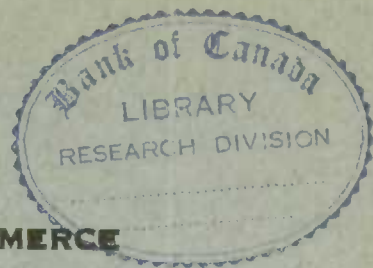


Wheat



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DEPARTMENT OF TRADE AND COMMERCE

DOMINION BUREAU OF STATISTICS

AGRICULTURAL BRANCH

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THE WORLD WHEAT SITUATION.

After the despair arising from several years of increasing wheat stocks, the hope of this 1934-35 crop season was that import demand would be sufficient to bring year-end stocks closer to normal. Few authorities were optimistic enough to expect any appreciable improvement in world wheat prices, until late in the season at least. Partly because of the continuance of low prices, little progress in the lowering of import restrictions was expected, although the failure of these restrictive policies in several countries was becoming apparent. The reduction of world wheat stocks was commonly regarded as the main contribution of this season towards a sounder wheat position. With the first half of the season now past, it becomes interesting to record just how far early hopes are being translated into fact.

European Wheat Production in 1934.— Early estimates of European wheat production in 1934 justified the hope for an increased need of foreign wheat. The first compilations on European wheat production in 1934 totalled about 1,350 million bushels compared with the large crop of 1,746 million bushels harvested in 1933. Continuous and considerable upward revisions have been made in the European production estimates for 1934 until the total is now 1,515 million bushels. The 1934 crop, as now estimated, is 231 million bushels less than that of 1933. Part of this deficit was made up by the increased carry-over from the 1933 crop, but we can only conjecture regarding the extent of this because precise figures are not available.

1934 Production in Other Areas.— North American production in 1934 was 40½ million bushels below that of 1933, being 782.4 million bushels compared with 823 million bushels in 1933. 31½ million bushels of this decrease took place in the United States, but both Canada and Mexico had smaller harvests.

North Africa harvested a larger crop in 1934 - 125 million bushels compared with 111 million bushels in 1933.

Asiatic countries had a harvest of 510 million bushels compared with 517 million bushels in 1933, most of the reduction being in Turkey.

Argentina's 1934 crop is officially estimated at 252 million bushels compared with 286 million bushels last year while Australia's official 1934 estimate is 135 million bushels compared with 175 million bushels in 1933. The official estimates of both these countries are considered too high by competent authorities and it must be remembered that the Argentine estimate was made before the outturn of the crop could be carefully appraised.

The South African wheat crop of 1934 is a record - nearly 14 million bushels compared with 10¼ million in 1933.

World Production.— In summary, world wheat production in 1934, excluding Russia and China and certain minor Asiatic countries, amounted to 3,334 million bushels compared with 3,668 million bushels in 1933 - a reduction of 334 million bushels or over 9 per cent.

Reduction of Stocks.- In the light of this situation, the Secretary of the Wheat Advisory Committee announced to its Fifth Session on August 14, 1934 that "total 'world' wheat stocks appear likely to be reduced to a figure in the neighborhood of 750 to 800 million bushels, as compared with 625 in 1922-28". At August 1, 1934, the comparable figure was 1,140 million bushels. This forecast was based on an import demand of 600 million bushels and would have involved a reduction in world stocks of 340 to 390 million bushels - which is somewhat greater than the reduction in production

While it now seems rather optimistic to expect a reduction in world wheat stocks greater than the reduction in world production, it must be remembered that production estimates were considerably lower at that time. The Food Research Institute in its "World Wheat Survey and Outlook, January, 1935" states that "'world' wheat stocks may now be expected to decline about 315 million bushels in the course of the crop year". In the Monthly Review of the Wheat Situation for December, the reduction in stocks was estimated at 250 million bushels. The disappearance to date has taken place mostly in stocks which are not in visible position. While the reduction will not be as great as was first expected, it will provide a definite amelioration of previous conditions. This improvement in the wheat situation is all the more noteworthy when it is considered that impediments to world trade in wheat, as in other products, are still formidable. Even in the face of acute shortage, national practices and regulations restricting wheat imports are modified only with exasperating slowness.

Estimates of World Wheat Trade, 1934-35.- At the beginning of the crop year, there was fairly general agreement regarding the volume of wheat which would move into international trade. The Wheat Advisory Committee, the United States Bureau of Agricultural Economics and the Food Research Institute placed the net exports at 600 million bushels while the estimate of the International Institute of Agriculture was 10 million bushels higher. Net imports were estimated between 560-576 million bushels. Mr. Broomhall's first estimate of net imports, which commands a lot of respect, was 576 million bushels. This was made in July, 1934 and re-considered in October without changing the total. Recently, it was lowered by 24 million bushels to 552 million bushels. The Food Research Institute has also lowered its estimate of net exports from 600 to 575 million bushels. Thus it seems fair to state that early hopes of an improvement of about 10 per cent in world wheat trade over last year have not materialized but a moderate improvement is still expected. The less optimistic opinions on import demand are largely due to reduced takings by France, Poland, Italy, Czechoslovakia, the United Kingdom, and the United States.

Canada's Share of World Trade.- Regarding the share of world trade allotted to Canada, there has been a notable lack of agreement. Mr. Broomhall, in particular has been rather indecisive. His first estimate of 288 million bushels was lowered slightly to 280 million bushels, then dropped to 240 million bushels. The first two estimates showed little consideration of the economics of the wheat situation and could only have been realized if Argentina and Australian crops had been reduced far below average. There was never any real hope of this occurrence, although it would not be surprising to find the present production deficit of 74 million bushels shown by the official estimates of these countries in comparison with 1933-34 widened to nearly 100 million bushels. Given the production of these countries, it is safe to presume that they will follow their habitual policy of putting surplus wheat afloat as promptly as possible, with price not the major consideration. The Food Research Institute is even more pessimistic than Mr. Broomhall, forecasting an export of 210 million bushels from this country and believing the figure to be too high rather than too low.

This is the time of year when pessimism regarding Canadian wheat exports is apt to be most extreme. The January-April period is usually marked by a seasonal lull in the overseas movement. A total export of 30 or 40 million bushels is quite usual in these four months and should occasion no great alarm. The real test will come in the May-August period.

A study of the Canadian wheat trade in the first half of the crop year over a period of years reveals that our exports in 1934-35 have certainly fallen behind the usual seasonal tendencies. The following table illustrates this point of view:

Total Exports of Wheat and Wheat Flour from Canada in the Months of August to January, 1924-35, with Total Exports for the Crop Years and Percentages.

	Exports in First Six Months	Total Exports, Crop Year	First Six Months as Percentages of Totals
	(bushels)		%
1924-25	119,730,454	192,721,772	62.1
1925-26	202,172,823	324,592,024	62.3
1926-27	174,383,360	292,880,996	59.5
1927-28	181,840,705	332,963,284	54.6
1928-29	268,008,654	407,564,187	65.8
1929-30	96,697,740	186,267,212	51.9
1930-31	156,125,350	258,637,887	60.4
1931-32	117,486,056	207,029,555	56.7
1932-33	167,298,466	264,304,326	63.3
1933-34	112,947,790	194,779,875	58.0
1934-35	106,653,886	-	-
10-year average 1924-25 to 1933-34	159,669,140	266,174,112	60.0
5-year average 1929-30 to 1933-34	130,111,080	222,203,772	58.6

The obvious inference from this table is that the outward movement has fallen behind the usual seasonal tendency. In the ten years, 1924-25 to 1933-34, 60.0 per cent of Canada's crop year total went out in the August-January period; if this percentage holds for 1934-35 our annual exports would be about 174 million bushels. In the five years, 1929-30 to 1933-34, 58.6 per cent of our crop year total went out in the August-January period; if this percentage holds for 1934-35, our annual exports would be 182 million bushels. These are discouraging figures in themselves, but when other features of the situation are considered, it becomes apparent that a moderate pick-up in exports for the balance of the year is to be expected.

Export Movement to Date.- After 28 weeks of the 1934-35 season had passed, taking the record up to February 12, 1935, the position of shipments was as follows (Broomhall's figures):

	<u>First 28 weeks of 1934-35</u>	<u>First 28 weeks of 1933-34</u>
	(000 bushels)	
World Total	<u>281,015</u>	<u>288,000</u>
North America	92,425	126,744
Argentina	98,018	57,432
Australia	58,862	49,072
U.S.S.R.	2,720	25,376
Other Countries	28,992	29,376

World shipments to date have been 7 million bushels or 2½ per cent less than those recorded in the same period of 1933-34. Despite this situation and the rather slow movement which is now prevalent, there is general agreement among the authorities that 1934-35 will witness a greater volume of wheat trade than 1933-34.

Probable Export Movement, Balance of Season.- In predicting the movement for the balance of the season, the supplies of only three countries need serious consideration, after an allowance of about 20 million bushels is made for remaining exports from France, the Danubian countries and North Africa.

At February 1, 1935, the surpluses in these three countries for export or carry-over, based on official production estimates and close approximations for shipments to date, were as follows:

	<u>million bushels</u>
Canada	256.5
Argentina	183.5
Australia	99.5
	<u>539.5</u>

If the amounts carried over at July 31, 1935 are set arbitrarily, but reasonably, at 125 million bushels for Canada, 75 million for Argentina and 50 million for Australia then the export surpluses would be as follows:

	<u>million bushels</u>
Canada	131.5
Argentina	108.5
Australia	49.5
	<u>289.5</u>

World shipments up to February 1 amounted to about 263 million bushels. If an allowance of 20 million bushels is made for the remaining exports of countries other than the three specified, then, out of a total crop season demand of 560 million bushels, a market for 277 million bushels remains to be apportioned among Canada, Argentina and Australia. This figure is very little below the estimate of exportable surpluses based on reasonable carry-overs. Clearly this analysis does not reveal a great disparity between exportable surplus and probable demand. The great bulk of the world's exportable wheat - probably well over 90 per cent - is held in three countries.

