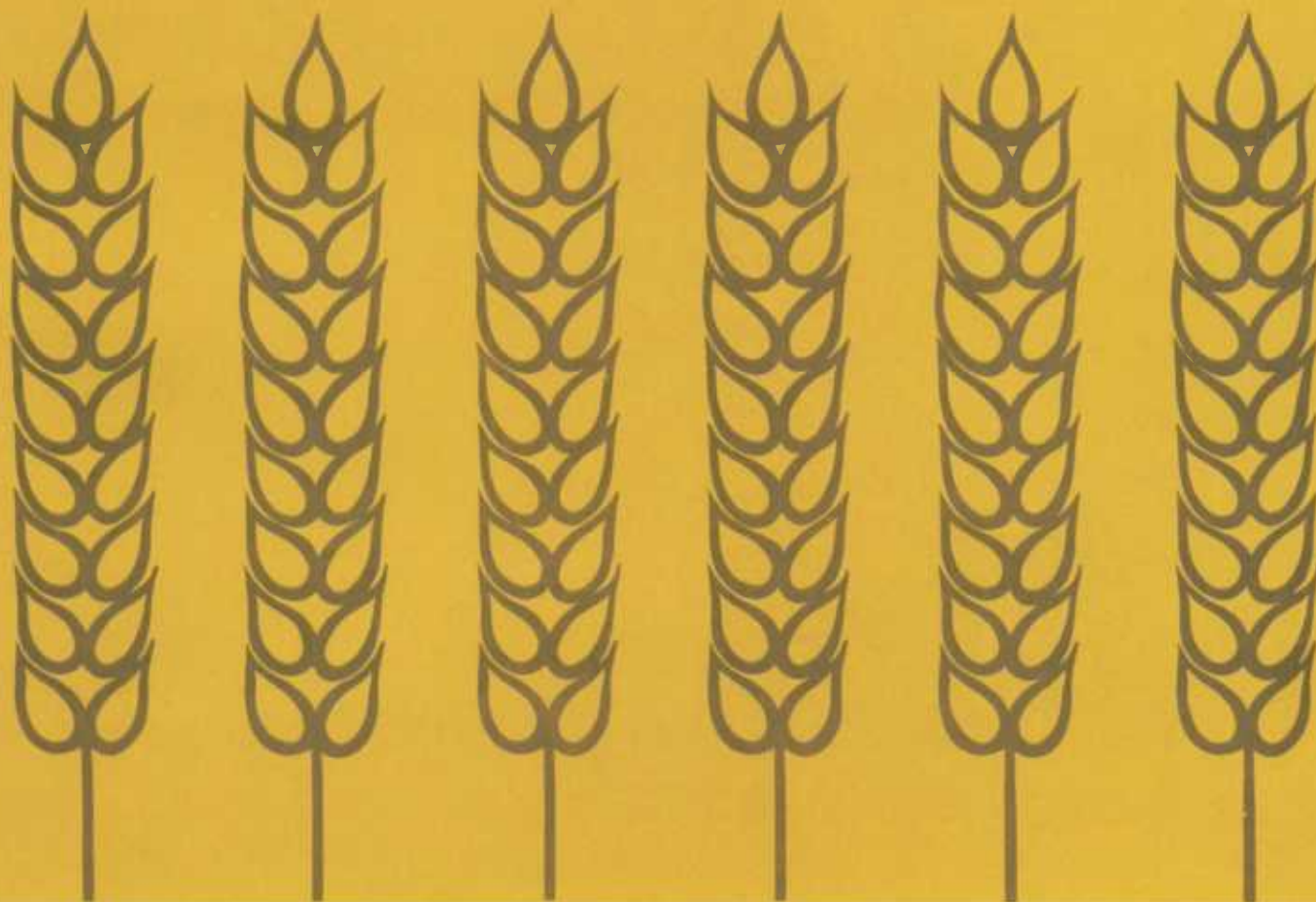
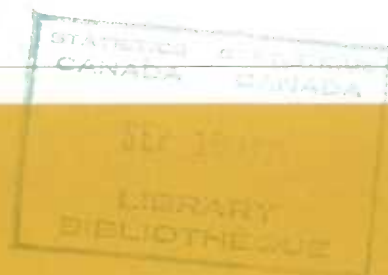


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The wheat review

AUGUST 1973



STATISTICS CANADA

Agriculture Division

Crops Section

THE WHEAT REVIEW

AUGUST 1973

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S Y M B O L S

The following standard symbols are used
in Statistics Canada publications:

- .. figures not available.
- nil or zero.
- p preliminary figures.
- r revised figures.

Due to rounding, the sums of individual items
may not agree exactly with the totals.

WORLD WHEAT SITUATION

Crop Year Shipments Total shipments of wheat and flour in terms of wheat, from Canada, Australia, United States and Argentina during the 1972-73 (August-July) crop year, have amounted to 2,167.6 million bushels, some 43 per cent more than the 1971-72 level of 1,510.8 million and 45 per cent above the ten-year (1961-62 - 1970-71) average of 1,497.3 million. During the August - July period of 1972-73 all of the traditionally major exporting countries with the exception of Australia registered higher exports this year than last. Shipments from the four traditional major exporters during the 1972-73 crop year, with comparisons, appear in the following table.

Exports of Wheat and Flour in Terms of Wheat, August-July 1972-73 with Comparisons

August - July	Canada	Australia	United States	Argentina	Total	France
million bushels						
1950-51	241.0	127.8	375.3	94.5	838.6	
1951-52	355.8	93.4	466.6	24.1	939.9	
1952-53	385.5	107.0	322.6	38.9	854.0	
1953-54	255.1	63.4	211.4	110.3	640.2	
1954-55	251.9	94.3	280.4	134.5	761.1	
1955-56	312.3	107.5	359.4	108.6	887.8	
1956-57	264.4	120.2	539.5	100.6	1,024.7	
1957-58	320.3	61.9	396.4	77.6	856.2	
1958-59	294.5	82.7	455.6	106.2	939.0	
1959-60	277.3	117.8	513.1	76.5	984.7	
1960-61	353.2	198.0	677.5	62.9	1,291.6	
1961-62	358.0	219.8	704.2	95.5	1,377.5	
1962-63	331.4	186.2	650.6	60.7	1,228.9	
1963-64	594.5	274.0	852.3	106.5	1,827.3	
1964-65	399.6	245.1	736.9	174.3	1,555.9	
1965-66	584.9	193.3	868.6	280.7	1,927.5	
1966-67	515.2	264.0	732.7	101.1	1,613.0	111.0
1967-68	336.0	247.4	754.9	70.5	1,408.8	155.4
1968-69	305.8	210.8	541.0	91.6	1,149.2	221.5
1969-70	346.5	272.5	608.3	83.2	1,310.5	205.9
1970-71	435.2	346.8	738.3	53.7	1,574.0	124.3
1971-72 ^r	503.8	309.7	644.0	53.3	1,510.8	218.7
1972-73 ^p	577.7	205.9	1,249.1	134.9	2,167.6	256.4(1)

(1) August - June only.

Wheat Supplies At the close of the Canadian crop year (July 31), total supplies of wheat remaining in Canada, Australia, United States and Argentina, Decline from for export and for carryover at the end of their respective crop Last Year years, amounted to 1,695.8 million bushels, 26 per cent below the 2,305.4 million at the same date in 1972. During 1972-73 decreases in supplies were registered in Canada, Australia and United States while those in Argentina increased over a year ago. Supplies on or about August 1, 1973 in millions of bushels, were held as follows, with last year's comparable figures in brackets: Canada, 366.1(583.8); Australia, 45.4(130.8); United States, 1,240.0(1,552.0); and Argentina, 44.3(38.8). Estimates for both years include on-farm stocks as well as those in commercial positions. It is to be noted that the 1973 United States crop, estimated at 1,717.0 million bushels, is now included. The supply figures for Canada represent crop-year-end carryover only, as the new crop will not be taken into account until September 1 in these calculations. The new Australian and Argentine production for 1972-73 will be included at January 1.

Exports of Wheat and Flour in Terms of Wheat, August-July 1972-73
with Comparisons

August-July	Canada	Australia	United States	Argentina	Total	France
million metric tons						
1950-51	6,559	3,478	10,214	2,572	22,823	
1951-52	9,683	2,542	12,699	656	25,580	
1952-53	10,492	2,912	8,780	1,059	23,242	
1953-54	6,943	1,725	5,753	3,002	17,424	
1954-55	6,856	2,566	7,631	3,661	20,714	
1955-56	8,500	2,926	9,781	2,956	24,162	
1956-57	7,196	3,271	14,683	2,738	27,888	
1957-58	8,717	1,685	10,788	2,112	23,302	
1958-59	8,015	2,251	12,400	2,890	25,556	
1959-60	7,547	3,206	13,964	2,082	26,799	
1960-61	9,613	5,389	18,439	1,712	35,152	
1961-62	9,743	5,982	19,165	2,599	37,490	
1962-63	9,019	5,068	17,707	1,652	33,446	
1963-64	16,180	7,457	23,196	2,898	49,732	
1964-65	10,875	6,671	20,055	4,744	42,345	
1965-66	15,919	5,261	23,640	7,639	52,459	
1966-67	14,022	7,185	19,941	2,752	43,899	3,021
1967-68	9,145	6,733	20,545	1,919	38,342	4,229
1968-69	8,322	5,737	14,724	2,493	31,276	6,028
1969-70	9,430	7,416	16,555	2,264	35,666	5,606
1970-71	11,844	9,438	20,093	1,461	42,838	3,383
1971-72 ^r	13,711	8,429	17,527	1,451	41,118	5,952
1972-73 ^p	15,723	5,604	33,995	3,671	58,993	6,978(1)

(1) August-June only.

CANADIAN SITUATION

Supplies Decline
Steadily for the
Last Three Years

Total supplies of Canadian wheat in the crop year 1972-73 totalled 1,117.0 million bushels, representing a decline of 12 per cent from the previous year's total of 1,263.7 million, with a sharp decrease in carryover stocks more than offsetting a slight increase in production. Stocks at the beginning of the crop year amounted to 583.8 million bushels, 20 per cent below the 734.2 million at July 31, 1971. The 1972 crop, at 533.3 million bushels, showed little change from the 529.6 million level.

Exports of wheat and wheat flour in terms of wheat during the 1972-73 crop year amounted to 577.7 million bushels some 74 million more than the 503.8 million shipped in 1971-72, and were the third highest on record. Domestic use of wheat in Canada, at 173.3 million bushels in 1972-73, was 2 per cent less than the 176.2 million of the previous year but 11 per cent above the recent ten-year average of 156.3 million. Seed use, in keeping with a 16 per cent increase in acreage in 1973 was also 16 per cent more than the amount used in the previous year while quantities used as human food and for industrial use showed little change.

Reflecting the combined effect of a smaller total supply and increased disappearance (export and domestic) the July 31, 1973 carryover, at 366.1 million bushels was reduced by 37 per cent from the 1972 level of 583.8 million.

Revised Total Supply and Disposition of Canadian Wheat 1968-69 — 1972-73
(Crop Years August 1 — July 31)

Item	1968-69	1969-70	1970-71	1971-72 ^P	1972-73 ^P
million bushels					
<u>Supplies</u>					
Carryover, at beginning of crop year	665.5	851.8	1,008.7	734.2	583.8(1)
Production	650.0	671.2	331.6	529.6	533.3
Total (2)	1,315.5	1,523.0	1,340.3	1,263.7	1,117.0
<u>Disposition</u>					
Exports, wheat and flour	305.8	346.5	435.3	503.8	577.7
Human consumption ...	61.4	64.6	64.4	65.3	65.3
Seed	33.4	16.8	26.1	28.6	33.3
Industrial use	1.1	0.5	0.6	0.5	0.5
Carryover, at end of crop year	851.8	1,008.7	734.2	583.8	366.1
Residual item(3)	61.9 ^r	86.0	79.7	81.8	74.3
Total	1,315.5	1,523.0	1,340.3	1,263.7	1,117.0

- (1) Subject to further revision pending receipt of Canadian Grain Commission's final data on commercial stocks at July 31, 1973.
(2) Includes small amounts of imports.
(3) Includes feed for livestock and waste but also reflects the effect of any estimating errors in other components of the balance sheet.

1972-73 Crop Year
Exports Third Highest
on Record

According to preliminary data, combined exports of wheat in bulk, seed wheat and wheat flour in terms of wheat equivalent in the crop year (August-July) 1972-73 amounted to 577.7 million bushels, an increase of 15 per cent over the previous year's total of 503.8 million bushels and 37 per cent above the ten-year (1961-62 — 1970-71) average exports of 420.7 million bushels.

Exports of wheat in bulk (as reported by the Canadian Grain Commission) amounted to 552.8 million bushels, some 16 per cent more than the 478.1 million shipped in 1971-72 and 43 per cent larger than the ten-year average of 387.3 million. Exports of seed wheat, based on preliminary Customs data amounted to 0.4 million bushels in contrast to the 1971-72 adjusted figure of 1.0 million. Wheat flour exports, based on preliminary data, were the equivalent of 24.4 million bushels, little changed from the 24.7 million adjusted exports cleared during 1971-72 and 23 per cent below the ten-year average of 31.7 million.

The 1972-73 total for exports of wheat in bulk was compiled from overseas clearances (and exports to the United States) as reported by the Canadian Grain Commission, while data on exports of wheat flour and seed wheat were obtained from Canadian Customs returns. Adjusted data on wheat flour exports for the 1972-73 crop year, removing the effect of time lag in reporting Customs returns, will be included in a subsequent issue of this publication.

Monthly exports of wheat in bulk, seed wheat and wheat flour in terms of wheat during the crop year recently completed ranged from a high of 70.6 million bushels in October 1972 to a low of 28.1 million in January 1973. Overseas clearances of bulk wheat, the major component of the total exports of wheat, seed wheat and flour, ranged between 68.9 million bushels in October and 26.9 million in January.

U.S.S.R. (Russia) and the Peoples' Republic of China were the major markets for Canadian wheat with purchases of 163.2 million and 153.3 million bushels, respectively, and accounted for 30 per cent and 28 per cent of the 1972-73 crop year total.

During the 1971-72 crop year Russia imported 109.6 and the Peoples' Republic of China, 111.7 million bushels, each accounting for 23 per cent of the total. Other principal markets during the 1972-73 crop year with quantities in millions of bushels, with the 1971-72 figures in brackets were as follows: Japan, 50.7 (50.6); Britain, 43.9 (47.1); India, 16.2 (23.0); Brazil, 15.6 (13.6); Italy, 14.8 (14.4); Algeria, 8.8 (10.9); Germany West, 8.5 (10.5); Bangladesh, 7.3 (5.0); and Cuba, 7.2 (7.6).

Initial Payment Prices
Wheat, Oats and Barley
1973-74 Crop Year

On August 1, 1973 The Canadian Wheat Board in its Instructions to the Trade No. 7 for the 1973-74 Crop Year stated that:

Instructions to the Trade No. 4 dated July 26, 1973, is hereby cancelled and replaced with the following:

The Canadian Wheat Board announces the following initial payments effective on and after August 1, 1973:

<u>Wheat</u>	-	Two dollars and twenty-five cents (\$2.25) per bushel basis the grade No. One C. W. Red Spring in store Thunder Bay or Vancouver.
<u>Oats</u>	-	One dollar and ten cents (\$1.10) per bushel basis the grade No. 2 Canada Western in store Thunder Bay or Vancouver.
<u>Barley</u>	-	One dollar and fifty cents (\$1.50) per bushel basis the grade No. 2 Canada Western Six Row in store Thunder Bay or Vancouver.

Delivery Quotas
1973-74 Crop Year

The Canadian Wheat Board in its Instructions to the Trade re Quotas (General) No. 1 under date of July 27, 1973 for the 1973-74 Crop Year stated that the Board wishes to advise that all delivery quotas in effect in the 1972-73 crop year, including all special quotas and special permits, will automatically expire as at the close of business July 31, 1973.

Effective on and after August 1, 1973, the Board's quota policy for the 1973-74 crop year will be as indicated below.

Separate quotas, providing for the delivery of the kinds and grades of grain needed to meet market requirements will be established by the Board for Hard Red Spring, Durum, Soft White Spring, Alberta Winters, Utility types of Wheat, Oats, Barley, Rye, Flaxseed and Rapeseed, and will be based on the producer's quota acres assigned by him and shown in his 1973-74 delivery permit book.

Quotas for the delivery of Board Wheat, Oats and Barley will be non-cumulative and each quota as announced will be designated by an alphabetic letter; e.g., the first Wheat quota will be Wheat "A"; the second Wheat "B"; and so on as quotas are established. Similar alphabetical designations will be used for Oats and Barley quotas.

Quotas for non-Board grains will be cumulative and these quotas will be announced in the usual way at a specified level per assigned quota acre.

Selected Soft White Spring wheat.—Effective August 1 the Board will consider applications submitted by Mills on behalf of producers to deliver Selected Soft White Spring Wheat provided:

- (a) the producer has assigned quota acres to Selected Soft White Spring Wheat; and
- (b) the Mill agrees to accept delivery of the Selected Soft White Spring Wheat when shipped to it.

Full details covering the foregoing provisions are outlined in Instructions to the Trade re Quotas - Selected Soft White Spring Wheat No. 1 dated July 27, 1973.

Producers with Soft White Spring Wheat who are unable to take advantage of this program will be able to deliver this type of wheat to country elevators under separate quotas that will be established for this type of wheat.

Selected Pitic 62 wheat.—Effective August 1 the Board will consider applications on behalf of producers of high quality Pitic 62 Wheat for permission to deliver such wheat provided:

- (a) the producer has re-assigned fifty (50) quota acres to Selected Pitic Wheat for the shipment of a carlot; and
- (b) a representative sample of such carlot has been submitted to and accepted by a selector, and meets the following specifications:
 - (i) must grade No. 1 or No. 2 Canada Utility.

- (ii) have a minimum of fifty-eight (58) pounds test weight per bushel.
- (iii) be not less than 95 per cent Pitic variety, reasonably sound and fairly well matured kernels with not over 3 per cent other cereal grains.
- (iv) moisture content must not be over 14.5 per cent.

Full details covering the foregoing provisions are outlined in Instructions to the Trade re Quotas - Selected Pitic 62 Wheat No. 1 dated July 27, 1973.

Selected oats to mills and processors.—Effective August 1 the Board will consider applications on behalf of producers of high quality oats for permission to deliver such oats provided:

- (a) the producer has assigned quota acres to Selected Oats;
- (b) a representative sample of such oats has been submitted to and accepted by a mill or processor as suitable and to be used for the manufacture of breakfast foods and other products used for human consumption;
- (c) the oats will grade Extra No. 1 Feed or higher; and
- (d) a premium is to be paid to the producer for such oats so accepted.

Full details covering the foregoing provisions are outlined in Instructions to the Trade re Quotas - Selected Oats No. 1 dated July 27, 1973.

Selected malting, pot and pearling barley.—Effective August 1 the Board will consider applications on behalf of producers of malting, pot and/or pearling barley for permission to deliver one car of such barley provided:

- (a) the producer has assigned fifty (50) quota acres to such barley.
- (b) a representative sample of such carlot has been submitted to and accepted by a maltster or shipper as suitable for malting, pot and/or pearling; and
- (c) a premium is to be paid to the producer for the carlot of barley so accepted.

Full details covering the foregoing provisions are outlined in Instructions to the Trade re Quotas - Selected Barley No. 1 dated July 27, 1973.

Rye to distillers and flaxseed or rapeseed for crushing plants during the 1973-74 crop year.—Separate quota acres assignments will not be required for delivery of rye, flaxseed or rapeseed to country elevators or specialty markets. Producers will make only one acreage assignment for each of these grains when completing their 1973-74 permit books. This single assignment for each of these three grains will be the basis for deliveries that are made during the current crop year, whether it be to a country elevator or to a specialty market, such as a crushing plant or distillery. The permit book has therefore been re-designed to accomodate such deliveries.

Specialty market quotas for the 1973-74 crop year are as detailed hereunder effective August 1, 1973:

Rye to Distillers - thirty (30) bushels per assigned quota acre.
 Flaxseed to Crushers - twenty (20) bushels per assigned quota acre.
 Rapeseed to Crushers - twenty-five (25) bushels per assigned quota acre.

The "maximum deliverable" of rye, flax or rapeseed for a producer will be determined by multiplying the quota acres assigned in the permit book to each of the grains times the quota level established for the respective specialty market.

Deliveries to country elevators will be basis the quota acres assigned in the permit book and quota levels will be announced by the Board from time to time.

Total deliveries under elevator quotas plus total deliveries to specialty markets cannot exceed the maximum deliverable for each grain.

The maximum balance deliverable to distillers, rapeseed or flaxseed crushing plants must be reduced by deliveries made to country elevators.

It will be appreciated if all companies will bring the 1973-74 quota policy to the attention of elevator managers and producers.

