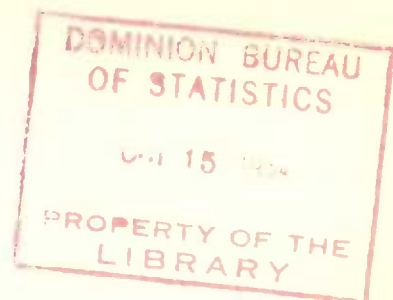
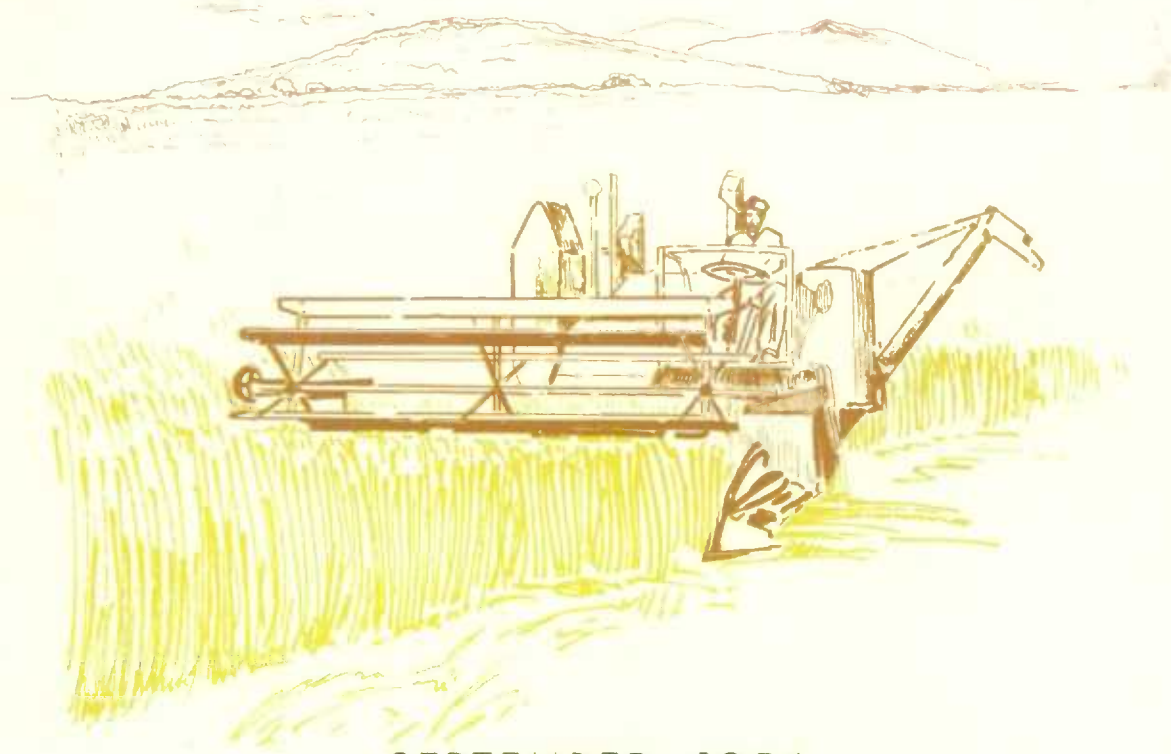


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# THE WHEAT REVIEW



SEPTEMBER, 1954

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
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THE  
WHEAT REVIEW

SEPTEMBER, 1954

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Minister of Trade and Commerce

Prepared in the Crops Section, Agriculture Division  
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NOTE: The October issue of 'The Wheat Review' will not be sent to the printers until the end of the first week in November. This delay will permit the inclusion of the November estimate of the 1954 Canadian wheat crop which is scheduled for release at 3 p.m. E.S.T. on November 5.

## WORLD WHEAT SITUATION

Current Supplies Latest available estimates indicate that supplies of wheat remaining on or about September 1, 1954 in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 2,148.4 million bushels, some 5.5 per cent greater than the 2,036.5 million available a year ago. Supplies at September 1, 1954 (in millions of bushels) were held as follows, with last year's figures in brackets: United States, 1,167.0 (1,067.8); Canada, 792.8 (820.1); Australia, 115.7 (56.6); and Argentina, 72.9 (92.0). Estimates for both years included on-farm stocks as well as those in commercial positions. The 1954 Canadian crop, estimated at 377.9 million bushels on the basis of conditions at September 1, is now taken into account in these calculations. It should be noted, however, that due to adverse harvesting conditions in the west, a further substantial reduction may be anticipated in the size of the current Canadian wheat crop.

Exports Total exports of wheat and flour in terms of wheat from the four major exporting countries for the month of August 1954, at 54.2 million bushels, are down 15.4 per cent from the shipments of 64.1 million during August of 1953. Shipments from each of the four countries during August of the current and four preceding years are shown in the table below.

Exports of Wheat and Flour in Terms of Wheat, August, 1954  
with Comparisons

August	United States	Canada	Argentina	Australia	Total
- million bushels -					
1950 .....	14.8	15.4	7.0	11.7	48.9
1951 .....	42.7	21.7	7.1	11.5	83.0
1952 .....	26.1	32.7	-	2.5	61.3
1953 .....	20.5	28.7	9.9	5.0	64.1
1954 .....	18.7	19.2	10.7	5.6	54.2

World Breadgrain Crop According to the September 27 issue of 'Foreign Crops and Markets' published by the United States Department of Agriculture, preliminary estimates place world breadgrain production in 1954 at 249 million short tons of wheat and rye, about 8 per cent below the all-time record production in 1952 and also below the near-record harvest of 1953. The forecast 1954 outturn is, however, termed 'well above average'. The decline from the 1953 crop is due to a decrease in the anticipated world wheat outturn, with preliminary estimates showing an increase over last year's low rye production.

The bulk of the reduction in wheat occurred in North America, where the United States and Canada both have considerably smaller crops than those of a year ago. The wheat forecast of 1,371 million bushels for North America is 436 million bushels less than the 1953 harvest and is the smallest outturn in this area since 1943. Production of all wheat in the United States is estimated at 962 million bushels, compared with 1,169 million last year and the 1943-1952 average of 1,122 million. The smaller outturn was caused by the reduced acreage, which was



20 per cent less than in 1953. Yields of all wheat were up slightly, with larger yields of winter wheat offsetting below-average yields of spring wheat.

Canada's wheat crop is currently forecast at 378 million bushels, compared with 614 million in 1953 and the record outturn of 688 million in 1952. Wheat acreage is down 5 per cent from the 1953 area, but yields are down 35 per cent, accounting for the main part of the crop reduction. (Editor's note: As already indicated, a further substantial reduction in the Canadian crop may be anticipated as a result of continued adverse weather conditions in the Prairie Provinces). An all-time record crop is reported for Mexico, the current estimate of 30 million bushels, being more than 25 per cent above the large 1953 harvest. A significant increase in acreage is reported together with slightly higher yields.

Wheat production in Europe is not expected to be greatly different from 1953, with a net increase for Western Europe offsetting reductions in other Europe, especially the Balkan area. On the basis of preliminary reports, the total for all Europe is estimated at 1,720 million bushels, compared with 1,725 million last year. Most significant increases were for Spain and France. In the former country the season was exceptionally favourable and the wheat crop was the largest since Spain's Civil War. The estimate of 185 million bushels for 1954 is 48 per cent above the very small 1953 crop, most of the increase being attributed to higher yields. The latest official estimate for France places the wheat crop at the all-time record figure of some 370 million bushels, compared with 330 million in 1953. The current estimate is considerably above earlier-season estimates, and it now appears that unfavourable weather during the latter part of the season affected quality more than quantity. Moisture content of the grain is reported high. Yields, as well as production, are at a new high level.

The wheat crop in Italy now appears certain to be well below the large 1953 crop. Recent trade estimates place the crop at about 276 million bushels, compared with 332 million last year. Western Germany's wheat harvest, officially estimated at about 103 million bushels, is above average but below the large 1953 outturn. This estimate, however, may be reduced, largely because of reported heavy harvest losses. The outlook for the United Kingdom is for a slightly larger crop than in 1953, despite unfavourable weather conditions during part of the growing and harvesting season. An increase of about 10 per cent in acreage accounts for the large crop. As is the case in a number of European countries this season, grain quality has deteriorated and much wheat is expected to be of inferior quality.

Wheat production in Eastern Europe will be smaller than in 1953 mainly because of reduced crops in the Danube Basin countries. Current production in Yugoslavia is reported to be considerably below that of last year.

A substantial increase is reported for the wheat acreage in the Soviet Union this season. The increase over the high level of 1953 brings the total wheat acreage well above the pre-war level. In line with the new Soviet program of grain expansion in eastern regions, the spring wheat area reportedly increased about 9 million acres, compared with 1953, mostly in the formerly uncultivated land of the semi-arid eastern regions beyond the Volga and Urals. The increase, however, may have been partially offset by some reduction in the acreage under winter breadgrains (wheat and rye) resulting from unfavourable weather conditions at seeding time and during the winter and spring.

Crop conditions in the Soviet Union have been spotty. Good growing weather in some regions, especially in the east, has offset the disadvantages of the late spring, which delayed seeding, and above-average yields may be expected though harvesting losses may be heavy. Over a large and normally high productive area of the south the crop, and especially the spring crop, may have been reduced by dryness. Usual harvest difficulties have been increased by the acreage increases and inclement weather in eastern areas and the early maturity of the crop, caused by abnormally high temperatures in a number of regions.

Wheat production in Asia appears to be above the large 1953 harvest. Increases are general, with all major producing countries except Turkey and Iran reporting larger crops. In Turkey, yields are sharply below the high 1953 yields and, if the crop outturn is as small as now estimated, no surplus of significance will be available for export. Better outturns in India and Pakistan bring harvests in these countries above average, after the small crops of last year. Unofficial estimates place the current wheat crop in Japan at 55.5 million bushels, 10 per cent above the 1953 harvest of 50.5 million and considerably above average.

Wheat production in Africa is estimated to be at a new record for that area. A record crop in Egypt together with record or near-record harvests in French North Africa account for the large total. It is too early in the growing season to have much information on the outlook for the crop in the Union of South Africa, the only important Southern Hemisphere producer of the area.

In South America, too, it is early to have any definite indication of the outlook for the crop to be harvested largely in December-January. In Argentina, the trade considers that an indicated decrease in wheat seedings in the southern part of that country more than offsets any small increase that may have taken place in northern Argentina. Reports from most areas, however, indicate that in general the condition of the crop is considered to be better than at this time last year.

According to an official of the Australian Wheat Board, Australia's next wheat harvest may yield 160 million bushels, depending on normal seasonal rains at the end of September and early in October. The crop in all States is expected to be later than usual. Seeded acreages are estimated to be about the same as last year but lower yields are anticipated. The 1953-54 Australian wheat crop amounted to 199 million bushels.

