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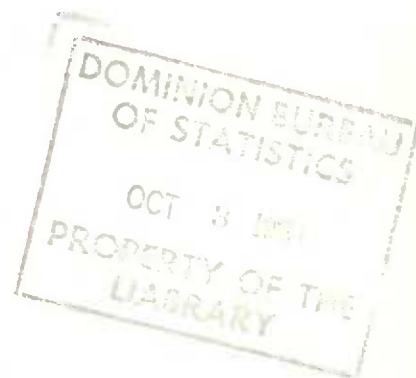
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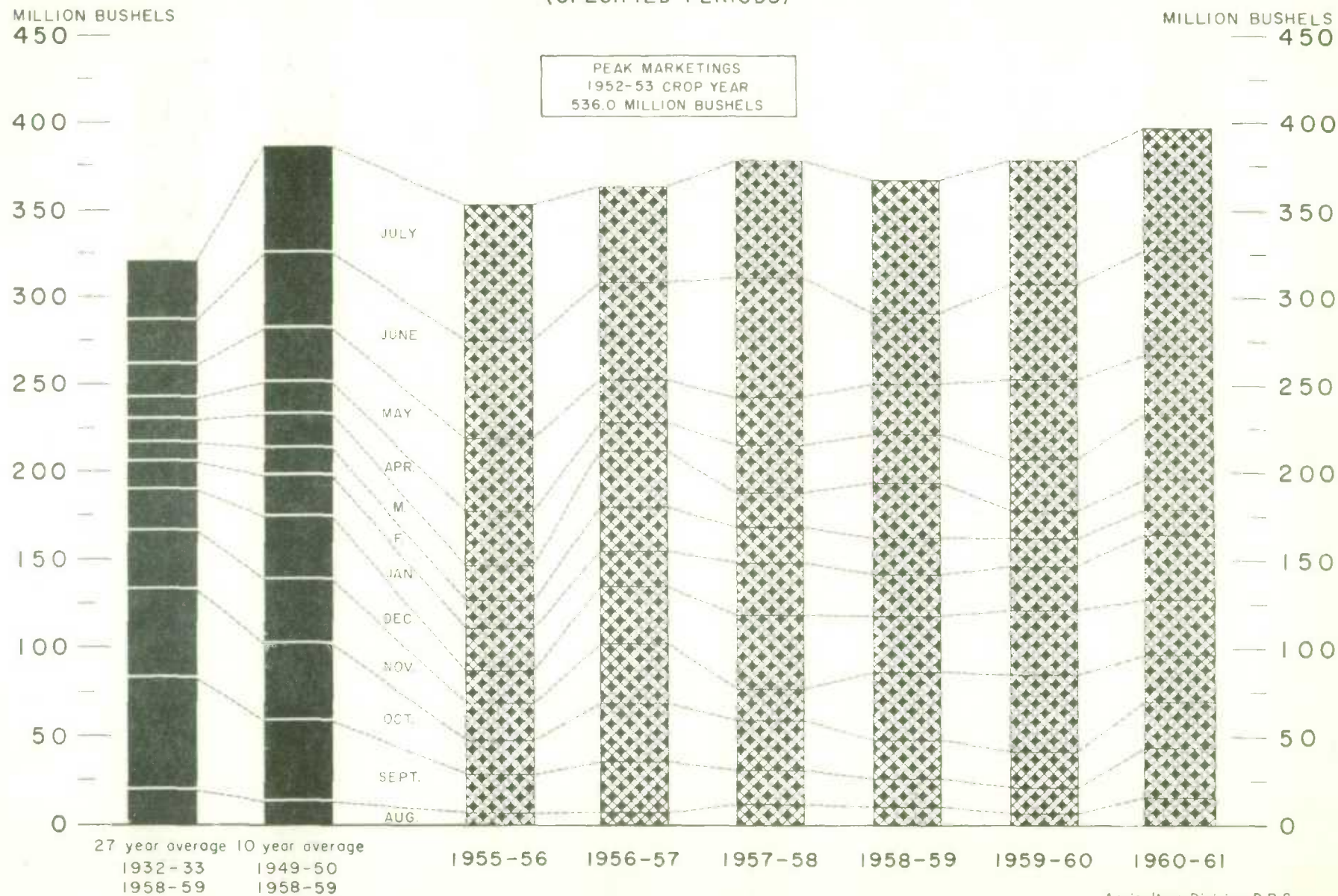


THE WHEAT REVIEW



AUGUST 1961

FARMERS MARKETINGS OF WHEAT, PRAIRIE PROVINCES (SPECIFIED PERIODS)



DOMINION BUREAU OF STATISTICS

THE
WHEAT REVIEW

AUGUST 1961

Published by Authority of
The Honourable George Hees, Minister of Trade and Commerce

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WORLD WHEAT SITUATION

Current Supplies Latest available estimates indicate that supplies of wheat remaining on or about August 1, 1961 in the four major exporting countries for export and for carryover at the end of their respective crop years amounted to 2,617.9 million bushels, 5 per cent below the 2,743.8 million available a year ago. Supplies at August 1, 1961, in millions of bushels, were held as follows, with last year's comparable figures in brackets: United States, 1,965.7 (2,016.2); Canada, 523.2 (537.6); Argentina, 32.3 (89.3); and Australia, 96.7 (100.7). Estimates for both years include on-farm stocks as well as those in commercial positions. It is to be noted that the 1961 United States crop, estimated at 1,204.1 million bushels is now included in these calculations. The supply figures for Canada represent crop-year-end carryover only, the new crop not being taken into account until September 1. Australian and Argentina production will be included at January 1.

Exports Total exports of wheat and wheat flour in terms of wheat, from the four major exporting countries during the 1960-61 (August-July) Canadian crop year amounted to 1,284.3 million bushels, some 30 per cent greater than the 984.7 million exported during 1959-60.

When final tabulations are completed for the 1960-61 July-June crop year, it is expected that total world wheat exports, including products in wheat equivalent, will have established an all-time record of some 1,500 million bushels. Exports of this volume would represent an increase of 13 per cent over the total 1959-60 world wheat shipments of 1,328 million bushels. These estimates of total world wheat trade include large volumes exported under various government-assisted programmes, with a substantial proportion of wheat shipments from the United States moving under such arrangements. Canadian wheat and flour exports during the 1960-61 August-July crop year, based on preliminary data, amounted to some 353.8 million bushels, sharply above those of the preceding year and the fourth largest on record.

While Canada stands second to the United States in terms of total wheat and flour exports, she is by far the largest seller in the world commercial market. In 1959-60, more than 95 per cent, or some 264 million bushels, of Canada's wheat exports were sold on normal commercial terms. Little more than half this quantity, or 135 million bushels, were sold by the U.S. for dollars. Wheat and flour exports, including those under government programmes, from the United States, Canada and Australia were at higher levels in 1960-61 than the previous year while those from Argentina were lower. Shipments from these countries during the 1960-61 (August-July) crop year and ten preceding crop years (Canadian) are shown in the table below.

Exports of Wheat and Flour in Terms of Wheat, August-July 1960-61
with Comparisons

August-July	United States	Canada	Argentina	Australia	Total
- million bushels -					
1950-51	375.3	241.0	94.5	127.8	838.6
1951-52	466.6	355.8	24.1	93.4	939.9
1952-53	322.6	385.5	38.9	107.0	854.0
1953-54	211.4	255.1	110.3	63.4	640.2
1954-55	280.4	251.9	134.5	94.3	761.1
1955-56	359.4	312.3	108.6	107.5	887.8
1956-57	539.5	264.4	100.6	120.2	1,024.7
1957-58	396.4	320.3	77.6	61.9	856.2
1958-59	455.6	294.5	106.2	82.7	939.0
1959-60 1/	513.1	277.3	76.5	117.8	984.7
1960-61 2/	669.0	353.8	62.9	198.6	1,284.3

1/ Revised. 2/ Preliminary.

Another Large World
Wheat Crop Indicated

The August 31, 1961 issue of Foreign Crops and Markets, World Summaries, published by the Foreign Agricultural Service, United States Department of Agriculture, stated in part that the outlook is for another large world wheat crop in 1961. Production will not equal the 1960 near-record, however.

Although it is too early for firm estimates in many countries, preliminary information indicates that substantial reductions from the 1960 level in North America, Europe, and Africa are partly offset by better prospects in the Soviet Union, Asia, and South America.

A number of importing countries in Western Europe are expecting smaller harvests than last year, which means increased import requirements for the area. Crop reductions are reported for the United Kingdom, West Germany, and a number of less important producing countries. Smaller crops also are being harvested in France and Spain—both listed as exporters under the International Wheat Agreement. France will have less surplus than in recent years but will still export a substantial quantity. Spain will have an even greater deficit than last year when net imports were 46 million bushels. Italy, also listed as an exporter, was a net importer last year and will be again this year despite a somewhat larger harvest.

Conditions vary in Eastern Europe, with smaller outturns expected in some countries and larger harvests in others. The total for the area, however, is expected to be smaller. Prospects for the Soviet Union's wheat crop are better than during the past 2 years. Asia's total production is expected to be at the high level of the 1960 outturn. Africa's production is much below average. The preliminary outlook is for a larger crop in the Southern Hemisphere, but as seeding is just being completed, growing conditions throughout the season will determine the final outcome.

Supplies of wheat in the principal exporting countries for the 1961-62 marketing year will be smaller than in 1960-61 mainly because of reduced supplies in Canada, but U.S. supplies are also smaller—about 50 million bushels less than last year. Although below the record of a year ago, supplies will still be large in both countries and will more than cover any foreseeable demand.

Supplies in Argentina and Australia will largely depend on crop outturns in December and January. If growing conditions are good, supplies should be larger in Argentina because planted acreage is well above the previous year's. Smaller carryover stocks in Australia may mean a moderate decline in that country's total supply unless production exceeds the 1960 record.

North America's 1961 wheat crop may be about 1,550 million bushels, compared with 1,890 million last year. This would be the smallest outturn since 1957. The U.S. crop is estimated at 1,204 million bushels—11 per cent below the 1960 harvest. Both acreage and yields were smaller than last year.

Editor's Note: Canada's 1961 wheat crop, based on conditions at August 15, was forecast at 252.5 million bushels, 48 per cent smaller than last year's outturn of 489.6 million.

Overall production in Western Europe will be smaller than in 1960 but still well above average. Reductions in France, Spain, and the United Kingdom account for a good part of the decrease. Declines are also reported in other countries but these declines are offset by a substantial increase in Italy's crop this year. Preliminary information indicates that the total for Western Europe may be about 5 per cent less than in 1960.

Continued on page 43.

International Wheat Council
Cumulative Totals of Commercial Purchases by Importing Countries from Exporting Countries
Crop Year 1961-62—Through July 29, 1961

Importing Countries	EXPORTING COUNTRIES					Total Purchases
	Canada	Australia	France	Sweden	U.S.A.	
- thousand bushels -						
Austria	147	-	-	-	-	147
Belgium-Luxembourg	-	-	-	-	1,238	1,238
Brazil	-	-	-	-	-	-
Costa Rica	29	-	-	-	69	98
Cuba	-	-	-	-	-	-
Dominican Republic	220	-	-	-	-	220
El Salvador	5	-	-	-	9	14
Germany	3,228	993	1,904	-	535	6,660
Greece	-	-	-	-	-	-
Guatemala	1	-	-	-	115	116
Haiti	-	-	-	-	-	-
Honduras Republic	11	-	-	-	58	69
Iceland	1	-	-	-	-	1
India	-	7,082	-	-	-	7,082
Indonesia	-	81	-	-	-	81
Ireland	-	-	-	-	-	-
Israel	803	-	-	-	-	803
Japan	7,193	222	-	-	1,952	9,367
Korea	-	-	-	-	-	-
Netherlands	37	-	47	-	2,704	2,788
Netherlands Territories ...	21	2	-	-	37	60
New Zealand	-	373	-	-	-	373
Nigeria	64	-	-	-	2	66
Norway	1,531	261	-	11	-	1,803
Panama	57	-	-	-	119	176
Peru	-	-	-	-	329	329
Philippines	274	2	-	-	713	989
Portugal	-	-	-	-	1,794	1,794
Portuguese Territories	433	153	-	-	227	813
Rhodesia-Nyasaland	2	337	-	-	-	339
Saudi Arabia	1	97	-	-	274	372
Switzerland	56	-	40	-	263	359
Union of South Africa	-	765	-	-	-	765
United Arab Republic	-	-	-	-	-	-
United Kingdom	13,646	4,541	479	-	988	19,654
U.K. Territories	1,375	986	83	-	724	3,168
Vatican City	-	-	-	-	-	-
Venezuela	-	-	-	-	2,622	2,622
Totals	29,135	15,895	2,553	11	14,772	62,366
Percentage of Total Sales by Exporting Countries	46.72	25.49	4.09	.02	23.68	100.00

NOTE: Argentina, Italy, Mexico and Spain - no sales reported.

CANADIAN SITUATION

Canadian Wheat Supplies for 1961-62 Register Sharp Decline From Last Year

Assuming realization of the August 31 forecast of production, Canadian wheat supplies for the crop year 1961-62, consisting of the July-end carryover of 523.2 million bushels and the new crop placed at 252.5 million (forecast on the basis of conditions at August 15) will amount to 775.6 million

bushels. Supplies of the size indicated, reflecting a substantial decline in production, would represent a decrease of 25 per cent from last year's 1,027.2 million bushels.

Total Supply and Disposition of Canadian Wheat 1956-57--1960-61 and Estimated Supply, 1961-62 (Crop Years August 1 - July 31)

Item	1956-57	1957-58	1958-59	1959-60 ^{1/}	1960-61 ^{1/}	1961-62
- million bushels -						
Supplies						
Carryover, at beginning of crop year	579.6	733.5	639.5	549.0	537.6	523.2 ^{2/}
Production	573.0	385.5	371.7	413.5	489.6	252.5 ^{3/}
Imports Wheat and Flour	0.1	^{4/}	^{4/}	^{4/}	^{4/}	
Totals ^{5/}	1,152.8	1,119.1	1,011.2	962.5	1,027.2	775.6
Disposition						
Exports Wheat and Flour	264.4	320.3	294.5	277.3	353.8	
Human Consumption ^{1/} ..	52.4	53.1	53.7	55.0	55.6	
Seed	30.1	29.7	32.7	32.8	33.8	
Industrial Use ^{1/}	1.4	1.4	1.3	1.5	1.5 ^{6/}	
Carryover, at end of crop year	733.5	639.5	549.0	537.6	523.2	
Residual item ^{7/}	70.9	75.1	80.0	58.4	59.4	
Totals ^{5/}	1,152.8	1,119.1	1,011.2	962.5	1,027.2	

^{1/} Revised.

^{2/} Subject to further revision pending receipts of Board of Grain Commissioners' final data on commercial stocks at July 31, 1961.

^{3/} Based on September 1, 1961 forecast of production and subject to revision as later estimates become available.

^{4/} Less than 50,000 bushels.

^{5/} Components may not add exactly to the totals due to rounding.

^{6/} Estimated.

^{7/} Includes feed for livestock and waste but also reflects the effect of any estimating errors in other components of the balance sheet.

Realization of the 1961 production forecast for wheat will be dependent upon how weather and other developments affect the crop between August 15 and completion of harvesting. The second official forecast production, to be released on September 29, will give greater effect to actual harvesting conditions and outturns.

Preliminary Totals Indicate
1960-61 Exports of Wheat and
Flour at 353.8 Million Bushels

According to preliminary data, combined exports of Canadian wheat in bulk, bagged seed wheat and wheat flour in terms of wheat equivalent during the crop year 1960-61 amounted to 353.8 million bushels, sharply above both the 1959-60 total of 277.3 million and the ten-year (1949-50-1958-59) average of 290.6 million. Exports of wheat in bulk (as reported by the Board of Grain Commissioners) at 311.0 million bushels, represented an increase of 32 per cent over both the 1959-60 total of 234.7 million and the ten-year average of 236.1 million. Exports of bagged seed, based on preliminary data available only for the first eleven months of the crop year, amounted to 6.6 million bushels and exceeded the 1959-60 crop year total of 5.6 million. Wheat flour exports, also based on preliminary data and including an estimate for July 1961, amounted to the equivalent of 36.2 million bushels compared with the 1959-60 revised total of 37.0 million.

The 1960-61 totals for exports of wheat in bulk are compiled from overseas clearances and exports to the United States as recorded by the Board of Grain Commissioners for Canada, while data on exports of wheat flour and bagged seed wheat are obtained from Canadian Customs returns. Adjusted data on wheat flour exports for the 1960-61 crop year, removing the effect of time lag in reporting Customs returns, will be included in a subsequent issue of this publication.

