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WHEAT SITUATION

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THE WORLD WHEAT SITUATION

The first quarter of the 1931-32 cereal year is now a matter of history. The period was one of achievement in the grain trade and served to bring to public attention a constructive alignment of factors in the wheat situation. The pessimistic attitude that has hovered over the wheat markets of the world for the past two years has been tempered with a feeling that low prices have had their natural reaction upon production and consumption trends in both exporting and importing countries, and that inevitably improvement lies ahead. A better feeling towards commodity markets in general, and the wheat market in particular, has been the outstanding feature of the August-October period.

Improved sentiment is not based upon anything less material than a realization of constructive factors in the wheat position and, therefore, cannot be regarded in any sense as a transient feeling. Deeply engrained in the present situation lies the fact that the wheels of commerce are turning and for the past three months wheat has been moving in international trade in surprising volume. The following table shows the August-October shipments of wheat and flour and the percentage of August-October shipments of August-July shipments for the past twelve years:

Year	August-October Shipments (million bushels)	Per cent of total for the year
1920	139	23.5
1921	174	27.0
1922	154	22.8
1923	152	19.6
1924	185	26.0
1925	149	22.3
1926	172	21.2
1927	184	23.3
1928	203	21.9
1929	174	28.4
1930	204	26.0
1931	212	-

From the above table, based upon Broomhall's figures of world wheat shipments, it will be seen that shipments for the August-October period have exceeded in actual volume shipments for the same period in every year since 1920.

WORLD SHIPMENTS

The following table shows world shipments during the August-October period in 1930 and 1931, by countries of origin:

	1930-31		1931-32	
	Shipments (million bush.)	Per cent of Total	Shipments (million bush.)	Per cent of Total
Canada-United States	114.8	56.1	85.1	40.1
Argentine	11.6	5.7	17.9	8.4
Australia	16.7	8.2	22.6	10.7
Russia	36.3	17.7	54.3	25.6
Others	25.2	12.3	32.1	15.2
Total	204.6	100.0	212.0	100.0

From the above table it will be seen that Australia, the Argentine and Russia have shipped in larger quantity during the August-October period this year compared with last year and have accounted for a larger percentage of total world shipments. The early appearance of Russian wheat in volume this year enabled that country to clear 25.6 per cent of total world shipments for the period, compared with 17.7 per cent for the same months last year.

During the fall months of 1930 North America shipped heavily in the face of large Russian offerings. During the August-October period this year, however, North American shipments dropped sharply compared with last year and in comparison to total

world shipments. This situation reflects the comparatively slow primary movement in both Canada and the United States this year, the small Canadian harvest, and a greater measure of confidence on the North American markets this year compared to last year.

International trade in wheat during the first quarter of the present cereal year must be regarded with satisfaction. The early movement of Russian wheat in volume, while disquieting at the time, has turned out to be a buoyant factor in the situation. It is apparent that the bulk of the Russian wheat movement is over this year, at the time when it was reaching its largest proportions in the fall of 1930. The supply situation for the last nine months of the present cereal year is more clearly defined than at any time during the past two years and with Russia, at best, an in-and-out exporter from now on, the supplies of Canada, United States, the Argentine and Australia will be heavily drawn upon during the balance of the year.

Movement Similar to Last year.

There is reason to believe that the general course of international trade in wheat during the current cereal year will follow the somewhat unusual trend established in 1930-31. The European situation is similar in several respects to that of last year. European wheat production, exclusive of Russia, is slightly larger than in 1930, with possibly a smaller supply of wheat of milling quality owing to the unseasonable harvest weather. European rye production, exclusive of Russia, is estimated to be considerably smaller than last year. Russia was an early season exporter in each year. As in 1930, Europe commenced the present cereal year with trade in wheat subject to many regulatory measures. In view of the foregoing facts, it is not surprising that the course of international trade during the present cereal year should follow in a general way the course established during 1930-31.

The August-October movement this year has followed very closely the movement during the same period last year. In both years the international movement was large, especially during the present year, and in both years there has been a noticeable increase in stocks of wheat in United Kingdom and continental ports during the three months under review.

