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THE WHEAT REVIEW

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WORLD WHEAT SITUATION

August-October Exports Remain Above Average

Total exports of wheat and wheat flour in terms of grain from the four major exporting countries during the August-October period of the current Canadian crop year amounted to 343.9 million bushels, a decrease of 28 per cent from the 475.8 million exported during the same three months in 1966 but 13 per cent above the ten-year (1956-65) average shipments for the first quarter of the crop year, of some 309.5 million bushels. Australia was the only one of the four exporting countries registering an increase over their 1966 comparable totals.

Shipments from these same four countries during August-October 1967 with comparisons appear in the accompanying table.

Exports of Wheat and Flour in Terms of Wheat, August-October 1967 with Comparisons

August-October	United States	Canada	Argentina	Australia	Total
million bushels					
1950.....	51.4	49.3	17.2	30.9	148.8
1951.....	116.0	75.4	17.9	30.5	239.8
1952.....	85.1	94.6	-	23.0	202.7
1953.....	54.8	79.2	32.5	16.6	183.1
1954.....	53.8	73.8	33.7	21.5	182.8
1955.....	54.4	60.1	30.2	23.2	167.9
1956.....	118.8	81.4	24.2	40.9	265.3
1957.....	100.7	73.5	21.8	24.9	220.9
1958.....	108.2	73.8	21.4	16.2	219.6
1959.....	100.3	76.3	15.1	20.4	212.1
1960.....	150.8	81.8	25.5	27.7	285.8
1961.....	180.0	106.2	6.1	55.9	348.2
1962.....	140.2	84.7	8.7	23.2	256.8
1963.....	192.1	139.6	12.7	47.3	391.7
1964.....	185.5	133.8	26.6	37.4	383.3
1965.....	203.4	181.5	70.5	56.2	511.6
1966(1).....	243.1	172.0	19.4	41.3	475.8
1967(2).....	201.5	71.1	2.4	74.3	349.3

(1) Revised.

(2) Preliminary.

Wheat Supplies of Four Major Exporters Above a Year Ago

Latest available estimates indicate that supplies of wheat remaining on or about November 1, 1967 in the four major exporting countries, for export and for carryover at the end of their respective crop years, amounted to 2,096.6 million bushels, about 15 per cent more than the 1,822.9 million available a year ago. Supplies on or about November 1, 1967, in millions of bushels, were held as follows, with last year's comparable figures in brackets: United States, 1,018.7 (853.7); Canada, 938.9 (921.5); Argentina, 26.7 (15.4); and Australia, 112.3 (32.3).

World Wheat
Situation
and Outlook

The following is taken from the report on Grains and Feeds as prepared for the Federal-Provincial Agricultural Outlook Conference, November 27 and 28, 1967.

Situation

World production of wheat (excluding Mainland China) reached a record level in 1966-67 of 10.3 billion bushels (281 million metric tons), 17 per cent above the previous year's crop and 12 per cent above the previous record set in 1964-65. Beginning stocks in the four major exporting countries (U.S.A., Canada, Argentina, Australia), at 981 million bushels (26.7 million metric tons), were at the lowest level for 13 years. With large world supplies of wheat in many regions of the world, international trade amounted to 2.1 billion bushels (56 million metric tons), a 10 per cent decrease from the record of 1965-66. Less wheat was shipped by Canada, the United States, Argentina and France, but the U.S.S.R. and Australia increased exports. In spite of the decline in import demand, export prices averaged higher than a year earlier due to the tighter supply situation in certain exporting countries.

World Production
1967-68

For the 1967-68 season, opening stocks in the four exporting countries are slightly larger than in 1966-67 at 1.1 billion bushels (29.3 million metric tons). Stocks fell in the United States to 412 million bushels (11.2 million tons), the lowest since 1953-54. They also fell in Argentina and France, but rose in Canada and Australia.

Present indications are for a decline in the world harvest from the record set in 1966-67. Among other factors, wet conditions over much of Western Europe kept the area sown to wheat below average levels, but favourable growing conditions have resulted in larger yields of higher quality soft wheats pushing total production up slightly above last year's.

In the developing countries, production seems to be improved over last year. Expectations in India are for higher production than last year and equal to the 1965-66 crop, and the Pakistan crop too, should be larger than in 1966-67. In the Near East, production is up generally, with bumper crops in Iran and Turkey. In North Africa, continued drought has adversely affected the Tunisian crop and there has been only a limited recovery in Morocco.

In the U.S.S.R., the area sown to wheat was smaller than last year. However, a good crop of about 3,000 million bushels (80 million tons) can be expected. Although this is 20 per cent less than the record 3,700 million bushels (100 million tons) of last year, it is not expected that the U.S.S.R. import requirements will be great. Some impression of the size of the U.S.S.R. wheat crop can be gained if one compares the 700 million bushel decrease from last year with the total Canadian wheat production of 600 million bushels. In the rest of Eastern Europe, production is higher than it was last year and above the recent average. Unconfirmed reports indicate a 10 per cent increase in production in Mainland China.

In the exporting countries, the North American situation this year is in marked contrast to last year. While total production will exceed last year's level by only a small amount, the distribution of production is quite different. Whereas Mexico experienced a poor crop in 1966-67, and the United States turned out a crop slightly less than the year before, Canada harvested a record volume. This year, both Mexico and the United States have had record crops, while Canada has experienced a drop in production of 28 per cent. United States production, at

1,540 million bushels (41.9 million metric tons), is up 17 per cent from 1,310 million bushels (35.7 million metric tons). The large increase in U.S. production is due to an expansion in acreage with a slight increase in average yield. Although the total wheat allotment acreage in the United States was increased 32 per cent to 68.2 million acres, acreage signed up under the allotment program increased by only 15 per cent to 57.3 million acres. Total seeded acreage approached 68 million acres, as some farmers exceeded their allotment, while harvested acreage will be about 58 million acres. Canada has a crop of 593 million bushels (16.1 million metric tons), resulting from a 1.4 per cent increase in area and a yield 4 bushels per acre less than the five-year average.

In the southern hemisphere, crops are not yet harvested. Although seeded acreage has expanded about 6 per cent in Argentina, early indications point to a third successive year of drought and production may only be 10 per cent above last year's below average crop. In Australia, where wheat acreage has expanded considerably from 10 million acres in the late 1950's to 20 million in 1966-67, further increases are reported for the current year (up 1.7 million acres), but latest reports indicate that lack of rain may produce a crop of less than 300 million bushels (8.2 million metric tons) compared with 448 million bushels (12.2 million metric tons) last year.

Out look World trade in wheat has slowed down in the early months of the 1967-68 season. A combination of many factors seems responsible for this situation. Carryover stocks are slightly higher and production in several exporting countries is at high levels. In those countries where harvests have not yet started, acreages have increased. Production in importing countries in general is likely to be higher than last year and import requirements may be lower.

World trade in 1967-68 is expected to vary from that of the previous year. Exports to the developed countries which in total have not expanded in recent years may show a decline. Total imports of wheat into Western Europe will probably be slightly smaller than last year. Increases to Japan, where competition for the expanding market continues very strong, may not offset this decline. The developing countries will require large quantities of wheat to meet their food grain needs and for stock replenishment, but actual exports depend largely on aid commitments. With better harvest prospects in India and Pakistan, emergency shipments to these countries will decline but total aid shipments are likely to remain large. Exports to the Middle East and North Africa may increase. In the Communist countries, the U.S.S.R. wheat imports may be no higher than the 75 million bushel contract with Canada. In Eastern Europe where production is up, imports may not increase. It is reasonable to assume that Mainland China will continue to require wheat imports, but internal difficulties there may interfere with purchases.

World trade will probably reach only 1.8 billion bushels (50 million tons) in 1967-68 and supplies available for export will be more than adequate to meet this demand; accordingly, closing stocks in exporting countries may rise slightly at the end of the season. Wheat prices, which are lower than last season, are expected to be maintained in the lower part of the new International Grains Arrangement range, but the level will be largely determined by the results of harvest in the southern hemisphere.

Continued on page 48.

International Wheat Council
Cumulative Totals of Commercial Purchases by Importing Countries from Exporting Countries
Crop Year 1967-68 Through October 28, 1967

Importing Countries	EXPORTING COUNTRIES						Total Purchases
	Canada	Argentina	Australia	Italy	Sweden	U.S.A.	
	thousand bushels						
Austria.....	404	-	-	-	-	-	404
Barbados.....	89	-	28	-	-	30	147
Belgium & Luxembourg...	3,620	-	-	-	-	1,572	5,192
Brazil.....	-	30	3,675	-	-	6,840	10,545
Costa Rica	3	-	-	-	-	644	647
Cuba.....	(1)	-	-	-	-	-	(1)
Dominican Republic.....	-	-	-	-	-	539	539
Ecuador.....	-	-	-	-	-	1,008	1,008
El Salvador.....	57	-	-	-	-	592	649
Finland.....	-	-	-	-	-	134	134
Germany, Federal Rep...	6,011	-	682	-	-	4,841	11,534
Greece.....	41	-	-	-	-	18	59
Guatemala.....	1	-	-	-	-	902	903
Haiti.....	-	-	-	-	-	410	410
Iceland.....	-	-	-	-	-	5	5
India.....	-	-	5,306	-	-	7,006	12,312
Ireland.....	374	-	582	-	-	47	1,003
Israel.....	-	-	225	-	-	2,619	2,844
Japan.....	10,671	-	7,526	-	-	30,483	48,680
Korea, Rep.of.....	-	-	-	-	-	11,720	11,720
Lebanon.....	6	-	1,676	-	-	34	1,716
Libya.....	-	-	36	178	-	1	215
Netherlands.....	1,950	13	2,634	-	-	8,472	13,069
Neth. Territories....	71	-	-	-	-	295	366
Nigeria.....	-	-	-	-	-	479	479
Norway.....	1,195	-	1,449	-	3,307	463	6,414
Peru.....	11	441	1,564	-	-	6,280	8,296
Portugal.....	4	-	-	4	-	55	63
Portuguese Territories	72	-	447	3	-	595	1,117
Saudi Arabia.....	25	-	1,559	-	-	2,236	3,820
Sierra Leone.....	3	-	-	-	-	327	330
South Africa.....	902	-	-	-	-	-	902
Southern Rhodesia.....	-	-	523	-	-	-	523
Switzerland.....	1,334	-	-	-	-	1,363	2,697
Trinidad & Tobago.....	212	-	-	-	-	1,019	1,231
Tunisia.....	-	-	-	-	-	3,319	3,319
United Arab Republic...	-	-	-	335	-	808	1,143
United Kingdom.....	18,691	10	8,429	-	-	3,898	31,028
U.K. Territories.....	1,003	-	1,110	-	-	496	2,609
Venezuela.....	1,376	-	-	-	-	9,226	10,602
Western Samoa.....	1	-	47	-	-	-	48
To Orders.....	-	193	-	-	4,777	-	4,970
Totals.....	48,127	687	37,498	520	8,084	108,776	203,692
Percentage of Total Sales by Exporting Countries.	23.63	0.34	18.41	0.25	3.97	53.40	100.00

(1) Less than 500 bushels.

NOTE: Argentina - quantities cover period ending October 21, 1967.

Italy - quantities cover period ending October 14, 1967.

Mexico and Spain - Report only when purchases are made.

France and U.S.S.R. - No reports received.

CANADIAN SITUATION

Supplies Below
Previous Year

Total estimated supplies of wheat for the 1967-68 (August-July) crop year are placed at 1,170.0 million bushels, consisting of the August 1 carryover of 577.1 million and the 1967 crop, at 592.9 million bushels. Supplies of the size indicated represent a decrease of 6 per cent from the 1966-67 previous peak of 1,247.5 million. After making an allowance of 160.0 million bushels for anticipated domestic requirements, supplies available for export and for carryover during 1967-68 amount to 1,010.0 million bushels, 8 per cent less than the 1,093.4 million in 1966-67.

August-October Exports

Sharply Below Previous Year

Exports of wheat and flour, in terms of wheat equivalent, during August-October 1967 amounted to 71.1 million bushels, in contrast to the previous year's comparable total of 172.0 million. This year's exports consisted of 64.5 million bushels of wheat in bulk, 177 thousand of bagged seed and 6.4 million of flour in terms of wheat. During the August-October period last year these figures were 163.2 million of wheat in bulk, 275 thousand of bagged seed and 8.4 million of flour in wheat equivalent. The balance remaining on November 1, 1967 for export and for carryover amounted to 938.9 million bushels, 2 per cent above the November 1, 1966 total of 921.5 million.

Canadian Wheat Supplies

Item	1966-67(1)	1967-68(2)
	million bushels	
Carryover in North America at beginning of crop year (August 1).....	420.1	577.1
Production.....	827.3	592.9
Imports of wheat for domestic use, August-October.....	(3)	(4)
Total estimated supplies.....	1,247.5	1,170.0
Less estimated domestic requirements for crop year....	154.0	160.0
Available for export and for carryover.....	1,093.4	1,010.0
Deduct:		
Exports of wheat in bulk, August-October(5).....	163.2	64.5
Exports of bagged seed wheat, August - October (6)..	0.3	0.2
Total exports of wheat as grain.....	163.5	64.7
Exports of wheat flour in terms of wheat, August- October(6).....	8.4	6.4
Total exports of wheat and wheat flour..	172.0	71.1
Balance on November 1 for export and for carryover....	921.5	938.9

(1) Subject to revision. (2) Preliminary. (3) Less than 50,000 bushels.

(4) Not available. (5) As reported by the Board of Grain Commissioners.

(6) Customs returns, 1966-67 adjusted for time lag.

Marketings, Disappearance
and Visible Supplies

Total primary deliveries of wheat (both east and west) up to November 22 of the current crop year have amounted to 143.7 million bushels in contrast to 196.5 million marketed during the same period of the previous year. Some 46.9 million bushels of this year's total were delivered during the four weeks October 19 to November 22. During the same period the volume of Canadian wheat entering domestic and export channels amounted to 31.8 million bushels. As a result, the total visible supply of Canadian wheat increased from 387.6 million at October 18 to a level of 403.1 million at November 22, 1967.

The total visible supply of Canadian wheat at November 22 this year represented an increase of 45 per cent over the 1966 comparable total of 278.2 million and was 41 per cent more than the 1965 figure of 285.2 million. Country elevator stocks, amounting to 229.6 million bushels, were 54 per cent above the 1966 comparable total of 148.9 million, and 31 per cent more than the 175.6 million of two years ago. Wheat stocks at interior terminals at November 22, 1967, totalled 12.5 million bushels as against 1.8 million a year ago and 2.1 million two years ago. The 17.4 million bushels "in transit rail" (western division) were above both the 1966 and 1965 totals of 15.0 million and 8.5 million bushels, respectively. Supplies at the Lakehead, totalling some 40.3 million bushels, were substantially above last year's comparable level of 22.6 million and the 1965 figure of 21.7 million. Stocks "in transit lake", amounting to 8.6 million bushels were smaller than both the 1966 level of 10.7 million and the 1965 figure of 12.5 million. The 34.2 million bushels in Bay, Lake and Upper St. Lawrence ports were higher than both the 27.8 million of a year ago and 26.7 million of two years ago. Supplies in Lower St. Lawrence and Maritime ports at November 22, 1967, at 38.2 million bushels, registered a 13 per cent increase over the comparable 1966 figure of 33.7 million and were 60 per cent more than the 23.9 million of 1965. The 11.5 million bushels in West Coast ports (Vancouver-New Westminster, Prince Rupert and Victoria) were above both the 9.2 million at November 23, 1966, and the 6.0 million at November 24, 1965.

October 1967 Exports
of Wheat and Flour Total
21.7 Million Bushels

Combined exports of wheat in bulk, bagged seed wheat and wheat flour in terms of grain equivalent, during October 1967 amounted to 21.7 million bushels, 4 per cent below the 22.6 million of the previous month, in sharp contrast to the 55.2 million of October 1966 and 41 per cent smaller than the ten-year (1956-65) average for the month of October of 36.7 million. Exports of wheat in bulk (as reported by the Board of Grain Commissioners) during October 1967 totalled 19.9 million bushels, 2 per cent lower than the September 1967 total of 20.2 million, considerably less than half of the 51.7 million of a year ago and a decrease of 41 per cent from the ten-year average of 33.4 million. Based on Canadian Customs returns, the equivalent of 1.8 million bushels of wheat was exported in the form of flour during October 1967, 21 per cent below the previous month's figure of 2.3 million, 48 per cent smaller than the adjusted total of 3.6 million of October 1966 and 43 per cent less than the ten-year average of 3.2 million bushels.

Cumulative exports of wheat in bulk during the August-October period of the current crop year amounted to 64.5 million bushels, sharply below the 163.2 million shipped during the first three months of 1966-67 and 31 per cent less than the ten-year average for the period of 94.1 million. This year's shipment of wheat to Britain totalled some 16.4 million bushels and accounted for 25 per cent of the current three-month total as compared to 17.7 million the previous year and accounted for 11 per cent of the August-October total. Other principal markets for Canadian wheat in bulk during the first three 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; U.S.S.R. (Russia), 9.3 (35.3); Japan, 8.6 (14.0); Federal Republic of Germany, 4.7 (6.7); Italy, 3.9 (5.5); Belgium and Luxembourg, 3.7 (5.3); Netherlands, 3.2 (1.0); Communist China, 3.0 (41.0); Poland, 2.5 (5.1); Norway, 1.2 (0.8); and Cuba, 1.1 (2.9). Cumulative exports of bagged seed wheat during August-October of the current crop year, based on Canadian Customs returns, amounted to 177 thousand bushels compared with last year's comparable total (adjusted to remove time lag) of 275 thousand.

