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AGRICULTURAL BRANCH

The Wheat Industry of Western Canada

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WHEAT SITUATION

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WHE WHEAT SITUATION - SUMMARY

Estimates of 1934 wheat production recently issued and revisions of earlier estimates confirm the fact of important reductions in the European wheat crop as compared with last year. In addition wheat production in North America is currently estimated to be slightly smaller than the light yield harvested in 1933. The chief importing countries of continental Europe - France, Germany and Italy - all have smaller wheat crops than a year ago. The French wheat crop is estimated at 305 million bushels as compared with a revised estimate of 362 million bushels for 1933. Wheat production in Germany is estimated at 161 million bushels as compared with 206 million bushels harvested last year. The Italian Government has not officially estimated 1934 wheat production but private reports indicate a crop from 50 to 75 million bushels less than last year. Decreased production as compared with 1933 is reported from Czechoslovakia, Denmark, Switzerland and Austria. 1934 wheat production in the Danubian area is sharply lower than last year. Total production in Bulgaria, Hungary, Roumania and Yugoslavia is currently estimated at about 120 million bushels less than the outturn of 1933.

Wheat production in North Africa is somewhat larger than a year ago.

According to current estimates of the 1934 Canadian and the United States wheat crops, total production in the two countries will be slightly less than in 1933. Wheat production in the United States is estimated at 493 million bushels as compared with 528 million bushels harvested last year. Canadian production is currently estimated at 277 million bushels compared with an unrevised estimate of 270 million bushels in 1933. Total wheat production in North America is estimated at 780 million bushels compared with 807 million bushels in 1933 and 1,317 million bushels during the five-year period, 1927-1931.

In addition to smaller wheat crops in Europe and North America, current production statistics reveal smaller crops of corn, oats, barley and rye. The reduction in the production of feed grains is especially severe in the United States where estimated production of corn and oats is far below production in 1933. It is difficult at the moment to estimate the amount of wheat which will be directed to the feeding industry as a result of short crops of other grains.

The Wheat Advisory Committee in London estimates world import requirements for 1934-35 at 600 million bushels. During the first seven weeks of the present cereal year, world shipments of wheat and wheat flour amounted to 75 million bushels as compared with shipments of 69 million bushels during the corresponding weeks last year. Argentine clearances have amounted to 28 million bushels as compared with 21 million bushels during the same weeks last year. Australian shipments since August 1 have amounted to 12 million bushels as compared with the same volume during the corresponding weeks last year. North American shipments (chiefly Canadian wheat) amounted to 29 million bushels from August 1, 1934 to September 17, 1934 as compared with 28 million bushels shipped during the same weeks last year. Russian shipments of wheat during the present cereal year have amounted to less than one million bushels.

The 1934 wheat crop of Canada is estimated at 277,304,000 bushels, consisting of 270,282,000 bushels of spring wheat and 7,022,000 bushels of fall wheat. Production of wheat in the Prairie Provinces is estimated at 265,000,000 bushels. The production of oats in Canada is estimated at 344,746,000 bushels, barley at 68,800,000 bushels, rye at 6,523,000 bushels and flaxseed at 1,096,000 bushels. Yields per acre of all grains are below average but are slightly higher than the unrevised estimates for last year.

Wheat production in Canada is estimated at 277,304,000 bushels as compared with an unrevised estimate of 269,729,000 bushels for 1933. The estimate of 265,000,000 bushels for the Prairie Provinces compares with an unrevised estimate of 250,841,000 bushels for last year. Preliminary disposition figures indicate that the 1933 western wheat crop was understimated by about 13,000,000 bushels. If this underestimate is substantiated by final disposition figures, it is apparent that the preliminary estimate of the [illegible] Canadian wheat crop is slightly lower than the final outturn of 1933 and that the preliminary estimate of the 1934 wheat crop of the Prairie Provinces is only about 1,000,000 bushels larger than actual production in 1933.

Production of wheat in eastern Canada is much lower than last year owing to an extremely small winter wheat crop in Ontario.

From August 1, 1934 to September 7, 1934 primary receipts amounted to 47 million bushels as compared with 38 million bushels during the same weeks a year ago. The 1934 wheat crop is being delivered rapidly.

On September 14, 1934 stocks of Canadian wheat in store in all positions amounted to 217 million bushels as compared with 209 million bushels on the same date last year. A sharp increase in the visible supply took place during the week ending September 1[illegible]

During the month of August, exports of wheat and flour amounted to 16,564,076 bushels as compared with exports of 10,814,266 bushels during August, 1933.

The carry-over of wheat in Canada on July 31, 1934 amounted to 193 million bushels, which added to the new crop, makes total available supplies of 470 million bushels for 1934-35. Domestic requirements will probably amount to about 106 million bushels leaving a balance of 364 million bushels available for export and carry-over. It is expected that Canada will have to supply one-half of the world demand for wheat during the present crop year. On this basis surplus stocks at the end of next July should be relatively small.

THE WORLD WHEAT SITUATION

In 1933 Europe (excluding Russia) produced a record wheat crop - over 1,700 million bushels. This exceptionally large supply of wheat in Europe reduced import requirements to a low level and precluded the possibility of exporting countries materially improving their wheat position on the basis of exports. This year, however, European wheat production is sharply lower than in 1933. Preliminary estimates indicate that Europe, including Russia will produce about 300 million bushels less wheat than last year. In other words production will be about equal to average production from 1928 to 1932. The following table shows European wheat production (excluding Russia) for a series of years:

	(million bushels)
1925	1,397
1926	1,216
1927	1,275
1928	1,410
1929	1,450
1930	1,362
1931	1,434
1932	1,477
1933	1,725
1934	1,425 to 1,440.

The European wheat crop of 1934 compares rather closely with crops harvested in 1929 and 1931.

Slightly less than two-thirds of the reduction in European wheat production (excluding Russia) this year as compared with last year has taken place in the importing countries of continental Europe. Large reductions as compared with last year are reported in France, Germany and Italy while other importing countries have smaller crops than a year ago. The French wheat crop is estimated at 305 million bushels as compared with a revised estimate of 362 million bushels for 1933. Wheat production in Germany is estimated at 161 million bushels as compared with 206 million bushels harvested last year. The Italian Government has not officially estimated 1934 wheat production but private reports indicate a crop from 50 to 75 million bushels less than last year. Decreased production as compared with 1933 is reported from Czechoslovakia, Denmark, Switzerland and Austria. 1934 wheat production in the Danubian area is sharply lower than last year. Total production in Bulgaria, Hungary, Roumania and Yugoslavia is currently estimated at about 120 million bushels less than the outturn of 1933.

The foregoing reductions in European production in 1934 as compared with last year, pave the way for an increased international movement of wheat during 1934-35. The Wheat Advisory Committee in London estimates world import requirements at 600 million bushels while Mr. Broomhall estimates world requirements at 576 million bushels. Both estimates allow for an increase in world demand in 1934-35 as compared with 1933-34. During the past cereal year world shipments of wheat and wheat flour amounted to 524 million bushels. Current estimates of import requirements indicate an increase of 50 to 75 million bushels in 1934-35 as compared with 1933-34. The following table shows world shipments of wheat and wheat flour for a series of years:

	(million bushels)
1925-26	667
1926-27	814
1927-28	792
1928-29	928

1929-30	613
1930-31	788
1931-32	770
1932-33	615
1933-34	523
1934-35 (Estimated)	675 to 600

It will be seen from the above table that estimated world shipments for 1934-35 are the second lowest of the past decade. The improvement in 1934-35 is relative to 1933-34 only.

With prospects for increased import requirements during 1934-35 production in exporting areas in the northern hemisphere is sharply lower than average and in some cases lower than last year. The position in North America and the Danubian countries may be illustrated in the following table:

	Production	
	1933	1934
	(million bushels)	
North America		
Canada	270	277
United States	528	493
T o t a l	798	770
Danubian countries		
Bulgaria	59	46
Hungary	96	61
Roumania	119	73
Yugoslavia	97	73
T o t a l	371	253
Total North America and the Danube	1,169	1,023

The foregoing table shows that production in the Danube and North America (the large exporting areas of the northern hemisphere) is about 140-150 million bushels less than the outturn of 1933.

The southern hemisphere crops are not determined as yet. Reports indicate that the Argentine crop has made a good start with only isolated reports of damage. The 1934 Australian wheat crop has suffered considerable damage and a small crop is expected next December.

With only a small surplus available for export in the Danubian countries, with the United States drawing upon accumulated stocks for domestic requirements, with poor crop prospects in Australia it becomes increasingly apparent that the bulk of world supplies for 1934-35 must come from Canada and the Argentine.

Under these circumstances it is apparent that Canada will have to provide abou one-half of estimated world trade during 1934-35.

Production of Wheat

Preliminary production estimates are now available for the leading wheat growing countries of the northern hemisphere. Estimates for 1934 are tentative and 1933 estimates are subject to revision. The following table shows wheat production in a selected list of countries for the five-year period from 1927 to 1931 and for 1933 and 1934 (preliminary):

	Average 1927-31	1933	1934
	(thousand bushels)		
Germany	135,987	205,918	160,824
Austria	11,890	17,391	12,800
Belgium	14,754	15,067	14,700
Bulgaria	49,123	58,858	46,253
Spain	140,566	138,234	173,675
Portugal	11,325	15,073	20,503
Estonia	1,350	2,451	2,700
Finland	963	2,460	2,612
France	277,376	362,238	304,970
England & Wales	44,740	58,763	59,771
Scotland	2,165	3,472	3,772
Greece	11,685	28,580	27,600
Hungary	81,603	96,356	61,067
Latvia	2,984	6,725	6,400
Lithuania	8,118	8,727	10,765
Luxembourg	508	995	797
Malta	291	305	300
Norway	693	770	700
Netherland	6,353	14,874	15,623
Poland	70,343	68,343	49,900
Roumania	115,620	119,071	73,487
Sweden	18,102	27,851	29,027
Switzerland	5,559	6,386	5,000
Czechoslovakia	49,961	72,895	47,400
Yugoslavia	86,795	96,581	73,487
T O T A L	1,148,854	1,428,384	1,204,083

North America

	Average 1927-31	1933	1934
	(thousand bushels)		
Canada	419,000	269,729	277,000
United States	886,000	528,000	493,000
Mexico	12,385	9,658	10,346
T O T A L	1,317,385	807,387	780,346

North Africa

	Average 1927-31	1933	1934
	(thousand bushels)		
Tunis	17,453	9,186	15,800
Morocco	26,229	27,432	31,232
Algeria	30,012	31,998	39,720
Egypt	42,539	39,951	38,580
T O T A L	116,233	108,567	125,332

Asia

	Average 1927-31	1933	1934
	(thoudand bushels)		
India	336,373	352,875	349,365
Japan	30,189	38,611	43,307
T O T A L	366,562	391,486	392,672

Production estimates for Europe show a general reduction as compared with last year. Smaller crops are reported in France, Germany, Austria, Hungary, Roumania, Yugoslavia, Czechoslovakia, Switzerland, Poland and other countries. The estimates shown above do not include an estimate of the Italian crop. No official estimate has been made by Italy and considerable variation exists between private estimates. Most commentators placed the 1934 Italian wheat crop at from 220 to 240 million bushels. If the Italian crop were included at 240 million bushels, total European wheat production of about 1,445 million bushels is indicated. This would compare with estimated production of about 1,725 million bushels in 1933 and average production of 1,375 million bushels during the five years from 1927 to 1931. It appears therefore that the 1934 European wheat crop (excluding Russia) is slightly less than 300 million bushels smaller than the large crop harvested in 1933.

Production in North America is slightly lower than in 1933 and sharply lower than during the five-year period from 1927 to 1931. North American production is currently estimated at 780 million bushels as compared with 807 million bushels last year and the five-year average of 1,317 million bushels.

North Africa has harvested a satisfactory yield during the present year with total production in the four chief countries estimated at 125 million bushels as compared with 109 million bushels harvested last year. The outturn this year is slightly above average.

Wheat production in India and Japan is about the same as last year. A smaller crop in India is offset by larger production in Japan.

The United States

On September 10, 1934 the United States Department of Agriculture issued a report dealing with crop conditions and containing preliminary estimates of production. In regard to the general situation the report stated:

Although too late for corn, the rains of the last several weeks have caused a marked improvement in growing conditions in the drought-hit States from Minnesota and Nebraska southward and also in much of the area east of the Mississippi. Late potatoes, sweet potatoes, apples, late hay crops, tobacco, sorghum, buckwheat, onions, cabbage and other crops still growing were helped and in some areas they may still make considerable growth if cold weather holds off.

Pastures were the poorest on record for September 1 but they are expected to show some recovery, and so far as surface moisture is concerned conditions for seeding winter wheat are vastly improved in the main winter wheat belt. From the eastern counties of the Dakotas and Colorado westward the drought has not yet been broken and in most of this area, except on the Pacific Coast, it is now too late to expect grass in pastures and ranges to make much growth this fall.

Corn prospects have declined 122,500,000 bushels since last month, according to the September estimates of the Crop Reporting Board of the United States Department of Agriculture. Recent reports show that in much of the drought area the crop was past recovery when the August rains arrived and no grain was produced. The total corn crop is now estimated at 1,484,600,000 bushels which would be less than 60 per cent of usual production and the smallest corn crop since 1881.

