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The World Wheat Situation

Wheat, along with other basic commodities, is subject to the effects of general economic conditions existing throughout the world and the wheat situation is bound up with factors extraneous to the current statistical position of that commodity. Since early in 1930, the world has been experiencing the phenomenon of a drastically declining price level. The sheer momentum of the general decline has carried the prices of all basic commodities along with it--and wheat has been no exception. The whole price trend has been downward. It is clear that wheat prices would have experienced a major decline during the past three years even if an absolutely normal statistical position had prevailed. It may be further observed that prices of basic commodities like wheat, wool, cotton and sugar decline more violently than the general price level itself. This is especially true of wheat where the price-making forces are registered on sensitive markets. In addition to the downward trend of commodity prices the leading basic commodities have been affected by peculiar conditions which have led to further price declines. An interesting comment on the price situation is found in "Wheat Studies," (Food Research Institute) December, 1932 and is quoted as follows:

> "In any business recession, however, a decline in wheat prices is to be expected, in the absence of special influences, such as a short crop. The amount of the decline in wheat prices is specifically related to associated declines in wholesale prices in general rather than to associated declines in industrial and commercial activity. Moreover, a number of independent investigations indicate clearly that in a cyclical decline of commodity prices it is to be expected that wheat prices should decline more than the general wholesale price index number. The best quantitative measurements of the average relationship between wholesale prices and wheat prices indicate that in cyclical fluctuations wheat prices tend, over twelve-month periods, to move from 50 to 80 per cent more than the general wholesale price level. On this ground, the decline of the wholesale price index number from 96.1 in September 1929 to 71.2 in September 1931 might be expected to have accompanying it a decline in wheat prices between these months from $1.27 (all classes and grades of wheat in the United States) to 81 cents, or even to 74 cents. The actual price of 56 cents represents a price 41 and 24 per cent, respectively, under these two figures. In other words, a decline in wheat prices amounting to from 34 to 42 per cent was to have been expected in connection with the decline in general price level alone over this interval. The further decline of from 24 to 41 per cent below the figures thus obtained may be regarded as measuring the effect of purely commodity influences."

While it is apparent that the above reference represents an attempt to be too exact, the general picture presented is worthy of consideration, seeking as it does to isolate the effects of general and commodity influences.

The problem is general rather than particular. A noticeable similarity exists between the statistical position of basic commodities at the present time, as well as prior to and immediately following the crisis of 1929. In general, the period from 1920 to 1929 was one of expansion in basic industries. Part of this expansion was due to the lag during the war but there was also a new impetus provided by increasing purchasing power and rising standards of living. The crisis of 1929 found the world well supplied with basic materials such as wheat, cotton, sugar and wool. Subsequently importing countries were forced to take action to prevent export prices from weighing too heavily upon their own producers and to protect their trade balances during a period of economic difficulty. The general effects of these policies have been experienced in varying degrees by the foregoing commodities.

During the year 1929 the index of wholesale prices (1926=100) in Canada averaged 95.6. In 1930 the index fell to 86.6 and in 1931 to 72.1. In December, the index of wholesale prices stood at 64.0 or a net decline of 31.6 since 1929. As would be expected the decline in the index of wheat prices has exceeded that of the general price level. The index of No. 1 Northern wheat stood at 89.8 in 1929, declining to 63.0 and 39.3 in 1930 and 1931 respectively. In December 1932 the wheat index stood at 28.3.

Winter Wheat Crops

Winter wheat crops in the United States, the Danube and Russia are attracting considerable attention. Of chief interest, of course, is the winter wheat crop in the United States. The United States winter wheat belt comprises some 40 million acres and annually produces between 500 and 600 million bushels of wheat, exceeding these figures in good years and being less in unfavourable years. The magnitude of the United States winter wheat crop causes it to occupy a very important place in annual production of wheat.

The United States winter wheat crop to be harvested in 1933 received a very unfavourable start. In the first place, the area sown was estimated at 39,902,000 acres, the smallest area sown to winter wheat since 1923. Unseasonable weather and lack of moisture contributed to a very low condition figure on December 1, 1932. At that date, the condition of the winter wheat crop was reported at 68.9 per cent of normal as compared with 79.4 per cent on December 1, 1931, and 83.3 per cent, the ten-year average December condition figure (1920-192). According to the United States Department of Agriculture, the relationship between December 1 condition and abandonment in past years indicates a probable abandonment of over 20 per cent and a probable crop of less than 400 million bushels.

Another potential development in the wheat situation lies in the progress of the winter wheat crop in the Danube area. In Bulgaria, lack of moisture in some areas prevented the sowing of a full acreage. In Roumania the situation was generally favourable in the early part of December but with some areas showing very poor prospects. A wet November followed by warm weather has improved the situation in Yugoslavia. In Hungary weather in November was cold and dry but turned more favourable in the early part of December. The development of the Danubian wheat crops will be watched with interest and especially the degree of improvement or otherwise, which may follow the very poor crops harvested in 1932.

Unfavourable conditions prevail in the winter wheat area of Soviet Russia. The area sown to winter wheat showed a reduction of 3 million acres under last year and considerably under the area actually planned for the 1933 crop. Private reports indicate that the winter wheat area in Russia is suffering from lack of snow covering and fairly heavy frosts. This situation leads to the belief that abandonment will be heavy and the outlook for wheat already sown is none too bright.

In general the outlook for winter wheat crops in exporting countries is not good and indications now point to even smaller supplies than were harvested in 1932.

AUSTRALIA

The new Australian wheat crop is estimated at 200 million bushels. The carry-over of wheat in Australia on July 31, 1932, amounted to about 40 million bushels, making total available supplies for the crop year of 240 million bushels. Domestic requirements will amount to about 50 million bushels, leaving a balance of 190 million bushels available for export and carry-over. Allowing for a carry-over of 40 million bushels on July 31, 1933, Australia has a surplus of 150 million bushels for export during the present crop year. From August 1, 1932 to January 15, 1933, exports of Australian wheat amounted to 48 million bushels, leaving a balance of 102 million bushels to be shipped between now and the end of next July.

The Canadian Trade Commissioner for Australia cabled on January 15, 1933, that the Orient was bidding for Australian wheat and that during the past month China had purchased some 25 cargoes. Japan has also purchased about 6 million bushels of new crop wheat. The same authority thinks that the Orient will take about one-half of the Australian wheat surplus during the present crop year. If this demand materializes, the pressure of Australian wheat on European markets will be relatively light.

THE ARGENTINE

The new wheat crop in the Argentine is now estimated at 231 million bushels. On July 31, 1932, the Argentine had a carry-over of about 40 million bushels, making total supplies for the crop year of 271 million bushels. Domestic requirements are estimated at 95 million bushels leaving a balance of 176 million bushels available for export and carry-over. Allowing for a carry-over of 50 million bushels on July 31, 1933, the Argentine has about 126 million bushels available for export during 1932-33. From August 1, 1932 to January 15, 1933, Argentine shipments amounted to 24 million bushels, leaving a balance of 102 million bushels to be shipped between January 15, 1933 and July 31, 1933. The correspondent of the Dominion Bureau of Statistics in Buenos Aires reports that the quality of the new crop is variable and marketing is slow.

THE UNITED KINGDOM

The three outstanding features of the wheat position in the United Kingdom during the past five months have been:

(a) A sharp contraction in the volume of imports as compared with corresponding months in 1931-32.

(b) Greatly reduced stocks as compared with the same months in 1931-32.

(c) A major shift in the source of supplies as compared with 1931-32.

The following table shows imports of wheat into the United Kingdom during the four-month period August to November:

	August	September	October (Bushels)	November	Total
Canada	7,147,026	8,198,046	11,204,595	11,018,905	37,568,570
United States	466,166	368,971	602,634	740,621	2,178,392
Argentine	2,069,282	721,727	914,077	339,717	4,044,803
Australia	6,444,507	2,007,695	1,141,320	2,113,566	11,707,086
Russia	-	548,947	3,061,964	48,593	3,659,504
Others	1,072,678	5,736,108	2,708,047	1,408,923	8,925,754
Total	17,199,659	15,581,490	19,632,635	15,670,125	68,083,909
Last Year	21,966,759	30,328,959	27,075,511	21,042,684	100,413,873

Total British imports for the four-month period in 1932 amounted to 68 million bushels compared with 100 million bushels for the same months in 1931, a shrinkage of 32 million bushels in the case of the present crop year. The diminution is due largely to the fact that during the present crop year imports have reflected current demand, while during the same months last year imports were in excess of current needs and large stocks were built up. The situation also reflects a noticeable lack of pressure on the Liverpool cash wheat market. In addition there is evidence to show that the operation of the British Wheat Act has tended to increase the rapidity with which the domestic crop has been marketed. The foregoing factors have tended to delay British imports of wheat and indicate the probability of an improved demand for the balance of the crop year. It is only necessary to note that, as a result of the pressure of wheat on the British market during the fall months of 1931, British imports in the month of January, 1932, amounted to only 9.5 million bushels--a figure which will likely be greatly exceeded during the present month.

Of chief interest to Canada, however, has been the marked shift in the source of British imports. One of the most difficult problems in international grain statistics in the past has been the calculation of the actual amount of Canadian wheat which has been consumed in the United Kingdom. Canadian trade returns have never indicated even approximately the amount of Canadian wheat exported to the United Kingdom. The situation has been due to the changing of the ultimate destination of Canadian wheat after being officially cleared from Canada as an export. Official Canadian export figures have consistently exaggerated the movement of Canadian wheat to the United Kingdom. On the other hand official British import statistics have consistently under stated the Canadian position in the United Kingdom. The error in the British figures arises from the confusion of Canadian and United States wheat shipped through North American ports. British import figures have credited to the United States varying amounts of Canadian wheat shipped through United States ports. Similarly British import figures have credited to Canada small amounts of United States wheat exported through Canadian ports. On balance, the two situations have resulted in the United Kingdom minimizing the amount of Canadian wheat actually imported.

