CANADA

DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

AGRICULTURAL BRANCH

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# of the

# WHEAT SITUATION

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AGRICULTURAL BRANCH

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## THE WORLD SITUATION

World shipments of wheat from August 1st, 1931 to March 19th, 1932, amounted to 506 million bushels compared with shipments of 497 million bushels for the corresponding period in 1930-31 and shipments of 397 million bushels for the same period in 1929-30. Shipments to date in the present crop year have been provided as follows - North America, 202 million bushels; Australia, 93 million bushels; the Argentine, 81 million bushels; Russia, 70 million bushels; the Danubian countries, 48 million bushels; all other, 12 million bushels.

The rapid movement of the wheat crops of the Argentine and Australia has been the outstanding feature of the past two months. A recent estimate places the Argentine crop at 226 million bushels compared with the preliminary estimate of 218 million bushels. Similarly the second estimate of the Australian wheat crop shows an increase of 5 million bushels over the preliminary estimate - or an estimated production of 175 million bushels. The foregoing revisions were not of sufficient importance to affect the general supply situation.

Taking into account the revised estimate and the carry-over at the end of July, 1931, total supplies in the Argentine for the current crop year amounted to 276 million bushels. Allowing for domestic consumption of 90 million bushels and for a carry-over of 40 million bushels at the end of July 1932, supplies available for export during 1931-32 amounted to 146 million bushels. Argentine shipments to date amount to 82 million bushels leaving a balance of 64 million bushels to be shipped before the end of July 1932. Of the 82 million bushels shipped by the Argentine during the present crop year, 52 million bushels have been shipped since January 1st.

In Australia, total supplies for the present crop year - the carry-over at the end of July, 1931 plus the new crop, amounted to 205 million bushels. Allowing for domestic consumption of 50 million bushels and for a carry-over of 25 million bushels at the end of July, 1932, supplies available for export amounted to 130 million bushels. Shipments to date in the present cereal year amount to 93 million bushels leaving a balance of 37 million bushels to be shipped before the end of July, 1932. As in the case of the Argentine, Australia has shipped heavily - 57 million bushels - since January 1st.

As at March 19th, therefore, the southern hemisphere has shipped 175 million bushels out of total supplies of 276 million bushels available for export, leaving a balance of about 100 million bushels still to be cleared during the balance of the crop year. Of this amount about 15 million bushels will likely go to the Orient from Australia and the balance, 85 million bushels is available for the European market.

Mr. Broomhall estimates world import requirements for the present crop year at 776 million bushels. To date 506 million bushels have been shipped by exporting countries leaving a balance of 270 million bushels still to be shipped. Of this amount the Argentine and Australia will supply approximately 100 million bushels and the balance will largely have to be provided by Canada and the United States, with Russia and the Danubian countries holding small supplies at the present time. If the Government controlled supplies in the United States are sold according to plans announced early in the present crop year, Canada should receive the larger share of the North American business for the balance of the crop year.

For the seven month period from August to February, exports of Canadian wheat and flour amounted to 129 million bushels compared with 168 million bushels exported during the same period in 1930-31. The reduced export movement in the present crop year reflects the short crop harvested in the Prairie Provinces in 1931. In 1930-31 Canada commenced the season with available supplies of wheat amounting to 397 million bushels after deducting domestic requirements. On the same basis Canada commenced the present crop year with available supplies of 317 million bushels. For the seven month period August to February, 1930-31, Canadian exports amounted to 168 million bushels or 42.3 per cent of supplies available for export. For the same period in 1931-32 exports amounted to 129 million bushels or 40.6 per cent of

supplies available for export. In relation to the exportable surplus, exports in 1930-31 are in about line with the movement of 1930-31.

In addition, the balance of the present crop year offers a hopeful export outlook for Canada. In recent weeks trade reports have indicated that substantial supplies of Canadian wheat had been purchased and will move with the opening of navigation. There are indications that the movement of wheat from Vancouver will be relatively heavy during the month of April. Bookings at Vancouver at the present time are substantially higher than at the same time last year.

## RUSSIA

The internal situation in Russia has been attracting world wide attention in recent weeks. Early in the present crop year reports of reliable origin indicated that Russia had experienced a poor crop in certain areas. In spite of these rumours Russia embarked on a rigorous export program last August and wheat flowed from Russia on an unprecedented scale for about three months. Early in November, however, shipments were reduced and since the first of December Russian exports have been insignificant. The next phase of the Russian situation developed when it became known that food supplies were scarce in areas where crops had failed in 1931. The story may be told in terms of three communications which the Dominion Bureau received from its correspondent in London. On February 24th the terms of the Stalin-Molotov decree were received by which a large volume of grain was ordered to be distributed in areas where suffering was most severe. Further evidence of a shortage of grain was indicated in a report which stated that up to February 20th only 44.7 per cent of the 1932 seed grain program had been completed. Later a cable was received which advised that up to the end of March only 51.5 per cent of the seed grain for collective farms had been collected and only 29.6 per cent of the allotment for individual farms had been gathered, whereas the seed grain "plan" had called for completion by March 10th.

From the above facts it is apparent that Russia is having difficulty in seeding the 1932 crop. It is difficult to recognize at the present time the possibility that wheat acreage will be reduced on account of failure to collect seed grain. It has been a maxim in Russia that production must go on no matter what the cost. The Soviets have met crises in the past on the basis of sacrifice on the part of their own people and it is likely that the present situation will be largely met in this manner. At the present time therefore, it would be advisable to take the position that Russia erred in embarking on such a pretentious export program as that witnessed last fall and that for all practical purposes Russia is out of the export market for the balance of the crop year. Further deductions from the Russian situation will have to await additional information.

The European market continues to be more receptive to foreign wheat. Several important modifications have been made in milling quotas in recent weeks. The milling quota in France has been modified for the sixth time in the past two months. At the commencement of the present crop year France required the use of 97 per cent of domestic wheat in mill grinds. By successive changes this quota has been reduced to 90 per cent, to 85 per cent, to 80 per cent, to 75 per cent, to 70 per cent and recently to 65 per cent. It is interesting to note that in 1930-31 the minimum quota for the year was 70 per cent and this percentage did not come into effect until the month of June.

On February 1st, the Italian Government increased the percentage of foreign wheat allowed to milled in Italy from 5 per cent to 30 per cent. Later the quota was altered to permit the use of 60 per cent of foreign wheat in southern Italy and 40 per cent in northern and central Italy. On March 15th, the percentage was again increased to allow 70 per cent and 50 per cent in the above mentioned areas, respectively.

Preliminary reports of winter wheat sowings indicate that there is a small reduction compared with last year. The largest reduction so far reported occurs in the United States where the 1932 winter wheat acreage is estimated to be over four million acres less than in 1931. Roumania also shows a large reduction amounting to about two million acres. Partially offsetting the above reductions are reported increases in winter wheat acreages in France and India. Preliminary estimates show an increase in winter sowings of about one million acres in France while India reports an increase of about two and one half million acres. Reports from 15 countries indicate winter wheat acreages of 140 million acres this year compared with 143 million acres for the same countries in 1931.

## THE INTERNATIONAL MOVEMENT OF WHEAT

World shipments of wheat and wheatflour for the period from August 1,1931 to March 19, 1932 amounted to 506 million bushels compared with 497 million bushels for the corresponding period in 1930-31 and 397 million bushels for the corresponding period in 1929-30. After the slow movement of last December and the early part of January, shipments have been large for the past 2 months, averaging 15.7 million bushels per week compared with weekly average shipments of 16.1 million bushels during the heavy movement from August to November.

