation of the soil and for seeding.

Wheat - Seeding is proceeding in the northern grain belt under favourable conditions and germination is satisfactory. Heavy winds are reported from southern Cordoba but no damage was inflicted on crops, and locust attacks have been successfully controlled.

The southern grain region extending out from Bahia Blanca and covering the west of the Territory of La Pampa does not present such a favourable picture for the sowing of cereal crops. Soil moisture is low and this has been aggravated by strong winds. None of the recent rains has reached this sector and more moisture is urgently needed. Ploughing and seeding have been delayed on this account, and the longer the delay the poorer are the prospects of large acreages in this region, as the bulk of the rain comes in the spring and the succeeding dry months will not prove favourable for seeding or germination. This may be a factor in reducing wheat acreages.

Despite official encouragement (see below) for the seeding of more wheat, it is the consensus of trade opinion that the wheat acreage may be even lower than last year. Factors contributing towards lack of interest in cereals are (a) shortage of new machinery and the high cost of the second hand; (b) many of the tenant farmers are selling their equipment at high prices and moving to industrial areas. With the present rent regulations, the landowner in many instances is glad to get rid of the tenant farmer and return the land to grazing. Furthermore, under the new rent laws, the tenant can use up to 40 per cent of his land for pasture, which he could not do previously; (c) many farmers are somewhat unsettled and discontented with the uncertain agricultural outlook and the multitudinous government regulations.

Government Grain Program - On June 1st the Argentine Minister of Agriculture held a press conference at which he stated that it was the policy of the government to encourage agriculture, and particularly to promote the production of wheat, which recently has been on a much lower level. He admitted that the reduction in agricultural production has resulted from various factors mitigating against rural life, factors which have to be combatted by a government program which will stimulate production and compensate the farmer adequately for the product of his labour. This policy, which is an implementation of the promises made by the President of the Republic, has been formulated by the Ministry of Agriculture and approved by the National Economic Council, and has already been put into operation in certain aspects.

On the subject of wheat, the Minister called for an increase of 3,700,000 acres this season, which would bring total acreage up to the traditional 17,290,000 acres (7 million hectares). This statement indicates that the acreage for the 1948-49 season, hitherto unannounced, was approximately 13,585,000 acres, or about the same as the previous year; this was also the opinion of trade circles. The 17,290,000 acres goal may be compared with the average for the 1937-38—1947-48 of 16,805,000.

The Minister stated that the best encouragement for farmers would be to guarantee producers a remunerative price, but he added that it is obvious that a price considered compensatory now would not necessarily be at the time of harvest. In place of this, the government commits itself to buy at a remunerative price, which will cover the cost of production and give the producer a reasonable profit.

The Minister pointed out the ways in which the government is assisting the farmers, by selling seed of finest quality at a low price and by keeping down rail rates for the transportation of agricultural produce. He remarked that an encouraging factor for wheat growers is the recovery of former markets as is evidenced by the purchase of 33,069,000 bushels of wheat by Brazil, a country which in former years has purchased up to 44,092,000 bushels.

Sales to Uruguay - The press reports on June 14th that the Uruguayan Import Controller has allocated one million pesos for the purchase of 6,000 metric tons of wheat by-products from Argentina, and another 2.5 million pesos have been earmarked for the acquisition of 10,000 metric tons of Argentine corn.

Other negotiations are reported to be under way with various European countries for the sale of grains, but none has yet been finalized.

Loans to Farmers - The Banco de la Nacion has been authorized to grant loans to agriculturalists up to a total of 28 million dollars, at the interest rate of 2.8 per cent per annum. These loans will be directed to farmers in the areas affected by drought conditions last year and are intended to assist them purchase seed and cover family maintenance. Nine million dollars are allocated for the purchase of seed wheat and linseed at the rate of \$3.62 per acre and a maximum of \$890. per farmer, and three million dollars for forage crop seeds on the same basis. An additional six million dollars are to be loaned for living expenses at a maximum of \$1.81 per acre and \$446. per family.

