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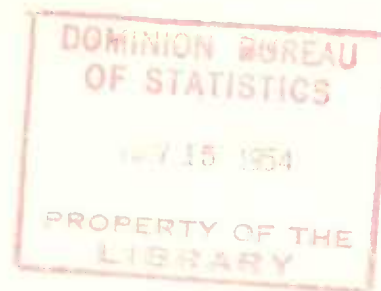
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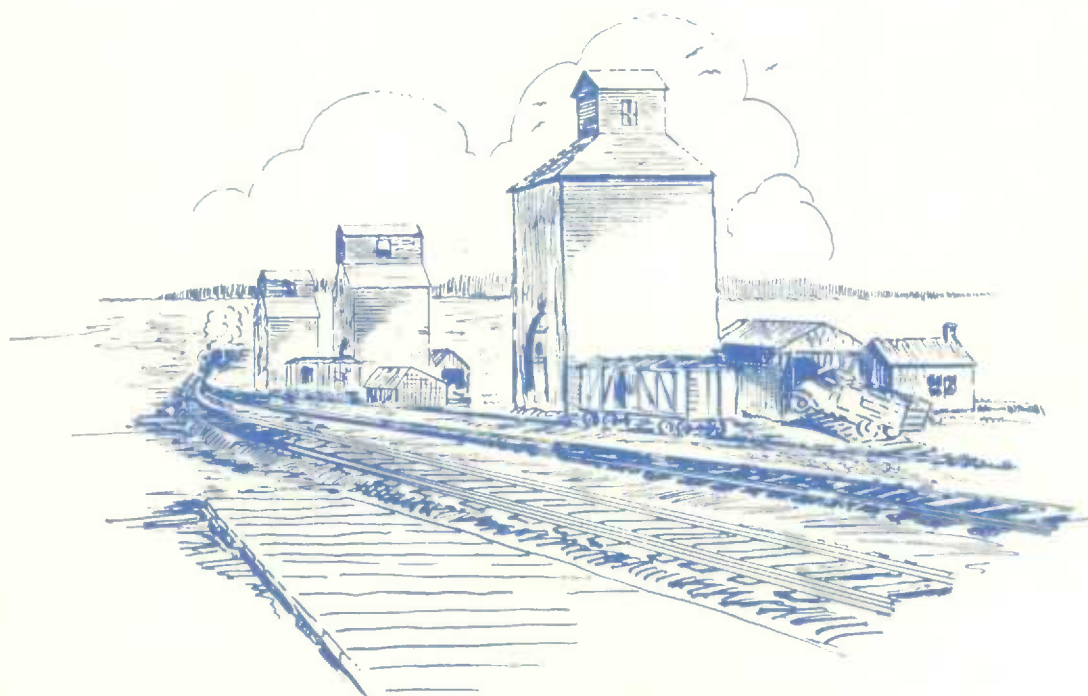


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# THE WHEAT REVIEW



OCTOBER, 1954

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
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DOMINION BUREAU OF STATISTICS  
Department of Trade and Commerce

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# THE WHEAT REVIEW

OCTOBER, 1954

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Minister of Trade and Commerce

Prepared in the Crops Section, Agriculture Division  
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## WORLD WHEAT SITUATION

Current Supplies Latest available estimates indicate that supplies of wheat remaining on or about October 1, 1954 in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 2,006.0 million bushels, about one per cent greater than the 1,977.3 million available a year ago. Supplies at October 1, 1954 (in millions of bushels) were held as follows, with last year's figures in brackets: United States, 1,150.5 (1,046.4); Canada, 684.4 (795.6); Australia, 110.0 (52.6); and Argentina, 61.1 (82.7). Estimates for both years include on-farm stocks as well as those in commercial positions. The October 15 Canadian crop estimate (released on November 5), as anticipated, was well below the September 1 estimate. The inclusion of the new estimate in the above calculations has brought the current total supply position of the 'Big Four' into close alignment with that existing a year ago.

Exports Total exports of wheat and flour in terms of wheat from the four major exporting countries for the months of August and September, 1954, at 114.8 million bushels, are down 6.9 per cent from the shipments of 123.3 million during the comparable period of 1953. Shipments from each of the four countries during August-September of the current and four preceding years are shown in the table below.

Exports of Wheat and Flour in Terms of Wheat, August-September  
with Comparisons

August-September	United States	Canada	Argentina	Australia	Total
- million bushels -					
1950 .....	31.6	31.8	11.6	21.5	96.5
1951 .....	82.4	44.0	12.3	21.2	159.9
1952 .....	52.4	62.1	-	12.6	127.1
1953 .....	41.9	53.2	19.2	9.0	123.3
1954 .....	32.4	48.8	22.5	11.1	114.8

International Wheat Council Meeting The International Wheat Council issued the following press release on October 14:

"The International Wheat Council which began its Sixteenth Session in London on 12th October completed the Session today.

"37 countries were represented by delegates and advisers and a delegate of the Food and Agriculture Organization also attended as an observer.

"The Council dealt with the matters normally arising at the first meeting in the crop year. In addition, the Council considered an application by Italy to accede to the Agreement. Italy had signed the 1953 Agreement in Washington but had not subsequently ratified it. Her application to accede was



unanimously welcomed and approved by the Council. Italy's guaranteed quantity under the Agreement will be 100,000 metric tons (3.7 million bushels). When the formal procedures for her accession have been completed, 48 countries will be participating in the Agreement.

"The Executive Committee had been instructed by the Council at its Fifteenth Session to keep the world wheat situation under review and to report upon the operation of the International Wheat Agreement in the light of the current situation. The Committee's report came before the Council at this Session. The report included a comprehensive review of the present wheat situation and a broad survey of the international trade in wheat and the role of the International Wheat Agreement as a stabilizing influence to serve the best long-term interests of both consumers and producers of wheat. The Council accepted the Committee's report and agreed that the survey which accompanied the report should be published in the near future.

"In considering the report the Council took note of the fact that the decidedly lower harvests this year in North America, particularly in Canada, and the expectation that the import demand for wheat will be at a higher level than in the past crop year have tended to ease the wheat surplus situation to some extent. The Council recognized, however, that available exportable supplies of wheat remain at a very high level and that only a gradual alleviation of this situation can be expected. In these circumstances the Council strongly re-affirmed the view that a high degree of international co-operation from all wheat importing and exporting countries is essential to ensure an orderly re-adjustment to bring available supplies of wheat into a more reasonable balance with world import demand.

"The Council re-affirmed also its support of the International Wheat Agreement as the instrument through which the necessary international co-operation may best be achieved, recognizing, however, that the Agreement would be more effective if it covered a substantially larger share of the world wheat trade.

"It was the conviction of the delegates to the Session that all wheat importing and exporting countries have a common long-term interest in a stable international trade in wheat. The delegates agreed that some degree of responsibility must be borne by all importing and exporting countries if the present situation is to be re-adjusted without serious disruption to normal wheat trade and production patterns and if the desired long-term stability is to be achieved. The Council, therefore, would welcome the co-operation and participation of all non-member countries in the present and future International Wheat Agreements.

"The current Agreement will expire on 31st July, 1956. The Council, therefore, instructed the Executive Committee to begin the preparatory work necessary for an international conference of all interested Governments, whether members of the Council or not, for the negotiation of a renewal of the Agreement. It is intended that such a conference should be held in London in mid-1955. The actual date will be decided at a Council Session to be held in the spring."

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

Importing Countries	Guaranteed Quantities	Source				Total Purchases
		Canada	Australia	France	U.S.A.	
- thousand bushels -						
Austria .....	9,186	-	-	-	-	-
Belgium .....	23,883	12,968	-	-	2,236	15,204
Bolivia .....	4,042	695	-	-	571	1,266
Brazil .....	13,228	3,873	-	-	-	3,873
Ceylon .....	10,288	763	9,525	-	-	10,288
Costa Rica .....	1,286	568	-	-	757	1,325
Cuba .....	7,422	1,723	-	-	4,148	5,871
Denmark .....	1,837	-	-	-	-	-
Dominican Republic ...	955	426	-	-	442	868
Ecuador .....	2,388	1,857	-	-	545	2,402
Egypt .....	14,697	-	-	-	1,888	1,888
El Salvador .....	735	211	-	-	516	727
Germany .....	55,116	16,962	3,969	-	16,552	37,483
Greece .....	12,860	-	-	-	4,855	4,855
Guatemala .....	1,286	216	-	-	879	1,095
Haiti .....	1,837	611	-	-	1,023	1,634
Honduras Republic ....	735	93	-	-	426	519
Iceland .....	404	183	-	-	103	286
India .....	36,744	-	2,647	-	-	2,647
Indonesia .....	6,246	5	3,955	-	618	4,578
Ireland .....	10,105	1,701	956	-	-	2,657
Israel .....	8,267	4,468	-	-	1,447	5,915
Japan .....	36,744	12,043	-	-	24,903	36,946
Jordan .....	2,940	-	-	-	-	-
Korea .....	1,470	-	-	-	1,064	1,064
Lebanon .....	2,756	-	-	-	34	34
Liberia .....	73	29	-	-	17	46
Mexico .....	14,697	-	-	-	2,946	2,946
Netherlands .....	24,802	5,771	319	-	11,130	17,220
New Zealand .....	5,879	-	5,853	-	-	5,853
Nicaragua .....	367	130	-	-	226	356
Norway .....	8,451	3,187	-	-	3,639	6,826
Panama .....	735	390	-	-	262	652
Peru .....	7,349	110	-	-	566	676
Philippines .....	8,672	5,001	29	-	3,623	8,653
Portugal .....	7,349	751	524	367	2,400	4,042
Saudi Arabia .....	2,572	-	-	-	1,451	1,451
Spain .....	9,186	-	-	-	9,316	9,316
Switzerland .....	7,900	6,966	-	-	-	6,966
Union of South Africa.	13,228	5,517	-	-	2,117	7,634
Vatican City .....	551	-	-	-	551	551
Venezuela .....	6,247	3,677	-	-	2,563	6,240
Yugoslavia .....	3,674	-	-	-	2,338	2,338
Totals .....	389,189	90,895	27,777	367	106,152	225,191
Guaranteed Quantities (Exporting Countries)		150,842	44,356	338	193,653	389,189

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

Importing Countries	Guaranteed Quantities	Source				Total Purchases	Remainder 3/
		Canada 1/	Australia 2/	France 2/	U.S.A. 2/		
- thousand bushels -							
Austria .....	9,186	1,276	-	-	387	1,663	7,523
Belgium .....	23,883	7,636	-	-	700	8,336	15,547
Bolivia .....	4,042	-	-	-	415	415	3,627
Brazil .....	13,228	-	-	-	7,350	7,350	5,878
Ceylon .....	10,288	-	1,141	-	-	1,141	9,147
Costa Rica .....	1,286	221	-	-	215	436	850
Cuba .....	7,422	715	-	-	1,427	2,142	5,280
Denmark .....	1,837	-	-	-	-	-	1,837
Dominican Republic.	1,028	46	-	-	37	83	945
Ecuador .....	2,388	911	-	-	53	964	1,424
Egypt .....	14,697	-	-	376	-	376	14,321
El Salvador .....	735	72	-	-	178	250	485
Germany .....	55,116	11,415	2,066	-	13,659	27,140	27,976
Greece .....	12,860	-	-	-	-	-	12,860
Guatemala 4/ .....	1,286	364	-	-	954	1,318	-
Haiti .....	1,837	149	-	-	276	425	1,412
Honduras Republic .	735	7	-	-	31	38	697
Iceland .....	404	13	-	-	9	22	382
India .....	36,744	1,829	16,937	-	-	18,766	17,978
Indonesia .....	6,246	-	733	-	44	777	5,469
Ireland .....	10,105	2,081	336	-	-	2,417	7,688
Israel .....	8,267	1,819	-	-	-	1,819	6,448
Japan .....	36,744	10,605	-	-	2,495	13,100	23,644
Jordan .....	2,940	-	-	-	-	-	2,940
Korea .....	1,470	-	-	-	-	-	1,470
Lebanon .....	2,756	-	-	-	104	104	2,652
Liberia .....	73	2	-	-	6	8	65
Mexico .....	14,697	-	-	-	-	-	14,697
Netherlands .....	24,802	8,135	305	-	2,984	11,424	13,378
New Zealand .....	5,879	-	2,558	-	-	2,558	3,321
Nicaragua .....	367	50	-	-	44	94	273
Norway .....	8,451	2,677	-	-	1,500	4,177	4,274
Panama .....	845	84	-	-	81	165	680
Peru .....	7,349	-	-	-	-	-	7,349
Philippines .....	8,672	1,665	10	-	1,092	2,767	5,905
Portugal .....	7,349	103	141	-	1,372	1,616	5,733
Saudi Arabia .....	2,572	-	-	-	-	-	2,572
Spain .....	9,186	-	-	-	-	-	9,186
Switzerland .....	7,900	3,547	-	-	-	3,547	4,353
Union of S. Africa.	13,228	5,600	-	-	2,053	7,653	5,575
Vatican City .....	551	-	-	-	-	-	551
Venezuela .....	6,247	916	-	-	569	1,485	4,762
Yugoslavia .....	3,674	3,619	-	-	-	3,619	55
Totals .....	389,372	65,557	24,227	376	38,035	128,195	
Guaranteed Quantities (Exporting Countries)		150,913	44,377	338	193,744	389,372	
Balance .....		85,356	20,150	(38)	155,709	261,177	

1/ Canadian Sales through October 26, 1954.

2/ Sales recorded by International Wheat Council through October 22, 1954.

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

4/ Quota filled.



CANADIAN SITUATION

Supply Position Due to a downward revision of some 79.0 million bushels in the 1954 wheat crop estimate, total supplies of wheat for 1954-55 are now estimated at 893.2 million bushels, consisting of the July 31 carryover of 594.2 million bushels and the 1954 production currently placed at 298.9 million. Supplies of the size indicated would still, however, be the fourth largest on record, exceeded only by the 1953-54 record level of 983.6 million bushels and the 1942-43 and 1952-53 totals of 980.4 million and 905.1 million bushels, respectively. Assuming realization of the current forecast of production and estimated domestic requirements of 160 million bushels, some 733.2 million would be available for export and for carryover during 1954-55, compared with 848.8 million available in 1953-54.