Theoretically, governmental restrictions against the importation of foreign wheat should cause the domestic supplies of protected countries to go into early consumption and delay in a measure the importation of foreign wheat until the latter half of the crop year. Unfortunately data showing the month to month utilization of wheat, especially in Europe, are incomplete and the only tangible evidence of this tendency is found in the course of the international movement itself. In this connection it is interesting to note the following paragraph from "Wheat Studies", published by the Food Research Institute, Stanford University (September, 1931):

> "The volume of international trade in wheat and flour during 1930-31 was of moderate size as compared with other post-war years; but the course of trade throughout the year was strikingly unusual. In December-March trade was unusually light, in April-July unusually heavy, in proportion to the total for the season. In no other year had the increase in Broomhall's shipments between December-March and April-July been so large; in no other year had shipments during May-June been so heavy; in only one other year had the season's peak in shipments occurred in May. The improvement in trade in April-July 1931 can be traced mainly to an improvement in the demand for wheat in a number of European countries where governmental restrictions upon imports were partially relaxed due to the depletion of native wheat stocks."

It is likely, therefore, if the international movement of wheat recedes slightly during the December-March period and existing stocks in the United Kingdom and continental ports are reduced, that the April-July period will see a fairly heavy movement coincident with the lessening of import restrictions in certain European countries.

A further factor bearing upon the movement of wheat during the present cereal year, is the fact that most likely importing countries will emerge from the present cereal year with fairly substantial holdings of imported wheat. There are enough constructive factors in the wheat situation to encourage importing countries to assume a larger equity in existing stocks than has been warranted during the past two years.

Import Requirements Large

With due regard to the volume of the August-October movement, with due regard to 1931 production estimates and to stocks of wheat in all positions and to other relevant factors, it appears likely that world import requirements for the present

cereal year will amount to at least 825 million bushels, compared to actual shipments of 785 million bushels during 1930-31.

To fulfill import requirements on this basis, it is apparent from preliminary production estimates in exporting countries that the entire surplus from the 1931 wheat crop in exporting countries will be insufficient to meet import requirements and that before July 31, 1932, accumulated stocks will have to be drawn upon. It is equally apparent that Canada and the United States, the two countries that have been holding the largest accumulated stocks for the past several years will benefit by the situation this year and will emerge from the present crop year with considerably reduced holdings in the way of surplus wheat. The North American position is further strengthened by the November-December situation. With Russia apparently a minor exporter for this period, with Australia holding very small supplies and with the Argentine holding moderate supplies reputed to be of low grade, North America should be the large exporter during the coming two months, and Canada and the United States should enjoy a larger percentage of world trade in wheat than during the August-November period when Russia was shipping heavily. In particular does the immediate situation favour Canada holding, as she does, only moderate supplies of relatively high grade wheat.

Increasing Exports from Canada

The Canadian situation has been materially improved by virtue of the increased export movement of wheat during the past three weeks. For the week ending November 6th, export clearances of Canadian wheat amounted to 6,129,814 bushels, compared to 3,753,221 bushels for the week ending October 29th. During the week ending November 12th export clearances receded slightly but were still of substantial proportions. Freight chartering and increased movement into export positions indicate a continued export movement in volume from Canadian and United States ports.

It has been a matter of satisfaction from the Canadian point of view that the increased export movement has been concomitant with a rising price level.

Production Outlook

The past month has not been entirely favourable for growing crops in the Argentine, Australia and the United States. It has been reported that frost damage has reduced the prospective outturn in the Argentine. In Australia a continuance of dry weather over sections of the wheat area has reduced prospects considerably. The winter wheat outlook in the United States is not favourable. A greatly reduced acreage has been sown, private estimates showing a reduction of as much as 7,000,000 acres compared with the acreage sown last year. Unseasonable climatic conditions and continued drought in some sections have caused apprehension.

The month of October was very dry in Western Canada and while this situation facilitated the completion of harvesting operations the lack of normal fall precipitation is unfavourable as far as the outlook for 1932 crops are concerned.

Cereal Crops of 1931

During the past month preliminary estimates of 1931 wheat production have been increased slightly. The French wheat crop is now officially estimated at 270 million bushels which is about 13 million bushels higher than previous estimates. The Canadian wheat crop is now estimated at 298 million bushels compared with the previous estimate of 271 million bushels.

While 1931 European wheat production, according to preliminary estimates, is slightly higher than last year, the damage resulting from an unfavourable harvesting season is now apparent and it is probable that 1931 production of wheat of milling quality is below that of last year.

The London Grain, Seed and Oil Reporter refers to this situation in its issue of October 28, 1931 as follows:

> "The poor condition of much of the wheat harvested on the Continent will cause imports to be larger than the actual returns of the yield would seem to indicate."

