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MONTHLY REVIEW OF THE WHEAT SITUATION



OCTOBER, 1950

Published by Authority of the Rt. Hon. C.D. Howe, M.P.
Minister of Trade and Commerce
Ottawa

DOMINION BUREAU OF STATISTICS

Department of Trade and Commerce

THE WHEAT REVIEW

(Formerly Monthly Review of the Wheat Situation)

OCTOBER, 1950

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Minister of Trade and Commerce

Prepared in the
Crops Section, Agriculture Division
Dominion Bureau of Statistics, Ottawa

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WORLD WHEAT SITUATION

Current Supplies -

The latest available estimates indicate that supplies of wheat remaining on or about October 1, 1950 in the four major exporting countries for export and carryover at the end of their respective crop years amounted to 1,117 million bushels. At the same time in 1949, 1,025 million bushels were available. Supplies this year (in millions of bushels) were held as follows, last year's figures in brackets: United States 652 (632); Canada 390 (298); Australia 56 (34); and Argentina 19 (61).

Wheat Exports Down in 1949-50 -

Data released by the Food and Agriculture Organization indicate that world exports of wheat and wheat flour in 1949-50 dropped to 23 million tons, about 15 per cent below the 1948-49 level of 27 million tons. Wheat shipments from the United States were reduced by 40 per cent, other sources showing a slight net increase. On the import side, decreased takings by European countries account for most of the reduction in trade. Asia showed a slight decline in its 1949-50 imports while imports into Africa were also somewhat smaller. In the remaining regions, changes were relatively small.

The Outlook for 1950-51

- The Food and Agriculture Organization recently issued its annual report on the World Outlook and State of Food and Agriculture, 1950. The following summary relative to production and trade in grains during 1950-51 is extracted from that report:

"The 1950 bread-grain harvest of the Northern Hemisphere will apparently show little change from that of 1949. The United States wheat crop is estimated to be only slightly above the 1,000 million bushel mark, following planned restriction in acreage and a less favourable winter, but this decline was largely offset by the sharply increased Canadian wheat crop. In other regions, the reports point to crops as large or larger than those of the previous year. Preliminary indications from Europe suggest some expansion in area; crop conditions in all the principal regions of the continent appear to have been favourable, but late reports indicate some decline in condition because of excessive rain. In Asia, crops in India and Pakistan are reported to be about the same as last year, while Turkey, a deficit country in 1949-50, and other Near Eastern countries have good crops. In Argentina, government encouragement and a higher price for wheat growers have resulted in a significantly larger area planted. In Australia, reports on sowings indicate an acreage only slightly below last year's.

Owing to the increased carryover in the United States, a larger Canadian crop, and increased acreage in the Southern Hemisphere, it is likely that exportable supplies of bread-grain in the four major exporting countries will be somewhat larger than those of a year ago - and ample in relation to probable import requirements. Prospective supplies of coarse grains are also large, but with a high concentration in the United States. Owing to its poor maize crop, Argentina will have little or none for export until the next crop becomes available - after April 1951. Coarse-grain export possibilities from the Danube countries have been reduced by drought.

Prospects for grain trade in 1950-51 are not yet clearly defined. Before the Korean outbreak, some further contraction in wheat exports was expected, particularly from hard-currency sources, on the assumption that general economic and currency conditions would prove broadly similar to those of 1949-50, with possibly some curtailment of United States financing of food exports, and that harvest prospects in importing countries would be realized.

On the other hand, any price change in favour of grain importers, or the improved availability of hard currency, might have been expected to produce a ready response in larger shipments. Coarse-grain demand, in these circumstances, however, would probably prove more elastic than that for wheat. The principal operative price factor, however, is the United States support price for 1950 crops, which has been determined at a level fractionally higher than that of 1949. The support price, together with the restrictive provisions against disposal of government-held stocks, pointed toward the maintenance for some time of present levels. Legislative changes embodying a modification of present export policies, such as a subsidy program going beyond that now associated with Wheat Agreement sales or a widening of export financing by the United States, might have affected profoundly the volume of exports, but it appeared unlikely that such changes could occur in time to have any substantial effect on 1950-51 movements.

The Korean hostilities, and the consequent changes in the world economic situation, may modify these earlier expectations. Importing countries may increase imports to increase their security stocks. No significant buying for this purpose has yet come to light in the grain market, though stock levels in importing countries are still below what was previously regarded as normal. Increased import requirements might also be created by reduced domestic bread-grain procurements in importing countries, such as could result from a tendency among producers to retain larger quantities on farms in anticipation of higher prices or for live-stock feeding. Improving dollar availabilities may also increase the willingness of Western European countries to buy from hard-currency exporters.

These factors are now latent in the world grain market; their strength will be determined by developments in the general international situation."

International Wheat Agreement Transactions, 1949-50 - With the completion of the first year's transactions under the International Wheat Agreement, considerable interest has been indicated in the effectiveness of the agreement as a multilateral trading arrangement. Mr. Gordon P. Boals of the Office of Foreign Agricultural Relations, United States Department of Agriculture, and Secretary of the International Wheat Council from July to November 1949, has written an article on the first year of the International Wheat Agreement in the October issue of "Foreign Agriculture", from which the following is extracted:

"A preliminary total of recorded wheat moving under the Agreement during the first year was 432 million bushels (11.8 million metric tons). The total guaranteed quantities covered by the Agreement—including those nations that came in late—was 525 million bushels (14.3 million metric tons). It would therefore appear that sales were only 82 per cent of the guaranteed quantities.

However, many of the late comers were not expected to take their full quota the first year especially at prevailing prices. Since the Agreement requires that guaranteed quantities shall be the same for each year, these nations stated their Agreement requirements in terms of a full year. Germany for example, came in with a relatively large import quota when the year was more than three-quarters over.

When adjustments are made for these late arrivals—as for example using only about 25 per cent of Germany's quota—it will be seen that sales were 93 per cent of the adjusted figure.

The principal deficiencies occurred in the three importing countries of Italy, Brazil, and Germany; a number of smaller importers, including Lebanon, Saudi Arabia, and Sweden, also had less than half of their guaranteed quantities procured. For the exporting countries, Canada and particularly the United States accounted for the declines.

With regard to the so-called guaranteed quantities, it is significant to note that the obligations of importers to buy is effective only at the minimum price and the obligation of exporters to sell is effective only at the maximum. As world wheat prices were above the Agreement maximum throughout the year, most importers were glad to buy their guaranteed quantity under the Agreement. Good domestic harvests, trade agreements for non-Agreement wheat, and delayed ratification or accession were the principal reasons for nonfulfillment of guaranteed purchases.

The United States and Canada could, supposedly at least, have sold their full quotas if they had been willing to offer them at the minimum price of \$1.50. But this would have required an additional 30 cents a bushel subsidy or loss, an expenditure that was not considered to be in their national interest.

Compared with world trade in wheat and flour, sales and shipments under the Agreement during 1949-50 at 432 million bushels are estimated at about 55 per cent of the total trade, placed at around 800 million bushels. Shipments outside of the Agreement were largely from Argentina, the Soviet Union, and the countries of the Danube Basin, as well as from the United States; some also came from Canada.

The 'world price' of wheat continued above the Agreement maximum throughout the year. This development greatly benefited most member importing countries because they were able to purchase wheat and flour at a substantial discount below 'free' or non-Agreement prices. Importing countries faced with a dollar-exchange problem were particularly aided by the Agreement. Non-Agreement wheat prices for most exporters other than the United States declined somewhat during the year, narrowing the spread between Agreement and non-Agreement quotations in such countries; for the United States the differential was fully maintained or increased, largely because of domestic price-support and foreign-aid programs."

International Wheat Agreement Purchases, 1950-51 - Purchases of wheat under the International Wheat Agreement from August 1, 1950, the beginning of its second year of operation, to October 13 amounted to 178.2 million bushels or some 33 per cent of the total guaranteed quantities. The United Kingdom, with the largest individual quota, 177.1 million bushels, purchased some 67.2 million during the period under review. Other purchasers of substantial quantities under the agreement (with totals in millions of bushels) were Germany, 16.2; India 15.0, Egypt, 10.5; Union of South Africa, 8.2; and the Netherlands 7.1. Altogether, 36 countries have purchased wheat under the agreement during the first two and a half months of the current I.W.A. crop year. Two of these, El Salvador and Guatemala, have already fulfilled their guaranteed quantities. Among the four exporting countries, Australia leads with sales of 74.7 million bushels, followed by Canada with 55.8 million, the United States with 46.0 million and France with 1.7 million bushels.