Mr. Broomhall estimates world import requirements will amount to 776 million bushels for 1931-32. For the first 33 weeks of the present crop year world shipments have amounted to 506 million bushels, leaving a balance of 270 million bushels to be shipped in the last 19 weeks of the crop year to fulfil Mr. Broomhall's estimate of requirements. Since August 1st, 1931 world shipments have averaged 15.3 million bushels per week while shipments of 14.1 million bushels per week for the balance of the crop year will fulfil the foregoing estimate.

## TRENDS IN THE INTERNATIONAL MOVEMENT OF WHEAT

The past decade and more particularly the past three years have demonstrated the dynamic nature of the present economic organization. New circumstances and new problems require specific adjustment and accomodation, and so the process of change goes on. Very few elements in the economic life of the world have not, by necessity or preference, made adjustments to meet conditions that have arisen since 1929. Isolating trade in wheat from the balance of economic activity which falls into the category of international trade, evidences of change are apparent. Nor could it be otherwise. Quite apart from the economic consequences of the depression, the wheat trade has had to adjust itself to many new circumstances among which may be mentioned (a) the advent of Soviet Russia into the world's markets during the past two years, (b) the European reaction to low cereal prices in the form of tariffs and milling quotas with direct effects upon the utilization of domestic wheats and the importation of foreign wheats, and (c) the vagaries of the financial relations between countries brought into contact as importers or exporters of grain. These are only a few of the many factors which bear upon the wheat situation, and which have had an effect upon the general course of world trade in wheat.

Pages 4 and 6 contain charts showing the course of international trade in wheat during the past decade. In the charts shipments of wheat for each week have been added and the resulting curves have been smoothed by use of a five-week moving average.

As a basis for analysis, Chart No. 1 shows the general contour of the wheat movement for the three periods, namely, from 1920-21 to 1924-25. 1924-25 to 1928-29 and from 1929-30 to 1930-31 plus shipments in 1931-32 to date.

A superficial analysis of the data presented in the chart shows the fact that there are six minor fluctuations in the volume of shipments within the 52 weeks that constitute a crop year. The August-October movement is one of increasing or heavy shipments. The November-December movement is one of sharply receding volume followed by an increasing movement in January and February. In March and April shipments tend to recede followed by an improvement in volume in May and the early part of June (not noticeable from 1920-21 to 1924-25). The volume of shipments in late June and July tends to decrease sharply. In brief, these are the general movements in the volume of world shipments that are noted within the confines of a single crop year. In general, the periods of rising volume in shipments coincide with the harvesting of crops in Europe and North America in the late summer, the harvesting of the southern hemisphere crops in December and January and the opening of internal navigation in Canada about the middle of April.

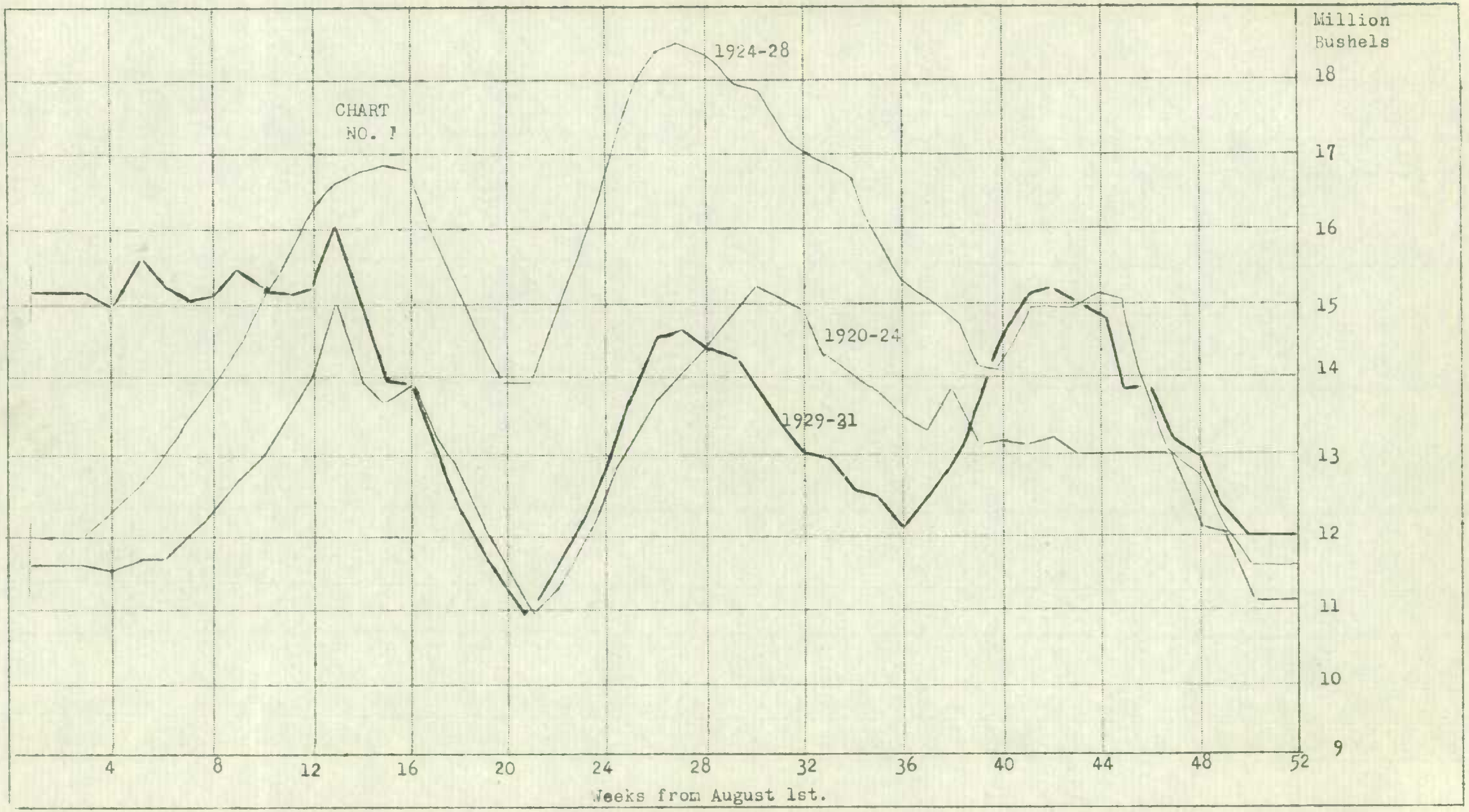
The international movement from 1924-25 to 1928-29 is interesting in that it shows the course of trade in wheat immediately preceding the crisis of 1929. It will be noticed that shipments in the first three months of the crop year steadily increased in volume followed by a moderate recession in late November and December. The January-February period was one of extensive shipping, the movement of the December-March period exceeding the volume of the August-November period. From March until July shipments gradually declined with a small upward movement in May and early June.

Chart No. 2 shows shipments for the five year period from 1924-25 to 1928-29 and shipments on the same basis for 1930-31 and 1931-32 to date. It will be noted that there has been a considerable change in the last two years from the situation that prevailed from 1924 to 1928.

