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THE WHEAT REVIEW



FEBRUARY 1966

DOMINION BUREAU OF STATISTICS

THE
WHEAT REVIEW

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WORLD WHEAT SITUATION

Wheat Exports 9 Per Cent Above 1963-64 Record

At the halfway mark of the current Canadian crop year shipments of wheat (including flour in terms of wheat) from the four traditional major exporters amounted to 935.7 million bushels, exceeding by 9 per cent the previous record total of 857.6 million exported during the same six months in 1963-64 and 29 per cent more than the 725.3 million shipped during the comparable period last year. In addition, this year's August-January exports of wheat and flour were sharply above the ten-year (1954-55—1963-64) average shipments for the same period of the crop year, of some 516.0 million bushels. Although wheat shipments from each of the four major countries, United States, Canada, Argentina and Australia were at higher levels this year than last, exports from Canada recorded the largest increase of some 82.4 million bushels.

Exports of Wheat and Flour in Terms of Wheat, August 1965-January 1966 with Comparisons

August-January	United States	Canada	Argentina	Australia	Total
million bushels					
1950-51	121.5	104.7	33.7	61.5	321.4
1951-52	234.1	154.9	23.1	50.1	462.2
1952-53	168.7	190.3	1.1	40.8	400.9
1953-54	94.8	138.7	60.8	30.2	324.5
1954-55	126.2	134.9	66.4	45.4	372.9
1955-56	119.5	117.8	63.3	42.5	343.1
1956-57	252.7	145.4	45.9	74.5	518.5
1957-58	196.1	151.3	40.2	39.7	427.3
1958-59	220.6	144.2	45.0	33.3	443.1
1959-60	207.5	150.1	25.2	57.8	440.6
1960-61	306.9	153.5	41.3	66.5	568.2
1961-62	357.1	193.9	21.8	110.4	683.2
1962-63 (1)	250.0	167.6	28.9	58.5	505.0
1963-64 (1)	402.0	292.8	34.8	128.0	857.6
1964-65 (1)	353.4	217.8	67.6	86.5	725.3
1965-66 (2)	387.6	300.2	144.4	103.5	935.7

(1) Revised.

(2) Preliminary. •

Wheat Supplies of Four Major Exporters Continue to Decline

Supplies of wheat held by the four traditional major exporters at February 1, 1966 for export and for carryover at the end of their respective crop years amounted to 2,036.0 million bushels, 14 per cent below the 2,376.8 million at the same time a year ago. Although supplies were larger in Canada this increase was more than offset by declines in the totals for United States, Argentina and Australia. Supplies at February 1, 1966, in millions of bushels, were held as follows, with last year's comparable figures in brackets: United States, 1,012.5 (1,125.6); Canada, 742.6 (696.5); Argentina, 119.4 (296.1); and Australia, 161.5 (258.6).

I.W.C. Reports
Outlook for 1965-66

In its seventh annual Review of the World Wheat Situation, the International Wheat Council summarized the outlook for 1965-66 as follows. Bad weather in parts of the Northern Hemisphere and less favourable prospects for the big Southern Hemisphere producers has somewhat modified earlier forecasts of a record 1965-66 world crop. It is now provisionally estimated at 237 million tons (excluding Mainland China), 12 million tons below 1964-65 but still 16 million tons above the 1959-60—1963-64 average. The decline is mainly due to lower production in the U.S.S.R. and reduced acreages and lower yields due to drought conditions in the Southern Hemisphere. European, African and Near East production is about the same. Production is higher in Asia and much higher (by over 3 million tons) in North and Central America. The crop in Mainland China is reported to be lower and there is every indication that purchases are continuing on a very substantial scale. Poor weather has reduced the quality of the European crops and it is expected that a larger proportion of this wheat will find feed outlets.

The total production of Argentina, Australia, Canada and the United States is expected to show a slight decrease and their combined supplies, including opening stocks, are expected to be about 109 million tons, with about 81 million tons, with about 81 million tons available for export and carryover. The corresponding figures for the four European exporters (France, Italy, Spain and Sweden) show total supplies of 35 million tons with just over 10 million tons available for export and carryover. The U.S.S.R. crop is insufficient to meet her domestic needs and she has entered the market for massive purchases of wheat. Mexican production is about one-half million tons in excess of domestic requirements. World trade in wheat and flour is expected to show a substantial increase over 1964-65 and to reach or exceed the 1963-64 record levels. Trade patterns are likely to reveal some significant changes. Shipments to some traditional commercial importing countries may at best level off or even decline further; the Eastern Trading Area on the other hand may well increase imports to the record total of over 20 million tons. Total world trade in wheat and flour is forecast to exceed 56 million tons, an increase of 6 million tons above 1964-65. Despite the expanded trade volume, no tightness of supplies is expected. Combined closing stocks (8 exporting countries) are expected to fall to 39 million tons from the level of the two preceding years (44 million tons).

In its Conclusions the Wheat Council reported as follows:

Trends in Supply
and Demand

In 1964, in its conclusions to the Annual Review, the Council observed that the world was "still capable of generating (wheat) surpluses in excess of effective demand". This echoed similar statements in the four previous years. With the passage of another 'unusual' year in 1964-65, in which despite record world production stocks of the major exporters (taken together) showed no increase, and with the prospect of yet another unusual year in 1965-66, it is relevant to enquire whether the underlying trend itself has now changed.

The history of the wheat situation since 1945 appears to fall into three phases, each with distinctive features. The first phase saw the gradual emergence from conditions of shortage; the second was a period of mounting surpluses and the third was one of expanding commercial trade and a material reduction of stocks. It may help in the understanding and interpretation of the present situation and future prospects to consider briefly these phases in turn.

(1) First phase: Shortages 1945-1951

The period following the second world war was at first one of straitened supplies, not only in the then undeveloped world where the food balance was already precarious but also generally throughout the Continent of Europe. Production in many countries was at a low level as a result of the disruptive effects of the war. The supply situation was however alleviated by large shipments by the overseas exporting countries, including a substantial volume on aid terms by the United States, and in due course by the gradual recovery of production in many importing countries. By 1951 exporters' stocks,* which may be used as a rough indication of the world supply situation, had risen to 19.3 million tons, more than 12 million tons above their 1947 low.

(ii) Second Phase: Surpluses 1952-1961

The ultimate transition from a period of shortages to one of abundant and even embarrassing supplies took place in 1952-53. The rising trend of European production coincided with the continuing high level of production in North America, and two successive big crops in Canada in particular served to emphasise the change in basic supply conditions. The influence of technical developments leading to improved yields gathered momentum and together with the development of national policies became the most important production factors in this phase of abundant and indeed burdensome supplies.

Effective demand for wheat rose less quickly than world production and exporters' stocks mounted to 52 million tons in 1955. There emerged, however, in the mid-fifties a new element in world trade which was to play an increasingly important role in the expansion of trade and thereby in the disposal of the accumulating surpluses. This was the development of sales on concessional terms to developing countries, of which by far the most important examples were the U.S. programmes under Public Law 480. Nevertheless despite the rapid growth in this category of trade - it accounted for about 40 per cent of total world wheat trade in the early 1960's - and a slow increase in the volume of commercial trade, production continued to be in excess of effective demand, and exporters' stocks rose to a peak of 60 million tons - equivalent to 15 months' trade - in 1961.

(iii) Current Phase: Since 1961

The years since 1961 have been characterised by a marked expansion in commercial trade although the rising trend has been somewhat irregular. World production has continued to increase - there are signs that the yield revolution is reaching some developing countries - and it reached record levels in 1962-63 and 1964-65; even so, however, the increase in trade has been such that exporters' stocks fell sharply to 44 million tons in 1964 and are expected to be less than 40 million tons in 1966. The most obvious factors involved in this change are the huge purchases of the U.S.S.R. in 1963-64 and 1965-66 due to weather conditions, and consistent purchases by Mainland China at a level around 5 million tons. The market in China seems likely to be permanent for some years to come; the continuance of big purchases by the U.S.S.R. is much less certain.

* Here and subsequently in this section "exporters' stocks" refer to the combined stocks of Argentina, Australia, Canada, France, Italy, Spain, Sweden and the United States at the end of their respective marketing seasons in the year mentioned.

International Wheat Council
Cumulative Totals of Commercial Purchases by Importing Countries from Exporting Countries
Crop Year 1965-66--Through January 29, 1966

Importing Countries	EXPORTING COUNTRIES							Total Purchases
	Canada	Argentina	Australia	France	Italy	Sweden	U.S.A.	
	thousand bushels							
Austria	1,053	-	-	83	-	4	-	1,140
Belgium and Luxembourg	11,028	72	-	2,171	-	2	5,398	18,671
Brazil	-	21,863	-	-	-	-	16,205	38,068
Costa Rica	649	-	12	30	-	-	398	1,089
Cuba	-	-	-	-	-	-	-	-
Dominican Republic	255	-	-	-	-	-	645	900
Ecuador	475	-	-	-	-	-	75	550
El Salvador	454	-	-	-	-	-	269	723
Finland	378	-	-	5	-	-	224	607
Germany, Federal Republic .	23,079	763	227	2,244	5	970	11,849	39,137
Greece	16	-	-	-	3	-	33	52
Guatemala	170	-	-	-	-	-	1,368	1,538
Iceland	-	-	-	120	-	-	73	193
India	1	-	2	3	-	-	3,584	3,590
Ireland	1,377	-	1,788	1,105	-	-	751	5,021
Israel	468	-	-	-	-	-	1,926	2,394
Japan	30,200	-	8,195	1	-	-	40,553	78,949
Korea	-	-	-	-	-	-	1	1
Liberia	105	-	-	-	-	-	17	122
Libya	-	-	6	60	570	-	1	637
Netherlands	3,416	454	-	2,608	-	-	35,706	42,184
Netherlands Territories .	176	-	-	18	-	-	457	651
New Zealand	-	-	4,541	-	-	-	-	4,541
Nigeria	245	-	-	-	-	-	2,736	2,981
Norway	1,576	371	1,505	908	-	665	3,953	8,978
Peru	212	7,566	1	-	-	-	4,543	12,322
Philippines	2,284	-	29	520	82	-	8,567	11,482
Portugal	28	-	-	2,041	-	-	2,877	4,946
Portuguese Territories ..	155	441	558	40	-	-	163	1,357
Saudi Arabia	230	-	1,076	44	8	-	3,603	4,961
Sierra Leone	211	-	-	8	-	-	85	304
South Africa	-	-	1,867	-	-	-	-	1,867
Southern Rhodesia	10	-	882	-	-	-	373	1,265
Switzerland	8,933	103	9	2,601	2	42	2,887	14,577
Tunisia	-	-	-	-	-	-	-	-
United Arab Republic	-	-	2,102	2,315	3,891	-	1,735	10,043
United Kingdom	81,372	2,990	19,962	5,795	-	-	26,653	136,772
U.K. Territories	3,260	-	3,745	403	-	-	1,481	8,889
Vatican City	-	-	-	-	-	-	-	-
Venezuela	7,564	-	-	-	-	-	8,700	16,264
Western Samoa	(1)	-	183	-	-	-	-	183
To Orders	-	14,971	-	-	-	4,758	-	19,729
Totals	179,380	49,594	46,690	23,123	4,561	6,441	187,889	497,678
Percentage of Total Sales by Exporting Countries ...	36.04	9.97	9.38	4.65	0.92	1.29	37.75	100.00

(1) Less than 500 bushels.

NOTE: Mexico and Spain - no sales reported.

Argentina - quantities cover period ending December 24, 1965.

France - quantities cover period ending November 30, 1965.

Italy - quantities cover period ending January 8, 1966.

U.S.S.R. - exemption granted.

CANADIAN SITUATION

Current Crop Year Supplies Close to Record Level Reflecting increases in both opening stocks and production, total estimated supplies of Canadian wheat for the 1965-66 crop year amount to 1,192.8 million bushels, some 13 per cent above the 1964-65 figure of 1,059.9 million and only 1 per cent less than the 1963-64 record of 1,210.7 million bushels. The current total consists of a carryover of 514.9 million bushels, as against the previous year's 459.4 million and the 1965 harvest, estimated at 677.9 million and representing a 13 per cent increase over the 1964 outturn of 600.4 million bushels. After making an allowance of 150.0 million bushels for anticipated domestic requirements, supplies available for export and for carryover during 1965-66 amount to 1,042.8 million bushels, 14 per cent above the 1964-65 comparable figure of 914.3 million.

August-January Exports Highest on Record Exports of wheat and flour in terms of wheat equivalent reached the unprecedented total of 300.2 million bushels during the first half of the current Canadian crop year. This volume surpasses by some 2 per cent the previous high of 292.8 million exported during the same months of the 1963-64 crop year and exceeds by 38 per cent the 217.8 million shipped during the same period a year ago. This year's August-January total consisted of 284.7 million bushels of wheat in bulk, 403 thousand of seed wheat and 15.1 million of flour in terms of wheat. During the comparable period of last year these figures were 201.9 million of wheat in bulk, 425 thousand of seed wheat and 15.4 million of flour in terms of wheat equivalent. The balance remaining on February 1, 1966 for export and for carryover amounted to 742.6 million bushels, 7 per cent above the February 1, 1965 total of 696.5 million.

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

Canadian Wheat Supplies

Item	1964-65 (1)	1965-66 (2)
	million bushels	
Carryover in North America at beginning of crop year (August 1)	459.4	514.9
Production	600.4	677.9
Imports of wheat for domestic use, August-January	(3)	(3)
Total estimated supplies	1,059.9	1,192.8
Less estimated domestic requirements for crop year	145.6	150.0
Available for export and for carryover.....	914.3	1,042.8
Deduct:		
Exports of wheat in bulk, August-January (4)	201.9	284.7
Exports of bagged seed wheat, August-January (5)	0.4	0.4
Total exports of wheat as grain	202.4	285.1
Exports of wheat flour in terms of wheat, August-January (5)	15.4	15.1
Total exports of wheat and wheat flour	217.8	300.2
Balance on February 1 for export and for carryover	696.5	742.6

(1) Subject to revision. (2) Preliminary. (3) Less than 50,000 bushels. (4) As reported by the Board of Grain Commissioners. (5) Customs returns, 1964-65 adjusted for time lag.

Marketings, Disappearance
and Visible Supplies

Total primary deliveries of wheat (both east and west) up to February 16 of the current crop year have amounted to 261.2 million bushels compared with 271.6 million marketed during the same period of the previous year. Some 24.5 million bushels of this year's total were delivered during the four weeks January 20 to February 16. During the same period the volume of Canadian wheat entering domestic and export channels amounted to 34.8 million bushels. As a result, the total visible supply of Canadian wheat decreased from 313.6 million at January 19, 1966 to a level of 303.4 million at February 16, 1966.

The total visible supply of Canadian wheat at February 16 this year represented a decline of 12 per cent from the 1965 comparable total of 343.1 million and was 18 per cent below the 1964 figure of 368.5 million. Country elevator stocks amounting to 189.2 million bushels, were above the 177.6 million at February 17, 1965 but below the 208.3 million at the same date in 1964. This year's supplies in country elevators at February 16 accounted for 62 per cent of the total visible wheat supply compared with the 1965 and 1964 corresponding percentages of 52 per cent and 57 per cent, respectively. Wheat stocks at interior terminals totalled 1.2 million bushels and recorded declines from the 1965 and 1964 comparable levels of 4.2 million and 5.4 million bushels, respectively. Wheat stocks "in transit rail" (western division) amounted to 5.2 million bushels sharply below both the 11.2 million a year ago and the 19.2 million two years ago. Supplies at the Canadian Lakehead, totalling some 46.4 million bushels, were 22 per cent less than the 59.7 million at February 17, 1965 and 25 per cent below the 61.4 million at the same date in 1964. Stocks in "storage afloat" amounted to 8.7 million bushels and registered decreases from both the 1965 comparable total of 17.5 million and the 1964 figure of 16.4 million. The 19.7 million bushels in Bay, Lake and Upper St. Lawrence ports, were below the 28.2 million a year ago but above the 18.0 million two years ago. Supplies in Lower St. Lawrence and Maritime ports, at February 16, 1966 at 16.2 million bushels were 25 per cent below the 1965 total of 21.7 million but 21 per cent above the 1964 volume of 13.5 million bushels. The 5.9 million bushels in West Coast ports (Vancouver-New Westminster, Prince Rupert and Victoria) were lower than both the 7.7 million of the previous year and the total of 10.7 million in these positions in 1964.

December 1965 Exports
of Wheat Flour and
Bagged Seed Wheat

Customs exports of wheat flour in terms of wheat equivalent during December 1965 amounted to 1.9 million bushels, sharply lower than the previous month's total of 4.2 million and 14 per cent less than the December 1964 figure (adjusted to remove time lag) of 2.2 million. Cumulative exports of wheat flour during the first five months of the 1965-66 crop year, based on Customs returns, were the equivalent of 13.1 million, compared with the adjusted August-December 1964 total of 13.2 million bushels. The leading markets for Canadian wheat flour in terms of wheat equivalent during the August-December period of the 1965-66 crop year, with revised data for the same months of the preceding crop year in brackets, were as follows, in thousands of bushels: Britain, 3,890 (4,244); Cuba, 3,199 (1,349); Jamaica, 704 (604); Trinidad and Tobago, 653 (593); Costa Rica, 511 (404); United States, 471 (387); Ghana, 460 (1,006); and Leeward and Windward Islands, 435 (416).

