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DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

AGRICULTURAL BRANCH

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OF THE

WHEAT SITUATION

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DOMINION BUREAU OF STATISTICS - CANADA
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THE WORLD WHEAT SITUATION

During the past month, the international movement of wheat has been relatively small. Shipments have averaged about 8 million bushels per week since the middle of December. Demand has been limited with European purchases decidedly light. Since August 1, 1934 world shipments have amounted to 248 million bushels or practically equal to shipments during the corresponding period of the preceding cereal year. An increase in demand of over 20 per cent will be required to justify Mr. Broomhall's estimate of world import requirements of 576 million bushels.

The Argentine and Australia have been the chief exporters during the past four weeks as the balance of their 1933 production has moved into the world market. From August 1, 1934 to January 21, 1935 the Argentine cleared 85 million bushels and Australia, 51 million bushels. Both countries have shipped in larger quantities than during the corresponding period of 1933-34.

In all probability there will be an improvement in demand during the balance of the crop year. In Europe, 1934 production has moved into consumption at a rapid rate and the reserves created as a result of the bumper crop of 1933 are being consumed. Since tariff, milling and exchange restrictions still persist, the improvement in demand for the balance of the cereal year will be moderate. Uncertainty still prevails in regard to the amount of wheat which the United States will have to import for all purposes. The feed shortage in that country is such that lower grades of wheat could be utilized to good advantage during the next three months or perhaps until 1935 crops are harvested.

Preliminary figures show a somewhat larger acreage sown to winter wheat in countries so far reporting. The United States reports a sown area of 44.3 million acres as compared with 41.9 million acres sown in the fall of 1933. Increased winter wheat acreages are also reported from France, the United Kingdom, Roumania and Czechoslovakia.

Prices have remained fairly steady in the Liverpool market during the past month with Canadian wheat quoted at a high premium over other varieties.

Stocks of wheat in Canada continue at a higher level than a year ago. On January 11, 1935 the Canadian visible supply amounted to 257 million bushels as compared with 237 million bushels on the same date a year ago.

Exports of Canadian wheat and wheat flour continue on a slightly smaller scale than a year ago. During the five months from August to December, exports amounted to 99,716,214 bushels as compared with 103,841,239 bushels during the corresponding months of 1933-34. Stocks of Canadian wheat in export positions are relatively large at the present time. Stocks of wheat in store at Halifax, St. John and Vancouver are larger than a year ago. On January 11, 1935 a total of 27 million bushels of Canadian wheat was held in United States positions as compared with 12 million bushels on the same date in 1934.

THE SOUTHERN HEMISPHERE

Harvesting of the 1934 wheat crop in Australia is practically completed and harvesting operations are now under way in the Argentine. These new crops will appear on the world market in a short time and fairly large shipments may be expected from the southern hemisphere during the next few months. The relationship of the southern hemisphere production to the world wheat position involves a consideration of three main factors, namely, the volume of 1934 production, the quality of the new crops and the manner in which they will be sold on the markets of the world.

The 1934 wheat crops in the Argentine and Australia have matured much as expected. Australia has a small crop, officially estimated at 137 million bushels. Private estimates indicate an even smaller yield. The Argentine wheat crop is smaller than a year ago and is officially estimated at 252 million bushels as compared with 286 million bushels harvested in 1933. Private observers think the official estimate somewhat high and the correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded an estimate of 239 million bushels. Early in the new year this authority advised that hot, humid weather with heavy rains was received late in December. This weather was unfavourable for harvesting and caused considerable damage to the quality of the new crop. A study of Argentine reports (published on pages 18, 19 and 20 of this report) reveals extensive damage to the 1934 crop by various causes and indicates clearly that the general quality of the new crop is lower than last year.

Surplus Wheat in the Southern Hemisphere

The statistical position in Australia and the Argentine is shown herewith:

Australia

	(million bushels)
Carry-over July 31, 1934	70
New crop	137
Available supplies	207
Domestic requirements	50
Balance for export and carry-over	157
Reserve for carry-over July 31, 1935	50
Balance for export	107
Shipped August 1 to January 21	51
To be shipped January 21 to July 31	56

The Argentine

	(million bushels)
Carry-over July 31, 1934	120
New crop	240
Available supplies	360
Domestic requirements	97
Balance for export and carry-over	263
Reserve for carry-over July 31, 1935	80
Balance for export	183
Shipped August 1 to January 21	85
To be shipped January 21 to July 31	98

Australia and the Argentine (Combined)

	(million bushels)
Carry-over July 31, 1934	190
New crop	377
Available supplies	567
Domestic requirements	147
Balance for export and carry-over	420
Reserve for carry-over on July 31, 1935	130
Balance for export	290
Shipped August 1 to January 21	136
To be shipped January 21 to July 31	154

The foregoing calculations show a relatively small surplus in Australia with about 56 million bushels available for shipment during the balance of the cereal year.

The Argentine has an exportable surplus for 1934-35 of about 183 million bushels, 85 million bushels of which have already been shipped. During the balance of the crop year further shipments of slightly less than 100 million bushels may be expected.

The Argentine and Australia have a combined exportable surplus of about 290 million bushels for the crop year 1934-35. Shipments to date have amounted to 136 million bushels, leaving 154 million bushels to be shipped during the balance of the cereal year.

World Acreage and Production of Wheat

Minor revisions have been made during the past month in estimates of 1934 acreage and production. The general picture has not changed, however. Revised figures for Europe (excluding Russia) show that 1934 production amounted to 1,462 million bushels as compared with 1,731 million bushels harvested in 1933. Acreage in Europe was slightly larger in 1934 than in 1933.

North America harvested a much smaller acreage in 1934 than in 1933 but production was only about 27 million bushels smaller. Yields in both Canada and the United States were much below average.

There was little change in North African acreages in 1934 as compared with 1933 while production was about 14 million bushels higher in 1934 as compared with 1933.

A sharp decrease in production is noted in the Argentine and Australia as compared with last year. Production in the two countries is estimated at 377 million bushels as compared with 461 million bushels in 1933.

Tables on pages 4 and 5 show acreage and production statistics for 1934 along with comparative data for 1933.

World Acreage and Production of Wheat, 1933 and 1934.

The following tables show wheat acreage and production in the different countries, grouped according to the main continental divisions and with a summary table at the end (page 5):

EUROPE

	Area		Production	
	1933	1934	1933	1934
	(thousand acres)		(thousand bushels)	
Germany	5,727	5,430	205,318	160,793
Austria	543	568	14,615	13,239
Belgium	372	379	15,067	14,101
Bulgaria	3,097	3,089	55,453	41,577
Spain	11,047	11,101	138,234	173,600
Portugal	1,424	1,424	15,073	20,486
Estonia	155	161	2,451	3,086
Finland	91	104	2,460	2,600
France	13,503	13,109	362,328	307,151
England and Wales	1,660	1,759	58,763	65,257
Scotland	78	93	3,472	4,152
Greece	1,712	1,951	28,385	31,359
Hungary	3,924	3,921	96,356	61,497
Latvia	309	351	6,735	8,091
Lithuania	499	514	8,192	9,907
Luxemburg	34	40	995	1,061
Malta	10	9	305	310
Norway	28	46	755	1,168
Netherlands	338	359	15,325	17,196
Poland	4,187	4,385	79,883	63,700
Roumania	7,701	7,636	119,071	77,315
Sweden	799	742	29,203	29,578
Switzerland	137	137	4,800	4,000
Czechoslovakia	2,275	2,301	72,921	50,100
Yugoslavia	5,257	5,002	96,581	68,328
Italy	12,561	12,236	297,985	232,200
T o t a l	77,468	76,847	1,731,316	1,461,852

North America

	Area		Production	
	1933	1934	1933	1934
	(thousand acres)		(thousand bushels)	
Canada	25,991	23,985	269,729	275,152
United States	66,510	59,000	527,978	496,980
Mexico	1,173	1,179	12,121	10,104
T o t a l	93,674	84,164	809,828	782,336

North Africa

	Area		Production	
	1933	1934	1933	1934
	(thousand acres)		(thousand bushels)	
Tunis	1,754	1,903	9,186	15,800
Morocco	3,209	2,842	28,902	31,232
Algeria	3,993	4,007	31,998	39,738
Egypt	1,426	1,442	39,951	37,276
T o t a l	10,382	10,194	110,037	124,046

Asia

	Area		Production	
	1933	1934	1933	1934
	(thousand acres)		(thousand bushels)	
Chosen	790	789	8,499	9,324
India	32,970	36,062	352,763	349,365
Japan	1,509	1,587	40,376	45,557
Turkey	7,257	6,871	99,636	88,546
T o t a l	42,526	45,309	501,274	492,792

Southern Hemisphere

	Area		Production	
	1933	1934	1933	1934
	(thousand acres)		(thousand bushels)	
Argentine	19,663	18,484	286,119	240,000
Australia	14,992	12,965	175,370	137,000
T o t a l	34,655	31,449	461,489	377,000

S U M M A R Y

	Area		Production	
	1933	1934	1933	1934
	(thousand acres)		(thousand bushels)	
Europe	77,468	76,847	1,731,316	1,461,852
North America	93,674	84,164	809,828	782,336
North Africa	10,382	10,194	110,037	124,046
Asia	42,526	45,309	501,274	492,792
Southern Hemisphere	34,655	31,449	461,489	377,000
T o t a l	258,705	247,963	3,613,944	3,238,026

The Distinctions Between "Customs" Exports and Export Clearances

From time to time, attention has been drawn to the differences in definition and composition of these two measures of the movement of Canadian wheat. Judging by recent inquiries and comments, it seems necessary to clarify this situation once more.