An interesting situation is shown in the above table. It will be noticed that the United Kingdom imported very little wheat from the United States during the August-November period. With the United States largely out of the market, there has been little confusion of Canadian and United States wheat as far as British import statistics are concerned. The margin of error in the above figures is necessarily small and British import figures are substantially correct for the period covered.

British import figures show that during the August-November period, the United Kingdom imported 38 million bushels from Canada out of total imports of 68 million bushels. In other words during the August-November period about 56 per cent of British wheat imports were Canadian wheat. It is more difficult to analyze the situation for the same months in 1931, but on the basis of careful analysis of trade figures, it is probable that Canada could not claim more than 20 per cent and possibly slightly less of total British imports of wheat.

UNITED STATES

The narrow spread between Liverpool and Chicago prices combined with the exchange situation has prevented the United States from taking an active part in world trade in wheat since the beginning of the present crop year. The following table shows exports of United States wheat by months during the August-November period with comparative totals for the corresponding months in 1931:-

	1932	1931
	(Bushels)	
August	3,898,863	8,910,599
September	2,479,459	8,397,132
October	2,656,229	11,872,954
November	3,714,126	9,519,146
Totals	12,748,677	38,699,831

As shown by the above table exports of wheat from the United States for the four months August to November 1932 amounted to 13 million bushels compared with 39 million bushels for the same period in 1931.

Acreage and Production of Wheat, 1931 and 1932.

Revised estimates are now available for the leading wheat producing countries and the supply position for the present crop year is well established. Current estimates of 1932 production indicate a world wheat crop, (excluding Russia and China) only slightly smaller than last year and about 60 million bushels smaller than in 1930. The following table shows acreage and production in 1932 and 1931 in the leading wheat producing areas:-

- Europe -

Countries	Area 1932	Area 1931	Production 1932	Production 1931
	(Thousand acres)		(Thousand bushels)	
Germany	5,634	5,356	183,829	155,545
Austria	536	517	13,007	11,009
Belgium	391	381	15,099	13,817
Bulgaria	3,077	2,964	50,553	61,195
Denmark	245	259	10,053/	10,053
Spain	11,189	11,245	178,499	134,426
Estonia	128	99	2,075	1,738
Finland	50	47	1,260	1,161
France	13,235	12,840	331,357	264,116
England & Wales	1,288	1,197	41,253	35,887
Scotland	52	50	2,240	1,792
Northern Ireland	3	3	106/	106
Greece	1,496	1,496	19,474	11,228
Hungary	3,897	4,011	58,593	72,550
Italy	12,237	11,884	276,127	244,048
Latvia	255	215	5,292	3,388
Lithuania	514	478	9,359	8,340
Luxembourg	22	23	496	407
Malta	10	10	301	277
Norway	28	29	785	592
Netherlands	293	192	13,694	6,751
Poland	4,266	4,495	55,888	83,220
Portugal	1,271/	1,271	18,138	12,989
Roumania	7,091	8,566	59,660	135,299
Sweden	747	683	25,830	18,048
Switzerland	182	179	5,647	5,489
Czechoslovakia	2,064	2,047	53,736	41,232
Yugoslavia	4,820	5,289	53,444	98,789
T O T A L	75,021	75,826	1,485,795	1,433,502

/1931 figures.

North America

	Area		Production	
	1932	1931	1932	1931
	(Thousand acres)		(Thousand bushels)	
Canada	27,175	26,115	429,000	321,000
United States	55,177	55,344	726,831	900,219
Mexico	1,066	1,501	8,921	16,226
T O T A L	83,418	82,960	1,164,752	1,237,445

North Africa

Algeria	3,703	3,640	32,518	25,649
Egypt	1,762	1,649	52,586	46,072
Morocco	2,450	2,537	21,965	29,783
Tunis	2,100	1,977	14,697	13,962
T O T A L	10,015	9,803	121,766	115,466

Southern Hemisphere

Argentine	19,791	17,295	231,482	225,922
Australia	15,585	14,500	200,000	189,653
T O T A L	35,376	31,795	431,482	415,575

Significant acreage changes are seen in the case of Europe where the total area sown to wheat is slightly less than the area sown in 1931. It should be noted however, that the decrease occurs because of sharp reductions in Roumania, Poland, Hungary and Yugoslavia. Slight increases are noted in Germany, France and Italy.

The most extensive acreage change occurred in the case of the Argentine and Australia. These two countries increased their acreage by over 3.5 million acres as compared with 1931.

The production situation remains about the same as indicated early in the crop year. Large crops in France, Germany, Italy and other countries more than offset the partial failure in the Danubian area with the result that European production (Ex-Russia) exceeds that of 1931 by about 50 million bushels. Production in Canada and the United States was lower in 1932 than in 1931--some 70 million bushels lower. North Africa produced slightly more wheat than in 1931. Total production of wheat in the Argentine and Australia in 1932 amounted to about 16 million bushels more than was the case in 1931. Both crops yielded slightly better than in 1931.

The Production of Wheat in France

Post-war trends in wheat production, particularly in importing countries, are a topic of general interest and discussion. The past and present position of France as a wheat producer and importer makes an interesting study.

The following table shows the production of wheat in France by years, 1890 to 1932, (data from United States Department of Agriculture).

(Million bushels)

1890	330	1901	311	1912	334	1923	276
1891	215	1902	328	1913	319	1924	281
1892	311	1903	363	1914	283	1925	330
1893	278	1904	300	1915	223	1926	232
1894	344	1905	335	1916	205	1927	276
1895	340	1906	329	1917	135	1928	281
1896	340	1907	381	1918	229/	1929	337
1897	242	1908	317	1919	187	1930	231
1898	365	1909	359	1920	237	1931	270
1899	365	1910	253	1921	323	1932	331
1900	326	1911	322	1922	243		

/Boundary change.

The above table shows the production of wheat in France from 1890 to 1932. In view of the large crop harvested in France last summer, it is interesting to note that this crop was not a record one by any means. The 1932 was exceeded by the crops of 1929 and 1925. In pre-war years France produced very large crops. The 1890 crop amounted to 330 million bushels or equivalent to production in 1932. The largest crops harvested in France in the last forty-three years occurred in 1898, 1899 and 1907 when production was estimated at 365, 365 and 381 million bushels respectively. In the five-year period from 1909 to 1913, France produced an average of 317 million bushels. During the past five years--from 1928 to 1932--average production amounted to 290 million bushels or about 27 million bushels under the pre-war average in spite of the fact that boundary changes favoured the latter period.

Acreage

The following table shows wheat acreage in France in pre-war years and annually from 1920:-

	(Thousand acres)
1909-13	16,500
1920	12,586
1921	13,300
1922	13,072
1923	13,672
1924	13,620
1925	13,872
1926	12,971
1927	13,065
1928	12,956
1929	13,336
1930	13,202
1931	12,840
1932	13,235

The above table shows that France has not reached her pre-war position in respect to the area sown to wheat. Since 1920 wheat acreage in France has been remarkably steady, ranging from 12 1/2 to 13 3/4 million acres.

Yield per Acre

The following table shows yield per acre of wheat in France for a series of years:-

	Bushels per Acre		Bushels per Acre
1909-13	19.2	1926	18.1
1920	18.8	1927	21.1
1921	24.3	1928	21.7
1922	18.6	1929	25.0
1923	20.2	1930	17.5
1924	20.6	1931	21.0
1925	23.8	1932	25.0

It will be noted from the above table that wheat yields in France are relatively high. During the 13 years from 1920 to 1932 the average yield per acre in France was 21.2 bushels. This compares with a long time average of 17.1 bushels per acre in Canada.

Import Requirements

France requires on the average about 325 million bushels of wheat to meet domestic consumption. It will be noticed that every once in a while France produces a large wheat crop which meets or even exceeds domestic requirements. Such crops were harvested in 1932 and 1929. On the average, however, France produces about 275 million bushels, leaving a balance of about 50 million bushels to be imported. If the crop is below average imports are larger and if above average imports are smaller. In 1926 France produced the smallest domestic crop in the past 10 years and imports were the largest of the decade, amounting to about 85 million bushels. In 1929 France produced the largest crop of the past 10 years and imports were practically negligible.

In general the demand for foreign wheat in France depends upon domestic production in relation to annual consumption of about 325 million bushels. Other factors enter into the situation of course. The quality of bread in France depends upon the mixture of a certain amount of hard wheats. With drastic milling quotas in effect and with a large domestic crop harvested in 1932, it is reported that the quality of bread in France is adversely affected.

Tariffs and Milling Quotas

Since early in 1929, the French market has been increasingly regulated through tariffs and milling quotas. In the spring of 1929 France had prospects of a very large crop and took action to prevent large imports during the months immediately preceding harvest. In May, 1929, the Government increased the duty on foreign wheat from 37 to 53 cents per bushel. In June, 1930, the tariff was increased to 85 cents per bushel. In December, 1929, a domestic milling quota was established to provide for the use of 97 per cent domestic wheat in French mills. These regulations have been continued up to the present time with the exception that the milling quota has been varied in accordance with the supply of domestic wheat and the requirements of the milling industry. At the present time France maintains a general tariff of $1.70 per bushel applicable to countries having no commercial treaty with her.

International Trade

The following table shows world shipments of wheat and wheatflour for the first twenty-four weeks of 1932-33 along with comparative figures for the corresponding period last year. (Broomhall's figures).