GENERAL QUOTAS 1973-74 AS AT MONDAY, AUGUST 13, 1973

	<u>A</u>	
Alberta Red Winter	5	All blocks
Soft White Spring	5	All blocks
Rye	20	All blocks
Flaxseed	15	All blocks
Rapeseed (other)	15	All blocks

SPECIAL QUOTAS AS AT MONDAY, AUGUST 13, 1973

Selected Soft White Spring wheat	Rail - 1 carlot (40 assigned acres) Truck - 50 bushels per assigned acre	All blocks
Selected Hercules durum		
Selected oats	Rail - 1 carlot (60 assigned acres) Truck - 50 bushels per assigned acre	All blocks
Selected barley		
Rye for distilleries	30 bushels per assigned quota acre	All blocks
Flaxseed for processors	20 bushels per assigned quota acre	All blocks
Rapeseed (low erucic acid)		
Rapeseed for crushers	25 bushels per assigned quota acre	All blocks
Two-Row barley		
Six-Row barley (olli variety)		
Malting pot & pearling barley	50 bushels per assigned quota acre	All blocks

General Quotas 1973-74 as at Monday, August 13, 1973 Canadian National Railway Blocks

No.	Name	<u>Wheat (all others)</u>	<u>Utility wheat</u>	<u>Durum</u>		<u>Hercules Durum</u>
		A	A	A	B	
bushels per quota acre						
01	Winnipeg N. ..	5	5	5	5	
03	Winnipeg S. ..	5	5	5	5	
05	Winnipeg W. ..	5	5	5	5	
07	Brandon N. ...	5	5	5	5	
09	Brandon W. ...	5	5	5	5	
11	Melville	5	5	5	5	
13	Dauphin	5	5	5	5	
15	Kamsack	5	5	5	5	
17	Saskatoon M. .	5	5	5	5	
19	Saskatoon S. .	5	5	5	5	
21	Saskatoon W. .	5	5	5	5	
23	Saskatoon N. .	5	5	5	5	
25	Pr. Albert E.	5	5	5	5	
27	Pr. Albert S.	5	5	5	5	
29	Pr. Albert W.	5	5	5	5	
31	Saskatoon E. .	5	5	5	5	
33	Regina S.	5	5	5	5	
35	Regina W. ...	5	5	5	5	
37	Biggar N. ...	5	5	5	5	
39	Biggar W. ...	5	5	5	5	
41	Edmonton N. .	5	5	5	5	
43	Edmonton S. .	5	5	5	5	
45	Edmonton W. .	5	5	5	5	
47	Hanna S.	5	5	5	5	
49	Hanna W.	5	5	5	5	
90	Nar West	5	5	5	5	
98	G.S.L.	5	5	5	5	

General Quotas 1973-74 as at Monday, August 13, 1973 Canadian Pacific Railway Blocks

No.	Name	<u>Wheat (all others)</u>	<u>Utility wheat</u>	<u>Durum</u>		<u>Hercules Durum</u>
		A	A	A	B	
bushels per quota acre						
61	Keewatin	5	5	5	5	
62	La Riviere ...	5	5	5	5	
63	Carberry	5	5	5	5	
64	Brandon	5	5	5	5	
71	Weyburn	5	5	5	5	
72	Pasqua	5	5	5	5	
73	Bulyea	5	5	5	5	
74	Bredenbury ...	5	5	5	5	
75	Saskatoon	5	5	5	5	
76	Wilkie	5	5	5	5	
77	Assiniboia ...	5	5	5	5	
78	Swift Current.	5	5	5	5	
79	Outlook	5	5	5	5	
81	Medicine Hat .	5	5	5	5	
82	Brooks	5	5	5	5	
83	Lethbridge ...	5	5	5	5	
84	Vulcan	5	5	5	5	
85	Calgary	5	5	5	5	
86	Red Deer	5	5	5	5	
87	Edmonton	5	5	5	5	
95	N.A.R. East ..	5	5	5	5	
	B.C. Stations.	5	5	5	5	

Lake Shipments of
Canadian Grain

Total shipments of the six major grains out of Lakehead terminals from the opening of navigation to August 8 this year amounted to 221.0 million bushels, 21 per cent below the 281.4 million shipped during the same period in 1972. The 1973 season of navigation opened on March 30 while the 1972 season opened on April 14. Shipments of wheat, at 152.7 million were 3 per cent above the 1972 figure of 147.7 million bushels and accounted for 69 per cent of the total.

Lake Shipments of Canadian Grain from the Opening of Navigation to August 8, 1973
and to Approximately the Same Date 1962 to 1972

Year	Wheat	Oats	Barley	Rye	Flaxseed	Rapeseed	Total
thousand bushels							
1962	67,483	7,843	12,056	1,176	3,129	—	91,687
1963	87,313	20,571	11,480	1,548	3,297	—	124,207
1964	187,186	13,170	16,072	2,283	4,539	—	223,250
1965	118,791	25,081	17,549	2,291	5,223	559	169,495
1966	196,406	14,594	19,096	4,031	7,195	555	241,876
1967	147,241	19,196	41,354	2,745	5,002	816	216,354
1968(1)	77,196	7,968	8,764	567	2,930	255	97,681
1969	76,681	7,804	19,329	939	4,344	760	109,857
1970	127,295	12,306	57,119	1,820	6,559	2,989	208,088
1971	144,918	12,814	70,334	2,238	8,517	9,241	248,062
1972	147,680	13,175	101,997	2,529	7,205	8,818	281,404
1973	152,704	8,223	46,604	700	6,257	6,505	220,992

(1) Reports indicate that no grain moved down the Great Lakes from July 18 to July 31, 1968, due to the Lakehead strike.

Advances Issued Under the
Prairie Grain Advance
Payments Act

Requests are received concerning the level of cash advances issued and outstanding. This information from the Canadian Wheat Board will be carried in the Wheat Review as a regular feature.

Advances issued August 1 - 24, 1973

nil advances totalling \$ nil

Outstanding advances on August 24, 1973

Issued in 1972-73	3,129,092
Issued in 1971-72	929,590
Issued in 1970-71 and prior	2,592,093

Total outstanding advances	\$6,650,775
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Preliminary Estimates
of Specified Crop and
Summerfallow Acreages
1973

The acreage estimates for 1973 are, with some exceptions, based on returns from the Statistics Canada annual June survey of seeded acreages and have been made in consultation with the officials responsible for agricultural statistics in each of the provinces. Current estimates are subject to revision in the light of further information received during the season and when marketing and other check data become available after the end of the crop year.

Preliminary Estimates of Crop and Summerfallow Acreages, 1973
with Comparisons — Canada(1)

Crops	Average 1962-71	1971	1972	1973	1973 as % of 1972
		acres			per cent
Winter wheat	384,300	341,000	365,000	350,000	96
Spring wheat(2)	25,463,410	19,065,700	20,984,700	24,385,700	116
All wheat	25,847,710	19,406,700	21,349,700	24,735,700	116
Oats for grain(3) ..	9,162,870	7,823,900	7,144,000	7,678,000	107
Barley	8,074,950	13,980,500	12,510,900	12,308,200	98
Fall rye(4)	668,120	906,300	593,000	591,500	100
Spring rye	87,760	50,700	41,500	42,000	101
All rye	755,880	957,000	634,500	633,500	100
Corn for grain	891,263(5)	1,410,100	1,327,000 ^r	1,261,000	95
Mixed grain	1,706,330	2,054,800	2,064,900	2,001,500	97
Flaxseed	1,930,790	1,767,800	1,321,000	1,450,000	110
Rapeseed	1,864,020	5,306,000	3,270,000	3,150,000	96
Soybeans	283,300	367,000	405,000	475,000	117
Summerfallow	27,806,900	26,224,000	29,000,000	25,500,000	88

- (1) In some provinces the area seeded to certain crops is too small to permit reliable annual estimates. Acreages in such crops have not been included in the totals for Canada.
- (2) Included relatively small acreages of winter wheat in all provinces other than Ontario.
- (3) Includes oats for grain and for hay in the Prairie Provinces.
- (4) Includes small acreages of spring rye in Quebec, Ontario and British Columbia.
- (5) Broken period average.

Total wheat acreage in Canada in 1973, estimated at 24.7 million acres, is 16 per cent larger than last year's 21.3 million. In the Prairie Provinces, where most of Canada's wheat is grown, acreage is estimated at 24.2 million, an increase of 16 per cent from last year's 20.8 million. The area seeded to oats in Canada in 1973 is estimated at 7.7 million acres, 7 per cent higher than that of 1972 and 16 per cent less than the ten-year average of 9.2 million acres. In the Prairie Provinces the oats acreage at 6.3 million acres, is 11 per cent larger than that of 1972. Canadian barley acreage for 1973 at 12.3 million acres decreased 2 per cent from the 1972 level of 12.5 million but is 52 per cent above the ten-year average of 8.1 million. Barley acreage in the Prairies is placed at 11.7 million, down 2 per cent from the 1972 level.

Rye acreage at 633,500 is practically the same as in 1972 and 16 per cent below the ten-year 1962-71 average. Fall seedings of rye were down slightly but spring rye acreage increased by one per cent. The greater part of Canada's rye is grown in the Prairie Provinces where the 1973 acreage is estimated at 582,000 acres as compared with 581,500 in 1972.

Protein Content of
1973 Crop of Canadian
Eastern Winter Wheat

A press release from the Canadian Grain Commission, Grain Research Laboratory, for Wednesday, August 29, 1973 stated that the Eastern Grain Standards Committee was informed yesterday at a meeting in London, Ontario, that the protein content of the 1973 crop of Canadian Eastern Winter wheat is estimated to be 10.4 per cent. This figure obtained by the Research Laboratory of the Canadian Grain Commission is based upon analyses of the protein content of 295 samples of new-crop winter wheat collected by the Grain Commission's Inspection Office in Chatham, Ontario. These samples originated from 54 Stations in seven counties in south-western Ontario.

The average protein content of 10.4 per cent for the 1973 crop is somewhat higher than the average protein content of 9.8 per cent for the nine previous harvest surveys from 1964 to 1972. The protein content of 1973 crop wheat is highest for samples from Essex county (averaging 10.6 per cent) and Kent county (averaging 10.4 per cent); it is lowest for samples from Brant and Huron counties.

The protein content of the new-crop Canadian Eastern White Winter wheat increases as the grade decreases; No. 1 C.E., 9.7 per cent; No. 2 C.E., 10.4 per cent; No. 3 C.E., 10.6 per cent; and No. 4 C.E., 10.9 per cent. The predominant grade in the 1973 survey is No. 2 Canada Eastern, and represents nearly 65 per cent of the samples; No. 3 Canada Eastern is next, and represents almost 25 per cent of the samples.

The 1973 crop of Canadian Eastern White Winter wheat was grown on an estimated 350,000 acres.

Weather
and Crops

A Telegraphic Crop Report, published by Statistics Canada on August 22, 1973 summarized crop conditions in each of the Prairie Provinces as follows:

The weekend storm in the southern, central and western parts of Manitoba caused some crop damage and delayed harvesting a few days. Strong winds, heavy rain and scattered hail caused lodging of heavier crops. Harvest is general in northern regions and well under way for early crops in southern areas. Average to better than average yields are being reported except for rapeseed. Swathing is well advanced in the southwest and south-central part of Saskatchewan with some combining in the extreme southwest. Swathing of coarse grains is beginning in the southeast, central and west-central districts and will be general next week. In the east-central area the hot, dry weather has caused some deterioration of the crops. Swathing in this area will commence later this week or next. Approximately 60 per cent of the rapeseed is in the swath in the northern districts. Barley and wheat will be later than usual in the north. The hot, dry weather is forcing maturity of late crops. Low temperatures on August 19 and 20 resulted in frost to many low-lying areas of northern and central Alberta although it is difficult to assess the extent of the damage at this time. On August 16 to 18 wet snow and heavy rain caused considerable crop damage in the western Peace River District with areas around Beaverlodge receiving upward to one foot of snow. Elsewhere crop prospects remain favourable with average to above average yields in most areas except the south. Reports from the southern districts indicate yields will be below average due to the very dry growing season. Provincially, 15 per cent of wheat, 11 per cent of barley, 6 per cent of flaxseed, 71 per cent of rye, and 11 per cent of rapeseed has been cut. Two to 5 per cent of wheat, barley, flaxseed and rapeseed and 52 per cent of fall rye has been combined.

Carryover Stocks
of Canadian Grain
at July 31, 1973

Total carryover stocks of the six major Canadian grains in all North American positions at July 31, 1973 were estimated at 676.6 million bushels, 30 per cent below last year's revised total of 972.8 million. Decreases occurred in stocks of each of these same six grains from the previous year.

Total stocks of wheat were estimated at 366.1 million bushels, 37 per cent below last year's revised estimate of 583.8 million. Stocks of oats in all positions estimated at 79.7 million bushels, were 33 per cent smaller than last year's 118.3 million. Barley stocks, at 192.7 million bushels, decreased by 2 per cent from the 195.8 million held in 1972. Carryover stocks of rye in all positions, estimated at 10.2 million bushels were down 35 per cent from last year's 15.8 million. July-end carryover stocks of flaxseed at 7.8 million bushels, were 51 per cent lower than the previous year's 16.0 million and rapeseed, at 20.1 million were in sharp contrast to last year's figure of 43.1 million.

Stocks of Canadian Grain at July 31, 1973

Position	Wheat	Oats	Barley	Rye	Flax- seed	Rape- seed
thousand bushels						
<u>In Canada</u>						
On farms	115,000	65,000	88,000	1,600	600	400
Primary elevators (1).....	141,387	8,309	64,792	4,842	2,826	9,211
Process elevators	4,014	191	2,681	104	43	564
Interior terminals	552	120	4,110	—	212	277
Vancouver	6,198	6	2,464	602	533	2,841
Victoria	296	—	—	—	—	—
Prince Rupert	765	—	—	—	—	—
Churchill	2,462	46	1,207	—	—	—
Thunder Bay	30,003	2,076	16,426	2,045	2,343	3,824
In transit — lake	11,635	132	2,103	—	147	—
" — rail	23,777	1,616	6,565	700	1,054	2,985
Eastern transfer elevators	26,906	2,035	4,307	311	68	8
Eastern mills	2,507	128	—	—	—	—
Western mills	558	—	2	2	—	—
Total in Canada	366,060	79,659	192,657	10,206	7,826	20,110
In United States	—	—	—	—	—	—
Total, Canadian grain in Canada and United States, July 31, 1973	366,060	79,659	192,657	10,206	7,826	20,110
<u>Comparative Stocks, July 31, 1972^r</u>						
In Canada	583,757	118,257	195,843	15,796	16,032	43,139
In United States	—	—	—	—	—	—
Total, Canada and United States ...	583,757	118,257	195,843	15,796	16,032	43,139
Average stocks, July 31, 1963-72	630,052	128,734	139,628	9,389	9,885	—

(1) Preliminary revised - subject to further revision.

Farm Stocks
in the Prairie Provinces

Farm-held stocks of wheat, oats, barley, rye, flaxseed and rapeseed in the Prairies, at July 31, 1973 amounted to 246.6 million bushels, in sharp contrast to the July-end 1972 total of 509.8 million. Since the bulk of farm stocks of grain is held in Western Canada, stocks in the Prairie Provinces have been segregated for ease in comparison with last year's totals. Approximately 91 per cent of this year's farm-held stocks was located in the Prairie Provinces compared with 94 per cent at July 31, 1972.

Estimated Farm Stocks in the Prairie Provinces, July 31, 1973 and 1972

Province	Wheat	Oats	Barley	Rye	Flax- seed	Rape- seed
thousand bushels						
Manitoba	5,000	8,000	8,000	100	100	50
Saskatchewan	85,000	22,000	36,000	800	400	250
Alberta	20,000	22,000	38,000	700	100	100
Total, July 31, 1973	110,000	52,000	82,000	1,600	600	400
Total, July 31, 1972	308,000	78,000	96,000	5,500	6,000	16,300

Canadian Wheat Preliminary estimates place total stocks of Canadian wheat in all North American
Carryover positions at July 31, 1973 at 366.1 million bushels, 37 per cent below last
1942-73 year's revised total of 583.8 million. An estimated 115.0 million bushels of
this year's total were held on farms, while 141.4 million of the off-farm stocks
were in primary elevators. The next largest amounts, 30.0 million were in store in Thunder Bay,
26.9 million in eastern elevators and 23.8 million bushels in "in transit rail", respectively.

The carryover includes all Canadian wheat in North American positions whether on farms, in
store or in transit.

Carryover of Canadian Wheat in Canada and the United States, July 31, 1942-73

Year	Carryover of wheat in Canada	Stocks of Canadian wheat in U.S. positions	Total carryover of Canadian wheat in Canada and U.S.
		thousand bushels	
1942	404,897	18,856	423,752
1943	597,371	15,255	594,626
1944	338,138	18,394	356,531
1945	238,480	19,593	258,073
1946	73,466	134	73,600
1947	86,055	87	86,141
1948	77,676	35	77,710
1949	102,343	68	102,411
1950	112,200	—	112,200
1951	187,190	2,013	189,203
10-year average 1942-51	219,982	7,444	227,425
1952	214,934	2,244	217,178
1953	382,546	640	383,185
1954	618,568	107	618,675
1955	536,302	446	536,748
1956	578,803	771	579,574
1957	733,335	211	733,546
1958	648,454	—	648,454
1959	587,842	159	588,001
1960	599,588	—	599,588
1961	608,341	—	608,341
10-year average 1952-61	550,871	458	551,329
1962	391,058	—	391,058
1963	487,247	—	487,247
1964	459,440	—	459,440
1965	513,024	—	513,024
1966	420,122	—	420,122
1967	566,351	—	566,351
1968	665,510	—	665,510
1969	851,828	—	851,828
1970	1,008,690	—	1,008,690
1971	734,154	—	734,154
10-year average 1962-71	609,742	—	609,742
1972	583,757	—	583,757
1973	366,060	—	366,060

Farmers' Marketings Deliveries of wheat from farms in the Prairie Provinces during the current crop year amounted to 630.6 million bushels, 22 per cent more than the August 1, 1971 - July 31, 1972 total of 517.5 million and sharply above the ten-year (1961-62 - 1970-71) crop year average of 475.1 million bushels.

Farmers' Marketings(1) of Wheat in the Prairie Provinces 1972-73

Week ending		Manitoba	Saskatchewan	Alberta	Total	Last year
		bushels				
August	9, 1972 ..	42,377	4,417,684	565,087	5,025,148	326,897
	16	65,502	3,240,124	720,057	4,025,683	1,417,294
	23	2,312,276	12,854,269	2,027,265	17,193,810	6,021,182
	30	2,144,810	12,057,959	2,491,864	16,694,633	11,225,271
September	6	3,771,234	12,655,807	3,861,109	20,288,150	14,207,202
	13	2,477,887	13,750,919	2,443,335	18,672,141	20,602,711
	20	2,250,234	14,585,168	2,953,055	19,788,457	16,273,398
	27	2,505,119	7,931,203	676,102	11,112,424	11,005,033
October	4	1,453,277	5,702,012	988,696	8,143,985	14,697,112
	11	3,317,158	12,158,066	4,525,485	20,000,709	14,015,558
	18	2,718,563	16,029,444	8,283,174	27,031,181	11,202,592
	25	3,516,807	17,401,959	5,388,919	26,307,685	14,661,756
November	1	1,994,979	11,104,724	3,283,589	16,383,292	15,705,604
	8	2,624,750	11,681,742	3,700,069	18,006,561	11,700,501
	15	2,090,495	9,543,908	4,228,717	15,863,120	10,704,380
	22	2,437,171	15,055,689	4,671,135	22,163,995	9,878,742
December	29	1,656,074	9,854,879	4,011,232	15,522,185	11,753,638
	6	954,278	6,619,715	2,580,398	10,154,391	9,918,005
	13	413,530	2,543,779	1,594,746	4,552,055	5,462,190
	20	847,236	6,067,670	1,823,961	8,738,867	18,280,948
January	3, 1973 ..	1,242,106	12,202,021	4,530,064	17,974,191	20,912,942
	10	507,591	7,613,613	1,648,207	9,769,411	12,835,935
	17	166,841	2,196,108	1,831,152	4,194,101	5,120,984
	24	448,949	6,143,828	2,243,952	8,836,729	2,439,799
February	31	472,916	4,274,492	2,580,133	7,327,541	1,659,185
	7	326,211	5,798,245	2,514,071	8,638,527	6,926,040
	14	97,887	2,919,868	754,147	3,771,902	4,384,240
	21	87,469	629,063	615,020	1,331,552	5,141,666
March	28	249,007	2,642,761	1,516,297	4,408,065	3,003,758
	7	196,530	2,295,864	1,894,013	4,386,407	2,078,928
	14	933,773	5,420,591	2,802,520	9,156,884	1,852,866
	21	799,211	4,216,286	1,825,123	6,840,620	5,249,893
April	28	660,775	3,384,274	1,570,291	5,615,340	4,821,552
	4	553,777	2,482,725	1,152,667	4,189,169	4,420,666
	11	762,386	5,201,957	994,832	6,959,175	6,388,167
	18	1,291,932	14,094,345	1,922,683	17,308,960	6,038,986
May	25	620,565	4,729,780	779,748	6,130,093	11,177,350
	2	810,363	4,964,298	1,409,475	7,184,136	8,863,995
	9	663,013	9,009,143	1,927,040	11,599,196	9,269,115
	16	354,231	4,527,494	1,238,669	6,120,394	7,258,392
June	23	220,263	2,080,434	885,109	3,185,806	6,526,839
	30	357,849	2,666,858	943,157	3,967,864	6,876,785
	6	474,955	5,395,016	1,611,008	7,480,979	16,061,934
	13	1,363,999	10,974,934	1,940,240	14,279,173	23,654,040
July	20	1,663,682	10,675,685	1,963,971	14,303,338	24,404,156
	27	1,174,783	11,012,697	1,808,989	13,996,469	18,143,536
	4	1,202,637	9,847,267	1,536,158	12,586,062	15,241,859
	11	1,119,145	12,271,046	1,607,600	14,997,791	16,126,580
Totals	18	1,364,907	12,404,629	2,221,429	15,990,965	17,506,731
	25	1,996,661	20,903,938	3,953,563	26,854,162	
	31	3,212,829	33,762,020	8,528,677	45,503,526	14,059,575(2)
Totals		64,991,000	441,998,000	123,568,000	630,557,000	517,506,508
Average similar period: 1961-62 - 1970-71 ..		56,229,226	305,252,664	113,642,572	475,124,462	

(1) Includes receipts at primary, process and interior terminal elevators.