Allowing for the heavy reduction in the estimate of corn production and for slight changes in prospects for oats, barley, and grain sorghums, the production of these four feed grains combined is estimated at 55,000,000 tons, which would be 34 per cent below production last year and 46 per cent below average production during the previous 10 years. Deducting seed and industrial requirements and an allowance for corn and grain sorghum utilized only for silage or fodder and, on the other hand, adding an allowance for wheat, rye, cottonseed and minor grains that will be fed, for mill feeds and oil meals, for increased net imports of feed and for close utilization of grain and feed supplies on hand, the total quantity of grain, mill feeds, and concentrates that will be available for feeding livestock in the United States during the current 12 months July 1 to June 30, now appears to be about 62,000,000 tons. Last year about 87,000,000 tons were fed and during the preceding 9 years the quantity fed averaged about 96,000,000 tons per year.

In the case of the principal food crops there has recently been some improvement in prospects. Reports on spring wheat yields were closely in line with expectations and the total wheat crop is estimated at 493,000,000 bushels. This would be the smallest wheat crop since 1893 but with supplies on hand it would meet ordinary requirements and leave some for feed and carry-over. The estimates for buckwheat, rice, peanuts, apples, pears, potatoes, sweet potatoes, sugar beets, and onions are all above those of a month ago. The estimate for dry beans is only slightly lower and the only important food crop reduction shown this month is the 11 per cent decrease in the estimated tonnage of California grapes.

Wheat production -- winter, durum and other spring wheat combined - is expected to total 493,285,000 bushels. The spring wheat forecast shows a slight increase over last month. No change is made in the estimated production of winter wheat. In 1933 the total wheat production was 527,978,000 bushels and the 5-year (1927-1931) average was 886,359,000 bushels.

Of the expected 92,763,000 bushel crop of all spring wheat, 6,081,000 bushels is durum and 86,682,000 bushels is bread wheat compared with 16,109,000 bushels of durum and 160,261,000 bushels of other spring wheat harvested in 1933. The 5-year (1927-1931) average production of the two types was 61,460,000 bushels of durum and 192,838,000 bushels of other spring wheat.

Production by Types

The following table shows estimated 1934 production of various classes of wheat in the United States along with comparative figures for preceding years:

WHEAT (by classes)

YEAR	Winter		Spring		White (winter and spring)	Total
	Hard red	Soft red	Hard red	Durum		
	Thousand bushels		Thousand bushels		Thousand bushels	
1929	370,390	166,430	144,712	56,307	84,341	822,180
1930	403,363	178,794	160,594	59,191	87,760	889,702
1931	515,925	254,480	70,376	21,266	70,174	932,221
1932	277,450	149,425	191,444	41,607	84,150	744,076
1933	169,915	147,262	103,915	17,443	89,443	527,978
1934 1/	201,473	163,245	57,606	6,627	64,334	493,285

1/ Indicated September 1, 1934.

Referring to the foregoing production situation, the United States Department of Agriculture states (World wheat prospects, August 29, 1934):

"While the total supply of wheat in the United States is more than ample to meet quantity requirements, there will be a shortage of hard red spring and durum wheats in 1934-35. Considering normal utilization and a normal "minimum" carry-over at the end of the year, it now appears that there is likely to be about a 16,000,000-bushel shortage of hard red spring wheat and about a 9,000,000-bushel shortage of durum. On the other hand, there appears to be a surplus of about 10,000,000 bushels of hard red winter wheat and about 16,000,000 bushels of white wheat over the utilization and "minimum" carry-over amounts.

"Hard red winter can be substituted in many cases for hard red spring, but the substitution of a hard red winter for durum is less satisfactory. With a somewhat restricted consumption of hard red spring wheat and a large use of hard red winter, combined with a very small carry-over at the end of the year, large importations of hard red spring may not be necessary. However, in the case of durum wheat, with a domestic utilization of about 20,000,000 bushels and a carry-in and production totaling only about 16,000,000 bushels, it will be necessary to import considerable amounts of durum. Only in the case of white wheat does there seem to be a surplus, indicating possible exports. White wheat from the Pacific Northwest may be substituted to some extent for soft red winter east of the Rockies, but it appears that the supply of soft red winter is large enough to take care of a fairly large domestic utilization."

CANADA

On September 10, 1934 the Dominion Bureau of Statistics issued preliminary estimates of the production of grains in Canada. These estimates were based upon early reports and in many districts threshing was not sufficiently advanced to enable correspondents to verify their opinions by actual yields.

The 1934 wheat crop of Canada was estimated at 277,304,000 bushels, consisting of 270,282,000 bushels of spring wheat and 7,022,000 bushels of fall wheat. Production of wheat in the Prairie Provinces was estimated at 265,000,000 bushels. The production of oats in Canada was estimated at 344,746,000 bushels, barley at 68,800,000 bushels, rye at 6,523,000 bushels and flaxseed at 1,096,000 bushels. Yields per acre of all grains were below average but slightly higher than the unrevised estimates for last year.

Wheat production in Canada was estimated at 277,304,000 bushels as compared with an unrevised estimate of 269,729,000 bushels for 1933. The estimate of 265,000,000 bushels for the Prairie Provinces compares with an unrevised estimate of 250,841,000 bushels for last year. Preliminary disposition figures indicate that the 1933 western wheat crop was underestimated by about 13,000,000 bushels. If this underestimate is substantiated by final disposition figures, it is apparent that the preliminary estimate of the 1934 Canadian wheat crop is slightly lower than the final outturn of 1933 and that the preliminary estimate of the 1934 wheat crop of the Prairie Provinces is only about 1,000,000 bushels larger than actual production in 1933.

The following table shows preliminary estimates of the production of grains in Canada and the Prairie Provinces along with acreage figures for 1933 and 1934 and unrevised production estimates for 1933:

	1933	1934	1933	1934	1933	1934
	acres	acres	bush. per acre	bush. per acre	bush.	bush.
CANADA						
Fall wheat	559,000	425,600	25.1	16.5	14,031,000	7,022,000
Spring wheat	25,432,100	23,558,600	10.1	11.5	255,698,000	270,282,000
All wheat	25,991,100	23,984,200	10.4	11.6	269,729,000	277,304,000
Oats	13,528,900	13,782,000	22.7	25.0	307,478,000	344,746,000
Barley	3,658,000	3,615,700	17.3	19.0	63,359,000	68,800,000
Fall rye	454,900	587,100	7.9	8.9	3,454,000	5,239,000
Spring rye	148,200	147,100	5.9	8.7	873,000	1,284,000
All rye	583,100	734,200	7.4	8.9	4,327,000	6,523,000
Flaxseed	243,600	226,200	2.6	4.8	632,000	1,096,000
MANITOBA						
Spring wheat	2,536,000	2,533,000	12.8	13.8	32,500,000	34,800,000
Oats	1,504,000	1,458,000	19.6	19.0	29,500,000	27,698,000
Barley	1,173,000	1,125,000	14.4	15.6	16,900,000	17,591,000
Fall rye	36,700	76,800	12.5	11.1	458,000	852,000
Spring rye	9,000	10,600	13.0	13.5	117,000	143,000
All rye	45,700	87,400	12.6	11.4	575,000	995,000
Flaxseed	20,200	25,600	5.4	6.7	110,000	161,000

	1933	1934	1933	1934	1933	1934
	acres	acres	bush. per acre	bush. per acre	bush.	bush.
SASKATCHEWAN -						
Spring wheat	,743,000	13,262,000	8.4	8.6	123,841,000	114,200,000
Oats	,571,000	4,625,000	16.5	16.4	75,422,000	75,850,000
Barley	1,228,000	1,088,000	14.3	13.1	17,560,000	14,253,000
Fall rye	232,200	278,000	5.8	4.6	1,347,000	1,279,000
Spring rye	72,800	68,500	5.9	9.0	430,000	617,000
All rye	305,000	346,500	5.8	5.5	1,777,000	1,896,000
Flaxseed	205,000	174,700	2.0	4.2	410,000	734,000
ALBERTA -						
Spring wheat	7,898,000	7,501,000	12.0	15.5	94,500,000	116,000,000
Oats	2,870,000	3,032,000	25.3	30.7	72,500,000	93,109,000
Barley	631,000	749,000	20.3	24.1	12,783,000	18,023,000
Fall rye	112,000	176,400	6.6	12.8	736,000	2,258,000
Spring rye	57,000	58,700	2.9	6.1	166,000	358,000
All rye	169,000	235,100	5.3	11.1	902,000	2,616,000
Flaxseed	10,700	18,100	4.0	6.5	43,000	118,000

The following table shows preliminary estimates of production of grains in the Prairie Provinces along with unrevised estimates for 1933:

Province		WHEAT	OATS	BARLEY	RYE	FLAXSEED
			(bushels)			
Manitoba	1933	32,500,000	29,500,000	16,900,000	575,000	110,000
	1934	34,800,000	27,698,000	17,591,000	995,000	171,000
Saskatchewan	1933	123,841,000	75,422,000	17,560,000	1,777,000	410,000
	1934	114,200,000	75,850,000	14,253,000	1,896,000	734,000
Alberta	1933	94,500,000	72,500,000	12,783,000	902,000	43,000
	1934	116,000,000	93,109,000	18,023,000	2,616,000	118,000
T O T A L	1933	250,841,000	177,422,000	47,243,000	3,254,000	563,000
	1934	265,000,000	196,657,000	49,867,000	5,507,000	1,023,000

Wheat Position in Canada

On the basis of the preliminary estimate of the 1934 wheat crop, the following supplies of wheat are available in Canada:

Carry-over, July 31, 1934	193	million bushels
New crop	277	" "
Total available supplies	470	" "

Of the total available supplies of 470 million bushels, it is probable that about 106 million bushels will be consumed in Canada for all purposes. This leaves a balance of 364 million bushels available for export, and for carry-over on July 31, 1935. Mr. Broomhall estimates that Canada will have to supply one-half of world demand for wheat during 1934-35. If this opinion is justified by subsequent exports, the Canadian wheat surplus at the end of next July will be greatly reduced as compared with the carry-over at the end of July, 1933.

THE ARGENTINE

During the first six weeks of the present crop year Argentine shipments of wheat and flour amounted to 24 million bushels as compared with shipments of 19 million bushels during the same period last year.

The Argentine correspondent of the Dominion Bureau of Statistics reported as follows (Sept. 3, 1934):

Exports of wheat and wheat flour during the month of August totalled 17,250,000 bushels, made up of wheat 16,901,000 bushels and flour 349,000 bushels; as compared with a total of 16,283,000 bushels during the previous month.

The statistical department of the Ministry of Agriculture has just made public its second estimate of the volume of the 1933-34 crop, which, as was anticipated, shows a substantial increase over the figures of the first estimate made in December last, in the case of wheat. The new official estimate is 286,123,000 bushels, as against the first estimate of 256,177,000 bushels. On the basis of these new figures, the last crop of wheat was the biggest on record for the Republic with the exception of that of the year 1928-29, when the volume was 349,055,000 bushels.

Using the new official estimate as a base, the following is now the statistical position:-

Second official estimate 1933-34 crop	286,123,000	bushels
Carry over from 1932-33 crop	7,323,000	"
Total supplies	293,446,000	"
Deduct Seed & Domestic Requirements	95,534,000	"
Balance available for export	197,912,000	"
Exported to August 31: wheat 117,170,000 bushels) flour 2,196,000 bushels)	119,366,000	"
Balance still available for export	78,546,000	"

A check-up of the stocks of wheat in the country made by a private organization during the past month showed a balance available for shipment on August 23rd of 73,992,000 bushels. It is extremely difficult to conduct such a check, and the accuracy of the result is always problematical because of unreliable data. But the two balances are sufficiently near together to suggest that neither is very far from the truth.

Receipts from country points continue on a moderately heavy basis, and the movement overseas, although the total is a shade lower than on the corresponding date of a year ago, possibly because of much heavier maize shipments, is still on a fairly generous scale.

NEW CROP:

Adequate precipitation, fairly well distributed, has been one of the features of the month. Another has been the mildness of the temperatures prevailing. These conditions have kept the new wheat growing fast, and in some districts there are complaints of undue development above ground. Cold, frosty weather would now be welcome, in order to promote development of the roots and strengthen the plants.

The Government report on crop conditions, which has latterly been appearing with commendable regularity each month, was duly published on the 24th, and from it the following extracts have been taken:-

Buenos Aires: Since the last report the climatic conditions have been favourable. Breezes have dried out the lands which were too damp, and the rains of the middle of the month helped the southwest zone, not so much by the quantity of the precipitation as by its slow distribution. Although unseasonably late, sowing of spring varieties is at this moment being finished in some parts of the centre where the land was too wet and in the Tres Arroyos district where there was a relative drought. In the north the most forward wheat fields are being harrowed to arrest the excessive leafiness and stop the caking of the soil. Generally the condition of the wheat in this zone is unsurpassable, as the sharp frosts and the lateness of the sowing have tended to avoid the excessive leafiness which the surplus moisture might have brought about. In the west the condition of the wheat fields is also good, with the exception of the sandy zone contiguous to the Pampa, where it is precarious because of the lack of humidity and the weakness of the plants. The recent rains will bring about a rapid recovery. Finally, the danger which the fields of winter wheat in the southwest were running has disappeared for the present, except south of Bahia Blanca, where the rains have been insufficient.