New Grain  
Storage Facilities  
for Argentina

The Canadian Agricultural Secretary in Buenos Aires reports that the Argentine Ministry of Public Works has commenced the construction of underground grain silos. This type of silo is airtight and thus permits storage for long periods with very little deterioration.

The construction of these silos falls within the program envisaged by the Second Five-Year Plan to increase grain storage space. Thirty-one locations have already been named where they are to be built and general regulations governing the expropriation of the properties concerned have been established. The target set for underground storage to be completed by 1957 is reportedly 2,100,000 metric tons.

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

Importing Countries	Guaranteed Quantities	Source				Total Purchases	Remainder 2/
		Canada 1/	Australia 2/	France 2/	U.S.A. 2/		
- thousand bushels -							
Austria .....	9,186	1,215	-	-	387	1,602	7,584
Belgium .....	23,883	5,176	-	-	479	5,655	18,228
Bolivia .....	4,042	-	-	-	84	84	3,958
Brazil .....	13,228	-	-	-	7,350	7,350	5,878
Ceylon .....	10,288	-	415	-	-	415	9,873
Costa Rica .....	1,286	170	-	-	154	324	962
Cuba .....	7,422	505	-	-	767	1,272	6,150
Denmark .....	1,837	-	-	-	-	-	1,837
Dominican Republic ..	1,028	29	-	-	19	48	980
Ecuador .....	2,388	900	-	-	2	902	1,486
Egypt .....	14,697	-	-	376	-	376	14,321
El Salvador .....	735	38	-	-	158	196	539
Germany .....	55,116	11,424	2,066	-	7,307	20,797	34,319
Greece .....	12,860	-	-	-	-	-	12,860
Guatemala 4/ .....	1,286	364	-	-	956	1,320	-
Haiti .....	1,837	118	-	-	119	237	1,600
Honduras Republic ...	735	-	-	-	14	14	721
Iceland .....	404	13	-	-	4	17	387
India .....	36,744	1,441	16,905	-	-	18,346	18,398
Indonesia .....	6,246	-	509	-	24	533	5,713
Ireland .....	10,105	606	336	-	-	942	9,163
Israel .....	8,267	1,408	-	-	-	1,408	6,859
Japan .....	36,744	7,094	-	-	2,110	9,204	27,540
Jordan .....	2,940	-	-	-	-	-	2,940
Korea .....	1,470	-	-	-	-	-	1,470
Lebanon .....	2,756	-	-	-	62	62	2,694
Liberia .....	73	2	-	-	3	5	68
Mexico .....	14,697	-	-	-	-	-	14,697
Netherlands .....	24,802	7,185	314	-	2,554	10,053	14,749
New Zealand .....	5,879	-	1,853	-	-	1,853	4,026
Nicaragua .....	367	32	-	-	17	49	318
Norway .....	8,451	2,677	-	-	945	3,622	4,829
Panama .....	845	44	-	-	34	78	767
Peru .....	7,349	-	-	-	-	-	7,349
Philippines .....	8,672	1,153	4	-	979	2,136	6,536
Portugal .....	7,349	11	141	-	997	1,149	6,200
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	777	-	-	372	1,149	5,098
Yugoslavia .....	3,674	3,596	-	-	-	3,596	78
Totals .....	389,372	51,578	22,543	376	27,950	102,447	
Guaranteed Quantities (Exporting Countries)		150,913	44,377	338	193,744	389,372	
Balance .....		99,335	21,834	(38)	165,794	286,925	

1/ Canadian sales through September 28, 1954.

2/ Sales recorded by International Wheat Council through September 24, 1954.

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

4/ Quota filled.



# CANADIAN SITUATION

Supply Position With carryover stocks of Canadian wheat now placed at 594.2 million bushels and the 1954 crop forecast, on the basis of conditions at September 1, at 377.9 million bushels, total estimated wheat supplies for the 1954-55 crop year amount to 972.0 million bushels. Supplies of the size indicated would be the third largest on record, exceeded by the record 1953-54 level of 983.1 million bushels and the 1942-43 total of 980.4 million. Assuming realization of the current forecast of production and estimated domestic requirements of 160 million bushels, supplies available for export and for carryover during 1954-55 would amount to 812.0 million bushels, about 4 per cent below the comparable figure of 848.8 million available in 1953-54. However, extremely adverse harvesting conditions prevailed in Western Canada during the greater part of September and actual crop outturns may be well below the levels indicated on the basis of conditions at September 1. It should, therefore, be emphasized that the Canadian supply position as currently forecast may be subject to significant downward revision when final harvesting returns become available.

## Canadian Wheat Supplies

Item	1953-54 <u>1/</u>	1954-55 <u>2/</u>
	- million bushels -	
Carryover in North America at beginning of crop year (August 1) .....	369.2	594.2 <u>3/</u>
New crop .....	614.0	377.9
Imports of wheat, August .....	-	<u>4/</u>
Total estimated supplies .....	983.1	972.0
Less estimated domestic requirements for crop year ....	134.3 <u>3/</u>	160.0
Available for export and for carryover .....	848.8	812.0
Deduct:		
Overseas clearances of wheat as grain, August .....	24.2	15.7
Exports of Canadian wheat to U.S., August .....	0.6	0.2
Total exports of wheat .....	24.7	15.9
Exports of wheat flour in terms of wheat, August .....	4.0 <u>5/</u>	3.4
Total exports of wheat and wheat flour .....	28.7	19.2
Balance on September 1 for export and for carryover ...	820.1	792.8

1/ Subject to revision.

2/ Preliminary.

3/ Revised.

4/ Less than 50,000 bushels.

5/ Adjusted for time lag in returns made by Customs.

Combined exports of wheat as grain and wheat flour in terms of wheat equivalent during August 1954 amounted to 19.2 million bushels as against the August 1953 total of 28.7 million. Subject to realization of current production and utilization estimates, the balance remaining on September 1 for export and for carryover was estimated at 792.8 million bushels, some 3 per cent below the September 1, 1953 total of 820.1 million.

August 1954 Exports  
of Wheat and Flour  
Below Average

Total exports of Canadian wheat and wheat flour in terms of wheat equivalent during August 1954, at 19.2 million bushels, were below the July 1954 level of 21.3 million and the ten-year (1944-45-1953-54) August average of 22.7 million

bushels. Exports of wheat as grain, at 15.9 million bushels, were 9 per cent below those of the preceding month. Some 8.6 million bushels, representing 54 per cent of this year's total August exports of wheat as grain, went to the United Kingdom. The Federal Republic of Germany with purchases of 2.8 million bushels and Belgium with 1.3 million were the other major markets for Canadian wheat. In addition, the following countries received shipments of wheat ranging from 700 thousand to 185 thousand bushels, in order of size of shipment: Netherlands, Yugoslavia, Malta, Israel, Japan, Colombia, Norway, Ireland and the United States.

Export Outlook

Although wheat exports during the first month of the current crop year were at a relatively low level, some elements in the current situation point to improved prospects in coming months. The Right Honourable C. D. Howe, Minister of Trade and Commerce, speaking in Saskatoon on September 15, 1954, indicated that Canada is now in a position to realize the advantages of having a substantial carryover of good grade wheat both in elevators and on farms. The Minister emphasized how serious the situation would have been if the present rusted and weathered crop were all that was available to meet purchasers' requirements.

It is evident that some of Canada's major customers have suffered serious damage to their crops, just as Canada has on the Prairies, and these countries will be in the market for larger quantities of good quality milling wheat. With wheat and flour reserves apparently back to normal, the United Kingdom will be a steady customer for imported wheat. During the past crop year Canada supplied twice as much of the wheat imported into the United Kingdom as all other exporting countries combined. It may be that Canada will fare even better during the present crop year. Japan, which last year was Canada's second most important market for wheat and barley, is expected to continue to import substantial quantities of these grains in 1954-55.

During the course of his address Mr. Howe touched on the crop situation in a number of countries. In concluding the portion of his remarks dealing with wheat he stated: " .... This is a very quick survey of some of our markets and is by no means complete. In countries like India and Pakistan, for example, the new crop will not be harvested until March or April. But I have said enough to indicate that the present crop year is not going to be a repetition of 1953-54. More imported wheat will be required to supplement smaller and in some cases poorer quality domestic crops, and reserve stocks are undoubtedly much reduced from levels at the beginning of last crop year.

"One swallow does not make a summer" and a smaller crop in Canada and in some of our major importing markets does not mean a sudden reversal in the



marketing outlook for Canadian wheat. We still have substantial quantities of wheat to sell and it will be the policy of the Canadian Wheat Board to continue to pursue an active and aggressive sales policy. But I think one is justified in saying that the balance of the world wheat situation, which was temporarily upset by a series of extraordinarily good crops, is being restored.

There will continue to be problems for all concerned in the marketing of Canadian grain, but I predict that some problems will also begin to be solved during 1954-55. There is reason for confidence, for example, that the farmers of the Prairie Provinces will be able to deliver all their 1954 wheat plus some of the wheat held over from the 1953 and previous crops, as well as all they have for sale of oats and barley."

Second Forecast of  
Production of Canada's  
1954 Grain Crops

Production of most of Canada's principal grain crops will be substantially below 1953 levels according to the second forecast of production released on September 15. An unprecedented combination of losses from rust, excessive moisture, sawflies, wind and hail in the Prairie Provinces has resulted in sharp reductions in both yield and quality, particularly of wheat, from the first estimate published on August 13. Although indicated average yields and production of Winter wheat and mixed grains are somewhat above the levels of forecast on the basis of conditions at August 1, those of Spring wheat, oats for grain, barley, fall rye and spring rye vary from much lower to relative unchanged.

September Forecast of the 1954 Production of Principal Grain Crops,  
Canada and Prairie Provinces, Compared with Latest Estimates for 1953

Crop	Area		Yield Per Acre		Production	
	1953	1954	1953	1954 1/	1953	1954 1/
	- acres -		- bushels -		- bushels -	
<u>CANADA</u>						
Winter wheat ....	732,000	710,000	35.8	33.7	26,206,000	23,927,000
Spring wheat 2/ .	24,780,600	23,556,800	23.7	15.0	587,756,000	353,924,000
All wheat .....	25,512,600	24,266,800	24.1	15.6	613,962,000	377,851,000
Oats .....	9,830,000	10,160,600	41.4	36.0	406,960,000	365,437,000
Barley .....	8,911,100	7,855,900	29.4	26.9	262,065,000	211,605,000
Fall rye .....	1,031,200	672,500	20.6	18.6	21,225,000	12,477,000
Spring rye .....	463,000	178,000	16.3	13.2	7,550,000	2,350,000
All rye .....	1,494,200	850,500	19.3	17.4	28,775,000	14,827,000
Flaxseed .....	972,000	1,206,000	10.2	10.1	9,912,000	12,189,000
Mixed grains ....	1,445,400	1,632,600	43.0	41.2	62,188,000	67,346,000
<u>PRAIRIE PROVINCES</u>						
Spring wheat 2/ .	24,648,000	23,437,000	23.7	15.0	584,000,000	351,000,000
Oats .....	6,490,000	6,715,000	42.5	35.6	276,000,000	239,000,000
Barley .....	8,599,000	7,568,000	29.2	26.7	251,000,000	202,000,000
Rye .....	1,411,000	752,700	19.0	17.0	26,850,000	12,800,000
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 September 1.