Monthly exports of wheat in bulk, bagged seed wheat and wheat flour in terms of wheat during the crop year recently completed ranged from a high of 45.1 million bushels in May to a low of 21.0 million in January.

Overseas clearances of bulk wheat, the major component of the total exports of wheat, bagged seed wheat and flour, ranged between 41.1 million bushels in May and 16.3 million in January. In addition, total overseas clearances of some 308.4 million bushels, were the second highest on record, having been exceeded only by the 344.4 million in 1928-29.

Mainland China, Czechoslovakia and the U.S.S.R. bought substantial quantities of Canadian bulk wheat during the 1960-61 season and contributed largely to the increased export movement. Exports of 34.7 million bushels to China, 12.1 million to Czechoslovakia and 7.5 million to the U.S.S.R. accounted for about 71 per cent of the over-all expansion in wheat clearances. Gains of substantial magnitude also occurred in wheat exports to a number of traditional Canadian markets, as indicated by the following figures, in millions of bushels with 1959-60 data in brackets: Japan, 54.0 (45.7); Federal Republic of Germany, 33.0 (24.9); Italy, 14.9 (2.2); Belgium-Luxembourg, 12.2 (10.7); France, 9.9 (5.5); and Poland, 5.7 (4.9). Exports of bulk wheat to the United Kingdom, Canada's traditionally largest market registered a relatively slight decline from 80.0 million bushels in the 1959-60 crop year to 78.6 million in 1960-61. Although, declines of 0.5 million and 1.3 million occurred in shipments to Switzerland and the Netherlands, respectively, it is noteworthy that the twelve markets already discussed accounted for some 89 per cent of the total 1960-61 clearances.

United Kingdom Largest
Canadian Wheat Flour Importer

Exports of wheat flour during the first eleven months of the 1960-61

crop year went to seventy-six countries. The United Kingdom, with imports amounting to the equivalent of 12.0 million bushels, accounted for 36 per cent of the August-June total compared with the revised 12.9 million bushels and 38 per cent of the corresponding total in 1959-60. In addition to the United Kingdom, wheat flour exports equivalent to at least one million bushels of wheat went to the following countries with revised

1959-60 data in brackets, in millions of bushels: Philippines, 2.6 (4.3); Ghana, 1.7 (1.6); Japan, 1.4 (1.1); Jamaica, 1.3 (1.6); Trinidad, 1.3 (1.7); Lebanon, 1.3 (.04); United States, 1.2 (1.4); and Norway, 1.0 (nil).

August Forecast of
Production of Canada's
1961 Grain Crops

Based on yields indicated at August 15 production of each of the major Canadian grains will be below last year's levels. Reflecting the severe drought conditions which prevailed in a large part of the Prairie Provinces since early June, wheat production is expected to be the lowest since 1937 when a crop of only 180.2 million bushels was harvested. The average yield per acre is also among the lowest on record, with only 1937, 1936 and 1919 being lower. A larger proportion of oats is grown in Eastern Canada than wheat and production of oats, while 23 per cent smaller than the recent ten-year average is considerably larger than the 1954 crop of 306 million bushels which was a low for recent years. The barley crop, grown mainly in the Prairie Provinces is the smallest since 1941 when 110 million bushels were produced and the average yield is the lowest since the 1936 crop which averaged 16.2 bushels per acre compared with a forecasted 19.0 bushels for the 1961 crop.

Realization of the 1961 yield and production forecasts in the accompanying table is dependent on the existence of normal weather conditions throughout the remainder of the growing and harvesting season. By mid-August the harvest was well underway in much of Manitoba, Saskatchewan and southern Alberta and with favourable weather has progressed rapidly since that date, making it one of the earliest harvests on record. Warm, humid unsettled weather over much of Ontario and parts of Quebec has made harvesting of small grains difficult, with lodged grain a problem in some fields. Dry weather during August has been experienced over much of the Maritimes while about average conditions have prevailed in British Columbia.

August Forecast of the 1961 Production of Principal Grain Crops
Canada and Prairie Provinces, Compared with 1960

Province and Crop	Area		Yield per Acre		Production	
	1960	1961	1960 1/	1961 2/	1960 1/	1961 2/
	- acres -		- bushels -		- bushels -	
<u>CANADA</u>						
Winter wheat	525,000	550,000	33.5	35.2	17,570,000	19,360,000
Spring wheat 3/..	22,673,200	23,242,300	20.8	10.0	472,054,000	233,135,000
All wheat	23,198,200	23,792,300	21.1	10.6	489,624,000	252,495,000
Oats for grain ..	11,146,700	11,583,400	40.9	28.3	456,134,000	328,133,000
Barley	7,359,700	6,089,900	28.1	19.0	207,036,000	115,995,000
Fall rye	442,100	425,600	19.4	13.3	8,575,000	5,656,000
Spring rye	101,000	94,200	15.3	6.8	1,550,000	643,000
All rye	543,100	519,800	18.6	12.1	10,125,000	6,299,000
Flaxseed	2,577,200 1/	2,362,900	8.9	6.2	23,020,000	14,615,000
Mixed grains	1,380,600	1,562,900	43.2	38.0	59,711,000	59,367,000
<u>PRAIRIE PROVINCES</u>						
Wheat	22,590,000	23,162,000	20.8	10.0	470,000,000	231,000,000
Oats	7,913,000	8,289,000	38.4	21.1	304,000,000	175,000,000
Barley	7,196,000	5,936,000	27.9	18.5	201,000,000	110,000,000
Rye	450,000	429,400	17.7	9.3	7,950,000	3,993,000
Flaxseed	2,557,000 1/	2,340,000	8.9	6.1	22,730,000	14,300,000

1/ Revised.

2/ As indicated on basis of conditions on or about August 15.

3/ Includes Durum wheat.

Canada's 1961 wheat crop, forecast at 252.5 million bushels will be 48 per cent smaller than last year's crop of 489.6 million, and 49 per cent below the ten-year (1951-60) average of 497.4 million. Average yields decreased from 21.1 bushels in 1960 to 10.6 bushels per acre this year, as compared with the 1951-60 average of 20.9 bushels per acre.

The 1961 crop of spring wheat, forecast at 233.1 million bushels is being harvested from a seeded area of 23.2 million acres, yielding an indicated 10.0 bushels per acre. The 1960 spring wheat crop of 472.1 million bushels was produced on 22.7 million acres yielding an average of 20.8 bushels per acre. The 1961 yield for Ontario's winter wheat crop is placed at 35.2 bushels per acre as compared with 33.5 bushels in 1960 and a record 41.2 bushels in 1958. A 5 per cent increase in acreage coupled with a 5 per cent increase in yields raised the production to 19.4 million bushels in 1961 compared with 17.6 million in 1960.

In the Prairie Provinces, the 1961 wheat crop is forecast at 231.0 million bushels, some 51 per cent below last year's crop of 470.0 million, and also 51 per cent below the ten-year average of 474.4 million. The forecasted average yield per seeded acre in the Prairie Provinces, on the basis of conditions at August 15, is 10.0 bushels per acre with Manitoba averaging 10.8, Saskatchewan, 8.0 and Alberta, 15.1 bushels per acre. Production in each of these provinces in millions of bushels, with last year's estimate in brackets, is as follows: Manitoba, 30.0 (62.0); Saskatchewan, 121.0 (308.0); and Alberta, 80.0 (100.0). Relatively small amounts of winter wheat are included in these forecasts for the Prairie Provinces.

August Forecast of the 1961 Production of Wheat, Canada and Provinces
Compared with 1960

Province	Area		Yield per Acre		Production	
	1960	1961	1960 1/	1961 2/	1960 1/	1961 2/
	- acres -		- bushels -		- bushels -	
All wheat -						
Canada	23,198,200	23,792,300	21.1	10.6	489,624,000	252,495,000
Ontario	542,000	564,000	33.2	34.9	17,968,000	19,675,000
Spring wheat -						
Canada 3/	22,673,200	23,242,300	20.8	10.0	472,054,000	233,135,000
Prince Ed. Is..	3,000	2,700	28.0	23.0	84,000	62,000
Nova Scotia ...	500	500	26.0	26.0	13,000	13,000
New Brunswick..	2,100	1,800	26.2	28.3	55,000	51,000
Quebec	10,100	8,400	25.1	23.1	254,000	194,000
Ontario	17,000	14,000	23.4	22.5	398,000	315,000
Manitoba 3/ ...	2,659,000	2,765,000	23.3	10.8	62,000,000	30,000,000
Saskatchewan 3/	14,871,000	15,093,000	20.7	8.0	308,000,000	121,000,000
Alberta 3/	5,060,000	5,304,000	19.8	15.1	100,000,000	80,000,000
Br. Columbia ..	50,500	52,900	24.8	28.4	1,250,000	1,500,000
Winter wheat -						
Canada 4/	525,000	550,000	33.5	35.2	17,570,000	19,360,000

1/ Revised. 2/ As indicated on basis of conditions on or about August 15. 3/ Includes Durum wheat. 4/ Winter wheat estimates apply to Ontario only. The western wheat crop contains a relatively small proportion of winter wheat but, due to difficulties encountered in obtaining acreage data required for a separate winter wheat estimate in the Prairie Provinces, all western wheat is currently included under spring wheat.

The indicated production of durum wheat, which is included in the forecast of spring wheat is 13.8 million bushels compared with last year's estimate of 16.3 million. Forecasts of 1961 production in each of the Prairie Provinces in millions of bushels, with last year's estimates in brackets are: Manitoba, 1.0 (1.1); Saskatchewan, 11.0 (14.5); and Alberta, 1.8 (0.7). Although acreage seeded to this crop was 103 per cent larger than in 1960, this increase was more than offset by a decline in yield between these two years of 58 per cent. Yields per acre in 1961, with 1960 figures in brackets are: Manitoba, 10.0 (20.0); Saskatchewan, 7.4 (18.7); Alberta, 9.1 (13.2); and the Prairie Provinces, 7.7 (18.5).

Lake Shipments Total shipments of the five major grains out of Lakehead terminals from the opening of navigation to August 1 this year amounted to 187.1 million bushels, compared with 158.7 million during the comparable period of 1960. In 1961 the season of navigation opened on April 9 while the 1960 season opened on April 10. Shipments of wheat at 140.7 million bushels, were 26 per cent above the 1960 comparable figure of 112.0 million and accounted for 81 per cent of the current total. Lake shipments of oats were also higher than last year's comparable level, while barley, rye and flaxseed were lower.

Lake Shipments of Canadian Grain from the Opening of Navigation to August 23, 1961 and to Approximately the Same Date, 1951 to 1960*

Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
- thousand bushels -						
1951	91,634	33,278	23,440	4,664	845	153,861
1952	138,195	56,133	50,368	4,534	2,867	252,097
1953	147,933	47,410	63,353	6,700	2,777	268,174
1954	67,867	31,827	37,802	4,255	2,125	143,875
1955	91,740	19,201	34,515	7,426	3,271	156,153
1956	139,049	23,426	49,097	9,828	3,535	224,936
1957	96,319	23,391	25,967	3,723	6,609	156,008
1958	113,799	24,615	43,655	4,576	3,115	189,759
1959	108,640	15,455	26,091	3,424	3,519	157,130
1960	112,001	12,109	27,404	2,951	4,228	158,693
1961	140,656	15,486	25,487	1,462	4,043	187,134

* Shipments from the opening of navigation to the following August dates: 23, 1951; 21, 1952; 20, 1953; 26, 1954; 24, 1955; 22, 1956; 21, 1957; 20, 1958; 26, 1959; 24, 1960.

China Wheat Sale Official confirmation of a further sale of wheat to China was made on August 30, by Agriculture Minister Alvin Hamilton when speaking at a public meeting at Kenosee, Saskatchewan. The Canadian Wheat Board, he said, has concluded the sale under the long-term agreement negotiated last April. This further sale is the second sale under the long-term agreement, which provides for the supply of 186.7 million bushels of wheat and 46.7 million bushels of barley over a 2 1/2-year period.

This latest sale involves approximately six million bushels for clearance from St. Lawrence ports during August and September.

As in the previous contract, payment will be made in convertible sterling with 25 per cent in cash at time of shipment and the remaining 75 per cent under nine months' credit terms. The sale was concluded at prevailing prices.

The Minister said that this further sale to China for clearance from eastern ports will be particularly helpful now. It will facilitate continued movement

of grain from the Lakehead, and thus create additional elevator space to receive country shipments of durum wheat for export, and for the feed grains required by the eastern domestic market.

In effect, said Mr. Hamilton, this sale will enable us to keep the pipeline open so that grains in demand may move freely from the prairie area into domestic and export consumption.

Initial Price of Durum Wheat Increased On August 24, the Canadian Wheat Board issued the following press release: "The Canadian Wheat Board stated that initial payments for all grades of wheat, oats and barley effective for the crop year 1961-62 will be issued to elevator companies today. Initial payments for all grades of wheat, oats and barley remain at the same level as during the past crop year except for all grades of Canada Western Amber Durum\$. To assist in meeting the abnormal position which now prevails in respect to supplies of Amber Durum, initial payments for these grades are being increased by 35¢ per bushel for the present crop year. The higher initial payments for 1961-62 for all grades of Amber Durum Wheat are intended to encourage producers to deliver these grades at the earliest possible date. Durum grades of wheat are now in short supply and the Board is most anxious that available supplies of Durums be delivered promptly by producers in order that they can be moved forward to our customers this fall. Durum grades of wheat are currently on an open quota basis. Initial payments for 1961-62 for the principal Amber Durum grades are as follows: (Basis in store Fort William-Port Arthur)

No. 1 C.W. Amber Durum	-	\$1.75 per bushel
No. 2 C.W. Amber Durum	-	1.71 per bushel
No. 3 C.W. Amber Durum	-	1.67 per bushel
Extra No. 4 C.W. Amber Durum	-	1.64 per bushel
No. 4 C.W. Amber Durum	-	1.60 per bushel
No. 5 C.W. Amber Durum	-	1.43 per bushel
No. 6 C.W. Amber Durum	-	1.37 per bushel"

Deliveries to Feed Mills The Canadian Wheat Board in its Instructions to the Trade, No. 17 under date of August 30 announced in part that the Board hereby announces provisions whereby 1961-62 delivery permit holders will be authorized to deliver, outside delivery quota regulations, supplies of wheat, oats and barley to designated feed mills. The extension to July 31st, 1962, of the feed mill policy announced by the Board on November 30th, 1960, in Instructions to the Trade No. 41, has been recommended by the Board and approved by The Honourable Alvin Hamilton, Minister of Agriculture.

The designated feed mills will be those mills which complete an Agreement with the Board, effective until July 31st, 1962, and which will be named in an Order of the Board to be issued at an early date.

Supplementary Quota - Soft White Spring Wheat The Canadian Wheat Board in its Instructions to the Trade re Quotas (General) No. 7 under date of September 1, stated in part that in order to obtain sufficient quantities of Soft White Spring Wheat to meet mill requirements, a supplementary delivery quota of ten (10) bushels per seeded acre of Soft White Spring Wheat is hereby authorized to become effective Tuesday, September 5th, 1961, to producers who contracted with mills for the production of this variety. As delivery permit declarations do not indicate the acreage seeded to this variety of wheat, special permits will be issued to such producers on the basis of information supplied by the mills concerned and deliveries on this supplementary quota may only be made on the basis of such permit which is to be attached to the producer's delivery permit book.

Wheat Production in
Canada and the Prairie
Provinces 1910-61

The first forecast of the 1961 wheat crop in Canada, based on conditions at August 15, placed the probable outturn at 252.5 million bushels, of which the Prairie Provinces accounted for 231.0 million.

If a crop of this size is realized, it would be 48 per cent smaller than last year's crop of 489.6 million and 49 per cent below the ten-year (1951-60) average of 497.4 million.