The following table shows 1931 production estimates and final estimates for 1930:

	1931 Bushels	1930 Bushels
Europe		
France	270,048,000	238,832,000
Italy	247,136,000	210,817,000
Spain	130,768,693	145,339,000
Roumania	127,867,000	130,770,000
Yugoslavia	87,946,000	80,325,000
Germany	156,637,000	139,217,000
Hungary	61,655,000	84,337,000
Poland	72,752,000	82,322,000
Bulgaria	57,062,000	58,272,000
United Kingdom & Irish Free State	36,707,000	39,954,000
Czechoslovakia	38,323,000	53,077,000
Greece	18,372,000	12,048,000
Sweden	19,504,000	22,320,000
Switzerland	4,361,000	5,337,000
Finland	1,121,000	1,210,000
Belgium	15,026,000	13,236,000
Malta	227,000	303,000
Luxemburg	416,000	442,000
Latvia	2,600,000	4,062,000
Estonia	1,200,000	1,635,000
Lithuania	8,818,000	11,327,000
Norway	800,000	776,000
Denmark	9,186,000	10,216,000
Portugal	11,400,000	13,531,000
Austria	9,370,000	11,384,000
Netherlands	7,973,000	6,055,000
TOTAL	1,397,275,693	1,377,144,000
North America		
Canada	298,000,000	397,863,000
United States	884,286,000	863,430,000
Mexico	15,778,000	11,446,000
Total	1,198,064,000	1,272,739,000
North Africa		
Morocco	34,708,000	21,302,000
Algeria	22,046,000	32,249,000
Tunis	13,562,000	10,398,000
Egypt	46,076,000	41,100,000
Total	116,392,000	105,049,000
Asia		
Korea	8,951,000	8,985,000
Japan	29,522,000	29,538,000
India	347,275,000	390,843,000
Total	385,748,000	429,366,000
Total 36 countries reported to date	3,097,479,693	3,184,298,000

The above table shows that 1931 wheat production in 36 countries which have reported to date amounts to 3,097 million bushels compared with 3,184 million bushels for the same countries in 1930; or a reduction of 87 million bushels. On the basis of acreage reduction, the crop conditions up to the present time, there will be reduced production in the Southern Hemisphere ranging from 60 to 80 million bushels under last year.

The Rye Situation

Rye production in 1931 exclusive of Russia is estimated to be approximately 157 million bushels lower than in 1930. The major part of the reduced rye crop is due to greatly decreased production in Germany and Poland. Germany commenced the season with rye acreage reduced by over 1 million acres and 1931 production is now estimated

at 275 million bushels compared to 302 million bushels in 1930. Poland maintained its rye acreage but the estimated outturn of the 1931 crop is 214 million bushels compared to 273 million bushels in 1930. Thus in Germany and Poland alone 1931 rye production is 86 million bushels less than last year. The estimate of the 1931 Canadian rye crop was further reduced on November 12th.

Estimated Rye Production, 1931

	1931 Bushels	1930 Bushels
Netherlands	12,673,000	14,892,000
Belgium	21,135,000	18,630,000
Spain	18,503,000	20,679,000
Italy	6,446,000	6,127,000
France	30,804,000	28,900,000
Germany	275,260,000	302,317,000
Austria	18,306,000	20,613,000
Czechoslovakia	50,509,000	68,047,000
Hungary	20,707,000	28,406,000
Bulgaria	12,889,000	13,539,000
Roumania	15,129,000	18,288,000
Poland	214,161,000	273,923,000
Latvia	6,449,000	7,757,000
Finland	13,079,000	14,104,000
Esthonia	5,766,000	8,136,000
Luxenburg	378,000	480,000
Switzerland	1,429,000	1,514,000
Yugoslavia	8,121,000	7,825,000
Sweden	12,204,000	19,169,000
Europe - 19 countries reported to date	743,948,000	873,337,000
North America		
Canada	5,888,000	22,018,000
United States	36,233,000	48,149,000
Total Estimated Production 18 Countries	42,121,000	70,167,000
	786,069,000	943,504,000

Estimates from 21 countries, comprising the large proportion of the world rye production outside Russia, indicate a crop of approximately 157 million bushels under last year. Combining 1931 estimates of wheat and rye production, bread grain production in 1931 is over 325 million bushels under 1930.

Later estimates may slightly revise the foregoing figures but it is evident that 1931 production of bread grains is sharply below that of 1930.