Cumulative exports of wheat flour during the first three months of the 1967-68 crop year, based on Customs returns, were the equivalent of 6.4 million bushels of wheat, 24 per cent less than the adjusted August-October 1966 total of 8.4 million bushels. Cuba's purchases, the leading market for Canadian wheat flour during the period under review, amounted to the equivalent of 2.6 million bushels and accounted for 40 per cent of the August-October 1967 total. During the comparable period of 1966 shipments to Cuba amounted to 3.5 million and accounted for 41 per cent of the three-month total. Other principal markets for Canadian wheat flour in terms of grain equivalent during the August-October period of the 1967-68 crop year, with revised data for the same months of the preceding crop year in brackets, were as follows, in thousands of bushels: Britain, 803 (2,267); Ghana, 657 (282); Israel, 502 (nil); Jamaica, 329 (298); Leeward and Windward Islands, 194 (306); Lebanon, 174 (34); and Trinidad and Tobago, 159 (288).

Canadian Wheat Situation and Outlook

The following is taken from the report on Grains and Feeds as prepared for the Federal-Provincial Agricultural Outlook Conference, November 27 and 28, 1967:

Canadian Situation 1966-67 Stocks of Canadian wheat carried into the 1966-67 crop year were 420 million bushels (11.5 million metric tons), the smallest since 1962, and down by some 93 million bushels from August 1, 1965. The wheat crop was at an all-time high of 827 million bushels (22.5 million metric tons), surpassing by 104 million bushels the previous record set in 1963. Thus, in 1966-67 supplies available amounted to 1,247 million bushels (34 million metric tons) or 7 per cent more than in 1965-66.

Farmers marketings during 1966-67 increased to a record 637 million bushels, (17.3 million metric tons), up 10 per cent from the 1965-66 marketings of 574 million bushels (15.5 million metric tons). Wheat going into domestic use totaled 154 million bushels, of which 16 million bushels were moved for feed under Feed Freight Assistance and some 42 million bushels was used for seed.

Wheat and wheat flour exports totalled 516 million bushels (14.1 million metric tons), 13 per cent below the record of 591 million bushels (16.1 million metric tons) of 1963-64, but nevertheless the third highest on record. Exports to the developed countries rose slightly to 202 million bushels (5.5 million tons), with a decline in trade to Western Europe more than offset by an increase to Japan. Exports to developing countries rose substantially from 55 million bushels (1.5 million tons) in 1965-66 to 75 million bushels (2 million tons) in 1966-67, due primarily to increased aid shipments, especially to India. Exports to Communist countries declined from 334 million bushels (9.1 million tons) to 239 million bushels (6.5 million tons). An increase in shipments to Mainland China did not offset the substantial decrease to the U.S.S.R. and the smaller decline to Eastern Europe.

Exports began to level off in the latter months of the crop year due to a softening of import demand, with the possibility of good harvests in most areas of the world. The carryover of wheat into the 1967-68 crop year increased 157 million bushels, to a total of 577 million (15.7 million metric tons).

Canadian wheat prices, basis the Lakehead, were at record levels during the crop year. No. 1 Northern averaged \$2.12 per bushel compared with \$2.00 the previous year. By July, 1967, prices had begun to reflect the fall in export sales and had dropped to \$2.07.

Canadian Situation 1967-68 Seeded acreage totalled 30,121,000 acres, an increase over last year of 1.4 per cent. Winter wheat in Ontario accounted for 400,000 acres, up by 17 per cent over last year. Based on precipitation figures, a very light crop was expected, but yields turned out greater than anticipated due to a combination of circumstances which included the high moisture reserves in the soil, the relatively cool summer with no excesses of heat or wind, the adaptability of new varieties, the ideal harvesting weather which kept losses to a minimum and the application of a greatly improved farm technology.

The September estimate of production places wheat at 593 million bushels (16.1 million metric tons), with a yield of 19.7 bushels per acre, compared with 827 million bushels (22.5 million metric tons) and a yield of 27.9 bushels per acre in 1966. The greatest decline in yield was in Saskatchewan followed by Alberta, while most areas of Manitoba largely escaped the drought and the average yield was above last year. Included in the total is the Ontario winter wheat crop of 15 million bushels. The total crop is 234 million bushels below last year's record but only 80 million below the 1962-63 to 1966-67 average. The grain is of very high quality, with over 95 per cent in the top three grades and an average protein content of 13.8 per cent, an increase from last year's 13.5 per cent.

Canadian wheat prices continued to move downward in August of this year and in September dipped briefly to a low of \$1.91 for No. 1 Northern, basis in store Fort William - Port Arthur, in line with pressures being exerted on world wheat prices. By mid-October, the price had increased to \$1.95 per bushel. For the 1967-68 crop year, the Canadian Government raised the minimum support level for No. 1 Northern to \$1.70 per bushel from \$1.50, in the form of an increased initial payment. A further guarantee of prices was implemented when the Government agreed to pay the difference between the new International Grains Arrangement minimum price of approximately \$1.95 1/2 and the selling price on all sales made below the new I.G.A. minimum price. In effect, for all such sales, farmers will be guaranteed a price based on the I.G.A. minimum price for No. 1 Manitoba Northern basis in store at the Lakehead, and its equivalent for other grades, until the new International Grains Arrangement comes into effect on July 1, 1968.

Canadian Wheat Export Outlook 1967-68 Trade with the developed countries has been slow, but the trends of the last few years are not likely to change radically. Exports to Western Europe may decline slightly and the Japanese market may not increase to the same extent as last year. Thus, total sales to developed countries may be under 200 million bushels (5.4 million metric tons).

Commercial trade with developing countries is expected to remain at about the same level as last year, while aid shipments may decline. At 50 million bushels, aid shipments in the 1966-67 crop year were particularly high. This was due to a supplementary food aid allocation and heavy shipments in the April-

July period against the 1967 allocation of \$75 million which was made available April 1, the beginning of the fiscal year. The Government has announced a food aid allocation for the 1968 fiscal year of \$75 million. It is probable that a large portion of this sum will be utilized for aid shipments of wheat and flour in the period April to July, 1968, and that aid shipments to developing countries during the crop year will total 30 to 35 million bushels. Total exports to developing countries are expected to be approximately 50 million bushels (1.4 million metric tons).

Communist countries have not increased purchases beyond their contract levels this year. In particular, the U.S.S.R., which in the past has often taken the maximum contract quantity, has only agreed to take the minimum commitment of 75 million bushels (2 million metric tons) under the three-year agreement signed last year. The record Russian wheat crop of 1966 and the reported average crop this year may have reduced the need for large imports from Canada for this year as domestic stocks have probably accumulated. Similarly, with a good level of production in Eastern Europe, exports to that area may not increase over last year's 30 million bushels (0.8 million metric tons). There have been no significant shipments to Mainland China so far this year and it is impossible to predict the level of Canadian exports to that country at this time.

Depending on the level of exports to China, total exports during 1967-68 should be in the range of 350 to 400 million bushels (9.5 to 10.9 million metric tons) and domestic disappearance should approach 155 million bushels (4.6 million metric tons). With the total wheat supply for the crop year at 1,170 million bushels (31.8 million metric tons), exports in the range predicted will result in a carryover next July 31 of between 615 and 665 million bushels (16.7 to 18.1 million tons).

The outlook for this year is one of increasing stocks, because of a decline in exports greater than the decline in supplies available. With the recent experience of producing a good crop with low precipitation during the growing season, it is clear that with normal conditions, a smaller area could produce all the supplies needed to meet anticipated demand requirements in 1968-69.

Durum Situation Canadian durum wheat production in 1966-67 was 28.4 million bushels from 1,064,000 acres, a record yield of 26.7 bushels per acre. Visible supplies of durum (excluding durum stocks on farms) on July 1, 1966, was 18.2 million bushels, and exports during the year reached only 27 million bushels compared with 34 million bushels in the previous year. With visible supplies on July 31, 1967 at 11 million bushels, and a production of 20.6 million bushels, supplies are down from last year. The 1967 acreage increase of 258,000 acres or 24 per cent was offset by the effect of the drought and yields reached only 15.6 bushels per acre.

Production of durum wheat in the United States is estimated to be 66 million bushels, up 5 per cent from the 1966 crop as a result of increased acreages with no change in the average yield. Durum production in Italy and France is estimated at 95 million bushels. In North Africa, drought has reduced the durum crop in Tunisia and Morocco.

While prospects for 1967-68 do not indicate any major increases in Canadian trade, exports should be maintained at a level slightly above last year. With normal supplies available, prices have remained at premium levels above spring wheat prices during 1966-67 and did not fall when other prices fell during the latter months of the crop year. Although supplies in Canada are reduced, these, together with the supplies in the United States, will be adequate to meet the expected import demand which, in recent years, averaged about 70 million bushels. At this level of trade, prices should remain at a premium above spring wheat prices.

The long-run outlook for trade in durum wheat is uncertain but some expansion of consumption can be expected in developed and developing countries. Total world import demand is expected to show a slow upward trend from the current 70 million bushels per year. Canada's share of these exports is unlikely to exceed half and thus average production from 1.25 million acres (or slightly less acreage than in 1967) would seem adequate for the coming year.

Wheat Sales
to China

On December 12, 1967, Trade Minister Robert Winters announced the sale of two million long tons of Canadian wheat to China.

Mr. Winters told the House of Commons:

"I am pleased to inform Honourable Members that the Canadian Wheat Board, following prolonged negotiations in Canton, has succeeded in concluding a sales contract with Mainland China to provide for the export of two million long tons, 5 per cent more or less, of wheat -- to be shipped from January through October 1968.

"This contract is under the provisions of the Third Long Term Agreement with China, and consists of 1, 2 and 3 Northern wheat and a small quantity of Durum wheat.

"Assuming that full tolerance is taken, the sale amounts to 78.4 million bushels.

"Including the contract covered by this announcement, total sales under the Third Long Term Agreement amount to 4.7 million tons, or approximately 177 million bushels.

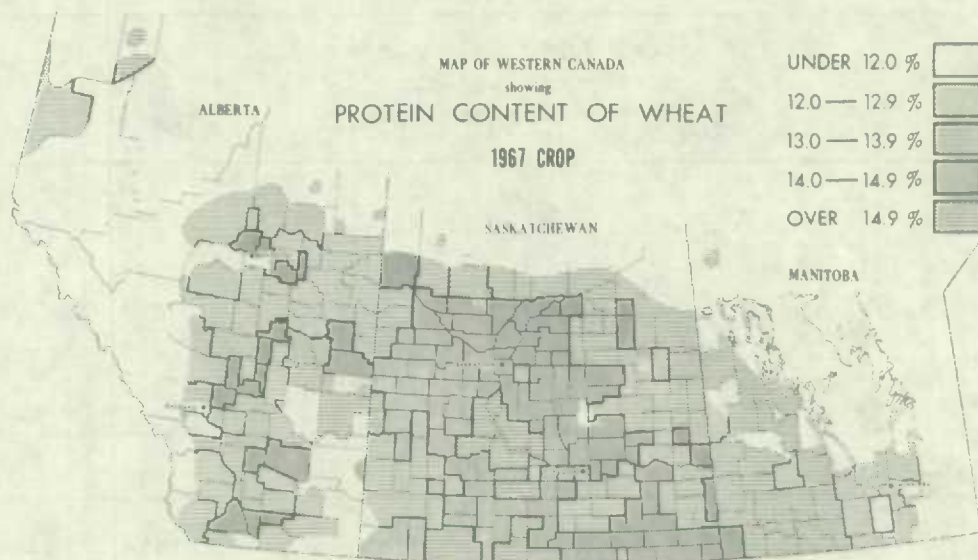
"The Long Term Agreement provides for a minimum of 4-1/2 and a maximum of 7-1/2 million tons over the three-year period commencing August 1, 1966, with the amounts for each year to be negotiated separately.

"As in the previous contracts, payment terms for sales under the Long Term Agreement are 25 per cent cash when each vessel is loaded, and the balance of 75 per cent in 18 months, with interest. The deferred payment provision is made possible by a guarantee to the Canadian Wheat Board by the Government of Canada.

"I know all Honourable Members will join with me in extending to the Wheat Board our warmest congratulations on their good work in reaching agreement on a matter which is of such importance to the Canadian economy."

Protein Survey of
Western Canada's 1967
Hard Red Spring Wheat

According to Crop Bulletin No. 100 "Canadian Wheat 1967", published by the Grain Research Laboratory, Board of Grain Commissioners, for Canada, the 1967 spring wheat crop averages 13.8 per cent in its protein content. The 1966 crop of spring wheat averaged 13.2 per cent in protein content, while the mean value for all hard red spring wheat crops from 1927 to 1966 is 13.6 per cent. The Laboratory's survey of the protein content of the 1967 crop of hard red spring wheat included samples grading No. 1 Hard, No. 1 Manitoba Northern through No. 4 Manitoba Northern, together with a few Garnet wheats



The above map shows the geographic distribution of the protein content of the 1967 spring wheat crop in terms of five levels or ranges. By far the greater proportion of the growing area in Saskatchewan produced wheat with an average protein level in excess of 14.0 per cent; several areas were in excess of 14.9 per cent. Areas in central and southern Alberta and two small areas near Edmonton exceeded 14.0 per cent in average protein content. The eastern part of the growing area in Manitoba and most of the northern growing area of Alberta produced wheat well below the average level for the 1967 crop.

Protein Contents of Grades of Hard Red Spring Wheat,
1967 Values for Each Province and 1967 and 1966 Values for Western Canada

Grade	1967 Crop			Western Canada	
	Manitoba	Saskatchewan	Alberta	1967	1966
	per cent				
No. 1 Hard.....	-	12.8	-	12.8	13.5
No. 1 Northern.....	13.0	14.0	13.5	13.8	13.2
No. 2 Northern.....	12.8	14.3	13.5	13.8	13.1
No. 3 Northern.....	13.0	14.4	12.8	13.7	13.3
No. 4 Northern.....	13.2	14.1	12.3	13.6	13.4
Garnet Grades.....	-	-	11.9	11.9	11.6
Weighted Mean	12.9	14.1	13.4	13.8	13.2

General Quota
Position

By November 27, 1967 out of a total of 1,880 shipping points in the Western Division, the Canadian Wheat Board had placed 693 points on a delivery quota of three bushels per specified acre, 1,023 points on a two-bushel quota and 143 points on a one-bushel quota per specified acre. Only 21 stations were reported as "closed".

Summary of Elevator Shipping Points in the Western Division
as at November 27, 1967

Province	General Quota in Bushels per Specified Acre			Closed	Total
	One	Two	Three		
Ontario.....	-	-	1	-	1
Manitoba.....	11	163	152	5	331
Saskatchewan.....	45	598	358	9	1,020
Alberta.....	87	262	156	7	522
British Columbia.....	-	-	6	-	6
All Provinces.....	143	1,023	693	21	1,880

Farmers'
Marketings

Deliveries of wheat from farms in the Prairie Provinces up to November 22 of the current crop year amounted to 137.5 million bushels, 28 per cent less than the comparable 1966 total of 192.1 million but considerably larger than the ten-year (1956-65) average for the period of 109.0 million bushels.