Santa Fé: The condition of the wheat fields throughout the province is good, the plants showing a good colour and vigorous aspect. The cool temperatures and general weather conditions have been favourable. In some districts of the north locusts have partly eaten off the wheat, but the damage is not serious, as the grain is again sprouting. For this reason the farmers are not carrying on the work intended to arrest the excessive leafiness. Generally it is judged that there is a diminution in the area sown.

Cordoba: With the exception of the southwest zone of the province, where the continued drought maintains the precarious condition, of the sowings, the state of the wheat fields is good, the plants having germinated and developed well up to the present. In the area mentioned the wheat is backward, pale and yellow, although it is expected that a good rain will bring a favourable reaction. In the north the first sowings, representing 65% of the total, are beginning to form the stem, this being advanced for the season.

Entre Rios: Some wheat fields are too forward, requiring to be pastured or worked in order to restrain vegetation; but in general the condition is good throughout the province.

La Pampa: The early sowings of wheat up to the middle of July were struggling against the intense drought. Since then they have begun to deteriorate. The later sowings are those which have suffered most. Until the rains came in the middle of August the crop prospects were really alarming, since the drought, the cold weather and the daily strong winds had prevented the germination of the late sown seed and broken down or damaged the young plants. For the sandy soils of the Pampa the quantity of rain which fell (1 to 1¼ inches) was of less importance than the slowness of the precipitation and the cloudy weather which followed. At the date of the report little reaction was visible, but there was every reason to anticipate that improvement would soon follow.

Santiago del Estero: The condition of the wheat fields is considered good. Unfortunately locusts have invaded one district, and it is feared that damage will result.

Private reports with regard to crop conditions tend to confirm the above official information.

Yesterday the Ministry of Agriculture announced its first estimate of the area seeded for the new crop. In the case of wheat it is said to be 18,475,600 acres, which is 6 per cent less than the area seeded last year, viz: 19,654,531 acres. This is more or less what was anticipated, the general view of the grain trade having been that there would be a reduction of between 5 and 10 per cent in the area seeded, on account of weather conditions prevailing whilst the work was in progress.

MARKETS:

The past month was about the most active of the current year in the grain market here. The crop news from the United States and Canada, losing nothing in the course of transmission, caused prices to soar, and as is usual in a period of rising prices, the speculators stepped in and carried them to still greater heights. The inevitable reaction followed, in spite of the fact that official reports showed that the private advices of crop damage had unfortunately a substantial foundation, and by the close of the month much of the gain in prices had been lost again.

Apart from speculative business, a good deal of wheat changed hands on the exchange. The European demand was good, and the United Kingdom was purchasing freely in the early part of the month, although later less interest was shown in Plate wheats.

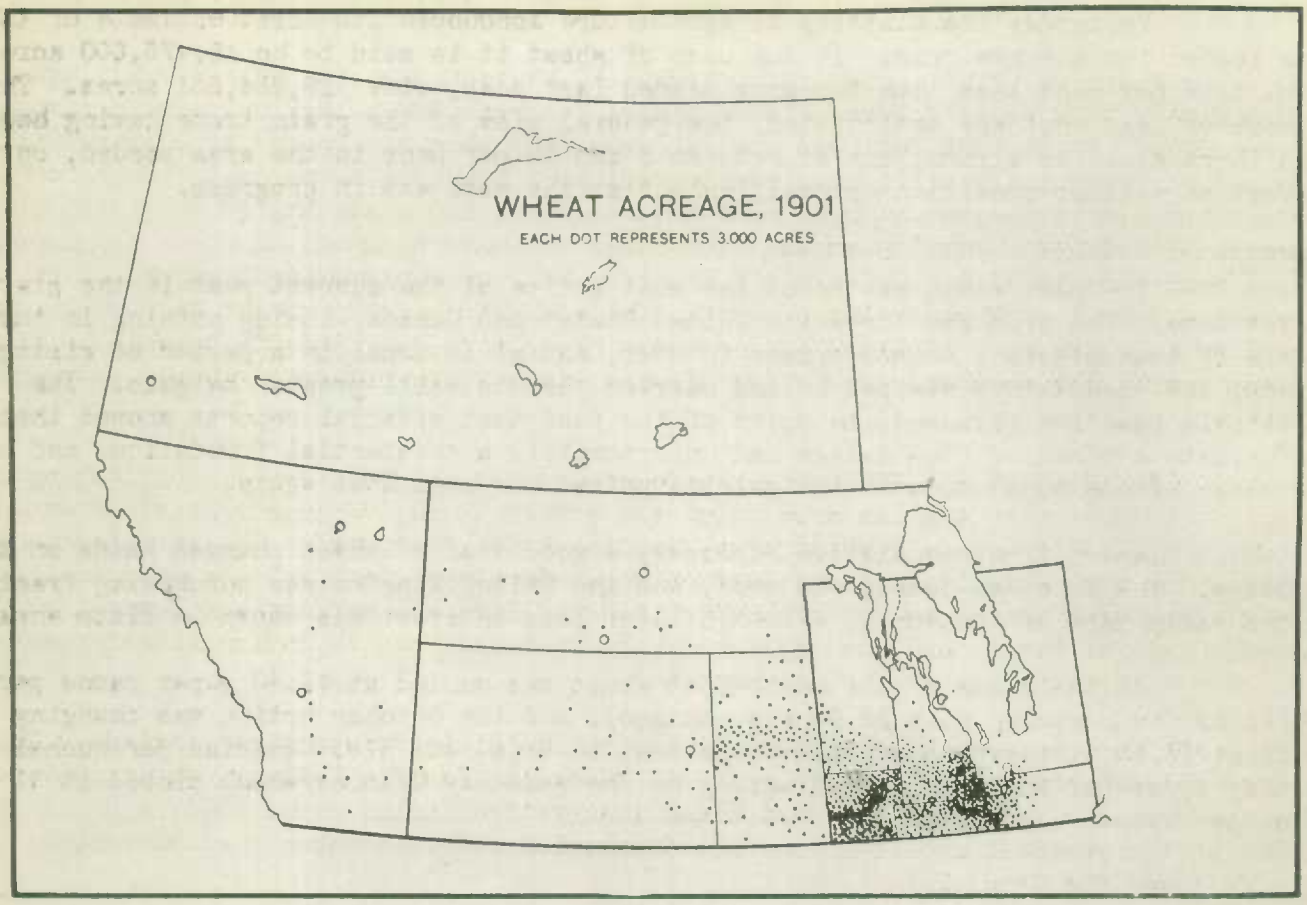
At the close of the month Spot wheat was quoted at $7.40 paper pesos per 100 kilos (as compared with $6.96 a month ago), and the October option was changing hands at $7.53, these prices being equivalent to 65¾c. and 67c. Canadian per bushel at the day's rate of exchange. In Winnipeg on the same day October wheat closed at 81 5/8c. per bushel.

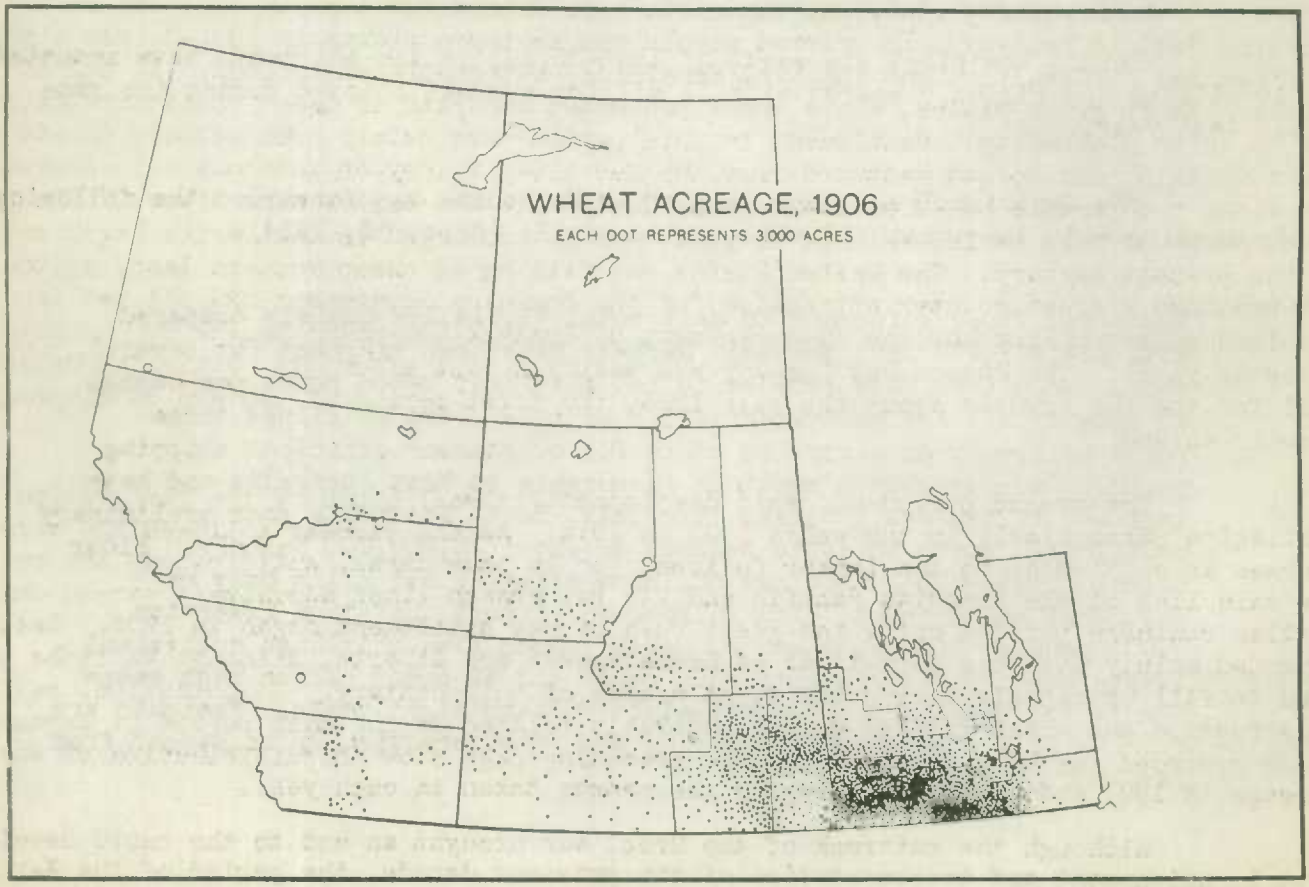
AUSTRALIA

During the first six weeks of 1934-35 Australian shipments have amounted to 10 million bushels as compared with 11 million bushels shipped during the same weeks last year.

The Canadian Trade Commissioner at Melbourne has forwarded the following cable dealing with the wheat situation in Australia (Sept. 15, 1934):

> "Wheat and flour shipments to date total 71,714,169 bushels compared with 134,671,169 last season. Markets have been stagnant for several weeks and prices have receded to two shillings seven pence per bushel at country sidings equivalent fifty cents and two shillings three pence halfpenny or sixty-two cents f.o.b. steamer principal shipping ports. Crop prospects continue favourable in West Australia and have improved in New South Wales. Victoria, South Australia poor preliminary unofficial. Crop estimate reduced to about 110,000,000 bushels. Flour market quiet with little new business offering but mills busy on September and October Dairen shipments. Export quotation lower ton 2,000 pounds, 150 pound sacks, seven pounds five shillings equivalent twenty-seven dollars eighty-four cents and 49 pound calico bags seven pounds ten shillings or twenty-eight dollars eight cents. Freights are firm with little tonnage offering and rates practically unchanged from last month".


WHEAT ACREAGE, 1901
EACH DOT REPRESENTS 3,000 ACRES


WHEAT ACREAGE, 1906
EACH DOT REPRESENTS 3,000 ACRES

THE WHEAT INDUSTRY OF WESTERN CANADA

Wheat was first grown in Manitoba 120 years ago by the Selkirk settlers. The troubles of the early colonists were almost insuperable and agricultural progress was very slow. Settlement followed the waterways and when the census of 1871 was taken, it showed that the canoe still rivaled the cart as a means of covering the distance between farm and settlement. Three main waterways and two wagon trails were used in communication with the outside world. The first recorded shipment of wheat is supposed to have been made in 1876. In 1878 the St. Paul Railway entered Winnipeg and, from then on, wheat production played a large part in the economic history of the West. The census of 1881 revealed an area of 56,971 acres and a production of 1,153,328 bushels in the previous year. The economic production of wheat in western Canada is thus a movement of the past half-century.