In the last two years shipments in the first three months of the crop year, or from August to October, were very heavy and maintained a steady volume throughout the period. About the middle of November the volume of shipments decreased sharply, the decline lasting until about the first week in January. The recovery in volume in

WORLD SHIPMENTS OF WHEAT, BY WEEKS, AUGUST TO JULY, FOR THE FIVE YEAR PERIODS 1920-21 to 1924-25 and 1924-25 to 1928-29 AND THE TWO YEAR PERIOD 1929-30 and 1930-31 PLUS SHIPMENTS TO DATE IN 1931-32, BASIS FIVE WEEK MOVING AVERAGE.

Data from Broomhall's Shipments.



January and February is marked but not sufficient to allow the December-March movement to equal the movement of August-November. March and April showed a decline in 1930-31 followed by large shipments in May and early June after which the volume of shipments declined drastically in late June and July, the decline being comparable with that of the November-December period. Compared with the movement from 1924-25 to 1928-29 shipments in the last two years have been relatively heavier in the first four months of the crop year, relatively lighter in the winter months and relatively heavier in the spring months.

The following table shows August-November, December-March, and April-July average world shipments of wheat for the five year periods 1920-21 to 1924-25 and 1924-25 to 1928-29 as well as actual shipments for the same periods in 1929-30, 1930-31 and 1931-32 to date. (Million bushels).

| | 1920-21 to 1924-25 | 1924-25 to 1928-29 | 1929-31 | 1930-31 | 1931-32 |
|---|---|---|---|---|---|
| August-November | 216 | 246 | 219 | 271 | 274 |
| December-March | 232 | 283 | 188 | 241 | 245 1/ |
| April-July | 231 | 254 | 205 | 274 | - |
| Total | 679 | 783 | 612 | 786 | |

1/ Partly Estimated.

The above table shows in absolute figures the changes that have been described in preceding paragraphs. The table shows that in the five-year period from 1920-21 to 1924-25 that August-November shipments were moderate and shipments for the last four month periods were slightly higher. This period might be described as one of uniformity in the world movement of wheat throughout the crop year.

From 1924-25 to 1928-29 the December-March movement is outstanding being considerably larger than the preceding or succeeding four month period. In 1929-31, a year of comparatively light international trade in wheat, a high percentage of shipments was concentrated in the August-November period and in fact 1929-30 was the first year since 1920 when December-March shipments were exceeded in the August-November period. This development of 1929-30 became more pronounced in 1930-31 when August-November shipments exceeded those of December-March by some 40 million bushels. The same situation is characteristic of the present crop year to date when August-November shipments exceed by a wide margin the estimated total for the December-March period.

## CONTRIBUTING CAUSES

Among the many causes which have contributed to the foregoing changes in the international movement of wheat in recent years may be cited the following -

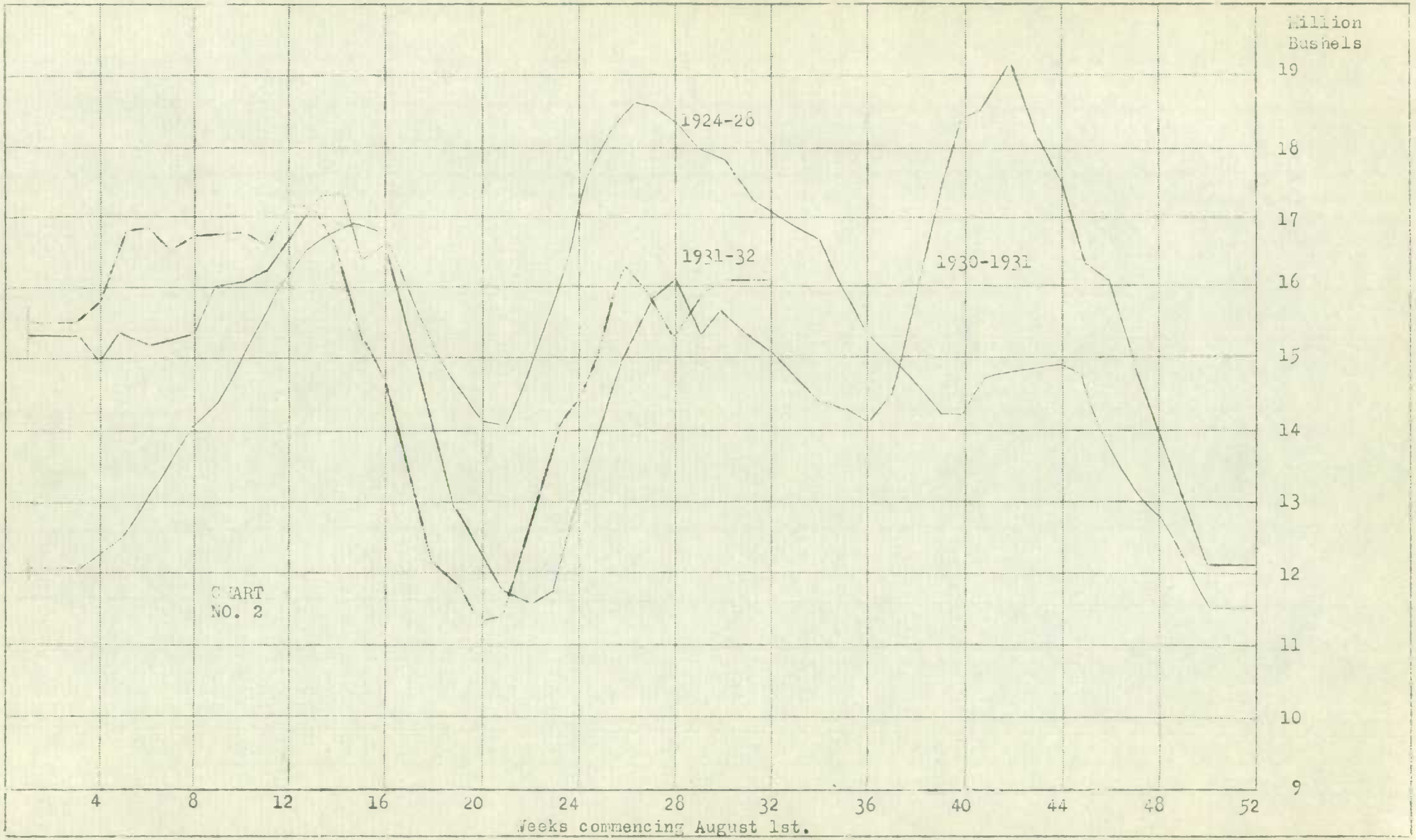
1. The thorough regulation of the continental European market by import duties and milling quotas. Governmental action taken in Europe has changed the movement of wheat into deficit regions. Restrictions have tended to force domestic crops into early consumption and to delay importing until the last half of the crop year.

2. Frequent changes in tariffs and milling quotas tend to restrict forward purchasing and keep stocks of imported wheat at a minimum. Wheat is purchased for immediate consumption rather than for anticipated needs.

3. During the past three years importing countries have not been anxious over the supply situation. Large stocks in Canada and the United States, especially in the latter country, have been an insurance against scarcity and this fact has tended to restrict buying only for immediate requirements.

4. The pressure of Russian wheat in the early part of the crop year has tended to accentuate the early fall movement. During the past two crop years Russia has shipped heavily during the time when substantial shipments were being made from North America. With continental markets restricted early in the crop year a large proportion of Russian shipments have had to go to the United Kingdom. The British market has not been able to currently consume offerings of wheat at this time of the year and as a result substantial stocks have been built up in the United Kingdom during the first four months of the last two crop years. It is apparent that in November and December shipments have declined as accumulated stocks in the United Kingdom went into consumption.

