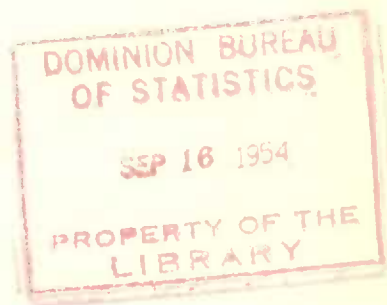


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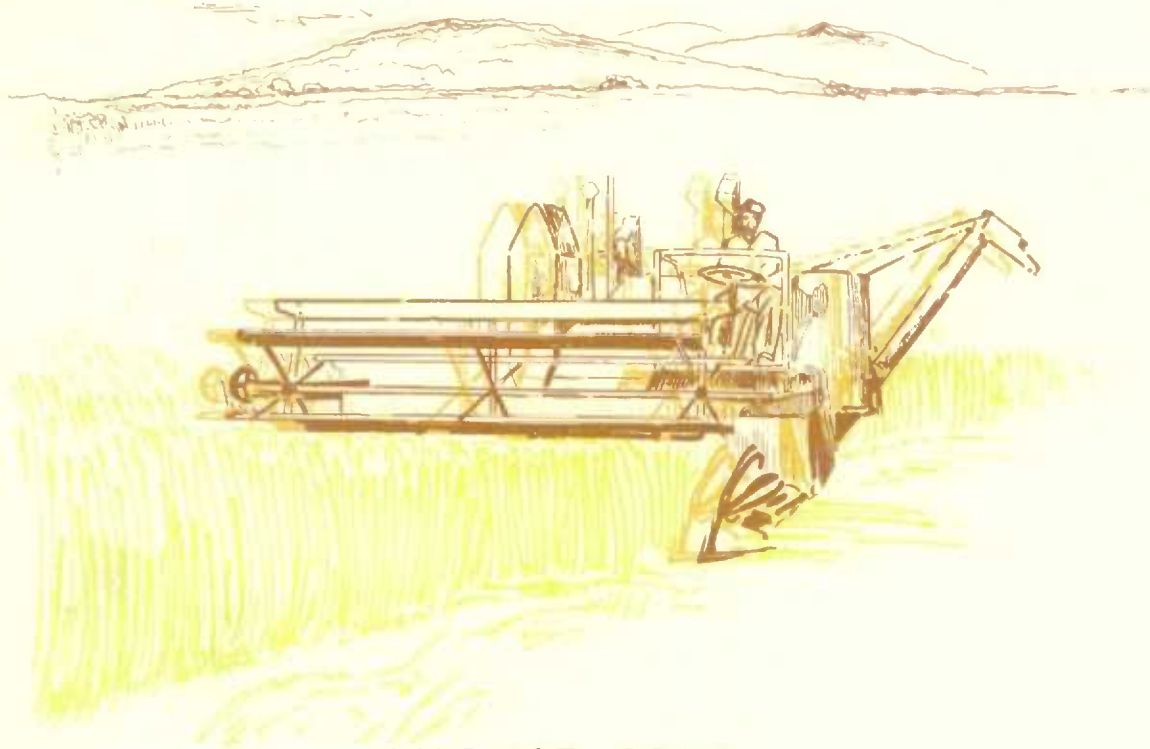
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CANADA
DOMINION BUREAU OF STATISTICS
AGRICULTURE DIVISION



THE WHEAT REVIEW



AUGUST, 1954

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WORLD WHEAT SITUATION

Current Supplies Latest available estimates indicate that supplies of wheat remaining on or about July 31, 1954 in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 1,993.4 million bushels, some 23 per cent greater than the 1,620.4 million available a year ago. Supplies at August 1, 1954 (in millions of bushels) were held as follows, with last year's figures in brackets: United States, 1,201.0 (1,087.9); Canada, 587.5 (369.2); Australia, 121.3 (61.4), and Argentina, 83.6 (101.9). Estimates for both years include on-farm stocks as well as those in commercial positions. It should be noted that the United States 1954 crop, estimated at 977.5 million bushels is now included in these calculations. The supply figures shown for Canada represent the crop-year-end carryover only, the new crop not being taken into account until next month.

Exports Total exports of wheat and wheat flour in terms of wheat from the four major exporting countries for the period August 1953 to July 1954 (the Canadian crop year), at 639.8 million bushels, are down 25.1 per cent from the previous season's shipments of 854.2 million bushels. Shipments from each of the four countries during the August-July period of the current and three preceding crop years are shown in the table below.

Exports of Wheat and Flour in Terms of Wheat, August-July Period

August-July Period	United States	Canada	Argentina	Australia	Total
- million bushels -					
1950-51	375.3	241.0	94.5	127.8	838.6
1951-52	466.8	355.8	24.1	93.4	940.1
1952-53	322.6	385.5	38.9	107.0	854.2
1953-54	210.7	255.1	110.3	63.6	639.8

From the above table it may be determined that Canadian exports have declined about 34 per cent from those of the previous crop year while exports from the United States and Australia have dropped by some 35 per cent and 41 per cent, respectively. Reduced shipments from these three countries were only partially offset by the sharp increase of 184 per cent in Argentine exports from the extremely low level of shipments from that country in August-July 1952-53.

Canada's share of the total exports from the four countries has decreased by about 5 per cent between the two periods, shipments during the 1952-53 crop year having accounted for 45.1 per cent of the total and 39.9 per cent during 1953-54. The United States' share of the total dropped from 37.8 per cent to 32.9 per cent between the same two periods while Australia's share declined from 12.5 per cent to 9.9 per cent. Reflecting the improved supply position, Argentina's share of the four countries' exports during August-July, 1953-54 amounted to 17.2 per cent as against 4.6 per cent in the comparable period of 1952-53.

Preliminary estimates of the United States Department of Agriculture place total world exports of wheat and wheat products at some 840 million bushels for the United States crop year (July, 1953-June, 1954). For the same period

shipments from the four principal exporting countries amounted to about 675 million or over 80 per cent of the total. In the previous crop year, July-June 1952-53, world wheat exports were estimated at 987 million with the 'Big Four' accounting for some 833 million, more than 84 per cent of the total. The decline of some 4 per cent in the proportion of the world wheat market shared by the four major exporters appears to be largely attributable to increased exports from countries such as Turkey, France and Sweden which had exceptionally good harvests last season. It is the view of the United States Department of Agriculture that in 1954-55 world wheat trade may remain at about the same level as in 1953-54, i.e., some 840 million bushels.

Smaller World Wheat
Production In Prospect

Recent trade and official reports indicate that world wheat production prospects for 1954 are somewhat lower than at this time a year ago when a near-record crop was in prospect. Conditions vary widely at present, with a considerably smaller crop in view in North America, a slightly smaller outturn for Europe and some increase in Asia and Africa. No reliable indication of prospects in the Southern Hemisphere countries is yet available as the new crops are just getting under way in these areas.

The 1954 United States' wheat crop is currently estimated at 977.5 million bushels, some 16 per cent below the 1953 crop of 1,168.5 million. The new Canadian wheat crop was officially forecast at 513 million bushels on the basis of conditions at August 1. However, adverse weather conditions prevailed over the Prairies during much of August and the Dominion Plant Pathology Laboratory at Winnipeg has estimated that losses from rust subsequent to August 1 may reduce the crop by as much as 85 million bushels. In addition, a large proportion of the crop is exceedingly late and will be very susceptible to damage from early frosts. The latest estimate of Canada's 1953 wheat crop was 614.0 million bushels.

Based on incomplete information, the outturn in Western Europe will not differ greatly from the 1953 level. Significant changes are noted among the individual countries, but these are largely compensating. A substantial increase over last year's poor harvest in Spain does much to offset declines in a number of the other countries. Reports on conditions in central and eastern countries of Europe indicate that the crop there may be somewhat less than in 1953.

The outlook for Asia is favourable, with larger outturns than in 1953 reported for all important wheat producing countries except Turkey. The crop in that country is estimated to be considerably smaller than the record 1953 harvest, mainly because of drought.

Conditions in Africa have been favourable, and the total production in Northern Hemisphere countries of that continent is estimated to be above that of 1953. Little information is yet available on the situation in the Union of South Africa, Africa's only important producer in the Southern Hemisphere.

The major wheat producers of the Southern Hemisphere, Argentina and Australia are just entering their growing period, and conditions between now and the end of November will largely determine the crop outturn.

International Wheat Agreement Sales and Purchases for Crop Year 1953-54

Importing Countries	Guaranteed Quantities	Source				Total Purchases	Remainder 3/
		Canada 1/	Australia 2/	France 2/	U.S.A. 2/		
- thousand bushels -							
Austria	9,186	-	-	-	-	-	9,186
Belgium	23,883	12,968	-	-	2,251	15,219	8,664
Bolivia	4,042	695	-	-	571	1,266	2,776
Brazil	13,228	3,873	-	-	-	3,873	9,355
Ceylon 4/	10,288	763	9,525	-	-	10,288	-
Costa Rica 4/.....	1,286	568	-	-	757	1,325	-
Cuba	7,422	1,723	-	-	4,149	5,872	1,550
Denmark	1,837	-	-	-	-	-	1,837
Dominican Republic ...	955	428	-	-	442	870	85
Ecuador 4/	2,388	1,857	-	-	545	2,402	-
Egypt	14,697	-	-	-	1,888	1,888	12,809
El Salvador 4/	735	215	-	-	516	731	-
Germany	55,116	16,962	3,962	-	16,552	37,476	17,640
Greece	12,860	-	-	-	4,855	4,855	8,005
Guatemala	1,286	216	-	-	880	1,096	190
Haiti	1,837	611	-	-	1,026	1,637	200
Honduras Republic	735	92	-	-	432	524	211
Iceland	404	183	-	-	103	286	118
India	36,744	-	2,647	-	-	2,647	34,097
Indonesia	6,246	5	3,950	-	618	4,573	1,673
Ireland	10,105	1,701	956	-	-	2,657	7,448
Israel	8,267	4,468	-	-	1,447	5,915	2,352
Japan 4/	36,744	12,043	-	-	24,903	36,946	-
Jordan	2,940	-	-	-	-	-	2,940
Korea	1,470	-	-	-	1,071	1,071	399
Lebanon	2,756	-	-	-	34	34	2,722
Liberia	73	29	-	-	17	46	27
Mexico	14,697	-	-	-	2,946	2,946	11,751
Netherlands	24,802	5,771	319	-	11,148	17,238	7,564
New Zealand	5,879	-	5,853	-	-	5,853	26
Nicaragua 4/	367	131	-	-	235	366	-
Norway	8,451	3,187	-	-	3,635	6,822	1,629
Panama	735	391	-	-	293	684	51
Peru	7,349	110	-	-	579	689	6,660
Philippines	8,672	5,003	29	-	3,633	8,665	7
Portugal	7,349	753	439	367	2,400	3,959	3,390
Saudi Arabia	2,572	-	-	-	1,511	1,511	1,061
Spain 4/	9,186	-	-	-	9,316	9,316	-
Switzerland	7,900	6,966	-	-	-	6,966	934
Union of South Africa.	13,228	5,517	-	-	2,053	7,570	5,658
Vatican City 4/	551	-	-	-	551	551	-
Venezuela 4/	6,247	3,677	-	-	2,564	6,241	-
Yugoslavia	3,674	-	-	-	2,338	2,338	1,336
Total	389,189	90,906	27,680	367	106,259	225,212	
Guaranteed Quantities (Exporting Countries)		150,842	44,356	338	193,653	389,189	
Balance		59,936	16,676	(29)	87,394	163,977	

1/ Canadian sales through August 10th, 1954.

2/ Sales recorded by International Wheat Council through August 6th, 1954.

3/ The quantities are the unfulfilled balances of the total guaranteed quantities for the year.

4/ Quota filled.

Note: No further reports will be released until Final Report is issued by the International Wheat Council.

International Wheat Agreement Sales and Purchases for Crop Year 1954-55

Importing Countries	Guaranteed ^{1/} Quantities	Source				Total Purchases	Remainder ^{4/}
		Canada ^{2/}	Australia ^{3/}	France ^{3/}	U.S.A. ^{3/}		
- thousand bushels -							
Austria	9,186	-	-	-	392	392	8,794
Belgium	23,883	3,324	-	-	117	3,441	20,442
Bolivia	4,042	-	-	-	74	74	3,968
Brazil	13,228	-	-	-	7,350	7,350	5,878
Ceylon	10,288	-	-	-	-	-	10,288
Costa Rica	1,286	23	-	-	127	150	1,136
Cuba	7,422	24	-	-	359	383	7,039
Denmark	1,837	-	-	-	-	-	1,837
Dominican Republic ...	1,028	12	-	-	-	12	1,016
Ecuador	2,388	-	-	-	2	2	2,386
Egypt	14,697	-	-	-	-	-	14,697
El Salvador	735	9	-	-	3	12	723
Germany	55,116	6,045	-	-	4,521	10,566	44,550
Greece	12,860	-	-	-	-	-	12,860
Guatemala ^{5/}	1,286	212	-	-	956	1,168	-
Haiti	1,837	41	-	-	30	71	1,766
Honduras Republic	735	-	-	-	-	-	735
Iceland	404	8	-	-	3	11	393
India	36,744	-	4,107	-	-	4,107	32,637
Indonesia	6,246	-	163	-	4	167	6,079
Ireland	10,105	590	-	-	-	590	9,515
Israel	8,267	717	-	-	-	717	7,550
Japan	36,744	3,517	-	-	-	3,517	33,227
Jordan	2,940	-	-	-	-	-	2,940
Korea	1,470	-	-	-	-	-	1,470
Lebanon	2,756	-	-	-	-	-	2,756
Liberia	73	1	-	-	-	1	72
Mexico	14,697	-	-	-	-	-	14,697
Netherlands	24,802	2,959	-	-	1,031	3,990	20,812
New Zealand	5,879	-	971	-	-	971	4,908
Nicaragua	367	4	-	-	-	4	363
Norway	8,451	437	-	-	424	861	7,590
Panama	845	6	-	-	17	23	822
Peru	7,349	-	-	-	-	-	7,349
Philippines	8,672	348	-	-	328	676	7,996
Portugal	7,349	4	138	-	982	1,124	6,225
Saudi Arabia	2,572	-	-	-	-	-	2,572
Spain	9,186	-	-	-	-	-	9,186
Switzerland	7,900	-	-	-	-	-	7,900
Union of South Africa.	13,228	5,600	-	-	2,053	7,653	5,575
Vatican City	551	-	-	-	-	-	551
Venezuela	6,247	278	-	-	105	383	5,864
Yugoslavia	3,674	2,490	-	-	-	2,490	1,184
Totals	389,372	26,649	5,379	-	18,878	50,906	
Guaranteed Quantities (Exporting Countries).		150,913	44,377	338	193,744	389,372	
Balance		124,264	38,998	338	174,866	338,466	

^{1/} Purchases must not exceed 90 per cent of the guaranteed quantity before February 28, 1955.

^{2/} Canadian sales through August 24, 1954.

^{3/} Sales recorded by International Wheat Council through August 20, 1954.

^{4/} The quantities are the unfulfilled balances of the total guaranteed quantities for the year. Purchases and sales against these balances are restricted in accordance with Note ^{1/}.

^{5/} Quota filled.

CANADIAN SITUATION

Potential Wheat
Supplies 1954-55

If the current forecast of production (adjusted for estimated rust damage) is realized, Canadian wheat supplies for 1954-55, including the July-end carryover of 587.5 million bushels, will amount to a record 1,015.5 million bushels, 32.4 million greater than in 1953-54. However, it should be emphasized that the size of the 1954 crop cannot be definitely determined until later in the season. Much of the crop is very late and is subject to a serious frost hazard. Moreover, continuation of the present adverse weather in Western Canada could result in more serious rust losses than have already been indicated. Hail damage has also been heavy in recent weeks.