(1) The official exports of Canadian wheat and wheat flour are collected by the officers of the Department of National Revenue stationed throughout Canada and published by the Dominion Bureau of Statistics. The export clearances are compiled by the Dominion Bureau of Statistics and the Board of Grain Commissioners from returns made by the elevator concerns at the Canadian seaboard and by the U.S. Bureau of Commerce for the United States ports where Canadian grain is handled.

(2) The official exports are on a monthly basis, while the export clearances are on a weekly basis. (Only the Board of Grain Commissioners releases figures for export clearances on a monthly basis; this tends to encourage comparisons between two series which are not properly comparable.)

(3) The official exports cover both wheat and wheat flour separately; export clearances are for wheat only. Where weekly flour export clearances are given they are rather hazardous approximations.

(4) The official exports are not the exports which actually took place in the month cited, but they are the records of exports received at the Department of National Revenue in Ottawa by mail during the month cited. Another factor which tends to make the official exports inapplicable to the month cited is that the exporter is allowed seven days of grace in which to file notice of export after the ship holding the grain has cleared. Thus official exports from Vancouver allowing for five days in the mail and seven days of grace in filing returns probably cover the period from about the 20th of one month to the 20th of the next. Previous to 1934 at least there are evidences that some shipments were not reported within the seven days of grace.

The export clearances apply strictly to the week cited.

(5) The official exports list shipments to or through the United States as an export at the time they leave Canadian ports of exit (subject to the qualifications mentioned in (4) above). Thus shipments from the Head of the Lakes to Buffalo are listed as exports when the report of a boat leaving Fort William or Port Arthur reaches Ottawa.

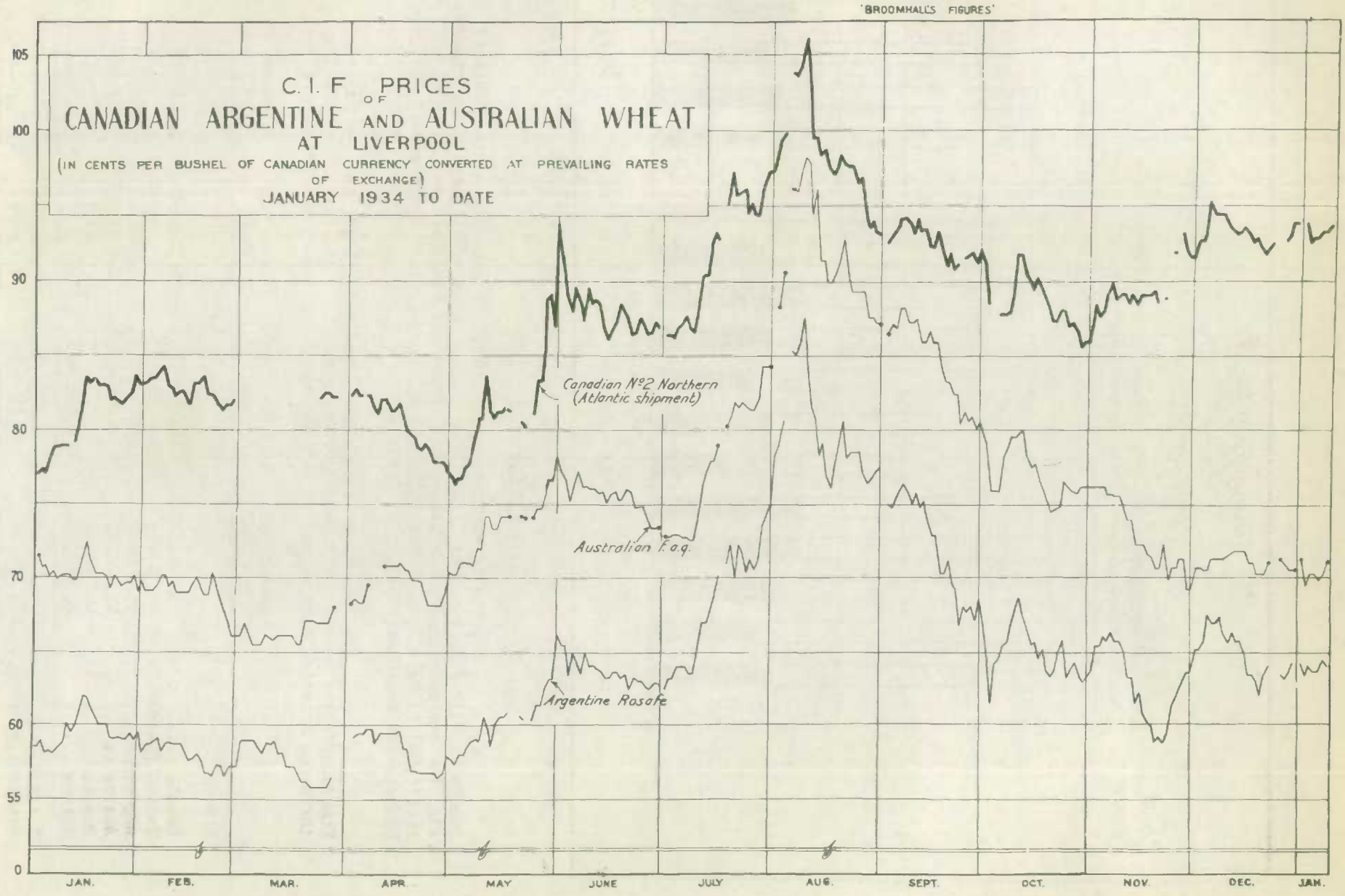
The export clearances cover seaboard shipments only and from both Canadian and United States ports. Wheat in transit overseas through the United States is listed as an export clearance when it leaves the seaboard.

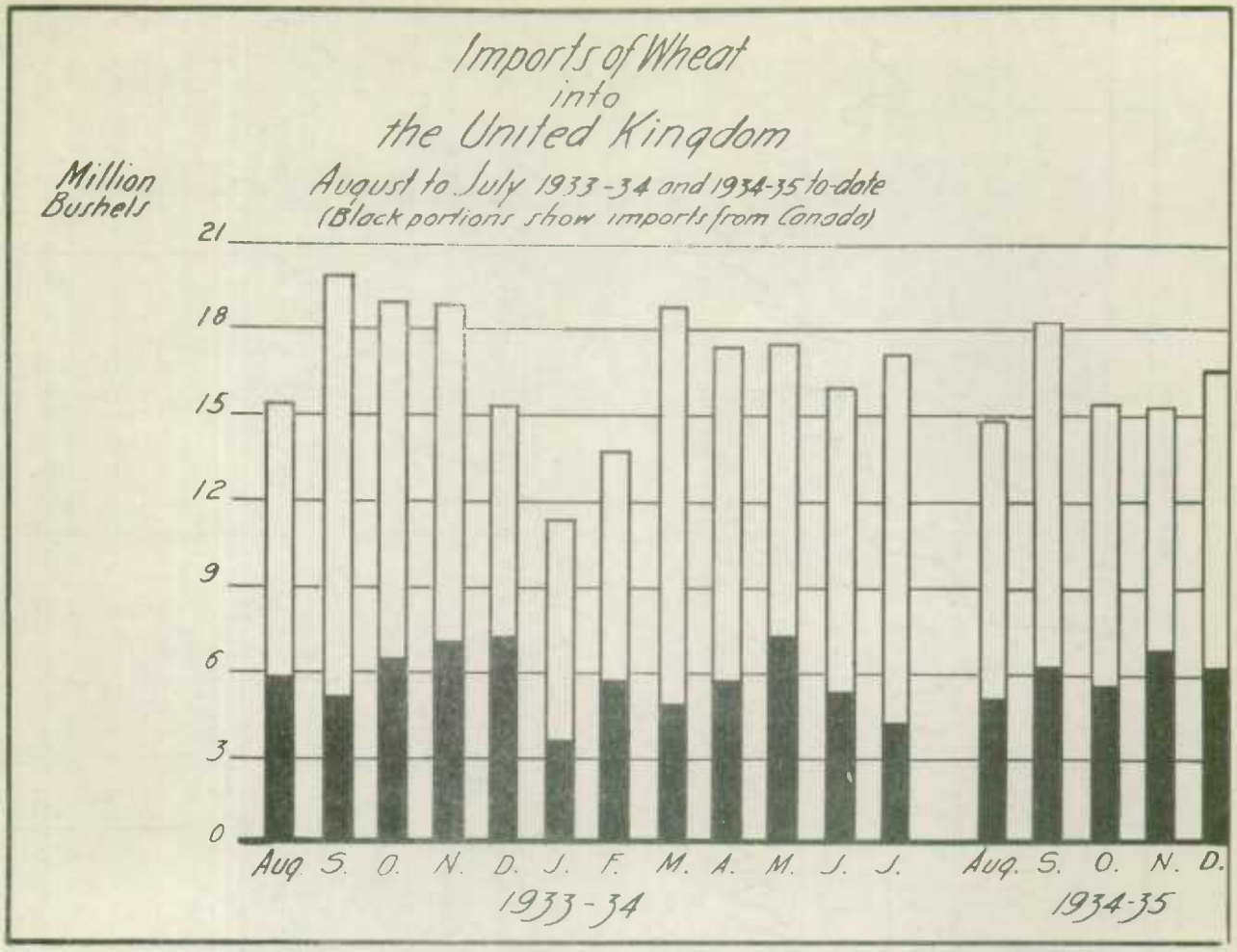
(6) The official exports include wheat carried across the border by railways or wagons at inland points; the export clearances refer only to overseas shipments by water.