Wheat Production in Canada and the Prairie Provinces, 1910-61

Year	Canada	Manitoba	Saskatchewan	Alberta	Three Prairie Provinces
- thousand bushels -					
1910	132,078	34,127	66,979	9,060	110,167
1911	231,237	62,820	109,323	36,554	208,697
1912	224,159	63,017	106,960	34,303	204,280
1913	231,717	53,331	121,559	34,372	209,262
1914	161,280	38,605	73,494	28,859	140,958
1915	393,543	69,337	224,312	66,538	360,187
1916	262,781	29,667	147,559	65,088	242,314
1917	233,743	41,040	117,921	52,992	211,953
1918	189,075	48,191	92,493	23,752	164,436
1919	193,260	40,975	89,994	34,575	165,544
1920	263,189	37,542	113,135	83,461	234,138
1921	300,858	39,054	188,000	53,044	280,098
1922	399,786	60,051	250,167	64,976	375,194
1923	474,199	35,804	271,622	144,834	452,260
1924	262,097	41,464	132,918	61,312	235,694
1925	395,475	33,624	235,472	97,962	367,058
1926	407,136	47,133	219,646	113,986	380,765
1927	479,665	30,773	252,500	171,286	454,559
1928	566,726	52,383	321,215	171,000	544,598
1929	302,192	28,565	160,565	90,206	279,336
1930	420,672	43,600	206,700	147,000	397,300
1931	321,325	28,112	132,466	140,603	301,181
1932	443,061	44,041	211,551	167,355	422,947
1933	281,892	32,666	128,004	102,334	263,004
1934	275,849	37,100	114,200	112,500	263,800
1935	281,935	23,250	142,198	98,648	264,096
1936	219,218	26,000	110,000	66,000	202,000
1937	180,210	45,100	36,000	75,700	156,800
1938	360,010	50,000	137,800	148,200	336,000
1939	520,623	61,300	271,300	161,400	494,000
1940	540,190	66,400	266,700	180,700	513,800
1941	314,710	51,000	147,000	98,000	296,000
1942	556,067	53,000	305,000	171,000	529,000
1943	282,377	39,000	146,000	82,800	267,800
1944	414,859	50,300	242,100	99,300	391,700
1945	316,320	38,800	168,100	87,700	294,600
1946	411,601	58,000	208,000	127,000	393,000
1947	338,506	42,000	173,000	105,000	320,000
1948	381,413	50,000	191,000	115,000	356,000
1949	366,028	52,000	186,000	103,000	341,000
1950	466,490	50,000	272,000	117,000	439,000
1951	553,678	53,000	325,000	152,000	530,000
1952	701,973	57,000	449,000	172,000	678,000
1953	634,040	48,000	391,000	165,000	604,000
1954	331,981	29,000	169,000	107,000	305,000
1955	519,178	42,000	320,000	135,000	497,000
1956	573,040	56,000	355,000	140,000	551,000
1957	385,508	49,000	222,000	93,000	364,000
1958	371,730	58,000	192,000	96,000	346,000
1959	413,520	60,000	232,000	107,000	399,000
1960 ^{1/}	489,624	62,000	308,000	100,000	470,000
1961 ^{2/}	252,495	30,000	121,000	80,000	231,000

^{1/} Revised.

^{2/} Based on conditions on or about August 15, 1961.

Carryover Stocks
of Canadian Grain
at July 31, 1961

Total carryover stocks of the five major Canadian grains in all North American positions at July 31, 1961 were estimated at 738.7 million bushels, 3 per cent below last year's 763.5 million and 2 per cent less than the ten-year (1951-60) average of 752.6 million bushels. Total stocks of wheat were estimated at 523.2 million bushels compared with last year's revised estimate of 537.6 million and the previous record high at July 31, 1957 of 733.5 million bushels. Stocks of oats in all positions were estimated at 94.4 million bushels, 2 per cent more than last year's 92.8 million but 26 per cent lower than the ten-year average of 127.0 million. Barley stocks, at 106.4 million bushels, were 12 per cent lower than the 121.5 million held in 1960 and 4 per cent less than the ten-year average of 110.4 million bushels. Carryover stocks of rye in all positions, estimated at 7.3 million bushels, were 8 per cent greater than last year's 7.8 million but substantially lower than the (1951-60) average of 12.6 million. July-end carryover stocks of flaxseed, at 7.5 million bushels were above both the 1960 total of 4.9 million and the ten-year average of 4.2 million bushels.

Position of Canadian Grain Stocks, July 31, 1961

Position	Wheat	Oats	Barley	Rye	Flaxseed
- thousand bushels -					
In Canada					
On farms	89,450	73,700	55,100	2,600	1,410
Country elevators	241,198	10,549	28,228	1,773	1,154
Interior private and mill elevators	7,002	877	2,148	99	71
Interior terminal elevators	11,199	49	502	-	1/
Pacific Coast terminals	10,882	32	1,513	138	988
Churchill elevator	4,153	72	-	-	-
Fort William-Port Arthur elevators	56,281	3,276	9,920	2,103	2,701
In transit - lake	6,923	816	1,636	-	252
In transit - rail	22,664	1,354	2,589	328	600
Eastern elevators	71,418	3,348	4,733	216	301
Eastern mills (mill bins only)	1,880	344	2	-	-
Western mills (mill bins only)	103	5	1/	3	-
Totals in Canada 2/	523,153	94,422	106,371	7,260	7,477
In United States	-	-	-	-	-
Total Canadian Grain in Canada and United States, July 31, 1961 2/	523,153	94,422	106,371	7,260	7,477
<u>Comparative Stocks, July 31, 1960 3/</u>					
In Canada	537,588	92,827	121,470	6,582	4,874
In United States	-	-	-	172	-
Totals in Canada and United States	537,588	92,827	121,470	6,753	4,874
Average stocks, July 31, 1951-60	498,415	126,972	110,358	12,639	4,212

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

Farm-held stocks of wheat, oats, barley, rye and flaxseed at July 31, 1961 amounted to 222.3 million bushels, slightly above the July-end 1960 total of 221.3 million but 25 per cent below the ten-year (1951-60) average of 294.4 million bushels. Since the bulk of farm stocks of grain is held in Western Canada, stocks in the Prairie Provinces have been segregated from the above table for ease in comparison with last year's totals.

Estimated Farm Stocks in the Prairie Provinces, July 31, 1961 and 1960

Province	Wheat	Oats	Barley	Rye	Flaxseed
- thousand bushels -					
Manitoba	8,000	9,000	7,000	300	200
Saskatchewan	66,000	26,000	28,000	1,500	800
Alberta	13,000	20,000	18,000	600	400
Totals, July 31, 1961 1/	87,000	55,000	53,000	2,400	1,400
Totals, July 31, 1960	80,000	48,000	61,000	3,600	800

1/ Subject to revision.

Canadian Wheat Preliminary estimates place total stocks of Canadian wheat in all North American positions at July 31, 1961 at 523.2 million bushels compared with last year's revised estimate of 537.6 million and the previous record high at July 31, 1957 of 733.5 million bushels. An estimated 89.4 million bushels of this year's total were held on farms, while 241.2 million of the off-farm stocks were in country elevators. The next largest amounts, 71.4 million and 56.3 million bushels, were in store in Eastern elevators and in the Fort William-Port Arthur terminals, respectively.

It should be pointed out that the figures in the table below are not strictly comparable because of certain omissions in the earlier years. For example, figures for the years 1930 and 1931 do not include wheat in transit to United States ports. Beginning with 1932, this item is included in stocks of Canadian wheat in United States positions. It should also be noted that for 1930 and 1931 the stocks of Canadian wheat in the United States lake and seaboard ports are reported for the week-end nearest to the close of the crop year. Stocks of Canadian wheat held in bond by United States flour mills were omitted each year until 1940-41 when they were included for the first time. The carryover totals now include all Canadian wheat in North American positions whether on farms, in store or in transit.

Carryover of Canadian Wheat in Canada and the United States, July 31, 1930-61

Year	Carryover of Wheat in Canada	Stocks of Canadian Wheat in U.S. Positions	Total Carryover of Canadian Wheat in Canada and U.S.
- thousand bushels -			
1930	110,517	16,065	126,582
1931	133,060	5,538	138,598
1932	130,053	5,888	135,941
1933	209,969	7,688	217,657
1934	192,948	9,954	202,902
1935	202,148	11,705	213,852
1936	108,094	19,268	127,363
1937	32,938	4,111	37,049
1938	23,553	983	24,536
1939	94,632	8,279	102,911
10-Year average 1930-39	123,791	8,948	132,739
1940	272,928	27,546	300,473
1941	448,338	31,792	480,129
1942	404,897	18,856	423,752
1943	579,371	15,255	594,626
1944	338,138	18,394	356,531
1945	238,480	19,593	258,073
1946	73,466	134	73,600
1947	86,055	87	86,141
1948	77,676	35	77,710
1949	102,343	68	102,411
10-Year average 1940-49	262,169	13,176	275,345
1950	112,200	-	112,200
1951	187,190	2,013	189,203
1952	214,934	2,244	217,178
1953	382,546	640	383,185
1954	618,568	107	618,675
1955	536,302	446	536,748
1956	578,803	771	579,574
1957	733,335	211	733,546
1958	639,454	-	639,454
1959	548,842	159	549,001
10-Year average 1950-59	455,217	659	455,876
1960 <u>1/</u>	537,588	-	537,588
1961 <u>2/</u>	523,153	-	523,153

1/ Revised.

2/ Preliminary.

Farmers' Marketings ^{1/} of Wheat in the Prairie Provinces 1960-61

Week Ending		Manitoba	Saskatchewan	Alberta	Total	Last Year ^{2/}
		- bushels -				
August	10, 1960	56,492	649,061	65,314	770,867	507,483
	17	97,814	2,300,238	673,986	3,072,038	847,225
	24	774,837	4,415,360	867,207	6,057,404	2,245,462
	31	326,880	5,465,131	842,507	6,634,518	3,198,107
September	7	1,198,590	6,461,760	1,129,071	8,789,421	3,157,005
	14	857,395	6,813,286	1,362,871	9,033,552	3,703,190
	21	461,086	4,005,772	1,905,068	6,371,926	4,964,856
	28	166,115	1,800,728	1,449,760	3,416,603	3,229,119
October	5	228,241	2,901,058	1,500,157	4,629,456	6,506,983
	12	240,614	2,399,876	1,405,128	4,045,618	5,284,249
	19	273,511	3,202,723	1,310,985	4,787,219	3,350,506
	26	413,034	3,507,393	1,499,035	5,419,462	5,218,997
November	2	675,013	3,908,460	1,779,941	6,363,414	6,230,129
	9	549,105	4,299,326	2,080,662	6,929,093	7,414,222
	16	537,546	3,801,379	1,446,072	5,784,997	8,989,784
	23	706,278	4,569,217	2,065,549	7,341,044	10,723,488
December	30	1,106,931	5,478,361	1,452,117	8,037,409	10,310,420
	7	926,079	4,641,177	1,232,216	6,799,472	12,276,917
	14	898,376	4,826,469	1,680,237	7,405,082	9,082,369
	21	1,734,069	5,863,412	2,243,171	9,840,652	9,123,205
January	28	1,358,474	3,134,371	1,995,771	6,488,616	7,198,192
	4, 1961	696,399	3,238,146	1,892,041	5,826,586	4,525,310
	11	932,263	5,620,556	3,314,388	9,867,207	5,717,270
	18	906,358	5,599,842	2,921,011	9,427,211	5,713,860
February	25	519,819	3,991,792	2,700,837	7,212,448	4,008,016
	1	225,443	1,865,771	1,387,338	3,478,552	3,726,552
	8	332,897	2,029,160	1,716,361	4,078,418	6,099,947
	15	361,465	2,774,864	1,852,249	4,988,578	3,884,470
March	22	133,333	928,191	1,199,259	2,260,783	3,637,611
	1	144,233	1,781,409	1,638,204	3,563,846	2,382,776
	8	176,063	2,401,965	2,256,648	4,834,676	1,611,527
	15	246,382	1,742,228	2,108,238	4,096,848	3,032,909
April	22	277,114	2,075,186	2,054,223	4,406,523	5,681,451
	29	294,029	2,515,707	1,572,605	4,382,341	6,180,573
	5	355,846	3,192,674	859,654	4,408,174	6,009,712
	12	574,427	3,167,418	1,435,437	5,177,282	5,851,976
May	19	866,707	5,560,323	1,764,329	8,191,359	6,167,590
	26	1,432,954	5,572,868	2,253,908	9,259,730	9,611,147
	3	1,982,792	5,755,691	2,420,332	10,158,815	9,717,362
	10	1,814,802	6,211,240	1,765,058	9,791,100	14,769,613
June	17	1,872,785	5,722,074	1,157,303	8,752,162	8,022,754
	24	1,328,368	3,704,259	864,586	5,897,213	5,663,646
	31	1,023,363	7,026,776	1,162,556	9,212,695	8,845,852
	7	2,208,460	11,503,023	1,998,626	15,710,109	11,158,787
July	14	3,212,060 ^{2/}	9,126,618	2,174,965	14,513,643 ^{2/}	13,835,668
	21	2,741,970	10,941,389	2,127,145	15,810,504	15,941,108
	28	2,054,101	10,378,602	1,784,827	14,217,530	11,950,445
	5	1,440,710	7,306,274	1,154,132	9,901,116	11,897,223
August	12	972,895	7,746,965	1,499,990	10,219,850	12,214,284
	19	1,049,570	7,461,576	1,786,293	10,297,439	12,829,071
	26	1,402,588	10,915,478	2,157,352	14,475,418	
	31	2,058,066	17,603,304	4,574,167	24,235,537 ^{3/}	34,263,537
Totals		47,224,742	259,905,927	89,540,887	396,671,556 ^{3/}	378,513,955
Average similar period:						
1949-50-1958-59		40,139,361	240,647,780	104,897,937	385,685,077	

^{1/} Includes receipts at country, interior private and mill elevators, interior semi-public terminals and platform loadings. ^{2/} Revised. ^{3/} Revised but subject to further revision.

Visible Supply of Canadian Wheat, August 23, 1961
Compared with Approximately the Same Date, 1959 and 1960

Position	1959	1960	1961
- thousand bushels -			
Country elevators - Manitoba	20,750	28,750	28,280
Saskatchewan	129,838	139,334	140,908
Alberta	78,513	77,993	65,929
Totals	229,100	246,078	235,117
Interior private and mill	6,526	7,131	6,616
Interior terminals	13,339	12,564	11,359
Vancouver-New Westminster	9,408	11,705	9,608
Victoria	249	479	313
Churchill	2,573	2,427	3,606
Fort William-Port Arthur	53,546	57,718	58,493
In transit rail (Western Division)	16,244	16,300	15,173
Bay, Lake and Upper St. Lawrence ports	41,620	44,932	41,317
Lower St. Lawrence and Maritime ports	22,915	34,539	30,310
In transit lake	3,900	5,656	4,183
In transit rail (Eastern Division)	1,221	413	-
United States ports	159	-	-
Totals	400,800	439,943	416,096

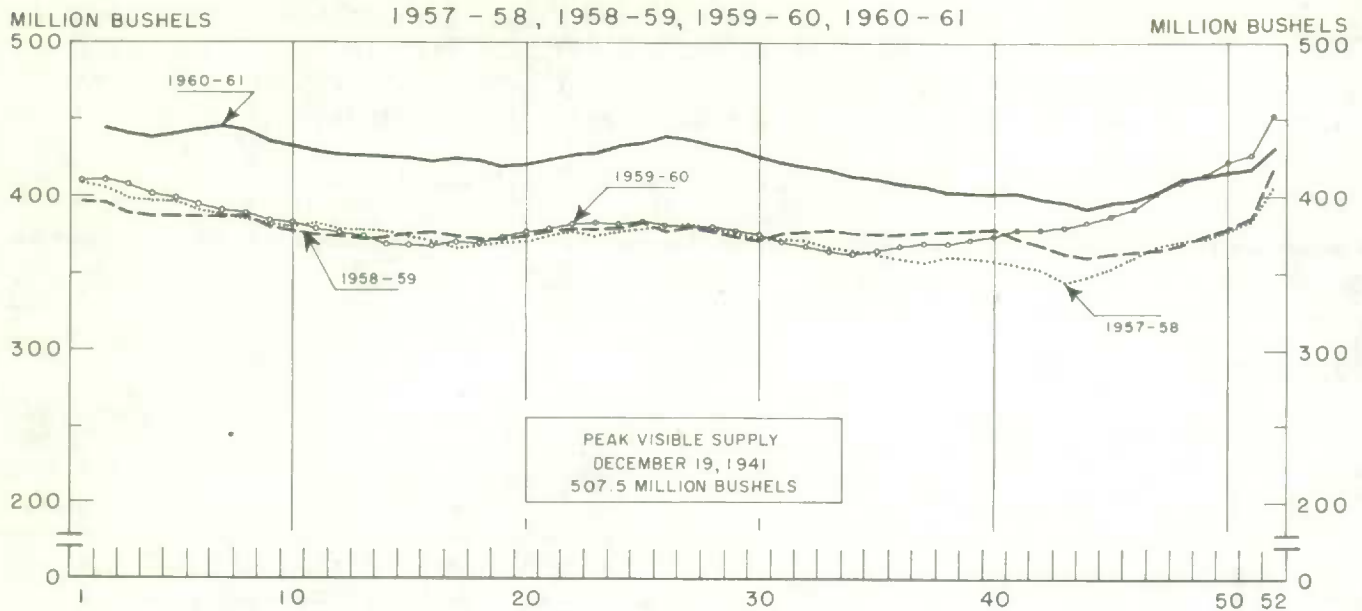
Grading of Wheat Inspected, August-July 1960-61 with Comparisons