Feed Grains

In addition to reduced wheat and rye crops, preliminary estimates indicate substantial reductions in feed grain production compared to last year. According to data published by the United States Department of Agriculture in "Foreign Crops and Markets" (November 2nd) barley production in 33 Northern Hemisphere countries is estimated at 1,136 million bushels compared to 1,383 million bushels for the same countries in 1930, or a reduction of 247 million bushels. Oat production in 26 countries is estimated at 3,079 million bushels, compared to 3,316 million bushels for the same countries last year, or a reduction of 237 million bushels. It is apparent therefore, from preliminary estimates that 1931 production of wheat, rye, barley and oats is sharply reduced compared with last year.

Late Cables.- The following cables were received on November 17, 1931 from the International Institute of Agriculture at Rome.

"France wheat yield current year forecasted 269,620,000 bushels"

"Australia wheat estimated acreage 13,990,000 acres, provisional estimated yield current season 170,030,000 bushels."

International Trade

The following table shows weekly world shipments of wheat and flour from August 1 to November 14. (Broomhall's figures)

Week Ending	North America	Argentine	Australia	Russia	India	Other	Total
			(Thousand bushels)				
Aug. 8	7,888	1,240	2,144	3,080	232	976	15,560
15	4,296	1,144	1,576	4,484	-	1,836	13,336
22	5,648	1,352	2,096	4,616	-	2,176	15,888
29	5,520	1,632	1,776	5,800	16	1,864	16,608
Sept. 5	6,072	1,912	2,056	4,512	16	2,032	16,600
12	5,256	1,312	1,248	6,056	-	2,280	16,152
19	7,648	1,168	1,616	5,040	-	3,504	18,976
26	5,560	1,504	2,032	4,720	-	2,112	15,928
Oct. 3	6,424	1,032	1,256	3,368	-	3,168	15,248
10	8,720	1,848	2,192	3,072	-	1,632	17,464
17	6,539	1,198	1,992	3,408	24	3,864	17,025
24	8,557	1,045	1,714	4,040	8	3,328	18,692
31	7,014	1,484	942	2,088	-	3,072	14,600
Nov. 7	10,522	1,911	2,661	1,160	-	2,272	18,526
14	9,001	1,644	1,807	2,480	-	2,544	17,476
Total	104,665	21,426	27,108	57,924	296	36,660	248,079
Comparative 1930-31	130,125	13,082	20,331	48,857	3,048	25,559	241,002

World shipments of wheat and flour for the week ending November 14th, amounted to 17,476,000 bushels compared to 18,526,000 bushels for the previous week and 17,983,000 bushels for the corresponding period last year. The outstanding development of the first 15 weeks of the present cereal year has been the heavy international movement of wheat. World shipments from August 1st to November 14th amounted to 248 million bushels compared to 241 million bushels for the same period last year. North American shipments continue slightly under the levels established during the fall months of 1930. Russian exports have dropped sharply in recent weeks, shipments during the past four weeks amounting to 9.7 million bushels compared to 21.9 million bushels for the corresponding weeks last year.

During the first 15 weeks of the present crop year, world shipments have averaged 16.5 million bushels per week. To fulfil Mr. Broomhall's estimate of import requirements, average weekly shipments of 14.9 million bushels are required.

Course of Wheat Prices.- The following summary of wheat prices since October 1st, has been prepared by the Internal Trade Branch of this Bureau:

The past six weeks have witnessed a pronounced increase in interest centered around wheat markets, due chiefly to the marked advance registered by prices. Commencing early in the second week of October, quotations began to gain ground steadily, and rose approximately 20 cents per bushel before any considerable reaction developed. No comparable advance has occurred in the Winnipeg market within the past two years. The main source of strength behind the movement lay in substantial export demand and a large amount of investment buying. Lessened pressure from Russian offerings was also constructive from a prices viewpoint. Losses of almost 10 cents per bushel in the second week of November, coincided with weakness in outside markets, and an upward revision in the official reckoning of the current Canadian crop. This decline appears of moderate proportions when it is remembered that in the month preceding it, prices had appreciated by very close to 40 per cent, which represents an unusually rapid rate of increase for even a very strong market.

The advances in wheat prices commenced on October 8th from a preceding close of 54½ cents per bushel for No. 1 Manitoba Northern cash wheat. The crest of the rise was reached on November 6th when the close was 73¼ cents. The last quotation on November 14th was 63½ cents as against a comparable price of 57 7/8 cents on October 15th. The cash wheat, Fort William and Port Arthur basis, was 59.9 cents as against 53.6 cents for September.