Purchases under the International Wheat Agreement, August 1 - October 13, 1950,
Together with Annual Quantities Guaranteed

Importing	Guaranteed	Source				Total
Countries	Quantities	Australia	Canada	France	U.S.A.	Purchases
- thousand bushels -						
Austria	11,023	-	-	-	735	735
Belgium	20,209	-	3,927	-	2,002	5,929
Bolivia	2,756	-	374	-	703	1,077
Brazil	13,228	-	377	1,670	1,618	3,665
Ceylon	4,409	2,955	-	-	-	2,955
Costa Rica	1,212	-	171	-	97	268
Cuba	7,422	-	1,484	-	454	1,938
Denmark	1,617	-	-	-	-	-
Dominican Republic .	735	-	207	-	77	284
Ecuador	1,286	-	260	-	142	402
Egypt	14,698	10,543	-	-	-	10,543
El Salvador ^{1/}	404	-	81	-	372	453
Germany	66,139	-	-	-	16,351	16,351
Greece	15,726	-	-	-	-	-
Guatemala ^{1/}	919	-	94	-	113	207
Haiti	1,029	-	153	-	31	184
India	38,287	14,000	-	-	1,008	15,008
Ireland	10,105	1,866	2,486	-	-	4,352
Israel	5,879	320	1,345	-	346	2,011
Italy	40,418	-	1,493	-	2,706	4,199
Lebanon	2,388	-	52	-	5	57
Liberia	36	-	8	-	-	8
Mexico	9,186	-	-	-	4,097	4,097
Netherlands	27,558	2,346	166	-	4,611	7,123
New Zealand	4,593	4,500	-	-	-	4,500
Nicaragua	331	-	123	-	186	309
Norway	7,716	1,120	1,537	-	1,560	4,217
Panama	625	-	102	-	30	132
Peru	5,512	1,232	2	-	2,172	3,406
Philippines	7,202	-	303	-	403	706
Portugal	5,626	172	129	-	2,140	2,441
Saudi Arabia	1,837	154	33	-	425	612
Spain	3,674	-	241	-	-	241
Sweden	2,756	859	-	-	-	859
Switzerland	6,430	-	2,016	-	336	2,352
Union of S. Africa .	11,023	-	8,213	-	-	8,213
United Kingdom	177,068	34,618	29,491	-	3,049	67,158
Venezuela	6,246	-	953	-	229	1,182
Totals	537,308	74,685	55,821	1,670	45,998	178,174

^{1/}Guaranteed quantity fulfilled.

CANADIAN SITUATION

Supply Position -

Canadian wheat supplies for 1949-50, comprised of carryover stocks of 113.2 million bushels and the 1950 crop estimated as of September 30, at 465.3 million, are currently placed at 578.5 million bushels. If the current production estimate is realized, this year's wheat supplies will be the largest since 1944-45 and some 109 million bushels in excess of the 1949-50 total. Domestic requirements for 1950-51 are tentatively placed at 155 million bushels, up some 23 million from last year, due largely to an anticipated increase in the amount of wheat fed to live stock. Based on the foregoing estimates the amount available for export and **carryover** during 1950-51 will be 423.5 million bushels **as against** 337.9 million last year.

Exports of both wheat and wheat flour during the first two months of the current crop year are running below those of the comparable period in 1949. This year's August and September exports of wheat totalled 26.5 million bushels compared with 32.5 million for the same period last year, while flour exports in terms of wheat equivalent were down from 7.7 million to 6.4 million bushels. Exports of wheat during August and September 1950 to the United Kingdom totalled 12.2 million bushels or 46 per cent of the total. Other countries receiving Canadian wheat in excess of a million bushels during the same period were Belgium, Switzerland, the United States, Israel, Chile and Malta.

Canadian Wheat Supplies

	1950-51	1949-50
	- million bushels -	
Carryover in North America July 31	113.2	102.4
New Crop	465.3 ^{1/}	367.4
Imports of Wheat and Wheat Flour, August	<u>2/</u>	<u>2/</u>
Totals, Supply	578.5	469.8
Estimated Domestic Requirements	155.0 ^{1/}	131.9
Available for export or carryover	423.5	337.9
Deduct:		
Overseas clearances of wheat as grain, August 1		
to September 30	25.1	31.6
Exports of Canadian wheat to U.S., August 1		
to September 30	1.4	0.9
Totals, Wheat Exports	26.5	32.5
Exports of wheat flour in terms of wheat,		
August 1 to September 30	6.4	7.7 ^{2/}
Totals, Exports Wheat and Wheat Flour	32.9	40.2
Balance on October 1 for Export or Carryover	390.6	297.7

^{1/} Subject to revision.

^{2/} Less than 50,000 bushels.

^{3/} Adjusted for time lag in the returns made by Customs.

Special Estimate of Western Canadian Grain Crops - Due to adverse weather conditions over wide areas of the Prairie Provinces in September, the Dominion Bureau of Statistics conducted a special survey to estimate the production of the major graincrops based on conditions on October 1 when a good proportion of the harvesting and threshing had been completed in most sections. According to this special estimate, released on October 19, wheat production in the three Prairie Provinces is now placed at 430 million bushels, a decrease of 25 million from the previous estimate. Production of oats was placed at 255 million bushels, an increase of 4 million over the September 14 estimate, and barley at 157 million bushels, a decrease of 8 million from the previous estimate. Combining the results of this special survey with the September estimates for the remaining provinces, total Canadian production of wheat this year is currently placed at 465 million bushels, oats at 419 million and barley at 171 million. The last estimate of production scheduled in 1950 will be released on November 16.

Estimated Production of Wheat, Oats and Barley, Canada, 1950,
Compared with 1949

	Wheat		Oats		Barley	
	1949	1950	1949	1950	1949	1950
- million bushels -						
Canada	367.4	465.3	317.9	418.6	120.4	171.0
Prairie Provinces.	337.0	430.0	190.0	255.0	109.0	157.0
Manitoba	57.0	50.0	53.0	67.0	40.0	54.0
Saskatchewan	183.0	263.0	85.0	116.0	33.0	47.0
Alberta	97.0	117.0	52.0	72.0	36.0	56.0

Delivery Quota Position - The Canadian Wheat Board's summary of the delivery quota position for shipping points in each of the Prairie Provinces for wheat, oats and barley as at October 17, 1950, indicates that some 412 points, or 20 per cent of the total, are now on an open delivery quota basis. Quotas for individual points are being increased as facilities permit, as is indicated by the fact that the number of points in the lowest quota, 8 bushels per seeded acre, has been reduced from 1,912 on September 6 to 1,046 on October 17.

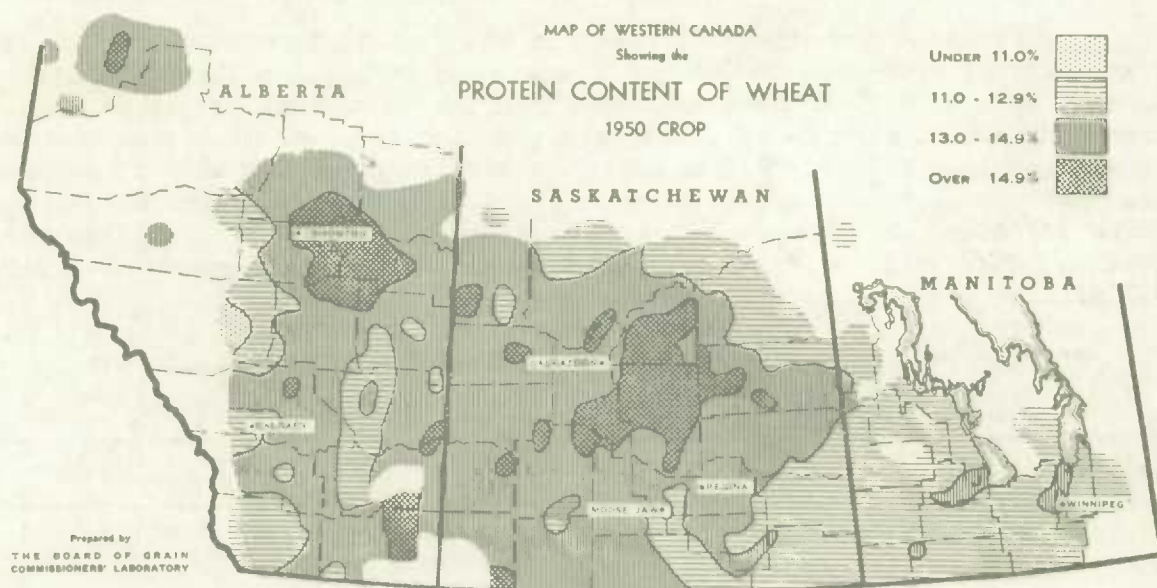
Summary of Elevator Shipping Points in Each Quota Group
in the Prairie Provinces as at October 17, 1950

Province	Quota in Bushels Per Seeded Acre						Total
	8	10	12	15	20	Open	
Manitoba	293	-	43	20	-	18	374
Saskatchewan	633	68	132	89	3	186	1,111
Alberta	120	23	49	175	5	208	580
Totals.....	1,046	91	224	284	8	412	2,065

Protein Content of Western Canada's 1950 Hard Red Spring Wheat Crop - The average protein content of the 1950 western hard red spring wheat crop is 13.7 per cent according to a report of the Grain Research Laboratory of the Board of Grain Commissioners. This figure is 0.3 percentage points higher than the value for last year's survey and 0.1 higher than the average for the past 20 years. As the survey was completed before harvesting was finished in some areas, it is likely that the protein level will decline by one or two tenths when the entire crop has been tested.