Supply and Disposition of Canadian Wheat, 1943-44 to 1953-54
and Estimated Supply 1954-55

Crop Year	Supply			Disposition		
	Carry- over at Beginning	Produc- tion	Total Supply 1/	Exports 2/	Domestic Disappear- ance 3/	Carry- over at End
- million bushels -						
1943-44	594.6	284.5	879.5	343.8	179.2	356.5
1944-45	356.5	416.6	773.6	342.9	172.6	258.1
1945-46	258.1	318.5	576.7	343.2	159.9	73.6
1946-47	73.6	413.7	487.3	239.4	161.8	86.1
1947-48	86.1	341.8	428.7	195.0	156.0	77.7
1948-49	77.7	386.3	464.3	232.3	129.6	102.4
1949-50	102.4	371.4	473.8	225.1	136.5	112.2
1950-51	112.2	461.7	573.9	241.0	143.7	189.2
1951-52	189.2	552.7	741.9	355.8	168.9	217.2
1952-53	217.2	687.9	905.1	385.5	150.4	369.2
10-year average .	206.8	423.5	630.5	290.4	155.9	184.2
1953-54 4/	369.2	614.0	983.1	255.1	140.5	587.5
1954-55 4/	587.5	428.0 5/	1,015.5			

1/ Includes imports of wheat and flour in terms of wheat.

2/ Includes exports of flour in terms of wheat.

3/ Includes human food, animal feed, seed, industrial use and waste.

4/ Subject to revision.

5/ Preliminary; based on yields indicated on or about August 1, less an allowance of 85 million for subsequent rust losses as currently estimated by the Dominion Plant Pathology Laboratory at Winnipeg.

It is anticipated that the Dominion Bureau of Statistics' second forecast of production based on conditions at September 1 (to be released September 15) will reflect the extent of crop damage experienced during August. Since relatively little of the Western wheat crop will have been harvested by September 1, conditions affecting the crop during September and October will have an important bearing on the estimate of production to be released on November 5.

Exports of Wheat and
Wheat Flour Down
Considerably in 1953-54

Preliminary data indicate that Canada's exports of wheat and wheat flour in terms of wheat in 1953-54 amounted to 255.1 million bushels, below both the 1952-53 exports of 385.5 million and the ten-year (1943-44-1952-53) average of 290.4 million bushels. Exports of wheat as grain, at 208.8 million bushels, declined by slightly more than one-third from the 1952-53 next-to-record level of 329 million bushels. Wheat flour exports in terms of grain equivalent amounted to 46.3 million bushels, 18 per cent below the 56.5 million exported during 1952-53.

The 1953-54 totals for exports of wheat as grain are compiled from overseas clearances and exports to the United States as recorded by the Statistics Branch of the Board of Grain Commissioners for Canada, while data on exports of wheat flour are obtained from Canadian Customs returns. Adjusted data on wheat flour exports for the 1953-54 crop year, removing the effect of time lag in reporting Customs returns, will be included in the November issue of this publication.

Monthly exports of wheat and wheat flour in terms of wheat during 1953-54 ranged from a high of 28.4 million bushels in August to a low of 13.7 million in February. Export movement of wheat and flour showed a marked increase during the last quarter of the 1953-54 crop year, averaging 23.0 million bushels compared with 20 million and 16.0 million bushels, respectively, in the second and third quarters. Overseas clearances of wheat, the major part of total exports of wheat and flour, ranged from a high of 24.7 million bushels in August to a low of 10.6 million in February.

The United Kingdom continued as the leading market for Canadian wheat and flour, taking approximately 32 per cent of the combined total. Exports of Canadian wheat as grain to the United Kingdom during the twelve months ended July 31, 1954 amounted to 65.8 million bushels, representing 32 per cent of all wheat exports, while exports of flour in terms of wheat equivalent totalled 16.2 million bushels. The comparable 1952-53 figures were 102.0 million and 20.9 million, respectively.

In addition to the United Kingdom, eighteen other countries purchased wheat as grain in amounts exceeding one million bushels. These countries, with their purchases in millions of bushels, were Japan, 39.4; Germany, 20.7; Belgium, 13.3; Switzerland, 9.9; Union of South Africa, 7.7; Brazil, 7.7; United States, 7.7 (of which 2.2 million was for milling in bond); Netherlands, 6.8; Israel, 4.5; India, 4.3; Spain, 3.4; Norway, 3.2; Ecuador, 2.0; Ireland, 2.0; Malta, 1.7; Peru, 1.6; Colombia, 1.3; and Cuba, 1.1. Altogether, thirty-six countries and crown colonies purchased Canadian wheat as grain during the crop year.

Exports of wheat flour during 1953-54 were distributed among seventy-three countries and colonies. In addition to the United Kingdom, flour exports equivalent to at least one million bushels of wheat went to the following destinations (in order of size of export shipments): Philippine Islands, Venezuela, Trinidad and Tobago, Jamaica, Korea, Hong Kong and Japan.

Details of the quantities and destinations of wheat and flour in terms of wheat sold by Canada under the terms of the International Wheat Agreement during 1953-54 may be found on page three of this issue. It should be noted, however, that due to differences in timing between sales and actual shipment, export data for individual countries will not necessarily agree with sales data even when all exports have been made under terms of the Agreement.

August Forecast of
Production of Canada's
1954 Grain Crops

On the basis of yields indicated at August 1, production of many of Canada's principal field crops will be well below the relatively high levels of 1953. Indicated average yields per acre in 1954 for the ten crops included in the first official forecast of production, are above the long-time (1908-1950) averages but, with the exception of minor increases in yields of spring rye and tame hay, are below those of 1953. The effect of lower indicated yields combined with reduced seeded acreages is particularly noticeable in the lower production forecasts for spring wheat, barley and fall rye. Production of only three of the ten crops—flaxseed, mixedgrains and tame hay—is expected to be higher than in 1953, with increased acreages entirely responsible except in the case of hay.

August Forecast of the 1954 Production of Principal Grain Crops,
Canada and Prairie Provinces, Compared with 1953

Crop	Area		Yield Per Acre		Production	
	1953	1954	1953	1954 ^{1/}	1953	1954 ^{1/}
	acres	acres	bu.	bu.	bu.	bu.
<u>CANADA</u>						
Winter wheat	732,000	710,000	35.8	32.3	26,206,000	22,933,000
Spring wheat	24,780,600	23,556,800	23.7	20.8	587,756,000	490,051,000
All wheat	25,512,600	24,266,800	24.1	21.1	613,962,000	512,984,000
Oats	9,830,000	10,160,600	41.4	37.5	406,960,000	380,683,000
Barley	8,911,100	7,855,900	29.4	28.3	262,065,000	222,416,000
Fall rye	1,031,200	672,500	20.6	19.7	21,225,000	13,233,000
Spring rye	463,000	178,000	16.3	16.6	7,550,000	2,955,000
All rye	1,494,200	850,500	19.3	19.0	28,775,000	16,188,000
Flaxseed	972,000	1,206,000	10.2	10.1	9,912,000	12,149,000
Mixed grains	1,445,400	1,632,600	43.0	39.9	62,188,000	65,142,000
<u>PRAIRIE PROVINCES</u>						
Wheat	24,648,000	23,437,000	23.7	20.8	584,000,000	487,000,000
Oats	6,490,000	6,715,000	42.5	38.3	276,000,000	257,000,000
Barley	8,599,000	7,568,000	29.2	28.1	251,000,000	213,000,000
Rye	1,411,000	752,700	19.0	18.7	26,850,000	14,105,000
Flaxseed	926,000	1,177,000	10.0	10.0	9,300,000	11,800,000

^{1/} As indicated on basis of conditions on or about August 1.

Realization of the 1954 yield and production forecasts included in this report is dependent to a considerably greater extent than usual on favourable weather conditions being maintained throughout the remainder of the growing and harvesting season. For the second successive year, seeding was unduly prolonged over extensive areas of the Prairie Provinces and was continued until late in June and even into July in the most seriously affected districts. Despite the generally favourable growing conditions which accelerated plant development during July, much of the crop must be considered highly vulnerable to frost damage.

In addition to the potential frost hazard resulting from a late-seeded crop, this year's crop in the Prairie Provinces has already suffered fairly extensive losses from flooding, hail and rust. Although losses from flooding and hail have been serious, they have been confined for the most part to relatively small and scattered areas. Damage from rust, however, is unusually widespread

this year, with crops throughout much of Manitoba and Saskatchewan and, to some extent, Alberta being affected in varying degree. Durum wheat appears to have suffered the greatest loss from rust but other varieties of spring wheat, oats and barley have also been affected by both leaf and stem rust. Allowance had been made for losses in yield from these causes up to August 1 but no attempt was made to assess the effects of further possible damage from these or other sources subsequent to that date.

In view of the widespread incidence of rust infection and the abnormally high frost hazard to late-seeded crops in the Prairie Provinces, current forecasts must be interpreted in the light of conditions affecting crop development and harvesting subsequent to August 1. With the exception of fall sown crops, very little grain harvesting had been started by August 1 and current production forecasts may, therefore, be subject to significant revisions in the light of actual harvesting results. The Bureau's second forecast of production of Canada's principal field crops, based on conditions at September 1, is scheduled for release on September 15.

August Forecast of the 1954 Production of Wheat, Canada and Provinces,
Compared with 1953

Province	Area		Yield Per Acre		Production	
	1953	1954	1953	1954 ^{1/}	1953	1954 ^{1/}
	acres	acres	bu.	bu.	bu.	bu.
All wheat -						
Canada	25,512,600	24,266,800	24.1	21.1	613,962,000	512,984,000
Ontario	765,500	741,000	35.2	31.7	26,946,000	23,522,000
Spring wheat -						
Canada	24,780,600	23,556,800	23.7	20.8	587,756,000	490,051,000
Prince Ed. Is. ...	2,900	3,300	26.0	24.0	75,000	79,000
Nova Scotia	1,000	1,000	25.0	26.0	25,000	26,000
New Brunswick	2,700	3,200	26.0	26.0	70,000	83,000
Quebec	11,100	11,300	21.7	21.6	241,000	244,000
Ontario	33,500	31,000	22.1	19.0	740,000	589,000
Manitoba	2,208,000	2,035,000	20.8	19.7	46,000,000	40,000,000
Saskatchewan	16,100,000	15,540,000	23.3	20.9	375,000,000	325,000,000
Alberta	6,340,000	5,862,000	25.7	20.8	163,000,000	122,000,000
Br. Columbia	81,400	70,000	32.0	29.0	2,605,000	2,030,000
Winter wheat -						
Canada ^{2/}	732,000	710,000	35.8	32.3	26,206,000	22,933,000

^{1/} As indicated on basis of conditions on or about August 1. ^{2/} Winter wheat estimates apply to Ontario only. The western wheat crop contains a relatively small proportion of winter wheat but, due to difficulties encountered in obtaining acreage data required for a separate winter wheat estimate in the Prairie Provinces, all western wheat is currently included under spring wheat.

Canada's 1954 wheat crop, currently forecast at 513.0 million bushels, will, if realized, be the fourth consecutive wheat crop exceeding 500 million bushels. Although a crop of the size indicated would be (continued on page 15)

Wheat Production in
Canada and the Prairie
Provinces, 1910-1954

The first forecast of the 1954 wheat crop in Canada, based on conditions at August 1, placed the probable outturn at 513.0 million bushels, of which the Prairie Provinces account for 487.0 million bushels. If a crop of this size is realized it would be the fourth consecutive wheat crop exceeding 500 million bushels and although 101 million less than last year's next-to-record outturn of 614.0 million bushels, it would still be 12 per cent above the ten-year (1944-1953) average of 456.5 million bushels.

Wheat Production in Canada and the Prairie Provinces, 1910-1954

Year	Canada	Manitoba	Saskatchewan	Alberta	Three Prairie Provinces
- thousand bushels -					
1910	132,078	34,127	66,979	9,060	110,167
1911	231,237	62,820	109,323	36,554	208,697
1912	224,159	63,017	106,960	34,303	204,280
1913	231,717	53,331	121,559	34,372	209,262
1914	161,280	38,605	73,494	28,859	140,958
1915	393,543	69,337	224,312	66,538	360,187
1916	262,781	29,667	147,559	65,088	242,314
1917	233,743	41,040	117,921	52,992	211,953
1918	189,075	48,191	92,493	23,752	164,436
1919	193,260	40,975	89,994	34,575	165,544
1920	263,189	37,542	113,135	83,461	234,138
1921	300,858	39,054	188,000	53,044	280,098
1922	399,786	60,051	250,167	64,976	375,194
1923	474,199	35,804	271,622	144,834	452,260
1924	262,097	41,464	132,918	61,312	235,694
1925	395,475	33,624	235,472	97,962	367,058
1926	407,136	47,133	219,646	113,986	380,765
1927	479,665	30,773	252,500	171,286	454,559
1928	566,726	52,383	321,215	171,000	544,598
1929	302,192	28,565	160,565	90,206	279,336
1930	420,672	43,600	206,700	147,000	397,300
1931	321,325	28,112	132,466	140,603	301,181
1932	443,061	44,041	211,551	167,355	422,947
1933	281,892	32,666	128,004	102,334	263,004
1934	275,849	37,100	114,200	112,500	263,800
1935	281,935	23,250	142,198	98,648	264,096
1936	219,218	26,000	110,000	66,000	202,000
1937	180,210	45,100	36,000	75,700	156,800
1938	360,010	50,000	137,800	148,200	336,000
1939	520,623	61,300	271,300	161,400	494,000
1940	540,190	66,400	266,700	180,700	513,800
1941	314,825	51,000	147,000	98,000	296,000
1942	556,684	53,000	305,000	171,000	529,000
1943	284,460	39,000	146,000	82,800	267,800
1944	416,635	50,300	242,100	99,300	391,700
1945	318,512	38,800	168,100	87,700	294,600
1946	413,725	58,000	208,000	127,000	393,000
1947	341,758	42,000	173,000	105,000	320,000
1948	386,345	50,000	191,000	115,000	356,000
1949	371,406	52,000	186,000	103,000	341,000
1950	461,664	50,000	260,000	117,000	427,000
1951	552,657	52,000	325,000	152,000	529,000
1952	687,922	57,000	435,000	172,000	664,000
1953 1/	613,962	46,000	375,000	163,000	584,000
1954 2/	512,984	40,000	325,000	122,000	487,000

1/ Revised.

2/ Based on conditions on or about August 1, 1954.

Carryover Stocks
of Canadian Grain
at July 31, 1954

Total carryover stocks of the five major Canadian grains in all North American positions at July 31, 1954 were estimated at a record 876.8 million bushels, some 5 per cent above the previous record of 832.3 million on hand at July 31, 1943 and more than two and one-half times as great as the 1944-1953 average of 324.8 million. Stocks of Canadian wheat at the end of the 1953-54 crop year were placed at 587.5 million bushels, second only to the record 594.6 million on hand in 1943. Current carryover stocks of oats, estimated at 123.8 million bushels, were the third highest on record, being surpassed only by last year's 144.4 million and the 1943 record of 149.3 million. Barley stocks, at 144.3 million bushels, set a record for the third consecutive year, exceeding last year's total by 32.6 million bushels. Rye stocks, placed at 18.8 million bushels, set a new record for the second successive year, exceeding last year's total by 2.6 million bushels. Stocks of flaxseed, estimated at 2.5 million bushels, were 1.5 million below those of July 31, 1953 and less than one-fourth of the record 10.7 million in store on July 31, 1949.

Position of Canadian Grain Stocks, July 31, 1954 1/

Position	Wheat	Oats	Barley	Rye	Flaxseed
- thousand bushels -					
In Canada					
On farms	205,860	97,250	96,810	12,860	1,030
Country elevators	208,602	17,913	30,450	3,129	342
Interior private and mill elevators	6,022	485	2,123	31	22
Interior terminal elevators	15,795	10	191	2/	2/
Pacific Coast terminals	7,065	259	731	-	-
Churchill elevator	2,166	1	-	-	-
Fort William-Port Arthur elevators	52,313	1,826	6,789	1,400	646
In transit - lake	5,389	1,159	1,763	59	66
In transit - rail	15,374	2,624	3,242	474	124
Eastern elevators	66,490	2,007	2,036	814	248
Eastern mills (mill bins only)	2,066	176	100	6	-
Western mills (mill bins only)	238	80	43	15	-
Totals in Canada	587,379	123,790	144,278	18,788	2,478
In United States	107	-	-	-	-
Totals in Canada and United States	587,487	123,790	144,278	18,788	2,478
Comparative Stocks, July 31, 1953 3/					
In Canada	368,546	143,526	111,261	15,288	3,939
In United States	540	884	406	902	-
Totals in Canada and United States	369,185	144,409	111,667	16,191	3,939
Average Stocks, July 31, 1944-1953	184,223	85,496	45,971	5,598	3,529

1/ Subject to revision. 2/ Less than 500 bushels. 3/ Revised.