THE CANADIAN SITUATION

Featuring the wheat situation in Canada during the past month have been the clear, dry western weather to encourage the completion of threshing operations, the heavy primary movement, the increased shipments down the Lakes and to terminal points, and the increased clearances of wheat for overseas markets. The dry weather in the West, which was so favourable for threshing and marketing, was conversely deleterious to the 1932 crop prospects. In Ontario, however, the fall season was nearly perfect for the growth of the winter wheat but there is some concern that the stand has become too rank for good wintering. The provisional estimate of wheat production issued on November 12 showed a considerable increase in the spring wheat crop of the Prairie Provinces and a decrease in the winter wheat crop of Ontario.

Country Deliveries of Wheat.- The following table shows the combined deliveries at country elevators and platform loadings in the period from August 1 to October 9 (previously listed in detail) and by weeks from October 16 to November 6, with comparative totals for last year.

	Manitoba	Saskatchewan	Alberta	Totals	Totals Last Year
		(Bushels)			
Aug. 1 to Oct. 9	13,494,206	40,490,721	25,876,558	79,861,485	152,485,900
Week ending:					
October 16	1,179,395	9,803,896	7,205,219	18,188,510	9,176,726
23	940,375	9,126,929	9,269,411	19,336,715	6,751,239
30	811,616	7,824,205	7,367,954	16,003,775	11,700,454
November 6 /	495,984	5,454,068	7,468,536	13,418,588	14,088,941
Totals	16,921,576	72,699,819	57,187,678	146,809,073	194,203,260

/ Platform loading not included for this week of 1931.

From the data in the above table, it may be calculated that up to the end of the first week in November, the deliveries in both years amounted to practically the same percentage (52) of the crop estimates. However, October of 1930 was very unsuitable for threshing, while October, 1931 was very favourable and the primary wheat marketings were greatly in excess of last year's figures.

Commonly, the wheat produced in Manitoba and Saskatchewan is marketed earlier and quicker than that grown in Alberta and the same conditions prevail this year, heightened somewhat by the wet harvesting weather in northern Alberta. The heaviest producing areas of the western province are not so specialized in wheat production as the main wheat-producing areas of Saskatchewan and the Alberta farmers have other sources of farm income and other farm occupations which delay wheat deliveries. It must also be remembered that the high proportions of tough and damp wheat in northern and central Alberta should lead to heavier farm feeding, as in 1930. Up to November 6, Manitoba had delivered 58 per cent of the combined crop estimate and farm carry-over for the province, compared with 59 per cent in Saskatchewan and 40 per cent in Alberta. At November 7 last year, the comparable percentages were - Manitoba 60, Saskatchewan 54, and Alberta 44. The movement of prices and the effects of weather differed considerably in the two seasons.

Stocks of Canadian Wheat in Elevators.- The following table shows the stocks of Canadian wheat in storage during the week ended November 6, 1931, with comparative totals for the previous week and the same week of 1930.

	(Bushels)
Western Country Elevators /	82,297,081
Interior Terminal Elevators	551,797
Vancouver Elevators	12,763,502
Victoria Elevators	-
Prince Rupert Elevators	76,307
Fort William and Port Arthur	43,223,772
Interior Private & Mill Elevators /	5,042,469
Eastern Elevators - Lake Ports	8,662,123
Eastern Elevators - Sbd. Ports	7,746,459
U. S. Lake Ports	10,097,258
U. S. Atlantic Seaboard Ports	1,234,362
TOTALS	171,695,130
Previous week	164,134,449
Same week previous year	194,775,942

/ Subject to revision.

During the past month, wheat stocks have been increasing steadily, particularly the holdings at country points, at Vancouver and at the head of the Lakes. The usual

seasonal increase in stocks in store and afloat at Buffalo was also evident. Heavy shipments caused some lowering of stocks at the Canadian eastern seaboard.

Statistical Position.- The following table summarizes the statistical situation regarding wheat in Canada at the end of the third month of the crop year in 1930 and 1931. The increase of nearly 27 million bushels in the crop estimate of November 12 was a factor in adding to the available surplus, while exports during October were 36 per cent lower than in October, 1930. Thus at the end of October, the amount of wheat available for export and carry-over was approximately 25 million bushels less than was available at the same date last year. The comparable figure for September 30 was 73 million bushels less. Exports of wheat and flour during August, September and October totalled 52,537,457 bushels compared with 85,029,284 bushels for the same period of 1930 - a reduction of 32,491,827 bushels. The exports of October of this year again showed an increase over the previous month and clearances in November to date suggest a further increase for the present month.

