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THE WHEAT REVIEW

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Department of Trade and Commerce

THE
WHEAT REVIEW

JUNE, 1956

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WORLD WHEAT SITUATION

Current Supplies Latest available estimates indicate that supplies of wheat remaining on or about June 1, 1956 in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 1,887.9 million bushels, about 1 per cent greater than the 1,868.5 million available a year ago. Supplies at June 1, 1956 (in millions of bushels) were held as follows, with last year's figures in brackets: United States, 1,057.6 (1,049.1); Canada, 599.8 (541.8); Australia, 160.8 (133.8); and Argentina, 69.7 (143.8). Estimates for both years include on-farm stocks as well as those in commercial positions.

Exports Total exports of wheat and flour in terms of wheat from the four major exporting countries for the first ten months (August—May) of the current Canadian crop year at 686.3 million bushels, were some 9 per cent greater than the shipments of 629.9 million during the comparable period of 1954-55. With the exception of 1951-52, exports during the first ten months of the current crop year also exceeded movement during the comparable period of any crop year since 1950-51. Shipments from each of the four countries during the August—May period of 1955-56 and for the comparable period of five preceding crop years are shown in the table below.

Exports of Wheat and Flour in Terms of Wheat, August—May, 1955-56
with Comparisons

August—May	United States	Canada	Argentina	Australia	Total
- million bushels -					
1950-51	304.6	178.8	75.8	106.5	665.7
1951-52	413.5	268.5	24.1	81.1	787.2
1952-53	279.8	297.5	19.2	84.8	681.3
1953-54	170.7	209.1	94.1	52.2	526.1
1954-55 1/	226.4	209.7	112.0	81.8	629.9
1955-56 2/	269.7	234.0	98.0	84.6	686.3

1/ Revised. 2/ Preliminary.

Notes on New Crops A June 4 report states that "The wheat harvest now nearing completion in India totals about 314 million bushels, on the basis of preliminary estimates. This is very slightly below the bumper crop in 1955 and is about 40 per cent above the low level of the 1945-49 period. Preliminary estimates place wheat acreage at 30 million acres, which is 12 per cent above the 1955 acreage. Yields, however, are somewhat below last year's high yields in the main wheat areas, which more than offsets the substantial acreage increase."

The size of the current French wheat crop is still in doubt, with various estimates ranging from as low as 163 million bushels to as high as 257 million. In any event the outturn will be far below that of last year's 367 million bushels. A large wheat crop is expected in Italy although most reports indicate some reduction from the 1955 record level.

International Wheat Agreement Sales and Purchases for Crop Year 1955-56

Importing Countries	Guaranteed Quantities	S O U R C E				Total Purchases	Remainder 3/
		Canada 1/	Australia 2/	France 2/	U.S.A. 2/		
		- thousand bushels -					
Austria	9,186	1,008	-	-	1,064	2,072	7,114
Belgium	23,883	7,384	4	-	4,877	12,265	11,618
Bolivia	4,042	-	-	-	3,996	3,996	46
Brazil	13,228	-	-	-	216	216	13,012
Ceylon	10,288	-	7,259	363	-	7,622	2,666
Costa Rica	1,286	435	-	-	722	1,157	129
Cuba	7,422	801	-	-	6,373	7,174	248
Denmark	1,837	2	-	-	1,062	1,064	773
Dominican Republic .	1,102	467	-	-	528	995	107
Ecuador	2,388	960	-	-	257	1,217	1,171
Egypt	14,697	-	-	-	6,696	6,696	8,001
El Salvador	735	153	-	-	509	662	73
Germany	55,116	17,533	7,577	-	20,342	45,452	9,664
Greece	12,860	-	-	-	9,608	9,608	3,252
Guatemala	1,286	168	-	-	636	804	482
Haiti	1,837	448	-	-	1,212	1,660	177
Honduras Republic ..	735	29	-	-	354	383	352
Iceland	404	5	-	-	34	39	365
India	36,744	-	6,170	-	10,184	16,354	20,390
Indonesia 4/	6,246	-	6,249	-	101	6,350	-
Ireland	10,105	3,039	995	-	355	4,389	5,716
Israel	8,267	724	-	-	3,167	3,891	4,376
Italy	3,674	-	-	-	2,604	2,604	1,070
Japan	36,744	15,923	6,756	-	13,647	36,326	418
Jordan	2,940	-	-	-	208	208	2,732
Korea	1,470	-	-	-	-	-	1,470
Lebanon	2,756	-	-	-	855	855	1,901
Liberia	73	9	-	-	32	41	32
Mexico	14,697	-	-	-	3,966	3,966	10,731
Netherlands	24,802	1,814	94	-	9,845	11,753	13,049
New Zealand	5,879	-	5,877	-	-	5,877	2
Nicaragua 4/	367	131	-	-	228	359	-
Norway	8,451	4,019	-	-	3,238	7,257	1,194
Panama	845	196	-	-	439	635	210
Peru	7,349	-	-	-	46	46	7,303
Philippines 4/	8,672	4,965	205	-	3,635	8,805	-
Portugal	7,349	430	636	-	3,833	4,899	2,450
Saudi Arabia	4,409	-	-	-	755	755	3,654
Spain	9,186	-	-	-	1,743	1,743	7,443
Switzerland	7,900	5,372	-	-	-	5,372	2,528
Union of S. Africa .	13,228	5,040	-	-	1,045	6,085	7,143
Vatican City 4/	551	-	-	-	551	551	-
Venezuela	6,247	2,688	-	-	3,551	6,239	8
Yugoslavia	3,674	-	-	-	3,641	3,641	33
Totals	394,957	73,743	41,822	363	126,155	242,083	
Guaranteed Quantities (Exporting Countries)		153,077	45,013	344	196,523	394,957	
Balance		79,334	3,191	(19)	70,368	152,874	

1/ Canadian Sales through June 26, 1956.

2/ Sales recorded by International Wheat Council through June 22, 1956.

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

4/ Quota filled.

CANADIAN SITUATION

Supply Position Canadian wheat supplies for the crop year 1955-56, consisting of the August 1 carryover of 499.7 million bushels and the 1955 crop of 494.1 million amounted to 993.8 million bushels, surpassing by about 9 per cent the 1954-55 total of 910.6 million. After making an allowance of 160.0 million bushels for anticipated domestic requirements, some 833.8 million are available for export and for carryover in the current crop year as against 751.5 million available during the preceding crop year.

Canadian Wheat Supplies

Item	1954-55 <u>1/</u>	1955-56 <u>2/</u>
	- million bushels -	
Carryover in North America at beginning of crop year (August 1)	601.7	499.7
New Crop	308.9	494.1
Imports of wheat, August—April	0.1	<u>2/</u>
Total estimated supplies	910.6	993.8
Less estimated domestic requirements for crop year	159.1	160.0
Available for export and for carryover	751.5	833.8
Deduct:		
Overseas clearances of wheat as grain, August—May	171.2	195.5
Exports of Canadian wheat to U.S., August—May	3.0	6.3
Total exports of wheat	174.2	201.8
Exports of wheat flour in terms of wheat, August—May ...	35.5 <u>4/</u>	32.2 <u>5/</u>
Total exports of wheat and wheat flour	209.7	234.0
Balance on June 1 for export and for carryover	541.8	599.8

- 1/ Subject to revision. 2/ Preliminary. 3/ Less than 50,000 bushels.
4/ Adjusted to remove effect of time lag in the returns made by Customs. Conversion rate: 4.5 bushels per barrel of 196 pounds.
5/ Conversion rate: 2.3 bushels per cwt.

Combined exports of wheat as grain and wheat flour in terms of grain equivalent during the ten-month period (August, 1955—May, 1956) amounted to 234.0 million bushels, exceeding by 12 per cent the 209.7 million exported during the same months of 1954-55. The balance remaining at June 1 this year, for export and for carryover at the end of the crop year amounted to 599.8 million bushels compared with 541.8 million on hand at the same date a year ago.

Reflecting the exceptionally large overseas clearances during recent weeks, the movement of Canadian wheat has increased substantially in virtually all

channels. Farmers in the Prairie Provinces delivered a weekly average of some 12.0 million bushels during the period May 17 to June 13, bringing the current crop year marketings of wheat to a total of 248.4 million bushels, compared with 218.5 million during the corresponding period of 1954-55. The visible supply of Canadian wheat although subject to minor fluctuations showed relatively little overall change during the period.

At June 13 this year, the total visible supply of Canadian wheat stood at 333.3 million bushels, compared with 334.4 million a year ago and 337.5 million two years ago. Supplies in country elevators totalled 197.6 million bushels, somewhat above both the 1955 and 1954 mid-June totals of 181.8 million and 188.6 million bushels. Stocks in Lakehead position amounted to 44.1 million bushels compared with 35.3 million in 1955 and 41.2 million in 1954. The 26.8 million bushels in Bay, Lake and Upper St. Lawrence ports were down considerably from the 40.6 million bushels in this position a year ago and 34.7 million two years ago. In Lower St. Lawrence and Maritime ports supplies amounted to only 6.6 million bushels as against 23.9 million at mid-June, 1955 and 22.8 million in 1954. Supplies in west coast ports (Vancouver, New Westminster, Victoria, Prince Rupert) totalled 9.4 million bushels, somewhat below the 11.1 million and 11.2 million bushels in this position in 1955 and 1954, respectively. Some 11.3 million bushels were shown "in transit" (Western Division) at June 13 this year above both the 1955 figure of 10.9 million and the 1954 total of 6.7 million bushels. In the Eastern Division "in transit rail" accounted for 3.0 million bushels as against only 726 thousand a year ago and 76 thousand bushels two years ago. The quantity "in transit lake", at 7.9 million bushels were also above level of the two preceding crop years when these figures stood at 5.4 million and 6.8 million bushels, respectively.

May Exports of Wheat
and Flour Total
42.8 Million Bushels

With exports of both wheat and wheat flour showing increases over the preceding month, the total volume of wheat as grain and wheat flour in terms of grain equivalent exported during May amounted to 42.8 million bushels, some 27 per cent over the April level of 33.6 million. The May, 1955 total was 19.2 million bushels while the ten-year (1945-1954) average for the month was 31.1 million bushels. Exports of wheat as grain during May this year amounted to 39.1 million bushels as against 30.3 million exported during the preceding month and 15.6 million exported during May, 1955. According to preliminary Customs returns, the equivalent of 3.6 million bushels of wheat was exported in the form of flour during May this year, exceeding by 11 per cent the April level of 3.3 million and unchanged from the adjusted May, 1955 total of 3.6 million bushels.

Cumulative exports of wheat as grain during the first ten months of the current crop year amounted to 201.8 million bushels surpassing by 16 per cent the comparable 1954-55 total of 174.2 million. The United Kingdom continued as Canada's principal market for Canadian wheat as grain, taking some 77.6 million bushels, representing 38 per cent of the total August-May export shipments of wheat as grain. Other leading importers for Canadian wheat as grain during the period, with quantities in millions of bushels were as follows: Federal Republic of Germany, 22.6; Japan, 20.2; Belgium, 13.3; Poland, 12.9; U.S.S.R. (Russis), 7.0; the Netherlands, 6.3; United States, 6.3 (including 1.1 million for milling in bond); Italy, 5.8; Switzerland, 4.9; Union of South Africa, 4.2; Czechoslovakia, 4.0; and Norway, 3.3.

Exports of wheat flour from August 1 to May 31 of the current crop year, based on preliminary Customs returns, amounted to the equivalent of 32.2 million bushels, about 9 per cent below the adjusted figure of 35.5 million bushels exported during the same period of 1954-55. The United Kingdom received shipments equivalent to 9.7 million bushels, or 30 per cent of the ten-month total. Other principal markets for Canadian wheat flour during the period, with quantities in millions of bushels of wheat equivalent were as follows: Philippine Islands, 5.1; Venezuela, 2.8; Trinidad and Tobago, 1.8; and Jamaica, 1.3.

Off-Site Grain Storage

The following press release was issued June 25 by the Board of Grain Commissioners for Canada and The Canadian Wheat Board.