Farm-held stocks of wheat, barley and rye at July 31, 1954 were the highest on record for the end of a crop year while those of oats and flaxseed were exceeded only once before. Farm stocks of wheat, estimated at 205.9 million bushels, were more than two and one-half times the 79.7 million on farms in 1953 and 8 per cent above the previous record of 190.2 million set in 1943.

Estimated Farm Stocks in the Prairie Provinces, July 31, 1954 and 1953

Provinces	Wheat	Oats	Barley	Rye	Flaxseed
- thousand bushels -					
Manitoba	7,000	10,000	16,000	700	200
Saskatchewan	140,000	40,000	40,000	7,500	700
Alberta	55,000	35,000	39,000	4,500	100
Totals, July 31, 1954	202,000	85,000	95,000	12,700	1,000
Totals, July 31, 1953 1/	77,000	78,500	37,000	3,050	1,450

1/ Revised.

Canadian Wheat Preliminary estimates place total stocks of Canadian wheat in North American positions at July 31, 1954 at 587.5 million bushels, compared with 369.2 million on Carryover, the same date in 1953. This year's July-end stocks of wheat were the second highest 1924-1954 on record and were more than three times as great as the ten-year (1944-1953) average of 184.2 million bushels. An estimated 205.9 million bushels of this year's total were held on farms while 208.6 million of the off-farm stocks were in country elevators. The next largest amounts, 66.5 million and 52.3 million bushels, were in store in Eastern elevators and Fort William-Port Arthur terminals, respectively.

It should be pointed out that the figures in the table below are not strictly comparable because of certain omissions in the earlier years. For example, figures for the years 1924 to 1931 do not include wheat in transit to United States ports. Beginning with 1932, this item is included in stocks of Canadian wheat in United States positions. It should also be noted that from 1924 to 1931 the stocks of Canadian wheat in the United States lake and seaboard ports are reported for the week-end nearest to the close of the crop year. Stocks of Canadian wheat held in bond by United States flour mills were omitted each year until 1940-41 when they were included for the first time. The carryover totals now include all Canadian wheat in North American positions whether on farms, in store or in transit.

Carryover of Canadian Wheat in Canada and the United States, July 31, 1924-1954

Year	Carryover of Wheat in Canada	Stocks of Canadian Wheat in U.S. Positions	Total Carryover of Canadian Wheat in Canada and U.S.
- thousand bushels -			
1924	45,159	2,958	48,117
1925	27,714	3,027	30,741
1926	36,475	3,664	40,139
1927	50,786	4,835	55,622
1928	77,547	13,610	91,157
1929	104,325	22,914	127,239
1930	110,517	16,065	126,582
1931	133,060	5,538	138,598
1932	130,053	5,888	135,941
1933	209,969	7,688	217,657
10-year average 1924-1933	92,560	8,619	101,179
1934	192,948	9,954	202,902
1935	202,148	11,705	213,852
1936	108,094	19,268	127,363
1937	32,938	4,111	37,049
1938	23,553	983	24,536
1939	94,632	8,279	102,911
1940	272,928	27,546	300,473
1941	448,338	31,792	480,129
1942	404,897	18,856	423,752
1943	579,371	15,255	594,626
10-year average 1934-1943	235,984	14,775	250,759
1944	338,138	18,394	356,531
1945	238,480	19,593	258,073
1946	73,466	134	73,600
1947	86,055	87	86,141
1948	77,676	35	77,710
1949	102,343	68	102,411
1950	112,200	-	112,200
1951	187,190	2,013	189,203
1952	214,934	2,244	217,178
1953 1/	368,546	640	369,185
10-year average 1944-1953	179,903	4,321	184,223
1954 2/	587,379	107	587,487

1/ Revised. 2/ Preliminary.

Farmers' Marketings of Wheat in the Prairie Provinces, 1953-54

Week ending		Manitoba	Saskatchewan	Alberta	Total	Last Year
- bushels -						
August	6, 1953 .	137,958	939,846	744,269	1,822,073	2,939,427
	13	82,359	4,495,064	2,153,632	6,731,055	1,148,732
	20	640,737	6,490,324	2,129,349	9,260,410	3,265,571
	27	3,048,079	4,727,218	942,142	8,717,439	14,893,230
September	3	2,627,036	4,252,468	1,061,372	7,940,876	14,263,191
	10	1,035,827	3,688,233	1,449,063	6,173,123	14,273,008
	17	845,786	6,161,789	2,446,556	9,454,131	12,496,130
	24	1,055,854	8,743,712	3,935,369	13,734,935	14,104,065
	30	1,149,984	7,782,544	3,568,464	12,500,992	25,013,654
October	7	1,299,454	8,630,744	4,756,932	14,687,130	19,656,526
	14	853,501	6,932,138	4,630,282	12,415,921	13,329,824
	21	765,769	5,808,367	3,267,906	9,842,042	11,759,199
	28	812,735	4,992,187	2,361,514	8,166,436	8,631,950
November	4	836,330	4,377,068	2,296,868	7,510,266	11,675,236
	11	826,645	4,844,511	2,904,327	8,575,483	12,445,961
	18	955,562	6,521,873	2,744,250	10,221,685	12,310,246
	25	701,283	6,785,799	2,132,679	9,619,761	12,444,752
December	2	580,429	6,454,635	2,314,873	9,349,937	9,940,496
	9	482,876	5,846,150	1,636,500	7,965,526	11,000,530
	16	1,980,889	6,824,131	3,313,827	12,118,847	10,993,712
	23	2,531,916	16,102,080	6,888,148	25,522,144	5,788,433
	30	1,038,834	7,734,987	3,556,955	12,330,776	8,172,762
January	6, 1954 .	379,564	3,075,407	1,536,246	4,991,217	9,524,672
	13	243,394	2,671,407	2,824,975	5,739,776	7,167,790
	20	151,702	1,925,780	1,759,013	3,836,495	8,669,485
	27	41,894	494,946	482,125	1,018,965	10,512,807
February	3	86,511	609,783	749,543	1,445,837	6,842,855
	10	193,500	2,413,218	2,079,190	4,685,908	8,416,097
	17	104,839	1,876,285	1,808,007	3,789,131	6,205,872
	24	110,274	1,596,550	1,323,967	3,030,791	5,159,110
March	3	124,972	1,398,223	1,640,538	3,163,733	4,324,128
	10	65,984	915,951	1,266,236	2,248,171	9,612,414
	17	105,847	1,223,254	1,260,507	2,589,608	9,303,390
	24	164,969	1,152,269	990,670	2,307,908	5,392,904
	31	196,322	1,274,338	1,402,072	2,872,732	2,690,094
April	7	154,978	1,370,386	978,974	2,504,338	2,849,847
	14	213,172	2,066,101	1,407,898	3,687,171	5,671,584
	21	139,539	1,462,649	910,300	2,512,488	7,982,562
	28	119,843	2,337,070	975,037	3,431,950	6,663,832
May	5	83,502	2,462,753	1,298,040	3,844,295	8,224,961
	12	162,156	2,758,296	1,967,087	4,887,539	12,551,968
	19	146,153	2,503,663	1,686,678	4,336,494	6,708,773
	26	149,391	2,510,178	1,294,456	3,954,025	6,976,190
June	2	288,199	3,133,362	2,139,839	5,561,400	7,918,166
	9	357,789	5,892,191	2,143,383	8,393,363	7,671,340
	16	257,458	2,210,916	1,751,873	4,220,247	11,357,455
	23	1,051,539	8,629,674	2,159,639	11,840,852	8,724,940
	30	1,147,770	8,121,176	1,804,689	11,073,635	5,524,349
July	7	807,587	6,412,954	2,172,471	9,393,012	9,507,823
	14	1,027,250	7,868,249	2,056,782	10,952,281	18,171,184
	21	1,068,110	10,141,378	1,878,049	13,087,537	25,599,299
	31	1,585,775	14,489,905	3,532,943	19,608,623	39,456,778
Totals		35,019,826	244,134,180	110,516,504	389,670,510	535,929,304

Visible Supply of Canadian Wheat, August 18, 1954
Compared with Approximately the Same Date, 1952 and 1953

Position	1952	1953 ^{1/}	1954
- thousand bushels -			
Country elevators - Manitoba	3,417	9,496	23,327
Saskatchewan	46,159	86,099	118,596
Alberta	30,306	53,600	63,049
Totals	79,881	149,195	204,971
Interior private and mill	5,155	6,160	4,799
Interior terminals	5,403	14,545	15,815
Vancouver-New Westminster	7,330	8,669	9,129
Victoria	-	34	247
Prince Rupert	6	246	367
Churchill	1,116	1,211	1,851
Fort William-Port Arthur	20,428	30,201	55,439
In transit rail (Western Division)	16,518	14,652	12,428
Bay, Lake and Upper St. Lawrence ports	25,856	43,785	42,613
Lower St. Lawrence and Maritime ports	8,212	16,459	24,963
In transit lake	2,927	3,294	2,367
In transit rail (Eastern Division)	2,995	719	43
United States ports	1,424	843	86
Totals	177,252	290,015	375,119

^{1/} Revised.

Grading of Wheat Inspected, August-July, 1953-54 with Comparisons

Grade	Crop Year		August-July			
	Average	1952-53	1952-53		1953-54	
	1947-48- 1951-52		cars	per cent	cars	per cent
1 Hard	^{1/}	^{1/}	49	^{1/}	-	-
1 Northern	12.2	7.1	19,587	7.1	15,637	8.0
2 Northern	29.9	31.7	87,345	31.7	89,434	45.9
3 Northern	13.7	17.4	47,884	17.4	39,822	20.4
4 Northern	6.0	9.6	26,574	9.6	9,668	5.0
5 Wheat	5.7	10.4	28,614	10.4	9,358	4.8
6 Wheat	3.3	2.8	7,687	2.8	4,081	2.1
Feed Wheat	0.6	0.4	1,222	0.4	338	0.2
Garnet	0.9	0.5	1,478	0.5	886	0.5
Amber Durum	3.2	1.7	4,571	1.7	4,219	2.2
Alberta Winter	0.5	0.1	257	0.1	176	0.1
Toughs ^{2/} ^{3/}	18.4	16.7	46,180	16.7	17,549	9.0
Dumps ^{2/} ^{4/}	3.8	0.1	370	0.1	84	^{1/}
Rejected ^{2/}	0.6	1.0	2,757	1.0	2,391	1.2
All Others	1.1	0.4	1,196	0.4	1,104	0.6
Totals	100.0	100.0	275,771	100.0	194,747	100.0

^{1/} Less than .05 per cent.

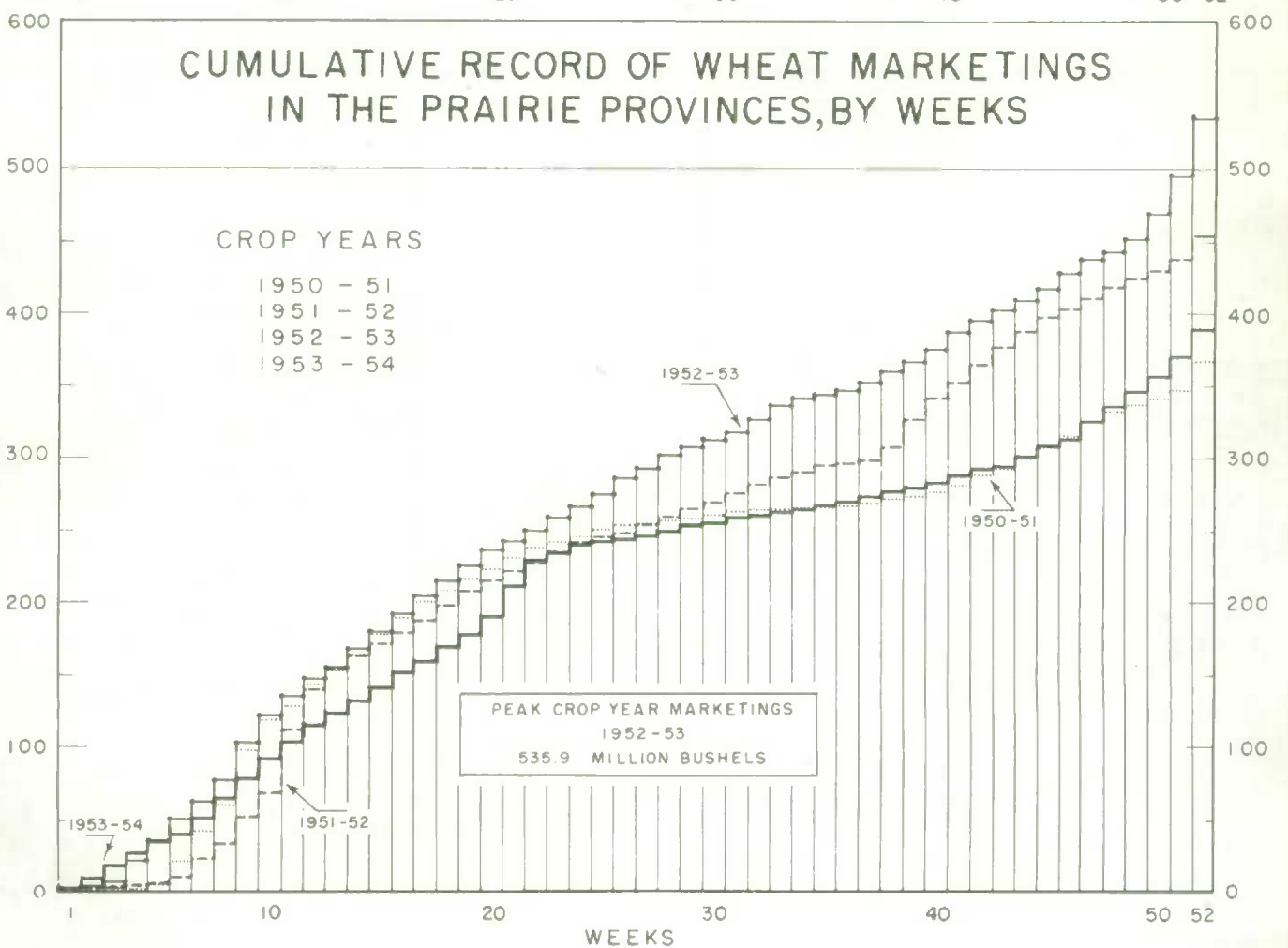
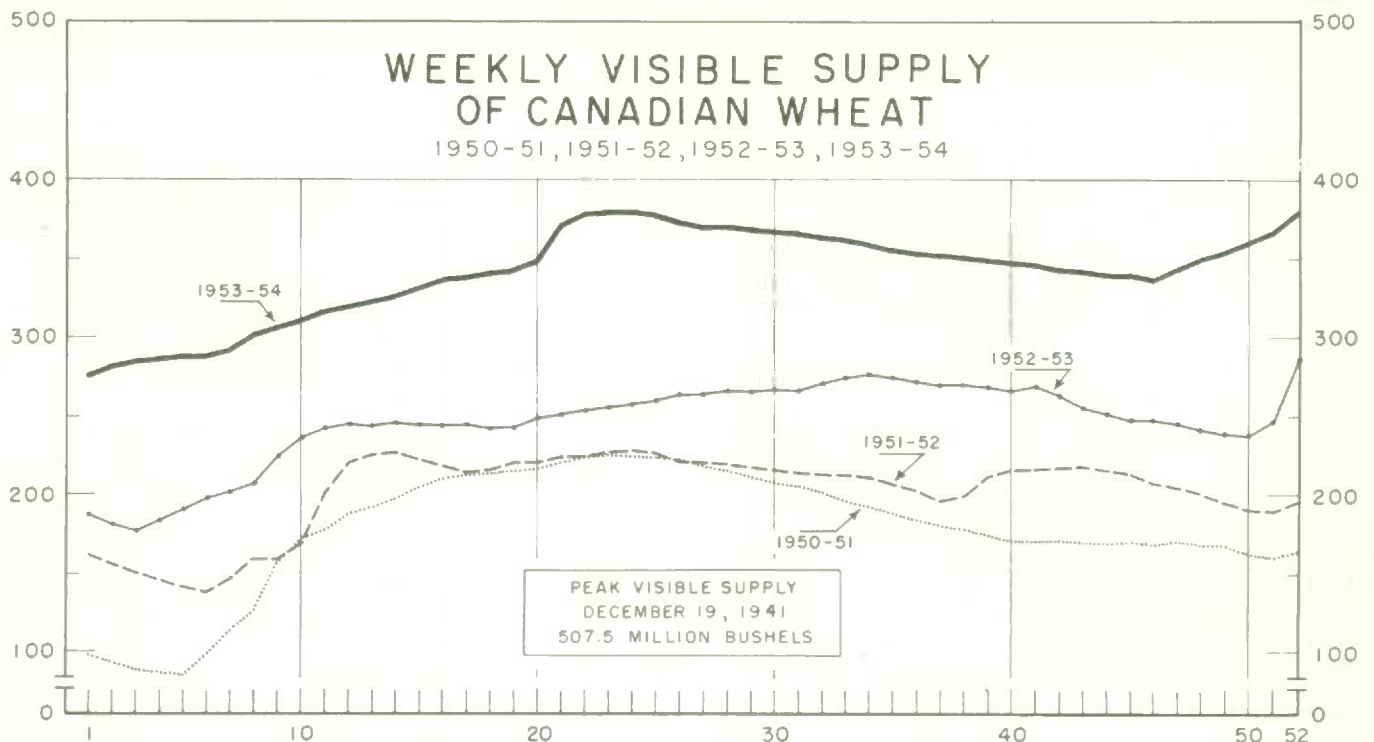
^{2/} All varieties and grades.