Data by provinces show that average protein levels are higher for Saskatchewan and Alberta and lower for Manitoba this year than levels for last year's survey. Means by provinces and for Western Canada are as follows:

	<u>Prairie Provinces</u>	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>
	P.C.	P.C.	P.C.	P.C.
1950	13.7	12.2	14.0	13.9
1949	13.4	12.6	13.7	13.2
Difference3	-.4	.3	.7



The survey on which these data are based was made with 4,522 samples of grades 1 to 4 Northern and the Garnet grades. In addition, 873 samples of No. 5 were included in order to represent certain areas which would otherwise not have been represented in the protein map. The samples were drawn from 1,277 shipping points in the Prairie Provinces. The following numbers of samples were collected from the different provinces: Manitoba, 751; Saskatchewan, 2,903; Alberta, 1,741.

The protein content and number of samples for each grade are shown below.

Grade	Number of Samples		Protein Content	
	1950	1949	1950	1949
	- number -		- per cent -	
1 Northern	380	1,192	13.3	13.3
2 Northern	1,648	3,065	13.4	13.3
3 Northern	1,533	847	13.8	13.5
4 Northern	898	195	13.9	13.5
Garnet grades	63	148	13.2	13.5

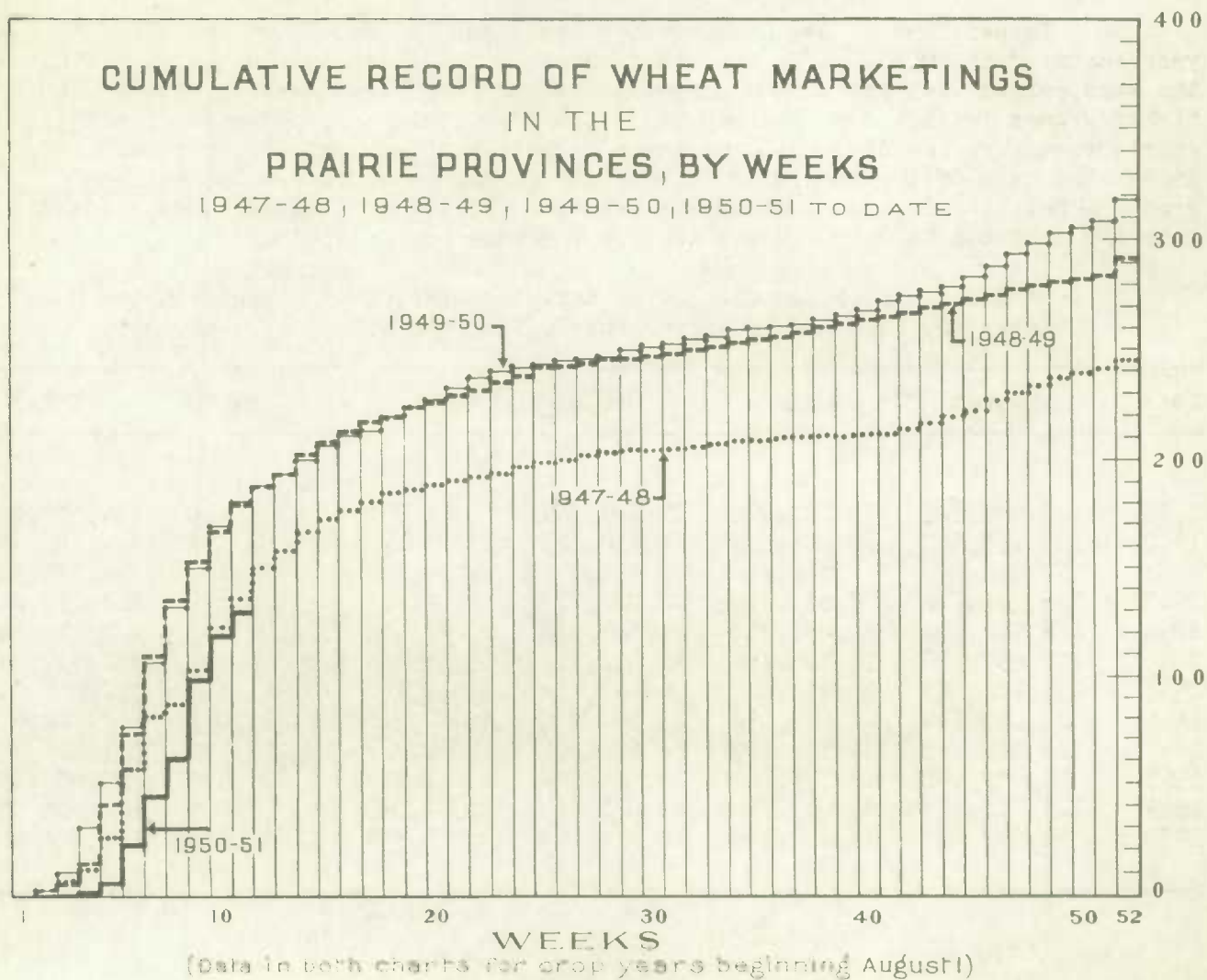
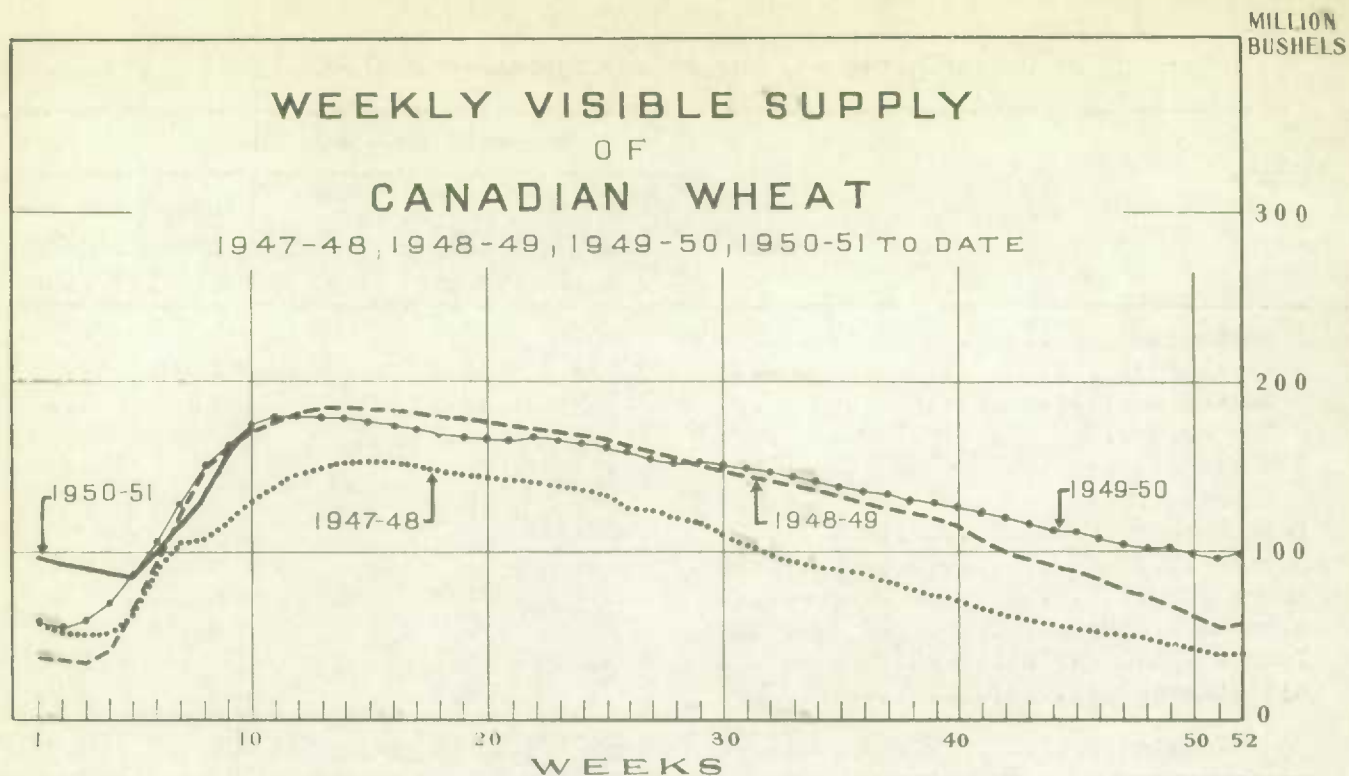
Farmers' Marketings of Wheat in the Prairie Provinces, 1950-51

Week ending	Manitoba	Saskatchewan	Alberta	Total	Last Year
- bushels -					
August 3	56,630	200,501	479,171	736,302	1,341,010
10	4,974	72,619	128,912	206,505	2,248,255
17	4,066	21,645	162,186	187,897	8,328,858
24	4,598	144,894	735,136	884,628	19,757,234
31	19,680	1,508,096	1,476,906	3,004,682	20,664,400
September 7	482,380	11,872,230	4,725,194	17,079,804	24,683,003
14	1,124,925	14,528,820	5,261,905	20,915,650	28,182,569
21	546,440	9,353,787	8,718,071	18,618,298	25,417,993
28	5,399,449	20,640,005	10,778,034	36,817,488	19,678,814
October 5	2,242,056	13,367,828	5,148,002	20,757,886	19,330,152
12	845,821	6,382,477	2,685,372	9,913,670	9,783,049
Totals	10,731,019	78,092,902	40,298,889	129,122,810	179,415,337

Farmers' marketings of wheat in the Prairie Provinces from the beginning of the current crop year to October 12 amounted to 129.1 million bushels, a decrease of 50.3 million from the total for the comparable period of 1949-50. Marketings are running two to three weeks behind those of last year when weekly marketings hit a peak of 28.2 million bushels in the second week of September. This year's peak marketings to date, 36.8 million bushels, occurred in the week ending September 28. Saskatchewan farmers have delivered 78.1 million bushels of wheat to date, while marketings in Alberta and Manitoba amount to 40.3 million and 10.7 million bushels respectively.