	1930-31 (Bushels)	1931-32
Carry-over, July 31.	111,094,912	133,381,623
Exports, wheat and flour to Oct. 31.	85,029,284	52,537,457
Balance (1)	26,065,628	80,844,166
Production	397,872,000 (1)	298,000,000 (2)
Domestic consumption	130,000,000	120,000,000 (3)
Balance (2)	267,872,000	178,000,000
Available for export and carry-over (1) and (2)	293,937,628	258,844,166

(1) Final estimate. (2) Provisional estimate. (3) Preliminary estimate.

Lake Movement.- A distinct improvement is noticed during the month of October in the lake movement of grain compared with the earlier months of the crop year, but the total movement continues to fall behind that of 1930. During the month of October 23,441,615 bushels of wheat were cleared from Fort William-Port Arthur as compared with 15,361,047 bushels in September, 1931 and 36,437,507 bushels in October, 1930. The following table gives the clearances from Fort William-Port Arthur in the period from August 1 to November 7 of 1930 and 1931.

Consigned to:	1930 (Bushels)	1931
Buffalo	45,263,059	27,652,934
Other United States ports	1,478,106	-
Canadian Lower Lake ports	36,226,653	21,368,786
Prescott	-	32,486
Montreal	4,672,339	9,621,167
Quebec and Sorel	688,473	1,620,378
Totals	88,328,630	60,295,751

It will be noted that the improved canal facilities have encouraged the consignment of a much larger proportion of the movement direct to St. Lawrence ports than was the case in 1930.

Export Clearance of Canadian Wheat.- The following table shows the clearances of Canadian wheat from the elevators of the principal ports, by weeks, from August 1 to November 12. In the last two weeks, the clearances from Vancouver have increased considerably, and the bookings and high elevator stocks suggest a continuance of this movement.

Week Ending		Montreal	Sorel (Bushels)	Vancouver	U.S. Ports	Total
August	7	558,931		1,022,316	649,000	2,230,247
	14	469,325		313,333	550,000	1,420,984(1)
	21	686,254		558,783	801,000	2,046,037
	28	802,887	165,754	592,600	1,371,000	2,932,241
September	3	640,163	221,866	968,761	13,000	1,843,790
	10	1,798,743	366,919	900,066	99,000	3,164,728
	17	1,175,251	-	651,550	939,000	2,765,801
	24	1,355,935	291,376	548,847	501,000	3,241,927(2)
October	2	1,301,333		933,327	831,000	3,065,660
	8	2,051,711	277,420	684,765	562,000	3,575,896
	15	933,544	462,032	838,412	932,000	3,165,988
	22	1,545,764	262,413	694,595	713,000	3,215,772
	29	2,035,755	235,000	493,466	989,000	3,753,221
November	5	2,908,621	434,565	2,151,628	635,000	6,129,814
	12	1,864,665	408,150	1,220,080	≠	≠
TOTALS		19,928,882	3,125,495	12,572,529	≠	≠

(1) Includes shipment of 68,326 bushels from Quebec. (2) Includes shipment of 544,769 bushels from Churchill. ≠ Returns for week not received.

Precipitation in the Prairie Provinces.- The data on precipitation published in the last Review revealed that necessary rainfall had been received during August and September in the extreme drought areas of the prairie west. In October, however, preliminary reports show that precipitation was much below normal in Saskatchewan and Alberta, with the greatest deficiencies in those areas where wheat production is most specialized. In Manitoba, the precipitation was slightly above normal.

The following table, prepared by the Dominion Meteorological Service, Toronto, illustrates these facts.

	October, 1931	Normal for October
	(inches)	
MANITOBA		
All Crop Districts	1.38	1.10
SASKATCHEWAN		
Crop Districts 1 to 4 (Southern Area)	0.22	0.84
Crop Districts 5 to 9 (Central and Northern Area)	0.63	0.71
ALBERTA		
Crop Districts 1 to 6 (Southern Area)	0.27	0.87
Crop Districts 7 to 16 (Central and Northern Area)	0.48	0.74

The dry condition of the soil over large western areas commonly devoted to wheat production has brought new attention to the possibilities of serious damage from grasshoppers and cutworms in 1932. Wide areas were affected at the close of the 1931 season and warnings of the danger next spring have been issued by the Entomological Branch of the Dominion Department of Agriculture.