"The licensing of off-site grain storage is a matter of concern to the Board of Grain Commissioners for Canada and The Canadian Wheat Board. The Board of Grain Commissioners are interested from the standpoint of actual licensing and the adequate warehousing of grain. The Canadian Wheat Board are interested from the standpoint of availability of grain for prompt shipment. Both Boards have carefully reviewed their position in respect to the licensing of off-site storage facilities.

As a result of discussions between the two Boards it has been decided that no further applications for off-site storage will be considered. This decision has been reached after careful consideration of the storage position, including the extent of off-site storage presently licensed and the immobility of grain stored in many types of off-site facilities."

Alternate Delivery Points

In its Instructions to the Trade No. 47, under date of June 15, 1956 the Canadian Wheat Board announced that "In keeping with its policy of endeavouring to achieve as high a degree of equality of delivery opportunity as possible, the Board wishes to announce its intention of declaring that stations, at which the quota is now in excess of, or is subsequently raised beyond, six (6) bushels per specified acre, be designated as "Alternate Delivery Points" to which producers at lower quota points may deliver part of their grain as space permits and without written permission from the Board.

Before declaring any such station as an "Alternate Delivery Point", the Board will allow a period of time to elapse to give the local producers an opportunity to deliver their grain within the prevailing quota. The period referred to will be figured from the date on which a quota of seven (7) bushels per specified acre became effective at the station. The declaration as an "Alternate Delivery Point" will depend also on the space situation at the station as well as any other factors which the Board may consider relevant.

On and after the effective date from which a station has been declared by the Board as an "Alternate Delivery Point" any producers from other stations at which the quota in effect does not exceed six (6) bushels per specified acre will then be entitled to deliver grain to the Alternate Delivery Point to the extent of, but not exceeding, the balance of their authorized deliveries within the prevailing quotas, including supplementary quotas, at the shipping point specified in their 1955-56 permit book. All such deliveries must be recorded in their permit book in the regular way, along with the name of the Alternate Delivery Point.

It will be the intention of the Board to issue separate lists from time to time indicating the stations which are designated as "Alternate Delivery Points" and announcing the effective date of such declarations."

Rust Development A report issued on June 26 by the Plant Pathology Laboratory at Winnipeg stated in part that "Neither leaf rust nor stem rust were found on wheat in a survey trip through southern Manitoba June 20-21. The only cereal rust found was leaf rust of rye, of which a mere trace was found on June 20 in a field of fall-sown rye near Carberry. As the search for rust included not only farmers' fields but well-grown plots of susceptible varieties at Brandon and Morden, it seemed evident that rust infection, if present, was very scarce.

Stem rust, a few infections only, was first found on June 22 on fall-sown and headed Kharkov wheat on the plots of the University of Manitoba at Winnipeg. A further search on June 25 revealed a single stem-rust infection on spring-sown Kharkov wheat in experimental plots at a distance of about 2 miles from the rust found three days earlier. This year's date of the finding of the first stem rust infection (June 22) compares with June 13, in 1955, and June 17, in 1954. No leaf rust has been found yet in Manitoba except for the single outbreak on Kharkov wheat at Winnipeg, which was obviously due to overwintering. Compared with most years, the appearance of leaf rust is much retarded. In 1955, it was first found on June 13 and in 1954 on June 16."

Crop and Weather Conditions The telegraphic crop report, published by the Dominion Bureau of Statistics on July 4, summarized crop conditions in each of the Prairie Provinces as follows:

In Manitoba, crops continue to make favourable progress under nearly perfect conditions in most areas. Moisture supplies are ample. Early-seeded grain is beginning to head while extremely late-seeded crops are just showing above ground. All crops, however, irrespective of the stage of growth, have a promising outlook. There is little evidence of rust and although grasshoppers are in widely scattered areas, they are causing little damage to date. Control measures are under way. Haying started during the week and stands are heavy. Potato crops and gardens are excellent. Several hail storms have been reported.

Moisture conditions are good in all districts in Saskatchewan and crop growth during the past week has been fairly rapid as a result of previous beneficial rains. However, some early-sown fields of wheat and barley are heading short in some parts of the province because of the prolonged drought earlier in the spring. In the central and western areas new growth of previously ungerminated seeds presents a weed-spraying problem as the crops are developing somewhat unevenly. Haying is getting under way but wet weather is delaying operations in many areas. Light to heavy hail damage has occurred in scattered areas of the province.

Abundant rains were received in practically all areas of Alberta during the past week. Crop prospects are now considered better than average although some late crops are spotty, with excessive moisture retarding development on low lands. Some of the wheat has headed in the south and in the Peace River District and is rapidly coming into shot blade in other districts. Flaxseed, mustard seed, dry peas and potatoes are doing well but sugar beets are spotty and condition is below average. Summerfallow ranges from good in the south to wet and weedy in northern and Peace River areas. Wet ground is delaying progress of weed spraying. Several hail storms have occurred in southern and central districts. Pastures are good to fair, with cattle gaining in condition.

Farmers' Marketings of Wheat in the Prairie Provinces, 1955-56

Week ending		Manitoba	Saskatchewan	Alberta	Total	Last Year
- bushels -						
August	10, 1955	-	-	-	-	4,309
	17	31,456	109,355	43,576	184,387	5,138
	24	437,746	1,472,425	450,092	2,360,263	2,609
	31	656,780	2,174,213	675,519	3,506,512	149,920
September	7	697,862	4,984,565	983,712	6,666,139	291,945
	14	667,123	4,667,118	1,744,408	7,078,649	601,588
	21	475,731	3,309,906	1,714,465	5,500,102	765,404
	28	316,008	1,776,279	925,933	3,018,220	1,559,360
October	5	429,775	2,345,989	1,070,864	3,846,628	2,005,274
	12	401,022	1,781,424	1,016,420	3,198,866	2,630,510
	19	504,323	2,111,378	1,348,295	3,963,996	8,744,537
	26	560,576	2,187,426	1,271,783	4,019,785	10,778,849
November	2	733,638	2,202,273	1,121,821	4,057,732	9,266,388
	9	745,002	3,061,854	975,578	4,782,434	8,027,519
	16	769,387	3,834,898	1,053,152	5,657,437	7,159,311
	23	654,412	3,815,850	1,127,161	5,597,423	7,535,766
	30	439,614	3,466,772	1,052,857	4,959,243	8,239,759
December	7	516,879	3,550,977	1,040,755	5,108,611	9,556,484
	14	678,774	4,298,529	1,520,139	6,497,442	10,821,432
	21	418,894	1,997,236	1,177,246	3,593,376	10,690,288
	28	360,226	1,330,437	1,224,384	2,915,047	8,443,684
January	4, 1956	514,361	1,991,856	1,363,145	3,869,362	5,673,461
	11	599,347	2,663,110	1,507,972	4,770,429	8,656,216
	18	568,479	3,344,909	1,807,506	5,720,894	5,345,966
	25	377,814	2,021,080	2,079,468	4,478,362	4,252,213
February	1	544,148	2,967,617	2,109,843	5,621,608	3,816,169
	8	438,140	2,239,319	2,011,334	4,688,793	3,089,687
	15	456,664	3,352,409	2,388,033	6,197,106	1,804,112
	22	208,227	1,240,180	1,074,384	2,522,791	2,806,090
	29	195,086	849,338	1,161,480	2,205,904	1,526,166
March	7	396,436	2,319,894	2,071,449	4,787,779	1,889,922
	14	246,793	1,537,176	1,352,587	3,136,556	3,833,387
	21	469,686	3,039,030	2,071,750	5,580,466	2,891,955
	28	859,183	3,488,778	2,035,825	6,383,786	2,187,474
April	4	302,901	1,793,759	1,006,550	3,103,210	3,574,671
	11	481,857	2,069,605	1,222,818	3,774,280	2,787,058
	18	379,155	2,708,419	1,296,491	4,384,065	6,070,856
	25	511,890	4,257,789	1,859,297	6,628,976	3,127,328
May	2	1,172,320	8,365,247	3,069,146	12,606,713	3,567,110
	9	1,334,345	8,674,586	3,006,164	13,015,095	4,444,789
	16	1,422,772	6,619,601	2,494,669	10,537,042	5,471,372
	23	694,176	5,895,903	1,900,418	8,490,497	5,138,776
	30	701,225	7,420,071	2,551,611	10,672,907	6,397,560
June	6	885,817	9,974,093	2,971,748	13,831,658	9,165,697
	13	1,183,319	10,449,150	3,274,815	14,907,284	13,699,422
Totals		25,439,369	153,761,823	69,226,663	248,427,855	218,497,531
Average similar period:						
1944-45-1953-54		36,739,429	178,926,842	90,776,162	306,442,432	

Visible Supply of Canadian Wheat, June 13, 1956
Compared with Approximately the Same Date, 1954 and 1955

Position	1954	1955	1956
- thousand bushels -			
Country elevators - Manitoba	23,110	19,993	19,675
Saskatchewan	109,247	97,879	105,635
Alberta	56,263	63,930	72,318
Totals	188,620	181,801	197,628
Interior private and mill	7,013	6,449	7,294
Interior terminals	15,225	15,314	14,235
Vancouver-New Westminster	10,306	10,235	9,077
Victoria	805	842	317
Prince Rupert	53	53	37
Churchill	2,516	2,400	4,206
Fort William-Port Arthur	41,165	35,324	44,101
In transit rail (Western Division)	6,734	10,914	11,327
Bay, Lake and Upper St. Lawrence Ports	34,737	40,646	26,821
Lower St. Lawrence and Maritime Ports	22,774	23,917	6,639
In transit lake	6,840	5,404	7,885
In transit rail (Eastern Division)	76	726	3,047
United States ports	647	380	704
Totals	337,512	334,405	333,319

Grading of Wheat Inspected, August—May, 1955-56 with Comparisons

Grade	Crop Year		August—May			
	Average	1954-55	1954-55		1955-56	
	1949-50— 1953-54					
	per cent	per cent	cars	per cent	cars	per cent
1 Hard	1/	-	-	-	-	-
1 Man. Northern	7.6	4.3	6,750	5.0	4,961	3.3
2 Man. Northern	30.8	35.8	54,040	39.7	49,540	33.3
3 Man. Northern	16.1	26.4	33,101	24.3	33,349	22.4
4 Man. Northern	8.0	8.3	8,890	6.5	11,657	7.8
5 Wheat	8.2	4.5	4,745	3.5	15,724	10.6
6 Wheat	4.2	2.2	2,658	2.0	5,215	3.5
Feed Wheat	0.7	1.0	1,363	1.0	1,005	0.7
Garnet	0.8	0.9	1,397	1.0	569	0.4
Amber Durum	2.3	1.8	2,782	2.0	7,226	4.9
Alberta Winter	0.3	0.4	568	0.4	916	0.6
Toughs 2/ 3/	16.2	11.9	16,608	12.2	11,679	7.9
Damps 2/ 4/	3.6	0.3	458	0.3	16	1/
Rejected 2/	0.7	2.1	2,377	1.7	5,989	4.0
All Others	0.5	0.4	480	0.4	807	0.5
Totals	100.0	100.0	136,217	100.0	148,653	100.0

1/ Less than .05 per cent.