^{3/} Moisture content 14.9 to 17 per cent for Durum, 14.6 to 17 per cent for all other varieties.

^{4/} Moisture content over 17 per cent.

MILLION BUSHEL

MILLION BUSHEL



(Data in both charts for crop years beginning August 1)

Lake Shipments of Canadian Grain from the Opening of Navigation to August 20, 1954
and to Approximately the Same Date, 1944 to 1953*

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
- thousand bushels -						
1944	166,211	37,804	24,187	5,412	4,027	237,640
1945	194,514	54,823	22,238	3,191	1,989	276,755
1946	52,233	31,774	10,779	696	899	96,382
1947	83,325	24,632	11,204	1,786	28	120,974
1948	52,357	11,415	10,447	302	3,847	78,368
1949	76,509	13,946	14,377	5,840	4,767	115,440
1950	77,232	10,757	12,834	2,918	984	104,725
1951	91,634	33,278	23,440	4,664	845	153,861
1952	138,195	56,133	50,368	4,534	2,867	252,097
1953	147,933	47,410	63,353	6,700	2,777	268,174
1954	63,639	31,306	35,898	4,255	1,985	137,083

*Shipments from opening of navigation to August 21, 1944 through 1947. Shipments for subsequent years to the following dates: August 19, 1948; August 18, 1949; August 17, 1950; August 23, 1951; August 21, 1952, and August 20, 1953.

August Forecast 101 million less than last year's next-to-record outturn of 614.0 million bushels, it would still be 12 per cent above the ten-year (Continued from page 8) (1944-1953) average of 456.5 million bushels. As already emphasized, however, much of this year's crop is abnormally late and particularly susceptible to frost and rust damage, and will require optimum growing and harvesting conditions to fulfil current prospects.

The indicated decline in production of the 1954 wheat crop from last year's level results from decreases in both seeded acreage and average yields per acre. This year's crop of spring wheat, forecast at 490.1 million bushels, is being harvested from a seeded area estimated at 23.6 million acres yielding an indicated 20.8 bushels per acre. In 1953 the spring wheat crop was estimated at 587.8 million bushels, the second largest on record, yielding an average of 23.7 bushels per acre on a seeded area of 24.8 million acres. Ontario's winter wheat crop is forecast at 22.9 million bushels, a decrease of 3.3 million from the 1953 outturn as the result of declines in average yield from 35.8 to 32.3 bushels per acre and in the seeded area from 732,000 to 710,000 acres.

In the Prairie Provinces the 1954 wheat crop is forecast at 487 million bushels, 97 million less than last year's crop of 584 million. The indicated average yield per seeded acre in the Prairie Provinces at August 1 was 20.8 bushels, with Manitoba averaging 19.7; Saskatchewan, 20.9; and Alberta, 20.8 bushels. Production in Saskatchewan, which grows the major part of the country's wheat crop, is placed at 325 million bushels as against last year's 375 million. This year's wheat crop is also below that of 1953 in Alberta and Manitoba where production is forecast at 122 million and 40 million bushels, respectively, compared with 163 million and 46 million last year. Relatively small quantities of winter wheat are included in the spring wheat estimates for the Prairie Provinces.

Wheat Shipments* to the United States by Destination, 1953-54
Compared with 1951-52 and 1952-53

Destination	1951-52	1952-53	1953-54
<u>By Vessel</u> - bushels -			
Duluth-Superior	6,239,921	2,643,223	136,603
Milwaukee	353,016	-	40,940
Chicago	1,378,340	383,222	68,700
Huron	159,884	320,734	68,592
Erie	93,107	276,567	153,776
Buffalo	24,069,342	15,343,040	5,540,438
Oswego	514,005	2,727,480	-
Detroit	62,930	-	-
Totals, Vessel	32,870,545	21,694,266	6,009,049
<u>By Rail</u>			
U.S.A. Seaboard Ports	1,903,416	648,480	16,534
Other U.S.A. Points	6,190,275	4,723,966	1,777,303
Totals, Rail	8,093,691	5,372,446	1,793,837
Totals, Shipments	40,964,236	27,066,712	7,802,886

*Either for re-export or retention for domestic use.

Total shipments of Canadian wheat to the United States, either for re-export or retention for domestic use, during the crop year 1953-54 amounted to 7.8 million bushels, well below the comparable 1952-53 and 1951-52 shipments of 27.1 million and 41.0 million bushels, respectively.

Rail shipments of wheat (see table below) to Maritime ports from Bay, Lake and Upper St. Lawrence ports during 1953-54 totalled 10.9 million bushels compared with 16.0 million bushels shipped during 1952-53.

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

Ports	August 1, 1952 to July 31, 1953	August 1, 1953 to July 31, 1954
- bushels -		
Port McNicoll	5,629,109	3,469,474
Midland	6,871,474	5,058,582
Collingwood	932,063	797,448
Owen Sound	1,091,355	916,431
Goderich	99,760	240,278
Sarnia	630,857	286,263
Walkerville	74,505	145,082
Humberstone	30,000	-
Toronto	567,557	-
Prescott	32,298	-
Totals	15,958,978	10,913,558

Rail Shipments of Wheat from Fort William-Port Arthur, 1950-51--1953-54

Month	1950-51	1951-52	1952-53	1953-54
- bushels -				
August	122,532	283,914	191,711	191,336
September	123,256	435,068	1,181,046	236,030
October	73,543	159,667	936,757	173,043
November	133,848	465,193	651,957	138,440
December	1,517,624	1,387,828	464,914	347,824
January	4,394,047	5,839,567	6,550,958	510,486
February	3,303,248	3,618,007	9,566,151	368,662
March	3,476,161	1,564,586	6,285,944	555,518
April	1,196,236	107,061	189,339	378,681
May	462,676	132,496	216,046	253,606
June	356,443	196,083	136,014	37,349
July	199,603	113,827	223,687	74,020
Totals	15,359,217	14,303,297	26,594,524	3,264,995

Rail movement of wheat out of Lakehead terminals during July totalled 74,020 bushels. Although virtually double shipments of the preceding month, this amount was still relatively small in keeping with the usual trend during the Lake shipping season. Cumulative rail shipments of wheat from the Lakehead during the 1953-54 crop year amounted to 3.3 million bushels against shipments of 26.6 million during 1952-53.

Distribution of the July 1954 rail shipments of wheat by grade and destination from the Lakehead is shown in the table below. The bulk of the shipments, 44,032 bushels, went to destinations in Quebec, while Ontario accounted for an additional 23,741 bushels. Relatively small shipments went to destinations in Prince Edward Island and New Brunswick.

Distribution of Rail Shipments of Wheat from Fort William-Port Arthur
July, 1954

Grade	P.E.I.	N.B.	Que.	Ont.
- bushels -				
No. 5	-	-	7,500	2,833
No. 6	-	-	6,000	-
Amber Durum	-	-	8,000	6,599
Toughs	2,000	1,333	4,361	-
All Others	2,914	-	18,171	14,309
Totals	4,914	1,333	44,032	23,741

Freight Assistance Shipments Claims filed for payment up to July 31, 1954 represent shipments of some 11.7 million bushels of wheat from the Prairie Provinces to Eastern Canada and British Columbia during the first eleven months of the 1953-54 crop year. During the same period of 1952-53 claims had been filed for some 12.8 million bushels, indicating on the assumption of approximately the same rate of submission of claims during both the current and preceding crop years that the 1953-54 August-June wheat shipments under the plan were running somewhat below those in 1952-53. Revised data on shipments during the first eleven months of 1952-53 based on claims submitted up to July 31, 1954 place the total at 13.4 million bushels. The bulk of the current crop year's August-June shipments went to destinations in Ontario and Quebec. British Columbia accounted for most of the remainder, with relatively small shipments going to Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

Provincial Distribution of Wheat Shipments under the Freight Assistance Policy,
August-June, 1953-54 and 1952-53

Month	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	B.C.	Total
- thousand bushels -								
August, 1953	6	21	61	41	393	408	237	1,166
September	8	10	64	43	474	294	217	1,110
October	10	7	59	38	379	463	226	1,183
November	13	3	52	34	405	381	205	1,092
December	5	8	67	27	366	395	217	1,086
January, 1954	12	11	66	43	340	373	212	1,059
February	6	13	48	27	331	302	167	894
March	4	7	74	32	400	381	210	1,107
April	7	6	59	35	284	398	215	1,003
May	4	10	68	29	489	451	154	1,206
June	2	8	41	26	334	348	58	818
Totals 1/	76	106	660	377	4,194	4,194	2,117	11,725
Same period 1952-53:								
Preliminary 2/	77	199	728	458	4,391	4,815	2,093	12,761
Revised 1/	83	204	754	473	4,552	5,020	2,349	13,436

Preliminary data on millfeed shipments under the freight assistance plan indicate shipments of 417,179 tons during the August-June period of 1953-54. This total based on claims submitted up to July 31, 1954 is some 11 per cent below the preliminary total for the comparable period of 1952-53. Revised figures for the August-June period of 1952-53 show a total of 492,708 tons shipped under the plan. As with wheat, data on freight-assisted millfeed shipments are subject to upward revision with the filing of additional claims.

Provincial Distribution of Millfeed Shipments under the Freight Assistance Policy,
August-June, 1953-54 and 1952-53

Province	1952-53		1953-54
	Preliminary 2/	Revised 1/	Preliminary 1/
- tons -			
Newfoundland	2,855	3,034	3,162
Prince Edward Island ..	6,571	6,881	4,346
Nova Scotia	34,446	35,379	29,459
New Brunswick	30,612	31,501	26,496
Quebec	224,000	232,805	196,267
Ontario	129,784	137,442	116,081
British Columbia	40,185	45,666	41,368
Totals	468,453	492,708	417,179

1/ Based on claims filed up to July 31, 1954.

2/ Based on claims filed up to July 31, 1953.

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

Year and Month	Overseas Clearances of Canadian Wheat 1/	Exports of Canadian Wheat to U.S.A. for Domestic Use and Milling in Bond 2/	Customs Exports of Canadian Wheat Flour 3/	Total	Customs 4/ Exports of Wheat and Wheat Flour
- thousand bushels -					
<u>1951-52</u>					
August	16,921	2,240	2,581	21,742	27,182
September	16,726	2,376	3,151	22,253	22,161
October	23,764	3,830	3,851	31,445	24,212
November	29,830	5,687	4,033	39,550	34,671
December	12,075	4,701	3,683	20,459	37,347
January	14,382	1,620	3,407	19,409	18,523
February	16,010	2,574	4,180	22,764	18,472
March	15,876	1,215	5,354	22,445	21,904
April	16,657	3,342	4,389	24,387	30,516
May	35,550	2,725	5,735	44,010	38,138
June	33,770	4,554	6,101	44,425	40,894
July	34,478	3,818	4,639	42,935	44,782
Totals	266,039	38,683	51,103	355,825	358,803
<u>1952-53</u>					
August	26,089	2,559	4,031	32,679	38,946
September	21,208	3,312	4,891	29,411	27,326
October	24,106	2,950	5,474	32,530	35,611
November	34,339	3,677	5,647	43,663	36,052
December	21,777	2,883	5,146	29,806	44,468
January	17,518	1,206	3,443	22,167	23,562
February	13,135	847	3,603	17,585	18,220
March	11,220	915	4,724	16,858	15,466
April	19,019	1,341	4,508	24,867	20,061
May	40,179	1,476	6,247	47,902	35,963
June	37,390	1,617	4,880	43,887	51,752
July	40,149	115	3,906	44,170	41,498
Totals	306,129	22,897	56,501	385,527	388,926
<u>1953-54 5/</u>					
August	24,152	569	3,724	28,445	34,113
September	20,672	198	3,365	24,235	22,736
October	22,072	258	3,371	25,701	29,731
November	18,815	1,549	4,052	24,417	23,696
December	12,857	795	4,103	17,755	23,423
January	13,416	409	3,962	17,788	17,352
February	10,273	287	3,126	13,686	17,134
March	14,079	167	4,634	18,881	15,618
April	10,708	777	3,807	15,291	18,646
May	16,987	1,228	4,255	22,470	21,734
June	19,854	1,320	4,022	25,196	22,183
July	17,271	120	3,891	21,282	22,361
Totals	201,157	7,678	46,312	255,147	268,726

1/ Compiled by the Statistics Branch, Board of Grain Commissioners for Canada.

2/ Compiled by the Statistics Branch, Board of Grain Commissioners for Canada, from returns of Canadian elevator licensees and shippers and advice from American grain correspondents.

3/ Exports for crop years 1951-52 and 1952-53 revised to remove effect of time lag in the returns made by Customs.

4/ Unadjusted, as published by the International Trade Division, D.B.S.

5/ Subject to revision.