		North America	Argentine	Australia	Russia	Other	Total
				(Thousand Bushels)			
August	7	4,472	456	2,328	-	520	7,776
	15	4,880	672	1,104	-	624	7,280
	22	4,352	856	536	-	408	6,152
	29	4,944	1,144	920	144	808	7,960
September	5	7,696	584	920	704	1,056	10,960
	12	3,168	720	328	504	1,272	6,192
	19	5,608	632	1,744	2,080	824	10,888
	26	7,872	1,240	2,552	952	1,584	14,200
October	3	7,984	768	1,408	1,912	1,016	13,088
	10	10,200	520	2,320	1,000	832	14,872
	17	7,288	488	2,104	576	1,080	11,536
	24	9,623	1,300	1,087	208	600	12,818
	31	6,709	557	1,429	280	952	9,927
November	7	8,734	557	2,784	1,536	880	14,491
	14	9,260	986	1,763	936	1,184	14,129
	21	6,933	821	1,314	856	792	10,716
	28	8,932	1,031	1,975	592	240	12,770
December	5	12,791	794	1,838	464	336	16,223
	12	7,183	880	886	952	240	10,141
	19	6,531	1,309	2,694	504	360	11,398
	26	5,168	2,155	2,731	736	384	11,174
January	1	4,922	1,504	2,589	256	408	9,679
	8	3,930	1,935	4,373	552	800	11,590
	15	7,036	2,347	6,460	512	297	16,652
TOTAL		166,216	24,256	48,387	16,256	17,497	272,612
Comparative 1931-32							
Total to date		157,768	35,432	47,400	67,470	52,292	360,362

From August 1, 1932 to January 15, 1933, world shipments of wheat and wheatflour amounted to 273 million bushels compared to 360 million bushels for the same period in 1931-32. The volume of world shipments to date in 1932-33 is 87 million bushels less than the volume of shipments for the same period in 1931-32.

North American shipments (mainly Canadian) continue to exceed the total for the same period last year in spite of a smaller world movement. From August 1, 1932 to January 15, 1933 world shipments of wheat and flour from North America amounted to 166 million bushels compared with 158 million bushels for the same period in 1931-32. Australia has shipped about the same volume this crop year as last. All other exporting countries show much smaller clearances. Since August 1, 1932, the Argentine has cleared 24 million bushels compared with 35 million bushels during the same period in 1931-32. The largest decrease has taken place in the case of Russia. Russian shipments during the present crop year have amounted to only 16 million bushels compared with 67 million bushels during the same period last year. The Danubian countries have taken very little interest in the international market during the past five months.

Origin of Shipments

The following table shows total world shipments of wheat by countries of origin during the first 24 weeks of the present crop year in percentage of last year:-

North America	Argentine	Australia	Russia	Other	Total
		(per cent)			
105	68	102	24	33	76

The foregoing table shows that while world shipments during the first 24 weeks of 1932-33 have declined 24 per cent compared with the same weeks in 1931-32, North American shipments have increased by 5 per cent compared with last year.

Russian shipments for August 1 to January 15 amounted to only 24 per cent of shipments from this source during the same period last year.

The following table shows the origin of world wheat shipments in percentage of total shipments by countries of origin during the first 24 weeks of 1931-32 and 1932-33:

	1931-32	1932-33	1932-33 Compared with 1931-32	
			Increase	Decrease
	(per cent)	(per cent)	(per cent)	(per cent)
North America	44	61	17	-
Argentine	10	9	-	1
Australia	13	18	5	-
Russia	19	6	-	13
Other Countries	14	6	-	8
TOTAL	100	100	22	22

The above table shows that North America has contributed 61 per cent of world shipments during the first twenty-four weeks of the present crop year as compared with 44 per cent during the corresponding weeks last year - or an increase of 17 per cent. On the same basis the share of the Argentine has decreased 1 per cent, the share of Russia has decreased 13 per cent and share of other countries (mainly the Danubian countries) has decreased 8 per cent. In percentage of total world shipments Australia has increased her share by 5 per cent as compared with the same period last year.

Weekly Average Shipments

The following table shows weekly average shipments of wheat for the first twenty-four weeks of 1932-33 along with comparative figures for 1931-32 and 1930-31:-

	North America	Argentine	Australia	Russia	Other	Total
			(Million Bushels)			
1930-31	7.6	.9	1.7	3.0	1.6	14.9
1931-32	6.6	1.5	2.0	2.8	2.2	15.0
1932-33	6.9	1.0	2.0	.7	.7	11.4

As shown by the foregoing table, world shipments have averaged 11.4 million bushels for the first twenty-four weeks of 1932-33 compared with 15.0 and 14.9 million bushels for the corresponding weeks of 1931-32 and 1930-31 respectively. North American shipments have averaged 6.9 million bushels per week this year as compared with 6.6 and 7.6 million bushels for the corresponding period in 1931-32 and 1930-31.

Position of Import Requirement Estimate

Mr. Broomhall estimates world import requirements at 704 million bushels for 1932-33. European requirements are estimated at 504 million bushels while Ex-European requirements are estimated at 200 million bushels. The position of this estimate on January 15, 1933 is shown in the following table:

Import Requirements	Actual Shipments	Balance to be Shipped
Aug.1,1932 to July 31,1933 (52 Weeks)	Aug.1,1932 to Jan.15,1933 (24 Weeks)	Jan.15,1933 to July 31,1933. (28 Weeks)
704 million bushels	273 million bushels	431 million bushels
or	or	or
13.5 million bushels weekly	11.4 million bushels weekly	15.4 million bushels weekly

It will be seen from the foregoing table that world shipments to date have averaged 11.4 million bushels per week whereas average shipments of 13.5 million bushels during 1932-33 are required to fulfill Mr. Broomhall's estimate. To fulfill the estimate average weekly shipments of 15.4 million bushels are required for the balance of the present crop year.

The Course of Wheat Prices

The following summary of wheat price movements from December 1st to January 16th, has been prepared by the Internal Trade Branch of the Dominion Bureau of Statistics.

Despite the predominance of bullish news regarding the supply situation early in December, the steady pressure of offerings of actual wheat available, and large short sales made at Winnipeg by outside interests, resulted in a falling market from December 1st to 16th. From a gradual recession in the first part of this period, the decline latterly became precipitate, and on the 16th, No. 1 Manitoba Northern cash wheat closed at 39.4 cents per bushel, far below any preceding record established on the Winnipeg Exchange. On that date, a rather unexpected increase in the official estimate of the United States winter wheat crop, was credited with a decidedly depressing effect, and falling prices brought with them much forced liquidation. A lull in world shipments in the latter part of December was instrumental in stiffening the market somewhat, and this tendency was further aided in the early days of January by decided strength displayed at Chicago. Broomhall reported an improvement in market sentiment in his International Review of January 10th. A substantial increase in world shipments in the second week of January, however, caused prices to turn downward again.

The Course of Wheat Prices, August to December, 1932 at Winnipeg and Foreign Markets.

On the chart facing this page are graphed the variations in the prices of the near futures on four important markets. The foreign prices have been converted to Canadian equivalents by use of the daily rates of exchange.

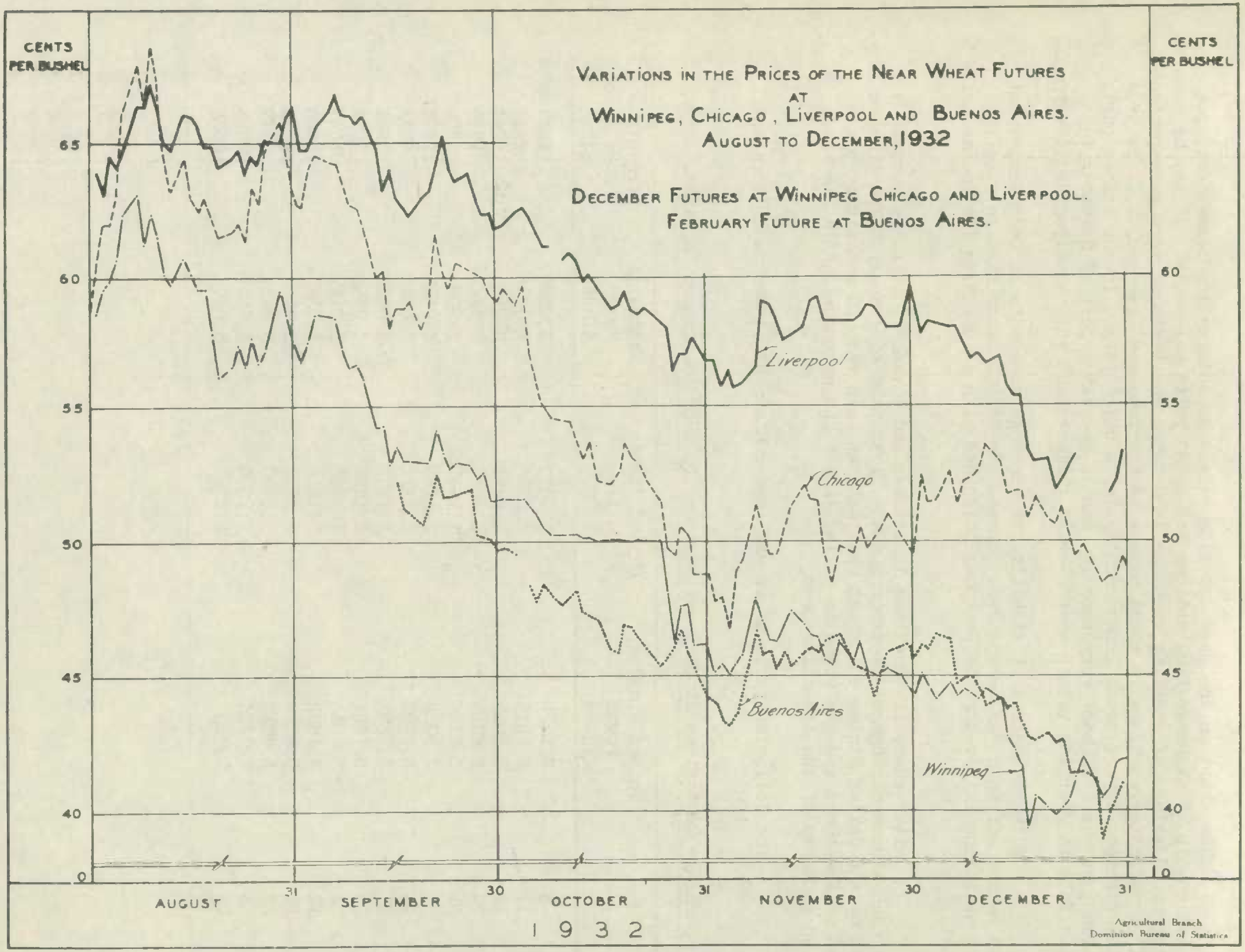
In early August, Winnipeg futures were about 1 1/2 cents under Chicago and about 5 1/2 cents under Liverpool. (It should be emphasized that these spreads are narrower than usual because of the low lake and ocean freight rates prevailing - the advantages of which accrue mostly to the importer since the elasticity of supply is in his favour.) This represents a period before Canada's 1932 crop was pressed on the market. The spread widened during August and September with little or no actual change in transportation rates. During October, the Winnipeg and Chicago futures drew closer together and in the period from October 8 to 24, the two futures were brought practically level. Subsequently, a precipitous decline took place at Winnipeg. Winnipeg futures remained reasonably close to Chicago for another two weeks before gradually drawing away again. On December 1, the spread between Liverpool and Winnipeg was as high as 15 cents. About December 10, the maximum spread of 9 1/2 cents was reached between Winnipeg and Chicago. When these futures went off the boards, Winnipeg was 6 1/2 cents under Chicago and over 11 cents under Liverpool.