Liverpool C.I.F. Prices for Canadian, Argentina and Australian Wheat

Wider spreads between Canadian and other sorts of wheat were mainly the result of decidedly contrasting price movements during November, 1934. In this month, prices for Canadian wheat were relatively strong, prices for Australian wheat very weak, and Argentine wheat prices erratic. In the first week of December prices of the three sorts rose, but Argentine and Canadian wheats showed the greatest change in price. During the remainder of the month, the tendency was toward lower prices and again Australian prices were most inclined to sag. Prices have also followed a downward tendency during the first half of January, although this phase was arrested - temporarily at least - on January 16.

Looking back over the past four months when the movement from Canadian farms was at its height, it may be noted that the spreads have continued to widen. Canadian No. 2 Northern on January 15 was selling at about the same price as on September 15, 1934. Australian wheat in the same period had fallen about 19 cents and Argentine wheat about 10 cents. Australian wheat was selling 24 3/8 cents under Canadian No. 2 Northern on January 15 and Argentina Rosafe was 29 cents under the same Canadian grade. Since this was a period when offerings of the best quality southern hemisphere wneat were becoming scarce, part of the wider spread may be explained as due to differences in quality. There have been abundant supplies and offers of high quality Canadian wheat during this time. One of the features of 1934 was the widening spread between Canadian and Australian wheat prices.


'BROOMHALL'S FIGURES'
C. I. F PRICES OF
CANADIAN ARGENTINE AND AUSTRALIAN WHEAT
AT LIVERPOOL
(IN CENTS PER BUSHEL OF CANADIAN CURRENCY CONVERTED AT PREVAILING RATES OF EXCHANGE)
JANUARY 1934 TO DATE
105
100
90
80
70
60
55
0
Canadian No2 Northern (Atlantic shipment)
Australian F.a.q.
Argentine Rosafe
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
AUG.
SEPT.
OCT.
NOV.
DEC.
JAN.



The United Kingdom

Imports of wheat into the United Kingdom during the month of December, 1934 were slightly higher than during the preceding month and higher than the corresponding month last year. Imports during December amounted to 16,678,047 bushels, compared with 15,157,251 bushels last month and 15,288,166 bushels for December, 1933.

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

	August-July (1933-34)	August-October (1934)	November (1934)	December (1934)
From:				
Canada	68,691,578	16,788,970	6,784,608	6,211,619
United States	86,640	157,355	-	127
Argentine	53,804,099	18,990,905	4,462,061	5,260,233
Australia	41,838,574	10,304,252	2,831,589	3,888,404
Russia	14,925,079	-	-	-
Others	20,760,674	2,058,422	1,078,993	1,317,664
T o t a l	200,106,644	48,299,904	15,157,251	16,678,047
Previous year	204,375,964	54,126,416	18,832,509	15,288,166

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 December, 1934 along with comparative figures for December, 1933:

	December, 1934	December, 1933
	(bushels)	
From:		
Canada	6,211,619	7,248,898
United States	127	-
Argentina	5,260,233	538,304
Australia	3,888,404	1,963,426
Russia	-	3,072,967
Other	1,317,664	2,464,571
T o t a l	16,678,047	15,288,166

It will be noted from the above table, that total imports of wheat into the United Kingdom during December, 1934, were higher than during December, 1933. Imports from Canada amounted to 6,211,619 bushels compared with 7,248,898 bushels for the corresponding month last year. Imports during December, 1934 from Australia were considerably higher than during December, 1933. The United Kingdom imported 5,260,233 bushels from the Argentine last month compared with 538,304 bushels during the same month in 1933.

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

	1934 August-December	1933 August-December
	(bushels)	
From:		
Canada	29,785,197	31,716,174
United States	157,482	-
Argentine	28,713,199	17,073,198
Australia	17,024,245	18,192,892
Russia	-	10,763,257
Other	4,455,079	10,501,570
T o t a l	80,135,202	88,247,091

It will be noted that total imports of wheat into the United Kingdom amounted to 80,135,202 bushels during the August-December period in 1934 as compared with 88,247,091 bushels during the same months last year. The table further shows that imports from the Argentine increased about 12 million bushels this year as compared with 1933. Imports from Canada decreased about 2 million bushels in the August-December period in 1934 as compared with the same months last year.

WHEAT PRODUCTION IN AUSTRALIA

In January, 1934, a Royal Commission was appointed in Australia to "inquire into the economic position of the industries of growing, handling and marketing of wheat". In July, 1934 the Royal Commission issued a preliminary report outlining various phases of the Australian wheat industry. A section of the report is devoted to a discussion of the history of the wheat industry. In view of the general interest attached to this subject, the report of the Royal Commission is quoted in part as follows:

History

1. During the early period of settlement in Australia the varieties of wheat used were mainly imported from Britain. These varieties were more suited to the latitude, climate and soils of Tasmania than to the conditions obtaining in the coastal areas of New South Wales. Consequently, Tasmania developed an important wheat industry which in many seasons was the chief source of supply for the mainland.

2. The next phase was the exploitation of good soil areas in the coastal regions of the mainland, particularly that most fertile stretch - the Adelaide Plains. In general, and with the exception of the Adelaide Plains area, the later development of the industry has turned on the expansion of the better inland soil areas constituting the present wheat belt.

3. The expansion of the wheat industry in Australia since 1850 has fallen into five periods which conform generally to the main phases of the development of the country. Broadly stated, these are:

(a) The period about 1860 when the disturbance of the agricultural economy due to the gold discoveries was over, and rural industries were adjusting themselves to the new situation.

(b) The period between 1860 and 1893 when primary production was greatly stimulated by developments in transport, by the growth of population through migration, and by the re-distribution of labour through the decline of surface mining. This development was interrupted by the depression due to the collapse of prices after 1890.

(c) During the period between 1893 and 1913 three outstanding developments occurred:

(i) Mechanical equipment suited to soil and surface conditions in Australia became widely employed;

(ii) The vital significance of superphosphate in overcoming soil deficiencies was recognized; and

(iii) New varieties of wheat suited to the environmental conditions were evolved and substituted for the varieties grown in the earlier period.

As a result of these developments and of Governmental efforts directed towards closer settlement, the wheat industry gradually settled into the region where optimum conditions obtained.

(d) The war period of 1914-1920, in which emergency expansion of acreage and subsequent violent contraction accompanied by rigid marketing control and both transport and labour difficulties figure largely. This period finished with another collapse in prices in 1921.

(e) The period between 1920 and 1930, characterized by expansive governmental schemes aimed at the settling of returned soldiers and others on the land. In addition the swelling tide of monetary inflation was responsible for stable prices between 4s. 6d. and 6s. a bushel and for relatively higher prices for other primary commodities and for wheat-growing equipment. This expansion was mainly responsible for the inflation of land values and for the expansion of acreage. During this period the area under wheat in Western Australia was trebled. Once again the cycle is completed by a disastrous fall in world prices after 1929.

4. From the viewpoint of the wheat industry each of these periods calls for more detailed treatment.

(a) The Early Period - By about 1860 wheat-growing had become an established industry in Australia but was in the main confined to areas near the capital cities which were, of course, the main markets. The wheat area of South Australia was the most important and intensive area of wheat production. It was confined to the central district between the Mount Lofty Ranges and St. Vincent's Gulf and to the Fleurieu Peninsula. With the exception of South Australia the whole production was, however, scattered and desultory. The coastal districts of New South Wales were the main areas of production in that State, but a start had been made in producing wheat on the Western Slopes. In Victoria parts of the Central, North Central, Northern and Western districts were becoming defined as the main areas of production. At this period Tasmanian production was as important as that of New South Wales.