Exports of bagged seed wheat during December 1965, based on Canadian Customs returns, amounted to 56 thousand bushels compared with the December 1964 total (adjusted to remove time lag) of 79 thousand. Cumulative exports of bagged seed wheat during the August-December period of the 1965-66 crop year amounted to 333 thousand bushels compared with the August-December 1964-65 adjusted total of 340 thousand bushels

January 1966 Exports
of Wheat Total
23.5 Million Bushels

Exports of wheat in bulk, as reported by the Board of Grain Commissioners, during January 1966 amounted to 23.5 million bushels. This year's January total, while below the 33.2 million shipped during the previous month was 30 per cent above the January 1965 figure of 18.1 million and 28 per cent more than the ten-year (1955-64) average for the month of January of 18.3 million bushels.

Cumulative exports of wheat in bulk during the first half of the 1965-66 crop year amounted to an all-time high of 284.7 million bushels, representing an increase of 7 per cent over the comparable 1963-64 record total of 266.3 million and nearly twice the ten-year average for the period of 144.7 million. This year's shipments of wheat to the U.S.S.R. (Russia) totalled some 108.1 million bushels and accounted for 38 per cent of the six-month total exports of wheat in bulk form. Shipments of wheat to Britain amounted to 38.2 million and accounted for 13 per cent of the August-January 1965-66 total. During the same period of 1964-65 shipments to Britain amounted to 37.8 million and accounted for 19 per cent of the August-January total. Other principal markets for Canadian wheat in bulk during the first six months of the current crop year, with figures for the same period of the preceding crop year in brackets, were as follows, in millions of bushels: Communist China, 30.5 (31.3); Japan, 22.9 (24.8); Federal Republic of Germany, 13.8 (12.6); Poland, 7.6 (14.7); Czechoslovakia, 7.5 (18.7); Belgium and Luxembourg, 7.4 (9.0); Cuba, 6.1 (3.3); India, 5.1 (3.2); and East Germany, 5.0 (7.4).

Final Payment
1964-65 Wheat Pool

On February 25, 1966 the Canadian Wheat Board announced the final payment on wheat delivered to the Board during the crop year 1964-65.

Producers delivered a total of 523,703,180 bushels of wheat to the Board in the 1964-65 Crop Year which included 31,029,697 bushels of Durum wheat. The amount of the final payment to be distributed to producers is \$200,107,082.00 of which \$12,281,103.00 will be distributed to producers who delivered Durum wheat. This is not a payment by the Government of Canada, but represents the net returns of The Canadian Wheat Board in the marketing of Western Canadian wheat for the 1964-65 Crop Year. The average final payment for wheat other than Durum is 38.124 cents per bushel. The average final payment for Durum wheat is 39.579 cents per bushel. The Board will commence issuing final payment cheques to producers on February 25, 1966. The final payment is being made on a grade basis as prescribed in the Canadian Wheat Board Act. The rates of final payment for the principal grades of wheat are as follows:

<u>Red Spring Wheat Grades</u>	<u>Final Payment</u> (cents per bushel)	<u>Amber Durum Grades</u>	<u>Final Payment</u> (cents per bushel)
No. 1 Manitoba Northern ..	38.296	No. 1 C.W.	38.296
No. 2 Manitoba Northern ..	38.711	No. 2 C.W.	39.169
No. 3 Manitoba Northern ..	36.228	No. 3 C.W.	38.939
No. 4 Manitoba Northern ..	36.888	Extra No. 4 C.W.	39.929
No. 5 Wheat	44.022	No. 4 C.W.	39.734
No. 6 Wheat	46.426	No. 5 C.W.	45.012
Feed Wheat	47.638	No. 6 C.W.	46.426

General Quota Position By February 14, 1966 out of a total of 1,908 shipping points in the Western Division, the Canadian Wheat Board had placed 673 points on a delivery quota of 6 bushels per specified acre, 451 points on a 5-bushel quota and 449 points on a 4-bushel quota. Of the remainder, 248 points were on a 3-bushel quota and 77 points on a 2-bushel quota. Only 10 stations were reported as "closed".

Summary of Elevator Shipping Points in the Western Division
as at February 14, 1966

Province	General Quota in Bushels Per Specified Acre					Closed	Total
	Two	Three	Four	Five	Six		
Ontario	-	-	-	-	1	-	1
Manitoba	-	10	43	56	231	3	343
Saskatchewan	31	114	297	315	270	5	1,032
Alberta	46	124	109	80	166	2	527
British Columbia	-	-	-	-	5	-	5
All Provinces	77	248	449	451	673	10	1,908

Rail Shipments of Wheat to Maritime Ports Rail shipments of wheat to Maritime Ports from Bay, Lake and Upper St. Lawrence Ports during the first six months of the current crop year totalled 19.6 million bushels compared with the August 1964-January 1965 figure of 15.3 million.

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

Origin of Shipment	August 1, 1964 - January 31, 1965	August 1, 1965 - January 31, 1966
	bushels	
Port McNicoll	3,998,373	5,726,746
Midland, Tiffin	4,398,504	6,799,700
Collingwood	254,551	771,454
Owen Sound	2,616,686	3,012,764
Goderich	2,316,278	676,349
Sarnia	920,599	1,437,667
Port Colborne	818,272	1,032,411
Peterborough	-	177,200
Totals	15,323,263	19,634,291

Farmers' Marketings by
Crop Districts 1964-65

Farmers in the Prairie Provinces and certain areas of British Columbia marketed 524.5 million bushels of wheat during the 1964-65 crop year according to revised figures compiled by the Statistics Branch of the Board of Grain Commissioners.

In the following tables, farmers' deliveries are shown by the marketing channel employed, i.e., through country elevators, directly to interior private and mill elevators, etc. Deliveries to country elevators are, in turn, broken down by provinces and crop districts.

Farmers' Marketings of Wheat in the Western Division, 1964-65

Marketing Channel	Total Wheat bushels
Country elevators	520,883,309
Interior private and mill elevators	3,527,317
Interior semi-public terminals	56,713
Platform loadings	47,391
Total	524,514,730

Farmers' Marketings through Country Elevators, 1964-65

Province and District	Wheat (Other than Durum)	Durum Wheat	Total Wheat
		bushels	
<u>Manitoba</u>			
Crop District 1	4,039,177	302,493	4,341,670
2	9,477,245	158,846	9,636,091
3	12,122,074	546,774	12,668,848
4	1,503,459	72,930	1,576,389
5	2,635,394	35,642	2,671,036
6	240,107	2,624	242,731
7	8,817,843	89,508	8,907,351
8	6,019,877	128,712	6,148,589
9	4,766,172	80,366	4,846,538
10	7,327,605	54,147	7,381,752
11	4,428,247	27,538	4,455,785
12	1,354,470	1,009	1,355,479
13	3,057,423	17,525	3,074,948
14	705,677	2,500	708,177
Totals	66,494,770	1,520,614	68,015,384
<u>Ontario</u>			
Country elevators in the Western Division	-	-	-
Totals (1)	66,494,770	1,520,614	68,015,384

Farmers' Marketings through Country Elevators, 1964-65

Province and District		Wheat (Other than Durum)	Durum Wheat	Total Wheat
		bushels		
<u>Saskatchewan</u>				
Crop District	1A	13,599,116	1,278,153	14,877,269
	1B	12,699,904	279,771	12,979,675
	2A	13,870,955	1,325,532	15,196,487
	2B	21,719,723	3,585,661	25,305,384
	3A North	8,692,741	1,690,582	10,383,323
	3A South	17,024,751	3,181,757	20,206,508
	3B North	12,564,378	2,604,504	15,168,882
	3B South	10,597,128	2,577,598	13,174,726
	4A	3,668,078	677,861	4,345,939
	4B	7,254,118	2,772,395	10,026,513
	5A	23,575,757	469,766	24,045,523
	5B	28,002,882	96,718	28,099,600
	6A	24,711,154	1,680,128	26,391,282
	6B	14,542,394	817,373	15,359,767
	7A	19,388,071	1,771,838	21,159,909
	7B	15,594,427	69,849	15,664,276
	8A	13,901,867	16,995	13,918,862
	8B	15,978,391	31,221	16,009,612
	9A	10,709,757	26,784	10,736,541
	9B	11,046,599	17,199	11,063,798
Totals		299,142,191	24,971,685	324,113,876
<u>Alberta</u>				
Crop District	1	14,745,295	1,161,490	15,906,785
	2	37,250,806	2,446,664	39,697,470
	3	13,584,964	328,307	13,913,271
	4	34,593,380	37,996	34,631,376
	5	6,698,853	1,427	6,700,280
	6	7,730,167	5,797	7,735,964
	7	7,609,916	11,248	7,621,164
Totals		122,213,381	3,992,929	126,206,310
<u>British Columbia</u>				
Crop District	1	2,543,847	3,892	2,547,739
Totals (2)		124,757,228	3,996,821	128,754,049
Totals Marketed		490,394,189	30,489,120	520,883,309

(1) Manitoba figures include points in Ontario west of Fort William-Port Arthur.

(2) Alberta figures include country points in British Columbia.

Farmers' Marketings Deliveries of wheat from farms in the Prairie Provinces up to February 16 of the current crop year amounted to 258.5 million bushels, representing a decrease of 3 per cent from the comparable 1964-65 total of 266.2 million but 44 per cent above the ten-year (1954-55-1963-64) average for the period of 179.3 million bushels.

Farmers' Marketings (1) of Wheat in the Prairie Provinces 1965-66

Week Ending	Manitoba	Saskatchewan	Alberta	Total	Last Year (2)
			bushels		
August 1 - 11, 1965 ...	72,373	307,415	32,092	411,880	583,409
18	58,125	171,644	99,666	329,435	717,218
25	531,497	1,248,691	299,652	2,079,840	2,153,973
September 1	582,609	2,681,424	581,410	3,845,443	2,532,451
8	243,029	2,073,379	639,041	2,955,449	3,246,274
15	508,944	4,387,021	610,973	5,506,938	6,599,071
22	364,600	2,366,634	384,426	3,115,660	18,121,700
29	769,182	1,845,073	513,968	3,128,223	16,301,510
October 6	2,277,366	3,985,118	2,047,455	8,309,939	11,145,643
13	4,037,753	9,938,485	4,877,036	18,853,274	15,100,572
20	2,622,535	14,354,967	4,871,472	21,848,974	19,356,199
27	1,999,638	10,383,566	3,323,365	15,706,569	16,550,913
November 3	1,585,786	7,128,714	2,309,350	11,023,850	13,016,334
10	2,379,134	9,236,326	2,222,102	13,837,562	12,801,440
17	2,142,387	8,381,642	1,815,821	12,339,850	11,583,131
24	2,063,870	8,267,245	1,912,400	12,243,515	12,173,348
December 1	1,893,856	9,344,779	1,893,792	13,132,427	8,805,335
8	2,483,454	10,370,729	2,936,028	15,790,211	8,634,551
15	2,826,634	13,347,318	3,310,970	19,484,922	20,300,443
22	2,724,598	13,372,399	3,969,470	20,066,467	8,686,749
29	1,803,602 (2)	8,593,690	2,848,423	13,245,715 (2)	4,066,001
January 5, 1966....	832,437	6,310,526	1,067,977	8,210,940	7,745,949
12	232,352	2,050,378	816,703	3,099,433	3,738,001
19	751,276	1,402,910	3,381,590	5,535,776	9,940,148
26	749,247	2,788,527	1,539,695	5,077,469	20,007,935
February 2	264,993	1,263,054	656,558	2,184,605	4,384,418
9	1,687,263	2,253,553	3,591,616	7,532,432	3,239,560
16	1,419,621	4,840,812	3,352,247	9,612,680	4,671,139
Totals	39,908,161	162,696,019	55,905,298	258,509,478	266,203,415
Average similar period:					
1954-55-1963-64	20,686,282	111,515,533	47,050,823	179,252,639	

(1) Includes receipts at country, interior private and mill elevators, interior semi-public terminals and platform loadings.

(2) Revised.

Visible Supply of Canadian Wheat, February 16, 1966
Compared with Approximately the Same Date, 1964 and 1965

Position	1964	1965	1966
thousand bushels			
Country elevators - Manitoba	20,178	18,843	16,747
Saskatchewan	126,699	98,452	113,567
Alberta	61,390	60,351	58,840
Totals	208,267	177,646	189,154
Interior private and mill	7,620	7,111	6,217
Interior terminals	5,363	4,189	1,233
Vancouver-New Westminster	9,130	6,113	5,210
Victoria	686	659	493
Prince Rupert	841	896	242
Churchill	4,759	4,700	824
Fort William-Port Arthur	61,423	59,652	46,366
In transit rail (western division)	19,240	11,248	5,186
Bay, Lake and Upper St. Lawrence ports	18,004	28,206	19,693
Lower St. Lawrence and Maritime ports	13,466	21,696	16,230
Storage afloat	16,359	17,513	8,671
In transit rail (eastern division)	3,346	3,474	3,905
Totals	368,504	343,103	303,424

Grading of Wheat Inspected, August 1965-January 1966 with Comparisons

Grade	Crop Year		August-January			
	Average					
	1959-60	1964-65	1964-65		1965-66	
	1963-64					
	per cent	per cent	cars	per cent	cars	per cent
No. 1 Man. Northern	8.2	2.4	4,388	2.9	2,555	1.6
No. 2 Man. Northern	41.5	34.0	61,893	41.6	40,958	25.6
No. 3 Man. Northern	22.1	22.0	37,011	24.9	40,417	25.2
No. 4 Man. Northern	8.1	8.6	11,013	7.4	26,509	16.6
No. 5 Wheat	3.7	5.7	4,815	3.2	5,310	3.3
No. 6 Wheat	0.5	0.6	811	0.5	136	0.1
Feed Wheat	(1)	(1)	20	(1)	4	(1)
Others Red Spring	8.6	18.9	22,236	14.9	36,090	22.5
C.W. Garnet	0.2	0.1	168	0.1	13	(1)
C.W. White Spring	0.1	0.1	152	0.1	41	(1)
C.W. Mixed Wheat	(1)	(1)	78	0.1	80	(1)
Alberta Winter	0.4	0.5	965	0.6	509	0.3
Nos. 1-6 C.W. Amber Durum ..	6.3	6.6	4,969	3.3	6,876	4.3
Others C.W. Amber Durum ..	0.2	0.4	378	0.3	571	0.4
Totals	100.0	100.0	148,897	100.0	160,069	100.0

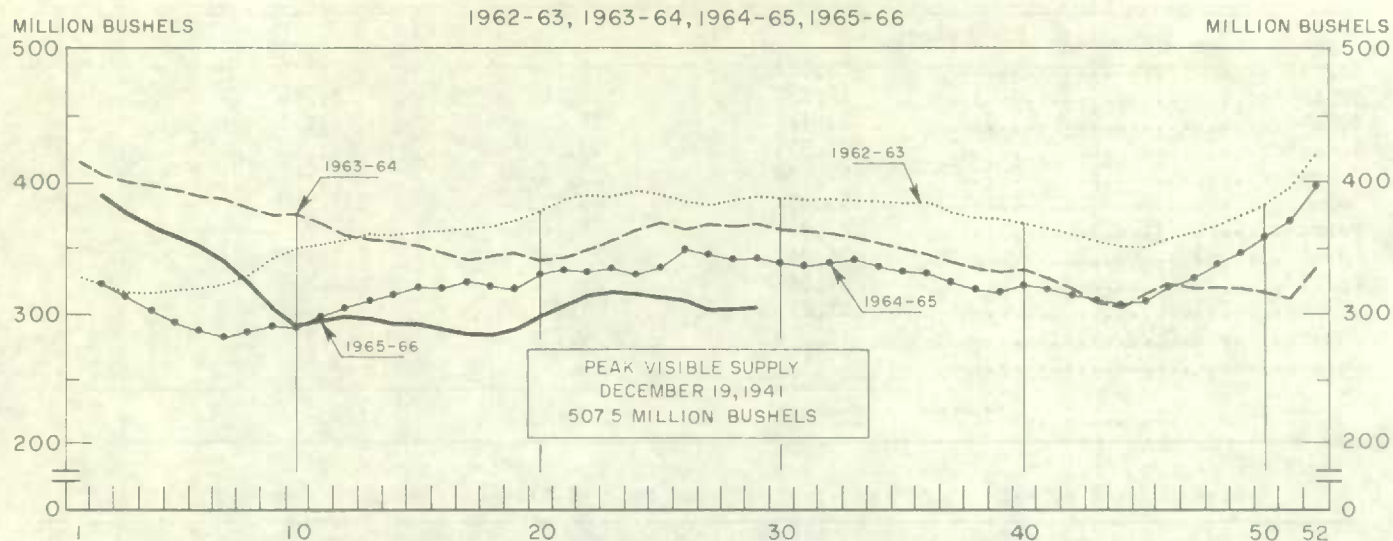
Gross bushels (approx.) ..