2/ Spring wheat includes Durum wheat in the Prairie Provinces where Canada's commercial production of this crop is concentrated and also relatively small quantities of Winter wheat in provinces other than Ontario.

September Forecast of the 1954 Production of Durum Wheat 1/  
in the Prairie Provinces Compared with 1953

Province	Area		Yield Per Acre		Production	
	1953	1954	1953	1954 <u>1/</u>	1953	1954 <u>1/</u>
	- acres -		- bushels -		- bushels -	
Manitoba .....	70,000	65,000	11.4	6.2	800,000	400,000
Saskatchewan ..	354,000	600,000	20.5	8.3	7,257,000	5,000,000
Alberta .....	21,000	80,000	26.0	20.0	545,000	1,600,000
Total .....	445,000	745,000	19.3	9.4	8,602,000	7,000,000

1/ Acreage and production included with spring wheat.

With the exception of southern areas, very little harvesting had been accomplished in the Prairie Provinces by September 1. Frequent rains during the past six weeks had seriously delayed ripening of grains and hampered harvesting operations even in areas where crops matured at an earlier date. Harvesting was not yet general in many central and northern districts, and an extended period of dry, frost-free weather will be required to ensure realization of current estimates. In addition, it will not be possible to determine, until completion of harvest, the exact extent of damage resulting from what is considered to be perhaps the worst rust epidemic in Canada's history.

Canada's wheat crop, currently forecast at 377.9 million bushels is far below both the 1953 crop of 614.0 million bushels and the ten-year (1944-1953) average of 456.5 million. The sharp reduction of 135.1 million bushels from the August 1 forecast is, to a large degree, attributable to the rust epidemic which developed in alarming proportions, particularly in Saskatchewan and Manitoba, as the season progressed. However, excessive moisture, sawflies, wind and hail also have taken considerable toll of crops since August 1. Moreover, as already noted, much of the crop is still immature and the greater part remains to be harvested. In view of these circumstances, optimum weather conditions must prevail for the next few weeks if even the current reduced forecast is to be fully realized.

The indicated decline in production of the 1954 wheat crop from last year's level results from decreases in both seeded acreages and average yields per acre. This year's crop of spring wheat, forecast at 353.9 million bushels, is being harvested from a seeded area estimated at 23.6 million acres yielding an indicated 15.0 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 now forecast at 23.9 million bushels, a decrease of 2.3 million from the 1953 outturn as a result of declines in average yield from 35.8 to 33.7 bushels per acre and in the seeded area from 732,000 to 710,000 acres.

In the Prairie Provinces the wheat crop is now forecast at 351 million bushels as against last year's next-to-record 584 million. The expected average yield per seeded acre in the Prairie Provinces is 15.0 bushels, with



Manitoba averaging 13.8; Saskatchewan 13.5, and Alberta 19.3 bushels per acre. Production in Manitoba is now placed at 28 million bushels, down 12 million bushels from the August forecast and 18 million less than in 1953. The indicated production in Saskatchewan is placed at 210 million, a decline of 115 million from the earlier estimate and 165 million below the 1953 crop. Alberta's wheat outturn is now forecast at 113 million, down 9 million from the August 1 forecast and 50 million from the 1953 level. Relatively small quantities of winter wheat are included in the spring wheat estimates for all provinces other than Ontario.

Farmers' Marketings Marketings of wheat by farmers in the Prairie Provinces have amounted to only 1.1 million bushels during the first six weeks of the current crop year. However, it must be noted that during the same period deliveries of barley and oats totalled 48.9 million bushels as against 27.3 million for the comparable period a year ago. This pattern of deliveries reflects the effects of the current delivery quota regulations of the Canadian Wheat Board as set out on page 4-6 of the July, 1954 issue of 'The Wheat Review'.

Farmers' Marketings of Wheat in the Prairie Provinces, 1954-55

Week ending		Manitoba	Saskatchewan	Alberta	Total	Last Year
- bushels -						
August	11, 1954 ...	2,105	1,801	403	4,309	8,553,128
	18 .....	-	5,138	-	5,138	9,260,410
	25 .....	2,360	249	-	2,609	8,717,439
September	1 .....	36,888	70,049	42,983	149,920	7,940,876
	8 .....	87,706	130,042	74,197	291,945	6,173,123
	15 .....	46,406	386,002	169,180	601,588	9,454,131
Totals .....		175,465	593,281	286,763	1,055,509	50,099,107
Average similar period						
1943-44--1952-53 .....		11,882,293	32,445,764	13,086,273	57,414,330	

Delivery Quotas In an 'Instruction to the Trade' dated September 21 the Canadian Wheat Board made the following announcement: "Effective midnight Wednesday, September 22nd, the special quota authorizing producers to deliver up to 1,000 bushels of oats or barley, or a combination of both of these grains not to exceed 1,000 bushels is hereby cancelled, insofar as it refers to the delivery of barley. However, to the extent country elevator space will permit, producers may continue to deliver oats to complete the special quota at stations where the unit quota is not yet in effect."

Up to and including September 30, the Canadian Wheat Board's initial delivery quota of 100 units had been declared in effect at nearly 25 per cent of the more than 2,000 delivery points in Western Canada. It will be recalled that under this initial quota policy, 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. Concurrent with the placing of a delivery point on the initial quota basis, the special quota authorizing farmers to deliver 1,000 bushels of oats or barley has been cancelled at that point.

Continued on page 37.

Visible Supply of Canadian Wheat, September 15, 1954  
Compared with Approximately the Same Date, 1952 and 1953

Position	1952	1953	1954
- thousand bushels -			
Country elevators - Manitoba .....	7,607	14,981	23,203
Saskatchewan .....	61,918	86,935	107,900
Alberta .....	29,833	48,792	58,717
Totals .....	99,358	150,708	189,820
Interior private and mill .....	5,725	5,592	5,108
Interior terminals .....	5,207	14,218	15,863
Vancouver-New Westminster .....	9,098	8,819	9,847
Victoria .....	-	292	411
Prince Rupert .....	6	290	220
Churchill .....	1,106	1,875	1,603
Fort William-Port Arthur .....	29,653	29,132	44,020
In transit rail (Western Division) .....	15,994	13,327	9,488
Bay, Lake and Upper St. Lawrence ports .....	21,340	42,480	40,602
Lower St. Lawrence and Maritime ports .....	10,121	17,143	21,795
In transit lake .....	2,955	4,989	9,864
In transit rail (Eastern Division) .....	404	1,750	1,191
United States ports .....	655	943	76
Totals .....	201,623	291,557	349,907

Grading of Wheat Inspected, August, 1954 with Comparisons

Grade	Crop Year		August			
	Average	1953-54	1953		1954	
	1948-49- 1952-53					
	per cent	per cent	cars	per cent	cars	per cent
1 Hard .....	1/	-	-	-	-	-
1 Man. Northern .....	12.1	8.0	1,327	7.1	875	7.4
2 Man. Northern .....	29.7	45.9	7,547	40.4	7,719	65.1
3 Man. Northern .....	13.9	20.4	3,212	17.2	1,496	12.6
4 Man. Northern .....	7.4	5.0	1,692	9.0	267	2.3
5 Wheat .....	7.7	4.8	1,996	10.7	44	0.4
6 Wheat .....	3.8	2.1	186	1.0	6	1/
Feed Wheat .....	0.6	0.2	24	0.1	6	1/
Garnet .....	0.9	0.5	110	0.6	58	0.5
Amber Durum .....	2.9	2.2	161	0.9	36	0.3
Alberta Winter .....	0.4	0.1	69	0.4	46	0.4
Toughs 2/ 3/ .....	15.6	9.0	2,006	10.7	1,063	9.0
Dampe 2/ 4/ .....	3.6	1/	3	1/	2	1/
Rejected 2/ .....	0.7	1.2	283	1.5	182	1.5
All Others .....	0.6	0.6	83	0.4	50	0.4
Totals .....	100.0	100.0	18,699	100.0	11,850	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.

Lake Shipments of Canadian Grain from the Opening of Navigation to September 15, 1954  
and to Approximately the Same Date, 1944 to 1953\*

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
- thousand bushels -						
1944 .....	193,637	48,433	27,613	5,710	4,514	279,908
1945 .....	227,375	57,693	24,512	3,366	2,450	315,397
1946 .....	61,347	37,079	13,364	1,048	1,004	113,842
1947 .....	91,115	26,976	13,319	2,169	28	133,606
1948 .....	60,873	12,941	12,555	1,204	4,305	91,877
1949 .....	95,481	17,863	17,526	5,894	4,767	141,531
1950 .....	84,639	12,922	13,673	3,357	1,496	116,088
1951 .....	108,632	39,614	28,196	4,849	959	182,251
1952 .....	150,251	61,368	62,785	4,983	3,286	282,672
1953 .....	156,884	55,496	73,533	8,977	3,181	298,071
1954 .....	81,776	34,411	44,023	4,703	2,303	167,216

\*Shipments from opening of navigation to September 14, 1944 through 1947. Shipments for subsequent years to the following dates: September 16, 1948; September 15, 1949; September 14, 1950; September 13, 1951; September 18, 1952 and September 17, 1953.