WORLD SHIPMENTS OF WHEAT, BY WEEKS, FOR THE FIVE YEAR AVERAGE PERIOD 1924-25 to 1928-29 AND SHIPMENTS FOR 1930-31 and 1931-32 TO DATE,
BASIS FIVE WEEK MOVING AVERAGE. Data from Broomhall



## INTERNATIONAL TRADE

The following table shows world shipments of wheat and wheatflour from August 1st, 1931, to March 19th, 1932, with comparative totals for last year. (Broomhall's figures).

| Week Ending | | North America | Argentine | Australia | Russia | Other | Total |
|---|---|---|---|---|---|---|---|
| | | | | (Thousand Bushels) | | | |
| Aug. | 8 | 7,888 | 1,240 | 2,144 | 3,080 | 1,208 | 15,560 |
| | 15 | 4,296 | 1,144 | 1,576 | 4,484 | 1,836 | 13,336 |
| | 22 | 5,648 | 1,352 | 2,096 | 4,618 | 2,176 | 15,890 |
| | 29 | 5,520 | 1,632 | 1,776 | 5,800 | 1,880 | 16,608 |
| Sept. | 5 | 6,072 | 1,912 | 2,056 | 4,512 | 2,048 | 16,600 |
| | 12 | 5,256 | 1,312 | 1,248 | [illegible] | 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,[illegible] |
| Oct. | 3 | 6,424 | 1,032 | 1,256 | 3,368 | 3,168 | [illegible]248 |
| | 10 | 8,720 | 1,848 | 2,192 | 3,072 | 1,632 | 17,[illegible]64 |
| | 17 | 5,776 | 1,200 | 2,000 | 3,408 | 3,888 | 16,272 |
| | 24 | 8,632 | 1,048 | 1,712 | 4,040 | 3,632 | 19,064 |
| | 31 | 6,912 | 1,472 | 944 | 2,088 | 3,168 | 14,584 |
| Nov. | 7 | 10,616 | 1,912 | 2,656 | 1,160 | 2,216 | 18,560 |
| | 14 | 8,936 | 1,648 | 1,808 | 2,480 | 2,600 | 17,472 |
| | 21 | 7,024 | 1,360 | 1,112 | 2,768 | 1,752 | 14,016 |
| | 28 | 8,160 | 944 | 328 | 448 | 2,680 | 12,560 |
| Dec. | 5 | 7,128 | 672 | 992 | 984 | 1,864 | 11,640 |
| | 12 | 5,864 | 1,176 | 1,448 | 520 | 2,352 | 11,360 |
| | 19 | 5,032 | 1,736 | 1,528 | 1,328 | 2,208 | 11,832 |
| | 26 | 4,272 | 2,448 | 3,368 | 1,256 | 1,088 | 12,432 |
| Jan. | 2 | 5,856 | 1,424 | 1,536 | 272 | 1,120 | 10,208 |
| | 9 | 5,448 | 1,504 | 3,464 | 512 | 912 | 11,840 |
| | 16 | 5,080 | 2,744 | 6,512 | 1,456 | 968 | 16,760 |
| | 23 | 5,456 | 3,856 | 7,672 | 304 | 1,824 | 19,112 |
| | 30 | 4,776 | 4,168 | 4,000 | 384 | [illegible] | 14,136 |
| Feb. | 6 | 5,768 | 4,208 | 4,656 | 408 | 736 | 15,776 |
| | 13 | 5,240 | 4,024 | 5,728 | 352 | 752 | 16,096 |
| | 20 | 5,672 | 4,232 | 4,544 | 408 | 488 | 15,344 |
| | 27 | 4,416 | 5,144 | 4,872 | 112 | 776 | 15,320 |
| Mar. | 5 | 4,455 | 6,333 | 4,878 | 136 | 584 | 16,386 |
| | 12 | 4,626 | 7,093 | 5,118 | 88 | 784 | 17,709 |
| | 19 | 3,665 | 7,023 | 4,328 | 264 | 7[illegible] | 16,016 |
| TOTAL | | 201,842 | 81,513 | 93,196 | 69,926 | 59,780 | 506,257 |
| Comparative 1930-31 | | | | | | | |
| Corresponding Week | | 4,728 | 3,363 | 5,256 | 2,560 | 269 | 16,176 |
| Total to Date | | 230,922 | 56,107 | 81,728 | 8[illegible] | 44,990 | 497,57[illegible] |

World shipments for the week ending March 19th amounted to 16,016,000 bushels compared with 17,709,000 bushels for the week previous. The Argentine continued to be the heavy shipper with clearances of over 7 million bushels. North American shipments were the smallest of the year amounting to only 3,665,000 bushels.

Total world shipments from August 1, 1931 to March 19, 1932, amount to 506 million bushels compared with 497 million bushels for the same period in 1930-31. For the same period North American shipments amounted to 212 million bushels compared with 231 million bushels for the same period in 1930-31. Russian exports for the present crop year are slowly falling behind the totals for 1930-31. The Argentine and Australia have shipped heavily in the present crop year.

### POSITION OF IMPORT REQUIREMENT ESTIMATE.

Mr. Broomhall's estimate would import requirements at 776 million bushels for the current crop year. The position of this estimate is shown in the following table:-

| Import Requirements | Shipments to Date | Balance to be Shipped |
|---|---|---|
| (52 weeks) | (33 weeks) | (19 weeks) |
| 776,000,000 Bus. | 506,257,000 Bus. | 269,743,000 Bus. |
| or | or | or |
| 14,923,000 Bus. | 15,341,123 Bus. | 14,197,000 Bus. |
| weekly | weekly | weekly |

World shipments to date have averaged considerably higher per week than required by Mr. Broomhall's estimate.

## Wheat Duties

In the Monthly Review of the Wheat Situation (January 26, 1932) tariffs applicable to wheat in effect in a selected list of importing countries were given. Further tariffs are as follows:-

| | General Tariff | Minimum Tariff (Applicable to Canada) | Restrictions |
|---|---|---|---|
| ESTHONIA: | 22 kroons per 100 kilogs. ($1.61 per bushel) | 11 kroons per 100 kilogs. ($80\frac{1}{2}$ cents per bushel) | Subject to Government Monopoly since Nov. 11, 1931. |
| LATVIA: | 11 lats per 100 kilogs. (55 cents per bushel) | 7 lats per 100 kilogs. (37 cents per bushel) | |

| | Rate of Duty |
|---|---|
| LITHUANIA: | 30 litas per 100 kilogs. (82 cents per bushel) |
| SWITZERLAND: | (60 centimes per 100 kilogs. (3.6 cents per bushel) |

Imports at this rate may be made only by registered dealers who guarantee to sell only to authorized millers or dealers. Imports not conforming to these conditions are subject to an additional duty of 20 francs per 100 kilogs. ($1.05 per bushel). The proportion of home grown wheat which must be used by millers is fixed annually and depends upon amount wheat grown in Switzerland.