While the quantity of the Canadian surplus is now set within narrow limits, there is still some doubt as to the Southern Hemisphere figures. Advices from Australia indicate that the official crop estimate, recently lowered by 2 million bushels, may still be too high. The Canadian Trade Commissioner at Melbourne advises that unofficial

estimates are now reduced to 128 million bushels compared with the last official estimate of 135 million bushels. The correspondent of the Bureau in Buenos Aires regards the official estimate of that country as about 12 million bushels too high. The Agricultural Attaché of the United States Department of Agriculture in Argentina believes that the first official estimate is 22 to 32 million bushels or about 10 per cent too high, basing his opinion on disappointing threshing returns from the southwest, which have become available since the government estimate was made. The quality of the new wheat is definitely below that of last year. All these points may be factors in diverting the late-season demand to Canadian wheat.

Of course, there is an offsetting possibility which must be considered - that is, that Argentina and Australia may lower their July 31 stocks by heavier than usual shipments before that date. In other words, Southern Hemisphere wheat may be marketed earlier than usual and thus predominate in world markets until only minimum reserves are left. There is a distinct limit to which this process may be carried because domestic requirements for five months must be retained in these countries - amounting to 40 million bushels in Argentina and 24 million bushels in Australia. The prospect of a large corn crop in Argentina, the relatively high prices of corn and the better markets may favour the shipment of corn rather than wheat after the corn harvest.

Summary.-

Definite progress will be made during 1934-35 in the reduction of burdensome wheat stocks. In this process, Canada will share. Perhaps Canadian stocks will not be reduced to the same extent as those of other exporting countries, but, on the other hand, Canadian wheat is not being sacrificed at prices entirely discouraging to the producers. It is still too early to hazard a guess on the probable reduction of our carry-over. The Canadian visible has been dropping rapidly in the past few weeks, the export movement is moderately improved, and prices have held very steadily above the pegged level.

As far as the Canadian wheat trade is concerned, the wheat situation will reach its critical stage early in May. Navigation on the Great Lakes - St. Lawrence channel will open at that time and Canada will be able to compete more readily in European markets. The full force of Southern Hemisphere exports will then be relaxed and consequently, the pressure of unsold wheat on the Liverpool market will be slackened.

The influence of growing crops in Europe and North America will then be an important market factor. In Europe, winter wheat was seeded on a slightly increased acreage and the general crop progress to date has been favourable. Most of the importing countries have maintained or increased their acreage, while the Danubian countries, but principally Roumania, have increased acreage about five per cent. Russian seedings show a similar increase over last year's acreage and are well up to the 'plan' of about 32 million acres. In the United States, winter wheat acreage sown last fall was estimated at 44,306,000 acres - an increase of 6 per cent over the acreage of the previous year. Judged by present condition, the 1935 harvest in the United States will be higher than that of 1934. The spring wheat harvest, however, will determine whether the United States can again join the ranks of net exporters. India - which is second only to the United States in seedings of winter wheat - reports a reduction in acreage and inadequate moisture for proper growth. Her position is definitely poorer than at this time a year ago and wheat imports are not improbable.

Whether the reduction in stocks featuring the 1934-35 season can be carried on in 1935-36 is problematical and rather doubtful. It is dependent on the 1935 harvests. If these develop normally, stocks will again increase and import demand will remain at the prevailing low level. While there is a rather definite and restricted supply situation

indicated up to July and August, the harvest of the 1935 crops will begin a new chapter in the wheat situation.

Week Ending February 18.

During the week ending February 18, world shipments amounted to 10,103,000 bushels as compared with 11,052,000 bushels for the previous week. From August 1, 1934 to February 18, 1935 world shipments amounted to 292 million bushels as compared with 299 million bushels for the same period in 1933-34.

The Argentine was the chief shipper during the week ending February 18 with clearances of 4,508,000 bushels. Australian shipments were moderate amounting to 2,272,000 bushels. North American shipments receded and amounted to only 2,003,000 bushels for the week.

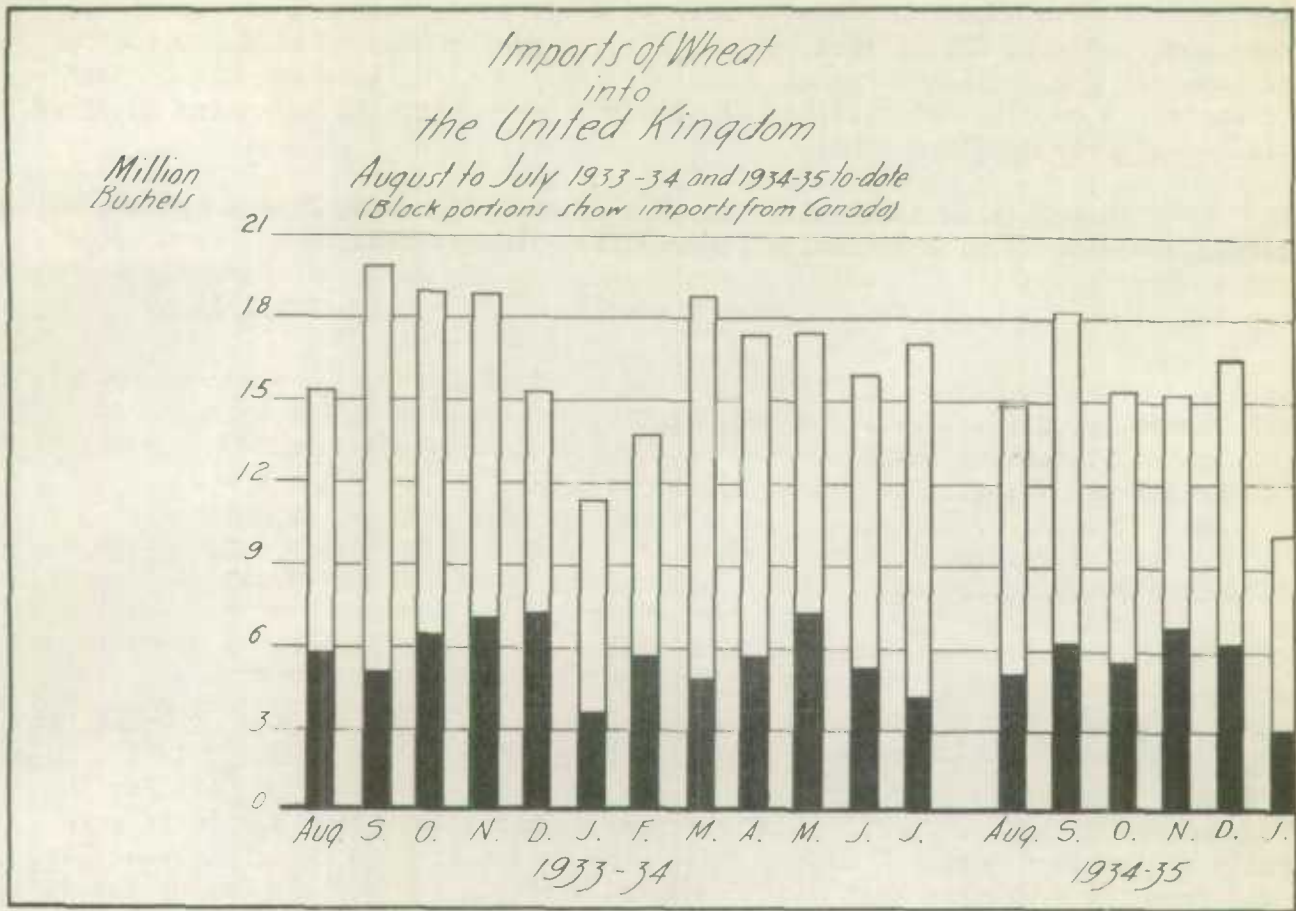
During the past three weeks Argentine shipments have ranged from $4\frac{1}{2}$ to 5 million bushels. Shipments of the volume indicate that the movement of the new crop is now in full swing. The monthly report of the correspondent of the Dominion Bureau of Statistics (published on pages 17, 18 and 19) again comments upon the poor quality of the 1935 wheat crop in several important areas and the damage that was sustained as a result of rains during the harvesting season. The same authority also indicates that the official estimate appears too high. During the present crop year Argentine shipments have amounted to 103 million bushels as compared with 62 million bushels during the same period in 1933-34.

Australian shipments continue to range slightly over two million bushels per week. The light crop harvested this year is reflected in current shipments of Australian wheat.

Late Cable

The following cable has been received from the Canadian Trade Commissioner at Melbourne:

"Wheat and flour shipments to date comprise 24,000,000 bushels compared with 21,000,000 corresponding period previous year. New crop Victoria badly damaged. Unofficial estimate for Commonwealth reduced to 128,000,000 bushels against 174,996,000 last season. Average price to growers country sidings two shillings four pence half penny per bushel equivalent to forty-six cents Canadian and two shillings eleven pence half penny F.O.B. steamer or fifty-seven cents. Export flour market slightly improved; mills fairly well booked until March; shipments chiefly to Dairen; some inquiries from Egypt. Quotations, ton 2000 pounds in 49 pound sacks, six pounds ten shillings, equivalent twenty-five dollars twenty-seven cents. Canadian and six pounds eight shillings or twenty-four dollars eighty-eight cents in 150 pound bags. Chartering dull; freights have weakened in absence of demand from shippers. Bulk cargo from west Australia recently fixed at twenty shillings; bagged cargoes two shillings six pence higher and twenty-four shillings east Australia ports. Bagged cargoes for Shanghai fixed at thirteen shillings; freights payable in English currency, per ton 2240 pounds Canadian."



The United Kingdom

Imports of wheat into the United Kingdom during the month of January, 1935 were lower than during the preceding month and lower than the corresponding month last year. Imports during January amounted to 10,185,381 bushels, compared with 16,678,047 bushels last month and 11,388,582 bushels for January, 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 four-month period from August to November, 1934, for December, 1934 and for January, 1935:

From:	August-July (1933-34)	August-November (1934)	December (1934)	January (1935)
	(Bushels)			
Canada	68,691,578	23,573,578	6,211,619	3,089,772
United States	86,640	157,355	127	-
Argentine	53,804,099	23,452,966	5,260,233	3,055,044
Australia	41,838,574	13,135,841	3,888,404	2,477,796
Russia	14,925,079	-	-	-
Others	20,760,674	3,137,415	1,317,664	1,562,769
T o t a l	200,106,644	63,457,155	16,678,047	10,185,381
Previous year	204,375,964	72,958,925	15,288,166	11,388,582

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 January, 1935 along with comparative figures for January, 1934:

	<u>January, 1935</u>	<u>January, 1934</u>
	(bushels)	
From:		
Canada	3,089,772	3,622,332
United States	-	-
Argentina	3,055,044	830,253
Australia	2,477,796	2,142,698
Russia	-	3,113,352
Other	1,562,769	1,679,947
T o t a l	<u>10,185,381</u>	<u>11,388,582</u>

It will be noted from the above table, that total imports of wheat into the United Kingdom during January, 1935 were lower than during January, 1934. Imports from Canada amounted to 3,089,772 bushels compared with 3,622,332 bushels for the corresponding month last year. Imports during January, 1935 from Australia were slightly higher than during January, 1934. The United Kingdom imported 3,055,044 bushels from the Argentine last month compared with 830,253 bushels during the same month in 1934.