(2) Period July 26 to 31.

Visible Supply of Canadian Wheat, August 8, 1973
Compared with Approximately the Same Date, 1971 and 1972

Position	1971	1972	1973
	thousand bushels		
Primary elevators - Manitoba	20,875	15,908	11,230
Saskatchewan	124,285	88,430	99,620
Alberta	58,639	29,551	31,216
Sub-total	203,799	133,889	142,066
Process elevators	4,615	4,304	3,937
Interior terminals	6,934	4,082	546
Vancouver-New Westminster	7,762	7,934	4,467
Victoria	466	462	338
Prince Rupert	688	446	897
Churchill	3,886	3,106	3,094
Thunder Bay	22,462	30,385	24,529
In transit rail (western division)	14,252	19,091	17,815
Bay, Lake and Upper St. Lawrence ports ...	12,116	27,479	12,925
Lower St. Lawrence and Maritime ports	34,824	26,845	18,870
In transit lake	12,339	13,394	14,002
In transit rail (eastern division)	676	343	384
Total	324,819	271,760	243,870

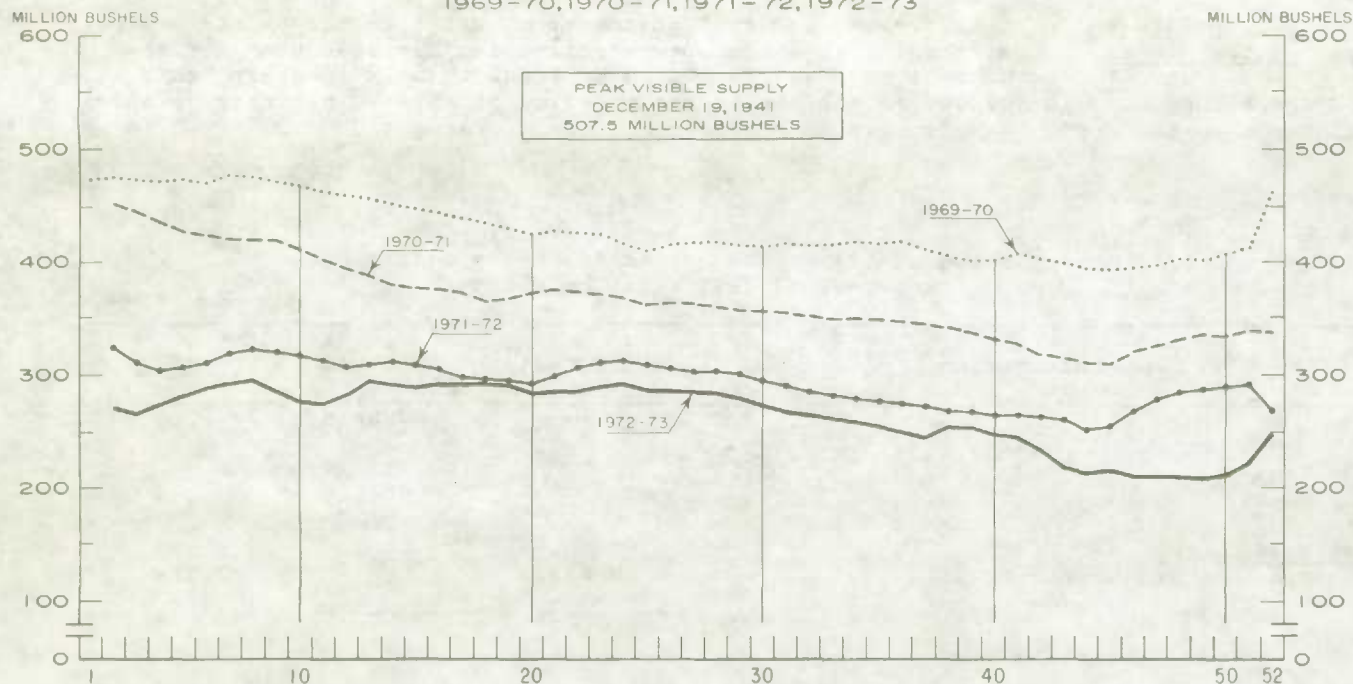
Grading of Wheat Inspected, August 1972 -- July 1973 with Comparisons

Grade	Crop Year				
	Average	1971-72		1972-73	
	1965-67 1970-71				
	per cent	cars	per cent	cars	per cent
1 C.W. Red Spring	47.7	176,068	60.1	170,578	57.4
2 C.W. Red Spring	25.9	57,934	19.8	43,556	14.6
3 C.W. Red Spring	3.3	5,298	1.8	22,168	7.5
1 Canada Utility	—	—	—	66	(1)
2 Canada Utility	—	—	—	14	(1)
3 Canada Utility	0.6	578	0.2	1,713	0.6
Others Red Spring	14.6	12,793	4.4	23,813	8.0
C.W. White Spring	0.2	960	0.3	1,092	0.4
C.W. Mixed Wheat	0.1	313	0.1	131	(1)
Alberta Winter	0.9	1,904	0.6	1,814	0.6
Nos. 1-5 C.W. "					
Amber Durum	5.9	36,075	12.3	31,392	10.6
Other C.W. Amber Durum	0.9	887	0.3	958	0.3
Total	100.0	292,810	100.0	297,295	100.0
Gross bushels(approx.)		597,496,000		631,320,000	

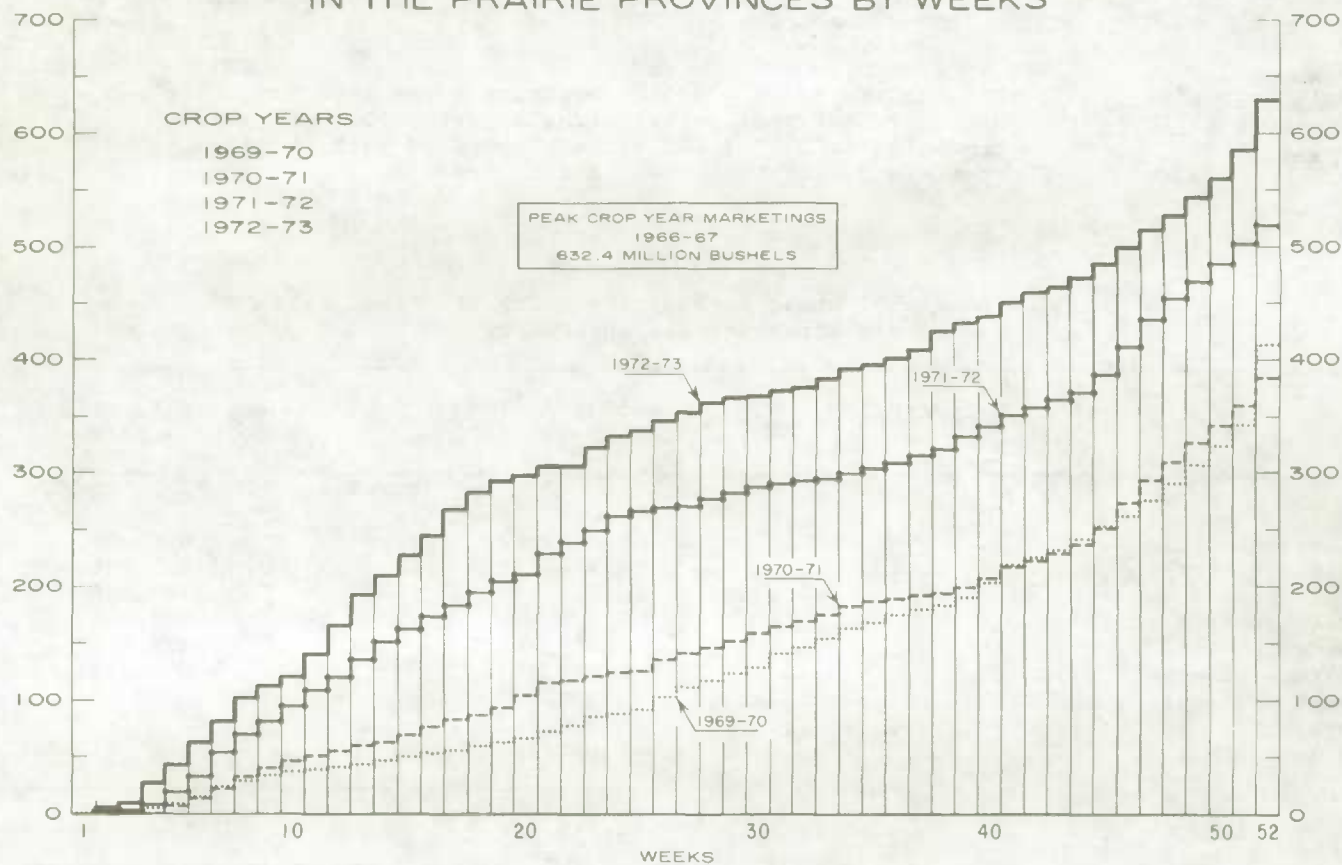
(1) Less than .05 per cent.

WEEKLY VISIBLE SUPPLY OF CANADIAN WHEAT

1969-70, 1970-71, 1971-72, 1972-73



CUMULATIVE RECORD OF WHEAT MARKETINGS IN THE PRAIRIE PROVINCES BY WEEKS



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

Wheat Shipments to
the United States

Total vessel and rail shipments of wheat to the United States, either for re-export or retention for domestic use, for the current crop year amounted to 7,400 bushels in sharp contrast to the 95,000 bushels shipped in the twelve month period of 1971-72 but considerably higher than the 2,900 bushels shipped during the 1970-71 crop year.

Wheat Shipments(1) to the United States by Destination
Crop year 1972-73 with Comparisons

Destination	1970-71	1971-72	1972-73
bushels			
<u>By Vessel</u>			
Hawaii	-	95,200	-
<u>By Rail</u>			
U.S.A. domestic points	2,878	-	7,378
Totals, shipments.....	2,878	95,200	7,378

(1) Either for re-export or retention for domestic use. Excluding seed wheat.

Rail Shipments of
Wheat to Maritime
Ports

Rail shipments of wheat to Maritime ports from Bay, Lake and Upper St. Lawrence ports during August 1972 - July 1973 amounted to 31,517,000 bushels compared with the 30,549,000 bushels during the 1971-72 crop year.

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

Origin of shipments	August 1, 1971 - July 31, 1972	August 1, 1972 - July 31, 1973
bushels		
Port McNicoll	9,168,589	9,856,289
Midland, Tiffin	9,743,533	11,035,516
Collingwood	-	309,120
Owen Sound	3,125,164	3,304,775
Goderich	2,307,941	2,932,778
Sarnia	3,421,141	4,078,966
Port Colborne	598,841	-
Prescott	579,762	-
Kingston	1,604,316	-
Totals	30,549,287	31,517,444

Rail Shipments of Wheat from Thunder Bay 1969-70 - 1972-73

Month	1969-70	1970-71	1971-72	1972-73
bushels				
August	132,953	169,566	181,419	208,597
September	134,054	244,549	195,721	193,397
October	149,076	176,450	128,382	97,166
November	126,319	178,523	158,083	313,262
December	179,384	330,120	193,204	339,487
January	272,300	525,019	1,420,522	625,164
February	403,541	552,926	2,392,713	1,026,705
March	298,335	418,387	1,728,504	650,493
April	260,918	407,206	260,435	251,045
May	311,200	187,347	189,234	223,640
June	221,999	156,548	223,019	210,071
July	293,745	200,415	141,665	256,160
Total	2,783,824	3,547,056	7,212,901	4,395,187

Distribution of Rail Shipments of Wheat from Thunder Bay, July 1973

Grade	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario
bushels					
C.W. Red Spring	2,000	71,667	99,667	9,700	-
Feed Grades	-	6,000	28,000	27,142	9,984
Durum	-	-	-	2,000	-
Total	2,000	77,667	127,667	38,842	9,984

Overseas Exports of Canadian Grain by Ports of Loading,
August 1, 1972 - July 31, 1973 with Comparisons

Port	Wheat(1)	Durum wheat(1)	Oats(1)	Barley	Rye	Flax- seed	Rape- seed
thousand bushels							
<u>Pacific Seaboard</u>							
Van. - New Westminster	193,850	15,423	182	49,736	6,472	7,507	36,380
Victoria	9,870	-	-	-	-	-	-
Prince Rupert	29,541	-	-	-	-	-	-
Churchill	16,281	-	137	8,855	-	-	-
Thunder Bay Direct	4,293	701	2,274	2,819	1,474	11,517	13,668
Sarnia Direct	173	-	-	-	-	-	-
Kingston Direct	552	-	-	-	-	-	-
Prescott Direct	560	-	-	-	-	-	-
<u>St. Lawrence</u>							
Montreal	41,659	23,019	-	13,054	-	-	-
Sorel	20,027	2,314	-	6,481	105	-	-
Trois-Rivières	23,887	3,065	-	6,663	-	-	-
Quebec	25,002	1,158	-	16,603	68	607	928
Baie Comeau	50,093	5,960	-	20,222	88	-	2,989
Port Cartier	43,472	7,875	-	19,904	-	-	-
<u>Maritime Ports</u>							
Saint John	2,070	-	-	196	-	-	-
West Saint John	16,571	98	-	475	-	-	-
Halifax	14,915	439	-	-	-	-	-
Total	492,815	60,053	2,592	145,007	8,208	19,629	53,963
August 1, 1971-July 31, 1972 ...	414,270	63,718	6,713	211,046	10,463	25,741	42,586

(1) Excluding seed.

Shipments Under
Feed Grain
Assistance Regulations

Freight assistance shipments of wheat from the Prairie Provinces to Eastern Canada and British Columbia during August 1972 - July 1973 amounted to 32,224,000 bushels, 28 per cent above the 25,204,000 shipped during the comparable period of 1971-72. The bulk of the shipments during the twelve months under review went to destinations in Quebec with that province accounting for 51 per cent of the total compared with 52 per cent the previous year.

Provincial Distribution of Wheat Shipments under the Feed Grain Assistance Regulations August - July 1972-73 and 1971-72

Month	Western wheat							Total
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	B.C.	
thousand bushels								
August 1972 ...	3	31	252	120	1,515	280	385	2,586
September	3	13	132	62	1,397	341	465	2,414
October	197	16	261	128	1,579	413	265	2,860
November	35	18	465	89	1,770	415	386	3,178
December	166	32	122	121	1,314	391	284	2,430
January 1973 ..	60	9	229	157	1,261	479	452	2,646
February	3	16	356	126	986	541	511	2,541
March	13	30	305	188	1,952	654	902	4,055
April	89	—	16	2	387	101	38	633
May	5	54	259	123	1,431	636	264	2,774
June	77	9	218	94	1,524	555	316	2,793
July	69	13	297	159	1,385	920	470	3,314
Total	721	242	2,913	1,371	16,500	5,738	4,739	32,224
Same months								
1971-72	721	265	2,214	1,018	13,106	3,562	4,317	25,204

Millfeed shipments under the Feed Grain Assistance Regulations indicate the movement of 392,326 tons during August - July 1972-73. Data on the August 1971 - July 1972 shipments of millfeeds place the twelve-month total at 401,815 tons. The greater portion of the millfeed shipments during the 1972-73 crop year went to destinations in Quebec and Ontario.

Provincial Distribution of Millfeed Shipments under the Feed Grain Assistance Regulations August - July 1972-73 and 1971-72

Province	August - July	
	1971-72	1972-73
tons		
Newfoundland	2,509	1,353
Prince Edward Island	3,077	2,576
Nova Scotia	11,139	10,340
New Brunswick	9,886	5,949
Quebec	198,058	189,678
Ontario	146,179	149,814
British Columbia	30,967	32,616
Total	401,815	392,326

Monthly Exports of Canadian Wheat and Wheat Flour

Year and month	Wheat in bulk(1)	Seed wheat(2)	Total wheat	Wheat flour(2,3)	Total wheat and wheat flour(3)
thousand bushels					
1970-71					
August.....	44,765	103	44,868	699	45,567
September.....	35,194	120	35,315	2,306	37,620
October.....	44,412	84	44,496	3,543	48,039
November.....	33,307	71	33,378	2,126	35,504
December.....	18,016	43	18,059	1,444	19,502
January.....	18,882	2	18,884	2,725	21,609
February.....	23,334	77	23,411	2,421	25,832
March.....	20,293	93	20,386	1,900	22,286
April.....	20,951	157	21,108	1,861	22,969
May.....	47,631	49	47,681	1,834	49,515
June.....	47,904	71	47,975	1,994	49,969
July.....	54,750	100	54,850	1,994	56,844
Totals.....	409,440	971	410,410	24,846	435,257
1971-72					
August.....	48,530	2	48,533	1,983	50,516
September.....	44,520	336	44,856	3,086	47,942
October.....	59,356	34	59,389	2,105	61,494
November.....	52,948	7	52,956	1,899	54,855
December.....	32,041	109	32,149	2,709	34,859
January.....	21,627	73	21,700	1,352	23,052
February.....	23,420	45	23,466	1,431	24,897
March.....	22,108	179	22,287	2,297	24,584
April.....	33,798	46	33,844	1,840	35,684
May.....	39,255	17	39,273	1,916	41,188
June.....	45,540	43	45,583	2,724	48,307
July.....	54,940	73	55,013	1,373	56,386
Totals.....	478,084	965	479,048	24,716	503,764
1972-73(4)					
August.....	40,353	3	40,357	2,661	43,018
September.....	64,576	37	64,613	2,237	66,850
October.....	68,856	13	68,869	1,701	70,571
November.....	65,571	3	65,574	1,713	67,288
December.....	33,280	111	33,391	2,081	35,472
January.....	26,858	3	26,861	1,197	28,058
February.....	28,635	52	28,687	2,272	30,959
March.....	33,313	61	33,374	2,099	35,473
April.....	31,283	11	31,294	1,525	32,819
May.....	51,926	43	51,969	1,849	53,817
June ^r	50,858	26	50,884	3,107	53,991
July.....	57,319	20	57,339	2,000	59,339
Totals.....	552,829	384	553,212	24,443	577,655

- (1) Export clearances including shipments to the United States compiled by the Economics and Statistics Division of the Canadian Grain Commission.
- (2) Compiled from Canadian Customs returns, 1970-71 and 1971-72 adjusted to remove effect of time lag in reporting.
- (3) In terms of wheat equivalent. Wheat flour conversion rate: 2.3 bushels per cwt.
- (4) Subject to revision.

