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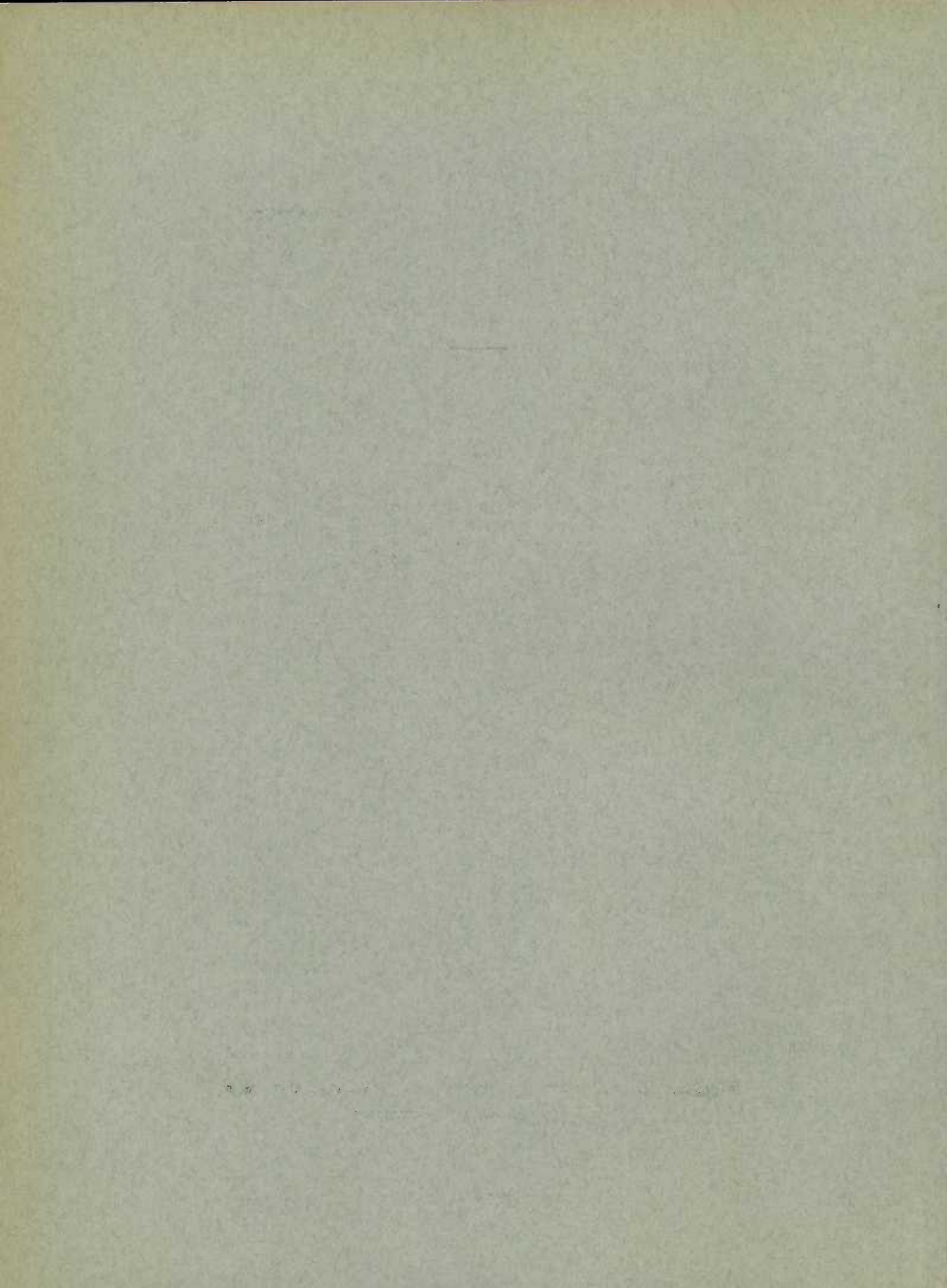
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OF THE
WHEAT SITUATION

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THE WORLD WHEAT SITUATION - SUMMARY

Another crop year characterized by disappointing import demand has passed into history and attention is now directed to the possibilities of the new 1935-36 season. Experience shows that definite calculations of import demand made at this date are later subject to considerable change, but some preliminary observations on probable supplies can now be made with some assurance. Final figures on world shipments during 1934-35 totalled less than 526 million bushels, with a very high proportion (27 per cent) going to destinations ex-Europe. In these days of severe import restrictions, reduced foreign exchange and carefully-watched trade balances, the size of the European and United Kingdom crops is almost a controlling factor since it furnishes a guide as to the necessity and extent of imports. The reduced European crop of 1934 led to reduction of stocks rather than to increased imports--European takings of foreign wheat actually showing a decline of about 20 million bushels or 5 per cent compared with the 1933-34 figures. Carry-overs in Europe and the United Kingdom at July 31, 1935 were definitely lower than they were a year ago--perhaps to the extent of 75 to 100 million bushels. At present, however, crop prospects in Europe indicate that the 1935 harvest will be at least 50 million bushels greater than in 1934. The important increases are found in the Balkans, Germany and Italy; the importing countries as a whole have poorer harvests than in 1934. Judged by the experience of last year, when reduced crops did not lead to increased takings, no material increase in European imports of wheat is probable during 1935.

Considering the ex-European countries in the light of existing information, admittedly meagre, it seems likely that the 1934-35 level of imports will be maintained in the new season.

As has often been pointed out, the world cannot any longer be considered as a unit in forecasting the probable trade in any commodity. Wheat trade is certainly no exception to this rule and the extent to which many countries have withdrawn into 'water-tight compartments' from a trade standpoint was amply illustrated in 1934-35. If total world production of cereals or grains were considered together with the composite deficit of these commodities (either in Europe or the world), the inevitable conclusion was that more would be needed from exporting countries. This conclusion, of course, did not materialize simply because the impediments to trade between countries were too formidable. Even grim necessity could not be given the usual attention. This introduces a very troublesome factor into calculations of import demand.

It must also be remembered that the wheat crop of any given year (unlike perishable commodities such as potatoes) cannot be considered as an annual, independent phenomena. The extent of carry-overs from the previous year may offset any change in the production estimates while the price trend of the previous period is also important.

With these points in mind, the following pages of this review are directed to the appraisal of the present wheat situation in the important countries, with particular reference to probable supplies and deficiencies.

Exportable Supplies.

Turning to exportable supplies, the most important tendency of the past month or six weeks has been the sharp reduction of prospective surpluses in the 'Big Four' countries. The United States' official estimate of the 1935 crop has been lowered by 123 million bushels due to rust and drought. The same limiting factors have cut the Canadian crop by nearly 60 million bushels, judged by condition figures at June 30 and July 31. Further reductions have taken place in August to date. Argentina has been seriously troubled by drought, leading to considerable reduction of acreage and probable lowering of production. Australian prospects, while not lowered in nearly the same degree are nevertheless little above the poor returns of 1934-35. It would be quite safe to estimate the decline in crop prospects in these four countries as 225 to 250 million bushels during the period indicated.

An important feature of the present wheat situation is the sharp reduction in stocks of wheat available for export from Argentina and Australia during the balance of the calendar year. Combined supplies at August 1, 1935 in these two countries for export or carry-over were only 125 million bushels, compared with 217 million bushels at the same date of 1934. The Argentina crop of 1934-35 is commonly placed below the official estimate and if this view is correct, the figure of 125 million bushels would be lowered. At any rate, importing countries cannot expect heavy shipments of wheat from the Southern Hemisphere such as featured the fall months of 1934.

To offset this, the Balkans show an increased production of 75 million bushels while Russia has evidently secured another big crop from which moderate exports are probable. It is probable also that the pressure of cheap French supplies on world markets will be reduced during 1935-36.

World Stocks.

World stocks of wheat at July 31, fell from about 1,135 million bushels in 1934 to about 850 million bushels in 1935. Should import demand in 1935-36 approximate the 1934-35 level, it is not likely that 'world' stocks at July 31, 1936 will show any large increase such as would have been the result of normal crops in the four large exporting countries.

The Wheat Situation in Canada.

The 1935 Crop.- The outcome of the Canadian spring wheat crop is clouded with more uncertainty than usual because of the rust infection in Manitoba and Saskatchewan and the susceptibility of the late Alberta crops to frost damage. There is no doubt at all that the wheat in Manitoba and south-eastern Saskatchewan has been severely injured in grade and yield by rust. The actual extent of the injury, however, will only be revealed by threshing and this operation will not be general for several weeks. Rusted fields that have been combined returned a low yield of wheat, most of which was below the contract grades. Condition figures of spring wheat at June 30 and July 31 showed a drop from 96 to 81, indicating a deterioration of 16 per cent. The decline was most severe in Manitoba (from 103 to 62) and least in Saskatchewan (from 97 to 85). Drought in southern and central Alberta combined with heavy hail losses to bring the condition figure down from 93 at June 30 to 81 at July 31. During August, the development of rust in Saskatchewan has been very rapid and further damage has resulted. The Manitoba crop has been literally cut in half since the first of July, almost entirely due to rust. High temperatures in August have helped the northern and central Alberta crops toward maturity but another two or three weeks of similar weather are needed.

The production of fall wheat in Ontario is almost double that of 1934, when winter-killing was so destructive. The 1935 crop is placed at 13,267,000 bushels compared with 6,724,000 bushels in 1934. While still below average, the 1935 crop of winter wheat will be sufficient to fill Canadian requirements of soft winter wheat flour without the necessity of imports.

Wheat Acreage.- The June Survey revealed that wheat acreage in the Prairie Provinces in 1935 was 23,293,000 acres compared with 23,296,000 acres in 1934. Reductions were common in northern districts, but in the south the favourable spring, the large amount of prepared land, and the relative availability of wheat seed led to offsetting increases.

Carry-over.- The official carry-over of Canadian wheat in Canada at July 31, 1935 amounted to 203,231,288 bushels compared with 193,990,281 bushels in 1934 and 211,740,188 bushels in 1933. An additional 11,704,536 bushels of Canadian wheat was held in the United States at July 31, 1934 making a total amount of Canadian wheat in the two countries 214,935,824 bushels compared with 203,944,533 bushels, the revised total for July 31, 1934.

Crop Year Exports.- Exports of wheat from Canada in 1934-35 were 144,374,910 bushels compared with 170,234,013 bushels in 1933-34. Exports of wheat flour were 4,750,310 barrels compared with 5,454,636 barrels in 1933-34. The combined exports of wheat and wheat flour totalled 165,751,305 bushels compared with 194,779,875 bushels in 1933-34. The 1934-35 exports were the lowest since 1920-21, when 167,215,443 bushels were exported.

