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OF THE

WHEAT SITUATION

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THE WORLD WHEAT SITUATION - SUMMARY

For the first two and a half months of the new crop season, the most important factors in the wheat situation could be enumerated as follows:-

1. Low world shipments as a reflection of ample European crops and the absence of "cheap" wheat for export.
2. Slackening pressure of Southern Hemisphere wheat with dwindling supplies.
3. Small supplies on passage to Europe and in United Kingdom and European ports.
4. Russia shipping moderate quantities at firm prices.
5. Strong, but erratic, prices with overseas markets stronger than North American.
6. Persistence of narrow spreads in C.I.F. prices at Liverpool.
7. Unsatisfactory sales of Canadian wheat overseas offset by larger shipments to the United States.
8. "World" wheat crop of 1935 still placed above that of 1934, but with considerable difference in regional distribution.
9. Some rains in drought-stricken Argentina but sub-normal crop indicated.
10. Sharp rise in Canadian visible supplies, resulting from favourable threshing weather and heavy marketings.

During the first eleven weeks of the 1935-36 season, total world shipments have amounted to 94.6 million bushels compared with 119.1 million bushels a year ago--- a reduction of 20.6 per cent. One month ago, the reduction amounted to 28 per cent, so an improvement is evident. The Southern Hemisphere countries are following their usual policy of postponing the contraction of shipments as long as possible, with the obvious intention of letting their new crop year -- and even the latter part of the new crop year --- bear the full brunt of the necessary reduction. Despite this tendency, the total North American shipments are gaining steadily over those of Argentina and Australia, although they are still far below the level of shipments in the first eleven weeks of 1934-35. North American shipments to date total about 32 million bushels, Argentine 26 million bushels, Australia 17 million, Russia 10 million and other countries 9 million.

Stocks of wheat on passage to Europe have been increasing slowly during the past month and have now reached 27,200,000 bushels compared with 34,760,000 bushels a year ago. Port stocks in the United Kingdom and Europe are still very low. Despite these conditions, the demand for wheat remains irregular and hesitant, although there is every indication of a heavy movement out of Montreal until the close of navigation. Most of the principal importing countries, including the United Kingdom, Italy, Germany and France have ample domestic supplies for the present.

A wide variation is apparent in estimates of necessary imports into the United States and possible exports from Canada to that country. To date in this crop year, the duty has been paid on about 5 million bushels of Canadian wheat for United States' consumption, while an additional 2 million bushels has been taken by bonded mills for grinding. This movement is well above that of the same period of 1934. In appraising the possible exports to the United States, many commentators have not sufficiently appreciated the drastic reduction in quality of the United States' crop due to rust, while others quoting large figures have not counted upon the adaptability of milling machinery that permits the milling of light weight wheat. Some extraordinary movements of wheat within the United States indicate shortages in important milling centres. While the premiums paid for heavy domestic wheat have recently declined, they are still high and thus offset the import duty to a considerable extent. Another offsetting factor appears when advantage can be taken of cheap water carriage to such centres as Buffalo.

During the past month, markets have continued to be strong and erratic. North American markets have absorbed hedging with seeming ease and in the first week of October led a sharp advance. Recently, Minneapolis futures have fallen considerably, with lesser declines in Chicago. Winnipeg futures are also below the peaks recorded early in October. Both Buenos Aires and Liverpool have been nervous, particularly with regard to news of rain or forecasted rain in Argentina. In the recent decline, Liverpool futures have fallen less than Winnipeg. With supplies of Argentina wheat becoming smaller, it is reported that the Liverpool futures market will have to use some wheat other than Argentine as the basis of contracts.

Competitive Export Prices.- Narrow spreads persist in C.I.F. prices, with Argentine and Australian prices showing a slight gain on Canadian during the past month. Argentina Rosafe was quoted higher than Australian on the Liverpool C.I.F. market on September 17 for the first time in years. On October 2, Australian was quoted above Argentine again and the margin has persisted to date. In the general decline that featured the last week of September, the prices of Canadian No. 2 Northern fell the most, but recovered spectacularly in the first three days of October. No. 2 Northern is now selling about 7 cents above Australian and $3\frac{1}{2}$ cents above Argentine Rosafe, after allowing for the 6-cent duty. Since remaining Argentine supplies are very small, difficulty in obtaining quotations is being experienced.

(See page 20 for price chart).

Official statistics of imports into the United Kingdom during August and September, 1935, indicate that less wheat is being imported than was the case in August and September, 1934, the figures being 26,830,172 and 33,000,349 bushels respectively. While Canada secured 37 per cent of the trade in August and September, 1935 compared with 33 per cent in the same months of 1934, total imports from Canada fell from 11,240,089 bushels to 10,060,129 bushels. The sharp reductions in imports from Argentina and Australia were largely absorbed by increased imports from Russia and the Balkans. It is probable that this characteristic of the early season will be changed in succeeding months, since Canadian sorts are in continuous and abundant supply and compare very favourably in price with wheat from other countries.

The Wheat Situation in Canada.

Precipitation during September in the Prairie Provinces was far below normal and threshing operations were advanced rapidly. Considering the size of the crop, marketings were rather large and visible supplies rose sharply. The inspection records continue to reveal the damage from rust in that large proportions are falling in the lower and special grades. The distribution of stocks of Canadian wheat in Canada and the United States is very favourable for autumn and winter export. Exports to date have been disappointing but prospects are distinctly better than they have been for three years. Prices held fairly firmly until the end of the first week of October, then staged an irregular decline. The reigning prices of most grades remained above the minimum prices set by the Wheat Board until October 16, but the Durums, the "Special" grades 4, 5 and 6 and "Feed" have been selling below the set prices. In the sharp decline of October 16, most grades fell below the minimum levels.

Primary Movement.- After the ninth week of the new season, the marketings of wheat in the Prairie Provinces exceeded those of the first nine weeks of 1934-35, totalling 97,460,048 bushels compared with 94,203,574 bushels a year ago. The improvement over last year was almost entirely due to the better threshing weather experienced in the last two weeks of September. 9.9 million bushels have been delivered in Manitoba, 57.4 million in Saskatchewan and 30.2 million in Alberta.

Lake Movement.- After a comparatively slack period during the first three weeks of September, the movement down the Lakes has again quickened, with large quantities of wheat moving to position for sale in the autumn and winter months. Particularly large clearances to both Canadian and United States Lake ports have been made, while the movement to St. Lawrence ports has diminished, supplies there being considered ample for the remaining six or seven weeks of the shipping season.

Stocks in Store.- Wheat stocks have increased 50 million bushels during the past month, with large stocks advanced to export position. The visible supply on October 11 was 255,911,877 bushels compared with 237,577,119 bushels at a comparable date of 1934.

Export Movement.- The export movement of Canadian wheat and wheat flour is highly seasonal. Normally, about 55 per cent of the crop year movement takes place in the five months, August to December inclusive, and over 40 per cent in the three months October to December inclusive. The movement of this latter period is thus very important. Exports of 42.4 million bushels in August and September, 1935 were quite satisfactory, although considerable allowance must be made for the United States movement. To fulfil Mr. Broomhall's preliminary allocation of 284 million bushels to Canada this year, about 156 million bushels should be exported before the 1st of January, 1936. Nearly 114 million bushels should go forward in the October - December period. With European crops well above average, however, it is highly probable that such a movement will not be attained and that more reliance will have to be placed on winter, spring and early summer shipments. Less competition from the Southern Hemisphere is to be expected in this period of 1936, compared with the same season of previous years.

Available Supplies.- Supplies of Canadian wheat available for export or carry-over at October 1, 1935 were estimated at 339.3 million bushels compared with 333.3 million a year ago -- an excess of 6 million bushels.

The Wheat Situation in the United States.

The official release of October 10 indicated a total 1935 crop of 598,935,000 bushels compared with the 1934 crop of 496,929,000 bushels and the 5-year (1928-1932) average production of 860,570,000 bushels. The increase of less than 4 million bushels over the September estimate was in soft spring wheat. Receipts of wheat in September at the principal markets were in excess of those of the same month a year ago, especially at Minneapolis and Kansas City. The wheat requirements of the country (in bushels) for human consumption this year will undoubtedly be raised by the light weight of the hard wheat and competent statisticians are placing large estimates on wheat-feeding, despite the increased supplies of corn and other feed crops. Large supplies of rusted wheat are readily available to farmers in large areas on the Great Plains.

The Wheat Situation in Australia.

The Australian wheat crop of 1935-36 has not yet progressed to a point where definite estimates of production can be made. Published figures range between 120 and 160 million bushels compared with 135 million bushels harvested in 1934-35. Most authorities allow for the reduced acreage, the bad start that was rather general over the Commonwealth and the continued unfavourable conditions in Western Australia. The Canadian Trade Commissioner at Melbourne cabled an estimate of 130 million bushels on October 15 and described crop prospects as fair except in Western Australia.

Prices paid to producers have advanced sharply and farmers have been selling freely. Extensive sales have been made to the United Kingdom and Japan during the past month and the remaining exportable surplus, approximating 28 million bushels, has practically all been definitely committed for shipment before the new crop becomes available. The carry-over will be much smaller than it was a year ago.

The Wheat Situation in Argentina.

The wheat outlook in Argentina has improved somewhat as a result of recent precipitation, but a 25.1 per cent reduction in acreage was confirmed by the official report of the Ministry of Agriculture, published on September 20th. The 1935-36 acreage is placed at 14,079,000 acres compared with 18,804,110 acres in 1934-35 and with a 5-year average, 1930-1935, of 19,360,502 acres. Included in the seeded acreage are considerable areas of wheat that are virtually lost. In the western part of the large province of Buenos Aires (that had 45 per cent of the 1934-35 wheat acreage), drought, strong winds and frost caused damage in the third week of September. The eastern sections are regarded more optimistically. Northern areas have less wheat than usual and in the northwestern corner of the province, the greatest reduction of acreage is apparent. In Santa Fe (where 10 per cent of the 1934-35 acreage was sown) the crops depreciated further during the month, and more acreage was lost. In Cordoba (that had 29 per cent of the 1934-35 acreage), the drought continued, with little relief. Even worse conditions prevailed in Entre Rios and The Pampa, in spite of some recent rains. Entre Rios secured good rains on the 27th and 28th of September.