Exports of Canadian Wheat(1) by Destination July 1973 and 1972

Destination	Wheat (except durum)	Durum wheat	All wheat	
			July 1973	July 1972
bushels				
<u>Wester Europe</u>				
EEC:				
Belgium and Luxembourg	178,453	63,093	241,546	506,112
Britain(2)	3,661,013	-	3,661,013	-
France	-	-	-	231,496
Germany, West	-	567,336	567,336	1,243,090
Italy	779,893	1,799,620	2,579,513	862,400
Netherlands	-	-	-	456,700
Sub-total	4,619,359	2,430,049	7,049,408	3,299,798
Other Western Europe:				
Austria	-	37,333	37,333	-
Britain(2)	-	-	-	4,418,839
Sweden	-	-	-	22,007
Switzerland	-	96,862	96,862	628,240
Sub-total	-	134,195	134,195	5,069,086
Totals	4,619,359	2,564,244	7,183,603	8,368,884
<u>Eastern Europe</u>				
Albania	1,694,947	-	1,694,947	-
Poland	157,000	672,000	829,000	1,025,700
U.S.S.R. (Russia)	19,135,711	3,945,202	23,080,913	13,075,089
Total	20,987,658	4,617,202	25,604,860	14,100,789
<u>Africa</u>				
Algeria	-	2,439,664	2,439,664	1,492,222
Ghana	-	-	-	447,245
Ivory Coast	-	-	-	57,735
Nigeria	-	-	-	257,994
South Africa	-	-	-	485,039
Tunisia	-	-	-	225,333
Total	-	2,439,664	2,439,664	2,965,568
<u>Asia</u>				
Bangladesh	989,221	-	989,221	1,894,293
Burma	314,671	-	314,671	-
Japan	5,282,968	141,307	5,424,275	4,776,017
Lebanon	-	-	-	1,102,830
Malaysia	-	-	-	53,200
Pakistan	662,421	-	662,421	-
Peoples Republic of China	6,556,443	-	6,556,443	13,948,752
Philippines	-	-	-	528,267
Saudi Arabia	392,000	-	392,000	-
Syria	843,808	-	843,808	1,738,800
Total	15,041,532	141,307	15,182,839	24,042,159
<u>Western Hemisphere</u>				
Barbados	-	-	-	30
Brazil	5,635,004	-	5,635,004	3,304,764
Cuba	-	-	-	948,760
Haiti	327,600	-	327,600	278,182
Jamaica	798	-	798	263,633
Peru	489,403	-	489,403	663,236
Trinidad and Tobago	363,500	-	363,500	-
Venezuela	91,860	-	91,860	3,881
Total	6,908,165	-	6,908,165	5,462,486
Sub-total, all countries.	47,556,714	9,762,417	57,319,131	54,939,886
Seed wheat(3)	-	-	20,000	73,490
Total, all countries ..	47,556,714	9,762,417	57,339,131	55,013,376

(1) Overseas clearances as reported by the Economics and Statistics Division of the Canadian Grain Commission, for all countries, excluding seed wheat.

(2) Commencing January 1, 1973, Britain became a member of the European Economic Community.

(3) Compiled from Canadian Customs returns, 1972 adjusted for time lag.

Cumulative Exports of Canadian Wheat(1) by Destination

Destination	August - July 1972-73			Total same period last year ^r
	Wheat (except durum)	Durum Wheat	Total Wheat	
		bushels		
<u>Western Europe</u>				
EEC:				
Belgium and Luxembourg ..	4,379,840	893,386	5,273,226	4,857,555
Britain(2)	23,445,755	88,107	23,533,862	—
France	387,298	—	387,298	598,935
Germany, West	2,320,670	6,191,503	8,512,173	10,508,336
Italy	9,783,616	5,036,703	14,820,319	14,431,413
Netherlands	2,815,217	1,746,896	4,562,113	9,729,711
Sub-total	43,132,396	13,956,595	57,088,991	40,125,950
<u>Other Western Europe:</u>				
Austria	—	121,848	121,848	—
Britain(2)	19,838,716	560,194	20,398,910	47,130,325
Finland	146,982	—	146,982	—
Ireland	1,283,389	588,000	1,871,389	536,635
Malta	326,811	—	326,811	945,168
Norway	—	—	—	1,086,400
Portugal	—	492,800	492,800	—
Sweden	—	44,095	44,095	77,097
Switzerland	1,074,733	1,605,068	2,679,801	3,348,352
Sub-total	22,670,631	3,412,005	26,082,536	53,123,977
Total	65,803,027	17,368,600	83,171,627	93,249,927
<u>Eastern Europe</u>				
Albania	3,997,729	—	3,997,729	1,638,792
Czechoslovakia	—	—	—	584,752
Poland	157,000	2,547,999	2,704,999	2,838,847
U.S.S.R. (Russia)	147,892,386	15,271,318	163,163,704	109,560,889
Total	152,047,115	17,819,317	169,866,432	114,623,280
<u>Africa</u>				
Algeria	—	8,752,442	8,752,442	10,913,248
Dahomey	41,961	—	41,961	—
Ghana	1,738,824	—	1,738,824	2,695,290
Ivory Coast	49,860	—	49,860	73,487
Mauritania	—	—	—	100,668
Morocco	767,876	—	767,876	1,082,976
Nigeria	3,372,784	—	3,372,784	2,858,558
South Africa	—	—	—	719,785
Tunisia	—	1,194,550	1,194,550	2,124,840
Zambia	595,765	—	595,765	—
Total	6,567,070	9,946,992	16,514,062	20,568,852
<u>Asia</u>				
Afghanistan	517,927	—	517,927	468,140
Bangladesh	4,617,499	2,690,764	7,308,263	5,040,146

For footnotes see end of table.

Cumulative Exports of Canadian Wheat(1) by Destination — Concluded

Destination	August — July 1972-73			Total same period last year ^r
	Wheat (except durum)	Durum Wheat	Total Wheat	
	bushels			
<u>Asia — Concluded</u>				
Burma	957,679	—	957,679	—
Hong Kong	647,733	—	647,733	891,147
India	16,127,051	98,593	16,225,644	22,971,818
Indonesia	1,810,395	—	1,810,395	1,386,300
Israel	624,348	—	624,348	—
Japan	50,596,553	141,307	50,737,860	50,594,023
Korea, North	—	—	—	1,180,666
Lebanon	37,334	2,073,170	2,110,504	1,102,830
Malaysia	630,186	—	630,186	583,524
Pakistan	6,699,262	260,660	6,959,922	2,717,900
People's Democratic Republic of Yemen	38,580	—	38,580	—
People's Republic of China	144,108,597	9,201,286	153,309,883	111,739,467
Saudi Arabia	5,914,574	19,600	5,934,174	6,363,417
Philippines	392,000	—	392,000	—
Singapore	729,120	—	729,120	411,227
Syria	1,690,463	—	1,690,463	9,228,419
Taiwan	—	—	—	2,762,853
Thailand	—	—	—	200,361
Total	236,139,301	14,485,380	250,624,681	217,642,238
<u>Oceania</u>				
United States Oceania ...	—	—	—	143,114
<u>Western Hemisphere</u>				
Barbados	170	—	170	86
Brazil	15,613,383	—	15,613,383	13,588,006
Costa Rica	—	—	—	397,522
Cuba	6,795,168	390,465	7,185,633	7,629,204
Dominican Republic	—	—	—	308,661
Guatemala	—	37,333	37,333	—
Haiti	2,022,433 ^r	—	2,022,433 ^r	1,815,310
Jamaica	420,107	—	420,107	1,602,463
Peru	6,544,114	—	6,544,114	6,064,111
St. Lucia	167	—	167	—
Trinidad and Tobago	363,500	—	363,500	—
Venezuela	457,820	—	457,820	355,618
United States (3)	7,378	—	7,378	95,200
Total	32,224,240 ^r	427,798	32,652,038 ^r	31,856,181
Sub-total , all countries	492,780,753 ^r	60,048,087	552,828,840 ^r	478,083,592
Seed wheat (4)	—	—	383,582	964,502
Total , all countries ...	492,780,753 ^r	60,048,087	553,212,422	479,048,094

(1) Overseas clearances as reported by the Economics and Statistics Division of the Canadian Grain Commission, for all countries except the United States. Excluding seed wheat. (2) Commencing January 1, 1973 Britain became a member of the European Economic Community. (3) Compiled from returns of Canadian elevator licensees and shippers and advice from American grain correspondents. (4) Compiled from Canadian Customs returns, 1971-72 adjusted for time lag, 1972-73 preliminary.

Customs Exports of Canadian Wheat Flour by Countries of Consignment

Destination	March 1973(1)	June 1973(2)	August — June	
			1972-73(2)	1971-72(1)
bushels				
<u>Western Europe</u>				
EEC:				
Belgium and Luxembourg	—	—	265	955
Britain(3)	34,206	23,135	411,918	—
Germany, West	700	—	3,178	2,663
Ireland(3)	—	—	1,803	—
Netherlands	—	—	—	46
Sub-total	34,906	23,135	417,164	3,664
Other Western Europe:				
Britain(3)	—	—	776,883	1,550,006
Denmark	—	—	253	—
Gibraltar	—	—	3,461	5,281
Greece	1,104	—	58,742	41,520
Iceland	—	—	7,220	36,439
Ireland(3)	—	—	1,803	3,606
Norway	—	—	230	115
Portugal	1,840	2,300	34,155	34,769
Sub-total	2,944	2,300	882,747	1,671,736
Total	37,850	25,435	1,299,911	1,675,400
<u>Africa</u>				
Algeria	—	—	—	562,299
Cameroon	—	—	—	117,921
Dahomey	3,972	9,241	27,731	29,440
French Africa, n.e.s.	70,141	—	103,951	409,421
Gambia, The	7,015	4,600	36,972	46,575
Ghana	—	—	—	846
Guinea	—	—	6,702	52,861
Ivory Coast	—	8,510	19,214	23,016
Liberia	15,847	62,636	224,420	203,079
Malawi	5,115	202	12,657	27,566
Mozambique	—	3,110	14,405	20,732
Nigeria	—	—	—	9,945
Portuguese Africa, n.e.s.	27,342	20,709	166,635	129,876
Sierra Leone	193	1,053	7,617	4,938
Somalia	—	30,360	148,732	55,205
Sudan	—	212,520	481,261	215,813
Tanzania	—	1,380	1,840	1,610
Togo	4,140	17,250	138,416	141,505
U.A.R.	—	—	1,119,691	1,830,287
Zaire	—	5,460	31,542	47,927
Total	133,765	377,031	2,541,786	3,930,862
<u>Asia</u>				
Afghanistan	—	345	1,311	2,484
Bahrain	—	—	74	200
Burma	—	—	344,726	—
Cyprus	—	—	1,221	23,977
Emirates, U.U.A.	—	460	8,513	4,490
Hong Kong	15,985	11,270	157,865	182,383
Iran	—	317	2,286	4,646

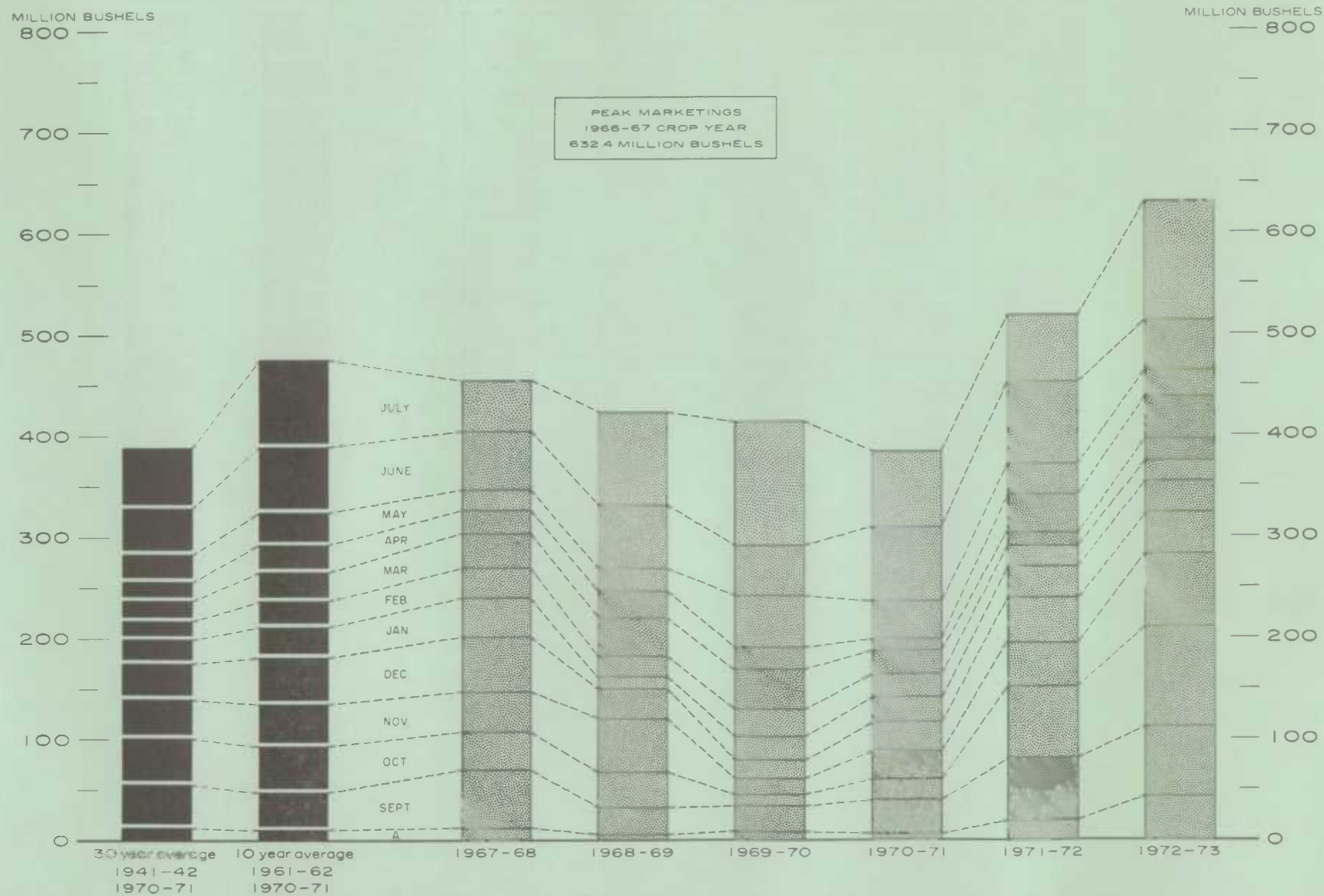
For footnotes see end of table.

Customs Exports of Canadian Wheat Flour by Countries of Consignment — concluded

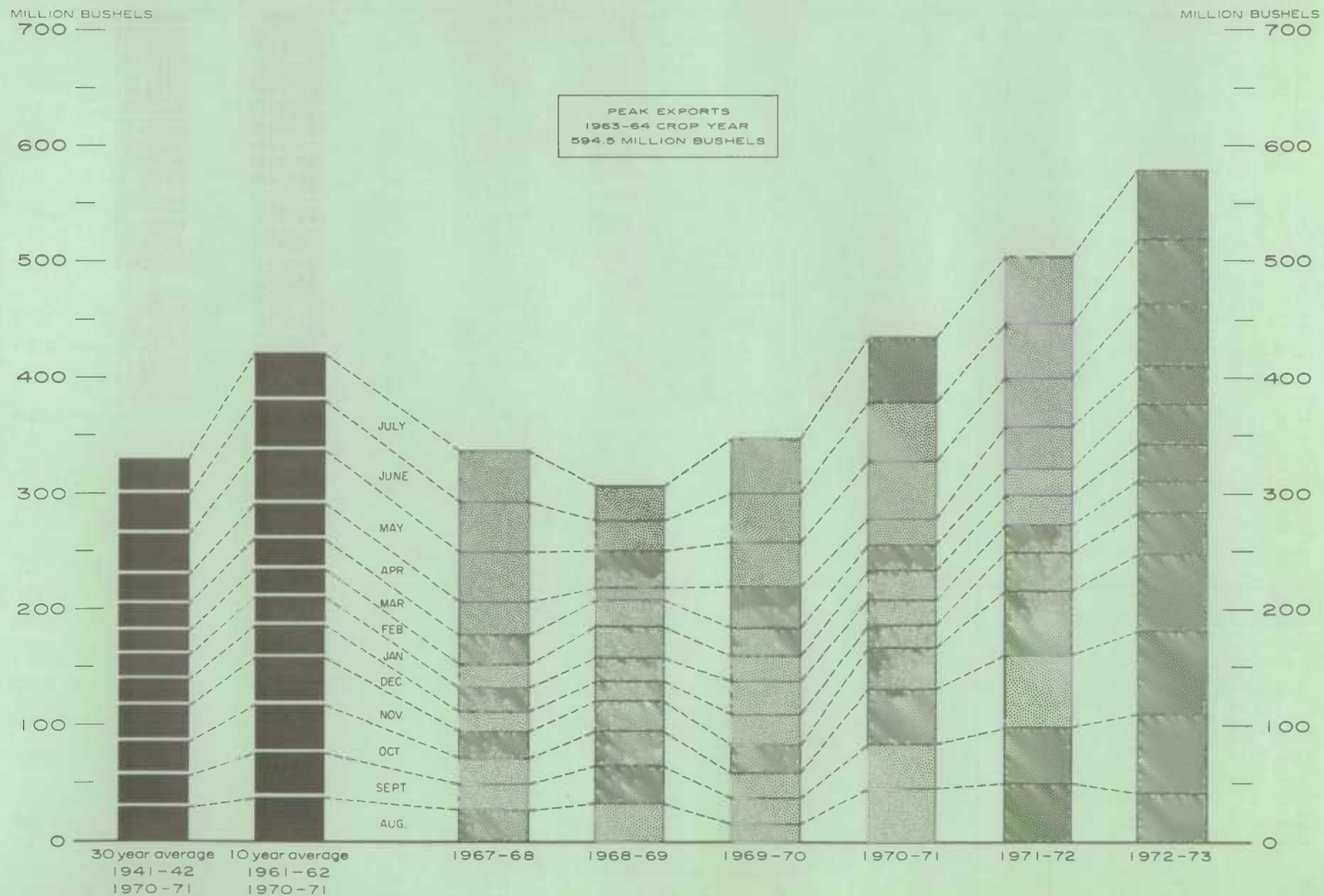
Destination	March	June	August — June	
	1973(1)	1973(2)	1972-73(2)	1971-72(1)
bushels				
Asia - concluded				
Japan	1,484	—	10,720	10,580
Jordan	920	286	58,747	444
Lebanon	2,576	132,724	280,984	493,217
Peoples' Democratic Republic of Yemen	45,634	50,715	116,631	4,614
Philippines	—	—	10,090	690
Qatar	168	396	952	1,481
Saudi Arabia	—	2,208	117,045	195,116
Singapore	—	—	4,600	4,600
Sri-Lanka	78,200	179,403	2,099,838	1,506,590
Syria	—	—	—	67,027
Taiwan	—	—	63	—
Thailand	10,350	2,760	80,443	86,696
Total	155,317	380,884	3,296,109	2,589,235
Oceania				
Australia	—	—	1,803	1,895
British Oceania n.e.s.	460	—	2,760	920
Fiji	—	—	1,840	1,380
United States Oceania	—	—	1,760	748
Total	460	—	8,163	4,943
Western Hemisphere				
Bahamas	20,520	11,811	181,831	186,880
Barbados	32,538	11,134	341,419	313,623
Bermuda	15,111	3,353	118,677	120,013
British Honduras	918	1,546	22,071	32,821
Cuba(4)	1,415,170	2,129,425	12,590,121	12,943,887
Dominican Republic	161,000	—	161,971	4,710
French West Indies	—	—	2,813	3,114
Greenland	—	133	133	—
Guyana	1,884	1,164	20,118	17,977
Haiti	74,426	60,950	371,749	—
Honduras	920	366	5,085	6,075
Jamaica	12,894	10,309	157,925	110,096
Leeward and Windward Is.	61,235	39,707	697,171	692,883
Netherlands Antilles	4,052	630	24,923	54,820
Panama	—	—	—	676
St. Pierre and Miquelon	3,864	1,495	23,768	25,546
Surinam	4,282	—	22,462	24,629
Trinidad and Tobago	36,800	10,442	472,979	556,728
Venezuela	—	—	368	421
United States	2,341	41,446	81,356	47,587
Total	1,847,955	2,323,911	15,296,940	15,142,486
Total, all countries	2,175,347	3,107,261	22,442,909	23,342,926

- (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) Commencing January 1, 1973 Britain and Ireland became members of the European Economic Community.
- (4) Source: Canadian National Millers Association.
- n.e.s. - Not elsewhere specified.
- Note: Data for July wheat flour exports not available.