Farmers' Marketings (1) of Wheat in the Prairie Provinces 1967-68

Week Ending		Manitoba	Saskatchewan	Alberta	Total	Last Year
		bushels				
August	9, 1967..	419,070	2,254,674	100,523	2,774,267	2,382,182
	16.....	47,536	164,146	198,795	410,477	7,100,270
	23.....	387,096	1,563,697	377,834	2,328,627	19,177,019
	30.....	1,411,474	3,905,746	576,513	5,893,733	5,202,246
September	6.....	2,737,126	8,975,599	2,792,553	14,505,278	4,161,392
	13.....	2,942,073	11,237,586	4,987,198	19,166,857	11,624,476
	20.....	1,420,455	6,273,227	4,308,564	12,002,246	15,701,357
	27.....	1,213,339	8,347,053	2,701,990	12,262,382	21,021,677
October	4.....	850,438	6,371,203	1,765,606	8,987,247	14,761,929
	11.....	665,118	3,354,294	1,332,517	5,351,929	10,606,303
	18.....	587,720	5,250,020	1,410,018	7,247,758	12,437,630
	25.....	1,006,615	4,689,191	1,866,696	7,562,502	14,077,666
November	1.....	1,393,296	5,883,585	1,985,761	9,262,642	17,760,722
	8.....	1,750,186	5,823,860	2,143,755	9,717,801	13,952,335
	15.....	1,883,245	4,603,356	2,354,197	8,840,798	10,157,118
	22.....	1,765,680	6,805,735	2,645,966	11,217,381	11,990,273
Totals.....		20,480,467	85,502,972	31,548,486	137,531,925	192,114,595
Average similar period: 1956-65....		14,941,464	68,862,582	25,216,953	109,020,999	

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

Visible Supply of Canadian Wheat, November 22, 1967
Compared with Approximately the Same Date, 1965 and 1966

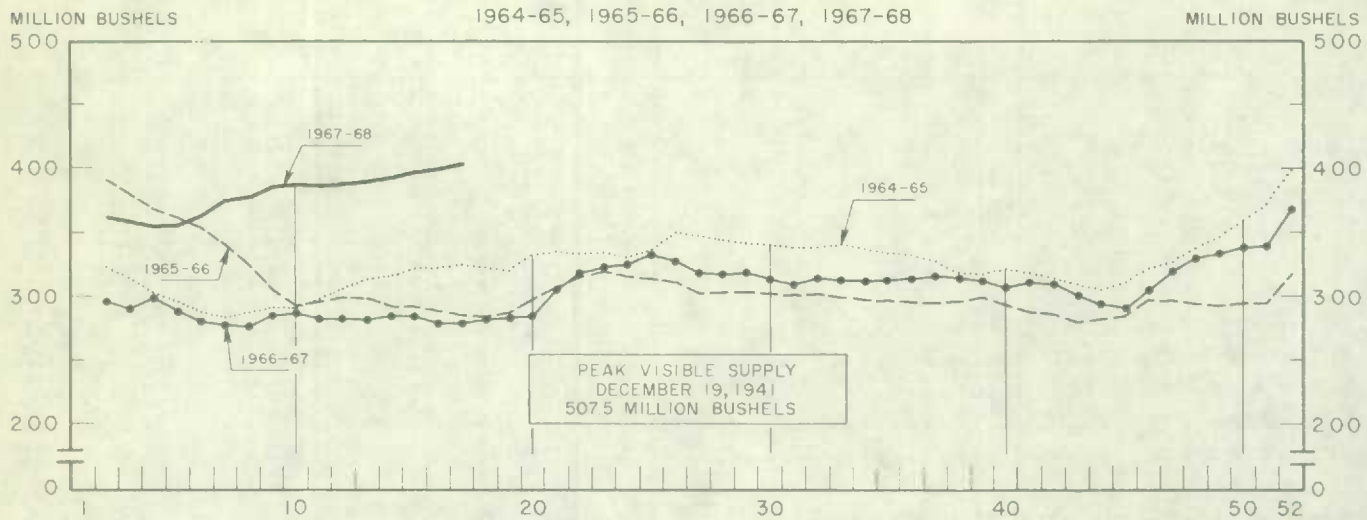
Position	1965	1966	1967
	thousand bushels		
Country elevators - Manitoba.....	17,570	10,140	26,993
Saskatchewan.....	98,154	91,265	131,480
Alberta.....	59,917	47,446	71,141
Totals.....	175,641	148,851	229,614
Interior private and mill.....	5,600	6,245	5,815
Interior terminals.....	2,128	1,790	12,509
Vancouver-New Westminster.....	5,275	8,041	10,413
Victoria.....	346	528	749
Prince Rupert.....	343	603	309
Churchill.....	739	944	4,581
Fort William-Port Arthur.....	21,708	22,567	40,273
In transit rail (western division).....	8,522	15,032	17,406
Bay, Lake and Upper St. Lawrence ports....	26,681	27,849	34,190
Lower St. Lawrence and Maritime ports....	23,933	33,672	38,199
In transit lake.....	12,540	10,702	8,635
In transit rail (eastern division).....	1,753	1,426	378
Totals.....	285,209	278,250	403,071

Grading of Wheat Inspected, August - October 1967 with Comparisons

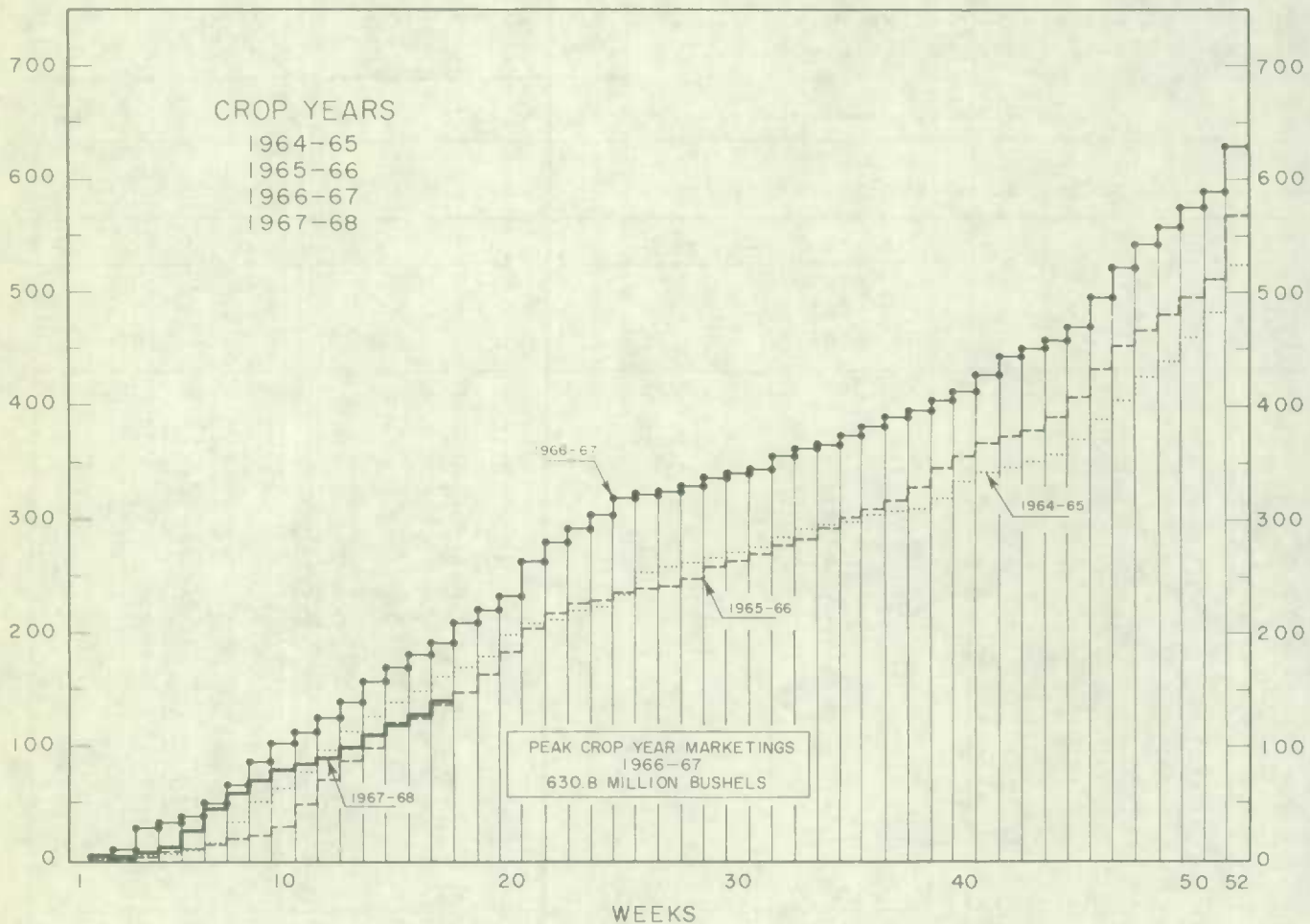
Grade	Crop Year		August-October			
	Average					
	1961-62- 1965-66	1966-67	1966	1967		
	per cent	per cent	cars	per cent	cars	per cent
No. 1 Man. Northern.....	8.3	6.8	2,039	2.1	5,083	11.1
No. 2 Man. Northern.....	39.2	35.7	21,692	22.1	23,450	51.3
No. 3 Man. Northern.....	20.3	27.7	29,473	30.0	7,933	17.3
No. 4 Man. Northern.....	9.7	7.6	14,422	14.7	1,570	3.4
No. 5 Wheat.....	4.1	2.6	6,094	6.2	193	0.4
No. 6 Wheat.....	0.5	0.6	623	0.6	43	0.1
Feed Wheat.....	(1)	0.1	54	0.1	5	(1)
Others Red Spring.....	11.5	12.4	18,694	19.0	2,332	5.1
C.W. Garnet.....	0.2	0.1	4	(1)	1	(1)
C.W. White Spring.....	0.1	0.1	157	0.2	46	0.1
C.W. Mixed Wheat.....	(1)	0.1	95	0.1	30	0.1
Alberta Winter.....	0.4	1.6	1,386	1.4	340	0.7
Nos. 1-6 C.W. Amber Durum	5.4	4.3	3,149	3.2	4,523	9.9
Others C.W. Amber Durum.	0.3	0.3	471	0.5	192	0.4
Totals.....	100.0	100.0	98,353	100.0	45,741	100.0
Gross bushels (approx.).			190,216,000		89,740,000	

(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)

Lake Shipments of Canadian Grain Total shipments of the six major grains out of Lakehead terminals from the opening of navigation to November 22 this year amounted to 317.5 million bushels, 27 per cent below the comparable 1966 figure of 436.7 million but 11 per cent larger than the 10-year (1956-65) average for the period of 286.5 million. In 1967 the season of navigation opened on April 13 while the 1966 season opened on April 3. Shipments of wheat, at 205.8 million were 40 per cent less than the 1966 figure of 343.8 million bushels and accounted for 65 per cent of the total six grains.

Lake Shipments of Canadian Grain from the Opening of Navigation to November 22, 1967 and to Approximately the Same Date, 1956 to 1966

Year	Wheat	Oats	Barley	Rye	Flaxseed	Rapeseed	Total
thousand bushels							
1956.....	179,241	40,583	81,464	10,174	9,558	-	321,020
1957.....	134,292	41,831	50,001	4,147	10,620	-	240,891
1958.....	161,762	39,780	66,459	5,242	7,991	-	281,233
1959.....	159,197	30,738	49,281	4,707	6,131	-	250,055
1960.....	164,082	25,197	48,061	3,545	8,243	-	249,128
1961.....	206,597	22,915	40,223	4,284	7,517	-	281,536
1962.....	146,110	21,251	25,714	5,308	7,522	-	205,905
1963.....	194,919	38,053	34,587	3,575	6,058	-	277,191
1964.....	314,350	31,379	38,432	4,922	9,160	59	398,302
1965.....	262,681	43,553	37,832	4,106	10,633	1,337	360,142
1966.....	343,758	30,469	39,959	7,886	13,485	1,099	436,656
1967.....	205,783	33,808	61,418	5,504	10,092	929	317,535

Rail Shipments of Wheat to Maritime Ports Rail shipments of wheat to Maritime ports from Bay, Lake and Upper St. Lawrence ports during August-October 1967 amounted to 199 thousand bushels in contrast to the August-October 1966 figure of 1,686 thousand.

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

Origin of Shipments	August 1 - October 31, 1966	August 1 - October 31, 1967
bushels		
Port McNicoll.....	566,189	-
Midland, Tiffin.....	249,483	99,240
Owen Sound.....	401,107	-
Goderich.....	469,406	99,446
Totals.....	1,686,185	198,686

Rail Shipments of Wheat from Fort William-Port Arthur, 1964-65 -- 1967-68

Month	1964-65	1965-66	1966-67	1967-68
bushels				
August.....	7,786	10,458	118,973	133,651
September.....	19,564	10,500	83,333	182,051
October.....	12,135	4,500	89,384	152,009
November.....	13,167	10,205	163,332	
December.....	26,961	7,500	106,833	
January.....	10,703	46,108	145,889	
February.....	17,214	26,712	120,334	
March.....	112,296	98,598	177,393	
April.....	17,506	71,701	133,699	
May.....	8,207	89,166	207,038	
June.....	4,965	178,183	154,139	
July.....	13,872	82,282	93,094	
Totals.....	264,376	635,913	1,593,441	

Distribution of Rail Shipments of Wheat from Fort William-Port Arthur, October 1967

Grade	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
bushels					
5 Wheat.....	2,833	11,000	5,333	2,833	1,500
6 Wheat.....	4,000	14,000	54,000	20,000	12,000
Durum.....	-	-	-	4,000	14,632
Others.....	-	-	-	-	5,878
Totals	6,833	25,000	59,333	26,833	34,010

Overseas Exports of Canadian Grain by Ports of Loading, August 1 - November 22, 1967
with Comparisons

Port	Wheat(1)	Durum Wheat(1)	Oats(1)	Barley	Rye	Flaxseed	Rapseed
thousand bushels							
<u>Pacific Seaboard</u>							
Van.-New Westminster.	21,222	121	66	5,641	1,163	1,238	3,152
Victoria.....	1,600	-	-	-	-	-	-
Prince Rupert.....	891	-	-	-	-	-	-
<u>Churchill</u>	20,639	-	-	-	-	-	-
<u>Lakehead Direct</u>	7,432	-	598	932	472	2,805	113
<u>St. Lawrence</u>							
Montreal.....	11,256	5,860	146	111	-	399	-
Sorel.....	3,636	30	-	-	-	-	-
Trois-Rivieres.....	2,659	-	-	747	-	-	-
Quebec.....	3,671	190	-	-	130	428	-
Baie Comeau.....	-	-	-	38	-	-	-
Port Cartier.....	181	-	-	-	-	-	-
Totals.....	73,185	6,201	810	7,469	1,765	4,870	3,265
August 1 - November 23, 1966.....	187,590	12,589	857	6,463	2,819	7,154	3,004

(1) Excluding bagged seed.

Freight-Assisted Shipments

Claims filed for payment up to October 31, 1967 represent the movement of 1,781 thousand bushels of wheat from the Prairie Provinces to Eastern Canada and British Columbia under the freight assistance policy during August-September 1967. During the same two months last year claims had been filed for a total of 2,612 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-September shipments of wheat under the policy were running about 32 per cent below those of 1966. Revised data on the August-September 1966 shipments of wheat based on claims submitted up to October 31, 1967 place the two-month total at 3,068 thousand bushels. The bulk of the shipments during the current two months under review went to destinations in Quebec and Ontario, with these two provinces accounting for 51 per cent and 21 per cent of the total, respectively.

Provincial Distribution of Wheat Shipments under the Freight Assistance Policy
August-September 1967 and 1966

Month	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	B.C.	Total
thousand bushels								
August, 1967.....	3	13	119	45	538	240	134	1,091
September.....	(3)	19	80	24	376	133	57	691
Totals(1).....	3	32	199	68	914	374	191	1,781
Same period 1966:								
Preliminary(2).....	112	42	283	90	1,247	556	283	2,612
Revised(1).....	121	59	334	111	1,393	673	376	3,068

Preliminary data on millfeed shipments under the freight assistance policy indicate shipments of 63,762 tons during the first two months of the current crop year. During August-September 1966 claims had been filed for a total of 64,367 tons, indicating on the assumption of approximately the same rate of submission of claims during both periods, that this year's shipments of millfeeds under the policy were running about one per cent below those of 1966. Revised data on the August-September 1966 shipments of millfeeds based on claims submitted up to October 31, 1967 place the two-month total at 89,493 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-September 1967 and 1966

Province	1966		1967
	Preliminary(2)	Revised(1)	Preliminary(1)
tons			
Newfoundland.....	309	674	179
Prince Edward Island.....	1,046	1,963	825
Nova Scotia.....	4,240	5,492	3,314
New Brunswick.....	4,005	5,194	4,263
Quebec.....	33,352	44,870	34,425
Ontario.....	19,217	25,983	18,758
British Columbia.....	2,198	5,317	1,998
Totals.....	64,367	89,493	63,762

(1) Based on claims filed up to October 31, 1967. (2) Based on claims filed up to October 31, 1966. (3) Less than 500 bushels.

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>1965-66</u>					
August.....	43,377	81	43,459	2,548	46,006
September.....	64,447	73	64,521	2,679	67,199
October.....	64,517	84	64,601	3,674	68,275
November.....	55,652	37	55,690	2,625	58,314
December.....	33,201	64	33,265	4,261	37,526
January.....	23,483	49	23,532	3,402	26,933
February.....	23,502	74	23,576	3,924	27,501
March.....	32,395	192	32,587	3,695	36,282
April.....	37,794	88	37,882	4,431	42,313
May.....	44,357	11	44,367	1,241	45,608
June.....	60,245	5	60,250	3,325	63,576
July.....	63,017	35	63,053	2,320	65,373
Totals.....	545,988	793	546,781	38,125	584,906
<u>1966-67(4)</u>					
August.....	64,233	105	64,338	2,921	67,260
September.....	47,357	130	47,487	2,368	49,856
October.....	51,659	39	51,699	3,520	55,219
November.....	48,942	52	48,993	2,779	51,773
December.....	33,477	17	33,493	3,960	37,453
January.....	27,719	76	27,795	3,276	31,071
February.....	20,102	50	20,152	1,786	21,938
March.....	21,718	100	21,818	3,040	24,858
April.....	27,847	98	27,945	2,940	30,884
May.....	57,134	25	57,159	2,550	59,709
June.....	47,517	8	47,525	2,800	50,325
July.....	35,033	18	35,051	925	35,976
Totals.....	482,737	719	483,456	32,866	516,322
<u>1967-68(4)</u>					
August(5).....	24,424	48	24,472	2,286	26,758
September(5)...	20,211	64	20,275	2,325	22,600
October.....	19,851	66	19,916	1,831	21,747
Totals.....	64,486	177	64,663	6,441	71,105

(1) Export clearances including shipments to the United States compiled by the Statistics Division, Board of Grain Commissioners for Canada.

(2) Compiled from Canadian Customs returns, 1965-66 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) Revised.