In view of such conditions, a normal crop cannot be harvested. The threat of newly-hatched locusts, common to years of drought, has still to be met.

The new Grain Act of the Argentine Republic has now become law and an expenditure of 50 million pesos on grain elevators has been sanctioned by the Senate, but not by the Chamber of Deputies as yet.

The Supply Position in the Southern Hemisphere.

As expected, the export of wheat from both Southern Hemisphere countries has shown a considerable reduction compared with shipments at this time a year ago. The calculations below show that supplies in these two countries for export in the remaining 11 weeks of the calendar year or for carry-over are 72 million bushels less than they were in mid-October, 1934. Supplies this year amounted to only 85 million bushels compared with 157 million bushels a year ago. Only moderate shipments are to be expected in the balance of the year although the rise in prices will probably tend to increase exports and subtract from the carry-over. In both countries, the carry-overs will be far below normal.

	The Argentine		Australia	
	1933-34	1934-35	1933-34	1934-35
	(million bushels)			
Inward carry-over	75	120	55	70
New crops	286	238	175	135
Total supplies	361	358	230	205
Domestic requirements	95	95	50	50
Available supplies	266	263	180	155
Shipments to October 14	181	206	108	127
Balance for export and carry-over	85	57	72	28

An Appraisal of the Canadian Export Position.

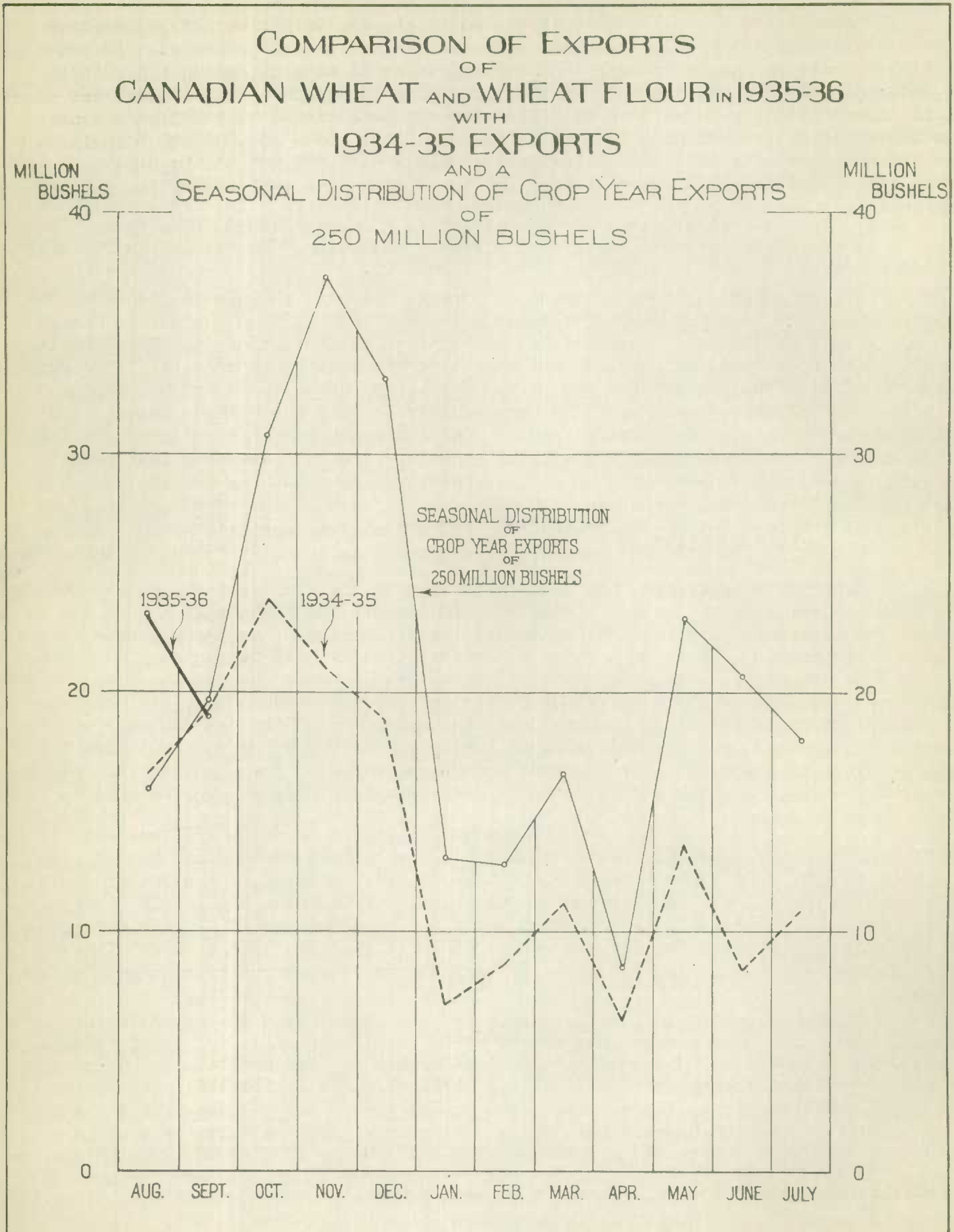
The question of competitive export prices for Canadian and other sorts of wheat has been virtually settled by the general rise and the narrowing of spreads that has taken place in recent months. Thus the dual interest in prices and exports that has characterized recent years has now become translated into a predominant interest in exports. As far as Canada is concerned, the question of exports during the 1935-36 season is paramount. Starting the year with supplies for export or carry-over of nearly 382 million bushels, we are faced with a developing situation that makes large sales possible, with consequent reduction of year-end stocks. This possibility arises entirely as a result of smaller available supplies in competing export countries, since the total volume of world trade will probably be reduced. Emphasis is laid upon this fact that the opportunity is fortuitous and the odds against repetition very high, since it arises as a result of adverse weather, with no improvement in European demand. The latter factor, basic to permanent betterment, is in fact steadily declining. It has fallen 220 million bushels or nearly 37 per cent between 1930-31 and 1934-35.

Mr. Broomhall's first estimate of probable exports in 1935-36 allocated 284 million bushels or 52.6 per cent of the world trade of 540 million bushels to Canada. Less optimistic on the total movement and on Canadian participation, the Wheat Advisory Committee believes world net exports may amount to 525 million bushels, with the Canadian share 240 million bushels or 45.7 per cent. The London Grain, Seed and Oil Reporter is still less optimistic, placing world's requirements at only 504 million bushels and hazarding no estimate of Canadian shipments. Mr. Darnbacher of Rotterdam uses a similar figure for world requirements - 507 million bushels. The International Institute of Agriculture does not usually make an estimate until October but has already placed a range on import requirements between 500 and 540 million bushels. The Food Research Institute of Stanford University states that Mr. Broomhall's estimate of net imports at 540 million bushels for 1935-36 "seems as well founded as an early forecast can be".

Such authorities have had long experience in the appraisal of probable trade and the range in their estimates between 500 and 540 million bushels is not excessive in view of the uncertain political situation and the difficulty of estimating some important crops at this season. There is a growing tendency towards self-sufficiency in Europe that must be respected. Ten years ago, political developments such as those of the past few weeks would have caused a veritable scurry for wheat. No such rush has developed and the logical assumption is that no undue concern is felt regarding the adequacy of domestic supplies and the possibilities of adding to these when necessary. With these facts in mind, it would be safer to count upon a world demand for wheat in the neighborhood of 500 million bushels and quite optimistic enough to allocate 1/2 of this to Canada.

Turning to a consideration of Canadian shipments to date, official exports for August and September totalling nearly 42 1/2 million bushels must be discounted considerably because they include large quantities of wheat cleared to the United States and still held in bond there. At the end of July stocks of Canadian wheat held in United States positions amounted to 11,704,536 bushels and on September 27, 20,600,088 bushels. The difference represents roughly the amount of wheat included in the export figures for August and September that had not actually been cleared for consumption in the United States.

On the opposite page, a chart appears that illustrates the approximate seasonal distribution of a crop-year export of 250 million bushels. This distribution is based upon the course of Canadian export trade in wheat and wheat flour by months during the past ten years, 1925-26 to 1934-35. Plotted against this figure are the exports in 1934-35 and those actually recorded during August and September 1935. August exports were well above the seasonal average. The usual seasonal rise between the two months August and September did not materialize and judging by clearances in October to date and forward bookings, the sharp successive increases in October and November will not be fully realized. The decline in European demand is responsible for this situation since clearances to the United States have been greater than usual.