Grade	Crop Year				
	Average	1959-60		1960-61	
	1954-55 1958-59				
	per cent	cars	per cent	cars	per cent
No. 1 Man. Northern	2.2	2,491	1.3	4,444	2.1
No. 2 Man. Northern	30.2	51,010	25.8	88,291	41.1
No. 3 Man. Northern	27.1	57,888	29.3	54,719	25.5
No. 4 Man. Northern	13.5	21,414	10.8	18,184	8.5
No. 5 Wheat	9.4	7,378	3.7	11,210	5.2
No. 6 Wheat	2.7	517	0.3	1,687	0.8
Feed Wheat	0.4	9	1/	13	1/
Others Red Spring	9.2	41,933	21.2	15,727	7.3
C.W. Garnet	0.4	125	0.1	35	1/
C.W. White Spring	0.1	171	0.1	285	0.1
C.W. Mixed Wheat	0.1	79	1/	94	1/
Alberta Winter	0.4	652	0.3	383	0.2
Nos. 1-6 C.W. Amber Durum ..	4.3	13,339	6.8	19,268	9.0
Others C.W. Amber Durum ...	0.1	574	0.3	375	0.2
Totals	100.0	197,580	100.0	214,715	100.0
Gross bushels (approx)		374,355,000 2/		409,526,000	

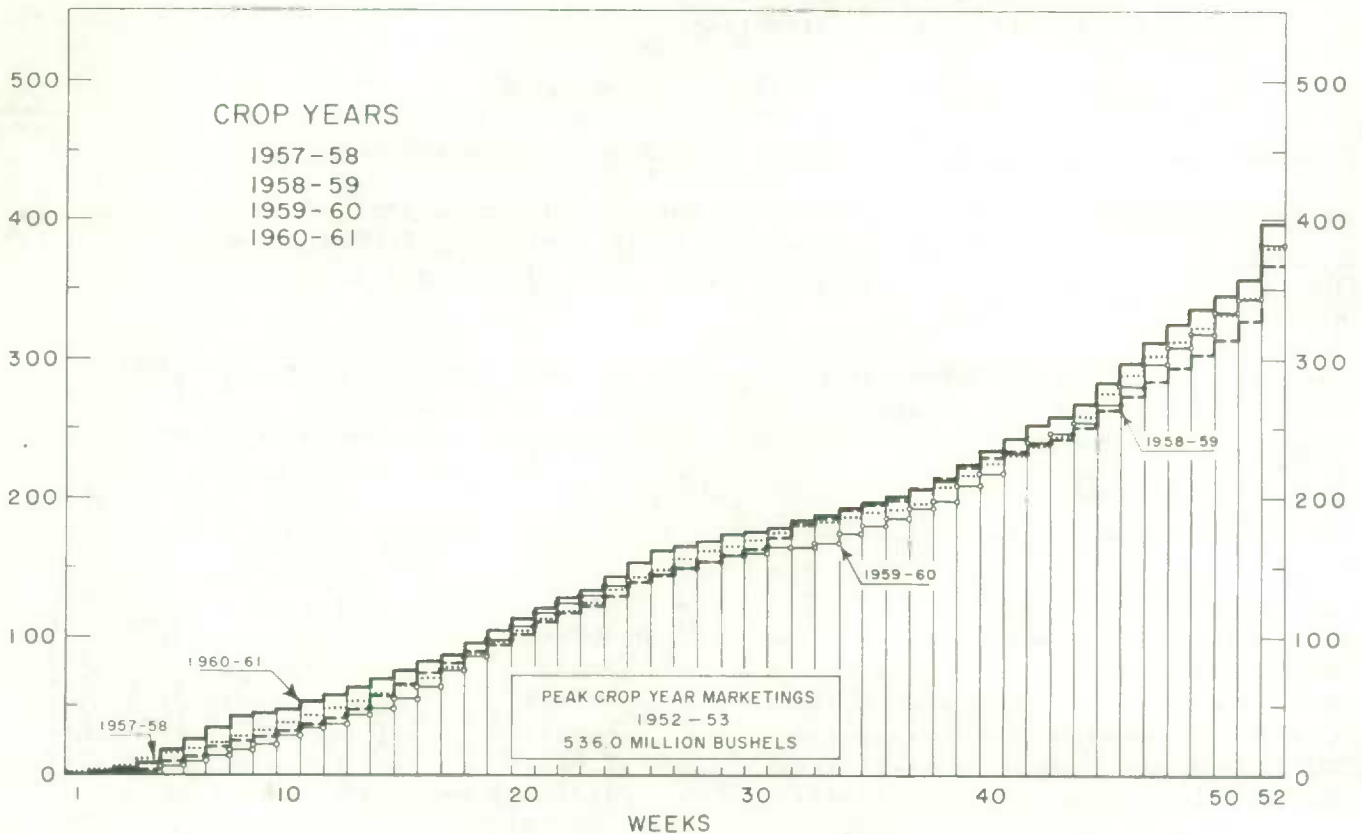
1/ Less than .05 per cent.

2/ Revised.

WEEKLY VISIBLE SUPPLY OF CANADIAN WHEAT



CUMULATIVE RECORD OF WHEAT MARKETINGS IN THE PRAIRIE PROVINCES BY WEEKS



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

Wheat Shipments to
the United States
by Destination

Total rail and vessel shipments of wheat to the United States, either for re-export or retention for domestic use, during the crop year 1960-61 amounted to 3.3 million bushels compared with the 1959-60 and 1958-59 crop year totals of 2.8 million and 4.0 million bushels, respectively. Some 94 per cent of the 1960-61 total was shipped by vessel with Buffalo being the principal port of unload.

Wheat Shipments* to the United States by Destination
Crop Year 1960-61 with Comparisons

Destination	1958-59	1959-60	1960-61
	- bushels -		
<u>By Vessel</u>			
Buffalo	2,386,679	2,000,030	2,099,607
Chicago	346,311	48,956	325,890
Duluth-Superior	959,322	574,018	619,658
Milwaukee	-	-	81,537
Totals, Vessel	3,692,312	2,623,004	3,126,692
<u>By Rail</u>			
U.S.A. Domestic Points	342,490	212,875	207,400
Totals, Rail	342,490	212,875	207,400
Totals, Shipments	4,034,802	2,835,879	3,334,092

* Either for re-export or retention for domestic use. Excluding bagged seed.

Rail Shipments
of Wheat to
Maritime Ports

Rail shipments of wheat to Maritime Ports from Bay, Lake and Upper St. Lawrence Ports during the 1960-61 crop year totalled 31.6 million bushels compared with the 1959-60 figure of 26.0 million.

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

Origin of Shipments	August 1, 1959 to July 31, 1960	August 1, 1960 to July 31, 1961
	- bushels -	
Port McNicoll	8,614,714	8,776,269
Midland, Tiffin	9,764,274	10,790,964
Collingwood	1,070,871	1,222,967
Owen Sound	2,760,090	3,610,462
Goderich	1,206,948	1,943,017
Sarnia	1,756,818	3,447,572
Walkerville	113,536	-
Lakefield	666,892	1,210,263
Peterborough	-	583,695
Trent	18,000	-
Prescott	6,000	-
Totals	25,978,143	31,585,209

Rail Shipments of Wheat from Fort William-Port Arthur, 1957-58-1960-61

Month	1957-58	1958-59	1959-60	1960-61
- bushels -				
August	33,297	33,123	34,383	14,717
September	42,125	15,692	31,690	19,227
October	34,937	68,834	30,904	5,417
November	67,894	205,061	8,383	24,000
December	232,252	214,398	25,355	17,500
January	525,238	684,845	103,087	71,335
February	178,204	173,387	23,878	135,339
March	191,312	280,705	18,826	28,073
April	215,546	243,292	64,156	9,833
May	33,839	44,783	19,513	15,805
June	35,368	10,128	25,234	17,563
July	37,984	33,696	26,803	10,940
Totals	1,627,996	2,007,944	412,212	369,749

Distribution of Rail Shipments of Wheat from Fort William-Port Arthur, July 1961

Grade	Quebec	Ontario
- bushels -		
4 Northern	-	1,333
5 Wheat	3,000	-
Durum	2,000	-
Others	3,607	1,000
Totals	8,607	2,333

Overseas Exports of Canadian Grain by Ports of Loading, August 1 1960-July 31, 1961
with Comparisons

Ports	Wheat <u>1/</u>	Oats <u>1/</u>	Barley	Rye	Flaxseed	Rapeseed <u>2/</u>
- bushels -						
<u>Pacific Seaboard</u>						
Vancouver-New Westminster.	118,145,415	147,246	16,592,391	995,994	7,072,839	6,436,486
Victoria	5,466,847	56,000	-	-	248,325	1,296,475
Prince Rupert	-	-	10,398,173	-	-	-
<u>Churchill</u>	20,094,890	108,376	-	-	-	-
<u>Lakehead Direct</u>	11,012,029	86,634	2,323,483	-	2,818,558	-
<u>Lower Lake</u>						
Kingston	149,571	-	-	-	-	-
Toronto	-	-	-	-	32,377	-
<u>St. Lawrence</u>						
Montreal	62,576,142	702,588	88,601	20,600	2,981,178	212,959
Sorel	18,193,582	-	-	-	-	-
Three Rivers	14,057,139	-	-	-	-	-
Quebec.....	6,653,710	-	-	-	-	-
Baie Comeau	17,963,237	-	-	-	-	-
<u>Maritimes</u>						
Saint John	2,552,852	-	-	-	-	-
West Saint John	16,499,434	-	71,512	-	332,911	-
Halifax	14,493,630	-	-	-	19,997	-
Totals	307,858,478	1,100,844	29,474,160	1,016,594	13,506,185	7,945,920
August 1, 1959-July 31, 1960	232,629,267	4,520,484	44,166,719	451,913	12,494,273 ^{3/}	2,890,218

^{1/} Excluding bagged seed.

^{2/} In bushels of 50 pounds.

^{3/} Revised.

Freight Assistance Shipments Claims filed for payment up to July 31, 1961 represent the movement of some 16.8 million bushels of wheat from the Prairie Provinces to Eastern Canada and British Columbia under the freight assistance policy during the August-June period of the 1960-61 crop year. During the corresponding period in 1959-60 claims had been filed for a total of 18.2 million bushels, indicating on the assumption of approximately the same rate of submission of claims during both crop years that the 1960-61 August-June shipments of wheat under the policy were running about 8 per cent below those of 1959-60. Revised data on the 1959-60 August-June shipments of wheat based on claims submitted up to July 31, 1961 place the eleven-month total at 18.7 million bushels. About 74 per cent of the shipments during the period under review went to destinations in Ontario and Quebec.

Provincial Distribution of Wheat Shipments under the Freight Assistance Policy
August-June 1960-61 and 1959-60

Month	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	B.C.	Total
- thousand bushels -								
August, 1960	13	21	84	52	547	771	171	1,659
September	13	19	155	57	553	710	296	1,803
October	24	10	147	60	647	661	191	1,740
November	11	16	172	58	600	669	277	1,803
December	20	11	114	43	472	707	123	1,490
January, 1961	10	13	113	45	350	558	293	1,380
February	12	16	131	41	480	489	190	1,359
March	6	15	123	30	448	517	281	1,420
April	14	52	128	50	445	535	185	1,410
May	5	12	121	44	568	669	149	1,568
June	4	7	89	19	404	580	44	1,147
Totals 1/	131	193	1,377	500	5,513	6,867	2,199	16,781
Same period 1959-60:								
Preliminary 2/ ..	137	192	1,445	635	6,148	7,353	2,329	18,240
Revised 1/	144	196	1,457	644	6,234	7,465	2,594	18,734

Preliminary data on millfeed shipments under the freight assistance policy indicate the movement of 522,369 tons during the first eleven months of the 1960-61 crop year, only 1 per cent below the comparable 1959-60 figure of 527,614 tons. As with freight-assisted shipments of wheat, the 1960-61 crop year total is based on claims submitted up to July 31, 1961 and may be subject to considerable upward revision with the filing of additional claims. Shipments amounting to 251,651 tons and 155,169 tons to destinations in Quebec and Ontario, respectively, accounted for a combined 78 per cent of the August-June total.

Provincial Distribution of Millfeed Shipments under the Freight Assistance Policy
August-June 1960-61 and 1959-60

Province	1959-60		1960-61
	Preliminary 2/	Revised 1/	Preliminary 1/
	- tons -		
Newfoundland	3,940	4,102	4,615
Prince Edward Island	8,077	8,255	8,474
Nova Scotia	31,252	31,727	35,330
New Brunswick	30,350	30,872	30,304
Quebec	264,390	269,362	251,651
Ontario	150,159	152,466	155,169
British Columbia	39,446	43,186	36,826
Totals	527,614	539,970	522,369

1/ Based on claims filed up to July 31, 1961.

2/ Based on claims filed up to July 31, 1960.

Monthly Exports of Canadian Wheat and Wheat Flour

Year and Month	Wheat in Bulk 1/	Bagged Seed Wheat 2/	Total Wheat	Wheat Flour 2/ 3/	Total 3/ Wheat and Wheat Flour
1958-59	- thousand bushels -				
August	23,152	237	23,389	2,443	25,833
September	16,112	201	16,314	2,232	18,546
October	25,532	188	25,720	3,656	29,375
November	21,437	299	21,736	3,921	25,658
December	19,864	451	20,315	3,196	23,511
January	17,893	607	18,500	2,820	21,320
February	17,685	956	18,641	3,035	21,676
March	18,579	1,280	19,859	2,705	22,564
April	18,918	738	19,657	3,057	22,714
May	29,040	31	29,071	3,529	32,600
June	27,842	72	27,913	3,003	30,916
July	16,101	204	16,305	3,529	19,834
Totals ...	252,155	5,266	257,421	37,125	294,546
1959-60					
August	21,203	157	21,360	3,090	24,451
September	22,606	133	22,739	2,873	25,611
October	22,440	124	22,565	3,705	26,270
November	29,239	532	29,771	3,093	32,864
December	20,262	881	21,144	3,168	24,311
January	13,220	809	14,029	2,522	16,551
February	16,462	788	17,250	2,734	19,984
March	17,102	991	18,093	2,737	20,830
April	15,373	871	16,244	3,281	19,525
May	21,210	224	21,434	3,522	24,956
June	21,011	26	21,037	3,323	24,359
July	14,589	67	14,656	2,923	17,578
Totals ...	234,717	5,604	240,321	36,970	277,291
1960-61 4/					
August	23,908	144	24,052	2,795	26,848
September	26,742	244	26,986	2,732	29,719
October	21,172	159	21,331	2,448	23,779
November	23,224	497	23,720	4,441	28,161
December	20,222	657	20,879	3,124	24,003
January	16,408	1,025	17,433	3,592	21,025
February	20,517	984	21,501	2,600	24,101
March	23,377	1,804	25,181	2,651	27,832
April	31,395	938	32,333	3,345	35,678
May	42,190	107 5/	42,298	2,836 5/	45,133
June	35,532	91 5/	35,623	2,622 5/	38,246
July	26,265	6/	26,265 7/	3,000 8/	29,265 9/
Totals ...	310,952	6,650 10/	317,602	36,187 11/	353,789 9/

1/ Export clearances including shipments to the United States compiled by the Statistics Branch, Board of Grain Commissioners for Canada. 2/ Compiled from Canadian Customs returns, 1958-59 and 1959-60 adjusted to remove effect of time lag in reporting.

3/ In terms of wheat equivalent. Wheat flour conversion rate: 2.3 bushels per cwt.

4/ Subject to revision. 5/ Preliminary. 6/ Not available. 7/ Does not include July exports of bagged seed. 8/ Estimated. 9/ Includes an estimate of wheat flour for July but no allowance made for July exports of bagged seed wheat. 10/ August-June only. 11/ Includes an estimate for July.