Movement to Export Position.- A feature of the past six months has been the heavy movement of wheat from the Head of the Lakes to Canadian and United States Lower Lake ports and St. Lawrence ports. In addition, some wheat has gone direct to the United States for consumption attracted by the high cash premiums in that country. In the period from July 1, to August 7 of this year, shipments from Fort William-Port Arthur, have amounted to 37,699,950 bushels compared with 19,365,848 bushels in the same period of 1934. Most of this wheat has gone to Canadian Lower Lake ports (20,054,378 bushels) but 11,323,981 bushels went to Buffalo, 5,785,989 to St. Lawrence ports and the balance to other United States ports.

Export Prospects.- With due regard for (1) the increased supplies that will probably be forthcoming from the Danube and the U.S.S.R. this crop season and (2) the possibility of little change in world demand, the chances of selling more Canadian wheat are heightened by the Southern Hemisphere situation. Less competition is to be expected during the August to December period from Argentina and Australia and present crop prospects are such that there is a reasonable probability of a continuation of this reduced competition in the new year.

With total United States supplies of wheat lower this season than in either 1934-35 or 1933-34, and with large quantities of their hard wheat shrunken by drought and rust, it is probable that exports of both low and high grade Canadian wheat to that country will be greater than in 1934-35.

The Wheat Situation in the United States

On August 9, the Crop Reporting Board of the United States Department of Agriculture made its forecast of indicated production of wheat. The total production of wheat is now given as 608 million bushels compared with the July First estimate of 731 million bushels and 497 million bushels harvested in 1934. In the month of August, the loss in winter wheat was 26 million bushels, in Durum wheat 10.3 million bushels and in other spring wheat 37 million bushels.

The carry-over of old wheat into the new season was reduced more than the production was increased over last year so that total wheat supplies are lower for 1935-36. They are officially given as 760 million bushels for 1935-36 compared with 783 million bushels in 1934-35 and 920 million bushels in 1933-34. In addition to the reduced supplies, it is noteworthy that the hard wheat produced in 1935 will not go as far in milling as the previous crops, i.e. more bushels will be needed to produce a barrel of flour due to the light and shrunken nature of the kernels. Rust and drought have played havoc with both yield and quality and this was the principal factor inducing the Government to make a 10 per cent increase in the contracted acreage for 1935-36. The possibilities of large exports from the United States are now removed. Another large crop in the Pacific North-west creates a surplus there but even if some exports do take place, they will be much more than counterbalanced by imports of hard wheat. Reduction of carry-over is again probable.

Some interesting excerpts from the report of August 9 are quoted as follows:

"Some radical changes in national and regional crop prospects were caused during July by the favorable growing conditions in the Central and Eastern Corn Belt, by the black stem rust and near-record high temperatures in the Spring Wheat Belt and by the drought conditions that have developed in a large central area west of the Mississippi River.

"Corn, which was so late that farmers were afraid it might be caught by an early frost, grew vigorously during July and is now expected to produce a yield nearly equal to the average during the last 10 years. This improvement during July increased the prospective corn crop by some 228,000,000 bushels or 11 percent.

"Little of last year's grain remains on farms but with a record crop of grain sorghums in prospect and oats and barley together about up to the pre-drought average notwithstanding serious injury from heat and drought during July, the supply of feed grain is expected to be sufficient to permit the limited numbers of livestock and poultry on farms to be fed as liberally as during the half dozen years previous to 1933 and still leave an average carry-over of grain next summer.

"On the other hand, spring wheat, which made a rank growth during the cool moist weather of June was caught before maturity by the rust and hot weather and, in some areas, by drought. As a result, some fields that looked promising in June are a complete failure, and instead of the 273,000,000 bushels forecast a month ago, a crop of only 176,000,000 bushels is now expected. As winter wheat is also threshing out substantially below earlier expectations the total wheat crop is expected to be only about 608,000,000 bushels, and this includes some wheat suitable only for feeding. As this would be less than usual domestic requirements, reserve supplies on hand will probably be further reduced during the season.

"**WHEAT:** Indicated production of all wheat in the United States in 1935 is 607,678,000 bushels. While showing a sharp decline during July, prospective production is still 110,740,000 bushels greater than the short crop of 1934 but 252,892,000 bushels below the 5-year (1928-1932) average.

"The preliminary estimate of 1935 production of winter wheat is 431,709,000 bushels compared with a production of 405,552,000 bushels in 1934 and the 5 year average of 618,186,000 bushels. The decline in production from that indicated on July 1 is attributed largely to harvesting difficulties caused by wet weather and lodging in the East North Central States and to damage by black rust in the more northern areas of the Mississippi and Missouri Valleys.

"The preliminary estimate of yield per acre of winter wheat this year is 13.8 bushels, compared with 12.3 bushels in 1934 and the 10-year average of 15.2 bushels.

"Indicated production of all spring wheat is 175,969,000 bushels, compared with a production of 91,377,000 bushels in 1934 and the 5-year average of 242,384,000 bushels. Except in Washington and Oregon, prospects declined sharply during July, especially in the important spring wheat producing States of the Northern Great Plains. Black rust, which made its appearance in these states about July 1, developed rapidly during July and losses from rust this year are comparable only with the rust year of 1916. Losses of acreage will probably be considerably greater than average in Minnesota and the Dakotas and yields on the remaining acreage will be sharply curtailed.

"Some varieties which are considered relatively rust-resistant have not been able to escape damage this year and the durumms are the only varieties grown on a considerable acreage which still give promise of fair yields in the area affected.

"High temperatures during July caused further damage by premature ripening. Reports indicate that the quality of the spring wheat crop will be poor, with test weights per bushel running far below normal.

"Condition of durum wheat was 60.9 percent of normal on August 1, 1935, compared with 22.3 percent on August 1, 1934 and the 10-year average of 70.3 percent. Condition of other spring wheat was 47.7 percent on August 1, 1935, compared with 31.3 percent on August 1, 1934, and the 7-year (1926-1932) average of 65.2 percent.

"Indicated production by classes is as follows:

Hard red winter wheat	198,252,000	bushels
Soft red winter wheat	183,066,000	"
Hard red spring wheat	119,844,000	"
Durum wheat	28,663,000	"
White wheat, of both winter and spring varieties	77,853,000	" "

The Wheat Situation in Australia

The following cable dated August 13 was received from the Canadian Trade Commissioner in Melbourne:

"Australian wheat and flour shipments to August 7th total 74,487,283 bushels compared with 63,121,396 corresponding period previous year. In addition 100,000 tons committed for shipment. Australian situation exportable surplus considered very satisfactory. Approximately 250,000 tons wheat only available disposal. During last month Liverpool market improved fourpence per cental due Canada, United States and Argentine adverse reports. Feature of past month sales was increased United Kingdom demand. Japan purchased approximately 20,000 tons last month. China demand negligible chiefly due finance and slow disposal bean crop North China. F. O. B. price Australian wheat approximately three shillings threepence equivalent sixty-four cents Canadian. Growers now receiving country sidings two shillings sixpence halfpenny equivalent forty-nine cents Canadian. New crop prospects very satisfactory owing to continued beneficial rains all producing States, estimated acreage approximately same last year. Export flour market has shown marked fluctuations due conflicting reports

other producing countries. Export demand fairly active with quotations firmer at six pounds fifteen shillings per ton 2,000 pounds in forty-nine pound bags equivalent twenty-six dollars seventy-three cents and six pounds ten shillings per ton in 150 pound sacks for eastern and United Kingdom. Charter rates unchanged".

In addition a cablegram from the International Institute of Agriculture dated August 13, has been received as follows: -

"Western Australia - rainfall unsatisfactory, dry. Urgent need of rain throughout South Australia. In some parts of the country rainfall satisfactory, in other parts, light rains beneficial, condition satisfactory. New South Wales - light rains beneficial, condition satisfactory. Crop condition improved since previous report. Victoria - crop condition improved since previous report, condition good".

The Wheat Situation in Argentina

Although there has been some break in the long-continued drought, all advices point to a lower acreage planted and considerable abandonment. The drought has been especially persistent in the northern provinces of Santa Fe and Cordoba which have about two-fifths of the country's wheat acreage. In the southern zone, the drought has not been so severe so that acreage reduction and abandonment will be less and crop prospects are considerably better. No estimate of acreage has yet been issued, but since the dry soil discouraged seeding and also germination after seeding, a considerable reduction is commonly expected. The present situation cannot be regarded as a parallel with 1933, when poor early conditions were finally changed into a heavy crop. In that year the crop was in the ground and when the heavy rains started in late August and September, there was a remarkable response. Given good rains from now on, there will be a decided improvement in prospects, but the drought has reduced acreage and caused some permanent damage that cannot be corrected.

Despite the unfavourable new crop conditions and the reduced old crop supplies available for export, the Buenos Aires market has continued relatively weak and on many occasions, has not responded even to Liverpool strength.

The Supply Position in the Southern Hemisphere

Shipments from Argentina have shown a sharp reduction in recent weeks, while Australian clearances, principally to ex-European destinations, have continued at a consistently high level for the season. The following table epitomizes the wheat situation in these two countries at the end of the crop year 1934-35 giving comparative figures for the previous crop year. Available supplies in the two countries for 1934-35 were 418 million bushels compared with 446 million bushels in the previous year. Shipments up to the end of July, 1935, totalled 293 million compared with 229 million bushels in 1933-34. As a result of heavier shipments from smaller supplies, the combined carry-over at July 31 was cut to 125 million bushels compared with 217 million bushels at July 31, 1934. If the common belief that the Argentina crop of 1934-35 is overestimated is correct, then the carry-over at July 31, 1935, is even less than 125 million bushels.

	<u>The Argentine</u>		<u>Australia</u>	
	<u>1933-34</u>	<u>1934-35</u>	<u>1933-34</u>	<u>1934-35</u>
	(million bushels)			
Inward carry-over	75	120	55	70
New crops	286	238	175	135
Total supplies	361	358	230	205
Domestic requirements	95	95	50	50
Available supplies	266	263	180	155
Shipments to July 31	140	182	89	111
Balance for export and carry-over	126	81	91	44

Observations on World Wheat Production and Supplies,
1935.

Europe:- In both Germany and Italy, the prospects are for larger crops than in 1934, but less than in the banner year, 1933. The German crop is currently estimated at 171,149,000 bushels compared with 166,539,000 bushels in 1934, while the Italian crop of 1935 is placed at 280,607,000 bushels - about 47 1/2 million bushels above the 1934 crop of 233,036,000 bushels. France has poorer crop prospects than in 1934, private and semi-official figures running around 275 million bushels compared with 338,513,000 bushels in 1934. With a large carry-over into the new season, about all that can be expected is the withdrawal of France from the export market to which she has been contributing cheap wheat during 1934-35. The United Kingdom will probably garner a reduced crop this year and with port and farm stocks lower and general conditions better, there is a good chance of increased demand from this country. Most of the smaller European importing countries show lower yields than in 1934 and decided reductions from the high 1935 production are indicated for Spain and Portugal. Czechoslovakian production promises to return to normal levels after the poor crop of 1934; an increase of about 30 per cent is now indicated.