COMPARISON OF EXPORTS
OF
CANADIAN WHEAT AND WHEAT FLOUR IN 1935-36
WITH
1934-35 EXPORTS
AND A
SEASONAL DISTRIBUTION OF CROP YEAR EXPORTS
OF
250 MILLION BUSHELS
MILLION BUSHELS
MILLION BUSHELS
40
30
20
10
0
SEASONAL DISTRIBUTION OF CROP YEAR EXPORTS OF 250 MILLION BUSHELS
1935-36
1934-35
AUG.
SEPT.
OCT.
NOV.
DEC.
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY

Production of Wheat, 1934 and 1935

Apart from a considerable reduction in France, only minor revisions have been made in crop estimates during the past month. Reduced estimates of 1935 production are also shown for Hungary, Poland and Roumania with offsetting increases in Austria, Bulgaria and Estonia. Total production in Europe (28 countries) is still placed slightly above that of 1934. The estimate of the United States crop was raised slightly, bringing the North American total above 900,000,000 bushels. For 42 countries, the 1935 production is now placed at 3,365,804,000 bushels compared with 3,338,414,000 bushels a year ago. The following tables give the necessary detail:

Europe

	(000 bushels) 1934	1935
Germany	166,539	171,777
Austria	13,239	15,513
Belgium	14,322	13,779
Bulgaria	41,577	62,188
Spain	173,600	149,533
Portugal	24,690	15,900
Estonia	3,107	2,600
Finland	3,327	3,344
France	338,513	278,724
England & Wales	65,259	58,496
Scotland	4,144	4,000
Irish Free State	3,803	3,307 x
Greece	28,809	30,864
Hungary	64,824	80,800 x
Latvia	8,051	6,430 x
Lithuania	10,475	9,370 x
Luxemburg	1,171	800 x
Malta	310	300 x
Norway	1,204	1,100 x
Netherlands	18,042	15,660
Poland	76,440	73,450
Roumania	76,553	99,200 x
Sweden	28,376	23,500 x
Switzerland	5,342	5,824
Czechoslovakia	50,014	59,415
Yugoslavia	68,328	67,975
Italy	233,036	280,580
Denmark	12,500	12,500
Totals	1,535,595	1,546,929

North America

	1934	1935
Canada	275,849	290,541
United States	496,929	598,935
Mexico	10,950	10,611
Totals	783,728	900,087

x Estimates, United States Department of Agriculture.

Production of Wheat (Cont'd.)

North Africa

	1934	1935
	(000 bushels)	
Tunis	13,779	17,269
Morocco	38,918	17,787
Algeria	43,528	32,448
Egypt	37,276	43,144
Totals	133,501	110,648

Asia

	1934	1935
Chosen	9,268	8,935
India	351,456	363,022
Japan	47,660	49,087
Turkey	88,546	90,096
Totals	496,930	511,140

Southern Hemisphere[x]

	1934	1935
Argentina	238,317	160,000
Australia	135,000	125,000
Union of South Africa	15,343	12,000
Totals	388,660	297,000

Summary

	1934	1935
Europe	1,535,595	1,546,929
North America	783,728	900,087
North Africa	133,501	110,648
Asia	496,930	511,140
Southern Hemisphere[x]	388,660	297,000
Totals	3,338,414	3,365,804

x The 1935 figures for the Southern Hemisphere should be regarded only as approximations based on probable acreage and appearance of the growing crop.

THE UNITED STATES

The general crop report as of October 1 was issued on October 10 and indicated an increase of about 2 per cent in the forecasts of wheat production. The increase occurred in soft spring wheat in Pacific states; little change in 1935 supplies of hard red wheat was shown. The following table from the report shows wheat production by classes, 1929-1935:

WHEAT PRODUCTION BY CLASSES, UNITED STATES, 1929-35.

YEAR	Winter Hard red	Winter Soft red	Spring Hard red	Spring Durum 1/	White (winter and spring)	Total
			Thousand Bushels			
1929	370,390	165,969	144,712	56,307	84,802	822,180
1930	403,363	178,794	160,594	59,191	87,760	889,702
1931	515,925	254,480	70,376	21,266	70,174	932,221
1932	280,245	149,567	191,331	41,607	83,038	745,788
1933	168,738	147,689	108,834	18,071	85,643	528,975
1934	201,813	168,241	53,729	7,561	65,585	496,929
1935 2/	198,252	183,066	106,139	29,244	82,234	598,935

1/ Includes durum wheat in States for which estimates are not shown separately.
2/ Preliminary estimate.

Comments on wheat, reprinted from the report, are as follows:

"WHEAT: The October 1 estimate of the entire wheat crop in the United States is 598,935,000 bushels. This is an increase of 4,320,000 bushels, compared with the Sept. 1 estimate and compares with the very small 1934 production of 496,929,000 bushels and the 5-year (1928-1932) average production of 860,570,000 bushels. The increase in the estimates over the September 1 estimate came largely in spring wheat other than durum and in the States of Idaho and Washington where early favorable conditions resulted in higher yields than generally expected on September 1. The threshing returns through the North Central States confirm the early estimates of severe damage from black rust. The average test weight per bushel turned out unusually light because of rust and heat damage.

"The production of Durum wheat in Minnesota, the Dakotas and Montana is now estimated at 27,965,000 bushels compared with the 1934 crop of 7,086,000 bushels and the 5-year (1928-1932) average production of 53,909,000 bushels. The total spring wheat crop including durum is estimated at 167,226,000 bushels compared with 91,377,000 bushels produced last year and the 5-year (1928-1932)average of 242,384,000 bushels.

"When allowance is made for small amounts of durum wheat in States for which separate estimates are not shown the durum crop is estimated at 29,244,000 bushels. Production of hard red spring wheat crop is estimated at 106,139,000 bushels and the white spring wheat crop at 31,843,000 bushels.

"Stocks of wheat on farms October 1, including new wheat from the current year's crop, totaled 257,242,000 bushels or 43 percent of the 1935 production. Farm holdings October 1, 1934 were 229,100,000 bushels or 46 percent of the 1934 crop. The proportion of the crop marketed before October 1 is larger than usual because of active demand for wheat of milling quality."

AUSTRALIA

The following cable, dated October 15, has been received from the Canadian Trade Commissioner for Australia:

"Wheat and flour shipments from Australia to October 9th aggregated 88,849,352 bushels of wheat compared with 80,202,191 bushels in the previous year. Further extensive sales made during past month. Practically all wheat stocks now definitely committed. United Kingdom has been a heavy purchaser, Japan also participating. Prices have advanced, growers receiving about three shillings four-pence per bushel at country sidings, equivalent to sixty-six cents Canadian. Price f.o.b. steamer about three shillings eleven pence. Farmers sold freely at these prices. Crop prospects fair, western Australia excepted. Total estimated yield now about 130 million bushels. Export flour market continues firm. Mills well booked. Quotations per ton 2,000 pounds, 49-pound sacks, have risen to eight pounds ten shillings equivalent to thirty-two dollars eight cents Canadian and 150-pound bags eight pounds five shillings.Chartering has been active,minimum schedule rates have been increased two shillings six pence per ton."

THE ARGENTINE

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of October 1, 1935, dealing with the grain situation in the Argentine:-

CROP CONDITIONS

According to the first forecast of the seeded acreage of the new crop, published by the Ministry of Agriculture on September 20th, there is a substantial decrease in the sowings of all grains (except, of course, Maize, the seeding of which has barely commenced yet, and which is not included in the present statistics), reaching 23.1 per cent as compared with the acreage of last year. Wheat shows the biggest percentage of decrease, viz: 25.1 per cent, thus confirming the forecast of a 25 per cent reduction, made in last month's report.

The official figures are shown in the following table, together with those of the previous crop year and the five-year average 1930-35:-

	1935-36	1934-35	Decrease from 1934-35	5 year average 1930-35
	acres		Per cent	acres
Wheat,	14,079,000	18,804,110	25.1	19,360,502
Linseed	6,125,600	8,099,130	24.4	7,698,387
Oats	2,865,200	3,527,160	18.8	3,629,275
Barley	1,926,600	2,013,050	4.3	1,641,666
Rye	1,605,500	2,133,092	24.7	1,644,472
Can. Seed	98,800	123,747	20.2	112,733

It is pointed out in the official memorandum that of these seeded areas there are already considerable stretches which are virtually lost, especially in the case of wheat and linseed in the province of Entre Rios, and that many fields are in a critical condition with their ultumate fate depending upon the weather in the next two weeks, copious rains being considered indispensable in almost the whole cereal region. Whilst no detailed information with regard to the several provinces is furnished in the report, mention is made of the fact that there is relatively little decrease in the acreage of wheat and linseed in the province of Buenos Aires, but that on the other hand the shrinkage is heavy in the northern provinces, reaching in some zones more than 40 per cent as compared with last year.

Five days subsequent to the publication of the above memorandum, the customary monthly official report on conditions in the cereal districts made its appearance, viz: on September 25th. From this the following details are extracted:

Buenos Aires. The crop prospects might have been regarded with more optimism if seeding of the western areas had been completed and if this zone had not been subjected to the drought, strong winds and frosts which were repeated during the past week. Wheat in the eastern zone shows a shrinkage in area, seeding having finished at the end of last month. Germination was uneven, and the present condition is considered backward. In the Atlantic zone following some rains there has been a vigorous reaction in the wheats, which are well rooted in soils which conserve humidity. The plants are healthy, although with little leaf development. In the districts around Saladillo the rains this year were distributed with greater uniformity and frequency, and in consequence the wheat is in a normal condition. In the hill zone the last rains were light, but sufficient to keep the soils fresh. Sowing of Spring varieties finished at the end of August. The Winter wheats are in a satisfactory condition, although the development is stationary owing to frosts and cold weather. This same characteristic of plants -- low but healthy, well rooted and stooled -- is seen in the wheat of the Bahia Blanca zone, which only shows decrease in area in the district around Villarino and Patagones (Viedma). In the west wheat seeding has finished, and the fields look well up to Bragado, but get poorer towards the Pampa, where they are rickety and uneven, and two months backward. In the northwest corner of the province there is the greatest diminution of area and stretches not germinated, which are now being ploughed for maize. As in other years, but more so this season, there is little wheat in the north. It is well developed up to Junin, but loses condition and shows backwardness from there northwards.