In 1861 the total acreage and production in Australia were as under:

TABLE I

	Area		Production	
	Acres	Per Cent	Bushels	Per Cent
New South Wales	128,829	20.01	1,581,600	15.44
Victoria	161,252	25.03	3,459,900	33.78
Queensland	196	.03	3,140	.03
South Australia	273,672	42.50	3,576,600	34.91
Western Australia	13,584	2.11	208,300	2.03
Tasmania	66,450	10.32	1,415,900	13.81
Total	643,983	100.00	10,245,440	100.00

(b) From the Gold Rush to the Nineties - By 1890 a very great expansion of the industry had taken place. Wheat production was now carried on in a district extending over the whole of the Central and South Western Slopes of New South Wales, but the greatest concentration was developing in the Riverina. In Victoria a great shift in the area of production had taken place and the region north of the Divide, exclusive of the Mallee, had now become the main home of the industry in this State. Production south of the Divide had almost ceased. In South Australia also a great expansion had taken place in the area sown, and Yorke Peninsula and the Lower North had become important wheat-producing areas. An extension had also been made to Eyre

Peninsula and the West Coast. The situation at the beginning of the nineties is shown in the following tables:

TABLE II

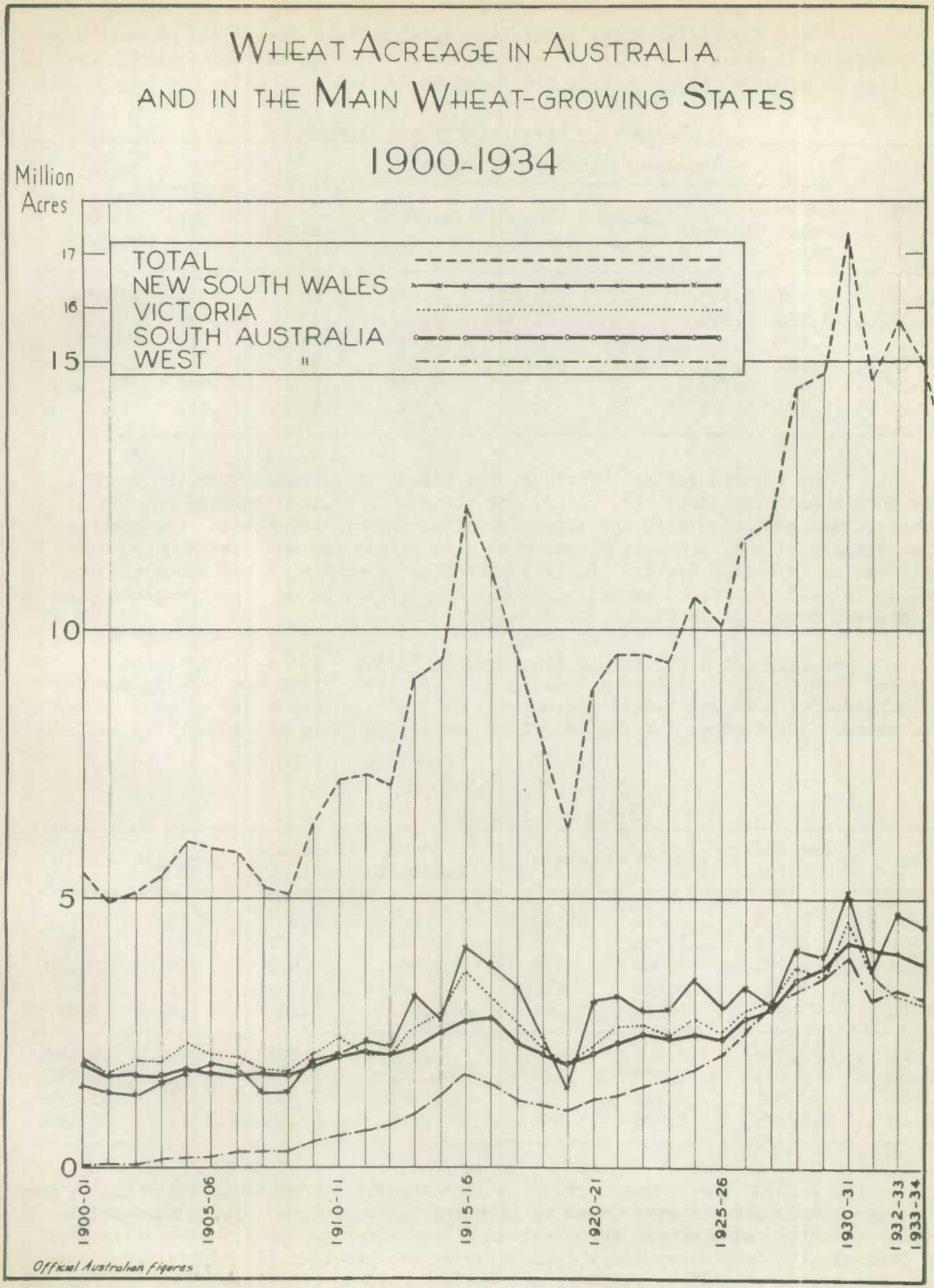
	Area		Production	
	Acres	Per Cent	Bushels	Per Cent
New South Wales	333,233	10.32	3,649,200	13.46
Victoria	1,145,163	35.47	12,751,300	47.03
Queensland	10,290	.32	208,000	.76
South Australia	1,673,573	51.84	9,399,400	34.66
Western Australia	33,820	1.05	467,400	1.72
Tasmania	32,452	1.00	643,000	2.37
Total	3,228,531	100.00	27,118,300	100.00

(c) From the Crisis of the Nineties to the World War - The outbreak of the World War in 1914 marks the end of a period of experimental development, during which new varieties of wheat were selected and bred, superphosphate entered largely into use, improved marketing organization was making itself felt, and the mechanization of the industry had become pronounced. The use of harvesting machines, stump jump ploughs and other improved implements became widespread. By this date the wheat industry had settled into a definite belt where the conditions were most favourable, and considerable extensions of acreage had taken place in parts of the Mallee districts of Victoria and South Australia, including the West Coast area in the latter State.

The greatest concentration of production had now become defined in an area stretching from Yorke Peninsula through the Mallee, Wimmera and Riverina areas to the North-Western slopes of New South Wales. Western Australia was now coming into the picture in an increasing degree and both area and production had expanded greatly. The fluctuations in yield accompanying the expansion into the drier areas make any single year's production unreliable as a true picture of the position. Table III shows the average acreage and production for the four years 1910-11 to 1913-14:

TABLE III

	Area		Production	
	Acres	Per Cent	Bushels	Per Cent
New South Wales	2,486,612	31.65	30,877,300	34.11
Victoria	2,303,308	29.32	28,716,000	31.72
Queensland	101,824	1.29	1,263,000	1.40
South Australia	2,160,745	27.51	20,782,600	22.96
Western Australia	771,000	9.81	8,189,000	9.05
Tasmania	33,277	.42	690,000	.76
Total	7,856,835	100.00	90,517,900	100.00


WHEAT ACREAGE IN AUSTRALIA
AND IN THE MAIN WHEAT-GROWING STATES
1900-1934
Million Acres
17
16
15
10
5
0
TOTAL
NEW SOUTH WALES
VICTORIA
SOUTH AUSTRALIA
WEST "
1934-35
1900-01
1905-06
1910-11
1915-16
1920-21
1925-26
1930-31
1932-33
1933-34
Official Australian figures

(d) The War Period - The Australian wheat acreage during the period 1914-1920 underwent a sudden expansion followed by an equally sudden contraction. The statistics of acreage and production are shown in Table IV.

TABLE IV - Wheat - Area and Production

Year	Acreage (Thousands of Acres)						Total Acreage	Total Production '000 Bushels
	New South Wales	Victoria	Queens-land	South Australia	Western Australia	Tasmania		
1914-15 ..	2,757	2,864	127	2,503	1,376	24	9,651	24,892
1915-16 ..	4,189	3,680	94	2,739	1,734	49	12,485	179,066
1916-17 ..	3,806	3,126	228	2,778	1,567	28	11,533	152,420
1917-18 ..	3,329	2,690	128	2,356	1,250	22	9,775	114,734
1918-19 ..	2,410	2,214	22	2,186	1,146	12	7,990	75,638
1919-20 ..	1,474	1,918	46	1,927	1,042	12	6,419	45,975

These figures reflect, firstly, the effect of war-time stimulation by a "Grow more Wheat" campaign, and, later, the effects of adverse seasons and labour redistribution connected with the expansion of secondary industries. The greater attractiveness of wool production, owing to high prices for wool as compared with wheat, was an important factor. It is interesting to note that the acreage under wheat in 1919-20 (6,380,000 acres) was about 30 per cent below the acreage of the last pre-war year 1913-14 (9,287,000 acres).

(e) From the Great War to the Economic Crisis - A steady expansion is the chief feature of the industry between 1921 and 1930. This was largely due to the influence of land settlement schemes for soldiers, migrants and others, by State Governments. The figures for the last five pre-crisis years are summarized in Table V.