288,540,000

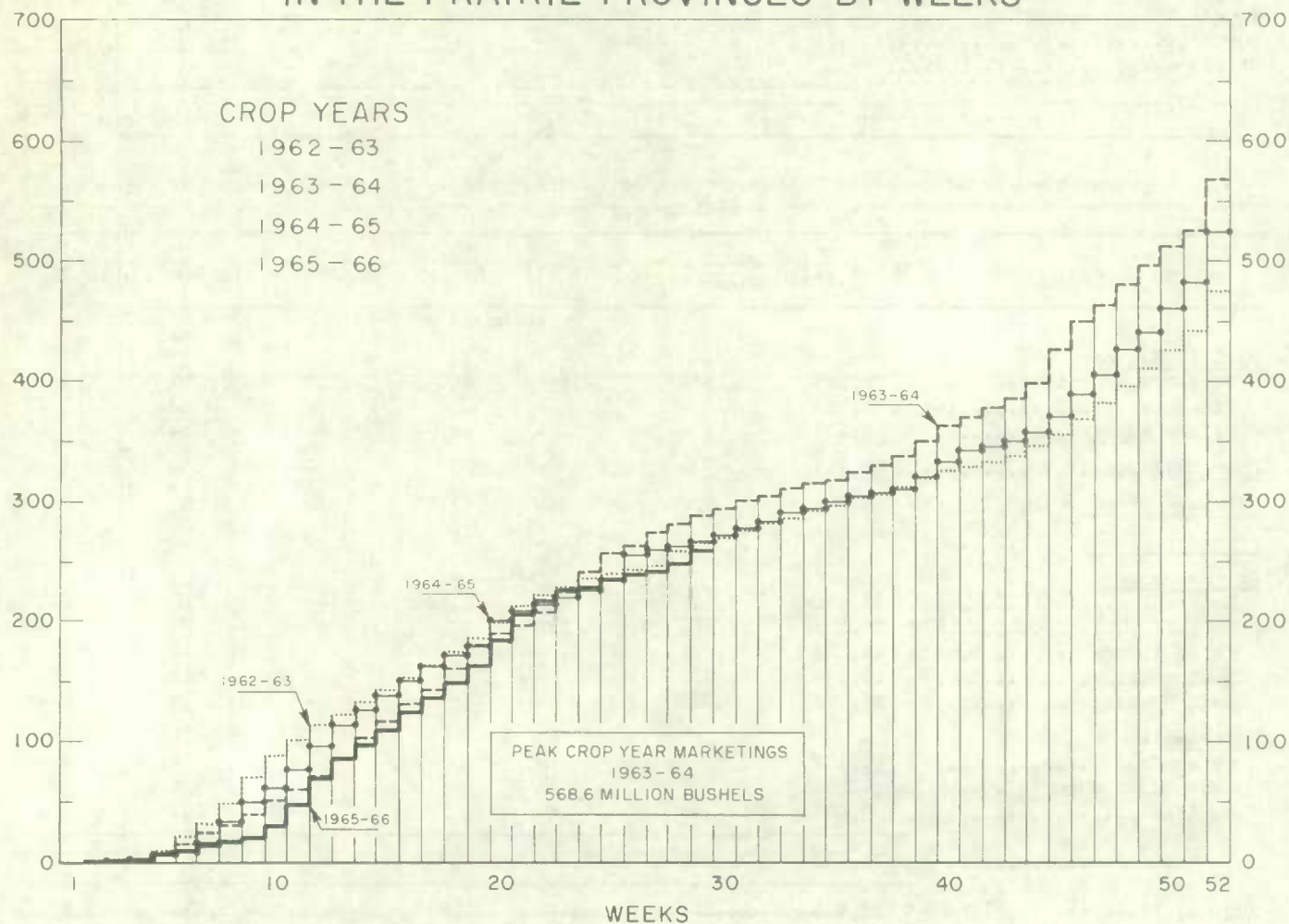
308,962,000

(1) Less than .05 per cent.

WEEKLY VISIBLE SUPPLY OF CANADIAN WHEAT



CUMULATIVE RECORD OF WHEAT MARKETINGS IN THE PRAIRIE PROVINCES BY WEEKS



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

Rail Shipments of Wheat from Fort William-Port Arthur, 1962-63--1965-66

Month	1962-63	1963-64	1964-65	1965-66
bushels				
August	13,933	5,500	7,786	10,458
September	11,657	9,104	19,564	10,500
October	22,716	25,355	12,135	4,500
November	12,024	13,500	13,167	10,205
December	12,778	23,047	26,961	7,500
January	39,534	58,772	10,703	46,108
February	22,967	28,768	17,214	
March	86,398	21,268	112,296	
April	69,067	26,063	17,506	
May	11,851	7,941	8,207	
June	15,746	20,518	4,965	
July	11,158	12,707	13,872	
Totals	329,829	252,543	264,376	

Distribution of Rail Shipments of Wheat from Fort William-Port Arthur, January, 1966

Grade	Quebec	Ontario
bushels		
5 Wheat	31,500	6,000
Tough	1,500	1,200
Durum	4,000	-
Others	1,908	-
Totals	38,908	7,200

Overseas Exports of Canadian Grain by Ports of Loading, August 1, 1965-February 16, 1966
with Comparisons

Port	Wheat (1)	Durum Wheat (1)	Oats (1)	Barley	Rye	Flaxseed	Rapeseed
thousand bushels							
<u>Pacific Seaboard</u>							
Van.-New Westminster ...	76,506	1,874	4,046	9,025	2,055	3,454	6,207
Victoria	6,153	-	-	-	-	-	-
Prince Rupert	8,336	-	-	-	-	-	-
<u>Churchill</u>	24,291	-	-	-	-	-	-
<u>Lakehead Direct</u>	3,055	520	2,888	1,796	513	5,183	677
<u>Prescott Direct</u>	380	-	-	-	10	-	-
<u>St. Lawrence</u>							
Montreal	55,486	8,926	484	1,814	140	378	101
Sorel	20,005	2,810	230	-	49	80	-
Three Rivers	16,204	2,229	-	-	-	-	-
Quebec	10,244	903	-	-	-	256	-
Baie Comeau	34,072	3,123	-	-	-	-	-
<u>Maritime</u>							
Saint John	1,157	-	-	-	-	-	-
West Saint John	11,205	1,424	66	-	-	406	-
Halifax	8,443	36	-	-	-	201	-
Totals	275,537	21,845	7,714	12,635	2,767	9,958	6,985
Aug. 1, 1964-Feb. 17, 1965	198,953	14,258	3,101	11,667	959	8,438	3,932

(1) Excluding bagged seed.

Freight-Assisted Shipments Claims filed for payment up to January 31, 1966 represent the movement of 7,212 thousand bushels of wheat from the Prairie Provinces to Eastern Canada and British Columbia under the freight assistance policy during the August-December period of the current crop year. During the same months last year claims had been filed for a total of 4,300 thousand bushels, indicating on the assumption of approximately the same rate of submission of claims during both the current and preceding crop years that the August-December shipments of wheat under the policy were running about 68 per cent above those of 1964. Revised data on the August-December 1964 shipments of wheat, based on claims submitted up to January 31, 1966 place the five-month total at 4,900 thousand bushels. The bulk of the shipments during the current five months under review went to destinations in Quebec and Ontario with these two provinces accounting for 43 per cent and 27 per cent of the total, respectively.

Provincial Distribution of Wheat Shipments under the Freight Assistance Policy
August-December 1965 and 1964

Month	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	B.C.	Total
thousand bushels								
August, 1965	34	17	181	59	719	449	139	1,598
September	123	17	187	68	676	496	179	1,746
October	43	6	202	45	632	364	245	1,536
November	3	13	128	56	602	294	204	1,301
December	3	15	119	49	480	313	52	1,031
Totals (1)	206	67	817	277	3,110	1,917	819	7,212
Same period 1964:								
Preliminary (2)	105	47	456	163	2,034	1,078	417	4,300
Revised (1)	124	52	496	186	2,226	1,146	670	4,900

Preliminary data on millfeed shipments under the freight assistance policy indicate shipments of 204,031 tons during the August-December period of the current crop year. During the same five months of 1964 claims had been filed for a total of 169,129 tons, indicating on the assumption of approximately the same rate of submission of claims during both the current and preceding crop years that the August-December shipments of millfeeds under the policy were running about 21 per cent above those of 1964. Revised data on the 1964 August-December shipments of millfeeds based on claims submitted up to January 31, 1966 place the five-month total at 208,215 tons. As with freight-assisted shipments of wheat, the greater portion of the millfeed shipments during the period under review went to destinations in Quebec and Ontario.

Provincial Distribution of Millfeed Shipments under the Freight Assistance Policy
August-December 1965 and 1964

Province	1964		1965
	Preliminary (2)	Revised (1)	Preliminary (1)
tons			
Newfoundland	1,910	2,831	2,616
Prince Edward Island	3,076	3,388	3,207
Nova Scotia	11,360	13,925	11,877
New Brunswick	10,465	12,100	10,705
Quebec	84,744	102,411	108,013
Ontario	50,710	59,200	57,547
British Columbia	6,864	14,360	10,066
Totals	169,129	208,215	204,031

(1) Based on claims filed up to January 31, 1966.

(2) Based on claims filed up to January 31, 1965.

Supply and Disposition of Wheat and Rye, Canada
Crop Year 1964-65

Item	Wheat	Rye
	bushels	
Stocks at commencement of crop year -		
On farms	120,640,000	1,650,000
Pacific coast elevators	10,741,943	88,730
Western country elevators	193,860,624	2,415,499
Fort William-Port Arthur	54,115,414	1,749,919
Eastern elevators	22,372,976	453,421
In transit rail	29,400,251	243,020
In transit lake	7,817,458	-
Other Canadian positions	20,491,462	23,592
U.S.A. positions	-	427,567
Totals, in store July 31, 1964	459,440,128	7,051,748
1964 Production	600,424,000	12,220,000
Imports (1)	9,952	79,107
Totals, supplies	1,059,874,080	19,350,855
Exports (2)	399,594,316	4,857,951
Consumed in Canada -		
Human food (3)	57,850,000	451,000
Seed requirements	40,022,000	842,000
Industrial use (4)	1,600,000	1,200,000
Loss in handling (5)	1,409,815	14,573
Animal feed, waste and dockage (6)	46,373,876	3,683,526
Totals, domestic use	147,255,691	6,191,099
Stocks at end of crop year -		
On farms	109,100,000	1,700,000
Pacific coast elevators	6,958,030	191,831
Western country elevators	238,611,266	2,556,448
Fort William-Port Arthur	49,663,524	2,165,481
Eastern elevators	62,100,289	647,257
In transit rail	20,877,730	539,721
In transit lake	6,775,920	63,525
Other Canadian positions	18,937,314	63,696
U.S.A. positions	-	373,846
Totals, in store July 31, 1965	513,024,073	8,301,805
Totals, disposition	1,059,874,080	19,350,855

(1) Import data for wheat and rye, respectively, include wheat flour in terms of wheat and rye flour in terms of rye. (2) Export data for wheat includes bagged seed wheat, wheat flour in terms of wheat and rye flour and meal in terms of rye. (3) Food uses estimated as follows: wheat - wheat flour and breakfast foods; rye - rye flour and breakfast foods. (4) Estimated. (5) Includes drying loss, outturn loss (lake and rail), fire loss, storage loss, etc. (6) Residual after estimating for other uses.

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
thousand bushels					
<u>1963-64</u>					
August	29,204	187	29,391	2,819	32,210
September	42,556	129	42,686	2,106	44,791
October	59,020	15	59,035	3,520	62,555
November	65,296	204	65,499	4,538	70,037
December	41,763	388	42,151	6,284	48,435
January	28,451	535	28,987	5,829	34,816
February	21,675	562	22,237	5,800	28,037
March	22,510	484	22,995	5,697	28,692
April	43,211	213	43,423	5,530	48,954
May	56,992	14	57,006	4,744	61,750
June	65,036	144	65,180	3,768	68,948
July	61,012	35	61,047	4,275	65,322
Totals	536,726	2,912	539,637	54,910	594,548
<u>1964-65</u>					
August	42,226	68	42,294	3,711	46,005
September	42,792	121	42,913	2,258	45,172
October	40,120	27	40,147	2,460	42,607
November	30,976	45	31,021	2,534	33,556
December	27,720	79	27,799	2,220	30,020
January	18,098	85	18,183	2,263	20,446
February	19,337	147	19,484	1,637	21,121
March	23,376	281	23,657	2,289	25,946
April	31,798	212	32,010	4,047	36,057
May	34,822	126	34,949	3,515	38,464
June	30,631	59	30,690	2,176	32,866
July	24,843	61	24,905	2,430	27,335
Totals	366,740	1,312	368,052	31,542	399,594
<u>1965-66 (4)</u>					
August	43,377	62	43,439	1,937	45,377
September	64,447	94	64,541	2,755	67,296
October	64,517	82	64,599	2,273	66,872
November	55,652	38	55,691	4,202	59,893
December	33,201	56	33,258	1,916	35,174
January	23,483	70(5)	23,553	2,000(5)	25,553
Totals	284,678	403	285,080	15,084	300,164

- (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, 1963-64—1964-65 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) Preliminary, subject to revision.
- (5) Estimated.

Exports of Canadian Wheat (1) by Destination, January 1966 and 1965

Destination	Wheat (Except Durum)	Durum Wheat	All Wheat	
			January 1966	January 1965 (2)
bushels				
<u>Western Europe</u>				
<u>EEC</u>				
Belgium and Luxembourg	135,707	-	135,707	1,493,387
France	-	-	-	866,117
Germany, Federal Republic	8,867	-	8,867	1,692,580
Netherlands	201,339	-	201,339	92,401
Sub-totals	345,913	-	345,913	4,144,485
<u>Other Western Europe</u>				
Britain	4,499,146	46,666	4,545,812	5,301,571
Ireland	-	-	-	72,360
Switzerland	35,656	-	35,656	261,940
Sub-totals	4,534,802	46,666	4,581,468	5,635,871
Totals	4,880,715	46,666	4,927,381	9,780,356
<u>Eastern Europe</u>				
Albania	274,400	95,200	369,600	337,767
Bulgaria	-	-	-	1,010,166
Hungary	-	-	-	422,000
Poland	618,918	-	618,918	-
U.S.S.R. (Russia)	4,679,176	-	4,679,176	889,433
Totals	5,572,494	95,200	5,667,694	2,659,366
<u>Asia</u>				
China, Communist	4,930,590	221,947	5,152,537	536,339
Hong Kong	222,133	-	222,133	71,680
India	388,267	-	388,267	-
Japan	4,340,250	-	4,340,250	2,781,968
Malaysia and Singapore	113,866	-	113,866	57,867
Philippines	252,000	-	252,000	-
Taiwan	-	-	-	101,808
Totals	10,247,106	221,947	10,469,053	3,549,662
<u>Western Hemisphere</u>				
Barbados	80	-	80	-
Cuba	934,864	-	934,864	377,664
Dominican Republic	-	-	-	205,333
Ecuador	110,230	-	110,230	-
El Salvador	202,907	-	202,907	-
Guatemala	23,333	-	23,333	-
Jamaica	499	-	499	-
Nicaragua	36,743	-	36,743	-
Peru	-	-	-	228,667
Venezuela	1,109,867	-	1,109,867	1,297,333
Totals	2,418,523	-	2,418,523	2,108,997
Sub-totals, All Countries	23,118,838	363,813	23,482,651	18,098,381
Bagged seed (3)			70,000 (4)	84,645
Totals, All Countries	23,118,838	363,813	23,552,651	18,183,026

See footnotes on page 20.

Cumulative Exports of Canadian Wheat (1) by Destination

Destination	August 1965-January 1966			Total
	Wheat (Except Durum)	Durum Wheat	Total Wheat	Same Period Last Year(2)
bushels				
<u>Western Europe</u>				
<u>EEC</u>				
Belgium and Luxembourg ...	6,869,335(5)	511,739	7,381,074(5)	9,023,788
France	1,693,513	608,197	2,301,710	3,453,957
Germany, Federal Republic.	8,740,354(5)	5,060,516	13,800,870(5)	12,618,376
Italy	4,426,618	175,442	4,602,060	2,432,093
Netherlands	2,306,525	123,199	2,429,724	1,809,332
Sub-totals	24,036,345(5)	6,479,093	30,515,438(5)	29,337,546
<u>Other Western Europe</u>				
Austria	806,915	381,193	1,188,108	1,195,493
Britain	37,884,991(5)	266,226	38,151,217(5)	37,792,580
Finland	377,684	-	377,684	343,467
Ireland.....	917,514	26,068	943,582	356,280
Malta and Gozo	283,733	-	283,733	412,534
Norway	1,575,540	-	1,575,540	1,601,120
Sweden	-	18,666	18,666	11,200
Switzerland	2,322,094	2,556,803	4,878,897	2,397,404
Sub-totals	44,168,471(5)	3,248,956	47,417,427(5)	44,110,078
Totals	68,204,816	9,728,049	77,932,865	73,447,624
<u>Eastern Europe</u>				
Albania	1,798,982	871,733	2,670,715	2,341,417
Bulgaria	-	-	-	3,359,614
Czechoslovakia	6,451,200	1,095,866	7,547,066	18,688,398
Germany, East	5,019,952	-	5,019,952	7,404,212
Hungary	-	-	-	1,328,940
Poland	6,259,672	1,357,508	7,617,180	14,717,161
U.S.S.R. (Russia)	101,255,903	6,844,820	108,100,723	970,980
Totals	120,785,709	10,169,927	130,955,636	48,810,722
<u>Africa</u>				
Ethiopia	146,976	-	146,976	-
Mozambique	11,125	-	11,125	24,105
Nigeria	242,667	-	242,667	284,024
Republic of South Africa	-	-	-	944,533
Rhodesia	-	-	-	48,210
Totals	400,768	-	400,768	1,300,872

Cumulative Exports of Canadian Wheat (1) by Destination

Destination	August 1965-January 1966			Total
	Wheat (Except Durum)	Durum Wheat	Total Wheat	Same Period Last Year (2)
bushels				
<u>Asia</u>				
China, Communist	28,653,350	1,874,196	30,527,546	31,317,103
Hong Kong	688,351	-	688,351	470,587
India	5,091,196	-	5,091,196	3,225,263
Israel	467,600	-	467,600	529,200
Japan	22,861,428	-	22,861,428	24,816,650
Malaysia and Singapore	688,205	-	688,205	372,587
Pakistan.....	492,479	-	492,479	1,836,800
Philippines	1,857,520	-	1,857,520	3,206,261
Saudi Arabia	229,531	-	229,531	251,964
Taiwan	-	-	-	341,836
Thailand	154,000	-	154,000	-
Totals	61,183,660	1,874,196	63,057,856	66,368,251
<u>Oceania</u>				
United States Oceania	36,587	-	36,587	38,565
<u>Western Hemisphere</u>				
Barbados	160	-	160	60
Cuba	6,100,455	-	6,100,455	3,255,090
Dominican Republic	-	-	-	704,386
Ecuador	585,347	-	585,347	893,142
El Salvador	452,667	-	452,667	294,934
Guatemala	148,106	-	148,106	135,833
Honduras Republic	-	-	-	53,200
Jamaica	4,990	-	4,990	3,654
Leeward and Windward Islands.	4	-	4	-
Nicaragua	265,970	-	265,970	204,960
Peru	186,667	-	186,667	613,200
Trinidad and Tobago	129,472	-	129,472	-
Venezuela	4,420,262	-	4,420,262	5,807,719
Totals	12,294,100	-	12,294,100	11,966,178
Sub-totals, All Countries.	262,905,640	21,772,172	284,677,812	201,932,212
Bagged seed (3)			402,679	425,002
Totals, All Countries	262,905,640	21,772,172	285,080,491	202,357,214

- (1) Overseas clearances as reported by the Statistics Branch, Board of Grain Commissioners for Canada, for all countries except the United States. Excluding bagged seed. (2) Revised. (3) Compiled from Canadian Customs returns, 1964-65 adjusted for time lag, 1965-66 estimated. (4) Estimated. (5) Revisions in data for previous months have been taken into account in the August-January cumulative totals.