In summary, the 1935 production in Europe and the United Kingdom (excluding Russia and the Danubian countries) may be 40 or 50 million bushels below the 1934 level of about 1,283 million bushels.

This advantage (from the exporters' standpoint) is more than offset by the improved prospects in the Danube Basin, where each of the four countries shows a decided increase over the 1934 levels - the sum total being an increase of about 76 million bushels to 327 million bushels. It is not expected that the exports will increase in like amount because stocks have been unduly lowered following the poor crops of 1934.

The U.S.S.R. also has improved prospects and a crop of over a billion bushels is commonly predicted. Estimates of probable exports vary widely as usual (Broomhall says 16 million bushels and the United States Department of Agriculture publishes a tentative figure of 30 million bushels). Since rationing of wheat is no longer enforced within the Union, the Russian threat is not so serious. Offers to date have been meagre and at surprisingly high prices.

Turning to North African countries, which are principally important as a source of French and Italian supplies, considerable reductions are expected in Algeria and Morocco that will offset the moderate increases in Tunis and Egypt. The crop in the four countries may be 20-25 million bushels or about 17 per cent below the 1934 harvest.

In Asia, India, Japan and Chosen have all estimated their 1935 crops above the level of the previous year, the total increase being about 18 million bushels and quite unimportant.

North America.- To round out the picture for the Northern Hemisphere, North American crops must be included. The outlook here is less definite, but prospects have been definitely lowered by rust and drought during the past month. The total United States production estimate fell from 731,045,000 bushels as of July 1 to 608,000,000 bushels as of August 1. Most of the reduction was in hard red wheat, winter and spring. It is still too early to put a definite figure on the Canadian crop, but an interpretation of the condition figures as of June 30 and July 31 shows a loss of nearly 60 million bushels during July. It is extremely improbable that the full extent of loss to spring wheat in the United States and Canada was expressed in figures as of August 1 or July 31.

Despite the ravages of rust, however, the 1935 harvest in the two countries will exceed that of 1934 by at least 125-150 million bushels. The increased new crop supplies in the United States will be offset by the reduced carry-over of old wheat but in Canada, the 1935 carry-over was 10 million bushels higher than in 1934.

Southern Hemisphere.-- Very little can be said as yet regarding the Southern Hemisphere crops. Because of reduced acreage and long-continued drought the chances of reduced yields in Argentina are high. Carry-over from the 1934-35 crop will be extremely low when the new crop is harvested. In Australia present prospects point to a crop about equal to that of 1934-35.

Summary.-- Summing up, the Northern Hemisphere crop of 1935, excluding Russia and China, will probably exceed that of 1934 by about 150 to 200 million bushels. Russia will account for a further increase, but the Chinese crop is definitely poorer and there are strong probabilities of reduced production in the Southern Hemisphere.

Using official estimates wherever possible and the most reasonable forecasts for those countries that have not made estimates, the following table gives the present outlook in the main geographical divisions, excluding Russia and China:

Production of Wheat, 1933, 1934 and 1935.
(million bushels)

	<u>1933</u>	<u>1934</u>	<u>1935</u>
Europe	1,734,313	1,519,021	1,537,412
North America	822,989	784,234	944,000
North Africa	110,037	133,501	110,648
Asia	501,887	496,930	511,051
Southern Hemisphere	463,686	373,317	330,000
Totals	<u>3,632,912</u>	<u>3,307,003</u>	<u>3,433,111</u>

Market Prices

The past month has been marked by wide and almost continual fluctuations in prices as traders attempted to appraise the effects of various forces on probable supplies. The usual 'weather' market of this period was accompanied by rust reports beginning in the northern part of the United States winter wheat belt and the south-eastern part of the hard red spring wheat belt and then extending into the Red River Valley of Manitoba and finally moving westward into Saskatchewan.

Naturally the markets closes to the rust scourge have been the most nervous. At Minneapolis, where trading in hard spring wheat predominates, the rise in prices carried the furthest and reached a level where imports of lower grade Canadian spring wheat, duty paid, were possible. From the close on July 6 at 96 cents to the close on July 30 at 129 1/8 cents, the July future gained 33 1/8 cents. The upward movement at Chicago in the near futures was restricted by deliveries of new crop winter wheat but gains of about 14 cents were recorded in the last two weeks of July.

Near the close of June, the spread between Chicago and Liverpool July futures had narrowed to about 2 cents. With the potential U.S. exportable surplus drastically reduced by rust, the spread gradually widened again in July and the futures went off the boards 17 5/3 cents apart.

The Winnipeg market remained at the pegged level for July until the 17th and then responded to the reduced crop prospects and somewhat better export sales to show a 5 1/2 cents advance before the future went off the board.

Despite the drought at home and low exportable supplies, Buenos Aires prices were not responsive and followed changes at Liverpool religiously. In fact, the day-to-day variations in prices at Buenos Aires have been much less than at Liverpool. With a tight situation in regard to immediate supplies the Liverpool market was nervous during July and the July future varied 16 cents during the month.

Latterly, all markets have been weak influenced by Russian offers and poor demand



The United Kingdom

Imports of wheat into the United Kingdom during the month of July, 1935 were lower than during the preceding month and lower than the corresponding month last year. Imports during July amounted to 15,857,532 bushels; compared with 16,293,783 bushels last month and 17,185,265 bushels for July, 1934.

The following table shows imports of wheat into the United Kingdom for the twelve-month period from August, 1933 to July, 1934, for the ten-month period from August, 1934 to May, 1935, for June, 1935 and for July, 1935:

From:	August-July (1933-34)	August-May (1934-35)	June (1935)	July (1935)
	(bushels)			
Canada	68,691,578	54,469,089	5,766,698	5,199,855
United States	86,640	157,482	-	586,504
Argentine	53,804,099	52,664,516	3,479,081	4,231,300
Australia	41,838,574	30,391,794	3,905,151	2,890,115
Russia	14,925,079	-	-	-
Others	20,760,674	18,793,727	3,142,853	2,949,758
T o t a l	200,106,644	156,476,608	16,293,783	15,857,532
Previous year	204,375,964	166,929,647	15,990,620	17,185,265

As shown by the foregoing table, imports of wheat into the United Kingdom during the twelve months from August, 1933 to July, 1934 amounted to 200 million bushels compared with 204 million bushels for the same months in 1932-33. Out of total imports of 200 million bushels, Canada supplied 69 million bushels or 34.5 per cent; Australia supplied 42 million bushels or 21 per cent; the Argentine supplied 54 million bushels or 27 per cent.

The following table shows imports of wheat into the United Kingdom during July, 1935 along with comparative figures for July, 1934:

	<u>July, 1935</u>	<u>July, 1934</u>
	(bushels)	
From:		
Canada	5,199,855	4,244,898
United States	586,504	-
Argentina	4,231,300	8,321,365
Australia	2,890,115	3,199,433
Russia	-	-
Other	2,949,758	1,419,069
T o t a l	15,857,532	17,185,265

The above table shows that imports of wheat into the United Kingdom during July, 1935 were lower than during July, 1934. Imports from Canada amounted to 5,199,855 bushels as compared with 4,244,898 bushels for the corresponding month last year. Imports from the Argentine during July, 1935 were only 4,231,300 bushels compared with 8,321,865 bushels in July, 1934. The United Kingdom imported 2,890,115 bushels from Australia last month compared with 3,199,433 bushels during the same month in 1934.

The following table shows imports of wheat into the United Kingdom during the months of August-July, 1933-34 and 1934-35:

	<u>1934-35</u> <u>August-July</u>	<u>1933-34</u> <u>August-July</u>
	(bushels)	
From:		
Canada	65,435,642	68,691,205
United States	743,986	86,640
Argentina	60,374,897	53,803,683
Australia	37,187,060	41,838,369
Russia	-	14,925,079
Other	24,886,338	20,760,556
T o t a l	188,627,923	200,105,532

It will be noted that total imports of wheat into the United Kingdom amounted to 188,627,923 bushels during the August-July period in 1934-35 as compared with 200,105,532 bushels during the same months last year. The table further shows that imports from the Argentine increased about 7 million bushels this year as compared with 1933-34. Imports from Canada decreased about 1 million bushels in the August-July period in 1934-35 as compared with the same months last year.

The Argentine

The following report (dated August 1, 1935) has been received by the Dominion Bureau of Statistics from its correspondent in Buenos Aires:-

The following is a resumé, in translation, of the monthly report of the Ministry of Agriculture on conditions in the various zones of production, which was made public on July 21st:-

Buenos Aires.- The rains of the first half of the month favoured most the centre and south of the province; hence that is where the greatest activity is being shown to prepare the land for linseed and brewing barley. A decrease in the area sown to wheat in the province is looked for, with an increase in that of linseed, especially in the Tres Arroyos zone. The planting of early maturing varieties is proceeding more normally, especially in those regions of the west where the livestock has been turned in to the cornfields and stubble for lack of natural grass. In the north the drought still paralyses the sowing of wheat and is hindering the preparation of the land for linseed. In the south east of Buenos Aires there is an improvement in the condition of the winter wheats and oats, which are beginning to be used for pasture; in the centre the condition of the few fields of early sown wheats is excellent; in the Bahia Blanca and hill zones also the growth is uniform; the few rains which have fallen in the west have improved the condition of the wheat fields, but the coarse grains continue below normal, especially in the extreme west of the province; in the north the little wheat sown germinated unevenly and presents a poor aspect for lack of moisture.

Santa Fé.- In the south of the province the persistence of the drought has decided many farmers not to wait longer, and they are proceeding with the ploughing of the land, especially the maize stubble, and the soil being mellow the work is proceeding under relatively good conditions; so that it may be estimated that the area ploughed and ready to sow is 85% of the normal area for wheat, plus 50% of that of linseed. But in the central and northern districts, where the drought has prevailed for a longer period the paralysis is almost total, lacking still 25% of lands intended for wheat and 40% for linseed, which have not been turned because of the absolute lack of humidity in the soil. In isolated cases the farmers are continuing to work in the hope that rain may fall. Wheat sowing is practically at a standstill, and the proper season for this is expiring. It is anticipated that this year there will be a reduction in the area, and that there will be a reduction in the yields of the late sown lots because of weeds. With regard to linseed, this also is suffering from delays. The condition of all cultivated crops is deficient as a consequence of the lack of rain. The wheat fields present the most diverse aspects, from those which have not germinated to a few lots whose condition is good, but the majority look bad because of irregular germination, poor development, yellow colour in many cases and generally short plants; in the north of the province there are some total losses. There is little linseed above ground, and this is limited at present to the centre and north of the province, none being yet sown in the south. Its condition is similar to that of wheat, and in some localities the little plants are drying. Flying locusts have invaded some districts in the north.