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
New crop .....	614.0	298.9 <u>3/</u>
Imports of wheat, August .....	-	0.1
Total estimated supplies .....	983.1	893.2
Less estimated domestic requirements for crop year ....	134.3	160.0
Available for export and for carryover .....	848.8	733.2
Deduct:		
Overseas clearances of wheat as grain, August-September	44.8	41.4
Exports of Canadian wheat to U.S., August-September..	0.8	0.4
Total exports of wheat .....	45.6	41.8
Exports of wheat flour in terms of wheat, August-September	7.7 <u>4/</u>	7.0
Total exports of wheat and wheat flour .....	53.2	48.8
Balance on October 1 for export and for carryover .....	795.6	684.4

1/ Subject to revision.

2/ Preliminary.

3/ Revised.

4/ Adjusted for time lag in returns by Customs.

Combined exports of wheat as grain and wheat flour in terms of wheat equivalent during the August-September period of the current crop year amounted to 48.8 million bushels as against 53.2 million for the same months of the preceding crop year. The balance remaining on October 1, 1954 for export and for carryover was estimated at 684.4 million bushels, some 14 per cent below the October 1, 1953 total of 795.6 million.

Exports Total exports of Canadian wheat and wheat flour in terms of grain equivalent amounted to 29.5 million bushels during September, 1954 exceeding by wide margins the August, 1954 level of 19.2 million bushels and the September, 1953 total of 24.5 million bushels. This year's September exports of wheat as grain, at 26.0 million bushels, represented the largest monthly total since July, 1953 and the largest September volume since 1945. The September, 1954 exports of wheat as grain were 64 per cent over those of the preceding month while exports of wheat as flour, at 3.6 million bushels, showed an increase of 6 per cent.

The United Kingdom, with imports during August and September of 18.5 million bushels, continues as the leading market for Canadian wheat as grain. Other major markets for Canadian wheat during the August-September period of the current crop year, with quantities in millions of bushels, were as follows: Germany, 6.3; Netherlands, 3.8; Yugoslavia, 3.2; Belgium, 2.9; and Japan, 1.9.

Canada's 1954 Wheat  
Crop Estimated at  
298.9 Million Bushels

Based on conditions as at October 15, Canada's 1954 wheat crop is now estimated at 298.9 million bushels, the smallest crop since 1943 and less than half of either the 1953 or 1952 crops. It is also far below the ten-year (1944-1953) average of 456.5 million bushels. The sharp drop from last year's 614 million bushels results from a five per cent decrease in acreage combined with an average yield of only 12.3 bushels per acre, little more than half that of 1953. The long-time average wheat yield for Canada is 16.7 bushels per acre. This year's average yield, the lowest since 1937, is attributable to an unusual combination of adverse weather conditions including damage from flooding, hail, wind, frost and snow, the worst rust epidemic on record in the Prairie Provinces, and extensive damage by sawflies. In addition to severe losses in yield, the 1954 Western wheat crop has also suffered serious deterioration in quality.

November Estimate of the 1954 Production of Spring and Winter Wheat in Canada,  
Compared with 1953

	Area		Yield per Acre		Production	
	1953	1954	1953	1954 1/	1953	1954 1/
	- acres -		- bushels -		- bushels -	
<u>Canada</u>						
Spring wheat 2/..	24,780,600	23,556,800	23.7	11.7	587,756,000	274,773,000
Winter wheat ....	732,000	710,000	35.8	34.0	26,206,000	24,140,000
All wheat .....	25,512,600	24,266,800	24.1	12.3	613,962,000	298,913,000
<u>Prairie Provinces</u>						
Manitoba .....	2,208,000	2,035,000	20.8	12.8	46,000,000	26,000,000
Saskatchewan ....	16,100,000	15,540,000	23.3	9.7	375,000,000	151,000,000
Alberta .....	6,340,000	5,862,000	25.7	16.2	163,000,000	95,000,000
Totals .....	24,648,000	23,437,000	23.7	11.6	584,000,000	272,000,000

1/ As indicated on basis of conditions on or about October 15.

2/ Includes relatively small quantities of winter wheat in all provinces except Ontario.

This year's crop of spring wheat, including durum, is now estimated at 274.8 million bushels compared with last year's next-to-record 587.8 million. Part of the decrease is attributable to a reduction in seeded area from 24.8 million to 23.6 million acres but the major factor has been the sharp drop in this year's yield to 11.7 bushels per acre, less than half the 1953 level of 23.7 bushels. Production of winter wheat in Ontario, the major producing area for that crop, is now estimated at 24.1 million bushels as against 26.2 million in 1953. The reduction from last year results from a drop in the seeded area from 732,000 to 710,000 acres and in average yield from a record 35.8 to 34.0 bushels per acre.

In the Prairie Provinces the 1954 wheat crop is now estimated at 272 million bushels, less than half last year's next-to-record crop of 584 million. The estimated average yield for the Prairie Provinces as a whole is 11.6 bushels per acre, in sharp contrast to last year's 23.7 bushels. Provincial average yields, in bushels per acre, with last year's figures in brackets, are estimated as follows: Manitoba, 12.8 (20.8); Saskatchewan, 9.7 (23.3); and Alberta, 16.2 (25.7). The Saskatchewan wheat crop is now estimated at only 151 million bushels, down by 224 million from last year and the smallest since 1943 when acreage was abnormally low. Production in Alberta is placed at 95 million, 68 million lower than in 1953 and the smallest crop since 1945. Manitoba's wheat crop is estimated at 26 million bushels, the smallest since 1935 and 20 million bushels below last year's outturn. Durum wheat in the Prairie Provinces as well as relatively small quantities of winter wheat in all provinces except Ontario are included in the spring wheat estimates.

November Estimate of the 1954 Production of Durum Wheat  
in the Prairie Provinces, Compared with 1953

Province	Area		Yield per Acre		Production	
	1953	1954	1953	1954 <sup>1/</sup>	1953	1954 <sup>1/</sup>
	- acres -		- bushels -		- bushels -	
Manitoba .....	70,000	65,000	11.4	6.2	800,000	400,000
Saskatchewan .....	354,000	600,000	20.5	7.7	7,257,000	4,600,000
Alberta .....	21,000	80,000	26.0	20.0	545,000	1,600,000
Total .....	445,000	745,000	19.3	8.9	8,602,000	6,600,000

<sup>1/</sup> As indicated on basis of conditions on or about October 15.

Despite a sharp increase over 1953 in the area seeded to durum wheat, this year's crop is currently estimated at 6.6 million bushels, 2.0 million below that of 1953. The sharp reduction in average yields per bushel in the Prairie Provinces from 19.3 bushels per acre in 1953 to 8.9 bushels in 1954 is largely attributable to the severe rust infection on this crop in both Manitoba and Saskatchewan. In the latter province the durum wheat crop is placed at 4.6 million bushels as against 7.3 million in 1953. Manitoba's crop, at 400,000 bushels, is only half that of 1953 but production in Alberta, estimated at 1.6 million bushels, is almost three times the 1953 crop of 545,000 bushels.



Farmers' Marketings Reflecting the delivery quota regulations (as outlined in the July, 1954 issue of the 'Wheat Review') marketings of wheat by farmers in the Prairie Provinces have amounted to only 16.8 million bushels during the first eleven weeks of the current crop year as against 113.3 million bushels during the comparable period of 1953-54. It is noted, however, that deliveries of barley and oats up to October 20, 1954 totalled 71.6 million bushels, representing a 43 per cent increase over the comparable 1953 marketings of 50.0 million bushels.

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
	22 .....	45,889	507,923	211,592	765,404	13,734,935
	29 .....	37,928	1,090,255	431,177	1,559,360	12,500,992
October	6 .....	57,424	1,389,836	558,014	2,005,274	14,687,130
	13 .....	215,283	1,582,821	832,406	2,630,510	12,415,921
	20 .....	1,311,584	4,984,872	2,448,081	8,744,537	9,842,042
Totals .....		1,843,573	10,148,988	4,768,033	16,760,594	113,280,127
Average similar period						
1943-44-1952-53 .....		20,634,849	76,699,000	35,073,431	132,407,280	

Sales and Delivery Outlook In an 'Instruction to the Trade' dated October 8, the Canadian Wheat Board outlined its views in respect to the current crop situation in Canada and stated its broad objectives for the crop year 1954-55 as follows:

"The Board is looking forward to a satisfactory year in sales of wheat, oats and barley. The Board has reason to believe that wheat sales will continue in better than normal volume and will be somewhat larger than sales effected in the crop year 1953-54. There is a substantial current demand for both oats and barley and the prospects are that this demand will continue. It will be the objective of the Board throughout the crop year to continue a sound selling policy designed to move as much grain as possible within the present crop year.



"Producers in most areas in the Prairie Provinces have experienced disappointment in the production of grain in 1954 and are in the midst of one of the most unsatisfactory harvesting seasons in history. Not only are 1954 yields per acre much lower than in the three previous seasons, but grades have been substantially lowered through rust and other crop hazards along with unfavourable harvesting conditions. These disappointments combined with current inadequate storage space at country points create a perplexing situation for most producers throughout the West.

"Under these circumstances the Board feels that it should outline the delivery outlook for producers as nearly as it can be outlined at this stage of the crop year. Producers in most areas are concerned with two delivery factors. These are the delivery of grain which they carried over from previous crops on July 31, 1954 and, of course, deliveries from the 1954 crop as it is harvested.

"According to the Dominion Bureau of Statistics, producers in the Prairie Provinces carried over on farms on July 31, 1954, a total of some 395 million bushels of grain. This carryover, of course, included normal farm reserves as well as a substantial volume of marketable grain. It may well be that due to extensive damage to the new crop, more of these farm stocks will be required on farms for feed or seed purposes and will not be deliverable during the crop year 1954-55. However, after allowing for this factor, there is a supply of old crop grain in most areas of the West which when delivered will supplement farm revenues from the sale of surpluses from the diminished 1954 crop. Combining deliveries of old crop grain and deliveries from the 1954 crop, it is quite possible that producers as a whole, if not individually, will market above-average quantities of grain during the present crop year.

"Producers, country elevator agents and others will appreciate that, for the time being, country elevator space is limited and producers' deliveries reflect this fact. However, on the basis of export and domestic sales, delivery opportunity will increase steadily and delivery quotas will reflect storage space created by sales.

"On the basis of its current appraisal of the sales position, the Board is of the opinion that it will be possible to take delivery within the crop year 1954-55 of grain equivalent in quantity to the current year's harvest plus a very substantial portion of the old crop carryover. The Board believes that this statement of intent on its part will be helpful to producers generally in planning their operations for the balance of the crop year."

Interim Payment  
Announced on 1953-54  
Deliveries of Winter  
Wheat

Speaking in Regina on November 6, the Right Hon. C.D. Howe, Minister of Trade and Commerce stated that the Government had authorized an interim payment of ten cents a bushel on 1953-54 deliveries of wheat, with the exception of certain special varieties that have not yet been sold in sufficient quantity to justify an interim payment. The interim payment will amount in total to about 38 million dollars.

(continued on Page 27)

Quality of 1954  
Western Canadian  
Wheat \*

About 40 per cent of the 1954 wheat crop will grade 3 and 4 Northern, and there will be little No. 1 and No. 2 Northern. No. 3 and No. 4 Northern will be much the same as last year's grades in protein content. Baking strength is higher than it was last year, absorption and gassing power are satisfactory, and the doughs handle well. Bushel weights tend to be lower and this is reflected in a lower yield of flour. This information is reported by the Board of Grain Commissioners Laboratory, following completion of milling and baking tests on representative average samples of new wheat grading 1 Northern to 4 Special.

Current opinion is that the new wheat crop will fall short of 300 million bushels and that no more than half will grade 4 Northern and better. Weathering, immaturity, frost, and low bushel weight will be the principal causes for degrading, and there will be a good deal of tough and damp grain. Despite the big drop in production this year, Canada will have almost 600 million bushels of good wheat from last year for home use and sale abroad. This wheat, which consists largely of 1, 2, and 3 Northern, is high in bushel weight and excellent in milling quality.

Average bushel weights of samples of the 1954 crop prepared for milling are 64.2, 62.0, 60.2, 59.0, and 56.0 lb. for grades 1, 2, 3, 4 Northern and 4 Special. Average protein contents for these grades are 13.3, 12.4, 12.5, 12.7, and 12.6 per cent. The present protein level of 4 Northern may fall a little later on, and any drop will be accompanied by some lowering in baking strength. Protein levels for the other grades are not likely to change very much.

Baking strength of the five grades is surprisingly good this year considering their protein levels, and all substantially improve the general baking quality of weaker wheat. Absorption is very good and well above last year's levels for most of the grades. There is a downward trend with grade for both crumb texture and color. Flour ash goes up fairly regularly as grade goes down except for No. 4 Special. The lower ash for this grade in relation to 3 and 4 Northern reflects its much lower flour yield. Gassing power is lowest and much the same for 1 Northern and 4 Special, a little higher and practically the same for 2 and 3 Northern, and highest for 4 Northern. Gassing power levels are much the same as for last year's grades.

Durum wheat production will amount to about seven million bushels this year, and most of it will grade 3 C.W., with little 2 C.W., and considerable percentages of lower grades. For 2 and 3 C.W., bushel weight is a little lower than for last year's grades, but protein content is appreciably higher. Semolina yield is about the same; yellow pigment is down slightly; and lipoxidase values are higher. For the 4 C.W. grade, bushel weight and protein content are lower, semolina yield is about the same, yellow pigment is higher, and lipoxidase considerably lower than for last year. The macaroni color of 2 C.W. is excellent and much the same as for last year; for 3 C.W. it is considerably lower and similar to last year's grade. At present, 4 C.W. has outstanding macaroni color for the grade, but it is probable that the quality will fall as more wheat of poorer varieties comes forward.