The Provisional Estimate of Wheat Production.- On November 12, the Bureau issued the second or provisional estimate of wheat production, raising the preliminary estimate for Canada from 271.4 million bushels to 298 million bushels and the Prairie Provinces production from 246.4 to 279 million bushels. The greater than usual variations between the two estimates were almost entirely due to the use of preliminary acreage figures from the decennial census instead of the figures of the annual survey in the September 9 crop estimate. The acreages of wheat in Canada given in the preliminary reports of the 1931 census were as follows:

	(Acres)
Prince Edward Island	20,291
Nova Scotia	2,927
New Brunswick	7,673
Quebec	[illegible]
Ontario	625,711
Manitoba	2,577,780
Saskatchewan	14,775,047
Alberta	7,999,895
British Columbia	64,827
CANADA	26,115,726

The survey estimates of acreage in the eastern provinces had an upward bias, while those for Saskatchewan and Alberta were too low. In the latter case, the explanation for the bias in estimates probably lies in the partial failure of the school survey to cover the region of large farms in southern Saskatchewan and Alberta and the newer farming districts in the north. It is probable that the acreage in 1930 was still higher than that reported by the census in 1931.

The increase in the acreage estimates was heightened by fractional increases in the yields per acre reported for Manitoba and Saskatchewan. The forecasted increases are largely confined to the northern areas where the crop was late and heavy. Since there is a large proportion of damp and tough grades in these districts, marketing has been delayed and considerable amounts will probably be fed to live stock as the discounts on off grade wheat are comparatively heavy.

Durum Wheat in Canada.- The preliminary reports of the decennial census taken this year show that there were 1,116,894 acres of Durum wheat in Canada in 1931. Of this total, 794,966 acres were seeded in Manitoba and 198,762 acres in Saskatchewan. No separate estimates of the crop of Durum wheat are made by the Bureau, but the above-quoted figures and the record of inspections in western Canada suggest that acreage and production of Durum wheat in 1931 were curtailed a little more than the common wheats. The inspections of Durum wheat from August 1 to November 5 were only about 60 per cent of the Durum inspections in the same period of 1931.

The following reports have been received from Canadian Trade Commissioners:

Germany.- The Canadian Trade Commissioner at Hamburg reports that the Markets Reports Bureau of the German Agricultural Council have published the results of their first investigations in the current crop year of the stocks of grain in the hands of farmers. This shows that stocks have declined at the same rate if not faster than in the previous crop year. The results of the investigations are contrary to expectations in view of the prevailing shortage of supplies of bread grains in recent weeks. The following table shows the percentages of the total crop of the different kinds of grain still in the hands of farmers on September 15th., 1931, compared with the similar percentages available on the same date of the previous year.

Kind of Grain	Percentage of Total Crop in Hands of Farmers	
	September 15th. 1931	September 15th. 1930
Winter wheat.....	76.4	76.8
Summer wheat.....	89.5	89.1
Winter rye.....	77.3	85.2
Winter barley.....	52.8	55.8
Summer barley.....	91.6	81.3
Oats.....	94.5	95.3

The results of the investigations of the Markets Reports Bureau of the German Agricultural Council are published in the form of percentages of the total crop as given above. These percentages have been translated by the German Grain Journal into actual quantities, the calculations for the present year being based on the preliminary crop estimates of the German Statistical Bureau. The following table gives the quantities still available on September 15th., 1931, compared with the corresponding figures for the previous year.

Kind of Grain	Crop, 1931	Supplies available on September 15th., 1931 (In Bushels)	Crop, 1930	Supplies available on September 15th., 1930
Winter wheat	135,949,470	103,982,973	124,926,540	95,899,491
Summer wheat	20,576,136	18,371,550	12,492,654	11,206,646
Winter rye	275,185,815	212,196,215	302,743,765	257,863,675
Winter barley	22,505,994	11,941,956	22,046,688	12,401,262
Summer barley	114,826,500	105,181,074	110,233,440	89,564,670
Oats	414,991,360	392,296,520	369,601,680	352,094,232

The most striking fact brought out by the above table is the marked reduction in the available supplies of rye as compared with the previous year, when in addition there had been a fairly large carry-over from the previous crop which this year has been lacking. This would indicate that in the current crop year Germany is more likely to have a shortage than a surplus of rye.

The Prussian Statistical Office have published estimates of the probable quality of this year's grain crops based on the position at the beginning of October. In the case of winter wheat 37.6 per cent of the Prussian crop is reported to be classified as good, 37.5 per cent as average and 24.9 per cent as poor. In the previous year the corresponding figures were 42.3, 37 and 20.7 per cent, while in 1929 the proportion of poor winter wheat was 13 per cent.