In accounting for these spreads, it must be remembered that the movement from prairie farms during September was the heaviest for that month on record. 118 million bushels of wheat were delivered at country elevators or loaded over platforms for shipment. Since cash was urgently needed (the previous crop was not a profitable one), a high proportion of this wheat was sold outright and therefore hedged on the Winnipeg market. Large deliveries continued in slightly less degree throughout October and November. The heavy marketings and consequent heavy hedging sales were not absorbed by speculation in the usual way.

The late October and mid-December breaks were partly due to sales originating in Chicago. The former decline was wisely foreseen by Chicago speculators when Chicago December had declined on four successive days by about two cents while Winnipeg remained at about 50 cents. The weight of Chicago sales, some hedging and finally stop-loss sales broke the market. In mid-December, the four day decline of about 5 cents was largely due to Chicago sales in Winnipeg coupled with purchases in Chicago in anticipation of a bullish United States Government crop report. This policy proved effective. Chicago did not rise in response to the Government report as much as hoped, but it is evident that the Winnipeg declines exceeded expectations.

The Chicago market has undoubtedly been relatively bullish for domestic reasons centered around serious damage to the winter wheat crop. This is commented on as follows in Wheat Studies of the Food Research Institute for December, 1932, at page 98: "The generally small Chicago-Liverpool spread reflected relative bullishness in the United States, a phenomenon which ordinarily appears in years of low wheat prices." The American markets have shown symptoms of independence for over a year.

Another factor which has influenced the course of prices is the variance in exchange rates. As far as the relation of Winnipeg and Liverpool prices is concerned, this feature is discussed in the following paragraphs and pictured in the accompanying chart.



Variations in the Prices of the Near Wheat Futures
at
Winnipeg, Chicago, Liverpool and Buenos Aires.
August to December, 1932
December Futures at Winnipeg Chicago and Liverpool.
February Future at Buenos Aires.
Cents per Bushel
Cents per Bushel
65
60
55
50
45
40
0
Liverpool
Chicago
Buenos Aires
Winnipeg
August
31
September
30
October
31
November
30
December
31
1 9 3 2
Agricultural Branch
Dominion Bureau of Statistics

Exchange Fluctuations

The chart on the page opposite offers an interesting commentary upon the relationship of exchange fluctuations and wheat price movements. It may be seen that the broad swings of sterling exchange in October and November were accompanied by fairly definite reactions in wheat prices at Winnipeg and Liverpool. It is true that the Winnipeg market moved independently for a brief period in the latter part of October, but it fell back very shortly, and in the early part of November, the rise and fall in sterling values were closely reflected at both Winnipeg and Liverpool.

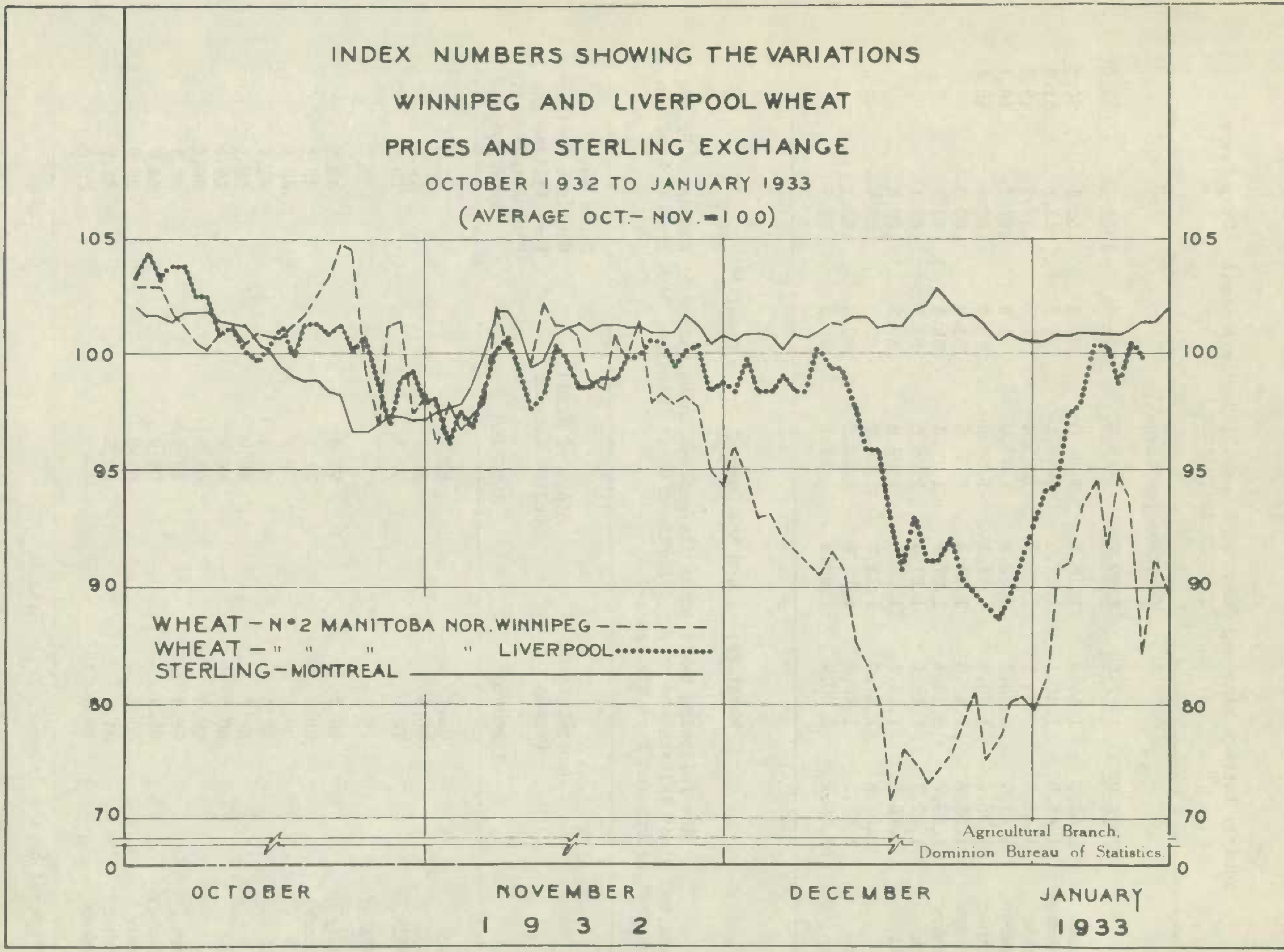
With the return of stability to exchange movements in December, wheat markets veered off onto an independent course. In fact a minor rise in sterling quotations in the latter part of December coincided with an all time low in the price of wheat.

After sharp fluctuations in October and November, sterling pursued a fairly even course throughout December and the first half of January. The premium enjoyed by the United States dollar at Montreal has been reduced materially since the end of November, and the Canadian dollar lately has become slightly stronger, measured in terms of the Argentine peso.

The following table shows exchange quotations at Montreal in recent weeks:

Exchange Quotations at Montreal, October 3, 1932 to January 15, 1933.

