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Dominion Statistician: R. H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.)
Chief, Agricultural Branch: T. W. Grindley, Ph.D.

THE WORLD WHEAT SITUATION - SUMMARY

There have been very few notable happenings in the wheat situation during the past month. European demand has been limited and erratic but the outward movement of Canadian supplies has continued satisfactorily, mainly due to imports for consumption by the United States. World shipments remained disappointingly low while European importing countries utilized their ample domestic supplies. Argentine wheat shipments have declined during the month, but Australian clearances, principally to ex-European destinations, have held up surprisingly, casting doubts on the accuracy of the 1934-35 estimate of production. Russian shipments continued at a moderate rate during the month and will probably persist for a few more weeks before exportable supplies are exhausted. Canada's percentage of the overseas wheat trade has increased further and this tendency will probably continue during the balance of the calendar year at least. Until the new Southern Hemisphere crops reach Europe, Canada is the principal source of wheat and has a wide range of grades and qualities in export position to meet varied demands.

Supplies of wheat on passage to Europe have remained well below those of the fall of 1934, mainly as a result of lower clearances from the Southern Hemisphere. Port stocks in the importing countries have increased very little. Import demand is unsteady but breaks out into fairly liberal buying whenever events are such as to cast doubts on the possibilities of securing supplies when needed.

Latest private estimates of the Argentine crop about to be harvested range from 150 to 180 million bushels, indicating an exportable surplus of between 55 and 85 million bushels, after allowing 95 million bushels for home consumption. Argentina has a market in Brazil and other South American countries for between 20 and 30 million bushels so that exports to Europe will be quite small during 1936, even if the larger estimate materializes.

Australia's crop is officially placed at 135 million bushels of which 55 millions are required at home, leaving a balance of 80 million bushels for export or carry-over. Direct advices to the Bureau from Melbourne indicate a total yield of 126 million bushels. The combined surplus of the Southern Hemisphere on the basis of the highest estimates would be 165 million bushels, compared with 292 million bushels exported in the last crop year. This is a reduction of 127,000,000 bushels for the two countries. The full effect of this reduction can be offset or delayed by early shipment that will lower the carry-over below normal at July 31, 1936. The uncertainty of the Oriental market also indicates that a greater proportion of the Australian exportable surplus will be pressed upon European and United Kingdom markets.

Russia shipped about $17\frac{1}{4}$ million bushels in the first 16 weeks of the crop year and is reported not to be offering later than November shipment. Broomhall estimated the Russian exports for the season at 24 million bushels, although he has recently indicated that this figure might be too low. It may be taken for granted that the peak of the Russian movement for the season is now past.

The Danubian countries, and especially Roumania, have not appeared as strongly in the export situation as was anticipated and apart from a little low grade wheat that France is trying to sell, there is very little wheat offering on the international market from European countries. India, also, has shipped very sparingly.

World shipments continue to run substantially behind last year's total at this date, although there has been a tendency for shipments to increase in recent weeks and for stocks to show some improvement in European ports. United Kingdom stocks also continue to run considerably below last year's figures, but here also there are signs of an increase. In last month's Review, on the basis of shipments covering the first eleven weeks of 1935-36, it was shown that world shipments were 20.6 per cent under those of the same period of 1934-35. Now, after 16 weeks of the new season, the reduction is only 12.1 per cent, indicating a definite improvement. World shipments for the period mentioned have reached 150.4 million bushels compared with 171.1 millions a year ago. North American shipments have continued to gain steadily over those of Argentina.

A heartening feature of the month of November was the improved import of Canadian wheat into the United States and the United Kingdom. An appraisal of the Canadian wheat export trade to date that does not take account of sales to the United States is a record of movement which falls far short of earlier expectations. Sales to Europe have been disappointing when the reduced competition from Argentina and Australia and the highly competitive prices at which Canadian wheat has been offered are considered. The loss in European trade has been more than made up, however, by increased sales to the United States and the total movement to all destinations is slightly above that of the same period a year ago, disregarding stocks of Canadian wheat still held in bond in the United States that have been shown as "exports" in the customs returns. Some of this latter wheat, of course, has been actually sold to United States mills.