Some of the more important quality data for average samples of the spring wheat grades are given in the accompanying table. Crop Bulletin 53, entitled "Canadian Wheat 1954", discusses the qualities of different grades of spring and durum wheat, and contains quality data for various sets of samples.

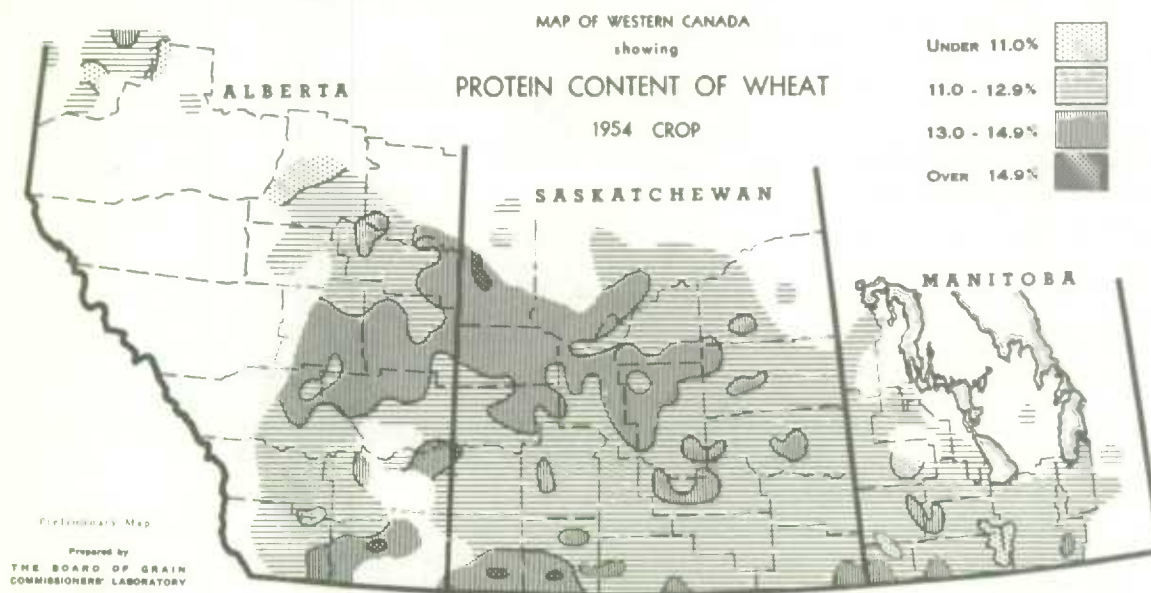
Property	No. 1 Northern	No. 2 Northern	No. 3 Northern	No. 4 Northern	No. 4 Special
Bushel weight, lb. ....	64.2	62.0	60.2	59.0	56.0
Wheat protein, % ....	13.3	12.4	12.5	12.7	12.6
Flour yield, % ....	71.8	71.7	71.8	71.7	64.8
Flour ash, % ....	0.42	0.45	0.50	0.52	0.46
Flour colour, units ....	1.4	2.0	2.6	3.3	2.9
Gassing power, mm. ....	400	440	445	505	415
Absorption, % ....	62.8	61.9	61.2	62.2	61.2
Loaf volume, cc. ....	755	740	725	780	785

\*Press release issued on October 30, 1954, by the Grain Research Laboratory, Board of Grain Commissioners for Canada, summarizing Crop Bulletin No. 53, "Canadian Wheat, 1954".

Protein Content of  
Western Canadian  
1954 Spring Wheat

The interim protein map published by the Board of Grain Commissioners Laboratory on October 15, 1954 shows an average of 12.6 per cent for the 1954 wheat crop.

This estimate is based on analysis of about 4,100 samples obtained from 1,219 individual stations in the Prairie Provinces. Provincial averages, with the number of stations represented shown in brackets, are: Manitoba, 12.0 per cent (174); Saskatchewan, 12.7 per cent (774); and Alberta 12.7 per cent (271). Grade levels for Western Canada, with the number of samples represented, shown in brackets, are: 1 Northern, 13.2 per cent (47); 2 Northern, 12.7 per cent (688); 3 Northern, 12.4 per cent (1,590); 4 Northern, 12.8 per cent (1,455); and 4 Special, 12.6 per cent (332). Data for crop districts are given in the accompanying table.



The above map shows that areas over 14.9 per cent protein are negligible. Areas of medium protein (13.0 to 14.9 per cent) occur in all three provinces, with the largest area occurring in northwestern Saskatchewan, and continuing on into adjoining crop districts in Alberta. However, average protein is under 13.0 per cent throughout three quarters of the crop growing area.

Protein Content of 1954 Wheat Crop in the Prairie Provinces, by Crop Districts

Manitoba			Saskatchewan			Alberta		
C.D.	Mean	Range	C.D.	Mean	Range	C.D.	Mean	Range
- per cent			- per cent -			- per cent -		
1 ....	12.2	9.9-14.0	1A ....	12.1	9.9-15.9	1 ....	13.1	8.0-18.1
2 ....	12.0	9.6-15.3	1B ....	12.0	10.4-13.8	2 ....	12.6	9.2-15.9
3 ....	12.0	9.7-14.2	2A ....	12.0	10.4-14.9	3 ....	12.4	9.2-17.1
4 ....	12.4	10.7-14.6	2B ....	12.4	10.6-15.0	4 ....	12.2	9.5-15.2
5 ....	12.2	9.4-14.6	3AN ...	12.4	9.7-15.2	5 ....	12.8	10.3-16.0
6 ....	12.7	11.8-13.8	3AS ...	12.4	10.2-16.5	6 ....	12.5	9.7-15.9
7 ....	12.0	10.3-17.3	3BN ...	12.5	9.7-16.0	7 ....	13.2	11.0-16.2
8 ....	12.1	9.8-13.9	3BS ...	12.8	10.1-16.7	8 ....	13.4	11.4-14.9
9 ....	12.2	10.2-14.6	4A ....	13.8	10.0-18.7	9 ....	-	-
10 ....	11.8	10.7-13.4	4B ....	12.2	8.7-15.5	10 ....	13.2	10.9-15.6
11 ....	11.7	10.2-13.5	5A ....	12.5	10.3-14.7	11 ....	12.5	11.2-13.9
12 ....	11.2	9.8-12.6	5B ....	12.2	9.7-15.5	12 ....	-	-
13 ....	11.4	9.1-13.3	6A ....	12.8	10.0-14.4	13 ....	12.9	11.8-14.5
14 ....	12.1	11.6-12.6	6B ....	12.8	10.1-16.2	14 ....	11.3	8.6-13.0
			7A ....	13.0	10.3-16.4	15 ....	11.4	9.7-13.5
			7B ....	13.7	10.4-18.6	16 ....	12.2	9.1-15.5
			8A ....	12.5	10.2-14.3			
			8B ....	13.0	10.3-16.1			
			9A ....	12.6	9.9-14.9			
			9B ....	13.7	11.9-15.9			



Visible Supply of Canadian Wheat, October 20, 1954  
Compared with Approximately the Same Date, 1952 and 1953

Position	1952	1953	1954
- thousand bushels -			
Country elevators - Manitoba .....	11,432	18,430	23,429
Saskatchewan .....	86,361	103,790	101,699
Alberta .....	45,976	58,848	53,209
Totals .....	143,769	181,068	178,337
Interior private and mill .....	5,843	4,976	6,414
Interior terminals .....	6,764	14,076	16,091
Vancouver-New Westminster .....	9,912	8,621	11,375
Victoria .....	-	239	634
Prince Rupert .....	-	331	220
Churchill .....	1,749	1,601	1,632
Fort William-Port Arthur .....	22,967	28,578	31,987
In transit rail (Western Division) .....	14,059	11,622	9,186
Bay, Lake and Upper St. Lawrence ports .....	20,807	42,200	38,588
Lower St. Lawrence and Maritime ports .....	8,852	17,365	23,423
In transit lake .....	7,124	6,973	8,003
In transit rail (Eastern Division) .....	2,223	1,196	951
United States ports .....	1,097	860	33
In transit U.S.A. ....	575	7	-
Totals .....	245,743	319,713	326,872

Grading of Wheat Inspected, August—September, 1954 with Comparisons

Grade	Crop Year		August—September			
	Average 1948-49— 1952-53	1953-54	1953		1954	
	per cent	per cent	cars	per cent	cars	per cent
1 Hard .....	1/	-	-	-	-	-
1 Man. Northern .....	12.1	8.0	2,606	7.5	1,934	8.2
2 Man. Northern .....	29.7	45.9	13,896	40.0	14,428	60.8
3 Man. Northern .....	13.9	20.4	6,122	17.6	3,476	14.7
4 Man. Northern .....	7.4	5.0	2,858	8.2	903	3.8
5 Wheat .....	7.7	4.8	3,327	9.6	187	0.8
6 Wheat .....	3.8	2.1	310	0.9	48	0.2
Feed Wheat .....	0.6	0.2	42	0.1	8	1/
Garnet .....	0.9	0.5	245	0.7	252	1.1
Amber Durum .....	2.9	2.2	1,021	2.9	52	0.2
Alberta Winter .....	0.4	0.1	104	0.3	52	0.2
Toughs 2/ 3/ .....	15.6	9.0	3,513	10.1	1,992	8.4
Damps 2/ 4/ .....	3.6	1/	5	1/	33	0.1
Rejected 2/ .....	0.7	1.2	510	1.5	261	1.1
All Others .....	0.6	0.6	192	0.6	89	0.4
Totals .....	100.0	100.0	34,751	100.0	23,715	100.0

1/ Less than .05 per cent.

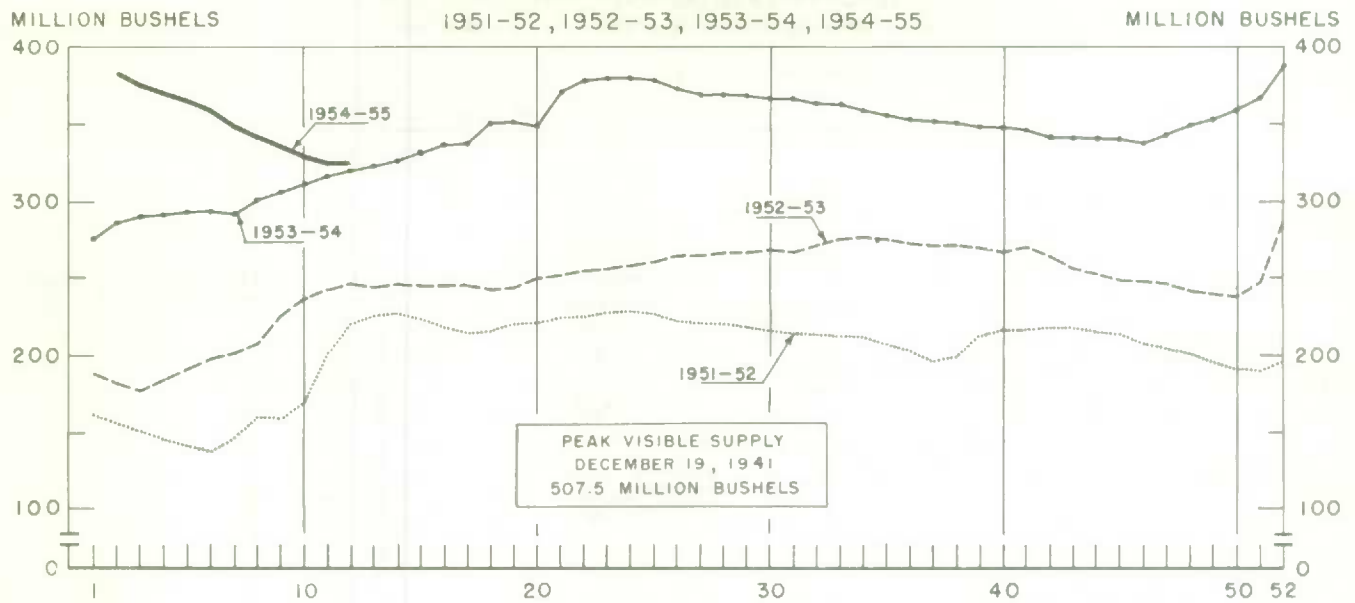
2/ All varieties and grades.

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

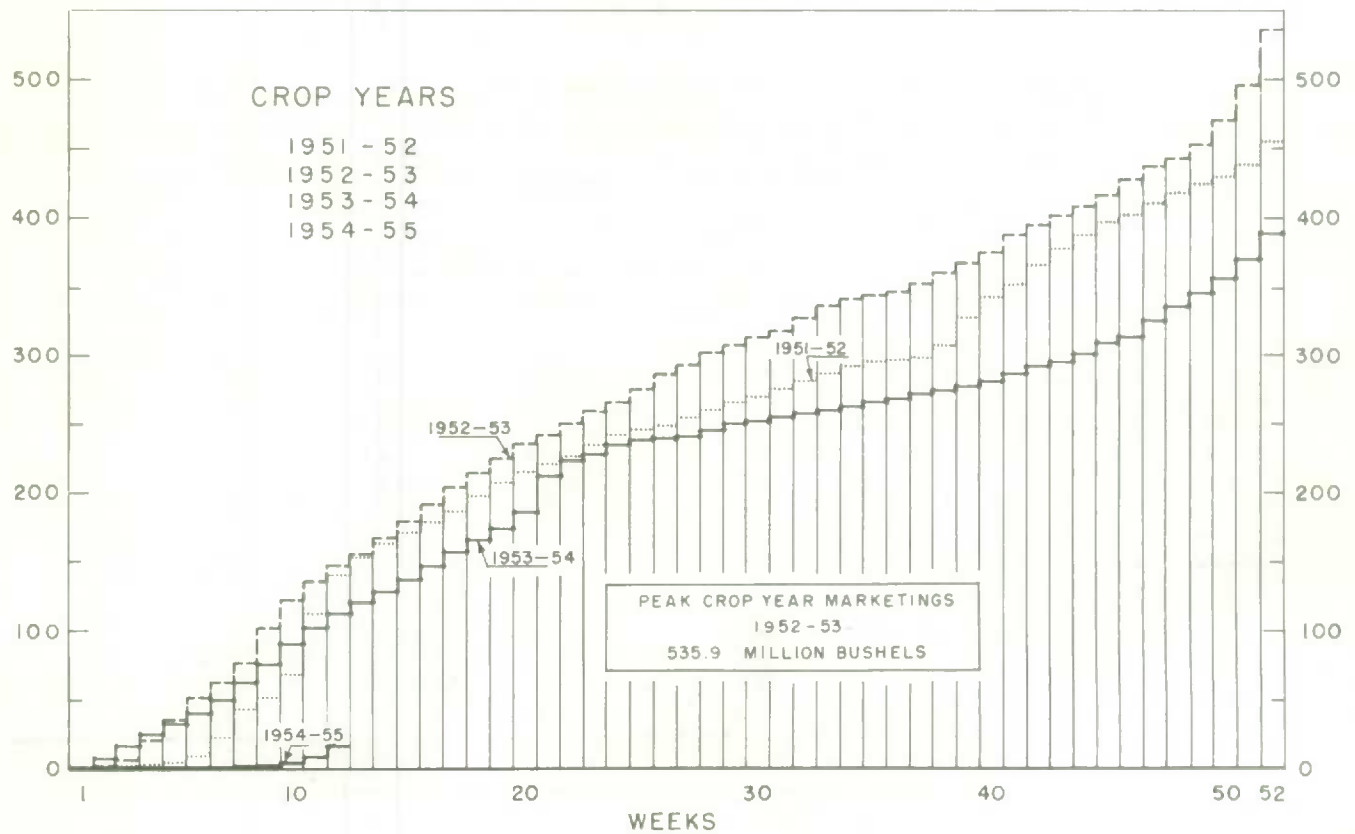
4/ Moisture content over 17 per cent.