Santa Fe. The frequent winds, scarcity of rains, irregularity of temperature, and the appearance of flying locusts have been the principal factors depreciating the crop situation in this province during the month. The decrease in the area sown to wheat, its backward growth, as well as the damage suffered from drought, frosts and locusts, foretell a smaller crop. In the north of the province fields are to be found in the shot blade and others which are heading; but in general in the whole of the centre and north the plants are thin and pale, with a large proportion of seed not germinated. The damage for these various reasons may be calculated at present as 50 per cent. In the southern zone the August rains and some mild days favoured the stooling of the wheat and permitted germination of seed, but the low temperatures of the present month delayed growth, and the present condition is very backward, since the grain except in isolated cases barely covers the ground.

Cordoba. Climatic conditions have not improved, the drought continuing as in previous months, the scarce rains of August and September having been insufficient to relieve it. A rain in the coming fortnight would relieve the situation, as much seed might germinate which has not yet done so, and development of the crop would be secured. In the eastern part of the province and in the districts adjoining the Pampa, where the rains although light have permitted a more or less normal development, conditions of the previous month have been maintained. In the north, centre and west is where the greatest decrease in area is to be seen and where germination has been most uneven.

Entre Rios. Since the previous report the crop prospects of the province have continued to get worse, especially in the western half, where it rained only a few millimeters. There is a great shrinkage in the area sown with wheat as compared with last year, and a high percentage of that seeded has not germinated after more than two months in the ground. Without taking into account yet the important areas which may germinate if it rains out of season, the condition of the wheat crop may be considered bad; the sprouting was uneven and the early fields are heading out whilst very low, weak and poorly rooted.

The Pampa. In spite of rains of varying intensity in the middle of August and early days of September in parts of the Pampa, these were light in most of the territory, and this added to the effects of the winds and frosts has caused the maintenance of the adverse conditions already indicated in previous reports. The wheat fields of the south are in good condition; in the centre and north deficient, although somewhat better in the latter. In general the germination has been defective, some of the seed being lost, causing uneven fields, a little thin, which are growing slowly, the later ones having been somewhat damaged by the strong winds and the frosts of these late days. In general, the fields clearly show the effects of the relative drought, and abundant rains within a short time are essential if they are to recover.

Note. Lack of space prevents the inclusion of extracts with regard to the various other crops; but it will be understood that somewhat similar conditions prevail as in the case of wheat, with due allowance for the peculiarities of each grain.

Subsequent to the publication of the above official reports, on the 27th and 28th of the month there were some fairly general rains covering the northern half of the province of Buenos Aires, most of Cordoba and Santa Fe, parts of the Pampa and Entre Rios. The precipitation varied in volume up to a maximum of about 3 inches in parts of Entre Rios. In southern Buenos Aires there was practically no rain, but on the other hand cold and frosty weather. As this report is being written, rain is again falling in generous quantities in Buenos Aires, and reports from outside indicate that practically all the cereal regions except southern Buenos Aires are receiving moisture, varying in intensity. Fortunately, whilst southern Buenos Aires would greatly benefit by a drenching, it has been favoured by rains at times when other zones have remained completely dry, and is consequently less urgently in need of it at the present time.

The most interesting question now is to what extent the drought-ridden districts will re-act to these belated rains, and what proportion, if any, of the fields which had been regarded as lost will after all produce a crop? In any event, in view of the serious decrease in acreage seeded shown by the official estimate (which is accepted by the trade generally as being probably accurate), it is not possible to have anything like a normal crop of wheat; and except in the province of Buenos Aires and a portion of the Pampa, it will require very favourable weather indeed for the rest of the growing season for the various districts to produce more than sufficient to fill domestic requirements.

Mention must be made of the locust menace, which is this year becoming serious. Large flights have appeared in the northern provinces; Cordoba, Santa Fe and Entre Rios report them very thick, and occasional invasions into Buenos Aires have taken place. Because of the absence of grass in the pastures, the insects are feeding on the grain fields. The present damage by these adult locusts is not a very serious matter, but the new generation of young insects which can be looked for in November may be very destructive indeed to the late grain crops, especially perhaps to the young maize.

W H E A T

Exports during September were 10,702,000 bushels (wheat 10,581,000 bushels flour 121,000 bushels). This is little short of last month's total of 11,131,000 bushels.

The supply position is now as follows:-

Second official estimate 1934-35 crop,	238,320,000	bushels
Less a deduction for probable error of	9,186,000	"
Leaving........................	229,134,000	"
Add carry over from 1933-34 crop	15,435,000	"
Making a total of	244,569,000	"
Deduct for seed and domestic consump.	95,534,000	"
Leaving available for export.....	149,035,000	
Exported to) wheat 126,140,000 bush.		
Sept. 30th.) flour 1,614,000 "	127,754,000	"
Still available for export.......	21,281,000	"

The volume of wheat coming forward continues to be very small. Stocks in the country are light, and farmers are by no means anxious to sell, even at the improved prices which have recently been obtainable. With the small crop in prospect there is a strong temptation to hold on to any little surplus which still remains in the granaries on the farms.

There was quite an active market throughout the month. With the complete change which has come about in the world's supply position, the action of the Canadian Government in setting a much higher price as a minimum for the new crop wheat, and the unfortunate political conditions now existing in Europe, wheat trading took on new life. Naturally much of the business done was speculative, but by no means all of it. Buyers in Europe who have been so long holding off on account of the doubt as to what would be the policy of the Canadians with regard to the disposal of their old surplus, hastened into the market and their operations helped materially to drive prices up. Daily fluctuations were considerable as war rumours were put into circulation or promises of rains in the dry sections of the Republic appeared and disappeared. The high level reached by prices in the middle of the month did not maintain itself; nevertheless there was a very substantial gain, the month closing with Spot wheat selling at 8.95 paper pesos per quintal (equal to 80 3/4c. Canadian per bushel) as compared with 7.05 a month ago; December options closed at 8.85 paper pesos. Winnipeg December on the same day closed at 91½c.

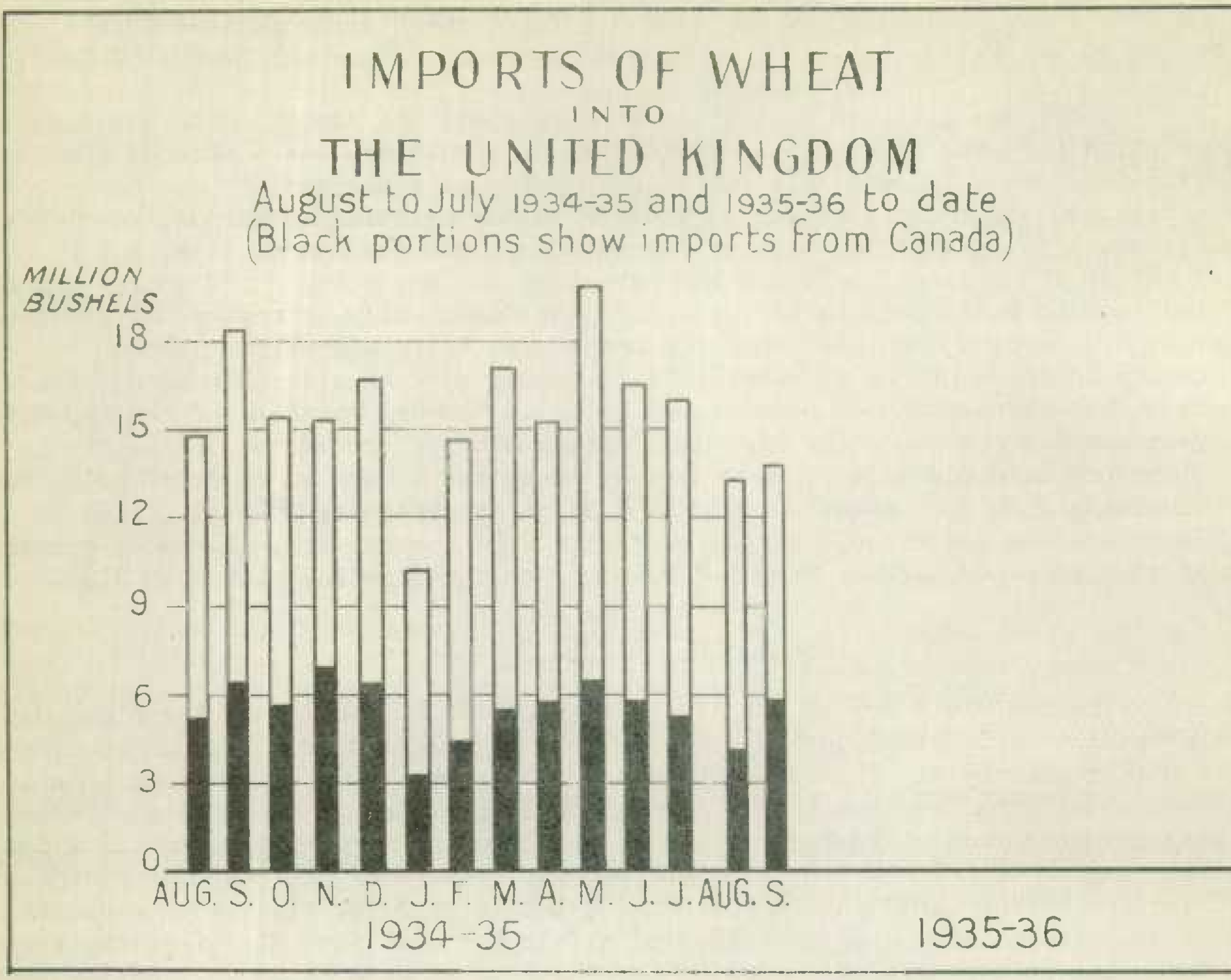
Grain Act.