Customs Exports of Canadian Wheat Flour by Countries of Consignment 1960-61

Destination	February 1/	June 2/	August-June 2/
- bushels -			
<u>COMMONWEALTH COUNTRIES</u>			
<u>Western Europe</u>			
United Kingdom	988,330	1,182,467	12,038,356
Gibraltar	-	-	31,170
<u>Middle East</u>			
Kuwait	2,576	-	22,526
Qatar	1,373	635	5,580
British Middle East, nes	1,030	-	11,592
<u>Other Africa</u>			
Ghana	68,305	208,628	1,734,317
Nigeria	79,040	68,246	762,195
Rhodesia-Nyasaland	1,840	2,967	35,671
Sierra Leone	10,580	36,386	369,943
Tanganyika	-	1,380	14,260
British Africa, nes	8,671	6,210	53,413
<u>Other Asia</u>			
Ceylon	-	-	566,718
Hong Kong	49,335	61,242	701,337
Malaya - Singapore	46,978	36,612	517,944
Pakistan	-	-	230
British East Indies, nes	1,642	676	8,275
<u>Oceania</u>			
Fiji	1,035	-	7,360
British Oceania, nes	-	-	1,518
<u>South America</u>			
British Guiana	2,004	4,377	198,867
<u>Central America and Antilles</u>			
Bahamas	38,113	30,850	262,605
Bermuda	9,925	4,283	111,249
British Honduras	3,015	3,339	16,502
Barbados	9,094	8,538	160,644
Jamaica	112,645	75,458	1,326,865 *
Leeward-Windward Islands	85,079	64,710	966,274
Trinidad	99,252	100,234	1,320,331
Totals, Commonwealth Countries	1,619,862	1,897,238	21,245,742

OTHER COUNTRIES

<u>Western Europe</u>			
Belgium-Luxembourg	12,108	11,850	171,927
Denmark	-	-	1,380
Greece	-	-	8,510
Iceland	1,610	-	16,261
Italy	-	2,495	3,765
Netherlands	161	-	4,998
Norway	-	-	1,011,767
Portugal	5,771	5,017	77,639
Sweden	-	506	19,665
<u>Middle East</u>			
Ethiopia	-	-	253
Iran	103	241	1,465
Israel	-	-	68,561
Jordan	-	-	1,039
Lebanon	5,152	2,760	1,319,006
Saudi Arabia	288	-	8,648
U.A.R. - Egypt	-	-	2,376
U.A.R. - Syria	1,804	-	6,930

Customs Exports of Canadian Wheat Flour by Countries of Consignment 1960-61

Destination	February 1/	June 2/	August-June 2/
- bushels -			
<u>OTHER COUNTRIES (concluded)</u>			
<u>Other Africa</u>			
Angola	805	3,450	18,055
Congo	14,835	16,452	206,423
French Equatorial Africa	-	-	5,371
Liberia	690	3,795	17,492
Mozambique	-	713	3,613
Portuguese Africa, nes	12,937	7,588	90,917
<u>Other Asia</u>			
Cambodia - Laos	-	-	56,157
Indonesia	-	-	205,795
Japan	136,873	124,941	1,418,893
Philippines	206,630	212,536	2,568,392
Portuguese India	-	21,307	182,861
Portuguese Asia, nes	4,554	1,012	40,480
Thailand	41,366	29,729	314,343
<u>Oceania</u>			
French Netherlands Oceania	-	-	1,311
United States Oceania	2,300	-	28,750
<u>South America</u>			
Bolivia	-	-	954
Chile	87	-	11,587
Colombia	517	-	115,331
Peru	-	-	3,910
Surinam	10,162	7,521	75,185
Venezuela	4,911	2,127	30,797
<u>Central America and Antilles</u>			
Costa Rica	66,010	89,056	706,275
Cuba	23,000	-	840,475
Dominican Republic	-	-	21,275
El Salvador	10,925	9,487	162,053
French West Indies	460	403	3,715
Guatemala	6,371	5,730	54,952
Honduras	14,635	7,866	62,765
Netherlands Antilles	9,549	11,390	98,700
Nicaragua	53,509	12,075	342,438
Panama	18,710	21,379	281,881
<u>North America</u>			
St. Pierre-Miquelon	2,300	1,380	5,354
United States	114,597	112,359	1,241,135
Totals, Other Countries	783,730	725,165	11,941,825
Totals, All Countries	2,403,592	2,622,403	33,187,567

* Revised. Add Jamaica 310 bushels May 1961.
nes - not elsewhere specified.

1/ In terms of wheat equivalent. Adjusted to remove effect of time lag in the returns made by Customs.
Conversion rate: 2.3 bushels per cwt.

2/ In terms of wheat equivalent. Preliminary and unadjusted for time lag. Conversion rate: 2.3 bushels
per cwt.

Exports of Canadian Wheat 1/ by Destination 1960-61

Destination	July	August-July
- bushels -		
<u>COMMONWEALTH COUNTRIES</u>		
<u>Western Europe</u>		
United Kingdom	5,777,438	78,616,245
Malta and Gozo	-	1,198,699
<u>Other Africa</u>		
Rhodesia-Nyasaland	-	108,517
<u>Other Asia</u>		
Hong Kong	56,000	523,787
India	-	3,955,436
Pakistan	-	2,098,690
<u>Central America and Antilles</u>		
Barbados	-	167
Totals, Commonwealth Countries ...	5,833,438	86,501,541

OTHER COUNTRIES

<u>Western Europe</u>		
Austria	-	1,529,411
Belgium-Luxembourg	609,329	12,167,952 *
Finland	-	439,284
France	613,318	9,902,903
Germany, Federal Republic	1,756,724	32,979,004 *
Greece	-	22,400
Ireland	238,861	3,413,425
Italy	48,533	14,932,951
Netherlands	843,263	6,625,169 *
Norway	-	3,301,427
Portugal	-	93,333
Sweden	-	18,667
Switzerland	949,510	7,315,964 *
<u>Eastern Europe</u>		
Albania	-	2,354,800 *
Czechoslovakia	-	12,138,608
Poland	3,365,870	5,693,870
U.S.S.R. (Russia)	-	7,511,317
<u>Middle East</u>		
Israel	-	1,592,267
<u>Other Africa</u>		
Algeria	-	373,333
Mozambique	46,667	436,724
Tunisia	1,439	1,439

Exports of Canadian Wheat 1/ by Destination 1960-61

Destination	July	August-July
- bushels -		
<u>OTHER COUNTRIES (concluded)</u>		
<u>Other Asia</u>		
Burma	-	356,229
China, Communist	6,010,238	34,699,851
Japan	3,888,734	53,996,664
Philippines	80,267	987,363
Taiwan	-	139,626
<u>Oceania</u>		
United States Oceania	-	313,152
<u>South America</u>		
Ecuador	-	1,190,686
Peru	-	1,816,267
Venezuela	-	2,658,101
<u>Central America and Antilles</u>		
Cuba	-	5,056
Dominican Republic	-	922,831
El Salvador	-	18,372
Guatemala	26,833	60,166
Honduras	-	4,996
<u>North America</u>		
United States		
For domestic use <u>2/</u>	34,186	2,518,758
Continent for orders	1,918,075	1,918,075 *
Totals, Other Countries	20,431,847	224,450,441
Sub-Totals, All Countries ...	26,265,285	310,951,982
Bagged seed	<u>3/</u>	6,649,710 <u>4/</u>
Totals, All Countries	26,265,285 <u>5/</u>	317,601,692 <u>5/</u>

* Revised.

- 1/ Overseas clearances as reported by the Statistics Branch, Board of Grain Commissioners for Canada, for all countries except the United States. Subject to revision.
- 2/ Compiled from returns of Canadian elevator licensees and shippers and advice from American Grain correspondents. Excluding bagged seed.
- 3/ Not available.
- 4/ Unadjusted Canadian Customs returns. August-June only.
- 5/ No allowance for July exports of bagged seed.

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

Class and Grade	Week Ending				
	August 4	August 11	August 18	August 25	September 1

- cents and eighths per bushel -

Initial Payment to Producers

1 Northern	140	140	140	140	140
2 Northern	136	136	136	136	136
3 Northern	132	132	132	132	132
4 Northern	125	125	125	125	125
5 Wheat	108	108	108	108	108
6 Wheat	102	102	102	102	102
Feed Wheat	96	96	96	96	96
1 C.W. Garnet					
2 C.W. Garnet					
1 Alberta Red Winter		Prices	not	Established	
2 Alberta Winter					
1 C.W. Amber Durum	175	175	175	175	175
2 C.W. Amber Durum	171	171	171	171	171
3 C.W. Amber Durum	167	167	167	167	167

International Wheat Agreement

and Domestic Sales

1 Northern	181/4	183/3	183/3	183/2	183/6
2 Northern	177/2	177/5	177/3	177/2	177/6
3 Northern	176/2	176/5	176/3	176/2	176/6
4 Northern	170/2	171/1	171/3	171/2	171/6
5 Wheat	166/2	167/1	167/3	167/2	167/6
6 Wheat	165/2	166/1	166/3	166/2	166/6
Feed Wheat	161/2	162/1	162/3	162/2	162/6
1 C.W. Garnet	177/2	177/5	177/3	177/2	177/6
2 C.W. Garnet	173/2	173/5	173/3	173/2	173/6
3 C.W. Garnet	170/2	171/1	171/3	171/2	171/6
1 Alberta Red Winter	178/2	178/5	178/3	178/2	178/6
2 Alberta Winter	175/2	175/5	175/3	175/2	175/6
3 Alberta Winter	171/2	172/1	172/3	172/2	172/6
1 C.W. Amber Durum	282/7	288/2	297	297/7	302/6
2 C.W. Amber Durum	279/7	285/2	294	294/7	300/5
3 C.W. Amber Durum	276/7	282/2	291	291/7	298

Export - Class II

1 Northern	181/4	183/3	183/3	183/2	183/6
2 Northern	177/2	177/5	177/3	177/2	177/6
3 Northern	176/2	176/5	176/3	176/2	176/6
4 Northern	170/2	171/1	171/3	171/2	171/6
5 Wheat	166/2	167/1	167/3	167/2	167/6
6 Wheat	165/2	166/1	166/3	166/2	166/6
Feed Wheat	161/2	162/1	162/3	162/2	162/6
1 C.W. Garnet	177/2	177/5	177/3	177/2	177/6
2 C.W. Garnet	173/2	173/5	173/3	173/2	173/6
3 C.W. Garnet	170/2	171/1	171/3	171/2	171/6
1 C.W. Amber Durum	282/7	288/2	297	297/7	302/6
2 C.W. Amber Durum	279/7	285/2	294	294/7	300/5
3 C.W. Amber Durum	276/7	282/2	291	291/7	298

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

Class and Grade	Week Ending				
	August 4	August 11	August 18	August 25	September 1

- cents and eighths per bushel -

Initial Payment to Producers

1 Northern	140	140	140	140	140
2 Northern	136	136	136	136	136
3 Northern	132	132	132	132	132
4 Northern	125	125	125	125	125
5 Wheat	108	108	108	108	108
6 Wheat	102	102	102	102	102
Feed Wheat	96	96	96	96	96
1 C.W. Garnet					
2 C.W. Garnet					
1 Alberta Red Winter		Prices	not	Established	
2 Alberta Winter					
1 C.W. Amber Durum	175	175	175	175	175
2 C.W. Amber Durum	171	171	171	171	171
3 C.W. Amber Durum	167	167	167	167	167

International Wheat Agreement

and Domestic Sales

1 Northern	190	191/7	191/7	191/6	192/2
2 Northern	185/6	186/1	185/7	185/6	186/2
3 Northern	184/6	185/1	184/7	184/6	185/2
4 Northern	178/6	179/5	179/7	179/6	180/2
5 Wheat	172/6	173/5	173/7	173/6	174/2
6 Wheat	165/6	166/5	166/7	166/6	167/2
Feed Wheat	162/6	163/5	163/7	163/6	164/2
1 C.W. Garnet	177/6	178/1	177/7	177/6	178/2
2 C.W. Garnet	173/6	174/1	173/7	173/6	174/2
3 C.W. Garnet	171/6	172/5	172/7	172/6	173/2
1 Alberta Red Winter	177/6	178/1	177/7	177/6	178/2
2 Alberta Winter	175/6	176/1	175/7	175/6	176/2
3 Alberta Winter	173/6	174/5	174/7	174/6	175/2

Export - Class II

1 Northern	190	191/7	191/7	191/6	192/2
2 Northern	185/6	186/1	185/7	185/6	186/2
3 Northern	184/6	185/1	184/7	184/6	185/2
4 Northern	178/6	179/5	179/7	179/6	180/2
5 Wheat	172/6	173/5	173/7	173/6	174/2
6 Wheat	165/6	166/5	166/7	166/6	167/2
Feed Wheat	162/6	163/5	163/7	163/6	164/2
1 C.W. Garnet	177/6	178/1	177/7	177/6	178/2
2 C.W. Garnet	173/6	174/1	173/7	173/6	174/2
3 C.W. Garnet	171/6	172/5	172/7	172/6	173/2
1 Alberta Red Winter	177/6	178/1	177/7	177/6	178/2
2 Alberta Winter	175/6	176/1	175/7	175/6	176/2
3 Alberta Winter	173/6	174/5	174/7	174/6	175/2

CANADIAN FLOUR MILLING SITUATION

Production Wheat flour production by Canadian mills during July 1961 amounted to 3,389,000 hundredweight, representing an increase of 8 per cent over the June 1961 total of 3,150,000 hundredweight, 6 per cent higher than the 3,198,000 hundredweight produced in July 1960, and 5 per cent above the ten-year (1951-60) average production for the month of July of 3,225,000 hundredweight. Mills reporting operations during July 1961 had a total rated capacity of 155,000 hundredweight per 24-hour day and on the basis of a 26-day working period 83.9 per cent of this rated capacity was effective.

Wheat milled for flour during July 1961 amounted to 7,561,000 bushels compared with 7,057,000 bushels milled during the preceding month and 7,233,000 bushels milled during July 1960. Of the wheat milled for flour during July 1961, some 6,944,000 bushels were Western Canadian spring wheat (other than Durum) while the remainder consisted of Ontario winter wheat (427,000 bushels); Durum (122,000); and all other (68,000 bushels).

Exports According to preliminary Customs returns, exports of Canadian wheat flour during June 1961 amounted to 1,140,000 hundredweight (some 2,622,000 bushels of wheat equivalent) representing a decrease of 8 per cent from the 2,836,000 bushels exported in May 1961, and 21 per cent below the June 1960 adjusted total of 3,323,000 bushels. Flour shipments during the month went to 47 countries with exports to the United Kingdom amounting to 1,182,000 bushels of wheat equivalent and accounting for 45 per cent of the June 1961 total. Other leading markets for Canadian wheat flour during the month with shipments in thousands of bushels of wheat equivalent were as follows: Philippines, 213; Ghana, 209; Japan, 125; United States, 112; and Trinidad, 100.

NOTE: Official wheat flour export data for July were not available at the time of preparation of this report. The figure for July included in this report represent an unofficial estimate.

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

Crop Year	Wheat Milled for Flour	Wheat Flour	
		Production	Exports ^{1/}
	- 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
1945-46-1949-50 average	107,330,372	47,011,540	25,819,721
1950-51-1954-55 average	100,446,328	43,847,894	21,812,041
1955-56	91,770,025	40,148,750	17,391,300
1956-57	85,149,373	37,623,446	14,582,431
1957-58	92,288,897	40,819,678	17,556,886
1958-59	90,142,957	39,826,493	16,141,267
1959-60	91,389,801	40,344,578	16,073,893
1960-61 ^{2/}			
August	7,794,120	3,417,531	1,215,428
September	8,268,037	3,654,262	1,188,035
October	8,479,583	3,754,453	1,064,265
November	8,633,739	3,835,054	1,930,774
December	7,066,109	3,145,011	1,358,197
January	6,091,533	2,719,988	1,561,857
February	6,656,242	2,969,311	1,130,461
March	7,582,449	3,386,378	1,152,814
April	6,863,180	3,065,635	1,454,294
May	7,671,667	3,425,612	1,232,942 ^{3/}
June	7,057,299	3,149,848	1,140,175 ^{3/}
July	7,560,970	3,388,888	1,300,000 ^{4/}
Totals	89,724,928	39,911,971	15,729,242
Same months 1959-60 (revised)	91,389,801	40,344,578	16,073,893

^{1/} Based on Customs returns. Exports for the crop years 1945-46-1959-60 revised to remove effect of time lag in the returns made by Customs. ^{2/} Subject to revision. ^{3/} Preliminary. ^{4/} Estimated see NOTE above.