Customs Exports of Canadian Wheat Flour by Countries of Consignment

Destination	September 1965 (1)	December 1965 (2)	August-December	
			1965 (2)	1964 (1)
bushels				
<u>Western Europe</u>				
<u>EEC</u>				
Belgium and Luxembourg	22,977	7,088	44,728	81,280
Italy	2,300	-	3,450	4,025
Netherlands	-	400	3,185	867
Sub-totals	25,277	7,488	51,363	86,172
<u>Other Western Europe</u>				
Britain	852,171	638,935	3,890,464	4,243,790
Denmark	460	460	1,380	1,380
Gibraltar	-	-	3,864	2,622
Greece	805	2,599	6,251	8,266
Iceland	-	-	-	3,220
Norway	-	-	46	-
Portugal	-	1,610	25,746	31,802
Sweden	-	-	506	1,265
Sub-totals	853,436	643,604	3,928,257	4,292,345
Totals	878,713	651,092	3,979,620	4,378,517
<u>Eastern Europe</u>				
U.S.S.R. (Russia)	-	-	354,200	1,314,300
<u>Africa</u>				
Angola	1,380	3,450	10,005	1,196
Cameroun Republic	690	-	10,132	9,009
Congo-Leopoldville	-	6,900	43,700	75,387
Ethiopia	-	-	-	230
French Africa nes	6,548	-	6,548	5,782
Gambia	-	14,030	23,575	31,542
Ghana	69,226	139,380	460,299	1,005,900
Guinea Republic	-	-	-	920
Ivory Coast Republic	-	-	460	690
Liberia	920	19,654	69,272	41,692
Malawi	-	2,645	10,902	-
Mozambique	2,539	1,178	23,545	25,999
Nigeria	101	14,570	15,327	5,559
Nyasaland	-	-	-	11,197
Portuguese Africa nes	12,708	11,426	46,543	30,367
Rhodesia	-	1,150	3,450	1,150
Sierra Leone	23,915	14,950	165,759	285,513
Tanzania	-	-	3,450	-
Togo	5,743	690	65,950	109,756
U.A.R. Egypt	-	-	1,656	-
Totals	123,770	230,023	960,573	1,641,889
<u>Asia</u>				
Aden	6,762	966	28,359	20,222
Burma	-	-	-	159,043
Ceylon	-	-	-	437,936
Hong Kong	54,512	87,446	343,075	344,101
Indonesia	-	-	-	16,694
Iran	2,252	331	2,925	1,603
Japan	529	287	1,458	20,251
Jordan	-	-	255	9,888
Korea	-	-	27,881	-

Customs Exports of Canadian Wheat Flour by Countries of Consignment

Destination	September 1965 (1)	December 1965 (2)	August-December	
			1965 (2)	1964 (1)
bushels				
<u>Asia (concluded)</u>				
Kuwait	-	-	-	5,605
Lebanon	200,933	575	381,954	24,023
Malaysia	16,776	7,733	77,250	202,802
Portuguese Asia	773	1,518	9,909	5,566
Qatar	87	-	317	230
Saudi Arabia	-	276	276	1,070
Syria	3,549	5,072	8,621	709
Thailand	4,600	28,925	106,607	226,081
Totals	290,773	133,129	988,887	1,475,824
<u>Oceania</u>				
Australia	-	-	14	-
British Oceania	-	-	230	-
Fiji	1,392	-	3,243	2,461
French Oceania	230	-	483	701
United States Oceania	-	4,025	25,760	115
Totals	1,622	4,025	29,730	3,277
<u>Western Hemisphere</u>				
Bahamas	23,591	22,445	120,957	146,119
Barbados	18,628	19,405	92,485	78,159
Bermuda	14,892	11,645	49,558	51,867
British Guiana	5,920	3,682	24,750	22,657
British Honduras	7,319	9,000	29,215	15,732
Chile	-	-	-	920
Costa Rica	113,758	154,721	510,807	404,589
Cuba	667,996	-	3,199,114	1,349,307
Dominican Republic	89,817	5,792	227,466	40,595
El Salvador	115	170	1,318	200
French Guiana	-	-	230	-
French West Indies	356	-	2,438	920
Guatemala	1,957	3,223	19,481	14,839
Haiti Republic	-	782	1,120	19,463
Honduras Republic	5,405	14,490	43,337	16,875
Jamaica	80,590	232,330	703,988	604,481
Leeward and Windward Islands .	97,959	121,822	434,682	415,755
Netherlands Antilles	22,823	21,735	97,244	104,827
Nicaragua	6,440	690	7,130	690
Panama	3,036	3,853	16,949	43,935
Peru	5,865	3,565	24,334	20,180
St. Pierre and Miquelon	1,709	1,329	10,345	8,793
Surinam	4,768	3,043	30,086	30,006
Trinidad and Tobago	118,158	153,217	652,956	592,705
United States Virgin Islands .	-	-	67	-
Venezuela	115	-	115	575
United States	92,529	110,809	470,782	386,623
Totals	1,383,746	897,748	6,770,954	4,370,812
Totals, All Countries ...	2,678,624	1,916,017	13,083,964	13,184,619

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.

FARMERS' MARKETINGS OF WHEAT, PRAIRIE PROVINCES

(SPECIFIED PERIODS)

MILLION BUSHELS

700 —

600 —

500 —

400 —

300 —

200 —

100 —

0

MILLION BUSHELS

700 —

600 —

500 —

400 —

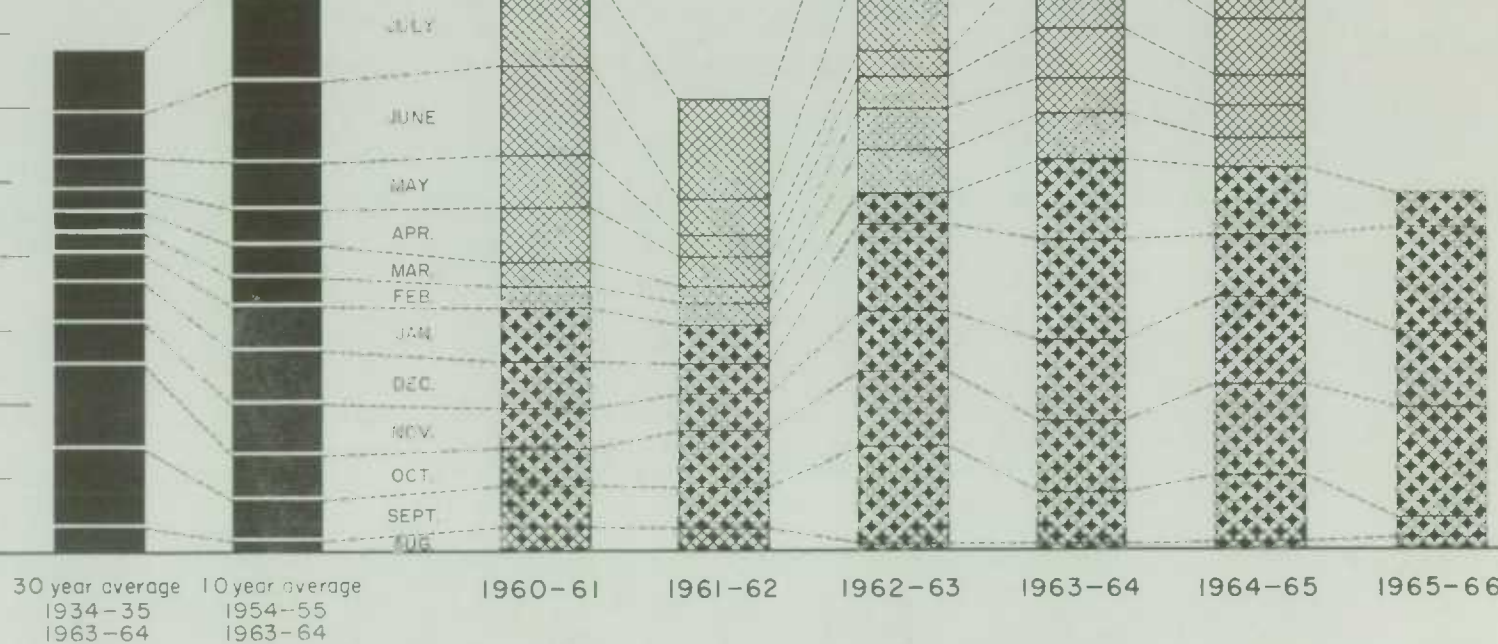
300 —

200 —

100 —

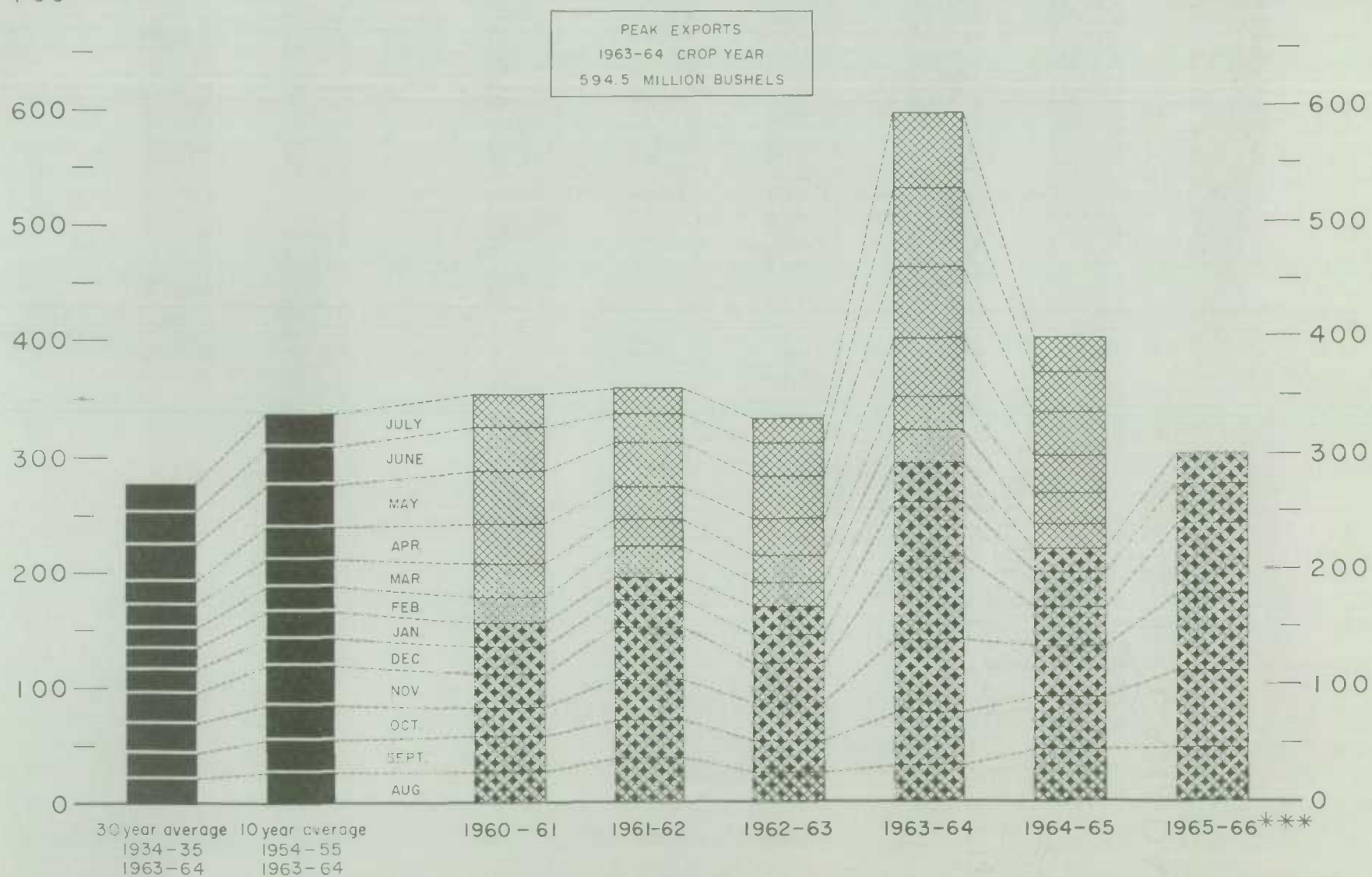
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PEAK MARKETINGS
1963-64 CROP YEAR
568.6 MILLION BUSHELS



EXPORTS OF CANADIAN WHEAT* AND WHEAT FLOUR**

(SPECIFIED PERIODS)

MILLION BUSHELS
700—MILLION BUSHELS
700—

*Beginning with 1956-57 includes bagged seed wheat ***In terms of wheat equivalent. ****Preliminary.

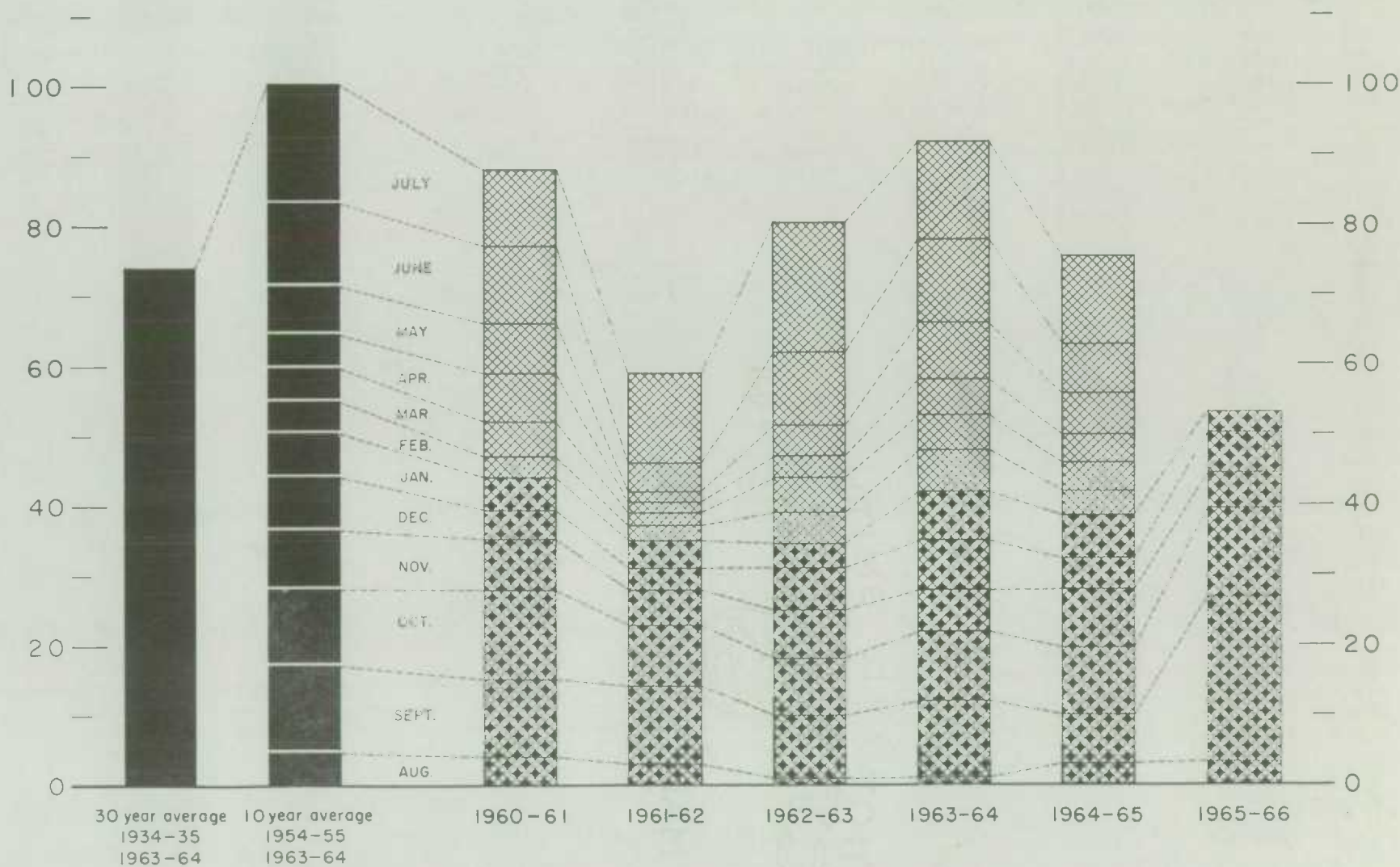
Agriculture Division D.B.S.

