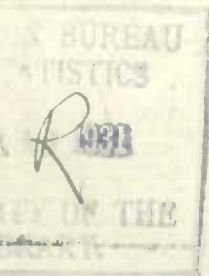


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AGRICULTURAL BRANCH

MONTHLY REVIEW
of the
WHEAT SITUATION
MARCH 1931

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DEPARTMENT OF TRADE AND COMMERCE
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AGRICULTURAL BRANCH

(Issued April 18th, 1931)

Dominion Statistician:	R.H. Coats, B.A., F.S.S.(Hon.), F.R.S.C.
Chief, Agricultural Branch:	T.W. Grindley, Ph.D.

The Agricultural Branch of the Dominion Bureau of Statistics issues today the Monthly Review of the Wheat Situation for March. The foreign statistics in this release refer mainly to the month of March, while the situation in Canada is covered up to the middle of April. Through the co-operation of Canadian Trade Commissioners stationed abroad, reports on the wheat situation in important consuming centres are included. Cables are received from the Canadian Trade Commissioners in Australia and Argentina and from the Indian Government.

The World Situation

The world movement of wheat from exporting countries into consumption has been lower during March and early April than in the preceding month. The decline was most evident in North American, Argentine, and Russian shipments, while Australian clearances were fully one-third higher. Shipments from the United States are averaging only about a quarter million bushels a week and the cumulative total of exports to date is falling steadily behind that of the 1929-30 season. Canadian shipments continue slightly under last year's figures at this season. At this time of April, 1930, North American exports began an upward trend, and with the commercial opening of the Great Lakes and the St. Lawrence channels now imminent, seasonal improvement may soon be expected. Argentine weekly shipments have held steadily between 3 and 4 million bushels. Higher freight and exchange rates and lower wheat quotations have led to some reluctance in selling. After reaching higher levels in February, Russian shipments have again declined considerably. The procurings from the farms have not been heavy and, judging from scattered reports, there are some unfavourable factors in the 1931 crop prospects. Australian shipments have been well maintained largely because of good demand from ex-European countries during intermittent periods of improved exchange rates. The Indian wheat harvest is proceeding very satisfactorily, but the absence of exports and the movement toward an import tariff prove that a smaller harvest is anticipated.

The supplies of wheat on passage, which reached a peak of 57,880,000 bushels at the end of February, fell during March and were 43,064,000 bushels on April 10th, still $6\frac{1}{2}$ million bushels over the 1930 figure at the same date. Both European and United Kingdom arrivals were higher in March than during February, with every indication that this condition will continue or even improve. Continental and United Kingdom port stocks are still low, while the stocks of native wheat in most countries have been greatly depleted. Recent cold and unseasonable weather has also added to the misgivings of importers in certain countries. Under such conditions, some further changes in milling and tariff regulations are confidently expected. France and Germany have already relaxed their restrictions. The German Government modified milling regulations at the first of April and now permit millers to use 50 per cent foreign wheat in their grist. On April 15th, France increased the allowance of foreign wheat in grists from $\frac{5}{10}$ to 15 per cent.

Although stocks of wheat are now disappearing at a normal rate, they are still the greatest single market influence. The surplus for export and carryover in the four exporting countries was reduced by total shipments of about 60 million bushels during March, made up as follows: United States, 7; Canada, 16; Argentine, 16; and Australia, 21. The stocks of wheat in the United States at March 1 indicate that the carryover will exceed that of 1930. The report of this Bureau showing stocks in Canada at March 31 indicates a similar prospect. The Canadian surplus for export and carryover is now reduced because estimates are available for unmerchantable grain, dockage, and live stock feeding. It is now placed at 192 million bushels. Reports from the two Southern Hemisphere countries show that considerable quantities of the last crop are light in weight and otherwise unmerchantable. The quantities available for export and carryover in these four countries are estimated as at March 31 in millions of bushels as follows: United States, 318; Canada, 192; Argentine, 125; and Australia, 105. From the best information available, it is likely that moderate Russian competition may be expected during the last quarter of the crop season, but the shipments from the Danubian countries will be less than in the spring of 1930.