		United Kingdom Pound 4.8666	United States Dollar 1.000	Australia Pound 4.8666	Argentine Paper Peso .4244
October	3	3.7975	1.0993	3.0395	.2817
	11	3.7914	1.0993	3.0346	.2817
	18	3.7025	1.0863	2.9600	.2786
	24	3.6035	1.0850	2.8841	.2799
	31	3.6346	1.1062	2.9091	.2854
November	7	3.8015	1.1493	3.0427	.2965
	14	3.7705	1.1312	3.0179	.2918
	21	3.7891	1.1587	3.0327	.2985
	28	3.7921	1.1887	3.0351	.3075
December	5	3.7654	1.1762	3.0137	.3043
	12	3.7892	1.1612	3.0328	.3004
	19	3.8026	1.1456	3.0435	.2964
	27	3.8011	1.1400	3.0424	.2949
January	3	3.7706	1.1300	3.0179	.2923
	15	3.810	1.1350	3.040	.2935


INDEX NUMBERS SHOWING THE VARIATIONS
WINNIPEG AND LIVERPOOL WHEAT
PRICES AND STERLING EXCHANGE
OCTOBER 1932 TO JANUARY 1933
(AVERAGE OCT.- NOV.=100)
105
100
95
90
80
70
0
WHEAT - N°2 MANITOBA NOR. WINNIPEG
WHEAT - " " " " LIVERPOOL
STERLING - MONTREAL
Agricultural Branch,
Dominion Bureau of Statistics.
OCTOBER
NOVEMBER
DECEMBER
JANUARY
1 9 3 2
1933

Monthly Average Winnipeg Cash Price - No. 1 Northern Wheat - Crop Years 1926-27 to 1932-33.

(Dollars per bushel)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33
August	1.51.0	1.59.9	1.18.8	1.58.0	.92.5	.55.1	.56.3
September	1.43.8	1.45.1	1.17.0	1.49.5	.78.1	.53.6	.51.9
October	1.43.5	1.44.1	1.23.7	1.41.4	.72.5	.59.9	.48.2
November	1.41.0	1.45.1	1.20.9	1.33.0	.64.4	.67.3	.46.7
December	1.33.4	1.40.6	1.17.1	1.37.8	.55.4	.60.6	.42.4
January	1.35.7	1.42.8	1.20.9	1.30.5	.53.9	.60.0	
February	1.39.7	1.42.6	1.27.9	1.17.4	.59.3	.63.2	
March	1.42.7	1.48.1	1.27.0	1.06.2	.56.7	.63.1	
April	1.45.1	1.56.3	1.22.8	1.09.8	.59.7	.62.6	
May	1.53.8	1.57.2	1.12.3	1.07.9	.60.6	.62.9	
June	1.61.1	1.42.6	1.18.3	1.03.2	.60.8	.55.1	
July	1.62.1	1.30.9	1.59.9	.95.1	.57.3	.54.7	

Wheat Prices and the General Price Level 1/

The following table shows the general Index Number of Wholesale Prices in Canada and Great Britain and of No. 1 Northern Wheat (Winnipeg Cash Prices, basis in store Port Arthur and Fort William):-

	General Index Canada 1926=100	Board of Trade (United Kingdom) 1926=100	Wheat No. 1 Manitoba Northern Fort William and Port Arthur basis 1926=100
1929	95.6	92.2	89.8
1930	86.6	80.7	63.0
1931	72.1	70.3	39.3
1932			
January	69.4	71.4	40.1
February	69.2	71.1	42.3
March	69.1	70.6	42.2
April	68.4	69.1	41.9
May	67.7	68.0	42.1
June	66.6	66.2	36.9
July	66.6	66.0	36.6
August	66.8	67.2	37.7
September	66.9	68.9	34.7
October	65.0	68.3	32.2
November	64.8	68.3	31.2
December	64.0	-	28.3

1/ Prepared by the Internal Trade Branch.

During the month of December the general index of wholesale prices dropped from 64.8 to 64.0. The index of No. 1 Northern wheat fell from 31.2 to 28.3.

Canadian Situation

On January 20, 1933, the Dominion Bureau of Statistics issued the final estimates of the 1932 wheat crop. The final estimates are as follows:-

	1931 Final (bushels)	1932 Final (bushels)
Manitoba	28,112,000	42,400,000
Saskatchewan	132,466,000	202,000,000
Alberta	140,603,000	164,000,000
Total	301,181,000	408,400,000
All Canada	321,325,000	428,514,000

There is a marked tendency towards agreement in the November and January estimates of the important grain crops. Each one is placed lower in the present estimate, the reductions being very slight in wheat, oats, barley and flaxseed but comparatively greater in rye.

The estimates of wheat production in Saskatchewan and Alberta remain exactly the same as in November, but a reduction of 2.6 million bushels has been made in Manitoba.

In the period from August 1, 1932 to January 6, 1933, the deliveries of wheat at country elevators and the platform loadings in the three Prairie Provinces have amounted to 277,988,571 bushels - an increase of about 79 million above marketings in a similar period of 1931-32. To the date mentioned in 1933, 29,657,039 bushels have been marketed in Manitoba, 146,493,860 bushels in Saskatchewan and 101,837,672 bushels in Alberta. The movement from farms has declined considerably in the two eastern provinces, but Alberta marketings are proceeding at a high rate for the season. The survey of stocks held on farms at December 31, 1932 disclosed large amounts of wheat on Alberta farms compared with the other provinces. This is a normal feature of this period of the year. Making a tentative allowance of 61 million bushels as farm disposition (seed, feed, unmerchantable and country millings), it is evident that there are about 69.4 million bushels to come forward before July 31, 1933. This calculation assumes no change in the carryover of wheat on farms at the end of July, but there are several factors which should encourage an increase in the farm holdings. Whatever amount above the 5,829,000 bushels held at July 31, 1932 is carried over will decrease the 69.4 million bushels required to substantiate the estimate.

The 69.4 million bushels are distributed about as follows: Manitoba, 5.1 million; Saskatchewan, 26.6 million, and Alberta, 37.7 million bushels.

The January 1932 estimate of the 1931 wheat crop in the Prairie Provinces has been increased by 17,181,000 bushels to conform with revised deliveries and other changes in the estimates of crop disposition. Manitoba's crop was increased by 1,112,000 bushels (4.1 per cent), Saskatchewan's by 11,466,000 bushels (9.4 per cent) and Alberta's by 4,603,000 bushels (3.4 per cent). The wheat crop in the three provinces is now placed at 301,181,000 bushels and the all-Canada total at 321,325,000 bushels.

The final disposition figures for the 1931 wheat crop of the Prairie Provinces are shown in the following table, along with revised estimates.

Disposition of the 1931 Wheat Crop of the Prairie Provinces.

Item	Manitoba	Saskatchewan	Alberta	Total
		(000 bushels)		
Carryover on farms, July 31, 1931	2,042	6,459	9,303	17,804
January estimate, 1931 crop	27,000	121,000	136,000	284,000
Total available	29,042	127,459	145,303	301,804
Disposition -				
Marketings(1)	23,696	116,442	122,029	262,167
Seed(2)	3,826	13,804	12,301	29,931
Feed(1)	1,336	6,282	9,357	16,975
Unmerchantable	270	847	1,360	2,477
Country Millings(1)	402	534	670	1,606
Carryover on farms, July 31, 1932	624	1,016	4,189	5,829
Total Disposition	30,154	138,925	149,906	318,985
Extent of underestimate indicated	1,112	11,466	4,603	17,181
Final estimate	28,112	132,466	140,603	301,181

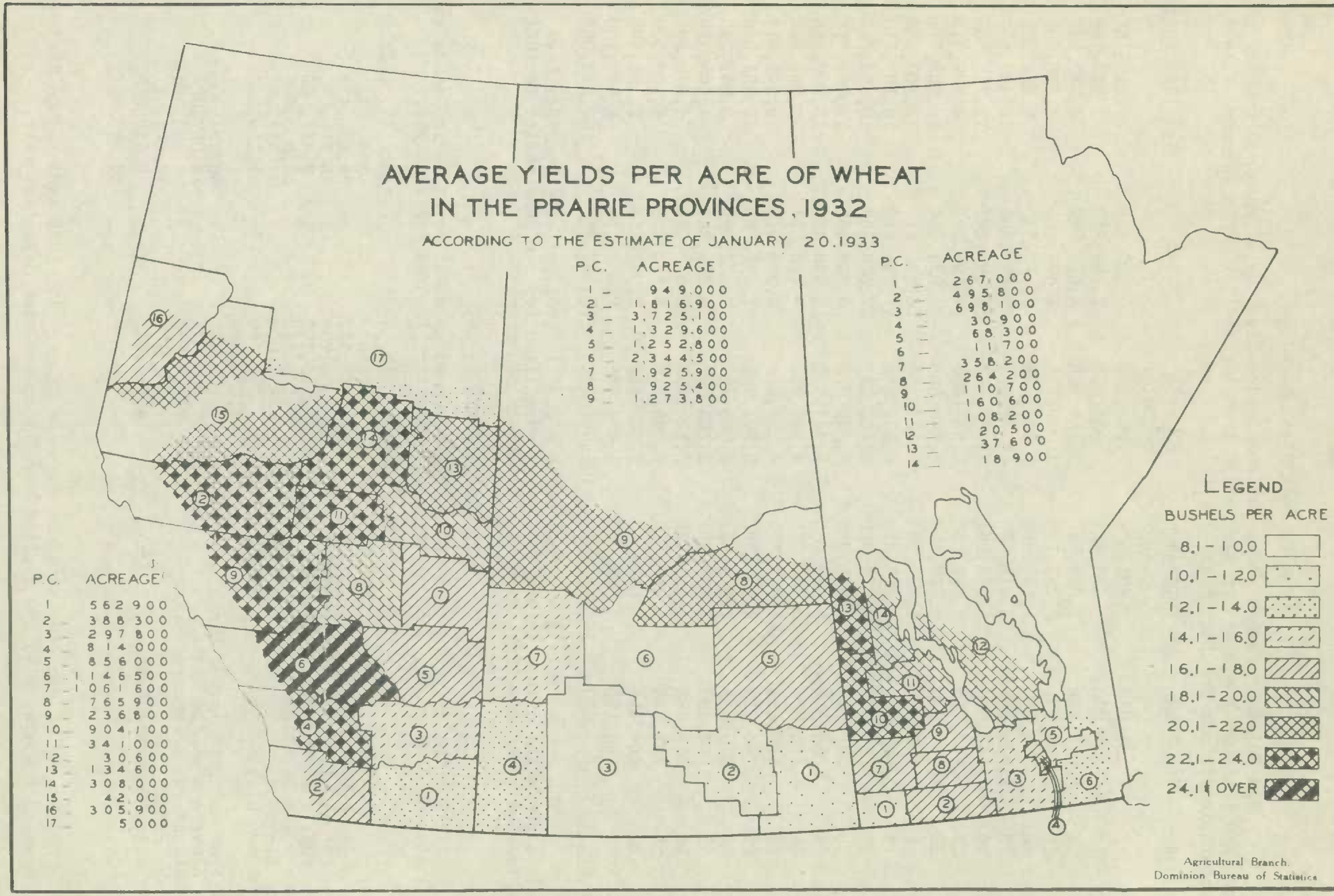
(1) Revised.
(2) Allows for 100,000 acres in Manitoba and 4,500,000 acres in Saskatchewan drought areas to be seeded from deliveries.