## WEEKLY VISIBLE SUPPLY OF CANADIAN WHEAT



## CUMULATIVE RECORD OF WHEAT MARKETINGS IN THE PRAIRIE PROVINCES, BY WEEKS



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

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

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
- thousand bushels -						
1944 .....	233,201	60,131	39,078	6,617	5,227	344,254
1945 .....	267,064	68,641	32,567	3,432	2,845	374,549
1946 .....	93,485	45,440	22,229	1,289	1,175	163,618
1947 .....	116,564	31,946	17,942	4,936	1,340	172,728
1948 .....	80,638	20,827	20,287	4,004	5,449	131,205
1949 .....	129,367	27,937	25,020	7,508	5,080	194,911
1950 .....	96,910	15,853	17,291	3,717	2,816	136,586
1951 .....	129,787	45,511	34,260	5,813	1,178	216,549
1952 .....	175,759	69,770	76,152	6,126	4,148	331,955
1953 .....	172,595	70,211	89,587	10,805	4,223	347,422
1954 .....	98,086	39,712	58,272	5,667	2,745	204,481

\*Shipments from opening of navigation to October 21, 1944 through 1948. Shipments for subsequent years to the following dates: October 20, 1949; October 19, 1950; October 18, 1951; October 23, 1952; and October 22, 1953.

Wheat Shipments\* to the United States by Destination August 1 to October 20, 1954  
Compared with Approximately the Same Period 1952 and 1953

Destination	1952	1953	1954
- bushels -			
<u>By Vessel</u>			
Duluth Superior .....	1,358,054	-	-
Chicago .....	244,968	-	-
Huron .....	153,315	-	-
Erie .....	276,567	-	-
Buffalo .....	5,075,577	345,061	1,197,355
Oswego .....	1,102,391	-	-
Totals, Vessel .....	8,210,872	345,061	1,197,355
<u>By Rail</u>			
U. S. A. Seaboard Ports .....	-	7,348	-
Other U. S. A. Points .....	1,660,622	923,942	32,498
Totals, Rail .....	1,660,622	931,290	32,498
Totals, Shipments .....	9,871,494	1,276,351	1,229,853

\*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 1 to September 30, 1953	August 1 to September 30, 1954
- bushels -		
Port McNicoll .....	150,000	-
Midland .....	267,900	-
Walkerville .....	45,082	-
Totals .....	462,982	-

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	50,633
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, September, 1954

Grade	New Brunswick	Quebec	Ontario
- bushels -			
2 Northern .....	-	4,000	9,000
5 Wheat .....	-	2,833	2,833
6 Wheat .....	-	6,667	4,834
Amber Durum .....	1,454	3,218	-
All Others .....	-	7,915	7,879
Totals .....	1,454	24,633	24,546

Overseas Exports of Canadian Grain by Ports of Loading, August 1 to October 20, 1954,  
with Comparisons

Ports	Wheat	Oats	Barley	Rye	Flaxseed
- thousand bushels -					
<u>Pacific Seaboard</u>					
Vancouver-New Westminster .....	14,627	1,195	452	-	-
Prince Rupert .....	147	-	271	-	-
Churchill .....	11,986	-	-	-	-
Lakehead Direct .....	-	-	78	-	-
<u>St. Lawrence</u>					
Montreal .....	16,144	319	8,313	249	168
Sorel .....	3,627	-	1,643	-	-
Three Rivers .....	4,137	-	-	-	-
Quebec .....	3,973	-	-	-	-
U. S. Atlantic Seaboard .....	-	-	-	213	-
Totals .....	54,641	1,513	10,756	462	168
August 1-October 21, 1953 .....	59,503	1,686	15,573	384	678

Ocean Shipments of Wheat from Churchill, Season of Navigation, 1931-1954

Year	Shipments 1/ bushels	Year	Shipments 1/ bushels
1931 .....	545,000	1943 .....	740,000
1932 .....	2,736,000	1944 .....	-
1933 .....	2,708,000	1945 .....	-
1934 .....	4,050,000	1946 .....	2,929,000
1935 .....	2,407,000	1947 .....	4,976,000
1936 .....	4,294,000	1948 .....	5,314,000
1937 .....	604,000	1949 .....	5,528,000
1938 .....	917,000	1950 .....	6,768,000
1939 .....	1,772,000	1951 .....	7,545,000
1940 .....	-	1952 .....	8,585,000
1941 .....	-	1953 .....	10,784,000
1942 .....	-	1954 .....	12,485,000

1/ To nearest thousand bushels.

Wheat Shipments from Churchill Ocean shipments of wheat from Churchill during the 1954 navigation season totalled some 12.5 million bushels, setting a record for the eighth consecutive year. During the current season a total of 36 cargoes of wheat were loaded at Churchill. The comparative totals for last year were 31 boats and 10.8 million bushels. The first boat commenced loading on July 29 and cleared port on July 30. The last boat commenced loading on October 6 and finished on the 7th. Shipments from Churchill during 1954 went to the following destinations with quantities in thousands of bushels: United Kingdom, 10,030; Belgium, 1,441; Netherlands, 755; and Ireland, 259.

Provincial Distribution of Wheat Shipments under the Freight Assistance Policy  
August, 1954 and 1953

Month	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	B.C.	Total
- thousand bushels -								
August, 1954 .....	1	9	51	22	370	334	18	804
Same period 1953:								
Preliminary 2/ ..	1	17	42	25	321	268	55	729
Revised 1/ .....	6	21	61	41	393	408	237	1,166

Provincial Distribution of Millfeed Shipments under the Freight Assistance Policy  
August, 1954 and 1953

Province	1953		1954
	Preliminary 2/	Revised 1/	Preliminary 1/
		- tons -	
Newfoundland .....	30	194	33
Prince Edward Island .....	438	553	544
Nova Scotia .....	1,006	1,849	525
New Brunswick .....	870	1,637	854
Quebec .....	7,591	13,410	9,564
Ontario .....	3,191	8,138	4,933
British Columbia .....	812	3,974	294
Totals .....	13,938	29,755	16,747

1/ Based on claims filed up to September 30, 1954.

2/ Based on claims filed up to September 30, 1953.



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

Year and Month	Overseas Clearances of Canadian Wheat <sup>1/</sup>	Exports of Canadian Wheat to U.S.A. for Domestic Use and Milling in Bond <sup>2/</sup>	Customs Exports of Canadian Wheat Flour <sup>3/</sup>	Total	Customs <sup>4/</sup> 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	5,145	29,806	44,468
January .....	17,518	1,206	3,443	22,167	23,562
February .....	13,135	847	3,603	17,585	18,220
March .....	11,220	915	4,724	16,858	15,466
April .....	19,019	1,341	4,508	24,867	20,061
May .....	40,179	1,476	6,247	47,902	35,963
June .....	37,390	1,617	4,880	43,887	51,752
July .....	40,149	115	3,906	44,170	41,498
Totals .....	306,129	22,897	56,501	385,527	388,926
<u>1953-54 <sup>5/</sup></u>					
August .....	24,152	569	3,724	28,445	34,113
September .....	20,672	198	3,365	24,235	22,736
October .....	22,072	258	3,371	25,701	29,731
November .....	18,815	1,549	4,052	24,417	23,696
December .....	12,857	795	4,103	17,755	23,423
January .....	13,416	409	3,962	17,788	17,352
February .....	10,273	287	3,126	13,686	17,134
March .....	14,079	167	4,634	18,881	15,618
April .....	10,708	777	3,807	15,291	18,646
May .....	16,987	1,228	4,255	22,470	21,734
June .....	19,854	1,320	4,022	25,196	22,183
July .....	17,271	120	3,891	21,282	22,361
Totals .....	201,157	7,678	46,312	255,147	268,726
<u>1954-55 <sup>5/</sup></u>					
August .....	15,666	185	3,380	19,230	20,088
September .....	25,744	209	3,579	29,533	22,814
Totals .....	41,410	394	6,958	48,763	42,902

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

<sup>2/</sup> 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.

<sup>3/</sup> Exports for crop year 1952-53 revised to remove effect of time lag in the returns made by Customs.

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

<sup>5/</sup> Subject to revision.

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

Destination	June	September		August—September	
	Wheat Flour 1/2/	Wheat Flour 2/	Wheat 3/	Wheat Flour 2/	Wheat 3/
- bushels -					
<u>COMMONWEALTH COUNTRIES</u>					
United Kingdom .....	1,642,019	1,226,493	9,875,578	2,511,391	18,463,317
<u>Africa</u>					
British East Africa .....	-	2,075	-	2,075	-
Gambia .....	-	1,831	-	4,041	-
Gold Coast .....	59,278	82,229	-	224,726	-
Nigeria .....	50,153	45,837	-	125,815	-
Other British West Africa .....	6,426	8,258	-	8,258	-
Sierra Leone .....	20,290	13,541	-	39,339	-
<u>Asia</u>					
Hong Kong .....	62,465	123,376	-	260,136	-
India .....	76	-	745,733	-	745,733
Malaya and Singapore .....	39,726	26,793	-	69,921	-
<u>Europe</u>					
Gibraltar .....	7,708	11,236	-	18,940	-
Malta .....	-	-	29,868	-	399,468
<u>North America</u>					
Bahamas .....	16,389	18,099	-	41,652	-
Barbados .....	34,713	34,614	833	78,862	833
Bermuda .....	14,720	9,563	-	20,759	-
British Honduras .....	7,569	2,110	-	3,762	-
Jamaica .....	73,746	114,795	-	202,545	-
Leeward and Windward Islands .....	128,637	77,189	-	189,783	-
Trinidad and Tobago .....	226,976	268,137	-	354,060	-
<u>South America</u>					
British Guiana .....	20,047	23,287	-	31,491	-
Totals, Commonwealth Countries ...	2,410,938	2,089,463	10,652,012	4,187,556	19,609,351
<u>FOREIGN COUNTRIES</u>					
<u>Africa</u>					
Azores and Madeira .....	-	2,884	-	14,724	-
Belgian Congo .....	68,301	67,464	-	129,321	-
Egypt .....	1,768	-	-	-	-
French Africa .....	-	-	-	1,768	-
Liberia .....	1,719	1,409	-	2,205	-
Libya .....	-	-	112,000	-	112,000
Morocco .....	5,049	5,040	-	5,040	-
Portuguese West Africa .....	5,508	4,504	-	8,658	-
<u>Asia</u>					
Arabia .....	337	238	-	238	-
Israel .....	-	-	336,933	-	699,066
Japan .....	35,122	45,171	1,570,427	107,519	1,920,054
Lebanon .....	239	58	-	364	-
Philippine Islands .....	330,925	521,321	-	1,032,651	-
Portuguese Asia .....	2,295	-	-	2,295	-
Thailand .....	34,762	14,801	-	36,513	-
<u>Europe</u>					
Austria .....	-	-	774,853	-	774,853
Belgium .....	-	-	1,633,220	-	2,883,598
Denmark .....	-	-	-	230	-
France .....	3,033	-	-	2,020	-

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

Destination	June	September		August—September	
	Wheat Flour 1 1/2/	Wheat Flour 2/	Wheat 3/	Wheat Flour 2/	Wheat 3/
FOREIGN COUNTRIES - bushels -					
<u>Europe</u>					
Germany, Federal Republic of .....	62,352	54,513	3,450,708	77,463	6,274,201
Iceland .....	-	1,516	-	3,919	-
Ireland .....	-	-	366,987	-	605,920
Italy .....	11,723	-	-	-	18,372
Netherlands .....	1,404	1,516	3,075,561	1,516	3,772,462
Norway .....	-	-	181,781	-	456,368
Portugal .....	459	-	-	3,902	-
Switzerland .....	-	-	179,200	-	216,907
Yugoslavia .....	347	1,148	2,855,447	1,148	3,227,847
<u>North America</u>					
Alaska .....	5	-	-	-	-
Costa Rica .....	40,315	10,386	-	45,243	-
Cuba .....	146,313	48,181	372,400	70,438	372,400
Dominican Republic .....	63,049	7,294	-	22,050	2,500
El Salvador .....	14,485	14,000	-	46,625	-
French West Indies .....	612	707	-	1,184	-
Guatemala .....	15,314	32,085	-	109,165	-
Haiti .....	29,043	57,087	-	98,442	-
Honduras .....	1,836	-	-	459	-
Mexico .....	-	112	-	112	-
Netherlands Antilles .....	21,083	19,107	-	41,351	-
Nicaragua .....	12,843	14,279	-	35,564	-
Panama .....	33,705	17,005	-	32,805	-
St. Pierre and Miquelon .....	3,677	108	-	1,764	-
United States					
Flour in terms of wheat .....	39,060	42,062	-	76,037	-
For milling in bond 4/ .....	-	-	162,463	-	319,721 5/
For domestic use 4/ .....	-	-	46,901	-	74,400 5/
Virgin Islands .....	2,254	1,039	-	4,414	-
<u>Oceania</u>					
Guam .....	585	1,089	-	3,983	-
<u>South America</u>					
Chile .....	-	1,836	-	1,836	-
Colombia .....	136,336	62,145	182,649	164,745	463,869
Ecuador .....	284	-	-	-	-
Peru .....	6,102	8,933	-	14,319	-
Surinam .....	19,292	14,418	-	42,466	-
Venezuela .....	439,889	416,327	-	527,261	-
Totals, Foreign Countries .....	1,591,425	1,489,783	15,301,530	2,771,757	22,194,538
Totals, All Countries .....	4,002,363	3,579,246	25,953,542	6,959,313	41,803,889

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.