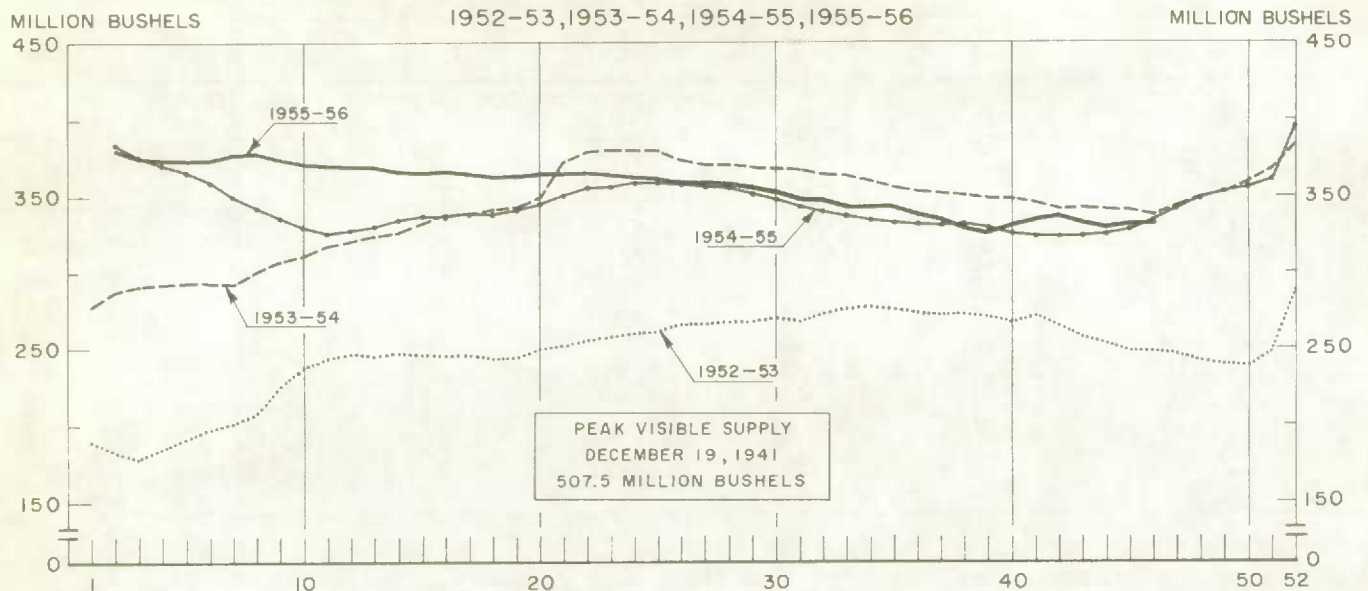
2/ All varieties and grades.

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

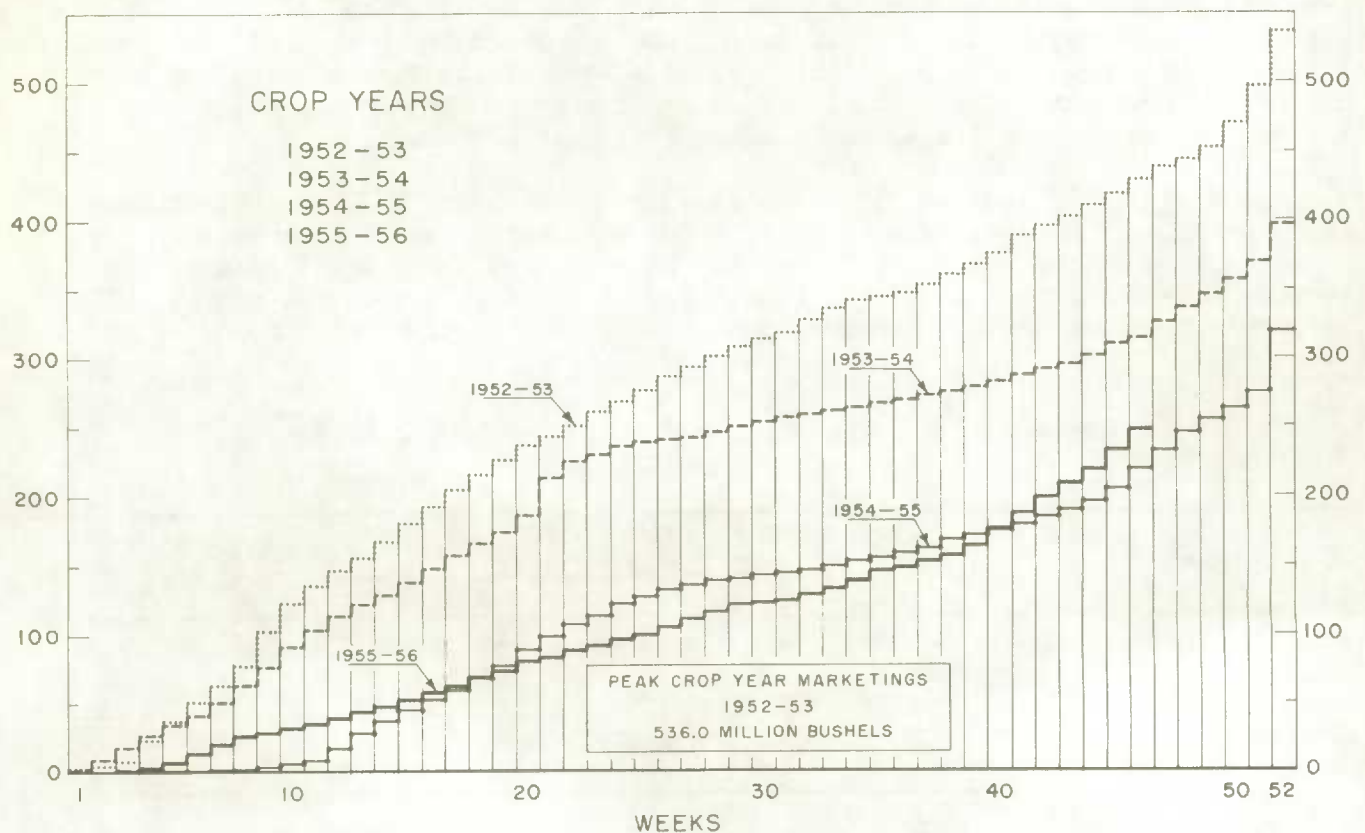
4/ Moisture content over 17 per cent.

WEEKLY VISIBLE SUPPLY OF CANADIAN WHEAT

1952-53, 1953-54, 1954-55, 1955-56



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 June 13, 1956
and to Approximately the Same Date, 1946 to 1955*

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
- thousand bushels -						
1946	32,976	21,420	6,804	518	418	62,136
1947	45,593	13,592	6,256	1,527	-	66,968
1948	27,853	4,279	5,090	302	2,136	39,660
1949	61,207	7,290	8,663	4,501	3,923	85,582
1950	51,636	5,127	7,306	1,320	140	65,529
1951	44,002	15,684	11,881	2,762	405	74,734
1952	74,775	28,652	24,198	2,944	1,701	132,270
1953	88,255	24,387	35,992	4,278	1,453	154,365
1954	33,013	19,067	17,896	2,709	1,456	74,140
1955	58,140	10,496	23,828	4,876	2,189	99,528
1956	71,014	8,229	24,238	5,908	1,330	110,719

*Shipments from opening of navigation to June 7, 1946, on account of boat strike. Shipments for subsequent years to the following dates: June 14, 1947; June 10, 1948; June 16, 1949; June 15, 1950; June 14, 1951; June 12, 1952; June 11, 1953; June 14, 1954; and June 15, 1955.

Total shipments of the five major grains out of Lakehead terminals from the opening of navigation to June 13 this year amounted to 110.7 million bushels compared with 99.5 million during the corresponding period of last year. Shipments of wheat, at 71.0 million bushels accounted for virtually all of the increase. Shipments of rye and barley were also above 1955 levels while the movement of oats and flaxseed was smaller this year than last.

General Quota By June 22, 1956 the Canadian Wheat Board had been able to place
Position 484 out of a total of 2,080 shipping points in the Western Division on a quota of 7 bushels per specified acre, while an additional 614 were on a 6-bushel quota. Of the remainder, 559 were on a 5-bushel quota, 391 on a 4-bushel quota and 14 on a 3-bushel quota. Eighteen stations were reported as "closed".

Summary of Elevator Shipping Points in Each Quota Group
as at June 22, 1956

Province	General Quota in Bushels per Specified Acre					Closed Stations	Total
	Three	Four	Five	Six	Seven		
Ontario	-	-	-	-	1	1	2
Manitoba	-	9	58	115	194	2	378
Saskatchewan	12	284	373	280	155	2	1,106
Alberta	2	98	128	219	130	13	590
British Columbia ...	-	-	-	-	4	-	4
All Provinces .	14	391	559	614	484	18	2,080

Wheat Shipments* to the United States by Destination
August 1, 1955 to June 13, 1956
Compared with Approximately the Same Period 1953-54 and 1954-55

Destination	1953-54	1954-55	1955-56
		- bushels -	
<u>By Vessel</u>			
Erie	153,776	-	-
Duluth-Superior	136,603	26,619	1,144,406
Milwaukee	40,940	71,923	170,524
Chicago	68,700	-	341,044
Huron	68,592	80,000	40,000
Buffalo	5,443,495	3,450,161	4,305,420
Totals, Vessel	5,912,106	3,628,703	6,001,394
<u>By Rail</u>			
U.S.A. Seaboard Ports	16,534	35,822	1,335
Other U.S.A. Points	1,747,419	941,674	2,089,131
Totals, Rail	1,763,953	977,496	2,090,466
Totals, Shipments	7,676,059	4,606,199	8,091,860

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

Shipments of wheat to the United States, either for re-export or retention for domestic use from the beginning of the current crop year to June 13, amounted to 8.1 million bushels exceeding both the 4.6 million and 7.7 million bushels shipped during the corresponding periods of 1954-55 and 1953-54. The bulk of this season's shipments have been moved by vessel with Buffalo the principal destination.

Rail shipments of wheat to Maritime ports from Bay Lake and Upper St. Lawrence ports during the first ten months of the current crop year amounted to 32.3 million bushels compared with 30.3 million moved during the same months of 1954-55.

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

Origin of Shipments	August 1, 1954 to May 31, 1955	August 1, 1955 to May 31, 1956
		- bushels -
Port McNicoll	8,689,290	9,549,113
Midland	11,435,402	13,696,052
Collingwood	2,032,709	1,466,896
Owen Sound	2,955,967	3,505,705
Goderich	1,087,464	575,289
Sarnia	3,782,365	3,223,539
Walkerville	348,776	-
Lakefield	-	245,063
Totals	30,331,973	32,261,657

Rail Shipments of Wheat from Fort William-Port Arthur, 1952-53-1955-56

Month	1952-53	1953-54	1954-55	1955-56
- bushels -				
August	191,711	191,336	61,070	56,951
September	1,181,046	236,030	50,633	64,033
October	936,757	173,043	46,053	63,975
November	651,957	138,440	81,253	148,576
December	464,914	347,824	179,272	477,622
January	6,550,958	510,486	352,109	2,340,921
February	9,566,151	368,662	318,009	1,735,097
March	6,285,944	555,518	245,958	1,599,503
April	189,339	378,681	169,137	300,913
May	216,046	253,606	68,878	91,534
June	136,014	37,349	43,601	
July	223,687	74,020	57,619	
Totals	26,594,524	3,264,995	1,673,591	

Distribution of Rail Shipments of Wheat from Fort William-Port Arthur, May, 1956

Grade	Nova Scotia	New Brunswick	Quebec	Ontario	U.S.A.
- bushels -					
5 Wheat	6,000	1,500	1,633	500	-
6 Wheat	-	-	-	1,500	5,000
Feed	-	-	4,500	12,000	-
Toughs	1,551	-	4,330	16,058	-
Rejected	-	-	4,500	8,597	-
Amber Durum	-	-	6,000	7,500	-
All Others	-	-	9,055	1,310	-
Totals	7,551	1,500	30,018	47,465	5,000

Overseas Exports of Canadian Grain by Ports of Loading, August 1, 1955-June 13, 1956, with Comparisons

Ports	Wheat	Oats	Barley	Rye	Flaxseed
- bushels -					
<u>Pacific Seaboard</u>					
Vancouver-New Westminster ...	80,479,967	277,486	9,370,631	353,927	702,869
Victoria	2,174,131	-	-	-	-
Prince Rupert	354,667	-	4,060,863	-	-
<u>Churchill</u>	12,818,845	-	-	-	-
<u>Lakehead Direct</u>	18,667	-	47,028	-	-
<u>St. Lawrence</u>					
Montreal	47,285,710	1,370,693	12,515,104	5,325,834	5,939,324
Sorel	8,994,869	-	1,508,744	804,000	155,769
Three Rivers	9,329,795	-	420,000	-	-
Quebec	11,296,653	-	128,218	-	-
<u>Maritime</u>					
Saint John	2,731,539	-	-	-	-
West Saint John	21,223,675	-	81,588	232,560	2,465,737
Halifax	17,152,698	49,420	-	92,163	1,059,398
<u>U.S. Atlantic Seaboard</u>	182,333	-	-	-	-
Totals	214,043,549	1,697,599	28,132,176	6,808,484	10,323,097
August 1, 1954-June 15, 1955 ..	179,975,947	5,667,833	50,344,719	6,559,954	5,598,579

Freight Assistance Shipments Claims filed for payment up to May 31, 1956 represent the movement of some 12.4 million bushels of wheat from the Prairie Provinces to Eastern Canada and British Columbia under the freight assistance policy during the first three quarters of the 1955-56 crop year. This preliminary total, subject to upward revision with the filing of additional claims, already exceeds by 19 per cent the revised August, 1954-April, 1955 total of 10.4 million bushels. Of the current crop year shipments, some 9.4 million bushels, or 76 per cent of the total movement, went to destinations in Ontario and Quebec.

