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OF THE
WHEAT SITUATION

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The World Wheat Situation - Summary

The wheat situation during the past month has been characterized by a relatively small world movement, a lessening of exports from southern hemisphere countries, an improvement in crop prospects in both the Argentine and Australia, the probability of subsidized exports from the United States, no significant change in 1933 crop estimates, and falling price levels in the leading grain markets.

From August 1, 1933 to October 16, 1933 world shipments of wheat and wheat flour amounted to 110 million bushels as compared with shipments of 112 million bushels for the corresponding weeks of 1932-33. Both the foregoing figures are far below the volume of world trade during the corresponding weeks of 1931-32 and 1930-31 when world shipments amounted to 178 million bushels and 170 million bushels respectively. Shipments to date in the present crop year largely confirm current estimates of world import requirements.

The London Wheat Conference estimated world import requirements for 1933-34 at 560 million bushels. With shipments of 110 million bushels reported to date, a total of 450 million bushels remains to be shipped during the balance of the crop year.

During the past two weeks shipments from the Argentine and Australia have been somewhat smaller than heretofore. The situation reflects the light supplies of wheat available in these countries until the new crops are harvested late in the calendar year.

The past month has been favourable for growing crops in the Argentine and Australia. Both countries experienced prolonged drought early in their growing season but substantial rains relieved the situation and during the past four weeks the condition of the crops has been maintained. Early season growing conditions however have lessened the potential yield for 1933. The next month will be very important from the standpoint of the development of these crops. Locust damage is threatened in the Argentine.

The United States has made arrangements for the export of wheat from the Pacific coast. Since United States prices are substantially higher than international price levels, these exports will have to be subsidized. The Pacific coast area is the only region in the United States which produced a surplus in 1933. Transportation costs prevent this wheat from moving eastward in volume, and consequently the United States Government is going to facilitate the export of a limited amount of wheat by absorbing the difference between domestic and world prices. It is assumed that subsidized exports from the United States will move to the Orient. These exports will come under the quota of 47 million bushels granted to the United States under the wheat agreement.

No significant changes have been made in preliminary estimates of 1933 production in the northern hemisphere. The European wheat crop is estimated at about 1,612 million bushels compared with 1,477 million bushels harvested last year. While the yield of southern hemisphere crops is not known at the present time, there is reason to believe that production in the four leading exporting countries, namely, Canada, the United States, the Argentine and Australia will be the smallest since 1920. The deficit in wheat production in these countries in 1933 will be balanced in part by the large carry-overs in Canada and the United States at the commencement of the present crop year.

During the past month wheat prices have declined in the leading markets of the world. These price declines reflected improvement in the southern hemisphere crops, limited world demand, uncertainty regarding Russian exports and monetary policies to be adopted in the United States.

The internal wheat movement in Canada reflects the short crop harvested this year along with considerable wet weather early in the crop moving season. Country deliveries from August 1, 1933 to October 6, 1933 amounted to 94 million bushels compared with 165 million bushels during the same period last year. Farmers have been delivering wheat steadily during the past three weeks but in about one-half the volume of the corresponding period in 1932. A larger proportion of the 1933 crop is delivered in Manitoba and Saskatchewan than in Alberta where a considerable amount of threshing remains to be completed.

Exports of wheat from Canada since August 1, 1933 have been on a smaller scale than during the same period last year. Official customs figures show exports of 33 million bushels of wheat and wheat flour during August and September, 1933, as compared with 48 million bushels during the same months last year. Export clearances have increased during the past three weeks.

A notable increase in flour exports is shown during the first two months of the present crop year. During August and September, 1933, exports of flour amounted to 1,032,844 barrels as compared with 715,495 barrels during the same months last year.

During the week ending October 6, 1933, a total of 235 million bushels of wheat was reported in store in all positions. On the same date last year, stocks in store amounted to 211 million bushels.

The carry-over of Canadian wheat in all positions at the end of July amounted to 219 million bushels as compared with 138 million bushels a year previous. In other words Canada commenced the present crop year with 81 million bushels more wheat than was the case a year ago. On October 6, 1933 stocks of wheat exceeded those of the same date last year by 24 million bushels. Owing to a reduced crop and unfavourable harvest weather which interrupted threshing for some time, the Canadian visible supply has increased at a much slower rate than during the fall of 1932.

Canada continues to market considerable quantities of wheat in the United Kingdom. During August and September, the United Kingdom imported about 12 million bushels from Canada. The Argentine has been Canada's chief competitor in the British market during the past two months. During the month of September Russia placed $1\frac{1}{2}$ million bushels of wheat in the United Kingdom.

In spite of a larger domestic crop this year as compared with last year the United Kingdom imported more wheat in the first two months of the present crop year than during the same months last year. August - September imports into the United Kingdom amounted to 35 million bushels compared with 33 million bushels during the same months last year.

WORLD WHEAT SITUATION

At a recent meeting of the Wheat Advisory Committee in London, the representative of Germany stated that his country could materially increase the consumption of wheat by the expedient of reducing unemployment. The German spokesman amplified his point by stating that wheat consumption in Germany had decreased by about 33 million bushels during the past year as a direct result of unemployed workers eating potatoes at home instead of taking a bread lunch to their work. While the foregoing statement does not encompass all reasons for decreased consumption, it is none the less very interesting. The statement introduces the whole question of the relation between economic depression and the consumption of wheat. The question of how far reduced purchasing power has militated against a solution of the wheat problem is often asked but the answer is subject to many qualifications and in many instances can not be stated quantitatively.

The discussion of the subject may start with the simple proposition that depressed economic conditions, reduced purchasing power and unemployment have reacted upon the wheat situation in a different manner in different countries. The situation in Germany may be treated as indicative of the reaction in highly protected importing markets. Since 1929 the German Government has taken effective measures to maintain wheat prices. While the international market has descended to as low as 50 cents a bushel in gold, prices in Germany have ranged well over \$1.50 a bushel since the crisis of 1929. This means in essence that the price of breadstuffs in Germany has been well maintained even though the purchasing power of a large portion of the population has been greatly reduced. Insofar as the price of wheat is a factor in governing the price of bread, it would be expected that the maintenance of high wheat prices during a time of depression would result in a measure of decreased consumption. But the problem is complicated by the question of substitute grains and other food products. Rye and potatoes are alternatives to wheat in the diet of the German people, especially in view of the fact that in recent years Germany has had a surplus of rye and efforts have been made to force stocks of the product into consumption either as a human or live-stock ration. A further factor in the situation is the question of the quality of breadstuffs. It is natural to suppose, and there is factual evidence to support the view, that the use of large percentages of domestic wheat and the admixture of potato flour has had the effect of lowering the quality of breadstuffs and thereby making wheaten products less attractive to the consumers. All these factors have tended to involve the wheat situation in importing countries with the same general characteristics as Germany.

In the United Kingdom it is probable that wheat consumption has not undergone any marked change in recent years. Apart from a bonus paid upon domestic production, the United Kingdom has been able to take advantage of the international price of wheat in recent years and a bread supply of high quality has been available at a very low material cost. In addition, substitute cereals or substitutes for bread products are not produced in quantity in Great Britain and therefore there has been little tendency to divert consumption to other channels as in the case of Germany.

In exporting countries consumption of wheat has naturally increased under a regime of low prices. In Canada there is statistical evidence to indicate a slight falling off in human consumption, but the decrease is insignificant and is more than balanced by the diversion of low priced wheat into the live-stock industry. The situation in the United States is very similar in that consumption has expanded during recent years by the use of large amounts of wheat for feeding purposes. This situation is due in part to the existence of a surplus of wheat and in part to the relation between wheat prices and corn prices in the United States.

Considering the question in the light of the situation in both importing and exporting countries, the trend of year-end stocks may be taken to indicate the relation between supply and effective demand but not necessarily to indicate the trend of total consumption. The fact of the matter is that since 1928 the world carry-over of wheat (insofar as it can be stated quantitatively) has increased steadily reaching its maximum at the end of the past crop year. This fact indicates that effective demand has not been sufficient to take care of annual production in exporting and importing countries. It does not necessarily mean, however, that the increase in surplus stocks represents a corresponding decrease in consumption. Insofar as importing and exporting countries have increased their production since 1928, year-end stocks do not constitute an index of the trend of consumption. As a matter of fact the volume of wheat moving into consumption in recent years has been relatively large in spite of the increase in year-end stocks in exporting countries.

The Supply Position in 1933

With the exception of southern hemisphere crops, 1933 production is now established in the leading wheat producing countries on the basis of preliminary estimates. While figures for some European countries are lacking the production situation may be described fairly accurately. The following table shows acreage and production in Europe in 1932 along with preliminary estimates for 1933.

Acreage and Production of Wheat, 1933 and 1932

	Acreage		Production	
	1933 (acres)	1932 (acres)	Preliminary 1933 (bushels)	1932 (bushels)
Germany	5,725,000	5,635,000	202,100,000	183,828,000
Austria	515,000	537,000	13,279,000	11,886,000
Belgium	366,000	383,000	13,617,000	15,376,000
Bulgaria	3,002,000	3,078,000	52,127,000	50,553,000
Spain	11,047,000	11,249,000	132,000,000	184,206,000
Estonia	163,000	128,000	2,094,000	2,085,000
Irish Free State	52,000	21,000	831,000/	831,000
Finland	65,000	59,000	1,506,000	1,483,000
France	13,321,000	13,256,000	338,663,000	333,524,000x
England and Wales	1,660,000	1,288,000	57,008,000	41,253,000
Scotland	78,000	52,000	2,240,000/	2,240,000
Greece	1,732,000	1,480,000	28,580,000	20,263,000
Hungary	3,936,000	3,793,000	87,430,000	64,462,000
Italy	12,518,000	12,251,000	272,000,000	276,127,000
Latvia	182,000	173,000	3,748,000	3,840,000
Lithuania	499,000	509,000	8,075,000	8,120,000
Luxemburg	33,000	31,000	739,000	719,000
Malta	10,000	10,000	305,000	301,000
Norway	31,000	28,000	660,000	785,000
Netherlands	332,000	297,000	14,190,000	13,694,000
Poland	4,083,000	4,266,000	68,343,000	49,472,000
Roumania	6,919,000	7,091,000	108,392,000	55,536,000
Sweden	752,000	703,000	27,815,000	26,500,000
Switzerland	185,000	181,000	6,386,000	5,402,000
Czechoslovakia	2,245,000	2,092,000	65,771,000	53,553,000
Yugoslavia	5,157,000	5,142,000	90,020,000	53,444,000
Portugal	1,271,000/	1,271,000	14,825,000	18,138,000
TOTAL	75,879,000	75,004,000	1,612,744,000	1,477,621,000

/ 1932 figures. x Underestimated.