Visible Supply of Canadian Wheat, October 12, 1950 Compared with
Approximately the Same Date, 1949 and 1948

Position	1950	1949	1948
- thousand bushels -			
Country Elevators - Manitoba	8,514	10,026	13,478
Saskatchewan	60,803	51,350	64,473
Alberta	38,794	39,912	41,234
Totals	108,111	101,288	119,185
Interior Private and Mill Elevators	4,076	3,923	4,696
Interior Terminals	1,074	105	70
Vancouver-New Westminster	9,706	9,277	2,410
Churchill	462	126	97
Fort William and Port Arthur	22,814	10,323	22,377
In Transit Rail (Western Division)	6,306	12,496	9,906
Eastern Elevators Lake Ports	13,254	21,110	9,394
St. Lawrence and Seaboard Ports	10,272	11,281	2,344
In Transit Lake	1,684	6,603	3,446
In Transit Rail (Eastern Division)	429	1,815	1,170
United States Ports	73	40	748
In Transit U.S.A.	2	-	492
Totals	178,263	178,387	176,335



Grading of Wheat Inspected, August and September 1950 and 1949

Grade	Inspections - New Wheat			
	August and September 1950		August and September 1949	
	Cars	Per Cent	Cars	Per Cent
1 Northern	964	9.3	6,938	19.6
2 Northern	2,698	26.1	20,801	58.7
3 Northern	1,359	13.1	3,254	9.2
4 Northern	1,145	11.1	173	0.5
5 Wheat	1,883	18.2	69)	
6 Wheat	840	8.1	9)	0.2
Feed Wheat	179	1.7	2)	
Garnet	134	1.3	236	0.6
Amber Durum	286	2.8	2,638	7.4
Alberta Winter	224	2.1	382	1.1
Toughs - All Varieties and Grades ...	546	5.3	677	1.9
All Others	92	0.9	283	0.8
Totals	10,350	100.0	35,462	100.0

Inspections of new wheat during the first two months of the current crop year amounted to 10,350 cars, less than one-third of the total inspected during the same period last year. The proportion of the 1950 crop qualifying for the higher grades is also down sharply from last year, only 48.5 per cent of this year's wheat crop grading No. 3 Northern or better as against 87.5 per cent in 1949. The bulk of the remainder of this year's August-September inspections graded 4 Northern, 5 and 6, with 37.4 per cent falling into these three grades, in sharp contrast to only 0.7 per cent in the same period in 1949.

Lake Shipments of Canadian Grain from the Opening of Navigation to October 12, 1950 and to Approximately the Same Date, 1939 to 1949

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
- bushels -						
1939	128,189,504	12,081,274	13,169,347	2,964,732	104,406	156,509,263
1940	126,465,862	11,464,582	6,818,883	2,336,133	643,182	147,728,642
1941	172,566,340	6,768,764	7,205,822	4,796,549	996,108	192,333,583
1942	133,176,726	2,553,904	4,023,777	904,911	520,522	141,179,840
1943	148,924,604	32,931,250	35,567,656	1,286,454	3,406,176	222,116,140
1944	226,837,990	58,168,161	36,322,713	6,140,055	5,048,809	332,517,728
1945	259,154,263	66,852,847	30,425,752	3,411,200	2,823,553	362,667,615
1946	84,475,912	43,436,576	20,368,952	1,047,746	1,175,091	150,504,277
1947	111,210,443	30,758,712	16,890,202	4,894,847	152,188	163,906,392
1948	77,032,294	18,777,114	18,986,489	2,741,651	5,070,688	122,608,236
1949	123,396,105	24,063,724	23,234,069	6,387,063	4,903,889	181,984,850
1950	93,697,622	15,280,969	16,241,848	3,716,862	2,791,689	131,728,990

Ocean Shipments of Wheat from Churchill, 1931-1950

Year	Shipments ^{1/}	Year	Shipments ^{1/}
	bushels		bushels
1931	545,000	1941	-
1932	2,736,000	1942	-
1933	2,708,000	1943	740,000
1934	4,050,000	1944	-
1935	2,407,000	1945	-
1936	4,294,000	1946	2,929,000
1937	604,000	1947	4,976,000
1938	917,000	1948	5,314,000
1939	1,772,000	1949	5,528,000
1940	-	1950	6,768,000

^{1/} To nearest thousand bushels.

Ocean shipments of wheat from Churchill during 1950 amounted to 6.8 million bushels, setting a new record and exceeding the previous high level established in 1949 by 1.2 million. With the resumption of overseas shipping from Churchill in 1946, shipments have climbed steadily from 2.9 million to the current navigation season's total of 6.8 million bushels.

Wheat Shipments to the United States by Destination, August 1-October 12, 1950 Compared with Approximately the same period 1949 and 1948

Destination	1950	1949	1948
	bu.	bu.	bu.
<u>By Vessel</u>			
Buffalo	1,832,536	1,774,971	947,260
Oswego	-	-	531,629
Erie	-	-	410,000
Duluth	62,138	-	-
Totals, Vessel Shipments	1,894,674	1,774,971	1,888,889
<u>By Rail</u>			
U.S.A. Seaboard Ports	29,494	-	-
Other U.S.A. Points	27,520	17,500	-
Totals, Rail Shipments	57,014	17,500	-
Grand Totals	1,951,688	1,792,471	1,888,889

Shipments of Canadian wheat to the United States, either for re-export or retention, from the beginning of the current crop year to October 12 amounted to 1,951,688 bushels, slightly above the totals for the comparable periods in 1948 and 1949. As in the preceding two years, lake shipments to Buffalo have predominated in the movement of Canadian wheat to the United States.

Rail Shipments of Wheat from the Lakehead, 1947-48 to 1950-51

Month	1947-48	1948-49	1949-50	1950-51
			- bushels -	
August	90,574	51,283	158,893	122,532
September	91,366	30,017	131,711	123,256
October	131,290	46,274	122,482	
November	100,563	138,600	92,334	
December	691,223	1,740,405	342,946	
January	3,149,421	3,794,391	277,502	
February	1,851,773	3,720,733	240,087	
March	3,423,684	1,511,072	423,774	
April	371,950	659,467	2,305,727	
May	154,551	884,171	124,533	
June	81,133	330,348	96,626	
July	231,414	469,797	52,122	
Totals	10,368,942	13,376,558	4,368,737	

Distribution of Rail Shipments of Wheat from the Lakehead, September 1950

Grade	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
			- bushels -		
Number 5	333	3,000	-	52,125	5,333
Number 6	130	-	-	2,667	2,144
Feed	-	-	-	167	-
Rejected Number 5	-	-	250	542	667
Rejected Number 5 Mixed Heated	-	-	-	-	2,251
Rejected 1 Northern Mixed Rotten and Mouldy Kernels	-	-	-	-	1,544
Rejected 2 Northern Mixed Fireburnt ..	-	-	-	-	796
Tough Rejected Mixed Heated and Heated	-	-	-	-	1,333
1 C.W. Amber Durum	-	-	-	-	4,500
3 C.W. Amber Durum	-	-	-	4,500	1,500
Rejected 3 C.W. Amber Durum	-	-	-	313	1,875
Sample Amber Durum Heated	-	-	-	3,020	-
Sample Red Spring Heated	-	-	-	4,388	17,146
Sample Red Spring Broken Grain	-	-	-	-	3,345
Sample Red Spring Broken Mixed					
Gravel and Cinders	-	-	-	-	5,873
Sample Red Spring Heated Weed Stain ..	-	-	-	-	953
Tough Sample Red Spring Heated	1,204	-	-	-	1,357
Totals	1,667	3,000	250	67,722	50,617
Grand Total	123,256				

Freight Assistance Shipments - Claims filed for payment under the freight assistance plan up to September 30 indicate that shipments of western Canadian wheat to eastern Canada and British Columbia during August 1950 were up slightly from the same month a year ago. While there is little change in the totals for the two months, there are some fairly marked changes in provincial distribution. Shipments to Ontario and Quebec were well above those for August 1949, but there was a sharp decrease in shipments to British Columbia. The filing of late claims will, as usual, necessitate an upward revision of current crop year shipments.