The new Grain Act of the Argentine Republic became law on the final day of the Session of Congress just closed. ≠ This legislation as it stands is exactly as it was amended by the Chamber of Deputies in August, 1934. Since that date it has been under consideration by the Agricultural Committee of the Senate, by whom it was hoped that certain defects would be remedied, notably by the provision for special binning of grain which is such a popular feature of the Canadian system. The Chairman of the Committee in introducing the measure for final action by the Senate explained that the opinions formed within the Committee itself on the various controversial points were so contradictory that it had been decided to advise that the measure be approved as it stood, leaving for future amendment any deficiencies or errors which may become evident in practical application of the law. This seems unfortunate, as the matter of special binning affects the designing of the elevators which it is proposed to build, and a mistake made now may be costly to remedy. Meanwhile, the lack of special binning privileges is lack of a very valuable weapon for the emancipation of the producers from the grip of the big exporters, who have such a tremendous hold on the Argentine grain trade.

Grain Elevators.

In the dying hours of the Session the Senate also sanctioned the expenditure of 50,000,000 pesos out of the profits of the official control of foreign exchange, in a system of grain elevators. But unfortunately this was too late for the matter to come formally before the Chamber of Deputies, whose approval is also necessary, and as there will be no extraordinary sessions, owing to the approaching general elections at which half the Deputies must stand for re-election, the matter cannot again come up before the next regular sessions, which should commence in May. Announcement was made in the Senate that the commission which has been studying the problem for the last two years had now completed its work and was ready to call for tenders. The amount voted is of course not sufficient to provide the full system contemplated.

≠ Copies of the translation may be obtained on application to the Dominion Bureau of Statistics, Ottawa.



The United Kingdom

Imports of wheat into the United Kingdom during the month of September, 1935 were higher than during the preceding month and lower than the corresponding month last year. Imports during September amounted to 13,688,185 bushels; compared with 13,141,987 bushels last month and 18,141,196 bushels for September, 1934.

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

	August-July, (1934-35)	July, (1935)	August, (1935)	September, (1935)
		(bushels)		
Canada..................	65,435,642	5,199,855	4,198,034	5,862,095
United States..........	743,986	586,504	639,990	8,000
Argentine..............	60,374,897	4,231,300	3,273,966	2,055,381
Australia..............	37,187,060	2,890,115	1,904,929	1,438,680
Russia.................	-	-	560,391	2,874,418
Others.................	24,886,338	2,949,758	2,564,677	1,449,611
Total............	188,627,923	15,857,532	13,141,987	13,688,185
Previous year..........	200,105,532	17,185,265	14,859,153	18,141,196

As shown by the foregoing table, imports of wheat into the United Kingdom during the twelve months from August, 1934, to July, 1935, amounted to 189 million bushels compared with 200 million bushels for the same months in 1933-34. Out of total imports of 189 million bushels, Canada supplied 65 million bushels or 34.4 per cent; Australia supplied 37 million bushels or 19.6 per cent; the Argentine supplied 60 million bushels or 31.8 per cent.

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

	September, 1935.	September, 1934.
From:	(bushels)	
Canada	5,862,095	6,158,173
United States	8,000	27,626
Argentina	2,055,381	7,438,800
Australia	1,438,680	3,759,639
Russia	2,874,418	-
Other	1,449,611	756,958
T o t a l	13,688,185	18,141,196

The above table shows that total imports of wheat into the United Kingdom during September, 1935, were lower than during September, 1934. Imports from Canada amounted to 5,862,095 bushels compared with 6,158,173 bushels for the corresponding month last year. Imports during September, 1935 from Australia were lower than during September, 1934. The United Kingdom imported 2,055,381 bushels from the Argentine last month compared with 7,438,800 bushels during the same month in 1934.

The following table shows imports of wheat into the United Kingdom during the months of August and September, 1935 and 1934:

	1935 August-September	1934 August-September
	(bushels)	
From:		
Canada	10,060,129	11,240,089
United States	647,990	27,626
Argentina	5,329,347	13,192,100
Australia	3,343,609	7,226,331
Russia	3,434,809	-
Other	4,014,288	1,314,203
T o t a l	26,830,172	33,000,349

It will be noted that total imports of wheat into the United Kingdom amounted to 26,830,172 bushels during the August-September period in 1935 as compared with 33,000,349 bushels during the same months last year. The table further shows that imports from the Argentine decreased about eight million bushels this year as compared with last. Imports from Canada were slightly lower in the August-September period as compared with the same months last year.

International Trade

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

Week Ending		North America	Argentina	Australia	Russia	Other	Total
				(Thousand Bushels)			
August	5	2,720	1,504	1,472	-	792	6,488
	12	1,560	2,944	1,008	-	888	6,400
	19	2,880	1,312	1,192	648	728	6,760
	26	2,640	4,016	1,704	872	696	9,928
September	2	2,584	1,888	1,080	1,144	416	7,112
	9	2,256	2,432	1,384	1,296	872	8,240
	16	2,784	3,440	1,560	592	1,184	9,560
	23	3,672	2,568	2,384	1,008	440	10,072
	30	3,680	1,056	1,824	992	624	8,176
October	7	3,910	3,123	1,936	1,936	1,104	12,009
	14	3,396	1,874	1,816	1,952	824	9,862
TOTAL		32,082	26,157	17,360	10,440	8,568	94,607
Comparative 1934-35							
Corresponding week		3,128	4,272	2,808	256	1,344	11,808
Total to Date		43,808	44,200	20,688	1,784	8,624	119,104

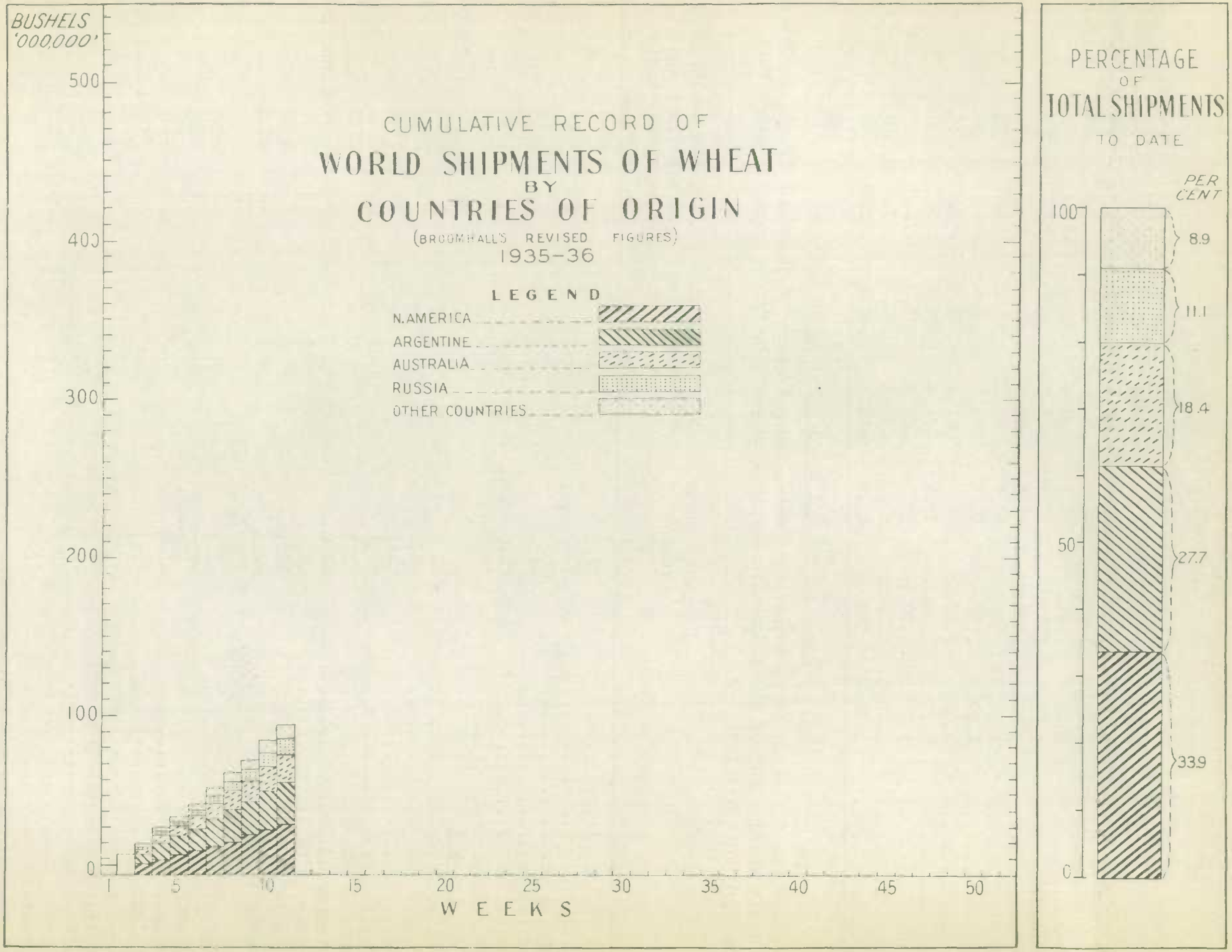
A decline of 24.5 million bushels or 21 per cent took place in world shipments during the first 11 weeks of the new season in comparison with a similar period of the previous crop year. Most of this decline was recorded in North American and Argentine shipments, the former falling from 43.8 million bushels to only 32 millions this year, while Argentine clearances fell from 44.2 to 26.2 million bushels. Australian shipments also fell slightly from 20.7 to 17.4 million bushels. Reflecting the better crops harvested in Russia and the Balkans, shipments from these countries have increased in the 1935-36 season to date.