North America

	<u>Area</u>		<u>Production</u>	
	<u>1933</u> (acres)	<u>1932</u> (acres)	<u>1933</u> (bushels)	<u>1932</u> (bushels)
Canada	25,986,600	27,182,100	282,771,000	455,000,000
United States ...	44,879,000	55,152,000	515,000,000	726,000,000
Mexico	1,179,000	1,104,000	11,753,000	9,658,000
TOTAL	72,044,600	83,438,100	809,524,000	1,190,658,000

North Africa

	<u>Area</u>		<u>Production</u>	
	<u>1933</u> (acres)	<u>1932</u> (acres)	<u>1933</u> (bushels)	<u>1932</u> (bushels)
Tunis	1,952,000	2,392,000	9,186,000	17,453,000
Morocco	3,026,000	2,713,000	25,286,000	27,970,000
Algeria	3,815,000	3,736,000	27,135,000	29,236,000
Egypt	1,426,000	1,762,000	39,951,000	52,586,000
TOTAL	10,219,000	10,603,000	101,558,000	127,245,000

Asia

	<u>Area</u>		<u>Production</u>	
	<u>1933</u> (acres)	<u>1932</u> (acres)	<u>1933</u> (bushels)	<u>1932</u> (bushels)
India	32,992,000	33,803,000	352,875,000	336,896,000
Japan	1,500,000	1,247,000	39,328,000	31,336,000
TOTAL	34,492,000	35,050,000	392,203,000	368,232,000

The 1933 European wheat crop was harvested from a slightly higher acreage than was sown in 1932. Preliminary estimates indicate a record wheat crop for Europe in 1933. Production is estimated at about 1,613 million bushels compared with 1,477 million bushels produced in 1932 -- an increase of 136 million bushels. The largest increases occur in the Danubian countries where 1933 production is over 100 million bushels larger than the outturn in 1932. France, Germany and the United Kingdom are among the countries having larger crops this year than last year.

In marked contrast to the bountiful yields experienced in Europe, the 1933 growing season in North America was disastrous as far as production is concerned. In the present year, Canada, the United States and Mexico produced 810 million bushels of wheat as compared with 1,190 million bushels produced last year -- a reduction of 380 million bushels.

Reduced production is also noted in the North African area. The four chief producers of this region harvested 102 million bushels in 1933 compared with 127 million bushels in 1932.

Production in India and Japan in 1933 is about 24 million bushels higher than in 1932.

Wheat Production in the Four Leading Exporting Countries

The following table shows wheat production in Canada, the United States, the Argentine and Australia for each year from 1920 to 1933. The 1933 estimates for the Argentine and Australia are based upon conditions up to the present time and as the crops are still developing only tentative estimates can be made:

	<u>1920</u>	<u>1921</u>	<u>1922</u>	<u>1923</u>	<u>1924</u>	<u>1925</u>	<u>1926</u>	<u>1927</u>	<u>1928</u>	<u>1929</u>	<u>1930</u>	<u>1931</u>	<u>1932</u>	<u>1933</u> ^{1/}
	(million bushels)													
Canada	263	301	400	474	262	395	407	480	567	305	421	321	455 ^{2/}	283
United States .	833	815	868	797	864	677	831	875	926	813	858	900	726	515
Argentine	156	191	196	248	191	191	230	282	349	163	236	220	235	200
Australia	146	129	109	125	165	115	161	118	160	127	213	191	216	160
TOTAL	1,398	1,436	1,573	1,644	1,482	1,378	1,629	1,755	2,002	1,408	1,728	1,632	1,632	1,158

1/ Preliminary. 2/ Subject to revision.

The foregoing table shows wheat production in the chief exporting countries since 1920. The table brings into relief the small production in 1933 (as estimated at present) as compared with production in the preceding thirteen years. On the basis of current estimates of 1933 production the combined production in the four leading exporting countries will be the smallest since 1920. Prior to 1933, the smallest crop since 1920 was harvested in 1925 when total combined production in the four countries amounted to 1,378 million bushels. It is apparent, therefore, that on the basis of current estimates in these countries, 1933 production will likely be over 200 million bushels less than the short crop of 1925.

The decline in production this year is due to disastrous growing weather in large sections of the wheat belt of Canada and the United States and early season drought in the Argentine and Australia.

Total domestic requirements of the four chief exporting countries amount to about 875 million bushels. It is apparent therefore that 1933 production in these countries will only be sufficient to yield an export surplus of about 283 million bushels. These figures indicate to what extent unfavourable weather has cut down production in exporting countries.

The existence of large reserves in the United States and Canada however make up for decreased production. Canada ended the past crop year with a carry-over of 212 million bushels and the United States with a carry-over of 386 million bushels. The United States will be able to draw on accumulated stocks to make good the deficit between 1933 production and domestic requirements. The present crop year demonstrates the depressing effect of large stocks. Were it not for accumulated stocks of wheat in Canada and the United States, exporting countries could not meet even the small import requirements of the present crop year.

United States

The most important development of the past month in the United States has been the announcement that the United States Government will subsidize the exporting of surplus wheat from the Pacific coast. With United States prices above world levels, exports of wheat have been exceedingly small during the past year. Under the Wheat Agreement the United States is allocated an export quota of 47 million bushels for 1933-34. It is assumed that the United States will now endeavour to fill this quota by exports of Pacific coast wheat to the Orient. This movement will affect the position of Australia in the Orient and will probably mean the selling of a larger percentage of the 1933 Australia wheat crop in the European market.

The Southern Hemisphere

The Argentine reports prospects greatly improved as a result of generous rains received after a prolonged drought. The correspondent of the Dominion Bureau of Statistics in Buenos Aires writes as follows under date of October 1, 1933:

"Since my report of a month ago, there has been a complete change in the situation with regard to the new crop of wheat. The anxiety then being felt on account of the long continued drought was dissipated a week later by generous rains which lasted several days, in the course of which every part of the grain growing area was given a soaking. Each week since then there have been further rains, with the weather fine but cool in between, so that with little loss by evaporation, the full benefit of the precipitation has been felt.

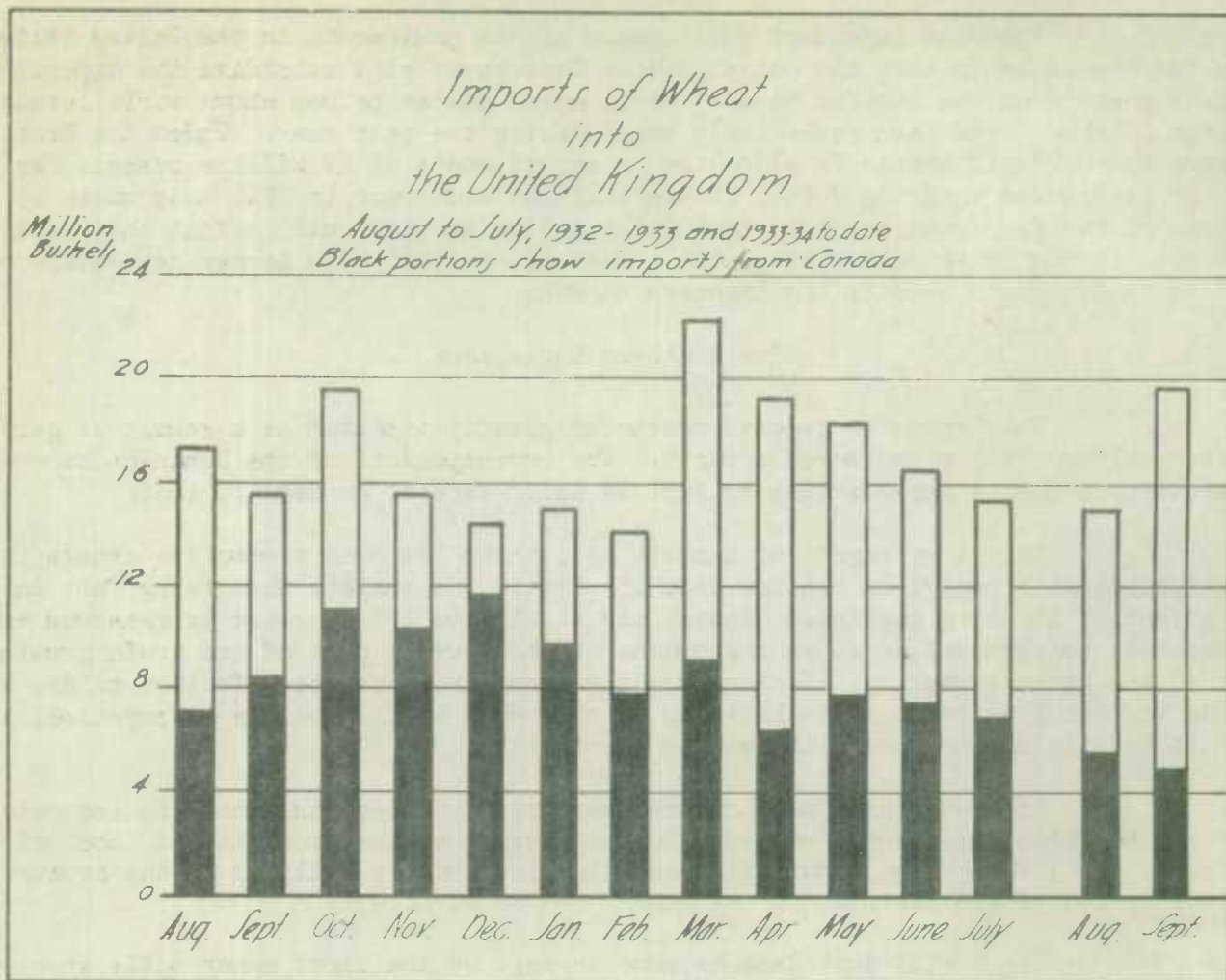
In the greater part of the wheat zone the reports coming in indicate that there has been a wonderful response to the changed weather conditions. Most of the fields are looking fine, and their condition is probably fully up to the average for this period of the year.

There will doubtless be some acreage on the light sandy soils where the grain is past recovery and will have to be plowed up and the land planted to maize, but this will be much less than at one time seemed to be in prospect.

Whilst fears of damage from drought have been for the moment removed, and there is now ample moisture to carry the crop for quite a while, the possibility or probability of damage from locusts later on must not be lost sight of. The danger will probably be greatest in the month of November. Extensive preparations are being made to cope with the pests, but past experience with them does not encourage the hope that these measures will be more than partly successful, and unless nature takes a hand there is very likely to be some damage result.

The extent of the damage to the different crops by the locusts will depend to a great extent upon the stage of development of the plants when the insects get busy. If the wheat is well advanced and approaching ripeness, they will turn to something more palatable if it is available."

The Canadian Trade Commissioner for Australia reports that rains have improved crop prospects in that country. Only a small balance of old crop wheat remains to be shipped from Australia.