Provincial Distribution of Freight-Assisted Wheat Shipments,
August 1950 and 1949

Month	New-found-land	Prince Edward Island	Nova Scotia	New Bruns- wick	Quebec	Ontario	British Columbia	Total
- thousand bushels -								
August 1950 ..	1	23	42	22	447	408	77	1,020
August 1949 ..	2	25	28	26	373	244	241	939

In contrast to the situation in freight-assisted wheat shipments, mill-feed shipments under the freight assistance plan in August 1950 were less than half of the total for the same month a year ago. Up to September 30 claims had been filed on 21,833 tons of millfeed shipments in August 1950 as against a total of 51,066 tons for the same month last year. All provinces have shared in the general reduction from last year but, as with freight-assisted wheat shipments, the filing of late claims will increase this year's August shipments over those shown in the table below.

Provincial Distribution of Freight-Assisted Millfeed Shipments,
August 1950 and 1949

Province	August 1950	August 1949
- tons -		
Newfoundland	41	201
Prince Edward Island	765	1,188
Nova Scotia	1,095	3,611
New Brunswick	710	3,166
Quebec	13,035	24,094
Ontario	5,622	14,368
British Columbia	565	4,438
Totals	21,833	51,066

Monthly Export Clearances, Etc., in Comparison with the Customs Exports of
Wheat and Wheat Flour

Year and Month	Overseas Clearances of Canadian Wheat	U.S. Imports ^{1/} of Canadian Wheat for Consumption and Grinding in Bond	Customs ^{2/} Exports of Canadian Wheat Flour	Total	Customs ^{3/} Exports of Wheat and Wheat Flour
- thousand bushels -					
<u>1948-49</u>					
August	9,111	1	4,244	13,356	13,829
September	10,555	3	3,671	14,229	11,942
October	11,566	1	6,509	18,076	21,913
November	15,604	6	5,455	21,065	20,792
December	12,744	8	3,803	16,555	18,205
January	14,431	22	3,756	18,209	18,342
February	12,053	43	3,082	15,178	14,214
March	13,806	206	3,612	17,624	13,707
April	13,769	869	3,368	18,006	20,303
May	22,483	1,381	3,780	27,644	26,683
June	23,297	1,899	3,225	28,421	24,850
July	19,561	816	3,589	23,966	23,422
Totals	178,980	5,255	48,094	232,329	228,202
<u>1949-50</u> ^{4/}					
August	16,639	62	3,898	20,599	24,013
September	14,947	881	3,771	19,599	18,294
October	18,420	1,675	3,240	23,335	21,903
November	20,680	2,019	4,410	27,109	27,292
December	9,751	867	3,798	14,416	21,002
January	10,608	411	3,279	14,298	15,102
February	7,419	495	3,551	11,465	11,216
March	10,232	964	3,712	14,908	13,607
April	8,460	515	3,076	12,051	12,628
May	18,103	4,223	5,317	27,643	23,993
June	17,949	703	4,140	22,792	23,870
July	12,762	672	3,206	16,640	17,222
Totals	165,970	13,487	45,398	224,855	230,142
<u>1950-51</u> ^{4/}					
August	11,956	459	4,121	16,536	15,247
September	13,172	904	2,289	16,365	15,257
Totals	25,128	1,363	6,410	32,901	30,504

^{1/} U.S.A. official figures for 1948-49. From August 1949 to date compiled from returns of Canadian elevator licensees and advice from American grain correspondents.

^{2/} Exports for Crop Year 1948-49 and August 1, 1949 to June 30, 1950 revised to remove effect of time lag in the returns made by Customs. Subsequent months to be revised as data become available.

^{3/} Unadjusted as published by the External Trade Division, D.B.S.

^{4/} Subject to revision.

Exports of Canadian Wheat and Wheat Flour,
August and September 1950

Destination	August		September		August and September	
	Wheat Flour 1/	Wheat 2/	Wheat Flour 1/	Wheat 2/	Wheat Flour 1/	Wheat 2/
	- bushels -		- bushels -		- bushels -	
<u>COMMONWEALTH COUNTRIES</u>						
United Kingdom	1,491,156	5,208,939	211,707	6,983,487	1,702,863	12,192,426
<u>Africa</u>						
British East Africa	1,724	-	-	-	1,724	-
Union of S. Africa.	-	200,592	-	668,444	-	869,036
<u>British West Africa</u>						
Gold Coast	13,356	-	19,125	-	32,481	-
Nigeria	4,468	-	554	-	5,022	-
Sierra Leone	7,600	-	3,240	-	10,840	-
<u>Asia</u>						
Hong Kong	44,762	-	132,799	-	177,561	-
<u>Europe</u>						
Gibraltar	-	-	31,203	-	31,203	-
Malta	-	346,000	-	657,100	-	1,003,100
<u>North America</u>						
Bahamas	11,596	-	23,463	-	35,059	-
Barbados	61,628	-	40,936	933	102,564	933
Jamaica	152,078	-	56,322	-	208,400	-
Trinidad-Tobago	106,551	-	309,020	-	415,571	-
Leeward-Windward Is.	64,139	-	94,383	-	158,522	-
Bermuda	6,538	-	11,637	-	18,175	-
British Honduras ..	1,836	-	7,402	16,520	9,238	16,520
<u>South America</u>						
British Guiana	118,818	-	59,526	-	178,344	-
<hr/>						
Totals,	2,086,250	5,755,531	1,001,317	8,326,484	3,087,567	14,082,015
Commonwealth Countries						

Exports of Canadian Wheat and Wheat Flour,
August and September 1950

Destination	August		September		August and September	
	Wheat Flour 1/	Wheat 2/	Wheat Flour 1/	Wheat 2/	Wheat Flour 1/	Wheat 2/
	- bushels -		- bushels -		- bushels -	
<u>FOREIGN COUNTRIES</u>						
<u>Africa</u>						
Azores and Madeira ..	454	-	1,962	-	2,416	-
Belgian Congo	10,822	-	12,717	3,674	23,539	3,674
Canary Islands	35,406	-	25,475	-	60,881	-
French Africa	20,259	-	-	-	20,259	-
Liberia	526	-	2,511	-	3,037	-
Morocco	36,504	-	89,357	-	125,861	-
Portuguese Africa ...	28,386	-	40,262	-	68,648	-
<u>Asia</u>						
Arabia	4,360	-	2,120	18,839	6,480	18,839
Israel	-	847,967	-	432,907	-	1,280,874
Japan	50,684	-	62,235	-	112,919	-
Philippine Islands ..	556,938	-	3,438	-	560,376	-
Siam	13,252	-	12,281	-	25,533	-
Syria	25,700	-	-	-	25,700	-
<u>Europe</u>						
Belgium	-	2,396,980	369	1,465,433	369	3,873,613
France	207	-	-	-	207	-
Germany	14,634	-	459	-	15,093	-
Iceland	2,529	-	-	-	2,529	-
Ireland	-	29,867	-	619,143	-	649,010
Italy	-	198,357	4,819	31,233	4,819	229,590
Norway	-	56,000	-	364,728	-	420,728
Portugal	9,180	-	-	-	9,180	-
Spain	-	-	-	240,682	-	240,682
Switzerland	-	1,829,050	-	368,400	-	2,186,250
Yugoslavia	6,885	-	12,380	-	19,265	-
<u>North America</u>						
Alaska	-	-	2,295	-	2,295	-
Costa Rica	26,464	-	47,822	46,667	74,286	46,667
Cuba	326,970	-	292,775	1,500	619,745	1,500
Dominican Republic ..	30,002	-	26,392	4,800	56,394	4,800
El Salvador	16,515	-	13,711	-	30,226	-
French West Indies ..	-	-	229	-	229	-
Guatemala	15,498	-	35,910	-	51,408	-
Haiti	38,039	-	24,786	-	62,825	-
Honduras	4,878	-	3,438	-	8,316	-
Netherlands Antilles.	21,402	-	22,549	-	43,951	-
Nicaragua	15,741	-	8,320	-	24,061	-
Panama	30,245	-	20,974	-	51,219	-
St. Pierre-Miquelon .	3,046	-	1,836	-	4,882	-

Exports of Canadian Wheat and Wheat Flour,
August and September 1950

	August		September		August and September	
	Wheat Flour 1/	Wheat 2/	Wheat Flour 1/	Wheat 2/	Wheat Flour 1/	Wheat 2/
	- bushels -		- bushels -		- bushels -	
<u>FOREIGN COUNTRIES</u>						
<u>North America</u>						
<u>United States</u>						
Flour in terms						
of wheat	39,101	-	41,760	-	80,861	-
For grinding in						
bond 3/.....	-	458,735	-	892,137	-	1,350,872
For domestic						
consumption 3/ .	-	-	-	11,888	-	11,888
Virgin Islands ..	423	-	1,710	-	2,133	-
<u>Oceania</u>						
Guam	459	-	-	-	459	-
<u>South America</u>						
Bolivia	-	-	-	15,590	-	15,590
Brazil	-	377,066	-	-	-	377,066
Chile	-	106,400	-	977,846	-	1,084,246
Colombia	244,894	280,086	43,691	226,297	288,585	506,383
Ecuador	10,089	-	12,172	27,558	22,261	27,558
Peru	-	75,627	-	-	-	75,627
Surinam	9,500	-	18,126	-	27,626	-
Venezuela	384,980	3,666	398,718	-	783,698	3,666
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Totals,	2,034,972	6,659,801	1,287,599	5,749,322	3,322,571	12,409,123
Foreign Countries .						
<hr/>						
Grand Totals,						
Exported	4,121,222	12,415,332	2,288,916	14,075,806	6,410,138	26,491,138

- 1/ Canadian Customs Returns - conversion rate 4 1/2 wheat bushels equal 1 barrel.
- 2/ Overseas clearances as reported by the Statistics Branch of the Board of Grain Commissioners. Subject to revision.
- 3/ Compiled from returns of Canadian elevator licensees and advice from American grain correspondents.