TABLE V - Wheat Acreage
(Thousands of Acres)

Year	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1925-26 ..	2,924	2,514	166	2,466	2,112	19	10,201
1926-27 ..	3,354	2,915	57	2,768	2,571	23	11,688
1927-28 ..	3,031	3,064	215	2,941	2,999	29	12,279
1928-29 ..	4,090	3,719	218	3,446	3,344	23	14,840
1929-30 ..	3,976	3,566	204	3,646	3,568	17	14,977
1930-31 ..	5,136	4,600	272	4,181	3,956	19	18,164
1931-32 ..	3,684	3,566	249	4,071	3,159	12	14,741
1932-33 ..	4,807	3,231	250	4,067	3,389	21	15,765
1933-34 ..	4,528	3,053	380	3,822	3,183	23	14,992

In 1929-30 the economic crisis occurred and in order to maintain the volume of overseas funds farmers were urged to increase their acreage. The Commonwealth Government formulated a scheme for wheat marketing which involved the establishment of a Commonwealth Compulsory Wheat Pool. The scheme provided for a price guarantee of 4s. per bushel at railway sidings, and was embodied in a Bill which was not passed

by Parliament. The flexible nature of the rotation in many wheat areas enabled farmers to respond to the demand for greater volume and the area under crop expanded by more than 3,000,000 acres. The production rose to 213,000,000 bushels from the average of 141,000,000 of the four preceding years. See Table VI. The Melbourne f.o.b. price fell by about 50 per cent in the same year.

TABLE VI - Wheat Production
(Thousands of Bushels)

Year	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
1926-27 ..	47,374	46,886	379	35,559	30,022	537	160,762
1927-28 ..	27,042	26,161	3,783	24,066	36,370	773	118,200
1928-29 ..	49,257	26,819	2,516	26,826	33,790	445	159,679
1929-30 ..	34,407	25,413	4,235	23,345	39,018	376	126,885
1930-31 ..	65,877	53,814	5,108	34,872	53,504	392	213,594
1931-32 ..	54,995	41,956	3,864	48,093	41,521	183	190,612
1932-33 ..	78,870	47,843	2,494	42,430	41,792	433	213,927
1933-34 ..	55,050	42,613	4,350	35,373	37,533	450	175,370

The debacle of 1930-31 brought notable repercussions in its train, for farmers found themselves with depleted cash resources and also in many instances with the system of rotation under which they had been working, seriously deranged. With these unpromising circumstances they began to face the last three years of low prices. Fortunately climatic conditions have been fairly suitable in most districts during the period.

DESCRIPTION OF AUSTRALIAN WHEAT BELT

1. Rainfall is the main controlling factor deciding the distribution of wheat-growing in Australia. In broad terms the crop is cultivated within the zone bounded by the 10-in. and 30-in. annual rainfall isohyets in the southern half of the continent. Except in South Australia this zone is almost confined to the plains on the margins of the inner slopes of the coastal ranges of hills and mountains.

2. The growing season of the crop is almost invariably the winter and early spring, consequently the rainfall during that period is of more significance to wheat-growers in all districts than the total annual rainfall. The major part of the wheat belt lies in areas in which winter rainfall predominates. In northern New South Wales and southern Queensland, however, the crop is cultivated in districts which have a maximum of rainfall in the summer. In such regions there is a carry-over of moisture in the soil which enables the crop to grow well during the autumn and early winter, and if there are moderate falls during winter and spring high yields are obtained. Even in these districts, however, there is a definite correlation between productivity and June rainfall. There are certain small areas where the crop is definitely a "Spring" crop, being planted in August or September and harvested in January or February. These are, however, very small.

3. The amount of rain necessary for the production of a crop varies. Rough approximations have been made indicating the number of bushels which may be expected from each inch of rainfall during the growing period. But so much depends on the distribution of the rain during this season that no very accurate correlation can be expected. In addition, it seems clear from experiments and observations made at the Waite Institute, Adelaide, that the supply of nitrogenous foods to the plant is, in

some cases at least, a limiting factor and this supply is influenced by the rainfall of the summer preceding the crop. Occasionally the rainfall may be too high and so tend to depress yields. This depends largely on the soil, and no generalization can be made. There is at present evidence that it occurs in places in the southern part of the Western Australian belt, in southern and north-eastern Victoria and parts of the Riverina.

4. The reliability of the rainfall from season to season is of great importance in a stable wheat industry. It varies very considerably from district to district. If the season to season fluctuations are wide, resultant crop yields vary in similar manner. This causes difficulties in transport and supply; for in years of bounteous crop the organization becomes overstrained, while in years of dearth railways and silos are relatively idle and the bag market is over-supplied. The chief disability is felt on the farms for not only is income from wheat reduced to small dimensions but the production of animal sidelines is severely handicapped, and further, the recurring disappointments lead to uncertainty and even despondency among wheat-growers. Areas of special note in this respect are (i) the North-west Mallee in Victoria, and the adjacent northerly portion of the Murray Mallee in South Australia; (ii) the West Coast in South Australia; (iii) parts of the Hillston-Lake Cargelligo district in New South Wales; of lesser importance (iv) the Esperance region in Western Australia; and (v) the Roma district of Queensland.

5. The harvest weather is of great significance. Owing to distance from overseas markets which necessitates high freights, costs of production must be kept low; and this necessarily demands the use of labour-saving machinery of the "stripper", "header" and "harvester" type. Such machinery can only work effectively in a dry atmosphere, consequently the extension of the belt into regions of summer rainfall is difficult. Modern mechanical developments have overcome some of the difficulties, but some trouble is to be expected about one year in five in parts of Victoria and the Riverina, and more frequently in the northern parts of the belt in New South Wales and Queensland. In most districts hail occurs infrequently over narrow belts during the later stages of the crop.

6. The best Australian wheat soils are of two broad types. The first comprises moderate to light loams overlying permeable clays. These occur in localities in every State. They do not become waterlogged in wet seasons, nor set hard when dry, consequently they can be cultivated over relatively long periods of the year, and the effective area which can be cropped by one machinery and power unit is large. The second broad type is a dark grey, self-mulching clay containing free calcium carbonate. The latter is typical of the "black" soils of the Wimmera, and of parts of the Darling Downs; it also occurs in scattered patches through New South Wales, but is not regarded as being the best wheat soil of that State. These latter soils are inherently very fertile and give high average yields if the rainfall is suitable and proper cultural methods are adopted. There are probably greater difficulties in growing wheat on this "black" soil type in districts where there is a summer rainfall than where the precipitation is mainly confined to the winter months.

The crop is also grown on soils which have less generous qualities. In these districts the yields are lower; but there are often compensating factors. Thus the lighter soils such as those of the Mallee type, and the better types of sand plain in Western Australia, are extremely easily worked, so that cultivation costs are low, and, as the effect of occasional cropping is to enhance the carrying capacity for sheep very markedly, it is worth the farmer's while to grow a crop even if the yield is only moderate. On soils which are heavier than is usually desirable high yields are obtained when seasonal conditions happen to be favourable, and if wheat prices are reasonably high, cropping may be profitable.

THE 1934-35 WHEAT POSITION IN AUSTRALIA

The 1934 wheat crop in Australia experienced adverse conditions from the start. Owing to drought and other causes, the 1934 crop was sown on a reduced acreage as compared with the year previous. Acreage in 1934 is estimated at 12,965,000 acres as compared with 14,992,000 acres sown in the previous year.

The 1934 wheat crop in Australia is officially estimated at 137 million bushels as compared with 175 million bushels harvested in 1933. Private estimates are somewhat smaller than the official estimate ranging as low as 120 million bushels.

The Canadian Trade Commissioner for Australia cabled as follows (January 15, 1935):

"Wheat and flour shipments to date since December 1st total 10,358,563 bushels compared with 10,391,505 bushels the previous year. Old crop cleared satisfactorily owing to demand from China and Japan. New crop will not be adversely affected. Old crop wheat prices at country sidings about two shillings one penny, equivalent to forty cents. New crop two pence more. New crop estimate now less than 130,000,000 bushels. New South Wales and Victoria disappointing; accurate estimate available month hence. Flour exports improved slightly. Most mills fairly well booked until middle of February. Dairen demand improved and United Kingdom shipments quiet. Quotations, ton 2,000 pounds unchanged six pounds five shillings in forty-nine pound calico bags, equivalent to twenty-four dollars and twenty-five cents; six pounds or twenty-three dollars and twenty-eight cents in one hundred and fifty pound sacks. In absence of new crop, chartering freights have weakened and cargoes in bags from West Australia quoted at twenty-four shillings and six pence; twenty-five shillings and six pence from South Australia and Victoria. Freights payable ton 2,240 pounds, English currency."

Probable Exports

The statistical position in Australia for 1934-35 is indicated as follows:

	(million bushels)
Carry-over July 31, 1934	70
New crop	137
Available supplies	207
Domestic requirements	50
Balance for export and carry-over	157
Reserve for carry-over July 31, 1935	50
Balance for export	107
Shipped August 1 to January 21	51
To be shipped January 21 to July 31, 1935 ...	56

According to the above table Australia has an exportable surplus of 107 million bushels for 1934-35. Of this amount 51 million bushels have been shipped, leaving a balance of 56 million bushels available for shipment during the balance of the crop year. Should the present estimate of the 1934 crop prove too high, the exportable surplus will have to be reduced accordingly.