Exports of Canadian Wheat and Wheat Flour by Destination, 1953-54

Destination	April	July		August—July	
	Wheat Flour 1/2/	Wheat Flour 2/	Wheat 3/	Wheat Flour 2/	Wheat 3/
- bushels -					
<u>COMMONWEALTH COUNTRIES</u>					
United Kingdom	2,024,500	1,486,742	8,196,780	16,230,497	65,809,195
<u>Africa</u>					
Gambia	2,551	-	-	19,805	-
Gold Coast	34,893	70,830	-	901,170	-
Nigeria	23,013	48,604	-	534,537	-
Other British West Africa	-	-	-	6,426	-
Sierra Leone	3,326	17,033	-	116,352	-
Union of South Africa	-	-	449,366	-	7,722,960
<u>Asia</u>					
Ceylon	-	-	-	242,829	-
Hong Kong	115,974	48,542	-	1,043,690	168,560
India	-	-	-	76	4,272,438
Malaya and Singapore	25,573	28,575	-	368,951	-
<u>Europe</u>					
Gibraltar	12,852	7,709	-	135,423	-
Malta	-	-	-	-	1,683,173
<u>North America</u>					
Bahamas	20,376	19,368	-	262,840	-
Barbados	46,467	27,418	-	433,498	1,508
Bermuda	12,794	8,194	-	117,850	-
British Honduras	1,391	2,655	-	56,093	-
Jamaica	142,776	142,857	-	1,794,708	3,490
Leeward and Windward Islands	90,860	85,995	-	997,200	-
Trinidad and Tobago	245,394	117,027	-	2,228,148	-
<u>South America</u>					
British Guiana	35,622	12,001	-	982,219	-
Totals, Commonwealth Countries ...	2,838,362	2,123,550	8,646,146	26,472,312	79,661,324
<u>FOREIGN COUNTRIES</u>					
<u>Africa</u>					
Azores and Madeira	1,107	3,523	-	58,819	-
Belgian Congo	39,051	111,825	-	705,596	9,186
Canary Islands	-	-	-	918	-
Egypt	-	1,768	-	6,367	-
French Africa	1,719	-	-	7,843	-
Liberia	698	585	-	7,618	-
Libya	-	-	-	-	451,734
Morocco	9,581	5,301	-	294,692	-
Portuguese East Africa	4,450	202	-	10,876	398,346
Portuguese West Africa	6,962	1,669	-	41,260	-
Spanish Africa	-	-	-	14,148	-
<u>Asia</u>					
Arabia	1,282	-	-	99,094	-
Indonesia	2,295	-	-	72,041	-
Israel	-	-	747,600	3,060	4,482,864
Japan	5,832	35,775	3,668,119	1,029,078	39,387,301
Korea	-	-	-	1,054,273	-
Lebanon	28,332	239	-	126,680	-
Philippine Islands	459,059	329,854	-	5,153,202	-
Portuguese Asia	2,295	2,295	-	20,417	-
Syria	-	-	-	135	-
Taiwan (Formosa)	-	-	-	-	79,707
Thailand	24,871	19,863	-	310,005	-

Exports of Canadian Wheat and Wheat Flour by Destination, 1953-54

Destination	April	July		August-July	
	Wheat Flour 1/2/	Wheat Flour 2/	Wheat 3/	Wheat Flour 2/	Wheat 3/
FOREIGN COUNTRIES					
- bushels -					
<u>Europe</u>					
Austria	-	-	-	-	350,000
Belgium	-	-	1,576,703	-	13,285,003
Denmark	-	229	-	1,354	878,700
Finland	-	-	-	-	161,680
France	-	2,020	-	15,151	709,334
Germany, Federal Republic of	106,061	34,511	401,333	627,953	20,699,355
Iceland	9,454	-	-	172,755	-
Ireland	-	-	-	-	1,950,554
Italy	-	11,722	-	176,472	382,922
Netherlands	-	-	355,600	17,451	6,814,869
Norway	-	-	487,856	-	3,186,992
Portugal	-	2,524	-	57,622	354,667
Spain	-	-	-	-	3,424,966
Switzerland	-	-	622,347	180	9,884,905
Yugoslavia	230	459	-	18,720	-
<u>North America</u>					
Alaska	-	-	-	9	-
Costa Rica	49,757	55,570	-	455,328	40,000
Cuba	119,974	142,097	-	903,704	1,149,217
Dominican Republic	56,583	42,957	-	510,849	-
El Salvador	30,541	26,384	-	295,727	-
French West Indies	1,085	1,283	-	7,236	-
Guatemala	38,515	43,672	-	438,615	-
Haiti	60,790	42,026	-	609,971	-
Honduras	5,036	-	-	21,901	6,667
Mexico	-	549	-	1,098	-
Netherlands Antilles	24,876	22,878	-	252,648	-
Nicaragua	37,080	16,452	-	300,524	-
Panama	56,718	33,525	-	355,559	-
St. Pierre and Miquelon	1,931	387	-	19,359	-
United States					
Flour in terms of wheat	31,545	30,074	-	281,417	-
For milling in bond 4/	-	-	-	-	2,160,739
For domestic use 4/	-	-	119,620	-	5,517,413
Virgin Islands	-	-	-	11,776	-
<u>Oceania</u>					
French Oceania	-	12,654	-	12,654	-
Guam	1,147	1,724	-	3,456	-
<u>South America</u>					
Bolivia	-	-	-	17,626	846,120
Brazil	-	-	-	1,440	7,705,841
Colombia	53,550	153,302	323,561	772,475	1,270,089
Ecuador	-	284	441,835	42,462	2,005,800
Peru	-	1,607	-	41,121	1,567,351
Surinam	25,956	8,424	-	195,066	-
Venezuela	474,592	567,360	-	4,183,911	11,480
Totals, Foreign Countries	1,772,955	1,767,573	8,744,574	19,839,712	129,173,802
Totals, All Countries	4,611,317	3,891,123	17,390,720	46,312,024	208,835,126

1/ Adjusted to remove effect of time lag in the returns made by Customs.

2/ In terms of wheat equivalent. Source: Canadian Customs returns.

Conversion rate: 4 1/2 bushels of wheat equal 1 barrel of 196 pounds of wheat flour.

3/ Overseas clearances as reported by the Statistics Branch, Board of Grain Commissioners for Canada, for all countries except the United States. Subject to revision.

4/ Compiled from returns of Canadian elevator licensees and shippers and advice from American grain correspondents.

Canadian Wheat Board Weekly Average Cash Wheat Prices
Basis in Store Fort William-Port Arthur

Class and Grade	Week ending			
	August 6	August 13	August 20	August 27
- cents and eighths per bushel -				
<u>Initial Payment to Producers</u>				
1 Northern	140	140	140	140
2 Northern	137	137	137	137
3 Northern	134	134	134	134
4 Northern	126	126	126	126
5 Wheat	112	112	112	112
6 Wheat	106	106	106	106
Feed Wheat	100	100	100	100
1 C.W. Garnet	134	134	134	134
2 C.W. Garnet	131	131	131	131
1 Alberta Red Winter	137	137	137	137
2 Alberta Winter	134	134	134	134
1 C.W. Amber Durum	150	150	150	150
2 C.W. Amber Durum	147	147	147	147
3 C.W. Amber Durum	140	140	140	140
<u>International Wheat Agreement and Domestic Sales</u>				
1 Northern	170/1	169/7	169/5	169/6
2 Northern	164/1	163/7	163/5	163/6
3 Northern	162/1	161/7	161/5	161/6
4 Northern	158/1	157/7	157/5	157/6
5 Wheat	156/1	155/7	155/5	155/6
6 Wheat	151/1	150/7	150/5	150/6
Feed Wheat	148/1	147/7	147/5	147/6
1 C.W. Garnet	158/1	157/7	157/5	157/6
2 C.W. Garnet	157/1	156/7	156/5	156/6
3 C.W. Garnet	156/1	155/7	155/5	155/6
1 Alberta Red Winter	158/1	157/7	157/5	157/6
2 Alberta Winter	156/1	155/7	155/5	155/6
3 Alberta Winter	154/1	153/7	153/5	153/6
1 C.W. Amber Durum <u>1/</u>	199/1	198/7	198/5	198/6
2 C.W. Amber Durum <u>1/</u>	197/1	196/7	196/5	196/6
3 C.W. Amber Durum <u>1/</u>	196/1	195/7	195/5	195/6
<u>Exports - Class II</u>				
1 Northern	170/1	169/7	169/5	169/6
2 Northern	164/1	163/7	163/5	163/6
3 Northern	162/1	161/7	161/5	161/6
4 Northern	158/1	157/7	157/5	157/6
5 Wheat	156/1	155/7	155/5	155/6
6 Wheat	151/1	150/7	150/5	150/6
Feed Wheat	148/1	147/7	147/5	147/6
1 C.W. Garnet	158/1	157/7	157/5	157/6
2 C.W. Garnet	157/1	156/7	156/5	156/6
3 C.W. Garnet	156/1	155/7	155/5	155/6
1 C.W. Amber Durum	270	270	270	270
2 C.W. Amber Durum	268	268	268	268
3 C.W. Amber Durum	267	267	267	267

1/ Prices of Durums sold for domestic use are ten cents per bushel higher than indicated in the table.

Canadian Wheat Board Weekly Average Cash Wheat Prices
Basis in Store Vancouver

Class and Grade	Week ending			
	August 6	August 13	August 20	August 27
- cents and eighths per bushel -				
<u>Initial Payment to Producers</u>				
1 Northern	140	140	140	140
2 Northern	137	137	137	137
3 Northern	134	134	134	134
4 Northern	126	126	126	126
5 Wheat	112	112	112	112
6 Wheat	106	106	106	106
Feed Wheat	100	100	100	100
1 C.W. Garnet	134	134	134	134
2 C.W. Garnet	131	131	131	131
1 Alberta Red Winter	137	137	137	137
2 Alberta Winter	134	134	134	134
1 C.W. Amber Durum	150	150	150	150
2 C.W. Amber Durum	147	147	147	147
3 C.W. Amber Durum	140	140	140	140
<u>International Wheat Agreement</u> <u>and Domestic Sales</u>				
1 Northern	176/1	175/7	175/5	175/6
2 Northern	170/1	169/7	169/5	169/6
3 Northern	168/1	167/7	167/5	167/6
4 Northern	164/1	163/7	163/5	163/6
5 Wheat	156/1	155/7	155/5	155/6
6 Wheat	151/1	150/7	150/5	150/6
Feed Wheat	148/1	147/7	147/5	147/6
1 C.W. Garnet	158/1	157/7	157/5	157/6
2 C.W. Garnet	157/1	156/7	156/5	156/6
3 C.W. Garnet	156/1	155/7	155/5	155/6
1 Alberta Red Winter	162/1	161/7	161/5	161/6
2 Alberta Winter	160/1	159/7	159/5	159/6
3 Alberta Winter	158/1	157/7	157/5	157/6
<u>Export - Class II</u>				
1 Northern	176/1	175/7	175/5	175/6
2 Northern	170/1	169/7	169/5	169/6
3 Northern	168/1	167/7	167/5	167/6
4 Northern	164/1	163/7	163/5	163/6
5 Wheat	156/1	155/7	155/5	155/6
6 Wheat	151/1	150/7	150/5	150/6
Feed Wheat	148/1	147/7	147/5	147/6
1 C.W. Garnet	158/1	157/7	157/5	157/6
2 C.W. Garnet	157/1	156/7	156/5	156/6
3 C.W. Garnet	156/1	155/7	155/5	155/6
1 Alberta Red Winter	162/1	161/7	161/5	161/6
2 Alberta Winter	160/1	159/7	159/5	159/6
3 Alberta Winter	158/1	157/7	157/5	157/6

CANADIAN FLOUR MILLING SITUATION

Production The production of wheat flour reported by Canadian mills for July, 1954 amounted to 1,596,000 barrels, below both the June, 1954 output of 1,771,000 barrels and the July 1953 outturn of 1,872,000 barrels. The ten-year (1943-44-1952-53) average for July production was 1,767,000 barrels. Mills reporting operations during July, 1954 had a total rated capacity of 96,889 barrels per 24-hour day, and on the basis of a 26-day working period, 63.4 per cent of this rated capacity was effective.

Wheat milled for flour during the month amounted to 7.0 million bushels as against 7.8 million bushels milled during the preceding month and 8.3 million bushels milled during July last year. Of the wheat milled for flour during July, 1954 some 6.4 million bushels were Western Canadian Spring wheat (other than Durum). Most of the balance consisted of Ontario Winter wheat (416,000 bushels) and Durum wheat (64,000 bushels).

Exports According to preliminary customs returns, exports of Canadian wheat flour during July, 1954 amounted to 864,694 barrels (3,891,000 bushels of wheat equivalent), representing a decrease of about 3 per cent from flour exports of the preceding month. Flour shipments during the month went to 53 countries and colonies, with the United Kingdom accounting for 1.5 million bushels of wheat equivalent, or 38 per cent of the total. Other countries receiving shipments in excess of one hundred thousand bushels were as follows, in thousands of bushels: Venezuela (567); Philippine Islands (330); Colombia (153); Jamaica (143); Cuba (142); Trinidad and Tobago (117); and Belgian Congo (112).

Wheat Milled for Flour, and Production and Exports of Wheat Flour, Canada

Crop Year	Wheat Milled for Flour - bushels -	Wheat Flour	
		Production	Exports 1/
		- barrels of 196 pounds -	
1935-36-1939-40 average	67,845,114	15,002,781	4,899,970
1940-41-1944-45 average	99,704,638	22,402,166	12,091,605
1945-46	118,074,774	26,435,341	14,470,177
1946-47	127,775,176	28,588,456	16,896,233
1947-48	109,822,011	24,159,696	13,661,573
1948-49	90,896,984	20,379,997	10,687,561
1949-50	90,082,917	20,259,200	10,151,090
1950-51	106,748,343	23,630,180	12,426,996
1951-52	104,494,021	22,842,441	11,356,288
1952-53	106,727,237	23,865,625	12,555,714
1953-54 2/			
August	6,345,959	1,423,693	827,588
September	7,692,345	1,742,629	747,741
October	8,420,739	1,909,488	749,098
November	8,216,541	1,866,563	900,514
December	8,018,819	1,815,315	911,726
January	7,350,931	1,661,799	880,532
February	7,567,133	1,717,646	694,768
March	8,099,356	1,829,768	1,029,780
April	7,792,667	1,763,146	845,896
May	7,540,399	1,707,007	945,486
June	7,814,178	1,770,904	893,738
July	7,008,971	1,595,813	864,694
Total	91,868,038	20,803,771	10,291,561
Same period 1952-53 (revised)	106,727,237	23,865,625	12,555,714

1/ Based on Customs returns. Exports for the crop years 1945-46-1952-53 revised to remove effect of time lag in the returns made by Customs.

2/ Subject to revision.

UNITED STATES SITUATION

Supply Position Total domestic supplies of wheat in the United States for the 1954-55 crop year which began July 1, 1954, are now estimated at 1,880.4 million bushels. This total, consisting of the July 1 carryover of 902.9 million bushels and the 1954 crop estimated as of August 1, at 977.5 million bushels, may be supplemented by imports of about 3 million bushels, most of which would be of feeding quality. Current crop-year supplies are the largest on record, and about 9 per cent above the previous record of 1,731.0 million bushels available in 1953-54.

United States Wheat Supplies

Item	1953-54	1954-55 <u>1/</u>
- million bushels -		
Carryover at beginning of crop year (July 1)	562.5	902.9
New crop	1,168.5	977.5
Total estimated domestic supplies	1,731.0	1,880.4
Imports of wheat for domestic use, July	0.1	0.1
Total estimated supplies <u>2/</u>	1,731.1	1,880.5
Less estimated domestic requirements for crop year <u>3/</u> ..	617.3 <u>4/</u>	660.0
Available for export and for carryover	1,113.8	1,220.5
Deduct:		
Exports of wheat as grain, July	23.1	17.0
Exports of wheat flour and products in terms of wheat, July	2.8	2.5
Total exports of wheat, wheat flour and products ..	25.9	19.5
Balance on August 1 for export and for carryover	1,087.9	1,201.0

1/ Preliminary.

2/ Excluding imports for August-June period.

3/ Includes allowances for shipments of United States wheat and wheat products to Alaska, Hawaii, Puerto Rico, Guam, Samoa, Virgin Islands and Wake Island. These shipments are not included in exports as set out in the table.

4/ Revised.

According to the August 30 issue of The Wheat Situation domestic disappearance for 1954-55 is estimated at 660 million bushels, somewhat above the very small disappearance of about 615 million bushels in 1953-54. Civilian and military food use (including use by territories of the United States) is expected to be about 490 million bushels, about the same as the 488 million used in 1953-54. Feed use may be slightly above 100 million bushels, compared with only about 60 million bushels for 1953-54. About 65 million bushels will be used for seed compared with 70 million bushels a year earlier.

Domestic disappearance of 660 million bushels would leave about 1,220 million bushels for export and for carryover, some 107 million more than in 1953-54.