The United Kingdom

Imports of wheat into the United Kingdom during the month of September were sharply higher than during the preceding month and the corresponding month last year. Imports during September amounted to 19,862,518 bushels compared with 15,328,314 bushels during August and 15,581,679 bushels during September, 1932. The following table shows imports of wheat into the United Kingdom for the twelve-month period from August, 1932 to July, 1933 and for the months of July, August and September, 1933:

<u>From -</u>	<u>August-July</u>	<u>July</u>	<u>August</u>	<u>September</u>
		(bushels)		
Canada	102,882,268	6,834,794	5,832,512	5,153,534
United States	2,191,927	-	-	-
Argentina	33,178,430	3,819,276	5,786,525	6,142,245
Australia	50,433,050	4,667,154	2,449,777	5,385,224
Russia	3,960,702	-	-	1,472,952
Others	11,729,430	452,062	1,259,500	1,708,563
Total	204,375,817	15,773,286	15,328,314	19,862,518
Last Year	229,420,424	18,647,255	17,199,661	15,581,679

As shown by the foregoing table, imports of wheat into the United Kingdom during the twelve months from August, 1932, to July, 1933, amounted to 204 million bushels compared with 227 million bushels for the same months in 1931-32. Out of total imports of 204 million bushels, Canada supplied 103 million bushels or 50.5 per cent; Australia supplied 50 million bushels or 24.5 per cent; the Argentine supplied 33 million bushels or 16.2 per cent.

The following table shows imports of wheat into the United Kingdom during September, 1933, along with comparative figures for September, 1932:-

<u>From -</u>	<u>September, 1933</u> (B u s h e l s)	<u>September, 1932</u> (B u s h e l s)
Canada	5,153,534	8,198,046
United States	-	368,971
Argentine	6,142,245	721,727
Australia	5,385,224	2,007,694
Russia	1,472,952	549,134
Other	1,708,563	3,736,107
Total	19,862,518	15,581,679

It will be noted from the above table that total imports of wheat into the United Kingdom during September, 1933, were about four million bushels higher than during September, 1932. Imports from Canada were moderate, amounting to 5,153,534 bushels compared with 8,198,046 bushels for the corresponding month last year. Imports during September, 1933, from the Argentine and Australia were sharply higher than during September, 1932. The United Kingdom imported 6,142,224 bushels from the Argentine last month compared with 721,727 bushels the same month in 1932. Imports from Australia were about 3 million bushels higher than a year ago. Imports from Russia amounted to 1,472,952 bushels compared with 549,134 bushels for September, 1932.

The following table shows imports of wheat into the United Kingdom during August and September, 1933 and 1932:

<u>From -</u>	<u>1 9 3 3</u> (B u s h e l s)	<u>1 9 3 2</u> (B u s h e l s)
Canada	10,986,046	15,345,073
United States	-	835,138
Argentine	11,928,770	2,791,009
Australia	7,835,001	8,452,201
Russia	1,472,952	549,134
Others	2,968,063	4,808,786
Total	35,190,832	32,781,340

It will be noted that total imports of wheat into the United Kingdom amounted to 35,190,832 bushels during August and September, 1933 as compared with 32,781,340 bushels during the same months last year. The table further shows that imports from the Argentine increased over 9 million bushels this year as compared with last. Imports from Canada decreased by about 5 million bushels in August-September, 1933 as compared with the same months last year.

FLOUR MILLING IN CANADA

Flour milling is the oldest of all Canadian manufacturing industries and the most important industry connected with the field crops. In 1930, it stood third in Canada's leading industries, with pulp and paper holding first place, followed by slaughtering and meat packing. Since the days of the quern of several centuries ago the milling industry has been subjected to progressive evolution.

Flour milling in Canada dates back to 1605, when the first permanent Canadian settlement was made by the French at Port Royal (now Annapolis, N. S.). In this year the first wheat ever raised in America was grown at this point and here in the same year was erected the first water wheel on the North American continent, designed to turn a millstone for the grinding of wheat.

Hand and water-power mills developed steadily throughout the French regime in the settlements on the Atlantic seaboard and along the St. Lawrence river, providing flour and feed for the use of pioneers. Early census figures give the number of mills in New France during the French period as follows:-

1665	9
1685	41
1695	39
1721	90
1734	118

The coming of the United Empire Loyalists and the colonization of Upper Canada led to the erection of mills for the grinding of the grain produced in the new settlements. One of the earliest mills was built at Niagara Falls in 1786, while another mill was established in Napanee about the same year.

The Napoleonic wars in Europe caused a rapid increase in the prices of cereals, and an export business in wheat and flour grew up.

Large scale production in milling in Canada began with the competition between the two processes, stone and roller milling. Many of the small mills were unable to compete with the larger mills in the production of flour and either disappeared or were transformed into chopping mills. The more complete transformation of the wheat into flour by the new process, and the consequent reduction of the amount of offal feed for live stock further stimulating the growth of chopping mills. With the cutting of forests in the settled districts more rapid evaporation caused reduction in water power for the small flour mills and further tended to their disappearance. By the 'eighties the roller process had secured a virtual monopoly of the flour-milling industry in Canada. Elevators sprang up at railway points and the grain was sold and shipped as grain to be ground at the large milling centres.

The last quarter of the nineteenth century brought about the settlement of the Prairie Provinces with railway communications to the Atlantic seaboard and wheat-raising became the primary occupation of many thousands of settlers who hurried in growing numbers to Manitoba, Saskatchewan, and Alberta. The quality of the grain was such that it immediately found a ready market in both its raw and manufactured states.

The geographical distribution of the milling industry has been governed largely by the necessity of keeping as much as possible within easy access to the Atlantic seaboard, from whence a great deal of the export business is carried on. In

the early times Montreal became the centre of the industry and has continued in this predominant position. The flour mills of Western Canada are situated where power is cheap and shipping facilities are most favourable. These strategic points are to be found at Fort William and Port Arthur, at Keewatin and Kenora on the Lake of the Woods, at Winnipeg, and at various other localities on the trunk lines of railways. It is interesting to note that the three mills at Medicine Hat obtain their power from natural gas which is used to drive electric motors.

MILLING CAPACITY

The flour mills of Canada have attained a capacity far beyond the requirements of the domestic market. The population of the home market, numbering approximately ten and one-half million, requires only about 41,750,000 bushels of wheat. The quality of the hard spring wheat flour is widely known and the flour manufactured from soft winter wheat grown in Ontario has considerable reputation in British markets.

The distribution of the commercially important milling capacity may be shown by provinces as follows:-

Number of Flour Mills in Canada and Milling Capacity, by Provinces.

	Number of Mills	Capacity in Barrels per day
Prince Edward Island	18	706
Nova Scotia	16	168
New Brunswick	30	526
Quebec	352	13,614
Ontario	670	55,427
Manitoba	38	12,090
Saskatchewan	60	13,957
Alberta	75	14,166
British Columbia	6	1,394
Canada	1,265	112,048

The more important milling centres, with capacities, are located as follows:-

IMPORTANT MILLING CENTRES IN CANADA

	Capacity in Barrels per day		Capacity in Barrels per day
Montreal, P.Q.	21,000	Vancouver, B.C.	1,100
Keewatin-Kenora, Ont.	14,800	London, Ont.	1,050
Port Colborne, Ont.	14,000	Brandon, Man.	950
Winnipeg-St. Boniface, Man.	8,500	Factoria, Sask.	850
Medicine Hat, Alta.	6,000	Chatham, Ont.	800
Peterborough, Ont.	5,500	St. Mary's, Ont.	700
Calgary, Alta.	5,200	Seaforth, Ont.	700

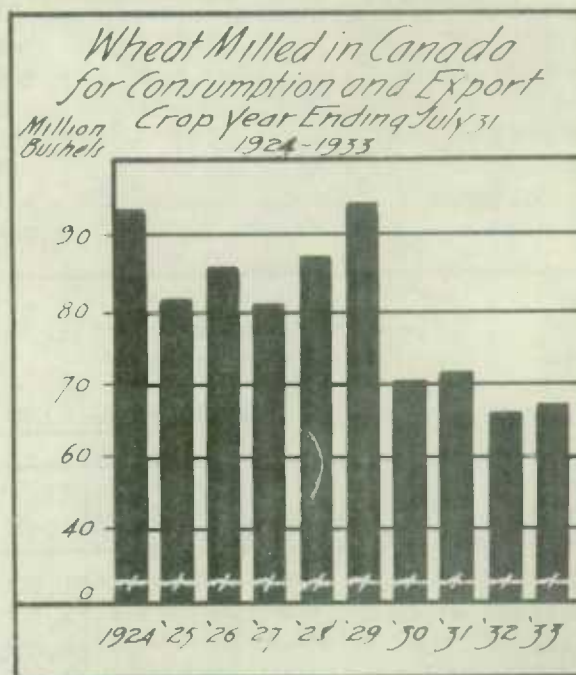
IMPORTANT MILLING CENTRES IN CANADA - Concluded

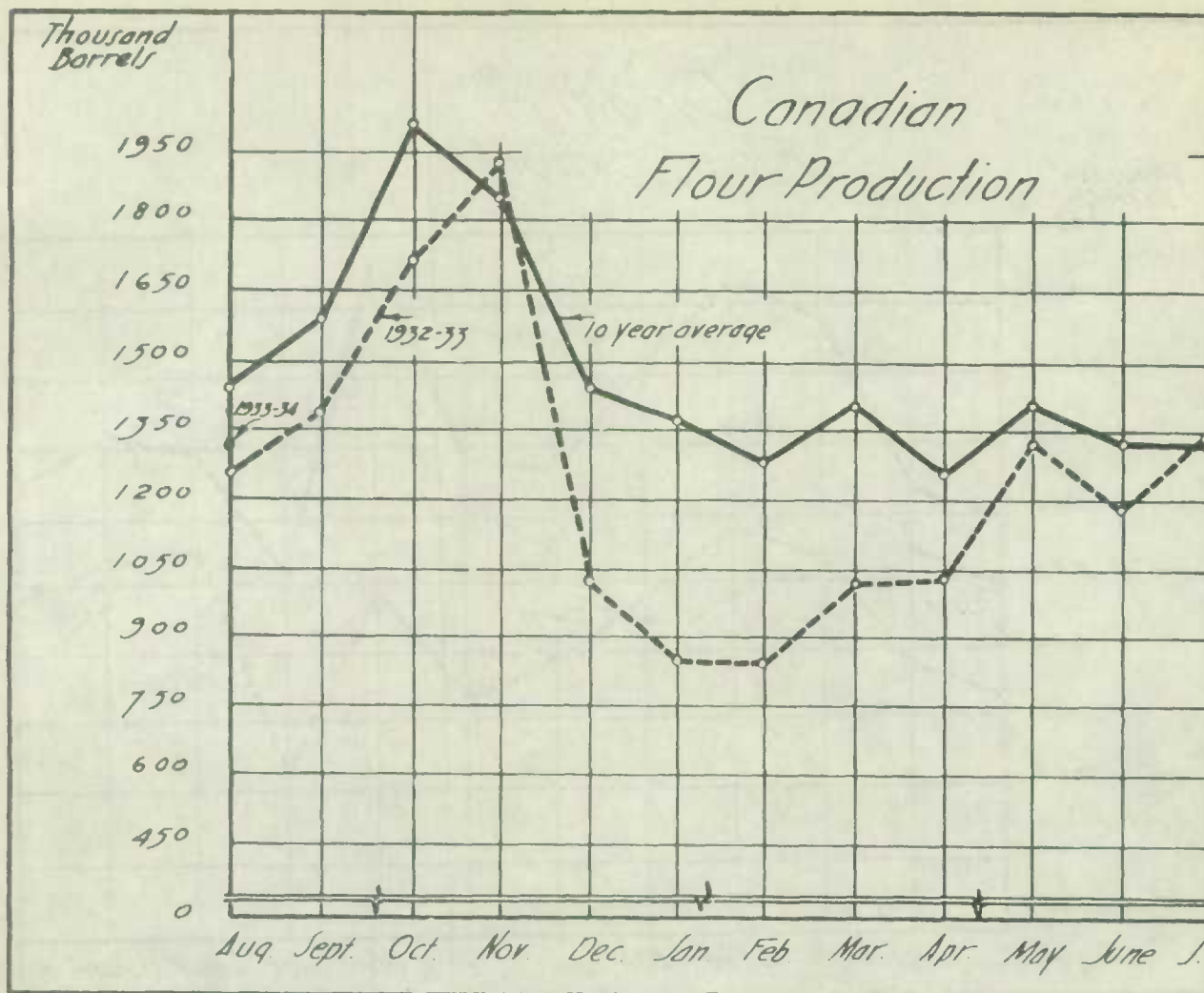
	Capacity in Barrels per day		Capacity in Barrels per day
Saskatoon, Sask.	4,200	Stratford, Ont.	700
Moose Jaw, Sask.	4,000	Edmonton, Alta.	640
Toronto, Ont.	3,125	Lethbridge, Alta.	600
Fort William, Ont.	3,000	New Hamburg, Ont.	500
Goderich, Ont.	2,500	Souris, Man.	500
Portage la Prairie, Man.	1,500	Renfrew, Ont.	400
Brantford, Ont.	1,200	Woodstock, Ont.	350
Midland, Ont.	1,200	Preston, Ont.	325
		Tavistock, Ont.	325