FARMERS' MARKETINGS OF BARLEY, PRAIRIE PROVINCES

(SPECIFIED PERIODS)

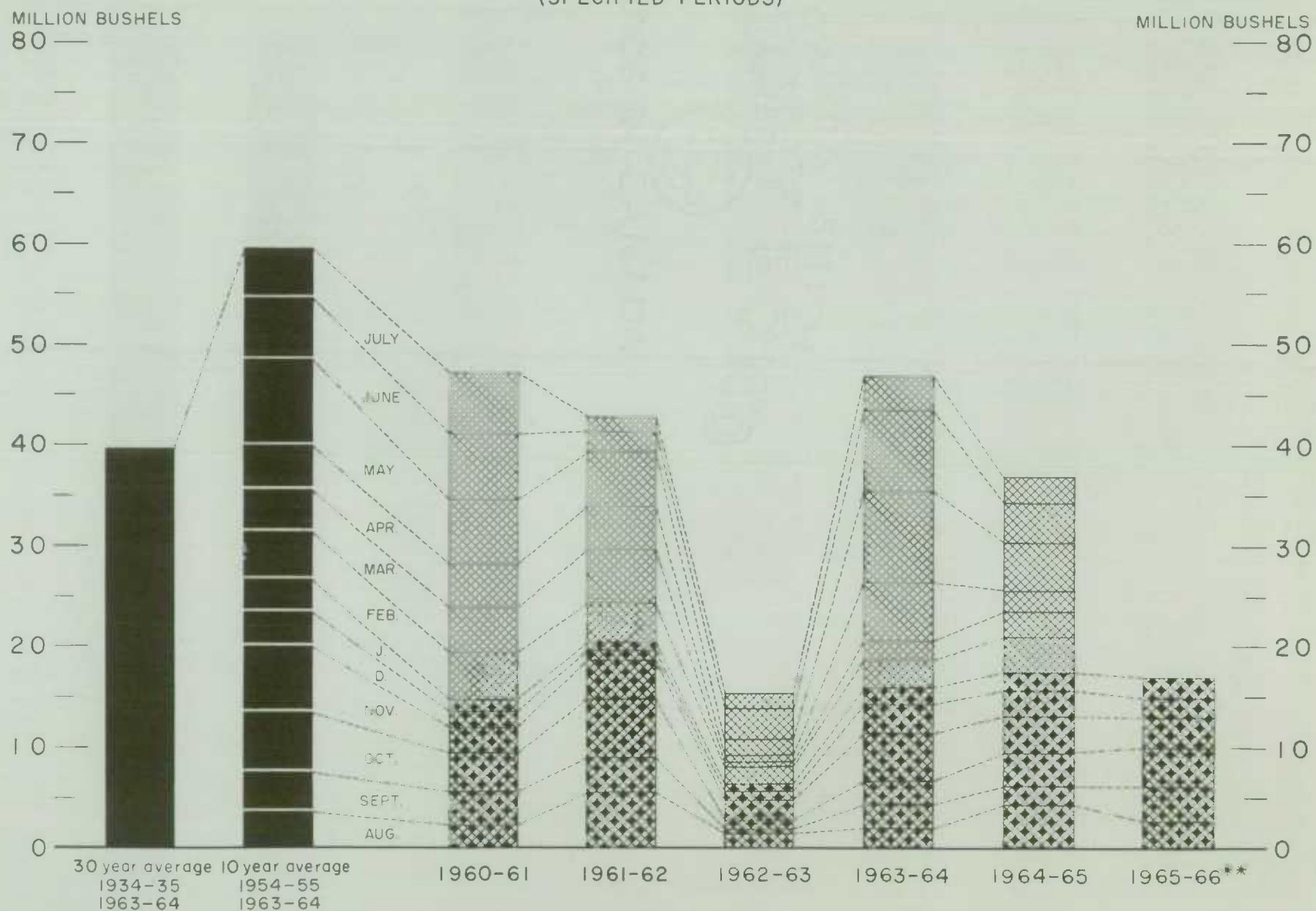
MILLION BUSHEL
120 —

MILLION BUSHEL
120 —



EXPORTS OF CANADIAN BARLEY AND BARLEY PRODUCTS*

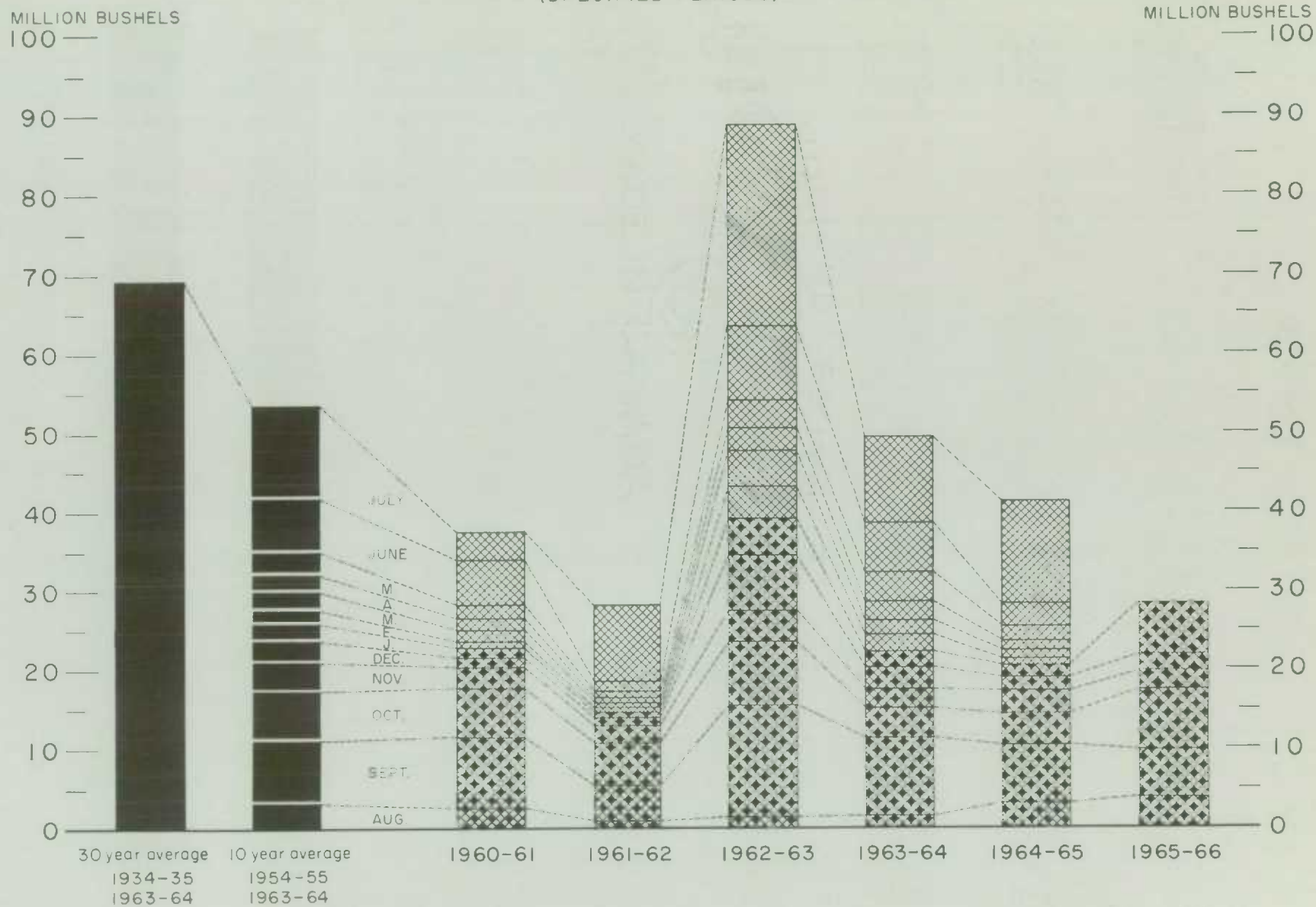
(SPECIFIED PERIODS)



*In terms of grain equivalent. **Preliminary.

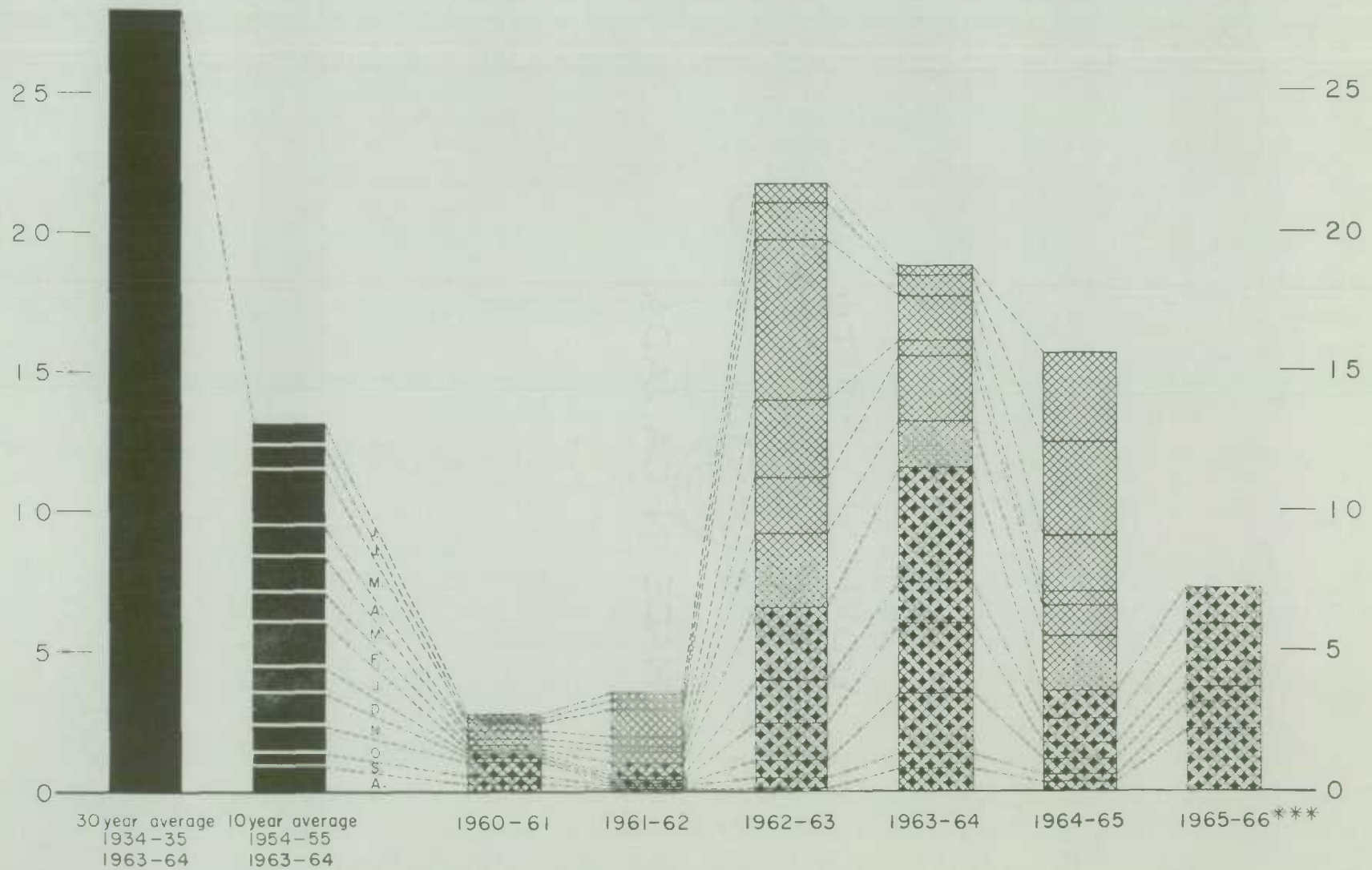
Agriculture Division D.B.S.

FARMERS' MARKETINGS OF OATS, PRAIRIE PROVINCES (SPECIFIED PERIODS)



EXPORTS OF CANADIAN OATS* AND OAT PRODUCTS**

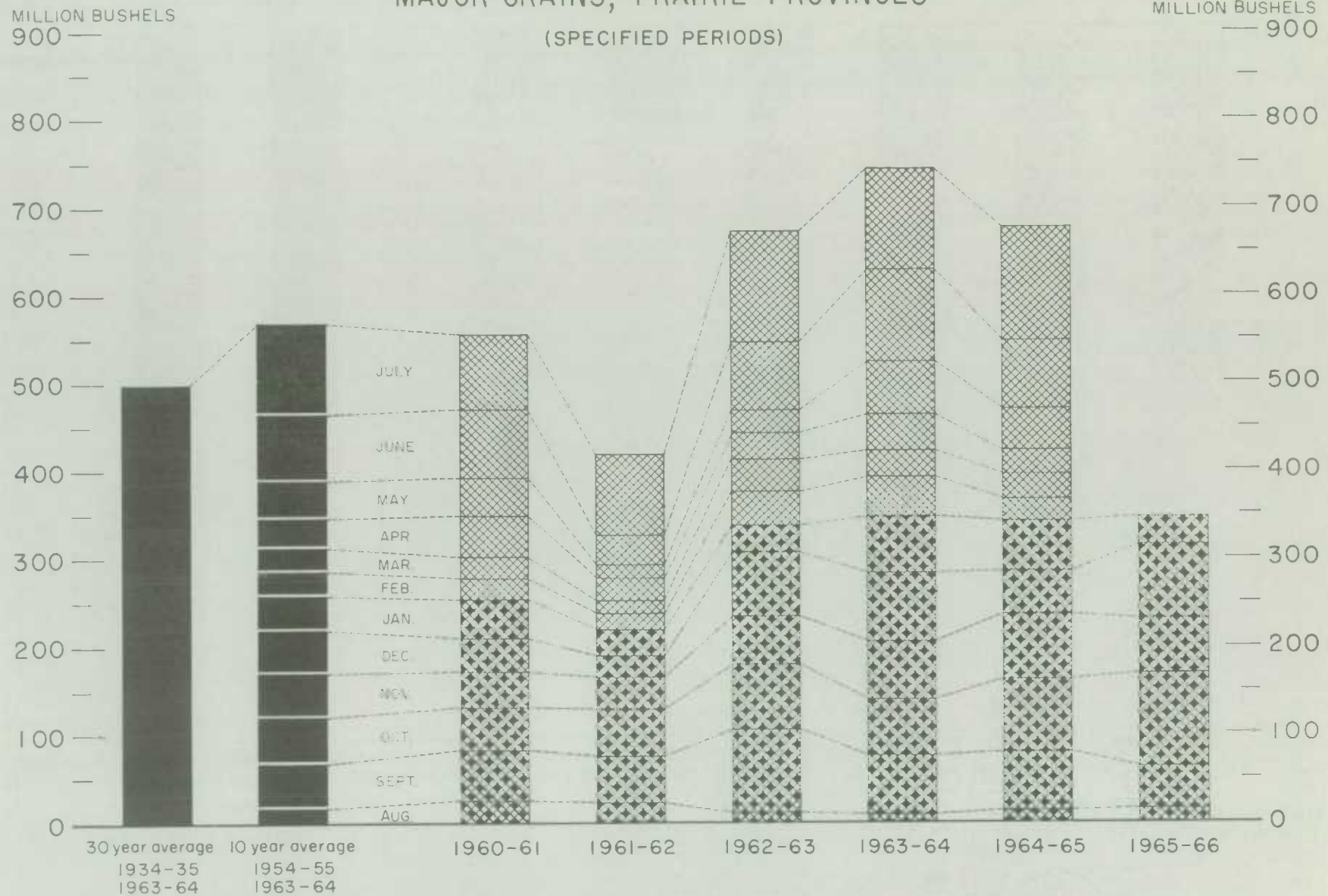
(SPECIFIED PERIODS)

MILLION BUSHELS
30 —MILLION BUSHELS
— 30

*Beginning with 1960-61 includes relatively small quantity of bagged seed. **In terms of grain equivalent. ***Preliminary.

Agriculture Division D.B.S.