Exports of wheat, wheat flour and other wheat products in terms of grain equivalent during July 1954 amounted to 19.5 million bushels as against the comparable total of 25.9 million for July 1953. The balance remaining on August 1 for export and for carryover was estimated at 1,201.0 million bushels compared with 1,087.9 million on the same date a year ago.

<u>1954 Wheat Crop</u>	Production of all wheat in 1954 is estimated at 978 million
<u>Forecast at 978</u>	bushels, as of August 1, a decline of one per cent from the
<u>Million Bushels</u>	prospects as of July 1. A crop this size would be 16 per cent
	smaller than the 1953 crop and 13 per cent smaller than average.

A reduction of 28.2 million bushels in the estimate of spring wheat production from that forecast on July 1 more than offsets an increase of 17.5 million bushels in the winter wheat crop. For all wheat, the indicated yield per seeded acre is 15.6 bushels compared with 14.8 bushels last year and the average of 15.4 bushels.

The 1954 winter wheat production is estimated at 776 million bushels. This is 12 per cent less than the average of 833 million bushels. Over most of the country, weather was ideal for maturing and harvesting the winter wheat crop. Harvest operations were just beginning in some northwestern areas by the end of July, but were practically completed elsewhere. Test weights were unusually high, although black stem rust caused some shriveling of late wheat in parts of the central region. The indicated yield of 16.7 bushels per seeded acre is 2.0 bushels less than the record yield of 1952 of 18.7 bushels, and compares with 15.4 bushels in 1953 and the average of 15.7 bushels. In Kansas, rust and high temperatures caused wheat to shrivel in the western districts, but record high yields in many eastern counties resulted in an increase in July. In Nebraska, black stem rust and high temperatures were damaging over a wide area and caused a decline in yield. Prospects improved during July in Washington and Oregon but declined in Montana.

Prospective production of spring wheat declined 28.2 million bushels or nearly one-eighth during July, and is now indicated at 201.6 million bushels. A crop this size would be about 30 per cent less than the 1953 production of 291 million bushels and the average of 289 million bushels. Compared with July 1 forecast, durum wheat prospects declined one-third and other spring wheat one-tenth. Black stem rust injury was the principal factor in lowering spring wheat prospects in the Dakotas and Minnesota and caused some loss in Montana. Above normal temperatures during much of July, along with shortages of soil moisture, also contributed to the decline in these areas. The prospective yield per seeded acre for the U. S. is 12.4 bushels, compared with 13.3 bushels last year and 14.5 the 1943-52 average.

Production of spring wheat other than durum is estimated at 189.2 million bushels, 22 million bushels below the July 1 forecast. A crop this size would be nearly one-third less than the 278 million bushels produced last year and one-fourth less than the average of 253 million bushels. Prospects declined during July in all the West North Central States and in Montana and Wyoming. Indicated yields in Idaho, Washington, and Oregon are above those for July 1. A heavy infestation of black stem rust has damaged the crop in the Dakotas and Minnesota. Some rust damage has also occurred in northeastern Montana. Dry, hot weather in July also contributed to the reduced yield prospects in these areas. Yield per seeded acre for the U. S. is now indicated at 13.0 bushels compared with 14.0 bushels last year and the average of 14.7 bushels.

Production of durum is now estimated at 12,436,000 bushels, a third less than the July 1 forecast. The indicated 1954 durum wheat crop is 4 per cent less than the small 1953 crop, about one-third of average and the third smallest of record. Rust infestation, which was present on July 1 throughout the major producing areas of the Dakotas and Minnesota, and some shortage of soil moisture resulted in a sharp reduction in prospective production during July. Harvest of durum wheat had started by August 1 in the Dakotas and Minnesota. Yield per seeded acre of durum for the United States is now indicated at 7.6 bushels compared with 6.2 bushels last year and the average of 13.5 bushels. The acreage seeded to durum is estimated at 1,645,000 acres compared with 2,103,000 acres in 1953.

Wheat Growers In a referendum held on July 23, United States wheat growers voted
Approve 1955 over 73 per cent in favour of marketing quotas for the 1955 wheat
Marketing Quotas crop. This is above the two-thirds national majority required by
law to put marketing quotas into effect. Any wheat producer who
will have more than 15 acres of wheat for harvest as grain in 1955 was eligible to
vote in the referendum.

.... As a result of the outcome of the referendum, price support will be available for those who (1) comply with any wheat acreage allotments (including wheat acreage allotments under 15 acres), (2) also comply with any other crop allotments established for their farms in 1955, and (3) stay within a "total acreage allotment" for the farm, if more than 10 acres on a farm are diverted from allotment crops. All crops on the farm, except hay, cover crops, green manure crops, pasture, idle crop land, and summerfallow will be indicated in this total acreage allotment. In accordance with the provisions of the Agricultural Act of 1954, prices for the 1955 crop may be supported at 82 1/2 per cent of parity. On the basis of the reported parity of \$2.49 for July 1, 1954, 82 1/2 per cent would be \$2.05, which compares with \$2.24, the announced support for the 1954 crop at 90 per cent of parity.

Marketing penalties equal to 45 per cent of the wheat parity as of May 1, 1955, will be assessed against the normal yield of wheat grown on acres in excess of the wheat acreage allotment.^{1/} When the penalty is paid, the producer is then free to market his wheat in any way he chooses.^{2/}

Payment of marketing penalties on the excess wheat can be avoided or postponed by withholding the excess wheat from the market—either by storing it on the farm or in a warehouse, or by delivering it to the Secretary of Agriculture for relief use or diversion, under regulations established by the Secretary. After the producer has met any of these requirements on excess wheat, he will receive a marketing card as evidence that no penalties are due. Excess wheat which is fed on the farm is considered as having been marketed and is subject to the penalty.

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- ^{1/} The parity price as of July 15, 1954, the latest reported, was \$2.50 of which 45 per cent is \$1.12. If the producer can prove to the County Committee that the actual yield per acre of wheat is less than the normal yield per acre, the farm marketing excess may be adjusted downward. "Wheat acreage" as used in this program is any acreage seeded to wheat except acreage which, while still green, has been used for pasture, cut for hay, turned under as green manure, or cut for silage. Volunteer wheat which is allowed to mature is considered as wheat acreage.
- ^{2/} However, he is not eligible for price supports, since he is out of compliance, having exceeded his allotment by having "excess wheat acreage".

Quotas can be expected to reduce production. If yields are not above average in 1955, production will be held about in line with expected demand.

Under the existing law, wheat quotas must be proclaimed whenever the total supply exceeds the normal supply by more than 20 per cent. On June 21, 1954, when the Secretary of Agriculture proclaimed wheat quotas, the total supply of wheat for 1954 was indicated at a record 1,903 million bushels, which exceeded the normal supply of 1,063 million bushels by 79 per cent. Estimated 1954 production was lowered slightly from 1,000 million bushels used in June to 978 million bushels. This crop, together with carryover, now officially placed at 903 million bushels and estimated imports of 3 million bushels, reduces the total supply to 1,884 million bushels, or 77 per cent above normal.

In view of the record supplies of wheat now on hand and in prospect for this year, the national allotment would, according to the formula contained in the law, be only about 19 million acres. However, the legislation includes a 55-million-acre minimum below which the national acreage allotment cannot be established. The national allotment for the 1955 crop compares with a 1954 allotment of 62 million acres.

The national acreage allotment has been apportioned among States and counties according to the acreage seeded to wheat during the latest 10-year period, adjusted for trends and other factors. The county allotment was divided among farms, based on past wheat acreage, tillable acres in each farm, crop rotation practices, types of soil, and topography.

In connection with acreage allotment administration, farmers who seed between 90 and 100 per cent of their 1955 farm wheat acreage allotments will not be penalized for such underseeding in the establishment of any future wheat allotments. This provision will make it unnecessary for a producer to plant "right up to his allotment" in order to protect his acreage history, which is one of the major factors in distributing acreage allotments to farms.

Wheat Prices Cash wheat prices, after declining sharply from a high level in early May to the low for the season on June 16-21, advanced sharply in early July, reaching the season's best levels to date in mid-July and early August. The decline represented the downward seasonal adjustment to new crop conditions, and the advance following July 4 reflected relatively small supplies of free wheat for this early in the marketing year.

Prices of ordinary wheat have continued below the gross loan and the quantities going into storage for loans have been heavy. In the soft winter wheat belt of the Central States, discount market prices have been 40 to 50 cents a bushel under the loan, and the percentage of red wheat under the program probably is greater than in any previous year. By mid-July, cash hard winter wheat prices had advanced and were under the loan by a smaller amount than during the height of the harvest rush in most previous years.

In the case of premium quality hard winter wheat, the sharp climb in prices in mid-July greatly narrowed and in some cases even eliminated the difference between the market price and the effective loan. In some locations, farmers sold wheat at the full loan rate. At Minneapolis even with the harvest of spring wheat under way, prices have been strong, reaching the high for the season to date on August 6.

On August 19, the price of No. 2 Hard Winter Wheat, ordinary protein, at Kansas City, was \$2.27, 25 cents above the season low on June 21. The price of No. 2 Soft Winter on the same date at St. Louis, at \$2.16 was 27 cents above the low on June 17, and that for No. 1 Dark Northern Spring at Minneapolis at \$2.38, was 15 cents above the low on June 16.

The National average support price to producers for the 1954-crop wheat was announced on July 1 at \$2.24 per bushel. This is 4 cents above the minimum announced last fall and 3 cents above the \$2.21 per bushel for the 1953 crop. Equivalent loan rates at important markets are as follows (1953 rates in parenthesis): No. 2 Hard Winter at Kansas City, \$2.53 (\$2.49); No. 1 Dark Northern Spring, ordinary protein, at Minneapolis, \$2.57 (\$2.53); No. 2 Soft Red Winter at St. Louis, \$2.53 (\$2.53); No. 1 Soft White at Portland, \$2.46 (\$2.45); and No. 1 Amber Durum at Minneapolis, \$2.61 (\$2.53).

On August 19, prices were below the "effective loan level" after deducting for storage ^{1/} as follows: No. 2 Hard Winter, ordinary protein, at Kansas City, 15 cents; No. 1 Dark Northern Spring, ordinary protein, at Minneapolis, 9 cents; No. 2 Soft Red Winter at St. Louis, 26 cents; and No. 1 Soft White at Portland, 4 cents.

Reflecting the relatively small supplies of free old-crop wheat and restricted selling of the new crop, prices in July averaged well above a year ago. Soft winter and ordinary protein hard winter and spring wheats averaged $2\frac{1}{2}$ to 14 cents per bushel above July 1953. At Minneapolis, 15 per cent protein wheat in July this year averaged 46 cents above a year ago, while Hard Amber was 85 cents per bushel higher. While the price of ordinary protein spring wheat is still below the loan, the price of much of the high-protein wheat exceeds the loan rate. Last year, demand for high-protein spring wheat was stimulated by the low baking quality of southwestern hard winter wheats. This year, however, the quality of southwestern wheat is much improved. Wheat prices to growers in 1953-54 (which includes unredeemed loans at average loan rates) are estimated to have averaged \$2.04, which is 6 cents per bushel below the previous marketing year. For the 1954 crop, the price to growers may average about the same or slightly higher than in 1953-54.

Provisions of
the Agricultural
Act of 1954

On August 17 Congress passed and sent to the President the Agricultural Act of 1954 which established flexible price supports between $82\frac{1}{2}$ per cent and 90 per cent of parity for the 1955 crop. Under this legislation, prices for the 1955 crop may be supported at $82\frac{1}{2}$ per cent of parity because of the large supply. On the basis of the reported July parity of \$2.49 for July 1, 1954, this would be \$2.05, which compares with \$2.24 for the 1954 crop at 90 per cent of parity. Flexible price supports, ranging from 75 per cent to 90 per cent of parity according to supply conditions, are provided for beginning with the 1956 crop.

1/ Storage charges deductible for deposit period indicated are as follows:
Kansas City and St. Louis, 11 cents for July 25 to August 23, and 10 cents for August 24 to September 12; Minneapolis, 10 cents for August 9 to September 7, and 9 cents for September 8 to October 2; and Portland, 10 cents per bushel for July 25 to August 23, and 9 cents for August 24 to September 22.

2/ Unweighted average of reported daily prices.

The legislation provides authority for establishing a commercial wheat-producing area. Producers in the commercial wheat area would be subject to acreage allotments and marketing quotas when required by law, while cooperators in the non-commercial area would not be subject to these limitations but would receive only 75 per cent of the level of support accorded producers in the commercial area.

Among other important features of the legislation are:

(1) establishing a "set-aside" of not less than 400 million or more than 500 million bushels of wheat, which shall be excluded from the computation of "carryover" for the purpose of determining the price support level; (2) limiting the downward price adjustment in moving from the "old" to the "new" parity price beginning with the 1956 crop to 5 per cent per year; (3) establishing minimum 1955 farm acreage allotments on certain summerfallow farms; and (4) raising the allowance for carryover from 15 to 20 per cent of the domestic consumption and exports in computing "normal supply". For details of the Agricultural Act of 1954 see the August 30, 1954 issue of The Wheat Situation.

Reduced Reduction
In 1955 May Result
In Slight Carry-
over Reduction

Assuming that the acreage seeded will approximate the national allotment of 55 million acres and assuming yields per seeded acre at the 1944-53 average of 15.34 bushels, a crop of about 850 million bushels would be produced. With a carryover of old wheat on July 1, 1955 expected to be around 1,000 million bushels, the total supply of domestic wheat for 1955-56 would be about 1,850 million bushels, or slightly below the record reached in 1954-55. Imports are expected to be small.

If domestic disappearance is 660 million bushels, the same as forecast for 1954-55, and exports continue at the 1953-54 level of about 220 million bushels, a crop of about 850 million bushels would fall short of meeting total disappearance by about 25 million bushels. This would reduce the large carryover stocks by that amount. While domestic disappearance is not expected to differ much from 660 million bushels, exports cannot be forecast with any degree of certainty. Large supplies, which are in both exporting and importing countries at the present time may continue. This would exert a pressure to reduce United States exports. On the other hand, intensive effort will undoubtedly be made to maintain the level of exports.

Flour Production

The Bureau of the Census, Department of Commerce, estimates wheat flour production in the United States in June 1954 at 18,041,000 sacks, an average of 820,000 sacks per working day. This compares with a daily average of 795,000 sacks during the previous month, and 821,000 sacks in June 1953. Production of wheat flour in June was 77.4 per cent of capacity compared with 74.9 per cent and 76.7 per cent, respectively, for the previous month and the same month a year ago.

Flour mills in June ground 41,913,000 bushels of wheat, compared with 38,582,000 bushels in May. Wheat offal output in June amounted to 363,478 tons. These figures represent production of all commercial mills in the United States. About 97 per cent of the total is reported by the 375 largest mills and the balance estimated. The estimated portion is based on a survey of the smaller mills in 1950.