PRODUCTION OF FLOUR IN CANADA

The milling industry is one of the chief consumers of Canadian wheat. It is probably true that in the past decade Canadian mills have purchased and milled more Canadian wheat than flour mills of any other country. The past crop year is an exception, however, because statistics indicate that British mills actually used more Canadian wheat than did Canadian mills. This situation is accounted for by a relatively small production of flour in Canada due to limited export demand and by the use of a relatively high percentage of Canadian wheat by mills in the United Kingdom.

The accompanying chart shows the volume of wheat used by Canadian mills during the ten years from 1923-24 to 1932-33. The chart shows that in two crop years, 1923-24 and 1928-29, domestic mills used over 90 million bushels of wheat. These were years when exports were relatively high. During the six years from 1923-24 to 1928-29, Canadian mills used from 80 to 95 million bushels of Canadian wheat. With the wheat crisis of 1929 and the spread of general economic depression the volume of wheat milled in Canada decreased sharply. In 1929-30, 70,630,963 bushels of wheat were milled in Canada as compared with 94,739,029 bushels in the previous crop year. During the past four crop years Canadian mills have used from 65 to 72 million bushels of wheat. As will be shown later, this decrease in wheat consumption is accounted for largely by decreased exports. During the crop years from 1923-24 to 1932-33, Canadian mills used an average of 79,706,420 million bushels of wheat. Flour production during the same years averaged 14,896,059 barrels. An average of 5,370,613 barrels of flour were exported during the decade from 1923-24 to 1932-33. The table on page 16 shows production of flour in Canada by months, for the past ten crop years.





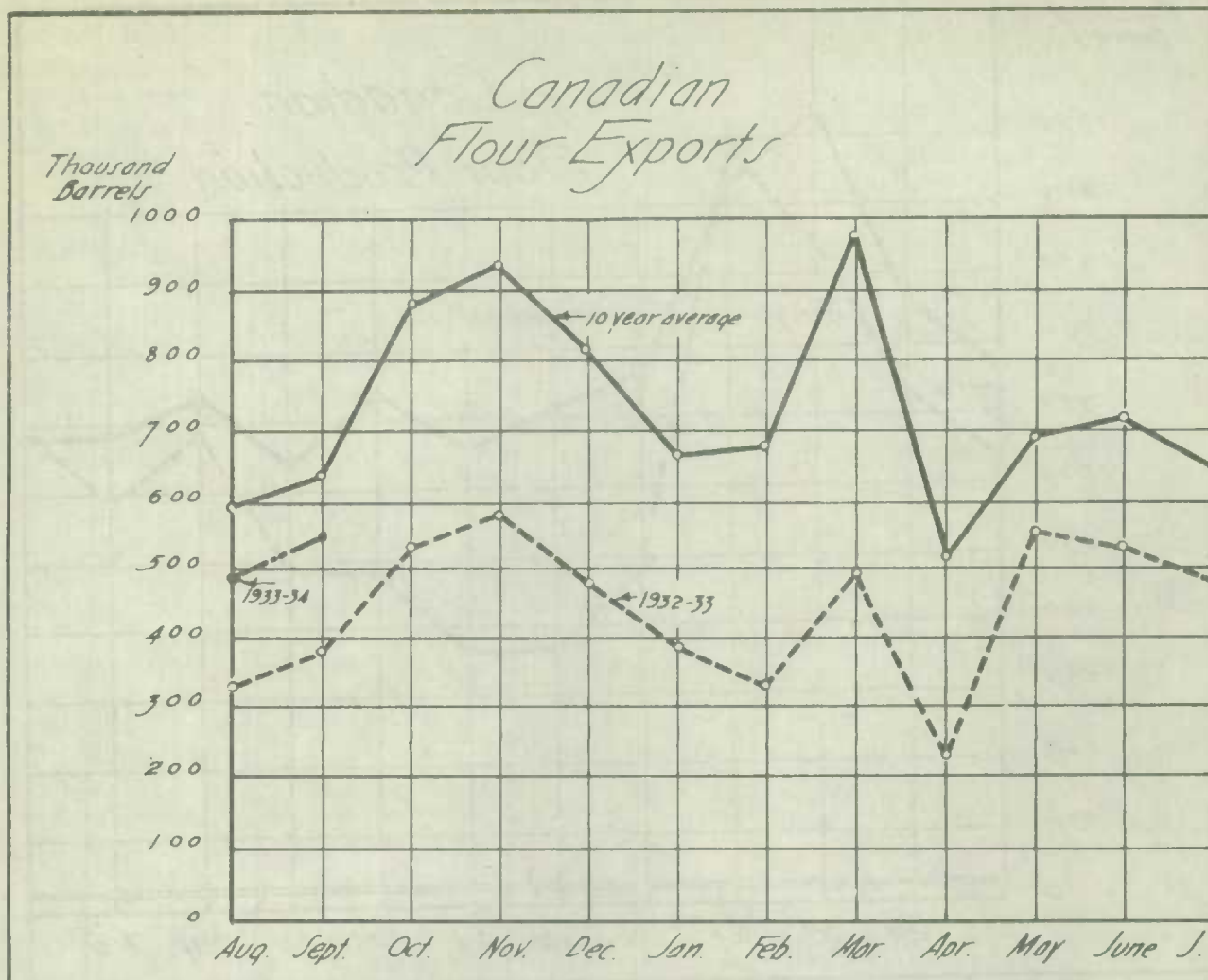
FLOUR PRODUCTION

The above chart shows flour production in Canada for the ten-year period from 1923-24 to 1932-33, for the crop year 1932-33 and for August, 1933.

The chart shows the seasonal nature of flour production in Canada. During the ten-year period from 1923-24 to 1932-33, the months of September, October and November were months of large production. Production was relatively steady during the other nine months of the crop year.

Flour production in 1932-33 is shown in relation to the ten-year average. It will be noted that production during the past crop year ranged generally lower than average. In one month only, November, 1932, did flour production exceed the ten-year average. While production in 1932-33 followed the usual seasonal trend, the output during the months of December, January, February and March was extremely low. Some recovery was evident in the final quarter of the cereal year.

Production during August 1933 was slightly higher than during the same month last year but lower than the ten-year average for that month.



EXPORTS OF FLOUR

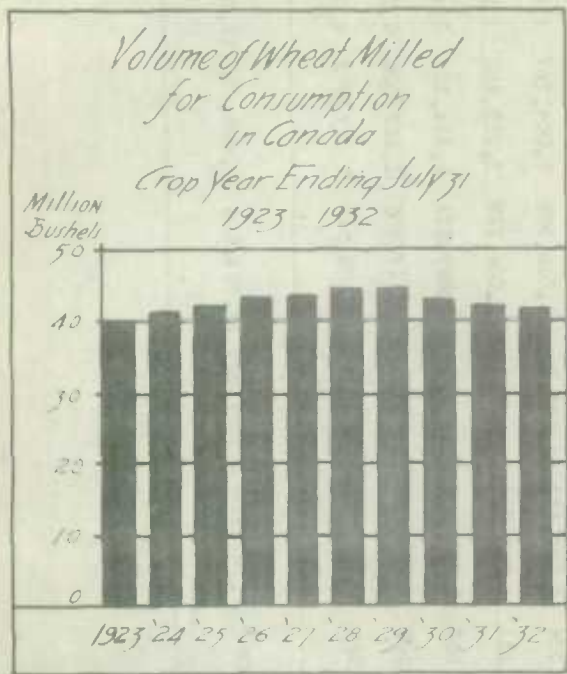
The above chart shows exports of wheat flour for the ten-year period from 1923-24 to 1932-33, for the past crop year (1932-33) and for August and September, 1933. The chart shows clearly the decline in flour exports from Canada in 1932-33 as compared with the ten-year average from 1923-24 to 1932-33. Each month in 1932-33 flour exports fell considerably short of the corresponding ten-year average. Exports in 1932-33 followed about the same seasonal trend as noted in the case of the ten-year average.

A noticeable improvement is shown in the first two months of the present crop year as compared with the corresponding months of 1932-33. During August and September, 1933, flour exports amounted to 1,032,844 barrels as compared with 715,495 barrels for the same months last year. From 1923-24 to 1932-33 average exports in August and September amounted to 1,242,116 barrels.

Flour has shared in the general decline of world trade in recent years. As an exporter of flour Canada has felt the impact of a reduced international movement of this commodity. The trend of world trade in flour is illustrated on the following page.

FLOUR CONSUMPTION IN CANADA

In contrast to the trend of flour exports in recent years, flour consumption in Canada has remained relatively steady. The accompanying chart shows flour consumption in Canada for the past ten crop years expressed in terms of bushels of wheat.