Growing crop conditions and the possibilities of reduced wheat acreage in 1931 are commanding increasing attention. Foreign crop news shows a considerable variance, but conditions are generally satisfactory. Complaints of excessive moisture have come from France, Belgium, and Roumania and some re-seeding will be necessary. Favourable reports issue from the balance of the Continent with the exception of Germany and some countries of northern Europe, where the cold weather makes crop damage possible. In the

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United States there has been continued improvement of the winter wheat crop due to ample moisture and warm weather. Abandonment was well below average, but there are some fears of later insect damage. The spring wheat areas, and particularly the Dakotas and Montana, are in need of moisture. In western Canada, the soil moisture situation has changed for the worse in the past ten days. Precipitation in March and early April was satisfactory over most of Manitoba, Alberta, and northern Saskatchewan, but recently a combination of low precipitation, dry soils and high winds led to severe dust storms in southern Saskatchewan. This condition hindered field work and seeding, which are now general.

There are evidences of material reductions in wheat acreages for the 1931-32 world wheat crop. The United States 'Intentions to Plant' report as of March 1, indicated a 24 per cent reduction in durum acreage and a 12 per cent reduction in the acreage of other spring wheat. Reports from Australia and Argentine mention the possibility of even larger reductions, influenced largely by the prevalent low prices. Broomhall's of March 31 estimates the Australian acreage reduction at 30 per cent or 5½ million acres. The Argentine Ministry of Agriculture states that the reduction in that country will amount to 15 or 20 per cent. The probable Canadian acreage for 1931 will be forecasted by the 'Intentions' report of this Bureau released on May 12th.

The Course of Wheat Prices:-

The steady even course of wheat prices during March was very similar to that of January. Cash closing prices for No. 1 Manitoba Northern at Winnipeg for that month moved between 53¢ and 55½¢ per bushel, while during March, they remained between 55½¢ and 58 7/8¢ per bushel. During the first week, the market was very quiet, but in the second, a gradual and moderate increase occurred. This co-incided with cold weather in Western Canada which caused country marketings to decrease, and was also influenced by difficulties which blocked the road to any proposed export bounty upon Australian wheat. For the rest of the month, the trend of prices was very gradually downward, the only movement of any note occurring on the 23rd, when Winnipeg reflected in minor degree, the drop at Chicago, which followed the United States Farm Board's announcement that no support was to be given to the new crop.

The movement of prices in the first part of April has been almost steadily upward, somewhat similar to the early February advance, although more gradual. Early April shipments from Russia and Australia have dropped off considerably, while at the same time Broomhall has expressed the opinion that United Kingdom and continental demand are likely to improve.

The March monthly average price for Manitoba No. 1 Northern cash wheat, Fort William and Port Arthur basis, was 56.7¢, as against 59.3¢ per bushel in February.

The Canadian Situation

Generally speaking, seasonable weather has prevailed throughout Canada during the past month. The snowfall and spring precipitation have been ample in the Maritimes and Quebec. Rain would be welcomed in many parts of Ontario. In the prairie provinces, the same conditions exist which have prevailed for about two years. The northern park belt of the three provinces has fairly ample supplies of moisture, while the southern prairie regions and parts of central Saskatchewan have dry soil conditions conducive to soil-drifting and cutworm damage. British Columbia had little snowfall, but there have been generous rains in the past two months.