FARMERS' MARKETINGS OF CANADA'S SIX MAJOR GRAINS*, PRAIRIE PROVINCES

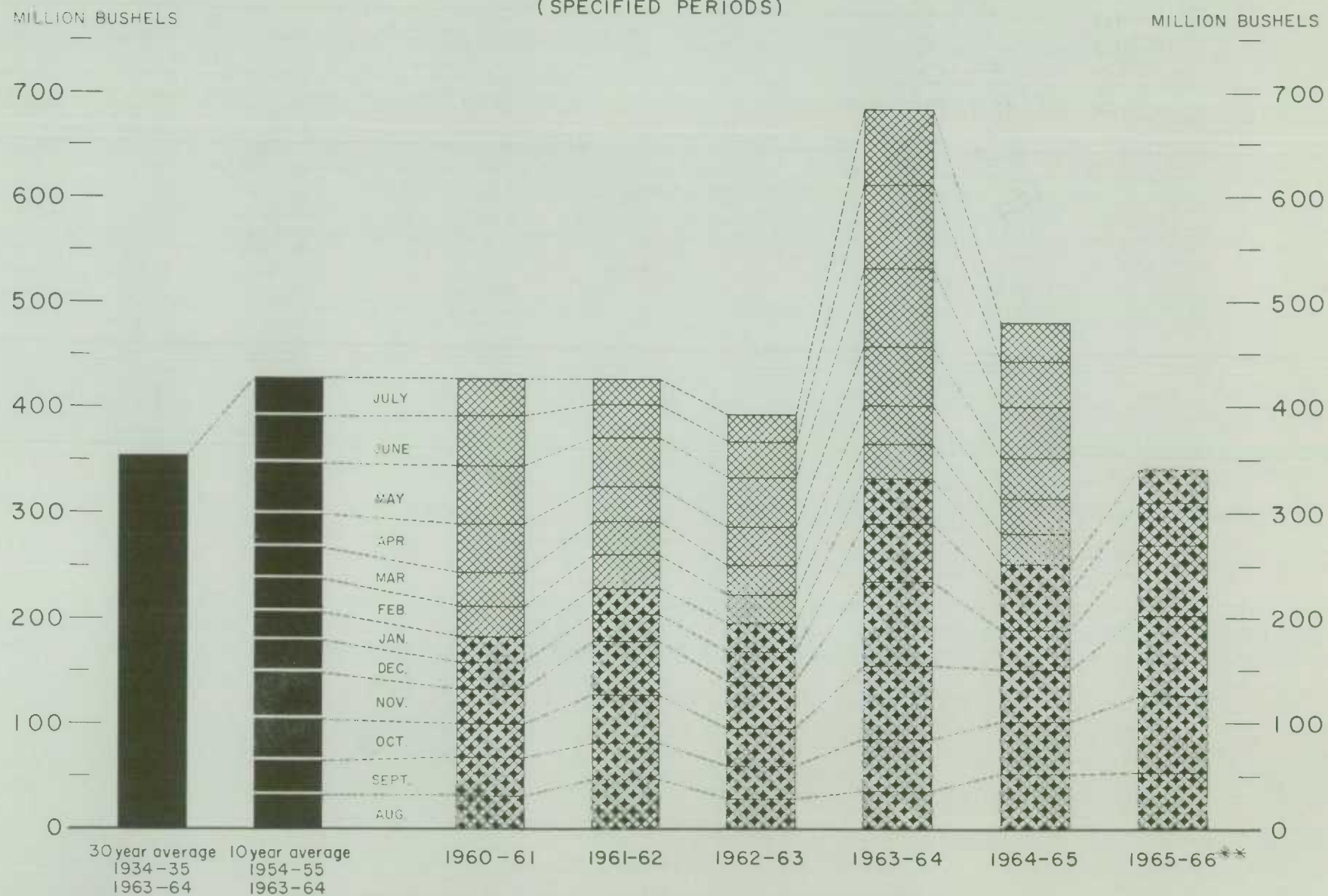


* Wheat, oats, barley, rye, flaxseed and from 1960-61 rapeseed.

Agriculture Division D.B.S.

EXPORTS OF CANADA'S SIX MAJOR GRAINS AND PRODUCTS*

(SPECIFIED PERIODS)



*Wheat, bagged seed wheat, and wheat flour; oats, bagged seed oats, and oatmeal and rolled oats; barley, malt and pot and pearl; rye, flaxseed and from 1960-61 rapeseed.

**Preliminary.

Agriculture Division D.B.S.

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

Class and Grade	Week Ending			
	February 4	February 11	February 18	February 25

cents and eighths per bushel

Initial Payment to Producers

1 Northern	150	150	150	150
2 Northern	146	146	146	146
3 Northern	142	142	142	142
4 Northern	135	135	135	135
5 Wheat	121	121	121	121
6 Wheat	117	117	117	117
Feed Wheat	113	113	113	113
1 C.W. Garnet	135	135	135	135
2 C.W. Garnet	130	130	130	130
3 C.W. Garnet	125	125	125	125
1 Alberta Red Winter	134	134	134	134
2 Alberta Winter	129	129	129	129
3 Alberta Winter	123	123	123	123
1 C.W. Amber Durum	150	150	150	150
2 C.W. Amber Durum	146	146	146	146
3 C.W. Amber Durum	142	142	142	142

International Wheat Agreement
and Domestic Sales

1 Northern	199/6	201/1	201/7	202
2 Northern	196/6	198/1	198/7	199
3 Northern	187/6	189/1	189/7	190
4 Northern	182/6	184/1	184/7	185
5 Wheat	177/6	179/1	179/7	180
6 Wheat	175/6	177/1	177/7	178
Feed Wheat	172/6	174/1	174/7	175
1 C.W. Garnet.....	183/6	185/1	185/7	186
2 C.W. Garnet.....	182/6	184/1	184/7	185
3 C.W. Garnet.....	181/6	183/1	183/7	184
1 Alberta Red Winter	183/6	185/1	185/7	186
2 Alberta Winter	182/6	184/1	184/7	185
3 Alberta Winter	181/6	183/1	183/7	184
1 C.W. Amber Durum	199/6	201/1	201/7	202
2 C.W. Amber Durum	196/6	198/1	198/7	199
3 C.W. Amber Durum	189/6	191/1	191/7	192

Export - Class II

1 Northern	199/6	201/1	201/7	202
2 Northern	196/6	198/1	198/7	199
3 Northern	187/6	189/1	189/7	190
4 Northern	182/6	184/1	184/7	185
5 Wheat	177/6	179/1	179/7	180
6 Wheat	175/6	177/1	177/7	178
Feed Wheat	172/6	174/1	174/7	175
1 C.W. Garnet	183/6	185/1	185/7	186
2 C.W. Garnet	182/6	184/1	184/7	185
3 C.W. Garnet	181/6	183/1	183/7	184
1 C.W. Amber Durum	199/6	201/1	201/7	202
2 C.W. Amber Durum	196/6	198/1	198/7	199
3 C.W. Amber Durum	189/6	191/1	191/7	192

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

Class and Grade	Week Ending			
	February 4	February 11	February 18	February 25
	cents and eighths per bushel			
<u>Initial Payment to Producers</u>				
1 Northern	150	150	150	150
2 Northern	146	146	146	146
3 Northern	142	142	142	142
4 Northern	135	135	135	135
5 Wheat	121	121	121	121
6 Wheat	117	117	117	117
Feed Wheat	113	113	113	113
1 C.W. Garnet	135	135	135	135
2 C.W. Garnet	130	130	130	130
3 C.W. Garnet	125	125	125	125
1 Alberta Red Winter	134	134	134	134
2 Alberta Winter	129	129	129	129
3 Alberta Winter	123	123	123	123
1 C.W. Amber Durum	150	150	150	150
2 C.W. Amber Durum	146	146	146	146
3 C.W. Amber Durum	142	142	142	142
<u>International Wheat Agreement</u> <u>and Domestic Sales</u>				
1 Northern	203/4	204/7	207/1	207/2
2 Northern	198/4	199/7	202/1	202/2
3 Northern	190/4	191/7	194/1	194/2
4 Northern	183/4	184/7	187/1	187/2
5 Wheat	178/4	179/7	182/1	182/2
6 Wheat	175/4	176/7	179/1	179/2
Feed Wheat	172/4	173/7	176/1	176/2
1 C.W. Garnet	183/4	184/7	187/1	187/2
2 C.W. Garnet	182/4	183/7	186/1	186/2
3 C.W. Garnet	181/4	182/7	185/1	185/2
1 Alberta Red Winter	183/4	184/7	187/1	187/2
2 Alberta Winter	182/4	183/7	186/1	186/2
3 Alberta Winter	181/4	182/7	185/1	185/2
<u>Export - Class II</u>				
1 Northern	203/4	204/7	207/1	207/2
2 Northern	198/4	199/7	202/1	202/2
3 Northern	190/4	191/7	194/1	194/2
4 Northern	183/4	184/7	187/1	187/2
5 Wheat	178/4	179/7	182/1	182/2
6 Wheat	175/4	176/7	179/1	179/2
Feed Wheat	172/4	173/7	176/1	176/2
1 C.W. Garnet	183/4	184/7	187/1	187/2
2 C.W. Garnet	182/4	183/7	186/1	186/2
3 C.W. Garnet	181/4	182/7	185/1	185/2
1 Alberta Red Winter	183/4	184/7	187/1	187/2
2 Alberta Winter	182/4	183/7	186/1	186/2
3 Alberta Winter	181/4	182/7	185/1	185/2

CANADIAN FLOUR MILLING SITUATION

Production Wheat flour production by Canadian mills during January 1966 amounted to 3,703,000 hundredweight, representing a decrease of 2 per cent from the December 1965 total of 3,787,000 hundredweight but 24 per cent greater than the January 1965 figure of 2,977,000 hundredweight and 15 per cent above the ten-year (1956-65) average production for the month of January of 3,225,000 hundredweight. Mills reporting operations during January 1966 had a total rated capacity of 168,000 hundredweight per 24-hour day and on the basis of a 25-day working period 88.0 per cent of this rated capacity was effective.

Wheat milled for flour during January 1966 amounted to 8,257,000 bushels, 3 per cent less than the 8,529,000 bushels milled during the preceding month but 25 per cent higher than the 6,622,000 bushels milled during January 1965. Of the wheat milled for flour during January 1966 some 7,367,000 bushels were Western Canadian spring wheat (other than Durum) while the remainder consisted of Ontario winter wheat (523,000 bushels); Durum (291,000 bushels); and all other (76,000 bushels).

Exports According to preliminary Customs returns, exports of Canadian wheat flour during December 1965 amounted to 833,000 hundredweight (some 1,916,000 bushels of wheat equivalent) in sharp contrast to the 4,202,000 bushels exported during the previous month and the adjusted December 1964 exports of 2,220,000 bushels. Flour shipments during the month went to fifty countries with exports to Britain amounting to 639,000 bushels and accounted for 33 per cent of the December 1965 total. Other principal markets for Canadian wheat flour in terms of wheat during the month, with shipments in thousands of bushels were as follows: Jamaica, 232; Costa Rica, 155; Trinidad and Tobago, 153; Ghana, 139; Leeward and Windward Islands, 122; and United States, 111.

NOTE: Official wheat flour export data for January 1966 were not available at the time of preparation of this report. The flour export figure for January included in this report represents 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—1959-60 average	90,148,211	39,752,589	16,349,156
1960-61	89,731,155	39,914,644	15,513,836
1961-62	88,240,580	39,539,651	13,892,676
1962-63	78,789,332	35,505,220	11,854,458
1963-64	111,670,577	50,103,569	23,873,978
1964-65	87,209,242	39,107,358	13,714,069
1965-66 (2)			
August	7,675,899	3,419,083	842,329
September	8,626,816	3,861,212	1,197,912
October	9,220,674	4,114,703	988,322
November	8,757,570	3,901,780	1,827,066
December	8,529,115	3,786,893	833,051
January	8,257,251	3,703,388	870,000 (3)
Totals	51,067,325	22,787,059	6,558,680
Same months 1964-65 (4)	43,365,557	19,462,165	6,716,198

(1) Based on Customs returns. Exports for the crop years 1945-46—1964-65 revised to remove effect of time lag in the returns made by Customs.

(2) Subject to revision.

(3) Estimated.

(4) Revised figures.

UNITED STATES SITUATION

Total Supplies Total domestic supplies of wheat in the United States for the
Slightly Less Than 1965-66 crop year are estimated at 2,145.7 million bushels,
Previous Year 2 per cent below the previous year's total of 2,191.8 million,
 with a decline in carryover stocks more than offsetting an
 increase in production. The 818.9 million bushels carried over at July 1, 1965 were
 the lowest stocks in twelve years and the fourth consecutive decline since July 1,
 1961. The 1965 production, estimated at 1,326.7 million bushels, is 3 per cent more
 than the 1964 crop and 12 per cent larger than the 1959-63 average of 1,189.8 million.
 Domestic disappearance during 1965-66 is estimated at about 675.0 million bushels, 3
 per cent above the 655.6 million last year. After deducting anticipated domestic
 requirements for the current United States crop year, some 1,471.5 million remain
 available for export and for carryover, a decrease of 4 per cent from the 1,536.9
 million in 1964-65.

Exports of wheat and wheat flour in terms of grain equivalent
 during the period July 1965-January 1966 amounted to 459.0 million bushels, 12 per
 cent more than the 411.3 million exported during the same months last year. The
 balance remaining on February 1, 1966 for export and for carryover was estimated at
 1,012.5 million bushels compared with 1,125.6 million on the same date a year ago.

United States Wheat Supplies

Item	1964-65 (1)	1965-66 (2)
	million bushels	
Carryover at beginning of crop year (July 1)	901.2	818.9
Production	1,290.6	1,326.7
Total estimated domestic supplies	2,191.8	2,145.7
Imports of wheat and wheat flour in terms of wheat for domestic use, July-January	0.7	0.8
Total estimated supplies (3)	2,192.6	2,146.5
Less estimated domestic requirements for crop year (4) ...	655.6	675.0
Available for export and for carryover	1,536.9	1,471.5
Deduct:		
Exports of wheat as grain, July-January	359.6	413.3
Exports of wheat flour in terms of wheat, July- January (5)	51.6	45.6
Total exports of wheat and wheat flour (6)	411.3	459.0
Balance on February 1 for export and for carryover	1,125.6	1,012.5

(1) Revised. (2) Preliminary. (3) Excluding imports for February-June. (4) Includes
 shipments to United States Territories and wheat for military food use at home
 and abroad. (5) Flour exports exclude "Milled in bond". (6) These figures now
 include all shipments under relief programs which formerly were not available
 from Census data.

Stocks of Wheat
in All Positions
January 1, 1966

On January 25, 1966 the United States Department of Agriculture reported that all wheat in storage on January 1 totalled 1,339 million bushels, 8 per cent less than a year earlier and the smallest January 1 holdings in 12 years. Disappearance during the October-December quarter is indicated at 369 million bushels, the largest for this period since records started in 1934. Farm stocks of 408 million bushels were the largest since 1961 while off-farm holdings, at 931 million bushels, were the smallest since 1954. About 56 per cent of the total stocks were either owned by the Government or under Government loan, compared to 62 per cent a year earlier.

Durum wheat stocks on January 1 in all storage positions were 98 million bushels, 5 per cent more than a year earlier and the largest January 1 holdings since records were started in 1962. Farm stocks totalled 57 million bushels, 21 per cent above a year earlier while off-farm holdings, at 41 million bushels, were 12 per cent less.

United States Wheat Stocks by Positions, January 1, 1966 with Comparisons

Grain and Position	January 1 Average 1960-64	January 1 1965	October 1 1965	January 1 1966
thousand bushels				
<u>All Wheat</u>				
On Farms (1)	347,254	389,789	562,563	408,217
Commodity Credit Corp. (2) ...	59,606	11,134	10,818	10,650
Mills, Elev. & Whses. (1)(3) .	1,464,256	1,048,487	1,134,884	919,917
Totals	1,871,116	1,449,410	1,708,265	1,338,784
<u>Durum Wheat (4)</u>				
On Farms (1)	35,541(5)	47,177	75,035	56,902
Commodity Credit Corp. (2) ...	1,409(5)	1,665	1,931	1,911
Mills, Elev. & Whses. (1)(3) .	17,294(5)	44,835	46,456	39,127
Totals	54,244(5)	93,677	123,422	97,940

- (1) Estimates of the Crop Reporting Board.
- (2) Owned by C.C.C. and stored in bins or other storages owned or controlled by C.C.C.; other C.C.C.-owned grain is included in the estimates by positions.
- (3) All off-farm storages not otherwise designated, including flour mills, terminal elevators, and processing plants.
- (4) Totals included in all wheat.
- (5) 1962-64 average.

Crop and Weather
Conditions

The following extract has been taken from the Weekly Weather and Crop Bulletin published jointly by the United States Department of Commerce and the United States Department of Agriculture for the week ending February 21, 1966.

Below-normal temperatures returned to much of the Nation. In the Great Plains, small grains remained dormant and in generally good to excellent condition. Snow cover was confined to the northernmost areas of the Plains.

Topdressing wheat with nitrogen became more active, particularly in the southern and central Great Plains. Light greenbug infestation in wheat was reported in several southern Kansas counties. Small grains continued to green in Oklahoma but little growth occurred because of the below-normal temperatures. Oklahoma spring oat seeding was 13 per cent complete - lagging behind last year's progress. Texas oats showed improvement following the cold spell, and some nitrogen topdressing was accomplished.

Continued cool weather in the Southwest slowed small grain progress. Frost along the California coast also limited small grains but elsewhere the crops were good. In the mountain area snow cover varied. Light snow in Wyoming's principal wheat area was beneficial. Montana snow cover ranged from inadequate in the west half of the triangle and southwest to adequate elsewhere. In the lower Mississippi Valley and eastward small grains began recovering from the cold snap and started greening. In the previously dry Carolinas and Virginias scattered rainfall and moisture from melted snow continued improving conditions. Above-normal temperatures along most of the Southeast coast aided freeze damage recovery. Additional moisture over most of the Northeast further brightened spring crop prospects. Snow cover remained scarce over much of the Corn Belt, but small grain conditions were mostly good in the region.

Continued from page 3

In developed countries, the tendency towards lower wheat consumption per head appears to be continuing with increasing prosperity, although the decline may be levelling off in the richest countries to the point where in terms of total consumption it is offset by population growth. The recent increase in feed usage, dependent as it is on the relationship between wheat and other grain prices, the size of the animal population and the quality of crops in particular years, may be a phenomenon of greater importance in the future, especially in the United States.