THE ARGENTINE

The correspondent of the Dominion Bureau of Statistics in Buenos Aires forwarded the following report, under date of January 3, 1935, dealing with the grain situation in the Argentine:-

SUPPLIES:

December exports of wheat and wheat flour amounted to 9,482,000 bushels, of which 9,318,000 bushels were wheat and 164,000 bushels flour. This represents a substantial drop from the previous month's total of 15,497,000 bushels.

Supplies of old crop wheat are undoubtedly less plentiful than would be supposed taking only the official estimate of the crop as a basis for calculations, and in the statement given below I have made a substantial allowance for the probable error in that estimate.

Another factor in the situation is the anticipated low grade in much of the new wheat crop, which has led to the buying up of the remaining stocks of good quality by one of the milling companies here, control of which has recently passed into the hands of one of the great exporting houses. This grain will probably be resold later for mixing with the new crop.

The following is now the statistical position:-

Second official estimate 1933-34 crop	286,123,000	bush.
Deduct for probable over-estimate	11,023,000	"
	275,100,000	"
Add carry-over from 1932-33 crop	7,323,000	"
Total supplies	282,423,000	"
Deduct for seed and domestic requirements	95,534,000	"
Balance available for export	186,889,000	"
Exported to Dec. 31: Wheat ... 171,813,000 bushels Flour ... 3,023,000 "	174,836,000	"
Still available from old crop	12,053,000	"
Prospective exportable balance from new crop	156,528,000	"
Total prospective export balance 1935	168,581,000	"

MARKETS:

The market has been very dull, with a tendency to weakness almost throughout the month. The demand from importing countries has been slow, although a revival in the near future is looked for. It is anticipated also that more interest will shortly be shown by the buyers in the Orient. Meanwhile more wheat is offering than the market can absorb, and the situation is not improved by unwelcome French competition.

The new crop being generally late, only small quantities of new wheat are coming forward as yet, and it is not expected that any considerable arrivals will be on the market before mid-January.

At the end of the year Spot wheat closed at 5.95 paper pesos per quintal (equal to 53¢ Canadian per bushel at current exchange rates) and the March option at 6.23 (55½¢ per bushel). Winnipeg May at the same time closed at 83 5/8¢.

NEW CROP:

During the two weeks preceding Christmas the weather generally was fine and dry; then it turned hot with greater humidity, culminating in a liberal rainfall, especially in the province of Buenos Aires, the south of the province of Cordoba and the Pampa. There was very little precipitation in Santa Fé and the Entre Rios.

Harvesting is general except in the far south, and it is nearing the end in the north and centre of the cereal zone. Results in the north and centre are very uneven in regard to both yield and grade, and some of the samples show a considerable percentage of bleached and shrunken grains as a consequence of the unfavourable weather conditions which have prevailed. The average of the specific weight will be lower than that of last year in these districts. But in the Pampa and south of Buenos Aires reports indicate much better out-turns, and some of the samples are very superior. The high grade of the wheat of this zone of the last two or three years looks like being maintained.

On December 21st the Ministry of Agriculture issued its first estimate of the volume of the new crop of grain. That for wheat is given below, with the figures for former years for comparison:-

1934-35	6,860,000	tons	or 251,762,000	bushels
1933-34	7,787,000	"	" 285,782,000	"
Average 5 years to 1933-34	6,213,733	"	" 228,044,001	"
" 10 " " "	6,491,705	"	" 238,245,573	"

(N.B. These figures, converted to bushels in Buenos Aires, are slightly different from conversions made here).

The report gives the area which is expected to be cut as 17,191,200 acres. The earlier estimate of the area seeded was 18,475,600 acres. Last year's final estimate of the area was 19,654,531 acres.

Whilst the official estimate of the volume of the new crop is regarded by the trade as rather high, there has been no severe criticism in this respect. Improved weather conditions towards the close of the growing season brought about more optimistic expectations generally.

Following the report on the volume of the crop, the Ministry published its customary monthly report on condition, from which the following is extracted:-

Buenos Aires: In the east of the province cutting has commenced, with varied yields of wheat, of low quality because of the rust and continuous rains. The storms of the first half of December produced some lodging of grain. The softness of the soil is the greatest obstacle in the harvesting. In the south-east the wheat is approaching maturity and cutting will begin at the end of the month. There are many fields lodged, which will be costly to harvest. Weather conditions are inducing fears of last minute losses through hail. In the central part of the province cutting with headers has begun on the higher parts of the farms, the lower parts being very soft. In the hill zone the damage caused by rust and other plagues is visible in the leafless stalks and high proportion of white heads. The harvest appears late and will only commence at the end of the month. In the south-west there are spindly plants but it is expected that there will be a satisfactory and perhaps good harvest, although there are white heads, hail damage, lodged grain and possibility of shrunken grains if the weather turns hot, seeing that cutting will be late. In the west there are important hail losses, and latterly there has appeared a strong attack of worm

damage in the zone bordering on the Pampa. Since the rust attacks and the heavy rains a dry spell has permitted the first attempts to cut with the harvester, which have had to be suspended because of the greenness of the grain. The first threshings in this zone showed variable results, but in general the wheat is of low specific weight and dirty. In the north of the province cutting is general and some threshing has been done, which gave light and discoloured wheat. Some fields are lodged, making the work of harvesting laborious.

Santa Fé: In the north of the province cutting commenced later than in other years, but now it is practically finished in spite of the rains. Threshing is being conducted under some difficulties, since, besides the interruptions, the soil is too soft for moving the machines. Up to the present the yields are very variable, but in general they may be considered good. The quality of the grain cut before the rains is better than that obtained afterwards with harvesters, as the latter is bleached and somewhat shrunk, with second growth and frozen grains. The excessive humidity has made drying necessary in many cases, and there has been much rebuilding of stacks damaged by wind and rain. There has been some hail damage, but generally it is of little importance. In the centre and south the winds and rains have made harvesting difficult, but it is being carried out without great loss in the estimated yields. There is some bleached wheat in the grain not stacked. In the central zone the results are generally good in the grain which has been threshed.

Córdoba: The wheat fields of the province which already in the month of November had suffered strong attacks of rust, have been passing through a period of rains and storms up to the middle of December, which have retarded the maturity and produced important hail losses, spoiling the quality of the grain, which has lost colour, and have made difficult the cutting of the fields already ripe which had to be harvested with headers. In the south-east of the province there will be the best crop, which should be all cut before the end of the month in view of the present dry weather; yet in this same zone there will be inferior wheats which were harvested damp for fear of bad weather. In the north-west the yields will be very varied but in general low. Here the harvest is almost finished. In the south-west the crop is very late because of the late varieties and the frequent rains. It is in this zone that the most important hail losses have been suffered as well as worm damage. Wheats threshed in the south of the zone gave light and discoloured grain.

Entre Rios: The wheat harvest is being brought to an end normally, with good yields in some districts and average in others. Some of the grain is bleached and the specific weight is variable. It is expected that all the fields sown will be harvested.

Pampa: Contrary to other cereal zones, in the Pampa rains have not been a contrary factor in the later growth of the wheat, if indeed they encouraged the spread of rust and pietin. The precipitation was a benefit in the sandy, loose soil of the zone. Now with the beginning of the harvest dry weather has set in. The Pampa wheat crop will give a good yield, but of a deficient quality because the farmers hastened to cut the crop for fear of hail and other damage, and using the combines prematurely they are now hauling to the stations a crop which requires to be dried.

Santiago del Estero: All the wheat crop is in stack, and threshing began early in December but has been interrupted by rains. Yields obtained are inferior to those of last year, and the specific weight of the grain is very low, with a considerable proportion of bleached wheat.

International Trade

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

Week Ending	North America	Argentina	Australia	Russia	Other	Total
			(Thousand Bushels)			
August 6, 1934	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	1,868	1,552	1,904	-	1,456	6,680
24	1,980	2,091	2,541	-	888	7,500
31	2,205	1,520	1,945	-	1,152	6,822
January 7, 1935	1,378	2,945	2,204	-	928	7,455
14	1,766	4,235	2,188	-	1,168	9,357
TOTAL	82,049	81,535	47,414	2,720	24,488	238,206
Comparative 1933-34						
Corresponding week	4,360	2,400	1,968	624	776	10,128
Total to date	108,608	42,464	37,968	22,032	26,960	238,032

From August 1, 1934 to January 14, 1935 world shipments of wheat and flour amounted to 238 million bushels as compared with 238 million bushels shipped during the same weeks last year. North American shipments amounted to 82 million bushels as compared with 109 million bushels during the same weeks last year. Argentine shipments have amounted to 82 million bushels as compared with 42 million bushels in 1933-34. During the present crop year Australia has cleared 47 million bushels as compared with 38 million bushels during the same weeks last year. Russian shipments have been very small so far this season.

Weekly Average Shipments

The following table shows weekly average shipments of wheat for the first twenty-four weeks of the present crop year along with comparative figures for 1933-34 and 1932-33.