The following telegraphic report on precipitation in the Prairie Provinces was received from the Meteorological Service, Toronto: Precipitation was very irregularly distributed during March, some points receiving half normal, others two-fold or three-fold. Generally, there was an excess in northwestern Alberta and in a portion of southwestern Alberta as well as northern parts of Saskatchewan and certain localities of Manitoba. The principal deficiencies were in southeastern Alberta and southwestern Saskatchewan, with local deficiencies in southeastern Saskatchewan. For the whole period from September 1st to April 1st, Alberta had a 20 per cent deficiency, Saskatchewan 5 per cent deficiency, and Manitoba, 10 per cent deficiency. Stations among the upper waters of the Oldman and St. Mary's Rivers in Alberta reported 20 - 45 per cent deficiency. Elsewhere in Alberta, reports varied from 25 - 30 per cent excess to 25 per cent deficiency. Northern Saskatchewan was about normal or in excess of normal with some points showing more than 50 per cent excess. Southern Saskatchewan points had 30 per cent excess to 65 per cent deficiency. Manitoba showed excesses up to 30 per cent and deficiencies as low as fifty per cent, with the deficiency more general in the southwest and excess more general in the southeast. Rain is needed before seeding in southern regions of Alberta and Saskatchewan, but conditions generally fair elsewhere.

During the first part of April, there was little precipitation in southern and central Saskatchewan and in central Alberta. The dry top soil and high winds caused a number of severe dust storms. The moisture situation in Manitoba, in northwestern Saskatchewan and in southern and northwestern Alberta was helped by precipitation.

Deliveries of wheat to western country elevators have continued at a much higher level than prevailed at this time last year. This accounts for the small reductions in our visible statements, despite the fact that export interest in Canadian wheat has quickened appreciably during April. The spreads between Canadian and foreign sorts at Liverpool reduce the possibility of a broad demand.

Custom millings of wheat in the West up to the end of February indicate that for this crop year, an amount of at least $2\frac{1}{4}$ million bushels will be ground for farmers - the largest in any season since our records began in 1922-23. Custom millings of wheat in the western divisions were 166,895 bushels in February compared with 58,990 bushels in February, 1930. The total custom millings from August 1 to February 28 were 1,230,375 bushels in 1931 and 536,055 bushels in 1930.

The report issued on April 10th by the Bureau contained new information on the Canadian wheat situation which permits a better appraisal of stocks and dispositions. The total stocks of wheat in Canada at March 31, 1931, were 275,190,987 bushels, compared with 228,646,367 bushels on the same date of 1930 and 245,962,428 bushels in 1929, the previous record year. The stocks of 275,190,987 bushels on March 31 show a reduction of approximately 224 million bushels from the combined carryover on July 31 (111,692,519 bushels) and net crop of 1930 (i.e. the gross crop of 397,872,000 bushels minus allowances of 6,200,000 bushels dockage and 4,302,000 bushels unmerchantable). Since exports in the 8-month period amounted to about 184 million bushels, there has been a disappearance of 40 million bushels as human and animal consumption. Normal human consumption would be approximately 30 million bushels, leaving 10 million bushels disposed of by live stock and poultry feeding. This latter figure, however, is much lower than indicated by the preliminary estimate of feeding for the crop year at 42,919,000 bushels. If this figure were to be realized, the bulk of it would already have disappeared. This is not the case if the January estimate of total production is correct.

The statistics available to date indicate that the Bureau estimates of the 1930 wheat crop in the western provinces will be realized. The following table shows the position of the western wheat crop estimates as at March 31st.

Position of Western Crop Estimates
(in 000 bush.)

	Manitoba	Saskatchewan	Alberta	Totals
Carryover on farms, July 31, 1930	503	1,851	2,615	4,969
January estimate	45,278	196,322	132,900	374,500
Available	45,781	198,173	135,515	379,469
Deliveries to March 31	32,466	150,255	95,848	278,569
Custom mills	300	525	460	1,285
Unmerchantable	724	1,767	1,329	3,820
On farms, March 31	10,414	35,338	35,883	81,635
Accounted for above	43,904	187,885	133,520	365,309

In this table, no allowance is made for wheat-feeding. The preliminary estimate of the amount of wheat fed or to be fed to live stock and poultry during the crop season in Manitoba was 4,664,000 bushels; Saskatchewan, 10,994,000 bushels; and Alberta, 17,144,000 bushels - or a total of 33,802,000 bushels for the three provinces. There are 17½ weeks of the crop season remaining in the four-month period to July 31, and deliveries are being maintained at a high level for this season of the year.