Wheat Shipments\* to the United States by Destination  
August 1 to September 15, 1954  
Compared with Approximately the Same Period 1952 and 1953

Destination	1952	1953	1954
- bushels -			
<u>By Vessel</u>			
Duluth Superior .....	363,094	-	-
Chicago .....	163,918	-	-
Huron .....	85,101	-	-
Erie .....	276,567	-	-
Buffalo .....	3,201,328	179,937	315,346
Totals, Vessel .....	4,090,008	179,937	315,346
<u>By Rail</u>			
U. S. A. Seaboard Ports .....	-	7,348	-
Other U.S.A. Points .....	1,072,284	855,235	9,998
Totals, Rail .....	1,072,284	862,583	9,998
Totals, Shipments .....	5,162,292	1,042,520	325,344

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

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

Origin of Shipments	August, 1953	August, 1954
- bushels -		
Port McNicoll .....	150,000	-
Midland .....	167,900	-
Walkerville .....	45,082	-
Totals .....	362,982	-

Rail Shipments of Wheat from Fort William-Port Arthur, 1951-52-1954-55

Month	1951-52	1952-53	1953-54	1954-55
- bushels -				
August .....	283,914	191,711	191,336	61,070
September .....	435,068	1,181,046	236,030	
October .....	159,667	936,757	173,043	
November .....	465,193	651,957	138,440	
December .....	1,387,828	464,914	347,824	
January .....	5,839,567	6,550,958	510,486	
February .....	3,618,007	9,566,151	368,662	
March .....	1,564,586	6,285,944	555,518	
April .....	107,061	189,339	378,681	
May .....	132,496	216,046	253,606	
June .....	196,083	136,014	37,349	
July .....	113,827	223,687	74,020	
Totals .....	14,303,297	26,594,524	3,264,995	

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

Grade	New Brunswick	Quebec	Ontario
- bushels -			
5 Wheat .....	-	10,167	8,667
6 Wheat .....	-	-	1,364
Amber Durum .....	-	4,000	8,033
Tough .....	-	1,407	-
All Others .....	7,562	11,232	8,638
Totals .....	7,562	26,806	26,702

Overseas Exports of Canadian Grain by Ports of Loading, August 1 to September 15, 1954, with Comparisons

Ports	Wheat	Oats	Barley	Rye	Flaxseed
- thousand bushels -					
<u>Pacific Seaboard</u>					
Vancouver-New Westminster ....	7,390	763	322	-	-
Prince Rupert.....	147	-	271	-	-
<u>Churchill</u> .....	6,394	-	-	-	-
<u>Lakehead Direct</u> .....	-	-	78	-	-
<u>St. Lawrence</u>					
Montreal .....	9,125	65	5,421	100	100
Sorel .....	1,905	-	870	-	-
Three Rivers .....	1,442	-	-	-	-
Quebec .....	1,556	-	-	-	-
Totals .....	27,960	828	6,961	100	100
August 1-September 17, 1953 .	35,463	1,147	10,057	304	410



Freight Assistance Policy Claims filed for payment up to August 31, 1954 represent shipments of some 13.1 million bushels of wheat from the Prairie Provinces to Eastern Canada and British Columbia during the crop year 1953-54. Up to August 31, 1953 claims had been filed for some 14.2 million bushels, indicating on the assumption of approximately the same rate of submission of claims during both crop years that the 1953-54 wheat shipments under the plan were running somewhat below those in 1952-53. Revised data on shipments during 1952-53 based on claims submitted up to August 31, 1954 place the total at 14.9 million bushels. The bulk of the 1953-54 shipments, some 9.3 million bushels, went to destinations in Quebec and Ontario, with British Columbia accounting for an additional 2.4 million. Relatively small shipments went to Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

Provincial Distribution of Wheat Shipments under the Freight Assistance Policy,  
August—July, 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	304	167	896
March .....	4	7	74	32	400	383	210	1,109
April .....	7	6	59	35	284	400	215	1,006
May .....	5	11	72	32	505	460	226	1,310
June .....	4	9	50	31	379	426	182	1,081
July .....	2	16	45	30	440	332	90	955
Totals 1/ .....	80	124	718	415	4,696	4,619	2,402	13,054
Same period 1952-53:								
Preliminary 2/ .....	82	224	809	497	4,976	5,254	2,400	14,242
Revised 1/ .....	90	229	847	522	5,212	5,427	2,571	14,899

Preliminary data on millfeed shipments under the freight assistance plan indicate shipments of 448,836 tons during the 1953-54 crop year. This total, based on claims submitted up to August 31, 1954 is some 12 per cent below the preliminary total for the comparable period of 1952-53. Revised figures for 1952-53 show a total of 530,388 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—July, 1953-54 and 1952-53

Province	1952-53		1953-54
	Preliminary 2/	Revised 1/	Preliminary 1/
- tons -			
Newfoundland .....	2,995	3,245	3,328
Prince Edward Island .....	7,301	7,460	4,538
Nova Scotia .....	36,397	37,564	31,205
New Brunswick .....	32,467	33,871	28,465
Quebec .....	242,303	250,677	209,386
Ontario .....	139,906	147,422	126,362
British Columbia .....	46,272	50,149	45,552
Totals .....	507,641	530,388	448,836

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

2/ Based on claims filed up to August 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 <u>1/</u>	Exports of Canadian Wheat to U.S.A. for Domestic Use and Milling in Bond <u>2/</u>	Customs Exports of Canadian Wheat Flour <u>3/</u>	Total	Customs <u>4/</u> Exports of Wheat and Wheat Flour
- thousand bushels -					
<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

1953-54 5/

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

1954-55 5/

August .....	15,666	185	3,380	19,230	20,088
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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 year 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, 1954-55

Destination	May	August	
	Wheat Flour 1/2/	Wheat Flour 2/	Wheat 3/
- bushels -			
<u>COMMONWEALTH COUNTRIES</u>			
United Kingdom .....	1,469,655	1,284,898	8,587,739
<u>Africa</u>			
Gambia .....	-	2,210	-
Gold Coast .....	91,390	142,497	-
Nigeria .....	74,281	79,978	-
Sierra Leone .....	15,539	25,798	-
<u>Asia</u>			
Hong Kong .....	81,729	136,760	-
Malaya and Singapore .....	24,030	43,128	-
<u>Europe</u>			
Gibraltar .....	12,839	7,704	-
Malta .....	-	-	369,600
<u>North America</u>			
Bahamas .....	27,621	23,553	-
Barbados .....	21,605	44,248	-
Bermuda .....	6,484	11,196	-
British Honduras .....	3,213	1,652	-
Jamaica .....	74,929	87,750	-
Leeward and Windward Islands .....	82,246	112,594	-
Trinidad and Tobago .....	185,531	85,923	-
<u>South America</u>			
British Guiana .....	24,512	8,204	-
Totals, Commonwealth Countries ....	2,195,604	2,098,093	8,957,339

Exports of Canadian Wheat and Wheat Flour by Destination, 1954-55

Destination	May	August	
	Wheat Flour 1/2/	Wheat Flour 2/	Wheat 3/

- bushels -

FOREIGN COUNTRIES

Africa

Azores and Madeira .....	14,328	11,840	-
Belgian Congo .....	44,487	61,857	-
French Africa .....	-	1,768	-
Liberia .....	770	796	-
Morocco .....	6,471	-	-
Portuguese West Africa .....	940	4,154	-

Asia

Israel .....	-	-	362,133
Japan .....	93,874	62,348	349,627
Korea .....	101,228	-	-
Lebanon .....	12,852	306	-
Philippine Islands .....	574,479	511,330	-
Portuguese Asia .....	-	2,295	-
Thailand .....	29,525	21,712	-

Europe

Belgium .....	-	-	1,250,378
Denmark .....	-	230	-
France .....	5,553	2,020	-
Germany, Federal Republic of .....	57,190	22,950	2,823,493
Iceland .....	12,861	2,403	-
Ireland .....	-	-	238,933
Italy .....	-	-	18,372
Netherlands .....	-	-	696,901
Norway .....	-	-	274,587
Portugal .....	3,901	3,902	-
Switzerland .....	180	-	37,707
Yugoslavia .....	346	-	372,400

North America

Costa Rica .....	45,356	34,857	-
Cuba .....	61,222	22,257	-
Dominican Republic .....	60,363	14,756	2,500
El Salvador .....	26,942	32,625	-
French West Indies .....	365	477	-



Exports of Canadian Wheat and Wheat Flour by Destination, 1954-55

Destination	May	August	
	Wheat Flour <u>1/2/</u>	Wheat Flour <u>2/</u>	Wheat <u>3/</u>
- bushels -			
<u>FOREIGN COUNTRIES</u>			
<u>North America</u>			
Guatemala .....	38,223	77,080	-
Haiti .....	32,063	41,355	-
Honduras .....	1,377	459	-
Netherlands Antilles .....	28,850	22,244	-
Nicaragua .....	16,506	21,285	-
Panama .....	25,596	15,800	-
St. Pierre and Miquelon .....	175	1,656	-
United States			
Flour in terms of wheat .....	127,620	33,975	-
For milling in bond <u>4/</u> .....	-	-	99,761
For domestic use <u>4/</u> .....	-	-	84,996
Virgin Islands .....	342	3,375	-
<u>Oceania</u>			
Guam .....	-	2,894	-
<u>South America</u>			
Colombia .....	35,105	102,600	281,220
Ecuador .....	1,147	-	-
Peru .....	9,329	5,386	-
Surinam .....	16,960	28,048	-
Venezuela .....	206,028	110,934	-
Totals, Foreign Countries .....	1,692,554	1,281,974	6,893,008
Totals, All Countries .....	3,888,158	3,380,067	15,850,347

- 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.

Initial Payment  
to Producers

The Canadian Wheat Board released on September 28 its Price List No. 1 covering fixed minimum carlot prices for wheat, established in accordance with the provisions of the Canadian Wheat Board Act as amended. The Board states that the price of No. 1 Northern wheat was fixed "by the provisions of Order-in-Council P.C. 1954-1067, dated July 13, 1954, .... and the remaining prices have been fixed by the Board in their proper relation to the price for the No. 1 Northern grade". In addition to the categories of "tough and damp" as shown in the table below, Price List No. 1 includes ten other off-grades carrying discounts from the straight grades.