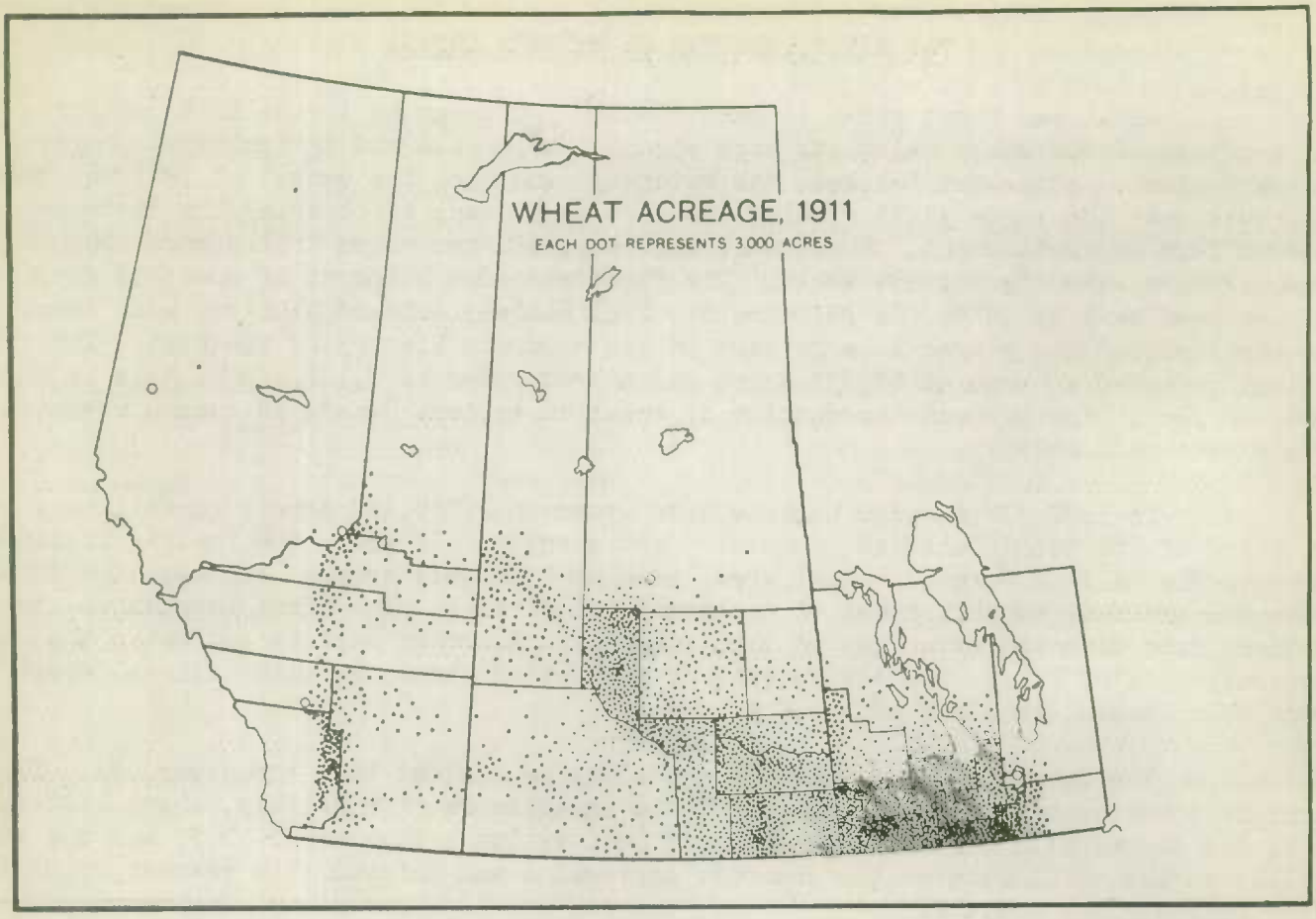
In 1890, 17,884,629 bushels were grown on 1,010,430 acres, constituting over one-third of the total Canadian production and acreage. In 1900, the Prairie Provinces had over one-half of Canada's wheat area, seeding 2,495,474 acres. The next two decades witnessed the real establishment of western wheat-farming. The first impetus to the movement came with the expansion of the British and European markets and later the temporary exit of Russia and the decline of the United States in international wheat trade gave Canada the place of chief exporter.

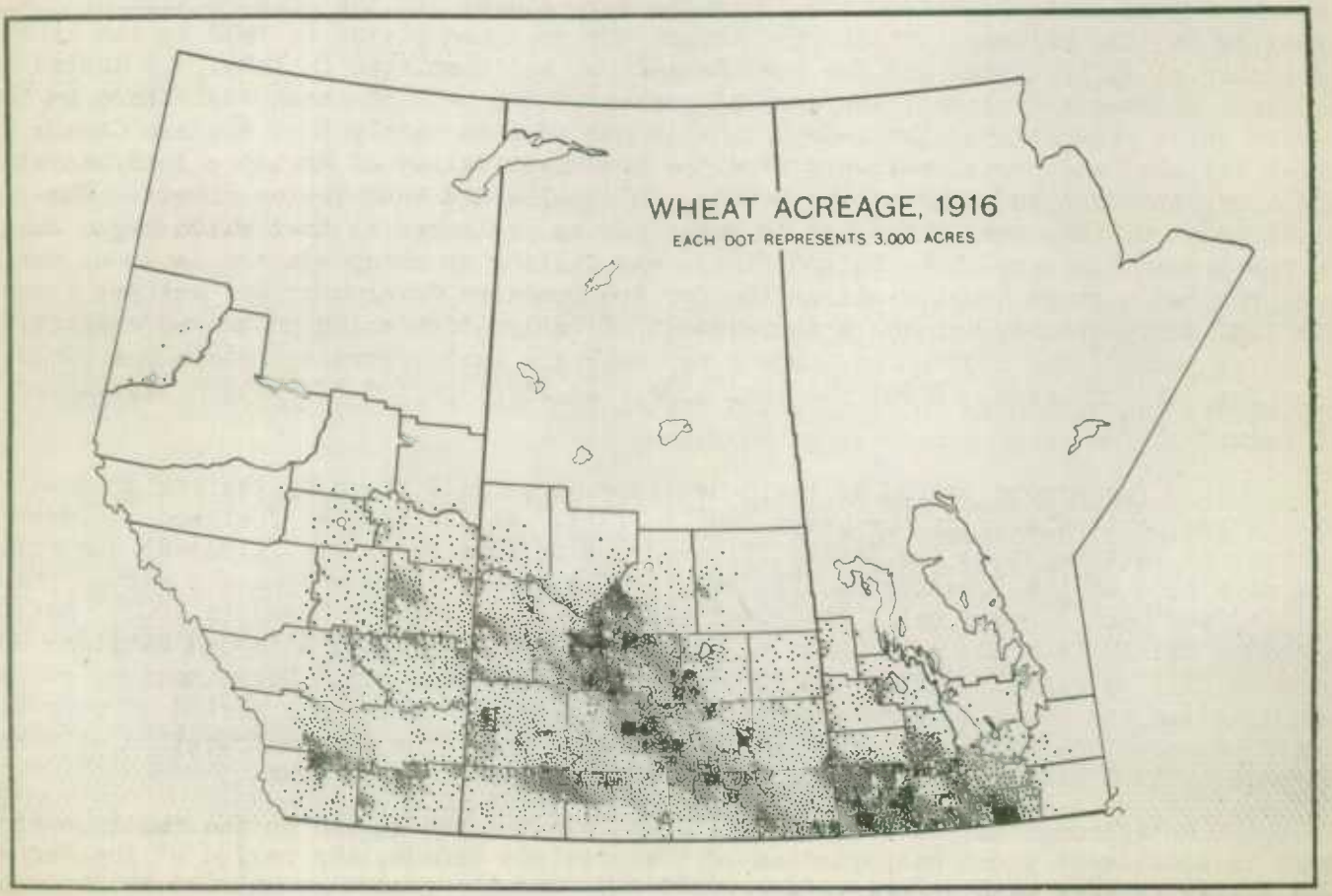
The development of western Canada may be divided into three periods. The first of these began with the building of the Canadian Pacific Railway, about 1882 to 1885; the second, with railway extension and immigration influx about 1903; and the third in 1924 at the conclusion of the economic depression and unfavourable weather conditions which followed the Great War.

On Sept. 14, 1880, the contracts were signed for the construction of the Canadian Pacific Railway. It started across the southern plains in 1882-3, was hindered by financial difficulties and the Riel Rebellion, but completed in 1885. It tapped the southern short-grass plains, where wheat presented the path of least resistance on the way to quick prosperity. Settlement in this period came mainly from eastern Canada and Great Britain, and spread westward from the Red River Valley of Manitoba into Saskatchewan and along the fertile banks of the Souris, Qu'Appelle and Assiniboine Rivers. The development of this period was not as great nor as prolonged as that which began early in the present century. The United States was filling up cheap western lands at the time and provided a great counter attraction for the Dominion Government had not yet launched its land survey policy nor the encouragement of immigration which became so characteristic of later years. The Hudson Bay Company was making a last effort to retain the Canadian West for the fur trade. About the year 1895, the first period of western development came to an end.

The second period of rapid development is well shown by the immigration statistics particularly in the years 1903 to 1914. As the pioneer followed the water courses in settlement so the farmer followed (or in some cases, anticipated) the railways. The main line of the Canadian Pacific and its few branch lines adequately served the settled southern portion until the great rush of new settlement began in 1903. Settlement extended mainly into the park-lands of Saskatchewan and Alberta, although Manitoba continued to fill up rapidly during the first decade of this century. Colonization, railway construction and wheat acreage were inseparably related during this period of expansion which preceded the War. The maps on the preceding page show the distribution of wheat acreage in 1901 and 1906, according to the census taken in each year.

Although the outbreak of the Great War brought an end to the rapid development in settlement and transportation of the previous decade, the period of the War was one of continued growth. Immigration continued from the neutral countries which more


WHEAT ACREAGE, 1911
EACH DOT REPRESENTS 3 000 ACRES


WHEAT ACREAGE, 1916
EACH DOT REPRESENTS 3,000 ACRES

than offset the emigration to the battlefields of Europe. In spite of the farm labour shortage, only partly alleviated by urban volunteers and 'soldiers of the soil', the patriotic appeal for increased wheat acreage met with ready response. Food was needed in a quickly available form and the wheat crop offered the best means of securing it. The first wheat crop seeded after the declaration of war covered over 3 1/2 million acres more than that of 1914 and the crop of 1918 was 5 1/3 million acres more, an increase of over 50 per cent. This was mainly accomplished by breaking new land and by some trespassing upon the coarse grain acreage. In the early years of the War, the wheat farmer was assisted by the weather and, when the years of low rainfall began in 1918, rising prices more than offset the lowering yields. When government price control was lifted in 1918, the Canada Wheat Board was authorized by the Government to control the movement and sale of Canadian wheat for another year. The Grain Exchange began to operate fully again in 1920.

During this period, new agricultural development was most evident in the northern sections of the Prairie Provinces. The opening of the Peace River and Grande Prairie districts in north-western Alberta was accomplished by the Edmonton, Dunvegan, and British Columbia (now the Northern Alberta) Railway in 1915. At the end of 1910, there were only 46 householders in this region, but with the coming of the railway, settlement was very rapid, and continued into the post-war period. In 1919, about ten thousand people moved into this area and, by 1926, the population of this somewhat isolated district had grown to 42,784. Since the estimated arable land of the Peace River Valley amounts to about 15 million acres, there is room for much more development.

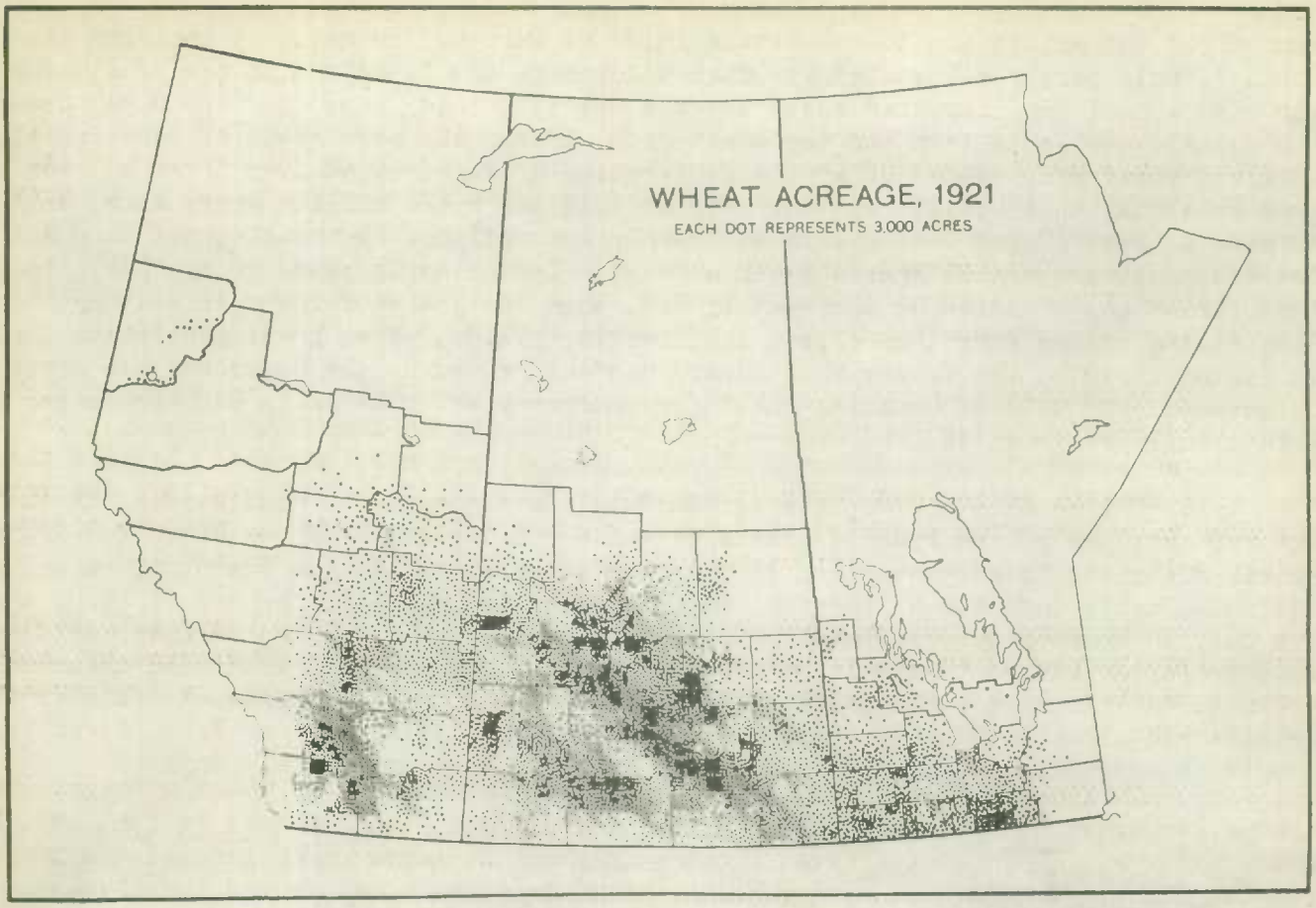
The maps on the preceding page show the distribution of wheat acreage in 1911 and 1916 based upon census returns for each year. The maps show clearly the expansion of wheat acreage in a westerly and northerly direction between the two census years. During this period a slight decrease took place in the area sown to wheat in Manitoba as the area devoted to oats and barley increased. In 1911 the intensive wheat area of western Canada was located in southern Manitoba. Production in Saskatchewan was general in the south-eastern and the central portions of the province. A slight and somewhat scattered acreage was found in western Saskatchewan and in Alberta.