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



EXPORTS OF CANADIAN WHEAT* AND WHEAT FLOUR** (SPECIFIED PERIODS)

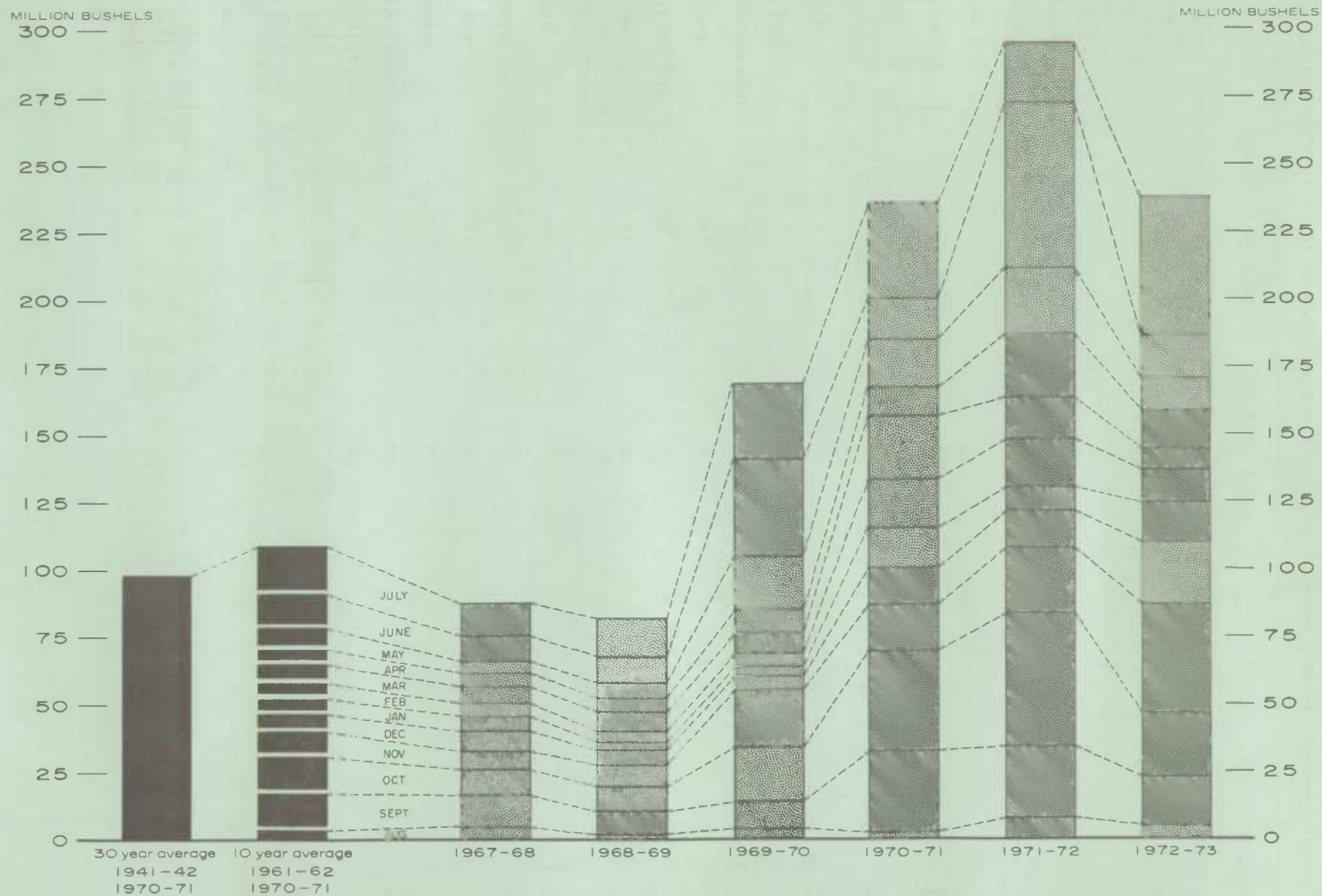


*Beginning with 1955-56 includes seed wheat.

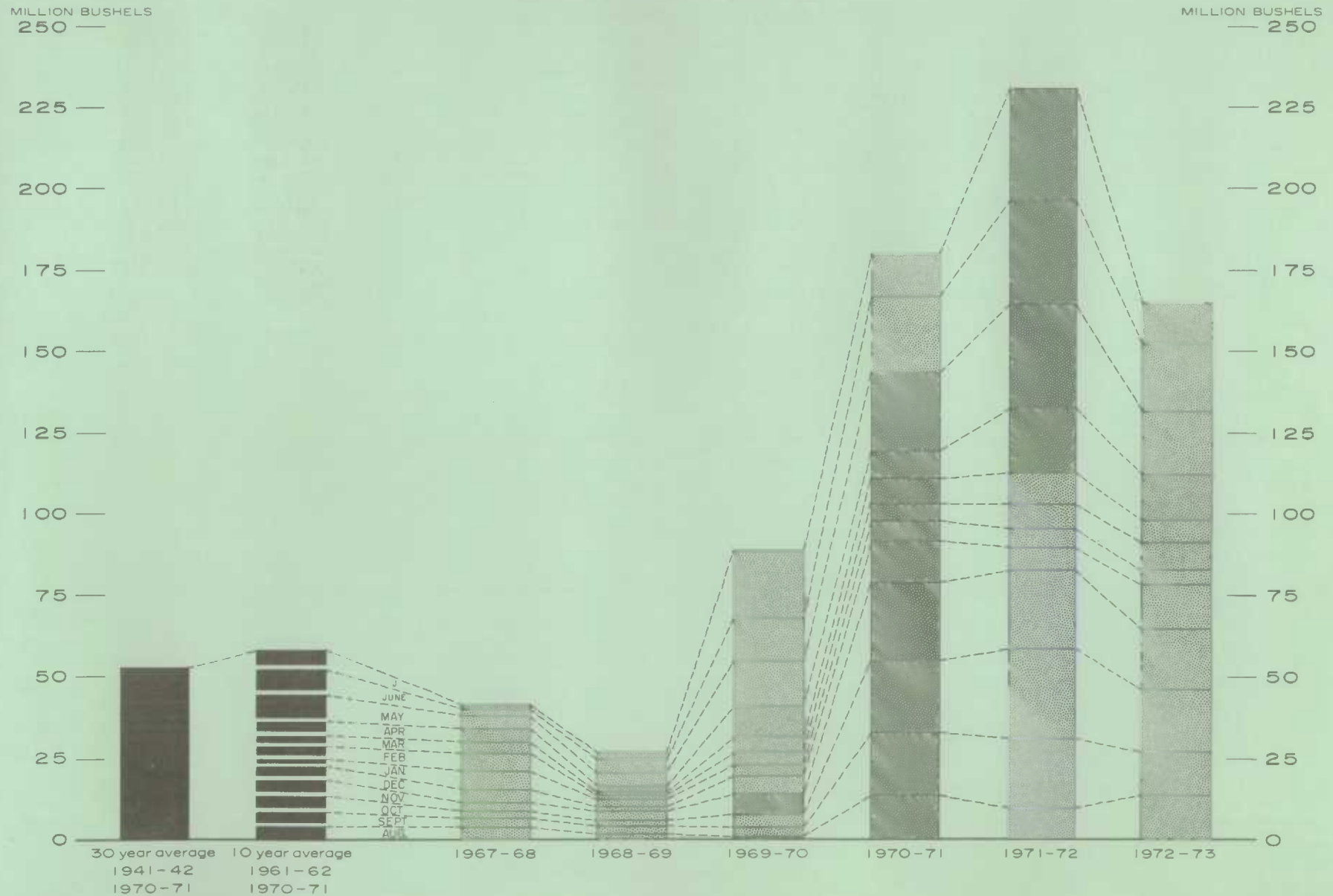
**In terms of wheat equivalent.

Agriculture Division, Statistics Canada

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



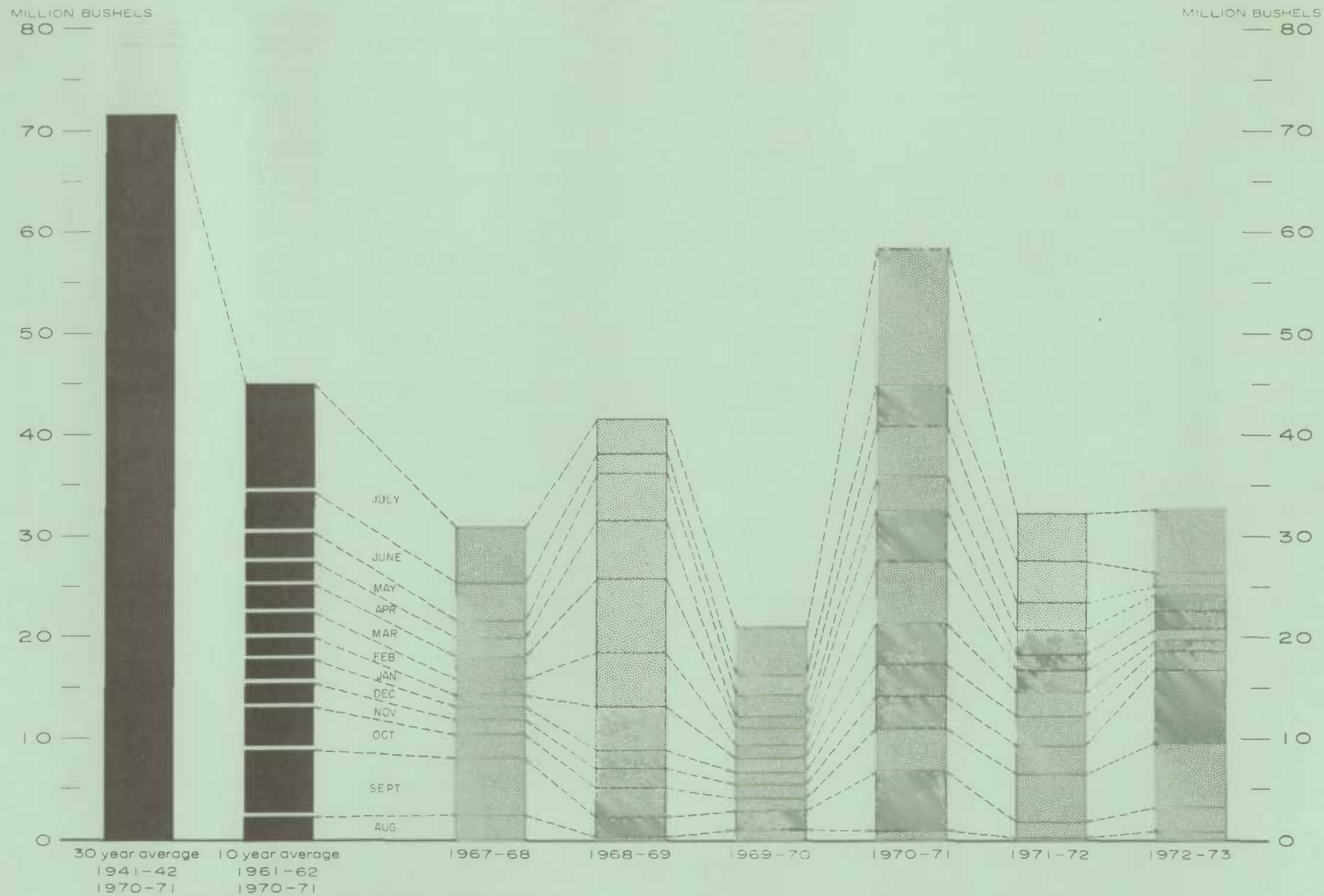
EXPORTS OF CANADIAN BARLEY AND BARLEY PRODUCTS* (SPECIFIED PERIODS)



*In terms of grain equivalent.

Agriculture Division, Statistics Canada

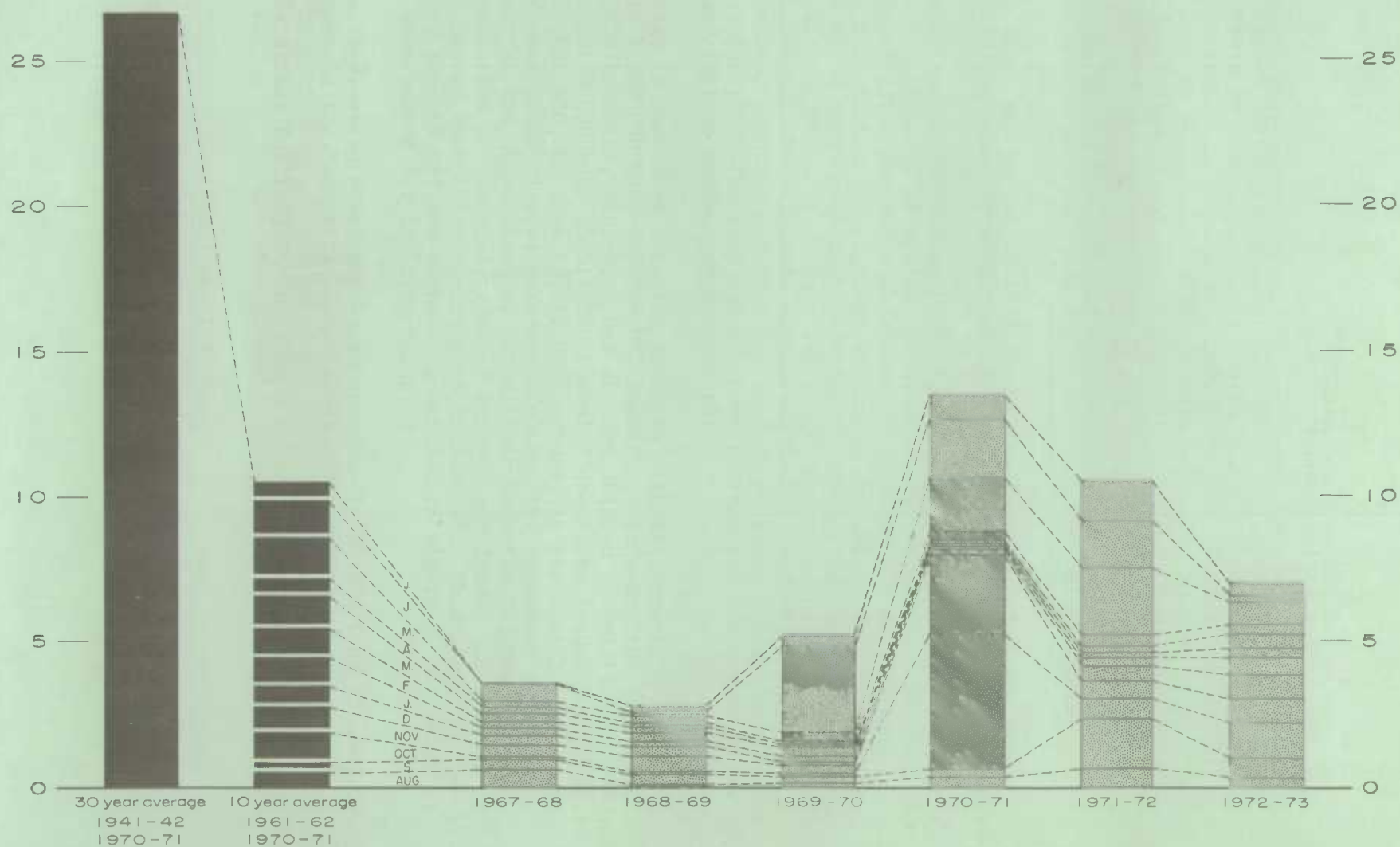
FARMERS' MARKETINGS OF OATS, PRAIRIE PROVINCES (SPECIFIED PERIODS)



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

MILLION BUSHEL
30 —

MILLION BUSHEL
30 —

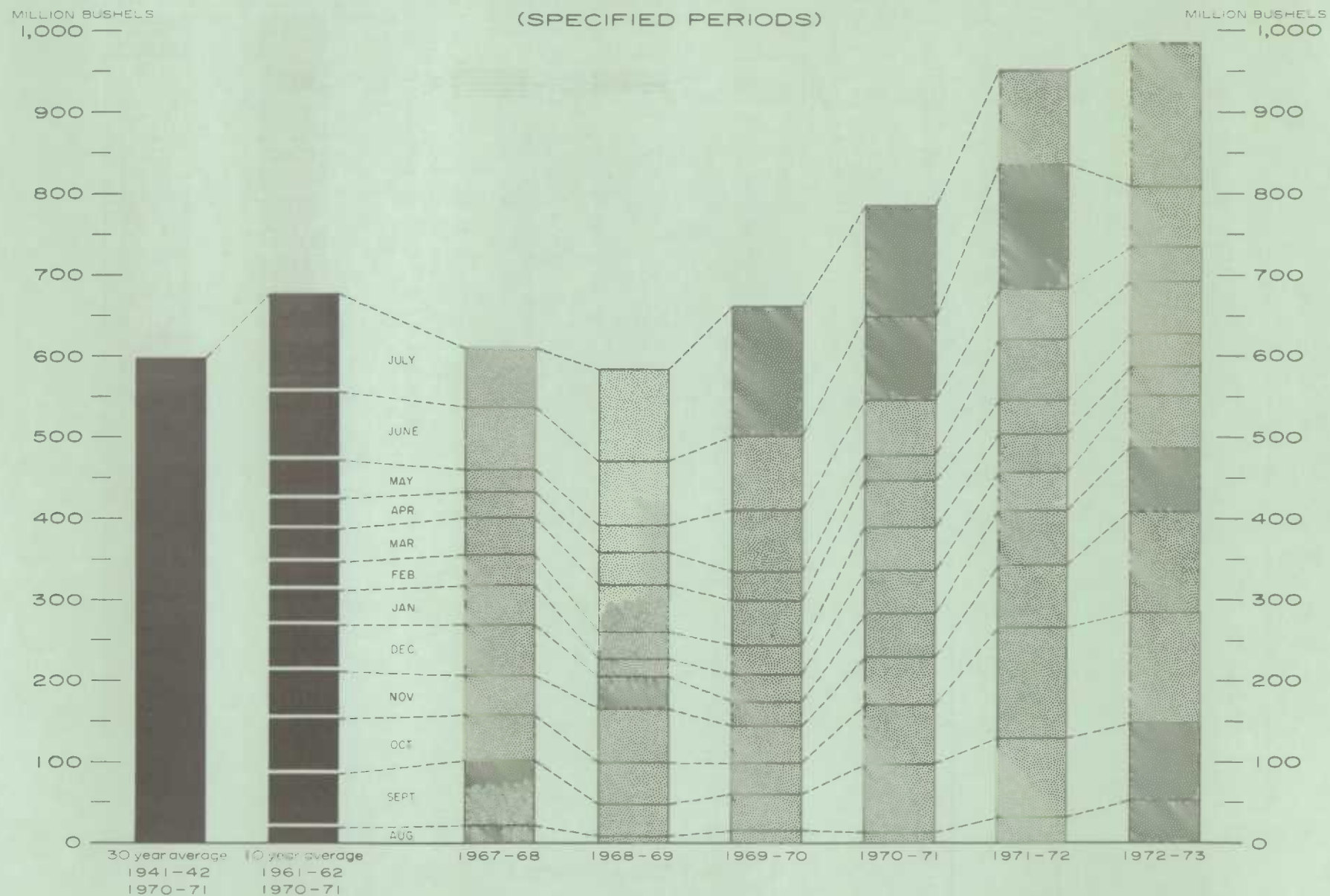


*Beginning with 1960-61 includes relatively small quantity of seed oats.

**In terms of grain equivalent.

Agriculture Division, Statistics Canada

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

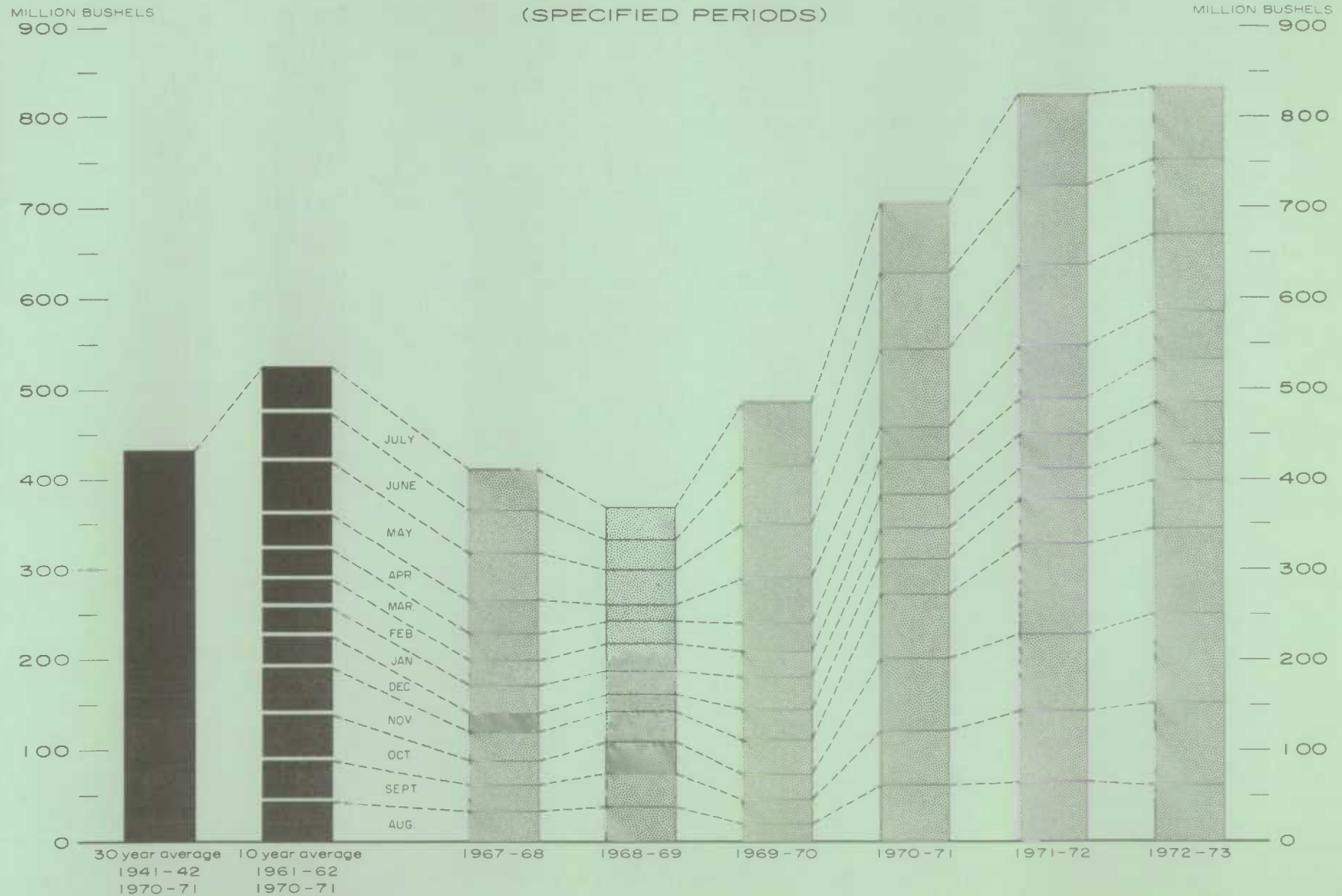


* Wheat, oats, barley, rye, flaxseed and from 1960-61 rapeseed.