Cordoba.- The cultivation of the soil and the sowing of cereals and linseed are almost at a standstill throughout the province because of the drought, with prospects of a reduction in the acreage under wheat in many parts because the season is passing and the proportion seeded is relatively small for the period. In the north of the province germination generally has been poor, very uneven; nevertheless some fields of wheat are to be seen which are in good condition, thanks to the soil having been in good condition because of previous rains. Little linseed has germinated. In the central and eastern zones the germination both of wheat and linseed is proceeding slowly, the plants showing a yellow colour for lack of rain; some lots sown early are well advanced. In the rest of the province, the south and south-west, no linseed has yet been sown, and the condition of the wheat fields is unfavourable. The lack of rain is making itself felt more intensely

all the time. In a couple of districts where the moisture was more abundant they have managed to sow 30% of last year's acreage, but except in a few cases of early sown lots or in fields where the opportune use of the harrow or roller has conserved the little moisture in the sub-soil, the plants are uneven and rickety. The coarse grains generally are in poor shape, and in the north many oat fields have disappeared.

Entre Rios.- Since the last monthly report there has been no advance made in the work of cultivation or sowing, as the drought has continued; the only part which has escaped it has been the north-east of the province. Wheat seeding, which should now be finished, has remained in suspense, and that which has been effected is in poor shape. This backwardness applies also to linseed, and the presence of locusts in the north-east completes the pessimism of the farmers of Entre Rios as to the present season.

Pampa.- Ploughing continues with great difficulty, and although recent rains have encouraged seeding, it is felt that because of the lateness of the season and the lack of seed wheat of Spring varieties, the full acreage will not be completed. The mild weather and showers of the 8th and 9th benefitted the grains.

Santiago del Estero.- It is calculated that 30% of the area destined for cereals has not been fit to plough because of the drought. Wheat sowing has been carried on wherever it was possible. Linseed sowing is very backward. If it rains during the present month (July) seeding will be completed; otherwise the land will be sown to maize. The wheat which has grown presents a very uneven appearance; it is yellow and has little leaf. Flying locusts present a constant threat, having already made some incursions into the grain fields; it is not yet possible to estimate the damage.

Late in the month the Government of the province of Buenos Aires issued a recommendation to the farmers in the south of the province to intensify the sowing of wheat in the zones where there has been sufficient precipitation to permit the preparation of the land, pointing out that in the province of Cordoba it has not been possible for more than half the usual acreage to be sown, there having only been a little over 4 inches of rainfall in the current year; that the work is also paralysed in the south of Santa Fé, the north and west of Buenos Aires, the Pampa and Santiago.

Private reports indicate that there is considerable land ready for sowing in the south of Buenos Aires, but that the repeated heavy frosts in the latter half of July have caused the farmers to defer seeding wheat.

According to an interview with the head of the National Meteorological Observatory in Cordoba, published in La Nacion, it is necessary to go back to the year 1875 to find conditions parallel with those now prevailing in the province. The unusually hot weather in the month of May helped to dry out the earth already suffering from lack of rain and in his view the prospects for the near future are not encouraging.

Thus almost half of the total wheat production of the Republic comes from the province of Buenos Aires, which is still in relatively good shape. In the southern portion wheat can be sown quite late. In view of the official appeal quoted above, it is not impossible that should rain opportunely fall in that region last year's acreage may be maintained or even exceeded. It is generally agreed that in the other zones there will be fewer acres seeded and certainly fewer acres threshed.

It appears fairly safe to count on a reduction of at least 10% in the acreage seeded in the Republic. The production is entirely a matter of the weather in the near future, and it will not be forgotten that apparently dried-out wheat has a wonderful recuperative capacity if last-minute rains arrive in adequate quantity.

International Trade

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

Week Ending		North America	Argentina	Australia	Russia	Other	Total
(Thousand Bushels)							
August	6	4,168	3,760	2,024	-	488	10,440
	13	3,960	6,144	816	-	800	11,720
	20	4,488	3,496	2,192	-	488	10,664
	27	4,864	3,432	3,112	192	656	12,256
September	4	3,664	2,880	1,144	256	520	8,464
	10	3,056	4,552	1,336	448	816	10,208
	17	4,672	4,224	1,192	-	944	11,032
	24	3,936	3,216	1,472	168	648	9,440
October	1	3,256	3,768	2,872	-	968	10,864
	9	4,616	4,456	1,720	464	952	12,208
	15	3,128	4,272	2,808	256	1,344	11,808
	22	4,352	2,800	1,232	112	1,168	9,664
	29	3,920	1,568	2,256	320	1,352	9,416
November	5	3,400	1,960	3,224	-	992	9,576
	12	4,232	4,200	2,808	-	1,128	12,368
	19	3,176	3,976	1,200	280	1,752	10,384
	26	3,360	3,832	2,256	-	864	10,312
December	3	4,008	3,064	1,728	128	1,296	10,224
	10	2,696	3,592	1,240	96	1,720	9,344
	17	1,768	1,552	1,904	-	1,456	6,680
	24	1,968	2,072	2,536	-	1,152	7,728
	31	2,208	1,520	1,944	-	1,328	7,000
January 1935	7	1,392	2,944	2,200	-	1,384	7,920
	14	2,168	4,256	2,176	-	1,448	10,048
	21	2,240	3,264	3,176	-	808	9,488
	28	2,424	4,120	3,160	-	1,032	10,736
February	4	2,600	5,080	2,344	-	600	10,624
	11	2,792	4,808	2,824	-	872	11,296
	18	2,008	4,280	2,264	-	1,328	9,880
	25	3,384	4,064	2,424	-	648	10,520
March	4	2,040	4,952	2,680	-	520	10,192
	11	2,064	2,784	3,040	-	984	8,872
	18	3,128	4,240	3,128	-	1,176	11,672
	25	2,496	2,824	2,256	-	1,104	8,680
April	1	2,120	4,872	2,960	-	856	10,808
	8	2,696	5,080	1,224	-	872	9,872
	15	2,736	3,496	2,568	-	1,096	9,896
	22	2,952	2,832	3,664	-	1,176	10,624
	29	2,736	2,344	1,688	-	1,464	8,232
May	7	2,560	2,824	2,192	-	1,416	8,992
	13	3,208	5,608	1,760	-	1,880	12,456
	20	4,176	3,584	1,528	-	1,928	11,216
	27	4,232	3,720	3,856	-	3,344	15,152
June	3	3,800	3,576	2,056	-	2,040	11,472
	10	1,768	3,360	1,200	-	2,896	9,224
	17	1,856	3,048	1,656	-	1,896	8,456
	24	2,120	2,104	904	-	2,336	7,464
July	1	2,928	3,120	2,024	-	1,512	9,584
	8	1,720	3,144	944	-	1,104	8,912
	15	1,568	2,304	2,560	-	1,016	7,448
	22	2,288	3,104	1,320	-	952	7,664
	29	2,632	1,376	1,672	-	640	6,320
Total		155,728	181,448	110,464	2,720	63,160	513,520
<u>Comparative 1933-34</u>							
Corresponding week		3,072	3,400	2,008	-	688	9,168
Total to Date		219,512	140,640	89,600	26,912	46,976	523,640

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	.82.3
October	1.44.1	1.23.7	1.41.4	.72.5	.59.9	.48.2	.60.5	.78.2
November	1.45.1	1.20.9	1.33.0	.64.4	.67.3	.46.7	.63.7	.79.6
December	1.40.6	1.17.1	1.37.8	.55.4	.60.6	.42.4	.60.3	.79.2
January	1.42.8	1.20.9	1.30.5	.53.9	.60.0	.44.2	.65.0	.79.0
February	1.42.6	1.27.9	1.17.4	.59.3	.63.2	.45.8	.65.6	.79.5
March	1.48.1	1.27.0	1.06.2	.56.7	.63.1	.49.1	.66.4	.81.9
April	1.56.3	1.22.8	1.09.8	.59.7	.62.6	.53.6	.65.5	.87.6
May	1.57.2	1.12.3	1.07.9	.60.6	.62.9	.63.3	.70.6	.85.7
June	1.42.6	1.18.3	1.03.2	.60.8	.55.1	.66.8	.77.1	.81.7
July	1.30.9	1.59.9	.95.1	.57.3	.54.7	.83.4	.82.0	.81.4

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	Board of Trade	Wheat No. 1
	Canada	United Kingdom	Manitoba Northern Fort William and Port Arthur basis
	1930=100	1930=100	1930=100
1929	110.4	114.3	142.5
1930	100.0	100.0	100.0
1931	83.3	87.8	62.4
1932	77.0	85.6	59.0
1933	77.5	85.7	64.8
1934	82.7	88.1	79.4
<u>1 9 3 4</u>			
January	81.6	88.8	69.0
February	83.3	89.2	69.7
March	83.3	88.2	70.5
April	82.3	87.7	69.5
May	82.1	87.2	74.9
June	83.1	87.9	81.9
July	83.1	87.3	87.0
August	83.4	89.0	91.3
September	83.0	88.4	87.3
October	82.3	87.8	83.0
November	82.1	87.5	84.4
December	82.1	87.8	84.1
<u>1 9 3 5</u>			
January	82.4	88.3	83.8
February	83.0	88.0	84.4
March	83.1	86.9	87.0
April	83.7	87.5	93.0
May	83.5	88.2	91.0
June	82.6	88.4	86.7
July	82.6	-	86.3

/ Prepared by the Internal Trade Branch.

THE CANADIAN SITUATION

Acreages

On August 12, 1935, the Dominion Bureau of Statistics issued a report giving the 1935 acreages of the five principal grains in the Prairie Provinces as compiled from the June Survey.

Although the 'Intention to Plant' report of May 9, 1935, indicated that farmers intended to plant 751,500 acres or 3 per cent less spring wheat in Canada than in 1934, the June Survey revealed that such plans were not carried out. The actual reduction in wheat acreage was insignificant, being only 3,000 acres in the Prairie Provinces. Undoubtedly, the favourable spring moisture conditions in southern and central regions was a determining factor. The record acreage of land summerfallowed (by plan or by the drought) in 1934 was another influence. In addition, wheat seed was more readily available in the southern districts. Large reductions in acreage were actually made in the northern park areas, but these were almost offset by increased acreages in the southern and central districts. Another factor which undoubtedly tended to maintain the wheat acreage is the fact that a ready, cash market for wheat has always been available.