Grain Shipments - As will be noted from the following table, grain shipments continue on the reduced scale prevailing since January. This is particularly marked in the case of corn although wheat exports are also on a lower level than for the corresponding period last year. It is expected, however, that as a result of the new sale to Brazil, wheat shipments will be accelerated in succeeding months.

	Wheat		Corn	
	1949	1948	1949	1948
	- thousands of bushels -			
January	7,668	11,021	8,899	11,808
February	8,483	10,392	3,215	11,948
March	6,424	9,708	1,646	8,692
April	5,754	14,125	1,909	4,553
May	4,948	7,789	1,961	3,188
Total	33,277	53,035	17,630	40,189

Grain shipments up to May 28, 1949, are as follows (according to a trade source):

Country	Wheat	Corn	Oats	Rye	Barley
- thousands of bushels -					
United Kingdom	-	4,443	-	-	-
France	-	542	123	-	92
Belgium	-	4,453	1,452	715	989
Italy	14,524	1,746	32	-	-
Germany	-	-	545	-	-
Netherlands	-	2,067	-	-	1,071
Rest of Europe	6,896	1,839	499	713	302
Brazil	4,841	-	-	-	-
Others	6,430	2,505	263	-	2,002
Total	32,691	17,597	2,914	1,428	4,456
Same Period 1948 ...	51,794	39,628	4,939	4,738	17,385

THE AUSTRALIAN WHEAT SITUATION

Australian Cable - The following cable, dated June 15, 1949, was received from the Canadian Trade Commissioner in Melbourne:

"Australian wheat stocks at May 28th totalled 108,500,000 bushels. Exports of wheat from May 1st to 28th totalled 9,919,000 bushels, principally to the United Kingdom, India, Egypt and The Middle East and flour 56,598 long tons of which 18,576 went to India, 18,367 to Ceylon and 13,516 to Malaya. Crop prospects good in all States except Western Australia. Victoria and New South Wales expect to harvest as much as they did last season. International Wheat Agreement not yet ratified by Federal Parliament.

Wheat and Flour Exports - Exports of Australian wheat from December 1 to May 28 of the current crop year were 42.4 million bushels, a decrease of 11 per cent from the total for the similar period in 1947-48. Flour exports at 344,511 long tons were also down from the preceding year's total. During the first six months of 1948-49 the United Kingdom has been Australia's chief customer for wheat while Ceylon accounted for the largest amount of flour. (For details of exports see table on the following page).

Refund of Tax On 1946-47 Wheat Crop - According to a Melbourne press release dated May 4, 1949, the Minister for Commerce and Agriculture announced that arrangements have been made for payment of a refund of the Wheat Tax on 1946-47 crop wheat in No. 10 Pool and payment will be made at an early date by the Wheat Board in the same way as ordinary advances on the crop.

The amount to be paid to growers is £4,750,000 of which £4,425,000 is the refund of Wheat tax (including interest) and the remainder an undistributed

balance of funds held in the Pool.

The advance will be $11\frac{1}{2}$ d. a bushel on bulk wheat, with an extra $\frac{1}{4}$ d. a bushel on bagged wheat. It will bring the payments to growers to $8\frac{3}{4}$ d. a bushel (less freight) for bulk wheat, and $9\frac{1}{4}$ d. (less freight) for bagged wheat.

The pool contained 98.5 million bushels of wheat from the small 1946-47 crop. Sales averaged $9\frac{1}{4}$ d. a bushel bulk basis, and expenses $8\frac{1}{2}$ d. a bushel. The amount received from sales was £46.3 million bulk basis, and with £3.5 million for expenses, the total payment to growers will be £42.8 million. Of this over £38 million was distributed in previous advances, and the present payment will take £4.75 million.

Wheat tax was payable on wheat from the 1946-47 crop, but in view of the Wheat Stabilisation Plan approved in 1948, and now operating, it was decided by the Commonwealth to refund the payments in regard to 1945-46 and 1946-47 season.