Agriculture Division, Statistics Canada

EXPORTS OF CANADA'S SIX MAJOR GRAINS AND PRODUCTS*

(SPECIFIED PERIODS)



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

Canadian Wheat Board Weekly Average Cash Wheat Prices, Crop Year 1972-73 and 1973-74
Basis in Store Thunder Bay and Vancouver

Class and grade	Week ending				
	July 20	July 27	August 3	August 10	August 17
cents and eighths per bushel					
<u>Initial payment to producers</u>					
1 C.W. Red Spring	176	176	176(1)	225(2)	225
2 C.W. Red Spring	169	169	169	218	218
3 C.W. Red Spring	160	160	160	209	209
No. 1 Canada Utility	147	147	147	196	196
No. 2 Canada Utility	147	147	147	196	196
No. 3 Canada Utility	147	147	147	196	196
1 Alberta Red Winter	162	162	162	211	211
2 Alberta Winter	157	157	157	206	206
3 Alberta Winter	151	151	151	200	200
1 C.W. Amber Durum	176	176	176	225	225
2 C.W. Amber Durum	172	172	172	221	221
3 C.W. Amber Durum	167	167	167	216	216
<u>Exports</u>					
<u>(Basis in store Thunder Bay)</u>					
1 C.W. Red Spring 14%	354/3	385/2	423/6	492	544/3
2 C.W. Red Spring 14%	350/3	381/2	419/6	488	540/3
3 C.W. Red Spring	340/3	371/2	409/6	478	530/3
No. 1 Canada Utility(3)	331/7	363/5	380/6	406/6	430/7
No. 2 Canada Utility(3)	329/7	361/5	378/6	404/6	428/7
No. 3 Canada Utility(3)	335/7	367/5	384/6	410/6	434/7
1 Alberta Red Winter	344/3	375/2	413/6	482	534/3
2 Alberta Winter	343/3	374/2	412/6	481	533/3
3 Alberta Winter	342/3	373/2	411/6	480	532/3
1 C.W. Amber Durum	494/6	538/2	572/6	847/2	898/3
2 C.W. Amber Durum	493/6	537/2	571/6	846/2	897/3
3 C.W. Amber Durum	487/6	531/2	565/6	840/2	891/3
<u>(Basis in store Vancouver)</u>					
1 C.W. Red Spring 14%	370/1	397	435/4	503/6	556/1
2 C.W. Red Spring	359/1	386	424/4	492/6	545/1
3 C.W. Red Spring	356/1	383	421/4	489/6	542/1
1 Alberta Red Winter	360/1	387	425/4	493/6	546/1
2 Alberta Winter	359/1	386	424/4	492/6	545/1
3 Alberta Winter	358/1	385	423/4	491/6	544/1

(1) Ended July 31.

(2) Effective August 1.

(3) Domestic Sales.

Initial Payment
to Producers

The Canadian Wheat Board in its Instructions to the Trade No. 8 under date of August 2, 1973 announced the fixed minimum carlot prices for wheat basis in store Thunder Bay or Vancouver.

Canadian Wheat Board Price List for Specified Grades of Wheat, Crop Year 1973-74
(In Carload Lots, Basis in Store Thunder Bay or Vancouver)

Effective August 1, 1973

Grade	Straight	Tough	Damp
dollars per bushel			
No. 1 Canada Red Spring	2.25	2.21	2.09
No. 2 Canada Red Spring	2.18	2.14	2.02
No. 3 Canada Red Spring	2.09	2.05	1.93
No. 1 Canada Utility	1.96	1.92	1.82
No. 2 Canada Utility	1.96	1.92	1.82
No. 3 Canada Utility	1.96	1.92	1.82
No. 1 C.W. Amber Durum	2.25	2.21	2.09
No. 2 C.W. Amber Durum	2.21	2.17	2.05
No. 3 C.W. Amber Durum	2.16	2.12	2.00
Extra No. 4 C.W. Amber Durum	2.16	2.12	2.00
No. 4 C.W. Amber Durum	2.08	2.04	1.92
No. 5 C.W. Amber Durum	1.96	1.92	1.80
No. 1 Alberta Red Winter	2.11	2.07	1.95
No. 2 Alberta Winter	2.06	2.02	1.90
No. 3 Alberta Winter	2.00	1.96	1.84
No. 4 Alberta Winter	1.96	1.92	1.80
No. 1 Soft White Spring	2.25	2.21	2.09
No. 2 Soft White Spring	2.22	2.18	2.06
No. 3 Soft White Spring	2.18	2.14	2.02
No. 4 Soft White Spring	1.96	1.92	1.80
No. 1 C.W. Mixed Grain	1.84	1.80	1.70

CANADIAN FLOUR MILLING SITUATION

Production Wheat flour production by Canadian mills during July 1973 amounted to 3,148,000 hundredweight, representing an increase of 5 per cent over the 3,000,000 hundredweight produced in June 1973, 3 per cent more than the July 1972 total of 3,059,000 hundredweight, but 2 per cent less than the ten-year (1963-72) average production for the month of July of 3,221,000 hundredweight. Mills reporting operations during July 1973 had a total rated capacity of 164,000 hundredweight per 24-hour day and on the basis of a 25-day working period 76.7 per cent of this rated capacity was effective. Wheat milled for flour during July 1973 amounted to 7,147,000 bushels 6 per cent over the 6,773,000 bushels milled during the preceding month and 3 per cent more than the 6,909,000 bushels milled during July 1972. Of the wheat milled for flour during July 1973 some 5,902,000 bushels were Western Canadian red spring wheat (other than Durum) while the remainder consisted of Ontario winter wheat (481,000 bushels); Durum (423,000 bushels); and all other (340,000 bushels).

Exports According to preliminary Customs returns, exports of Canadian wheat flour during June 1973 amounted to the equivalent of 3,107,000 bushels (some 1,351,000 hundredweight of flour), 68 per cent greater than the May 1973 exports of 1,849,000 bushels, 14 per cent more than the adjusted June 1972 exports of 2,724,000 bushels. Flour shipments during June 1973 went to forty-one countries with exports to Cuba amounting to 2,129,000 bushels or 69 per cent of the June total. Other leading markets for Canadian wheat flour in terms of wheat during the month with shipments in thousands of bushels were as follows: Sudan, 213; Sri-Lanka, 179; Lebanon, 133; Liberia, 63; Haiti, 61; and People's Democratic Republic of Yemen, 51.

Note: Data re exports of wheat flour for July 1973 by country of destination are not available at this time and will be included in the next issue.

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 "	99,704,638	43,908,245	23,699,546
1945-46 - 1949-50 "	107,330,372	47,011,540	25,819,721
1950-51 - 1954-55 "	100,446,328	43,847,894	21,812,041
1954-55 - 1959-60 "	99,148,211	39,752,589	16,349,156
1960-61 - 1964-65 "	91,128,177	40,834,088	15,769,803
1965-66	97,925,995	43,531,263	16,576,117
1966-67	90,084,646	39,978,571	13,848,208
1967-68	84,769,150	37,755,841	10,734,857
1968-69	85,048,591	37,621,151	10,705,452
1969-70	90,557,332	39,640,459	11,723,205
1970-71	87,467,328	38,534,863	10,802,813
1971-72	88,123,761	39,071,806	10,745,908
1972-73(2)			
August	7,516,123	3,306,195	1,156,942
September	7,590,423	3,316,484	972,566
October	8,231,621	3,631,037	739,735
November	7,497,161	3,293,927	744,980
December	5,853,556	2,577,403	904,764
January	7,414,125	3,252,034	520,517
February	6,649,247	2,923,598	987,725
March	7,676,061	3,395,455	912,636
April	6,543,714	2,889,578	663,184
May	7,499,848	3,316,748	803,755
June	7,416,427	2,999,512	1,350,983
July	7,146,787	3,147,805	869,565
Total	87,035,093	38,049,776	10,627,352
Same months 1971-72 ^F	88,123,761	39,071,806	10,745,908

(1) Based on Customs returns. Exports for the crop year 1945-46 - 1971-72 revised to remove effect of time lag in the returns made by Customs.

(2) Subject to revision.

UNITED STATES SITUATION

Supply Position Total domestic supplies of wheat in the United States for the 1973-74 crop year are currently placed at 2,144.8 million bushels, 11 per cent less than the previous year's total of 2,407.8 million reflecting a decrease in carryover stocks which more than offset an increase in production. The 427.8 million bushels carried over at July 1, 1973 were in sharp contrast to the 1972 stocks of 863.1 million and the lowest level since 1967, while the current crop, estimated at 1,717.0 million bushels, represents an increase of 11 per cent over last year's outturn of 1,544.8 million.

July Exports at Record Level Exports of wheat, wheat flour and other products in terms of grain equivalent during July 1973 amounted to an all-time high of 124.8 million bushels, and nearly double the 64.3 million exported during the same month last year. The balance remaining on July 31, 1973 for export and for carryover was estimated at 1,240.0 million bushels compared with 1,552.0 million on the same date a year ago.

United States Wheat Supplies

Item	1972-73 ^r	1973-74 ^p
	million bushels	
Carryover at beginning of crop year (July 1)	863.1	427.8
Production	1,544.8	1,717.0
Total estimated domestic supplies	2,407.8	2,144.8
Imports of wheat and wheat flour in terms of wheat for domestic use, July	(1)	(1)
Total estimated supplies(2)	2,407.9	2,144.8
Less estimated domestic requirements for crop year(3)	791.6	780.0
Available for export and for carryover	1,616.2	1,364.8
<u>Deduct</u>		
Exports of wheat as grain, July	59.2	119.8
Exports of wheat flour and products(4) in terms of wheat, July	5.1	5.0
Total exports of wheat and wheat flour	64.3	124.8
Balance on July 31 for export and for carryover	1,552.0	1,240.0

(1) Less than 50,000 bushels.

(2) Excluding imports for August-June.

(3) Includes shipments to United States Territories and wheat for military food use at home and abroad.

(4) Includes bulgar, rolled wheat and macaroni.

Stocks of Wheat
in All Positions
July 1, 1973

On July 24, 1973 the United States Department of Agriculture stated in a release that stocks of all wheat were only half those of a year earlier, with durum supplies also down sharply.

Old crop carryover of all wheat on July 1, 1973 totalled 428 million bushels, 50 per cent less than a year earlier, 42 per cent less than 1971, and the lowest July 1 stocks since 1967. Off-farm holdings of 303 million bushels were 40 per cent less than a year earlier and farm holdings, at 125 million, were only about one-third of a year earlier. Stocks in all positions on July 1 indicate disappearance during the July 1, 1972 to June 30, 1973 crop year at 1,980 million bushels, compared with 1,486 million a year earlier and 1,505 million 2 years ago. Disappearance for April-June 1973 was 499 million bushels, compared with 347 million a year earlier.

Old crop durum wheat stocks in all positions on July 1, 1973 totalled 36.7 million bushels, 47 per cent less than a year earlier and 37 per cent below 2 years ago. Farm holdings of 18.7 million were 61 per cent below last year, and off-farm stocks of 18.0 million were down 15 per cent. Disappearance during the crop year ended June 30, 1973 is indicated at 105.6 million bushels, compared with 81.0 million a year earlier.

Stocks of United States Wheat by Positions
July 1, 1973 with Comparisons

Grain and position	July 1, 1971	July 1, 1972	April 1, 1973	July 1, 1973
thousand bushels				
<u>All wheat (old crop)</u>				
On farms (1)	240,276	354,869	315,630	124,989
Commodity Credit Corp.(2)	1,814	1,906	1,822	1,819
Mills, elev. & whses.(1,3)	489,388	506,297	609,431	301,004
Total	731,478	863,072	926,883	427,812
<u>Durum wheat(4) (old crop)</u>				
On farms(1)	41,672	48,086	50,329	18,737
Commodity Credit Corp.(2)	558	594	578	401
Mills, elev. & whses. (1,3) ...	16,259	20,571	22,554	17,598
Total	58,489	69,251	73,461	36,736

(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.

1973 Wheat Crop
Forecast at a Record
1,717 Million Bushels

A report released on August 9, 1973 by the Crop Reporting Board of the United States Department of Agriculture stated that production of all wheat, forecast at a record 1,717 million bushels, is 11 per cent above last year and 6 per cent above 1971. Changes between the August 1 forecast and final estimates have averaged 18 million bushels during the past decade, ranging from 2 million to 60 million bushels. In 7 of the 10 years, the August forecast was above the final by an average of 20 million bushels and 3 times it was below by an average of 13 million bushels. Acreage of all wheat for harvest as grain, at 53.7 million acres, is 14 per cent above last year and the largest since 1968 when 54.8 million acres were harvested. The indicated yield of 32.0 bushels per acre compares with the 1972 average of 32.7 and the record high 1971 average of 33.9 bushels.

Production of winter wheat is now forecast at 1,293 million bushels, 9 per cent above last year and 13 per cent above 1971. The current forecast is 27 million bushels below the July 1 forecast, because of a combination of wet conditions throughout the season in the east northcentral area and hot, dry weather in early July in Nebraska, Colorado, Montana and Idaho. The U. S. yield is indicated at 33.5 bushels per acre compared with 34.0 last year and the record high 35.4 bushels in 1971. Acreage for harvest, 38.6 million acres, is 11 per cent above 1972.

Harvesting of the record large Kansas crop was in the wrapup stage in most areas of the States by mid-July except in the northwestern counties where two-thirds of the acreage had been combined. Harvest was also virtually complete by mid-July in Oklahoma and Texas. Combining of Nebraska's wheat crop was over 90 per cent complete in late July—equal to the 1972 pace. Early in July progress was behind last year and normal but hot, dry weather matured the crop rapidly. Much of the later crop in west Nebraska ripened prematurely, resulting in smaller kernels and lower yields. South Dakota's yield forecast was unchanged from a month earlier. Combining was 90 per cent complete in late July compared with an average of 70. Hot, dry weather in Colorado in late June and early July reduced expected yields. Harvest was very active the first half of July but showers delayed progress later. By August 1, three-fourths of the crop had been combined compared to 89 per cent a year earlier.

Yield prospects declined sharply during the month in Missouri, Illinois, Indiana, Ohio and Michigan. Combining was virtually complete in Illinois by mid-July and 90 per cent finished in Missouri. The harvest in Indiana and Ohio was slow in early July but was virtually complete by the end of the month, ahead of last year and average. About two-thirds of the Michigan crop was harvested by late July. Prospective production declined from a month earlier in Montana and Idaho but was unchanged in Washington and Oregon. Continued shortages of soil moisture held yields down and hastened maturity of the crop. Combining began in Washington and Oregon before mid-July. Around August 1 harvest was 5 and 10 per cent complete in Montana and Idaho, respectively.

Durum production is forecast at 82 million bushels, up 13 per cent from 1972 but 10 per cent below the 1971 record 92 million bushels. The current forecast is 5 per cent below the July 1 forecast because dry weather reduced yields. Acreages are up substantially from last year in the major producing States.

Progress of the crop is ahead of normal. By August 1 about 5 per cent of the acreage in North Dakota had been swathed; normally only about 1 per cent would be cut by that date. Another 27 per cent of the acreage was ripening, 44 per cent was

in the milk-dough stage and 24 per cent was in the flower or earlier stages.

Durum is now expected to average 27.7 bushels compared with 28.6 bushels in 1972 and 32.1 bushels in 1971.

Harvested acreage is estimated at 2,971,000 acres, compared with 2,555,000 in 1972 and 2,864,000 acres in 1971.

Spring wheat other than durum is expected to total 342 million bushels, about the same as was forecast in July. Production will likely stand 20 per cent above 1972 but fall short of the record 1971 crop by 11 per cent. Yield is expected to average 28.1 bushels per acre compared with 29.0 in 1972 and 30.7 bushels in 1971. Acreage for harvest is 24 per cent above last year but 2 per cent below 1971.

Cool nights in Minnesota helped fill heads and improve prospects. Late July rain slowed harvest but at 5 per cent combined on July 30, progress was still ahead of average. While drought reduced yields in North Dakota's south central sections, prospects improved in other areas because cool temperatures favoured filling. Showers the last week of July interrupted harvesting temporarily but by July 31, 4 per cent of the hard spring wheat was combined with an additional 12 per cent swathed. Normally, on this date, only 1 per cent is combined and 4 per cent swathed. South Dakota harvest was 45 per cent complete compared with 2 per cent last year and 16 per cent normally. Hot, dry weather forced maturity. Yields are variable but better than expected.

Continued subnormal rainfall in central and north central Montana during July reduced yield prospects but the crop was in good condition in the eastern and southcentral portions of the State. Idaho yield prospects declined slightly. Washington prospects also continued poor. Yields were reduced sharply because drought continued into July.

Summary of the
Wheat Situation

In a report released on July 31, 1973 the United States Department of Agriculture stated that despite prospects for a record 1973 harvest, low beginning stocks and strong demand will result in a further drawdown in wheat stocks at the end of the 1973-74 marketing year. Strong foreign demand and uncertainties about exportable supplies throughout the world have set the stage for heavy early-season commitments and exceptionally strong harvest prices.

The 1973 wheat crop was indicated on July 1 at a record 1,749 million bushels, 13 per cent above last year. But carryover into the new crop year was the lowest since 1967 and the total supply for the current season is estimated to be down 10 per cent.

Domestic disappearance may edge lower if less wheat is fed. But wheat exports could approach last year's phenomenal level of 1,185 million bushels. Reported export commitments for 1973-74, as of July 6, already totalled 916 million bushels of wheat as grain. Soviet wheat purchases from the United States are expected to be down sharply from the estimated 400 million bushels of 1972-73, but sales to the People's Republic of China and India will be sharply larger. Total domestic use and exports for the season will likely exceed production, resulting in another reduction in carryover at the end of the 1973-74 season to around 300 million bushels.

Mid-July farm prices of wheat averaged \$2.47 per bushel, the highest monthly farm price since January 1948. With continued heavy export demand, farm prices are likely to remain very strong. The pattern of prices through the season will largely depend upon the final outturn of the U.S. wheat and feed grain crops, the size of the world grain crops, and prospects for the 1974 U.S. crop. If a bumper 1973 world grain crop is harvested and prospects point to another large crop in 1974, prices next summer could be down from current high levels.

Hard Red Winter (HRW): The 1973 HRW crop is indicated at a record of nearly 1 billion bushels. However, sharply reduced carryover means a moderately smaller supply for 1973-74. Domestic use may increase a little, largely because of heavier millings. Exports are estimated to be about the same as last season. The net effect is apt to be even lower stocks by July 1, 1974.

Hard Red Spring (HRS): The indicated 1973 harvest as of July 1 was 18 per cent above last year's crop but dry weather throughout much of the Northern Plains in July lowered production prospects. On any account, the outlook is for a smaller HRS supply because of low beginning stocks. It appears that 1973-74 will be another strong export year with 169 million bushels indicated for overseas delivery as of July 6. This points to another stock reduction in the summer of 1974.

Soft Red Winter (SRW): Supplies are likely to be the smallest since 1962-63. Wet weather has resulted in reduced acreage as well as lower yields in the major producing North Central States. The smaller indicated 1973 crop and a very tight carryover indicate a substantially smaller SRW supply for 1973-74. The quantity of SRW available for export and carryover will probably be less than half of last year's 77 million bushels.