In comparing the June Survey acreages of the other grains with the 'Intentions', a very close correspondence is seen. For oats, the 'Intentions' indicated an increase of 432,000 acres in the Prairie Provinces, while the actual increase was 363,000. Barley 'Intentions' were 3,044,000 acres in the three provinces and the June Survey figures were 3,187,000 compared with 2,962,000 acres in 1934. Most of the increase over the 1935 'Intentions' and 1934 figures was in Alberta. Rye acreage at 669,300 showed a slight increase over the 'Intentions' and the 1934 figures, while flax acreage was almost identical with the 'Intentions' and slightly below the 1934 area.

Areas Sown to Principal Grain Crops in the Prairie Provinces in 1935,
as compared with 1934.

Provinces		Wheat	Oats	Barley	Rye	Flaxseed
				(Acres)		
Manitoba	- 1934	2,533,000	1,458,000	1,125,000	87,400	25,600
	1935	2,587,000	1,434,000	1,121,000	107,000	17,300
Saskatchewan	- 1934	13,262,000	4,625,000	1,038,000	346,500	174,700
	1935	13,206,000	4,942,000	1,146,000	374,200	167,500
Alberta	- 1934	7,501,000	3,032,000	749,000	235,100	18,100
	1935	7,500,000	3,102,000	920,000	218,100	19,400
Total Prairie Provinces	- 1934	23,296,000	9,115,000	2,962,000	669,000	218,400
	1935	23,293,000	9,478,000	3,187,000	699,300	204,200

YIELD OF FALL WHEAT AND FALL RYE

The total yield of fall wheat in Canada is now estimated at 13,267,000 bushels from 555,100 acres, a yield per acre of 23.9 bushels, as compared with 6,724,000 bushels from 425,600 acres, a yield per acre of 15.8 bushels in 1934.

Fall rye in Canada shows a yield of 11,034,000 bushels from 623,700 acres in 1935 as compared with 4,305,000 bushels from 587,100 acres in 1934, the yields per acre being 17.7 bushels and 7.3 bushels respectively.

CONDITION OF FIELD CROPS, JULY 31, 1935.

For all Canada, the condition of field crops in percentages of the long-time average yield per acre is as follows, with the condition for June 30, 1935, and July 31, 1934, within brackets: Spring wheat 81 (96, 63); oats 90 (96, 72); barley 93 (98, 68); spring rye 89 (94, 66); peas 96 (98, 87); beans 95 (97, 80); buckwheat 96 (96, 86); mixed grains 102 (101, 89); flaxseed 88 (95, 60); corn for husking 96 (95, 71); potatoes 95 (96, 89); turnips, etc. 96 (95, 85); hay and clover 100 (98, -); fodder corn 96 (94, 82); sugar beets 101 (100, 69); pasture 101 (103, 76).

For the Prairie Provinces, the condition of the principal crops on the same dates is as follows: Manitoba - Wheat 62 (103, 67); oats 75 (101, 58); barley 94 (101, 58); spring rye 96 (100, 61); flaxseed 97 (97, 59). Saskatchewan - Wheat 85 (97, 53); oats 91 (97, 54); barley 91 (98, 56); spring rye 94 (93, 57); flaxseed 88 (95, 58). Alberta - Wheat 81 (93, 78); oats 81 (91, 75); barley 86 (92, 78); spring rye 80 (94, 72); flaxseed 76 (87, 75).

Condition of Field Crops, July 31, 1931-35.

(Note: 100 equals the long-time average yield per acre)

	CANADA					Manitoba				
	1931	1932	1933	1934	1935	1931	1932	1933	1934	1935
	(per cent)					(per cent)				
Spring wheat	54	88	57	63	81	56	92	69	67	62
Oats	71	90	67	72	90	59	87	66	58	75
Barley	63	87	65	68	93	58	84	63	58	94
Spring rye	57	91	55	66	89	58	89	75	61	96

	Saskatchewan					Alberta				
	1931	1932	1933	1934	1935	1931	1932	1933	1934	1935
	(per cent)					(per cent)				
Spring wheat	42	83	52	53	85	77	97	61	78	81
Oats	42	83	55	54	91	81	94	61	75	81
Barley	38	83	61	56	91	84	93	64	78	86
Spring rye	36	87	43	57	94	76	98	59	72	80

CHARTS SHOWING THE CONDITION OF SPRING WHEAT IN THE PRAIRIE PROVINCES

AT JUNE 30, AND JULY 31, 1935, AND JULY 31, 1934.

On the next three pages of this report charts will be found depicting the condition of spring wheat in the Prairie Provinces at the above-mentioned dates. Allowance should be made for differences in patterns when making comparisons between the charts.

As in every year since 1928, wheat prospects declined during the month of July. Rust, drought and hail were the most destructive elements and, unfortunately, those districts showing the greatest promise at the end of June were ravaged the most during July. In addition, it is very doubtful whether the full decline in prospects due to rust was appreciated and expressed in condition figures as of the end of July.

Manitoba --

The greatest loss in condition is found in Manitoba and it is mainly due to widespread rust damage. The provincial average fell 41 points or nearly 40 per cent. Every Crop District in the province was lowered in condition, the most severe reductions being in the south-west corner. Further north and in the Red River Valley (where Durum wheat predominates) the ravages of rust were not so serious or at least had not become so apparent. The outlook for wheat in Manitoba at July 31 was poorer than at the same date of 1934; it will be remembered that at June 30, 1935, the prospects were nearly 29 per cent above those of 1934.

Saskatchewan --

In Saskatchewan, the condition declined from 97 to 85 during the month, but still shows a material improvement of 32 points or 60 per cent over conditions at July 31, 1934. As in Manitoba, rust struck the most promising crops located in Crop Districts 1, 2 and 5 and it was in these areas and in Crop Districts 4 and 7, where the July drought was serious, that the most severe losses in condition took place. As indicated in telegraphic advices during the month, a wide strip of heavy wheat acreage running through the centre of the province from north to south still had fine prospects at the end of July. This strip included roughly $6\frac{1}{2}$ million acres of wheat located in Crop Districts 3A and B, 6 and parts of 8 and 9. Rust was present in some of this wheat but no alarming losses were expected at the end of July.

Alberta --

While no rust was reported in Alberta drought and hail lowered prospects during the month by about 13 per cent and left only a slightly better prospect than at the same date in 1934. Declines were general in southern and eastern districts where wheat acreage is most concentrated. Particularly severe losses in condition were recorded in Crop Districts 3, 5 and 7 along the eastern boundary due to continued drought, while unusually widespread and damaging hailstorms caused less severe declines along the foothill districts (2, 4 and 6). In the north, improved prospects were general and should frost hold off until the end of August, heavy yields will result in these districts.

CONDITION OF SPRING WHEAT IN THE PRAIRIE PROVINCES BY CROP DISTRICTS

JULY 31, 1935

WITH PRELIMINARY ESTIMATE OF ACREAGE

C.D.	Acreege
1	589,140
2	445,160
3	310,170
4	795,620
5	903,860
6	1,046,800
7	971,400
8	652,320
9	120,470
10	708,140
11	247,960
12	29,870
13	141,930
14	222,350
15	43,690
16	262,890
17	8,230

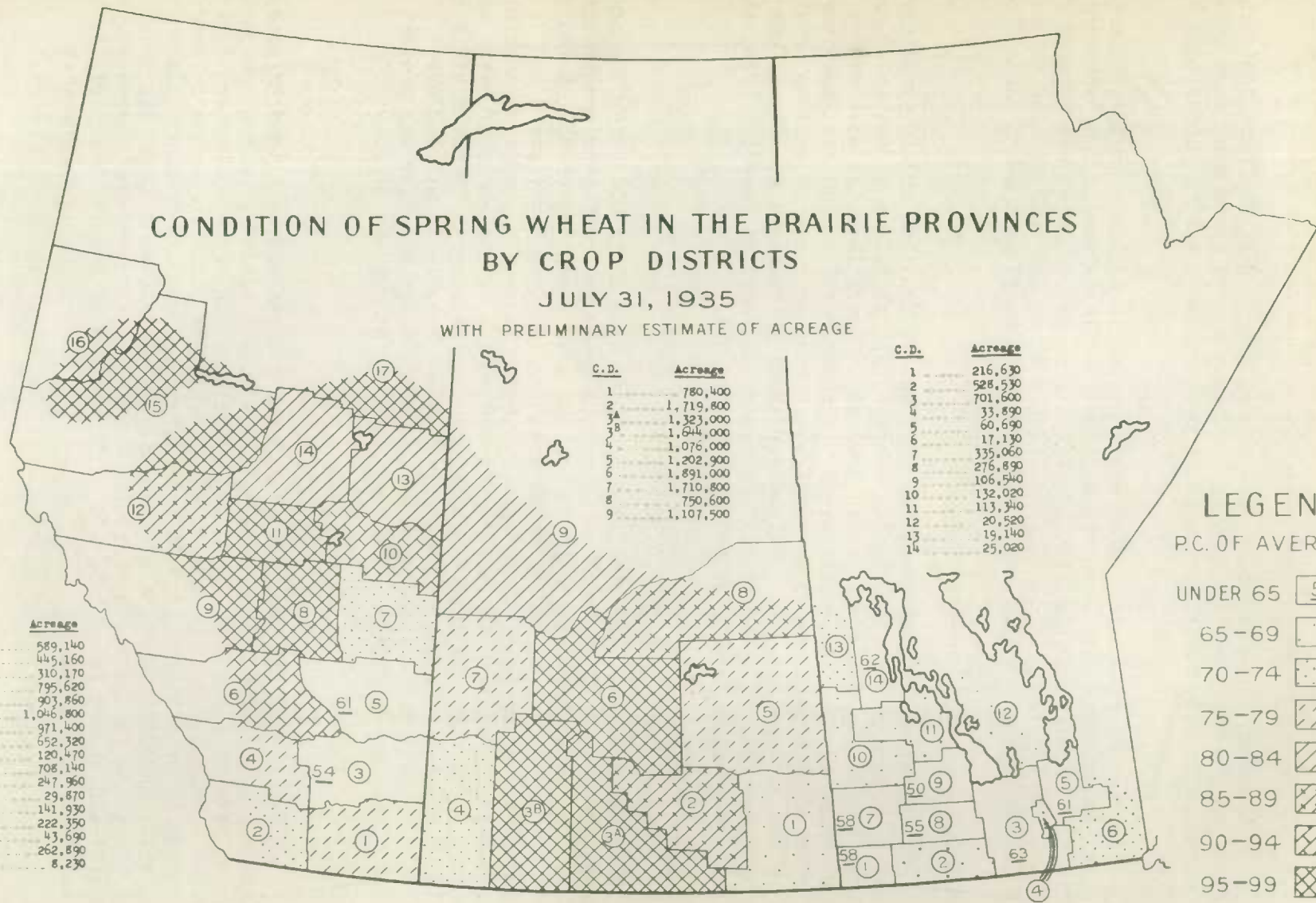
C.D.	Acreege
1	780,400
2	1,719,800
3A	1,323,000
3B	1,644,000
4	1,076,000
5	1,202,900
6	1,891,000
7	1,710,800
8	750,600
9	1,107,500