The report of April 10th also released information on the amounts of dockage and of unmerchantable wheat, which are factors in the determination of the net crop of 1930. Dockage, placed at 2 per cent on deliveries of 310 million bushels, amounts to 6,200,000 bushels and the percentage unmerchantable is 1.1 per cent or 4,302,000 bushels. These deductions leave a net crop of 387,370,000 bushels and adding the carryover on July 31, 111,692,519 bushels, the total available for distribution is roughly 499 million bushels. The allowance for seed and home consumption is increased to 122 million bushels because of the high feeding estimate. Exports for the eight months amount to 184 million

bushels. The balance estimated as remaining on March 31 for export and carryover is 193 million bushels. It is considered likely that the carryover at July 31 will exceed that of the same date in 1930, and unless the estimate of feeding is realized, the excess will be appreciable.

For the eighth successive month, the exports of wheat and wheat flour in the 1930-31 season exceeded those of the same month of 1929-30. During the month of March, the combined exports amounted to 15,518,055 bushels, nearly a million bushels higher than the exports of March, 1930. Clearances of Canadian wheat from United States seaboard ports during the month amounted to slightly over 6 million bushels, but this amount has appeared in Canadian exports. There has been a continued decrease in the stocks of Canadian wheat in the United States. At April 10, 1931, there were only 1,130,672 bushels of Canadian wheat at United States seaboard ports and 9,186,268 bushels in elevators and afloat at United States lake ports. Navigation on the lakes has begun to a limited extent, but will not be important until later in the month. In view of the low stocks available for clearance in the United States and the likelihood of early opening of navigation on the Great Lakes and the St. Lawrence, it is expected that April exports will exceed both last year's figures and the five-year average. The exports from Canadian Pacific ports show continued decreases compared with the earlier months of the year and with the same period of 1930.

The total exports for the eight-month period ending March 31, 1931, were 183,806,489 bushels as compared with 120,248,817 bushels for the same months of 1929-30 and the average for the five-year period, 1925-30, of 222,563,992 bushels. Exports for the eight months of this crop year are now practically equal to those of the entire crop year, 1929-30.

The following table lists the exports of wheat and wheat flour in the seven months from August, 1930, to March, 1931, compared with crop year figures for 1929-30 and with the average for the five years, 1925-26 to 1929-30.

Total Exports of Wheat and Wheatflour

Month	1930-1931	1929-1930	Average 1925-26 to 1929-30
	<u>Bushels</u>	<u>Bushels</u>	<u>Bushels</u>
August	20,461,776	13,050,873	17,360,617
September	31,121,623	9,625,524	17,970,697
October	33,445,885	23,215,028	35,409,445
November	34,783,144	24,866,067	50,677,528
December	24,938,920	18,683,198	46,319,649
January	11,374,004	7,257,050	16,682,720
February	12,163,082	8,895,468	16,616,866
March	15,518,055	14,655,609	21,526,470
April		5,459,684	11,552,050
May		16,046,226	27,204,945
June		21,679,434	25,750,589
July		22,833,051	21,781,964
T O T A L		186,267,212	308,853,540

The Foreign Situation

The United States.- During the past month the market news issuing from the United States has again been predominantly bearish. Particularly prominent have been the high estimates of stocks as of March 1st and the high estimate of winter wheat production as determined from the condition of the crop on April 1st. As a partial offset, the 'Intentions to Plant' report of March 26th indicated material reductions in spring wheat acreage for 1931.