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

Grade	Week ending			
	Sept. 30	Oct. 7	Oct. 14	Oct. 21

- cents and eighths per bushel -

CANADIAN WHEAT BOARD CASH PRICES

WHEAT

(1) Initial Payment to Producers 1950-51 Pool

1 Hard	140	140	140	140
1 Northern	140	140	140	140
2 Northern	137	137	137	137
3 Northern	130	130	130	130
4 Northern	122	122	122	122
5 Wheat	112	112	112	112
6 Wheat	106	106	106	106
Feed Wheat	100	100	100	100

(2) Domestic and Export
(International Wheat Agreement)

1 Hard	198	190	190	189/6
1 Northern	198	190	190	189/6
2 Northern	195	187	187	186/6
3 Northern	190	182	182	181/6
4 Northern	186	177/7	177	175/6
5 Wheat	178	169/6	165/7	164/1
6 Wheat	174	165/6	161/7	160/1
Feed Wheat	171	162/6	157/7	156/1
1 C.W. Garnet	190	182	182	181/6
2 C.W. Garnet	187	179	179	178/6
3 C.W. Garnet	184	176	176	175/6
1 Alta. Red Winter	198	190	190	189/6
2 Alberta Winter	195	187	185	184/6
3 Alberta Winter	190	182	182	181/6
1 C.W. Amber Durum	198	190	190	189/6
2 C.W. Amber Durum	196	188	188	187/6
3 C.W. Amber Durum	186	178	178	177/6

(3) Export - Class II

1 Hard	201/1	195	195/4	196/2
1 Northern	201/1	195	195/4	196/2
2 Northern	198/1	192	192/4	193/2
3 Northern	193/1	187	187/4	188/2
1 C.W. Amber Durum	201/1	195	195/4	196/2
2 C.W. Amber Durum	199/1	193	193/4	194/2
3 C.W. Amber Durum	186	178	178	182/6

CANADIAN FLOUR MILLING SITUATION

Production and Exports - Canadian flour production during September amounted to 1.9 million barrels, an increase of 8.5 per cent over the preceding month, but practically unchanged from the output in September 1949. Mills reporting operations during September of this year had a rated capacity of 95,810 barrels and, on the basis of a 25-day working period, 77.6 per cent of the rated capacity was effective.

Exports of Canadian wheat flour during September, according to preliminary returns, amounted to 508,648 barrels, down rather sharply from the preceding month and also from September 1949, when 838,052 barrels were exported. In contrast to the usual pattern, exports of flour to the United Kingdom (211,707 barrels) were only fourth in order of size during September, 1950. Surpassing shipments to the United Kingdom were 398,718 barrels to Venezuela, 309,020 to Trinidad and Tobago and 292,775 to Cuba.

Production and Exports of Wheat Flour, Canada , 1938-39 to 1950-51

Crop Year	Production	Exports <u>1/</u>
- barrels of 196 pounds -		
1938-39	15,197,297	4,604,245
1939-40	17,778,311	6,781,367
1940-41	19,575,833	10,288,827
1941-42	19,905,741	10,205,778
1942-43	23,590,516	12,575,215
1943-44	24,303,833	13,464,371
1944-45	24,634,905	13,923,832
1945-46	26,435,341	14,470,177
1946-47	28,588,456	16,896,233
1947-48	24,159,696	13,661,573
1948-49	20,379,997	10,687,561
1949-50	20,303,871 <u>2/</u>	10,088,487
<u>1950-51</u>		
August	1,713,860	915,827
September	1,859,762	508,648
Totals	3,573,622	1,424,475
Same Period 1949-50	3,560,869	1,704,251

1/ Based on Customs returns. Exports for the crop years 1945-46 to 1948-49, and from August 1, 1949 to June 30, 1950 revised to remove effect of time lag in the returns made by Customs. Subsequent months to be revised as data become available.

2/ Subject to revision.

UNITED STATES SITUATION

Supply Position - The October estimate of the 1950 United States wheat crop at 1,010.1 million bushels leaves total supplies for 1950-51 (1,427.9 million bushels) practically the same as the level indicated a month ago. With domestic requirements for 1950-51 placed at 725 million bushels, only 4.2 million below the 1949-50 total, an estimated 702.9 million bushels remain for export and carryover. Of this amount, 51.2 million bushels have been exported as wheat and flour during the July-September period, 1950, as against 95.0 million bushels for the first quarter of the 1949-50 crop year. The balance remaining on October 1, 1950, for export and carryover was 651.7 million bushels, 19.4 million more than on the same date last year.

United States Wheat Supplies (Estimates rounded to nearest 100,000 bushels)

	1950-51	1949-50
	-million bushels-	
Carryover at July 1	416.8	307.7
New Crop	1,010.1	1,146.5
Estimated Imports for Crop Year	1.0	2.3
Total Estimated Supplies	1,427.9	1,456.5
Less Estimated Domestic Requirements	725.0	729.2
Available for Export and Carryover	702.9	727.3
Deduct:		
Exports of wheat and flour in terms of wheat		
July 1-September 30	51.2	95.0
Balance on October 1 for Export and Carryover	651.7	632.3

Stocks of Wheat, October 1, 1950 -

The Bureau of Agricultural Economics reported on October 24 that the 1,192 million bushels of wheat in all storage positions on October 1, 1950 were the second largest stocks of record. This quantity was exceeded only by the 1,372 million bushels on October 1, 1942; it is only slightly larger than on October 1 of 1948 or 1949.

Current wheat stocks include 471 million bushels on farms, 136 million bushels at merchant mills and 320 million bushels at interior mills, elevators and warehouses, all of which are estimates of the Crop Reporting Board. Also included are 260 million bushels of commercial stocks at terminals, as reported by the Production and Marketing Administration, and nearly 5 million bushels owned by Commodity Credit Corporation in storages under CCC control. Other CCC-owned wheat is included in the estimates by positions. Of the 1,192 million-bushels total, nearly 721 million bushels were in off-farm positions, more than at any other date except October 1, 1942. Stocks at interior mills, elevators and warehouses are largest of record; terminal stocks are nearly as large as a year ago and otherwise largest since 1942; merchant mill stocks are near the usual

level. Disappearance from the July 1 supply of 1,430 million bushels is indicated at only 238 million bushels, smallest for the July-September quarter since 1942, comparing with 289 million bushels in 1949, about 347 million in 1948 and 322 million bushels in 1947.

Stocks of Wheat, October 1, 1950, with Comparisons

Position	Oct. 1 1948	Oct. 1 1949	July 1 1950	Oct. 1 1950
- thousand bushels -				
On Farms <u>1/</u>	558,941	472,209	64,660	471,216
Terminals <u>2/</u>	219,111	261,109	168,497	260,104
Commodity Credit Corp. <u>3/</u>	3,960	9,272	4,900	4,734
Merchant Mills <u>1/ 4/</u>	129,233	134,731	55,934	136,247
Int. Mills, Elev. and Whses. <u>1/5/</u>	251,154	287,432	126,027	319,564
Totals	1,162,399	1,164,753	420,018	1,191,865

1/ Estimates of the Crop Reporting Board.

2/ Commercial stocks reported by Grain Branch, P.M.A., at 43 terminal cities.

3/ Owned by CCC and stored in bins or other storages owned or controlled by CCC; also CCC-owned grain in transit and in Canadian elevators.

4/ Mills reporting to the Bureau of the Census on millings and stocks of flour.

5/ All off-farm storages not otherwise designated for each grain.

Flour Production -

Wheat flour production in August was estimated by the Bureau of the Census, U. S. Department of Commerce, at 21.1 million sacks, a figure 11 per cent above July, and 6 per cent higher than August 1949. Production was at the highest level since January 1949. Wheat flour mills operated at 79.6 per cent of capacity compared with 81.6 per cent the previous month.