Since the 1st of August, 1935, approximately 14 million bushels of Canadian wheat have been imported for consumption in the United States while another $3\frac{1}{4}$ million bushels have been imported for milling in bond and re-export. This movement is substantially above that of the autumn of 1935 and establishes the United States as second only to the United Kingdom as a buyer of Canadian wheat this year. Between August 1, and November 14, shipments of Canadian wheat to United States points totalled 58,622,646 bushels, and 49,958,413 bushels of this went to Buffalo. High grades predominated but limited amounts of frozen wheat and some of the Garnet grades figured in the shipments. Much of the wheat now held in bond is believed earmarked for domestic consumption and disappearance during the winter months is expected to be considerable. Buffalo mills are grinding a large percentage of Canadian wheat. Bonded stocks of Canadian wheat in the United States rose to the high figure of 32,714,122 bushels on November 15, this figure being about 13 million bushels greater than the stocks a year previous. It is noteworthy also that a heavy movement continues to Buffalo and many storage boats are taking on cargo and will winter at Buffalo with Canadian wheat on board.

Purchases by the United States this year are in a different category from those of a year ago. Last winter the sales made comprised mostly amber durum wheats, of which there was a shortage in the U.S. markets, and low grade wheat which was bought for feeding purposes and admitted on a 10 per cent ad valorem duty. This season the imports have included some low grade wheat, but the great bulk of the importations has been high grade milling wheat required to replace the native spring wheats that suffered rust damage and became unfit for milling.

In the European market, and particularly in the United Kingdom, sales of Canadian wheat have failed to materialize in the volume expected. Smaller purchases of Argentine wheat in the United Kingdom markets are noted, but Russia and other small exporting countries have gained ground over last year in this market. The imports of

Canadian wheat into the United Kingdom were over 8 million bushels, compared with about $5\frac{1}{2}$ million bushels in October, 1934 and less than 6 million bushels in September, 1935. Canada supplied 44 per cent of the total United Kingdom wheat imports in October, 1935 and 40 per cent in the three months, August to October, 1935. These figures show an improvement over the comparable periods of 1934 - 37 and 35 per cent respectively. November and December imports should at least maintain the relative position of Canadian wheat in the United Kingdom market.

Substantial purchases of Canadian wheat were made in late September and early October when world prices were advancing and Argentine crop news was pessimistic. These are reflected in the improved shipments from Canada noted in recent weeks. Since then, rains have improved the outlook in Argentina and the new crop in Australia now promises to be as large as last year, though considerably below average. Argentina is offering new crop wheat for January-February shipment at substantial discounts under old crop prices and while the quantities are not large the effect on market sentiment is appreciable. The weakness of deferred futures at Liverpool is attributed in large measure to the offering of this new wheat at cheap prices in face of a moderate harvest which should find a market without pressure to sell.

Australia is also shipping more liberally than expected, confirming an under-estimate of last year's crop, but it should be noted that Australia is still sending the great bulk of her surplus to non-European countries largely the Orient, where other exporting countries appear to be unable to compete.

Competitive Export Prices.-

Canadian prices are holding well in line with other wheats and are offering at the smallest premiums seen since 1932. The prices quoted for new crop Argentine wheat have widened the spread but old crop Argentine Rosafe and No. 2 Northern from Atlantic ports have been running 2 to $2\frac{1}{2}$¢ apart, duty paid, at Liverpool, during the past few weeks. A similar premium over Russian wheat is noted while Australian wheat has been at a somewhat wider discount under Manitobas. The chart on page 19 of this Review affords a comparison of C.I.F. prices of Canadian, Argentine and Australian wheat since January 1, 1935.

From a statistical standpoint, the outlook for larger Canadian sales of wheat is still good but the lull in demand and declining prices has caused unsettlement in the market. Hedging pressure has disappeared with farm deliveries down to small daily totals and a large percentage of the 1935 crop already in the elevators. The chart on page 7 illustrates that the export movement of Canadian wheat in the first three months of the 1935-36 season is closely following a pattern of 250 million bushels for the year. The months of November and December must add about 72 million bushels to maintain the early promise.

Future markets have been weak throughout the world since about the end of the first week in October. Liverpool has weakened readily on leads from both Buenos Aires and Winnipeg, particularly in the deferred months. The Winnipeg futures market has been extremely narrow and inactive with prices reigning about 10 cents below the early October peaks and with the May future hovering about the levels at which it came on the Board early in September. Buying has come in spurts and reversals of the downward trend were evident on October 15 and on November 14 and 21. The Chicago and Minneapolis futures markets have been a little more resistant to declines, but, with the United States on an import basis, have followed Winnipeg fairly closely.

The Wheat Situation in Canada.

The second estimate of the 1935 production of wheat in Canada, issued on November 13, was 273,971,000 bushels or 16,570,000 bushels below the first estimate made on September 11. Production in the three Prairie Provinces is now estimated at 256 million bushels compared with the first estimate of 272 million bushels. As the inspection of the new crop proceeds, the poor quality of the crop is further emphasized. In October, only 41.3 per cent of the inspected cars graded No. 3 Northern or higher and for the three months, August to October, only 57.3 per cent graded No. 3 Northern or better. The primary movement of wheat has fallen rapidly in recent weeks and while the quoted prices remained below the minima of the Canadian Wheat Board, that organization received the bulk of the deliveries. Thus hedging pressure slackened greatly.