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

	<u>1934-35</u>	<u>1933-34</u>
	<u>August-January</u>	<u>August-January</u>
	(bushels)	
From:		
Canada	32,874,969	35,338,506
United States	157,482	-
Argentine	31,768,243	17,903,451
Australia	19,502,041	20,335,590
Russia	-	13,876,609
Other	6,017,848	12,181,517
T o t a l	<u>90,320,585</u>	<u>99,635,673</u>

It will be noted that total imports of wheat into the United Kingdom amounted to 90,320,585 bushels during the August-January period in 1934-35 as compared with 99,635,673 bushels during the same months last year. The table further shows that imports from the Argentine increased about 13 million bushels this year as compared with 1933-34. Imports from Canada decreased about 2 million bushels in the August-January period in 1934-35 as compared with the same months last year.

Wheat Production in Australia

In the January issue of the Monthly Review of the Wheat Situation (Vol.5, No.5) some extracts of the report of the Royal Commission inquiring into the wheat industry of Australia were published. In view of the interesting nature of this report, further extracts follow:

Western Australia.-- In Western Australia the wheat belt differs markedly from those of other parts of the Commonwealth owing to special features of the rainfall and soil. Normally the annual precipitation is almost confined to the growing period of the crop. Fig. 3, illustrating rainfall conditions for typical districts in Western Australia, Victoria, New South Wales and Queensland, will explain this aspect more fully. Still more important, the variability from year to year in most of the areas at present developed is less than in many wheat districts of the Eastern States. From the point of view of wheat cultivation bad seasons are those in which autumn rains are late or spring rains cease early.

Practically the whole of the Western Australian wheat belt consists of gentle undulating country with very marked soil differences. Over the major portion there is no general drainage system, the country consisting for the most part of an ancient land surface which has been subsequently eroded into shallow valleys and basins, some of which are very wide. The parts of the old land surface are confined to the tops of ridges. These are covered by very poor lateritic or podsollic soils supporting a scrubby vegetation of "wodgil" or heath types. They are virtually useless for agricultural or pastoral development.

The lower slopes, and such of the ridges as bear podsolised soils are often covered with a very sandy formation low in fertility known as "sand-plain". This grows fair crops of oats and is of some use for grazing if superphosphate is applied to it. There are various types of sand-plain--some more fertile than others; on the better areas fair crops of wheat can be grown if they are only brought into cultivation occasionally. In dry seasons their average production may be actually higher than on the heavier types of land, but generally speaking, sand-plain is not very good wheat soil, for it seldom yields heavy crops even in the best years. The good wheat soils are the light to heavy loams of the "forest" land which usually occupy the lower areas.

Wheat-growing loams, sand-plain and wodgil are scattered irregularly through the belt and have given it its patchy nature. A wise generosity in the system of land allocation has avoided many of the troubles found in the Eastern States. Consequently, although farmers often have large areas to clear and fence, they are seldom handicapped by having too small a cropping area for the efficient use of machinery. Once the developmental stage is passed wheat can be produced at fairly low cost. Another advantage lies in the fact that the timber is in many cases easily cleared, and, after ringbarking, burns out to the roots, so that the costs of establishment of wheat farms were relatively low.

The system of land allocation in the wheat belt has been not on a basis of area per settler but rather on area of first class land per settler; naturally adjacent sand-plain has to be included in the blocks, but allowance has been made for it in determining the area of the holdings. The result is that paddocks are in many cases patchy, but the general result is satisfactory. Wodgil and heath are mainly left untouched because their enclosure would have been quite uneconomic. This has led to two disabilities. Rabbits tend to live in such areas and use the adjacent cropped lands as feeding grounds, thus necessitating either a considerable expenditure on netting fences or on control measures. Secondly, the wheat areas are bound to be rather dispersed, leading to relatively high expenditure on all public utility systems of transport and communication.

The northern third of the wheat belt is relatively narrow because the rainfall decreases rapidly after a distance of 60 miles from the coast is reached. Geraldton is the export centre for the wheat from most of this district. There are considerable areas of heavy forest country but, generally, the soils are light loams which can be readily worked with large implements. The harvest season begins as early as the end of October. Water supplies are somewhat uncertain, bores being sometimes necessary; where this occurs tractors are used with effect and there is difficulty in running sheep.

The central section is broader because of the easterly bulge of the rainfall isohyets; in it the individual areas of "forest" land attain their widest extent.

The rainfall increases in amount and reliability towards the Eastern fringe of the wheat belt which reaches Southern Cross. Many of the farms in this easterly region are in the developmental stage and the fall in prices has had a disastrous effect on the finances of the settlers, some of whom are not yet sufficiently advanced to carry sheep. The well-established districts have heavier soils, and water can usually be collected in dams or tanks whilst in some districts water supply schemes from the gold-fields' pipe line or from reservoirs fed from rock catchments have been installed. As a result, mixed wheat and sheep farming is usually practised. In recent years one soil type limited in extent has shown signs of salinity, but the areas concerned are relatively small.

The southern third of the wheat belt also has a broad eastern fringe in the developmental stage. Apart from this it is a well-established area with diverse soils and early efficient rainfall. In wet seasons there may be trouble from waterlogging. Water can nearly always be collected in dams or tanks and sheep are regarded as essential for effective agriculture. The transport system is mainly centred on Albany or Bunbury.

There is a small detached wheat area centred around Salmon Gums on the railway connecting Esperance with the south-eastern gold-field. Here the original vegetation was salmon gum forest and mallee, the former predominating in the southern end of the district. The rainfall is rather unreliable, and some of the soil types have proved very difficult owing to a tendency to develop salt. This region has had a somewhat disastrous history as far as settlement is concerned, and requires special consideration.

As already mentioned Western Australia has avoided the mistake of settling farmers on areas which are too small for modern large-scale machinery. The only exceptions are in the case of repurchased estates subdivided for closer settlement, and in areas where soil troubles have appeared and rendered parts of farms unsuitable for wheat-growing. Figure 1 shows that the acreage under crop has trebled since 1920. This indicates that a large area of relatively new land has come under cultivation; consequently there are many farms still in the developmental stage. Average yields have risen during the last few years and will probably continue to do so as the soil settles down to cultivation.

Still more important is the question of alternative production. Western Australian soils show an even greater response to superphosphate than those of most other parts of Australia; consequently, as the residual superphosphate continues to accumulate in the soil the general herbage and grazing capacity will improve.

The sheep kept on the wheat farms in the State are in the main intended for wool-growing, although considerable attention has been given to the production of fat lambs in recent years.

Victoria--

TABLE VIII.--VICTORIA.--DISTRIBUTION OF WHEAT ACREAGE IN CHIEF DISTRICTS
BETWEEN 1928-29 AND 1933-34.

(In Thousands of Acres).

Year Ended March -	Mallee	Wimmera	Northern	Other Districts
1929	1,792	950	744	233
1930	1,828	844	658	236
1931	2,357	1,165	792	286
1932	2,004	942	462	157
1933	1,548	862	619	201
1924	1,516	828	555	153

The Wimmera District is one of the most intensively developed wheat-growing areas in Australia. The chief soils which are used for the crop are of two main types, the so-called "black" and the "red". The former is inherently, very fertile and produces high yields even when cropped in alternate years if the land is cultivated sufficiently often to keep down weeds and prepare an effective seed bed. During the last 25 years the technique of farming this kind of soil has reached a high degree of efficiency. In early years the "black" ground was found to be very difficult, partly because its physical constitution was not understood and partly because in its virgin state it consisted of "crabholey" country which could not be treated uniformly with success and had to be gradually levelled by cultivation until it settled down into a fairly even condition. The subsoil is calcareous and drainage is generally good.

The "red" soils occur in patches through the district. They have a tendency to set hard in dry periods and are not quite as fertile as the former type, though they require less working. They can usually be improved in texture by heavy top-dressing with gypsum, but this process is only economic when wheat is at a fairly high price.

Other soil types also occur, the chief of these being the "Mallee fringe" type of country along the northern edge of the district. A small area of sandy type near Goroke was used extensively for wheat production before the depression.

The rain mostly falls in winter and, although seldom wholly inadequate, shows considerable variations from year to year. The crops are not sown before June, consequently early rain is of less importance than in most other districts, a dry spring being the chief cause of low yields. During the period 1919-27, when wheat prices were fairly high, the financial returns to farmers were sufficient to encourage both a high standard of farming and also the cultivation of a high proportion of the land for wheat. Incidentally the returns also justified a considerable increase in land values. The fall in wheat prices reversed the position which was further aggravated by poor harvests in 1927-28 and 1929-30. With present prices of wheat the logical adjustments are in the direction of longer rotations, larger farms and lower land values.

The Mallee.-- The wheat areas of this district show a wide range of conditions. They are roughly divisible into three regions, of which the oldest and most stable is bounded on the south by the Wimmera and on the north by a line extending roughly from Piangil through Manangatang and Kulwin westwards to the South Australian border. This region was settled before the war and has a higher and somewhat more reliable rainfall than the other two. Its soils vary considerably;

they are mostly in the loam group and are fairly productive. The average yields obtained under good farming methods are about 10-14 bushels per acre. The boundary of the region cuts across the boundaries of the statistical districts; consequently an accurate analysis of production is not possible without a considerable research into the unpublished registers of the Victorian Statist.