Wheat grindings amounted to 49.1 million bushels in August as against 44.2 millions in July. Wheat offal output was 422 thousand tons, and 383 thousand the previous month.

These figures represent the production of all commercial flour mills in the United States. About 96 per cent of the totals are reported by the 400 largest mills and the balance estimated. The estimated portion is derived from an annual survey of the smaller mills.

1950 Wheat Crop Estimate Practically Unchanged -

Based on conditions as of October 1, 1950, total wheat production in the United States is estimated at 1,010,069,000 bushels, virtually unchanged from the September 1 estimate. This is 12 per cent smaller than the 1,146,463,000 bushel crop produced last year, and slightly smaller than the 10-year average production of 1,031 million bushels. This year's total production consists of a winter wheat crop of 740,537,000 bushels for which the last estimate was made as of August 1 plus a spring crop currently estimated at 269,532,000 million bushels.

Chicago and Minneapolis Cash Wheat -

The cash wheat market in both Chicago and Minneapolis was rather dull throughout the period September 27—October 23. There was little demand from exporters, and mills were interested mainly in high protein lots. Rain and snow in areas where harvesting was incomplete tended to make buyers quality conscious, resulting in a fairly brisk demand in the early part of October for lots with high protein content. In the week ending October 5 premiums on 12 to 14 per cent protein wheat were 2 cents per bushel, while premiums on lots of 15 per cent or more protein were as much as 7 cents per bushel. Towards the latter part of the period, however, these premiums were reduced as demand became more selective due to a shortage of elevator space. Receipts of spring wheat continued in good volume, with approximately 3,000 carloads reaching both Minneapolis and Duluth in the week ending October 19.

Daily Cash Wheat Prices on the Chicago and Minneapolis Markets

Date	Chicago		Minneapolis	
	Grade	Price	Grade	Price
		cents per bu.		cents per bu.
Sept. 27, 1950	3 Red	213	1 Dark Northern	216 3/8 - 218 3/8
28	2 Hard	214 3/4	1 Dark Northern	216 1/2 - 218 1/2
29	2 Yellow Hard	215 1/2	1 Dark Northern	216 3/8 - 219 3/8
30	1 Mixed	215 1/4	1 Dark Northern	217 3/4 - 220 3/4
Oct. 2	2 Red	216 - 216 3/4	1 Dark Northern	219 - 222
3	2 Red Tough	213 1/2	1 Dark Northern	219 3/4 - 222 3/4
4	2 Mixed	212 1/2	1 Dark Northern	218 - 222
5	2 Red	216	1 Dark Northern	217 1/2 - 221 1/2
6	2 Red	216 1/2	1 Dark Northern	218 3/8 - 222 3/8
7	2 Red	217 1/4	1 Dark Northern	218 1/2 - 222 1/2
9	1 Mixed	215 1/4	1 Dark Northern	218 3/8 - 222 3/8
10	2 Red Tough	211 1/2	1 Dark Northern	216 1/2 - 220 1/2
11	2 Red Tough	211 1/2	1 Dark Northern	215 7/8 - 219 7/8
12	Columbus Day			
13	2 Mixed	213	1 Dark Northern	215 3/8 - 218 3/8
14	3 Red Tough	208 1/4	1 Dark Northern	213 1/2 - 216 1/2
16	2 Yellow Hard	210	1 Dark Northern	212 7/8 - 215 7/8
17	2 Red	210 3/4	1 Dark Northern	213 1/8 - 216 1/8
18	3 Red	210	1 Dark Northern	213 7/8 - 215 7/8
19	3 Red	208 1/2	1 Dark Northern	215 1/4 - 217 1/4
20	3 Red Tough	205	1 Dark Northern	216 5/8 - 219 5/8
21	None		1 Dark Northern	217 1/8 - 220 1/8
23	2 Red	211 3/4	1 Dark Northern	215 1/2 - 218 1/2

Chicago Wheat Futures -

Wheat futures at Chicago moved generally downwards from the first of October to shortly after mid-month when they reached the lowest levels since late in May. During the latter part of the period under review the losses had been recovered and futures for all four months were at approximately the same levels on October 27 as at the beginning of the month. The generally heavy tone to the futures market was due chiefly to limited foreign demand, a small domestic flour business, ample wheat stocks, and indications that next year's winter wheat crop acreage, expected to surpass the 1949 level, had been planted under excellent conditions. Stocks of wheat in all storage positions on October 1, 1950, were placed at 1,191.9 million bushels, as against 1,164.8 million on the same date last year.

Chicago Wheat Futures, High Points of Closing

Date	December	March	May	July
- cents and eighths per bushel -				
September 29, 1950	222/6	227/1	227	214/5
30	224/2	228/6	228/6	216/4
October 2	225/6	230/2	229/7	217/5
3	226	230/2	229/7	217/3
4	225	229/2	228/6	216/1
5	224/7	229/2	228/6	215/1
6	225/3	230	229/4	215/7
7	225/1	230/1	229/3	216/7
9	225/3	230/2	229/5	216/3
10	223/5	228/2	227/7	214/4
11	222/7	227/5	227/3	215
12	Columbus Day			
13	222/6	227/2	227/3	215/2
14	220/5	225	225/4	214
16	219/6	223/7	224/3	213/5
17	219/2	223/3	224/2	212/6
18	219/6	224/2	225	212/2
19	221	225/5	226/3	213/2
20	223	227/6	228/1	214/7
21	224/1	228/6	229/2	215/7
23	222/6	227/4	227/7	214/7
24	222/6	227/3	227/4	215
25	223/3	228	228	215/2
26	226/2	231	230/4	218
27	225/7	230/4	230/2	217/4

ARGENTINE SITUATION

Supply Position - The data in the following table are extracted from reports provided by Mr. W. B. McCullough, Commercial Secretary (Agriculture) at Buenos Aires, from trade sources and from publications of the United States Department of Agriculture. These data are subject to revision as new information becomes available.

Argentine Wheat Supplies

(Estimates rounded to nearest million bushels)

	1949-50	1948-49
	- million bushels -	
Carryover at December 1	44	75
New Crop	198	190
Total Estimated Supplies	242	265
Less Estimated Domestic Requirements for Crop Year	132	147
Available for Export and Carryover	110	118
Deduct:		
Exports of wheat as grain Dec. 1, 1949—Sept. 30, 1950 ..	91	57
Exports of wheat flour in terms of wheat		
December 1, 1949—September 30, 1950	1/	1/
Total Exports Wheat and Wheat Flour	91	57
Balance on October 1 for export and carryover	19	61

1/ Less than 100,000 bushels.

With only two months remaining in the current crop year the Argentine has exported 91 million bushels of the estimated 110 million available for export or carryover. Exports for the first ten months of the current crop year were some 34 million bushels greater than for the comparable period of 1948-49. The balance remaining on October 1, 1950 for export or carryover was estimated at 19 million bushels, down sharply from the 61 million bushels on the same date last year. If the current rate of exports continue and domestic requirements reach the level indicated, carryover of wheat into the new crop year will be relatively small.

The following account of the Argentine situation is extracted from Mr. McCullough's report of October 19 and is reproduced with the kind permission of the Trade Commissioner Service. When convenient, conversions of Argentine measures to Canadian equivalents have been made. Currency quotations have been left in terms of the United States dollar.

Weather and Crops - The weather over the past month has been ideal for the growing grain crops. Following a long dry spell in August which caused considerable concern in rural areas, there have been three general rains in the past few weeks, with precipitation ranging from 1.4 to 2.4 inches in the northern grain belt and .8 to 2.8 inches in the southern. Unlike many of the earlier rains, the clouds moved well into the interior where soil moisture has been low during most of the growing season. Soil moisture conditions are now considered

to be good throughout all the grain zones. A sharp drop in temperature in late September and below normal temperatures extending into October aided root development. Swarms of locusts appeared in Cordoba and northern Santa Fe but were reported to be effectively controlled. Pastures are in excellent condition in the provinces of Buenos Aires and Santa Fe and in the western areas have been improving rapidly since the rain.

Wheat - The condition of the Argentine wheat crop in the major production zones can be described as being from very good to excellent. In the northern grain zone, in the province of Santa Fe and eastern Cordoba, there are several areas where many state that they have never seen better growth. In the southern wheat zone the wheat crop is also reported to be making excellent progress.

In the northern districts, the plants stooled well and have headed. There is adequate moisture to finish the crop and the chief danger now is from late frosts and heavy storms. Recently, there have been thunder showers in localized areas with hail, which has caused some lodging in some varieties. There is some leaf rust and occasional fields show stem rust but, so far, it has not reached proportions to cause concern.

In the south of the province of Cordoba and in the northwestern section of the province of Buenos Aires, owing to dry weather growers could not plant their intended acreage and in the fields which were sown the straw is short. Yields will be poor in this area but it represents only a small portion of the total acreage.

The Ministry of Agriculture in their report for September describe the wheat crop from good to very good in the chief zones. They report some slight damage by frost in some of the early sown fields, but on the whole the cool weather strengthened growth. With continued propitious growing conditions the average yields are expected to be above last year.