The movement of wheat into export position has continued at a satisfactory rate and considerable quantities are being booked for winter storage afloat. The outward movement of Canadian wheat to overseas destinations quickened during November, but continues to be rather disappointing. Sales to the United States for consumption, however, are measuring up to expectations and are a very significant factor in the Canadian wheat situation.

The visible supply of Canadian wheat evidently passed its peak early in November and has now declined slightly on two successive occasions. Receipts at country elevators in the week ending Nov.15 declined further to 3,727,945 bushels. Export clearances to overseas destinations from Canadian ports only in the week ending November 22 increased again to 3,711,482 bushels.

World shipments of wheat and wheat flour in the week ending November 25 amounted to 8,128,000 bushels compared with 10,133,000 bushels last week and 10,312,000 bushels last year. Southern Hemisphere clearances were 2,411,000 bushels compared with 6,088,000 bushels in the same week of 1934. The North American clearances, returned by Broomhall as 3,501,000 bushels, are about a million bushels too low; this low bias has been quite common in his North American figures this year.

With the rise of prices recorded in Saturday's short session at Winnipeg, most of the important selling grades were brought above or near the minimum prices. No. 1 Northern closed 1 cent above the minimum and No. 6, 3 3/8 cents above. The Durums and the special grades remained well below the set minima.

Australia

The following cable was received from the Canadian Trade Commissioner at Melbourne (November 15, 1935):

> "Wheat and flour shipments from Australia to week ending November 6th aggregated 97,910,472 bushels compared with 89,580,436 bushels last year. Quiet markets prevailed during the past month and quotations have declined about sixpence per bushel. United Kingdom demand has disappeared and there has been no support from eastern market. Old crop stocks are almost entirely cleared but heavy decline in prices has proved great disappointment to growers who are now receiving about two shillings tenpence per bushel at country sidings equivalent to fifty-six cents Canadian; FOB steamer price about three shillings fivepence. New crop being received at shipping points indicates better quality than last year; total yield estimated 126 million bushels. Moderate quantities of flour have been booked for Dairen for November shipment but other export markets are quiet; mills fairly well booked until middle December, but market stagnant pending arrival new crop. Export quotations have fallen to seven pounds ten shillings per ton (2000 pounds) 49-pound sacks, equivalent twenty-nine dollars seventy cents Canadian and seven pounds five shillings per ton 150-pound bags. Chartering vessels for new crop is proceeding at schedule rates given in report last month."

MOVEMENT OF CANADIAN WHEAT THROUGH THE UNITED STATES.

For many years a substantial volume of Canadian wheat has been shipped to the United States for storage and subsequent distribution. Storage, transportation, port and shipping facilities of the Eastern States have been such as to attract large quantities of Canadian wheat.

The bulk of the movement of Canadian wheat to the United States occurs during the season of open navigation on the Great Lakes and reaches its largest proportions during the fall months. The bulk of the movement is from Port Arthur and Fort William to Buffalo, a lake port with excellent storage facilities and conveniently located in respect to Eastern United States sea ports such as New York, Boston, Philadelphia, etc., in respect to the milling industry in the Eastern States and also in respect to the Canadian port of Montreal.

The movement of Canadian wheat to Buffalo is due in part at least to the advantages that accrue from storing wheat in that position. Grain in store at Buffalo has a number of important alternative outlets which may be summarized as follows:

1. Wheat in store at Buffalo may be conveniently exported through Eastern United States ports which provide excellent ocean shipping facilities.
2. Wheat in store at Buffalo is available for milling in bond, and the development of the milling industry at Buffalo indicates the importance of this grade.
3. In years when the United States imports wheat, stocks of Canadian wheat located at Buffalo are in an advantageous position.
4. Wheat in store at Buffalo may be re-routed by water to Montreal and conveniently exported through that port.