Durum Wheat: Smaller durum stocks will more than offset a substantially larger 1973 crop and supplies will be down from a year ago. With another relatively strong export demand in prospect, stocks are headed for another sharp reduction. Prices are already reflecting this situation, reaching \$6.00 per bushel in late July.

White Wheat: A smaller crops and reduced stocks will net a smaller supply for 1973-74. Even with some reduction in domestic demand because of less feeding to livestock, supplies available for export and carryover will be down substantially from a year ago. This suggests another tight supply with accompanying high prices.

Forecasts based on July conditions indicate a record world wheat crop, up about 10 per cent from last year's reduced level. Recovery is expected in the USSR and Australia, and expanded acreage will push production up in the United States and Canada. World wheat trade in 1973-74 is expected to be down modestly from last year's record level. This is primarily due to anticipation of smaller purchases by the Soviet Union. Stocks of the major exporters are down for the third straight year to the lowest levels since the 1950's, adding fuel to the already hot price situation. Chances for any substantial stock buildup appear slim.

The Secretary of Agriculture has already announced that there will be no set-aside requirements under the 1974 wheat program. The last time there was virtually no planting restriction on wheat was in 1967.

1974 Wheat Program Announced

On August 16, 1973 the Secretary of Agriculture Earl L. Butz announced details of the 1974 wheat program which he said is designed to encourage all-out production.

There will be no set-aside requirement for 1974. There will be no conserving base requirement for the four-year life of the Agriculture and Consumer Protection Act of 1973.

New in the wheat program is the target price feature. If the average price for wheat is at or above the \$2.05 per bushel target price, the producer will receive no payment. If the price average is below the target, the producer will receive the difference between the target price and the 5-month average price received by all farmers.

There will be no preliminary payment. Any payment due will be paid after December 1, 1974. If the average price received by all producers is under \$2.05 per bushel for July through November 1974 period, a producer would be paid on an amount of bushels determined by multiplying the farm allotment times the projected yield established for the farm. The projected yield represents the potential production for the farm as determined by the Agricultural Stabilization and Conservation Service (ASCS) county committee.

The allotment is set at 55.0 million acres. Thus, on the average, each producer's allotment in 1974 will be about three times that of his 1973 allotment. This allotment represents the number of harvested acres of wheat, based on the estimated average yield, which would result in production equal to estimated domestic and export disappearance in the 1974-75 marketing year. This allotment is similar to the domestic allotment in the 1973 wheat program in that it is not a constraint on the amount of wheat that can be planted and its sole purpose is for making payments to producers in the event the 5-month average price received by farmers is less than the target price.

The total amount of payments a person may receive under one or more of the 1974 wheat, feed grain and upland cotton programs may not exceed \$20,000.

Loans will be available to producers on their 1974 crop wheat at a national average of \$1.37 per bushel, an increase of 12 cents over the 1973 crop loans.

The Agriculture and Consumer Protection Act of 1973 provides for release of about 10 million bushels of excess wheat stored by wheat producers under provisions of the Food and Agriculture Act of 1965. It has been determined by the Secretary that such wheat will be released without penalty. Producers holding excess wheat will be notified by their local ASCS county committees on details regarding its release.

The Act also eliminates the requirement that processors purchase certificates valued at 75 cents per bushel on each bushel of wheat processed for human domestic consumption.

Producers may substitute any non-conserving crop or any conserving crop used for hay or for grazing in order to preserve their wheat allotments and to make them eligible for any payments under the target price feature. Crops for which a marketing quota is in effect are excluded.

AUSTRALIAN SITUATION

Wheat Supplies Reflecting the effect of a decrease in both carryover
Below Previous Year stocks and production, total estimated supplies of wheat in Australia for the 1972-73 (December-November) crop year are placed at 284.5 million bushels, 34 per cent less than the 433.4 million in 1971-72. Carryover stocks at December 1, 1972, at 50.1 million bushels were sharply below the 127.2 million at the same date a year ago, while the 1972 production, at 234.4 million registered a decline of 23 per cent from the comparable figure in 1971 of 306.2 million. After deducting some 115.3 million bushels for anticipated domestic requirements, an estimated 169.2 million are available for export and for carryover during 1972-73, about half the 335.2 million in 1971-72.

Exports Less Combined exports of wheat as grain and wheat flour in terms of
than Year Ago grain equivalent during the period December 1 - August 4 of the current Australian crop year amounted to 123.8 million bushels, 39 per cent below the 204.4 million exported during the corresponding period of the 1971-72 crop year. The balance remaining on August 5, 1973 for export and for carryover, at 45.4 million bushels, was 65 per cent lower than the 130.8 million at the same date a year ago.

Australian Wheat Supplies

Item	1971-72 ^r	1972-73 ^P
	million bushels	
Carryover, including flour as wheat, at beginning of crop year (December 1)	127.2	50.1
Production	306.2	234.4
Total estimated domestic supplies	433.4	284.5
Less estimated domestic requirements for crop year	98.2	115.3
Available for export and for carryover	335.2	169.2
<u>Deduct</u>		
Exports of wheat as grain, December 1 - August 4	196.9	117.6
Exports of wheat flour in terms of wheat, December 1 - August 4	7.5	6.2 ^r
Total exports of wheat and wheat flour	204.4	123.8
Balance on August 5 for export and for carryover	130.8	45.4

The following information relative to the Australian situation has been extracted from a report from Mr. C.V. Hiltz, Third Secretary (Agriculture) for Canada, Canberra, under date of August 10, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

Australian wheat production — 1973-74.—The Commonwealth Bureau of Census and Statistics has released its estimate of 1973-74 wheat acreage by State and is predicting a planting of 23.6 million acres; slightly less than the Wheat Board's estimate of 23.8 million acres. The Bureau's estimate by State is shown in the following table:

Area Intended to be Sown to Wheat — 1973-74 as at March 1, 1973

<u>State</u>	Actual Acreage	Acreage
	<u>1972-73</u>	<u>1973-74</u>
	million acres	
New South Wales	6.7	7.5
Victoria	2.8	3.4
Queensland	1.2	1.4
South Australia	2.5	2.6
Western Australia	6.2	7.6
Total(1)	19.6(2)	23.6(2)

(1) Including Tasmania and A.C.T.

(2) Wheat sown for all purposes.

Assuming that the Bureau's estimate will be right and assuming an average yield of 18 bushels per acre, the harvest could easily reach 425 million bushels. However, weather conditions have been favourable over the past month and predictions for the next two months indicate a continuance of favourable weather so that average yields could easily be surpassed. The best Australian average yield was recorded in the 1966-67 crop year at 22.4 bushels per acre. If this year's average yield were to equal the 1966-67 yield then the harvest could reach 528.6 million bushels. However, this is highly unlikely and the crop will most probably be in the area of 425 million bushels.

Wheat retained on farms.—At the time of releasing wheat planting estimates, the Bureau of Census and Statistics also released estimates of wheat held on growers farms. They estimated that at March 31, 1973 growers held a total of 31.4 million bushels which is the largest on farm holding since March 31, 1970 when an estimated 37.6 million bushels were held. The estimate by State is shown in the following table:

Stocks of Wheat Held on Holdings (Grain)

<u>State</u>	<u>Holdings (March 31, 1973)</u>
	million bushels
New South Wales	12.4
Victoria	5.7
Queensland	1.1
South Australia	4.6
Western Australia	7.4
Total(1)	31.4

(1) Includes Tasmania and A.C.T.

Crop conditions by State.—Good rains finally fell in Queensland in mid-July so that wheat plantings could proceed. Falls ranged from patchy in a few areas to 1 1/2-3 inches over a large part of the wheat area which brought an end to the drought conditions. As a result the State Wheat Board revised its estimates of receivals upwards from 12 million bushels to 30 million bushels. However, continued rain in some areas has prevented sowings from being completed so that now there is a danger that this will reduce acreage. Although it is pretty late in the season to sow wheat a good crop could still be harvested if growing conditions were ideal between now and harvest.

Likewise, New South Wales received widespread rains early in July which broke the drought in the northern prime hard wheat area and prospects for a satisfactory crop are now good. Crop development is mainly good to excellent in the central and southern wheat areas where crop conditions have generally been ideal. The State Department of Agriculture estimated that 7.2 million acres had been sown by mid-July and that possibly another 0.6 million acres could be sown before growers decided it was too late in the season for further planting.

In Victoria conditions have been variable. The northern and north-eastern part of the State has received too much rain, washing out some crops and making it too wet for further planting. Production will be down in these areas by about 12 million bushels. Further south and on the Mallee, conditions are generally excellent and prospects for a satisfactory crop are good.

Conditions in South Australia are excellent. Widespread rains at good intervals are being received and temperatures are generally cool with only a few light frosts. Wind erosion caused some damage in isolated areas but overall calm weather has prevailed. In general the crop has the best potential it has had for a number of years and the overall prospects for an excellent harvest are bright.

Western Australia received above average June and July rains over most of the wheat area which improved the outlook in this State considerably. Prior to this the crop had been a bit backward. The present outlook is for an average crop but eventual prospects will depend on spring rains. The early estimate last year under similar conditions was 95 million bushels but without spring rain this was reduced to 65 million bushels.

New wheat payment system for Australia.—Pressure is continuing to mount on both the Australian Wheat Board and the Federal Government for a revised wheat payment system so that growers are paid for their wheat over a shorter period. In some cases it has taken up to four years to finalize pools which tends to work an extra hardship on growers. This long delay in pool payments is one of the major causes of wheat trading outside the control of the Board and is one reason for growers wanting an increase in the first advance. In addition, growers are turning to alternative crops because of speeded up payments and this is causing the Board concern. As a result, the Board is having discussions with the Government on ways of speeding up payments. Currently they are very interested in the Canadian system and may adopt a similar method of finalizing pools. There is little doubt that a new system is needed and a new system is in the offing.

Exports of Australian Wheat and Wheat Flour in Terms of Wheat
December 1 - July 21, 1972-73 and Corresponding Period 1971-72

Destination	Wheat		Wheat flour	
	1971-72	1972-73	1971-72	1972-73
thousand bushels				
Western Europe:				
Britain(1)	14,683	7,105	135	15
Ireland(1)	534	90	—	—
Malta	565	—	—	—
Norway	4,033	—	—	—
Total	19,815	7,195	135	15
Eastern Europe				
Germany, East	16,270	2,959	—	—
U.S.S.R. (Russia)	11,637	27,566	—	—
Total	27,907	30,525	—	—
Africa				
Angola	573	—	—	—
Egypt A.R.E.	44,026	19,098	—	—
Kenya	2,382	—	—	—
Malawi	—	—	288	32
Mauritius - Comm.	—	—	419	338
- F. Aid	—	—	146	143
Mozambique	1,621	—	—	—
Rhodesia	1,145	—	—	—
Sudan	1,430	—	—	—
Tanzania	749	—	—	—
Zambia	1,889	1,331	—	—
Others	2	3	283	76
Total	53,817	20,432	1,136	589
Asia				
Aden	460	—	—	—
Aden I/T Atta	—	—	17	—
Afghanistan - Comm.	411	—	—	—
- F. Aid	—	146	—	—
Arabian Gulf	211	144	189	139
Arabian Gulf Atta	—	—	690	470
Bangladesh - Comm.	237	—	—	—
- F. Aid	511	463	—	—
China	—	13,605	—	—
Hong Kong	1,186	1,165	9	1
India - F. Aid	1,466	—	—	—

See footnotes at end of table.

Exports of Australian Wheat and Wheat Flour in Terms of Wheat
December 1 - July 21, 1972-73 and Corresponding Period 1971-72 - Continued

Destination	Wheat		Wheat flour	
	1971-72	1972-73	1971-72	1972-73
thousand bushels				
<u>Asia - concluded</u>				
Indonesia	-	-	2	1
- F. Aid	1,796	1,004	-	-
Iran	2,783	-	-	-
Iraq	2,695	-	-	-
Japan	33,379	8,590	-	-
Korea North	1,852	-	-	-
Korea South	2,897	-	-	-
Kuwait	2,896	2,392	-	-
Lebanon	1,260	676	-	-
Malaysia	7,433	7,913	-	-
Pakistan - F. Aid	878	680	-	-
Philippines	-	-	164	87
- F. Aid	-	129	-	-
Qatar	-	243	-	-
Sabah	-	-	1	(2)
Sarawak	-	-	-	3
Saudi Arabia	2,820	515	98	218
Singapore	3,373	4,363	(2)	2
Sri-Lanka	2,066	2,394	-	-
- Comm.	-	-	59	4
- F. Aid	-	-	586	646
Taiwan	3,791	4,827	-	-
Thailand	1,293	1,454	96	35
Yemen	1,547	-	-	-
Others	-	3	81	64
Total	77,241	50,706	1,992	1,670
<u>Oceania</u>				
Fiji	-	45	-	-
- F. Aid	-	-	-	43
New Zealand	550	-	-	-
Total	550	45	-	43
<u>Western Hemisphere</u>				
Bolivia	566	-	-	-
Chile	10,049	5,063	-	-
Peru	3,187	471	-	-
West Indies Area	-	-	28	29
Total	13,802	5,534	28	29

See footnotes at end of table.

Exports of Australian Wheat and Wheat Flour in Terms of Wheat
December 1 - July 21, 1972-73 and Corresponding Period 1971-72 - Concluded

Destination	Wheat		Wheat flour	
	1971-72	1972-73	1971-72	1972-73
thousand bushels				
<u>Pacific Area and Sundries</u>				
Pacific Islands	44	37	2,214	1,747
Ships' Stores and Sundries ..	-	-	65	47
Total	44	37	2,279	1,794
Total, all countries	193,180	114,275	5,572	4,140
(1) Commencing January 1, 1973 Britain and Ireland became members of the European Economic Community.				
(2) Less than 500 bushels.				

GRAIN SITUATION IN ITALY

The following account of the current situation in Italy has been extracted from a report received from Mr. U. Boschetti, Commercial Officer, Agriculture, Canadian Embassy, Milan, Italy, under date of July 16, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

General - E.E.C. regulations.—The main event which occurred during this quarter of 1973 was the reaching of an agreement between the members of the European Community as regards prices of agricultural products for 1973-74.

The Ministers of Agriculture of the ten EEC countries signed this important agreement on May 28, 1973 in Brussels, the results of which for coarse grains may be summarized as follows:

Soft wheat	<u>Indicative price</u>	\$114.94 per metric ton	<u>Intervention</u>
	<u>price</u>	\$105.80 per metric ton	
Hard wheat	<u>Indicative price</u>	\$133.93 per metric ton	<u>Minimum guaranteed</u>
	<u>price</u>	\$155.33 per metric ton	
Maize	<u>Indicative price</u>	\$102.77 per metric ton	
Barley	<u>Indicative price</u>	\$105.29 per metric ton	<u>Intervention</u>
	<u>price</u>	\$96.66 per metric ton	
Rye	<u>Indicative price</u>	\$112.30 per metric ton	

The above prices will be in force on August 1, 1973.

Wheat crop forecast.—Local wheat production of the 1973-74 season is foreseen to be about 8,918,000 metric tons (327.7 million bushels) on a utilized acreage of about 3.67 million hectares (9.1 million acres). This forecast has been made by the Provincial Agricultural Inspectors and computerized by the Italian Bureau of Statistics. Comparing last year's crop with the above forecast, 1973-74 crop appears

to be lower by 5.4 per cent. This lower production is mainly due to adverse climatic conditions and in particular to the heavy and persistent rains which occurred in winter and spring. There are no official forecasts as yet for maize and other coarse grains inasmuch as these grains are sown later in the season. It is hoped to obtain early information for our next Coarse Grain Report. As regards the territorial forecast for wheat, provisional estimates show that in northern Italy the production will decrease by 1.9 per cent; in central Italy by 1.4 per cent and in southern Italy by 7.1 per cent.

The following are wheat estimates, split by territory:

Northern Italy	128,701,000 bushels
Central Italy	77,275,000 "
Southern Italy	121,712,000 "
	<hr/>
	327,688,000 "

Rye.—The general market situation for this grain is unchanged. The local production has been completely sold out for seed and feed purposes. As usual the levy remains at a prohibitive level and hinders any transaction with foreign countries. In fact for the period August 1, 1972 to June 12, 1973 import certificates for only 5 metric tons (197 bushels) were released. On the other hand, the Italian Health regulations prohibit mixing rye flour with wheat flour for bread production.

ARGENTINE SITUATION

Supplies Higher than Previous Year

Total estimated domestic supplies of wheat in Argentina for the 1972-73 (December-November) crop year are placed at some 308.1 million bushels, an increase of 32 per cent over the comparable 1971-72 total of 233.5 million reflecting a rise in production which more than offset a decline in carryover stocks. The 1972 estimate of production at 290.3 million bushels was 39 per cent above the 208.7 million produced in 1971 while the December 1, 1972 carryover stocks, at 17.9 million, are 28 per cent less than the 24.8 million at the same date a year ago. After making an allowance of 150.0 million bushels for anticipated domestic requirements, an estimated 158.1 million are available for export and for carryover in 1972-73, sharply above the 81.6 million the previous year.

Exports Increase over Last Year's Level

Preliminary exports of wheat and wheat flour in terms of wheat equivalent during December 1972 — July 1973 amounted to 113.8 million bushels, in sharp contrast to the 42.9 million shipped during the same eight months in 1971-72. The balance remaining on August 1, 1973 for export and for carryover was estimated at 44.3 million bushels, compared with the August 1, 1972 total of 38.8 million.

Argentine Wheat Supplies

Item	1971-72r	1972-73p
	million bushels	
Carryover at beginning of crop year (December 1) (1)	24.8	17.9
Production	208.7	290.3 ^r
Total estimated domestic supplies	233.5	308.1
Less estimated requirements for crop year	151.9	150.0
Available for export and for carryover	81.6	158.1
<u>Deduct</u>		
Exports of wheat as grain, December - July	39.1	107.6
Exports of wheat flour in terms of wheat, December - July	3.8	6.2
Total exports of wheat and wheat flour	42.9	113.8
Balance on August 1 for export and for carryover	38.8	44.3

(1) Includes allowances for farm stocks.

The following account of the Argentine situation has been extracted from a report from the Commercial Division, Canadian Embassy, Buenos Aires, under date of August 3, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce. Where possible conversions to Canadian measures and currency have been made for the convenience of our readers.

The Department of Agriculture published the third estimate of 1972-73 wheat production at 7.9 million metric tons (290.3 million bushels). Although this is below the second estimate of 8.1 million (297.6 million bushels), it is still 30 per cent above the 1971-72 estimate of 5.68 million tons (208.7 million bushels). This increase over last year is due to a larger area seeded and to favourable weather conditions in all of the wheat belt since the start of the crop year. Frosts and rainfall which affected late seeded crops did not damage the overall crop.

The third estimate includes 596,000 tons (21.9 million bushels) of Durum which are grown in the southeastern region of the province of Buenos Aires. This figure compares with the 550,000 tons (20.2 million bushels) harvested last year.

The following table shows production by province for 1972-73 compared with 1971-72:

	<u>1971-72</u>	<u>1972-73</u>
	thousand bushels	
Buenos Aires	134,480	193,637
Santa Fe	36,560	44,459
La Pampa	9,873	23,516
Cordoba	15,616	20,466
Entre Rios	8,451	5,622
Others	3,722	2,572
Total	208,702	290,272

During the first six months of 1973 Argentina exported 2,332,509 tons (85,704,000 bushels) of bread wheat and 262,777 tons (9,655,000 bushels) of Durums.

Due to a shortage of available wheat Argentina might be forced to import in order to meet internal demand as well as external commitments. As a result, the National Grain Board asked for sworn statements of stocks on hand from brokers and exporters in the belief that the shortage of supply was due to retention. The government seems to be convinced of the virtual disappearance of 500,000 tons (18,372,000 bushels) of wheat which have failed to appear on the market, but trade circles, without denying the existence of a black market, refuse to admit the truth of such an assumption, pointing out that the loss is probably due to an erroneous computation of production. The fact remains however that the statements received by the Grain Board fail to reveal any such stocks.

This shortage is therefore creating problems with the Argentine-Brazilian agreement to ship 1,300,000 tons (47,766,000 bushels) this year. Of these 1.3 million (47,766,000 bushels), Argentina has already shipped 1.0 million (36,743,000 bushels), of which 150,000 tons (5,511,000 bushels) should be loaded in the third quarter and a further 150,000 tons (5,511,000 bushels) in the fourth quarter of this year. Last week grain circles were certain that the agreement would be suspended entirely at the above total of 1.0 million tons (36,743,000 bushels). Also by joint resolution of the Ministries of Finance and Trade, all exports of Durums have been banned save those approved up to June 25. This resolution excludes the sale of 50,000 tons (1,837,000 bushels) committed to Algeria. All sales of flour have also been banned for the time being.

At June 1, 1973, bread wheat stocks amounted to 1,400,578 tons (51,462,000 bushels) and Durums to 152,635 metric tons (5,608,000 bushels).