5/ Due to adjustments in data on destinations, the August wheat figures as published in the September issue of The Wheat Review should read: United States for milling in bond 157,258 bushels, and for domestic use 27,499 bushels.

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

Class and Grade	Week ending				
	October 2	October 9	October 16	October 23	October 30
- cents and eighths per bushel -					
<u>Initial Payment to Producers</u>					
1 Northern .....	140	140	140	140	140
2 Northern .....	137	137	137	137	137
3 Northern .....	134	134	134	134	134
4 Northern .....	126	126	126	126	126
5 Wheat .....	112	112	112	112	112
6 Wheat .....	106	106	106	106	106
Feed Wheat .....	100	100	100	100	100
1 C.W. Garnet .....	134	134	134	134	134
2 C.W. Garnet .....	131	131	131	131	131
1 Alberta Red Winter .....	137	137	137	137	137
2 Alberta Winter .....	134	134	134	134	134
1 C.W. Amber Durum .....	150	150	150	150	150
2 C.W. Amber Durum .....	147	147	147	147	147
3 C.W. Amber Durum .....	140	140	140	140	140
<u>International Wheat Agreement</u>					
<u>and Domestic Sales</u>					
1 Northern .....	169/5	169/6	169/7	169/7	169/7
2 Northern .....	163/5	163/6	163/7	163/7	164/7
3 Northern .....	161/5	161/6	161/7	161/7	162/7
4 Northern .....	157/5	157/6	157/7	157/7	158/7
5 Wheat .....	155/5	155/6	155/7	155/7	155/7
6 Wheat .....	150/5	150/6	150/7	150/7	150/7
Feed Wheat .....	147/5	147/6	147/7	147/7	147/7
1 C.W. Garnet .....	157/5	157/6	157/7	157/7	157/7
2 C.W. Garnet .....	156/5	156/6	156/7	156/7	156/7
3 C.W. Garnet .....	155/5	155/6	155/7	155/7	155/7
1 Alberta Red Winter .....	157/5	157/6	157/7	157/7	157/7
2 Alberta Winter .....	155/5	155/6	155/7	155/7	155/7
3 Alberta Winter .....	153/5	153/6	153/7	153/7	153/7
1 C.W. Amber Durum 1/ .....	198/5	198/6	198/7	198/7	198/7
2 C.W. Amber Durum 1/ .....	196/5	196/6	196/7	196/7	196/7
3 C.W. Amber Durum 1/ .....	195/5	195/6	195/7	195/7	195/7
<u>Exports - Class II</u>					
1 Northern .....	169/5	169/6	169/7	169/7	169/7
2 Northern .....	163/5	163/6	163/7	163/7	164/7
3 Northern .....	161/5	161/6	161/7	161/7	162/7
4 Northern .....	157/5	157/6	157/7	157/7	158/7
5 Wheat .....	155/5	155/6	155/7	155/7	155/7
6 Wheat .....	150/5	150/6	150/7	150/7	150/7
Feed Wheat .....	147/5	147/6	147/7	147/7	147/7
1 C.W. Garnet .....	157/5	157/6	157/7	157/7	157/7
2 C.W. Garnet .....	156/5	156/6	156/7	156/7	156/7
3 C.W. Garnet .....	155/5	155/6	155/7	155/7	155/7
1 C.W. Amber Durum .....	270	270	270	270	270
2 C.W. Amber Durum .....	268	268	268	268	268
3 C.W. Amber Durum .....	267	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				
	October 2	October 9	October 16	October 23	October 30
- cents and eighths per bushel -					
<u>Initial Payment to Producers</u>					
1 Northern .....	140	140	140	140	140
2 Northern .....	137	137	137	137	137
3 Northern .....	134	134	134	134	134
4 Northern .....	126	126	126	126	126
5 Wheat .....	112	112	112	112	112
6 Wheat .....	106	106	106	106	106
Feed Wheat .....	100	100	100	100	100
1 C.W. Garnet .....	134	134	134	134	134
2 C.W. Garnet .....	131	131	131	131	131
1 Alberta Red Winter .....	137	137	137	137	137
2 Alberta Winter .....	134	134	134	134	134
1 C.W. Amber Durum .....	150	150	150	150	150
2 C.W. Amber Durum .....	147	147	147	147	147
3 C.W. Amber Durum .....	140	140	140	140	140
<u>International Wheat Agreement</u>					
<u>and Domestic Sales</u>					
1 Northern .....	175/5	175/6	175/7	175/7	175/7
2 Northern .....	169/5	169/6	169/7	169/7	169/7
3 Northern .....	167/5	167/6	167/7	167/7	167/7
4 Northern .....	163/5	163/6	163/7	163/7	163/7
5 Wheat .....	155/5	155/6	155/7	155/7	155/7
6 Wheat .....	150/5	150/6	150/7	150/7	150/7
Feed Wheat .....	147/5	147/6	147/7	147/7	147/7
1 C.W. Garnet .....	157/5	157/6	157/7	157/7	157/7
2 C.W. Garnet .....	156/5	156/6	156/7	156/7	156/7
3 C.W. Garnet .....	155/5	155/6	155/7	155/7	155/7
1 Alberta Red Winter .....	161/5	161/6	161/7	161/7	161/7
2 Alberta Winter .....	159/5	159/6	159/7	159/7	159/7
3 Alberta Winter .....	157/5	157/6	157/7	157/7	157/7
<u>Export - Class II</u>					
1 Northern .....	175/5	175/6	175/7	175/7	175/7
2 Northern .....	169/5	169/6	169/7	169/7	169/7
3 Northern .....	167/5	167/6	167/7	167/7	167/7
4 Northern .....	163/5	163/6	163/7	163/7	163/7
5 Wheat .....	155/5	155/6	155/7	155/7	155/7
6 Wheat .....	150/5	150/6	150/7	150/7	150/7
Feed Wheat .....	147/5	147/6	147/7	147/7	147/7
1 C.W. Garnet .....	157/5	157/6	157/7	157/7	157/7
2 C.W. Garnet .....	156/5	156/6	156/7	156/7	156/7
3 C.W. Garnet .....	155/5	155/6	155/7	155/7	155/7
1 Alberta Red Winter .....	161/5	161/6	161/7	161/7	161/7
2 Alberta Winter .....	159/5	159/6	159/7	159/7	159/7
3 Alberta Winter .....	157/5	157/6	157/7	157/7	157/7

# CANADIAN FLOUR MILLING SITUATION

**Production** The production of wheat flour reported by Canadian mills for September, 1954 amounted to 1,929,000 barrels, exceeding both the August, 1954 output of 1,812,000 barrels and the September, 1953 output of 1,739,000 barrels. The ten-year (1944-45-1953-54) average production for month of September was 2,035,000 barrels. Mills reporting operations during September, 1954 had a total rated capacity of 97,149 barrels per 24-hour day, and on the basis of a 25-day working period, 79.4 per cent of this rated capacity was effective.

Wheat milled for flour during the month amounted to 8.6 million bushels as against 8.1 million bushels milled during the preceding month and 7.7 million bushels milled during September last year. Of the wheat milled for flour during September, 1954 some 7.8 million bushels were Western Canadian Spring wheat (other than Durum). Most of the balance consisted of Ontario Winter wheat (571,000 bushels) and Durum wheat (101,000 bushels).

**Exports** According to preliminary Customs returns, exports of Canadian wheat flour during September, 1954 amounted to 795,388 barrels (3,579,000 bushels of wheat equivalent), representing an increase of 6 per cent over flour exports of the preceding month. Flour shipments during the month went to 52 countries and colonies, with the United Kingdom accounting for 1.2 million bushels of wheat equivalent, or 34 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 (521); Venezuela (416); Trinidad and Tobago (268); and Hong Kong (123).

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

Crop Year	Wheat Milled for Flour	Wheat Flour	
		Production	Exports 1/
	- 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 2/ .....	91,872,664	20,804,885	10,291,561
1954-55 2/			
August .....	8,059,773	1,812,296	751,126
September .....	8,581,211	1,929,031	795,388
Totals .....	16,640,984	3,741,327	1,546,514
Same period 1953-54 (revised) .....	14,022,667	3,162,928	1,700,603

1/ Based on Customs returns. Exports for the crop years 1945-46-1952-53 revised to remove effect of time lag in the returns made by Customs. 2/ Subject to revision.

UNITED STATES SITUATION

Supply Position Due to a slight downward revision in the 1954 crop estimate, total estimated domestic supplies of wheat in the United States are now placed at 1,862.2 million bushels, consisting of a carryover of 902.9 million and the current crop of 959.3 million bushels. Imports of wheat from Canada for all purposes during the July-September period of the current crop year amounted to 0.2 million bushels. After deducting anticipated domestic requirements of 660.0 million bushels, some 1,202.4 million remain available for export and for carryover during 1954-55 compared with 1,114.2 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	959.3 <u>4/</u>
Total estimated domestic supplies .....	1,731.0	1,862.2
Imports of wheat for domestic use, July-September .....	0.5	0.2
Total estimated supplies <u>2/</u> .....	1,731.5	1,862.4
Less estimated domestic requirements for crop year <u>3/</u> ..	617.3	660.0
Available for export and for carryover .....	1,114.2	1,202.4
Deduct:		
Exports of wheat as grain, July-September .....	61.1	43.2
Exports of wheat flour and products in terms of wheat, July-September .....	6.7	8.7
Total exports of wheat, wheat flour and products ..	67.8	51.9
Balance on October 1 for export and for carryover .....	1,046.4	1,150.5

1/ Preliminary.

2/ Excluding imports for October-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-September period of 1954 amounted to 51.9 million bushels as against exports of 67.8 million during the same months of 1953. The balance remaining on October 1, 1954 for export and for carryover was estimated at 1,150.5 million bushels compared with 1,046.4 million on the same date a year ago.



1954 Wheat Crop  
Estimated at 959  
Million Bushels

In a report issued on October 11, the Crop Reporting Board of the United States Department of Agriculture stated that according to an appraisal of crop conditions at October 1, production of all wheat is estimated at 959 million bushels.

This is a decline of 3 million bushels from the September 1 forecast and the smallest crop harvested since the 1943 crop of 844 million bushels. It compares with 1,169 million bushels produced in 1953 and the average production of 1,122 million. The reduction from a month earlier is due to the smaller spring wheat crop now indicated. 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 total. The indicated average yield per acre of all wheat is 17.9 bushels compared with 17.3 in 1953 and the average of 17.0 bushels. The acreage harvested was about one-fifth less than last year.

All spring wheat production at 183 million bushels is 3 million below the September 1 forecast. Yield per acre prospects declined a half bushel in North Dakota during September, because prolonged rainy weather hindered harvest and lowered the quality. Also, as harvest progressed, growers were better able to evaluate the damage caused by rust and high temperatures earlier in the season. In the Pacific Northwest, where late August rains were causing considerable concern on September 1, harvest weather during September was favourable and yields were turning out better than expected. Compared with a month earlier, prospects improved in Washington, Oregon, Idaho, and Utah, while decreases were indicated for Nevada and New Mexico. Elsewhere the production forecasts were unchanged from a month ago. Harvest was largely completed by October 1 except in higher elevations of Mountain States.

Production of durum wheat is now estimated at 7,963,000 bushels.

This is the second smallest crop since estimates began in 1919. The record low was 6,235,000 bushels in 1934. The current estimate is 8 per cent below the September 1 forecast with the entire reduction occurring in North Dakota, where September rains delayed harvest and lowered quality. In addition, as harvest progressed, growers were better able to measure the damage that occurred earlier from rust and heat.

Harvest was 95 per cent or more completed on October 1. The grain is badly shriveled and test weight is low. Many low yielding fields have been completely abandoned. Yields per harvested acre are low in all counties. Based on the acreage indicated for harvest on July 1, indicated yield per harvested acre for the three-State area is 5.1 bushels, compared with 7.0 in 1953 and the average of 13.9 bushels.

Production of other spring wheat is estimated at 175 million bushels, a decrease of 2 million bushels from the September 1 indication, and the smallest crop since 1939. The decrease from a month ago was largely in North Dakota, where prospects declined over 3 million bushels, which more than offset improvement in Washington, Oregon, Idaho and Utah. The current estimates of 175 million bushels compares with 278 million produced in 1953 and the average of 253 million bushels. Harvest is largely completed in all areas except at higher elevations.

Average yield per harvested acre is indicated at 12.5 bushels, compared with 14.6 in 1953 and the average of 15.2 bushels.



Outlook for Wheat  
Supplies in the  
United States

The following account of the outlook for wheat supplies in the United States during 1954-55 and 1955-56 has been extracted from a statement on trends in wheat supplies and prices presented by Robert E. Post at the 32nd Annual Agricultural Outlook Conference, Washington, D.C., on October 26, 1954:

Total wheat supplies for the crop year 1954-55 are estimated at about 1,867 million bushels, consisting of a carryover of 903 million, a crop estimated at 959 million, and an allowance for imports of 5 million bushels, mostly of feeding quality wheat from Canada. However, imports of feeding quality wheat could exceed this figure because the Canadian crop includes a large proportion of poor quality grain. This indicated total supply constitutes a new all-time high, exceeding the previous record of 1,736 million bushels in 1953-54 by almost 8 per cent.