The Position of the Import Requirements Estimate

(Mr. Broomhall's Estimate)

Estimated Import Requirements	Actual Shipments	Balance to be Shipped
Aug. 1, 1935 to July 31, 1936 (52 weeks)	Aug.1,1935 to Oct.14,1935 (11 weeks)	Oct.14,1935 to July 31,1936 (41 weeks)
540 million bushels or 10.4 million bushels weekly	95 million bushels or 8.6 million bushels weekly	445 million bushels or 10.9 million bushels weekly

During the first eleven weeks of 1935-36, world shipments have amounted to 95 million bushels, or an average of 8.6 million bushels per week. In order to fulfil the world estimate of 540 million bushels, weekly shipments will have to average 10.9 million bushels for the balance of the cereal year.


CUMULATIVE RECORD OF
WORLD SHIPMENTS OF WHEAT
BY
COUNTRIES OF ORIGIN
(BROOMHALL'S REVISED FIGURES)
1935-36
LEGEND
N. AMERICA
ARGENTINE
AUSTRALIA
RUSSIA
OTHER COUNTRIES
BUSHELS '000,000'
500
400
300
200
100
0
1
5
10
15
20
25
30
35
40
45
50
WEEKS
PERCENTAGE
OF
TOTAL SHIPMENTS
TO DATE
PER CENT
100
50
0
8.9
11.1
18.4
27.7
33.9

Monthly Average Winnipeg Cash Price - No. 1 Northern Wheat,
Crop Years 1928-29 to 1935-36.

(Dollars per Bushel)

	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
August..........	1.18.8	1.58.0	.92.5	.55.1	.56.3	.73.4	.86.0	.84.5
September........	1.17.0	1.49.5	.78.1	.53.6	.51.9	.67.2	.82.3	.90.3
October..........	1.23.7	1.41.4	.72.5	.59.9	.48.2	.60.5	.78.2	
November.........	1.20.9	1.33.0	.64.4	.67.3	.46.7	.63.7	.79.6	
December.........	1.17.1	1.37.8	.55.4	.60.6	.42.4	.60.3	.79.2	
January..........	1.20.9	1.30.5	.53.9	.60.0	.44.2	.65.0	.79.0	
February.........	1.27.9	1.17.4	.59.3	.63.2	.45.8	.65.6	.79.5	
March............	1.27.0	1.06.2	.56.7	.63.1	.49.1	.66.4	.81.9	
April............	1.22.8	1.09.8	.59.7	.62.6	.53.6	.65.5	.87.6	
May..............	1.12.3	1.07.9	.60.6	.62.9	.63.3	.70.6	.85.7	
June.............	1.18.3	1.03.2	.60.8	.55.1	.66.8	.77.1	.81.7	
July.............	1.59.9	.95.1	.57.3	.54.7	.83.4	.82.0	.81.4	

Wheat Prices and the General Price Level ≠

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

	General Index Canada 1930=100	Board of Trade United Kingdom 1930=100	Wheat No. 1 Manitoba Northern Fort William and Port Arthur basis 1930=100
1929......................	110.4	114.3	142.5
1930......................	100.0	100.0	100.0
1931......................	83.3	87.8	62.4
1932......................	77.0	85.6	59.0
1933......................	77.5	85.7	64.8
1934......................	82.7	88.1	79.4
1 9 3 4			
April.....................	82.3	87.7	69.5
May.......................	82.1	87.2	74.9
June......................	83.1	87.9	81.9
July......................	83.1	87.3	87.0
August....................	83.4	89.0	91.3
September.................	83.0	88.4	87.3
October...................	82.3	87.8	83.0
November..................	82.1	87.5	84.4
December..................	82.1	87.8	84.1
1 9 3 5			
January...................	82.4	88.3	83.8
February..................	83.0	88.0	84.4
March.....................	83.1	86.9	87.0
April.....................	83.7	87.5	93.0
May.......................	83.5	88.2	91.0
June......................	82.5	88.4	86.7
July......................	82.5	88.0	86.4
August....................	82.7	88.4	89.7
September.................	83.5	-	95.9

≠ Prepared by the Internal Trade Branch.

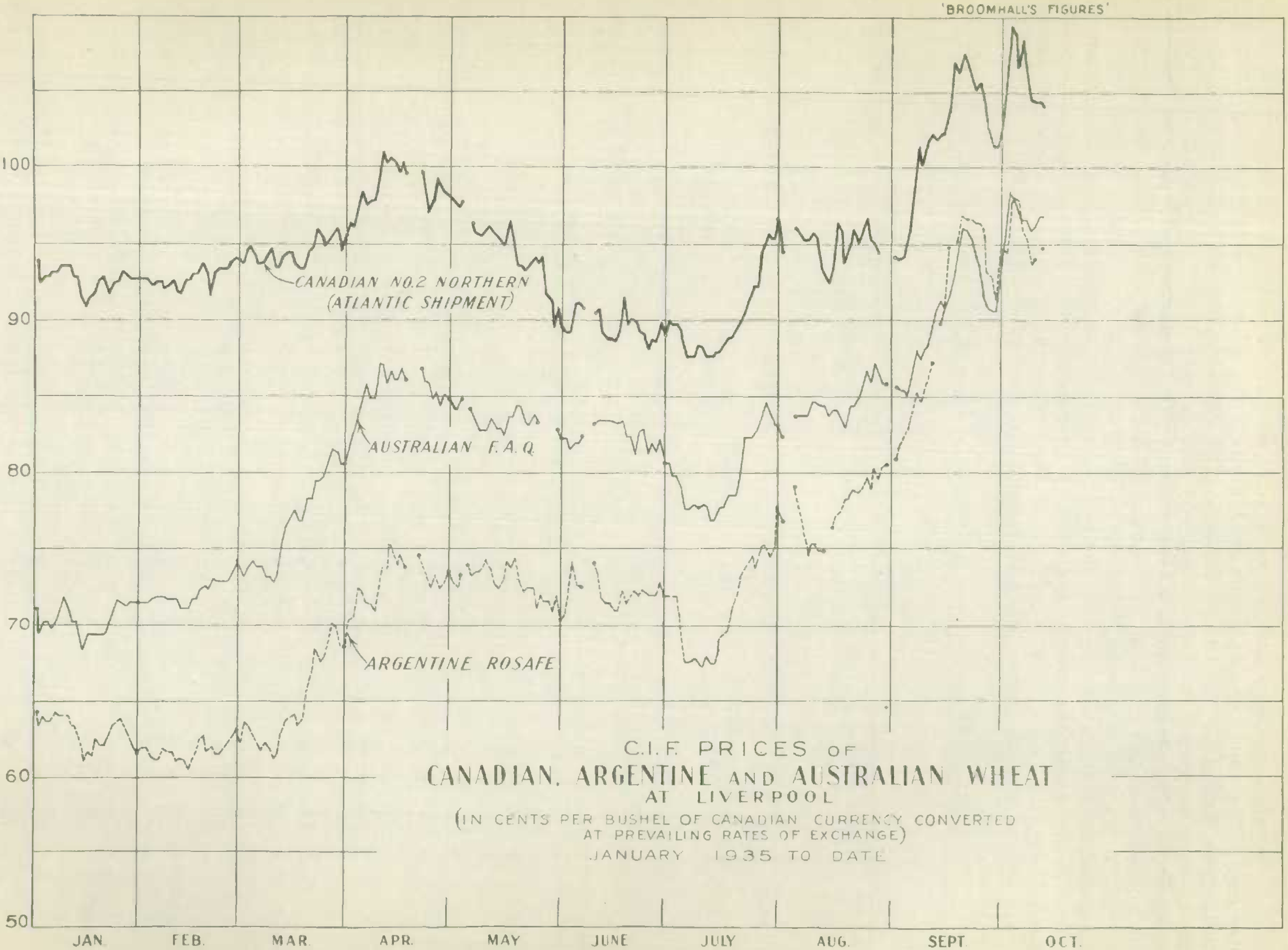
EXCHANGE FLUCTUATIONS

Foreign exchange markets have continued to be unsteady since the beginning of September. This condition has been reflected in the flow of approximately $300,000,000 in gold from Europe to the United States. The Canadian dollar declined sharply in terms of most exchanges in the latter half of September and subsequently has been somewhat erratic. The premium on New York funds at Montreal touched 2 p.c. on October 4, which represented the greatest discount on Canadian dollars in almost two years. This occurred in spite of a steadily "favourable" trade balance for many months past. It is anticipated that the short Argentine wheat crop will lead to weakness in peso exchange during the winter months unless the peso is given support. Sterling exchange at Montreal has fluctuated uncertainly since the beginning of September between limits of $4.9445 quoted for September 10, and $4.9935 for September 21. It was quoted at $4.9788 on October 14.

Exchange Quotations at Montreal, January 7, to October 14, 1935.

		United Kingdom Pounds	United States Dollar	Australia Pounds	Argentina x Paper Peso
		4.8666	1.0000	4.86666	.4244
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
	11	4.8895	1.0009	3.9116	.2577
	18	4.8919	.9994	3.9135	.2578
	25	4.8662	1.0000	3.8930	.2600
March	4	4.8104	1.0087	3.8483	.2592
	11	4.8193	1.0106	3.8555	.2577
	18	4.8175	1.0125	3.8540	.2553
	25	4.8225	1.0081	3.8580	.2545
April	1	4.8250	1.0062	3.8525	.2540
	8	4.8506	1.0037	3.8805	.2559
	15	4.8691	1.0034	3.8953	.2559
	23	4.8700	1.0043	3.8960	.2561
	29	4.8575	1.0046	3.8861	.2552
May	7	4.8562	1.0031	3.8850	.2552
	13	4.8729	.9990	3.8983	.2543
	20	4.9100	1.0000	3.9280	.2520
	27	4.9467	.9993	3.9575	.2583
June	4	4.9250	1.0000	3.9400	.2612
	10	4.9325	1.0012	3.9461	.2623
	17	4.9300	1.0007	3.9439	.2620
	24	4.9442	1.0004	3.9554	.2626
July	2	4.9493	1.0018	3.9594	.2640
	8	4.9687	1.0009	3.9749	.2640
	15	4.9686	1.0014	3.9666	.2644
	22	4.9670	1.0009	3.9737	.2642
	29	4.9666	1.0010	3.9732	.2652
August	5	4.9625	1.0009	3.9700	.2677
	12	4.9784	1.0012	3.9825	.2678
	19	4.9900	1.0025	3.9920	.2682
	26	4.9875	1.0018	3.9900	.2680
September	3	4.9817	1.0043	3.9850	.2677
	9	4.9450	1.0021	3.9550	.2686
	16	4.9750	1.0062	3.9800	.2697
	23	4.9875	1.0150	3.9900	.2796
	30	4.9665	1.0112	3.9725	.2751
October	7	4.9550	1.0118	3.9640	.2773
	14	4.9788	1.0153	3.9831	.2751

x Unofficial rates - between 7 cents and 8 cents below official rate since Sept.1934.