Canadian Wheat Board Price List for Specified Grades of Wheat, 1954-55  
(In Carload Lots, Basis in Store Fort William-Port Arthur or Vancouver)

Grade	Straight	Tough 1/	Damp 2/
No. 1 Hard .....	\$1.40	\$1.36	\$ -
No. 1 Northern .....	1.40	1.36	1.24
No. 2 Northern .....	1.36	1.32	1.20
No. 3 Northern .....	1.34	1.30	1.18
No. 4 Northern .....	1.26	1.22	1.10
No. 5 Wheat .....	1.12	1.08	.96
No. 6 Wheat .....	1.06	1.02	.92
Feed Wheat .....	1.00	.96	.86
No. 4 Special .....	1.22	1.18	1.06
No. 5 Special .....	1.09	1.05	.93
No. 6 Special .....	1.03	.99	.89
No. 1 C.W. Amber Durum .....	1.50	1.46	1.34
No. 2 C.W. Amber Durum .....	1.47	1.43	1.31
No. 3 C.W. Amber Durum .....	1.40	1.36	1.24
No. 4 C.W. Amber Durum .....	1.36	1.32	1.20
No. 5 C.W. Amber Durum .....	1.22	1.18	1.06
No. 6 C.W. Amber Durum .....	1.16	1.12	1.02
No. 1 C.W. Garnet .....	1.24	1.20	1.08
No. 2 C.W. Garnet .....	1.19	1.15	1.03
No. 3 C.W. Garnet .....	1.12	1.08	.96
No. 4 C.W. Garnet .....	1.06	1.02	.90
No. 1 Alberta Red Winter .....	1.27	1.23	1.11
No. 2 Alberta Winter .....	1.22	1.18	1.06
No. 3 Alberta Winter .....	1.17	1.13	1.01
No. 4 Alberta Winter .....	1.12	1.08	.96
No. 1 Soft White Spring .....	1.25	1.21	1.09
No. 2 Soft White Spring .....	1.22	1.18	1.06
No. 3 Soft White Spring .....	1.18	1.14	1.02
No. 4 Soft White Spring .....	1.15	1.11	.99
No. 1 Mixed Wheat .....	1.12	1.08	.98
No. 2 Mixed Wheat .....	1.07	1.03	.93
No. 3 Mixed Wheat .....	1.05	1.01	.91
No. 4 Mixed Wheat .....	1.02	.98	.88
No. 5 Mixed Wheat .....	1.12	1.08	.98
No. 6 Mixed Wheat .....	1.07	1.03	.93
No. 1 C.W. Mixed Grain .....	.90	.86	.76

1/ Moisture content for wheat other than Durum, 14.6 per cent to 17 per cent inclusive; for Durum wheat, 14.9 per cent to 17 per cent inclusive.

2/ Moisture content over 17 per cent.

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

Class and Grade	Week ending			
	September 4	September 11	September 18	September 25
- 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 .....	170	169/6	169/7	169/5
2 Northern .....	164	163/6	163/7	163/5
3 Northern .....	162	161/6	161/7	161/5
4 Northern .....	158	157/6	157/7	157/5
5 Wheat .....	156	155/6	155/7	155/5
6 Wheat .....	151	150/6	150/7	150/5
Feed Wheat .....	148	147/6	147/7	147/5
1 C.W. Garnet .....	158	157/6	157/7	157/5
2 C.W. Garnet .....	157	156/6	156/7	156/5
3 C.W. Garnet .....	156	155/6	155/7	155/5
1 Alberta Red Winter .....	158	157/6	157/7	157/5
2 Alberta Winter .....	156	155/6	155/7	155/5
3 Alberta Winter .....	154	153/6	153/7	153/5
1 C.W. Amber Durum 1/ .....	199	198/6	198/7	198/5
2 C.W. Amber Durum 1/ .....	197	196/6	196/7	196/5
3 C.W. Amber Durum 1/ .....	196	195/6	195/7	195/5
<u>Exports - Class II</u>				
1 Northern .....	170	169/6	169/7	169/5
2 Northern .....	164	163/6	163/7	163/5
3 Northern .....	162	161/6	161/7	161/5
4 Northern .....	158	157/6	157/7	157/5
5 Wheat .....	156	155/6	155/7	155/5
6 Wheat .....	151	150/6	150/7	150/5
Feed Wheat .....	148	147/6	147/7	147/5
1 C.W. Garnet .....	158	157/6	157/7	157/5
2 C.W. Garnet .....	157	156/6	156/7	156/5
3 C.W. Garnet .....	156	155/6	155/7	155/5
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			
	September 4	September 11	September 18	September 25
- 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	175/6	175/7	175/5
2 Northern .....	170	169/6	169/7	169/5
3 Northern .....	168	167/6	167/7	167/5
4 Northern .....	164	163/6	163/7	163/5
5 Wheat .....	156	155/6	155/7	155/5
6 Wheat .....	151	150/6	150/7	150/5
Feed Wheat .....	148	147/6	147/7	147/5
1 C.W. Garnet .....	158	157/6	157/7	157/5
2 C.W. Garnet .....	157	156/6	156/7	156/5
3 C.W. Garnet .....	156	155/6	155/7	155/5
1 Alberta Red Winter .....	162	161/6	161/7	161/5
2 Alberta Winter .....	160	159/6	159/7	159/5
3 Alberta Winter .....	158	157/6	157/7	157/5
<u>Export - Class II</u>				
1 Northern .....	176	175/6	175/7	175/5
2 Northern .....	170	169/6	169/7	169/5
3 Northern .....	168	167/6	167/7	167/5
4 Northern .....	164	163/6	163/7	163/5
5 Wheat .....	156	155/6	155/7	155/5
6 Wheat .....	151	150/6	150/7	150/5
Feed Wheat .....	148	147/6	147/7	147/5
1 C.W. Garnet .....	158	157/6	157/7	157/5
2 C.W. Garnet .....	157	156/6	156/7	156/5
3 C.W. Garnet .....	156	155/6	155/7	155/5
1 Alberta Red Winter .....	162	161/6	161/7	161/5
2 Alberta Winter .....	160	159/6	159/7	159/5
3 Alberta Winter .....	158	157/6	157/7	157/5



CANADIAN FLOUR MILLING SITUATION

Production The production of wheat flour reported by Canadian mills for August, 1954 amounted to 1,812,000 barrels, surpassing both the July, 1954 output of 1,596,000 barrels and the August, 1953 output of 1,424,000 barrels. The ten-year (1944-45-1953-54) average production for the month of August was 1,867,000 barrels. Mills reporting operations during August, 1954 had a total rated capacity of 96,834 barrels per 24-hour day, and on the basis of a 26-day working period, 72.0 per cent of this rated capacity was effective.

Wheat milled for flour during the month amounted to 8.1 million bushels as against 7.0 million bushels milled during the preceding month and 6.3 million bushels milled during August last year. Of the wheat milled for flour during August, 1954 some 7.2 million bushels were Western Canadian Spring wheat (other than Durum). Most of the balance consisted of Ontario Winter wheat (675,000 bushels) and Durum wheat (55,000 bushels).

Exports According to preliminary Customs returns, exports of Canadian wheat flour during August, 1954 amounted to 751,126 barrels (3,380,000 bushels of wheat equivalent), representing a decrease of 13 per cent from flour exports of the preceding month. Flour shipments during the month went to 50 countries and colonies, with the United Kingdom accounting for 1.3 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: Philippine Islands (511); Gold Coast (142); Hong Kong (137); Leeward and windward Islands (113); Venezuela (111), and Colombia (103).

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

Crop Year	Wheat Milled for Flour	Wheat Flour	
		Production	Exports <sup>1/</sup>
	- bushels -	- 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 <sup>2/</sup> .....	91,872,664	20,804,885	10,291,561
1954-55 <sup>2/</sup>			
August .....	8,059,773	1,812,296	751,126
Same period 1953-54 (revised) .....	6,345,014	1,423,562	885,116

<sup>1/</sup> 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.

<sup>2/</sup> Subject to revision.

UNITED STATES SITUATION

Supply Position      Total estimated domestic supplies of wheat in the United States for the 1954-55 crop year are now placed at 1,865.0 million bushels, consisting of a carryover of 902.9 million bushels and the 1954 crop of 962.1 million. Imports of wheat from Canada for all purposes during the July-August period of the current crop year amounted to 0.2 million bushels. With anticipated domestic requirements placed at 660.0 million bushels, some 1,205.2 million remain available for export and for carryover during 1954-55 compared with 1,114.1 million bushels available during 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	962.1 <u>4/</u>
Total estimated domestic supplies .....	1,731.0	1,865.0
Imports of wheat for domestic use, July-August .....	0.4	0.2
Total estimated supplies <u>2/</u> .....	1,731.4	1,865.2
Less estimated domestic requirements for crop year <u>3/</u> ..	617.3	660.0
Available for export and for carryover .....	1,114.1	1,205.2
Deduct:		
Exports of wheat as grain, July-August .....	42.0	32.4
Exports of wheat flour and products in terms of wheat July-August .....	4.3	5.8
Total exports of wheat, wheat flour and products .	46.3	38.2
Balance on September 1 for export and for carryover ...	1,067.8	1,167.0

1/ Preliminary.

2/ Excluding imports for September-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.

Exports of wheat, wheat flour and products in terms of grain equivalent during the July-August period of 1954 amounted to 38.2 million bushels as against the comparable total of 46.3 million for the same period in 1953. The balance remaining on September 1 for export and for carryover was estimated at 1,167.0 million bushels compared with 1,067.8 million on the same date a year ago.

1954 Wheat Crop  
Forecast at 962  
Million Bushels

In a report issued on September 10, the Crop Reporting Board of the United States Department of Agriculture stated that according to an appraisal of crop conditions at September 1, production of all wheat is estimated at 962 million bushels, a decline of 15 million bushels from the August 1 estimate. This compares with 1,169 million bushels last year and the average of 1,122 million bushels. It is the smallest wheat crop harvested since 1943. The lower estimate is due to declining prospects for other spring and durum wheat crops which were damaged by rust and hot, dry weather. A winter wheat crop of 776 million bushels, for which the last estimate was made as of August 1, is included in the all wheat production figure. The yield of all wheat is indicated at 17.9 bushels per acre harvested, 0.6 bushel above last and 0.9 bushel above the average. While yields of all wheat averaged slightly above last year the acreage for harvest was 20.5 per cent less than in 1953.

A sharply below average crop of all spring wheat is in prospect this year. The serious infestation of black stem rust, together with leaf rust, drought and excessively high temperatures, greatly reduced yields below earlier expectations. All spring wheat is now estimated at 186 million bushels, a decline of 15.4 million bushels from the August 1 forecast. Loss of production occurred throughout most of the major spring wheat area, with damage much greater to durum than to other spring wheat varieties. The indicated yield per harvested acre for the U.S., at 11.9 bushels, is 2.0 bushels below last year and 3.1 bushels below average.

The 178 million bushels of other spring wheat in prospect is 12 million bushels below the August forecast, and compares with 278 million bushels in 1953 and average of 253 million bushels.

Prospective production is less than on August 1 in North Dakota, South Dakota, Minnesota and Montana due to stem rust, leaf rust, high temperatures and drought. In Idaho, yields are not turning out quite as good as expected. Indicated yields were the same as a month earlier in Washington, but improved during the month in Oregon where weather conditions were generally favourable. By September 1, harvest was 62 per cent completed in North Dakota; yields have proved disappointing with test weights below average in all except the earlier harvested fields and isolated areas. In western States, harvest is completed or well along in all areas except at higher elevations. In a strip from northern Minnesota to Washington, wet weather has retarded harvest.

Yield per acre for the U.S. is 12.6 bushels, compared with 14.6 bushels last year and the average of 15.2 bushels.

Production of durum wheat is now estimated at 8,698,000 bushels, only two-thirds as large as last year's small crop and only one-fourth average. The small crop is due both to reduced acreage as well as extremely heavy losses from rust and unfavourable weather during the growing season.