(Editor's note: The Australian pound is **nominally** quoted at £1 = \$3.224)

Australian Wheat and Flour Shipments, December 1, 1948 to May 28, 1949

	Wheat -			Flour -		
	Two Weeks ending May 28	Total to May 28	Total to same date last year	Two Weeks ending May 28	Total to May 28	Total to same date las year
	- thousand bushels -			- long tons -		
United Kingdom ...	2,116	17,444	14,609	-	80,077	26,332
Middle East	-	1,646	1,041	-	2,000	39,049
Persian Gulf	-	978	832	-	1,394	30
Lebanon	-	331	366	-	1,000	-
Transjordan	-	326	353	-	-	-
Palestine	-	-	187	-	19,913	42,020
Egypt	1,653	5,210	500	175	6,175	30,502
Aden	-	-	-	1,000	4,500	-
Cyprus	-	1,912	-	-	9,334	-
South Africa	-	359	-	-	169	400
Rhodesia	194	590	430	-	35	-
Mauritius	-	-	-	-	12,800	25,629
India	1,688	7,973	14,698	1,921	34,629	10,747
Ceylon	1	7	-	18,300	85,950	96,686
Malaya	7	54	1	8,766	50,154	61,217
Hong Kong	-	1	11	-	7,505	15,258
Indo-China	-	-	-	-	2,952	10,150
New Zealand	319	3,919	2,417	-	-	-
Fiji	-	-	-	529	7,409	-
New Caledonia	-	-	-	365	1,953	1,696
Pacific Islands ..	-	6	1	78	3,239	9,198
Others	7	1,669	12,283	2,524	13,323	22,822
Total	5,985	42,425	47,729	33,658	344,511	391,736

Source: Australian Wheat Board.

CALENDAR OF WHEAT EVENTS

- June 1 The Rt. Hon. C. D. Howe, Minister of Trade and Commerce, announced that it is the government's intention to authorize the Canadian Wheat Board to undertake the marketing of western Canadian oats and barley, commencing August 1.
- Procurement authorizations approved by the Economic Co-operation Administration during the first fourteen months of the European Recovery Program included \$698,000,000 of wheat and \$200,000,000 of wheat flour.
- 2 The United States Secretary of Agriculture, Charles F. Brannan, announced that the Department may be required by law to proclaim acreage allotments and possibly marketing quotas for the 1950 crop if present favourable conditions for a large 1949 wheat crop continue.
- 6 Broomhall reported that bread and spaghetti rationing would end in Italy on July 1.
- 7 The Commodity Credit Corporation announced it would grant "distress" loans to United States' farmers where climatic conditions make it feasible to store wheat for short periods on the ground in the open. To qualify for these loans farmers must undertake to build or acquire satisfactory farm storage facilities for such wheat within not more than 90 days. Seventy-five per cent of the full support level will be advanced to the farmer at the time he takes out the distress loan, with the remainder being paid when the grain is transferred to approved storage.
- 10 The June 1 estimate of the United States Department of Agriculture placed the production of winter wheat at 1,036.7 million bushels and spring wheat at 300.2 million bushels.
- 13 The United States' Senate ratified the International Wheat Agreement which had been approved earlier by the Senate's Foreign Relations Committee.
- 14 An official preliminary estimate place this year's wheat crop in France at 256.4 million bushels.
- The Uruguayan Import Controller has allocated one million pesos for the purchase of 6,000 metric tons of wheat by-products from Argentina.
- 16 United States grain exports for the July 1948--May 1949 period included 469.6 million bushels of wheat, wheat flour and macaroni products and 167.7 million bushels of other grains and grain products.
- 21 Trade sources estimated this year's Italian wheat crop at 256 million bushels, slightly higher than last year's crop of 250 million bushels.
- 22 The United States Bureau of Customs announced that the Canadian quota of 795,000 bushels of wheat prescribed in the President's Proclamation of May 28, 1941, as modified, was approximately 96 per cent filled for the quota year ending May 28, 1950, by entries for consumption authorized as of 2.00 p.m. E.S.T. on June 22, 1949.
- 23 France is reported to be making arrangements to borrow wheat from Italy, Holland, North Africa and Great Britain until after the French wheat crop is harvested.

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