	North America	Argentina	Australia	Russia	Other	Total
			(Million Bushels)			
1932-33	6.9	1.0	2.0	.7	.7	11.3
1933-34	4.5	1.8	1.6	.9	1.1	9.9
1934-35	3.4	3.4	2.0	.1	1.0	9.9

As shown by the table on the preceding page, world shipments of wheat have averaged 9.9 million bushels per week during the first twenty-four weeks of the crop year as compared with 9.9 and 11.3 million bushels per week during the corresponding periods in 1933-34 and 1932-33. North American shipments have averaged 3.4 million bushels per week compared with 4.5 and 6.9 million bushels per week during the first twenty-four weeks of 1933-34 and 1932-33. Argentine shipments have averaged 3.4 million bushels per week as compared with 1.8 million bushels during the same period last year.

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 January 14, 1935, was as follows:

Import Requirements	Actual Shipments	Balance to be Shipped
Aug.1,1934 to Jly.31,1935 (52 weeks)	Aug.1,1934 to Jan.14,1935 (24 weeks)	Jan.14,1935 to Jly.31,1935 (28 weeks)
600 million bushels	238 million bushels	362 million bushels
or	or	or
11.5 million bushels weekly	9.9 million bushels weekly	12.9 million bushels weekly

During the first twenty-four weeks of 1934-35 world shipments have amounted to 238 million bushels, or an average of 9.9 million bushels per week. This represents a lighter 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 for the crop year and 12.9 million bushels during the balance of the crop year.

THE COURSE OF WHEAT PRICES

The following summary of wheat price movements from December 1, 1934, to January 14, 1935, has been prepared by the Internal Trade Branch.

Wheat prices during the past six weeks have moved within narrow limits. Following a short upturn in the opening days of December, associated with unfavourable weather conditions in the Argentine, quotations for No. 1 Manitoba Northern cash wheat held until the second week of January within fractional amounts of 79 cents per bushel. Export shipments during this interval were exceptionally small. Active buying from the Orient and absence of pressure from exporters largely counterbalanced the indifferent state of European demand. From January 10 to 14, prices at Winnipeg dropped roughly $1\frac{1}{2}$ cents, carrying the May position to within 2 cents of the exchange minimum.

Cash closing prices of No. 1 Manitoba Northern wheat, basis Fort William and Port Arthur, declined from 79.6 cents in November to 79.2 cents per bushel in December.

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	
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 1926=100	Board of Trade [x] United Kingdom 1926=100	Wheat No. 1 Manitoba Northern Fort William and Port Arthur basis 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			
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
August	72.3	71.2	57.5
September	72.0	71.0	55.0
October	71.4	70.3	52.3
November	71.2	70.3	53.2
December	71.2	-	53.0

/ Prepared by the Internal Trade Branch.

x Transposed from the base 1913=100.

Exchange Fluctuations

Exchanges have been unstable since the beginning of December, and Canadian dollars during the intervening period have depreciated in terms of sterling, gold bloc currencies, and United States dollars. These exchanges advanced sharply at Montreal on December 12, and then after a two week interval of narrow fluctuations, a further rise was recorded. In the first half of January the market again was quiet with United States dollars firm, and sterling and gold bloc units remaining almost stationary. December 1 and January 12 quotations listed respectively for leading currencies were as follows: Sterling $4.86\frac{1}{2}$ and $4.89\frac{1}{2}$, United States dollars 97 3/4 cents and 99 11/16 cents, French francs $6.44\frac{1}{2}$ cents and 6.59 cents, Argentine pesos 24.92 cents and 24.94 cents, Australian pounds $3.88 and $3.90.

Exchange Quotations at Montreal, April 3 to January 14, 1935.

		United Kingdom Pounds 4.8666	United States Dollar 1.0000	Australia Pounds 4.86666	Argentina Paper Peso .4244 [x]
June	5, 1934	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
September	4	4.8928	.9756	3.9142	.2732
	10	4.8548	.9700	3.8838	.2667
	17	4.8624	.9703	3.8898	.2644
	24	4.8098	.9644	3.8478	.2628
October	1	4.8172	.9794	3.8537	.2620
	9	4.8095	.9766	3.8470	.2588
	15	4.8123	.9794	3.8498	.2620
	22	4.8546	.9800	3.8837	.2607
	29	4.8603	.9784	3.8883	.2568
November	5	4.8733	.9781	3.8986	.2552
	13	4.8777	.9744	3.9020	.2509
	19	4.8666	.9762	3.8932	.2489
	26	4.8583	.9731	3.8866	.2481
December	3	4.8614	.9806	3.8891	.2501
	10	4.8548	.9791	3.8838	.2462
	17	4.8921	.9903	3.9137	.2476
	24	4.8986	.9906	3.9188	.2491
	31	4.9140	.9937	3.9313	.2521
January	7, 1935	4.8950	.9959	3.9160	.2500
	14	4.8950	.9944	3.9000	.2494

x Unofficial rates - between 7¢ and 8¢ below official rate since September, 1934.

THE CANADIAN SITUATION

I. Primary Movement.

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

Week ending		Manitoba	Saskatchewan	Alberta (bushels)	Total	Last Year
August	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
September	7	2,985,337	7,837,653	4,750,600	15,573,590	10,520,340
	14	5,684,369	10,977,625	5,903,317	22,565,311	14,949,480
	21	2,006,072	5,882,731	2,882,605	10,771,408	12,044,480
	28	309,167	3,599,281	1,400,524	5,308,972	14,325,654
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
T o t a l		26,740,829	77,632,033	70,242,611	174,615,473	162,306,901

Primary receipts declined sharply during the week ending January 4, 1935. During the present crop year 174,615,473 bushels of wheat have been delivered as compared with 162,306,901 bushels during the same weeks in 1933-34.

II. Grading of the 1934 Crop.

The following table shows the grading of inspections during the five months August to December, 1934 and 1933.

	Number of Cars Grading No. 3 Northern or Better			
	1934 (cars)	Per cent of Inspections	1933 (cars)	Per cent of Inspections
August	11,639	93	14,024	97
September	22,356	92	20,170	95
October	14,769	63	20,401	84
November	7,849	48	9,964	67
December	3,136	46	3,760	71
T o t a l	59,769	72	68,319	85

While there is usually a decline in grades as the later marketings of the crop proceed, the decline this year has been particularly severe. Less than half the cars inspected during December, 1934 graded No. 3 Northern or better.

III. Stocks in Store.

The following table shows stocks of wheat in store in Canada and the United States on January 11, 1935 along with comparative figures for approximately the same date last year.

	1935	1934
	(bushels)	
xCountry Elevators - Manitoba	10,165,710	10,478,123
Saskatchewan	51,988,741	56,500,728
Alberta	38,188,069	39,955,674
T o t a l	100,342,520	106,934,525
xInterior Private and Mill Elevators	7,131,627	5,692,370
Interior Public and Semi-Public Terminals .	4,752,962	1,976,215
Pacific Ports	15,254,289	12,886,302
Churchill	2,389,404	2,475,779
Fort William and Port Arthur Elevators	57,259,636	63,614,311
Eastern Elevators - Lake Ports	30,011,364	21,753,693
Eastern Elevators - Seaboard Ports	12,946,678	9,900,257
U. S. Lake Ports	20,620,939	4,707,951
U. S. Atlantic Seaboard Ports	6,218,050	7,003,752
T o t a l	256,927,469	236,945,155