The second region comprises the whole zone between the northern margin of the former and the River Murray with the exception of the third region described below. This section of the Victorian Mallee was opened for settlement during the period 1914-26. The April-September rainfall is about 6 inches to 8 inches, and the percentage of variability is 35 per cent or higher; crop failures due to climatic vagaries are therefore frequent. The soils are variable and mostly light in character. In many localities the sub-soils contain rubbly limestone which lead to a very poor retention of moisture; salt pans occur in a few localities. The areas of the majority of farms are generally between 640 and 1,000 acres and frequently areas of poor soil are contained within the farm boundaries. The result is that the area of good wheat land, per farm, available for cultivation is often less than that which can occupy the capacity of one unit of machinery and power. This leads to the frequent cropping of land which should be used mainly for grazing. This is one reason for low average yields in the district. Another cause lies in the fact that considerable areas are still in the developmental stage with Mallee shoots only partially cleared, and parts of such areas are customarily cropped without fallowing. A special financial trouble in this zone is due to the time at which development took place. In the years just after the war the prevailing sentiment was optimistic and all costs were high; consequently the development of the farms was carried out on a scale which would now be regarded as somewhat lavish. Many farms were just beginning to reach a developed condition about 1928. The seasons 1927-28 and 1929-30 were very poor while 1928-29 was only moderate. By 1930-31, when weather favoured the crops, the price collapse had begun.

The third region is a small one in the extreme north-west of the State. Its rainfall is roughly the same as that of the preceding region, both in quantity and reliability, but the soils are in general less variable and better in quality. This region has been opened up during the last ten years. The developmental expenditure was on a rather lower scale and yields, though very variable, have been somewhat higher than in the second section of the Mallee. The areas of the farms though usually over 1,000 acres are still somewhat small for the employment of ten-horse teams and large machinery if a satisfactory rotation of crops is used.

Throughout the Mallee and the Wimmera adequate water supplies are available either through the stock and domestic supply schemes laid down by the State Rivers and Water Supply Commission, or, in the case of most of the Ouyen-Murrayville area, by bores; consequently, stock can be carried on the farms provided the fencing is arranged and reserves of fodder are conserved against drought periods. In some areas where soils are light, sand drifts occur on a widespread scale.

The Northern District contains numerous more or less isolated wheat areas of a diverse character. On its western margin it merges into country similar to the red land of the Wimmera. In the Mitiamo district there are areas of "plain" country with heavy clay subsoils often near the surface--on this type wheat-growing has diminished since the fall in price in favour of grazing. Around Elmore and Colbinabbin there is a limited area of rich loam producing very satisfactory yields. East of the Goulburn Valley irrigation area there is a further wheat belt of light to heavy loams, mostly in county Moira. Near Dookie there is a small area of grey-black, self-mulching soil.

The rainfall in this sector of the wheat belt improves towards the coast and is fairly reliable. Some of the heavier soils show definite tendencies to become water-logged during wet seasons. The grazing capacity is high and sheep are almost invariably

carried on the farms. Much of the district has been settled for a long time and the areas of many of the holdings are large except where estates have been repurchased and subdivided mainly for the purpose of settling returned soldiers.

In addition to the above main districts wheat is also grown in various other parts of the State where rainfall is high. Here other forms of rural production, such as hay growing, barley, dairying and sheep industries compete fairly effectively with wheat and the acreage sown depends on the relative price levels of the various commodities. Only those areas where rainfall and soil are reasonably suitable are used for the crop. The principal regions are in the northern part of the western district, in the plains to the north and west of Melbourne, and in a small area of relatively low rainfall country near Sale in Gippsland.

The present financial position of the wheat industry in Victoria, as in South Australia, has been aggravated by poor years--1928-29, 1929-30 and 1930-31. It is also complicated in certain districts by the fact that many of the newer districts are still in the developmental stage, and by the relatively small size of many of the farms in them.

New South Wales.--Since 1912 New South Wales has in most years had a larger area under crop than any other State. The range of conditions under which wheat is grown in this State is wide and extends from districts with a maximum distribution of rainfall in the winter to others in which the rainfall is mostly of the summer type. Weeds become increasingly menacing to the success of the crop as the summer incidence of rainfall increases. The southern sections naturally link on to the adjacent districts of Victoria.

TABLE IX.--NEW SOUTH WALES.--DISTRIBUTION OF WHEAT ACREAGE IN CHIEF DISTRICTS BETWEEN 1928-29 AND 1933-34.

(In Thousands of Acres)

Season	Riverina	South Western Slopes	Central Plain	Central Western Slopes	North-West Slopes	Central Table-land	Other Districts
1928-29	1,323	1,020	254	808	364	188	128
1929-30	1,328	935	285	804	330	149	125
1930-31	1,589	1,209	348	1,167	406	226	179
1931-32	1,098	905	272	747	333	167	148
1932-33	1,417 x	1,241 x	347	980	390	222	198

x Approximate.

The Riverina is a wide Division embracing a considerable range of conditions. The average rainfall is mostly of the winter type. It is least in the Balranald district where about 7.5 inches are expected during the April to September period, while at Culcairn it is over 15 inches. Its variability decreases from about 50 per cent in the former district to about 33 per cent in the latter. The soils are equally variable; in isolated regions, especially near Hillston, the soils are of Mallee type, but in general the wheat is grown on clay loams, usually red, but occasionally grey. The eastern half contains the best wheat districts, and, with the adjacent parts of the South-Western Slopes Division, forms one of the most effective wheat growing districts in Australia. In addition, practically the whole is good sheep country with good carrying capacity when superphosphate has been used on it for some years.

The farms vary in size, thus in new settlements they comprise about 1,600 or more acres; on the other hand recent settlements on re-purchased and subdivided estates have been of the order of 500 acres or less. The older established farms vary considerably in this respect. In 1932-33 about one-third of the holdings on which wheat was grown were less than 641 acres in extent, about one-third were between 641 and 1,280 and the remainder were larger.

The system of cropping varies according to the size of the farm. On the smaller holdings where the area is not large enough to occupy the activity of one machinery and power unit, there has been pressure to put in part of the crop on stubble; although the resultant reduction in yield per acre is usually at least 30 per cent. Under such conditions few sheep can be carried. On larger holdings the fallowing is usually adopted and frequently the land is allowed to lie out as grazing for several years. In some of the older districts there is definite evidence that soils have become more difficult and a reasonable assumption is that this may have been caused by too frequent cropping in the past.

Many of the new settlers who started after the war encountered four bad years shortly after they had taken up the land, and at a time when they were expecting to be able to recoup themselves for part of their capital outlay.

The South-Western Slopes Division is similar to the eastern section of the Riverina in many respects, so far as its wheat growing area is concerned; while its north-westerly extension is more of the type developed in the southern parts of the Central Plain.

The agriculture of this and adjacent wheat areas is faced with a new trouble in the form of the skeleton weed (*Chondrilla juncea*) which is spreading rapidly and bids fair to be a depressant factor on future yields. If, as seems probable, repeated cultivation tends to increase the intensity of the weed in paddocks, then longer rotations will be an essential and small farms will be even less economic than they are to-day. The full investigation of measures of checking this weed is a matter of urgency.

The Central Plain contains about 880 farms on which wheat is grown, the great majority being in the southern third of the Division in which the rain is about equally distributed between the summer and the winter. The variability of the rainfall in the growing season is considerable. The soils are mostly loams, but they vary in fertility and in ease of working; there are also localized areas of the Mallee soil type.

In the Lake Cargelligo-Condobolin region a great deal of new wheat settlement has taken place in the last ten years, and so far the experience of the settlers has been unfortunate. The following yields in bushels per acre obtained by a good farmer of considerable experience during the last seven seasons indicate the variability of the district--
0, 7.9, 6.3, 6, 23, 18, 4.

The Central Western Slopes Division contains many areas on which wheat is grown. The wheat soils vary widely, the best are rich red sandy loams; some are heavier and more difficult to work, others are "tighter" and less fertile. There are also belts of "Gilgai" (crabholey) country, some of which are now being used for wheat production. In the northern section the major portion of the rainfall occurs in the summer. The crop responds to superphosphate to an extent which varies with the soil type and with the seasons. Its use is definitely less essential than in the more southerly Divisions. The areas of the farms are mostly adequate for the employment of modern machinery except in the case of estates subdivided for closer settlement in the post war period. Sheep are carried on about 86 per cent of the farms.

The Central Tableland is one of the oldest wheat-growing areas in the State, and its farmers have, in many cases, been established for many years. It is now really a mixed farming district, but wheat-growing plays a fairly important part in the agriculture

of its western sections. The area put under crop varies considerably according to the season and its prospects. It usually contributes about 5 per cent to the State's total acreage. The area under crop on more than half the holdings which grew wheat in 1932-33 was less than 100 acres.

The rainfall is well distributed and fairly high, so that summer and fodder crops form part of the general system. The areas of the wheat farms are on the whole smaller than in more typical wheat districts. This is largely due to the possibility of deriving income from several other sources and also to the need for intense husbandry.

In the North-West Slopes and North-Central Plains Divisions the rain mostly falls in the summer. The soils vary considerably; those on which the crop is advantageously grown are fertile loams, often derived from igneous rocks. Superphosphate is not generally used and experimental results indicate that its application on many of the soil types does not enhance the yield. So far little has been done in the cultivation of wheat on the black soil plains which are characteristic of large areas of the northern and western sections of the North Central Plain.

The methods of cultivation and the critical factors contributing to success or failure are similar to those described in the section dealing with the Darling Downs of Queensland.

Other Districts.--Wheat is also grown in a limited extent in other districts of the State. At Benanee, near Euston on the Murray, a Mallee settlement, somewhat similar to those of adjacent Victorian districts, was started in 1925-26. The holdings are, however, about 1,500 to 1,600 acres in extent. Unfortunately, bad seasons followed by low prices have militated against the success of the area. Other attempts at pioneer settlement on a wheat-growing basis have been developed in a few other localities in the Western Division. In addition, the Northern and Central Tablelands and the Coastal Division have a few wheat-growers in isolated places, but these are beyond the boundaries of the wheat belt proper.

Queensland.--In this State the wheat belt may be regarded as consisting of a fairly well-established zone in the Darling Downs and a much smaller area on the plains towards and around Roma. In addition, small areas have been, and are engaged in the industry on the country east of the tableland (e.g., the Laidley Valley) and in some of the valleys to the north, e.g., in the Dawson and Callide. The following table gives the results of the ten years operations ending in 1932:--

TABLE X.