| | |
|---|---|
| HUNGARY: | 6.30 gold kronen per 100 kilogs. (35 cents per bushel) |
| BULGARIA: | 6 gold leva per 100 kilogs. plus octroi tax of 20% of duty ($44\frac{1}{2}$ cents per bushel) |

| | First Tariff | Second Tariff (Applicable to Canada) | |
|---|---|---|---|
| SPAIN: | 42 gold pesetas per 100 kilogs. ($2.21 per bushel) | 14 gold pesetas per 100 kilogs. ($73\frac{3}{4}$ cents per bushel) | Under a decree of May 21, 1930, import of wheat is prohibited while the price in Spain during one month is below 53 paper pesetas per 100 kilogs. ($1.30 per bushel). |
| | plus surtax of 7 gold pesetas per 100 kilogs. (37 cents per bushel) | | |

| | General Tariff | Minimum Tariff (Applicable to Canada) |
|---|---|---|
| BRAZIL: | 10 gold reis per kilog. less 20%; plus gold port tax of 2% of official value. ($17\frac{1}{2}$ cents per bushel) | 10 gold reis per kilog. less 35%; plus gold port tax of 2% of official value. ($14\frac{3}{4}$ cents per bushel). |

CHILE:

| | Rate of Duty |
|---|---|
| When value at Chilean port is 40 pesos per 100 kilogs. ($1.54 per bushel) or more ........ | Free |
| For each peso that the value falls below 40 pesos per 100 kilogs. (i.e., for each 3.8 cents below $1.54 per bushel) ............... | 1 peso per 100 kilogs. (3.8 cents per bushel) |

Wheat Duties - Cont'd.

| | General Tariff | Minimum Tariff (Applicable to Canada) |
|---|---|---|
| PERU: | .......................................... | 1¼ centavos per kilog. plus 22% of duty (13½ cents per bushel) |
| | Note: At some Peruvian ports the surtax is 20% or 21% of the duty. There is also on freight shipments a surtax of 2% ad val. | |
| UNION OF SOUTH AFRICA | .......................................... | 5s.4d. per 100 lbs. (78 cents per bushel) to Canada. General tariff:- 5s.8d. per 100 lbs. (83 cents per bushel). Wheat imports prohibited except under license. |

EGYPT:

The rates of duty on wheat are on a sliding scale based on the price quoted (in sterling) on the London Exchange, per ton of Australian wheat, c.i.f. Egyptian port.

| Prices quoted in Sterling | Rate of duty (per 100 kilogs. gross) |
|---|---|
| £8 or over | 180 milliemes |
| £7.15s. to £8 | 200 milliemes |
| £7.10s. to £7.15s. | 220 milliemes |
| £7.5s. to £7.10s. | 245 milliemes |
| £7. to £7.5s. | 265 milliemes |
| £6.15s. to £7. | 290 milliemes |
| £6.10s. to £6.15s. | 310 milliemes |
| £6.5s. to £6.10s. | 330 milliemes |
| £6. to £6.5s. | 355 milliemes |
| £5.15s. to £6. | 375 milliemes |
| £5.10s. to £5.15s. | 400 milliemes |
| £5.5s. to £5.10s. | 420 milliemes |
| £5. to £5.5s. | 440 milliemes |
| £4.15s. to £5. | 465 milliemes |
| £4.15s. or less | 485 milliemes |
| £4.10s. to £4.15s. | 485 milliemes |
| £4.5s. to £4.10s. | 510 milliemes |
| £4. to £4.5s. | 530 milliemes |
| £3.15s. to £4. | 550 milliemes |
| £3.10s. to £3.15s. | 575 milliemes |
| £3.5s. to £3.10s. | 600 milliemes |
| £3. to £3.5s. | 620 milliemes |
| £3. or less | 645 milliemes |

100 kilogs. equals approximately 220.4 pounds.

An Egyptian Millieme equals approximately ½ cent Canadian.

## THE CANADIAN SITUATION

### The Statistical Position of Canadian Wheat Supplies

The following table shows the statistical position of Canadian wheat as at February 29th, 1932, with comparative figures for the same date in 1931. (Calculated on the basis of the revised estimate for 1930 and the final estimate for 1931, as issued on January 21st by the Dominion Bureau of Statistics).

| | 1930-31 (Bushels) | 1931-32 (Bushels) |
|---|---|---|
| Carryover July 31 | 111,094,912 | 133,381,623 |
| Production | 420,672,000 [1] | 304,144,0[illegible] |
| Total supplies | 531,766,912 | 437,525,623 |
| Domestic requirements | 134,000,000 [1] | 120,000,000 [3] |
| Available supplies | 397,766,912 | 317,525,623 |
| Exports - August to February | 168,288,434 | 128,903,226 |
| Balance for export and carryover | 229,478,478 | 188,622,397 |

1. Revised Estimate.
2. Final Estimate.
3. Preliminary Estimate.

Available supplies of Canadian wheat on February 29th amounted to 189 million bushels compared with 229 million bushels at the same date in 1931. At the commencement of the present crop year as a result of the short crop of 1931, available supplies were 80 million bushels less than at the commencement of the previous crop year. A smaller export movement, combined with probable smaller utilization of wheat in Canada, account for the fact that supplies at the end of February were only 40 million bushels less than at the same time in 1931.

It will be noted that exports during the August-February period in the present crop year amounted to 129 million bushels compared with 168 million bushels for the same period in 1930-31, or a reduction of 39 million bushels in the case of the present crop year.

To properly evaluate the export movement of the present crop year, it is necessary to examine the movement in relation to available supplies. From August to February, 1930-31, exports amounted to 168 million bushels or 42.3 per cent of available supplies for the year. During the same period in 1931-32, exports amounted to 129 million bushels or 40.6 per cent of available supplies. In relation to available supplies, therefore, the export movement of 1931-32 has been closely in line with the export movement of 1930-31. The situation in respect to exports may be stated differently. At the end of February, 1932, 59.4 per cent of available supplies remained, while at the end of February, 1931, 57.7 per cent of available supplies remained. The 1931-32 export movement is shown in the following table along with comparative figures.

### Exports of Wheat and Wheatflour

The following table shows Canadian exports of wheat and wheatflour for the first six months of the present cereal year, with comparative figures for 1930-31, 1929-30 and the five year average 1925-26 to 1929-30.

Total Exports of Wheat and Wheatflour

| Month | 1931-32 | 1930-31 | 1929-30 | Average 1925-26 to 1929-30 |
|---|---|---|---|---|
| | Bushels | Bushels | Bushels | Bushels |
| August | 14,258,909 | 20,461,776 | 13,050,873 | 17,360,617 |
| September | 16,840,180 | 31,121,623 | 9,625,524 | 17,970,697 |
| October | 21,438,369 | 33,445,885 | 23,215,028 | 35,409,445 |
| November | 29,596,255 | 34,783,144 | 24,866,067 | 50,677,528 |
| December | 24,386,870 | 24,938,920 | 18,683,198 | 46,319,649 |
| January | 10,965,473 | 11,374,004 | 7,257,050 | 16,682,720 |
| February | 11,417,172 | 12,163,082 | 8,895,468 | 16,616,866 |
| March | | 15,418,055 | 14,655,609 | 21,526,470 |
| April | | 6,148,295 | 5,459,684 | 11,552,050 |
| May | | 31,687,391 | 16,046,226 | 27,204,945 |
| June | | 22,989,542 | 21,[illegible] | 25,750,989 |
| July | | 14,106,169 | 22,8[illegible]3,051 | 21,781,964 |
| Totals | | 258,637,887 | 186,267,212 | 308,853,540 |

Country Deliveries of Wheat. - The following table shows the combined deliveries of wheat at country elevators and platform loadings for the period from August 1st to March 4th with comparative totals for last year.