The area sown to wheat in Argentina this year is undoubtedly greater than last year and has perhaps increased by 20 per cent. On a recent trip in the northern grain zone, the writer observed that a greater area was seeded to wheat and there was every indication that this increase is at the expense of corn. In recent weeks, there has been some indication from official sources on the wheat acreage this season. In a debate in the Argentine Congress, the Minister of Agriculture stated that the preliminary estimates showed an acreage of 6.6 million hectares (16.3 million acres). This compares with 5.5 million hectares (13.6 million acres) privately estimated last year and about equals the five year average from 1941-42 to 1945-46. However, this is still lower than the prewar five year average of some 7.8 million hectares (19.2 million acres). With a little better than average yield, this should give Argentina a crop of around 6.5 million metric tons (238.8 million bushels).

The Bank of the Province of Buenos Aires has compiled the following preliminary estimate of grain acreages in that province, which are compared with last year and the previous year:

	1950-51	1949-50	1948-49
	acres	acres	acres
Wheat	7,566,400	5,175,900	6,027,800
Flax	618,200	595,800	889,400
Barley	1,489,400	1,172,000	1,566,000
Rye	1,738,400	1,179,200	1,406,400
Oats	2,396,600	2,113,600	2,378,600

It will be noted that all grains show an increase over last season but that wheat has increased almost a million hectares (2.5 million acres) in this province alone. Considering that growing conditions were abnormally poor in the west and southwest of the province last year, a more apt comparison may be made with the acreage of 2,440,000 hectares (6,029,000 acres) during the 1948-49 season. In any event, it is the highest acreage for the province of Buenos Aires since 1939-40 when 3,175,000 hectares (7,845,000 acres) were sown.

In the southwest zone of the province of Buenos Aires where drought conditions prevailed last year, the acreage has risen from 947,600 hectares (2,342,000 acres) to 1,466,300 hectares (3,573,800 acres) but it is of interest that the other half million hectare (1.2 million acre) increase has come about in other parts not so affected, which shows the response to the government program of increased fixed prices.

Use of Bran as Bait - Millers have been requested to retain their stocks of bran until otherwise instructed by the Ministry of Agriculture. This measure has been taken in order to assure adequate supplies of bran to use as poison bait against locusts.

Grain Shipments - The following table of shipments shows that wheat shipments continue on the same comparatively high level; flax and oats are moving in quantity but the other grains show a drop.

	Wheat	Corn	Flax	Oats	Rye	Barley
	- thousand bushels -					
September	8,216	761	579	2,725	368	-
August	9,176	1,189	39	2,577	567	-
July	8,974	2,363	195	2,091	94	450
June	8,855	2,151	255	3,472	397	181

Regarding the option for 156,000 tons (5,732,000 bushels) of wheat recently taken up by India it is expected that 46,000 tons (1,690,000 bushels) will come from the next harvest. All the wheat available for that country from the current crop has now been shipped except some 9,000 tons (331,000 bushels) which will be cleared shortly.

It is expected that Argentina will enter the new crop year with practically no carryover. It is furthermore rumoured in the trade that the

authorities will endeavour to build up their reserves in view of the unsettled international situation which means that, with substantial commitments already made for the next crop, Argentina will not have a disposal problem.

Shipments by destination for the first nine months of the year are as follows:

	Wheat	Corn	Flax	Oats	Rye	Barley
- thousand bushels -						
United Kingdom ...	-	13,557	1,187	-	-	-
Italy	16,838	411	77	1,860	981	-
France	-	8,263	392	-	-	-
Switzerland	2,164	1,133	-	5,664	55	1,841
Germany	6,281	-	-	813	-	49
Netherlands	-	1,359	118	3,802	368	271
Sweden	1,781	1,627	-	396	-	-
Spain	1,793	92	-	-	1,653	-
Belgium	28	2,447	-	822	114	154
Norway	-	-	-	259	1,569	-
Portugal	1,159	106	-	324	-	-
Denmark	-	-	-	166	829	-
Finland	559	-	-	-	-	-
Eire	-	87	-	491	-	-
Austria	-	-	-	-	14	-
United States	-	-	-	2,530	-	-
Brazil	27,991	-	-	6	-	-
India	17,191	-	-	-	-	30
Japan	6,632	-	-	-	-	1,204
Chile	1,753	-	-	-	-	-
Uruguay	-	1,099	-	97	-	-
Paraguay	984	-	-	-	-	-
Peru	970	-	-	-	-	-
Canada	-	-	-	1,471	-	-
South Africa	-	-	-	943	-	-
Lebanon	-	-	-	126	276	-
French Africa	-	111	-	-	-	-
Cuba	-	-	-	162	-	-
Totals	86,124	30,292	1,774	19,932	5,859	3,549

AUSTRALIAN SITUATION

Supply Position -

Australian wheat supplies for the current crop year, estimated at 237 million bushels, exceed those of 1948-49 by 20 million bushels. After allowing for an increase of 5 million bushels in current crop year domestic requirements, the quantity available for export and carryover in 1949-50 is placed at 154 million bushels. Of this amount 68 million bushels were exported as wheat and the equivalent of 30 million bushels as wheat flour

in the ten months ending September 30, 1950. Totals for the comparable period in 1948-49 were 72 million and 33 million bushels respectively. The balance remaining on October 1 for export or carryover into the next crop year was 56 million bushels, as against 34 million on the same date a year ago.

Australian Wheat Supplies
(Estimates rounded to nearest million bushels)

	1949-50	1948-49
	- million bushels -	
Carryover at November 30 (including flour as wheat) ...	19	26
New Crop	218	191
Total Supply	237	217
Less Estimated Domestic Requirements for Crop Year	83	78
Available for Export and Carryover	154	139
Deduct:		
Exports of wheat as grain, December 1—September 30 ..	68	72
Exports of wheat flour in terms of wheat, December 1—September 30	30	33
Total Exports Wheat and Wheat Flour	98	105
Balance on October 1 for Export and Carryover	56	34

Australian Cable - The following cable dated October 13 has been received from the Canadian Trade Commissioner in Melbourne:

"Australian wheat stocks at September 30th totalled 68,873,000 bushels. Wheat exports from December 1st, 1949 to September 30th totalled 67,796,000 bushels, with shipments during the preceding four weeks mainly to India, the United Kingdom and Egypt. Flour exports for the same period were 557,508 long tons, with shipments during the preceding four weeks of 22,112 to the United Kingdom, 18,650 to Egypt, 9,500 to India and 8,222 to Ceylon. The Wheat Board has sold 100,000 tons of Australian wheat to Germany outside the International Wheat Agreement and 27,000 tons of flour inside the Agreement. Prices paid are equivalent to 18/16d bushel for wheat and £40 a ton for flour, Australian currency, f.o.b. basis. The outlook for the 1950-51 crop is very good and early forecast is 200 million bushels."

CALENDAR OF WHEAT EVENTS

- September 28 Marketings of wheat in western Canada in the week ending this date totalled 36.8 million bushels, the largest volume recorded since the week ending September 29, 1939 when the total reached 40.0 million bushels.
- October 3 Preparations for seeding wheat are under way in India, with efforts being made to obtain a further expansion in acreage. The area planted to wheat in 1949 was placed at 23.6 million acres, an increase of almost 2 million over 1948.
- 5 Overseas clearances of wheat from Churchill during the current navigation season to date amounted to a record 6.8 million bushels, surpassing the previous high level established last year by 1.2 million bushels.
- 9 Mr. Gunnar Myrdal, Executive Secretary of the United Nations Economic Commissioner for Europe (E.C.E.) announced the convening in Geneva on November 14, 1950, of an ad hoc meeting of European countries interested in increasing their trade in certain grains.
- 10 Based on conditions as at September 30, the average yield of wheat per acre in England and Wales was placed at 37.9 bushels, as compared with a yield of 41.8 bushels in 1949 and a 10-year average of 35.7 bushels. By the end of September the harvesting of wheat had been completed over the greater part of the eastern half of the country, but in other areas considerable acreages remained to be harvested.
- 17 A summary compiled by the Canadian Wheat Board of the number of elevator shipping points in the Prairie Provinces in various quota groups as of this date shows that 1,046 points out of a total of 2,065 are on an 8-bushel per seeded acre quota.
- 19 The wheat crop in the Prairie Provinces, based on conditions at September 30, has now been placed at 430 million bushels, a reduction of 25 million from the previous estimate. The current estimates by provinces, with last year's outturn in brackets are as follows (millions of bushels): Manitoba 50 (57), Saskatchewan 263 (183) and Alberta 117 (97). The all-Canada wheat crop is currently estimated at 465.3 million bushels.
- 24 Stocks of United States wheat in all positions on October 1, 1950, were 1,192 million bushels, the second largest on record. Stocks on the same date in 1949 and 1948 were 1,165 million and 1,162 million bushels, respectively.
- The fourth session of the International Wheat Council opened in Geneva, Switzerland, with Mr. F. Sheed Anderson as Chairman. The Council consists of representatives of 44 signatory countries, 40 importers and 4 exporters.

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