	Average Area under Wheat Acres	Average Harvest in Bushels	Yields in Bushels per Acre		
			Highest	Average	Lowest
Darling Downs	168,936	2,633,635	22.11	15.59	4.59
Maranoa (i.e. Roma Section)	16,915	97,418	13.12	5.76	0.66
All other districts	1,327	15,960	14.06	12.03	9.08

The Darling Downs District consists mainly of very rich soils which are either deep red loams or black self-mulching clays. Superphosphate produces relatively little effect on the crop and is seldom used. From the point of view of soil fertility alone this is one of Australia's richest wheat districts. The fact that progress in cultivation

of the crop has been slow is due to diverse factors. In the first place the district is well suited to dairying and as a general rule will yield a higher return per acre when so employed; further, dairying does not require such heavy capital expenditure in either land or machinery as does wheat-growing, and as returns are received more regularly throughout the year less working capital is required. The climate also offers special obstacles which make wheat-growing a somewhat hazardous enterprise, consequently, unless a grower has financial backing to enable him to meet two successive bad seasons he may become financially embarrassed.

The customary practice is to burn the stubble and plough or cultivate the land at once, before Christmas if possible. In seasons when the heavy summer rains start early there may be great difficulty in getting this work done, and often a second cultivation is necessary. During the summer and early autumn other workings are given in order to check weeds and prepare a seed bed. If rains are very frequent it may be difficult to achieve this objective, but unless success is realized at this stage a poor crop will result. Seeding is normally carried out between the end of April and the beginning of July. Speed of operation is all important during the period of preparation for the crop, and consequently the farmers are faced with the alternatives of either employing a tractor and working very long hours or else with the need of keeping their average acreage under crop low and within the limits which can be worked by their team.

The crops grow luxuriantly on the fertile warm soil, especially when planted early. During the winter they may become rank, in which case they are fed off with sheep or cattle, or sometimes checked by trampling. Normally on properly worked areas there is sufficient subsoil moisture to germinate the seed and carry the plants on through most of the winter. Spring rains are uncertain; without one good fall in August or September the crops may wilt. When growth is luxuriant and the weather moist, rust is a definite menace to the crop, causing pinching of the grain and occasionally complete crop failure, especially in late sown paddocks. Modern varieties are more rust-resistant than those formerly cultivated, but no variety is wholly immune. Late frosts occur and do much damage in some years. Harvest begins in October and must be hurried through before the summer rains begin. Occasionally hail storms occur and devastate small areas. The crops are often very heavy, and although modern harvesting machinery has done something to reduce the losses through rain at harvest, yet in seasons of frequent falls in November there is no means of avoiding serious trouble from this source. Rapid cartage of wheat from the paddocks to the sidings or to cover at the farm is essential.

This survey of the conditions indicates clearly that wheat-growing on a large scale in this district must always remain a speculative enterprise--very profitable in some years and relatively or totally unremunerative in others. This is particularly the case on soils which are physically less amenable to cultivation and in lower areas, which are more prone to frost than the undulating country. On the other hand, wheat-growing as part of the operations of a mixed farm is well worth while, especially as the crop can be readily used as fodder in certain seasons. The main obstacle lies in the cost of the necessary harvesting machinery.

The Maranoa division has soils which are light to heavy loams, but the climatic conditions are less reliable than those of "the Downs". It has the advantage of a State Research Farm at Roma, but the district results as shown in the above Table X. do not suggest that wheat-growing is sufficiently reliable to be widely practised. The results obtained on experimental plots are higher than the district average, but unfortunately the layout of the experiments has not been of such a type as to make critical analysis practicable. The average yield of these plots over the last 24 years was twelve bushels--and this was achieved only on plots which presumably were sown at the most favourable time.

THE ARGENTINE

The correspondent of the Dominion Bureau of Statistics in Buenos Aires forwarded the following report, under date of February 4, 1935, dealing with the grain situation in the Argentine:-

SUPPLIES:

Exports of wheat and wheat flour during January totalled 17,846,000 bushels made up of 17,620,000 bushels of wheat and 226,000 bushels of flour. The December total was 9,482,000 bushels.

The statistical department of the Ministry of Agriculture has made public an estimate of the stocks of wheat in the Republic, from which it is evident that its estimate of the 1933-34 crop has undergone a downward revision. The details are not given, but the result arrived at is fairly close to that shown in my own reports after deducting 11,023,000 bushels from the official total, as will be seen from the following statement based on the new official figures:-

Official estimate 1934-35 crop	252,062,000	bushels
Carry-over from 1933-34 (official)	<u>15,435,000</u>	"
Total supplies	267,497,000	"
Deduct for seed and domestic use	<u>95,534,000</u>	"
Exportable balance	171,963,000.	"
Exported to Jan. 31st: Wheat ...	17,620,000	bush.
Flour ..	<u>226,000</u>	"
Still available for export	<u>154,117,000</u>	"

With threshing still in progress, it is too early yet to form a definite opinion, but there is a fairly general feeling that in view of the reports coming in, possibly 18,000,000 bushels will have to be deducted from the above figures.

MARKETS:

There has been only moderate activity in the market during the month. Brazil bought considerable quantities, as did also the local millers, paying premiums for the pick of the wheat coming forward, which so far is inferior by a good margin to the old crop grain.

The United Kingdom has shown little ^{et} interest in buying, but fair quantities have been sold to the Continent, as well as to European countries, including the United States. It is anticipated that the United Kingdom will shortly be in the market again for Plate wheats. At present she is apparently still absorbing purchases made four or five months ago.

At the close of business at the end of the month, Spot wheat was selling at \$6.09 paper pesos per quintal, equal to 54¢. Canadian per bushel at current rates of exchange; the May option was worth \$6.36, equal to 56 3/8 cents per bushel. Winnipeg May on the same day closed at 82 3/4¢.

NEW CROP:

Cutting of the wheat crop is practically finished, although here and there are some machines still at work. There is still considerable threshing to do, the work having been held up by rains earlier in the season, and the moving of the machines having been made difficult by the softness of the land.

There is no change in the conditions reported previously in respect of the crop in the north and centre; the yields are very uneven, and the samples coming forward equally so. In the south and south-west, where better results had been hoped for, these expectations have been disappointed, and there is little if any superiority over the rest of the country. Taking a general view of the results over the whole country, it can be said that yields are lighter than appear to have been anticipated in the official forecast of the crop, and there is a feeling that the Government's figures will have to be revised downwards when the second estimate is made.

The following extracts are taken from the monthly report of the Ministry of Agriculture on crop conditions, which made its appearance on January 27:-

Buenos Aires: In the east of the province cutting of the wheat commenced at the end of December, and threshing is now in progress, the product being of average quality. In the south-east rains have continued to hold up the harvest, and considerable damage to the yields is resulting. For the most part the grain threshed is dirty and very discoloured. In the Bahia Blanca zone the rains and winds have continued to cause damage; the quality of the wheat is deficient by reason of irregular maturity and the mixture of other grains and seeds. Wheat is still being cut, and the transportation is active. In the hill zone late wheat is still being cut. There is a great proportion of "whiteheads" in the crop. There is intense activity in carting to the stations. In the centre of the province the results have been very varied; every climatic adversity has been suffered, and many of the low farms are still inundated, but the product is deficient rather in appearance than in weight. In the west the rains have continued damaging the crops and have delayed the harvest by a couple of weeks, which has favoured the invasion of weeds and the lodging of the grain. Because of the slowness of the harvest and the dampness of the grain, there is little movement. The crop is considered below normal and the yields are very uneven, the most recommended varieties having failed. In the north-west zone also the crop has suffered and the quality has turned out inferior, with shrunken, light and dirty wheat. There is little movement. In the north there have not been the losses in the wheat fields which have been suffered in other zones in the province.

Santa Fé: The final result of the wheat crop in the centre and south of the province is irregular; the quality is defective, above all in appearance, the grain being bleached and often shrunken. There still remains a small part of the wheat crop in stack. The roads being good, the transportation of the crop direct to the ports in motor trucks is active. The termination of the harvest in the north of the province confirms important losses. In general, there is no uniformity either in the yields or the quality of the wheats threshed, which although not much below the basic weight have a bleached appearance, especially the lots which were stacked. Threshing is not yet finished, because the machines have been unable to move in the stubble softened by the rains.

Córdoba: Cutting of the wheat crop is finished throughout the province, and there remain only a few stacks to thresh in the north-east. In the east and south-west threshing is at its height but interrupted by the unsettled weather. So far the yields are about as calculated, but it is likely that in the zones where the rains have been continuous there will be losses through shrinking and heating which can not be calculated for the moment. The quality of the wheat is considered regular to good in the north; medium, of light weight and poor colour in the other districts,

with the addition of a regular percentage of shrunken grain in the south-west. The carting to the stations is very active in the east and north-east, but paralised in the south-west because of the delays in threshing operations.

Entre Ríos: In the eastern zone of the province 10% of the grain remains in stack, and 40% in the west, where the unsettled weather has delayed the threshing. The results are as foreseen, wheat yields are variable but on the whole will probably exceed calculations. The quality of the wheat is somewhat inferior to that of last year, much of it bleached, with specific weights of from 78 to 79 kilograms plentiful. Carting to the stations is very active in the east of the province, but slower in the west.

La Pampa: The harvest, delayed already by climatic factors, has been abnormally prolonged by the difficulty of operating combines. In general the expected results are confirmed, since although the yields now being obtained are inferior somewhat, the early ones exceeded forecasts. Hail destroyed the crop in one county, but in the rest of the Pampa the area calculated as lost or abandoned has been confirmed. There is still a great quantity of grain in stacks, which this year are more numerous than usual because of the rains. In general it is estimated that 45% of the grain is still unthreshed. The wheat has turned out to be of low specific weight. The movement to the stations is somewhat slow.

Santiago del Estero: Threshing is practically finished, there remaining only some stacks which the machines have not yet been able to approach. In the south-east of the province the average yields are considered good, except in one district where the fields were affected by the late frosts. The wheat is of low specific weight, bleached and of poor colour, as a result of the rains in the ripening period.