Exports of Canadian Wheat(1) by Destination, October 1967 and 1966

Destination	Wheat (except durum)	Durum wheat	All wheat	
			October 1967	October 1966(2)
bushels				
<u>Western Europe:</u>				
<u>EEC</u>				
Belgium and Luxembourg	686,361	37,333	723,694	1,674,862
France	106,879	—	106,879	401,936
Germany, Federal Republic	2,118,225	196,187	2,314,412	3,566,656
Italy	1,263,581	—	1,263,581	1,683,475
Netherlands	1,199,792	698,920	1,898,712	606,741
Sub-totals	5,374,838	932,440	6,307,278	7,933,670
<u>Other Western Europe:</u>				
Britain	3,899,316	65,333	3,964,649	5,023,324
Finland	304,640	—	304,640	—
Ireland	—	—	—	235,200
Sweden	—	—	—	12,133
Switzerland	7,467	272,300	279,767	180,765
Sub-totals	4,211,423	337,633	4,549,056	5,451,422
Totals	9,586,261	1,270,073	10,856,334	13,385,092
<u>Eastern Europe:</u>				
Germany, East	—	—	—	383,936
U.S.S.R. (Russia)	4,119,084	—	4,119,084	13,608,028
Totals	4,119,084	—	4,119,084	13,991,964
<u>Africa:</u>				
Nigeria	300,533	—	300,533	410,667
Tanzania	106,425	—	106,425	—
Totals	406,958	—	406,958	410,667
<u>Asia:</u>				
China, Communist	216,720	—	216,720	16,123,422
Hong Kong	91,093	—	91,093	78,090
Japan	3,563,795	57,871	3,621,666	6,005,190
Korea, North	—	—	—	504,373
Malaysia	56,933	—	56,933	—
Singapore	35,467	—	35,467	—
Totals	3,964,008	57,871	4,021,879	22,711,075
<u>Western Hemisphere:</u>				
Cuba	70,933	—	70,933	367,547
Ecuador	150,656	—	150,656	—
El Salvador	56,933	—	56,933	—
Guatemala	—	—	—	28,294
Jamaica	997	—	997	997
Peru	—	—	—	39,200
St. Lucia	373	—	373	—
Venezuela	166,699	—	166,699	724,492
Totals	446,591	—	446,591	1,160,530
Sub-totals, all countries ...	18,522,902	1,327,944	19,850,846	51,659,328
Bagged seed(4)			65,523	39,066
Totals, all countries	18,522,902	1,327,944	19,916,369	51,698,394

See footnotes on page 23.

Cumulative Exports of Canadian Wheat(1) by Destination

Destination	August - October 1967			Total same period last year(2)
	Wheat (except durum)	Durum wheat	Total wheat	
bushels				
<u>Western Europe:</u>				
<u>EEC</u>				
Belgium and Luxembourg ..	3,552,243(2)	115,733	3,667,976(2)	5,297,813
France	360,040(2)	54,880	414,920(2)	1,621,650
Germany, Federal Republic	4,480,002(2)	196,187	4,676,189(2)	6,700,149
Italy	3,854,764	—	3,854,764	5,527,495
Netherlands	2,363,317(2)	883,907	3,247,224(2)	1,033,271
Sub-totals	14,610,366(2)	1,250,707	15,861,073(2)	20,180,378
<u>Other Western Europe:</u>				
Austria	—	404,200	404,200	624,672
Britain	16,310,446(2)	121,333	16,431,779(2)	17,679,456
Finland	304,640	—	304,640	359,968
Ireland	373,333	—	373,333	821,333
Malta and Gozo	263,200	—	263,200	—
Norway	1,194,667	—	1,194,667	832,933
Portugal	—	—	—	571,200
Sweden	—	—	—	12,133
Switzerland	126,934	838,581	965,515	1,081,252
Sub-totals	18,573,220(2)	1,364,114	19,937,334(2)	21,982,947
Totals	33,183,586	2,614,821	35,798,407	42,163,325
<u>Eastern Europe:</u>				
Albania	—	—	—	1,131,312
Bulgaria	—	—	—	554,848
Germany, East	—	—	—	1,192,314
Poland	1,922,204	578,740	2,500,944	5,059,904
U.S.S.R. (Russia)	8,899,501	426,496	9,325,997	35,272,060
Totals	10,821,705	1,005,236	11,826,941	43,210,438
<u>Africa:</u>				
Nigeria	300,533	—	300,533	410,667
Republic of South Africa ..	901,600	—	901,600	3,483,200
Sudan	36,195	—	36,195	—
Tanzania	106,425	—	106,425	—
Totals	1,344,753	—	1,344,753	3,893,867

Cumulative Exports of Canadian Wheat(1) by Destination

Destination	August - October 1967			Total same period last year(2)
	Wheat (except durum)	Durum wheat	Total wheat	
	bushels			
<u>Asia:</u>				
China, Communist	2,956,091	—	2,956,091	40,987,865
Hong Kong	297,546	—	297,546	260,464
India	128,592	—	128,592	10,200,237
Japan	8,474,952	120,404	8,595,356	13,998,416
Jordan	12,860	—	12,860	—
Korea, North	—	—	—	940,426
Lebanon	8,613	—	8,613	—
Malaysia	130,106	—	130,106	134,774
Pakistan	875,609	—	875,609	2,394,946
Philippines	196,000	—	196,000	515,200
Saudi Arabia	—	—	—	72,749
Singapore	35,467	—	35,467	—
Syria	29,174	—	29,174	—
Totals	13,145,010	120,404	13,265,414	69,505,077
<u>Western Hemisphere:</u>				
Barbados	40	—	40	—
Cuba	989,930	130,401	1,120,331	2,868,742
Ecuador	150,656	—	150,656	—
El Salvador	56,933	—	56,933	—
Guatemala	—	—	—	28,294
Jamaica	2,542	—	2,542	2,992
Nicaragua	—	—	—	87,113
Peru	—	—	—	39,200
St. Lucia	373	—	373	—
Venezuela	920,082	—	920,082	1,395,253
United States Domestic(3)	—	—	—	54,915
Totals	2,120,556	130,401	2,250,957	4,476,509
Sub-totals, all countries	60,615,610	3,870,862	64,486,472	163,249,216
Bagged Seed(4)			176,851	274,900
Totals, all countries	60,615,610	3,870,862	64,663,323	163,524,116

- (1) Overseas clearances as reported by the Statistics Division, Board of Grain Commissioners for Canada, for all countries except the United States.
Excluding bagged seed. (2) Revised. (3) Compiled from returns of Canadian elevator licensees and shippers and advice from American grain correspondents.
(4) Compiled from Canadian Customs returns, 1966 adjusted for time lag.

Customs Exports of Canadian Wheat Flour by Countries of Consignment

Destination	June	October	August - October	
	1967(1)	1967(2)	1967(2)	1966(1)
bushels				
<u>Western Europe</u>				
<u>EEC</u>				
Belgium and Luxembourg.....	345	12,958	16,300	27,315
Italy.....	1,495	3,450	4,945	2,760
Netherlands.....	1,992	1,518	2,498	1,771
Sub-totals.....	3,832	17,926	23,743	31,846
<u>Other Western Europe</u>				
Britain.....	292,548	319,626	802,964	2,267,488
Denmark.....	-	460	460	805
Gibraltar.....	-	-	2,576	15,971
Greece.....	4,664	-	7,454	4,379
Iceland.....	-	-	-	1,773
Ireland.....	-	-	644	-
Norway.....	-	-	-	115
Portugal.....	3,335	13,386	20,615	18,025
Sweden.....	-	-	-	1,228
Sub-totals.....	300,547	333,472	834,713	2,309,784
Totals.....	304,379	351,398	858,456	2,341,630
<u>Africa</u>				
Algeria.....	6,086	-	-	-
Angola.....	2,070	3,335	6,440	6,095
Cameroun Republic.....	3,229	5,865	10,520	17,066
Congo-Kinshasa.....	-	-	7,705	8,510
Dahomey.....	644	3,701	4,810	-
French Africa nes.....	-	-	6,619	20,061
Gambia.....	3,795	8,315	17,009	5,129
Ghana.....	166,920	309,178	657,191	281,842
Ivory Coast.....	-	-	1,840	-
Liberia.....	12,726	32,761	66,106	72,533
Malawi.....	4,372	7,004	15,461	13,696
Morocco.....	621,377	-	-	-
Mozambique.....	2,332	782	6,790	22,623
Nigeria.....	-	-	-	4,257
Portuguese Africa nes.....	11,316	3,829	8,291	5,140
Senegal.....	19,281	-	-	-
Sierra Leone.....	21,385	1,056	10,771	138,396
Tanzania.....	1,840	3,450	5,672	-
Togo.....	1,150	19,175	33,665	51,998
U.A.R. - Egypt.....	-	-	-	43,100
Zambia.....	1,150	1,150	2,300	-
Totals.....	879,673	399,601	861,190	690,446
<u>Asia</u>				
Aden.....	-	-	-	19,255
Afghanistan.....	-	517	517	-
Bahrain.....	-	-	-	51
Ceylon.....	-	-	12,678	-
Cyprus.....	-	-	-	58
Hong Kong.....	34,707	51,842	102,976	151,600
India.....	56,562	-	134,396(4)	483
Iran.....	-	-	322	2,387
Israel.....	-	45,287	502,345	-
Japan.....	575	575	1,546	317

FARMERS' MARKETINGS OF WHEAT, PRAIRIE PROVINCES

(SPECIFIED PERIODS)

MILLION BUSHELS

800 —

700 —

600 —

500 —

400 —

300 —

200 —

100 —

0

MILLION BUSHELS

800 —

700 —

600 —

500 —

400 —

300 —

200 —

100 —

0

PEAK MARKETINGS
1966-67 CROP YEAR
630.8 MILLION BUSHELS

JULY

JUNE

MAY

APR

MAR

FEB

JAN

DEC

NOV

OCT

SEPT

30 year average
1936-37
1965-66

10 year average
1956-57
1965-66

1962-63

1963-64

1964-65

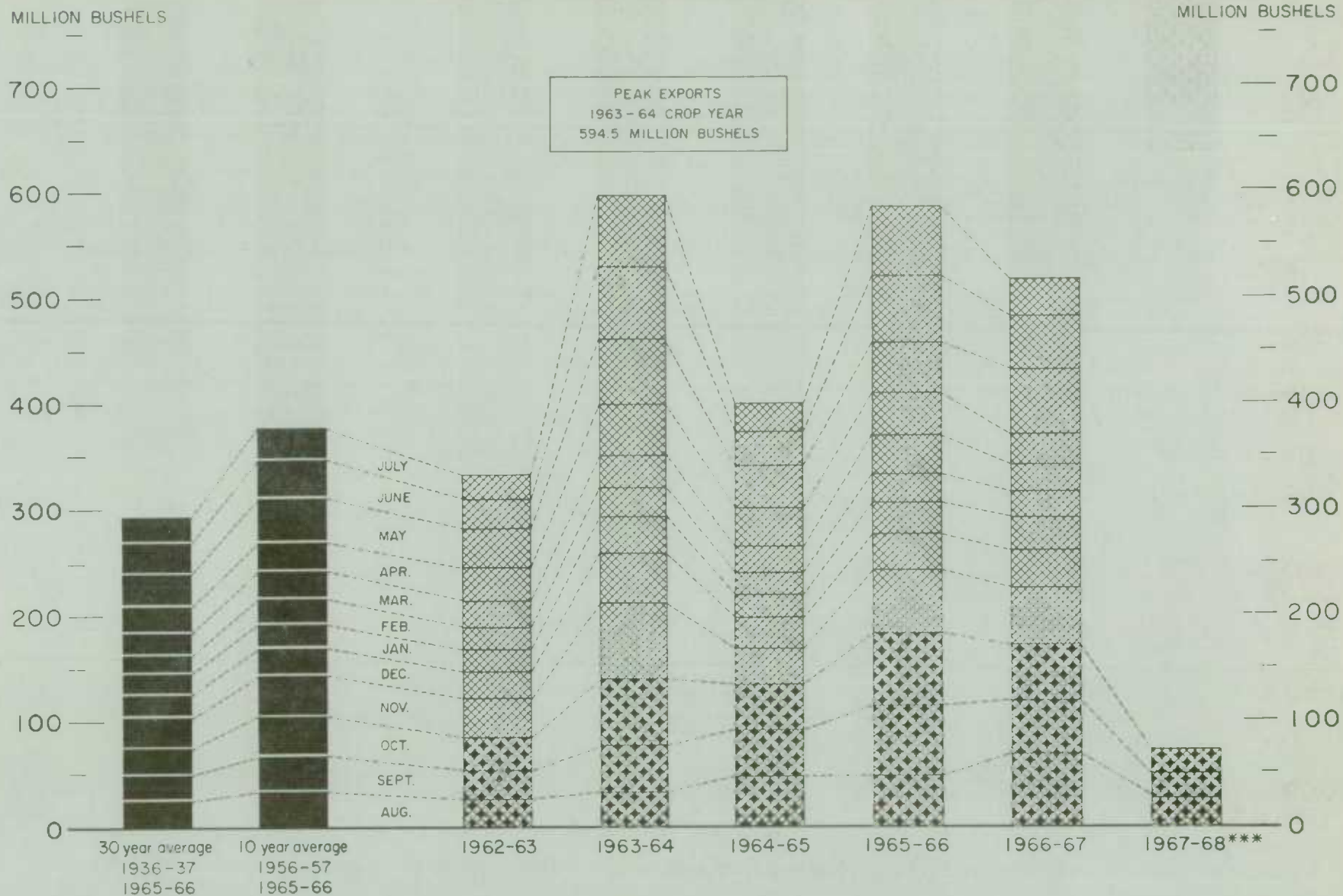
1965-66

1966-67

1967-68

EXPORTS OF CANADIAN WHEAT* AND WHEAT FLOUR**

(SPECIFIED PERIODS)



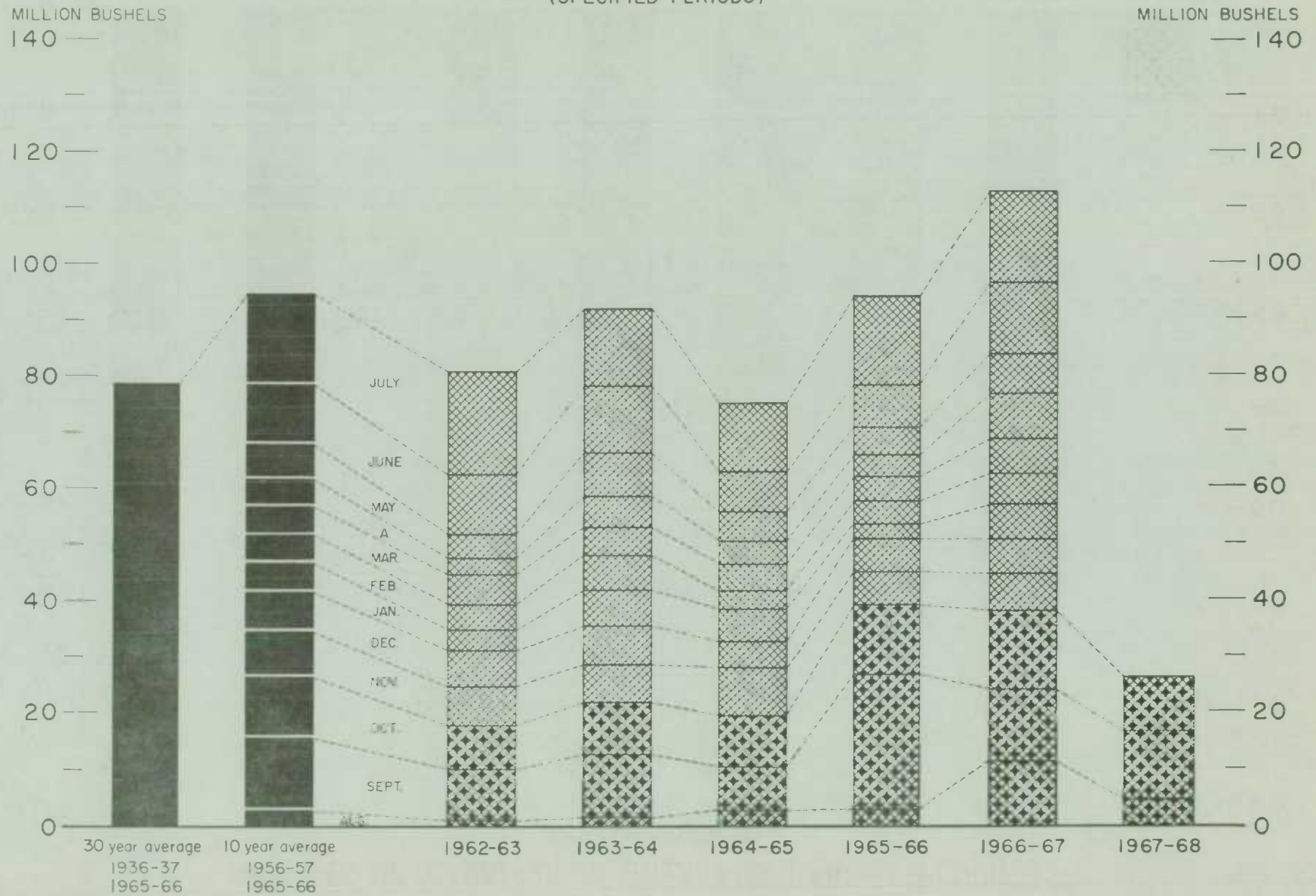
* Beginning with 1955-56 includes bagged wheat.