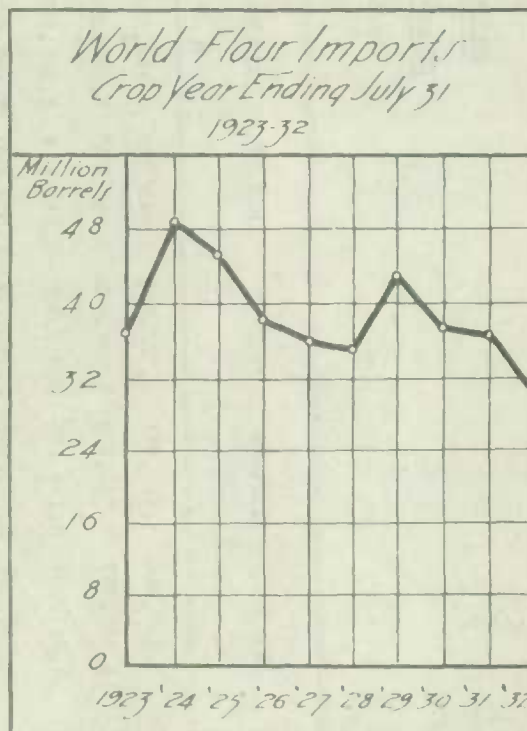
While the chart reveals a slight falling off in consumption since 1929, the decline is relatively small. The chart shows that the consumption of wheat as a human food has been relatively steady during the past decade, ranging from 40,000,000 bushels in 1922-23 to 44,083,000 bushels in 1928-29. During the ten-year period from 1922-23 to 1931-32 the consumption of wheat in Canada in the form of flour has averaged 42,340,000 bushels. Consumption in 1931-32 amounted to 41,750,000 bushels or slightly below the average of the preceding ten years.

WORLD TRADE

The slowing down of world trade since 1929 has been reflected in the movement of flour between exporting and importing areas. Canada, as an important exporter of flour, has been effected by trade developments in recent years. In addition flour has shared in the

effects of nationalistic policies so generally pursued in respect to wheat. If importing countries were to protect themselves from low price levels or to stimulate the production of wheat, flour imports had to be controlled along with imports of wheat. Furthermore, the use of high percentages of soft domestic wheats in many European countries in recent years, has effected the quality of their flour to such an extent that the domestic product could not compete with imported flour.

The accompanying chart shows world imports of wheat by crop years from 1922-23 to 1931-32. The sharp decline in world imports of flour between 1928-29 and 1931-32 is shown clearly on the chart. In 1928-29 importing countries purchased 42,883,570 barrels of flour, while in 1931-32 the same importing countries took only 30,284,200 barrels. It is interesting to note that world imports of flour during the past decade reached their highest point in 1923-24 and 1924-25. These facts that indicate that the recovery and expansion of the milling industries in importing countries following the world war were effecting the trend of trade in flour as early as 1924 and 1925.



WHEAT FLOUR PRODUCTION
BY MONTHS AND CROP YEARS
 1923-24 to 1932-33.

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	^x 1932-33	10-Year Average	1933-34
	B A R R E L S											
August	1,107,804	1,370,925	1,032,318	1,043,386	1,198,966	1,591,706	1,620,506	1,585,199	1,343,191	1,272,009	1,316,600	1,443,892
September	1,469,637	1,756,379	1,608,848	1,640,270	1,569,888	1,885,007	1,316,274	1,662,371	1,510,995	1,384,500	1,579,417	
October	2,317,253	2,139,575	2,310,165	2,249,229	2,065,702	2,168,323	1,540,166	1,971,740	1,899,484	1,721,598	2,017,324	
November	2,340,402	1,717,869	2,140,778	2,079,260	2,193,733	2,145,936	1,583,088	1,651,635	1,842,022	1,942,844	1,963,757	
December	1,822,152	1,433,820	1,738,558	1,740,781	1,761,453	1,651,319	1,067,847	1,137,698	1,113,039	1,009,799	1,447,647	
January	1,901,849	1,709,730	1,416,474	1,473,275	1,558,040	1,704,945	1,180,624	1,133,833	850,488	859,107	1,378,837	
February	1,807,571	1,545,138	1,421,629	1,242,641	1,440,888	1,611,643	1,034,028	999,869	881,380	844,899	1,222,968	
March	1,720,930	1,670,165	1,603,482	1,435,468	1,625,518	1,615,904	1,220,671	1,152,045	1,015,396	1,004,787	1,406,437	
April	1,458,252	1,235,935	1,403,633	1,155,586	1,321,227	1,599,331	1,213,949	1,061,615	1,024,728	1,013,486	1,248,774	
May	1,858,018	1,014,208	1,488,490	1,452,308	1,535,538	1,755,548	1,391,956	1,172,076	1,017,531	1,334,101	1,401,977	
June	1,387,063	1,246,784	1,648,826	1,324,762	1,369,713	1,574,508	1,164,021	1,140,131	1,167,706	1,186,006	1,320,952	
July	1,351,469	1,339,292	1,211,514	1,024,945	1,443,343	1,567,924	1,424,721	1,309,484	1,165,545	1,322,923	1,316,116	
TOTAL	20,542,400	18,179,820	19,024,715	17,861,911	19,074,007	20,872,094	15,757,850	15,967,696	14,631,504	14,896,059	17,680,806	

x Preliminary figures.

WHEAT FLOUR EXPORTS
BY MONTHS AND CROP YEARS

1923-24 to 1932-33.

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	10-Year Average	1933-34
	B A R R E L S											
August	656,795	626,213	684,698	459,412	513,702	924,646	643,246	627,233	522,178	330,382	598,851	480,288
September	456,479	967,140	661,242	612,278	677,330	889,775	492,381	734,349	556,666	385,113	643,266	
October	1,155,274	1,144,771	1,022,274	962,713	898,798	1,170,979	654,039	813,691	658,459	528,794	880,979	
November	1,357,310	905,336	1,210,341	1,261,609	1,149,474	1,159,213	538,038	792,271	476,487	576,864	942,694	
December	1,390,242	828,084	1,042,137	884,942	956,762	922,966	604,979	601,894	451,310	492,033	817,536	
January	1,052,259	874,765	716,731	773,981	765,792	933,450	502,888	392,266	331,806	397,304	674,123	
February	1,091,942	834,365	841,681	748,499	767,942	997,808	480,687	414,773	337,513	333,114	684,822	
March	1,397,810	1,385,240	1,302,092	1,028,813	1,141,896	1,412,834	680,697	560,553	414,779	490,270	981,498	
April	889,654	710,125	681,777	415,209	609,372	720,060	451,395	326,117	256,390	234,387	529,348	
May	1,057,487	482,315	725,852	804,468	886,220	906,651	573,187	481,265	461,867	565,080	694,439	
June	903,212	596,001	1,029,490	846,700	716,013	934,811	597,762	490,294	570,861	544,507	722,964	
July	612,960	815,337	978,339	449,200	782,453	835,593	658,834	466,967	446,379	492,765	653,883	
TOTAL	12,021,424	10,169,692	10,896,654	9,247,824	9,866,754	11,808,775	6,778,023	6,701,663	5,383,594	5,370,613	8,824,401	

International Trade

The following table shows world shipments of wheat and wheat flour for the first eleven weeks of the present crop year. (Broomhall's figures).

Week Ending	North America					Other	Total
	North America	Argentine	Australia	Russia	(Thousand Bushels)		
August 7	4,204	1,916	2,782	-	80	8,982	
14	3,276	4,860	624	-	128	8,888	
21	3,486	3,047	2,481	248	360	9,622	
28	4,475	3,920	2,439	168	520	11,522	
September 4	4,933	2,727	580	296	800	9,336	
11	4,175	2,824	2,070	944	1,048	11,061	
18	3,771	1,763	1,431	1,552	816	9,333	
25	4,943	2,003	2,044	1,616	1,480	12,091	
October 2	4,378	1,281	2,021	1,040	960	9,680	
9	5,031	815	1,309	1,088	1,744	9,987	
16	5,251	1,259	800	1,120	944	9,374	
TOTAL	47,928	26,415	18,581	8,072	8,880	109,876	
LAST YEAR	69,641	8,037	16,456	7,872	9,825	111,831	

From August 1, 1933 to October 16, 1933 world shipments of wheat and wheat flour amounted to 110 million bushels compared with 112 million bushels for the same period in 1932-33. During the past month shipments have been light and during the past three weeks have averaged between nine and ten million bushels. Total shipments to date are about equal to those of last year but are far below the movement during the corresponding weeks in 1931 and 1930, when shipments amounted to 178 million bushels and 170 million bushels respectively.

Shipments from Canada and the United States have been lower than during the same period in 1932-33. During the past eleven weeks North American shipments have amounted to 48 million bushels as compared with shipments of 70 million bushels for the same weeks last year. North American shipments have largely consisted of Canadian wheat.

Argentine shipments have been relatively large during the present crop year reflecting a larger carry-over on July 31 and lower prices during July and the early part of August. In recent weeks however, Argentine shipments have shown a tendency to decrease and only moderate quantities are expected between now and the arrival of the new crop.

Australian shipments have been slightly higher during the present crop year than during the same period in 1932-33. A sharp decrease is shown during the past week when shipments amounted to only 800,000 bushels.

Russia continues to ship wheat on a small scale. In spite of rumours of a larger crop in 1933, Russian shipments are about on a par with last year. Shipments from other sources remain at about the same level as during the early part of 1932-33.

Weekly Average Shipments

The following table shows weekly average shipments of wheat for the first 11 weeks of the present crop year along with comparative figures for 1932-33 and 1931-32.

	<u>North America</u>	<u>Argentine</u>	<u>Australia</u> (Million Bushels)	<u>Russia</u>	<u>Other</u>	<u>Total</u>
1931-32	6.3	1.4	1.8	4.4	2.3	16.2
1932-33	6.3	.7	1.5	.7	.9	10.1
1933-34	4.4	2.4	1.7	.7	.8	10.0

As shown by the above table, world shipments of wheat have averaged 10.0 million bushels per week during the first eleven weeks of the crop year as compared with 10.1 and 16.2 million bushels per week during the corresponding period in 1932-33 and 1931-32. North American shipments have averaged 4.4 million bushels per week compared with 6.3 and 6.3 million bushels per week during the first eleven weeks of 1932-33 and 1931-32. Argentine shipments have averaged 2.4 million bushels per week as compared with .7 million bushels during the same period last year.

The Position of Import Requirement Estimate

The London Wheat Conference accepted the estimate of 560 million bushels for world import requirements for 1933-34. This figure is only slightly higher than Mr. Broomhall's estimate of 552 million bushels. The position of this estimate on October 16 was as follows:

<u>Import Requirements</u>	<u>Actual Shipments</u>	<u>Balance to be Shipped</u>
Aug. 1, 1933 to July 31, 1934 (52 Weeks)	Aug. 1, 1933 to Oct. 16, 1933 (11 Weeks)	Oct. 16, 1933 to July 31, 1934 (41 Weeks)
560 million bushels	110 million bushels	450 million bushels
or	or	or
10.9 million bushels weekly	10.0 million bushels weekly	10.9 million bushels weekly

It will be seen from the above table that world shipments have averaged 110 million bushels for the first eleven weeks of the present crop year. Average weekly shipments of 10.9 million bushels are required to fulfill the estimate of import requirements. A balance of 450 million bushels of wheat and flour remain to be shipped during the balance of the present crop year.