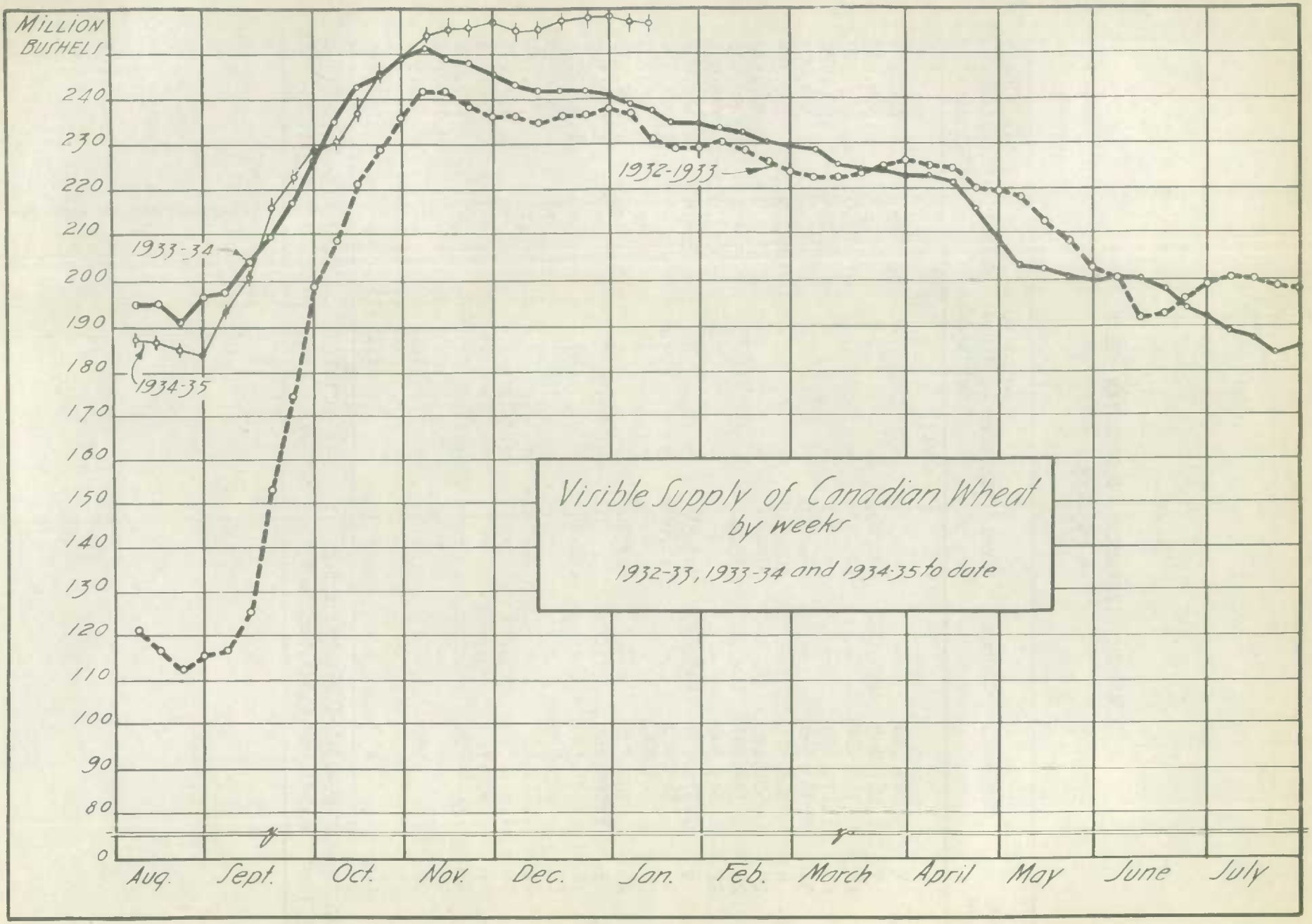
x Subject to minor revision.

On January 11, 1935 stocks of Canadian wheat in store in all positions amounted to 256,927,469 bushels as compared with 236,945,155 bushels on the same date last year. During the past month stocks of wheat in country elevators have increased by about 4 million bushels. No significant change has occurred in stocks of wheat in interior private and mill elevators or in interior public and semi-public terminals. Stocks in elevators at Port Arthur and Fort William have increased by about 4 million bushels during the past month. A slight decrease in stocks in eastern Canadian elevators has taken place. Nearly 27 million bushels of Canadian wheat is in store in United States positions.

A sharp increase in stocks of wheat in immediate export positions is reported this year as compared with the same date last year - the increase being chiefly in stocks at Pacific coast ports and in the United States.

The Canadian visible supply continues at a higher level than a year ago.

The chart on page 27 shows the Canadian visible supply week by week during the present crop year along with comparative data for the past two crop years. It will be seen that the slow export movement has delayed the usual seasonal decline in 1934.


MILLION BUSHELS
240
230
220
210
200
190
180
170
160
150
140
130
120
110
100
90
80
0
1933-34
1934-35
1932-1933
Visible Supply of Canadian Wheat
by weeks
1932-33, 1933-34 and 1934-35 to date
Aug.
Sept.
Oct.
Nov.
Dec.
Jan.
Feb.
March
April
May
June
July

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	1,049,180	-	-	-	-	-	828,270
	9	1,067,055	284,000	230,660	-	-	-	866,433
	16	785,088	-	305,934	-	-	688,067	667,783
	23	1,171,259	-	-	-	-	651,488	500,780
	30	1,343,546	-	46,800	-	-	477,240	383,493
Sept.	6	664,475	-	318,483	-	-	241,392	885,344
	14	601,176	370,860	-	-	-	359,006	497,582
	20	776,207	208,000	285,300	-	-	595,284	752,900
	28	849,340	-	-	-	-	675,000	775,993
Oct.	5	1,376,668	215,500	463,914	-	-	362,400	1,186,630
	12	663,080	-	116,000	-	-	-	1,011,634
	19	543,976	-	-	-	-	-	1,745,729
	26	761,338	-	787,300	-	-	-	1,074,581
Nov.	1	1,188,285	268,000	500	-	-	-	1,081,366
	8	851,529	-	252,000	-	-	-	1,401,016
	16	825,935	-	-	-	-	-	792,599
	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	-	-	-	179,971	-	889,612
	21	-	-	-	-	415,936	-	766,792
	28	160	-	-	-	100,796	-	389,597
Jan.	4	-	-	-	-	184,997	-	649,571
	11	160	-	-	-	271,986	-	1,167,248
TOTAL		18,694,571	1,762,051	2,806,891	-	1,169,664	4,049,877	21,095,340
Last Year		31,927,234	8,491,665	5,287,684	315,067	929,270	2,707,891	21,587,581

EXPORT CLEARANCES OF CANADIAN WHEAT
1934-35

Week Ending		Prince Rupert	Victoria	United States Ports	Total Clearances	Total St. Lawrence Ports	Total Maritime Ports	Total Pacific Ports
					(bushels)			
Aug.	3	-	-	340,000	2,217,450	1,049,180	-	828,270
	9	-	-	306,000	2,754,148	1,581,715	-	866,433
	16	-	-	582,000	3,028,872	1,091,022	-	667,783
	23	-	-	661,000	2,984,527	1,171,259	-	500,780
	30	-	-	1,425,000	3,676,079	1,390,346	-	383,493
Sept.	6	-	-	598,000	2,708,694	982,958	-	886,344
	14	-	-	1,050,000	2,878,624	972,036	-	497,582
	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	4,199,112	2,056,082	-	1,186,630
	12	-	-	518,000	2,308,714	779,080	-	1,011,634
	19	-	-	386,000	2,675,705	543,976	-	1,745,729
	26	-	-	788,000	3,411,219	1,548,638	-	1,074,581
Nov.	1	-	-	406,000	2,944,151	1,456,785	-	1,081,366
	8	-	-	496,000	3,000,545	1,103,529	-	1,401,016
	16	-	-	427,000	2,045,534	825,935	-	792,599
	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	1,555,877	116,294	179,971	889,612
	21	-	-	259,000	1,441,728	-	415,936	766,792
	28	-	-	315,000	805,553	160	100,796	389,597
Jan.	4	301,280	-	39,000	1,174,848	-	184,997	950,851
	11	-	-	198,000	1,637,394	160	271,986	1,167,248
TOTAL		301,280	-	12,170,000	62,049,674	23,263,513	1,169,664	21,396,620
Last Year		-	-	10,710,000	81,956,392	45,706,583	1,244,337	21,587,581

VIII. Statistical Position.

The following table summarizes the statistical position of wheat in Canada as at January 1, 1935, with comparative figures for 1934:

	1933-34	1934-35
	(bushels)	
Carry-over July 31	211,740,188	193,322,863
New crop	269,729,000 1/	275,252,000 2/
Total supplies	481,469,188	468,574,863
Domestic requirements	106,000,000 3/	106,000,000 1/
Available supplies	375,469,188	362,574,863
Exports, August to December	103,841,239	99,716,214
Balance for export or carry-over	271,627,949	262,858,649

1/ Probably 12-15 million bushels too low.
2/ Provisional estimate.
3/ Tentative.

After allowing for probable domestic requirements of 106 million bushels for 1934-35, Canada commenced the present cereal year with 363 million bushels available for export and carry-over. From August to December, 1934 exports amounted to 100 million bushels, leaving a balance of 263 million bushels available for export and carry-over on January 1, 1935. On January 1, 1934 a balance of 272 million bushels was available for export and carry-over but to this figure must be added the under-estimate of the 1933 crop - or from 12 to 15 million bushels.

The export movement in 1934-35 and 1933-34 is shown in the following table:

	1934-35	1933-34
	(bushels)	
August	16,564,076	10,814,266
September	19,250,299	22,152,853
October	23,992,754	25,926,166
November	21,039,498	25,608,167
December	18,869,586	19,339,787
T o t a l	99,716,213	103,841,239

EXPORTS OF CANADIAN WHEAT

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

WHEAT

	1934-35	1933-34	1932-33	1931-32
		(bushels)		
August	14,709,675	8,652,970	18,289,832	11,909,108
September	17,588,359	19,666,351	26,874,237	14,335,637
October	21,807,784	23,611,510	40,192,415	18,925,303
November	18,769,770	23,143,958	27,301,976	27,458,063
December	17,336,206	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

FLOUR

	1934-35	1933-34	1932-33	1931-32
		(barrels)		
August	412,089	480,288	330,382	322,178
September	369,320	552,556	385,113	556,565
October	485,549	514,368	528,794	558,459
November	504,384	547,602	576,864	476,487
December	340,751	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	544,507	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	19,250,299	22,152,853	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		9,106,552	16,494,669	10,965,473
February		7,990,378	12,481,350	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		194,779,875	264,304,326	207,029,555

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