Provincial Distribution of Wheat Shipments under the Freight Assistance Policy
August-April, 1955-56 and 1954-55

Month	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	B.C.	Total
- thousand bushels -								
August, 1955	7	26	76	58	487	441	234	1,329
September	10	21	114	52	495	439	195	1,325
October	11	15	57	48	543	446	177	1,298
November	12	22	90	58	588	544	272	1,586
December	6	12	85	47	623	542	194	1,510
January, 1956	5	21	65	56	592	556	227	1,522
February	6	26	77	38	458	549	181	1,337
March	3	17	72	36	535	575	122	1,360
April	2/	15	55	21	428	532	43	1,095
Totals 1/	61	177	691	414	4,750	4,625	1,645	12,363
Same period 1954-55:								
Preliminary 2/	57	93	623	354	3,853	3,248	1,737	9,965
Revised 1/	63	99	637	365	3,933	3,336	1,997	10,430

Preliminary data on millfeed shipments under the freight assistance policy indicate the movement of 385,796 tons during the August-April period of the current crop year. As with freight-assisted shipments of wheat, this total is based on claims submitted up to May 31, 1956 and may be subject to considerable upward revision with the filing of additional claims. Shipments to Quebec and Ontario totalled 190,838 tons and 110,522 tons, respectively, with the two provinces accounting for about 78 per cent of the total movement of freight-assisted millfeeds.

Provincial Distribution of Millfeed Shipments under the Freight Assistance Policy
August-April, 1955-56 and 1954-55

Province	1954-55		1955-56
	Preliminary 2/	Revised 1/	Preliminary 1/
- tons -			
Newfoundland	2,474	2,687	2,530
Prince Edward Island	5,278	5,623	5,582
Nova Scotia	26,287	27,158	25,463
New Brunswick	23,138	24,118	22,358
Quebec	195,402	202,375	190,838
Ontario	107,291	112,521	110,522
British Columbia	30,181	37,409	28,503
Totals	390,051	411,891	385,796

1/ Based on claims filed up to May 31, 1956.

2/ Based on claims filed up to May 31, 1955.

3/ Less than 500 bushels.

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

Year and Month	Overseas Clearances of Canadian Wheat ^{1/}	Exports of Canadian Wheat to U.S.A. for Domestic Use and Milling in Bond ^{2/}	Customs ^{3/} Exports of Canadian Wheat Flour	Total	Customs ^{3/} Exports of Wheat and Wheat Flour
- thousand bushels -					
<u>1953-54</u>					
August	24,152	569	3,983	28,704	27,321
September	20,672	198	3,670	24,540	24,574
October	22,072	258	3,653	25,984	30,838
November	18,815	1,549	3,791	24,155	23,850
December	12,857	795	4,110	17,762	20,283
January	13,416	409	3,778	17,604	17,218
February	10,273	287	3,427	13,987	15,025
March	14,079	167	3,939	18,186	17,266
April	10,708	777	4,611	16,096	16,454
May	16,987	1,228	3,888	22,103	24,353
June	19,854	1,320	4,002	25,176	23,828
July	17,271	120	3,393	20,784	19,472
Totals	201,157	7,678	46,246	255,081	260,482
<u>1954-55</u>					
August	15,666	185	3,326	19,177	18,481
September	25,744	209	3,699	29,653	28,460
October	20,046	882	4,063	24,990	28,269
November	20,160	331	3,145	23,636	21,526
December	16,201	131	3,132	19,465	22,001
January	14,792	335	2,850	17,976	17,184
February	14,102	96	3,181	17,379	17,706
March	16,719	173	3,564	20,456	17,603
April	12,705	152	4,844	17,701	20,080
May	15,041	531	3,649	19,221	20,175
June	18,510	1,048	2,710	22,268	21,992
July	17,143	386	2,458	19,987	19,491
Totals	206,829	4,458	40,622	251,909	252,968
<u>1955-56 ^{4/}</u>					
August	19,777	469	2,673	22,920	20,830
September	14,877	292	3,462	18,631	18,138
October	14,075	416	3,559	18,049	18,141
November	16,447	440	3,085	19,972	19,382
December	10,323	429	3,076	13,828	17,708
January	19,053	476	2,792	22,320	19,057
February	16,985	537	3,445	20,967	23,764
March	17,631	130	3,181	20,942	20,789
April	28,974	1,333	3,276	33,583	29,405
May	37,350	1,768	3,645	42,763	37,565
Totals	195,491	6,290	32,194	233,974	224,778

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

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

^{3/} Exports for crop years 1953-54 and 1954-55 adjusted to remove effect of time lag in the returns made by Customs for both wheat and wheat flour. Wheat flour conversion rate: 4.5 bushels per barrel of 196 pounds.

^{4/} Subject to revision. Wheat flour conversion rate: 2.3 bushels per cwt.

Exports of Canadian Wheat and Wheat Flour by Destination 1955-56

Destination	February	May		August-May	
	Wheat Flour 1 1/2/	Wheat Flour 2/	Wheat 3/	Wheat Flour 2/	Wheat 3/
- bushels -					
<u>COMMONWEALTH COUNTRIES</u>					
United Kingdom	906,734	1,020,523	9,735,487	9,730,520	77,587,351
<u>Africa</u>					
British East Africa	2,063	-	-	9,294	-
Gambia	3,961	575	-	33,918	-
Gold Coast	43,723	41,766	-	565,839	-
Nigeria	34,206	39,098	-	256,087	-
Other British West Africa	-	-	-	19,598	-
Rhodesia	-	-	56,000	-	449,867
Sierra Leone	11,815	28,313	-	240,874	-
Union of South Africa	-	-	628,731	-	4,234,571
<u>Asia</u>					
Ceylon	-	375,429	-	607,326	-
Cyprus	-	-	-	-	343,467
Hong Kong	76,180	67,142	18,293	515,819	477,474
Malaya and Singapore	120,338	28,002	-	416,571	-
<u>Europe</u>					
Gibraltar	11,077	1,771	-	74,941	-
Malta	-	-	37,333	-	841,493
<u>North America</u>					
Bahamas	22,704	13,984	-	198,729	-
Barbados	32,729	32,564	-	300,270	833
Bermuda	8,628	9,255	-	90,848	-
British Honduras	2,360	2,981	-	31,138	-
Jamaica	164,126	122,624	2,470	1,286,383	10,734
Leeward and Windward Islands	95,875	115,324	-	863,990	-
Trinidad and Tobago	151,328	220,414	-	1,782,468	1,877
<u>Oceania</u>					
Fiji	920	-	-	920	-
<u>South America</u>					
British Guiana	11,037	38,739	-	94,848	-
Totals, Commonwealth Countries .	1,699,804	2,158,504	10,478,314	17,120,381	83,947,667
<u>FOREIGN COUNTRIES</u>					
<u>Africa</u>					
Azores and Madeira	6,037	4,156	-	46,941	-
Belgian Congo	33,281	19,773	-	603,184	4,592
Ethiopia	-	-	-	-	1,333
Liberia	630	745	-	10,529	-
Morocco	-	-	-	31,434	-
Portuguese East Africa	1,771	-	21,467	11,889	172,293
Portuguese West Africa	575	3,703	-	56,180	-
<u>Asia</u>					
Arabia	1,658	773	-	15,891	20,209
Israel	-	-	-	-	724,266
Japan	26,524	46,260	2,814,332	548,711	20,157,169
Korea	-	-	-	50,706	50
Lebanon	37,610	255	-	118,408	-
Philippine Islands	603,212	567,030	-	5,083,821	-
Portuguese Asia	27,262	67,878	-	188,807	-
Syria	228	-	-	1,564	-
Thailand	39,388	33,695	-	296,937	-
<u>Europe</u>					
Austria	-	-	-	-	2,286,141
Belgium	44,721	19,430	3,394,449	273,518	13,336,648
Czechoslovakia	-	-	3,171,194	-	4,002,607

Exports of Canadian Wheat and Wheat Flour by Destination 1955-56

Destination	February	May		August-May	
	Wheat Flour 1/2/	Wheat Flour 2/	Wheat 3/	Wheat Flour 2/	Wheat 3/
FOREIGN COUNTRIES					
- bushels -					
<u>Europe</u>					
Denmark	-	460	-	3,183	-
Finland	-	-	-	-	368,106
France	759	-	373,600	759	1,001,997
Germany, Eastern	-	-	1,198,033	-	1,570,433
Germany, Federal Republic	-	-	3,788,899	198,469	22,604,488
Greece	3,443	1,150	-	56,631	-
Hungary	-	-	756,100	-	1,129,807
Iceland	-	1,610	-	14,766	-
Ireland	-	644	179,200	644	2,202,666
Italy	20,279	1,150	249,056	169,937	5,827,464
Netherlands	-	322	1,409,787	1,771	6,301,708
Norway	-	-	368,480	-	3,302,472
Poland	-	-	2,705,281	-	12,869,685
Portugal	1,840	7,303	-	18,653	-
Switzerland	-	-	765,284	-	4,871,442
U.S.S.R. (Russia)	-	-	4,715,381	-	6,995,320
Yugoslavia	-	460	-	8,163	-
<u>North America</u>					
American Virgin Islands	1,920	3,875	-	26,245	-
Costa Rica	20,431	43,843	-	478,727	33,333
Cuba	56,856	45,204	-	479,727	1,000
Dominican Republic	50,715	27,280	-	386,676	2,500
El Salvador	22,786	14,042	-	259,383	-
French West Indies	690	690	-	3,733	-
Guatemala	4,524	19,304	22,046	270,768	69,471
Haiti	23,552	9,729	-	429,914	-
Honduras	5,060	5,796	-	63,634	-
Netherlands Antilles	17,429	16,003	-	184,830	-
Nicaragua	13,901	14,095	-	264,477	-
Panama	24,237	24,587	-	222,325	-
St. Pierre and Miquelon	2,707	805	-	15,150	-
United States					
Flour in terms of wheat	78,039	220,066	-	850,951	-
For milling in bond 4/	-	-	956,193	-	1,085,682
For domestic use 4/	-	-	811,978	-	5,204,152
<u>Oceania</u>					
French Oceania	-	15,212	-	57,132	-
Guam	276	4,025	-	33,382	-
<u>South America</u>					
Bolivia	19,205	-	-	3,452	-
Chile	-	-	-	2,183	-
Colombia	-	8,549	-	195,380	735
Ecuador	-	1,380	223,000	1,380	964,010
Peru	7,592	9,430	-	46,331	-
Surinam	16,986	16,004	715,867	146,830	715,867
Venezuela	153,560	210,211	-	2,839,254	5,253
Totals, Foreign Countries	1,369,684	1,486,927	28,639,627	15,073,360	117,832,899
Totals, All Countries	3,069,488	3,645,431	39,117,941	32,193,741	201,780,566

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: 2.3 bushels per cwt.