The minimum prices for 1973-74 wheat crop f.o.r. Buenos Aires were published on May 23 at:

	<u>Pesos per 100 kilos</u>	<u>Cdn. \$ per bushel</u>
Hard Wheat	57.00	3.09
Semi-Hard	55.50	3.01
Durums	58.50	3.17

On August 1, hard wheat was quoted at 57.00 pesos per 100 kilos (\$3.09 per bushel) f.o.r. Buenos Aires, semi-hard at 58.50 (\$3.17 per bushel) and Durums at 57.00 (\$3.09 per bushel). No quotations on the Futures Exchange.

GRAIN SITUATION IN THE EUROPEAN ECONOMIC COMMUNITY

The following information relative to the grain situation in the E.E.C. has been extracted from a report received from the Mission of Canada to the European Communities, Canadian Embassy, Brussels, under date of August 13, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

The latest estimate, published by the Commission Statistical Office predicts that the Community cereal harvest for 1973 will be smaller than last year's 103.9 million tons. The final figure is expected to hinge primarily on production of maize. Production of wheat, following the reduction in seeded acreage and lower yields, the 1973 harvest will probably be smaller than the 41.4 and 40.1 million tons of 1972 and 1971, respectively. A similar outlook is expected for rye, oats and mixed cereals grown in the summer months.

GRAIN SITUATION IN THE NETHERLANDS

The following account of the current grain situation in the Netherlands has been extracted from a report received from Mr. F.W. Zechner, Commercial Officer, Canadian Embassy, The Hague, under date of July 26, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

According to the Dutch statistics office, the area seeded to field crops in 1973 totalled 1,666,000 acres, not quite 2 per cent down from 1,693,000 acres in 1972.

Major shifts occurred in the areas under grains and corn silage. Farmers used 824,000 acres for grain production in 1972 but the 1973 area declined to 722,000 acres (- 12.3 per cent), chiefly due to lower seedings of winter wheat, rye and oats. A remarkable increase was recorded in the area under corn silage, which at 123,500 acres is 69 per cent up from the 1972 figure of 72,600 acres.

FRENCH SITUATION

Supplies Higher than Previous Year

Total estimated commercial domestic supplies of soft wheat in France for the crop year (August-July) 1972-73, consisting of the August 1 carryover of 90.8 million bushels and anticipated marketings of 543.3 million amount to some 634.1 million, 16 per cent more than the 1971-72 total of 545.9 million. Imports of wheat during August 1972 - June 1973 including durum wheat and both hard and soft wheat have amounted to 12.0 million bushels, sharply above the 6.6 million imported during the same months of 1971-72. After deducting 242.5 million bushels for estimated domestic use, including normal feed wheat requirements, the surplus available for export and for carryover is about 403.6 million bushels 30 per cent above the 309.5 million the previous year.

Exports Above Combined exports of wheat and wheat flour in terms of grain equivalent during the August - June period of the current crop year, at 282.8 million bushels, represented a 40 per cent increase over the comparable August-June 1971-72 total of 202.0 million. The balance of commercial supplies remaining on July 1, 1973 for export and for carryover amounted to 120.8 million compared with the July 1, 1972 total of 107.5 million bushels.

French Soft Wheat Supplies

Item	1971-72 ^r	1972-73 ^p
million bushels		
Commercial carryover, August 1	97.8	90.8
Anticipated deliveries to Grain Board	448.1	543.3
Total estimated commercial domestic supplies ...	545.9	634.1
Imports(1) August - June	6.6	12.0
Total commercial supplies	552.5	646.1
Less domestic requirements for crop year	243.0	242.5
Available for export and for carryover	309.5	403.6
<u>Deduct</u>		
Exports(2) of wheat, August-June	166.0	236.8
Exports of wheat flour in terms of wheat, August-June	36.0	46.0
Total exports of wheat and wheat flour	202.0	282.8
Balance on July 1 for export and for carryover	107.5	120.8

(1) Includes durum, hard and soft wheat.

(2) Includes denatured, durum and soft wheat.

The following account of the wheat situation in France has been extracted from a report from Mr. G.W. Doucet, Agricultural Secretary, Canadian Embassy, Paris, under date of August 17, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce. Where possible, conversions to Canadian measures have been made for the convenience of our readers.

Imports.— Last June, France purchased from abroad around 10,000 metric tons (367,000 bushels) of wheat. Total wheat imports were placed at 327,313 tons (12,027,000 bushels), of which 233,611 tons (8,584,000 bushels) were durum wheat, compared with 178,429 tons (6,556,000 bushels) of which 93,220 tons (3,425,000 bushels) were durum wheat at July 1, 1972.

French Wheat Imports, August — June

Destination	Durum wheat		Hard and soft wheats	
	1971-72	1972-73	1971-72	1972-73
thousand bushels				
Argentina	429	-	-	-
Belgium and Luxembourg.	-	(1)	1	6
Brazil	-	-	-	(1)
Cameroon	-	-	-	(1)
Canada	-	391	1,258	1,099
Germany	-	-	9	27
Italy	-	-	1	-
Netherlands	-	-	-	(1)
Syria	-	-	-	-
United States	-	-	1,651	2,181
U.S.S.R.	2,996	7,752	211	129
Others	-	(1)	(1)	(1)
Total	3,425	8,584	3,131	3,443

(1) Less than 500 bushels.

Exports.— Total wheat shipments from France were 593,709 tons (21,815,000 bushels) during June 1973, in contrast to 420,089 tons (15,435,000 bushels) in June 1972, i.e. 173,620 tons (6,379,000 bushels) more than a year earlier. These exports brought the cumulative August-June eleven month exports to 6,445,768 tons (236,839,000 bushels) compared with the 4,518,294 tons (166,017,000 bushels) exported last year i.e. an increase of 1,927,474 tons (70,822,000 bushels) over a year ago or 42.6 per cent. On July 1, 1973 export figures reached 1,043,387 tons (38,337,000 bushels) for denatured wheat, 34,451 tons (1,266,000 bushels) for durum wheat, and 5,367,930 tons (197,235,000 bushels) for soft milling wheat while they respectively amounted to 584,393 tons (21,473,000 bushels), 34,577 and 3,899,324 tons (1,270,000 bushels and 143,274,000 bushels) on July 1, 1972.

French wheat flour kept the same rythm of shipment with around 80,000 metric tons monthly with June exports at 83,308 tons. Since August 1972, 833,901 tons have already been exported, surpassing by 181,122 tons the amount registered last year over the same eleven month period, which only reached 652,779 tons. On July 1, North Korea with 252,444 tons became the first customer of France, just ahead of Egypt with 241,896 tons, a combined 59.28 per cent.

French Wheat Exports, August - June

Destination	Milling soft wheat		Durum		Denatured durum and soft wheat	
	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73
thousand bushels						
Afghanistan	307	441	-	-	-	-
Andorra	15	8	-	-	-	1
Angola	1,705	1,591	-	-	-	-
Bangladesh	-	597	-	-	-	-
Belgium and Luxembourg	15,046	19,862	303	439	13,992	15,081
Cameroon	1,038	1,506	-	-	4	-
Central Africa	248	202	-	-	-	-
Chad	-	257	-	-	-	-
Congo - Brazza	-	-	-	-	(1)	-
Congo - P.R.	80	705	-	-	-	-
Czechoslovakia	3,739	-	-	-	-	-
Dahomey	-	459	-	-	-	-
Denmark	-	-	-	-	-	1
Ecuador	4	-	-	-	-	-
Egypt	-	-	-	-	-	-
Gabon	533	377	-	-	-	-
Germany	30,573	25,185	445	303	4,338	6,502
Guadeloupe	-	1,132	-	-	-	-
Indonesia	-	551	-	-	-	-
Ireland	2,214	1,949	-	15	-	-
Italy	18,456	10,242	413	323	17	13
Ivory Coast	3,453	3,094	-	-	-	-
Kenya	478	-	-	-	-	-
Libya	-	245	-	-	-	-
Madagascar	-	(1)	1	1	-	-
Malta	81	90	-	-	-	-
Martinique	-	-	-	(1)	(1)	-
Mascate et Oman	-	-	-	-	2	-
Mauritania	204	73	-	-	-	-
Morocco	370	1,425	-	-	-	-
Mozambique	540	540	-	-	-	-
Netherlands	16,002	22,652	10	43	2,401	16,200
Norway	141	-	-	-	-	-
Pakistan	551	367	-	-	-	-
Philippines	-	-	-	-	4	-
Poland	13,315	-	-	-	-	-
Portugal	294	-	-	-	-	-
Reunion Island	-	-	77	-	-	-
Senegal	3,496	4,224	-	-	48	66
Spain	-	-	-	-	-	1
Spanish Canaries	-	-	-	-	1	-
Spanish North Africa ..	-	1	-	-	-	(1)
Switzerland	8,093	8,327	7	3	18	37
Syria	276	-	-	-	-	-
Tunisia	134	1,614	-	-	-	-

See footnotes at end of table.

French Wheat Exports, August — June concluded

Destination	Milling soft wheat		Durum		Denatured durum and soft wheat	
	1971-72	1972-73	1971-72	1972-73	1971-72	1972-73
thousand bushels						
Uganda	1	-	-	-	-	-
United Kingdom	20,566	44,495	16	137	577	424
United States	9	-	-	-	-	-
U.A.R.	-	24,964	-	-	-	10
Upper Volta	698	645	-	-	-	-
U.S.S.R. (Russia)	613	19,415	-	-	59	-
West Indies	-	-	-	-	-	2
West Samoa	-	-	-	-	(1)	(1)
Yemen	-	-	-	-	10	-
Others	1	(1)	(1)	(1)	(1)	(1)
Total	143,274	197,235	1,270	1,266	21,473	38,337

(1) Less than 500 bushels.

Markets.—The French wheat market became feverish at the beginning of August following the high quotes registered in Chicago (\$4 a bushel on August 6 and \$4.24 per bushel on August 8) and also the E.C.M. decisions. ONIC ceased to deliver export certificates for durum after August 4 and for soft wheat after August 7. But, between August 1 and 7, French operators took a large amount of certificates: 306,102 metric tons (11,247,000 bushels) for soft wheat, 6,500 tons (239,000 bushels) for durum wheat, 154,786 tons (7,109,000 bushels) for barley, 5,700 tons (370,000 bushels) for oats, 84,970 tons (3,345,000 bushels) for corn, and 208,983 tons for wheat flour. The important coarse grain amounts might lead to new EEC measures regarding wheat, or to new measures regarding other grains, such as quotas and levies applied upon exports.

New crop.—Before the beginning of harvesting activities, a weaker wheat production was forecasted, compared with last year record crops. On July 25, wheat harvest had not yet really begun, except some wheat harvested early before the rainy period. Farmers generally feared a lower quantity, due to the hot June and July weather resulting in shrivelling.

For soft wheat, acreage estimates were about the same as last year or a little more by +3,900 hectares (9,600 acres) on July 1, 1973. With a 4.4 metric ton per hectare (65 bushels per acre) yield would be lower than last year's 4.6 metric tons (68 bushels per acre) resulting in a production of 16,791,000 tons (616,957,000 bushels) below the 1972 record of 17,673,600 tons (649,386,000 bushels).

Durum wheat acreage decreased by 9,900 hectares (24,000 acres) and a better forecasted yield of 2.9 tons per hectare (43 bushels per acre) instead of 2.8 tons (42 bushels per acre) last year, would secure the same level of production, about 450,000 tons (16,534,000 bushels).

Those estimates based on June situation, did not take into account the weather conditions which prevailed then. After one month and a half of hot temperatures and drought (June and the first fifteen days of July), rain did not cease from the

14th to the 26th of July. After a few days of lull, a new raining period occurred from August 1st to 7th, at last followed by a succession of seven days with hot and dry weather conditions from August 8th to 14th, to the benefit of farmers which nearly all completed the harvest.

New Crop: Hereunder are listed the July 1, 1972 and 1973 estimates relating to both winter and spring wheat plantings, yields and productions, released by the French Department of Agriculture:

	<u>Cultivated Acreage</u>		<u>Yield</u>		<u>Production</u>	
	JULY 1		JULY 1		JULY 1	
	1972	1973	1972	1973	1972	1973
	thousand acres		bushels per acre		thousand bushels	
<u>Winter Wheats</u>						
Soft	8,989	8,947	69.9	65.5	626,514	591,839
Durum	161	156	32.7	37.2	5,309	5,747
<hr/>						
<u>Spring Wheats</u>						
Soft	388	439	59.5	56.5	22,873	25,118
Durum	238	219	47.6	49.1	11,210	10,810
<hr/>						
<u>Total Wheats</u>						
Soft	9,377	9,386	68.4	65.5	649,386	616,957
Durum	399	375	41.7	43.1	16,520	16,557
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<u>Grand Total</u>	9,776	9,761	66.9	64.0	665,906	633,513

WHEAT SITUATION IN BRITAIN

The following account of the wheat situation in Britain has been extracted from a report received from Mr. G.D. Cooper, Commercial Officer (Agriculture) for Canada, London under date of August 14, 1973 and is reproduced with the permission of the Trade Commissioner Service, Department of Industry, Trade and Commerce.

General conditions.—Cool and rather dry weather in the early part of May was followed by a warmer wet spell which encouraged rapid growth in cereals. June was particularly warm, dry and sunny until the middle of the month when heavy rain fell with thundery spells which continued during the remainder of the month. During July, conditions generally deteriorated with cooler weather and some heavy storms. In general, both winter and spring sown cereals looked healthy and promising but heavy rains caused lodging which was severe in some places. Yellow rust and mildew were reported in many areas.

Cereal production.—The Ministry of Agriculture have released the provisional results of the June 1973 Agricultural Census for England and Wales which show an increase in the wheat acreage but decreases in barley, oats and mixed grains amounting to a reduction in the total cereals acreage.

Compared with June 1972 the area under cereals has decreased by 33,000 acres (0.4 per cent) to 8,041,000 acres. The wheat acreage is up by 74,000 acres (2.7 per cent) to 2,776,000 acres. Based on the foregoing and estimates for Scotland and Northern Ireland, total UK wheat production is provisionally estimated at 4,785,000 long tons (178,640,000 bushels) from 2,857,000 acres.

Consumption and supplies.—In the last assessment for the 1972-73 season, before full figures for the year are available, only one change has been made in the annual estimates of consumption and supplies of home-grown and imported wheat, namely a decrease of 50,000 long tons (1,867,000 bushels) in the amount of wheat for animal feed.

Statistics relating to the cumulative intake of wheat by millers from July 1, 1972, to the end of May 1973 indicate that a similar quantity 1.77 million long tons (66,080,000 bushels) of wheat has been used by flour millers this year. Other processors (mainly compounders) increased their wheat intake further and took in 210,000 long tons (7,840,000 bushels) of wheat in May 1973 compared with 103,000 long tons (3,845,000 bushels) during May 1972.

Imports of wheat (including flour as wheat) to the end of May 1973 from July 1, are recorded at 4,090,000 long tons (152,693,000 bushels) compared with 3,288,000 long tons (122,752,000 bushels) for the same period of the previous year. This suggests that compounders are now taking advantage of the denaturing subsidy and changing to some extent from barley to wheat.

Forward commitments are notified at 650,000 long tons (24,267,000 bushels) for delivery during May-June 1973, a decrease of 127,000 tons (4,741,000 bushels) or 16 per cent, compared with the same period of the previous year.

Prospects for the 1973-74 cereals market.—The General Home-Grown Cereals Authority have published a note designed to assist those concerned with marketing the new domestic crop. The chief features are as follows:

General.—Despite the higher levels of price support in 1973-74 under EEC arrangements, the recent remarkable rise in world cereals prices suggests that these will continue to be above the UK derived threshold price. If this situation prevails, growers and traders will not only have to take account of the supply/demand situation in the United Kingdom and other countries of the EEC but also of the world market as this could still largely determine the price of UK imports.

United Kingdom support measures.—With regard to specific UK support measures, guaranteed prices for cereals continue and for wheat has been fixed for 1973-74 at £36.70 per long ton (\$2.50 Cdn. per bushel). The target indicator price which used to put an upper limit on the rate of deficiency payment that could be paid on wheat has been abolished. The Home-Grown Cereals Authority forward contract bonus scheme will not operate in 1973-74.

Intervention and denaturing.—To date there has been no experience of intervention selling in the United Kingdom but there has been of the denaturing

arrangement for wheat, the EEC import/export system including compensatory amounts and end-of-season stock compensation payments which are currently being implemented for wheat.

International trade.—International Trade in the early months of the United Kingdom's adoption of the Common Agricultural Policy has been particularly difficult because of the complicated measures needed by the EEC system to take account of unusually high world prices and floating currencies.

Seasonal incentives.—Official EEC prices - intervention, threshold and target - increase during the season by monthly increments designed to encourage orderly marketing by providing a reward for storage. Despite its lower prices, the United Kingdom benefits from the full EEC increments. The intervention prices rise in nine steps of 50 pence per month from September for wheat and eight steps of 40 pence per month from October for barley. All seasonal increments are removed from intervention prices in the last two months - June and July - of the marketing year to guard against early harvested new crop grain being offered into intervention at high old season prices.

Threshold prices do not drop back at the end of May. On wheat there is an extra increment in June and for all grain the prices stay at the high May or June level through to July. If the UK market price is dominated by world prices however, there is no guarantee that end-of-season prices will bear a particular relationship to early new season prices, though of course intervention and threshold prices provide floors to domestic and third country import prices respectively.

End-of-season stock compensation.—Because in the full EEC, prices drop back at the end of the season, there is a risk that any substantial stocks of grain held in store at the end of the season would be sold into intervention at the high end of season price available until May 31 rather than suffer a substantial value drop. Accordingly, where the Council and Commission deem this necessary, there is provision for end-of-season stock compensation payments to offset the drop in price.

At the end of the 1972-73 season, such a payment is being made on wheat which meets intervention quality standards and though the price compensation is reduced in the United Kingdom because of the transition arrangements, a payment of $\pounds 1.57$ (\$3.99 Cdn.) is being made on stocks of wheat of UK intervention quality held at July 31, 1973.

United Kingdom domestic supply/demand situation.—The demand for cereals for home consumption is not expected to increase substantially but increased livestock numbers could possibly result in an extra demand of some 500,000 long tons for animal feed. This may incur some increase in imports but with a substantial denaturing subsidy in force, there should be no difficulty in absorbing the extra wheat production. High prices of proteins and cereal subsidies coupled with demand for concentrated feeds for animals, will continue to be met by cereals regardless of their high prices.

Denaturing subsidy for wheat.—The denaturing subsidy for the United Kingdom has only so far been announced for the first three months of the season 1973-74; it is about one-third lower than last year. The August, September and October monthly rate for both admixture and for incorporation is 10.79 units of account per metric ton ($\pounds 5.065$ per long ton) (converted to Sterling at 2.1644 UA = $\pounds 1$).

These measures will have the effect of making denatured wheat more expensive as an animal feedstuff and should encourage livestock producers to turn to barley. With present high cereals prices, the EEC Commission wants to avoid wheat which could be used for flour being denatured. They are also anxious that livestock farmers looking for substitutes for soya bean meal should use Common Market surplus barley rather than wheat. Since UK wheat became eligible for the denaturing subsidy, its use by feed compounders compared with barley has increased significantly. The EEC Commission will review the position in the light of market developments and will announce rates for subsequent months later in the year.

CALENDAR OF WHEAT EVENTS

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| July | 24 | The United States Department of Agriculture reported that stocks of all wheat in the United States at 427.8 million bushels, were only half those of a year earlier, with durum supplies also down sharply. |
| August | 1 | The Canadian Wheat Board in its Instruction to the Trade No. 7 announced the Initial Payment Prices for wheat, oats and barley during the 1973-74 crop year. The price for No. 1 Canada Western Red Spring in store Thunder Bay or Vancouver was placed at \$2.25 per bushel. |
| August | 3 | According to a report received from the Commercial Division, Canadian Embassy, Buenos Aires, the Department of Agriculture published the third estimate of 1972-73 wheat production in Argentina at 7.9 million metric tons (290.3 million bushels). |
| | 9 | According to the Crop Reporting Board of the United States Department of Agriculture, production of all wheat in the United States in 1973, basis August 1, is forecast at a record 1,717 million bushels. |

Flour Production According to the Bureau of the Census, United States Department of Commerce, wheat flour production in the United States in June 1973 amounted to 19,771,000 hundredweight, averaging 941,000 hundredweight per working day. This compared with an average output per working day of 936,000 hundredweight last month and 961,000 hundredweight in June 1972. Wheat flour mills during June operated at 93.9 per cent of capacity, compared with 91.3 per cent and 95.0 per cent, respectively, for the previous month and the same month a year ago. Flour mills in June 1973 ground 43,765,000 bushels of wheat compared with 45,808,000 bushels the previous month and 47,174,000 bushels in June 1972.

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