** In terms of wheat equivalent.

*** Preliminary.

Agriculture Division D.B.S.

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



EXPORTS OF CANADIAN BARLEY AND BARLEY PRODUCTS*

(SPECIFIED PERIODS)

MILLION BUSHEL

80 —

70 —

60 —

50 —

40 —

30 —

20 —

10 —

0

30 year average
1936-37
1965-66

10 year average
1956-57
1965-66

1962-63

1963-64

1964-65

1965-66

1966-67

1967-68**

J.
J.
MAY
A.
M.
F.
J.
C.
NOV.
OCT.
SEPT.
AUG.

MILLION BUSHEL

80 —

70 —

60 —

50 —

40 —

30 —

20 —

10 —

0

*In terms of grain equivalent. **Preliminary.

FARMERS' MARKETINGS OF OATS, PRAIRIE PROVINCES

(SPECIFIED PERIODS)

MILLION BUSHELS

100

MILLION BUSHELS

100

90

90

80

80

70

70

60

60

50

50

40

40

30

30

20

20

10

10

0

0

30 year average

1936-37

1965-66

10 year average

1956-57

1965-66

1962-63

1963-64

1964-65

1965-66

1966-67

1967-68

JULY

J.

M.

A.

M.

F.

J.

DEC.

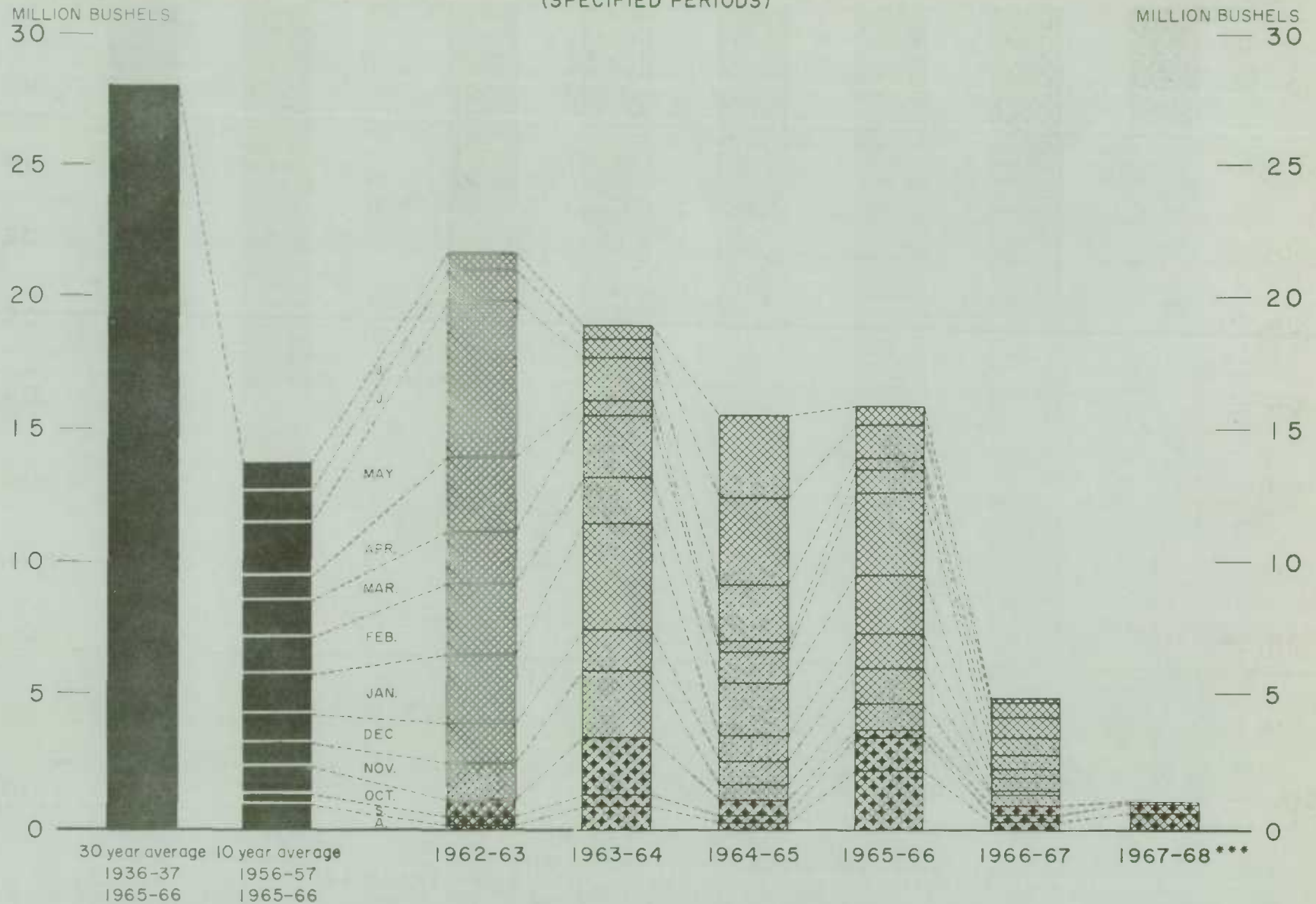
NOV.

OCT.

SEPT.

AUG.

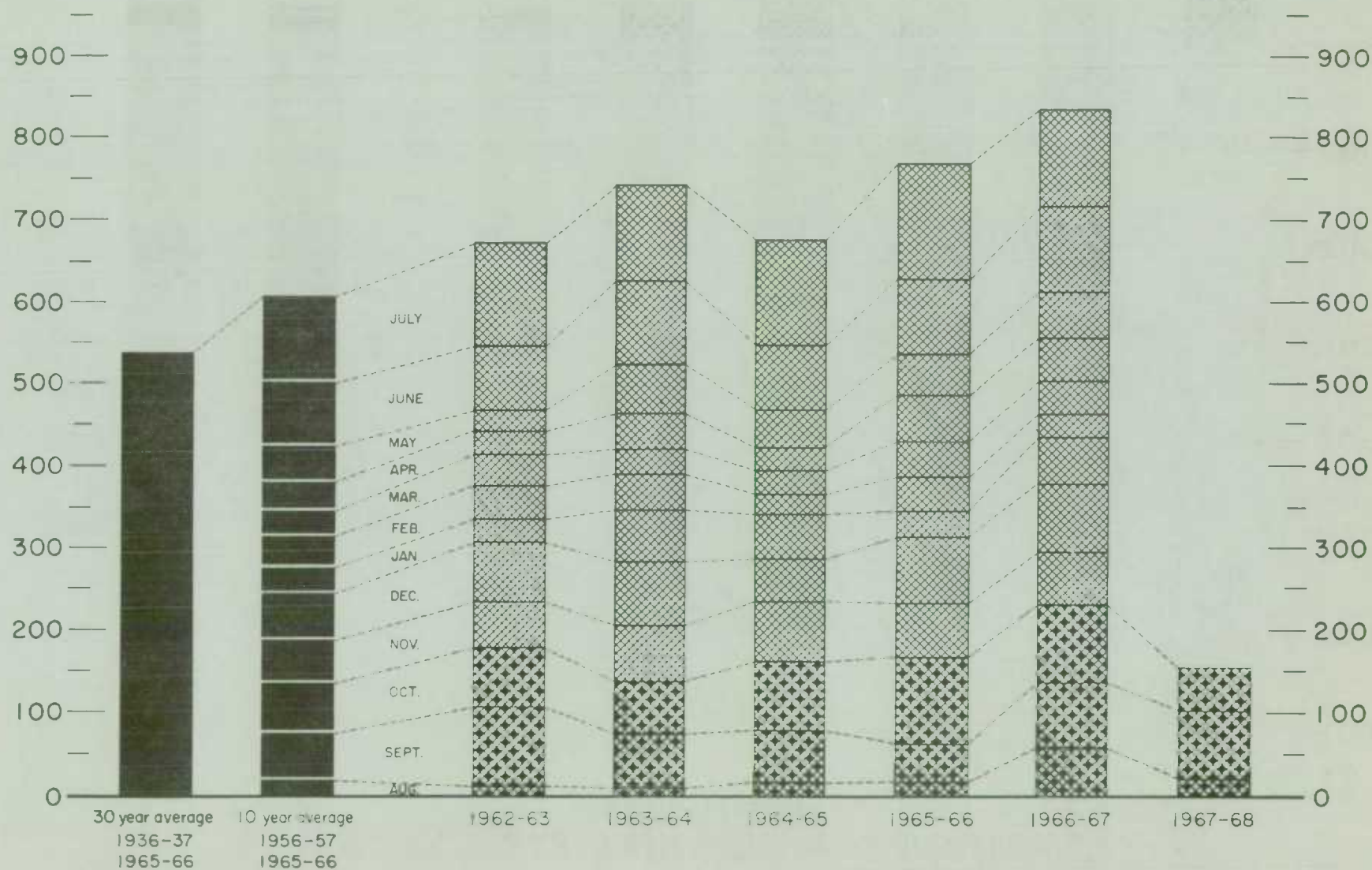
EXPORTS OF CANADIAN OATS* AND OAT PRODUCTS** (SPECIFIED PERIODS)



FARMERS' MARKETINGS OF CANADA'S SIX MAJOR GRAINS*, PRAIRIE PROVINCES (SPECIFIED PERIODS)

MILLION BUSHELS
1,000 —

MILLION BUSHELS
1,000 —



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

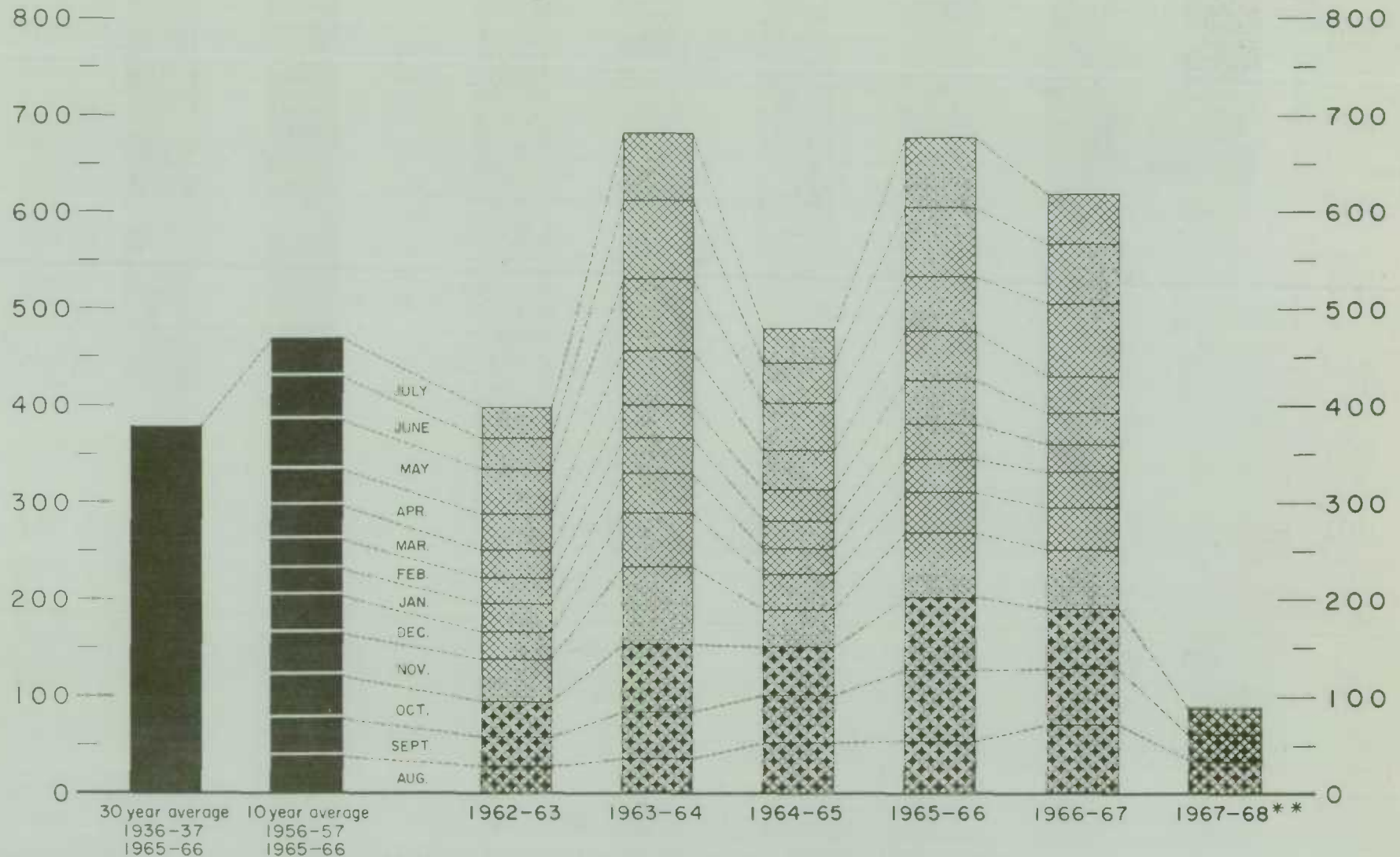
Agriculture Division D.B.S.

EXPORTS OF CANADA'S SIX MAJOR GRAINS AND PRODUCTS*

(SPECIFIED PERIODS)

MILLION BUSHELS

MILLION BUSHELS



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

** Preliminary.

Customs Exports of Canadian Wheat Flour by Countries of Consignment

Destination	June	October	August	October
	1967(1)	1967(2)	1967(2)	1966(1)
bushe ls				
<u>Asia (concluded)</u>				
Jordan.....	-	5,071	5,071	653
Korea.....	-	-	-	17,747
Lebanon.....	225	173,174	173,629	33,750
Malaysia.....	-	-	-	2,795
Portuguese Asia.....	1,840	-	1,012	9,586
Qatar.....	-	172	287	173
Saudi Arabia.....	-	15,465	58,128	9,147
Thailand.....	16,675	26,565	74,879	58,995
Totals.....	110,584	318,668	1,067,786(4)	306,997
<u>Oceania</u>				
British Oceania nes.....	-	1,150	1,150	230
Fiji.....	-	-	952	1,403
French Oceania.....	-	-	-	497
United States Oceania.....	3,450	4,600	18,400	11,500
Totals.....	3,450	5,750	20,502	13,630
<u>Western Hemisphere</u>				
Bahamas.....	24,465	27,492	67,153	97,357
Barbados.....	25,217	6,458	48,284(4)	50,814
Bermuda.....	15,585	9,927	28,736	31,466
Bolivia.....	18,255	-	-	-
Brazil.....	5,122	-	-	-
British Honduras.....	2,781	7,141	11,208	24,679
Costa Rica.....	35,641	-	1,835	261,558
Cuba(3).....	1,107,440	451,762	2,571,927(4)	3,458,708
Dominican Republic.....	1,035	-	1,081	-
Ecuador.....	-	-	-	345
El Salvador.....	-	-	170	170
French West Indies.....	-	-	3,839	1,760
Guatemala.....	460	-	2,852	3,590
Guyana.....	5,723	5,124	17,685	22,717
Haiti Republic.....	2,946	-	57	338
Honduras Republic.....	690	5,948	16,758	9,890
Jamaica.....	55,067	89,873	329,176	298,234
Leeward and Windward Islands....	81,503	47,023	193,876(4)	305,500
Netherlands Antilles.....	11,208	17,972	48,512(4)	31,441
Nicaragua.....	-	-	-	690
Panama.....	1,256	15,102	15,700	10,867
Peru.....	-	2,990	11,270	1,173
Puerto Rico.....	-	97	97	-
St. Pierre and Miquelon.....	2,208	690	5,474	6,898
Surinam.....	527	2,010	4,903	3,476
Trinidad and Tobago.....	78,628	33,468	159,358	288,259
Venezuela.....	57	230	230	-
United States.....	38,123	31,970	93,219	163,668
Totals.....	1,513,937	755,277	3,633,400(4)	5,073,598
Totals, All Countries	2,812,023	1,830,694	6,441,334(4)	8,426,301

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.

(3) Source - Canadian National Millers Association.

(4) Revised.