UNITED STATES SITUATION

Supply Position Domestic supplies of wheat in the United States for the 1961-62 crop year are estimated at 2,610.7 million bushels, consisting of the July 1, 1961 carryover of 1,406.6 million and the 1961 crop, estimated as of August 1, at 1,204.1 million bushels. Domestic supplies of the size indicated would be 2 per cent less than last year's record of 2,663.9 million bushels. In addition, current crop year supplies may be supplemented by imports of about 8 million bushels, mostly of feeding quality wheat and wheat for seed.

United States Wheat Supplies

Item	1960-61 <u>1/</u>	1961-62 <u>2/</u>
	- million bushels -	
Carryover at beginning of crop year (July 1)	1,313.5	1,406.6
New crop	1,350.3	1,204.1
Total estimated domestic supplies	2,663.9	2,610.7
Imports of wheat and wheat flour in terms of wheat for domestic use, July	0.3	<u>3/</u>
Total estimated supplies <u>4/</u>	2,664.1	2,610.7
Less estimated domestic requirements for crop year <u>5/</u>	604.9	594.0
Available for export and for carryover	2,059.2	2,016.7
Deduct:		
Exports of wheat as grain, July	37.5	45.0
Exports of wheat flour and products in terms of wheat, July <u>6/</u>	5.5	6.0
Total exports of wheat, wheat flour and products <u>7/</u>	43.1	51.0
Balance on August 1 for export and for carryover	2,016.2	1,965.7

- 1/ Revised. 2/ Preliminary. 3/ Less than 50,000 bushels, bulk wheat only. 4/ Excluding imports for August-June. 5/ Includes allowance for shipment 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. 6/ Flour exports exclude "Milled in bond". 7/ These figures now include all shipments under relief programs which formerly were not available from Census data.

Domestic disappearance during 1961-62 is estimated at about 594 million bushels, slightly less than the 604.9 million last year. After deducting anticipated domestic requirements for the current United States crop year, some 2,016.7 million remain available for export and for carryover, a decrease of 2 per cent from the 2,059.2 million in 1960-61. Exports of wheat, wheat flour and other products in terms of grain equivalent during July 1961 amounted to 51.0 million bushels considerably above the 43.1 million exported during the same month last year. The balance remaining on August 1, 1961 for export and for carryover was estimated at 1,965.7 million bushels compared with 2,016.2 million on the same date a year ago.

1961 Wheat Crop
Forecast at 1,204
Million Bushels

In a report released on August 10, the Crop Reporting Board of the United States Department of Agriculture stated in part that production of all wheat is estimated at 1,204 million bushels, a decrease of 4 per cent from a month ago and 11 per cent below the 1960 production, but a tenth above average. Indicated yield of 23.4 bushels per harvested acre ranks as the third highest of record and is 3.7 bushels above average.

Prospects for winter wheat production declined 5 per cent during July to 1,058 million bushels. The reduction was due largely to a serious rust infestation and excessively hot weather in late June, which caused kernels to shrivel. Frequent showers during harvest were also a factor in some areas causing grain to shatter or lodge. Production is 4 per cent below 1960 but 26 per cent above average. Despite the reduction from July 1 prospects, the 1961 crop continues as the fifth largest on record, and is more than a fourth larger than average. The 1961 average yield of 26.1 bushels per acre ranks as the third highest of record and exceeds the average yield by more than 5 bushels. The serious reductions in yields in Kansas, Nebraska, South Dakota, Colorado, Texas, Washington, Oregon, and Ohio more than offset a sharp increase in Illinois and minor gains in several smaller producing States.

The prospective crop of durum wheat is forecast at 17.9 million bushels, up 9 per cent from July 1. A crop of this size would be 47 per cent below last year's production, 29 per cent below average, and the smallest since 1954--a year with heavy losses due to rust. The yield of 11.7 bushels per acre compares with 20.8 bushels in 1960 and the 10-year average of 13.8.

Prospective spring wheat production other than durum, estimated at 129 million bushels, increased more than 2 million bushels over the July 1 estimate, as much of the important producing area received badly needed rain during July. This is still 39 per cent below last year and 44 per cent below average. The yield of 13.7 bushels per acre is the lowest since 1954, a year of heavy rust losses in the Dakotas and Minnesota.

The New Wheat
Stabilization
Program

According to the August 31, 1961 issue of "The Wheat Situation" published by the United States Department of Agriculture the new Wheat Stabilization Program, one of the major provisions of the Agricultural Act of 1961, became effective as the result of the 79.4 per cent affirmative vote in the August 24th referendum. The objectives of the program are: (1) To increase farm income, (2) to halt excessive build-up of supplies, and (3) to reduce Government storage costs. Program objectives would be achieved by a combination of higher price support levels and reduced production.

The sign-up will begin, as now planned, in the winter wheat producing areas in mid-September and will run for about 6 weeks. Farmers who sign up and comply with the provisions of the program will be eligible for price support. On August 9, the Secretary of Agriculture set the minimum national average support price for 1962-crop wheat in the commercial wheat-producing area, which is comprised of 39 States $1\frac{1}{2}$, at \$2.00 per bushel $2\frac{1}{2}$. This price reflects 84.4 per cent of the August 1961 wheat parity price of \$2.37 per bushel. It compares with the 1961-crop support price of \$1.79 per bushel, which was set at 75 per cent of parity.

The new program requires a mandatory 10 per cent cut in 1962 farm acreage allotments as determined on the basis of the minimum national acreage allotment of 55 million acres. This reduces farm allotments for the 1962 crop by a minimum of $5\frac{1}{2}$ million acres. The program affords an opportunity to wheat producers in the commercial wheat producing States to earn payments for reducing their 1962 wheat acreage.

To be eligible for payment and price support, producers on farms that produced more than 15 acres of wheat must divert to a conservation use the mandatory 10 per cent reduction in allotment. Producers on farms that produced 15 acres or less of wheat may divert an acreage on the farm equal to either (1) 10 per cent of the highest actual acreage of wheat planted for harvest in any of the years 1959, 1960 and 1961, if such acreage in each of such years did not exceed 15 acres or (2) 11.11 per cent of the 1962 wheat acreage allotment established for the farm.

The diverted acreage on both the farms with more than 15 acres or farms with 15 acres or less of wheat must be devoted to approved conservation uses, including summer fallow. And, the total acreage devoted to soil conservation uses -- excluding the acreage diverted under this program and under the 1962 program for feed grains -- must not be less than the average acreage of land devoted to conservation uses on the farm in 1959 and 1960. The diverted acreage may be used for castor beans, guar, safflower, sunflower or sesame, but no payment will be made for acreage which is put to such use.

Price support and conservation payments will be made available only to cooperators in the designated commercial wheat-producing States who devote the acreage diverted from wheat production to an approved conservation use. The conservation payment will be equal to 45 per cent of the 1961 basic county support rate for No. 1 wheat increased to reflect the 21-cent increase in the 1962 rate, multiplied by the adjusted yield per acre for the farm, multiplied by the number of diverted acres. The payment for the original 10 per cent diversion will be in cash, or in wheat at the option of the producer if the wheat is available. The value of the payment would be determined in dollars. If CCC-owned wheat is not available, the payment will be made in cash. If payment is made in wheat, the crop can be marketed without penalty, but will not be eligible for price support.

Producers can earn further payments by reducing their wheat acreage up to an additional 30 per cent of the farm wheat allotment or, for small farms (farms with allotments of 13.5 acres or less), such acreage as will bring the total acreage diverted to 10 acres but not in excess of the highest wheat acreage planted on the farm in 1959, 1960 or 1961.

The payment for this voluntary diversion would be based on 60 per cent of the adjusted yield per acre. The formula would be 60 per cent of the 1961 basic county support rate increased to reflect the 21-cent increase in the 1962 rate, multiplied by the adjusted yield per acre for the farm, multiplied by the number of diverted acres. As in the case of the first 10 per cent reduction, payment for the voluntary diversion will be made in cash or in wheat.

Up to one-half of the payment, wheat producers earn under the special 1962 wheat stabilization program, will be made at sign-up time. This would be an advance payment similar to the one available to producers under the 1961 feed grain program.

The new legislation also makes a number of changes in the marketing quota penalty for exceeding the allotment (or exceeding the permitted acres on small farms). On farms on which there is excess wheat acreage, the amount of wheat subject to a marketing quota penalty would be two times the normal yield of the excess acres; or if the producer can prove to the county ASC committee that his actual yield is less than twice the normal yield, the committee has authority to reduce the amount of excess wheat to the actual yield.

For 1962, the exemption from marketing quotas for those who planted not more than 15 acres 3/ during any one of the 3 years 1959, 1960 or 1961 will be

decreased to 13.5 acres. For those who have planted less than 13.5 acres during any one of these years, the exemption will be the highest planted acreage during any one of such years. Producers who have not grown wheat during 1959, 1960 or 1961 will not be exempt from marketing penalties if they plant wheat in the 1962 crop year without an allotment. The new program increases the penalty rate per bushel on farm marketing excess to 65 per cent of May 1, 1962 parity price (instead of the former 45 per cent).

Under previous law, wheat stored to avoid or postpone payment of a marketing quota penalty could be released from storage in later years on account of underplanting or underproduction. In order to prevent the double benefit of release from storage and payment for program diversion with the same acreage, diverted acreage in 1962 may not form the basis for release from storage of excess wheat from previous crops. In determining production for release from storage for underproduction, the normal yields of the diverted acres will be counted as actual production.

Acreage diverted from production of wheat and put to conservation use under the program must be in addition to any acreage diverted to conservation uses for which payment is made under any other Federal program, except this provision does preclude cost-sharing payments under the ACP or the Great Plains conservation program for conservation practices carried out on the diverted acres.

Durum wheat -- The Secretary has been given authority to increase the durum wheat acreage allotments for any of the 1962, 1963 and 1964 crops, if he finds that the wheat acreage allotments of farms producing durum wheat are inadequate to provide sufficient production of durum to satisfy demand. Any allotment increases would be in addition to the national, State and county allotments, and such increases would not be considered in establishing future State, county and farm allotments. Any such increase would be by a uniform percentage. Farms for which increases may be made must have produced durum during the last two years and must be located in counties in North Dakota, Minnesota, Montana, South Dakota and California, designated by the Secretary as counties capable of producing durum and have produced such wheat for commercial food products during one or more of the preceding 5 years. Any farm on which the allotment is increased for durum wheat may not participate in the 1962 wheat diversion program. Participation in such program would be waived as a condition for eligibility for price support for these farms. Growers and millers of durum wheat will be given the opportunity to present their views and recommendations prior to the Secretary making these determinations.

- 1/ For 1962, the designated commercial wheat States include all but the following States (those with allotments of 25,000 acres or less): Alaska, Connecticut, Florida, Hawaii, Louisiana, Maine, Massachusetts, Nevada, New Hampshire, Rhode Island and Vermont.
- 2/ The Act provides for price support at a level ranging from 75 to 90 per cent of parity, with the minimum level of support depending upon the relationship of the supply of wheat to the normal supply. The wheat price support program will be carried out as in the past through loans on farm-stored and warehouse-stored wheat and through purchase agreements. Loans will be available from harvest time through January 31, 1963, and will mature in most States on March 31, 1963. Price support will not be made available in 1962 to producers in the designated non-commercial producing States.
- 3/ The 200-bushel exemption is permanently repealed. At the time it was placed in the wheat legislative programs several years ago, there was no 15-acre exemption. Later when the 15-acre exemption was made part of the law, it was about equal to the 200-bushel exemption. Therefore, the 200-bushel exemption is really an unnecessary duplication. If allowed to remain in the law, it would permit evasion of the new exemption provisions in the 1962 wheat program.

Support Program for
1962-Crop Wheat to
Include New
Quality Premiums

U.S.D.A. announced on August 23 that premiums for quality in hard bread wheats, as indicated by the sedimentation tests, will be included in the 1962-crop wheat price support operations.

The purpose is to reflect the quality value of wheat in producer support prices, thus encouraging production of higher quality wheat. The new premiums for quality will supplant the present protein premiums now included in the wheat price support rate schedule. While protein tests show the protein content in a specific lot of wheat, the sedimentation test reveals the quality of the gluten which is more meaningful in identifying the wheats which are capable of producing the more desirable flour for commercial bread-baking.

A new premium schedule for the 1962-crop wheat support operations will be announced. Premiums will be higher for the better wheats than premiums paid for protein under the current price-support program. Discounts on undesirable varieties which have been included in the support program for several years will be continued in the 1962 operation. Many buyers of wheat now seek out and obtain the stronger wheats. However, under present marketing operations, there is little price incentive for producers to upgrade the general level of U.S. wheat production. In many areas, the gluten strength of wheat is high by reason of the varieties grown and because of favourable climatic conditions. In some areas, other factors, such as the need for disease-resistant or drought-resistant varieties have led in some instances to the increased planting of lower quality wheats.

The system of premiums on the stronger wheats is intended to strengthen the price-support program. Under the present system, there is a tendency for the CCC to acquire the weaker wheats at prices higher than their actual value relative to the general price level. Announcement of the decision at this time to pay premiums to encourage production of higher quality wheat is intended to help wheat growers who plant hard winter wheat this fall make appropriate plans for next year's production. Producers can obtain information on the wheat varieties that produce the higher quality wheats from State Extension Services, State Experiment Stations, and crop improvement groups.

While domestic needs for higher quality wheats are paramount, the U.S. competitive position in dollar export markets has been weakened by difficulty in obtaining the stronger wheat to fill export demand, particularly for hard red winter wheat. The action taken is designed to bring a balance in the quality of U.S. hard wheat production to meet both domestic and export needs.

The sedimentation test is now available in some areas and the facilities will be expanded in the coming months to meet the testing requirements for the 1962 price-support operation. The test which indicates sedimentation value as an objective measure of wheat quality has been developed through several years of research and experimentation. The test result reflects both the protein content of the wheat and the quality of its gluten and is an index of bread baking "strength". Wheats with a sedimentation value of 40 or more are preferred for commercial bread making purposes.

The change in the basis for establishing wheat quality premiums will necessitate some modification in the Uniform Grain Storage Agreement, which provides the basis for storage and delivery of CCC-owned grains by commercial warehouses.

United States Sets
Export Record For
Wheat And Flour

According to Foreign Crops and Markets under date of August 21, 1961 the United States set a new record for wheat and flour exports during 1960-61. Shipments from July 1960 through June 1961 totalled 660 million bushels--20 per cent more than the previous record of 550 million bushels exported in 1956-57. Wheat exports in July-June 1960-61 totalled 561 million bushels, and accounted for the high peak in total exports; 475 million bushels were exported in 1956-57. During the next 2 years sales were down, but came up to 418 million bushels in 1959-60. Most of the increase in wheat exports during 1960-61 was due to larger dollar sales to Italy and Spain where production was down in 1960 as a result of unfavorable weather. Substantially larger shipments were also made to Poland, India, Pakistan, and Turkey. In addition, 7 million bushels went to Iran, whereas none was exported to that country the year before. India has been the principal market for U.S. wheat since 1957-58, taking 123.8 million bushels, or 22 per cent of the total, in 1960-61. This quantity was about 8.7 million bushels more than in the previous year, but only slightly above shipments in 1958-59.

Flour exports from July 1960 through June 1961 amounted to 99.6 million bushels--about 10 per cent more than in the previous year. U.S. exports of flour reached a peak of 195 million bushels in 1946-47. Principal importers of that year--Brazil, West Germany, and Italy--have since established their own flour mills, which reduced import requirements. In 1953-54, U.S. flour exports went to a low of 33 million bushels. The next year a gradual increase began and reached 91 million bushels in 1959-60. Egypt has been the principal market for U.S. flour for the last 2 years, taking 26 million bushels, or 25.8 per cent of the total, in 1960-61. This quantity was an increase of 7.7 million bushels over the previous year. The second largest market in 1960-61 was Syria, which imported 7 million bushels, compared with practically none in 1959-60. Japan and the Philippines have been important U.S. flour markets during the last 10 years, but they now have flour mills, and exports to those countries in 1960-61 were slightly below the previous year.