WHEAT QUALITIES:

The steps which were taken a year ago in order to improve the quality of the wheat exported from the Republic and put it in a better condition to compete with Canadian grain, are being continued, in spite of some protests which have recently been made; and the Ministry of Agriculture, on the advice of the National Wheat Commission, has requested the Cámara Gremial de Cereales, the Grain Trade Committee which has charge of the formation of the official standards of wheat each year, that the "Faborito", "Ideal" and "Ardito" varieties be excluded from the official types of Buenos Aires, Bahía Blanca and Entre Ríos export wheats, as was done last year in the case of the Rosario export standards; and the Cámara Gremial has decided to act upon the recommendation.

In support of this action it is stated that during the past year the improvement in the Rosafé, the Rosario export type, has made it much more acceptable to the millers abroad; whilst on the other hand the Baril, or Buenos Aires export type, has been increasingly difficult to place. Whilst some hardship may be involved in the case of individuals, the general feeling is one of satisfaction that an attempt is being made to increase the prestige of Argentine wheat abroad.

Values per Acre of Wheat Production in the Prairie Provinces, 1910-1934,
with Indexes of Value and Purchasing Power Based
on 1913 = 100.

In the February, 1934 issue of the Monthly Review of the Wheat Situation a chart was published covering these series up to the 1933 crop. The chart on the opposite page includes revised figures for 1933 and preliminary estimates for 1934 based on the January estimate of production and prices received by farmers up to the end of December, 1934. There has been little revision of prices indicated during the past month and a half.

In presenting this chart last year, attention was drawn to the tremendous variation in actual values of wheat per acre over the period covered. The description continued:

"Values per acre are, of course, dependent upon two highly variable factors - the yield per acre and the price per bushel. The yield per acre over this period has varied from a low point of 9.3 bushels in 1919 to a high of 26.0 bushels in 1915 - the latter figure being 180 per cent above the former. The price per bushel has varied from the low level of 35 cents in 1932 to the high point of \$2.37 in 1919 - the latter figure being 577 per cent above the former. While there is some tendency for low yields and high prices or high yields and low prices to offset one another in individual years, yet this is not general and extreme variation in values per acre may be noted - the high of 1917 being 586 per cent above the low of 1933."

The upward revision of the 1933 prices (necessitated by the price increases of the late months of the marketing season) now makes the 1931 value per acre the low point - and the high figure of 1917 was 574 per cent above the 1931 level.

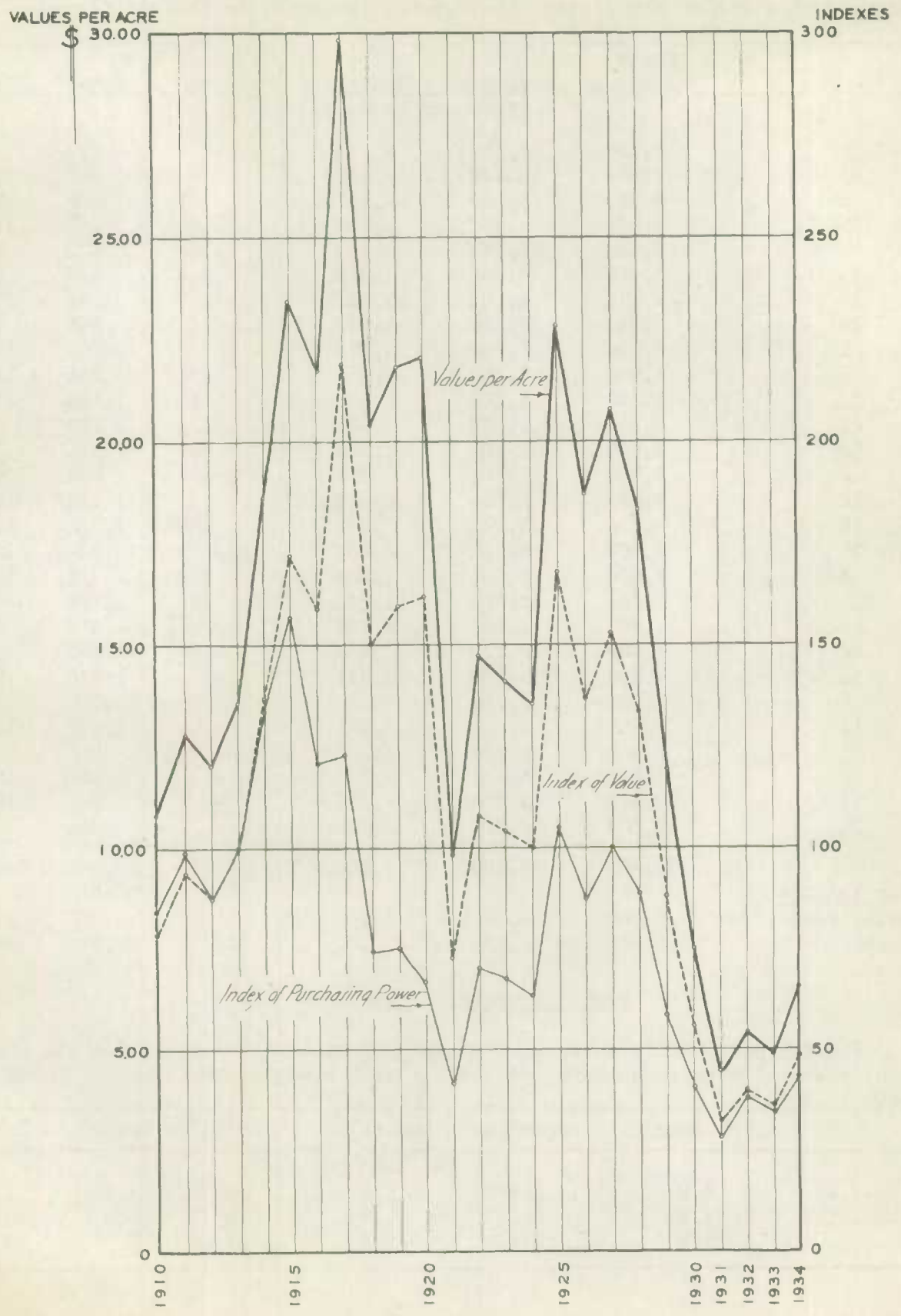
"The high values per acre of the war and immediate post-war years (1914-1920) were due almost entirely to high prices. Excepting 1915 and 1916, yields per acre were below average in these years. The second period of high values per acre (1925-1928) was featured by high yields which sold at moderate but declining prices.

The indexes of value per acre are based on the moderate level of \$13.62 per acre which was the value in 1913. The high point of this index was reached in 1917 (219)." There was an almost continuous decline from 1925 to 1933, but the last crop of 1934 has been sold at higher prices. The value of the 1934 prairie wheat crop per acre was placed at \$6.58 per acre, compared with the revised figure of \$4.89 for 1933. The 1934 figure is the highest since 1930, when it was \$7.56. Compared with the course of prices in the other two large exporting countries, this is a very favourable situation. The new crops in Australia and Argentina are being sold very little above the 1933-34 low level.

"The index of purchasing power was calculated by deflating the value index, by the index of wholesale prices on a base 1913 = 100. This follows a somewhat different course than the value index because of the influence of the wholesale price level. Except for the war years 1914-1917 and the single year 1925, this index has not been above the 1913 level." It stood at 34 in 1933 and 43 in 1934 compared with the low point of 28 in 1931. The 1934 figure is even above the 1930 level, when it was 41.

VALUES PER ACRE OF WHEAT PRODUCTION IN THE PRAIRIE PROVINCES, 1910 - 1934

WITH INDEXES OF VALUE AND PURCHASING POWER, BASED ON 1913=100



International Trade

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

Week		North	Argentina	Australia	Russia	Other	Total
Ending		America					
		(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
November	29	3,920	1,568	2,256	320	1,352	9,416
	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
December	26	3,360	3,832	2,256	-	864	10,312
	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
January	24	1,968	2,072	2,536	-	1,152	7,728
	31	2,208	1,520	1,944	-	1,328	7,000
	7	1,392	2,944	2,200	-	1,384	7,920
	14	2,168	4,256	2,176	-	1,448	10,048
February	21	2,240	3,264	3,176	-	808	9,488
	28	2,293	3,842	3,156	-	1,032	10,323
	4	2,628	4,806	2,326	-	624	10,384
	11	2,806	4,570	2,812	-	864	11,052
TOTAL		92,554	98,296	58,866	2,720	28,992	281,428
<u>Comparative 1933-34</u>							
Corresponding week		3,880	4,192	2,160	648	656	11,536
Total to Date		126,744	57,432	49,072	25,376	29,376	288,000

Weekly Average Shipments

The following table shows weekly average shipments of wheat for the first twenty-eight 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	6.5	1.4	2.6	.6	.7	11.8
1933-34	4.5	2.0	1.7	.9	1.0	10.0
1934-35	3.3	3.5	2.3	.1	1.0	10.1

As shown by the table on the preceding page world shipments of wheat have averaged 10.1 million bushels per week during the first twenty-eight weeks of the crop year as compared with 10.0 and 11.8 million bushels per week during the corresponding periods in 1933-34 and 1932-33. North American shipments have averaged 3.3 million bushels per week compared with 4.5 and 6.5 million bushels per week during the first twenty-eight weeks of 1933-34 and 1932-33. Argentine shipments have averaged 3.5 million bushels per week as compared with 2.0 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 February 11, 1935 was as follows:

<u>Import Requirements</u>	<u>Actual Shipments</u>	<u>Balance to be Shipped</u>
Aug. 1, 1934 to July 31, 1935 (52 weeks)	Aug. 1, 1934 to Feb. 11, 1935 (28 weeks)	Feb. 11, 1935 to July 31, 1935 (24 weeks)
600 million bushels or 11.5 million bushels weekly	281 million bushels or 10.1 million bushels weekly	319 million bushels or 13.3 million bushels weekly

During the first twenty-eight weeks of 1934-35 world shipments have amounted to 281 million bushels, or an average of 10.1 million bushels per week. This represents a heavier international movement of wheat than occurred during the same weeks last year. In order to fulfil the world estimate of 600 million bushels, weekly shipments will have to average 11.5 million bushels.

THE COURSE OF WHEAT PRICES

The following summary of wheat price movements from January 2, to February 15, has been prepared by the Internal Trade Branch.