The United States 'Intentions to Plant' report issued on March 26th showed the possibilities of extensive changes in the cropping plans of that country. Lower seedings of both durum and common spring wheats are indicated, compared with 1930 harvested acreages. For durum wheat the percentage was 76.1 of 1930 acreage and for other spring wheat, 88.0. On the basis of past comparisons of intentions and actually harvested acreages, durum wheat will cover 3,599,000 acres in 1931, the smallest acreage since 1918 and about 50 per cent of the record acreage of 1928. If the usual departure from intentions occurs, other spring wheat will be 14,083,000 acres in 1931, the lowest since 1924. The greatest relative acreage decreases have been registered in Washington (to offset winter wheat increase), Colorado, Illinois, Idaho, Minnesota, and the Dakotas.

The United States crop report of April 9 contains the statement: "While April 1 is too early for an accurate forecast of final yield and production, an analysis of condition and weather reports indicates a probable total winter wheat crop of approximately 644,000,000 bushels. This estimate is based upon the assumption of nearly normal weather during the remainder of the growth period." The increase of 40 million bushels over the figure of 604 million bushels finally placed on the 1930 winter wheat crop is almost entirely composed of hard red winter wheat. If the estimate of 644 million bushels is realized, it will be the largest yield since the record of 760,377,000 bushels produced in 1919. The average of the ten years, 1921 to 1930, was approximately 569 million bushels. From such a high figure there is more likelihood of deterioration than of improvement.

The exports of wheat from the United States have not increased appreciably with the change in the Farm Board policy announced last month. In the period from July 1st to April 4th, the exports of wheat for this season were 57,913,000 bushels compared with 76,468,000 bushels in the same period of 1929-30. Exports of United States flour in the same period of 1930-31 were 9,221,000 barrels compared with 10,253,000 barrels last year. The imports of Canadian wheat under bond for grinding into flour and re-export were 14,848,000 bushels in the 1930-31 period mentioned and 9,146,000 bushels last year.

The United Kingdom.- During the month of March, there was a notable improvement in the imports of wheat into the United Kingdom. Totals for the month will be about double those of February and higher than the imports of March, 1930. Preference is still shown for Australian and Russian sorts largely because of price differentials, but about the middle of April, there was a marked renewal of interest in Canadian wheat. Port stocks are still at a low level and seasonal improvement in demand is expected.

The condition of both winter and spring crops is satisfactory.

France.- The increase from 10 to 15 per cent in the percentage of foreign wheat permitted in French grists was a result of higher prices for native stocks and of the lowering supplies of domestic wheat. From the limited information available, it is evident that farmers' supplies, particularly of high quality wheat, are much lower than is usual at this season. The situation is not improved by the condition of the present crop which suffered considerably from excessive moisture. Recent weather has been much more favourable and there has been real improvement in prospects. French arrivals of wheat continue to average about a million bushels per week. Broomhall reports total takings since August 1 as 35,312,000 bushels compared with 13,199,000 bushels in the same period last year.

Italy.- The Italian wheat crop has been benefitted by recent rains and prospects are favourable.

The import market has continued active with arrivals in the season to date now about triple those of 1929-30. After a gradual decline since the first of the year, port stocks in Genoa and Naples increased from 1,302,000 bushels to 2,049,000 bushels during March. Russian and Argentine wheats predominate on Italian markets, but there has been a good demand for Canadian durum. It is expected that the heavy imports will continue until the new crop is harvested.

Germany.- The recent feature of the German grain trade was the relaxation of the milling regulations to permit the use of 50 per cent of foreign wheat in the grist. Heavy buyings during February reduced the domestic stocks and induced foreign imports. Prices have recently risen to such an extent that it is now possible that the tariff will have to be lowered if the average price of \$1.69 designated by the Government is not to be exceeded. At any rate, it is apparent that there will be increased import activity in ensuing months.

The weather in Germany during the past few weeks has been cold, with possibilities of crop damage.