Cash Wheat Prices on the Kansas City and Minneapolis Markets

No. 2 Hard Winter, Kansas City		No. 1 Northern Spring, Minneapolis	
Date	Price	Date	Price
	cents per bushel		cents per bushel
August 2, 1954	222 - 261	August 2, 1954	233 1/8
3	225 - 254 1/2	3	235 1/2
4	233 1/2 - 256	4	239 3/4
5	228 1/4 - 249	5	241 1/4
6	228 - 239 1/2	6	241 1/2
9	226 1/2 - 227 1/2	9	238 3/4
10	225 1/2 - 242 1/2	10	238 3/8
11	224 - 229 1/2	11	239 1/8
12	224 1/2 - 226 1/4	12	239 3/8
13	227 3/4 - 235 1/4	13	239
16	223 - 263 3/4	16	237 5/8
17	224 - 243	17	238 3/4
18	227 1/2 - 231	18	237 1/2
19	227 3/4 - 235 1/2	19	237 3/4
20	227 1/2	20	237 1/2
23	239 1/2	23	236 1/4
24	234	24	241 3/4
25	231 1/2 - 255	25	243
26	229 - 270 1/2	26	242 1/2
27	247 1/4 - 250 3/4	27	242 3/4 - 243 3/4
30	242 1/2	30	243 3/8 - 244 3/8
31	231 1/2 - 247 1/4	31	243 1/2 - 244 1/2

Chicago Wheat Futures, High Points of Closing

Date	September	December	March	May	July
	- cents and eighths per bushel -				
August 2, 1954	205/4	209	210/3	207/3	
3	206/3	210/3	211/2	208/2	
4	209/2	212/7	214/1	211/1	
5	210/1	213/5	214/6	211	
6	210/3	214/2	215/3	211/6	
9	208/6	212/3	213/2	209/2	
10	208/4	212/1	213/2	208/7	
11	209/7	213/1	213/5	208/4	
12	211/6	215/4	215/5	210/2	
13	212/2	215/7	216/2	211/6	
16	211/5	215/2	215/5	212	
17	213/2	216/7	217/5	213/5	
18	213	216/5	217/7	212/7	
19	213/2	216/7	217/2	212/6	
20	213/2	216/6	216/7	211/7	
23	211/1	214/7	215/3	210/6	198
24	214	218	218/6	213/7	201/4
25	214	217/5	218/6	214	201/6
26	214/5	218/1	219/1	214/7	202/3
27	214/6	218/7	219/4	215/5	202/5
30	214/7	219	220/2	215/7	203/4
31	213	217/6	218/6	214/6	202/4

ARGENTINE SITUATION

Supply Position Total estimated supplies of wheat in the Argentine for the crop year 1953-54 amount to 279.3 million bushels, consisting of a carryover of 58.8 million and the 1953 crop of 220.5 million bushels. With anticipated domestic requirements placed at 128.6 million bushels, some 150.7 million are available for export and for carryover during 1953-54 compared with 140.8 million available during 1952-53. Exports of wheat as grain and wheat flour in terms of wheat equivalent during the December-July period of the current crop year totalled 67.1 million bushels as against exports of 38.9 million during the comparable period of 1952-53. The balance on August 1, 1954 for export and for carryover at the end of the crop year amounted to 83.6 million bushels compared with 101.9 million available at the same date a year ago.

Argentine Wheat Supplies

Item	1952-53	1953-54 <u>1/</u>
	- million bushels -	
Carryover at beginning of crop year (December 1)	1.8	58.8 <u>2/</u>
New crop	280.5	220.5
Total estimated domestic supplies	282.3	279.3
Imports of wheat for domestic use	-	-
Total estimated supplies	282.3	279.3
Less estimated domestic requirements for crop year	141.5	128.6
Available for export and for carryover	140.8 <u>2/</u>	150.7 <u>2/</u>
Deduct:		
Exports of wheat as grain, December-July	38.9	65.0
Exports of wheat flour in terms of wheat, December-July	<u>3/</u>	2.1
Total exports of wheat and wheat flour	38.9	67.1
Balance on August 1 for export and for carryover	101.9	83.6

1/ Preliminary. 2/ Includes 400,000 metric tons (14.7 million bushels) of wheat stored to constitute a reserve; also included is a small allowance for farm-held stocks. 3/ Less than 50,000 bushels.

The following account of the Argentine situation has been extracted from a report from Mr. W. F. Hillhouse, Agricultural Secretary, Canadian Embassy, Buenos Aires, under date of August 13, 1954, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce. Where possible, conversions from Argentine to Canadian measures have been made for the convenience of our readers. Currency conversions have been made at the rate of 5 pesos to the United States dollar.

Weather and Crops After two to four weeks of dry cold weather, depending on location, the cereal zones in general received further wide-spread and fairly generous rains in the last few days of July and the first week in August. These rains continue to benefit the growing crops in most areas but have provided another serious setback to the drying of the corn crop.

The Ministry of Agriculture reports that as of the end of July seeding had been completed of about 90 per cent of the wheat crop, 50 per cent of the linseed crop and all of the dual purpose (forage and grain) oats, rye and barley. The condition of all the growing crops is good to excellent although winter pastures tend to be too watery for good fattening.

The following comments summarize observations made during a personal trip through the important northern grain zone in late July:

Wheat - Area sown to wheat is estimated to be slightly greater than last year especially in the northwestern section of the zone. The condition of the crop is uniformly good to excellent and definitely better than last year in the western and northwestern sectors which last year suffered from drought. Due to drought earlier in the year and cold wet weather the crop is two to three weeks late although this is not considered to be a serious handicap.

Flaxseed - In no section did we hear of increased sowings this year; most people expected a decrease in area in spite of the higher producer prices which they claimed were announced too late.

Sunflowerseed - Most people questioned claimed that for this area the new price of 60 pesos per quintal was still insufficient to bring about any large increase in area sown. In addition to its undesirable persistence on the land and how much it takes out of the soil, in the last year or two Argentine sunflower has been suffering from a rust disease which has reduced yield drastically which fact adds to its unpopularity.

Corn - 1953 Crop - In the south and central part of the area there was considerable evidence that the corn crop had been a good one but that damp weather had been hindering picking and degrading. The port at Rosario had about a dozen ships waiting in the roads to load corn. The northern and western sections of the area reported poor corn crops due to drought.

1954-55 Wheat Crop Although an estimated 90 per cent or more of the crop has been seeded it is too early to estimate with any accuracy the extent of the seeded area. However, judging from personal observation in the northern grain zone and discussions with the trade, it appears that the seeded area may be slightly higher than last year's 6,352,300 hectares (15.7 million acres). In spite of early drought and later colder than normal weather, the condition of the crop is considered to be good to excellent in all zones. It is several weeks behind in its development in much of the northern zone but this is not considered to be a serious handicap. On the other hand, the marginal areas in Eva Perón (ex La Pampa) and north-central Córdoba have much better moisture reserves than a year ago.

1953-54 Wheat Crop As indicated last month, at the end of June, I.A.P.I. withdrew from the market for all the major grain crops including wheat after selling to the local exporters 423,000 tons (15,543,000 bushels) at 56.00

U.S. dollars per ton f.o.b. or its equivalent. It is estimated privately that in the past six weeks approximately one-half of this quantity has been sold to overseas buyers, most continental. The opinion is now generally held that I.A.P.I. is unlikely to return to the market to offer any substantial quantities of wheat from the past crop.

Underground Grain Storage to be Increased One of the frequently mentioned agricultural facets of the Second Five-Year Plan is the construction of additional grain storage space in the form of underground "silos". This program took two important initial steps last month in the form of two official decrees which (a) named thirty-one locations where the "silos" would be constructed and (b) established general regulations governing the expropriation of the properties concerned.

Sales By the end of June I.A.P.I. had withdrawn from the market for wheat, corn, oats, barley and rye. It is understood that of the 423,000 tons (15,543,000 bushels) of wheat sold just prior to the withdrawal, approximately one-half has been sold by the exporters.

The past four weeks marked brisk sales activity in oilseed cakes, expellers and meals, some 143,000 tons of these commodities being disposed of at prices considerably higher than those obtained in April, since which time there had been no activity. Sales were also boosted by 100,000 tons of linseed oil sold towards the end of July at U.S. \$140 per ton, f.o.b. It is estimated that Argentina's stocks of linseed oil are thereby reduced to not more than 50,000 tons.

Grain Shipments Shipments of all grains at 552,599 metric tons in July brought the total for the first seven months of the year to 4,030,552 tons of which one-third consisted of wheat and approximately one-sixth each of corn and rye. The seven-month total compares with 1,840,240 tons shipped in the corresponding period of 1953 and is the highest in recent years.

Wheat at 249,041 tons (9,151,000 bushels) comprised nearly half of July shipments, Brazil and the United Kingdom accounting for 60,679 tons (2,230,000 bushels) and 41,660 tons (1,531,000 bushels), respectively. Chile and Peru followed with 31,566 tons (1,160,000 bushels) and 29,126 tons (1,070,000 bushels), while Netherlands received 23,366 tons (859,000 bushels).

Corn shipments were destined chiefly for the United Kingdom 46,196 tons (1,819,000 bushels) and Netherlands 32,625 tons (1,284,000 bushels), the total for the month aggregating 166,430 tons (6,552,000 bushels) somewhat lower than in June occasioned by lack of dry corn in condition for export.

Oats shipments totalled 52,270 tons (3,389,000 bushels) of which 22,536 tons (1,461,000 bushels) were destined for Netherlands, other recipients including Belgium and Switzerland with 8,810 tons (571,000 bushels) and 8,740 tons (567,000 bushels), respectively.

Barley was destined principally for Germany which received 40,029 tons (1,838,000 bushels) out of a total of 48,728 tons (2,238,000 bushels).

Rye totalled 36,130 tons (1,422,000 bushels), of which Poland received 18,184 tons (716,000 bushels) and Finland 12,300 tons (484,000 bushels).

The following table gives shipments of all grains from Argentina in the first seven months of 1954 by destination. These figures must be taken as provisional, being compiled from trade statistics which are subject to amendment:

Argentine Grain Shipments, January—July, 1954, with Comparisons

Destination	Wheat	Corn	Flax	Oats	Rye	Barley
- thousand bushels -						
Austria	38	407	-	1,670	134	644
Belgium	3,164	3,228	-	4,661	4,562	3,523
Brazil	11,181	-	-	120	-	-
British Africa	638	-	-	-	-	-
Canary Islands	-	217	-	-	-	-
Chile	3,487	-	-	-	-	-
Denmark	1,537	931	-	5,549	2,121	1,277
Finland	-	315	-	32	1,107	-
France	96	4,303	436	-	-	53
French Africa	-	69	-	-	-	-
Germany	9,520	3,994	-	2,383	1,662	7,974
Hungary	638	-	-	143	1,233	595
India	333	-	-	-	-	-
Israel	-	-	-	-	404	-
Italy	37	1,489	-	1,079	4,632	177
Japan	5,736	684	-	-	12	-
Malta	187	-	-	-	-	-
Netherlands	3,794	5,030	-	12,044	4,637	6,578
Norway	-	821	-	-	394	-
Paraguay	1,002	-	-	-	-	-
Peru	3,870	43	-	-	-	-
Poland	1,864	-	-	-	9,167	-
Sweden	-	79	-	564	-	-
Switzerland	1,229	640	-	3,243	126	1,037
United Kingdom	6,055	6,647	-	-	227	2,154
United States	-	-	-	1,539	-	-
Totals	54,404	28,897	436	33,027	30,418	24,012
Same period:						
1953	38,710	17,787	390	5,731	1,292	9,361
1952	2,265	13,913	966	2,485	4,385	4,806
1951	69,309	1,838	5,954	3,581	6,941	816
1950	68,733	28,341	1,155	13,664	4,924	3,549
1949	44,502	21,567	-	5,024	3,870	5,407

AUSTRALIAN SITUATION

Supply Position Total estimated supplies of wheat in Australia for the 1953-54 crop year amount to 234.8 million bushels, consisting of the December 1, 1953 carryover of 35.8 million bushels and the 1953 crop of 199.0 million. With anticipated domestic requirements currently estimated at 72.0 million bushels, some 162.8 million were available for export and for carryover during 1953-54 compared with 141.0 million available during 1952-53. Exports of wheat as grain and wheat flour in terms of wheat equivalent during the December-July period totalled 41.5 million bushels, a marked decrease from the 79.6 million exported during the same months of the preceding crop year. The balance on August 1, 1954, for export and for carryover at the end of the crop year amounted to 121.3 million bushels, virtually twice as great as the 61.4 million available at the same date a year ago.

Australian Wheat Supplies

Item	1952-53	1953-54 1/
	- million bushels -	
Carryover, including flour as wheat, at beginning of crop year (December 1)	18.0	35.8
New crop	195.2	199.0
Total estimated supplies	213.2	234.8
Less estimated domestic requirements for crop year ...	72.2 2/	72.0 2/
Available for export and for carryover	141.0	162.8
Deduct:		
Exports of wheat as grain, December 1 to July 31 ...	49.7	20.7
Exports of wheat flour in terms of wheat, December 1 to July 31	29.9	20.8
Total exports of wheat and wheat flour	79.6	41.5
Balance on August 1 for export and for carryover	61.4	121.3

1/ Preliminary. 2/ Revised.

The following account of the Australian situation has been extracted from a report from Mr. R. W. Blake, Commercial Secretary for Canada, Melbourne, under date of August 16, 1954 and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce. Currency conversions have been made at the rate of £1 equals \$2.1870 (Canadian), the quotation in effect on August 6, 1954.

Crop Prospects and Pastoral Conditions Victoria. In Victoria, the condition of cereal crops generally is satisfactory, although in the northern areas further rains are urgently needed. Conditions are very good in the Wimmera district.

Winter fallowing for the 1955 wheat crop was fairly general during the past month. The area fallowed up to the end of July was less than normal.

South Australia. Wheat crops have grown well and are very promising.

The pastoral position is also satisfactory, except in the northeast of the State and also in the Northern Territory which is having a difficult winter.

Tasmania is having a very good season, and indications are that stock will come through the winter without much need for hand feeding.

Western Australia. Crops in the agricultural areas of Western Australia have started to move since widespread and prolonged rains at the end of July followed a spell of cold, frosty weather. The rains have started to make cereal crops and feed "grow away" from a plague of red-legged earth mites which attacked vigorously during the dry frosty weather. A record amount of D.D.T. was sprayed by aircraft and mechanical means, on thousands of acres of crop before the rains intervened.

The rains brought relief to the Meekatharra district which had experienced the worst drought for thirty-five years.

Pastoral conditions in the West Kimberleys improved as a result of the rains, and despite the previous year's drought, brandings were better than expected.

Although a bumper wheat crop is not expected for West Australia this year, prospects are brighter than they were at the beginning of July.

New South Wales. Since the heavy rains of January and February, unusually dry weather has prevailed over most of the wheat belt in New South Wales. For the most part, crops are backward and retarded by weed growth and insect pests. There is still time for improvement provided the Spring is favourable. August is a critical month as it marks a change in the seasons.

Indications are that approximately three and one-quarter million acres were sown to wheat for all purposes in New South Wales, of which about three million acres were intended to be harvested for grain.

The pastoral position generally is still unsatisfactory. In north-western New South Wales, pastures are bare and stock losses in the five-months old drought are costing graziers thousands of pounds. The effect of the drought has been accentuated by the ravages of grasshoppers earlier in the year. Grasshoppers have commenced hatching on the northern slopes of the State and a warning was issued that these preliminary hatchings foreshadowed a threat of grasshoppers in plague proportions in September.

Queensland. The outlook in Queensland continues to be good, and bountiful conditions prevail in southern and western Queensland.

Although the season's wheat acreage will not be known until after August, it is stated that 90 per cent of the prepared land in the State has been sown. (Approximately 800,000 acres had been prepared for planting). Overall

prospects for a good wheat harvest are considered to be reasonably secure.

Wheat Stabilisation Scheme At a Premiers' Conference at Canberra on July 26th, agreement was reached by all States of Australia on a new five-year stabilisation plan for wheat to cover the 1953-54 to 1957-58 crops inclusive. The plan is to be submitted to polls of growers in the mainland States before October 15th - the deadline set by the council - and, if approved, will be embodied in Federal and complementary State legislation. Main details of the plan are:

The Australian Wheat Board is to be the sole authority for marketing wheat within Australia and for wheat and flour for export.

The Federal Government is to guarantee to growers the ascertained cost of production of up to 100 million bushels exported each year.

A stabilisation fund is to be established by means of an export tax of 1s.6d. (16 cents) per bushel when export prices exceed costs of production by that amount or more or, when prices are less than 1s.6d. (16 cents) a bushel, of the amount by which they exceed cost of production.

The fund maximum is to be £20 million, (\$43,740,000) anything in excess of that figure to be repaid to the oldest contributing pool.

If export realisations fall below costs of production, returns are to be raised on up to 100 million bushels from each crop by drawing on the fund until it is exhausted and then on the Federal Government guarantee.

Subject to the condition that it is to be not less than the cost of production determined for each season, the homeconsumption price for f.a.q. wheat for human consumption and for stock feed is to be 14s. (\$1.53) a bushel varying downwards to conform with the International Wheat Agreement price at the beginning of each season, or, if Australia is not a party to an I.W.A., with the price for export at the beginning of each season.