With the exception of a temporary break of between 3 cents and 4 cents per bushel in the middle of January, Winnipeg wheat prices have moved within narrow limits since the beginning of the year. Weakness on January 14 and 15 prevailed in most primary commodity markets, when liquidation was precipitated by rumours that a forthcoming legal decision might be adverse to United States official monetary policy. Confidence revived again, however, in the next few days and losses were recovered. Demand for wheat, particularly in continental Europe, remained at a low ebb throughout the period, although heavier shipments to the Orient helped to offset the influence of this deficiency. Cash prices for Manitobas at Liverpool moved within even narrower limits than those of Winnipeg. Quotations for No. 2 Manitoba Northern wheat, Atlantic shipments, on the Liverpool parcel market, ranged between 90 cents and 95 cents per bushel.

Cash closing prices of No. 1 Manitoba Northern wheat, basis Fort William and Port Arthur, declined from 79.2 cents in December, 1934 to 79.0 cents per bushel for January, 1935.

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	1.20.3	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	
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	Board of Trade ^x	Wheat No. 1
	Canada	United Kingdom	Manitoba Northern Port Arthur and Port Arthur basis
	1926=100	1926=100	1926=100
1929	95.6	92.2	89.8
1930	86.6	80.7	63.0
1931	72.1	70.3	39.3
1932	66.7	68.6	37.2
1933	67.1	68.1	40.8
1934	71.6	-	50.0
<u>1 9 3 3</u>			
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
<u>1 9 3 4</u>			
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	70.5	53.0
1935 - January	71.5	-	52.8

/ Prepared by the Internal Trade Branch.

x Transposed from the base 1913=100.

EXCHANGE FLUCTUATIONS

Exchanges have been unsteady since the beginning of 1935, with the Canadian dollar declining moderately against practically all currencies except sterling. New York funds at Montreal opened the year at a discount of nearly one per cent, but were at a slight premium before the middle of January and have remained in that position subsequently. Prior to January 14, the American dollar had been at a discount since March, 1934. Gold currencies were under pressure almost continuously during the past six weeks, but the French franc moved above 6.60 cents on February 13 for the first time during the year. This followed an announcement from the United States Secretary of the Treasury to the effect that the United States Equalization Fund would operate to maintain a stable dollar-franc rate.

Exchange quotations at Montreal, April 3 to February 13, 1935.

		United Kingdom	United States	Australia	Argentina X
		Pounds	Dollar	Pounds	Paper Peso
		4.8666	1.0000	4.86666	.4244
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
1934 Average		4.9891	.9893	3.9900	.2579
January	7, 1935	4.8950	.9959	3.9160	.2500
	14	4.8813	.9987	3.9051	.2502
	21	4.8840	1.0003	3.9072	.2501
	28	4.8682	1.0009	3.8945	.2532
February	4	4.8777	1.0003	3.9021	.2551
	13	4.8925	1.0025	3.9100	.2584

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

THE CANADIAN SITUATION

I. Crop Report of January 24, 1935.

On January 24, the Dominion Bureau of Statistics issued its third estimate of the production of the 1934 grain crops, together with the necessary revisions of the 1933 crop estimate. The report included a chart showing the average yields of wheat per acre in the Prairie Provinces, by Crop Districts, but since this chart is very little different from that which appeared in the September, 1933 Review of the Wheat Situation at page 29, it is not reproduced in this issue. The three estimates of the 1934 wheat crop made by the Bureau were strikingly similar.

Excerpts from the January 24 report which are particularly relevant to the wheat situation are the following:

"The estimates of crop production released herewith show only minor changes from the November estimates. Comparing them also with the finally revised estimates of production in 1933, little variation is evident although, generally speaking, grain, potatoes and roots yielded more in 1934, while hay and forage crops showed some reduction.

The 1934 wheat crop of Canada is estimated at 275,849,000 bushels compared with the November estimate of 275,252,000 bushels and the revised figure of 281,892,000 bushels for the 1933 crop. The wheat harvests of 1933 and 1934 in the Prairie Provinces were practically the same but the reduction in the winter wheat crop of Ontario led to a lower Canadian production in 1934. The production of oats in 1934 was 321,120,000 bushels, an increase of 13,642,000 bushels over the 1933 estimate of 307,478,000 bushels. Barley production in 1934 showed a minor increase, the 1934 estimate being 63,742,000 bushels compared with 63,359,000 bushels in 1933. The production of rye and flaxseed in 1934 was well above that of 1933, but far below any recent average.

The total value of Canadian field crops harvested in 1934 is now estimated at \$544,974,600 compared with a revised estimate of \$453,598,000 for 1933. The increase of \$91,376,600 is mainly due to higher unit prices. The upward revision of the 1933 value estimate is partly due to an upward revision of the wheat production estimate and partly to the rise in prices caused by drought in the later stages of the marketing season.

The total area under the principal field crops in 1934 is estimated at 56,040,420 acres as compared with 58,533,450 acres in 1933.

Crop Production in the Prairie Provinces.-

The new estimates of grain production show little change from those made in November, 1934. The estimate of 1934 wheat production in Manitoba has been increased by 800,000 bushels while the estimates for Saskatchewan and Alberta remain unchanged. The estimate for the Prairie Provinces is now 263,800,000 bushels compared with the November estimate of 263,000,000 bushels. The new estimate for the production of oats in the three Provinces is 172,040,000 bushels compared with the November estimate of 177,210,000 bushels. The estimates for barley, rye and flaxseed are also placed slightly lower than they were in November.

Deliveries at country elevators and platform loadings in the 24-week period from August 1, 1934 to January 11, 1935 were 175,685,915 bushels compared with 164,676,422 bushels in the first 24 weeks of the 1933-34 season. Of the total estimated 1934 crop, 66.6 per cent has been marketed compared with only 62.6 per cent in the same

period of 1933-34. With reasonable allowances for farm disposition (40 million bushels in total) it is estimated that marketings out of the western crop of 263,800,000 bushels should amount to nearly 224 million bushels. On this basis it may be calculated that 48 million bushels or about 21 per cent of the marketable supply remain on farms. At this date a year ago 62 million bushels or 27 per cent of the marketable supplies remained on farms. The movement of the 1934 crop to market was early, but deliveries have recently fallen well below those of the first few weeks of 1934. Up to January 11, 1935, 26.8 million bushels have been marketed in Manitoba, 78.0 million bushels in Saskatchewan and 70.9 million bushels in Alberta. Over half of the remaining marketable supplies on farms is held in Alberta and this province is marketing most of the wheat at present.

The January 1934 estimate of the 1933 wheat crop of the Prairie Provinces (which was 250,841,000 bushels) has been revised upward by 12,163,000 bushels to make the final estimate of 263,004,000 bushels. This estimate conforms with revised deliveries (totalling 226,785,320 bushels) and other details of crop disposition which have become available since January, 1934. The allowance of less than 36½ million bushels for seed, feed, unmerchantable wheat and country millings is the lowest in many years. Due mainly to drought, 5 million bushels of the seed supply in Manitoba and Saskatchewan had to be drawn from previous deliveries. The crop was high in quality and grade; thus the figure for unmerchantable quantities is lower than usual. The high quality of the crop and the abundant supplies of coarse grains reduced wheat feeding. Country millings were only slightly below the levels of previous years. The Manitoba estimate is increased by only 166,000 bushels (0.5 per cent) to 32,666,000 bushels, the Saskatchewan wheat crop by 4,163,000 bushels (3.4 per cent) to 128,004,000 bushels, and the Alberta crop by 7,834,000 bushels (8.3 per cent) to 102,334,000 bushels. The wheat crop of the Prairie Provinces in 1933 is now estimated at 263,004,000 bushels and the Canadian crop at 281,892,000 bushels.

The acreage and production estimates for rye and flax are more difficult to make through the ~~sampling~~ process and also more difficult to check by disposition data. For 1933, however, the only necessary revision is in Alberta rye, where the estimate has been reduced by 150,000 bushels to 752,000 bushels. This change necessitates slight revisions of the totals for the Prairie Provinces and for Canada.

Quality of the 1934 Wheat Crop.

The grading of the 1934 wheat crop reflects the adverse growing conditions experienced over large areas in the Prairie Provinces and unfavourable harvesting weather received in the northern districts of Saskatchewan and Alberta. The 1934 crop has graded lower than the preceding crop.

After eliminating special grades such as Durums, White Springs and Winters, the percentage of inspections grading No. 3 Northern or higher is shown as follows (with comparative figures for 1933 in brackets): August 93 (97); September 92 (95); October 63 (84); November 48 (67); December 46 (41). In each month of the present cereal year inspections have graded lower than during the corresponding month of 1933. During the five months from August to December, 1934, 72 per cent of inspections graded No. 3 Northern or higher as compared with 85 per cent during the same months in 1933.

The distribution of inspections within grades provides an interesting comparison with 1933-34. From August to December, 1934, 58 per cent of inspections graded No. 1 Northern or No. 2 Northern, whereas in the corresponding months of the previous year 75 per cent of inspections fell into these grades. During the first five months of the present crop year 16 per cent of inspections graded No. 4 Northern, No. 5, No. 6 and Feed as compared with 4 per cent during the same months of 1933. "Tough" and "Damp"

inspections have amounted to 11 per cent of total inspections this year as compared with 10 per cent during the same period of the preceding crop year.

As compared with the grading of the 1933 crop, a smaller percentage and a smaller number of cars have graded No. 1 Northern and No. 2 Northern, a larger percentage and a larger number of cars have graded No. 3 Northern, No. 4 Northern, No. 5, No. 6 and Feed. "Tough" and "Damp" inspections combined exceed those of a year ago in terms of percentage of total inspections and in terms of numbers of cars inspected.

The quality of the 1934 Durum crop, as indicated by grades, compares favourably with that of the 1933 crop. During the five months ending December, 1934, 87 per cent of Durum inspections graded No. 1 or No. 2 as compared with 87 and 88 per cent during the corresponding months of 1933 and 1932.

II. Primary Movement.

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

<u>Week ending</u>		<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u> (bushels)	<u>Total</u>	<u>Last Year</u>
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	9,233,547
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
	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
T o t a l		26,936,614	78,874,614	72,273,603	178,084,831	142,040,152

7

III. Grading of the 1934 Crop.

The following table shows the grading of inspections during the six months August to January, 1934-35 and 1933-34.