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

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

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

Class and Grade	Week ending			
	May 25	June 1	June 8	June 15
- cents and eighths per bushel -				
<u>Initial Payment to Producers</u>				
1 Northern	140	140	140	140
2 Northern	136	136	136	136
3 Northern	134	134	134	134
4 Northern	126	126	126	126
5 Wheat	110	110	110	110
6 Wheat	104	104	104	104
Feed Wheat	98	98	98	98
1 C.W. Garnet	122	122	122	122
2 C.W. Garnet	117	117	117	117
1 Alberta Red Winter	124	124	124	124
2 Alberta Winter	119	119	119	119
1 C.W. Amber Durum	150	150	150	150
2 C.W. Amber Durum	147	147	147	147
3 C.W. Amber Durum	140	140	140	140
<u>International Wheat Agreement</u>				
<u>and Domestic Sales</u>				
1 Northern	175	175	175	175
2 Northern	172	172	172	172
3 Northern	162	162/3	163	163
4 Northern	158	158	158	158
5 Wheat	138	138	138	138
6 Wheat	134	134	134	134
Feed Wheat	130	130	130	130
1 C.W. Garnet	152	152	152	152
2 C.W. Garnet	148	148	148	148
3 C.W. Garnet	145	145	145	145
1 Alberta Red Winter	152	152	152	152
2 Alberta Winter	148	148	148	148
3 Alberta Winter	145	145	145	145
1 C.W. Amber Durum	203	202/7	202/6	202
2 C.W. Amber Durum	202	202	202	202
3 C.W. Amber Durum	201	201	201	201
<u>Exports - Class II</u>				
1 Northern	175	175	175	175
2 Northern	172	172	172	172
3 Northern	162	162/3	163	163
4 Northern	158	158	158	158
5 Wheat	138	138	138	138
6 Wheat	134	134	134	134
Feed Wheat	130	130	130	130
1 C.W. Garnet	152	152	152	152
2 C.W. Garnet	148	148	148	148
3 C.W. Garnet	145	145	145	145
1 C.W. Amber Durum	267	267	267	267
2 C.W. Amber Durum	265	265	265	265
3 C.W. Amber Durum	263	263	263	263

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

Class and Grade	Week ending			
	May 25	June 1	June 8	June 15
- cents and eighths per bushel -				
<u>Initial Payment to Producers</u>				
1 Northern	140	140	140	140
2 Northern	136	136	136	136
3 Northern	134	134	134	134
4 Northern	126	126	126	126
5 Wheat	110	110	110	110
6 Wheat	104	104	104	104
Feed Wheat	98	98	98	98
1 C.W. Garnet	122	122	122	122
2 C.W. Garnet	117	117	117	117
1 Alberta Red Winter	124	124	124	124
2 Alberta Winter	119	119	119	119
1 C.W. Amber Durum	150	150	150	150
2 C.W. Amber Durum	147	147	147	147
3 C.W. Amber Durum	140	140	140	140
<u>International Wheat Agreement</u>				
<u>and Domestic Sales</u>				
1 Northern	175	175	175	175
2 Northern	172	172	172	172
3 Northern	162	162/3	163	163
4 Northern	158	158	158	158
5 Wheat	138	138	138	138
6 Wheat	134	134	134	134
Feed Wheat	130	130	130	130
1 C.W. Garnet	152	152	152	152
2 C.W. Garnet	148	148	148	148
3 C.W. Garnet	145	145	145	145
1 Alberta Red Winter	152	152	152	152
2 Alberta Winter	148	148	148	148
3 Alberta Winter	145	145	145	145
<u>Export - Class II</u>				
1 Northern	175	175	175	175
2 Northern	172	172	172	172
3 Northern	162	162/3	163	163
4 Northern	158	158	158	158
5 Wheat	138	138	138	138
6 Wheat	134	134	134	134
Feed Wheat	130	130	130	130
1 C.W. Garnet	152	152	152	152
2 C.W. Garnet	148	148	148	148
3 C.W. Garnet	145	145	145	145
1 Alberta Red Winter	152	152	152	152
2 Alberta Winter	148	148	148	148
3 Alberta Winter	145	145	145	145

CANADIAN FLOUR MILLING SITUATION

Production Wheat flour production by Canadian mills during May, 1956 amounted to 3,399,000 hundredweight representing a slight increase over both the April total of 3,270,000 hundredweight and the May, 1955 level of 3,298,000 hundredweight. The ten-year (1946-1955) average production for the month of May was 3,870,000 hundredweight. Mills reporting operations during May this year had a total rated capacity of 179,369 hundredweight per 24-hour day and on the basis of a 26-day working period 72.9 per cent of this rated capacity was effective.

Wheat milled for flour during May amounted to 7.8 million bushels as against 7.5 million bushels milled during both the preceding month and during May, 1955. Some 7.0 million bushels of the wheat milled for flour during May, 1956 were Western Canadian Spring wheat (other than Durum) with the remainder consisting of Ontario Winter wheat (466,000 bushels) and Durum wheat (107,000 bushels).

Exports According to preliminary Customs returns, exports of Canadian wheat flour during May, 1956 amounted to 1,585,000 hundredweight (some 3,645,000 bushels of wheat equivalent) indicating an increase of 11 per cent over flour exports of the preceding month. Flour exports during May went to 57 countries with shipments to the United Kingdom accounting for the equivalent of 1.0 million bushels or 28 per cent of the total. Other leading markets for Canadian wheat flour during the month, with shipments in thousands of bushels of wheat equivalent, were as follows: Philippine Islands, 567; Ceylon, 375; Trinidad and Tobago, 220; United States, 220; Venezuela, 210; Jamaica, 122; Leeward and Windward Islands, 115.

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

Crop Year	Wheat Milled for Flour	Wheat Flour	
		Production	Exports <u>1/</u>
	- bushels -		- cwt. -
1935-36-1939-40 average	67,845,114	29,405,451	9,603,941
1940-41-1944-45 average	99,704,638	43,908,245	23,699,546
1945-46	118,074,774	52,018,498	28,361,547
1946-47	127,775,176	56,033,374	33,116,617
1947-48	109,822,011	47,353,004	26,776,683
1948-49	90,896,984	39,944,794	20,947,620
1949-50	90,082,917	39,708,032	19,896,136
1950-51	106,748,343	46,315,153	24,356,912
1951-52	104,494,021	44,771,184	22,258,324
1952-53	106,727,237	46,776,625	24,609,199
1953-54	91,855,269	40,769,909	20,142,824
1954-55	92,406,768	40,606,599	17,692,945
1955-56 <u>2/</u>			
August	7,580,542	3,295,109	1,162,347
September	8,039,098	3,513,073	1,505,186
October	7,964,143	3,471,597	1,547,224
November	8,307,997	3,640,577	1,341,357
December	7,342,888	3,214,933	1,337,400
January	7,099,211	3,100,787	1,213,809
February	7,160,710	3,124,518	1,497,615
March	7,593,348	3,336,875	1,382,973
April	7,458,319	3,270,379	1,424,398
May	7,770,860	3,398,684	1,584,970
Totals	76,317,116	33,366,532	13,997,279
Same period 1954-55 <u>3/</u>	78,647,645	34,606,473	15,441,997

1/ Based on Customs returns. Exports for the crop years 1945-46-1954-55 revised to remove effect of time lag in the returns made by Customs.

2/ Subject to revision. 3/ Revised.

UNITED STATES SITUATION

Supply Position Total estimated domestic supplies of wheat for the 1955-56 crop year consisting of the July 1 carryover of 1,021.6 million bushels and the 1955 crop of 938.2 million amount to some 1,959.8 million bushels. Imports of wheat from Canada for all purposes during the eleven month (July—May) period of the current United States crop year totalled 5.5 million bushels as against only 1.8 million during the same months of 1954-55. Anticipated domestic disappearance for 1955-56 is placed at about 613.0 million bushels, leaving an estimated 1,352.3 million available for export and for carryover as compared with 1,296.2 million available during 1954-55.

United States Wheat Supplies

Item	1954-55	1955-56 <u>1/</u>
	- million bushels -	
Carryover at beginning of crop year (July 1)	902.4	1,021.6
New Crop	984.8	938.2
Total estimated domestic supplies	1,887.2	1,959.8
Imports of wheat for domestic use, July—May	1.8	5.5
Total estimated supplies <u>2/</u>	1,889.0	1,965.3
Less estimated domestic requirements for crop year <u>3/</u> .	592.8	613.0
Available for export and for carryover	1,296.2	1,352.3
Deduct:		
Exports of wheat as grain, July—May	204.8	249.2
Exports of wheat flour and products in terms of wheat, July—May	42.3	45.5
Total exports of wheat, wheat flour and products.	247.1	294.7
Balance on June 1 for export and for carryover	1,049.1	1,057.6

1/ Preliminary.

2/ Excluding imports for June.

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.

Exports of wheat, wheat flour and products in terms of grain equivalent during the July—May period of the current crop year amounted to 294.7 million bushels, exceeding by almost 20 per cent the 247.1 million exported during the corresponding period of 1954-55. The balance remaining at June 1 this year for export and for carryover totalled 1,057.6 million bushels relatively unchanged from the 1,049.1 million at the same date a year ago.

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	
May 29, 1956	Not Available		May 29, 1956	225 3/4 - 227 3/4	
30	Memorial Day		30	Memorial Day	
31	212 - 240 1/4		31	224 3/4 - 226 3/4	
June 1	212 1/2 - 239		June 1	224 5/8 - 226 5/8	
4	211 3/4 - 240 1/4		4	227 1/2 - 229 1/2	
5	214 1/2 - 242		5	229 - 231	
6	222 1/2		6	228 5/8 - 230 5/8	
7	214 3/4 - 241 1/4		7	228 1/2 - 230 1/2	
8	223		8	229 1/4 - 231 1/4	
11	207 1/2 - 242		11	227 5/8 - 229 5/8	
12	205 - 239 1/2		12	227 5/8 - 230 5/8	
13	208		13	229 1/4 - 232 1/4	
14	210 - 245		14	228 7/8 - 231 7/8	
15	208 - 242		15	227 3/8 - 230 3/8	
18	209		18	226 1/8 - 229 1/8	
19	210		19	228 - 231	
20	207 - 239		20	226 7/8 - 229 7/8	
21	210 3/4		21	226 5/8 - 229 5/8	
22	207 - 219		22	227 3/8 - 230 3/8	
25	207 1/4 - 216		25	227 5/8 - 230 5/8	
26	207 - 235 1/2		26	227 1/2 - 230 1/2	
27	210 - 211 1/2		27	226 5/8 - 229 5/8	
28	207 3/4 - 214		28	227 3/8 - 230 3/8	
29	205 1/4 - 212 1/4		29	227 5/8 - 230 5/8	

Chicago Wheat Futures, High Points of Closing

Date	July	September	December	March	May
	- cents and eighths per bushel -				
June 1, 1956	208/2	204	207/5	208/1	
4	205/4	207/2	210/6	211/1	
5	206/3	208/1	211/2	212	
6	206/1	208/1	211/6	212/6	
7	206/5	208/6	212/3	213/3	
8	209	212	215/3	215/6	
11	207/2	209/6	213/4	214/2	
12	206/5	209/2	213/2	214/2	
13	208/3	210/7	214/7	216	
14	209/4	211/5	215/1	216	
15	208/1	210/5	214/4	215/2	
18	207/1	209/7	214/1	214/7	
19	210/2	212/7	217	217/7	
20	208/4	210/7	215	215/7	
21	208/2	210/7	215	216	
22	207/7	210/6	214/6	215/6	
25	208/4	211/5	215/3	216/3	214/4
26	208/1	211/2	215/2	216	214/2
27	206/1	208/5	212/7	214	212/3
28	204	207/1	211/2	212/1	210/7
29	202/1	205/2	209/4	210/5	208/6

1956 Wheat Crop
Forecast at 923
Million Bushels

In a report released on June 11, the Crop Reporting Board of the United States Department of Agriculture stated that all wheat production in 1956 is forecast at 923 million bushels, the smallest since 1943. A crop of this size would be 2 per cent less than 1955 production of 938 million bushels and 20 per cent less than the 1945-54 average.

The prospective winter wheat crop at 670 million bushels is 5 per cent less than the 1955 crop but production of all spring wheat in 1956 is expected to be 8 per cent larger than the 1955 crop.

Winter wheat production is estimated at 670 million bushels. This is a decline of 11 million bushels from the May 1 forecast and compares with 705 million bushels produced in 1955 and the average of 873 million bushels. The indicated yield per harvested acre is 18.7 bushels compared with 20.9 bushels last year and the average of 18.3 bushels.

Wheat prospects improved during May in practically all States east of the Mississippi River, also in portions of eastern Oklahoma and Kansas but this improvement failed to offset a sharp decline in production prospects in Colorado, western Kansas, Nebraska, Missouri and Iowa. The prolonged drought, which caused severe damage to the wheat crop in April in the Great Plains wheat area from Texas to Iowa, continued into May and caused additional losses in the same area which were especially severe in Colorado, western Kansas and eastern Nebraska.