Domestic disappearance in 1954-55 is indicated at about 660 million bushels, which would leave about 1,210 million bushels from the total supply for exports and carryover. It is too early in the season to estimate exports, but there are indications that the total may be larger than the 216 million bushels exported in 1953-54. An optimistic appraisal of present prospects would place the 1954-55 total as high as 250 million bushels. Exports of 250 million bushels in 1954-55 would leave a carryover on July 1, 1955 about 50 million bushels above that at the beginning of the year. This still would represent an increase, but not a large one compared with the previous two years.

The Outlook  
for 1955

As a result of an amendment to the Agricultural Adjustment Act of 1938, as contained in the Agricultural Act of 1954, a farmer may seed any number of acres to wheat that he wishes for the 1955 crop, provided that ahead of harvest he plows up any wheat acreage in excess of his allotment, and still be in compliance for price support and not subject to marketing quota penalties. Heretofore, compliance had been determined on a seeded acreage basis well before harvest. As a result of this new provision, many farmers probably have "overplanted" in the winter wheat areas of the southern plains and probably will "overplant" in the northern spring wheat areas. Next summer they may adjust their wheat acreage to their allotments. If so, these farmers, naturally, would plow up or abandon first any fields where the wheat has winterkilled or otherwise failed. Next they would plow up the fields with the poorest prospects for a crop. As a result, it seems reasonable to expect that yields per harvested acre may be higher than they otherwise would be. Some farmers will prefer this manner of using "diverted acres" rather than an alternative crop.

If the acreage seeded for the 1955 crop approximates the national allotment of 55 million acres and if yields equal the 1943-52 average, a crop of about 850 million bushels would be produced in 1955. It is always necessary to point out that a figure like this is not a forecast of production in 1955, since it is based on the assumption that yields will be about average and that farmers will comply with acreage allotments about as they have in past years when marketing quotas were in effect.

It is expected that domestic disappearance and exports will exceed a crop of 850 million bushels, making possible some reduction in stocks in the 1955-56 marketing year. Domestic disappearance is not expected to differ much

from the 660 million bushels estimated for 1954-55. If exports should again amount to 250 million bushels, disappearance would total about 910 million bushels, or about 60 million bushels in excess of an 850 million-bushel crop, which would mean a reduction in the carryover by July 1, 1956 of about 60 million bushels.

Minimum Support  
Price of \$2.20 per  
Bushel Announced  
for 1955 Crop Wheat

Mr. Post, in the statement referred to in the preceding section, made the following comments on support prices for 1955-crop wheat in the United States:

"The national average support level for the 1955 wheat crop will not be less than \$2.06 per bushel. This is 82 1/2 per cent of the August parity price for wheat. The national average support level for 1954-crop wheat is \$2.24 per bushel. Support rates for wheat produced in the commercial area in 1955 will reflect the full national support level. In the newly designated 12-State non-commercial wheat area, wheat will be supported on the basis of 75 per cent of the full support level. These States are Arizona, Alabama, Connecticut, Florida, Louisiana, Massachusetts, Mississippi, Maine, New Hampshire, Nevada, Rhode Island, and Vermont. Farm wheat allotments and marketing quotas will not apply in these States."

Wheat Stocks  
at October 1

The Bureau of Agricultural Economics, United States Department of Agriculture, reported on October 22 that stocks of 1,682 million bushels of wheat stored in all positions on October 1 are the largest for the date in the comparable series beginning in 1935. This total is 9 per cent larger than a year earlier, the previous record holdings, and nearly 50 per cent larger than average. The stocks total exceeds 1954 production by 75 per cent, reflecting the record large carryover of old wheat on July 1.

Stocks of Wheat, October 1, 1954, with Comparisons

Position	October 1, 1952	October 1, 1953	July 1 1954	October 1, 1954
- thousand bushels -				
On farms 1/ .....	513,218	563,569	99,810	436,769
Terminals 2/ .....	313,561	342,163	296,715	422,772
Commodity Credit Corporation 3/ ..	4,321	42,719	110,704	126,228
Merchant mills 1/ 4/ .....	150,243	134,477	63,829	159,075
Int. mills, elev. & whses 1/ 5/...	366,477	458,641	331,619	537,106
Totals .....	1,347,820	1,541,569	902,677	1,681,950

1/ Estimates of the Crop Reporting Board.

2/ Commercial stocks reported by Grain Division, AMS, at 44 terminal cities.

3/ Owned by CCC and stored in bins or other storages owned or controlled by CCC, also CCC-owned grain in transit to ports; other CCC-owned grain is included in the estimates by positions.

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

5/ All off-farm storages not otherwise designated.



Off-farm wheat stocks of 1,245 million bushels, one-fourth larger than a year earlier, are a record total for the date, with holdings in each of the off-farm positions at a record level. In contrast, farm stocks of 437 million bushels for October 1 are the smallest for that date since 1940 and nearly one-fourth less than a year earlier. This decrease in farm stocks results largely from the smaller wheat crop harvested in 1954.

The off-farm total includes 423 million bushels at terminals, nearly one-fourth more than a year earlier, the previous record. The 537 million bushels held in interior mills, elevators and warehouses on October 1 compares with the previous record holdings of 459 million bushels a year earlier. Merchant mill wheat stocks totalled 159 million bushels, well above the 134 million bushels held a year earlier and 4 million bushels larger than the previous record stocks for that position on October 1, 1941. The Commodity Credit Corporation had 126 million bushels of wheat, a record total, stored in bins under CCC control, aboard ships in the "mothball fleet," and in transit to ports. Other government owned wheat is included in the estimate for the position where stored.

Flour Production The Bureau of the Census, Department of Commerce, estimates wheat flour production in the United States in August, 1954 at 18,786,000 sacks, an average of 854,000 sacks per working day. This compares with a daily average of 819,000 sacks during the previous month, and 867,000 sacks in August, 1953. Production of wheat flour in August was at 80.4 per cent of capacity compared with 77.2 per cent and 81.2 per cent, respectively, for the previous month and the same month a year ago.

Flour mills in August ground 43,752,000 bushels of wheat, compared with 41,902,000 bushels in July. Wheat offal output in August amounted to 380,751 tons, compared with 361,956 tons in July. These figures represent production of all commercial mills in the United States. About 97 per cent of the total is reported by the 375 largest mills and the balance is estimated. The estimated portion is based on a survey of the smaller mills in 1950.

Continued from Page 9

Mr. Howe expressed a word of caution with respect to the final payment to be made eventually on 1953-54 Pool wheat. In this connection he said, "Many of you may be thinking only of the spread between the \$1.40 initial payment and the current selling price of \$1.70 to \$1.75, and may come to the mistaken conclusion that the participation may reach 25 cents to 30 cents. It must be remembered that wheat has been in public storage for a considerable time and that substantial storage charges have been incurred. Prices may improve before wheat from the 1953-54 crop is all marketed, but, failing that, final participation figures will be considerably less than the amounts I have mentioned."

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	
October 1, 1954 .....	230	- 253 1/2	October 1, 1954 .....	252 1/8	- 257 1/8
4 .....	231 1/4	- 239 1/4	4 .....	254 1/2	- 259 1/2
5 .....	231 3/4	- 239 3/4	5 .....	253 1/4	- 258 1/4
6 .....	227 1/4	- 232 1/2	6 .....	254 5/8	- 259 5/8
7 .....	232 1/2	- 250 1/2	7 .....	254 1/2	- 259 1/2
8 .....	232 1/2	- 255 1/4	8 .....	254	- 259
11 .....	232	- 246 3/4	11 .....	253 3/8	- 258 3/8
12 .....	231 3/4	- 249 3/4	12 .....	251 3/8	- 257 3/8
13 .....	230 1/2	- 261 1/2	13 .....	246 5/8	- 252 5/8
14 .....	241		14 .....	246 1/4	- 252 1/4
15 .....	233 1/4	- 271	15 .....	245 1/8	- 251 1/8
18 .....	233	- 252	18 .....	243 3/8	- 249 3/8
19 .....	227	- 231	19 .....	243 3/8	- 249 3/8
20 .....	234 1/2	- 247	20 .....	244 1/4	- 250 1/4
21 .....	237 3/4		21 .....	247 1/4	- 253 1/4
22 .....	240		22 .....	248 3/4	- 254 3/4
25 .....	235 1/2		25 .....	249 7/8	- 255 7/8
26 .....	236 1/2	- 252	26 .....	250 1/8	- 256 1/8
27 .....	236 3/4		27 .....	249 3/4	- 254 3/4
28 .....	236 1/4	- 237 1/4	28 .....	248 1/2	- 253 1/2
29 .....	235 1/2	- 279 1/2	29 .....	248 5/8	- 253 5/8

Chicago Wheat Futures, High Points of Closing

Date	December	March	May	July
- cents and eighths per bushel -				
October 1, 1954 .....	216/6	218/6	215/7	204/7
4 .....	218/4	220/7	218	206/7
5 .....	216/2	219	216/6	205/6
6 .....	217/7	220/6	218/2	207/3
7 .....	217/5	220/5	218/5	207
8 .....	216/6	220	218/7	207/4
11 .....	217/2	219/7	218/6	207/2
12 .....	215/7	218/4	217/4	206/5
13 .....	216/1	218/7	217/5	207/2
14 .....	216/3	219/3	218/2	207/5
15 .....	216/5	219/2	218/5	208/5
18 .....	218/1	221	220	210/1
19 .....	218/7	221/5	220/2	210/5
20 .....	218/1	221	219/5	209/6
21 .....	219/7	221/4	220/3	210
22 .....	220/4	222/7	221/1	211
25 .....	221/1	223/5	221/5	210/4
26 .....	221/3	223/7	221/4	210/6
27 .....	223	225/3	222/1	211/4
28 .....	222/4	225/1	222/1	210/6
29 .....	223	225/5	221/6	210/3



ARGENTINE SITUATION

Supply Position Total estimated supplies of wheat in the Argentine for the crop year 1953-54 amount to 279.3 million bushels, consisting of a carryover of 58.8 million and the 1953 crop of 220.5 million bushels. With anticipated domestic requirements placed at 128.6 million bushels, some 150.7 million are available for export and for carryover during 1953-54 compared with 140.8 million available during 1952-53. Exports of wheat as grain and wheat flour in terms of wheat equivalent during the December—September period of the current crop year totalled 89.6 million bushels as against exports of 58.1 million during the same months of 1952-53. The balance on October 1, 1954 for export and for carryover at the end of the crop year amounted to 61.1 million bushels compared with 82.7 million available at the same date a year ago.

Argentine Wheat Supplies

Item	1952-53	1953-54 <sup>1/</sup>
	- million bushels -	
Carryover at beginning of crop year (December 1) .....	1.8	58.8 <sup>2/</sup>
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 <sup>2/</sup>	150.7 <sup>2/</sup>
Deduct:		
Exports of wheat as grain, December—September .....	58.1	87.1
Exports of wheat flour in terms of wheat, December—September .....	<sup>3/</sup>	2.6
Total exports of wheat and wheat flour .....	58.1	89.6
Balance on October 1 for export and for carryover .....	82.7	61.1

<sup>1/</sup> Preliminary.

<sup>2/</sup> 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.

<sup>3/</sup> 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 October 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 dollar.

Weather and Crops Cool weather and several light but useful rains have characterized most of the grain zone during the past month. These conditions have generally benefited the growing crops and improved conditions for the preparation and seeding of corn and sunflower. September frosts have reportedly caused some damage to grain and flax, particularly in north Córdoba, Buenos Aires and Eva Perón but the situation is still generally regarded as favourable, especially for the wheat crop, which is in almost optimum condition.

Natural pastures have been retarded by cold and relatively dry weather but recent widespread rains plus warmer weather since may have benefited them to the extent that cattle can be withdrawn from the winter feed grains, oats, barley and rye, in time for them to produce a reasonable crop.

1954-55 Wheat Crop Cool weather has continued to benefit the development of the wheat crop and widespread rains in late September and early October relieved the dryness in the southern zone which was beginning to threaten prospects in that area. The condition of the crop in all areas is now considered to be noticeably better than it was at the same time last year. This is particularly true in the province of Eva Perón and in northwestern Córdoba which by this time last year had suffered three months of drought and were beyond recovery. Trade estimates of seeded area vary somewhat but the impression is general that it will not surpass 6 million hectares (14.8 million acres) compared to last year's 6,352,000 (15.7 million acres). However, reports of the condition of the crop are at present so favourable that the trade is predicting an increase in production of at least ten per cent over last year's 6 million metric tons (14.8 million acres). Such a prediction is based on the assumption that reasonably favourable conditions will exist between now and harvest time: given optimum conditions, the increase could be considerably greater than 10 per cent.

1953-54 Wheat Crop I.A.P.I. came back into the market briefly during the past month and sold 100,000 metric tons (3,674,000 bushels) of wheat to Western Germany at 63 German treaty dollars per ton, f.o.b. This followed the announcement of a sale of 500,000 tons (18,372,000 bushels) to Italy at 62.75 Italian treaty dollars. These prices show a considerable rise over the price of 57.12 German treaty dollars which marked the last sale by I.A.P.I. to that country in June. Argentina has now definitely sold all her exportable surplus of wheat from the 1953-54 crop. As several hundred thousand tons is considered to be a practical minimum commercial carryover, it is apparent that some of the sales already made (notably part of the 500,000 tons (18,372,000 bushels) to Italy), will be delivered from the next crop and/or use will be made of the underground reserves.

Policy New Export Marketing System - A bill was passed at the end of the last session of parliament which provides for the creation of a National Grain and Elevators Institute to replace the present Dinagranel (National Direction (Board) of Grains and Elevators). The new Institute will in addition to the present functions of Dinagranel, be responsible for the marketing, for the account of I.A.P.I., of agricultural production. As far as can be ascertained to date this organizational change will have little, if any, effect on either personnel or policy.