The foregoing table shows disposition figures covering the 1931 crop for the three Prairie Provinces.

Quality of the 1932 Wheat Crop

On the basis of inspections in the Western Inspection Division, the 1932 wheat crop is grading very high. After eliminating special grades such as Durums, White Springs and Winters, the percentage of inspections grading No. 3 Northern or higher is shown as follows (with corresponding figures for 1931 in brackets): August, 96.52 (79.55); September, 97.02 (82.68); October, 94.98 (80.90); November, 87.12 (78.09). The above figures show that month by month the 1932 crop has been grading higher than the 1931 crop. For the four-month period, August to November, 1932, 94.86 per cent of inspections graded No. 3 Northern or higher compared with 80.23 per cent in the corresponding period in 1931. It may be further noted that during the four-month period from August to November, 1932, 61.8 per cent of the wheat grading No. 3 Northern or better graded No. 1 Hard or No. 1 Northern whereas during the same period in 1931, 41.1 per cent of wheat grading No. 3 Northern or better graded No. 1 Hard or No. 1 Northern.

Durum wheat produced in the Prairie Provinces in 1932 is also grading very high. During the four months August to November, 67 per cent of inspections graded No. 1 while 23 per cent graded No. 2 and 10 per cent graded lower. In the same period in 1931, 41 per cent of inspections graded No. 1, 38 per cent No. 2, and 20 per cent graded lower.


AVERAGE YIELDS PER ACRE OF WHEAT
IN THE PRAIRIE PROVINCES, 1932
ACCORDING TO THE ESTIMATE OF JANUARY 20.1933
P.C. ACREAGE
1 – 949.000
2 – 1,816.900
3 – 3,725,100
4 – 1.329.600
5 – 1,252,800
6 – 2,344.500
7 – 1,925.900
8 – 925,400
9 – 1.273.800
P.C. ACREAGE
1 – 267 000
2 – 495 800
3 – 698 100
4 – 30 900
5 – 68 300
6 – 11 700
7 – 358 200
8 – 264 200
9 – 110 700
10 – 160 600
11 – 108 200
12 – 20 500
13 – 37 600
14 – 18 900
P.C. ACREAGE
1 562 900
2 – 388 300
3 – 297 800
4 – 814 000
5 – 856 000
6 – 1,146 500
7 – 1 061 600
8 – 765 900
9 – 236 800
10 – 904,100
11 – 341 000
12 – 30 600
13 – 134 600
14 – 308 000
15 – 42 000
16 – 305.900
17 – 5 000
LEGEND
BUSHELS PER ACRE
8.1 - 10.0
10.1 - 12.0
12.1 - 14.0
14.1 - 16.0
16.1 - 18.0
18.1 - 20.0
20.1 - 22.0
22.1 - 24.0
24.1 & OVER
Agricultural Branch.
Dominion Bureau of Statistics

Country Deliveries of Wheat

The following table shows the combined deliveries of wheat at country elevators and platform loadings for the period from August 1, 1932 to January 6, 1933, with comparative totals for last year:

Week ending		Manitoba	Saskatchewan	Alberta (bushels)	Total	Total last Year
August	7	31,838	131,812	356,836	520,486	625,157
	14	226,230	93,826	836,854	1,156,910	1,264,759
	21	1,877,062	1,484,553	1,166,429	4,528,044	2,713,947
	29	3,142,401	2,295,106	1,036,718	6,474,225	4,376,382
September	2	2,863,647	2,751,965	1,394,526	7,010,138	9,324,039
	9	3,989,634	12,243,580	6,176,366	22,409,580	16,490,597
	16	4,157,808	23,864,251	9,465,168	37,487,227	12,737,355
	23	5,444,139	19,618,134	9,530,550	34,592,823	4,809,416
	30	1,547,298	14,038,158	8,488,588	24,074,044	10,659,371
October	7	335,118	14,882,284	11,124,133	26,341,535	17,160,462
	14	1,563,033	9,607,818	6,583,661	17,754,512	18,187,510
	21	506,523	9,777,022	6,725,041	17,008,586	19,336,715
	28	546,618	8,261,878	6,840,072	15,648,568	16,003,775
November	4	234,713	5,269,085	5,444,541	10,948,339	13,997,615
	11	439,000	4,525,251	4,592,990	9,108,631	12,851,594
	18	390,655	4,677,776	4,251,514	9,319,945	9,591,016
	25	763,915	3,146,797	3,581,068	7,491,780	5,231,366
December	2	319,081	2,914,751	4,038,762	7,272,594	5,959,245
	9	653,492	2,626,591	3,353,267	6,633,350	4,964,838
	16	238,592	1,381,471	2,227,957	3,848,020	4,973,397
	23	133,635	1,142,875	2,098,112	3,374,622	3,398,009
	30	164,414	848,013	1,040,441	2,052,868	2,101,691
January	6	88,193	910,863	1,484,078	2,483,134	2,817,700
TOTAL		29,657,039	146,493,860	101,837,672	277,988,571	199,276,956

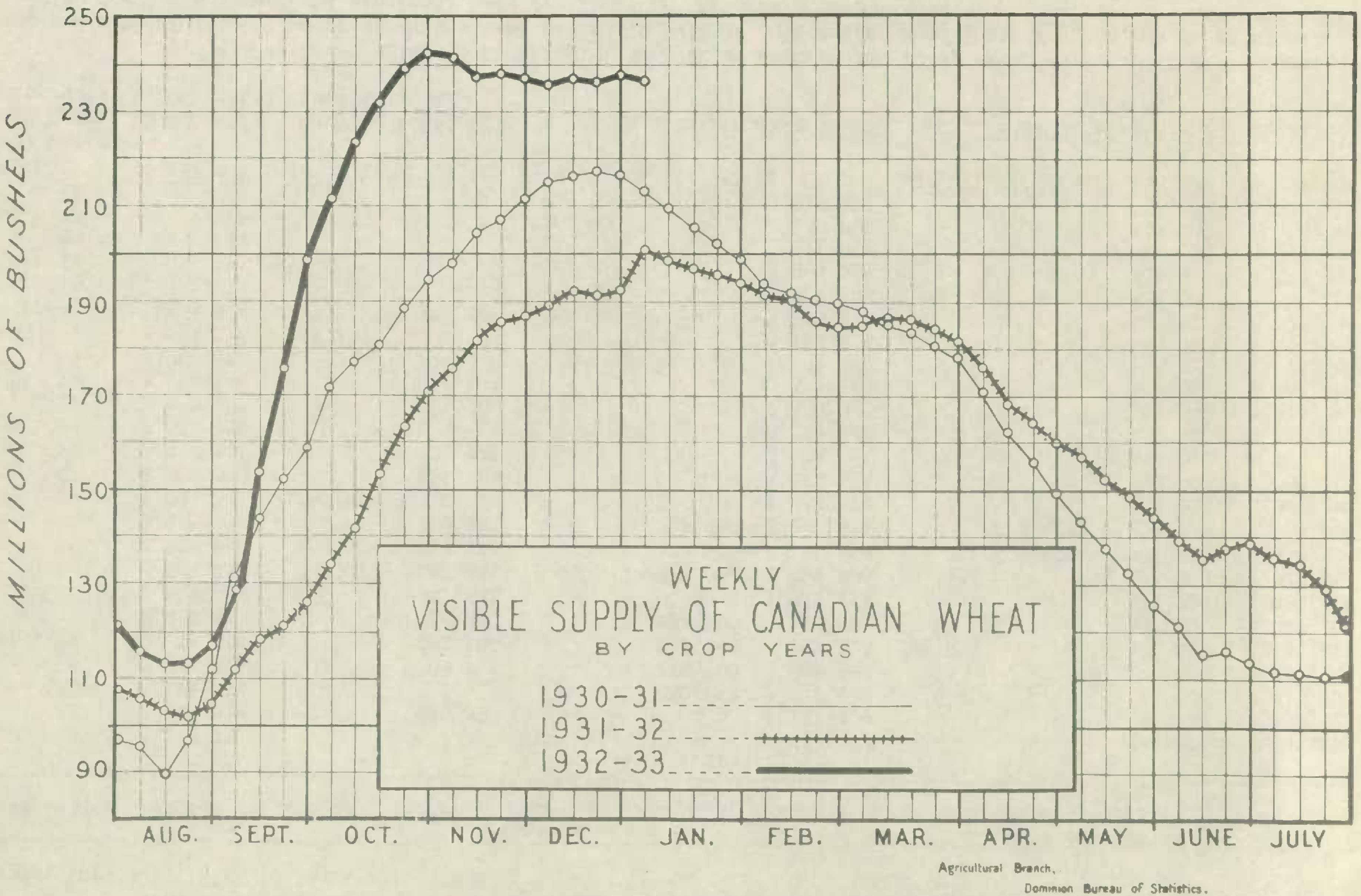
The above table shows that since August 1, 1932, primary receipts have amounted to 278 million bushels compared with 199 million for the same period in 1931-32. Deliveries have been light since the middle of December.