Lack of rain and unseasonably high temperatures reduced the Colorado wheat prospects by nearly 50 per cent during the past month. Loss of acreage has been extensive in the east central and southeastern districts of Colorado where moisture has been and continues to be inadequate for normal plant growth and grain development.

In Kansas, early May rains improved plant growth and grain prospects in the eastern two-thirds of the State but dry weather continued in the western third until about May 20 when showers gave this area the first effective relief since last September. Rain was too late to save wheat on continuous cropped land in western Kansas but will improve development of grain on summerfallowed land. Plants are short in the western third of the State but growth is normal and good yields are anticipated in the rest of the State. Harvest began about June 1 in the south central area.

In Texas and Oklahoma, dry weather in May and several unseasonably hot days caused wheat to ripen early. Harvest began in Oklahoma in mid-May but was interrupted by showers. These showers extended into the drought-stricken north-western areas of both States and provided a large dry area with the first effective moisture received since last September. While the moisture came too late to save a large acreage of wheat already lost, it was beneficial to some late varieties and some wheat on summer fallowed land which had survived the drought. Harvested yields are showing a wide variation between farms but are much better than pre-harvest expectations. The quality of wheat is excellent and test weights are averaging above normal.

In Nebraska, dry weather in May caused a decline in prospects in the eastern area but late May rains checked the decline and will aid normal filling and

maturing of grain.

In Missouri and Iowa, drought caused a decline in prospects during May. Plants are short and heading.

In the southern States from Arkansas eastward, weather conditions during May were unusually favourable for the growth and development of wheat. Cool weather and adequate moisture resulted in an improvement in prospects during May and record yields are anticipated in much of the area.

A spring wheat crop of about 252 million bushels is indicated based on conditions as of June 1. A crop this size would be 8 per cent larger than the 1955 production of 233 million bushels but 8 per cent smaller than average. Excessive moisture conditions at seeding time in North Dakota and Minnesota delayed planting and in some areas prevented growers from seeding the full intended acreage. However, this provided ample moisture supplies to get the seedings off to a good start with the coming of warmer temperatures during May. Heavy abandonment of winter wheat in Montana, Idaho and Washington has resulted in growers seeding considerably larger acreages to spring wheat than expected on March 1. The acreage was generally seeded under favourable conditions, stands are good and the crop is off to a good start.

The durum wheat crop in the Dakotas, Minnesota and Montana is estimated at 33.5 million bushels, compared with 20.6 million bushels produced last year, and the average of nearly 31 million bushels. Growers in the Dakotas and Minnesota were able to seed their intended acreage though considerable acreage was seeded relatively late and development is now running several weeks late in the main durum area. Montana growers seeded an acreage considerably larger than intended in March as a large abandoned winter wheat acreage was reseeded to durum.

Production of spring wheat other than durum is estimated at 219 million bushels, 7 million bushels more than last year but 24 million bushels below average.

1956 Acreage Reserve
Program of Soil Bank
Gets Under Way

In announcing participation requirements for the 1956 Acreage Reserve Program, on June 8, 1956, United States Secretary of Agriculture, Ezra Taft Benson stated in part "We have proceeded with all possible haste since enactment of the Soil Bank legislation to present a sound 1956 program to farmers. It is true, however, that the program for this year is in a sense a special program designed to meet the time limitations and the requirements of the legislation for 1956.

"For that reason, 1956 will not present a fair trial of what the program can accomplish. The rates set are for the 1956 program only. Before next year's crops are planted, however - including fall seeding of wheat this year, we will have an opportunity to plan and develop a more comprehensive program.

"The Soil Bank makes available beginning especially in 1957 a way to reduce our farm surpluses, to safeguard our soil and water resources, to give a lift to farm prices."

Under the 1956 Acreage Reserve, farmers who are eligible to take part in the program may earn payments in connection with one or more of the commodities

specified in the law - corn, wheat, upland or extra long staple cotton, peanuts (except Virginias and Valencias for which there is no surplus), rice, and most types of tobacco - by reducing their acreage of the crop below the farm's established allotment (or base acreage in the case of corn).

Under the basic rules of eligibility established in keeping with the law, acreage designated for the Acreage Reserve must: (1) Be representative of the land used for the crop, (2) result in the harvesting of an acreage of the basic crop less than the farm allotment or corn base acreage, and (3) not be grazed, cut for hay, or cropped for the entire 1956 calendar year. Noxious weeds must also be controlled on the "reserved" acreage.

In order to participate in the Acreage Reserve, a farmer must comply with all acreage allotments or corn base established for the farm.

The 1956 program, as provided by the law, contains special provisions and payments which enable farmers to participate this year. Any farmer who otherwise complies with the provisions of the Acreage Reserve will be eligible for payment if:

1. He has underplanted his Soil Bank corn base or his allotment for cotton, rice, tobacco, peanuts, or wheat (when planted to spring wheat) and he certifies that he underplanted (a) in anticipation of complying with the 1956 Acreage Reserve or (b) because of adverse weather conditions; or

2. He has underplanted his 1956 allotment for winter wheat and certifies that this was done because of adverse weather conditions; or

3. He has complied with his Soil Bank corn base or his farm allotment for a particular crop, but an acreage of the crop was not harvested because of destruction by natural causes; or

4. The farmer is in an area where an established final date set for the basic commodity for his area is subsequent to May 28 and he plows or otherwise physically incorporates the crop into the soil, or clips, mows, or cuts the crop after May 28 and prior to June 30 or the established final date, whichever is later. (The "established final date" will be the same as the last date on which the acreage of a basic crop may be adjusted in order to bring it into compliance with the acreage allotment of the regular production adjustment program).

Maximum and minimum acreages of wheat which may be placed in the Acreage Reserve have been established as follows (except that where the allotment is less than the specified acreage minimum or maximum, the total allotment shall be considered as the minimum or the maximum): the maximum is the larger of half the wheat allotment or 50 acres. The Minimum is the larger of 10 per cent of the allotment or 5 acres.

The payment which a farmer may earn for participating in the Acreage Reserve will be determined by multiplying a base unit rate by a yield factor. The national average rate for 1956 crop wheat is \$1.20 per bushel.

The payments will be determined as follows:

For underplanting the corn base or the allotment for cotton, rice, tobacco, peanuts, or wheat (when planted to spring wheat), the payment rate will be based on the normal yield for the designated acreage.

For underplanting 1956 winter wheat, because of adverse weather, the payment will be \$4 per acre.

For destruction due to natural causes or for plowing or otherwise physically incorporating the crop into the soil, or for clipping, mowing, or cutting the crop, the payment will be based on the smaller of an appraised yield for the field or the normal yield for the farm, but will not be less than \$6 per acre.

Provisions of the Conservation Reserve part of the Soil Bank will be announced as soon as practical. Under this part of the program, a farmer will be able to earn two types of payment - an annual payment to help compensate for income which he would have received if the "reserved" land had been in crop, and a payment representing a percentage of the cost of establishing conservation practices on such land.

The same acreage on a farm may not be included under both the Acreage Reserve and the Conservation Reserve parts of the Soil Bank.

Flour Production The Bureau of the Census, Department of Commerce, estimates wheat flour production in the United States in April, 1956 at 17, 378,000 sacks, an average of 828,000 sacks per working day. This compares with an average output per working day of 874,000 sacks in March and 830,000 sacks in April, 1955. Production of wheat flour in April was at 77.4 per cent of capacity compared with 81.7 per cent and 78.1 per cent, respectively, for the previous month and the same month a year ago. Flour mills in April ground 39,945,000 bushels of wheat compared with 44,044,000 bushels in March. Wheat offal output in April amounted to 334,955 tons.

ARGENTINE SITUATION

Supply Position Total supplies of wheat in the Argentine for the 1955-56 crop year consisting of the December 1 carryover of 83.2 million bushels and the 1955 crop placed at 177.1 million amount to 260.3 million bushels. Comparable supplies in 1954-55 totalled 342.9 million bushels. After deducting some 136.0 million bushels for anticipated domestic requirements, an estimated 124.3 million are available for export and for carryover during 1955-56 as against 210.6 million in the preceding crop year. Combined exports of wheat as grain and wheat flour in terms of grain equivalent during the first half (December-May) of the 1955-56 Argentine crop year amounted to 54.6 million bushels compared with 66.8 million exported during the same period of 1954-55. The balance remaining on June 1, 1956 for export and for carryover totalled 69.7 million bushels, less than half the 143.8 million remaining on June 1 a year ago.

Argentine Wheat Supplies

Item	1954-55	1955-56 <u>1/</u>
	- million bushels -	
Carryover at beginning of crop year (December 1) <u>2/</u> ...	60.3	83.2
New crop	282.6 <u>3/</u>	177.1 <u>3/</u>
Total estimated domestic supplies	342.9	260.3
Less estimated domestic requirements for crop year	132.3	136.0
Available for export and for carryover	210.6	124.3
Deduct:		
Exports of wheat as grain, December—May	66.4	53.3
Exports of wheat flour in terms of wheat, Dec.—May ..	0.5	1.3
Total exports of wheat and wheat flour	66.8	54.6
Balance on June 1 for export and for carryover	143.8	69.7

1/ Preliminary. 2/ Includes allowances for farm stocks. 3/ Official estimate.

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 June 18, 1956, 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 18.00 pesos to the United States dollar.

Weather and Crops Most sections of the grain zone have received sufficient precipitation during the past month to maintain very satisfactory moisture conditions in the soil for the preparation and seeding of the winter grains. These operations are well advanced in the northern half and well started in the southern half of the zone. The weather has been cool and damp however, which has retarded the harvesting of corn and sunflower and slowed down deliveries of corn to the ports. Pastures are in relatively good condition.

Minimum Producer Prices Announced for 1956-57 Crops On May 28 the government announced prices for the 1956-57 crop year for all major grain and oilseed crops. The prices are those at which the government through I.N.G.E. will be prepared to buy all the crops offered and are thus guaranteed minimum prices rather than fixed prices. It should be noted that the Durum price although 15 pesos (23 cents per bushel) above the current price for bread wheat is only 10 pesos (15 cents per bushel) above the minimum price for bread wheat for the coming year. As will be seen from the table, rye, flaxseed and corn will receive the greatest increases over the prices ruling this year, while the oilseeds followed by corn will have received the greatest boost above prices ruling under the Peron government. Winter grain seeding in the northern zone was well advanced before the

new prices were announced, hence their influence on seeded area for the coming crop year will be less than in the southern zone where seeding was just getting well under way. On the same date a 20 per cent increase was announced for all steer grades, hence, the producer should be better able to assess the relative merits of cattle and grain farming for the coming year. Most people are expecting substantial increases in seedings but find it difficult to predict which crops will be most favoured.

Changes in Producer Crop Prices

	Previous Prices Current Crop 1956-57			Peso & Percentage Increases Given				
	(1)	(1)	(Minimum)	by New Minimum Prices over 1955-56 and Previous Crops				
	(pesos per 100 kilos)							
Back to:				Previous 1955-56	Previous 1955-56	Previous 1955-56	Previous 1955-56	
				Crop	Crop	Crop	Crop	
				(pesos per 100kgs)		%		
Wheat:								
Bread	10/52	50.00	70.00	75.00	25.00	5.00	50	7.1
Durum	"	55.00	75.00	85.00	30.00	10.00	54.5	13.3
Oats:								
Yellow	"	38.00	55.00	60.00	22.00	5.00	58	9.05
White	"	39.00	56.50	61.50	22.50	5.00	58	8.8
Barley:								
Brewers	"	43.00	55.00	60.00	17.00	5.00	39.7	9.3
Forage	"	39.00	50.50	55.50	16.00	5.00	40.5	9.9
Linseed	11/54	75.00	140.00	165.00	90.00	25.00	120.0	17.8
Sunflowerseed	4/55	60.00	130.00	135.00	75.00	5.00	125.0	3.8
Corn	3/53	45.00	70.00	80.00	35.00	10.00	77.4	14.2
Rye	11/52	42.00	50.00	60.00	18.00	10.00	42.8	20.0
Peanuts	7/52	100.00	180.00	190.00	90.00	10.00	90.0	5.5

(1) Fixed except for sunflower and peanuts current crop.