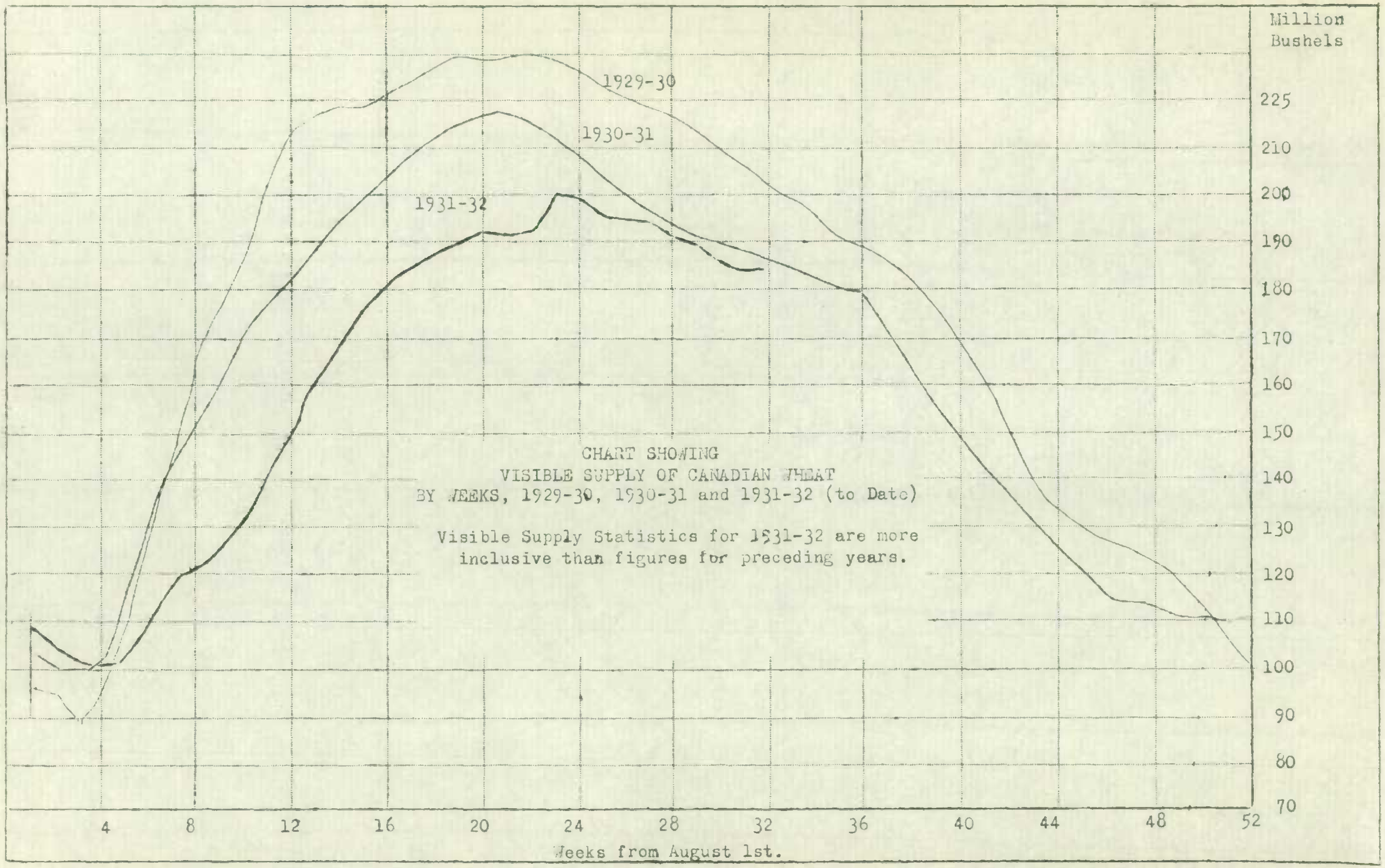
| Week Ending | | Manitoba | Saskatchewan | Alberta | Total | Total Last Year |
|---|---|---|---|---|---|---|
| | | ( B u s h e l s ) | | | | |
| Aug. | 7 | 52,684 | 258,945 | 313,528 | 625,157 | 431,796 |
| | 14 | 111,316 | 575,840 | 577,603 | 1,264,759 | 875,076 |
| | 22 | 926,783 | 683,872 | 1,103,292 | 2,713,947 | 2,484,320 |
| | 29 | 1,388,652 | 1,959,121 | 1,028,609 | 4,376,382 | 12,126,110 |
| Sept. | 4 | 1,667,980 | 3,874,823 | 3,781,236 | 9,324,039 | 33,266,767 |
| | 11 | 2,641,482 | 10,242,152 | 3,306,963 | 16,190,597 | 32,70[illegible] |
| | 18 | 4,140,278 | 6,171,677 | 2,425,400 | 12,737,355 | 17,221,204 |
| | 25 | 533,689 | 2,883,972 | 1,391,755 | 4,809,416 | 21,363,569 |
| Oct. | 2 | 954,298 | 4,882,179 | 4,822,894 | 10,659,371 | 11,671,075 |
| | 9 | 1,077,044 | 8,958,140 | 7,125,278 | 17,160,462 | 20,336,129 |
| | 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 |
| | 31 | 811,616 | 7,824,205 | 7,367,954 | 16,003,775 | 11,700,454 |
| Nov. | 6 | 495,984 | 5,454,068 | 7,468,536 | 13,418,588 | 14,088,941 |
| | 13 | 827,548 | 5,785,065 | 6,818,008 | 13,430,621 | 13,625,180 |
| | 20 | 732,529 | 4,073,288 | 4,785,199 | 9,591,016 | 13,441,911 |
| | 27 | 312,176 | 1,697,857 | 3,221,333 | 5,231,366 | 9,039,386 |
| Dec. | 4 | 330,090 | 2,009,978 | 3,619,177 | 5,959,245 | 7,069,712 |
| | 11 | 314,219 | 1,759,854 | 2,890,765 | 4,964,838 | 3,691,908 |
| | 18 | 276,769 | 1,450,285 | 3,246,343 | 4,962,397 | 4,144,380 |
| | 25 | 177,183 | 1,232,548 | 1,988,278 | 3,398,009 | 3,453,171 |
| Jan. | 1 | 125,463 | 753,976 | 1,222,252 | 2,101,691 | 1,412,905 |
| | 8 | 96,339 | 870,054 | 1,851,307 | 2,817,700 | 2,671,066 |
| | 15 | 91,788 | 470,166 | 1,217,562 | 1,779,516 | 1,932,506 |
| | 22 | 64,412 | 553,604 | 1,545,813 | 2,163,829 | 2,236,619 |
| | 29 | 161,695 | 1,346,815 | 1,927,219 | 3,435,729 | 1,957,681 |
| Feb. | 5 | 429,437 | 291,970 | 1,319,412 | 2,040,819 | 1,574,975 |
| | 12 | - 617,168 | 1,265,491 | 2,294,032 | 2,942,355 | 2,340,340 |
| | 19 | 85,285 | 860,287 | 1,817,598 | 2,763,170 | 2,677,181 |
| | 26 | 164,275 | 1,255,446 | 2,107,629 | 3,527,350 | 3,057,822 |
| Mar. | 4 | 164,206 | 1,210,325 | 2,033,591 | 3,408,622 | 2,827,821 |
| T o t a l s | | 20,666,022 | 99,587,328 | 101,093,196 | 221,346,546 | 271,357,824 |

Country deliveries of wheat continue on a substantial scale. Since January 1st over 24 million bushels have been delivered to country elevators or over loading platforms. The heaviest deliveries this year have been in Alberta, the area of heaviest production in 1931. Total deliveries in Alberta up to March 4th amounted to 101,093,196 bushels compared with 99,469,235 bushels delivered in Saskatchewan. Total deliveries in the three Western Provinces up to March 4th amounted to 221,210,274 bushels compared with 271,357,824 bushels for the same period in 1930-31.