Yields per acre are poor in all States, with badly shriveled grain resulting in low test weights. Many low yielding fields have been completely abandoned. In South Dakota, harvest has been completed and is nearly completed in Minnesota. In North Dakota, only 29 per cent of the crop had been combined or threshed by September 1 with wet fields causing delay.



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	
September 1, 1954	231 1/2	- 253	September 1, 1954	246 3/4	- 247 3/4
2	233	- 250	2	247 3/4	- 248 3/4
3	233	- 244 3/4	3		
6	Labour Day		6	Labour Day	
7	238 1/2		7		
8	231 1/4	- 266 3/4	8		
9	231 1/2		9		
10	237	- 254 1/2	10	251 5/8	- 254 5/8
13	228 1/2	- 272 3/4	13	251 1/4	- 254 1/4
14	228 1/2	- 257 1/2	14	250 3/4	- 252 3/4
15	227	- 276	15	251 1/8	- 253 1/8
16	230 3/4		16	253 3/8	- 255 3/8
17	227 1/2	- 253 1/2	17	255 3/8	- 256 3/8
20	226 1/4	- 230 1/4	20	252 5/8	- 253 5/8
21	226 1/4	- 242 1/2	21	253 1/4	- 254 1/4
22	248 3/4		22	250 3/8	- 251 3/8
23	225	- 277 1/4	23	250 5/8	- 251 5/8
24	229 1/4	- 229 1/2	24	250 3/8	- 252 3/8
27	224 3/4	- 278 1/4	27	251 3/8	- 254 3/8
28	228 1/2	- 246 1/4	28	252 1/8	- 255 1/8
29	229	- 266	29	252	- 255
30	228 1/2	- 239 3/4	30	252	- 256

Chicago Wheat Futures, High Points of Closing

Date	September	December	March	May	July
	- cents and eighths per bushel -				
September 1, 1954	215/7	220/2	221/3	217/6	205
2	216/2	220/2	222	217/7	204/6
3	217/4	221/4	223/4	219/1	206/6
6			Labour	Day	
7	218/4	222/5	224/4	220/3	207/5
8	218/4	222/5	223/6	219/5	207/4
9	217	221/2	222/2	218/3	205/6
10	217	221/1	222/2	218/1	205/4
13	215/2	219/4	221/1	216/7	204/2
14	214/5	218/7	220/2	216/6	204/4
15	213/5	217/5	219/6	216/6	204
16	213/4	217/4	220	217/1	205/2
17	216	219/2	222/1	219	207/2
20	216/1	219/1	221/2	218/3	207
21	217/6	218/4	220/4	217/5	206/2
22		216/2	218/3	215/2	204/4
23		215/7	217/7	214/7	204/1
24		216/5	218/6	215/2	204/6
27		215/2	217/3	214/4	203/4
28		215	217/1	214	203/3
29		214/5	216/5	213/6	202/4
30		216/1	218/3	215/2	204/2

ARGENTINE SITUATION

Supply Position Total estimated supplies of wheat in the Argentine for the 1953-54 crop year amount to 279.3 million bushels, consisting of a carryover of 58.8 million and the 1953 crop of 220.5 million bushels. After deducting anticipated domestic requirements of 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 for the December—August period of the current crop year totalled 77.8 million bushels as against exports of 48.8 million during the same months of 1952-53. The balance on September 1, 1954 for export and for carryover at the end of the crop year amounted to 72.9 million bushels compared with 92.0 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—August .....	48.8	75.7
Exports of wheat flour in terms of wheat, December—August .....	<u>3/</u>	<u>2.2</u>
Total exports of wheat and wheat flour .....	48.8	77.8
Balance on September 1 for export and for carryover .	92.0	72.9

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 September 15, 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 dollars.

Weather and Crops      Relatively dry weather during the last three weeks of August together with a number of bright very warm days has benefited the grain zone in general and especially those areas where growth had been retarded by cold wet weather. Wheat has been completely sown now and is in promising condition especially in south-central Buenos Aires, north-central Santa Fé and north-central Córdoba.

The warm weather improved the condition of the winter grains - oats, rye and barley - and these are being heavily grazed due to the shortage of natural pastures.

1954-55 Wheat Crop      Although the crop has been completely seeded it is early to attempt to estimate the area sown. The general impression amongst the trade appears to be that seeded area in the south has been reduced due primarily to unsatisfactory weather for cultivating and sowing earlier in the season combined with the increased prices for flaxseed. This decrease is now considered to be enough to more than offset any small increase that may occur in the northern zone. Under these circumstances a preliminary estimate of 6,000,000 hectares (14.8 million acres) appears reasonable.

Of considerably greater importance, however, is the fact that in general the condition of the crop is considered to be better than it was at this time last year, especially in the marginal areas in Córdoba and Eva Perón, the production from which usually makes the difference between good and average crops.

1953-54 Wheat Crop      Various official statements have been made to the effect that the exportable surplus of wheat for this year has been completely committed. These comments came after, and were supported by, I.A.P.I.'s withdrawal from the market. However, if official carryover, production and sales figures are accurate, these statements imply either that a total carryover of approximately 1,000,000 tons (36.7 million bushels) is considered desirable or that certain quantities are being held to cover official commitments under trade agreements, or otherwise. In this connection the sale was unofficially reported at the end of August of 70,000 tons (2,572,000 bushels) to Chile. Unconfirmed rumours suggest that Italy may take up to 500,000 tons (18,372,000 bushels) under her trade agreement and that price is under negotiation at present. In any event, it is unofficially estimated that by the end of this week all of the 423,000 tons (15,543,000 bushels) sold by I.A.P.I. in late June will have been purchased by overseas buyers with Germany being one of the best customers.

1954-55 Flaxseed Crop      Although only about 80 per cent of the crop has been sown it is already possible to predict that there will be some increase in the area sown to flaxseed this year. This increase is expected to come mainly from the southern zone and from Entre Rios, where wet weather earlier in the season reduced wheat sowings. In some cases the announced increase in producers' price from 65 to 75 pesos per 100 kilos (\$3.30 to \$3.81 per bushel) undoubtedly affected the decision to plant flaxseed rather than late wheat.

Campaign to Increase Sunflower Seed Production      Once again a strong campaign is being waged to increase the acreage sown to sunflower seed which in the past few years has dropped to a disastrously low level.

Facets of this campaign are the increase in the producer price from 48 pesos to 60 pesos per 100 kilos (\$1.05 to \$1.31 per bushel) and the provision of seed at the



subsidized price of 55 pesos per 100 kilos (\$1.20 per bushel).

Sales Officially announced I.A.P.I. sales of grain and by-products during the past four weeks were limited to 55,000 tons of bran and middlings at prices ranging from 230 to 245 pesos per ton, f.o.b. for U.S. dollars and 4,500 tons of millet at 300 pesos for U.S. dollars and 312 pesos for Danish Crowns. However, it is reliably reported that 70,000 tons (2,572,000 bushels) of wheat were sold to Chile outside their agreement at 60 dollars per metric ton (\$1.63 per bushel) and that 40,000 tons (1,575,000 bushels) of rye were sold at 24.50 pesos per 100 kilos (\$1.24 per bushel) and 30,000 tons (1,378,000 bushels) of barley at an undetermined price. It seems probable that the small quantity of rye at least has become available as a result of the cancellation of earlier sales. The rumour is widely current that 70,000 tons (2,756,000 bushels) of the Polish rye contract were postponed until next year and that substantial private commitments have also been cancelled.

Although I.A.P.I. has not yet returned to the market for corn there is a strong conviction in the trade that considerable quantities of this grain remain unsold. Hence they expect I.A.P.I. to re-enter the market, probably in October or November, and offer up to 1,000,000 tons (39,368,000 bushels).

Grain Shipments August grain shipments totalled 579,269 metric tons, bringing the total for the first eight months of the year to 4,633,821 tons compared to 2,312,954 tons in the corresponding period of 1953.

Wheat comprised the major part of the month's shipments at 289,971 tons (10,655,000 bushels) and were at their highest since the beginning of the crop year, bringing shipments of this grain since December 1 to 2,059,208 tons (75,663,000 bushels) compared to 1,327,796 tons (48,788,000 bushels) in the corresponding nine months of 1952-53. It is estimated that some 780,000 tons (28,660,000 bushels), not including Italy, have been sold and still remain to be shipped.

Germany and the United Kingdom were the chief customers for wheat in August, receiving 80,405 tons and 62,795 tons (2,954,000 bushels and 2,307,000 bushels), respectively. Brazil followed with 58,713 tons (2,157,000 bushels) and Peru and Belgium accounted for 23,564 tons and 20,941 tons (866,000 bushels and 769,000 bushels).

Corn shipments in August totalled 202,158 tons (7,959,000 bushels) of which the United Kingdom and Holland received 66,196 tons and 43,227 tons (2,606,000 bushels and 1,702,000 bushels), respectively followed by Italy, Japan and Germany with 17,825 tons (702,000 bushels), 15,563 tons (613,000 bushels), and 14,637 tons (576,000 bushels) in that order.

The principal outlets for oats, of which 64,057 tons (4,154,000 bushels) were shipped in August, were Switzerland and Holland with 24,282 tons and 22,852 tons (1,574,000 bushels and 1,482,000 bushels). Germany received 27,539 tons (1,265,000 bushels) of barley, of which a total of 44,029 tons (2,022,000 bushels) were shipped. Rye shipments dropped to 9,054 tons (356,000 bushels), 5,784 tons (228,000 bushels) being shipped to Finland and the balance to Holland and Switzerland.