	<u>Number of Cars Grading No. 3 Northern or Better</u>			
	<u>1934-35</u> (cars)	<u>Per cent of</u> <u>Inspections</u>	<u>1933-34</u> (cars)	<u>Per cent of</u> <u>Inspections</u>
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
January	1,697	63	4,624	84
T o t a l	61,446	71	72,943	84

The inspections during January showed an improvement in grade compared with December, but not enough to prevent a further decline in the cumulative figure for the season to date. Only 71 per cent of the inspections up to the end of January, 1935 graded No. 3 Northern or better compared with 84 per cent in the same period of 1933-34.

IV. Statistical Position.

The following table, in summarizing the statistical position of wheat in Canada as at February 1, 1934 and 1935, uses the revised figures for production and disposition in 1933-34 and the third estimate of production of the last crop:

	<u>1933-34</u>	<u>1934-35</u>
	(bushels)	
Carry-over, July 31	211,740,188	193,322,863
New crop	281,892,000	275,849,000
Total Supplies	493,632,188	469,171,863
Domestic Requirements	101,309,010	106,000,000 ^{1/}
Available Supplies	392,323,178	363,171,863
Exports, August to January	112,947,791	106,653,885
Balance for export or carry-over	279,375,387	256,517,978

1/ Tentative.

Available supplies for the 1934-35 season were approximately 363 million bushels compared with 392 million bushels for the 1933-34 season. Since August, the outward movement has been over 6 million bushels less this season than in the same period of 1933-34. Thus at February 1, 1935 supplies for export and carry-over were about 23 million bushels less than at the same date of 1934.

V. Stocks in Store.

The following table shows stocks of Canadian wheat in store in Canada and the United States on February 8, 1935 along with comparative figures for approximately the same date last year.

	<u>1 9 3 5</u>	<u>1 9 3 4</u>
	(bushels)	
xCountry Elevators - Manitoba	10,071,262	10,495,086
Saskatchewan	51,239,288	56,395,499
Alberta	37,210,611	39,252,167
T o t a l	98,521,161	106,142,752
xInterior Private and Mill Elevators	6,840,231	6,064,884
Interior Public and Semi-Public Terminals	3,037,568	1,458,511
Pacific Ports	12,003,539	13,274,909
Churchill	2,389,404	2,475,779
Fort William and Port Arthur Elevators ...	58,494,833	66,167,801
Eastern Elevators - Lake Ports	27,398,446	19,116,051
Eastern Elevators - Seaboard Ports	11,612,295	8,978,254
U. S. Lake Ports	18,636,087	3,883,664
U. S. Atlantic Seaboard Ports	5,384,467	5,224,092
T o t a l	244,318,031	232,786,697

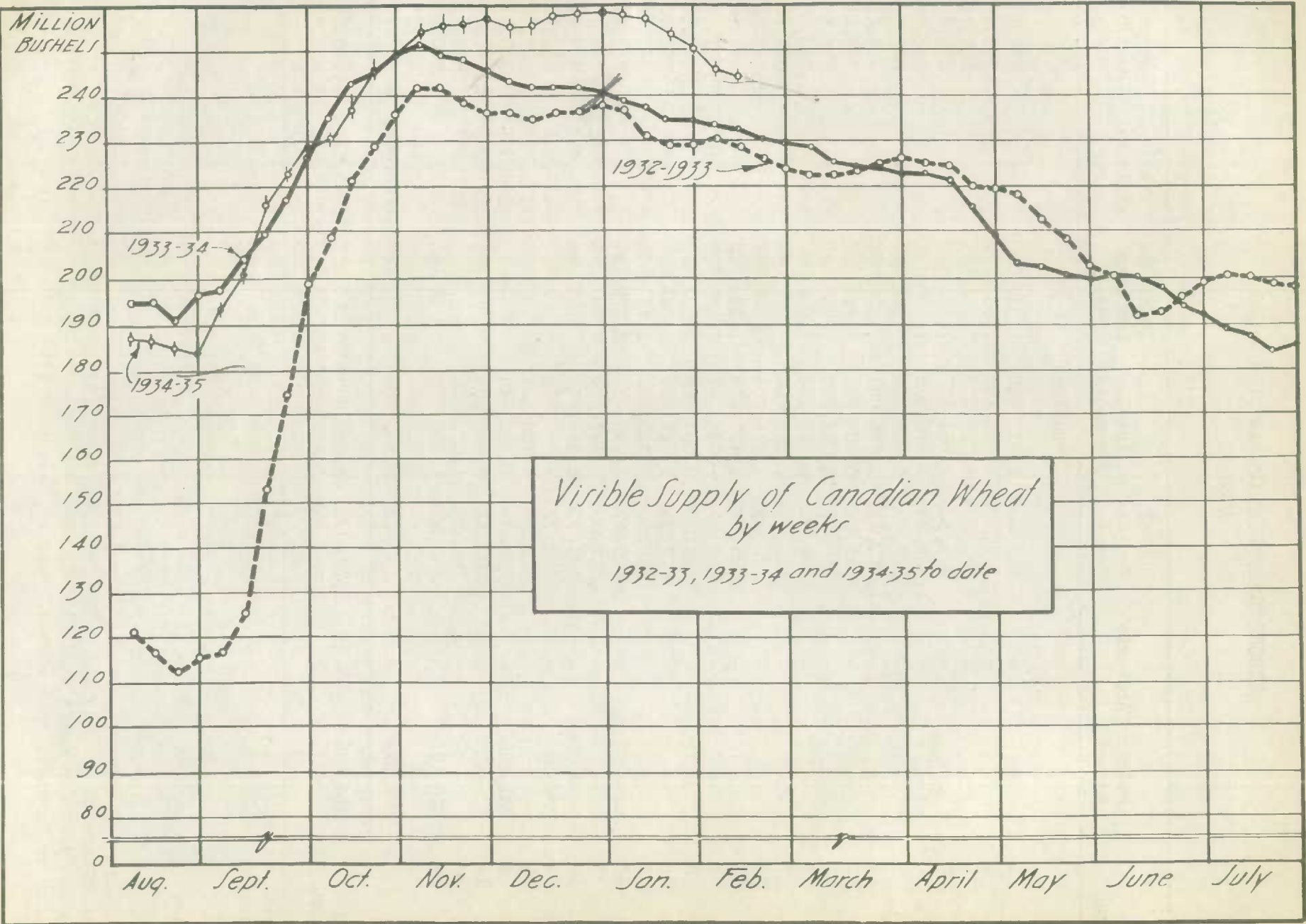
x Subject to minor revision.

The feature of the chart reproduced on page 31 opposite is the sharp decline in visible supplies which has occurred during the past four weeks. Whereas visible supplies usually begin their downward tendency in November, the decline was delayed for about two months this season. Then, however, the break was much sharper than usual. The movement was rather surprising, but it was preceded by a reduction in deliveries to country elevators, partly as a result of severe weather. The large reduction in stocks took place despite a slackened export movement. The release of stocks previously held in bond in the United States helped the decline and purchases by mills also had their influence.

The visible supply fell over $12\frac{1}{2}$ million bushels in four weeks compared with a decline of only 4 million bushels in the same period last year. The reduced holdings were scattered over all types and positions of the elevators, only the stocks at the Head of the Lakes advancing. Stocks in Pacific ports showed the largest reduction - $3\frac{1}{4}$ million bushels. Canadian wheat held in the United States fell by nearly 3 million bushels. Eastern lake ports showed a reduction of over $2\frac{1}{2}$ million bushels in their holdings, while the eastern seaboard had $\frac{1}{4}$ million bushels less wheat at the end of the period. Stocks in country elevators were down less than 2 million bushels.

Supplies of Canadian wheat in export position are still larger than at the same date of 1934. The eastern lake ports are particularly well supplied.

If the expected ruling of the United States authorities regarding the admission of Canadian frosted wheat is forthcoming soon, further declines in the visible supply are to be expected. The overseas export movement has also picked up moderately in the past few weeks which should help the downward trend. There is considerably less wheat on farms to come forward than at this time last year.



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
18	-	-	188,000	1,522,401	-	601,687	732,714
25	306,133	-	358,000	1,808,143	160	399,767	1,050,216
Feb. 1	-	-	370,000	2,216,490	-	550,560	1,295,930
8	309,479	-	167,000	2,101,360	160	123,946	1,810,254
Total	916,892	-	13,253,000	69,698,068	23,263,833	2,845,624	26,285,734
Last Year	-	-	14,035,000	93,342,837	45,706,823	3,537,354	27,355,769

EXPORT CLEARANCES OF CANADIAN WHEAT
1934-35

Week Ending	Montreal	Quebec	Sorel	Halifax	Saint John and West Saint John	Churchill	Vancouver and New Westminister
	(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	886,344
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
18	-	-	-	220,000	381,687	-	732,714
25	160	-	-	271,837	127,930	-	744,083
Feb. 1	-	-	-	270,750	279,810	-	1,295,930
8	160	-	-	16,000	107,946	-	1,500,775
Total	18,694,891	1,762,051	2,806,891	778,587	2,067,037	4,049,877	25,368,842
Last year	31,927,474	8,491,665	5,287,684	1,002,049	2,535,305	2,707,891	27,355,769



EXPORTS OF CANADIAN WHEAT

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

	<u>W H E A T</u>			
	<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	17,588,359	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	27,452,063
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		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		11,023,770	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		<u>170,234,013</u>	<u>240,136,568</u>	<u>182,803,382</u>

	<u>F L O U R</u>			
	<u>1934-35</u>	<u>1933-34</u>	<u>1932-33</u>	<u>1931-32</u>
	(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	346,099	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		<u>5,454,636</u>	<u>5,370,613</u>	<u>5,383,594</u>

	<u>WHEAT AND WHEAT FLOUR</u>			
	<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	22,152,853	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	29,397,864	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		7,990,378	12,421,350	11,417,172
March		12,323,211	17,021,920	11,787,139
April		5,100,885	5,514,956	8,662,544
May		21,191,533	24,007,708	17,621,415
June		20,410,721	19,448,954	18,426,301
July		14,815,357	18,590,974	21,628,930
T o t a l		<u>194,779,875</u>	<u>264,304,326</u>	<u>207,029,555</u>