The Canadian Trade Commissioner at Hamburg reports that the investigation of the Market Reports Bureau of the German Agricultural Council into the stocks of grain in the hands of the farmers on February 15th, 1931, revealed a marked decline in the stocks of German wheat as compared with the previous month. Out of a total crop amounting to 139,182,600 bushels there remained on the above date a total of 35,961,933 bushels in the hands of farmers. This represents a decline of 14,142,333 bushels since January 15, 1931, and is 5,803,866 bushels less than the stocks of wheat in the hands of farmers on the same date of the previous year.

Consequent upon the marked decline in wheat stocks, the Minister for Food and Agriculture has made use of the powers conferred on him to reduce the compulsory milling of domestic wheat for the months of April and May from 65 to 50 per cent. The compulsory

milling percentages had previously been fixed at 75 per cent for February and March, 65 per cent for April and May and 50 per cent for June and July. The decision to reduce the compulsory milling percentage to 50 per cent for April and May is an admission that stocks of domestic wheat are not sufficient to permit the standard previously fixed being maintained.

The official Prussian report on the condition of the seeds at the beginning of April mentions some frost damage as having been noted in certain sections due to the cold weather prevailing in March. When 1 - very good; 2 - good; 3 - average; 4 - poor; and 5 - very poor, the condition of the seeds is reported as follows, the figures for December, 1930, and April, 1930, being also given for comparison:-

	<u>April, 1931</u>	<u>December, 1930</u>	<u>April, 1930</u>
Winter wheat.....	3.0	2.7	2.5
Winter rye.....	3.0	2.7	2.5
Winter barley.....	2.9	2.6	2.7
Mixed grain.....	3.0	2.8	2.7

Austria.- The Canadian Trade Commissioner at Hamburg reports that according to a report of the Austrian Ministry of Agriculture no appreciable harm has been done to the winter seed in Austria through the heavy snowfalls. Winter wheat and winter barley appear to be quite fresh. Winter rye is somewhat yellow due to too close planting, but there have been only a few complaints regarding snow must.

Esthonia.- The Canadian Trade Commissioner at Hamburg reports that an arrangement has been arrived at between the Esthonian Government and the grain trade and the two largest milling companies in Esthonia, whereby, in consideration of an increase in the duty on wheat flour from 32 gold centimes (\$0.06176) to 39 gold centimes (\$0.07527) per kilogramme (2,2046 lbs.), the grain dealers agree to purchase the stocks of domestic wheat at fixed prices. The two large mills, who are the chief customers of foreign wheat, agree to subject the prices of flour to the control of the Government and to direct their purchases of foreign wheat chiefly to Lithuania and Soviet Russia, two countries which have concluded agreements for the purchase of Esthonian manufactured goods.

Switzerland.- The imports of wheat into Switzerland are reported by the Canadian Trade Commissioner at Rotterdam. During February, 1931, these amounted to 1,192,111 bushels compared with 1,739,180 bushels in January, 1931, and 1,053,164 bushels in February, 1930. Canada's share of the trade was about two-thirds

Holland.- The Canadian Trade Commissioner at Rotterdam reports that imports of wheat into Holland during February were 46,435 tons, of which 33,172 tons originated in Russia, 4,944 tons in the United States, and 3,204 tons in Canada. The Russian imports are much higher than was indicated by weekly arrivals. During the early part of March, Canada, United States, Germany and Argentine wheats were favoured by Dutch importers, but towards the last of the month, Russian imports began once more. There are still large stocks of Russian wheat and rye in Rotterdam and Amsterdam, but some progress is being made in their reduction.

Soviet Russia.- Although the shipments of Russian wheat have fallen from 2,560,000 bushels in the week ended March 20th to 80,000 bushels in the week ended April 10th, it is not to be assumed that the present low clearances will continue. There is more likely to be an increase when spring navigation conditions prevail. Procurings have slackened somewhat, but exceed those of last year at this date.

The United States Department of Agriculture reports that the condition of winter crops in Russia is generally satisfactory, but that there is some concern regarding possible winter-killing where the snow cover was light.