The following table gives shipments of all grains from Argentina in the first eight 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—August, 1954, with Comparisons

Destination	Wheat	Corn	Flax	Oats	Rye	Barley
- thousand bushels -						
Austria .....	613	663	-	1,686	134	644
Belgium .....	3,933	3,614	-	4,960	4,562	3,775
Brazil .....	13,338	-	-	127	-	-
British Africa .....	638	-	-	-	-	-
Canary Islands .....	-	416	-	-	-	-
Chile .....	3,557	-	-	-	-	-
China .....	275	-	-	-	-	-
Denmark .....	1,574	1,220	-	5,549	2,121	1,277
Finland .....	-	315	-	32	1,335	-
France .....	96	4,687	436	71	-	53
French Africa .....	-	69	-	-	-	-
Germany .....	12,475	4,570	-	2,958	1,662	9,239
Hungary .....	638	-	-	143	1,233	595
India .....	333	-	-	-	-	-
Israel .....	-	-	-	-	404	-
Italy .....	55	2,191	-	1,208	4,632	177
Japan .....	5,736	1,297	-	-	12	-
Malta .....	187	-	-	-	-	-
Netherlands .....	4,056	6,732	-	13,526	4,483	6,916
Norway .....	-	821	-	-	394	-
Paraguay .....	1,143	-	-	-	-	-
Peru .....	4,736	43	-	-	-	-
Poland .....	1,864	-	-	-	9,167	-
Sweden .....	-	240	-	564	-	-
Switzerland .....	1,449	725	-	4,818	172	1,037
United Kingdom .....	8,362	9,253	-	-	227	2,320
United States .....	-	-	-	1,539	-	-
Totals .....	65,058	36,856	436	37,180	30,539	26,034
Same period:						
1953 ....	48,569	24,631	390	6,034	2,310	9,361
1952 ....	2,265	16,189	983	2,647	4,385	4,806
1951 ....	76,449	3,539	6,400	3,900	6,981	1,534
1950 ....	77,909	29,531	1,195	16,711	5,491	3,549
1949 ....	48,103	24,690	-	5,325	5,658	6,332

# 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 placed at 72.0 million bushels, some 162.8 million were available for export and for carryover during 1953-54 compared with 141.2 million available during 1952-53. Exports of wheat as grain and wheat flour in terms of wheat equivalent during the December-August period of 1953-54, totalled 47.1 million bushels, down sharply from the 84.6 million exported during the same months of the preceding crop year. The balance on August 29, 1954, for export and for carryover at the end of the crop year amounted to 115.7 million bushels, more than twice as great as the 56.6 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 ....	72.0 2/	72.0
Available for export and for carryover .....	141.2	162.8
Deduct:		
Exports of wheat as grain, December 1 to August 28 ..	51.1	24.6
Exports of wheat flour in terms of wheat, December 1 to August 28 .....	33.5	22.5
Total exports of wheat and wheat flour .....	84.6	47.1
Balance on August 29 for export and for carryover .....	56.6	115.7

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 September 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 \$2.1815 (Canadian), the quotation in effect on September 3, 1954.

Pastoral Conditions and Wheat Crop Prospects      According to a Wheat Board official, Australia's next wheat harvest will yield about 160 million bushels, depending on normal seasonal rains at the end of September and early in October. The crop in all States would be later than usual. The same area had been sown to wheat as last year, but the overall average yield



per acre was expected to be less than last season.

Victoria - The outlook for cereal crops improved considerably during August when useful rains were received over the whole of the main cereal growing districts. Excellent wheat yields are expected if normal rains are received in September. However, as the winter rains were generally below normal, the crops may not withstand a lengthy dry period very well. This year's crop has been estimated at 50 million bushels.

Seasonal conditions during the past month have been most favourable for pasture growth in southern Victoria, and in the Western and Gippsland districts a good winter season has been experienced.

South Australia - August rainfall in South Australia was disappointing, and the winter has passed without the sub-soils receiving a good soaking. However, the better rainfall districts have received sufficient to maintain growths, and if substantial general rain falls early in September, the prospects for an above-average harvest will be quite bright.

Pasture growth has only just been sufficient for live-stock grazing, and good spring rainfall is needed to create reserves for the coming summer and autumn.

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

Timely rains early in September, averaging an inch through the western Riverina and the central-west improved the immediate outlook over a wide area of New South Wales in which dry conditions had persisted for the past six months. Some damage from rust is reported. Except in the near north and north-west, a fairly good spring can now be expected. September is the critical month for crop growth.

In northern New South Wales, however, prospects for the wheat crop are gloomy. Twenty-eight districts in New South Wales are still declared drought stricken. Fallowing in preparation for next season's crop is proceeding slowly. Pastures were best in the coastal and far western regions, and better in the south and north-west than in the central-west.

Western Australia - August rainfall in the agricultural and wheat belt area of Western Australia was below normal, except at a few isolated places, but good general rains from August 18 to 23 saved what might have been an ugly situation. These falls made up some of the August deficiency, and saved both crops and pastures. Some of the Great Southern districts could still do with more rain, and most crops and pastures will need the vital late spring rains to finish them off.

Queensland - The area planted to wheat in Queensland was expected to exceed 700,000 acres, and crop prospects are reasonably good. General rains in August benefited the whole wheat area and would be sufficient to firmly establish crops in the areas sown. Some northern wheat would be harvested by the end of September, but as the balance of the wheat area in the northern districts had been

planted late, the harvest would be protracted. Winter conditions in the pastoral districts of Queensland have been generally good, and most graziers are entering the spring and summer period with reserves of grass and water.

Central Australia - Very good rainfall was received in Central Australia during August, and the feed over the whole massive Alice Springs pastoral district covered many thousands of square miles. It was stated by one authority that if follow-up rains were received, Central Australia would have "the best summer season in living memory".

Wheat Stabilisation Plan Wheat growers in some States are now receiving their ballot papers to vote on the question of whether they favour the Commonwealth and State Government's proposals for stabilising the wheat industry during the next five years. The poll is to be concluded by October 15th.

Early in September it was stated by the Commonwealth Minister for Agriculture that the Commonwealth Government may introduce legislation to give effect to the new 5-year stabilisation scheme before ballots of growers are taken. He said it would be competent to pass this legislation in advance and it could then be proclaimed after the ballots had been completed.

Sales of Wheat There have been increased sales of Australian wheat in recent weeks, and the outlook for wheat exports has definitely improved.

It was announced today by the general manager of the Australian Wheat Board that during the last three weeks, the Board has obtained export contracts covering fifteen million bushels of wheat with India, Japan, Germany, Netherlands and the United Kingdom against this year's estimated surplus of ninety million bushels.

Earlier in the month, there was clearance of old season's wheat (No. 16 pool-1952-53 season) from South Australian and West Australian storages, with the sale of 12 cargoes to India.

Bulk Handling A 33.5 million bushel storage system, to cost £4,313,960 (\$9,411,000) is planned for South Australia within eight years. Grain silo plants each costing £1,872,000 (\$4,084,000) were planned at Wallaroo, Port Lincoln and Port Pirie.

#### ITALIAN SITUATION

The following account of the Italian situation has been extracted from reports provided by Dr. C.F. Wilson, Canadian Agricultural Counsellor, Canadian Embassy, Rome, Italy, under date of September 17, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

Supply Position Although an official estimate of the Italian wheat crop will not be available for perhaps another month, the unofficial estimate most commonly used is 7,500,000 tons (275.6 million bushels). Even with the larger carryover on June 30th, Italy will need to import wheat during the present crop year and the import purchasing programme has already been opened up by the purchase, just concluded, of 500,000 tons (18.4 million bushels) of wheat from

Argentina. This is the full quantity provided for under the current trade agreement between Argentina and Italy.

In addition to the purchase from Argentina, it is probable that during the course of the crop year Italy will be looking for additional supplies of durum wheat, but so far as government negotiated purchases are concerned, these are likely to be made from Turkey and the U.S.S.R. with which Italy also has trade agreement undertakings. In total, Italy's purchases during the present crop year may run as high as 800,000 tons (29.4 million bushels).

Following is a statistical summary of Italy's wheat position in the 1953-54 crop year, together with a projection of the statistical position for 1954-55:

	<u>Million Bushels</u>
June 30, 1954 carryover .....	42.7
1953 crop .....	332.2
1953-54 imports .....	22.2
Totals supplies available .....	397.0
Apparent consumption 1953-54 .....	330.9
June 30, 1954 carryover .....	66.1
June 30, 1954 carryover .....	66.1
1954 crop (unofficial) .....	275.6
1954-55 imports (probable) .....	29.4
Total supplies available .....	371.1
Probable consumption 1954-55 .....	330.7
Probable carryover June 30, 1955 .....	40.4

It will be noted that 1953-54 imports are much larger than the actual procurement by Italy during the past crop year. The imports consisted mostly of deliveries against contracts entered into in the 1952-53 crop year. Because of the relatively small procurement in 1953-54 there are only about 100,000 tons (3,674,000 bushels) of durum wheat from the U.S.S.R. to be imported during the present crop year against previous purchases.

Italian Wheat and Flour Imports      Official Italian import statistics are now available for the crop year July 1, 1953-June 30, 1954, which reveal that over 600,000 tons (22,046,000 bushels) of wheat were imported into Italy during the past crop year. In nearly every case, however, these imports represent shipments made against purchases during the 1952-53 crop year, before the large 1953 crop was realized.

The only bulk purchase authorized by the Italian Government in the the 1953-54 crop year was that of 125,000 tons (4,593,000 bushels) of durum wheat from the U.S.S.R. As the import statistics indicate, only a small part of that purchase had actually been delivered by June 30 of this year.



Italian Wheat Imports

July 1953 - June 1954

	<u>Thousand Bushels</u>
<u>Durum:</u>	
Argentina .....	817
Canada .....	33
Syria .....	606
Turkey .....	1,967
U.S.A. ....	77
U.S.S.R. ....	835
Others .....	113
Sub-total .....	<u>4,448</u>
<u>Soft:</u>	
Argentina .....	7,337
Australia .....	1,289
Canada .....	4,232
France .....	776
Turkey .....	167
U.S.A. ....	3,778
Others .....	117
Sub-total .....	<u>17,697</u>
Total .....	<u>22,144</u>

In addition to the wheat imports, there is also a small trade in wheat flour. Although the figures are not shown separately, a considerable portion of this flour trade consists of temporary importation of flour against re-exports either in the form of flour or flour products.

Flour Imports\* into Italy

July 1953 - June 1954

	<u>Thousand Bushels</u>
Belgium .....	100
Canada .....	576
Netherlands .....	35
U.S.A. ....	52
Others .....	12
Total .....	<u>775</u>

\*In terms of wheat equivalent.

Flour Exports\* from Italy

July 1953 - June 1954

Thousand Bushels

Libya .....	54
Somaliland .....	63
Switzerland .....	118
Total .....	235

\*In terms of wheat equivalent.

Italian Agriculture - 1954 Under date of August 27, Dr. Wilson provided a more general report covering various aspects of agricultural policy in Italy and its implications for Canada. The greater part of this report is reproduced herewith:

"Italy's smaller wheat crop this year has provided a temporary setback to plans for greater agricultural productivity. The crop failed to hold up its promising prospects at mid-June. Unfavourable weather conditions while the heads were filling resulted in a light-weight crop and yields are down by about 20 per cent from last year's record production. ....

Oats and barley yields are also reduced from last year's levels. Although this year's corn crop got off to a poor start, the growth has been excellent during August and the prospects are that it will fall very little short of last year's heavy production of 128 million bushels. The outlook for the rice crop is also good; it is officially estimated at 916,000 metric tons (44.9 million bushels), about the same as last year. Forage crops have done particularly well during this year's relatively wet, cool season.