C.D.	Acreege
1	216,630
2	528,530
3	701,600
4	33,890
5	60,690
6	17,130
7	335,060
8	276,890
9	106,540
10	132,020
11	113,340
12	20,520
13	19,140
14	25,020

LEGEND

P.C. OF AVERAGE

UNDER 65	50
65-69	
70-74	
75-79	
80-84	
85-89	
90-94	
95-99	



CONDITION OF SPRING WHEAT IN THE PRAIRIE PROVINCES BY CROP DISTRICTS

JULY 31, 1934

WITH PRELIMINARY ESTIMATE OF ACREAGE

C. D.	Acreage
1	196,200
2	900,500
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	838,200
2	1,703,000
3 ^A	1,374,500
3 ^B	1,515,600
4	1,087,200
5	1,267,400
6	1,819,000
7	1,706,500
8	833,800
9	1,116,800

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

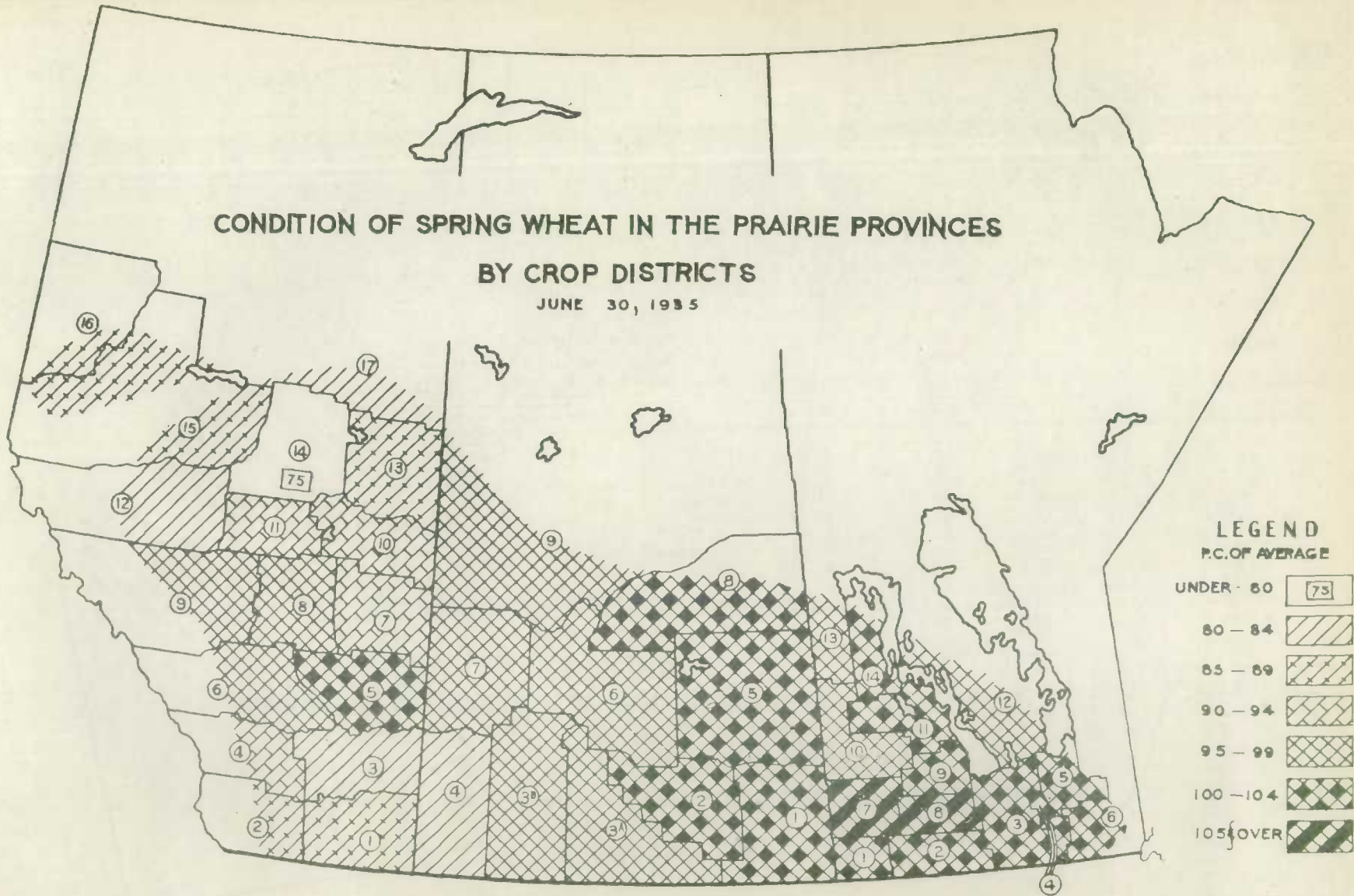
LEGEND P.C. OF AVERAGE

UNDER 40	
40 - 49	
50 - 59	
60 - 69	
70 - 79	
80 - 89	
90 - 99	
100 - 109	

CONDITION OF SPRING WHEAT IN THE PRAIRIE PROVINCES

BY CROP DISTRICTS

JUNE 30, 1935



LEGEND P.C. OF AVERAGE

UNDER - 60	
60 - 84	
85 - 89	
90 - 94	
95 - 99	
100 - 104	
105 OVER	

CROP DEVELOPMENT DURING AUGUST

Week ending August 7.

Compared with prospects a month ago, there has been a calamitous lowering of the yields and grades of wheat in Manitoba and Saskatchewan because of stem rust. The infection struck the crop earlier than in 1916 and the crop itself was not so well advanced. Beyond any doubt, the losses will be relatively more severe than in 1916. The weather continues hot and humid in the areas already severely infected and the spread westward and northward into new districts is continuing rapidly. Saskatchewan is now infected as far west as the third meridian--roughly two-fifths of the farm land and one-third of the wheat acreage in the province. In the districts further west and north, the losses will not be as severe as in Manitoba and south-eastern Saskatchewan, but with harvest still two weeks ahead, there is, at the best, a very uncertain outlook. In the areas first affected, considerable damage to coarse grains will also result; barley will probably be the best crop because of its early maturity.

Apart from the rust-infected areas, the crops continued to make good progress. Temperatures remained high-enough to promote ripening and some good rains fell in Saskatchewan and Alberta districts where they could be of greatest benefit. Serious hail losses are again reported in the fine crops of west-central Alberta. Grasshoppers are migrating and causing limited damage. Pastures, except in small areas, are very good and feed prospects are much improved in comparison with last year.

Week ending August 13.

Manitoba --

Latest reports on rust damage in Manitoba are extremely pessimistic. The damage to bread wheat is about in line with previous advices, but recent reports on Durum wheat, oats and barley are more serious. Many fields are being cut green or burned; at Minnedosa, it is reported that 90 per cent of the wheat will not be threshed. Heavy rain fell in the neighbourhood of Winnipeg during the week and showers in other parts of the province have delayed harvesting. Grasshopper eggs are reported to be very numerous, which is not a hopeful sign for 1936.

Saskatchewan --

The variation in crop prospects is greater than it was two weeks ago. Rust is causing serious damage in the east and drought continues to reduce prospects in the west, but a fairly wide strip of good crop runs through the centre of the province. Rust continues to spread north and west and the samples of early-harvested wheat are very poor. Heavy losses have already occurred in Crop Districts 1, 2 and 5, while severe infections are present in the adjacent districts, where the amount of damage is still uncertain. Cutting of wheat will be fairly general over the province by the end of this week. Damage to coarse grains by rust is not extensive. Grasshoppers and sawflies are causing some damage, particularly in west-central areas. Considerable hail damage was reported during the week.

Alberta --

The weather of the past week continued very favourable. Temperatures remained high and rainfall very limited. There was practically no hail reported. Harvesting of wheat has commenced in the south and the northern crops are turning colour. Yields of 10 to 15 bushels are reported in the south and 30 bushels in the west-centre. At least two or three weeks more clear warm weather is needed to mature all the grain crops in the north, but some cutting is already reported in the Peace River District. There is no rust infection, but grasshoppers are still causing some concern. For the remainder of the month, night temperatures will be watched very closely because of the lateness of the good crops in northern Alberta.

III. Primary Movement.

The following table shows primary receipts of wheat in the Prairie Provinces for the present crop year along with comparative figures for 1933-34:-

<u>Week ending</u>	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u> (bushels)	<u>Total</u>	<u>Last Year</u>
Aug.-Sept., 1934	21,423,303	40,478,944	23,844,071	85,746,318	78,977,916
October 5	426,484	5,229,569	2,801,203	8,457,256	14,828,566
12	1,072,379	6,380,893	7,986,995	15,440,267	14,109,483
19	915,611	5,749,579	6,295,548	12,960,738	10,420,017
26	551,674	4,084,901	5,112,471	9,749,046	5,323,567
November 2	418,515	3,336,156	4,319,127	8,073,798	7,742,939
9	293,097	2,594,439	4,065,319	6,952,855	6,672,399
16	240,829	2,623,752	3,354,915	6,219,496	6,454,158
23	407,009	1,610,652	2,188,274	4,205,935	2,900,513
30	314,670	1,178,499	2,232,464	3,725,633	3,955,611
December 7	275,585	1,268,136	1,440,159	2,983,880	3,250,295
14	141,433	1,312,920	3,656,230	5,110,583	3,095,303
21	75,218	800,810	1,625,550	2,501,578	1,832,253
28	131,728	700,937	825,335	1,658,000	1,250,584
January 4, 1935	53,294	281,846	494,950	830,090	1,493,297
11	56,662	399,292	614,488	1,070,442	2,369,521
18	34,326	272,357	544,318	851,001	3,374,304
25	45,609	185,232	278,888	509,729	2,119,373
February 1	59,188	385,700	593,298	1,038,186	1,870,053
8	92,000	693,921	959,175	1,745,096	2,081,402
15	121,722	819,922	1,364,130	2,305,774	2,823,624
22	161,566	1,057,578	1,365,285	2,584,429	1,706,540
March 1	189,728	918,972	1,275,989	2,384,689	1,571,352
8	130,998	598,909	936,614	1,666,521	2,226,768
15	162,652	600,827	959,956	1,723,435	2,052,549
22	205,362	1,055,734	1,047,227	2,308,323	1,981,647
29	184,934	721,518	855,882	1,762,334	1,999,270
April 5	144,466	795,714	846,307	1,786,487	2,173,112
12	165,384	707,965	882,756	1,756,105	1,733,824
19	178,722	657,077	756,047	1,591,846	1,981,649
26	76,547	528,028	467,875	1,072,450	1,536,396
May 3	177,209	597,938	475,542	1,250,689	846,028
10	106,604	325,060	254,589	686,253	1,071,769
17	146,746	540,534	392,024	1,079,304	1,967,688
24	196,758	544,290	337,483	1,078,531	1,818,476
31	315,611	1,129,619	755,101	2,200,331	3,426,654
June 7	201,060	984,040	853,234	2,038,334	3,714,036
14	280,643	1,197,186	1,223,657	2,701,486	2,932,593
21	183,338	907,771	613,150	1,704,259	2,651,264
28	347,329	1,235,077	887,964	2,470,370	2,138,546
July 5	258,453	1,344,934	1,128,346	2,731,733	2,259,792
12	233,656	1,551,895	1,192,431	2,977,982	2,885,803
19	(-) 8,050	2,588,083	919,127	3,499,160	2,937,313
26	131,691	1,029,406	780,920	1,942,017	2,250,564
31	294,538	1,157,787	1,164,216	2,616,541	202,566
Total	31,616,281	103,164,399	94,968,630	229,749,310	227,011,377