Stocks in Store

The following table shows stocks of Canadian wheat in store in Canada and United States on January 13, 1933 along with comparative figures for last year:-

	January 13, 1933 (Bushels)	January 16, 1932 (Bushels)
Western Country Elevators x	113,434,552	84,281,419
Interior Private and Mill Elevators x	5,465,286	5,517,078
Interior Public & Semi-Public Terminals	3,710,474	2,445,086
Vancouver & New Westminster	7,796,642	11,535,508
Victoria Elevator	881,594	832,572
Prince Rupert Elevator	301,695	1,110,389
Churchill	2,430,283	-
Fort William and Port Arthur Elevs.	60,104,511	48,991,908
Eastern Elevators - Lake Ports	17,941,592	14,067,827
Eastern Elevators - Seaboard Ports	7,126,588	6,004,996
U. S. Lake Ports	7,641,109	17,427,531
U. S. Atlantic Seaboard Ports	4,366,641	6,436,215
TOTALS	231,200,967	198,650,529

Stocks of Canadian wheat in store on January 13, 1933 amounted to 231 million bushels compared with 199 million bushels on the same date last year.


WEEKLY
VISIBLE SUPPLY OF CANADIAN WHEAT
BY CROP YEARS
1930-31
1931-32
1932-33
MILLIONS OF BUSHELS
250
230
210
190
170
150
130
110
90
AUG.
SEPT.
OCT.
NOV.
DEC.
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
Agricultural Branch,
Dominion Bureau of Statistics.

Export Clearances

The following table shows export clearances of wheat (not including flour) from various ports, by weeks, August 1, 1932, to January 13, 1933:-

Week ending		Montreal	Quebec	Sorel	West Saint John and Saint John	Churchill	Vancouver	Victoria	Prince Rupert	United States Ports	Total
						(Bushels)					
Aug.	5	1,216,717	-	-	-	-	544,877	-	-	581,000	2,342,594
	12	1,905,534	79,970	228,800	-	-	1,131,319	-	-	487,000	3,832,623
	19	1,154,778	-	-	-	280,015	702,562	-	-	276,000	2,413,353
	26	2,066,446	-	709,213	-	255,700	668,886	-	-	187,000	2,887,245
Sept.	2	2,174,438	-	261,790	-	288,000	969,503	62,695	-	441,000	4,197,426
	9	2,295,647	-	120,000	-	544,000	693,061	-	-	327,000	3,980,708
	16	2,018,054	-	357,641	-	-	1,072,181	-	-	476,000	4,223,876
	23	3,271,758	24,000	241,881	-	697,000	1,818,590	251,933	-	374,000	6,679,162
	30	3,588,568	-	1,018,130	-	134,992	1,199,598	-	300,000	977,000	7,218,288
Oct.	7	3,267,452	-	1,268,581	-	265,658	1,840,531	-	377,813	908,000	7,928,035
	14	2,031,527	268,485	1,115,818	-	270,667	2,548,272	-	-	712,000	6,946,789
	21	2,326,378	-	871,724	-	-	3,510,818	-	-	352,000	7,060,920
	28	1,476,441	-	877,341	-	-	2,234,185	-	-	692,000	5,279,967
Nov.	4	2,574,980	-	-	-	-	3,369,022	-	-	425,000	6,369,002
	11	2,670,003	-	451,704	-	-	2,884,080	-	-	236,000	6,241,787
	18	3,204,186	-	1,011,568	-	-	2,371,146	-	-	382,000	6,968,900
	25	2,900,141	-	440,670	-	-	3,295,565	-	-	528,000	7,164,376
Dec.	2	3,514,217	245,400	1,521,737	-	-	3,132,614	281,493	-	538,000	9,234,461
	9	1,506,929	599,049	278,567	333,886	-	3,755,210	-	-	621,000	7,092,741
	16	-	-	-	408,000	-	2,067,163	-	-	504,000	3,057,163/
	23	160	-	-	655,952	-	3,809,913	-	-	304,000	4,770,025
	30	353	-	-	363,879	-	1,475,213	-	-	1,749,000	3,588,445
Jan.	7	160	-	-	360,000	-	2,168,601	-	-	448,000	2,976,761
	13	-	-	-	670,000	-	4,018,411	-	-	777,000	5,465,411
TOTAL		45,155,867	1,217,904	11,073,265	2,791,717	2,736,030	51,281,321	596,121	677,813	13,302,000	128,914,038
Same period last Year		25,061,238	88,326	4,061,722		544,769	29,972,252	-	243,831	15,211,000	75,751,077

/ Includes 72,000 bushels from Halifax.

Export clearances of wheat from August 1, 1932 to January 13, 1933, amounted to 128,914,038 bushels compared with 75,751,077 bushels for the same period in 1931-32. Increased handlings of wheat are shown at all Canadian ports. Montreal and Vancouver show particularly favourable comparisons with last year. Clearances from United States ports have been less than last year.

Statistical Position of Canadian Wheat

The following table shows the statistical position of wheat in Canada at the end of December, 1932, with comparative figures for 1931:

	1931-32	1932-33
	(Bushels)	
Carry-over, July 31	134,078,963 1/	130,948,901 2/
New crop	321,325,000	428,514,000
Total supplies	455,403,963	559,462,901 3/
Domestic requirements	119,000,000	130,000,000
Available supplies	336,403,963	429,462,901
Exports August to December	109,520,581	150,803,797
Balance for export and carry-over	226,883,382	278,659,104

1/ Revised.
2/ Final estimate.
3/ Preliminary estimate.

The issuance of the final estimate of the 1932 wheat crop and the revised estimate of the 1931 wheat crop alter materially the relation between the wheat position at the end of December 1932 as compared with a year previous. The final estimate was 2.6 million bushels under the provisional estimate and reduced total supplies for the crop year by that amount. The final estimate of the 1931 crop has been revised upward by about 17 million bushels with the result that total supplies for 1931-32 amounted to 455 million bushels compared with 559 million bushels for 1932-33.

Exports for the five months, August to December, 1932, amounted to 151 million bushels compared with 110 million bushels for the same period in 1931-32. As a result of the improved export movement this year, the balance available for export and carry-over at the end of December amounted to 279 million bushels compared with 229 million bushels at the same time a year ago. In other words, with a crop estimated to be 107 million bushels larger than last year, exports have been sufficient to reduce the excess over last year to about 50 million bushels at the end of December.

Availability of Supplies

Referring to the supply of 278,659,104 bushels cited above as the "Balance for Export and Carry-over", it is worthy of mention that considerable quantities are not in export position and cannot be forwarded to world markets at the present level of prices and freight rates. The stocks at the Lakehead (59,392,161 bushels at December 30) are not presently available for forward movement. The 9,434,558 bushels in Manitoba country elevators are similarly unavailable. At least one-half of the 62,283,703 bushels in Saskatchewan country elevators cannot be moved westward under existing Vancouver prices and present freight rates. It must be appreciated also that the figure includes over 75 million bushels still to come forward from the farms.

Practically speaking, the supplies available for winter export are confined to the stocks at the seaboard, in Alberta and western Saskatchewan elevators, and as much of the supplies at Lake Huron and Georgian Bay ports as is demanded for shipment from Halifax and Saint John.

Exports of Canadian Wheat

The following tables show exports of wheat and flour during 1932-33 with comparative figures for preceding years:

WHEAT

	1932-33	1931-32	1930-31	1929-30
		(Bushels)		
August	18,289,832	11,909,108	17,639,228	10,156,266
September	26,874,237	14,335,637	27,817,053	7,409,809
October	40,192,415	18,925,303	29,784,275	20,721,853
November	27,301,976	27,452,063	31,217,924	22,444,896
December	27,735,999	22,355,975	22,230,397	15,960,792
January		9,472,346	9,608,852	4,994,054
February		9,898,363	10,296,603	6,732,826
March		9,920,634	12,895,567	11,592,472
April		7,513,289	4,680,769	3,428,406
May		15,543,013	29,521,699	13,466,884
June		15,857,427	20,783,219	18,989,550
July		19,620,224	12,060,817	19,868,298
TOTAL		182,803,382	228,536,403	155,766,106

FLOUR

	1932-33	1931-32	1930-31	1929-30
		(Barrels)		
August	330,382	522,178	627,233	643,246
September	385,113	556,565	734,349	492,381
October	528,794	558,459	813,691	554,039
November	576,864	476,487	792,271	538,038
December	492,033	451,310	601,894	604,979
January		331,806	392,256	502,888
February		337,513	414,773	480,587
March		414,779	560,553	680,697
April		255,390	326,117	451,395
May		461,867	481,265	573,187
June		570,861	490,294	597,752
July		446,379	466,967	658,834
TOTAL		5,383,594	6,701,663	6,778,023

WHEAT AND WHEATFLOUR

	1932-33	1931-32	1930-31	1929-30
		(Bushels)		
August	19,776,551	14,258,909	20,461,776	13,050,873
September	28,607,246	16,840,179	31,121,623	9,625,524
October	42,571,988	21,438,369	33,445,885	23,215,028
November	29,897,864	29,596,254	34,783,144	24,866,067
December	29,950,148	24,386,870	24,938,920	18,683,198
January		10,965,473	11,374,004	7,257,050
February		11,417,172	12,163,082	6,895,468
March		11,787,139	15,418,055	14,655,609
April		8,662,544	6,148,295	5,459,684
May		17,621,415	31,687,391	16,046,226
June		18,426,301	22,989,542	21,679,434
July		21,628,930	14,106,169	22,833,051
TOTAL		207,029,555	258,637,887	186,267,212