The pace of population growth and the efforts for rising standards of living in developing countries ensure in these areas a rapid increase in the potential demand for wheat. While it is only the realised part of this potential that directly bears on the world wheat situation, the greater awareness in developed countries of the world food problem is likely to lead to the continuance of credit and concessional facilities and other measures of food aid, not as methods of surplus disposal but as part of a wider programme of economic assistance. Given all these factors in combination, therefore, world trade may continue to expand.

The Council's
View

The Council devoted some considerable time to a review of developments in recent years and to a re-appraisal of these developments. This involved in effect a re-examination of the Council's earlier judgements on the third of the phases in the foregoing analysis, in the light of the latest experience. If, for example, this re-appraisal now led to the conclusion that the "underlying tendency to produce in excess of current demand" had in fact disappeared several years ago, this would be of great significance for national and international wheat policies. The various elements in the situation were reviewed in turn.

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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
February 1, 1966	161 1/2 - 166 3/4	February 1, 1966	177 5/8 - 208 5/8
2	163 1/4 - 165 1/4	2	177 5/8 - 208 5/8
3	162 1/2 - 167	3	176 7/8 - 208 7/8
4	164 1/2	4	177 1/4 - 179 1/4
7	N.A.	7	177 3/8 - 209 3/8
8	163 3/4 - 175 1/4	8	175 5/8 - 208 5/8
9	163 3/4 - 174 3/4	9	175 7/8 - 208 7/8
10	163 1/2 - 164 1/2	10	176 1/8 - 209 1/8
11	164 1/2	11	175 7/8 - 208 7/8
14	160 - 180 3/4 (1)	14	175 5/8 - 209 5/8
15	162 1/4 - 164 1/4	15	175 3/8 - 209 3/8
16	162 1/4 - 164 1/4	16	174 - 208
17	160 - 180 3/4 (1)	17	171 5/8 - 205 5/8
18	160 3/4 - 182 (1)	18	170 3/4 - 204 3/4
21	164 - 172	21	171 5/8 - 205 5/8
22	Washington's birthday	22	Washington's birthday
23	164 - 187 1/2 (1)	23	172 1/2 - 206 1/2
24	163 1/2 - 164	24	172 1/2 - 206 1/2
25	162 1/4 - 168	25	171 7/8 - 206 7/8
28	159 3/4 - 177 1/2	28	173 - 209

(1) Nominal.
N.A. - not available.

Chicago Wheat Futures, High Points of Closing

Date	March	May	July	September	December
cents and eighths per bushel					
February 1, 1966	168	168/2	157/2	159/1	163/3
2	167/2	167/5	156/6	158/4	163/3
3	167/2	167/6	157/4	159/4	164/1
4	168/5	169/2	159	161	166
7	169/1	169/5	160/1	162	167/2
8	168	168/4	160/4	162/3	167/2
9	168/6	169/2	160/7	162/6	167/4
10	168/3	168/6	160/5	162/2	167/1
11	167/5	168/1	159/6	161/3	166/2
14	167/7	168/4	159/6	161/3	166/1
15	168/1	168/6	159/4	161/2	166/2
16	167/7	168/4	159/3	161/3	166/2
17	168/1	168/5	160/1	162/1	166/6
18	168/3	169/6	162	166/7	168
21	167/5	168/2	159/7	161/6	166/5
22	Washington's birthday
23	167/6	168/4	160/2	162/2	167
24	166/5	167/1	160	161/6	166/6
25	164/3	165/3	157/5	159/5	164/2
28	161/5	163	155/4	157/3	162/1

AUSTRALIAN SITUATION

Wheat Supplies Decline from Previous Year

Reflecting the effect of a sharp decline in production, which more than offset a relatively small increase in carryover stocks, total supplies of wheat in Australia for the 1965-66 crop year are estimated at some 279.3 million bushels as against 390.5 million in 1964-65. The current harvest, presently forecast at 255.0 million bushels, represents a decline of about 31 per cent from the record 370.0 million bushel out-turn of 1964-65. Carryover stocks recorded a moderate increase, from 20.5 million at December 1, 1964 to 24.3 million in 1965. After deducting some 90.0 million bushels for anticipated domestic requirements, an estimated 189.3 million are available for export and for carryover during 1965-66, 35 per cent less than the 291.3 million in 1964-65.

Combined exports of wheat as grain and wheat flour in terms of grain equivalent during the period December 1-January 29 of the current Australian crop year amounted to 27.8 million bushels, 15 per cent below the 32.7 million exported during the corresponding period of the 1964-65 crop year. The balance remaining on January 30, 1966 for export and for carryover, at 161.5 million bushels, was in sharp contrast to the comparable 1965 total of 258.6 million.

Australian Wheat Supplies

Item	1964-65 (1)	1965-66 (2)
	million bushels	
Carryover, including flour as wheat, at beginning of crop year (December 1)	20.5	24.3
Production	370.0	255.0 (3)
Total estimated domestic supplies	390.5	279.3
Less estimated domestic requirements for crop year	99.2	90.0 (1)
Available for export and for carryover	291.3	189.3
Deduct:		
Exports of wheat as grain, December 1-January 29	28.3	25.3
Exports of wheat flour in terms of wheat, December 1-January 29	4.4	2.5
Total exports of wheat and wheat flour	32.7	27.8
Balance on January 30 for export and for carryover	258.6	161.5

(1) Revised.

(2) Preliminary.

(3) Revised but subject to further revision.

The following information relative to the Australian situation has been extracted from a report from Mr. D. I. Campbell, Assistant Commercial Secretary for Canada, Canberra, under date of February 14, 1966 and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

Crop Position

The 1965-66 Australian wheat harvest is virtually completed with Western Australia the only state producing a record harvest. The 100 million bushels harvested there is an all-time record and compares with the previous record set in 1962-63 of 72.5 million bushels.

Deliveries in other states were as follows: Queensland 13.5 million bushels; New South Wales 27 million bushels; Victoria 60 million bushels and South Australia 34 million bushels.

It is interesting to note that if previous Australian wheat production records by state are added together then the Australian total production could reach at least 406 million bushels in a given year. This is not an unlikely event as residues of fertilizer, used for increasing legume production, and fertilizer applied directly to wheat, together with increased acreage fallowed for wheat planting have greatly increased Australia's wheat producing capacity.

1966-67 Prospects,
New South Wales

In most New South Wales districts, initial soil preparation is well in hand for the coming crop. However, very dry conditions during late December and January have resulted in decreased cultivation activity.

On present indications there would seem to be little doubt that a record acreage will be sown to wheat this year, provided conditions for land preparation and sowing are suitable in autumn and early winter. Although the sub-soil moisture position is mostly unsatisfactory at present, time still remains for stocks to be replenished before there is need for concern.

The F.A.Q. standard for 1965-66 was declared on February 8, 1966 by the New South Wales F.A.Q. wheat standard committee. This year only one standard was declared - for southern and western wheat combined, as very little wheat was received from the northern areas last season due to the particularly dry conditions. This year's standard was declared at 63 pounds per bushel. In 1964-65 the standards declared were 64 3/4 pounds for northern F.A.Q. and 64 1/2 pounds per bushel for southern-western F.A.Q.

Although a sprinkling of off-grade wheat was received over a fairly wide area apart from the F.A.Q., the general appearance and cleanliness of this year's F.A.Q. sample was good. Mixture of both hard and soft grains in the sample was noticeable.

Exports of Australian Wheat and Wheat Flour in Terms of Wheat
December 1-January 29, 1965-66 and Corresponding Period 1964-65

Destination	Wheat		Wheat Flour	
	1964-65	1965-66	1964-65	1965-66
	thousand bushels			
<u>Western Europe</u>				
Britain	2,627	4,741	448	304
Ireland	383	367	-	-
Malta	-	271	-	-
Norway	597	-	-	-
Totals	3,607	5,379	448	304
<u>Eastern Europe</u>				
U.S.S.R. (Russia)	-	4,192	-	-

Exports of Australian Wheat and Wheat Flour in Terms of Wheat
December 1-January 29, 1965-66 and Corresponding Period 1964-65

Destination	Wheat		Wheat Flour	
	1964-65	1965-66	1964-65	1965-66
thousand bushels				
<u>Africa</u>				
Kenya	41	-	-	-
Malawi	-	-	34	59
Mauritius	-	-	128	76
Rhodesia	713	405	-	-
Zambia	-	161	-	-
Zanzibar	-	-	9	-
Others	2	4	16	6
Totals	756	570	187	141
<u>Asia</u>				
Aden	83	298	-	-
Aden and Aden I/T	-	-	182	129
Aden and Aden I/T Atta	-	-	104	52
Arabian Gulf	-	-	37	11
Arabian Gulf Atta	-	-	335	266
Brunei	-	-	2	-
Ceylon	6	-	1,594	718
China	13,470	5,857	-	-
Formosa	39	-	-	-
Hong Kong	351	411	22	10
Indonesia	-	-	1	61
Iran	5,616	3,773	-	-
Japan	3,171	1,643	-	-
Philippines	-	-	128	5
Saudi Arabia	44	188	-	128
Thailand	156	89	68	54
Malaysia				
Malaya	1	540	487	117
Malaya Atta	-	-	15	13
Sabah	-	-	32	22
Sarawak	-	-	38	14
Singapore	400	1,028	227	10
Singapore Atta	-	-	(1)	(1)
Singapore A/C B.W.O.	-	-	9	6
Others	39	37	20	12
Totals	23,376	13,864	3,301	1,628
<u>Oceania</u>				
New Zealand	557	1,288	-	-
<u>Western Hemisphere</u>				
Peru	-	-	3	-
West Indies Area	-	-	90	23
Totals	-	-	93	23
<u>Pacific Area and Sundries</u>				
Pacific Islands, Ships' Stores and Sundries	6	6	371	406
Totals, All Countries	28,300	25,300	4,400	2,500

(1) Less than 500 bushels.

ARGENTINE SITUATION

1965-66 Wheat Supplies
Lower Than Previous Year

Estimated total supplies of wheat in the Argentine for the 1965-66 (December-November) crop year amount to 302.3 million bushels, consisting of the December 1, 1965 carryover of 92.9 million and the new crop, placed at 209.4 million. Indicated supplies for the current Argentine crop year, reflecting a relatively sharp decline in production, are about 34 per cent less than the 1964-65 total of 459.3 million. After making an allowance of 135.2 million bushels for anticipated domestic requirements, an estimated 167.1 million are available for export and for carryover as against 324.4 million in 1964-65.

Preliminary exports of wheat and wheat flour in terms of wheat equivalent during December 1965-January 1966 amounted to 47.7 million bushels, 69 per cent larger than the 28.3 million exported during the same months in 1964-65. The balance remaining on February 1, 1966 for export and for carryover was estimated at 119.4 million bushels, in sharp contrast to the February 1, 1965 total of 296.1 million.

Argentine Wheat Supplies

Item	1964-65 (1)	1965-66 (2)
	million bushels	
Carryover at beginning of crop year (December 1) (3)	88.2	92.9
Production	371.1	209.4
Total estimated domestic supplies	459.3	302.3
Less estimated domestic requirements for crop year	134.9	135.2
Available for export and for carryover	324.4	167.1
Deduct:		
Exports of wheat as grain, December-January	28.2	47.6
Exports of wheat flour in terms of wheat, December-January	0.1	0.1
Total exports of wheat and wheat flour	28.3	47.7
Balance on February 1 for export and for carryover	296.1	119.4

(1) Revised.

(2) Preliminary

(3) Includes allowances for farm stocks.

The following account of the Argentine situation has been extracted from a report from Mr. H. E. Ryan, Assistant Commercial Secretary (Agriculture), Buenos Aires, under date of January 27, 1966 and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce. Where possible, conversions to Canadian measures and currency have been made for the convenience of our readers.

Weather and Crops

Abundant rainfall has occurred throughout almost all of the Argentine grain and livestock regions during the past month. This was highly beneficial to the pasture lands and the growing summer crops, but, in many instances, proved detrimental to the winter grains now being harvested. Excess precipitation hindered harvesting operations and also affected the quality of the grain. An exception to this was the Province of La Pampa, where rainfall has not been sufficient to fully counteract the very dry conditions prevailing through most of last year.

Wheat

The year 1965 was the best in history for Argentine wheat producers. While the official production estimate for last year remains at 10.1 million tons (371.1 million bushels) many people feel that, in fact, the harvest exceeded the record 10.3 million tons (378.5 million bushels) of 1938-39. Exports last year exceeded exports of 1929, the previous high.

The year ended, however, on a rather pessimistic note, as the first estimate of wheat production for 1965-66 of 5.7 million tons (209.4 million bushels) represented a 44 per cent decrease from the previous year. This was due to both reduced planting and a reduction in yields, as weather conditions at the time of seeding were dry. During harvesting, excessive rains occurred which hindered combining and reduced the hectolitic weight of the crop. Besides this reduction in output, a Government decree limited the amount of new crop which could be sold by the private export trade to 1.5 million tons (55.1 million bushels). Thus, both producers and exporters are not looking forward to the future with much optimism.

Exports during 1965 totalled 6,661,787 metric tons (244,776,000 bushels), an all-time record which surpassed the previous high of 6,613,342 tons (242,996,000 bushels) exported during 1929. With this amount of wheat leaving the country, the carryover was nominal considering the size of the harvest. The Chairman of the National Grain Board has indicated that approximately 2.5 million metric tons (91,858,000 bushels) of old crop wheat were in stock at the end of the year, although much of this has already been committed in Chinese and Brazilian contracts. This figure is somewhat below that estimated in our Supply and Distribution Table, as this is calculated on the basis of a 10.1 million ton (371.1 million bushels) crop.

During early December, prices strengthened, with exporters offering 845 pesos per 100 kilos (\$1.31 per bushel) to producers, and by mid-month this figure had increased by a further 10 pesos (2 cents per bushel). It is expected that, as a result of the above decree, private grain exporters will be limited in their activity during the present year and that domestic millers and the Grain Board will again purchase the majority of new crop wheat. This could have a softening effect on prices, as the National Grain Board, while allowed to pay market prices for wheat, usually tend towards the official level, which at present is 820 pesos per 100 kilos (\$1.28 per bushel). Millers have also been buying at near the minimum level and on deferred payment terms.

By mid-December, exporters were offering wheat at U\$S 65.90 per ton (\$1.93 per bushel) cif Continental Europe for Southern wheat, and U\$S 65.30 per ton (\$1.91 per bushel) for Rosafe. After the release of the decree limiting exports, the trade withdrew from the market while attempting to evaluate their position in light of existing sale commitments. At present, the private trade is purchasing only small quantities.

The export limitation applies only to breadwheat, and the price of durums remained firm throughout December, closing at 935 pesos per 100 kilos (\$1.45 per bushel), - the minimum price for durums is 820 pesos (\$1.28 per bushel). Italy bought lots at U\$S 71.50 per metric ton (\$2.09 per bushel) cif January-March shipment.

Prices in the Buenos Aires Futures Market by the end of December were, 820 pesos per 100 kilos (\$1.28 per bushel) for January delivery; 835 (\$1.30 per bushel) for February, 845 (\$1.31 per bushel) for March, and 875 (\$1.36 per bushel) for April. By mid-January, these prices had increased to 842 (\$1.31 per bushel) for February delivery, 870 (\$1.35 per bushel) for March, 885 (\$1.38 per bushel) for April, and 879 (\$1.37 per bushel) for May. At present, prices average 843 pesos (\$1.31 per bushel) for February delivery, 869 (\$1.35 per bushel) for March, 898 (\$1.40 per bushel) for April, and 926 (\$1.44 per bushel) for May. Present prices in the Buenos Aires Cereal Exchange are as follows:

Hard, grade 1 - 840 pesos per 100 kilos (\$1.31 per bushel)

Semi-hard, grade 1 - 815 pesos per 100 kilos (\$1.27 per bushel)

Durums - 960 pesos per 100 kilos (\$1.49 per bushel)

Comparative prices for Bahía Blanca are: 835, 810 and 950, (\$1.30, \$1.26 and \$1.48 per bushel), respectively.

The National Grain Board continues its sales promotion campaign, and it has been reported that the first lot of 300,000 metric tons (11,023,000 bushels) included in the Argentine-Brazilian Trade Agreement covering one million tons (36,743,000 bushels) has now been sold. As well, during a recent visit by a Paraguayan trade mission, 40,000 metric tons (1,470,000 bushels) were sold to that country. The Secretary of Agriculture, during a recent visit to the Far East, again discussed the sale of Argentine wheat with Japan, although no contracts were concluded.

Argentine Wheat Exports December 1964 and 1965

Destination	1964	1965
	thousand bushels	
<u>Western Europe</u>		
EEC		
Belgium	88	99
France	552	1,180
Germany, Federal Republic	695	309
Italy	132	613
Netherlands	1,832	250
Sub-totals	3,298	2,451
<u>Other Western Europe</u>		
Britain	1,056	1,064
Norway	157	263
Spain	430	-
Sweden	38	-
Switzerland	18	-
Sub-totals	1,699	1,327
Totals	4,997	3,778

Argentine Wheat Exports December 1964 and 1965

Destination	1964	1965
	thousand bushels	
<u>Eastern Europe</u>		
Germany, East	114	-
Poland	-	349
U.S.S.R. (Russia)	-	7,581
Totals	114	7,930
<u>Africa</u>		
Mozambique	463	420
Tanzania	-	245
Totals	463	665
<u>Asia</u>		
China, Communist	5,801	3,579
China, Nationalist	-	640
Iran	-	1,012
Totals	5,801	5,231
<u>Western Hemisphere</u>		
Barbados	-	3
Brazil	3,139	6,517
Chile	-	18
Paraguay	35	276
Peru	678	1,078
Venezuela	463	-
Totals	4,314	7,892
Totals, All Countries	15,690	25,497

WHEAT SITUATION IN ITALY

The following account of the current crop situation in Italy has been extracted from a report by Miss M. D. Johnson, Commercial Assistant, Canadian Embassy, Rome, under date of February 14, 1966 and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

The area sown to wheat in the autumn and early winter is unofficially estimated at approximately 10.6 million acres, an increase of roughly 741,000 acres over the previous year's figure.