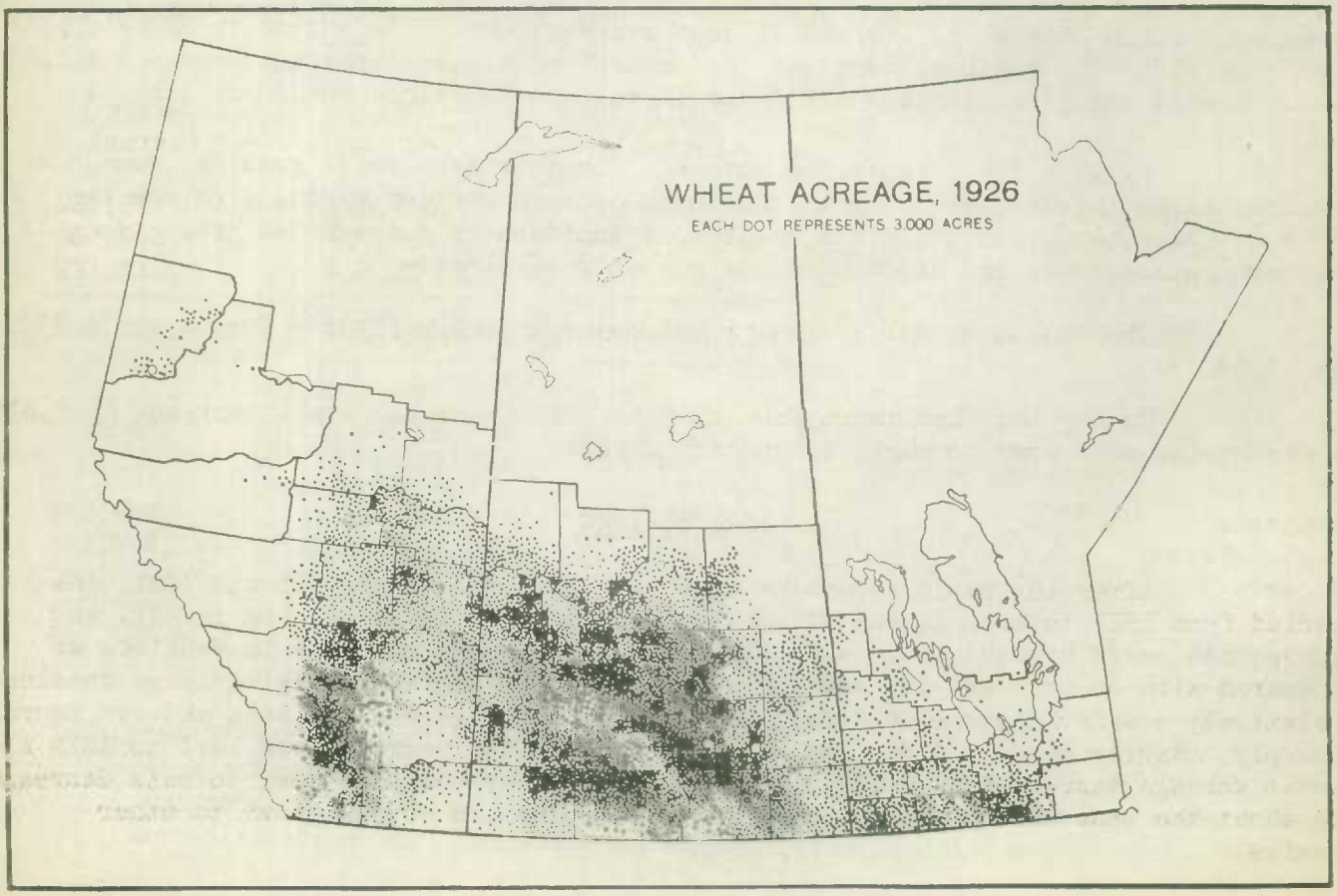
By 1916 the picture had changed. An intensive wheat area had developed in central Saskatchewan commencing in the south-eastern section of the province and moving in a north-westerly direction. A noticeable increase in acreage had taken place in western Saskatchewan and throughout the province of Alberta.

The following table shows wheat acreage in the Prairie Provinces in 1911 and 1916.

	1911 (acres)	1916 (acres)	Change
Manitoba	3,094,573	2,725,725	- 368,848
Saskatchewan	5,255,914	9,032,109	+3,776,195
Alberta	1,639,974	2,604,975	+ 965,001
T O T A L	9,990,461	14,362,809	+4,372,348

It will be noted from the above table that wheat acreage in Manitoba declined by 368,848 acres during 1911 and 1916. During the same years acreage in Saskatchewan and Alberta increased by 3,776,195 acres and 965,001 acres respectively. The chief development during the 1911-1916 period took place in Saskatchewan.


WHEAT ACREAGE, 1921
EACH DOT REPRESENTS 3,000 ACRES


WHEAT ACREAGE, 1926
EACH DOT REPRESENTS 3,000 ACRES

War and Post-War Years.

A comparison of the distribution of wheat acreage between 1916 and 1921 shows a further development of the trend noticed in the preceding five-year period. Expansion is noted in all areas in Saskatchewan. Wheat acreage increased in Alberta especially in the western part of the prairie area, and in central portions of the province. During this period, the demand of war years and early post-war years was resulting in intensification of grain production in all three provinces. Increased wheat acreage was accompanied by increased areas sown to oats, barley and rye.

In Manitoba the area devoted to wheat increased sharply as compared with an actual decrease during the preceding five years. At the same time substantial increases were made in areas devoted to oats, barley, rye and flaxseed. In 1916 the total area sown to grains and flaxseed amounted to 4,902,566 acres. In 1921 the total area sown to these crops amounted to 7,090,219 acres. These figures indicate in a measure the agricultural development that took place in Manitoba between 1916 and 1921.

The same trend is apparent in Saskatchewan. Between 1916 and 1921 about 4 1/2 million acres of wheat were added. This increase was also accompanied by increased acreages devoted to oats and barley and by an extremely large increase in rye acreage. The area sown to flaxseed decreased slightly.

In Alberta the chief increase from 1916 to 1921 was in wheat acreage. Oats acreage increased moderately while only slight increases were reported in the case of barley and rye. As in Saskatchewan flaxseed acreage decreased. In general the period from 1916 to 1921 was marked by a general increase in the area devoted to cereal production in the Prairie Provinces.

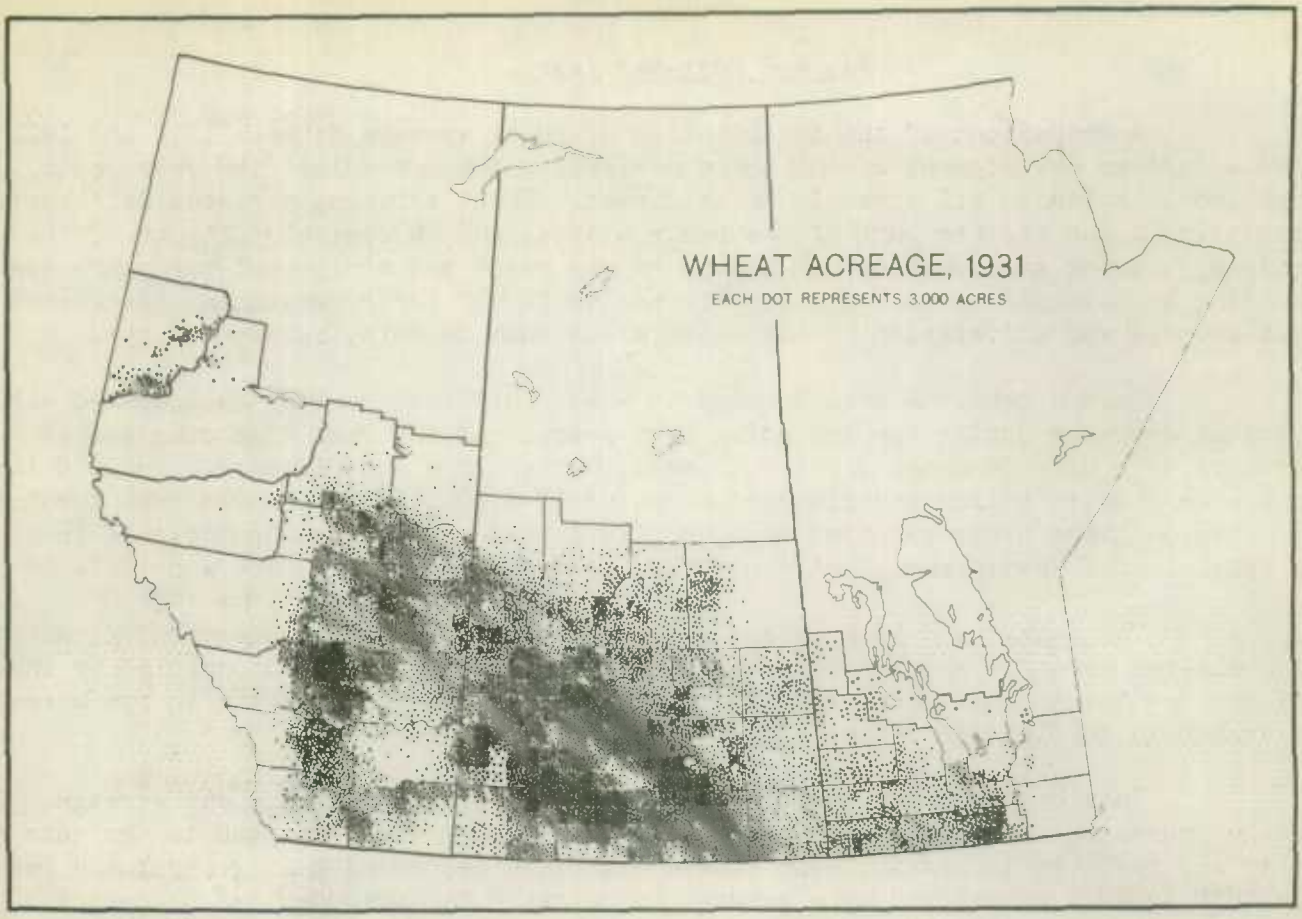
The following table shows the acreage sown to wheat in the Prairie Provinces in 1916 and 1921:

	1916 (acres)	1921 (acres)	Change (acres)
Manitoba	2,725,725	3,501,217	↗ 775,492
Saskatchewan	9,032,109	13,556,708	↗ 4,524,599
Alberta	2,604,975	5,123,404	↗ 2,518,429
T O T A L	14,362,809	22,181,329	↗ 7,818,520

During the five years from 1916 to 1921 there was a net increase of 7,818,520 acres in the area sown to wheat in western Canada.

1921 to 1926

After the rapid expansion in wheat acreage between 1901 and 1921, the period from 1921 to 1926 is one of conflicting trends. The deflation in 1921 and subsequent years brought about a decline in wheat and oats acreage in Manitoba as compared with an increase in barley acreage. In Saskatchewan, wheat acreage remained relatively stable between 1921 and 1926 while the acreage sown to oats and rye decreased sharply. Barley acreage increased sharply during these years. From 1921 to 1926 Alberta wheat acreage increased by about 1 million acres while the area sown to oats decreased by about the same amount. Little change occurred in the acreage sown to other grains.



The following table shows wheat acreage in the Prairie Provinces in 1921 and 1926:

	1921 (acres)	1926 (acres)	Change (acres)
Manitoba	3,501,217	2,085,547	- 1,415,670
Saskatchewan	13,556,708	13,558,384	↑ 1,676
Alberta	5,123,404	6,161,383	↑ 1,037,979
T O T A L	22,181,329	21,805,314	- 376,015

Between 1921 and 1926 a net decline occurred in the area sown to wheat in the Prairie Provinces. The increase in Saskatchewan and Alberta was not large enough to offset the decrease in Manitoba.