United States Exports of Wheat and Flour by Country of Destination
July-June 1959-60 and 1960-61

Destination	July-June 1959-60			July-June 1960-61		
	Wheat	Flour 1/	Total	Wheat	Flour 1/	Total
- thousand bushels -						
<u>Western Hemisphere</u>						
Canada	2,100	124	2,224	9,336	94	9,430
Central America	2,281	3,710	5,991	3,206	2,709	5,915
Federation of West Indies	63	2,089	2,152	356	2,403	2,759
Cuba	6,152	3,034	9,186	547	1,197	1,744
Haiti	1,362	89	1,451	798	87	885
Bolivia	-	1,994	1,994	-	2,892	2,892
Brazil	34,409	50	34,459	39,141	166	39,307
British Guiana	2	1,070	1,072	2	980	982
Chile	-	1,199	1,199	1,200	1,131	2,331
Colombia	1,840	836	2,676	4,124	724	4,848
Peru	4,640	329	4,969	4,344	493	4,837
Uruguay	8,076	26	8,102	-	28	28
Venezuela	8,721	353	9,074	8,476	117	8,593
Others	774	1,663	2,437	1,082	1,783	2,865
Totals	70,420	16,566	86,986	72,612	14,804	87,416
<u>Europe</u>						
Austria	1,286	127	1,413	-	110	110
Belgium-Luxembourg	3,286	18	3,404	4,509	4	4,513
France	-	4	4	1,606	4	1,610
Germany, West	10,579	551	11,130	6,612	315	6,927

United States Exports of Wheat and Flour by Country of Destination
July-June 1959-60 and 1960-61

Destination	July-June 1959-60			July-June 1960-61		
	Wheat	Flour 1/	Total	Wheat	Flour 1/	Total
- thousand bushels -						
Europe (continued)						
Greece	128	1,993	2,021	3,107	1,967	5,074
Italy	546	6,703	7,249	45,411	4,839	50,250
Malta, Gozo, and Cyprus	766	15	781	1,464	24	1,488
Netherlands	8,464	4,263	12,727	9,188	3,552	12,740
Norway	2,173	482	2,655	1,315	409	1,724
Poland	25,987	724	26,711	40,356	810	41,166
Portugal	89	711	800	4,228	842	5,070
Spain	-	786	786	30,897	469	31,366
Switzerland	894	1	895	4,067	5	4,072
United Kingdom	20,653	895	21,548	16,135	2,069	18,204
Yugoslavia	9,379	3,307	12,686	12,123	1,917	14,040
Others	959	447	1,406	956	1,591	2,547
Totals	85,189	21,027	106,216	181,974	18,927	200,901
Asia						
Afghanistan	184	-	184	1,696	37	1,733
Ceylon	-	2,778	2,778	-	3,274	3,274
India	115,045	132	115,177	123,751	389	124,140
Indonesia	10	4,302	4,312	-	783	783
Iran	-	145	145	7,109	263	7,372
Israel	7,934	182	8,116	7,372	381	7,753
Japan	30,276	3,282	33,558	29,941	2,642	32,583
Jordan	1,990	783	2,773	3,187	3,099	6,286
Korea	12,166	1,821	13,987	12,332	970	13,302
Lebanon	884	2,671	3,555	741	895	1,636
Pakistan	33,920	305	34,225	38,074	860	38,934
Philippines	2,164	4,067	6,231	7,392	1,550	8,942
Saudi Arabia	46	2,917	2,963	49	3,139	3,188
Syria	2,574	3	2,577	7,022	7,088	14,110
Taiwan (Formosa)	9,690	559	10,249	9,596	1,594	11,190
Turkey	13,664	48	13,712	17,054	109	17,163
Vietnam, Laos, and Cambodia ...	2/	2,379	2,379	575	3,938	4,513
Others	721	2,184	2,905	1,767	3,051	4,818
Totals	231,268	28,558	259,826	267,658	34,062	301,720
Africa						
Algeria	4	170	174	3,449	373	3,822
Canary Islands	2,532	3	2,535	1,714	5	1,719
Congo Republic 3/	-	1,024	1,024	690	781	1,471
Egypt	20,001	18,060	38,061	17,381	25,700	43,081
Ghana	-	1,028	1,028	-	835	835
Libya	1,217	278	1,495	825	316	1,141
Morocco	1,808	609	2,417	6,933	955	7,888
Mozambique	496	1	497	1,058	-	1,058
Nigeria	-	2,518	2,518	-	1,911	1,911
Tunisia	3,180	37	3,217	6,508	68	6,576
Republic of South Africa	1,097	2/	1,097	-	9	9
Others	764	735	1,499	35	825	860
Totals	31,099	24,463	55,562	38,593	31,778	70,371
Oceania	-	52	52	-	43	43
Totals, All Countries 4/ ..	417,976	90,666	508,642	560,837	99,614	660,451

1/ Wholly of U.S. wheat (grain equivalent). 2/ Less than 500 bushels. 3/ Formerly Belgian Congo. 4/ Includes shipments for relief or charity.

Cash Wheat Prices on the Kansas City and Minneapolis Markets

No. 2 Hard Winter, Kansas City			No. 1 Northern Spring, Minneapolis		
Date	Price		Date	Price	
	- cents per bushel -			- cents per bushel -	
August 1, 1961	197	- 206	August 1, 1961	222 7/8	- 224 7/8
2	198 1/2	- 215 1/4	2	223 1/4	- 225 1/4
3	199	- 216 1/4	3	223 3/8	- 225 3/8
4	198	- 213 3/4	4	223	- 225
7	200 1/4	- 220 3/4	7	222 1/8	- 224 1/8
8	200 1/2	- 203 3/4	8	221	- 223
9	200 1/2	- 201 1/2	9	221 1/8	- 223 1/8
10	201 1/2	- 205	10	220 1/8	- 222 1/8
11	205	- 223 1/2	11	219 1/4	- 222 1/4
14	203 3/4	- 226	14	219	- 222
15	205 1/2	- 222 3/4	15	220 7/8	- 223 7/8
16	203 1/2	- 242 1/2 1/	16	222 3/8	- 225 3/8
17	211	- 221 1/2	17	223 3/8	- 226 3/8
18	202 1/4	- 209 1/4	18	221 1/2	- 224 1/2
21	202 3/4	- 206 1/4	21	219	- 223
22	202 1/4	- 228 1/4	22	219	- 223
23	215 1/4		23	220	- 224
24	201 1/4	- 241 1/	24	219 1/4	- 223 1/4
25	201	- 241 1/	25	219 1/2	- 223 1/2
28	202 3/4	- 205 1/4	28	221 3/4	- 225 3/4
29	205 1/4		29	222 3/4	- 224 3/4
30	201 1/2	- 219	30	219 1/2	- 223 1/2
31	201 1/2	- 204 3/4	31	218 1/2	- 222 1/2

1/ Nominal.

Chicago Wheat Futures High Points of Closing

Date	September	December	March	May	July
	- cents and eighths per bushel -				
August 1, 1961	197/4	204/1	209/3	210/6	210/4
2	197/5	204/2	209/4	211	210/3
3	196/4	203/4	208/7	210/3	210/2
4	197/4	204/2	209/6	211/3	210/4
7	198/5	205/2	210/6	212/1	211
8	198/3	205/2	210/6	212	210/6
9	197/7	205	210/3	211/7	211
10	198/6	205/3	210/6	212/1	211/1
11	198/5	205/5	210/6	212/2	211/6
14	200/2	207/2	212/3	214	214
15	200/4	207/1	212/2	214	214/1
16	199/5	206/4	211/4	213/3	214
17	198/5	205/3	210/4	212/2	212/3
18	199/4	206	211/3	213	213/6
21	199	205/4	210/7	212/6	214/2
22	198/6	205/2	210/5	212/6	214/3
23	198/2	205	210/3	212/1	213/6
24	197/7	204/5	210	212/2	213/4
25	198/6	205/4	210/6	212/4	213/4
28	198/4	205/3	210/4	212/4	213/4
29	197/3	203/7	208/7	211/1	212/6
30	197/2	204/1	209/3	211/3	213
31	196/4	203/3	208/3	210/7	212/7

AUSTRALIAN SITUATION

Supply Position Estimated supplies of wheat in Australia for the 1960-61 (December-November) crop year amount to some 331.2 million bushels, consisting of the December 1, 1960 carryover of 60.3 million and the current crop estimated at a record 270.9 million bushels. Domestic supplies of the size indicated, reflecting a substantially larger production which more than offset a decline in carryover, represent an increase of 26 per cent over the 1959-60 total of 263.7 million bushels. After deducting 77.0 million for anticipated domestic requirements, an estimated 254.2 million are available for export and for carryover during 1960-61, 38 per cent above the 184.1 million in 1959-60.

Combined exports of wheat as grain and wheat flour in terms of grain equivalent up to August 5 of the current Australian crop year amounted to 157.5 million bushels, sharply above the 83.4 million exported during the corresponding period of 1959-60. The balance remaining on August 6, 1961 for export and for carryover, at 96.7 million bushels, was 4 per cent less than the comparable 1960 total of 100.7 million.

Australian Wheat Supplies

Item	1959-60	1960-61 <u>1/</u>
	- million bushels -	
Carryover, including flour as wheat, at beginning of crop year (December 1)	65.2	60.3
New crop	198.5 <u>2/</u>	270.9
Total estimated domestic supplies	263.7	331.2
Less estimated domestic requirements for crop year .	79.6 <u>2/</u>	77.0
Available for export and for carryover	184.1	254.2
Deduct:		
Exports of wheat as grain, December 1-August 5 ...	66.4	137.9
Exports of wheat flour in terms of wheat, December 1-August 5	17.0	19.6
Total exports of wheat and wheat flour	83.4	157.5
Balance on August 6 for export and for carryover ...	100.7	96.7

1/ Preliminary.

2/ Revised.

The following information relative to the Australian situation has been extracted from a report from Mr. H.A. Gilbert, Commercial Counsellor for Canada, Melbourne, under date of August 15, 1961 and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

Crop Position The crop prospects in Australia have improved considerably during the past month due to a good soaking of rain over most of the country's wheat-growing regions.

In New South Wales and Victoria it is safe to say that the outlook is now reasonable and at least average crops are assured. If the spring rains are better than average it is expected that better than average harvests will result.

South Australia was not so fortunate and did not receive a good general rainfall. However, at the time of writing there are prospects for more rain. Even without it, this State has a probability of a slightly better than average harvest.

The main wheat areas of Queensland have received from one to two inches of rain. The situation there, however, is such that the outcome cannot be guessed. Even with exceedingly favourable conditions Queensland can expect no more than a light harvest.

As previously reported, the crops in Western Australia are experiencing the best conditions of all States. Growth is making good progress under ideal conditions and given suitable weather towards the end of the growing period, a record crop could be harvested in this State.

Marketing Position Export wheat sales have continued at a satisfactory level during the past month. In the early part of this period the Australian Wheat Board sold 9.3 million bushels to India, the largest single sale made to that country. This sale lifted the Board's sales for the first two weeks to 13.8 million bushels. During the second portion of the month sales remained good, amounting to nearly 8 million bushels. Of this quantity, the United Kingdom with a purchase of 3.25 million bushels featured as the largest single buyer. On present indications purchases by the United Kingdom this year should total 26 million bushels, or about two million short of the quantity provided for under the Trade Agreement with that country.

The New South Wales grower representative on the Australian Wheat Board has indicated that the Communist China Trade Mission currently visiting Australia, will have discussions with the Board on a further extension of wheat trading. He said that the delegation would discuss the option of a further 250,000 short tons (8,333,000 bushels) of wheat, to be bought on terms. The representative said that the Board had offered this option because of the uncertainty at the time when the original contract was signed as to whether sufficient stocks would be available to supply this quantity of wheat to China.

Exports of Australian Wheat and Wheat Flour in Terms of Wheat December 1 -
August 5, 1960-61 and Corresponding Period 1959-60

Destination	Wheat		Wheat Flour	
	1959-60	1960-61	1959-60	1960-61
- thousand bushels -				
Aden	6	338	-	-
Aden and Aden I/T	-	-	736	727
Aden and Aden I/T (Atta Flour) .	-	-	124	203
Africa, South	1,916	2,610	-	-
Albania	-	678	-	-
Algeria	-	1,147	-	-
Austria	325	-	-	-
British North Borneo	-	-	179	188
British West Indies	-	-	1/	1/
Brunei	-	-	43	37
Burma	-	107	269	176
Canary Islands	328	-	-	-
Ceylon	9	7	3,388	2,445
China	-	51,586	-	2,233
Cocos Islands	-	-	1	1/

Exports of Australian Wheat and Wheat Flour in Terms of Wheat December 1 -
August 5, 1960-61 and Corresponding Period 1959-60

Destination	Wheat		Wheat Flour	
	1959-60	1960-61	1959-60	1960-61
	- thousand bushels -			
Congo	-	18	1/	12
Cyprus	-	-	4	4
Dutch New Guinea	-	-	59	65
Egypt	-	3,945	-	-
Eire	671	3,841	-	-
Formosa	37	-	-	-
Germany, West	2,527	4,535	-	-
Ghana	-	-	1/	1/
Greece	-	-	2	1
Guam	-	-	5	5
Hadhramaut	-	-	-	24
Hong Kong	1,572	1,802	175	165
India	10,724	3,736	-	-
Indonesia	-	-	1,030	3,037
Iran	4,216	804	-	-
Iraq	3,821	4,551	-	-
Italy	-	14,479	-	-
Japan	8,066	9,618	-	-
Kenya	80	148	-	3
Korea, North	1,610	2,518	-	-
Laos	-	-	1/	3
Lebanon	-	1,515	-	-
Macao	-	-	14	1
Malaya	348	350	2,452	2,375
Malaya (Atta Flour)	-	-	59	48
Maldiv Islands	-	-	68	3
Malta	470	303	-	-
Mauritius	-	-	770	609
Netherlands	-	-	-	1
New Zealand	4,607	4,266	1/	-
Nigeria	-	-	1/	-
Norway	-	1,021	-	-
Nyasaland	-	-	175	169
Nyasaland (Atta Flour)	-	-	-	2
Okinawa	142	112	-	-
Pacific Islands	32	39	1,484	1,485
Pakistan	3,890	1,242	-	-
Persian Gulf	42	49	170	266
Persian Gulf (Atta Flour)	-	-	813	620
Philippines	335	-	99	52
Port Said (a/c S/S)	-	-	22	15
Portuguese East Africa	208	-	-	-
Portuguese India (Goa)	55	96	23	26
Rhodesia	2,039	2,002	-	-
Sarawak	-	-	196	185
Saudi Arabia	53	111	147	159
Seychelles Islands	-	-	28	29
Singapore	57	77	1,950	1,737
Singapore (a/c War Office)	-	-	54	41
Singapore (Atta Flour)	-	-	12	7

Exports of Australian Wheat and Wheat Flour in Terms of Wheat December 1 -
August 5, 1960-61 and Corresponding Period 1959-60

Destination	Wheat		Wheat Flour	
	1959-60	1960-61	1959-60	1960-61
- thousand bushels -				
Somaliland, British	-	-	3	2
Somaliland, French	-	-	-	3
Spain	-	3,170	-	-
Switzerland	-	135	-	-
Thailand	2	1	441	440
Timor	-	-	17	18
Trans Jordan	366	-	-	-
United Kingdom	17,828	16,892	1,704	1,758
Zanzibar	9	9	197	131
Royal Navy	12	4	11	11
Ships' Stores	-	-	79	77
Totals	66,403	137,862	17,000	19,600

1/ Less than 500 bushels.

FRENCH SITUATION

The following account of the current crop situation in France has been extracted from a report by Mr. R.G. Woolham, Assistant Commercial Secretary, Canadian Embassy, Paris, under date of August 23, 1961, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

French Grain Market Durum wheat trade has been active during the past few weeks, and hard wheats are being purchased as a substitute for durum for use primarily in Algeria. In the last half of August, 77,000 metric tons (2,829,000 bushels) of United States Hard Amber Durum No. 3 or better were obtained, all for French ports, and a further 7,000 tons (257,000 bushels) of durum wheat were purchased from Israel destined for Algerian ports. Also for Algeria, 10,000 tons (367,000 bushels) of Manitoba No. 1, and 10,000 tons (367,000 bushels) of U.S. Dark Hard Winter Wheat were purchased as a substitute for durum wheat. Currently the French Grain Board is carrying an open tender for 70,000 tons (2,572,000 bushels) of durum wheat. Because of the short world supply position, it is anticipated that 300,000 tons (11,023,000 bushels) of hard wheat will be purchased as a substitute for durum wheat in Algeria. Durum wheat stocks in France and Algeria, including outstanding contracts except those described above, totalled about 105,000 tons (3.9 million bushels) August 15, 1961.