The following table gives comparative figures of areas sown and crops harvested in the last three crop years:

Areas Sown to Wheat, Crops and Yields			
	1963	1964	1965
<u>Area sown to wheat</u>			
thousand acres	10,854	10,888	10,956
<u>Yield</u>			
bushels per acre	27.5	29.0	33.9
<u>Production</u>			
thousand bushels			
Wheat	230,627	261,917	287,700
Durum wheat	67,978	53,425	71,649
Totals, wheat	298,605	315,342	359,349

As regards this year's wheat growing it was officially stated, at the end of January 1966, that the weather had been, on the whole, favourable and that the conditions of the wheat sown were, more or less, normal.

Stocks held by the Intervention Organization and the Voluntary Pools on January 15, 1966, are shown in the accompanying table.

Positions of Stocks at Mid-January 1966			
	Amount collected	Amount sold	Balance available
thousand bushels			
<u>With Intervention Organization</u>			
Wheat excluding durum	1,788	682	1,106
Durum wheat	241	28	213
Totals, wheat	2,030	711	1,319
<u>In Voluntary Pools</u>			
Wheat excluding durum	14,531	11,532	2,999
Durum wheat	1,359	1,334	23
Totals, wheat	15,890	12,868	3,022

It will be noted that the wheat available for sale by the Intervention Organization and the Voluntary Pools of the Federazione Italiana dei Consorzi Agrari - at January 15, 1966 - amounted to 111,703 metric tons (4,104,000 bushels) of wheat other than durum and 6,431 metric tons (236,000 bushels) of durum.

Contrary to expectations, in view of last year's abundant crop, imports of wheat have been considerable. Basing figures on the authorizations issued, imports have totalled, for the period of July 1-December 31, 1965, some 617,635 metric tons (22,694,000 bushels), made up as follows:

Imports of Wheat in First Six Months of Current Crop Year

Wheat excluding durum, from:	thousand bushels	
France	7,350	
Argentina	1,392	
Canada	781	
U.S.A.	7	
Total		9,531
from various countries free of levy, to replace flour exported		5,770
Total wheat excluding durum		15,301
<u>Durum wheat, from:</u>		
France	96	
Argentina	5,017	
U.S.A.	512	
Tunisia	55	
Total		5,679
from various countries free of levy, to replace that used in "pasta" exported ...		1,714
Total Durum wheat		7,393
Total all wheat imported		22,694

The reason for such imports may, in part, be due to the reluctance to sell, on the part of wheat holders (a certain reluctance has also been shown by farmers to deliver their wheat to the Intervention Organization or the Voluntary Pools). Increased requirements on the part of the flour and "pasta" export trade, also justify these larger imports of both durum and other wheats.

The following table shows the steady increase in imports during the last three crop years:

Imports of Wheat During Last Three Crop Years
(July 1 to June 30)

Product	1962-63	1963-64	1964-65
		thousand bushels	
Wheat excluding durum	6,504	14,270	20,538
Durum wheat	3,566	3,379	5,546
Totals, wheat	10,071	17,649	26,084

In considering the preceding figures it should be remembered that the 1962 harvest of non-Durum wheat was large, 7.8 million tons (286,598,000 bushels) and the 1964 durum crop was small at some 1.4 million tons (51,441,000 bushels).

In 1965 flour exports increased 79 per cent, and noodle exports increased 18 per cent. Exports of wheat are almost nil.

The following table gives comparative figures of wheat products exported during the last three crop years. (metric tons)

Exports of Wheat and Wheat Products in Three Last Crop Years

Product	1962-63	1963-64	1964-65
Wheat	23,103	66,305	6,253
Flour	110,836	105,740	189,926
Semolina	9,852	3,851	2,504
"Pasta"	31,079	33,306	39,379

Taking into account the monthly increases in the basic intervention, target and threshold prices, these are now as shown in the following table:

Intervention, Target and Threshold Prices - February 1966

Products	Intervention Price Range		Target Price Range		Threshold Price for Imports from Third Countries
	from	to	from	to	
	dollars per bushel				
Wheat excluding durum	3.04	3.26	3.20	3.49	3.47
Durum wheat	3.93	4.19	4.05	4.37	4.49

Levies for imports from third countries, were as follows on February 2, 1966 (in dollars per bushel):

Soft wheat 1.72
Durum wheat 2.26
Hard and semi-hard wheats 2.26 = (1.72 + 0.54)
(including Manitobas 1, 2 and 3)

Prices of wheat on the open market in Milan on February 2, 1966, were as follows:

Prices of Wheat on Milan Open Market - February 2

Product	Minimum	Maximum
dollars per bushel		
WHEAT - delivered in bulk		
Domestic not including durum:		
High grade	3.37	3.54
Good mercantile grade	3.29	3.33
Mercantile grade	3.26	3.28

Prices of Wheat on Milan Open Market - February 2

Product	Minimum	Maximum
WHEAT - delivered in bulk (concluded)		
dollars per bushel		
<u>Domestic Durum:</u>		
Good mercantile grade	4.64	4.83
<u>Foreign Wheat:</u>		
Manitoba No. 1 (Atlantic)	4.64	4.69
Plata	3.94	4.03
Hard Winter - No. 2	3.68	3.70

France continues to be the main source of supply for soft wheat and this is principally due to the fact that the levy applicable for imports from this EEC country is almost negligible. (12 cents per bushel for soft wheat and 63 cents per bushel for durum wheat).

The greater part of the durum wheat imported comes from Argentina. A press item states that 35,000 metric tons (1,286,000 bushels) of U.S.A. durum wheat were bought in the first week of February. This brings the total figure of imports of U.S.A. durum wheat from the beginning of the crop year (July 1, 1965) to 48,924 metric tons (1,798,000 bushels).

In accordance with EEC regulations a system is now in force whereby when wheat products are exported a sum equal to the levy applicable on the date of exportation is paid with respect to the amount of wheat used in making such products. In the same manner reimbursement of levy is obtained with respect to any wheat exported. However, this system appears to be complicated and the reimbursement of the levies is so slow that continual complaints are made to the Government by milling and pasta making associations. These difficulties will, it is hoped, disappear, or at least diminish, and if exports of wheat products continue to expand a large increase of both durum and non-durum wheat imports may take place.

The other system which has been in force for a long time, whereby exporters of flour, semolina and pasta can import, free of levy, an equal amount of wheat as that which was used in the making of the exported product, has been limited this year, with regard to the wheat which could thus be imported, to a total of 150,000 tons (5,511,000 bushels). This limit has long been reached and will not be extended.

In conclusion one may say that Italy's wheat requirements are expanding and even with abundant crops imports will be needed.

GRAIN SITUATION IN BRITAIN

The following account of the current crop situation and grain market in Britain has been extracted from a report by Mr. W. M. Miner, Commercial Secretary (Agriculture) for Canada, London, under date of February 14, 1966, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

Weather
and Crops

Weather conditions continued cold, wet and windy until the last week of January when temperatures rose rapidly and this mild weather continued into February. Due to the generally unfavourable conditions winter cultivations are somewhat retarded. Cereals in general looked well but growth, particularly of later-sown crops, was slow. Autumn wheat is estimated at 1,499,000 acres, 470,000 acres below last year.

Requirements
and Supplies

In their fourth statistical statement giving the position as at the end of December 1965, the Ministry of Agriculture estimated a further increase in cereal requirements of 50,000 long tons on the November estimate. This brings total requirements to 21.65 million long tons, 1.0 million long tons more than the comparable estimate for 1964. The forecast of requirements of wheat for human consumption has been reduced by 100,000 long tons (3,733,000 bushels) and that of coarse grains by 50,000 long tons but there have been corresponding increases in requirements for feed purposes. There has been a further increase of 100,000 long tons (4,667,000 bushels) in the forecast of barley exports and a downward adjustment of 50,000 long tons (1,867,000 bushels) in other uses of wheat, such as for seed and industrial requirements, accounting for the 50,000 long ton net increase in requirements. Estimated wheat imports are reduced by 100,000 long tons (3,733,000 bushels) to 4.25 million long tons (158,667,000 bushels) compared with the November forecast but are 150,000 long tons (5,600,000 bushels) more than for the comparable period in 1964. Increased barley exports have necessitated a corresponding increase of 100,000 long tons in anticipated coarse grain imports which at 3.95 million long tons are 100,000 long tons more than at the end of December, 1964.

Wheat Requirements and Supplies (1)
Position at end of December, 1965

	1964-65	1965-66
	million bushels	
<u>Supplies</u>		
Estimates of quantity available		
from home sources	139.9	152.9
Estimates of Imports	152.9 (2)	158.5
<u>Requirements</u>		
Human Consumption	199.6 (3)	201.4
Animal Feed	87.7	100.7
Exports, Industrial, Seed and		
Other Uses	9.3	9.3

(1) Crop year July-June

(2) Includes nearly 22.4 million bushels for animal feed.

(3) Includes imported flour converted to wheat at 72 per cent extraction rate. Also includes approximately 52.2 million bushels of wheat offals available for animal feed.

Stocks of Grain
on Farms

The Ministry of Agriculture's sample survey as at the end of December showed that unsold stocks of wheat on farms represented a slightly larger proportion of the crop than at the same time last year but unsold barley stocks showed a comparative reduction.

Cereals
Deficiency
Payments The Ministry of Agriculture have announced that the advance deficiency payment for wheat for the second accounting period (October 1 to November 30) will be 2s.2d. per long cwt. (18 cents per bushel) and 1.7d per long cwt. (1.1 cent per bushel) will be deducted in respect of the levy payable to the Home Grown Cereals Authority.

Grain Markets The market is steady with quiet demand following a recent upward trend in prices with millable and feed wheats steady around £22 per long ton (\$1.78 per bushel). Feeding barley prices rose over £1 per long ton (8 cents per bushel) during January to £21 per long ton (\$1.69 per bushel).

WHEAT SITUATION IN WEST GERMANY

The following account of the wheat and flour situation in West Germany has been extracted from a report supplied by Mr. W. F. Hillhouse, Agricultural Counsellor, Canadian Embassy, Bad Godesberg, Germany, under date of February 15, 1966 and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

Weather
and Crops Fairly good weather prevailed throughout October when the precipitations were only 30 per cent of normal. However, early in November unusual and unexpected frost and snow started all over the country. Heavy rains followed, and the average precipitation in the Federal Republic reached 165 per cent of normal during November and 220 per cent during December.

Farmers suffered from those unfavourable weather conditions; the sugar beet crop was delayed, and as a result the area sown to winter wheat after sugar beets is much smaller than in previous years. Wheat seeding in general was interrupted.

Protected by a cover of snow, crops did not suffer too much from the frost period in November. Since then temperatures have been above normal and there has been no winter killing yet. Damage by wetness has been only local. However, unseasonably warm weather in January and early February has removed much snow cover and gives rise to the possibility of serious frost damage. The condition of all the winter grains in December was officially reported as average or slightly better than average: somewhat below the condition reported one year earlier.

The area seeded to winter grains in the fall of 1965 is officially estimated to be approximately 5 per cent below that of one year earlier. Declines of 82,000 hectares (203,000 acres) 7.5 per cent in rye area and 70,000 hectares (173,000 acres), 5.5 per cent in wheat area more than offset the increase of 23,000 hectares (57,000 acres), 6.8 per cent registered for winter barley. If spring seeding conditions permit, sizeable increases in the areas sown to summer grains may be expected.

Wheat Although farm sales of wheat during the three months October-December were almost 200,000 metric tons (7,349,000 bushels) higher in 1965 than in 1964, total of such sales for the first half of the crop year at 2,186,500 tons (80,339,000 bushels) were 478,400 tons (17,578,000 bushels) or 18 per cent below the previous year.

At the end of December stocks on farms in both 1964 and 1965 were approximately 1.4 million tons (51,441,000 bushels). This is 28 per cent of the 1964 crop and 33 per cent of the 1965 crop.

Wheat milling for food during the five months (July-November) at 1,722,500 metric tons (63,290,000 bushels) was almost the same as the previous year. Millings for feed, at 83,700 metric tons (3,075,000 bushels) were only slightly below last year's 84,800 metric tons (3,116,000 bushels) and the monthly figures show a steady increase.

German imports of wheat during the July-November period, at 630,000 tons (23,148,000 bushels) reflect the lower domestic crop, they are about 23 per cent bigger than last year. Imports from Canada, however, though slightly above last year went down from 55 to 45 per cent of the total. The benefit of the increased imports went largely to the United States and partly to Argentina.

During the first half of this crop year import licences issued for wheat totalled 797,000 tons (29,284,000 bushels), up almost 144,000 tons (5,291,000 bushels) from last year and very much in line with the actual import trend.

Wheat Flour German wheat flour exports during the July-November period at
Exports 146,551 metric tons (7,431,000 bushels of wheat equivalent) were
121 per cent of previous year's comparable period. The most
important feature, however, is the development in the monthly figures. During the
first two months of this crop year, the exports at less than 40,000 tons (2,028,000
bushels of wheat equivalent) compared unfavourably with the 54,000 tons (2,738,000
bushels of wheat equivalent) at the comparable period the year before. But shipments
rose in September to 115 per cent, in October to 172 per cent and in November to 190
per cent compared with the same months last year.

During the first five months of this crop year, by far the biggest exports went to UAR at 53,200 tons (2,698,000 bushels of wheat equivalent) followed by Libia with 28,400 tons (1,440,000 bushels of wheat equivalent), Lebanon with 8,000 tons (406,000 bushels of wheat equivalent), and Hungary with 7,800 tons (396,000 bushels of wheat equivalent). Total exports to Caribbean and South American markets were practically unchanged at approximately 12,600 tons (639,000 bushels of wheat equivalent). Increased shipments to Chile, Bolivia and Costa Rica compensated for reduced exports to Trinidad and Jamaica.

Continued from page 28

On the one hand, the Council took due note of the important developments in world trade in the past few years and the part they had played in the substantial decline in stocks. It recognised that stocks at the end of the current crop year might well be only some 6 or 7 million tons above what were regarded as normal levels and that so far as the crop year 1965-66 was concerned a state approaching equilibrium in the world supply position had probably been reached. Some were disposed to view with qualified optimism the prospects for further growth in demand as expressed in terms of the volume of international trade, but the importance of an adequate and broad base of stockholding was generally emphasised if world trade were to be sustained at a high level without dislocation.

On the other hand, it was pointed out that the buoyant level of world demand in recent years was not the only factor leading to a better balance

in world supplies. Important measures of production control and supply management had been taken in certain countries, particularly the United States, and the production potential in the world with the powerful stimulus of technical advances remained very high. In addition it was recognised that the present volume of world trade would not have been realised without the continuation of concessional trade at a high level. On the trade side, moreover, the effect of the U.S.S.R. purchases had been very great; if they had not been made the position would have been very different and there was little to suggest that they could be regarded as a permanent feature.

The Council was, therefore, forced to conclude that it was still impossible to say with any confidence that the underlying forces in the world wheat situation has fundamentally changed in the past few years. The pressure of supplies had been greatly reduced and at the present time a position of approximate equilibrium had been reached. This equilibrium was, however, precarious and the potential forces making for a renewed imbalance, if released, were still very powerful.

CALENDAR OF WHEAT EVENTS

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|----------|----|---|
| January | 25 | The Crop Reporting Board, United States Department of Agriculture reported that wheat stocks in all positions in the United States at January 1, 1966 were estimated at 1,339 million bushels, 8 per cent less than a year earlier and the smallest January 1 holdings in twelve years. |
| | 27 | According to a report received from Mr. H. E. Ryan, Assistant Commercial Secretary (Agriculture) for Canada, Buenos Aires, the first estimate of production for the 1965-66 wheat crop in Argentina places the outturn at 5.7 million metric tons (209.4 million bushels). |
| February | 14 | According to a report received from Mr. D. I. Campbell, Assistant Commercial Secretary for Canada, Canberra, the 1965-66 Australian wheat harvest is virtually completed. The crop is presently estimated at some 255 million bushels as against the 1964-65 record outturn of 370 million. |
| | | According to a report from Miss M. D. Johnson, Commercial Assistant, Rome, the area seeded to wheat in Italy in the autumn and early winter of 1965 is unofficially estimated at approximately 10.6 acres. |
| | 15 | According to a report received from Mr. W. F. Hillhouse, Agricultural Counsellor for Canada, Bad Godesberg, Germany the area seeded to winter grains in the fall of 1965 is officially estimated to be approximately 5 per cent below that of a year earlier, with declines in the area seeded to rye and wheat more than offsetting an increase in the acreage seeded to winter barley. |
| | 25 | The Canadian Wheat Board announced the final payment on wheat delivered to the Board during the crop year 1964-65. The amount of the final payment to be distributed to producers is \$200,107,082.00 of which \$12,281,103.00 will be distributed to producers who delivered Durum wheat. The average final payment for wheat other than Durum is 38.124 cents per bushel. The average final payment for Durum wheat is 39.579 cents per bushel. |

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