1931 Census

The above crop shows the destribution of wheat acreage on the basis of the 1931 census. The following table shows the area sown to wheat in 1926 and 1931.

	1926 (acres)	1931 (acres)	Change (acres)
Manitoba	2,085,547	2,540,000	↑ 454,453
Saskatchewan	13,558,384	14,961,000	↑ 1,402,616
Alberta	6,161,383	7,938,000	↑ 1,776,617
T O T A L	21,805,314	25,439,000	3,633,686

The years from 1926 to 1931 were years of expansion as far as wheat acreage was concerned. This period includes an important part of the era marked by the development of power farming on a large scale in western Canada, by the pushing of the wheat belt into new territory - both northern and southern sections of the West and by the first effects of a sharply declining price level. The net result of these factors was to again increase the area sown to wheat in all these provinces with the largest increase in Alberta. Between 1926 and 1931 wheat acreage increased by 3,633,686 acres and wheat acreage in the Prairie Provinces reached a total of 25,439,000 acres - a record up to that time.

Recent Developments

The following table shows wheat acreage in the Prairie Provinces in 1931, 1932, 1933 and 1934.

	1931	1932	1933	1934
		(acres)		
Manitoba	2,540,000	2,651,000	2,536,000	2,533,000
Saskatchewan	14,961,000	15,543,000	14,743,000	13,262,000
Alberta	7,938,000	8,201,000	7,898,000	7,501,000
T O T A L	25,439,000	26,395,000	25,177,000	23,296,000

From 1921 to 1934 wheat acreage in Manitoba remained relatively stable, declining only slightly from the level reached in 1932. Wheat acreage in Saskatchewan reached record levels in 1932 but has since declined by over 2 million acres. In Alberta a decline of about 700,000 acres has taken place since 1932.

Record wheat acreages were reached in 1932 in the Prairie Provinces. Total acreage declined in 1933 and 1934 - a total decline of over 3 million acres as compared with 1932. 1934 acreage stood below the census figures of 1931 in all three provinces with the major decline in Saskatchewan.

International Trade

The following table shows world shipments of wheat and wheat flour for the first 7 weeks of the present crop year. (Broomhall's figures).

Week ending	North America	Argentine	Australia	Russia	Other	Total
			(Thousand bushels)			
August 6	4,153	3,738	2,030	-	400	10,321
13	3,953	6,133	826	-	800	11,712
20	4,561	3,494	2,209	-	488	10,752
27	3,801	3,430	3,109	192	656	11,188
September 4	4,621	2,875	1,142	256	520	9,414
10	3,103	4,538	1,347	448	316	10,252
17	4,759	4,208	1,196	-	854	11,017
T O T A L	28,951	28,416	11,859	896	4,534	74,656

The Course of Wheat Prices

The following summary of wheat price movements from August 1 to September 17 has been prepared by the Internal Trade Branch.

The climax to the prolonged rise in wheat prices beginning last May, came on August 9, when No. 1 Manitoba Northern cash wheat was quoted at 94 cents per bushel, basis Fort William and Port Arthur. It came after a short sharp rise in the early days of the month, influenced considerably by broadening concern about crop prospects in the main exporting countries. An equally sharp decline followed, which coincided with the publication of a United States crop report more favourable than anticipated, and the announcement that the French government would subsidize exports. After the first reaction, a more gradual decline continued from August 13 to 28. During this period hedging of new crop offerings at Winnipeg grew in volume, and c.i.f. prices, which dominated the market, were affected by liberal offerings from the chief exporting countries. Subsequently a lessening of export shipments and better buying from British millers were accompanied by moderate recovery, but very recently prices have again turned downward.

Cash closing prices of No. 1 Manitoba Northern wheat, basis Fort William and Port Arthur, advanced from 82.0 cents in July to 86.0 cents per bushel for August.

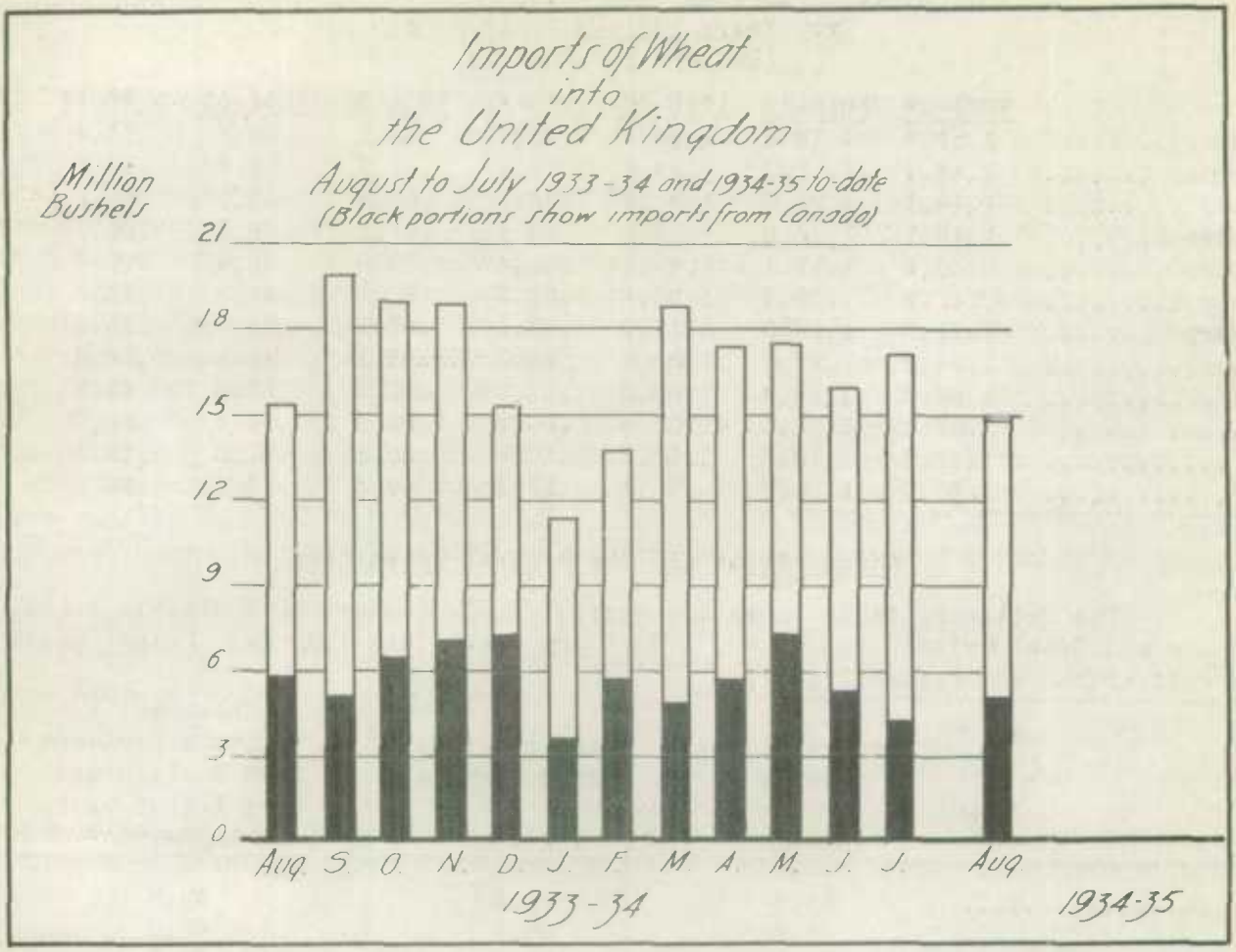
The Position of the Import Requirements Estimate

The Wheat Advisory Committee accepted the estimate of 600 million bushels for world import requirements for 1934-35. The position of this estimate on August 18, was as follows:

Import Requirements	Actual Shipments	Balance to be Shipped
Aug. 1,1934 to July 31,1935 (52 weeks)	Aug. 1,1934 to Sept. 17,1934 (7 weeks)	Sept. 17,1934 to July 31,1935 (45 weeks)
600 million bushels	75 million bushels	525 million bushels
or	or	or
11.5 million bushels weekly	10.7 million bushels weekly	11.7 million bushels weekly

During the first seven weeks of 1934-35 world shipments have amounted to 75 million bushels, or an average of 10.7 million bushels per week. This represents a heavier international movement of wheat than occurred during the same weeks last year

In order to fulfil the world estimate of 600 million bushels, weekly shipments will have to average 11.5 million bushels.



The United Kingdom

Imports of wheat into the United Kingdom during the month of August were lower than during the preceding month and the corresponding month last year. Imports during August amounted to 14,859,153 bushels compared with 17,185,817 bushels during July and 15,328,314 bushels during August, 1933.

The following table shows imports of wheat into the United Kingdom for the twelve-month period from August, 1933 to July, 1934 and for the months of June, July and August, 1934:

From:	August-July (1933-34)	June (1934)	July (1934)	August (1934)
Canada.....	68,691,578	5,319,766	4,245,035	5,081,916
United States..	86,640	40,522	-	-
Argentine.....	53,804,099	5,775,556	8,322,132	5,753,300
Australia.....	41,838,574	2,846,905	3,199,535	3,466,692
Russia.....	14,925,079	-	-	-
Others.....	70,760,674	2,007,871	1,419,115	557,245
T O T A L.....	200,106,644	15,990,620	17,185,817	14,859,153
Previous year..	204,375,964	16,493,593	15,773,286	15,328,314

Monthly Average Winnipeg Cash Price - No. 1 Northern Wheat, Crop Years 1927-28 to 1934-35.
(Dollars per Bushel)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
August	1.59.9	1.18.8	1.58.0	.92.5	.55.1	.56.3	.73.4	.86.0
September	1.45.1	1.17.0	1.49.5	.78.1	.53.6	.51.9	.67.2	
October	1.44.1	1.23.7	1.41.4	.72.5	.59.9	.48.2	.60.5	
November	1.45.1	1.20.9	1.33.0	.64.4	.67.3	.46.7	.63.7	
December	1.40.6	1.17.1	1.37.8	.55.4	.60.6	.42.4	.60.3	
January	1.42.8	1.20.9	1.30.5	.53.9	.60.0	.44.2	.65.0	
February	1.42.6	1.27.9	1.17.4	.59.3	.63.2	.45.8	.65.6	
March	1.48.1	1.27.0	1.06.2	.56.7	.63.1	.49.1	.66.4	
April	1.56.3	1.22.8	1.09.8	.59.7	.62.6	.53.6	.65.5	
May	1.57.2	1.12.3	1.07.9	.60.6	.62.9	.63.3	.70.6	
June	1.42.6	1.18.3	1.03.2	.60.8	.55.1	.66.8	.77.1	
July	1.30.9	1.59.9	.95.1	.57.3	.54.7	.83.4	.82.0	

Wheat Prices and the General Price Level /

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

	General Index Canada	Board of Trade[x] United Kingdom	Wheat No. 1 Manitoba Northern Fort William and Port Arthur basis
	1926-100	1926-100	1926-100
1929	95.6	92.2	89.8
1930	86.6	80.7	63.0
1931	72.1	70.3	39.3
1932	66.7	68.6	37.2
1933			
January	63.9	67.7	29.6
February	63.6	66.8	30.6
March	64.4	65.9	32.8
April	65.4	65.6	35.9
May	66.9	67.0	42.3
June	67.6	68.7	44.7
July	70.5	69.1	55.8
August	69.4	69.2	49.1
September	68.9	69.5	44.9
October	67.9	69.3	40.5
November	68.7	69.4	42.6
December	69.0	69.4	40.3
1934			
January	70.6	70.6	43.5
February	72.1	71.1	43.9
March	72.0	70.1	44.4
April	71.1	69.4	43.8
May	71.1	69.1	47.2
June	72.1	70.0	51.6
July	72.0	69.8	54.8
Aug.	72.3	-	57.5

/ Prepared by the Internal Trade Branch. x Transposed from the base 1913-100.

Exchange Fluctuations

The comparative stability of foreign exchanges during the first six months of 1934 was disturbed in July. Uncertainty revived regarding the future of the American dollar which resulted in the discount on New York funds at Montreal increasing from approximately 1 1/2 p.c. to 2 1/2 p.c. in the first two weeks of the month. Sterling in this interval advanced from $4.95 1/2 to $4.97. Temporary firmness in New York funds was restored by the shipment of gold to France on the 15th, this being the first gold to leave the United States since April, 1933. From July 18 to August 10, attention centred upon a sharp decline in sterling which fell from $4.98 to $4.86. It has tended subsequently to remain close to this level, while discounts quoted on the American dollar have steadied temporarily at about 3 p.c. The French franc at 6.48¢ is now slightly below the level of the past few months.

Exchange Quotations at Montreal, February 5, 1933 to September 12, 1934.