Soft wheat stocks as of July 1, 1961 totalled almost two million tons (73.5 million bushels) compared with about one and a quarter million tons (45.9 million bushels) a year ago. Stocks are higher because of larger deliveries during the 1960-61 crop year, combined with lower export sales than were realized in the previous year. Since the beginning of this year, imports of higher quality wheat commenced, in exchange for flour exported and have been small but steady, totalling slightly over 100,000 tons (3,674,000 bushels) by July 1, 1961.

Weather and Crops Weather conditions have generally been favourable for harvesting throughout most of France. Some stormy weather in Southern France and showers in certain localities in the Paris area delayed drying somewhat, but in any event the harvest has just about been completed. Harvesting is continuing

in Northern France, but in this area too, work has been proceeding quickly. Yields are not quite as high as last year, particularly for spring seeded varieties which are not yielding as well as had been anticipated.

Acreage, Yield and Production as at August 1

Grain	Average 1956-60	August 1, 1960	August 1, 1961
<u>Area Seeded</u> - thousand acres -			
Wheat	10,288	10,769	9,718
Rye	844	747	652
Barley	4,834	5,108	5,563
Oats	4,101	3,569	3,571
Mixed grains	251	190	222
<u>Yield per Acre</u> - bushels -			
Wheat	35	36	36
Rye	21	22	22
Barley	46	46	45
Oats	49	50	47
Mixed grains <u>1/</u>	31	29	28
<u>Production</u> - thousand bushels -			
Wheat	359,522	386,210	345,511
Rye	17,944	16,514	14,019
Barley	222,100	232,441	248,743
Oats	199,335	177,992	169,124
Mixed grains <u>1/</u>	7,690	5,504	6,306

1/ In bushels of 50 pounds.

ARGENTINE SITUATION

Supply Position Estimated total supplies of wheat in the Argentine for the 1960-61 (December-November) crop year amount to 203.9 million bushels, consisting of the December 1, 1960 carryover of 58.4 million and the new crop, officially placed at 145.5 million. Indicated supplies for the current Argentine crop year, reflecting a sharp decline in production and a decrease of less than 1 per cent in carryover stocks, are about 25 per cent less than the 1959-60 total of 273.1 million bushels. After making an allowance of 139.6 million bushels for anticipated domestic requirements, an estimated 64.2 million are available for export and for carryover in contrast to 146.8 million in 1959-60.

Exports of wheat and wheat flour in terms of grain equivalent during December 1960-July 1961 amounted to 31.9 million bushels, compared with 57.5 million exported during the same months in 1959-60. The balance remaining on August 1, 1961 for export and for carryover was estimated at 32.3 million bushels, substantially below the August 1, 1960 total of 89.3 million.

Argentine Wheat Supplies

Item	1959-60	1960-61 <u>1/</u>
- million bushels -		
Carryover at beginning of crop year (December 1) <u>2/</u> ...	58.6	58.4
New Crop <u>3/</u>	214.5	145.5
Total estimated domestic supplies	273.1	203.9
Less estimated domestic requirements for crop year	126.3	139.6
Available for export and for carryover	146.8	64.2
Deduct:		
Exports of wheat as grain, December-July	57.4	31.8
Exports of wheat flour in terms of wheat, December - July	0.1	0.1
Total exports of wheat and wheat flour	57.5	31.9
Balance on August 1 for export and for carryover	89.3	32.3

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. C.S. Bissett, Commercial Counsellor, Buenos Aires, under date of August 24, 1961 and is reproduced with the permission of the Trade Commissioners 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 83 pesos per U.S. dollar less 10 per cent retention and £1 equals 2.8920 (Canadian) the quotation in effect on August 11, 1961.

Weather and Crops The official monthly report on crop conditions at the end of July provided a somewhat more optimistic outlook for the crops now growing or still being sown, and this forecast is echoed by recent information obtained from official and private circles. Quoting from the above report: "Even though the rainfall during July was not able to counteract entirely the effects of the drought that had prevailed until then in several regions, there was a noticeable improvement in many areas which permitted the carrying-out of customary seeding plans, and created better growth conditions".

Rainfall of varied intensity covered most of the country, but frosts were also widespread. During August, up to the present date, there have been intermittent spells of warm weather, verging at times on "hot", interspersed with fairly heavy rainstorms. The weather now, however, seems once again to have settled into its usual state of winter coldness.

It is reckoned that there will be a sizeable increase this year in the acreage seeded to linseed, resulting from the fact that a substantial acreage could not be seeded to wheat because the rains came too late for this grain in some areas. An increase in production of more than 30 per cent is ventured by some parties, provided normal growing and harvesting conditions prevail, this, however, is a very early forecast and, therefore, undependable.

Wheat areas are generally in good condition, with the exception of those in some parts of the provinces of Buenos Aires and Córdoba.

The fodder dual-purpose grains on the other hand have suffered many drawbacks, such as the combined effects of drought, green aphids attacks, overgrazing, etc. and as a result grain production this year of rye, barley and oats will be anything but spectacular.

Wheat A noteworthy recovery may now be forecast in the production of Argentine wheat during this crop year. Even though it will not attain the level of normal years, 5,800,000-6,200,000 metric tons (213.1-227.8 million bushels), perhaps a production of about 5,000,000 (183.7 million bushels) may be expected. According to the official report, sowings were completed at the end of July, with the exception of some areas in the province of Entre Rios.

At that time the lots already growing were generally in good condition, with the exception of some in the provinces of Buenos Aires and southern Córdoba, and the most advanced stands were already in the clustering stage.

The trade in wheat was rather quiet during the period under review on the part of private export traders, and practically only the local millers were in the market. They paid up to 450-460 pesos per 100 kilos (\$1.48-\$1.51 per bushel) in Rosario, but very few parcels were offered.

The Grain Board on the other hand has started at last to sell fairly heavily from its own stocks. Two tenders were called for during the period under review for disposal of 101,000 metric tons (3,711,000 bushels) of 1959-60 grain, and for 440,000 metric tons (16,167,000 bushels) of the 1960-61 crop, the whole tonnage being for exclusive purchase by local millers. It is reported that many bids were received but so far only 95,770 tons (3,519,000 bushels) of the 1959-60 crop have been sold at 4,140 pesos per ton (\$1.36 per bushel), f.o.r. Buenos Aires port, and 1,230 tons (45,000 bushels) at 4,180 pesos (\$1.37 per bushel). Bids covering only minor lots of the 1960-61 crop have so far been accepted.

This is a continuation of the policy started early in August when it was announced that henceforth the Grain Board would sell exclusively to local millers (the tender called to cover supplies for Brazil created an exception), at basic prices of 414 and 424 pesos per 100 kilos (\$1.36 and \$1.39 per bushel), for lots of the 1959-60 and 1960-61 crops, respectively.

Export sales were limited to very small parcels sold to Europe at an unchanged price of about £ 25. 5. 0. per ton (\$1.99 per bushel) c.i.f. for Southern wheat to the United Kingdom.

There is an increased interest at present for Durum (Candeal-Taganrog) wheat, the result of a world shortage of this commodity, and c.i.f. prices have risen by about 40 per cent in the last few months. It is reported that local exporters have already purchased some thousands of tons of the new yet to be harvested crop. Purchases began at about 620 pesos per 100 kilos (\$2.03 per bushel), but the present value is about 740 pesos per 100 kilos (\$2.43 per bushel). Small parcels have already been sold to Continental ports at US\$ 115.- and US\$ 120.- per ton (\$3.13-\$3.27 per bushel) c.i.f. for January-February 1962 shipment.

In the meantime, Brazil has issued a call for tenders for the supply of wheat from any source, with closing date on August 22. In order to enable Argentine exporters to participate the Grain Board invited bids for the same quantity from its

own stocks, in Bahia Blanca port, establishing a basic f.o.r. price of U\$S 59.60 per ton (\$1.62 per bushel). However, no actual purchases will take place until the result of the Brazilian tender is known, as stocks bought on this occasion can only be used for export to that country.

Prices in the Buenos Aires Futures Market averaged 465 pesos (\$1.52 per bushel) for September delivery; ranged from 470 to 461 (\$1.54 to \$1.51 per bushel) for October delivery; from 474 to 466 (\$1.55 to \$1.53 per bushel) for November; and around 460 (\$1.51 per bushel) for December delivery, all per 100 kilos.

The present average price in the Buenos Aires Cereal Exchange is 450 pesos (\$1.48 per bushel) for hard wheat, grade 1, 80 kilos hectolitre basis (64 pounds per bushel), and 440 (\$1.44 per bushel) for semi-hard wheat of the same grade and basic weight, both per 100 kilos.

Encouragement For
Argentine Grain Exports

The Secretary of Agriculture and Livestock in a recent speech stated the Government's purpose is to encourage as much as possible a steady export flow of Argentine grains, coinciding with the ever-increasing interest in them in world markets. As a contribution to that end he stated that the export retentions would be eliminated as soon as conditions permitted doing so. However, early action is not expected because of the very heavy budget deficit and the urgent need of a thorough study of existing grain handling, storage and loading facilities and methods, in order to do away with obsolete equipment and systems that continually impeded the normal and punctual fulfillment of export obligations. The Grain Board hopes to be able to get rid of inadequate port facilities, improve railway services and equipment and eliminate existing bottlenecks that not only materially slow down deliveries but considerably increase handling costs.

Argentine Wheat Exports December 1960-July 1961 1/ with Comparisons

Destination	Wheat	Destination	Wheat
	- thousand bushels -		- thousand bushels -
Algeria	381	Peru	4,121
Belgium	770	Portugal	1,033
Bolivia	377	Spain	2,772
Brazil	3,618	Switzerland	37
Germany	3,040	United Kingdom	6,594
Italy	5,367	Venezuela	270
Netherlands	1,273	Yugoslavia	48
Norway	446		
Paraguay	1,727	Total	31,872

Same Period:

December-July 1959-60	57,479 <u>2/</u>
1958-59	77,129
1957-58	45,243
1956-57	68,065
1955-56	63,981

1/ Preliminary, December 1, 1960-July 27, 1961.

2/ Subject to revision.

Continued from page 2.

The outlook in Eastern Europe is for a smaller production than last year's bumper crop but still well above average.

Prospects for the Soviet Union's 1961 wheat crop appear better than for the past 2 years but not up to the record 1958 harvest. A substantial increase over the 1960 acreage is an important factor. Conditions have been favorable in the winter wheat zone, especially in the Ukraine, the North Caucasus, and the Volga regions. Hot, dry weather has reduced wheat yield prospects in the "New Lands" regions.

Available information for Asia indicates that production for the continent may approximate the good 1960 outturn. Better outturns in some countries are offset by poor harvests in others. India reports a record crop, in contrast with Mainland China's unfavorable prospects.

Africa's total output is expected to be somewhat smaller than last year because of poor crops in former French North African countries.

The growing season, now beginning in the Southern Hemisphere, will determine final outturns. South America's production will be larger than in 1960 if growing conditions are favorable. Acreage is larger, especially in Argentina, the largest producer of the area.

The current outlook is generally good in Australia. Acreage is expected to be larger and yield prospects are good in most areas, despite dryness in some parts.

CALENDAR OF WHEAT EVENTS

- | | | |
|-----------|----|---|
| August | 10 | According to a report published by the Crop Reporting Board, U.S.D.A. production of all wheat in the United States in 1961, based on conditions as at August 1, was forecast at 1,204 million bushels. |
| | 14 | According to Foreign Crops and Markets published by U.S.D.A., the 1961 wheat crop in India amounted to a record 398 million bushels. |
| | 25 | Preliminary returns from a referendum held (August 24) in the 39-State Commercial wheat-producing area showed that 79.4 per cent of the farmers voting favored marketing quotas on 1962-crop wheat. |
| | 31 | According to Wheat Situation, published by the U.S.D.A., world wheat trade in 1961-62 is presently expected to reach at least the same level as in 1960-61, which, on the basis of latest tabulations, amounted to 1,500 million bushels, about 173 million bushels or 13 per cent higher than the 1,328 million bushels exported in 1959-60. |
| | 31 | The Bureau of the Census, U.S. Department of Commerce estimated wheat flour production in the United States in July 1961 at 20,777,000 hundredweight, an average of 989,000 hundredweight per working day. |
| | 31 | According to Foreign Crops and Markets World Summaries, published by the Foreign Agricultural Service, U.S.D.A. the present outlook is for another large world wheat crop in 1961. Production will not equal the 1960 near-record, however. |
| September | 1 | Based on conditions at August 15, Canada's 1961 wheat crop was forecast at 252.5 million bushels, 48 per cent smaller than last year's crop of 489.6 million and 49 per cent below the ten-year (1951-60) average of 497.4 million. |

EXPORTS OF CANADIAN WHEAT* AND WHEAT FLOUR**

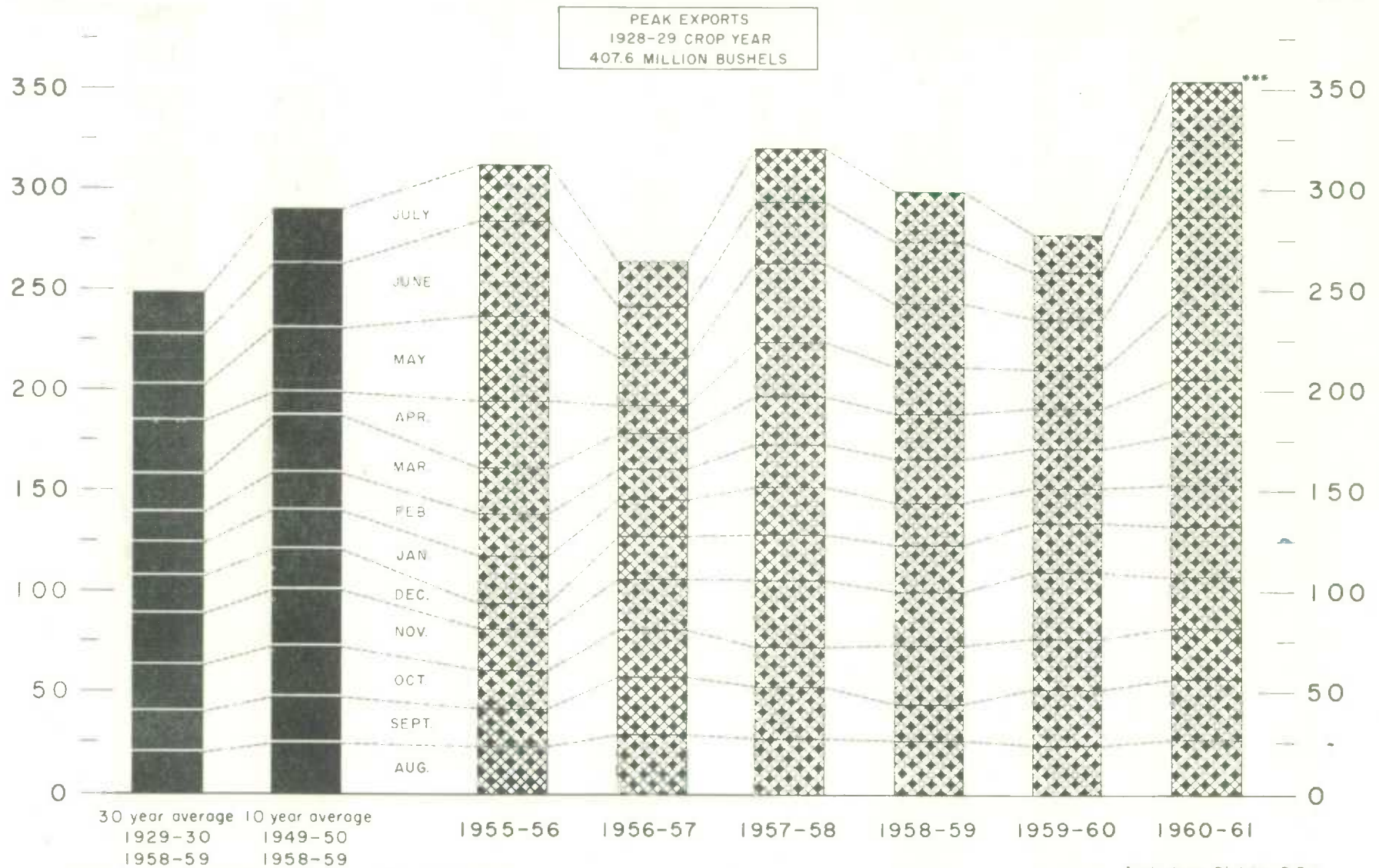
(SPECIFIED PERIODS)

MILLION BUSHELS

400 —

MILLION BUSHELS

— 400



*Includes bagged seed wheat. **In terms of grain equivalent.
***Preliminary.

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