The Course of Wheat Prices

The following summary of wheat price movements from September 1 to October 14 has been prepared by the Internal Trade Branch:

No. 1 Manitoba Northern cash wheat prices remained practically stationary at 69 cents per bushel until September 14. On that date minimum restrictions were lifted from the Winnipeg Grain Exchange and prices dropped approximately 3 cents. This loss was recovered in the next three days, but from that time until the present (October 14), the general movement of prices has been downward. On October 14, No. 1 Manitoba Northern cash wheat closed at 60 cents per bushel, which brought the market back to the levels of the latter part of last April. This was roughly 38 cents per bushel below the peak figure registered on July 18.

Market factors in the past six weeks have been mainly bearish. Continental port stocks have been rising and importers were stated to be buying only upon a moderate scale. Weather conditions in Australia and Argentina improved appreciably and offerings of wheat were made freely from nearly all the main exporting countries. Russian wheat was pressed during the early weeks of this period.

Cash closing prices for No. 1 Manitoba Northern wheat, basis Port Arthur and Fort William, averaged 67.2 cents per bushel in September against 73.4 cents in August.

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

(Dollars per Bushel)

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34
August	1.51.0	1.59.9	1.18.8	1.58.0	.92.5	.55.1	.56.3	.73.4
September	1.43.8	1.45.1	1.17.0	1.49.5	.78.1	.53.6	.51.9	.67.2
October	1.43.5	1.44.1	1.23.7	1.41.4	.72.5	.59.9	.48.2	
November	1.41.0	1.45.1	1.20.9	1.33.0	.64.4	.67.3	.46.7	
December	1.33.4	1.40.6	1.17.1	1.37.8	.55.4	.60.6	.42.4	
January	1.35.7	1.42.8	1.20.9	1.30.5	.53.9	.60.0	.44.2	
February	1.39.7	1.42.6	1.27.9	1.17.4	.59.3	.63.2	.45.8	
March	1.42.7	1.48.1	1.27.0	1.06.2	.56.7	.63.1	.49.1	
April	1.45.1	1.56.3	1.22.8	1.09.8	.59.7	.62.6	.53.6	
May	1.53.8	1.57.2	1.12.3	1.07.9	.60.6	.62.9	.63.3	
June	1.61.1	1.42.6	1.18.3	1.03.2	.60.8	.55.1	.66.8	
July	1.62.1	1.30.9	1.59.9	.95.1	.57.3	.54.7	.83.4	

Wheat Prices and the General Price Level^{1/}

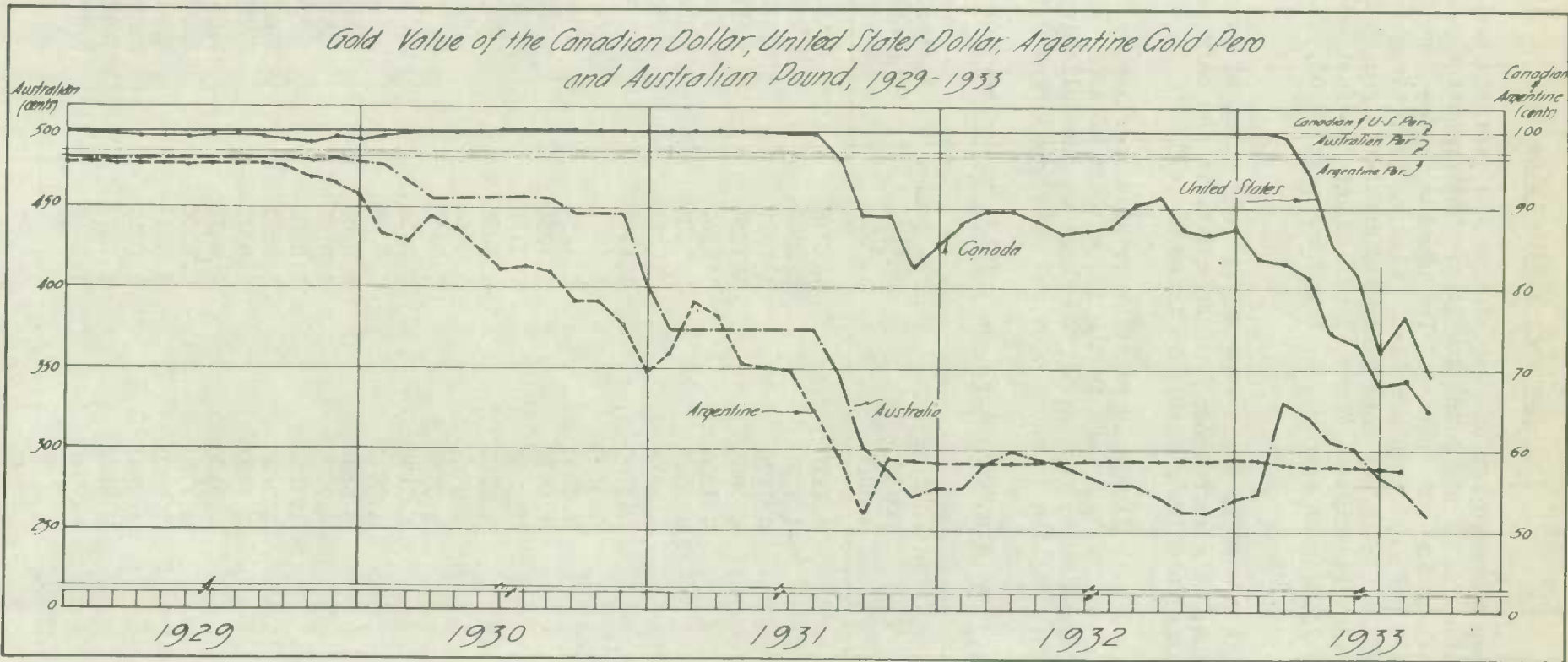
The following table shows the general Index Number of Wholesale Prices in Canada and Great Britain and of No. 1 Northern Wheat (Winnipeg Cash Price, basis in store Port Arthur and Fort William).

	General Index Canada	Board of Trade ^{2/} (United Kingdom)	Wheat No. 1 Manitoba Northern Fort William and Port Arthur basis
	1926=100	1926=100	1926=100
1929	95.6	92.2	89.8
1930	86.6	80.7	63.0
1931	72.1	70.3	39.3
<u>1932</u>			
January	69.4	71.4	40.1
February	69.2	71.1	42.3
March	69.1	70.6	42.2
April	68.4	69.1	41.9
May	67.7	68.0	42.1
June	66.6	66.2	36.9
July	66.6	66.0	36.6
August	66.8	67.2	37.7
September	66.9	68.9	34.7
October	65.0	68.3	32.2
November	64.8	68.3	31.2
December	64.0	68.3	28.3
<u>1933</u>			
January	63.9	67.7	29.6
February	63.6	66.8	30.6
March	64.4	65.9	32.8
April	65.4	65.6	35.9
May	66.9	67.0	42.3
June	67.6	68.7	44.7
July	70.5	69.1	55.8
August	69.4	69.2	49.1
September	68.9		44.9

1/ Prepared by the Internal Trade Branch. 2/ Transposed from the base 1913=100.

From August to September the general index of wholesale prices declined from 69.4 to 68.9. The index of No. 1 Northern wheat declined from 49.1 to 44.9.

Gold Value of the Canadian Dollar, United States Dollar, Argentine Gold Peso and Australian Pound, 1929-1933



Exchange Fluctuations

Canadian exchange has weakened during the past six weeks reckoned both in terms of gold currencies and of the pound sterling. The Argentine peso has also advanced appreciably at Montreal during this period. The premium on New York funds was reduced, however, from roughly 6 per cent to 2 per cent. Closing quotations for October 13, at Montreal showed a sudden rise in New York funds and greater strength in the Canadian dollar against most other exchanges. Those of particular interest were: American dollar 1.03 1/16, sterling 4.73, French franc 5.93, Argentine peso 40.03, and the Australian pound 3.78.

From the preceding chart showing the gold value of currencies of large wheat growing countries, it will be seen that Argentina is the only one included which is maintaining its exchange relatively stable in terms of gold.

There has been little correlation between sterling exchange movements and wheat prices in recent months, although in the latter part of 1932, wheat at Winnipeg and sterling at Montreal often moved together. The chart on the following page indicates that the sharp September decline in wheat occurred when sterling was relatively strong.

Exchange Quotations at Montreal, April 3rd, 1933, to October 10th, 1933.

		United Kingdom	United States	Australia	Argentine
		Pound	Dollar	Pound	Paper Peso
		4.8666	1.000	4.8666	.4244
April	3, 1933	4.1178	1.2018	3.2942	.3100
	10	4.1230	1.2062	3.2983	.3112
	18	4.1379	1.1925	3.3103	.3085
May	24	4.3981	1.1350	3.5185	.3285
	1	4.4250	1.1350	3.540	.3189
	8	4.5043	1.1425	3.6034	.3210
	15	4.5215	1.1425	3.5988	.3483
June	22	4.4700	1.1487	3.5760	.3227
	29	4.5100	1.1275	3.6080	.3374
	5	4.4934	1.1212	3.5947	.3363
	12	4.6050	1.1050	3.6840	.3431
	19	4.6258	1.1150	3.7006	.3456
July	26	4.6767	1.1056	3.7413	.3482
	3	4.8189	1.0762	3.8551	.3524
	10	5.0133	1.0450	4.0107	.3762
	17	5.0202	1.0456	4.0161	.3816
	24	4.9024	1.0506	3.9219	.3834
August	31	4.8282	1.0762	3.8625	.3766
	7	4.7975	1.0700	3.8380	.3718
	14	4.7209	1.0600	3.7766	.3683
	21	4.7696	1.0587	3.8157	.3679
September	28	4.7463	1.0512	3.7933	.3889
	5	4.8190	1.0478	3.8552	.3880
	11	4.7761	1.0500	3.8208	.3885
	18	4.8802	1.0212	3.9041	.3880
October	25	4.8645	1.0225	3.8916	.4090
	2	4.8648	1.0175	3.8918	.3980
	10	4.7968	1.0225	3.8374	.3938