C.I.F. PRICES OF
CANADIAN, ARGENTINE AND AUSTRALIAN WHEAT
AT LIVERPOOL
(IN CENTS PER BUSHEL OF CANADIAN CURRENCY CONVERTED AT PREVAILING RATES OF EXCHANGE)
JANUARY 1935 TO DATE

THE CANADIAN SITUATION

I. Grading and Quality of the 1935 Crop.

The following table shows the grading of inspections during the two months of August and September, 1935 and 1934.

	Number of Cars Grading No. 3 Northern or Better.			
	1935		1934	
	Cars	Percent of Inspections	Cars	Percent of Inspections
August....................	7,855	82.89	11,639	93.
September................	16,975	64.83	22,356	92.
T o t a l............	24,830	69.63	33,995	92.4

As the inspection of the new crop progresses, the low quality of the 1935 crop becomes more evident. Less than 70 per cent of the inspected cars in August and September, 1935, graded No. 3 Northern or better compared with 92.4 per cent in 1934.

II. Lake Movement.

The following table summarizes the movement of wheat down the Lakes during the present season with comparative figures for 1934:

	Canadian Lower Lake Ports	St. Lawrence Ports	Buffalo	Other U. S. Ports	Totals
			bushels		
July 1 - August 7	20,054,378	5,785,989	11,323,981	535,602	37,699,950
Period ending:					
August 14	4,164,534	1,737,891	4,432,362	531,519	10,866,306
" 21	4,281,021	1,062,054	982,544	447,258	6,772,877
" 31	3,489,665	1,122,035	3,430,110	562,885	8,604,695
September 7	583,934	541,364	1,747,270	1,677,513	4,550,081
14	2,576,866	304,402	1,444,402	100,000	4,425,670
21	2,273,026	734,943	1,874,870	-	4,882,839
30	2,563,601	326,676	4,034,213	373,958	7,298,448
October 7	2,926,065	174,978	3,514,453	1,121,671	7,737,167
Sub-totals, August 8 to October 7	22,858,712	6,004,343	21,460,224	4,814,804	55,138,083
T o t a l s.........	42,913,090	11,790,332	32,784,205	5,350,406	92,838,033
Comparative Totals, 1934..........	31,660,867	5,547,915	18,867,006	3,927,835	60,003,623

The movement down the Lakes has quickened again after a comparatively slack period during the first three weeks of September. Since the first of July, 92,838,033 bushels have been cleared from Fort William - Port Arthur compared with 60,003,623 bushels in the same period of 1934. This marks an increase of nearly 55 per cent. 42.9 million bushels have been cleared to Canadian Lower Lake Ports, 32.8 million to Buffalo, 11.8 million to St. Lawrence ports and 5.3 million to United States ports other than Buffalo. The greatest increases over 1934 are recorded in shipments to United States and St. Lawrence ports.

III. Stocks in Store.

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

	1935		1934
	(bushels)		
Country Elevators - Manitoba................	6,285,132	x	9,242,939
Saskatchewan...........	43,049,846	x	51,056,886
Alberta................	31,709,256	x	33,903,985
Total..............	81,044,234	x	94,203,810
Interior Private and Mill Elevators........	6,856,920		6,807,992
Interior Public and Semi-Public Terminals..	4,527,346		5,097,900
Pacific Ports..............................	13,388,421		13,557,853
Churchill..................................	96,911		385,687
Fort William and Port Arthur...............	56,898,466		57,828,575
In Transit.................................	5,973,062		3,332,665
Eastern Elevators - Lake Ports.............	43,893,016		28,306,206
Eastern Elevators - Seaboard Ports.........	19,050,903		12,034,847
U. S. Lake Ports...........................	19,421,402		12,093,763
U. S. Atlantic Seaboard Ports..............	4,761,196		3,927,821
Total..............................	255,911,877		237,577,119

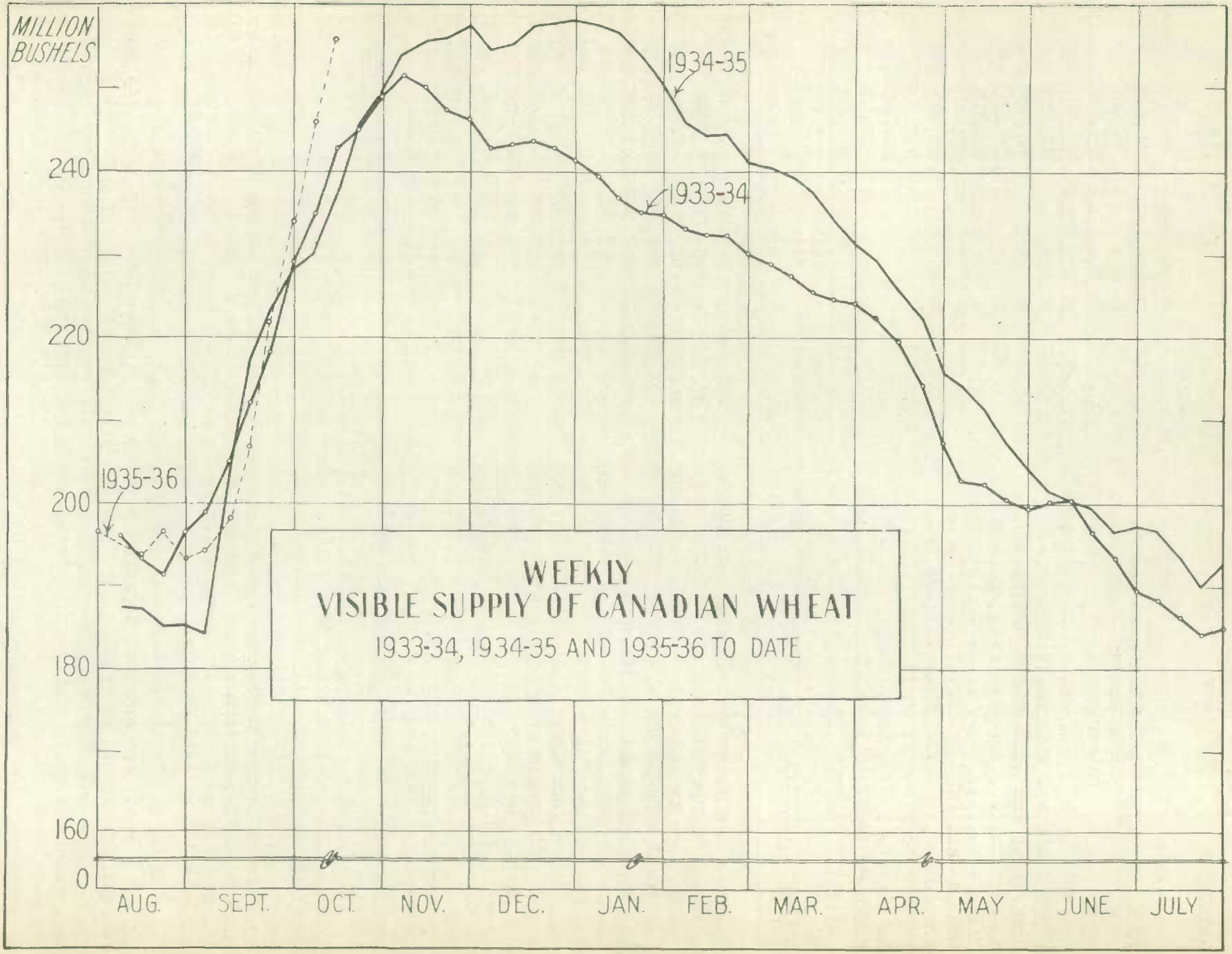
x Subject to minor revision.

On October 11, stocks of Canadian wheat in store in Canada and the United States were nearly 256 million bushels compared with 237½ million bushels at the same date last year. During the past month, stocks have increased 50 million bushels as a result of heavy marketings in the Prairie Provinces. The chart on the opposite page shows that the usual seasonal rise in the visible supply was later than in the previous year but much sharper in recent weeks. Fine weather encouraged threshing operations and the marketings have been very heavy, considering the size of the crop. Stocks in country elevators have increased 26 million bushels during the past month but are still lower than those held in this position a year ago. A large increase also took place in the stocks held in interior public and semi-public terminals. Stocks at Pacific Coast ports increased 3.8 million bushels during the month and now approximate the 1934 level at this season. The elevator at Churchill was practically cleared by the first of October and will now be used to provide storage for 1936 shipments.

At the Head of the Lakes, stocks are now only slightly below those of a year ago, with an increase of 8 million bushels during the past month. In transit stocks also show a sharp increase over those of a month and a year ago.

The Eastern Lake ports had 43.9 million bushels in store compared with 41.8 million bushels a month ago and 28.3 million bushels a year ago. At the Eastern Canadian seaboard, stocks were 19 million bushels compared with 12 million bushels a year ago. Considerable quantities of the stocks in transit have been held afloat waiting to unload at Montreal. A continued rise is apparent in stocks held in the United States. Lake ports now have 19.4 million bushels compared with 15.8 million a month ago and 12.1 million a year ago. Seaboard ports increased their holdings by 2.7 million bushels during the month and now hold 4.8 million bushels.