Plan to Improve Seed Production - The Ministry of Agriculture has been authorized to expend up to 1,856,525 pesos (\$371,000) on a project for the production of new and selected varieties of seed wheat, flax, corn,



sunflower, barley, rye, oats, etc. The object of the plan is to increase and improve production and to afford farmers better facilities. As official establishments do not possess sufficient acreage, the experimental farm service is to collaborate with qualified producers in this production scheme. It is envisaged that the ultimate sale of the seeds will serve to more than reimburse the initial expenditure.

Corn Delivery Bonus Continued - Although deliveries to port of corn in exportable condition have improved very noticeably, I.A.P.I. has continued in force, at least until October 15th, the bonus of 1.50 pesos per 100 kilos (7 cents per bushel) above the basic producer price, for delivery of corn in exportable condition. This bonus has been found necessary to expedite deliveries since wet weather during harvest produced much corn which has had to be dried at the ports before shipping and I.A.P.I. had made heavy commitments for shipment during this period.

Sales            Wheat - The sale was announced on September 17 of 500,000 metric tons (18,372,000 bushels) of wheat to Italy at 313.75 pesos per ton (\$1.71 per bushel), f.o.b. This is the quantity which Italy undertook to purchase in 1954 under the terms of the trade agreement at present in force between the two countries. It is understood that deliveries are to be spread over the months October to March.

On the last day of September, I.A.P.I. announced the sale of 100,000 tons (3,674,000 bushels) of wheat to Western Germany at 315 pesos per ton (\$1.71 per bushel). This compares with 285.60 pesos (\$1.55 per bushel) paid at the end of June for the same currency.

Corn - As anticipated by the trade, I.A.P.I. re-entered the export market with the sale on September 30 of 40,000 tons (1,575,000 bushels) to Western Germany at 295 pesos per ton (\$1.50 per bushel). The last sales, effected at the end of June, were at between 267.50 and 275.40 pesos (\$1.36 and \$1.40 per bushel) for payment in U.S. dollars, Belgian francs and Austrian agreement dollars.

Grain Shipments    September was a bumper month so far as grain shipments were concerned with a total of 755,462 metric tons of which wheat comprised 310,178 tons (11,397,000 bushels) and corn 384,951 tons (15,155,000 bushels). The cumulative total for the first nine months of the year thus aggregates 5,389,283 tons, double shipments effected in the corresponding period of 1953 and a record for recent years.

Germany was the chief customer for grains in the first nine months of the year with 988,251 tons of which wheat comprised 459,765 (16,893,000 bushels) and corn and barley 223,691 tons and 212,437 tons (8,806,000 and 9,757,000 bushels), respectively. The Netherlands came second with 811,923 tons: corn 218,553 tons (8,604,000 bushels), oats 211,791 tons (13,733,000 bushels), barley 151,678 tons (6,966,000 bushels), wheat 116,016 tons (4,263,000 bushels) and rye 113,885 tons (4,483,000 bushels). The United Kingdom followed with 610,294 tons of which wheat and corn accounted for 243,808 tons and 310,215 tons (8,958,000 and 12,213,000 bushels), respectively.

Wheat shipments at 310,178 tons (11,397,000 bushels) in September were at their highest for the year and were destined principally for Germany with 120,262 tons (4,419,000 bushels). Other customers included Brazil 50,867 tons

(1,869,000 bushels), Japan 34,980 tons (1,285,000 bushels), and Chile 31,009 tons (1,139,000 bushels).

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

Destination	Wheat	Corn	Flax	Oats	Rye	Barley
- thousand bushels -						
Austria .....	613	905	-	1,835	134	644
Belgium .....	4,749	5,271	-	6,121	4,562	4,004
Brazil .....	15,207	-	-	186	-	-
British Africa .....	638	-	-	-	-	-
Canary Islands .....	-	972	-	-	-	-
Chile .....	4,696	-	-	-	-	-
China .....	275	-	-	-	-	-
Denmark .....	1,974	1,407	-	5,731	2,128	1,277
Finland .....	-	354	-	32	1,335	-
France .....	96	5,241	436	71	-	53
French Africa .....	-	69	-	-	-	-
Germany .....	16,893	8,806	-	3,114	1,745	9,757
Hungary .....	638	-	-	143	1,233	595
India .....	333	-	-	-	-	-
Israel .....	-	-	-	-	404	-
Italy .....	55	2,570	-	1,601	4,660	177
Japan .....	7,022	3,138	-	-	12	-
Malta .....	187	-	-	-	-	-
Netherlands .....	4,263	8,604	-	13,733	4,483	6,966
Norway .....	-	821	-	-	394	-
Paraguay .....	1,309	-	-	-	-	-
Peru .....	5,082	43	-	-	-	-
Poland .....	1,864	-	-	-	9,167	-
Sweden .....	-	743	-	564	-	-
Switzerland .....	1,603	852	-	5,038	172	1,083
United Kingdom .....	8,958	12,213	-	-	227	2,320
United States .....	-	-	-	1,539	-	-
Totals .....	76,455	52,010	436	30,709	30,656	26,877
Same period:						
1953 .....	57,871	28,801	390	7,415	3,090	10,311
1952 .....	2,265	19,747	1,025	2,647	4,385	4,806
1951 .....	80,925	5,546	6,478	4,532	6,985	3,182
1950 .....	86,125	30,292	1,774	19,932	5,859	3,549
1949 .....	52,313	27,198	-	7,022	6,596	7,636

Wheat Flour - Shipments of wheat flour in September totalled 7,647 metric tons (86,000 barrels) bringing the total for the first nine months of the year to 50,035 tons (563,000 barrels) compared with 2,609 tons (29,000 barrels) in



the calendar year 1953. Brazil has received 36,530 tons (411,000 barrels) to date in 1954. That country was committed to purchase 58,800 tons (661,000 barrels) of flour from Argentina in 1953 of which only 325 tons (3,700 barrels) were shipped. The trade agreement at present in force between the two countries provides for the shipment of 26,250 tons (295,000 barrels) in 1954. Chile has received 13,055 tons (147,000 barrels) of flour to date in 1954, 8,055 tons (91,000 barrels) in excess of the quantity contracted for in the trade agreement at present existing between the two countries.

Corn shipments in September at 384,951 tons (15,155,000 bushels) were at their highest for any month in recent years. Germany accounted for 107,610 tons (4,236,000 bushels) of the total while the United Kingdom received 75,185 tons (2,960,000 bushels). The Netherlands, Japan and Belgium were the destinations of 47,559 tons (1,869,000 bushels), 46,774 tons (1,839,000 bushels) and 42,087 tons (1,654,000 bushels) in that order.

Shipments of Oats, Rye and Barley diminished to 39,002 tons (2,529,000 bushels), 2,970 tons (117,000 bushels) and 18,361 tons (843,000 bushels), respectively. Large-scale shipments of these grains earlier in the year, however, resulted in the high nine-month totals of 612,407 tons (39,709,000 bushels), 778,695 tons (30,656,000 bushels) and 585,192 tons (26,877,000 bushels) for these grains.

#### AUSTRALIAN SITUATION

Supply Position Total estimated supplies 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. After deducting anticipated domestic requirements of 72.2 million bushels, some 162.6 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 period December 1, 1953 to September 25, 1954 totalled 52.6 million bushels, down sharply from the 88.6 million exported during the corresponding period of the preceding crop year. The balance on September 26, 1954 for export and for carryover at the end of the crop year amounted to 110.0 million bushels, more than double the 52.6 million available at the same date a year ago.

#### Australian Wheat Supplies

Item	1952-53	1953-54 1/
Carryover, including flour as wheat, at beginning of crop year (December 1) .....	- million bushels -	
	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	72.2 2/
Available for export and for carryover .....	141.2	162.6
Deduct:		
Exports of wheat as grain, December 1 to September 25 .	52.8	28.5
Exports of wheat flour in terms of wheat, December 1 to September 25 .....	35.8	24.1
Total exports of wheat and wheat flour .....	88.6	52.6
Balance on September 26 for export and for carryover ...	52.6	110.0

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 October 15, 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 \$2.1725 (Canadian), the quotation in effect on October 1, 1954.

Crop Prospects and  
Pastoral Conditions

It has been stated by an Australian Wheat Board officer that, on present indications, the coming Australian wheat harvest will not exceed 150 million bushels, and may be less.

Victoria - While the general position for wheat, dairying and grazing areas in Victoria is still satisfactory, a good downfall of rain is needed to ensure good crops. The crops were growing quickly, but the soil contained no reserve of moisture, since no worthwhile rains were received during the past month. Cereal crops in the Mallee, Winmera, northern and north eastern areas of Victoria are depending on a general heavy fall in October.

Northern grazing areas will be faced with a serious summer food shortage, if pastures do not get soaking rains this month, and dairy production seems certain to be below normal, especially in Gippsland, unless rain falls soon.

New South Wales - September was another dry month in this State, with rainfall well below average. Dry to very dry conditions prevail over a very large portion of the wheat belt. Harvest prospects have seriously deteriorated during the past month and crops seem certain to fail in most wheat areas. The possibility of a good recovery, other than in late districts, has largely passed. As crops are poorly rooted and lack establishment, even with favourable weather from now until harvest, no spectacular recovery can be expected. One authority estimates that the wheat yield would total between 20 and 25 million bushels. This would be less than half the harvest last year.

Live stock have been turned into a number of crops and unless there is immediate relief, many more fields will be used for this purpose.

Grasshoppers have been hatching out freely and in large numbers. This year crops are particularly vulnerable to destruction by grasshoppers.

Pasture growth is very poor. Most of New South Wales, except for the North Coast and isolated areas, has now been officially declared a "drought area"

South Australia - Despite the fact that rainfall in South Australia generally has been below average for September, the crops have come on well, but the lack of rain is now having effect, and in the early areas crops are tending to come up to head. Provided satisfactory rains are received soon, yields could still be up to recent high levels.

Pastoral conditions, on the whole, are satisfactory, except in Lower Eyre Peninsula and Lower North districts, where a serious feed shortage could develop if dry weather continues.



Queensland - With the exception of an area in the far north-west where drought prevails, seasonal conditions in Queensland are promising. Good rainfall was received in the central and south-western districts of the State during the past month, and all crops are good.

In the far north-west of Queensland and the Northern Territory, it is feared that the drought there will develop into one of the worst on record unless rains fall within the next few weeks. Cattlemen in that area place the deadline for saving rains no later than early November.

Western Australia - A wheat harvest well below average is expected in Western Australia.

In the last two days of September showers of varied intensity swept into the agricultural areas of the State, saving some of the State's wilting crops and replenishing some surface water supplies. But they were nearly three weeks too late to generally relieve the country districts. Hundreds of wheat belt crops not worth stripping are being fed to sheep, and many farmers are selling their stock because the grass and pasture available will not carry them through the summer.

The feed position had deteriorated some weeks before the late September rains fell and the general sparse growth of pastures and natural grasses could not have been stimulated, even by heavier falls.

Wheat Stabilisation Plan The poll of wheat growers now being conducted in Australia is likely to result in a large majority in favour of the Wheat Stabilisation Plan. Final voting figures for Victoria and Western Australia show that an overwhelming majority of growers in those States are in favour of the plan.

Wheat Pool Payment A further payment of 4d. (4 cents) a bushel will be made to wheat growers on both bagged and bulk wheat in No. 16 pool (1952-53 season) on October 19th. The payment totals £3 million (\$6,525,000) and will bring payments on No. 16 pool, less freight, to 14/10d. (\$1.61) per bushel for bulk wheat and 15/10d. (\$1.72) for bagged wheat.

Exports Exports of wheat from Australia for the marketing season December 1, 1953 to November 30, 1954, are not expected to greatly exceed 60 million bushels, giving an abnormal carryover on November 30 of about 90 million bushels. Existing storage facilities are quite inadequate to cope with a carryover of this size as well as the new season's wheat, and steps are being taken to increase storage capacity in each of the mainland producing States. Projects approved by the Australian Wheat Board under a £3.5 million advance by the Commonwealth Bank will provide additional capacity totalling about 50 million bushels.

Handling the 1954-55 Wheat Harvest According to a press statement, the Australian Minister for Agriculture and Food Production stated on October 7 that no special problems were anticipated in handling wheat through the silo system during the coming harvest.

"It is well known that the carryover of wheat remaining in the system is very heavy this year, and every endeavour has and is being made to leave

most of the carryover of wheat in those silos where it is not expected that the crops will be sufficient to cause any serious handling difficulties", the Minister said.

The Minister added that the present dry weather emphasized what he had already said on more than one occasion - that the so-called wheat surplus could become a valuable asset to the nation in the event of drought.

"However, crops are promising in certain areas, more particularly in the far north and in this particular area all silos will be completely empty at the beginning of harvest. The Werris Creek Sub-terminal is already empty, and being prepared to receive the new wheat", he said.

Parkes Sub-terminal will be available, complete with permanent elevators, and this unit will make the storage position in the central west quite satisfactory, despite the large quantities of old wheat remaining in nearby silos.

Regarding the new bulk wheat depots at present under construction, The Minister said that this work was being pushed with all speed, but he wanted to warn growers in the area that would be served by the units at North Star, Milguy and Bellata that the new storages would not be available for use this season.

At North Star, a magnificent effort is being made in the construction of the new wheat depot, but this is a very early district and the structural steel for the roof has yet to arrive from Italy.

In the circumstances, farmers should proceed to make arrangements to handle their harvest for 1954-55 without this storage. However, wheat growers are assured that the construction of these units will be continued with the greatest possible speed and will greatly improve the storage position in future years.

The Minister said that extensions to the Newcastle Terminal Elevator now in progress would also greatly improve the position, as would all other new storages at present under construction.

"Despite the heavy carryover of wheat in the silo system, the seasonal conditions have now reduced harvest prospects to such an extent that bulk trucks can be made available to growers for the very early districts in the north so that the wheat can be loaded into them for delivery direct to flour mills", he added.

"The greater part of this wheat will be of premium quality and trucks will be supplied until such time as they are required at silos and bulkhead stations. Those growers who wish to take advantage of this service should make early application to the local railway station for the trucks required."