## Stocks of Wheat in Store

Stocks of wheat in store in Canada and the United States are shown as follows:- (with comparative totals for previous week and the same week in 1931).

| March 11th, 1932. | (Bushels) |
|---|---|
| Western Country Elevators | 83,426,131 |
| Interior Terminal Elevators | 863,072 |
| Vancouver Elevators | 11,513,538 |
| Victoria Elevators | 855,535 |
| Prince Rupert Elevators | 1,110,389 |
| Fort William and Port Arthur Elevators | 52,719,452 |
| Interior Private and Mill Elevators | 6,672,547 |
| Eastern Elevators - Lake Ports | 9,012,647 |
| Eastern Elevators - Sbd. Ports | 5,286,566 |
| U. S. Lake Ports | 10,905,929 |
| U. S. Atlantic Seaboard Ports | 2,691,369 |
| T o t a l s | 185,057,175 |
| Previous week | 184,730,263 |
| Same week previous year | 187,905,977 |


Million Bushels
1929-30
1930-31
1931-32
CHART SHOWING
VISIBLE SUPPLY OF CANADIAN WHEAT
BY WEEKS, 1929-30, 1930-31 and 1931-32 (to Date)
Visible Supply Statistics for 1931-32 are more inclusive than figures for preceding years.
225
210
200
190
180
170
160
150
140
130
120
110
100
90
80
70
4
8
12
16
20
24
28
32
36
40
44
48
52
Weeks from August 1st.

Stocks of Canadian wheat in store in Canada and the United States are slowly decreasing. Practically the entire decrease during the past month has taken place in stocks in eastern positions. Stocks of wheat in store in United States positions have decreased by nearly 6 million bushels in the past month. Stocks in store in eastern elevators in Canada have decreased by over 3 million bushels in the past month. Country Elevator stocks, Fort William and Port Arthur stocks have increased slightly in the past thirty days.

A factor in maintaining the volume of the Canadian visible supply has been the heavy receipts at country elevators since January 1st. During the months of January and February country elevator receipts and platform loadings have amounted to 21,470,468 bushels compared with exports during the same period of 22,782,645 bushels.

## The Course of Wheat Prices

The following summary of wheat price movements from February 1st to March 17th has been prepared by the Internal Trade Branch of the Dominion Bureau of Statistics.

After two months characterized by a minimum of fluctuation about unusually steady price levels, the wheat market began a gradual advance in the second week of February. In the opening days of the month, price influences were evenly balanced. Export inquiry was uncertain and weakness at Chicago was frequently reflected. On the other hand, dwindling Russian shipments gave evidence of the fact later to be established that Russia need be considered no longer as a large exporter during the current season. An upward revision of the French milling quota for imported wheat, made known on February 1st, was also a supporting factor. The advance referred to above commenced on February 10th, and did not reach a peak until the closing days of the month. The main source of strength behind the market during this period was a decided improvement in export buying in which North American grain was fairly prominent. Offerings from the Southern Hemisphere increased sharply in the first two weeks of March, however, and the pressure from this grain was instrumental in causing a mild re-action in prices. Continental countries apparently required increasing amounts of imported wheat during March as indicated by further import quota advances.

The range of cash closing quotations for No. 1 Northern wheat, basis Fort William and Port Arthur between February 1st and March 17th, was 6 7/8¢, the highest price being 67 1/8¢ on February 25th, and the lowest 60½¢ on February 5th. The close on March 17th was 63 5/8¢ as compared with 63 3/8¢ per bushel on February 17th. The average price for February was 63.2¢ per bushel as against 60.0¢ for January.

Winnipeg Cash Prices, No. 1 Northern Wheat

| | | | | | |
|---|---|---|---|---|---|
| February | 16 | 64 3/8¢ | March | 1 | 64¾¢ |
| " | 17 | 63 3/8 | " | 2 | 65 3/8 |
| " | 18 | 64¼ | " | 3 | 65 3/8 |
| " | 19 | 65 | " | 4 | 65½ |
| " | 20 | 64 7/8 | " | 5 | 66 |
| " | 21 | - | " | 6 | - |
| " | 22 | 65 5/8 | " | 7 | 65½ |
| " | 23 | 65½ | " | 8 | 66 |
| " | 24 | 66 5/8 | " | 9 | 66 1/8 |
| " | 25 | 67 1/8 | " | 10 | 66½ |
| " | 26 | 66¼ | " | 11 | 65 7/8 |
| " | 27 | - | " | 12 | 65¾ |
| " | 28 | - | " | 13 | - |
| " | 29 | 65 3/8 | " | 14 | 64 |
| | | | " | 15 | 64 |
| | | | " | 16 | 63 7/8 |
| | | | " | 17 | 63 5/8 |
| | | | " | 18 | 61½ |
| | | | " | 19 | 59¾ |

Canadian Trade Commissioners report on the wheat situation as follows:-

GERMANY. The Markets Reports Bureau of the German Agricultural Council have published the results of their investigations as to the stocks of grain still in the hands of farmers on January 15th, 1932, in the form of percentages of the final crop estimates, which are as follows, compared with the percentages for the same date of the previous year:-

| Kind of Grain | Percentage of Total Crop in Hands of Farmers | |
|---|---|---|
| | January 15th, 1932 | January 15th, 1931 |
| Winter wheat .......... | 31.4 | 33.5 |
| Summer wheat .......... | 58.4 | 51.1 |
| Winter rye ............ | 33.7 | 44.2 |
| Winter barley ......... | 20.4 | 21.6 |
| Summer barley ......... | 44.7 | 36.3 |
| Oats .................. | 60.0 | 64.0 |

The German Grain Journal have translated these percentages into actual quantities which the following table shows in bushels:

| Kind of Grain | Total Crop in Hands of Farmers (Bushels) | |
|---|---|---|
| | January 15th, 1932 | January 15th, 1931 |
| Winter wheat .......... | 42,254,565 | 42,254,565 |
| Summer wheat .......... | 12,125,223 | 7,716,051 |
| Winter rye ............ | 87,3[illegible]8,070 | 131,884,475 |
| Winter barley ......... | 4,593,060 | 4,593,060 |
| Summer barley ......... | 51,442,272 | 39,959,622 |
| Oats .................. | 241,213,728 | 236,674,760 |

The slowing down in the decrease of wheat stocks during the last month was particularly the result of decreased flour consumption and partly due to the cessation of wheat exports. An import of several hundred thousand tons of wheat will still be required, but the total depends upon the trend of flour prices and hence the consumption. If prices remain high the result will be an increased consumption of rye. Rye stocks are already comparatively low and it is estimated will be entirely used up by the middle of May, so that a large import will be required. It is expected that with the throttling of barley imports the large stock of barley can be disposed of. The consumption of oats remains unsatisfactory and stocks are considered to be above normal.