		United Kingdom Pounds 4.8666	United States Dollar 1.0000	Australia Pounds 4.86666	Argentina Paper Peso .4244
February	5	4.9824	1.0093	3.9859	.3381
	12	5.0841	1.0087	4.0632	.3404
	19	5.1638	1.0056	4.1311	.2664
	26	5.1179	1.0062	4.0943	.2616
March	5	5.0972	1.0056	4.0777	.2639
	12	5.1000	1.0000	4.0800	.2600
	19	5.1081	1.0006	4.0865	.2546
	26	5.1072	1.0009	4.0858	.2552
April	3	5.1437	1.0000	4.1149	.2570
	9	5.1706	.9984	4.1364	.2571
	16	5.1425	.9968	4.1140	.2552
	23	5.1324	.9956	4.1059	.2539
	30	5.1194	.9962	4.0955	.2441
May	7	5.0925	.9978	4.0739	.2345
	14	5.1055	.9994	4.0843	.2399
	21	5.1013	.9978	4.0810	.2370
	28	5.0797	.9975	4.0638	.2394
June	5	5.0242	.9969	4.0193	.2442
	11	5.0277	.9931	4.0221	.2483
	18	4.9740	.9850	3.9794	.2462
	25	4.9805	.9857	3.9844	.2474
July	3	5.0126	.9906	4.0100	.2427
	9	4.9918	.9909	3.9934	.2428
	16	4.9869	.9887	3.9896	.2447
	23	4.9727	.9859	3.9781	.2465
	30	4.9536	.9831	3.9628	.2581
August	6	4.9531	.9816	3.9624	.2572
	13	4.9655	.9712	3.9724	.2753
	20	4.9627	.9750	3.9702	.2706
	27	4.9216	.9722	3.9373	.2722
Sept	4	4.8928	.9756	3.9142	.2732
	12	4.8625	.9700	3.880	.2689

THE CANADIAN SITUATION

Preliminary Estimates

On September 10, 1934 the Dominion Bureau of Statistics issued its preliminary estimates of the production of grains in Canada. The report stated:

The 1934 wheat crop of Canada is estimated at 277,304,000 bushels, consisting of 270,282,000 bushels of spring wheat and 7,022,000 bushels of fall wheat. Production of wheat in the Prairie Provinces is estimated at 265,000,000 bushels. The production of oats in Canada is estimated at 344,746,000 bushels, barley at 68,800,000 bushels, rye at 6,523,000 bushels and flaxseed at 1,096,000 bushels. Yields per acre of all grains are below average but are slightly higher than the unrevised estimates for last year.

Wheat production in Canada is estimated at 277,304,000 bushels as compared with an unrevised estimate of 269,729,000 bushels for 1933. The estimate of 265,000,000 bushels for the Prairie Provinces compares with an unrevised estimate of 250,841,000 bushels for last year. Preliminary disposition figures indicate that the 1933 western wheat crop was underestimated by about 13,000,000 bushels. If this underestimate is substantiated by final disposition figures, it is apparent that the preliminary estimate of the 1934 Canadian wheat crop is slightly lower than the final outturn of 1933 and that the preliminary estimate of the 1934 wheat crop of the Prairie Provinces is only about 1,000,000 bushels larger than actual production in 1933.

Production of wheat in eastern Canada is much lower than last year owing to an extremely small winter wheat crop in Ontario.

Condition figures for late-sown crops indicate a larger production than in 1933 but below-average yields. The condition of pastures in Canada is extremely poor and lower than at the same time last year.

Crop Production in Canada, 1934.

The estimated yields per acre of grain crops in 1934 are considerably below the long-time averages but are slightly higher than the yields of 1933. The small grain production is largely due to damage to the Ontario winter wheat crop through drought and to below-average yields in the Prairie Provinces, where drought, extreme heat, pests and frost combined to reduce the outturn in all three provinces.

In the Maritime provinces the estimated yields per acre in 1934 are about average, with especially good yields harvested in New Brunswick. While drought affected yields in some districts in Quebec, the average yield per acre for all grains is estimated to be about average. A below-average yield of flaxseed is reported. In Ontario drought greatly reduced the yield of winter wheat, with production estimated at about one-half that of last year. Spring wheat, oats and barley yielded well in Ontario.

Prairie Provinces.

The Prairie Provinces experienced a very unfavourable growing season with large areas affected by drought, soil drifting, extreme heat, pests, hail and frost. The most adverse conditions were experienced in the southern and central areas of the three provinces while northern districts again received adequate rainfall. The season commenced with extremely dry weather during the month of May, resulting in soil drifting, especially in southern areas. In many cases growth did not commence until the early part

of June. In June timely rains were received and crops throughout western Canada responded to improved conditions with a marked recovery throughout the drought area. The rains also assisted in checking the damage of grasshoppers. In July drought conditions returned and moisture reserves were insufficient to carry the crop through the hot dry weather experienced during the latter part of July and the early part of August. The hopeful outlook resulting from the June rains faded rapidly. The greatest damage occurred in southern Manitoba, southern, central and west-central Saskatchewan and in parts of southern and central Alberta. During the latter part of August damaging frosts were received in northern Saskatchewan and Alberta. These frosts lowered both yields and grades and were particularly damaging to late crops.

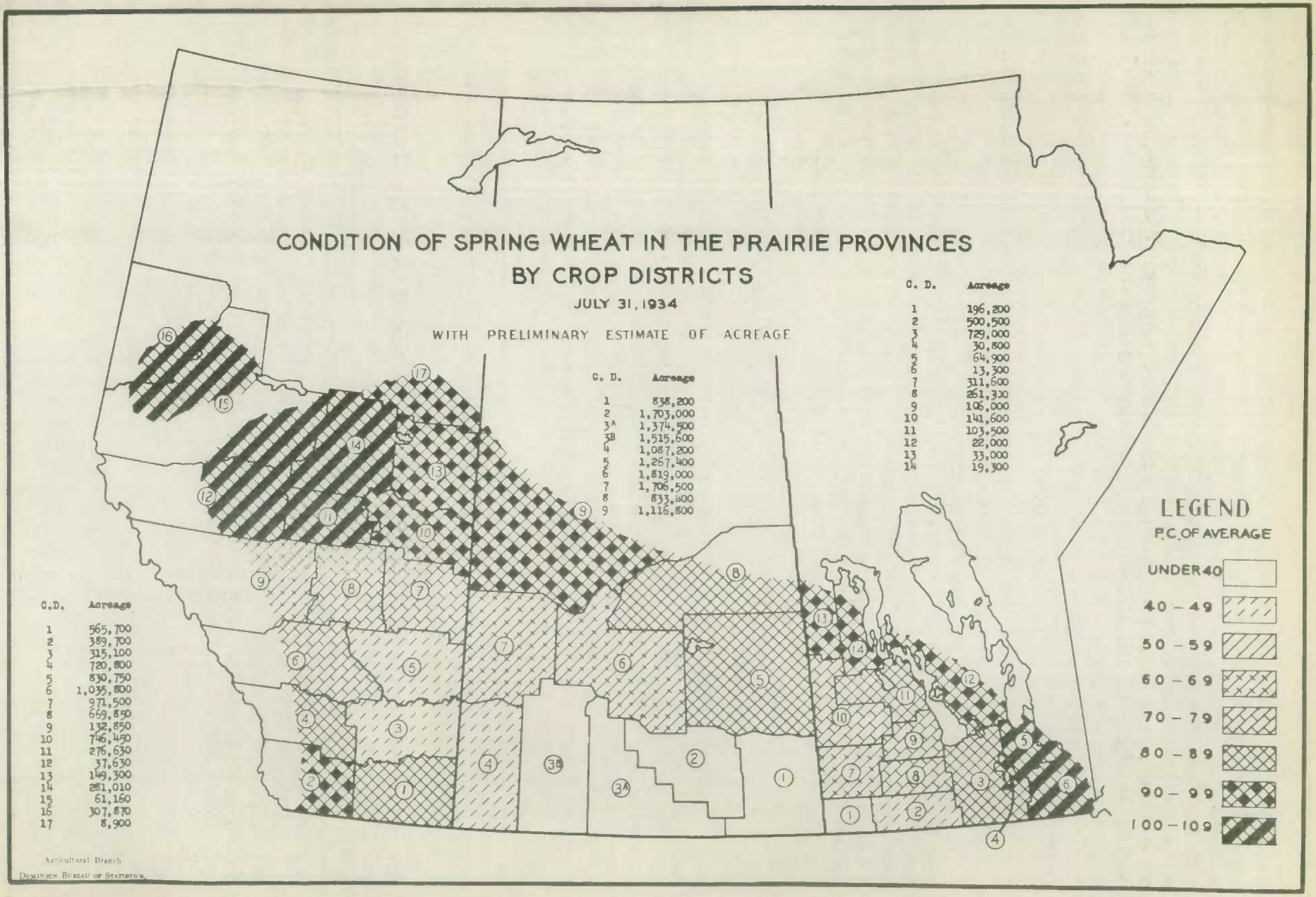
The average yield of wheat per acre in Alberta is estimated at 15.5 bushels, in Manitoba at 13.8 bushels and in Saskatchewan at 8.6 bushels. These yields are substantially below average and the yields per acre in Saskatchewan is only slightly more than one-half of the long-time average. Wheat production in Alberta is estimated at 116,000,000 bushels. The Saskatchewan wheat crop is estimated at 114,200,000 bushels and Manitoba production at 34,800,000 bushels. Preliminary estimates show that wheat production in Manitoba and Alberta is larger than in 1933 while production in Saskatchewan is smaller than in 1933. Taking the Prairie Provinces as a whole, production of oats, barley, rye and flaxseed is larger than in 1933 but far below average.

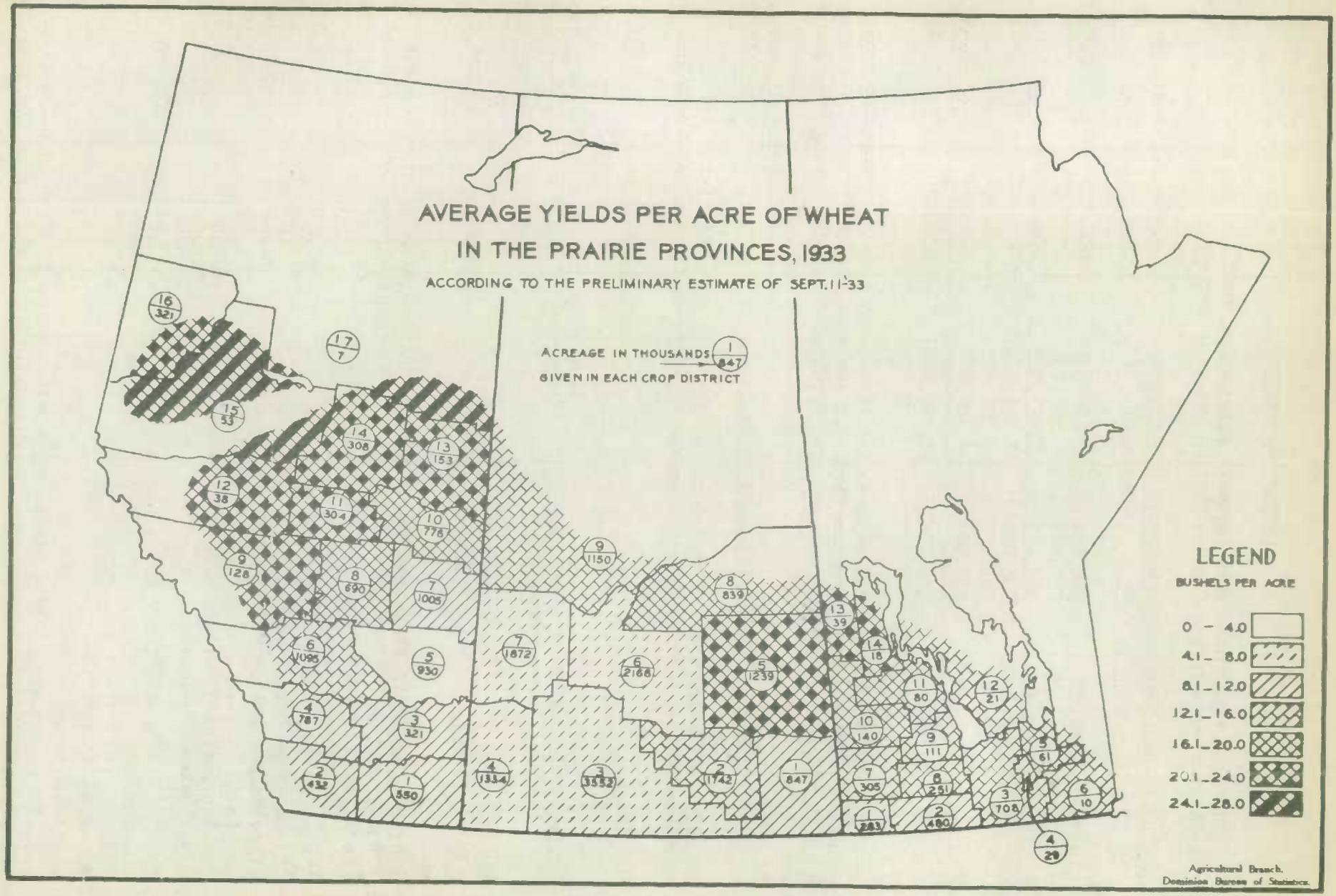
Preliminary Estimate of the Yield of Grain Crops

For all Canada, the average yields per acre in 1934, in bushels, are as follows, with the figures for 1933 within brackets: Fall wheat 16.5 (25.1); spring wheat 11.5 (10.1); all wheat 11.6 (10.4); oats 25.0 (22.7); barley 19.0 (17.3); fall rye 8.9 (7.9); spring rye 8.7 (5.9); all rye 8.9 (7.4); flaxseed 4.8 (2.6). The total yields in bushels are estimated as follows, with last year's figures in brackets: Fall wheat 7,022,000 (14,031,000); spring wheat 270,282,000 (255,698,000); all wheat 277,304,000 (269,729,000); oats 344,746,000 (307,478,000); barley 68,800,000 (63,359,000); fall rye 5,239,000 (3,454,000); spring rye 1,284,000 (873,000); all rye 6,523,000 (4,327,000); flaxseed 1,096,000 (632,000).