Wheat Sales I.N.G.E. has been offering 10,000 tons (367,000 bushels) of wheat daily to the exporters since late in May but only slightly more than 42,000 tons (1,543,000 bushels) have been sold mostly at 1,044 pesos per ton (\$1.58 per bushel) for payment in basic currencies (sterling etc.). The last sale, however, was registered on May 30 at 1,023.30 pesos per ton (\$1.55 per bushel), payment in basic group. A very strong rumour persists in the trade, which has not been officially confirmed or denied, that the Brazilian contract has been signed calling for the shipment this year of 800,000 tons (29,395,000 bushels) of wheat at prices extremely close to those of recent sales. It will be recalled that in recent years, under the strict bilateralism of the former Argentine government, prices to Brazil were well above those for most other countries eg. in 1954 Brazil paid more than 75 agreement dollars per ton (\$2.04 per bushel) when prices for free dollars were less than 60 dollars per ton (\$1.63 per bushel), and even under the 1955 contract Brazil paid over 71 agreement dollars per ton (\$1.93 per bushel) when other sales were being effected at approximately 65 dollars per ton (\$1.77 per bushel) or their equivalent in other currencies. Trade sources also state that Italy has booked spaces for 150,000 tons (5,512,000 bushels) of wheat and has enquired for a further 80,000 tons (2,939,000 bushels). Hence they expect that she may be a wheat buyer shortly.

I.N.G.E. reported on June 12 that they had purchased 4,676,782 tons (171,842,000 bushels) of wheat from the 1955-56 crop - the official estimate of production is still only 4,820,000 (177.1 million bushels) -, that unshipped sales amounted to 712,579 tons (26,183,000 bushels), that a total of 519,062 tons (19,072,000 bushels) of wheat were stored in the ports and that there were 1,038,104 tons (38,144,000 bushels) available for export sale.

The official estimate of the area harvested from the 1955-56 crop has now been published at 3,939,800 hectares (9,731,000 acres). As seeded area has been estimated at 5,238,000 (12,938,000 acres) this gives an abandonment of almost 25 per cent which compares very unfavourably with the average for the past three years of only 12 per cent.

Argentine Wheat Exports, May, 1956 and December, 1955—May, 1956
with Comparisons

Destination	May	Dec.-May	Destination	May	Dec.-May
- thousand bushels -			- thousand bushels -		
Africa, North	287	287	Italy	1,069	4,757
Africa, South	362	362	Japan	-	1,534
Austria	-	1,294	Netherlands	728	5,510
Belgium	1,238	2,237	Norway	-	795
Brazil	-	4,687	Paraguay	31	304
Chile	224	1,340	Peru	1,083	3,270
Czechoslovakia ...	13	1,285	Poland	-	13
Denmark	234	1,447	Switzerland	18	42
Finland	-	581	United Kingdom ...	610	10,266
France	1,581	2,173			
Germany	73	10,950	Totals	7,698	53,285
Germany, Eastern .	149	149			
Same period:					
1954-55					66,359
1953-54					49,287
1952-53					19,195
1951-52					3,786
1950-51					55,600

Shipments Declines in exports of wheat and barley more than offset a substantial increase in corn exports to reduce exports of the major grains to just under 360,000 tons compared with 428,000 the previous month. France, Belgium, Peru and Italy were the major recipients of wheat with shipments of more than 5,000 tons (184,000 bushels) going also to Netherlands, United Kingdom, South Africa, North Africa, Denmark and Chile, 4,000 tons (149,000 bushels) were also shipped to Eastern Germany. Belgium and France were the major initial destinations of the 63,362 tons (2,494,000 bushels) of corn exported, with Italy, Germany and United Kingdom receiving smaller parcels. Italy, France and Belgium took most of the 53,293 tons (3,456,000 bushels) of oats exported although smaller lots also went to Germany, Austria, Netherlands, United Kingdom and Brazil. Germany took more than 12,000 (551,000 bushels) of the 17,071 tons (784,000 bushels) of barley shipped and France took almost three quarters of the 16,420 tons (646,000 bushels) of rye. Italy took one small cargo of each of these grains.

AUSTRALIAN SITUATION

Supply Position Total estimated supplies of wheat in Australia for the 1955-56 crop year, consisting of the December 1, 1955 carryover of 91.6 million bushels and the new crop placed at 195.6 million, amount to some 287.2 million bushels, compared with 260.2 million in 1954-55. After making an allowance of 71.5 million bushels for anticipated domestic requirements, a total of 215.7 million remain available for export and for carryover during 1955-56 as against 188.8 million in the preceding crop year.

Combined exports of wheat as grain and wheat flour in terms of grain equivalent up to June 2 of the current Australian crop year amounted to 54.9 million bushels, virtually equal to the corresponding 1954-55 total of 55.0 million. The balance of 160.8 million bushels at June 3 this year, for export and for carryover surpassed by about 20 per cent the 133.8 million remaining at approximately the same date a year ago.

Australian Wheat Supplies

Item	1954-55	1955-56 <u>1/</u>
	- million bushels -	
Carryover, including flour as wheat, at beginning of crop year (December 1)	93.6	91.6
New crop	166.6	195.6
Total estimated supplies	260.2	287.2
Less estimated domestic requirements for crop year	71.4	71.5 <u>2/</u>
Available for export and for carryover	188.8	215.7 <u>2/</u>
Deduct:		
Exports of wheat as grain, December 1-June 2	35.3	38.2
Exports of wheat flour in terms of wheat, December 1-June 2	19.7	16.7
Total exports of wheat and wheat flour	55.0	54.9
Balance on June 3 for export and for carryover	133.8	160.8

1/ Preliminary. 2/ Adjusted figure.

The following information relative to the Australian situation has been extracted from a report from Mr. R. W. Blake, Commercial Secretary for Canada, Melbourne, under date of June 12, 1956 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 \$2.2230 (Canadian), the quotation in effect on May 24, 1956.

Wheat Sales The Chairman of the Australian Wheat Board is reported to have said that sales of Australian wheat for the season December, 1955 to November, 1956 would exceed those of the previous year by 15 to 20 million bushels. The principal increases in sales came from trade with the United Kingdom, Germany and Japan, with Poland and other European countries as new markets. However, deliveries of wheat to the Board for the 1955-56 season totalled 179 million bushels, compared with 152 million a year earlier.

The first shipment of Queensland wheat for East Africa has been made, and the consignment of 9,500 tons (355,000 bushels) of high-quality bulk grain will be discharged at Mombasa. If the wheat is satisfactory, it is expected that East Africa will become a regular buyer of the high quality Queensland grain.

Japan has been the biggest buyer of Queensland wheat this season, and 90,000 tons (3,360,000 bushels) of this wheat will be shipped to Japan by the end of August. Japan is the only one of Australia's customers that willingly pays a premium on the high protein Queensland wheat.

Australia is making a real effort to increase her wheat sales to the smaller English mills and those served by the smaller ports, although the ocean ships used to transport Australian wheat cannot be accommodated in all the smaller English ports. This has given French exporters a big advantage over the past few years.

The director of the Commonwealth Bureau of Agricultural Economics reports that end of season stocks in Australia and North America would almost certainly increase this year. He said Australia needed near record exports of about 126 million bushels to prevent a further increase on the extremely high level of stocks held at the end of the previous season. It was not expected that shipments would reach this figure, although it was hoped they would be above the 100 million bushel mark. (Exports of wheat and wheat as flour last year totalled 97.2 million bushels).

Flour Export Industry A delegation of members of Flour Mill Owners representing millers in all the mainland States of Australia except Queensland, met with the Minister for Trade recently, to discuss with him the present problems facing the Australian exporters of flour.

The millers stated that the industry was rapidly losing its most important markets, due to unfair competition from subsidized exports, and give-away programmes. The millers claimed that these practices amounted to economic aggression on the part of friendly countries, directed at traditional Australian markets developed and held for forty years and which are in the Australian geographical area, such as Ceylon, Malaya and Indonesia.

They said that for the past two years they had been operating on a no-profit basis, but the extra production resulting from exports had helped to keep home prices down. The millers asked for a variable subsidy to support their present export position.

Recognizing the need to develop positive selling policies in all markets, the millers indicated that they had agreed to contribute a substantial sum for overseas trade promotion, and asked for financial assistance in this activity, both from the Wheat Board and from the Government.

The millers also requested a review of current export control policies in regard to bran and pollard. They claimed that the policy of delay arising from Commonwealth-State consultation prior to the issue of export licences prevented them from promoting regular export business and from obtaining scarce shipping space for small parcels.

The Minister, while expressing sympathy with the problems outlined by the millers, stated that these problems were common to a number of Australian export industries facing unfair trade practices and subsidies in their traditional markets. He said that during his forthcoming trip abroad he hoped to discuss on the highest level, with the Governments of the United Kingdom and the United States, France and other countries, the harmful effects which unfair trade practices were having on Australian trade. He said the Federal Government was convinced that it was no solution to the problem to engage with other countries in a subsidy race. Recourse to such measures, or to reprisal in any form, would be disastrous to all concerned. For that reason, the Government was opposed to assistance by means of a cash subsidy to the flour industry and other industries facing similar difficulties. Serious consideration would be given to the millers' proposal for special publicity and promotional measures on the basis of a Government contribution matched by contributions from the industry and the Wheat Board. An attempt would also be made to streamline the control of export of bran and pollard.

Wheat Industry Following on the Wheat, Flour and Bread Convention held in New
Recommendations South Wales recently, at which the question of Australian wheat
 quality was discussed, the Chairman of the Convention in
reviewing the results, stated that producer organizations should get together and
try and work out a maximum agreement on this vital matter.

Other proposals were for some limitation of present weak flour wheats grown, dockages on wheats deficient in gluten, and segregation of higher quality wheats by zones, and farm storage. The convention agreed to a resolution to ask the Australian Agricultural Council to give consideration to the limiting of the varieties of wheat grown throughout the Commonwealth, in particular those with a low gluten content. The convention also favoured a levy on wheat for research into better varieties, improved quality and additional markets.

In opposing the immediate abolition of the F.A.Q. standard for wheat, the chairman of the Australian Wheat Board said that ruthless elimination of unsuitable wheats from the Australian crop should be a first step to reform of the F.A.Q. standard. He said that abolition of the F.A.Q. standard must be preceded by the replacement of poor quality with good quality wheats.

The Australian Wheatgrowers' Federation, at their annual conference in Sydney, decided that the Australian wheatgrower should determine his own cropping policy based on sound farming practice and on the fullest marketing information.

Among the resolutions defeated was one favouring acreage restrictions by legislation during the present period of surpluses. Up to date, the Federal Government has been against any compulsory restriction of acreage.

The rising cost of production of wheat was discussed and a motion asking for a Royal Commission to study high freight rates on wheat sent overseas was placed on the agenda for the next meeting. It was stated that it cost 8s6d.

(94 cents) a bushel to send wheat to London. This figure included shipping freight charges of 5s6d. (61 cents), rail charges 1s11d. (21 cents) cartage from the farm 7d. (6 cents). A motion that the Commonwealth Government should accept the responsibility for storage and interest charges on wheat held in storage beyond the normal time, was lost.

New Season Prospects In New South Wales and Victoria continued excessive rains have prevented normal tillage operations, and in neither State is there much chance of a normal acreage of wheat or oats being sown. The area to be sown to wheat in New South Wales is expected to be appreciably less than the 2.7 million acres sown last year. Weed growth is heavy, due to the delay in tillage operations, and the main threat to ultimate grain prospects is the possibility of a stem rust epidemic in the Spring. A recent check of self-sown wheat crops revealed that stem rust was present on much of them. A 10 per cent cut in Victoria's wheat acreage was expected this season, due to record rainfalls in many of the wheat growing areas of the State. Some districts have received twice the normal falls, and many crops will have to be resown. Farmers will probably sow more barley on land usually sown to wheat.