Canadian Trade Commissioners report as follows:

AUSTRALIA

The following cable was received on January 15th from the Canadian Trade Commissioner for Australia:-

"During latter half December market generally depressed but since beginning January values have steadily increased and Australian wheat advanced about threepence bushel. Farmers now receiving about two shillings three pence to two shillings five pence per bushel Australian currency at country stations. Equivalent about thirty-six cents Canadian currency at which prices they have sold freely. Recent pronounced feature in Australian wheat is continued demand from China and since last report twenty-five cargoes purchased for that destination and strong inquiries further shipments maintained. Last wheat price paid was five pounds five shillings six pence long ton English currency c.i.f. Shanghai for February shipment freight being sixteen shillings six pence ton English. Currency which makes price about two shillings eleven pence bushel F.O.B. Australian currency. Japan also inquiring and has purchased about 170000 tons Australian new crop wheat. India purchased four cargoes but demand likely to be limited. Europe buying Australian wheat sparingly but better demand shortly anticipated from United Kingdom. Commitments to date 8,960,103 bushels wheat to Europe and 10,415,036 bushels other countries chiefly Orient. Difficult to estimate exact quantity China purchased to date but in wheat alone expert opinion gives approximately ninety cargoes or about 720,000 tons. Altogether far East has taken over million tons wheat and flour and considered Orient will absorb two million tons wheat and flour out of Australian exportable surplus of four million tons. Quality of Australian wheat turning out exceptionally good and yield slightly better than last report indicated hence former estimate exportable surplus four million tons stands. Chartering fairly heavy considered about half tonnage required to lift crop has been fixed. Distribution commonwealth grant to wheat growers not definitely fixed by state governments but anticipated generally bonus will average two shillings six pence acre on wheat harvested this season. Flour shipments particularly to Orient have been heavy. Approximately total fifty thousand tons already exported and over eight thousand tons for North China in forty-nine pound bags loading Melbourne next week. Flour quoted at from six pounds seven shillings six pence to six pounds ten shillings per ton F.O.B. Australian currency equivalent about nineteen dollars twenty-seven cents to nineteen dollars sixty-five cents per ton Canadian currency."

GERMANY

Grain in Farmers' Hands

The Markets Reports Bureau of the German Agricultural Council have published the results of their investigations in regard to the stocks of grain available in the hands of farmers on November 15th, 1932, in the form of percentages of the final crop estimates, which are as follows, compared with the percentages for the same date of the previous year:-

Kind of Grain	Percentage of Total Crop in Hands of Farmers: November 15th, 1932	November 15th, 1931
Winter wheat	59.5	47.7
Summer wheat	77.3	74.0
Winter rye	59.5	50.5
Winter barley	34.4	34.6
Summer barley	62.2	66.2
Oats	78.9	78.4
Potatoes	66.8	65.4

The German Grain Journal have translated these percentages into actual quantities, which the following table shows in bushels:-

Kind of Grain	Total Crop in Hands of Farmers (Bushels) November 15th, 1932	November 15th, 1931
Winter wheat	96,266,922	64,300,425
Summer wheat	18,371,550	15,064,671
Winter rye	194,480,390	131,097,105
Winter barley	964,543	826,751
Summer barley	74,407,572	76,244,796
Oats	343,016,296	315,134,064
Potatoes	1,112,581,068	1,054,159,539

Whereas during the period September 15th to October 15th, stocks of winter wheat declined by 23,515,584 bushels, the decline during October 15th to November 15th amounted to only 12,492,654 bushels. A total of 96,266,922 bushels was still available in farmers' hands on November 15th compared with 64,300,425 bushels last year.

Stocks of winter rye declined in the period October 15th to November 15th by 28,739,005 bushels compared with 45,273,775 bushels during September 15th to October 15th, and 26,376,895 bushels last year, but seeding operations accounted for approximately 25,589,525 bushels in the latter period, which may explain the difference. A total of 194,480,390 bushels of winter rye was available in farmers' hands on November 15th compared with 131,097,105 bushels last year.

Stocks of winter barley in farmers' hands on November 15th still amounted to 9,645,426 bushels compared with 8,267,508 bushels last year. Stocks of summer barley amounted to 74,407,572 bushels compared with 76,244,796 bushels. The somewhat greater decline in stocks of barley this year is explained by increased sales for brewing and industrial purposes, mainly for feeding purposes. During August 1st to October 31st the import of barley has actually declined by 4,593,060 bushels compared with last year.

The quantity of oats in farmers' hands on November 15th amounted to 343,016,296 bushels compared with 315,134,064 bushels last year.

In the case of potatoes there were about 55,114,650 bushels more available on November 15th than on the same date last year.

The Markets Reports Bureau of the German Agricultural Council have also published figures of the stocks available for sale on November 15th, 1932, which are given below in percentages of the total crops, as compared with those on the same date of the previous year:-

Kind of Grain	Stocks Available for Sale November 15th, 1932	November 15th, 1931
Winter wheat	49.5	38.3
Summer wheat	65.3	61.7
Winter rye	33.6	22.3
Winter barley	5.7	6.2
Summer barley	36.8	42.0
Oats	19.2	18.7
Potatoes	21.4	19.9

Mill and Warehouse Stocks

The German Grain Journal have published the figures given by the Government Bureau of Statistics of the stocks of grain and flour in second hand in mills and warehouses at the end of November, together with the corresponding figures for the two previous months:-

	Local and Foreign Product Duty Paid			Foreign Product Duty Unpaid		
	September	October	November	September	October	November
			(Bushels)			
Wheat	24,397,418	23,699,300	23,148,153	992,064	1,175,779	698,119
Rye	19,959,830	17,558,351	17,322,140	3,818,745	3,818,745	3,070,743
Oats	3,825,702	4,733,495	5,576,446	25,937	19,453	64,842
Barley	5,787,256	7,165,174	7,945,994	459,306	289,363	459,306
Wheat flour (Barrels)	1,226,043	1,428,509	1,372,268	1,125	3,374	1,125
Rye flour (Barrels)	764,871	843,608	44,992	2,250	2,250	1,125

The Government Bureau of Statistics states that the wheat and rye stocks, as well as the flour stocks were slightly smaller than in the previous month. The stocks of oats and barley have increased, mainly in the warehouses. The wheat stocks amounted to a total of 23,148,153 bushels, of which 14,182,837 bushels (61 per cent) were available in the mills. Of the 17,322,140 bushels of rye, 9,290,966 bushels (54 per cent) were in the mills. The unduty-paid stocks of bread grain have greatly decreased. The above figures include again 95 per cent of the grain and flour stocks in mills and warehouses. The quantities of grain in the feeding stuffs factories and other industrial users (malting factories, corn, coffee factories, food product factories), as well as the stocks of the bakers and the quantities en route are not included in these figures.

Grain Imports

According to statements made by the German Government Bureau of Statistics the import of grain into the German Customs territory in November amounted to the following, compared with October:-

	November	October
	(Bushels)	
Rye	1,045,824	740,403
Wheat	2,507,423	3,003,381
Rye flour (Barrels)	191	214
Wheat flour(Barrels)	1,192	4,510
Feeding barley	154,832	317,932
Other barley	233,373	427,889
Oats	17,378	15,951

According to the above, imports of wheat in November have declined by 496,032 bushels compared with the previous month, whereas imports of rye show an increase of 303,137 bushels. Barley imports have greatly declined, being approximately half that of October.

Seed Conditions

The German Grain Journal reports that the mild November weather has allowed good progress to be made in field work. The sowing of winter grain has in nearly all parts been completed. Where the winter seeds have been planted in time, they have developed well. In the case of the seeds, which have been sown later, growth is greatly behind and in some districts they have not even germinated.

On the basis of 2 = good, 3 = average, and 4 = poor, the condition of the seeds on an average is as follows:- Winter rye 2.5 (2.6 last month); winter wheat 2.5 (2.5); winter spelt 2.3 (2.5); winter barley 2.5 (2.5).

Areas Under Cultivation

In connection with the report on seed conditions, the Government Bureau of Statistics have made investigations with regard to changes in the cultivation of winter grain. It is now stated that the areas cultivated with winter grain have slightly increased. In the case of winter rye the increase is estimated to be 0.9 per cent, winter wheat 0.4 per cent, winter spelt 1.4 per cent, and winter barley 1.4 per cent compared with the autumn cultivation of 1931. On the basis of these percentages there should be an increase of approximately 98,844 acres in the case of winter rye, and 22,240 acres in the case of winter wheat and winter spelt together.

AUSTRIA

According to a report of the Austrian Ministry of Agriculture the mild weather and periodical rains have been favourable to the growth of all winter seeds.

POLAND

According to the German Grain Journal the condition of the seeds on November 15th had improved, especially in the case of wheat and rye, compared with the middle of October, and was on the basis of 5 = very good; 3 = average; 1 = poor as follows:- winter wheat 3.7; winter rye 4.0; barley 3.5; rape-seed 3.6; and clover 3.4.

The Government Bureau of Statistics in Warsaw has now published definite figures of the areas which were cultivated with the principal grains for the past year's crops:-

Wheat	4,261,395	acres
Rye	13,947,573	"
Barley	2,977,416	"
Oats...............	5,478,407	"
Potatoes	6,701,102	"

In comparison with the previous year the area cultivated with wheat has declined by 5.2 per cent, that of rye by 2.2 per cent, and of barley by 5.3 per cent. On the other hand the area cultivated with oats has increased by 2.1 per cent, and of potatoes by 0.2 per cent.