Grain Yields of the Prairie Provinces

For the three Prairie Provinces, the preliminary estimates of total production in 1934, as compared with 1933 in brackets, are in bushels as follows: Wheat 265,000,000 (250,841,000); oats 196,657,000 (177,422,000); barley 49,867,000 (47,243,000); rye 5,507,000 (3,254,000); flaxseed 1,023,000 (563,000). By provinces, the yields in bushels are: Manitoba: Wheat 34,800,000 (32,500,000); oats 27,698,000 (29,500,000); barley 17,591,000 (16,900,000); rye 995,000 (575,000); flaxseed 171,000 (110,000). Saskatchewan: Wheat 114,200,000 (123,841,000); oats 75,850,000 (75,422,000); barley 14,253,000 (17,560,000); rye 1,896,000 (1,777,000); flaxseed 734,000 (410,000); Alberta: Wheat 116,000,000 (94,500,000); oats 93,109,000 (72,500,000); barley 18,023,000 (12,783,000); rye 2,616,000 (902,000); flaxseed 118,000 (43,000).


CONDITION OF SPRING WHEAT IN THE PRAIRIE PROVINCES
BY CROP DISTRICTS
JULY 31, 1934
WITH PRELIMINARY ESTIMATE OF ACREAGE
C. D. Acreage
1 838,200
2 1,703,000
3A 1,374,500
3B 1,515,600
4 1,087,200
5 1,267,400
6 1,819,000
7 1,706,500
8 833,600
9 1,116,800
C. D. Acreage
1 196,200
2 500,500
3 729,000
4 30,800
5 64,900
6 13,300
7 311,600
8 261,300
9 106,000
10 141,600
11 103,500
12 22,000
13 33,000
14 19,300
C.D. Acreage
1 565,700
2 389,700
3 315,100
4 720,800
5 830,750
6 1,035,800
7 971,500
8 669,850
9 132,850
10 746,450
11 276,630
12 37,630
13 149,300
14 281,010
15 61,160
16 307,870
17 8,900
LEGEND
P.C. OF AVERAGE
UNDER 40
40 - 49
50 - 59
60 - 69
70 - 79
80 - 89
90 - 99
100 - 109
Agricultural Branch
DOMINION BUREAU OF STATISTICS


AVERAGE YIELDS PER ACRE OF WHEAT
IN THE PRAIRIE PROVINCES, 1933
ACCORDING TO THE PRELIMINARY ESTIMATE OF SEPT. 11-'33
ACREAGE IN THOUSANDS GIVEN IN EACH CROP DISTRICT
LEGEND
BUSHELS PER ACRE
0 - 4.0
4.1 - 8.0
8.1 - 12.0
12.1 - 16.0
16.1 - 20.0
20.1 - 24.0
24.1 - 28.0
Agricultural Branch,
Dominion Bureau of Statistics.

Primary Movement

The following table shows primary receipts of wheat in the Prairie Provinces during 1934-35 with comparative figures for the previous crop year:

Week ending	Manitoba	Saskatchewan	Alberta	Total	Last year
			(bushels)		
Aug. 3, 1934	142,412	546,650	813,708	1,502,770	394,491
10	134,025	387,647	987,475	1,509,147	1,526,250
17	356,899	898,535	1,747,383	3,002,817	4,925,052
24	2,954,531	3,735,045	2,331,411	9,020,987	11,052,622
31	6,850,491	6,613,777	3,027,048	16,491,316	9,239,547
Sept. 7	2,985,337	7,837,653	4,750,600	15,573,590	10,520,340
T O T A L	13,423,695	20,019,307	13,657,625	47,100,627	37,658,302

The foregoing figures show that the 1934 wheat crop is increasing more rapidly than the 1933 crop. During the first six weeks of 1934-35 primary receipts amounted to 47,100,627 bushels as compared with 37,658,302 bushels during the same weeks last year.

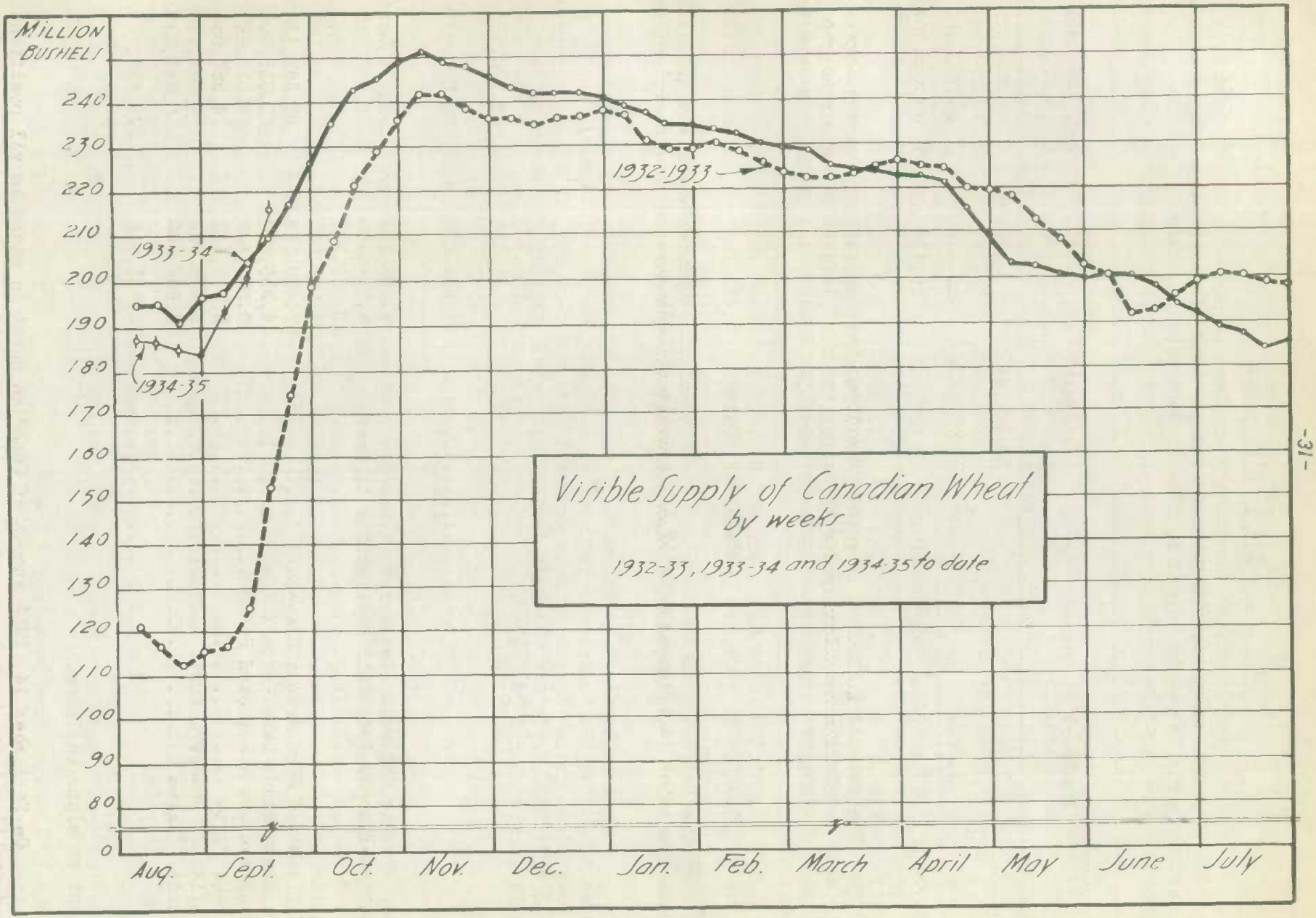
Stocks in Store

The following table shows stocks of wheat in store in Canada and the United States on September 14, 1934 along with comparative figures for the same date last year:

	1934	1933
	(bushels)	
Country Elevators[x] - Manitoba	7,938,610	9,268,170
Saskatchewan	46,385,306	41,917,633
Alberta	30,195,817	28,900,894
T o t a l	84,519,733	80,086,697
Interior Private and Mill Elevators[x]	6,393,775	6,248,022
Interior Public and Semi-Public Terminals	2,527,089	2,370,725
Pacific Ports	13,486,901	9,373,363
Churchill	1,206,051	35,020
Fort William and Port Arthur Elevators	57,460,188	63,581,138
Eastern Elevators - Lake Ports	24,953,489	21,016,904
Eastern Elevators - Seaboard Ports	10,535,640	16,015,987
U. S. Lake Ports	8,173,143	4,657,053
U. S. Atlantic Seaboard Ports	3,406,359	207,530
In Transit - Lakes	5,896,580	5,846,340
T o t a l	216,863,948	209,438,779

x Subject to minor revision.

On September 14, 1934 stocks of Canadian wheat in store in all positions amounted to 217 million bushels as compared with 209 million bushels on the same date a year ago.



Visible Supply of Canadian Wheat
by weeks

1932-33, 1933-34 and 1934-35 to date

Export Clearances

The following table shows export clearances of wheat (excluding wheatflour) from various ports, by weeks August 3, 1934 to September 14, 1934.

	Montreal	Quebec	Sorel	Churchill	Vancouver New Westminster	United States Ports	Total
				(Bushels)			
Aug. 3	1,049,180	-	-	-	828,270	340,000	2,217,450
9	1,067,055	284,000	230,660	-	866,433	306,000	2,754,148
16	785,088	-	305,934	688,067	667,783	582,000	3,028,872
23	1,171,259	-	-	651,488	500,780	661,000	2,984,527
30	1,343,546	-	46,800	477,240	383,493	1,425,000	3,676,079
Sept. 6	664,475	-	318,483	241,392	886,344	598,000	2,708,694
14	601,176	370,860	-	359,006	497,582	1,050,000	2,878,624
T o t a l	6,681,779	654,860	901,877	2,417,193	4,630,685	4,962,000	20,248,394
Last year	10,927,035	605,981	1,602,369	2,401,881	3,433,755	2,510,000	21,499,688[x]

x Halifax exported 18,667 bushels in 1933.

During the first seven weeks of the present crop year export clearances have amounted to 20,248,394 bushels as compared with 21,499,688 bushels cleared during the same weeks last year. Shipments from Montreal amounted to 6,681,779 bushels compared with 10,927,035 bushels for the same period last year. Vancouver clearances have been slightly larger than a year ago.

Statistical Position

The following table summarizes the statistical position of wheat in Canada as at September 1, 1934 with comparative figures for 1933:

	1933-34	1934-35
Carry-over July 31	211,740,188	193,322,863
New crop	269,729,000[1]	277,000,000[2]
Total supplies	481,469,188	470,322,863
Domestic Requirements	106,000,000[3]	106,000,000[3]
Available supplies	375,469,188	364,322,863
Exports, August	10,814,266	16,564,076
Balance for export and carry-over	364,654,922	347,758,787

1. Probably 12-15 million bushels too low.
2. Preliminary Estimate.
3. Tentative.

EXPORTS OF CANADIAN WHEAT

The following tables show exports of wheat and flour during 1934-35 with comparative figures for preceding years:

W H E A T

	1934-35	1933-34	1932-33	1931-32
		(bushels)		
August	14,709,675	8,652,970	18,289,832	11,909,108
September		19,666,351	26,874,237	14,335,637
October		23,611,510	40,192,415	18,925,303
November		23,143,958	27,301,976	27,452,063
December		17,457,963	27,735,999	22,355,975
January		7,088,311	14,706,801	9,472,346
February		6,512,686	10,922,337	9,898,363
March		10,103,240	14,815,705	9,920,634
April		3,568,090	4,460,214	7,513,289
May		19,023,770	21,464,848	15,543,013
June		18,425,933	16,998,672	15,857,427
July		12,979,231	16,373,532	19,620,224
T O T A L		170,234,013	240,136,568	182,803,382

F L O U R

	1934-35	1933-34	1932-33	1931-32
		(barrels)		
August	412,089	480,288	530,382	322,178
September		552,556	385,113	556,565
October		514,368	528,794	558,459
November		547,602	576,864	476,487
December		418,183	492,033	451,310
January		448,498	397,304	331,806
February		328,376	333,114	337,513
March		493,327	490,270	414,779
April		340,621	234,387	255,390
May		481,725	565,080	461,867
June		441,064	544,607	570,861
July		408,028	492,765	446,379
T O T A L		5,454,636	5,370,613	5,383,594

WHEAT AND WHEATFLOUR

	1934-35	1933-34	1932-33	1931-32
		(bushels)		
August	16,564,076	10,814,266	19,776,551	14,258,909
September		22,152,853	28,607,246	16,840,179
October		25,926,166	42,571,988	21,438,369
November		25,608,167	29,897,864	29,596,254
December		19,339,787	29,950,148	24,386,870
January		9,106,552	16,494,669	10,965,473
February		7,990,378	12,421,350	11,417,172
March		12,323,211	17,021,920	11,787,139
April		5,100,885	5,514,956	8,662,544
May		21,191,533	24,007,708	17,621,415
June		20,410,721	19,448,954	18,426,301
July		14,815,357	18,590,974	21,628,930
T O T A L		194,779,876	264,304,326	207,029,555