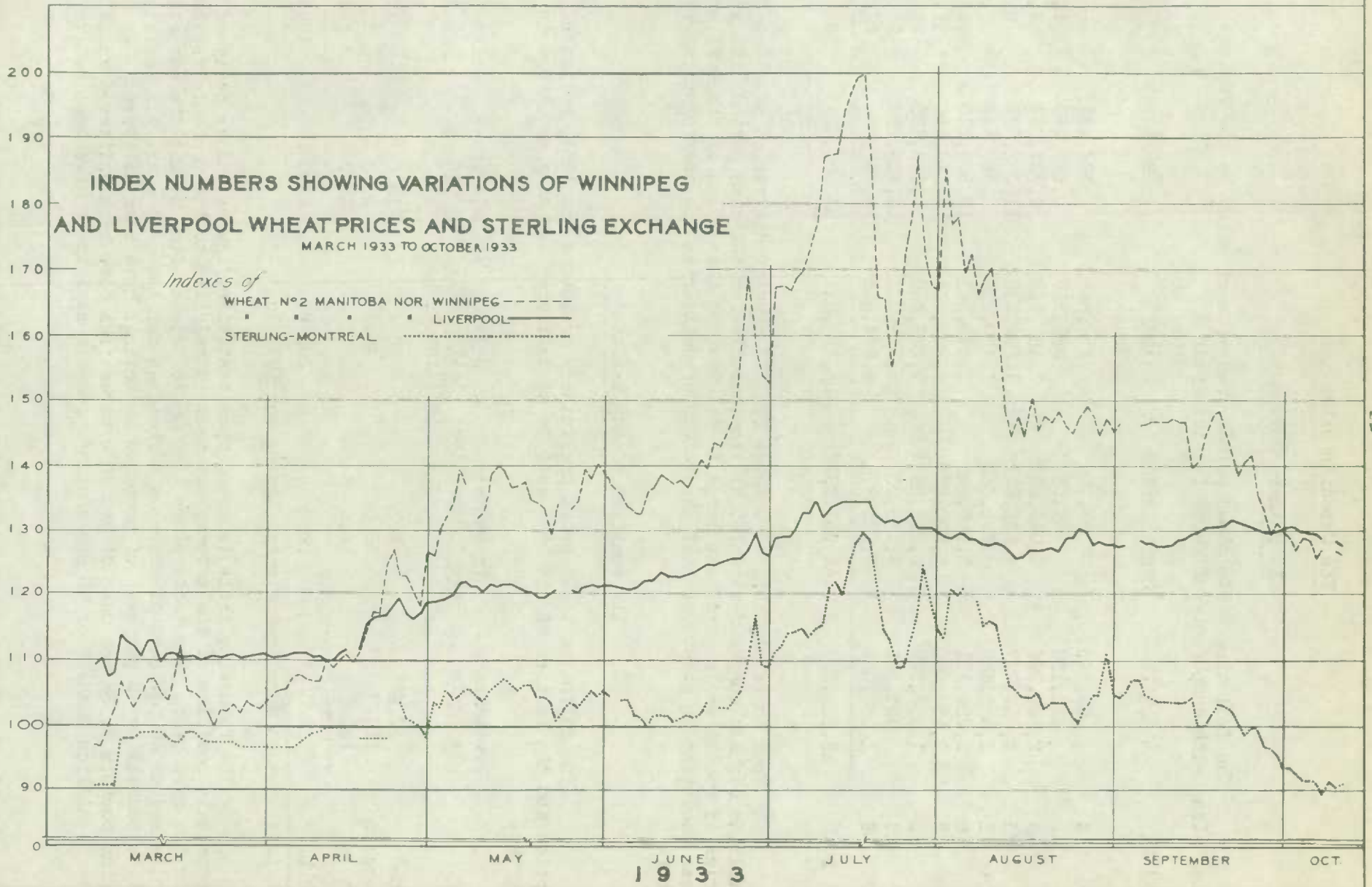
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INDEX NUMBERS SHOWING VARIATIONS OF WINNIPEG AND LIVERPOOL WHEAT PRICES AND STERLING EXCHANGE

MARCH 1933 TO OCTOBER 1933

Indexes of

WHEAT N°2 MANITOBA NOR WINNIPEG - - - - -
LIVERPOOL - - - - -
STERLING-MONTREAL ······



The Canadian Situation

1. Primary Movement

The following table shows primary receipts of wheat in the Prairie Provinces along with comparative figures for last year.

<u>Week ending</u>	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u> (Bushels)	<u>Total</u>	<u>Total Last Year</u>
August 4	60,245	85,408	248,838	394,491	520,486
11	332,136	264,587	929,527	1,526,250	1,156,910
18	2,398,296	1,045,551	1,481,205	4,925,052	4,528,044
25	4,865,097	4,795,312	1,392,213	11,052,622	6,474,225
September 1	2,883,686	4,885,643	1,470,218	9,239,547	7,010,138
8	2,203,151	5,868,928	2,448,261	10,520,340	22,409,580
15	3,156,560	7,590,672	4,202,248	14,949,480	37,487,227
22	1,026,529	6,212,382	4,805,569	12,044,480	34,592,823
29	835,541	8,179,037	5,311,076	14,325,654	24,074,044
October 6	1,068,036	7,725,871	6,034,659	14,828,566	26,341,535
T O T A L	18,829,277	46,653,391	28,323,814	93,806,482	164,595,012

From August 1, 1933 to October 6, 1933 country deliveries of wheat amounted to 94 million bushels compared with 165 million bushels for the same period last year. Deliveries in recent weeks have been large in relation to the volume of the 1933 crop and have been amounting to about one-half the volume of deliveries for corresponding weeks last year.

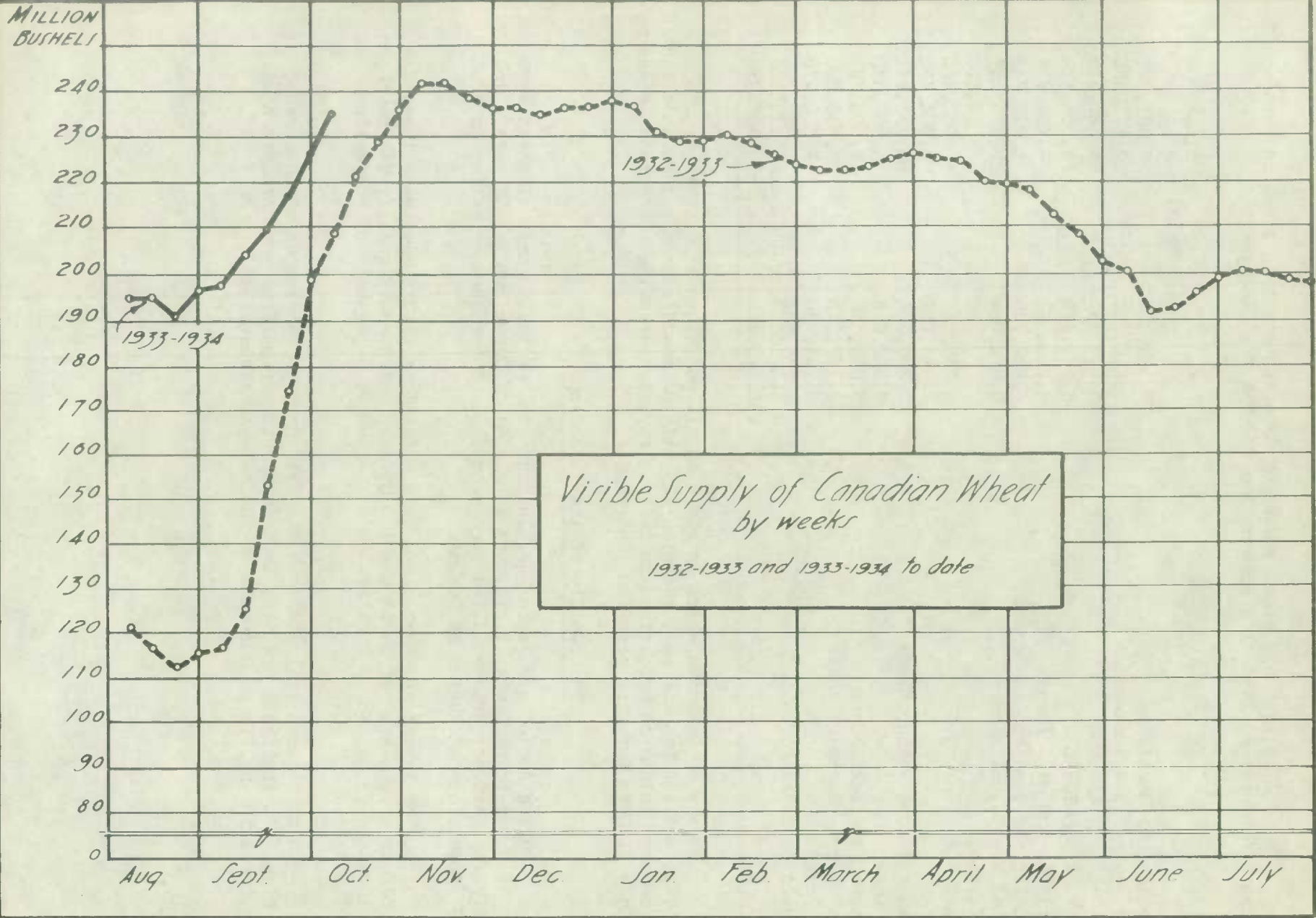
11. Position of the Estimates

The following table shows preliminary estimates for 1933, estimated farm consumption and the balance of the 1933 crop to be delivered assuming no change in farm carry-overs.

	<u>Preliminary Estimate</u>	<u>Probable^{1/} Farm Consumption</u>	<u>Balance Deliverable</u>	<u>Deliveries to Oct. 6</u>	<u>Balance to be Delivered</u>
	(Million Bushels)				
Manitoba	32.6	6.2	26.4	19.0	7.4
Saskatchewan	128.3	30.0	98.3	47.0	51.3
Alberta	103.1	24.0	79.1	28.0	51.1
T O T A L	264.0	60.2	203.8	94.0	109.8

^{1/} Tentative - based upon preliminary figures for 1932-33.

The foregoing table is based upon tentative figures and is designed to show the approximate position of the primary movement in relation to the probable total movement for the crop year. The table shows that up to October 6th, 94 million bushels had been delivered or 46 per cent of probable marketings for the crop year. In Saskatchewan 47 million bushels or 49 per cent of probable marketings have been delivered. In Alberta 28 million bushels or 36 per cent of probable marketings have been delivered while in Manitoba 19 million bushels or 72 per cent of probable marketings have been delivered.



III. Stocks in Store

The following table shows stocks of Canadian wheat in store in Canada and United States on October 6, 1933 with comparative figures for last year:

	<u>1 9 3 3</u>	<u>1 9 3 2</u>
	(Bushels)	
Country Elevators - Manitoba	10,169,482	7,861,223
Saskatchewan	50,812,201	42,171,934
Alberta	35,598,291	28,321,315
TOTAL	96,579,974	78,354,472
Interior Private and Mill Elevs.	6,299,051	6,464,716
Interior Public and Semi-Public Terms.	4,248,760	3,426,748
Vancouver and New Westminster	10,876,999	12,774,243
Victoria Elevator	782	17,696
Prince Rupert Elevator	748,535	162,452
Churchill	83,852	1,054,492
Fort William and Port Arthur Elevs.	62,304,836	60,831,841
In Transit Lakes	6,290,618	6,082,030
Eastern Elevators - Lake Ports	23,048,438	18,099,687
Eastern Elevators - Seaboart Ports	18,147,513	12,635,690
U. S. Lake Ports	5,784,730	9,786,878
U. S. Atlantic Seaboard Ports	756,384	1,241,744
T O T A L S	235,170,472	210,932,689

Stocks of Canadian wheat in store in all positions on October 6, 1933 amounted to 235 million bushels compared with 211 million bushels on the same date last year. The reduced volume of production in 1933 is rapidly narrowing the spread between visible supply figures for this year and last year.