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

Class and Grade	Week Ending				
	November 3	November 10	November 17	November 24	December 1
cents and eighths per bushel					
<u>Initial Payment to Producers</u>					
1 Northern.....	170	170	170	170	170
2 Northern.....	166	166	156	156	166
3 Northern.....	162	162	162	162	162
4 Northern.....	155	155	155	155	155
5 Wheat.....	141	141	141	141	141
6 Wheat.....	137	137	137	137	137
Feed Wheat.....	133	133	133	133	133
1 C.W. Garnet.....	155	155	155	155	155
2 C.W. Garnet.....	150	150	150	150	150
3 C.W. Garnet.....	145	145	145	145	145
1 Alberta Red Winter.....	154	154	154	154	154
2 Alberta Winter.....	149	149	149	149	149
3 Alberta Winter.....	143	143	143	143	143
1 C.W. Amber Durum.....	170	170	170	170	170
2 C.W. Amber Durum.....	166	166	166	166	166
3 C.W. Amber Durum.....	162	162	162	162	162
<u>International Wheat Agreement and Domestic Sales</u>					
1 Northern.....	191/4	189/6	189/3	190	191/1
2 Northern.....	190/4	188/6	188/3	189	190/1
3 Northern.....	189/4	187/6	187/3	188	189/1
4 Northern.....	185/4	183/6	183/3	184	185/1
5 Wheat.....	182/4	180/6	180/3	181	182/1
6 Wheat.....	179/4	177/6	177/3	178	179/1
Feed Wheat.....	175/4	173/6	173/3	174	175/1
1 C.W. Garnet.....	185/4	183/6	183/3	184	185/1
2 C.W. Garnet.....	184/4	182/6	182/3	183	184/1
3 C.W. Garnet.....	183/4	181/6	181/3	182	183/1
1 Alberta Red Winter.....	185/4	183/6	183/3	184	185/1
2 Alberta Winter.....	184/4	182/6	182/3	183	184/1
3 Alberta Winter.....	183/4	181/6	181/3	182	183/1
1 C.W. Amber Durum.....	223/4	221/6	221/3	222	223/1
2 C.W. Amber Durum.....	221/4	219/6	219/3	220	221/1
3 C.W. Amber Durum.....	217/4	215/6	215/3	216	217/1
<u>Export - Class II</u>					
1 Northern.....	191/4	189/6	189/3	190	191/1
2 Northern.....	190/4	188/6	188/3	189	190/1
3 Northern.....	189/4	187/6	187/3	188	189/1
4 Northern.....	185/4	183/6	183/3	184	185/1
5 Wheat.....	182/4	180/6	180/3	181	182/1
6 Wheat.....	179/4	177/6	177/3	178	179/1
Feed Wheat.....	175/4	173/6	173/3	174	175/1
1 C.W. Garnet.....	185/4	183/6	183/3	184	185/1
2 C.W. Garnet.....	184/4	182/6	182/3	183	184/1
3 C.W. Garnet.....	183/4	181/6	181/3	182	183/1
1 C.W. Amber Durum.....	223/4	221/6	221/3	222	223/1
2 C.W. Amber Durum.....	221/4	219/6	219/3	220	221/1
3 C.W. Amber Durum.....	217/4	215/6	215/3	216	217/1

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

Class and Grade	Week Ending				
	November 3	November 10	November 17	November 24	December 1
cents and eighths per bushel					
<u>Initial Payment to Producers</u>					
1 Northern.....	170	170	170	170	170
2 Northern.....	166	166	166	166	166
3 Northern.....	162	162	162	162	162
4 Northern.....	155	155	155	155	155
5 Wheat.....	141	141	141	141	141
6 Wheat.....	137	137	137	137	137
Feed Wheat.....	133	133	133	133	133
1 C.W. Garnet.....	155	155	155	155	155
2 C.W. Garnet.....	150	150	150	150	150
3 C.W. Garnet.....	145	145	145	145	145
1 Alberta Red Winter.....	154	154	154	154	154
2 Alberta Winter.....	149	149	149	149	149
3 Alberta Winter.....	143	143	143	143	143
1 C.W. Amber Durum.....	170	170	170	170	170
2 C.W. Amber Durum.....	166	166	166	166	166
3 C.W. Amber Durum.....	162	162	162	162	162
<u>International Wheat Agreement and Domestic Sales</u>					
1 Northern.....	198	195/7	195/3	196	197/1
2 Northern.....	197	195/2	194/7	195/4	196/5
3 Northern.....	196	194/2	193/7	194/4	195/5
4 Northern.....	192	190/2	189/7	190/4	191/5
5 Wheat.....	189	187/2	186/7	187/4	188/5
6 Wheat.....	186	184/2	183/7	184/4	185/5
Feed Wheat.....	182	180/2	179/7	180/4	181/5
1 C.W. Garnet.....	192	190/2	189/7	190/4	191/5
2 C.W. Garnet.....	191	189/2	188/7	189/4	190/5
3 C.W. Garnet.....	190	188/2	187/7	188/4	189/5
1 Alberta Red Winter.....	192	190/2	189/7	190/4	191/5
2 Alberta Winter.....	191	189/2	188/7	189/4	190/5
3 Alberta Winter.....	190	188/2	187/7	188/4	189/5
<u>Export - Class II</u>					
1 Northern.....	198	195/7	195/3	196	197/1
2 Northern.....	197	195/2	194/7	195/4	196/5
3 Northern.....	196	194/2	193/7	194/4	195/5
4 Northern.....	192	190/2	189/7	190/4	191/5
5 Wheat.....	189	187/2	186/7	187/4	188/5
6 Wheat.....	186	184/2	183/7	184/4	185/5
Feed Wheat.....	182	180/2	179/7	180/4	181/5
1 C.W. Garnet.....	192	190/2	189/7	190/4	191/5
2 C.W. Garnet.....	191	189/2	188/7	189/4	190/5
3 C.W. Garnet.....	190	188/2	187/7	188/4	189/5
1 Alberta Red Winter.....	192	190/2	189/7	190/4	191/5
2 Alberta Winter.....	191	189/2	188/7	189/4	190/5
3 Alberta Winter.....	190	188/2	187/7	188/4	189/5

CANADIAN FLOUR MILLING SITUATION

Production Wheat flour production by Canadian mills during October 1967 amounted to 3,229,000 hundredweight, 3 per cent less than the September 1967 output of 3,330,000 hundredweight, 13 per cent below the October 1966 figure of 3,696,000 hundredweight and 14 per cent lower than the ten-year (1957-66) average production for the month of October of 3,757,000 hundredweight. Mills reporting operations during October 1967 had a total rated capacity of 150,000 hundredweight per 24-hour day and on the basis of a 25-day working period 86.2 per cent of this rated capacity was effective

Wheat milled for flour during October 1967 amounted to 7,249,000 bushels, 3 per cent below the 7,498,000 bushels milled during the preceding month and 13 per cent lower than the 8,370,000 bushels milled during October 1966. Of the wheat milled for flour during October 1967, some 6,155,000 bushels were Western Canadian spring wheat (other than Durum) while the remainder consisted of Ontario winter wheat (719,000 bushels); Durum (299,000 bushels); and all other (75,000 bushels).

Exports According to preliminary Customs returns, exports of Canadian wheat flour during October 1967 amounted to 796,000 hundredweight (some 1,831,000 bushels of wheat equivalent) 21 per cent below the 2,325,000 bushels exported during the previous month and 48 per cent lower than the adjusted October 1966 total of 3,551,000 bushels. Flour shipments during the month went to forty-eight countries with exports to Cuba amounting to 452,000 bushels of wheat equivalent and accounting for 25 per cent of the October 1967 total while shipments to Britain and Ghana totalled some 320,000 bushels and 309,000 bushels, respectively, and each accounted for 17 per cent of the October exports of wheat flour. Other principal markets for Canadian wheat flour during the month, with shipments in thousands of bushels of wheat equivalent were as follows: Lebanon, 173; Jamaica, 90; and Hong Kong, 52.

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

Crop Year	Wheat Milled for Flour bushels	Wheat Flour	
		Production	Exports(1)
		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.....	99,148,211	39,752,589	16,349,156
1960-61-1964-65 average.....	91,128,177	40,834,088	15,769,803
1965-66.....	97,925,995	43,531,263	16,576,117
1966-67(2).....	90,084,646	39,978,571	14,289,737
1967-68(2)			
August.....	7,483,754	3,323,075	993,703
September.....	7,498,099	3,329,572	1,010,923
October.....	7,248,717	3,229,128	795,954
Totals.....	22,230,570	9,881,775	2,800,580
Same Months 1966-67(3).....	24,649,704	10,855,915	3,663,609

(1) Based on Customs returns. Exports for the crop years 1945-46-1965-66 revised to remove effect of time lag in the returns made by Customs.

(2) Subject to revision.

(3) Revised figures.

UNITED STATES SITUATION

Supply Position Total domestic supplies of wheat in the United States for the 1967-68 crop year are currently placed at 1,980.0 million bushels, 7 per cent above the previous year's total of 1,845.8 million reflecting an increase in production which more than offset a decrease in carryover stocks. The 426.3 million bushels carried over at July 1, 1967 were the lowest stocks in 15 years, while the current crop, estimated at 1,553.7 million bushels, represents an increase of 19 per cent over last year's outturn of 1,310.6 million. Domestic disappearance during 1967-68 is estimated at about 700.0 million bushels, 3 per cent more than the 679.6 million last year. After deducting anticipated domestic requirements for the current United States crop year, some 1,280.2 million remain available for export and for carryover, an increase of 10 per cent over the 1,167.3 million in 1966-67.

Exports of wheat and wheat flour in terms of grain equivalent during the period July-October 1967 amounted to 261.5 million bushels, 17 per cent less than the 313.6 million exported during the same months last year. The balance remaining on November 1, 1967 for export and for carryover was estimated at 1,018.7 million bushels compared with 853.7 million on the same date a year ago.

United States Wheat Supplies

Item	1966-67(1)	1967-68(2)
	million bushels	
Carryover at beginning of crop year (July 1).....	535.2	426.3(1)
Production.....	1,310.6	1,553.7
Total estimated domestic supplies.....	1,845.8	1,980.0
Imports of wheat and wheat flour in terms of wheat for domestic use, July October.....	1.2	0.2
Total estimated supplies(3).....	1,847.0	1,980.2
Less estimated domestic requirements for crop year(4)	679.6	700.0(1)
Available for export and for carryover...	1,167.3	1,280.2
Deduct:		
Exports of wheat as grain, July-October.....	287.4	250.3
Exports of wheat flour in terms of wheat, July- October(5).....	26.3	11.2
Total exports of wheat and wheat flour(6)	313.6	261.5
Balance on November 1 for export and for carryover..	853.7	1,018.7

(1) Revised. (2) Preliminary. (3) Excluding imports for November-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) Data include shipments for relief.

Outlook for
Wheat in 1967-68

According to a report presented by Mr. William R. Askew at the 45th Annual Agricultural Outlook Conference, Washington, November 16, 1967

Feed Use May Rise in 1967-68 Total domestic disappearance may increase in 1967-68, primarily as a result of heavier use of wheat for feed. However, with the record corn and grain sorghum crops and probable lower prices for these grains, the rate of wheat feeding may decline from the high level of the first quarter. For the entire 1967-68 marketing year, feeding is estimated at 100 to 125 million bushels compared with 93 million last year.

Per Capita Flour Consumption Continues Decline The Bureau of the Census made downward revisions in their data on wheat ground and flour produced for calendar years 1962 to 1966, resulting in smaller domestic wheat food usage and a lower per capita disappearance of flour. The level of per capita flour disappearance was reduced by about 2 pounds so that the average for 1966 has been revised to 112 pounds. Prior to revision, per capita consumption showed signs of stabilizing. The revisions place the recent trend in per capita flour use at a 1 pound reduction per year. As a result, it appears that food use of wheat in 1967-68 may total 510 to 515 million bushels.

Total Domestic Disappearance May Increase Seed use of wheat in 1967-68 is likely to total 70 million bushels, somewhat below the 78 million of last year. This is likely to be more than offset by increases in food and feed use, resulting in a total domestic disappearance in 1967-68 of 680 to 700 million bushels. This would be about the same as or slightly higher than last year but somewhat below the record 731 million of 1965-66.

Some Carryover Increase Likely With the currently indicated level of total disappearance in 1967-68, carryover stocks on June 30, 1968, are expected to be somewhat larger than the 426 million bushels of this past summer.

Prices Hold Over Loan The U.S. average farm price remained 12 to 16 cents a bushel above the national average price support loan of \$1.25 per bushel during the harvest of the record 1967 crop. While well below the July-September 1966 average of \$1.72 per bushel, the \$1.39 per bushel average for the first quarter of the 1967-68 marketing year is significant in that this normally is the period of lowest prices. The abnormal pattern of prices during 1966-67 stemmed from concern over world wheat supplies, which at first appeared short of requirements and pushed U.S. prices during July-September to the highest level of the 1966-67 year.

Having withstood the effects of the record 1967 harvest, prices could show some increase. In fact, the October farm price at \$1.43 per bushel was the highest monthly farm price of the current season. Barring an unexpected decline in exports from the indicated 750 million bushels, it appears that the farm price for the entire year may average 10 to 15 per cent above the loan.

Stocks of Wheat
in all Positions
October 1, 1967

In a report released on October 24, 1967, the Crop Reporting Board of the United States Department of Agriculture stated in part that all wheat in storage October 1 totalled 1,565 million bushels, 9 per cent more than a year earlier, but otherwise the smallest October 1 holdings since 1953. Off-farm stocks, at 956 million bushels, were up 7 per cent from last year and farm holdings, at 609 million bushels, were up 12 per cent. Disappearance from all storage positions during the July-September quarter is indicated at 415 million bushels compared with 405 million for the same quarter last year.

Durum wheat stocks in all positions on October 1 totalled 81.2 million bushels, 16 per cent below last year and the smallest for this date since 1962. Farm holdings of 60.5 million bushels were down 3 per cent from last year while off-farm stocks, at 20.8 million bushels, were down 39 per cent. Disappearance during the July-September quarter is indicated at 16.7 million bushels compared with 21.4 million bushels for the comparable period in 1966.

Stocks of Grains, October 1, 1967 with Comparisons

Grain and Position	October 1 Average 1961-65	October 1 1966	July 1 1967	October 1 1967
		thousand bushels		
<u>All Wheat</u>				
On Farms(1).....	469,238	543,737	147,066	609,446
Commodity Credit Corp.(2).....	35,989	7,661	997	969
Mills, Elev. & Whses.(1) (3).....	1,463,573	889,552	278,226	954,737
Totals.....	1,968,799	1,440,950	426,289	1,565,152
<u>Durum Wheat(4)</u>				
On Farms(1).....	59,951(5)	62,503	18,529	60,472
Commodity Credit Corp.(2).....	1,941(5)	1,123	151	151
Mills, Elev. & Whses.(1) (3).....	34,987(5)	32,683	10,379	20,607
Totals.....	96,880(5)	96,309	29,059	81,230

(1) Estimates of the Crop Reporting Board. (2) C.C.C.-owned grain at bin sites.
(3) All off-farm storages not otherwise designated, including terminals and processing plants. Includes C.C.C.-owned grain in these storages.(4) Included in all wheat.
(5) 1962-65 average.

Flour Production

According to the Bureau of the Census, United States Department of Commerce, estimated wheat flour production in October 1967 amounted to 21,649,000 hundredweight compared with 20,729,000 hundredweight the previous month and 22,553,000 hundredweight for October 1966.

Flour mills in October ground 48,933,000 bushels of wheat, compared with 47,094,000 bushels in the previous month. Wheat offal output was 394,000 tons.

United States Wheat and
Flour Exports Decrease
14 Per Cent

U.S. wheat and flour (grain equivalent) exports during the first quarter of 1966-67 totalled 197 million bushels—approximately 14 per cent below July-September 1966.

Wheat exports of 188 million bushels were 21 million less than the same three months last year. This decrease was attributed largely to smaller shipments to the United Kingdom, Israel, Morocco and the United Arab Republic. There were no shipments to Algeria and Republic of South Africa, compared with 12 million bushels for the same period a year earlier.

In contrast, exports to Peru, Venezuela, Republic of Korea, Pakistan and Tunisia were considerably larger than during July-September 1966.

Flour exports totalled 8 million bushels, less than half the 19 million shipped during the first quarter of 1966. Shipments to Ceylon, Republic of Korea, South Vietnam, Morocco and United Arab Republic totalled 1.8 million bushels compared with 10.6 million bushels during July-September 1966.

Total wheat and flour (grain equivalent) exports for October 1967 are estimated to be about 65 million tons. This is about 21 per cent less than the 83 million shipped during October 1966.