Wheat Sales In the last two weeks of July, the Australian Wheat Board sold seven and one-quarter million bushels of wheat. India took four million bushels of this, half of which was from the 1952-53 season's crop. Japan took two cargoes and a good sale was made to Rhodesia.

In the crop year which ended July 31st, Australia sold only fifty-seven and one-half per cent of its export quota under the I.W.A., or 752,000 metric tons (27.6 million bushels).

FRENCH SITUATION

The following account of the current crop situation in France has been extracted from a report provided by Miss V. F. Wightman, Commercial Secretariat, Canadian Embassy, Paris, under date of August 20, 1954, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce. Where possible, conversions from French to Canadian measures have been made and rounded for the convenience of our readers. Currency conversions have been made at the rate of one franc equals .00277 Canadian dollars, the rate in effect on August 6, 1954.

Crop Conditions and Estimates Despite cool, grey weather prevailing throughout most of July, grain crops matured satisfactorily and in many parts harvesting was completed. Weather conditions were generally unfavourable to agriculture as actual rainfall did not provide a good reserve moisture and the number of rainy days hampered field work. However, grain crops slowly reached maturity and improved weather from July 20 on permitted harvesting, which was in many areas from ten to twenty days behind normal. Yields are on the whole good, except for oats, and the grain appears to be of excellent quality, provided it can be stored without excess moisture.

The August 1st estimate of the Ministry of Agriculture is as follows:

Estimate French Grain Crops, August 1, 1954

Grain	Area Seeded			Yield Per Acre			Production		
	Average 1948-52	1953	Aug. 1 1954	Average 1948-52	1953	Aug. 1 1954	Average 1948-52	1953	Aug. 1 1954
	- thousand acres -			- bushels -			- thousand bushels -		
Wheat ..	10,532	10,422	11,035	27	32	30	286,265	330,000	334,530
Rye	1,226	1,008	1,009	18	18	20	22,557	18,385	20,326
Barley .	2,358	2,972	3,053	30	35	33	70,454	102,831	102,034
Oats ...	5,817	5,606	5,348	38	42	40	219,851	237,494	216,041

Wheat With the exception of five departments, all regions of France shared in the increase in the wheat acreage this year, and particularly in the west of the country was the increase noted. For the five exceptions, the reduction was probably due to the frost damage in February. Since the crop matured slowly, without any excessive heat and subsequent withering, yields have been gradually revised upwards, to the level of 20.4 quintals per hectare (30 bushels per acre), compared with the record of 21.3 (32 bushels) last year. The specific weight is satisfactory and should be in the neighbourhood of 80 kilos per hectolitre (64 pounds per bushel).

A review of the differences in national yields indicates an improvement in the northeast and in many parts of the southeast, whereas there is a decrease from last year in the important area of the northwest. Since in over half of the wheat growing departments, yields are above last year, which was considered from good to very good, it would appear that improved agricultural techniques are being employed in the less favoured areas; this, according to the Ministry of Agriculture, should have an increasing influence on future crops.

As a result of the more favourable outlook for yields, the August 1st official wheat estimate has been raised to 9.1 million metric tons (334.4 million bushels), which passes last year's record crop of 8.9 million tons (327.0 million bushels).

Barley The small increase in acreage over last year would indicate a tendency towards stabilization, were it not for spring planting after frost had killed certain fields of winter wheat. Thus, according to the Ministry of Agriculture, the current increase does not necessarily indicate any trend. Both yield and crop will be in the neighbourhood of last year's.

Rye While little change is noted in the area sown, the yield estimated at 12.6 quintals per hectare (20 bushels per acre) will be above last year's 11.4 (18 bushels), with a somewhat higher crop.

Oats With gradually declining acreage, down 100,000 hectares (247,000 acres) this year, the crop will be considerably lower, due in part to winter frosts and the dry spring. The yield is expected to be down from last year's 16 quintals per hectare to 15.4 (42 to 40 bushels per acre).

1954-55 Wheat Price On July 17th the French government announced the basic price to farmers for the 1954-55 wheat crop; it is established at 3,400 francs per quintal (\$2.56 per bushel), which is 200 francs (15 cents) or 5.5 per cent lower than the price in effect for the past two years. In explaining this decision the Ministry of Agriculture states that this figure was arrived at by the application of the Wheat Plan of last September. First, there has been the automatic one per cent reduction in keeping with increased productivity. Secondly, there has been a modification in price resulting from lower indices of the cost of farming requisites (131.4 in June 1954 against 139.6 in June 1953), and in the retail price index for Paris (June 1954, 143.8 against 145.5 in June 1953). Finally, the government utilized part of the arbitrary 6 per cent modification allowed by the Plan because of the size of the crop and in view of its continuing effort to lower production costs.

This price of 3,400 francs per quintal (\$2.56 per bushel) is for clean, sound wheat weighing from 74.5 to 75.499 kilos per hectolitre (59.6 to 60.4 bushels per acre); this basic price is, however, modified by the following:

1. The levy to offset export losses. This year the exoneration from this charge applies only to deliveries up to 25 quintals (92 bushels), as compared with 50 quintals (184 bushels) last year, and the basic rate for this levy is 196 francs per quintal (15 cents per bushel), as compared with 100 (8 cents) last year. This basic rate is graduated upwards on a percentage basis with increased deliveries.

2. Certain taxes amounting to 35 francs per quintal (2.6 cents per bushel), the same as last year, plus a new storage charge of 32 francs per quintal (2.4 cents per bushel).

The new prices applying to the 1954 crop are as follows:

French Wheat Prices 1954-55

Quantities Delivered	Basic Price	To Be Deducted			1954-55	1953-54 3/
		Statistical and Progress Taxes 1/	Storage Taxes	Export Levy	Net Price to Producers 2/	Net Price to Producers
- bushels -		- dollars per bushel -				
1 - 92	2.56	.023	.024	-	2.52)	2.73
93 - 184	2.56	.023	.024	.037	2.48)	
185 - 276	2.56	.026	.024	.074	2.44	2.69
277 - 367	2.56	.026	.024	.148	2.36	2.65
368 - 735	2.56	.026	.024	.185	2.33	2.63
736 - 1,470	2.56	.026	.024	.222	2.29	2.61
1,471 - 2,205	2.56	.026	.024	.260	2.25	2.59
2,206 - 2,939	2.56	.026	.024	.296	2.22	2.57
2,940 - 3,674	2.56	.026	.024	.332	2.18	2.55
Over 3,674	2.56	.026	.024	.369	2.15	2.54

1/ Taxes - 35 francs (.026 cents) includes Statistical Tax of 30 francs (.023 cents) and contribution to Progress Fund of 5 francs (.004 cents).

2/ Plus carrying charges on the farm of 12.50 francs per quintal (.009 cents per bushel) each fortnight, up to May 16, 1955.

3/ One franc equals .00281 Canadian dollars, the rate in effect on September 26, 1953.

Protest by the Wheat Producers' Association The Wheat Producers' Association, while accepting the principle of a price reduction (see last month's report) has protested this new price established by the government.

Their note of protest centers on the following: that the cut in the basic price is too drastic; that the maintenance of the exoneration from the levy on deliveries under 25 quintals is unrealistic as it encourages the marginal producer; that the farmer is asked to support too large a share of the export subsidy; and that the farmer should not be expected to bear any of the storage charges.

They point out that for average size deliveries of from 100 to 400 quintals (367 to 1,470 bushels) the wheat price is reduced by from 279 to 346 francs per quintal (21 to 26 cents per bushel). They estimate further that total payment to farmers will be 20 billion francs (\$55,400,000) below the 1953 crop. In view of the reductions which have been put into effect, the Association claims that action should be taken immediately to lower production costs both of specific farming requirements and of general services.

Other Grain Prices All the basic prices for the 1954 harvest have now been announced as follows:

Grain	1953	1954
- francs per quintal -		
Soft wheat	3,600	3,400
Durum wheat	4,140	3,910
Barley	2,400	2,450
Oats	2,100	1,950
Rye	2,700	2,550
Corn	3,600	3,600

The above are basic prices, modified by various charges, and for rye, oats and barley represent the price at which the Grain Board will take over unsold stocks from warehouses at the end of the season.

It will be noted that the corn price has been kept on the same level as last year, and is now higher than that for wheat. This reflects the policy of encouraging corn production, particularly in areas new to this crop north of the Loire river. The government is anxious to reduce, as far as possible, imports of corn which in 1952 totalled 424,000 metric tons (16,692,000 bushels) and in 1953, 357,000 tons (14,054,000 bushels), mainly from the United States and Argentina.

The slightly higher barley price is likewise designed to encourage production; imports last year totalled 27,192 metric tons (1,249,000 bushels) from foreign countries, plus 230,562 (10,590,000 bushels) from North Africa.

Farmers' Marketings With the end of the crop year on June 30th, 1954, it is possible to ascertain farmers' marketings of grain during the past season. The following figures show the very considerable increase over the previous crop year.

Farmers' Marketings

Grain	1952-53	1953-54
- thousand bushels -		
Soft wheat	203,135	232,023
Durum wheat	136	337
Rye	1,933	2,081
Barley	19,454	28,707
Oats	16,181	16,794
Corn	640	2,452

Exports of Barley and Rye Authorized As of July 30, the French Grain Board informed exporters that all applications for licences to export barley or rye would be approved automatically. The Board will not, however, provide any export subsidy, so presumably such exports would have to be made on a compensation basis.

Foreign Trade French foreign trade in wheat for the first five months of the year
in Wheat (latest available) is as follows:

	Imports		Exports	
	1953	1954	1953	1954
- thousand bushels -				
Foreign Countries	173	35	4,024	17,971
French Union	3,123	4,504	6	810

NOTES ON THE WHEAT SITUATION IN OTHER COUNTRIES

Turkey's Wheat As a result of poor climatic conditions grain crops in Turkey are
Crop Lower forecast by the USDA at a somewhat lower level than the record
harvest in 1953. No significant change from the 1953 total grain
acreage is estimated. A small reduction may have occurred in foodgrains but offset
by slightly larger feedgrains. On the basis of the present outlook, unofficial
forecasts place the wheat crop at about 215 million bushels, compared with last
year's record outturn of about 295 million. Though sharply below that record, the
current forecast compares favourably with the long range average prior to 1951.

Producers are assured a market at relatively good prices for all
their grains, through government support programs. Support prices to producers of
wheat were recently announced at the same rates as in 1953. However, increases in
prices are authorized for highest quality Anatolia white wheat, durum, barley, rye
and oats, designed to encourage improvement in quality and increased production of
durum and feedgrains, for which good export demand is anticipated.

The maximum-minimum range of producer prices for grain in dollar-per-
bushel equivalent, at the official rate of exchange is as follows: Durum \$2.52 to
\$3.21; Anatolia premium white wheat \$2.32 to \$3.01; ordinary white wheat \$2.06 to
\$2.92; rye \$1.59 to \$2.27; barley \$1.36 to \$1.79 and oats \$0.91 to \$1.19.

A wheat crop of the size specified would still provide a surplus
above the country's normal requirement, though not the sizable surplus of the past
season.

Brazil Encourages The general policy of the Brazilian Government is to
Domestic Production encourage greater production of all crops, but the most
important program for production expansion is that for wheat.
Price supports for this crop are maintained at levels almost double the cost of
imported wheat, being made effective through compulsory utilization by mills of the
domestic supplies. Fertilizers are distributed to growers at subsidized low prices,
and preferences are given in supply of farm machinery. The production response over
the past few years has been notable. According to the official estimate, the 1953
wheat crop was more than 800,000 metric tons, almost twice the 1949 output. Because
of growing population, however, the production increment tends only to offset the

annual increase in requirements, without reducing the import need.

Mexico Harvests Mr. M. T. Stewart, Commercial Counsellor for Canada in Mexico
Record Wheat Crop reports that an all-time record wheat crop tentatively estimated
by government sources at 800,000 metric tons (29.4 million
bushels) has been harvested this season. A crop of this size will practically
eliminate the need for imports which have averaged 350,000 tons (12.9 million
bushels) annually in recent years.

Japan Fixes Grain The USDA reports that the Japanese Government recently announced
Support Prices the level at which wheat and barley prices to producers will be
supported in the 1954-55 marketing season. The new program
establishes support prices on a virtually straight application of the parity index.
The program calls for an increase of about five per cent over the previous rate for
wheat, but decreases in prices of both common and naked barley of about one per cent.
This brings wheat back into a normal price relationship with barley, after the
government's 1953 policy, which favoured barley.

The new price of wheat, at the equivalent of \$2.61 per bushel, is well
above the going world market price, as is common barley, at the equivalent of \$1.86
per bushel. The support price of naked barley, which has a 25 per cent heavier
bushel weight than common barley, is fixed at \$2.75 per bushel.

Application of the parity index, as mentioned above, is expected to
result in a slightly higher net than the 1953 total for the three grains, wheat,
barley and naked barley. The agricultural parity index in Japan is a weighted
average of 169 commodities on a 1950-52 base. Under the current program farmers
continue free to sell their grains either commercially or to the government, but
the support price largely determines the commercial market level.

The government will increase its sale price for wheat by 3.3 per
cent, lowering its margin of profit, since the increase to growers is about five
per cent. The sale price for barley is to be reduced by the same amount as the
reduction to producers.

Preliminary Data on Canadian Wheat, Crop Year 1953-54, with Comparisons

Item	1951-52	1952-53	1953-54 <u>1/</u>
- thousand bushels -			
Production	552,657	687,922	613,962
Marketings <u>2/</u>	455,362	535,986	389,671
Inspections <u>2/</u>	421,498	470,368	336,616
Receipts, Fort William-Port Arthur.	250,592	293,614	161,011
Shipments, Fort William-Port Arthur	267,681	278,484	138,253
Exports, wheat and wheat flour	355,825	385,527	255,147
I.W.A. sales	241,575	231,079	90,906
Carryover, end of crop year	217,178	369,185	587,487

1/ Preliminary. 2/ Western Canadian wheat only.

CALENDAR OF WHEAT EVENTS

- August 10 Total production of all wheat in the United States, based on conditions at August 1, was forecast at 977.5 million bushels, a decline of one per cent from the July 1 forecast. The prospective 1954 crop is 16 per cent smaller than the 1953 crop and 13 per cent smaller than the 1943-1952 average.
- 17 Total stocks of Canadian wheat in all North American positions at July 31, 1954 were estimated at 587.5 million bushels, second only to the record 594.6 million on hand in 1943.
- 17 The United States Congress passed the Agricultural Act of 1954 which established flexible price supports between 82.5 per cent and 90 per cent of parity for crops grown in 1955.
- 24 The Canadian Wheat Board issued an 'Instruction to the Trade' advising that the initial delivery quota of 100 units would become effective at ten specified delivery points in the Prairie Provinces on Saturday, August 28. Under the quota, producers may deliver 300 bushels of wheat, or 800 bushels of oats, or 500 bushels of barley or rye, or any combination of these grains, not in excess of 100 units. Effective mid-night, August 27, 1954 the special quota of 1,000 bushels of oats or barley will be cancelled at these ten delivery points.
- 27 In a further 'Instruction to the Trade' the Canadian Wheat Board made the initial quota effective on August 28th at eleven additional points.
- 31 According to Broomhall:

The United Kingdom has experienced five days of warm sunny weather which has enhanced prospects for saving the grain harvest although another two weeks of good weather is needed to permit completion of harvesting. The wheat yield will definitely be below last year but this will be offset to some extent by the larger acreage. Quality of much of the grain is expected to be poor.

In Sweden a record wheat crop of about 37 million bushels is expected.

In Italy an official estimate places the wheat crop at 280 million bushels, compared with 332.6 million bushels harvested last year.

Wheat yield in Belgium have been reduced by inclement weather but the acreage is larger than last year.

Harvesting in Austria is very late. The wheat outturn is expected to be somewhat below last year.

In Western Germany harvesting is also very backward and grain is sprouting in the stooks.

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