IV. Quality of the 1933 Crop

During August and September, 1933 a total of 38,160 cars of wheat were inspected. Of these inspections, 2,312 cars consisted of Durum wheat. Of cars which could qualify for contract grades 34,194 cars graded No. 3 Northern or better or 97.2 per cent of inspections exclusive of Durums.

During August and September, 1932 a total of 63,036 cars were inspected of which 4,013 cars consisted of Durum wheat. Of cars which could qualify for Northern grades, 57,159 cars graded No. 3 Northern or better or 96.8 per cent of inspections exclusive of Durums.

These figures indicate that the 1933 crop so far inspected has graded relatively high. It is likely however, that later deliveries from northern areas will be somewhat lower in quality as a result of the delayed harvesting.

Lake Movement

The following table shows the lake movement of wheat by ports of destination to date in the present crop year along with comparative figures for last year:

	To Canadian Lower Lake Ports	To Montreal	To Sorel	To Quebec	To Buffalo	To Other United States Ports	Total
	(Bushels)						
Aug. 7	677,510	524,057	-	115,116	-	-	1,316,733
14	1,505,439	921,040	-	209,865	182,908	-	2,819,072
21	2,397,195	782,957	219,000	-	194,539	-	3,593,691
31	2,727,235	1,431,067	108,000	91,500	1,261,457	-	5,619,259
Sept. 7	2,898,705	1,853,669	-	207,405	1,881,517	-	6,841,296
14	3,129,375	1,255,936	-	217,000	-	-	4,602,311
21	3,341,280	750,952	-	106,998	896,554	-	5,095,784
31	5,845,291	1,687,154	-	324,338	2,023,431	231,000	10,111,214
Oct. 7	2,837,838	500,114	-	115,000	1,824,178	-	5,277,130
TOTAL	25,359,868	9,706,940	327,000	1,387,222	8,264,584	231,000	45,276,490
LAST YEAR	36,142,264	4,606,007	1,090,279	393,902	19,461,296	2,218,874	63,912,622

The above table shows that the volume of wheat routed down the Great Lakes since August 1 is less than for the same period last year. Shipments from Port Arthur and Fort William from August 1, 1933 to October 7, 1933 amounted to 45 million bushels compared with 64 million bushels for the same period last year. It is interesting to note that the volume of wheat routed to United States ports is very small amounting to 8 million bushels compared with 27 million bushels for the same weeks last year. Increased shipments to Montreal and Quebec are noted as compared with last year.

Export Clearances

The following table shows export clearances of wheat (excluding flour) from the various ports, by weeks, August 1 to October 12, 1933.

Week Ending	Montreal	Quebec	Sorel	Churchill	Vancouver and New Westminster	United States Ports	Total
	(Bushels)						
Aug. 4	1,319,468	304,500	473,177	-	378,973	412,000	2,888,118
11	1,773,227	-	231,193	-	244,733	159,000	2,408,153
17	2,103,871	-	192,000	-	393,033	120,000	2,808,904
24	1,063,061	-	234,000	1,234,661	376,520	278,000	3,186,242
31	1,819,943	-	204,999	943,512	613,183	406,000	3,987,637
Sept. 7	1,580,304	-	-	223,708	565,716	637,000	3,025,395 ^{1/}
14	1,267,161	301,481	267,000	-	861,597	498,000	3,195,239
21	1,968,394	447,927	232,099	-	748,783	490,000	3,887,203
28	1,783,364	268,650	589,370	-	654,992	517,000	3,813,376
Oct. 5	2,191,071	217,600	190,674	306,010	676,179	634,000	4,215,534
12	1,742,967	-	568,200	-	879,247	243,000	3,433,414
TOTAL	18,612,831	1,540,158	3,182,712	2,707,891	6,392,956	4,394,000	36,849,215 ^{1/}
LAST YEAR	24,991,919	372,455	5,621,854	2,736,030	13,189,380 ^{2/}	5,746,000	53,650,079 ^{2/}

1/ Includes 18,667 bushels cleared from Halifax in the week ending September 7.

2/ Includes 314,628 bushels and 677,813 bushels cleared from Victoria and Prince Rupert respectively.

As shown by the foregoing table export clearances of wheat from August 1, 1933 to October 12, 1933 amounted to 37 million bushels as compared with 57 million bushels for the same period last year. Clearances from Montreal have amounted to 19 million bushels compared with 25 million bushels for the same weeks last year. Clearances from Vancouver are also considerably lower than during the corresponding period of 1932-33.

Statistical Position of Canadian Wheat

The following table summarizes the statistical position of wheat in Canada at September 1, 1933, with comparative figures for 1932:

	<u>1932-33</u>	<u>1933-34</u>
	(Bushels)	
Carry-over, July 31	131,844,806	211,740,188
New Crop	455,000,000 ^{1/}	282,771,000 ^{2/}
Total Supplies	586,844,806	494,511,188
Domestic Requirements	119,627,000 ^{3/}	118,000,000 ^{3/}
Available Supplies	467,217,806	376,511,188
Exports - August and September	48,383,797	32,967,119
Balance for Export and Carry-over	418,834,009	343,544,069

1/ Approximate, until final revision made in January, 1934.

2/ Preliminary estimate.

3/ Subject to revision.

The carry-over of old wheat into the present crop year was about 80 million bushels more than at July 31, 1932. The 1933 crop, however, was about 172 million bushels less than the approximate total used for 1932 production. Domestic consumption in the present season will also be slightly less than in the crop year 1932-33. At August 1, the 1933-34 supplies for export and carry-over were calculated to be 376½ million bushels -- or about 91 million bushels less than at the same date of 1932. Some of this advantage was lost by the lower August - September exports this year and at October 1, supplies for export and carry-over were about 75 million bushels less than in 1932-33.

Stocks of United States Grain in Canada

At October 13, 1933, the stocks of United States wheat, oats and rye in Canada were much smaller than at the same date last year, while corn stocks were much higher. United States wheat in Canada amounted to only 2,795,278 bushels compared with 8,258,585 bushels last year. Of the former amount, 13,350 bushels are held at Georgian Bay ports, 989,797 bushels at Toronto, and the remainder (1,792,131 bushels) is in export position at Montreal, Quebec and Sorel.

United States oat stocks are held entirely at Georgian Bay ports and amount to 944,747 bushels compared with 1,555,595 bushels last year. A small amount of 366 bushels of United States rye is held at Toronto. 1932 stocks at the same date were 99,344 bushels.

The large stocks of United States corn, some of which are in transit, result from a light crop in Canada and lack of export supplies from South Africa. United States corn in Canada amounted to 9,434,343 bushels on October 13, 1933, compared with only 3,150,407 bushels last year at the same date.

Exports of Canadian Wheat

The following tables show exports of wheat and flour during 1933-34 with comparative figures for preceding years:-

	<u>W H E A T</u>			
	<u>1933-34</u>	<u>1932-33</u>	<u>1931-32</u>	<u>1930-31</u>
	(Bushels)			
August	8,652,970	18,289,832	11,909,108	17,639,228
September	19,666,351	26,874,237	14,335,637	27,817,053
October		40,192,415	18,925,303	29,784,275
November		27,301,976	27,452,063	31,217,924
December		27,735,999	22,355,975	22,230,397
January		14,706,801	9,472,346	9,608,852
February		10,922,337	9,898,363	10,296,603
March		14,815,705	9,920,634	12,895,567
April		4,460,214	7,513,289	4,680,769
May		21,464,848	15,543,013	29,521,699
June		16,998,672	15,857,427	20,783,219
July		16,373,532	19,620,224	12,060,817
T O T A L		240,136,568	182,803,382	228,536,403

	<u>F L O U R</u>			
	<u>1933-34</u>	<u>1932-33</u>	<u>1931-32</u>	<u>1930-31</u>
	(Barrels)			
August	480,288	330,382	522,178	627,233
September	552,556	385,113	556,565	734,349
October		528,794	558,459	813,691
November		576,864	476,487	792,271
December		492,033	451,310	601,894
January		397,304	331,806	392,256
February		333,114	337,513	414,773
March		490,270	414,779	560,553
April		234,387	255,390	326,117
May		565,080	461,867	481,265
June		544,507	570,861	490,294
July		492,765	446,379	466,967
T O T A L		5,370,613	5,383,594	6,701,663

	<u>WHEAT AND WHEATFLOUR</u>			
	<u>1933-34</u>	<u>1932-33</u>	<u>1931-32</u>	<u>1930-31</u>
	(Bushels)			
August	10,814,266	19,776,551	14,258,909	20,461,776
September	22,152,853	28,607,246	16,840,179	31,121,623
October		42,571,988	21,438,369	33,445,884
November		29,897,864	29,596,254	34,783,143
December		29,950,148	24,386,870	24,938,920
January		16,494,669	10,965,473	11,374,004
February		12,421,350	11,417,172	12,163,082
March		17,021,920	11,787,139	15,418,056
April		5,514,956	8,662,544	6,148,296
May		24,007,708	17,621,415	31,687,392
June		19,448,954	18,426,301	22,989,542
July		18,590,974	21,628,930	14,106,169
T O T A L		264,304,326	207,029,555	258,267,212



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The Canadian Trade Commissioner for Australia cabled as follows on
October 14:

"Not anticipated a month ago that quotations on limited quantity Australian wheat available exportation would further decline but unexpected has happened. No demand from China and Japan generally has taken a good few cargoes at this season of year but only one cargo shipped for latter country within last month possibly because reports United States may subsidize shipments to Orient. In Australian currency prices to-day average about two shillings or thirty-eight cents Canadian per bushel at country railway stations and two shillings seven pence equivalent forty-nine cents Canadian per bushel f.o.b. steamer constituting decline of five pence to six pence half penny during last four weeks. Total shipments and commitments approximate 3,900,000 tons leaving balance about 150,000 tons mostly held New South Wales elevators. New crop prospects through beneficial rains have improved and on present indications the coming harvest will approximate 177,000,000 bushels. No definite plan yet formulated respecting export quota for new seasons crop but understood Government giving matter consideration. Flour depressed prices declined over pound ton during month. To-day's export prices five pounds ten shillings ton Australian currency equivalent to twenty dollars seventy-nine cents Canadian funds in 150 pound sacks and in 49 pound bags five pounds fifteen shilling or twenty-one dollars seventy-four cents Canadian. Freights old crop charters unchanged but new crop charters have been fixed at twenty-five shillings bagged from West Australia three pence higher from South Australia and twenty-two shillings six pence bulk from New South Wales while sailing vessels from South Australia fixed about twenty-five shillings three pence ton United Kingdom continent payable English currency."