The 1934 Estimate of Wheat Production in the Prairie Provinces.

As soon as each crop year is completed, it is always interesting to apply the various checks on the previous crop estimate to determine its accuracy. The table below attempts such an analysis; although several of the figures are still subject to revision.

The 1934 crop was estimated in January at 263,800,000 bushels, just 796,000 bushels above the revised 1933 estimate of 263,004,000 bushels. Deliveries in the crop year 1934-35 amounted to 229,749,310 bushels, 2,118,045 bushels above the 1933-34 marketings of 227,631,265 bushels. This in itself is an indication of a close estimate. The present estimate of wheat fed on farms is 13,600,000 bushels over 2 million bushels greater than in 1933-34. This estimate, judging by past experience, may be lowered when the more reliable figures of the June Survey are released. This reduction, in turn, would reduce the error in the crop estimate indicated at present to be just over 7 million bushels or about 2.7 per cent.

Disposition of Wheat in the Prairie Provinces.

	<u>Manitoba</u>	<u>Saskatchewan</u> (000 bushels)	<u>Alberta</u>	<u>Total</u>
Carry-over on farms				
July 31, 1934	715	3,195	3,761	7,671
January Estimate, 1934 crop	<u>37,100</u>	<u>114,200</u>	<u>112,500</u>	<u>263,800</u>
Total Available	<u>37,815</u>	<u>117,395</u>	<u>116,261</u>	<u>271,471</u>
Disposition:-				
Marketings 1/	31,616	103,164	94,969	229,749
Seed 2/	3,963	8,640	10,050	22,653
Feed 1/	1,500	6,400	5,700	13,600
Unmerchantable	371	914	2,138	3,423
Country Millings 1/	440	700	710	1,850
Carry-over on farms,				
July 31, 1935	861	1,953	4,500	7,314
Total Disposition 1/	<u>38,751</u>	<u>121,771</u>	<u>118,067</u>	<u>278,589</u>
Extent of under-estimate				
indicated 1/	936	4,376	1,806	7,118
Estimate as now indicated				
by disposition 1/	38,036	118,576	114,306	270,918

1/ Subject to revision.

2/ Seed requirements are estimated at 4,113,000 bushels for Manitoba and 16,640,000 bushels for Saskatchewan. The figures shown above make allowance for 150,000 bushels in Manitoba and 8,000,000 bushels in Saskatchewan, estimated to have been withdrawn from elevators for seed purposes.

STOCKS OF GRAIN IN CANADA ON JULY 31.

The Dominion Bureau of Statistics reported the following as the total stocks of Canadian grain in Canada at the end of the crop year, July 31, 1935, as compared with stocks on the same date in 1933 and 1934.

<u>Grain</u>	<u>July 31, 1933</u>	<u>July 31, 1934</u>	<u>July 31, 1935</u>
	B U S H E L S		
Wheat	211,740,188	193,990,281	203,231,288
Oats	42,044,758	31,060,497	26,444,751
Barley	11,538,322	11,092,030	5,573,462
Rye	5,814,727	4,020,234	3,139,143
Flaxseed	1,179,575	471,295	312,979

The following table gives in detail the stocks of grain in Canada at July 31, 1935. The quantities on farms are compiled from the reports of crop correspondents.

Stocks of Grain in Canada at the End of the Crop Year July 31, 1935.

	WHEAT	OATS	BARLEY	FLAXSEED	RYE
B u s h e l s					
Public Semi-Public Terminals and Private Elevators, Fort William and Port Arthur Mills and Mill Elevators	71,449,768	3,703,320	977,754	177,289	2,124,561
Interior, Terminal Elevators, Western Division	1,107,438	24,517	1,359	63	164
Vancouver -- New Westminster Elevators	8,849,001	58,565	56,860	52	43,229
Prince Rupert and Victoria Elevators	29,917	—	—	—	—
Churchill	2,389,404	—	—	—	—
Country Elevators & Private Terminals	47,237,453	869,256	409,960	76,279	214,634
In Transit -- Railways	8,422,898	133,135	66,663	25,949	114,350
In Flour Mills--Eastern Division	1,982,525	256,622	89,647	335	29,245
In Eastern Elevators	42,764,795	589,803	900,893	—	439,334
For " " Afloat	4,516,712	176,942	218,853	—	69,910
On Farms	7,861,200	20,071,000	2,022,000	4,200	77,900
TOTALS -- 1935	203,231,288	26,444,751	5,573,462	312,979	3,139,143
1934	193,990,281	31,060,497	11,092,030	471,295	4,020,234

Official Carryover of Wheat

The total stocks of Canadian wheat in Canada at July 31, 1935, are placed at 203,231,288 bushels--9,241,007 bushels more than last year's total of 193,990,281 bushels.

Canadian wheat in elevators and afloat in the United States amounted to 11,704,536 bushels. The comparable figure for this item at July 31, 1934, was 9,954,252 bushels.

The total amount of Canadian wheat in Canada and the United States at July 31, 1935, was 214,935,824 bushels, compared with 203,944,533 bushels, the revised total for July 31, 1934.

MILLION
BUSHELS

240

220

200

180

160

0

AUG.

SEPT.

OCT.

NOV.

DEC.

JAN.

FEB.

MAR.

APR.