India.- The weather in India has been very satisfactory for the wheat harvest, which is proceeding normally. There have been no recent exports and the volume of imports has led to a movement for an import tariff on wheat. Evidently, the crop now being harvested will not be more than sufficient for domestic needs.

Australia.- The following cable was received on March 17th from the Canadian Trade Commissioner at Melbourne: "Statistics wheat shipments since opening season first December to April 11th about 63½ million bushels. Average f.o.b. price now ruling 61 cents a bushel of 60 pounds. Excluding commitments already made, expert estimate makes 37 million bushels now available for export. Exports flour this season 178,000 tons. Flour in 150 lb. sacks for export quoted equivalent \$25 a ton. Autumnal rains splendid over bulk wheat growing areas and preparation of soil proceeding rapidly for seeding. State Government Victoria arranging supply 50,000 tons superphosphate to necessitous farmers."

The following communication dated March 18th, was received through the mail from the same source:

Wheat.- During the last fortnight in February, there was considerable activity in the exports of Australian wheat and flour through the operations of British and continental buyers. Prices realized, however, showed little advance as sellers were content to take the prices offering rather than check the business.

At the end of February and early in March, oversea offers were upon a lower basis, hence Australian prices declined, although a slight improvement has recently taken place, besides which exporters have continued to enjoy the substantial exchange premium which became operative at the end of January.

Leading shippers advise that, today, the price for f.a.q. Australian wheat, f.o.b. steamer at main ports, is 2s.5d. (59 cents) per bushel of 60 pounds.

Through seasonal conditions buyers have shown a decided preference for wheat grown in Western Australia in particular and nearly 17,000,000 bushels from that State were exported since the opening of the new season.

Shipments of Australian wheat which have been made since December 1st down to March 12th, compare with those for the corresponding period of previous seasons as under:

1928-29.....	43,258,752 bushels
1929-30.....	18,804,558 bushels
1930-31.....	46,598,928 bushels

Flour.- The exports of Australian flour during the last month have been fairly extensive, approximating 55,000 tons. Sales to importing countries have been difficult to negotiate, and exports to the United Kingdom have been restricted through scarcity of shipping facilities. The demand from Egypt has been small, but fairly steady sales are being made to Java, and to the far East.

Freight Rates.- There has been no material change in the freight rates quoted on February 12th. For part cargoes to the United Kingdom the rate on wheat continues at 32s.6d. (\$7.91) per ton of 2,240 pounds, though full cargoes have been recently fixed at 29s. (\$7.06) and 31s.3d. (\$7.60) to British ports. The scarcity of tonnage is retarding the exports of wheat and flour, that available being fully occupied in more profitable cargoes such as wool, apples and other commodities.

Proposed Bonus on Australian Wheat.- Yesterday, the Treasurer introduced a Bill into the Commonwealth Parliament for the creation of a fiduciary currency issue of £18,000,000 in Commonwealth notes under which it is proposed that an amount not exceeding £6,000,000 would be made available to provide relief for wheat-growers. There is an element of doubt, as this mail closes, whether this measure will be enacted and no particulars are available as to the manner in which the proposed grant is to be expended.

The Melbourne Chamber of Commerce has now under consideration a scheme whereby at least £1,000,000 could be raised locally to make advances to wheat-growers in the State of Victoria, and, provided the State Government guarantees the loan, it is stated there will be no difficulty in obtaining the money urgently required by farmers to purchase fertilizers and agricultural machinery for the coming season."

Argentine.- Argentine shipments are being steadily maintained between 3 and 4 million bushels weekly. The exchange rate has strengthened about 10 per cent since the first of February. A spectacular fall in exchange rates on the 16th April caused a sudden demand for Argentine wheat. Shipments are now in excess of those at this time last year, but the cumulative total since August 1 remains much lower because of the heavy shipments in the fall of 1929. Reports indicate that much of the 1930 wheat crop is light in weight and damaged by disease. This is one reason for the firm holding by Argentine exporters.



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