With the publication of the September figures of foreign trade it has been possible to obtain an indication of the extent of the German exports of wheat and rye under the system of import bonds conferring the right to import equivalent quantities of foreign wheat or rye at reduced rates of duty. This system came into effect during August, but exports on a considerable scale only commenced in September. During that month the official figures show that Germany exported 3,071,723 bushels of wheat and 771,623 bushels of rye. Of the wheat exports, Great Britain took 863,463 bushels, Holland 620,958 bushels and Belgium 249,853 bushels. The exported rye went chiefly to Czechoslovakia and Denmark. This export of German wheat and rye has already served to increase the importations of foreign wheat and rye, which in September amounted to 2,483,834 bushels of wheat and 523,601 bushels of rye. Of the wheat imported Canada supplied 1,447,678 bushels, Argentina 518,078 bushels, Soviet Russia 268,225 bushels and the United States 213,110 bushels.

In order to provide for the disposal of the 7,500,000 bushels of wheat which the semi-official German Grain Trading Company have purchased from the United States Grain Stabilization Corporation, the German Government have issued a decree amending

the regulations for the compulsory milling of domestic wheat so as to permit only flour mills belonging to the Consortium of German Wheat Flour Mills to mill up to 30 per cent of foreign wheat imported at the reduced rate of duty under the bonds granted on the export of German wheat. The Consortium of German Wheat Flour Mills was founded in Berlin on October 19th., 1931, and its members are obliged to obtain directly or indirectly from the German Grain Trading Company United States hard winter wheat to the extent of 50 per cent of the total quantity of foreign wheat which they mill, but they are not required to mill this hard winter wheat to the extent of over 10 per cent of the total quantity of wheat, both foreign and domestic, which they mill.

Austria.- The Canadian Trade Commissioner at Hamburg reports that the official crop estimate of the Austrian Ministry of Agriculture for the end of September shows further reductions in the estimated yield of winter wheat as compared with the previous estimates, but slight increases in the estimated yields of winter rye and barley. The following are the revised estimates of the yields compared with the final estimates for the 1930 crop.

Estimated Yields of Austrian Crops

Kind of Grain	October, 1931 Estimate Bushels	Final 1930 Estimate Bushels
Winter wheat	9,016,757	11,610,820
Summer wheat	367,431	404,174
Winter rye	17,672,520	19,920,461
Summer rye	649,580	708,633
Summer barley	10,192,000	11,758,234
Winter barley	475,085	551,167
Oats	21,605,488	26,001,802

Latvia.- The Canadian Trade Commissioner at Hamburg reports that the provisional official estimates of the yields of the crops in Latvia show the following results as compared with the final estimates of the 1930 crop.

Estimated Yields of Latvian Crops

Kind of Grain	Provisional Estimate, 1931 Bushels	Final Estimate 1930 Bushels
Winter wheat	2,595,900	3,243,681
Summer wheat	1,169,165	818,269
Rye	6,446,986	14,276,987
Oats	23,176,619	22,152,758
Barley	9,228,835	8,605,098

According to the above figures the crop of rye has been very poor and it is expected that Latvia will require to import in this crop year about 7,873,700 bushels of rye as compared with 787,370 bushels in the previous crop year. It is also anticipated that the wheat import requirements will be somewhat greater than last year, when about 2,165,268 bushels were imported. The cultivated area this year decreased considerably in the case of rye, but was very much greater in the case of wheat. The areas cultivated with barley and oats also increased slightly. The yields of these two grains should suffice for the requirements.

Esthonia.- The Canadian Trade Commissioner at Hamburg reports that the official estimates of the crop yields in Esthonia indicate a grain harvest approximately equal to the average for the last ten years. Only in the case of rye has the crop been considerably below the average. The total yield of rye amounted to 5,629,696 bushels as compared with 8,897,281 bushels in 1930. The yield of winter wheat came to 643,004 bushels as against 771,605 bushels. The total quantity of summer wheat harvested is estimated at 918,578 bushels, that of barley at 5,511,672 bushels and that of oats at 6,889,590 bushels. In the previous year the total yields of barley and oats were 5,970,978 bushels and 10,374,784 bushels respectively.

Lithuania.- The Canadian Trade Commissioner at Hamburg reports that according to the provisional estimates the yields of the grain crops of Lithuania are given as follows:-

Rye	12,991,605 to 14,566,345	bushels
Wheat	2,057,614 to 2,425,045	"
Barley	8,497,161 to 9,875,079	"
Oats	22,694,840 to 25,930,960	"

As compared with the previous year the crops of wheat and barley are reported to be larger, but that of rye is smaller.