Agricultural Policy The reversion of the 1954 wheat crop to average levels because of the weather comes by way of disappointment to official hopes that increased domestic production could help bridge the gap in Italy's balance of payments. Italian agricultural policy as recently restated by the Italian Minister of Agriculture, turns on the theme that as the Italian economy is moving from the post-war phase into a period of normality, it is necessary to eliminate the prevailing excess of imports over exports amounting to about \$320,000,000 annually. About half of this excess could be disposed of by efforts made in the agricultural sector to replace imports of cereals, meats, poultry products and fats by domestic production. Beyond this immediate objective of removing the need for foreign aid in balancing the country's external accounts, lies the endeavour to provide an improved diet for the population, and a better employment for the rural workers.

To eliminate Italy's import balance of \$160,000,000 worth of food-stuffs annually would require an increase of only 4 per cent in the overall agricultural output, but it implies a more disparate increase in particular items if the whole of the increase is to be effected in cereals, meats and fats. Senator Medici believes that this objective can be accomplished, however, without extreme difficulty in the next five years, by a rigorous application of agricultural science and technology to the existing agricultural resources. Here is how the task is being approached:

Farm Machinery Italy employs at present 100,000 tractors of which 50,000 are old and of doubtful efficiency. A new objective is set at 200,000 tractors, and intermediate credit at very low interest rates has been provided to assist in their purchase. This increase in motive power is intended to replace work cattle which in turn would make room for the maintenance of a larger dairy cattle population.

Improvement in Live Stock Increasing the number and the quality of Italy's dairy cattle is one of the pivotal points in the program. ... For the country as a whole, about 40 per cent of the gross saleable output is composed of live-stock products. Although this represents an improvement of 10 per cent in recent years, the objective is to move closer to the ratio ranging from 50 to 70 per cent in the northwest European countries. ....

Fertilizers Methane gas has been discovered in quantity in Italy in recent years and by a relatively simple process this gas can be used to produce nitrates which would greatly benefit the Italian soils. Because of their high cost of production by the electric process in Italy, chemical fertilizers have been very sparingly used. The consumption up to now has averaged 9 kilos per hectare, in comparison with 30 kilos in Western Germany, 47 in Belgium and 63 in the Netherlands. The new source of nitrates from methane should lower their cost and increase their use.

Seeds A bill introduced in Parliament at the end of July proposes financial assistance to the distribution of selected cereal, forage and vegetable seeds to small producers farming the less favourable soils, as a means of getting pure and tested varieties adopted in areas to which they are suited. An appropriation of \$8,000,000 is recommended, to be spent at the rate of \$1,600,000 per year in subsidizing up to 50 per cent of the cost of selected seeds.

Price Supports At the end of May the Government announced that the wheat ammassment provisions, under which the Government accepts deliveries of about a third of the crop at fixed prices, would remain in effect for the 1954 crop. The prices are also to remain unchanged from their previous levels - a range of \$2.93 to \$3.15 per bushel for soft wheat and \$3.25 to \$3.47 for durum wheat, depending on quality and location. A total ammassment is provided for the hemp crop. Price supports for other crops depend upon voluntary pools set up by producers' organizations.

International Wheat Agreement Not unrelated to the price support for wheat is Italy's desire to rejoin the International Wheat Agreement. A formal application for accession with a lower guaranteed quantity was submitted early in August and it is now before the International Wheat Council for consideration. Italy failed to ratify the 1953 Agreement when it had occasion to revise drastically its estimated import requirements in the light of its 1953 harvest. Even with this year's reduced yield, Italy has no immediate need to assure itself of import supplies. Rather, the application for accession is a recognition of the benefits Italy received earlier from the Agreement and an expression of belief in its long-run contribution to stability in wheat prices in which Italy as a producing, as well as an importing, country has a stake.



Other Measures Many local programs for drainage, irrigation and grading are under way in the interest of a better land utilization. Land redistribution under the "land reform" is also part of the program. Perhaps the greatest scope for increasing productivity lies in the mountain regions of Southern Italy and Sicily where adaptation of Swiss techniques in the development of mixed farming could result in an increased land use and a more effective employment of the rural population. These measures, together with the farm machinery, live stock, fertilizer and seed programs already referred to, afford a constructive approach, the combined effects of which should result in raising the average level of production over the next several years.

Implications for Canada Canada's largest export potential to Italy in the agricultural sector is, of course, wheat. In the post-war years in which Italian production has averaged about 275 million bushels, total imports have ranged from 35 to 50 million bushels and Canada has competed for a share in this trade. If the objective of raising this average production from 275 million bushels where it is running now to an average of 330 millions is reached within the next five years, the market for Canadian wheat in Italy would virtually disappear. Although the application of scientific and technological measures described above could raise the average productivity, weather factors will continue to play their part, making the difference between the average crop harvested this year and the bumper crop a year ago. Were it not for the carryover from last year's crop, Canada might have expected to make substantial wheat sales to Italy in the present crop year. As it is, the carryover and expected purchases from Argentina should take care of the bulk of Italian requirements. Argentine purchases are covered by commercial agreement and are intended to provide an offset to immigrant remittances from Argentina to Italy. Inquiries for limited quantities of durum wheat from Canada might be expected later this year. From here on, the market for wheat in Italy will depend upon weather factors and the rate of progress in the program toward self-sufficiency. ...."

#### URUGUAYAN SITUATION

The following information on the wheat situation in Uruguay has been extracted from a report received from Mr. W. F. Hillhouse, Agricultural Secretary, Canadian Embassy, Buenos Aires, under date of September 9, 1954, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce. Currency conversions have been made at the official rate of 1 peso equals \$0.6396 (Canadian), the quotation in effect on September 3, 1954.

Estimates of production from the 1953-54 wheat crop have continued to increase as time passes. The final official estimate of production has been set at 818,619 metric tons (30,079,000 bushels) from 747,874 hectares (1,847,000 acres). However, most trade estimates are higher than this, reaching in some cases 870,000 tons (31,967,000 bushels). This abundant production has given rise to a very considerable surplus above domestic requirements, 315,000 tons (11,574,000 bushels) for milling, 60,000 tons (2,205,000 bushels) for seed. An estimated 60,000 tons (2,205,000 bushels) of the surplus is held in underground silos as a reserve against poor years. Recently, 2,000,000 pesos (\$1,279,000) have been authorized to be spent to increase this type of storage capacity to 150,000 tons (5,512,000 bushels). Brazil has reportedly agreed to take 80,000 tons of flour (4,049,000 bushels of wheat equivalent) and 100,000 tons (3,674,000 bushels) of

wheat at U\$S 155 and U\$S 64 per ton, respectively. As there appears to be no other export commitments yet Uruguay appears to have on hand an exportable surplus of 225,000 tons (8,267,000 bushels) or more.

Probably in an endeavour to discourage wheat production, the Government refrained from announcing the support price (fixed buying price) for the coming crop until well after sowings were completed. In fact, various public statements were made to the effect that the price would have to be lower because of the very high cost of the subsidy involved. In 1953-54 the wheat subsidy will cost an estimated 35,000,000 pesos (\$22,386,000) compared with 24,200,000 (\$15,478,000) in the previous year. Apparently the Government would like to reduce this cost to 15,000,000 pesos (\$9,594,000) in the forthcoming year. However, there seems little probability of that since eventually the producer price was set at the same level as last year, i.e., 16.50 pesos per 100 kilograms (\$2.87 per bushel).

Partly because of the lack of a definite producer's price, but more probably because of wet weather during the early sowing season and improving flaxseed prices, wheat sowings are generally estimated to be considerably below last year - by possibly 15-20 per cent.

As yields per hectare were outstandingly high last year total production from the coming crop may be expected to decline by 25 per cent or more from last year's record level.

Continued from page 9.

Protein Content of  
Western Canadian 1954  
Hard Red Spring Wheat

On September 30, 1954 the Board of Grain Commissioners Laboratory issued the following press release:

An average protein content of 12.5 per cent has been obtained by the Board of Grain Commissioners Research Laboratory on 2,000 samples of new-crop wheat. This figure is 0.3 per cent lower than last year's final figure of 12.8 per cent.

Protein levels for provinces are: Manitoba, 12.0 per cent for 397 samples; Saskatchewan, 12.6 per cent for 1,471, and Alberta, 12.8 per cent for 157. Preliminary levels for the top grades are: 1 Northern, 13.0 per cent for 36 samples; 2 Northern, 12.5 per cent for 438; 3 Northern, 12.3 per cent for 865; 4 Northern, 12.6 per cent for 456, and 4 Special, 12.5 per cent for 230 samples.

The Board's Laboratory is continuing its survey. A protein map, together with more-detailed information, will be published in about two weeks' time.

CALENDAR OF WHEAT EVENTS

- September 9 The Bureau of the Census, United States Department of Commerce, estimates wheat flour production during July, 1954 at 18,022,000 sacks, an average of 819,000 per working day, compared with working-day averages of 820,000 sacks during June 1954 and 815,000 in July of last year.
- 10 Based on conditions at September 1, the 1954 production of all wheat in the United States was estimated at 962 million bushels. Winter wheat production was placed at 776 million bushels while the outturn of Durum and other Spring wheat was estimated at 9 million and 178 million bushels, respectively.
- 15 The United States Secretary of Agriculture announced cancellation of the total acreage allotment provision for 1955 crops. The cross-compliance feature of the program, however, is still retained. For details of these provisions see page 27 of the June 1954 issue of 'The Wheat Review'.
- 15 The United States Secretary of Agriculture announced an initial set-aside of 400 million bushels of wheat which may be increased at a later date. The amount of wheat set aside will be excluded from the compilation of 'carryover' for the purpose of determining the price support level for 1955 crop wheat.
- 15 The United States Department of Agriculture announced that the minimum average support price for 1955 crop wheat will be \$2.06 per bushel, which is 82.5 per cent of current parity for wheat. The support announced now will not be reduced, but will be increased if wheat parity price at July 1, 1955 is higher than parity of \$2.50 per bushel, used to determine the \$2.06 support. The national average support level for 1954 crop wheat is \$2.24 per bushel.
- 15 On the basis of conditions at September 1, Canada's 1954 wheat crop was forecast at 377.9 million bushels, well below both the 1953 crop of 614.0 million bushels and the ten-year (1944-1953) average of 456.5 million. Production in the Prairie Provinces in millions of bushels, was forecast as follows: Manitoba, 28; Saskatchewan, 210, and Alberta, 113.
- 28 According to Broomhall, the harvest has been completed over most of Europe except in some late districts and parts of the North. Farmers are now preparing soil for next year's crops. In the United Kingdom the weather has turned fine and sunny after having rains during the past week. Much of the grain being marketed is high in moisture. In India wheat planting prospects have been materially enhanced by widespread rains last week. In Greece this year's wheat crop is estimated to be about 20 per cent below last year.





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