Reports from South Australia indicate that less wheat and more barley and oats will be sown there this season, also. In Western Australia, conditions are favourable and the acreage sown to wheat should be about normal. The wheat acreage in Queensland is expected to be about normal, or perhaps a slight reduction, with some wheat land being sown to linseed and canary seed.

The overall situation is difficult to assess at present, because given favourable conditions, it is still possible for growers to sow late wheat crops and get good returns, but reports of further storms and floodings in New South Wales and Western Australia and unsettled weather generally, indicate that the wheat crop could be much lower this season compared with last year, and barley and oats higher.

Exports of Australian Wheat and Wheat Flour in Terms of Wheat, December 1 to June 2, 1955-56 and Corresponding Period 1954-55

Destination	Wheat		Wheat Flour	
	1954-55	1955-56	1954-55	1955-56
	- thousand bushels -			
Aden and Aden I/T	7	31	963	565
Belgian Congo	-	-	2	1
Borneo	-	-	4	-
British North Borneo	-	-	95	128
British Somaliland	-	-	-	4
British West Indies	2	-	99	97
Brunei	-	-	14	15
Burma	46	40	554	253
Ceylon	8	4	3,822	2,766
Cocos Islands	-	-	-	1/
Cyprus	-	344	1/	1/
Dutch New Guinea	-	-	25	35
Egypt (a/c War Office)	-	-	86	5
Eire	1,323	312	-	-

Exports of Australian Wheat and Wheat Flour in Terms of Wheat, December 1 to
June 2, 1955-56 and Corresponding Period 1954-55

Destination	Wheat		Wheat Flour	
	1954-55	1955-56	1954-55	1955-56
- thousand bushels -				
French Somaliland	-	-	4	22
Germany, East	-	671	-	-
Germany, West	806	4,890	-	-
Hadhramaut	-	-	5	-
Hong Kong	550	450	-	-
Hong Kong (General)	-	-	165	170
Hong Kong (a/c War Office)	-	-	40	17
India	11,675	4,185	-	-
Indonesia	-	-	2,695	5,136
Iran	-	588	-	-
Iraq	-	1,203	-	-
Italy	-	-	14	12
Japan	359	6,009	-	-
Jordan	346	-	244	-
Kenya	-	357	-	-
Kure (a/c War Office)	-	-	3	18
Lebanon	720	-	71	-
Libya	-	-	47	-
Macao	-	-	-	7
Malaya	367	408	-	-
Malaya (General)	-	-	4,157	3,519
Malaya (a/c War Office)	-	-	87	69
Malta	281	193	-	-
Mauritius	1	-	797	205
Netherlands	388	-	-	-
New Zealand	4,279	4,137	1/	1/
Nigeria	-	-	-	1
Nyasaland	-	-	35	17
Pacific Islands	16	15	1,191	1,033
Palestine	-	-	6	-
Persian Gulf	46	62	129	68
Philippine Islands	-	-	64	150
Poland	-	1,862	-	-
Pondicherry	-	-	7	-
Port Said (a/c S/S)	-	-	29	40
Portuguese East Africa	302	222	1/	-
Portuguese India (Goa)	27	10	41	30
Rhodesia	1,375	821	-	-
Roumania	283	-	-	-
Sarawak	-	-	108	125
Saudi Arabia	59	37	76	-
Seychelles Islands	-	-	25	13
Sudan	-	-	689	150
Syria	355	338	-	-
Tahiti	-	-	127	114
Thailand (Siam)	4	4	352	370

Exports of Australian Wheat and Wheat Flour in Terms of Wheat, December 1 to June 2, 1955-56 and Corresponding Period 1954-55

Destination	Wheat		Wheat Flour	
	1954-55	1955-56	1954-55	1955-56
	- thousand bushels -			
Timor	-	-	15	7
United Kingdom	11,693	10,928	2,568	1,365
Yemen	-	-	5	-
Yugoslavia	-	-	1/	-
Zanzibar	2	40	165	70
Royal Navy	8	12	14	11
Ships' Stores	-	-	63	94
Totals	35,328	38,173	19,700	16,700

1/ Less than 500 bushels.

FRENCH SITUATION

The following account of the current crop situation in France has been extracted from a report provided by Miss V. F. Wightman, Commercial Secretariat, Canadian Embassy, Paris, under date of June 19, 1956, 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 .00283 Canadian dollars, the rate in effect on May 24, 1956.

It is expected that the wheat harvest in France this year will be one of the poorest for some time. The losses due to the freezing weather in February were established, as of May 1, at 1,750,000 hectares (4.3 million acres). This would represent a loss of 3.5 million tons (128.6 million bushels) of wheat based on the average yield of approximately two tons per hectare (30 bushels per acre) last year. Therefore, as forecasted in March, the latest estimates for the wheat crop this year indicate a total yield of between 6 and 7 million tons (220.5 and 257.2 million bushels) as against 10 million tons (367.4 million bushels) in 1955.

Probably the 6 million ton figure (220.5 million bushels) may be the closest estimation to the final harvest figures as the wheat crop has been affected by other adverse factors. One of these is the unfavourable weather conditions this Spring. The wheat that escaped frost damage, and the areas reseeded this Spring, were handicapped by very dry weather and (in some areas) very cold weather during May. In June, however, rain began to fall in most of wheat growing areas. There has also been reports that some of the seed sown this Spring was not of the best quality. Therefore, it is expected that the average yield will be somewhat less than the 22.8 quintals per hectare (33.9 bushels per acre) harvested in 1955 for those areas where the Fall planting was not a complete loss.

It is reported that the domestic price of wheat this year will be established by the government at approximately 4150 francs per quintal (\$3.20 per

bushel) as against 3400 francs (\$2.62 per bushel) in 1955. The Wheat Producers Association is in favour of this 22 per cent increase but some government officials are against such a move as it will entail an increased subsidy by the government to keep the price of bread at or near the present level. As the national consumer price index is dangerously close to the point where industrial wages and salaries will have to be automatically increased, the government is making every effort to keep consumer prices fixed at the present level and hence the bread subsidy will have to be increased if wheat prices go up.

As a result of the forecasted wheat crop losses, France has been steadily importing wheat this Spring both for domestic use (reseeding purposes mainly) and to ensure that wheat will be available to meet her export commitments. As of May 1, 320,000 tons (11,758,000 bushels) had been purchased abroad, of which 70,000 tons (2,572,000 bushels) came from Canada. The balance of supplies came from the other wheat producers such as Australia, Argentina, and United States.

French Supplies of Soft Wheat

Item	1954-55	1955-56 <u>1/</u>
	- million bushels -	
Commercial carryover, August 1	36.2	51.7
Anticipated Deliveries to Grain Board	291.8	275.6 <u>2/</u>
Total Commercial Supplies	328.0	327.3
Less domestic requirements for crop year	183.7	183.7
Available for export and carryover	144.3	143.6
Deduct exports of wheat and flour in wheat equivalent August—April	72.0	82.1
Balance May 1 for export and for carryover	72.2	61.5

- 1/ Preliminary. 2/ Official estimate of Central Council of the Grain Board.
3/ Comprising 74.6 million bushels for Foreign countries and 7.5 million bushels for French Union - including exports of flour in wheat equivalent of 16.1 million bushels.

Principal Markets The following countries have been the chief markets for French wheat and flour during the 1955-56 crop year to date.

Principal Markets for Wheat and Flour, August 1, 1955—April 30, 1956

Countries	Wheat and Flour	Countries	Wheat and Flour
	- thousand bushels -		- thousand bushels -
Ceylon	2,078	Poland	11,854
Denmark	2,979	Portugal	1,443
Germany	15,610	Sweden	1,822
Hungary	3,787	Switzerland	3,350
Netherlands	4,993	United Kingdom	16,925

Monthly Wheat and Flour Exports, August 1—April 30, 1955-56
and the Corresponding Period in 1954-55

Month	Foreign Countries		French Union		Total	
	1954-55	1955-56	1954-55	1955-56	1954-55	1955-56
- thousand bushels -						
August	2,171	5,277	1,078	610	3,249	5,887
September	3,108	3,104	1,066	667	4,174	3,771
October	4,882	7,750	1,152	884	6,034	8,635
November	5,163	9,281	978	588	6,142	9,869
December	8,095	8,409	921	1,209	9,016	9,618
January	15,194	16,086	739	943	15,933	17,029
February	12,603	11,229	701	803	13,304	12,032
March	6,898	8,129	684	854	7,581	8,983
April	5,985	5,336	590	913	6,576	6,249
Totals	64,099	74,601	7,910	7,473	72,009	82,074

1956 WHEAT CROP IN MEXICO

According to a report received from Mr. C.O.R. Rousseau, Assistant Commercial Secretary, Mexico, D.F., a wheat crop this year of 37 million bushels is an outstanding achievement. The figure is 18 per cent higher than the previous record (860,000 tons - 31.6 million bushels), and much more than double the average crop in the years 1945-49. The Secretariat of Agriculture reported that 900,000 hectares (2.2 million acres) were sown to wheat. At the guaranteed price to farmers of 913.00 pesos a metric ton (\$1.97 per bushel), the crop's value will reach 1,141 million pesos (\$90,367 million). This year yields are averaging 1.5 tons per hectare (22 bushels per acre) and reaching over 2 tons (30 bushels per acre) in the northwestern states of Sinaloa and Sonora. Mexico's increasing population is expected to absorb the entire production.

GRAIN STORAGE SITUATION IN ISRAEL

A trade report, recently received, indicates that because of increasing need for storage space, particularly for grains, many new silos are being built in various parts of the country. Twenty-four have already been completed, with a total capacity of 32,000 tons - additional to the 20,000 ton Dagon terminal grain elevator which commenced operation at the port of Haifa early in 1955. Within the next twelve months it is planned to build a further 47,000 tons of storage space. The greater part of this new building is being financed by long-term Government loans. Additionally, it is reported that the Government intends shortly to request tenders for the erection of a second 20,000 ton silo. There is a great lack of storage space for wheat following the recent accelerated build up of stocks, while the situation will be further aggravated when this year's estimated record crop of 80,000 tons is harvested. Last year's domestic wheat production was only 16,000 tons.

Continued from Page 1

Based on conditions at June 1, the United States wheat crop was forecast at 923 million, 2 per cent less than in 1955 and 20 per cent below the 1945-54 average. Adverse weather has apparently led to a reduction in the acreage seeded to wheat in many sections of Australia while reports from the Argentine indicate that this season's wheat acreage will likely be about the same as last year.

CALENDAR OF WHEAT EVENTS

- May 10 A world record wheat cargo of 718,480 bushels (the equivalent of 400 box cars) was loaded at the Port of Montreal. The carrier was the "Ionian Messenger", a Liberian ship.
- June 4 The Prairie Grain Producers Interim Financing Act, 1956 providing federal guarantees on bank loans to Western producers on the security of farm-stored grain was proclaimed in force.
- 6 A report from Athens indicates that Israel's recently harvested wheat crop yielded a record 80,000 tons (2.9 million bushels) compared with 16,000 tons (588,000 bushels) in 1955. This record production was attributed to an increase in seeded area from 80,000 acres in 1955 to 110,000 acres in 1956, as well as excellent growing conditions.
- 8 A report on frost damage to winter grains, recently released by the West German Statistical Office in Wiesbaden indicates that, based on conditions as at April 30, an estimated 17.1 per cent of the area seeded to winter wheat had suffered winterkill.
- 11 The production of all wheat in the United States, based on conditions at June 1, was forecast at 923 million bushels, 2 per cent less than the 1955 production of 938 million bushels and 20 per cent below the 1945-1954 average.
- 18 According to a report issued by the Foreign Agricultural Service, United States Department of Agriculture, world rice production in 1955-56 (August-July) is estimated at a record 422,400 million pounds of rough rice.
- 25 The Canadian Wheat Board announced that no further applications for off-site storage would be considered.
- 29 The Canadian Wheat Board announced that it will shortly open a new overseas office. The office will be located in Rotterdam, the Netherlands and will provide for Board representation in the Netherlands and other Western European countries. The office will be in the charge of Mr. C. C. Boxer who, for the past five years, has been the Board's representative in Washington, D.C.
- July 2 The United States Department of Agriculture announced that the minimum national average support price for 1957-crop wheat would be \$2.00 per bushel if quotas were approved in the July 20 referendum.

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