"Excellent progress has been made by the contractor in extending the Sub-terminals at Werris Creek, Parkes and Junee, and whilst this additional storage may not be required to any great extent for the coming harvest, its benefit will be of immeasurable value in future years", the Minister concluded.



# FRENCH SITUATION

The following account of the current crop situation in France has been extracted from a report provided by Miss V. F. Wightman, Commercial Secretariat, Canadian Embassy, Paris, under date of October 18, 1954, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce. Where possible, conversions from French to Canadian measures have been made and rounded for the convenience of our readers. Currency conversions have been made at the rate of one franc equals .00277 Canadian dollars, the rate in effect on October 1, 1954.

Crop Conditions Despite the cool wet summer, France has a bumper grain crop this season. The harvest, delayed by the cool weather until August, was hampered by frequent rains and as a result the quality of the grain is below last year. However, due to increased acreages and higher yields, previous production records have been broken.

Wheat The Ministry of Agriculture September 1 estimate of 10,056,600 metric tons (369.5 million bushels) still stands, although the trade is thinking in terms of 10.3 million (378.5 million bushels). The official estimate on yields at 22.5 quintals per hectare (33 bushels per acre) is likewise considered conservative although it represents a new record. This current wheat crop is the largest since 1907 and surpasses the 1938 record of 9.8 million (360.1 million bushels). The quality has suffered from the frequent rain during harvest; the moisture content of the grain often reaches 20 per cent and the specific weight is now estimated at 75 kilos per hectolitre (60 pounds per bushel) as against the previous estimate of 80 (64 pounds per bushel).

The table below shows the trend of wheat production in France over the past forty years. As will be noted the area seeded remains below prewar and until the increase for the current crop, appeared to have stabilized at around 4,250,000 hectares (10,498,000 acres). The most striking advance recently has been in the average yield which remained at about the same level during the first part of this century but which, commencing with 1952, has been rising at around 2 quintals per hectare (3 bushels per acre) per year. This represents, of course, favourable growing conditions during the past few seasons but it also reflects increasing use of fertilizers and of high quality seed which will continue to have an influence on the size of the crop.

Trends in Wheat Production

Year	Area	Yield	Production
	000 acres	bushels	000 bushels
1910—1913 .....	16,055	20	301,298
1930—1939 .....	12,844	23	293,950
1951 .....	10,498	25	260,880
1952 .....	10,572	29	308,647
1953 .....	10,423	32	327,019
1954 (Estimate) .....	11,029	33	369,274

Advance in Yields.- The advance in wheat yields has been general throughout the country but the most noteworthy progress has been in areas with formerly low yields. The following table developed by the Wheat Producers' Association shows the progress in yield averages, by départements, over recent years.

Trends in Average Wheat Yields by Departement

Bushel per Acre	Number of Departements			
	Average 1949-1952	1951	1953	1954
Less than 15 .....	6	12	2	-
From 15-22 .....	41	42	24	14
22-27 .....	23	19	30	26
27-30 .....	5	3	5	5
30-37 .....	10	5	17	24
37-45 .....	4	8	5	11
45-52 .....	1	1	7	8
Over 52 .....	-	-	-	2

Disposition of 1953 Wheat Crop.- The Ministry of Agriculture has issued a statement on the disposition of the 1953-54 crop in general terms. The following table has been made up from this statement and, until the exact figures are available, gives an indication of its disposition.

Commercial Disposition of 1953-54 Breadgrains

	<u>million bushels</u>
Carryover, August 1, 1953 .....	21.7
Farmers' deliveries: Wheat .....	232.8
Breadbeans and Rye .....	1.5
	<hr/> 255.9
Imports (French North Africa) .....	1.3
	<hr/> 257.2
<u>Disposition (Commercial)</u>	
Domestic Consumption .....	183.7
Exports: French Union .....	11.0
Foreign Countries .....	33.1
	<hr/> 227.8
Carryover August 1, 1954 .....	29.4
<u>Durum Wheat</u>	
Home Production .....	0.4
Imports (French North Africa) .....	12.9
	<hr/> 13.2

The foreign trade position can, therefore, be expressed as follows for the 1953-54 season:

	<u>million bushels</u>
<u>Exports:</u> French Union and Foreign countries .....	44.1 (of which 14.7 were in flour)
<u>Imports:</u> Soft Wheat and Durum ....	<u>14.7</u>
Balance of exports over imports.	<u>29.4</u>

The carryover at August 1, 1954 is reported to be closer to 825,000 metric tons (30.3 million bushels) which is more or less in line with the required stock on entering a new season. This was formerly considered to be around 500,000 (18.4 million bushels) but with increased storage capacity available and heavier crops, the goal of 800,000 (29.4 million bushels) seems now required.

1954-55 Commercial Supplies.- On the basis of the above general statement, the supplies and disposition from the 1954 crop would appear to be as follows; farmers' deliveries are expected to total around 7.3 million metric tons (268.2 million bushels) but this will depend upon the quantity retained as feed.

	<u>million bushels</u>
<u>Commercial Supplies</u>	
Carryover August 1, 1954 .....	29.4
Farmers' deliveries of wheat .....	<u>268.2</u>
	297.6
<u>Disposition</u>	
Domestic consumption .....	183.7
Exports to French Union .....	11.0
Required stock August 1, 1955 .....	<u>29.4</u>
	<u>224.1</u>
Available for export or feed ..	<u>73.5</u>

The above is a very preliminary statement in view of the program to use wheat as feed at subsidized prices (see below). It is understood that financial provision is available for the subsidized export of around 1.2 million metric tons (44.1 million bushels) although a further allocation could be made if it were decided to sell additional quantities abroad.

Problem of Increasing Wheat Surplus.- In view of the very heavy wheat crop this summer and the prospects of subsequent increases in the next few years, the French government has taken up the question of limiting the quantity of each year's production which will enjoy the guaranteed basic price. The Wheat Plan of last September provided that if production began to outstrip home consumption and what could be readily exported, the government could establish a quota by September 15 in advance of fall sowing; the special powers allotted to the government allow a certain leeway in announcing any such plans. However, considering



the advanced date, measures for next season would presumably be only preliminary. The Wheat Producers' Association held a special plenary meeting on September 21 to consider what measures should be put into effect to cope with the increasing surpluses. As it is evident that the government's present share of half the export losses would not continue if the export surpluses were allowed to increase unchecked, the Producers' Association accepted the principle of a limited quota at the official price. However, they asked that the basis should be the 9.5 million metric tons (349.1 million bushels) which was the goal of the Monnet Plan and its successors and towards which agricultural groups have been working. This would result in deliveries of approximately 7 million metric tons (257.2 million bushels) and give an export surplus of 1.8 million (66.1 million bushels). In the meantime, in view of the uncertainty, the Association has urged its members to reduce their sowings.

Since the increasing yields should, even with lower acreages, in the long run produce larger crops, the Association has asked for official guidance on orientation towards other crops. The normal alternate crop for wheat in northern France is sugarbeet which is also in surplus and suffering from a plan to reduce purchases of alcohol into which much of it has been in the past distilled. It is understood that study is being given to a program for oilseed production, of which France is a large scale importer.

Limited Price Guarantee.- There are no indications yet as to how a limited support price would be applied to deliveries by individual farmers. A breakdown of the 1952 crop shows that there were approximately 826,000 farmers delivering wheat with the relative size of marketings as follows:

Size of Individual Wheat Deliveries, 1952

Quantity			Number of Farmers	Percentage	Thousand Bushels	Percentage
From	0 -	184	585,559	70.9	42,816	21.1
	185 -	276	73,037	8.6	16,869	8.4
	277 -	367	46,630	5.5	15,164	7.5
	368 -	735	69,084	8.3	36,215	17.8
	736 -	1,470	33,038	4.0	34,315	16.9
	1,471 -	2,205	7,783	1.0	15,921	7.8
	2,206 -	2,939	3,684	0.4	9,307	4.6
	2,940 -	3,674	1,385	0.2	6,033	2.9
Over	3,674		4,020	0.4	26,040	12.9

For the 1952 crop the levy on deliveries to offset export losses applied only to those over 50 quintals (184 bushels); thus it would appear from the above that 70.9 per cent of farmers, and 21.1 per cent of quantities marketed escaped this levy. There are indications that the guaranteed support price might be applied in the same manner as this levy, that is, it would apply to certain maximum quantities per producer as it is generally felt that the large scale farmer is in a better position to accept a lower price.

Program to Improve Quality.- Emerging as a substantial exporter this past year has shown that the quality of French wheat did not always bring satisfactory prices. In the expansion program since the end of the war, the bread-making quality of the grain has taken second place to yield, particularly since there has been no price premium for high protein content.

For the coming season, the pricing system will probably be changed so as to encourage a better quality grain. It is understood that consideration was given to excluding from the price support any grain without adequate baking quality. However, in view of the lateness of the season the Wheat Producers' Association suggest that for the 1955 crop such grain be accorded the official price support but with a rebate and that graded bonuses be provided for superior quality. For 1956, they suggest the withdrawal of certain varieties heretofore officially recognized.

Reduced Price for Feed Wheat.- In view of the large export surplus of wheat this season, the French government has authorized price reductions for the domestic market in order to encourage its use as feed. The price for internal feed consumption has been reduced by 330 francs per quintal (25 cents per bushel) but where producers can show proof of the export of animal products, the price will be reduced by 1,352 francs (\$1.02 per bushel) which brings it into line with barley and to that at which the Grain Board sells abroad.

The wheat farmer will continue to receive the basic price of 3,400 francs per quintal (\$2.56 per bushel) but prices for feed wheat purchased from co-operatives or other authorized dealers will be offset by the above reductions to the charge of the government.

This move is in reply to complaints that French livestock products have had to compete abroad with those from countries to which French feed wheat has been sold at subsidized prices. It will reduce the need for other imported feeds and also the cost of financing the export of wheat surpluses.

Allocation for Wheat Subsidy.- In a decree dated September 23, the Minister of Agriculture was granted a credit of 6.4 billion francs (approximately \$17.7 million Canadian) for subsidies as follows:

- (a) Subsidy to retain present bread prices - \$10.2 million
- (b) Subsidy for losses on wheat exports - \$ 7.5 million

The second item is only part of the sum which will eventually be required to subsidize wheat exports. The government is understood to be committed for 11 billion francs (\$30.5 million), which will be matched by the levy on farmers' deliveries, and which together should enable the export of around 1.2 million metric tons (44.1 million bushels) of wheat.

YUGOSLAVIAN GRAIN CROPS

The following information on grain crops in Yugoslavia has been extracted from a report provided by Dr. C. F. Wilson, Canadian Agricultural Counsellor, Canadian Embassy, Rome, Italy, under date of October 15, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

Latest advices from Yugoslavia indicate that the 1954 wheat crop has not come up to expectations when the harvest was under way. In fact, this year's wheat production (including rye) which is now officially estimated at 57.5 million bushels is not only substantially below the 1953 harvest of 100 million bushels, but it has also fallen below the drought-stricken production of 59 million bushels in 1952.

Other grain crops including corn, oats and barley are also reduced from their 1953 levels. The principal ameliorating factor is that the heavy rains during the past spring and early summer resulted in good hay and forage crops for the livestock population.

The official production estimates for the principal field crops are as follows:

Grain	1 9 5 3	1 9 5 4
- thousand bushels -		
Wheat and rye .....	103,421	57,523
Oats .....	22,843	15,091
Barley .....	20,993	11,566
Corn .....	150,819	117,940

Because of the wheat shortfall Yugoslav wheat import requirements for the 1954-55 crop season are estimated at one million metric tons (36.7 million bushels). Toward this requirement 100,000 tons (3.7 million bushels) have already been purchased from Canada, and a similar quantity has also been obtained from the United States through Foreign Operations Administration funds. It is probable that as the season advances further quantities will be arranged for from the United States.



CALENDAR OF WHEAT EVENTS

- October 11 - Based on conditions at October 1, the 1954 production of all wheat in the United States was estimated at 959 million bushels. Winter wheat production was placed at 776 million bushels while the outturn of Durum and other spring wheat was estimated at 8 million and 175 million bushels, respectively.

According to Foreign Crops and Markets, Western German producers are assured of continued high grain prices for their 1954-55 crop as a result of recent marketing legislation. For the current crop, producer breadgrain prices will be within an average range of \$2.72 to \$2.83 per bushel for wheat and from \$2.42 to \$2.52 per bushel for rye, average quality basis.

- 12 - According to Broomhall, production of wheat in the United Kingdom in 1954 is officially placed at 98.5 million bushels, compared with 89.6 million in 1953 and 96.9 million in 1952.
- 19 - According to Broomhall, production plans in the Soviet Union call for a sharp increase in the acreage to be planted for 1955 crops with a further sharp increase scheduled for the following year.
- 22 - A report on the progress of harvesting in the Prairie Provinces issued by the Dominion Bureau of Statistics, indicated that by October 15 an estimated 86 per cent of the acreage in the five major grains had been cut and 63 per cent threshed. For wheat, the estimated percentages were 97 per cent cut and 77 per cent threshed.

Wheat stocks in the United States at October 1 totalled 1,682 million bushels, according to a report published by the Bureau of Agricultural Economics of the United States Department of Agriculture. Off-farm stocks of 1,245 million bushels were the largest on record for October 1, while the on-farm stocks of 437 million bushels were the smallest for that date since 1940.

Press reports indicate that the British waterfront strike has slowed overseas movement of Canadian grain.

- November 3 - According to Broomhall, ploughing and sowing is very backward in the United Kingdom following heavy rains and predictions were being made that there will be a sharp reduction in the wheat acreage this fall. However, weather permitting, it is expected that efforts will be made to make up deficiencies next spring.

In Western Germany the weather has improved and sowing has been active during the past week.

In Italy sowing of fall grains was almost completed and recent rains had been beneficial.

In India excellent weather conditions prevailed for planting of wheat.

In South Africa drought is damaging to wheat crop especially in the Free State.

- November 5 - Canada's 1954 wheat crop was officially estimated at 298.9 million bushels, the smallest crop since 1943 and less than half of either the 1953 or 1952 crops.











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