United States Exports of Wheat and Flour(1) by Country of Destination
July-September 1966 and 1967

Country of Destination	July-September 1966			July-September 1967		
	Wheat	Flour(2)	Total	Wheat	Flour(2)	Total
thousand bushels						
<u>Western Hemisphere</u>						
Canada.....	(3)	32	32	(3)	5	5
Mexico.....	-	6	6	-	1	1
Costa Rica.....	-	119	119	392	22	414
El Salvador.....	479	1	480	377	22	399
Guatemala.....	408	21	429	503	57	560
Other Central America.....	700	125	825	739	165	904
Dominican Republic.....	156	7	163	778	2	780
Haiti.....	430	1	431	94	5	99
Jamaica.....	8	188	196	2	203	205
Trinidad and Tobago.....	211	1	212	661	-	661
Other Bermuda and Caribbean.	1	159	160	(4)	162	162
Bolivia.....	96	2,001	2,097	309	1,390	1,699
Brazil.....	14,356	117	14,473	14,937	109	15,046
Chile.....	6,286	109	6,395	1,540	50	1,590
Colombia.....	2,109	64	2,173	1,417	16	1,433
Guyana.....	-	240	240	-	246	246
Paraguay.....	1,019	-	1,019	-	-	-
Peru.....	1,871	39	1,910	3,825	135	3,960
Surinam.....	-	76	76	44	91	135
Venezuela.....	4,642	2	4,644	7,771	2	7,773
Other South America.....	409	4	413	374	20	394
Totals.....	33,181	3,312	36,493	33,763	2,703	36,466

United States Exports of Wheat and Flour(1) by Country of Destination
July-September 1966 and 1967

Country of Destination	July-September 1966			July-September 1967		
	Wheat	Flour(2)	Total	Wheat	Flour(2)	Total
thousand bushels						
<u>Western Europe</u>						
<u>EEC</u>						
Belgium and Luxembourg...	1,448	2	1,450	1,251	2	1,253
France.....	3,151	-	3,151	2,625	3	2,628
Germany, West.....	3,857	2	3,859	2,900	(4)	2,900
Italy.....	2,969	478	3,447	1,289	3	1,292
Netherlands.....	6,011	160	6,171	5,046	112	5,158
Totals.....	17,436	642	18,078	13,111	120	13,231
<u>Other Western Europe</u>						
Finland.....	294	-	294	-	-	-
Iceland.....	2	64	66	-	99	99
Ireland.....	862	-	862	-	-	-
Norway.....	-	6	6	702	2	704
Portugal.....	96	18	114	-	31	31
Switzerland.....	2,293	-	2,293	734	-	734
United Kingdom.....	7,455	63	7,518	4,859	62	4,921
Others.....	1	145	146	364	12	376
Totals.....	11,003	296	11,299	6,659	206	6,865
<u>Eastern Europe</u>						
Yugoslavia.....	6,875	26	6,901	5,137	42	5,179
Totals, Europe...	35,314	964	36,278	24,907	368	25,275
<u>Asia</u>						
Afghanistan.....	367	-	367	501	(4)	501
Ceylon.....	-	2,211	2,211	-	318	318
India.....	53,852	9	53,861	56,769	267	57,036
Iran.....	754	3	757	-	8	8

United States Exports of Wheat and Flour(1) by Country of Destination

July-September 1966 and 1967

Country of Destination	July-September 1966			July-September 1967		
	Wheat	Flour(2)	Total	Wheat	Flour(2)	Total
thousand bushels						
<u>Asia (concluded)</u>						
Israel.....	5,639	17	5,656	1,486	283	1,769
Japan.....	24,261	8	24,269	23,927	1	23,928
Jordan.....	-	878	878	-	57	57
Korea, Republic of.....	4,033	1,510	5,543	9,699	276	9,975
Lebanon.....	1,153	97	1,250	-	239	239
Malaysia.....	93	6	99	45	9	54
Nansei and Nanpo Islands...	467	77	544	429	71	500
Pakistan.....	10,952	12	10,964	21,755	2	21,757
Philippines.....	6,075	23	6,098	6,456	149	6,605
Saudi Arabia.....	166	780	946	293	1,075	1,368
Syria.....	709	22	731	-	-	-
Taiwan.....	2,192	-	2,192	2,660	34	2,694
Turkey.....	-	128	128	216	79	295
Vietnam, South.....	-	2,513	2,513	-	1,047	1,047
Others.....	384	197	581	298	223	521
Totals.....	111,097	8,491	119,588	124,534	4,138	128,672
<u>Africa</u>						
Algeria.....	6,850	12	6,862	-	-	-
Congo (Kinshasa).....	-	40	40	1	322	323
Ghana.....	-	438	438	-	291	291
Morocco.....	3,671	1,401	5,072	209	135	344
Nigeria.....	1,162	8	1,170	1,061	-	1,061
Sierra Leone.....	-	31	31	295	112	407
South Africa, Republic of..	4,719	15	4,734	-	-	-
Sudan.....	381	1,530	1,911	-	-	-
Tunisia.....	633	144	777	2,295	11	2,306
United Arab Republic.....	10,661	2,941	13,602	864	34	898
Others.....	1,372	149	1,521	339	101	440
Totals.....	29,449	6,709	36,158	5,064	1,006	6,070
Oceania.....	-	17	17	-	26	26
Totals, All Countries..	209,041	19,493	228,534	138,268	8,241	196,509

(1) Data includes shipments for relief. (2) Grain equivalent. (3) Transshipments through Canada have been included in data for countries of ultimate destination.

(4) Less than 500 bushels.

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
November	1, 1967.....	157	November	1, 1967.....	159 5/8 - 199 5/8
	2.....	153 1/4 - 163 1/4 (1)		2.....	150 3/8 - 202 3/8
	3.....	159 - 162		3.....	161 5/8 - 203 5/8
	6.....	159 - 160 1/2		6.....	162 3/4 - 204 3/4
	7.....	156 3/4 - 158		7.....	162 3/4 - 202 3/4
	8.....	152 3/4 - 163 1/2 (1)		8.....	163 3/4 - 201 3/4
	9.....	160 3/4 - 161 1/4		9.....	163 3/8 - 199 3/8
	10.....	158 - 161		10.....	162 - 198
	13.....	158 1/4		13.....	160 5/8 - 196 5/8
	14.....	154 1/4 - 157		14.....	160 1/4 - 196 1/4
	15.....	158 3/4		15.....	159 7/8 - 195 7/8
	16.....	158 1/4		16.....	161 3/4 - 197 3/4
	17.....	160 3/4		17.....	162 5/8 - 198 5/8
	20.....	160 1/2		20.....	160 7/8 - 196 7/8
	21.....	155 - 162 (1)		21.....	160 1/8 - 196 1/8
	22.....	152 - 161 1/4 (1)		22.....	150 1/8 - 190 1/8
	23.....	Thanksgiving Day		23.....	Thanksgiving Day
	24.....	153 1/2 - 163 1/2 (1)		24.....	161 3/8 - 197 3/8
	27.....	160 1/2 - 161		27.....	159 1/8 - 195 1/8
	28.....	152 1/2 - 162 1/2 (1)		28.....	160 3/8 - 196 3/8
	29.....	N.A.		29.....	159 1/4 - 195 1/4
	30.....	151 1/2 - 161 1/4 (1)		30.....	159 1/2 - 195 1/2

(1) Nominal. N.A. Not available.

Chicago Wheat Futures, High Points of Closing

Date		December	March	May	July	September
		cents and eighths per bushel				
November	1, 1967.....	150/2	156	159	158	161
	2.....	149/5	155/3	158/4	157/3	160/2
	3.....	150	155/7	158/6	157/6	160/6
	6.....	148/1	154	157/1	156/4	159/3
	7.....	148/4	154/2	157/3	156/6	159/6
	8.....	148/7	154/7	158	157/1	160
	9.....	148/6	154/5	157/5	158	160
	10.....	147/3	153/2	156/4	156	158/6
	13.....	146/1	151/7	155/1	155	157/7
	14.....	145/2	151	154/3	154/6	157/5
	15.....	144/4	150/2	153/6	154	157
	16.....	145/6	151/5	154/7	155	158
	17.....	145/6	151/3	154/6	155	157/7
	20.....	144/3	150/4	153/7	154/4	157/4
	21.....	143/4	149/5	153	153/5	156/6
	22.....	144	150/1	153/6	154/2	157/1
	23.....		Thanksgiving Day			
	24.....	146/4	152/6	156/5	157/1	160/2
	27.....	144/1	150/3	154/2	155/3	158/4
	28.....	144/4	150/6	154/7	156	159/2
	29.....	143/4	149/7	153/6	154/6	158
	30.....	144/1	150/1	154/1	155	158

AUSTRALIAN SITUATION

Record Production; Record Supplies

Reflecting a record crop, which more than offset a relatively moderate decline in carryover stocks, total supplies of wheat in Australia for the 1966-67 crop year are estimated at a new high of 478.5 million bushels. The 1966-67 wheat harvest, at 461.9 million bushels, exceeded the 1965-66 figure by a wide margin and surpassed by 25 per cent the previous peak of 370.0 million set in 1964-65. Carryover stocks declined from 24.4 million bushels at December 1, 1965 to 16.5 million at the same date in 1966. After making an allowance of some 85.0 million bushels for anticipated domestic requirements, a total of 393.5 million are available for export and for carryover in contrast to 191.2 million bushels in 1965-66.

Exports at Record Level

During the period December 1 - October 21 of the current Australian crop year, combined exports of wheat as grain and wheat flour in terms of grain equivalent amounted to a record 281.2 million bushels, considerably larger than the 158.9 million exported during the corresponding period of 1965-66. On October 22, 1967, the balance remaining for export and for carryover at 112.3 million bushels exceeded by a wide margin the comparable 1966 total of 32.3 million.

Australian Wheat Supplies

Item	1965-66(1)	1966-67(2)
	million bushels	
Carryover, including flour as wheat, at beginning of crop year (December 1).....	24.4	16.5
Production.....	259.7	461.9
Total estimated domestic supplies.....	284.1	478.5
Less estimated domestic requirements for crop year...	92.9	85.0
Available for export and for carryover	191.2	393.5
Deduct:		
Exports of wheat as grain, December 1 - October 21	144.5	265.6
Exports of wheat flour in terms of wheat, December 1 - October 21.....	14.4	15.6
Total exports of wheat and wheat flour	158.9	281.2
Balance on October 22 for export and for carryover...	32.3	112.3

(1) Revised. (2) Preliminary.

The following information relative to the Australian situation has been extracted from a report from Mr. J.E.G. Gibson, Assistant Commercial Secretary for Canada, Canberra, under date of November 15, 1967, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

Crop Prospects
Lessened by Drought

The severe drought conditions which struck so suddenly during the first half of September have continued unabated ever since. Hot dry winds in most parts of the states of South Australia and Victoria have turned wheat growing areas into dust-bowls and it is now clear that this year's harvest will be only about sixty per cent of last year's record total.

The most recent crop estimates released by the Australian Wheat Board call for a total harvest of about 260 million bushels. After allowing for between 20 and 25 million bushels to be retained on the farms for feed and seed purposes, it is anticipated that deliveries to the Wheat Board by states will be:

New South Wales....	80 million bushels
Western Australia..	90 " "
Victoria.....	22 " "
South Australia....	22 " "
Queensland.....	24 " "

There could in fact be some improvement in the figures for New South Wales and Western Australia where separate estimates have been made public by State authorities. Recently the New South Wales Minister for Agriculture stated that a wheat crop of 100 million bushels was expected in his state. In Western Australia the most optimistic figures place deliveries to the Wheat Board at 97 million bushels. However, any gains in these states could easily be offset by further losses in the south-eastern wheat growing areas of Australia.

One significant aspect of this year's crop is that the hard-wheat growing areas of northern New South Wales and Queensland have been relatively unaffected by the adverse weather. It will be recalled that last year's deliveries of hard or 'premium' wheat amounted to about 40 million bushels of which 30 million were available for export markets. This amount has been successfully disposed of to the following nations: Britain, Netherlands, Belgium, Germany, Switzerland, South Africa, Mozambique, Rhodesia, Zambia, Peru, China, Hong Kong, Japan, Malaysia, Singapore, Thailand, Iraq, Lebanon, Israel, Kuwait and Aden.

Distribution

According to one of the grower members of the Australian Wheat Board export sales of Australian wheat during the past year have amounted to nearly 384 million bushels with the result that as of the end of the current marketing year, November 30, 1967, only 71 million bushels of uncommitted wheat would remain in Australia. This latter total includes a theoretical carryover of 20 million bushels, which means, in effect, that only 51 million bushels are left for disposal.

The Wheat Board member went on to say that to all intents and purposes the current crop is already sold, but the Board feels that, from the marketing point of view, a larger carryover would have been more attractive. The Board is somewhat concerned as to whether or not it will be able to meet the demands of its traditional customers during the coming season. This situation becomes more acute in the face of the sharply reduced crop prospects in this country. It is estimated that the

total supply available for next year, including the carryover from the current year, will be about 310 million bushels. Needless to say this new figure for total supplies is considerably lower than the amount disposed of during the past year. However, the Australian Wheat Board spokesman indicated that the export sales opportunities for wheat during the coming year may be somewhat lower.

During the past year China was Australia's largest single wheat customer with purchases of 117.5 million bushels. Other important markets developed were Pakistan (19.25 million bushels), India (28.25 million bushels) Malaya, Hong Kong and Singapore (21.5 million bushels) and South America (40 million bushels). Sales were off considerably in the U.K. and ended up during the year under review at about 20 million bushels.

Meanwhile in a move to strengthen certain Asian markets a Wheat Board mission recently visited Pakistan, India, Nepal and Ceylon, where visits were made to wheat and flour institutions and discussions held with a view to increasing sales of wheat and flour in those areas. It might be noted that wheat and flour exports to India, Pakistan and Ceylon are, this year, nearly triple the amount of last year's sales. Ceylon is Australia's largest customer for flour. A trade arrangement between the two countries provides that Ceylon will purchase 100,000 tons (4,600,000 bushels of wheat equivalent) of flour annually and this year's purchases have already totalled twice that amount.

First Advance on
1967-68 Crop

The Minister for Primary Industry recently announced that the first advance on the 1967-68 wheat crop will be A.\$1.10 (\$1.31 Canadian) per bushel for bulk wheat free on rails at port of export. The amount for bagged wheat will be A.\$1.14 (\$1.36) per bushel. These are the same rates which have prevailed for the past ten years.

In announcing the first advance the Minister said: 'Although a record area was planted to wheat this year seasonal conditions have been particularly unfavourable in some important wheat-growing areas and the coming crop will be very much reduced from last year's level.

Present indications are that it will be something like 200 million bushels less than the 1966-67 record crop of 462 million bushels. One consolation to growers is that under the terms of the Stabilization Scheme all but perhaps a small part of the expected crop will receive a return equivalent to the assessed cost of production and consequently average returns per bushel will be comparatively high. The Scheme guarantees growers a return equivalent to the assessed cost of production on all wheat sold within Australia and on 150 million bushels exported from each crop. This guaranteed price has for some time been above export selling prices'.

Exports of Australian Wheat and Wheat Flour in Terms of Wheat
December 1 - October 21, 1966-67 and Corresponding Period 1965-66

Destination	Wheat		Wheat Flour	
	1965-66	1966-67	1965-66	1966-67
thousand bushels				
<u>Western Europe</u>				
<u>EEC</u>				
Belgium and Luxembourg.....	-	605	-	-
Germany, Federal Republic..	-	1,640	-	-
Netherlands.....	-	2,933	-	-
Sub-total.....	-	5,178	-	-
<u>Other Western Europe</u>				
Britain.....	17,621	16,883	1,198	612
Ireland.....	3,669	1,462	-	-
Malta.....	681	367	-	-
Norway.....	1,302	3,613	-	-
Switzerland.....	-	83	-	-
Sub-totals.....	23,273	22,408	1,198	612
Totals.....	23,273	27,586	1,198	612
<u>Eastern Europe</u>				
Germany, East.....	438	-	-	-
U.S.S.R. (Russia).....	6,002	-	-	-
Total.....	6,440	-	-	-
<u>Africa</u>				
Malawi.....	-	-	310	267
Mauritius.....	-	-	476	571
Mozambique.....	1,446	1,393	103	41
Rhodesia.....	1,977	2,458	-	-
South Africa.....	2,463	9,280	-	-
Sudan.....	-	439	-	-
Zambia.....	708	1,137	-	329
Others.....	48	10	233	103
Totals.....	6,642	14,717	1,122	1,311
<u>Asia</u>				
Aden.....	2,360	1,751	-	-
Aden and Aden I/T.....	-	-	624	517
Aden and Aden I/T Atta.....	-	-	508	349
Arabian Gulf.....	-	-	81	64
Arabian Gulf Atta.....	-	-	803	685
Ceylon.....	7	11	5,567	6,651
China.....	47,066	99,369	-	-
Hong Kong.....	2,293	2,789	41	34

Exports of Australian Wheat and Wheat Flour in Terms of Wheat
December 1 - October 21, 1966-67 and Corresponding Period 1965-66

Destination	Wheat		Wheat Flour	
	1965-66	1966-67	1965-66	1966-67
thousand bushels				
<u>Asia (continued)</u>				
India.....	10,833	28,131	-	-
India Atta.....	-	-	-	779
Indonesia.....	-	-	204	1,204
Iran.....	6,867	1,066	-	-
Iraq.....	1,100	7,536	-	-
Japan.....	12,433	15,346	-	-
Korea, North.....	1,116	3,952	-	-
Kuwait.....	1,389	2,375	-	-
Lebanon.....	1,327	6,242	-	-
Pakistan.....	2,541	19,274	-	-
Philippines.....	1	938	54	102
Saudi Arabia.....	1,100	3,252	427	128
Taiwan.....	1,373	769	-	-
Thailand.....	833	957	299	254
Malaysia				
Malaya.....	5,404	7,816	540	-
Malaya Atta.....	-	-	24	-
Sabah.....	-	-	77	21
Sarawak.....	-	-	41	24
Singapore.....	5,695	6,861	52	19
Singapore Atta.....	-	-	1	1
Singapore A/C B.W.O.....	-	-	31	-
Others.....	111	874	96	107
Totals.....	103,849	209,309	9,469	10,939
<u>Oceania</u>				
New Zealand.....	4,244	2,187	-	-
<u>Western Hemisphere</u>				
Brazil.....	-	6,228	-	-
Chile.....	-	4,217	-	-
Peru.....	-	1,292	1	1
West Indies Area.....	-	-	252	350
Totals.....	-	11,737	253	351
<u>Pacific Area and Sundries</u>				
Pacific Islands, Ships'				
Stores and Sundries.....	51	64	2,354	2,389
Totals, all countries.	144,500	265,600	14,400	15,600

ARGENTINE SITUATION

Total Wheat Supplies Below Previous Year

Reflecting a substantial reduction in opening stocks, which more than offset an increase in production, total supplies of wheat in Argentina for the 1966-67 crop year are estimated at 248.2 million bushels, some 29 per cent less than the 1965-66 level of 350.5 million. Opening stocks declined from 130.1 million bushels at December 1, 1965 to only 13.8 million at the same date in 1966 while production increased from 220.5 million in 1965-66 to 234.4 million in 1966-67. After allowing some 139.4 million bushels for anticipated domestic requirements, an estimated 108.8 million remain available for export and carryover in the current crop year as against 219.0 million the previous year.