The distribution of Canadian wheat stocks is even more favourable for export than it was a month ago and much improved over the distribution at this time last year. A month ago, stocks at the Pacific Coast and in United States Atlantic seaboard ports were rather low, but this has now been corrected. If the demand could be more equally divided between Atlantic and Pacific ports, the outward movement would be facilitated.



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

IV. Primary Movemant.

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

Week ending		Manitoba	Saskatchewan	Alberta	Totals	Last Year
				bushels		
August	9, 1935	69,727	558,871	816,085	1,444,683	3,011,917
	16	161,633	586,240	873,148	1,621,021	3,002,817
	23	473,449	672,561	1,167,628	2,313,638	9,020,987
	30	858,672	2,446,366	1,497,471	4,802,509	16,491,316
Sept.	7	2,098,352	8,682,159	3,391,128	14,171,639	15,573,590
	14	1,756,312	12,056,920	3,927,633	17,740,865	22,565,311
	21	1,104,305	12,121,333	5,577,634	18,803,272	10,771,408
	28	1,459,438	11,609,883	4,979,162	18,048,483	5,308,972
Oct.	4	1,884,450	8,698,031	7,931,457	18,513,938	8,457,256
Total....		9,866,338	57,432,364	30,161,346	97,460,048	94,203,574

V. Export Clearances of Canadian Wheat 1935-36.

Week ending		Montreal	Quebec	Sorel	Vancouver New Westminster	United States Ports	Total Clearances	
					bushels			
August	8	938,989	25,000	492,387	213,750	156,000	1,826,126	
	15	795,924	-	-	473,173	299,000	1,568,097	
	22	676,530	-	230,600	403,721	327,000	2,237,851	1/
	29	948,222	-	-	604,800	467,000	2,020,022	
Sept.	6	818,891	24,315	-	243,600	159,000	1,245,806	
	13	1,338,192	-	200,000	100,800	672,000	2,310,992	
	20	1,482,196	-	-	574,733	251,000	2,911,929	1/
	27	1,363,813	-	177,500	560,066	282,000	3,256,379	1/
Oct.	3	1,601,643	39,056	539,000	349,150	236,000	3,094,849	1/
	11	1,815,147	-	288,266	356,906	139,000	2,599,319	
Total..		11,779,547	88,371	1,927,753	3,880,699	2,988,000	23,071,370	1/
Last year....		9,795,232	1,078,360	1,767,093	7,665,597	7,595,000	31,951,159	2/

1/ Includes the following shipments from Churchill in order, 600,000, 604,000, 873,000, 330,000 and 2,407,000 bushels.

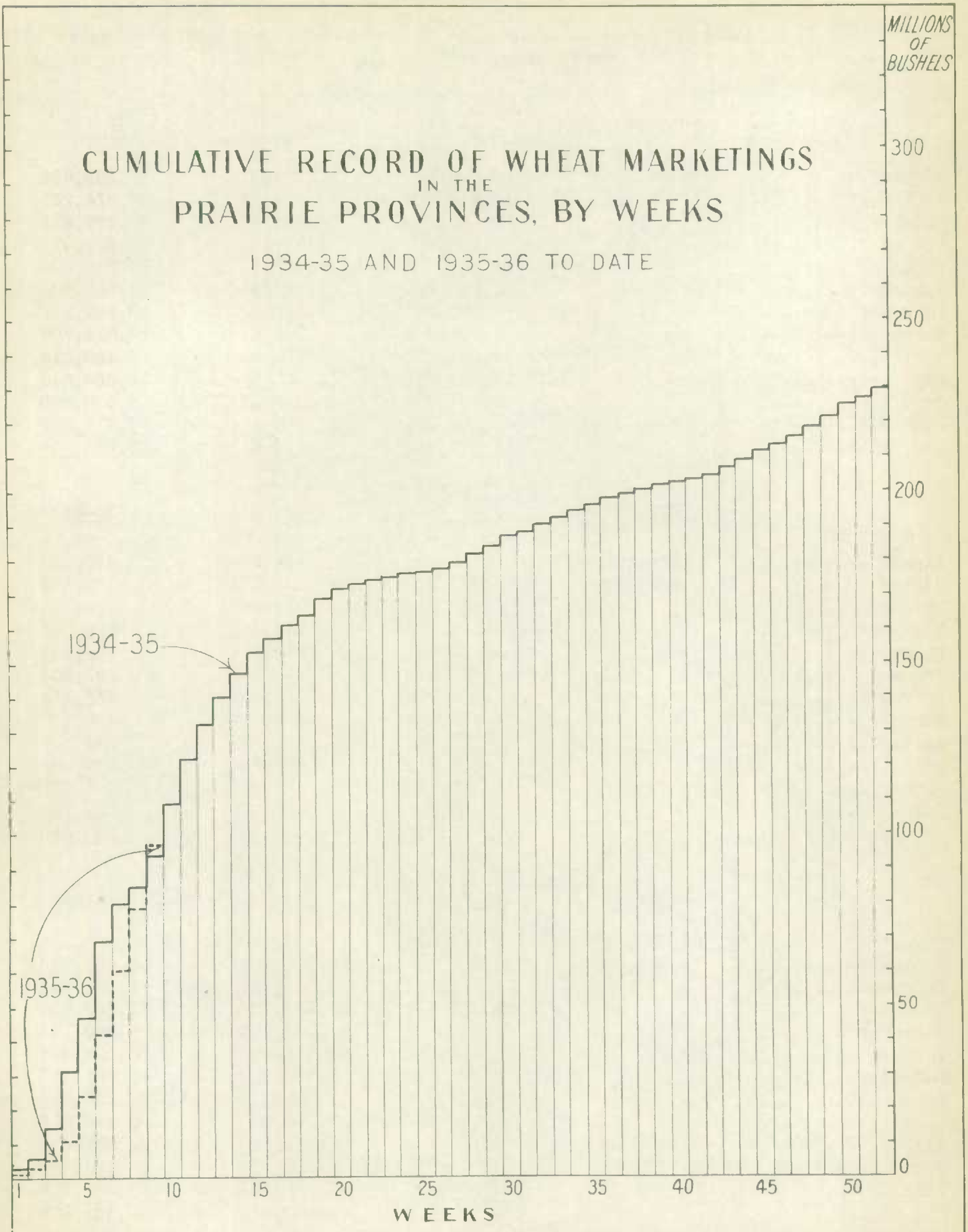
2/ Includes 4,049,877 bushels shipped from Churchill.

VI. Statistical Position.

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

	1934-35	1935-36	
	bushels		
Carry-over, July 31	193,990,281	203,231,288	
New Crop	275,849,000	290,541,000	1/
Total Supplies	469,839,281	493,772,288	
Domestic Requirements	100,772,112	112,000,000	2/
Available Supplies	369,067,169	381,772,288	
Exports, August and September	35,814,375	42,445,865	
Balance for export or carry-over	333,252,794	339,326,423	

1/ Preliminary estimate. 2/ Tentative.


MILLIONS OF BUSHELS
CUMULATIVE RECORD OF WHEAT MARKETINGS IN THE PRAIRIE PROVINCES, BY WEEKS
1934-35 AND 1935-36 TO DATE
300
250
200
150
100
50
0
1934-35
1935-36
1
5
10
15
20
25
30
35
40
45
50
WEEKS

EXPORTS OF CANADIAN WHEAT

The following tables show exports of wheat and flour during September 1935, with comparative figures for preceding years:

W H E A T

	1935-36	1934-35	1933-34	1932-33
	(b u s h e l s)			
August	21,698,284	14,709,675	8,652,970	18,289,832
September	17,272,672	17,588,359	19,666,351	26,874,237
October		21,307,784	23,611,510	40,192,415
November		18,769,770	23,143,958	27,301,976
December		17,336,206	17,457,963	27,735,999
January		5,380,226	7,088,311	14,706,801
February		7,206,560	6,512,686	10,922,337
March		8,906,379	10,103,240	14,815,705
April		5,027,403	3,568,090	4,460,214
May		11,989,891	19,023,770	21,464,848
June		6,494,622	18,425,933	16,998,672
July		9,158,035	12,979,231	16,373,532
Total		144,374,910	170,234,013	240,136,568

F L O U R

	1935-36	1934-35	1933-34	1932-33
	(b a r r e l s)			
August	376,562	412,089	480,288	330,382
September	395,640	369,320	552,556	385,113
October		485,549	514,368	528,794
November		504,384	547,602	576,864
December		340,751	418,183	492,033
January		346,099	448,498	397,304
February		309,729	328,376	333,114
March		497,468	493,327	490,270
April		276,907	340,621	234,387
May		383,221	481,725	565,080
June		429,561	441,064	544,507
July		395,232	408,028	492,765
Total		4,750,310	5,454,636	5,370,613

WHEAT AND WHEATFLOUR

	1935-36	1934-35	1933-34	1932-33
	(b u s h e l s)			
August	23,392,813	16,564,076	10,814,266	19,776,551
September	19,053,052	19,250,299	22,152,853	28,607,246
October		23,992,754	25,926,166	42,571,988
November		21,039,498	25,608,167	29,897,864
December		18,869,586	19,339,786	29,950,143
January		6,937,672	9,106,552	16,494,669
February		8,600,340	7,990,378	12,421,350
March		11,144,985	12,323,211	17,021,920
April		6,273,484	5,100,885	5,514,956
May		13,714,385	21,191,533	24,007,708
June		8,427,647	20,410,721	19,448,954
July		10,936,579	14,815,357	18,590,974
Total		165,751,305	194,779,875	264,304,328