MAY

JUNE

JULY

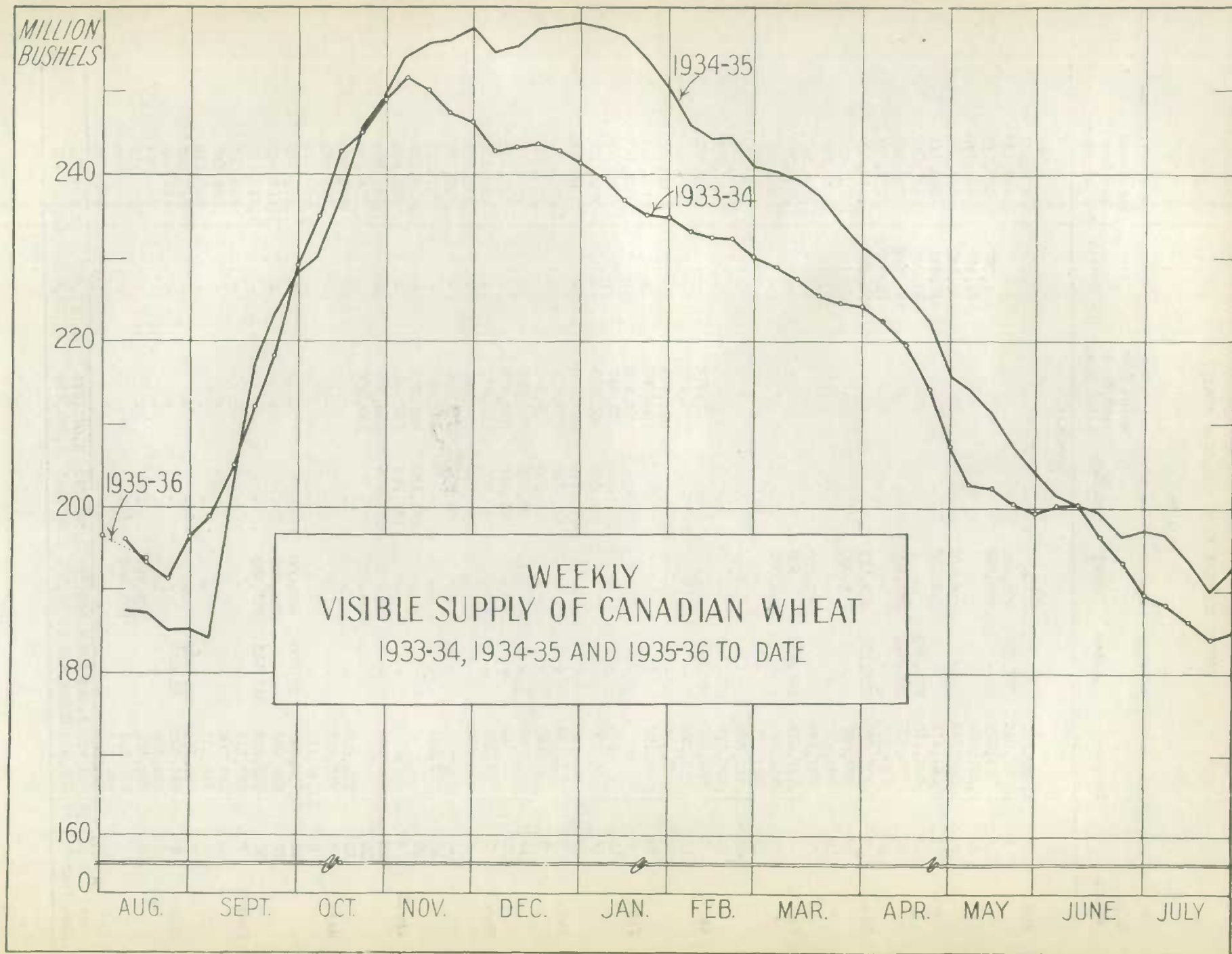
1934-35

1933-34

1935-36

WEEKLY
VISIBLE SUPPLY OF CANADIAN WHEAT
1933-34, 1934-35 AND 1935-36 TO DATE

25



EXPORT CLEARANCES OF CANADIAN WHEAT

1934-35

Week ending	Montreal	Quebec	Sorel	Halifax	Saint John and West Saint John	Churchill	Vancouver and New Westminster	
(bushels)								
Aug.	3	1,049,181	-	-	-	-	828,271	
	9	1,067,055	284,000	230,660	-	-	866,433	
	16	785,089	-	305,935	-	688,067	667,783	
	23	1,171,259	-	-	-	651,488	500,780	
	30	1,343,547	-	46,800	-	477,240	383,493	
Sept.	6	664,475	-	318,483	-	241,392	886,344	
	14	601,176	370,860	-	-	359,006	497,583	
	20	778,207	208,000	285,300	-	535,284	752,900	
	28	849,340	-	-	-	675,000	775,993	
Oct.	5	1,376,669	215,500	463,915	-	362,400	1,186,630	
	12	663,081	-	116,000	-	-	1,011,635	
	19	543,976	-	-	-	-	1,745,729	
	26	761,339	-	787,300	-	-	1,074,582	
Nov.	1	1,188,285	268,000	500	-	-	1,081,367	
	8	851,530	-	252,000	-	-	1,401,016	
	16	825,936	-	-	-	-	792,600	
	23	1,711,658	-	-	-	-	942,771	
	30	1,697,397	375,242	-	-	-	857,893	
Dec.	7	650,765	40,449	-	-	15,978	978,723	
	13	116,294	-	-	-	179,972	889,163	
	21	7,476	-	-	-	415,936	766,793	
	28	160	-	-	-	100,797	389,597	
Jan.	4	-	-	-	-	184,999	649,571	
	11	160	-	-	-	271,987	1,167,248	
	18	1,500	-	220,000	-	381,687	732,714	
	25	160	-	271,838	-	127,930	744,083	
Feb.	1	1,136	-	270,750	-	279,810	1,295,930	
	8	160	-	16,000	-	215,946	1,500,776	
	15	20	-	80,000	-	239,996	486,489	
	22	40	-	771,876	-	207,877	981,472	
Mar.	1	3,180	-	40,000	-	111,973	659,547	
	8	180	-	287,245	-	319,968	723,013	
	15	-	-	268,000	-	335,944	1,547,349	
	22	3,933	-	-	-	471,900	727,217	
	29	-	-	252,133	-	298,285	1,226,860	
April	5	-	-	135,984	-	357,460	685,656	
	12	180	-	277,904	-	344,579	1,225,805	
	19	-	-	-	-	159,900	1,216,038	
	26	120,000	-	-	-	-	1,885,086	
May	2	417,217	-	-	-	-	755,661	
	9	1,149,133	-	-	-	-	1,002,621	
	16	1,110,095	76,800	282,000	-	-	1,371,363	
	23	635,295	-	592,600	-	-	1,587,842	
	30	543,328	352,703	227,400	-	-	1,213,518	
June	7	387,312	-	-	-	-	836,393	
	14	146,000	-	-	-	-	236,550	
	21	519,111	-	-	-	-	536,120	
	28	223,733	259,200	-	-	-	860,800	
July	5	284,000	39,550	-	-	-	519,953	
	12	294,576	-	-	-	-	722,663	
	19	184,400	-	203,854	-	-	675,313	
	26	220,221	-	281,007	-	-	971,003	
	31	499,667	-	-	-	-	458,199	
Total		25,426,632	2,490,304	4,373,754	2,891,730	5,022,924	4,049,877	48,490,932
Last Year		46,637,964	12,864,884	8,096,804	1,942,691	5,601,996	2,707,891	48,514,503

EXPORT CLEARANCES OF CANADIAN WHEAT

1934-35

Week ending	Prince Rupert	United States Ports	Total Clearances	Total St. Lawrence Ports	Total Maritime Ports	Total Pacific Ports
(bushels)						
Aug. 3	-	340,000	2,217,452	1,049,181	-	828,271
9	-	306,000	2,754,148	1,581,715	-	866,433
16	-	582,000	3,028,874	1,091,024	-	667,783
23	-	661,000	2,984,527	1,171,259	-	500,780
30	-	1,425,000	3,676,080	1,390,347	-	383,493
Sept. 6	-	598,000	2,708,694	982,958	-	886,344
14	-	1,050,000	2,878,625	972,036	-	497,583
20	-	785,000	3,402,691	1,269,507	-	752,900
28	-	736,000	3,036,333	849,340	-	775,993
Oct. 5	-	594,000	4,199,114	2,056,084	-	1,186,630
12	-	518,000	2,308,716	779,081	-	1,011,635
19	-	386,000	2,675,705	543,976	-	1,745,729
26	-	788,000	3,411,221	1,548,639	-	1,074,582
Nov. 1	-	406,000	2,944,152	1,456,785	-	1,081,367
8	-	496,000	3,000,546	1,103,530	-	1,401,016
16	-	427,000	2,045,536	825,936	-	792,600
23	-	269,000	2,923,429	1,711,658	-	942,771
30	-	310,000	3,240,532	2,072,639	-	857,893
Dec. 7	-	312,000	1,997,915	691,214	15,978	978,723
13	-	370,000	1,555,429	116,294	179,972	889,163
21	-	259,000	1,449,205	7,476	415,936	766,793
28	-	315,000	805,554	160	100,797	389,597
Jan. 4	301,280	39,000	1,174,850	-	184,999	950,851
11	-	198,000	1,637,395	160	271,987	1,167,248
18	-	188,000	1,523,901	1,500	601,687	732,714
25	306,133	358,000	1,808,144	160	399,768	1,050,216
Feb. 1	-	370,000	2,217,626	1,136	550,560	1,295,930
8	309,479	167,000	2,209,361	160	231,946	1,810,255
15	-	401,000	1,207,505	20	319,996	486,489
22	399,477	408,000	2,768,742	40	979,753	1,380,949
Mar. 1	-	192,000	1,006,700	3,180	151,973	659,547
8	-	435,000	1,765,406	180	607,213	723,013
15	-	451,000	2,602,293	-	603,944	1,547,349
22	-	487,000	1,690,050	3,933	471,900	727,217
29	-	65,000	1,842,278	-	550,418	1,226,860
April 5	-	561,000	1,750,100	-	493,444	695,656
12	-	523,000	2,371,468	180	622,483	1,225,805
19	332,423	440,000	2,148,361	-	159,900	1,548,461
26	-	274,000	2,279,086	120,000	-	1,885,086
May 2	333,200	455,000	1,961,078	417,217	-	1,088,861
9	-	407,000	2,866,883 ¹	1,149,133	-	1,310,750
16	-	121,000	2,941,258	1,448,895	-	1,371,363
23	311,957	293,000	3,420,694	1,227,895	-	1,899,799
30	-	652,000	2,988,949	1,123,431	-	1,213,518
June 7	-	112,000	1,315,705	367,312	-	836,393
14	-	400,000	782,550	146,000	-	236,550
21	-	270,000	1,942,625 ²	619,111	-	1,153,514
28	-	452,000	1,795,733	482,933	-	860,800
July 5	-	599,000	1,442,503	323,550	-	519,953
12	-	86,000	1,102,239	294,576	-	722,663
19	-	145,000	1,208,567	388,254	-	675,313
26	-	250,000	1,722,231	501,228	-	971,003
31	-	296,000	1,253,866	499,667	-	458,199
Total	2,293,949	22,027,000	117,992,325	32,290,690	7,914,654	51,710,404
Last Year	-	26,938,000	153,304,733	67,599,652	7,544,637	48,514,503

1 Includes Victoria 308,129 bushels.

2 Includes Victoria 617,394 bushels.



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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

	<u>1934-35</u>	<u>1933-34</u>	<u>1932-33</u>	<u>1931-32</u>
			(bushels)	
August	14,709,675	8,652,970	18,289,832	11,909,108
September	17,538,359	19,666,351	26,874,237	14,355,637
October	21,807,784	23,611,510	40,192,415	18,925,303
November	18,769,770	23,143,958	27,301,976	27,452,063
December	17,336,206	17,457,963	27,735,999	22,355,975
January	5,380,226	7,088,311	14,706,801	9,472,346
February	7,206,560	6,512,686	10,922,337	9,898,363
March	8,906,379	10,103,240	14,815,705	9,920,634
April	5,027,403	3,568,090	4,460,214	7,513,289
May	11,989,891	19,023,770	21,464,848	15,543,013
June	6,494,622	18,425,933	16,998,672	15,857,427
July	9,158,035	12,979,231	16,373,532	19,620,224
T o t a l	<u>144,374,910</u>	<u>170,234,013</u>	<u>240,136,568</u>	<u>182,803,382</u>

F L O U R

	<u>1934-35</u>	<u>1933-34</u>	<u>1932-33</u>	<u>1931-32</u>
			(barrels)	
August	412,089	480,288	330,382	522,178
September	369,320	552,556	385,113	556,565
October	485,549	514,368	528,794	553,459
November	504,384	547,602	576,864	476,487
December	340,751	418,183	492,033	451,310
January	346,099	448,498	397,304	331,806
February	309,729	328,376	333,114	337,513
March	497,468	493,327	490,270	414,779
April	276,907	340,621	234,387	255,390
May	383,221	481,725	565,080	461,867
June	429,561	441,064	544,507	570,861
July	395,232	408,028	492,765	446,379
T o t a l	<u>4,750,310</u>	<u>5,454,636</u>	<u>5,370,613</u>	<u>5,383,594</u>

WHEAT AND WHEAT FLOUR

	<u>1934-35</u>	<u>1933-34</u>	<u>1932-33</u>	<u>1931-32</u>
			(bushels)	
August	16,564,076	10,814,266	19,776,551	14,258,909
September	19,250,299	22,152,953	28,607,246	16,840,179
October	23,992,754	25,926,166	42,571,988	21,438,369
November	21,039,498	25,608,167	29,897,864	29,596,254
December	18,869,586	19,339,786	29,950,148	24,386,870
January	6,937,672	9,106,552	16,494,669	10,965,473
February	8,600,340	7,990,378	12,421,350	11,417,172
March	11,144,985	12,323,211	17,021,920	11,787,189
April	6,273,484	5,100,885	5,514,956	8,662,544
May	13,714,385	21,191,533	24,007,708	17,621,415
June	8,427,647	20,410,721	19,448,954	18,426,301
July	10,936,579	14,815,357	18,590,974	21,628,930
T o t a l	<u>165,751,306</u>	<u>194,779,875</u>	<u>264,304,328</u>	<u>207,029,555</u>