Exports Lower than Previous Year

During the period December 1966-October 1967, exports of wheat and wheat flour in terms of wheat, based on preliminary data, amounted to 82.1 million bushels, in sharp contrast to the 203.6 million exported during the same months in 1965-66. The balance remaining for export and for carryover on November 1, 1967, amounted to 26.7 million bushels compared with 15.4 million a year ago.

Argentine Wheat Supplies

Item	1965-66(1)	1966-67(2)
	million bushels	
Carryover at beginning of crop year (December 1) (3)...	130.1	13.8
Production.....	220.5	234.4
Total estimated domestic supplies.....	350.5	248.2
Less estimated domestic requirements for crop year.....	131.5	139.4
Available for export and for carryover....	219.0	108.8
Deduct:		
Exports of wheat as grain, December-October.....	203.0	81.5
Exports of wheat flour in terms of wheat, December-October.....	0.6	0.6
Total exports of wheat and wheat flour....	203.6	82.1
Balance on November 1 for export and for carryover.....	15.4	26.7

(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 November 21, 1967 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

Varied rainfall occurred over most of the grain belt during the period under review and this, coupled with strong winds and some hail, caused damage to growing crops. It now appears that growth is retarded over that of last year and this, coupled with disease, has greatly affected this year's wheat crop.

Wheat

Due to infection of the fungus disease Septoria Nodorum which for the first time has been identified in the Argentine wheat belt throughout large areas of northeastern Buenos Aires and spreading into other regions, there is poor seed formation in many areas. As well some rust and green fly damage has occurred. In one 48-hour period in Santa Fe and parts of Cordoba there was over 300 millimetres (12 inches) of rainfall coupled with a tornado and hail which caused considerable damage. As a result of these adverse conditions, it is expected that losses of possibly 30 to 40 per cent may occur in some regions of the country and that the overall harvest may now not exceed 7,500,000 metric tons (275.6 million bushels). The estimated acreage still remains 6,675,000 hectares (16.5 million acres). The harvest has begun in the Rosafe zone but it will be another 15 to 20 days before other regions of the grain belt will reach maturity. In the Chaco area first reports indicate a yield of 1,500 kilos per hectare (22 bushels per acre) with only slight loss of area.

In contrast to the bread wheat situation, durum wheat grown mainly in southeastern and southcentral Buenos Aires is in excellent condition and the trade expect a bumper crop. While no official statistics have been issued to date, it is estimated that there has been a 15 to 20 per cent increase in sowings from last year's figures.

The wheat purchased during August from Spain and Bulgaria has now arrived and has had a softening effect on prices. Millers were offering only 1,700 pesos per 100 kilos (\$1.42 per bushel) f.o.r. Buenos Aires during recent days and at Bahia Blanca the price declined to 1,530 (\$1.28 per bushel). New crop wheat was being offered at 1,450 pesos (\$1.21 per bushel) in both Bahia Blanca and Buenos Aires with little subsequent trade. As in hard wheat, the price of durums tended to decline with prices closing at the end of October at 1,560 pesos (\$1.30 per bushel) in both Buenos Aires and Bahia Blanca. For new crop durums, exporters were offering 1,650 pesos (\$1.38 per bushel) in Bahia Blanca and 1,600 (\$1.34 per bushel) in Necochea. Some lots of durums were sold during the first week of October at US\$ 67.00 per ton (\$1.96 per bushel) f.o.b. Necochea, February shipment, but by end-month only US\$ 65.25 (\$1.91 per bushel) was being accepted by exporters.

At the beginning of November 1,548 pesos per 100 kilos (\$1.29 per bushel) were quoted for December futures for hard wheat and only 1,520 pesos (\$1.27 per bushel) for January and February deliveries. Prices tended to remain at these levels during the first fortnight of November.

The Argentine Government recently announced a reduction in the export tax applied to wheat. This tax was established at 25 per cent of f.o.b. value in March when Argentina devalued its peso and has now been reduced to 18 per cent, although the trade feel that this reduction will not significantly assist in moving wheat onto the export market, particularly in view of the support price now in effect. As well, the National Grain Board, who anticipate having to purchase sizeable quantities of the 1967-68 crop, have for the first time indicated that only wheat and coarse grains delivered to warehouses or Grain Board storage facilities not at terminals will be accepted. As was the case last year, Grain Board payment terms will be 70 per cent cash, 10 days after delivery, and the balance in 60 and 90 days.

Argentine Wheat Exports December - September 1966-67 and 1965-66

Destination	September		December-September	
	1966	1967	1965-66	1966-67
thousand bushels				
<u>Western Europe</u>				
<u>EEC</u>				
Belgium.....	-	-	631	756
France.....	-	-	1,927	2,737
Germany, Federal Republic..	-	-	1,898	799
Italy.....	696	182	12,090	10,065
Netherlands.....	-	-	3,599	6,468
Sub-totals.....	696	182	20,145	20,825
<u>Other Western Europe</u>				
Britain.....	-	-	6,484	7,856
Norway.....	-	-	1,463	498
Portugal.....	-	358	-	1,502
Switzerland.....	-	-	238	375
Sub-totals.....	-	358	8,185	10,231
Totals.....	696	540	28,330	31,056
<u>Eastern Europe</u>				
Czechoslovakia.....	-	-	184	-
Hungary.....	-	-	-	480
Poland.....	-	-	3,753	-
U.S.S.R. (Russia).....	-	-	52,419	-
Totals.....	-	-	56,356	480
<u>Africa</u>				
Algeria.....	-	-	-	795
Angola.....	-	-	329	459
Mozambique.....	-	-	420	-
Republic of South Africa.....	-	-	860	-
Tanzania.....	-	-	377	-
Totals.....	-	-	1,986	1,254
<u>Asia</u>				
China, Communist.....	-	-	60,411	-
China, Nationalist.....	-	-	806	-
Cyprus.....	-	-	-	381
India.....	-	-	-	184
Iran.....	-	-	1,864	-
Korea, North.....	-	-	738	-
Totals.....	-	-	63,819	565

Argentine Wheat Exports December - September 1966-67 and 1965-66

Destination	September		December-September	
	1966	1967	1965-66	1966-67
thousand bushels				
<u>Western Hemisphere</u>				
Barbados.....	-	-	6	-
Bolivia.....	-	-	146	280
Brazil.....	4,292	21	36,943	33,175
Chile.....	-	-	128	2,083
Colombia.....	-	-	-	1,575
Paraguay.....	-	107	1,506	1,828
Peru.....	1,882	-	10,789	8,838
Puerto Rico.....	-	-	55	-
Uruguay.....	-	-	-	1
Totals.....	6,174	128	49,573	47,780
Totals, all countries.	6,870	669	200,059	81,134

WHEAT SITUATION IN ITALY

The following account of the current situation in Italy has been extracted from a report by Miss M.D. Johnson, Commercial Assistant, Canadian Embassy, Milan, under date of November 15, 1967, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

Official Italian sources give this year's total wheat crop at 9.55 million metric tons (350.9 million bushels) of which 7.02 million tons (257.9 million bushels) is wheat other than durum and 2.53 tons (93.0 million bushels) durum wheat; with an average yield of 0.97 metric tons (35.6 bushels) per acre. These figures are practically final and are considerably higher than had previously been estimated.

Last year wheat production totalled 9.4 million metric tons (345.4 million bushels), of which 1.7 million tons (62.5 million bushels) was durum, and the yield averaged 0.89 tons (32.7 bushels) per acre.

Total wheat production has therefore increased this year by 1.5 per cent: durum wheat increasing by 50.1 per cent and wheat other than durum decreasing by 9.1 per cent.

Stocks

Practically no new crop wheat has been delivered to date to the Government Pools run by the Intervention Organization (A.I.M.A.) who still hold approximately 130,000 metric tons (4,777,000 bushels) of durum and 460,000 tons (16,902,000 bushels) non-durum wheat of the old crop to be either sold for use in Italy or for export through tenders.

Deliveries of new crop wheat to the Voluntary Pools totalled, at end September, about 500,000 metric tons (18,372,000 bushels); 200,000 tons (7,349,000 bushels) of durum and 300,000 (11,023,000 bushels) of non-durum. Last year, with a slightly smaller crop, deliveries to the Voluntary Pools, at

same date, amounted to 949,500 metric tons (34,888,000 bushels); 102,500 (3,766,000 bushels) of durum and 847,000 (31,122,000 bushels) of non-durum, almost double this year's total figure, but consisting mostly of wheat other than durum. None of last year's wheat stocks are left in these pools.

Imports and Exports

Total imports of wheat in the crop year 1966-67 are given at approximately 1 million metric tons (36,743,000 bushels)- slightly below last year's figure of 1,021,137 tons (37,520,000 bushels). Imports from non-EEC countries authorized during July and August totalled approximately 400,000 tons (3,674,000 bushels) of durum and 130,000 (4,777,000 bushels) of wheat other than durum. Imports from France from July 1 to October 15 are estimated at approximately 40,000 metric tons (1,470,000 bushels).

The following table gives imports of wheat into Italy for the first seven months of 1967 as compared with the same period in 1966.

Wheat Imports, January 1 to July 31, 1966 and 1967

Product and Origin	January 1 to July 31	
	1966	1967
	thousand bushels	
Durum wheat:		
Greece.....	918	-
Algeria.....	1,580	-
Tunisia.....	618	-
United States.....	2,367	1,343
Argentina.....	6,215	4,242
Canada.....	-	944
Other countries.....	326	106
Totals, Durum.....	12,024	6,635
Wheat other than Durum:		
France.....	5,897	4,066
Canada.....	2,519	2,452
Argentina.....	3,897	2,956
Other countries.....	72	938
Totals, non-Durum.....	12,385	10,412
Totals, Wheat.....	24,409	17,046

Exports of wheat flours and semolinas have totalled, in the first eight months of 1967, 423,811 metric tons, whereas in the same period of 1966 only 150,627 tons were exported. Exports of "pasta" for the same period totalled 33,170 metric tons against 26,676 tons in 1966.

Intervention, Target and Threshold Prices - Levies

Adding to the basic prices established as from July 1, 1967, the additions to be made monthly per metric ton starting from September 1 and each amounting to Lire 656.25 (3 cents per bushel) with respect to durum wheat and Lire 593.75 (3 cents per bushel) to wheat other than durum, the resulting present prices are as shown in the following table:

Intervention Target and Threshold Prices in Force as
From November 1, 1967

Product	Intervention <u>price range</u>		Target Price	Threshold price for import from third countries
	from	to		
dollars per bushel				
Wheat other than Durum.....	2.86	2.97	3.19	3.13
Durum wheat.....	3.31	3.53	3.75	3.69

It is to be remembered that, because of the reduction in the durum wheat established prices and in accordance with EEC ruling, a minimum guaranteed price to farmers has been established for this type of wheat at Lire 90,625 per metric ton (\$4.24 per bushel). The bonus required to arrive at this price is being paid through A.I.M.A. - the Intervention Government Agency - to farmers, at the rate of Lire 21,725 per metric ton (\$1.02 per bushel) of durum wheat produced.

Levies payable on imports of wheat from third countries were, on November 8, 1967, as follows:

Durum wheat..... \$1.27 per bushel
Wheat other than Durum... \$1.43 per bushel

Open Market Prices

Prices of domestic wheat, other than durum, have risen considerably in recent months and are now well above established intervention and threshold prices, as can be seen from the following table:

Prices of Wheat on the Milan Open Market - November 8, 1967
(for deliveries in bulk)

Product	Price	
	Minimum	Maximum
dollars per bushel		
<u>Domestic wheat, other than durum</u>		
High grade.....	3.27	3.51
Good Mercantile grade.....	3.23	3.25
Mercantile grade.....	3.18	3.20
<u>Domestic durum</u>		
Good Mercantile grade.....	3.46	3.74
<u>Foreign Wheat</u>		
Manitoba (Atlantic No. 1).....	4.02	4.05
French.....	3.27	3.51(1)

(1) The minimum price is for ordinary grade wheat, the maximum for high grade.

Prospects for
Canadian Products

It is difficult to foresee what will happen in Italy this year because of a number of factors, including changes in EEC regulations, which are bound to affect the market to an extent which cannot yet be correctly gauged.

Against all forecasts, this year's Italian wheat crop, as a whole, has been larger than that of last year, the decrease in the non-durum wheat production, due to last year's floods, having been fully made good by the miraculous increase in the durum wheat crop, which is a record one.

Supplies of durum from the crop of over 2.5 million metric tons (91,858,000 bushels) and the 130,000 tons (4,777,000 bushels) still with the Intervention organization from last year's deliveries, would appear to be adequate to cover domestic requirements. None the less some durum has been purchased from third countries and further purchases are anticipated. This is no doubt due to the coming into force- on October 1 - of the new law ruling that only durum wheat flour and semolina be used for the production of pasta for sale (although up to the end of the year second quality pasta may still be made with a mixture of durum and non-durum flours and semolinas).

Imports of Manitobas, especially No. 1 grade, will continue and, it is hoped, increase, as the Italians greatly favour this variety. The abolishment of the supplementary levy as from July 1, 1967, has greatly increased the competitive position of the top grades of Manitoba Northern in the Italian market.

GRAIN SITUATION IN BRITAIN

The following account of the current grain situation in Britain has been extracted from a report by Mr. F.G. Beaudette, Assistant Commercial Secretary, London, under date of October 30, 1967, and is reproduced with the permission of the Trade Commissioner Service, Department of Trade and Commerce.

Weather and Crops

Unsettled weather prevailed with some fine spells, but there was considerable heavy rain, gales, and flooding in some parts. Temperatures remained at about seasonal levels. Good progress has been made with autumn cultivations which are well ahead of schedule. Grain was generally of fair quality and the diseases which threatened crops at the beginning of the summer have not had as serious an effect as was at first thought possible. Disease has, nevertheless, affected the intensive barley areas and many spring wheat crops but winter wheats have stood up better to disease attack.

Production Forecast

The Ministry of Agriculture have revised their estimates of cereal yields for England and Wales which are now 32.7 long cwts. (61.0 bushels) per acre for wheat, 30.3 (70.7 bushels) for barley, and 29.8 (98.2 bushels) for oats. Applying these revised estimates to the United Kingdom provisional June acreage figures, provides the following forecast of productions:-

Wheat 3.8 million long tons (141.8 million bushels)
Barley 9.1 million long tons (424.7 million bushels)
Oats 1.5 million long tons (98.8 million bushels)

Grain Markets

Domestic prices of home grown wheats have generally eased with soft milling grades at 22s 6d per long cwt (\$1.82 per bushel) for immediate to January delivery. Feed wheats ranged around 21s 6d per long cwt. (\$1.74 per bushel), for immediate delivery but offers were limited. Little interest was shown in overseas wheats with quotations generally steady to somewhat firmer

Continued from page 5.

Longer-Run World

Trade Outlook

There are varying assessments of the demand for wheat and level of world trade in wheat between now and 1980, but assuming the continuance of present consumption and production trends, the most likely development will be the maintenance of the recently established balance between world supply and demand. This does not mean that there may not be temporary surpluses or, on the other hand, that the depletion of stocks below normal levels, combined with unfavourable crop conditions in any one year, might not result in a temporary shortage. Markets for wheat in Western European countries may continue to shrink, although this trend could be reversed as a result of increased demand for feed grains and the transfer of available indigenous crop land from wheat to coarse grain production. A similar development may occur in the U.S.S.R. and the rest of Eastern Europe by 1980, but in the meantime these countries are unlikely to purchase the very large quantities of recent years. Mainland China is expected to continue to be a major importer. Likewise, Japanese demand should be a sustaining force particularly for hard and semi-hard bread wheat. It is likely that there will continue to be large food grain deficits in the developing countries, particularly in the Far East, despite the anticipated increase in domestic production in these countries. The overall prospects for wheat exports to developing countries will continue to be largely dependent on food aid financing, although some of the developing countries will increase the level of their commercial purchases.

CALENDAR OF WHEAT EVENTS

October 24, 1967

According to a report published by the United States Department of Agriculture stocks of all wheat in storage on October 1 totalled 1,565 million bushels, 9 per cent more than a year earlier but the smallest October 1 holdings since 1953.

November 15

According to a report from Miss M.D. Johnson official source place this year's total wheat crop in Italy at 9.55 million metric tons or 350.9 million bushels.

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According to a report from Mr. H.E. Ryan, Assistant Commercial Secretary (Agriculture), Buenos Aires, varied rainfall occurred over most of the grain belt during the period under review and this, coupled with strong winds and some hail, caused damage to growing crops.

December 12

The Canadian Wheat Board announced that a further sales contract had been signed with China to provide for the export of two million long tons of wheat, 5 per cent more or less. Assuming that the full tolerance is taken, the sale amounts to 78.4 million bushels.

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