The Markets Reports Bureau of the German Agricultural Council have also published figures of the stocks still available for sale on January 15th, 1932, which are given below in percentages of the total crops as compared with those on the same date of the previous year:-

| | Stocks available for Sale | |
|---|---|---|
| | January 15th, 1932 | January 15th, 1931 |
| Winter wheat .......... | 24.4 | 26.2 |
| Summer wheat .......... | 47.8 | 47.1 |
| Winter rye ............ | 13.8 | 22.9 |
| Winter barley ......... | 3.2 | 2.4 |
| Summer barley ......... | 25.6 | 17.7 |
| Oats .................. | 13.9 | 17.0 |

The German Grain Journal have published the German grain trade statistics for the period August 1931 to January 1932, which are as follows compared with the figures for the same previous period.

| | Imports | | Exports | |
|---|---|---|---|---|
| | August - January | | | |
| | 1931-32 | 1930-31 | 1931-32 | 1930-31 |
| | Bushels | | | |
| Wheat .......... | 14,686,217 | 16,019,992 | 11,529,985 | 422,546 |
| Rye ............. | 3,932,913 | 724,380 | 3,503,797 | 2,106,215 |
| Barley .......... | 14,385,464 | 19,768,530 | 27,558 | 169,943 |
| Maize .......... | 13,595,458 | 9,190,713 | - | - |
| Oats ............ | 732,719 | 551,150 | 12,968 | 603,034 |
| Flour .......... | 84,361 bbls. | 97,858 bbls. | 466,796 bbls. | 710,880 bbls. |

CZECHOSLOVAKIA. The Czechoslovakian Statistical Bureau have published a revised crop estimate for 1931 on the basis of the final estimate of the hectare returns, which, however, does not considerably differ from the preliminary estimate published in the Autumn. The total crops were as follows:-

| | 1931 | 1930 |
|---|---|---|
| | Bushels | |
| Winter wheat ...................... | 39,157,122 | 49,074,084 |
| Summer wheat ...................... | 2,072,311 | 1,528,513 |
| Winter rye ........................ | 53,387,623 | 69,446,034 |
| Summer rye ........................ | 1,240,108 | 925,160 |
| Winter barley ..................... | 395,003 | 895,647 |
| Summer barley ..................... | 48,962,020 | 55,034,045 |
| Oats .............................. | 79,406,003 | 84,800,891 |
| Maize ............................. | 8,964,207 | 9,783,072 |

The German Grain Journal report that on account of the delayed announcement of the import contingents, as well as the small demand, the January import of grain in Czechoslovakia greatly declined as compared with December. The following are the comparative figures:-

| | January | December |
|---|---|---|
| | Bushels | |
| Wheat ............................. | 1,348,472 | 2,531,600 |
| Rye ............................... | 433,054 | 1,688,909 |

AUSTRIA. The German Grain Journal report that according to official statements the condition of winter wheat and winter rye in Austria at the end of January was more unfavourable than in the previous months and not as good as in January, 1931. Nevertheless the seed condition is above the usual average.

POLAND. The German Grain Journal report that the semi-official telegraphic agency "Iskra" in Poland states that fears have arisen in Polish agricultural circles regarding the condition of the winter seed. The extremely sharp frost and the lack of snow in the whole of Poland, with the exception of the Eastern districts, have had a very bad effect on the condition of the seeds. It is stated that chemical fertilizers will have to be used in the Spring in order to improve their condition.

LATVIA. The German Grain Journal report that according to official statements the seed condition in Latvia was about the same as last year, i.e. medium to good. Of the rye fields half are said to be medium, over a third good and the balance generally under medium. The condition of the wheat seed is a little better than last year. Half of the wheat fields are medium, one third good and the balance under medium. The area cultivated with rye has been slightly increased.

The import contingent for wheat has this year been fixed at 918,578 bushels against 1,175,779 bushels last year and 2,204,586 bushels in 1930.

LITHUANIA. The German Grain Journal report that with the exception of rye large quantities of grain are still available in Lithuania. At the end of January the stocks of grain in that country, as compared with the same period of the previous year, were as follows:-

| | January 1932 | January 1931 |
|---|---|---|
| | Bushels | |
| Wheat ............................ | 1,102,293 | 1,469,724 |
| Barley ........................... | 505,237 | 688,959 |
| Oats ............................. | 1,296,848 | 1,945,272 |

On account of the unfavourable rye crop in 1931 an importation of 98,421 bushels was anticipated in January. However, as more wheat and potatoes were used for bread production, the import of rye was not necessary. On account of the low wheat prices the population has gone over to the consumption of wheat bread and it is thought that an importation of wheat will be necessary. An export surplus of rye or wheat, even with a decline in consumption, is absolutely out of the question.

The German Grain Journal report that in the latter years the MEMEL TERRITORY usually had a small surplus of grain. However, on account of the exceptionally poor rye crop and to a certain extent an unfavourable wheat crop, a considerable import demand of bread grains has arisen for the present season. At the present time the import demand of rye is estimated at approximately 472,422 bushels and of wheat at 55,115 bushels. On the other hand there is a surplus of about 160,757 bushels of barley, 1,491,375 bushels of oats and 100,000 tons of potatoes.

The following memorandum, dated February 17th has been received from the Canadian Trade Commissioner for Australia:-

WHEAT - Large quantities of wheat and flour, since the opening of the new season on December 1st, continue to be shipped oversea. Total shipments from all the Australian States are now estimated at about 40,000,000 bushels leaving, approximately, 90,000,000 bushels still available for export. So far there has been no noticeable decrease in shipments to the Orient though shipments in transit to Shanghai may be diverted to other ports, and for the present exports to Shanghai have been suspended. Sales have been made for shipment to Tientsin.

In the previous year, China and Japan were the best markets for Australian wheat, these countries having taken three times the quantity shipped to the United Kingdom.

The demand from the United Kingdom and the Continent, particularly from Italy, has recently been active.

The quality of the 1931-32 crop is excellent and above the average.

Excluding the bonus of 4½ pence per bushel paid by the Commonwealth Government to growers, it is estimated that farmers receive from 2s.8d. to 2s.10d. per bushel (in Australian currency) for their wheat depending on the distance to the seaboard.

FLOUR - So far this season about 142,000 tons of Australian flour have been exported in comparison with 92,000 tons shipped in the same period of last year. Milling companies state that oversea business is difficult to negotiate, as offers from the United Kingdom and Egypt have been unattractive. Inversely, the demand from Java and China has been normal and millers have been fairly busy in consequence.

In sympathy with the slight advance in wheat, flour prices have risen slightly, though they are a little lower than those ruling a month ago. Today's prices for standard quality flour per ton of 2,000 pounds f.o.b. steamer at main Australian ports (in Australian currency) are:-

| | | Normally |
|---|---|---|
| Packed in sacks of 140 or 150 pounds gross | £6.17.6 | ($33.46) |
| Packed in hessian bags 98 or 101 pounds gross | £7. 2.6 | ($34.67) |
| Packed in calico bags of 49 pounds gross | £7.12.6 | ($37.11) |

FREIGHT RATES -- remain steady although recently owners have been asking up to 29 shillings ($7.06) per ton to the United Kingdom and Continent, but the average charter in recent weeks has varied from 26 shillings and 3 pence ($6.39) to 27 shillings and 6 pence ($6.69) depending upon loading port. Shipments to China have been made at 19 shillings ($4.62) per ton.