In recent years the development of Canadian ports has curtailed the movement of Canadian grain through Eastern United States. In particular, the development of the port of Vancouver, and increased handlings through that port, have affected the Eastern movement of the Canadian wheat crop. However, in spite of these developments, the marketing of Canadian grain through the United States still remains an important factor in the trade and one which is worthy of considerable study. The following table shows the general movement of Canadian wheat through Canadian and United States ports:

Crop Year	Via Canadian Ports	Via United States Ports	Total
		bushels	
1925-26	142,508,257	122,584,780	265,093,037
1926-27	132,166,033	111,475,189	243,641,222
1927-28	184,594,013	95,541,047	280,135,060
1928-29	229,952,210	114,412,250	344,364,460
1929-30	93,171,035	55,288,905	148,459,940
1930-31	148,620,371	71,828,454	220,448,825
1931-32	135,503,471	48,826,618	178,330,089
1932-33	198,244,502	41,587,090	239,831,592
1933-34	127,650,506	42,364,693	170,015,199
1934-35	96,084,420	33,214,392	129,298,812

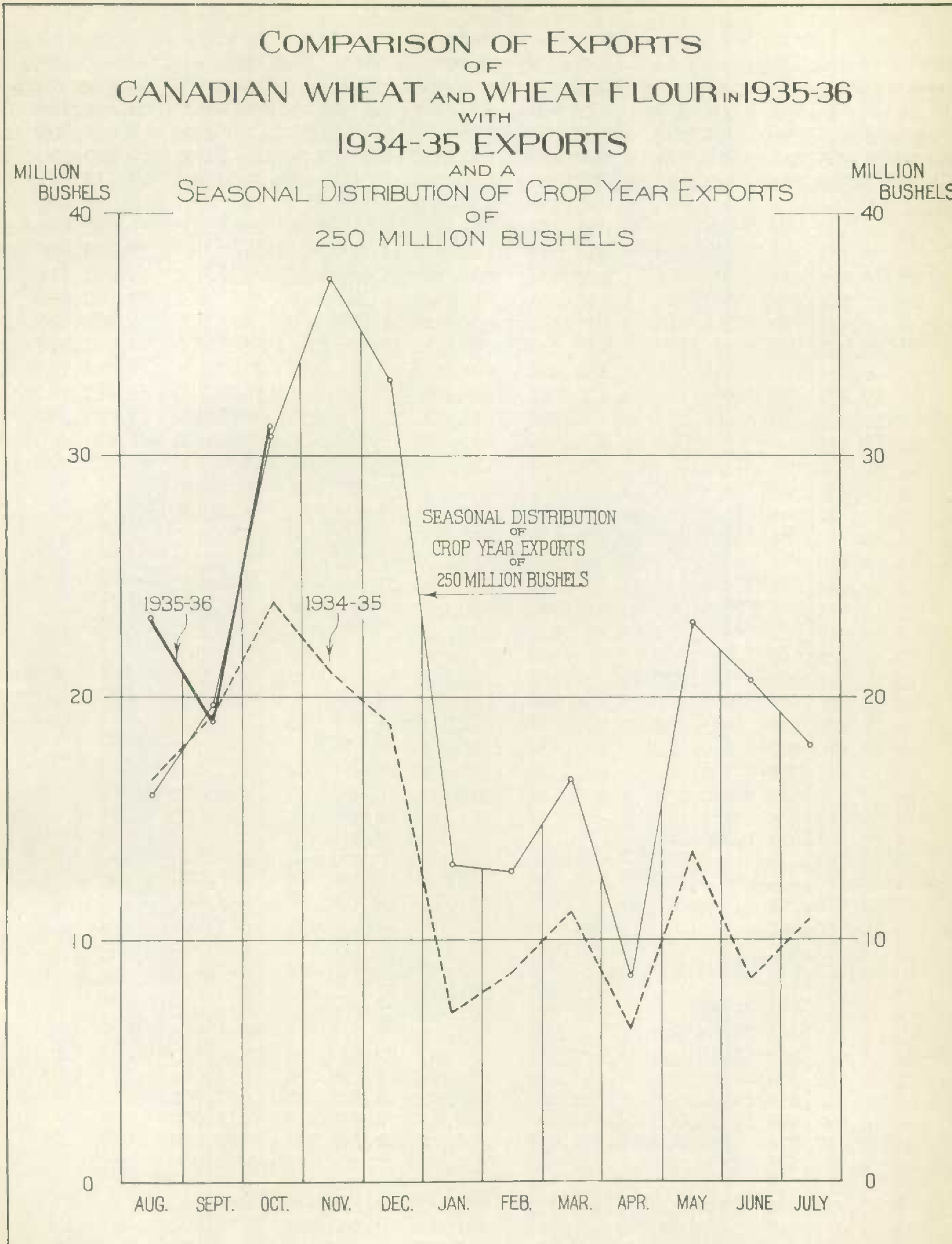
As shown by the above table, exports of Canadian wheat via United States ports have been decreasing in recent years, and during the past four years less than 50 million bushels of Canadian wheat have been routed via United States ports. In 1932, the movement to the United States was affected by the inauguration of the British preference on Empire wheats and the fact that wheat shipped through Canadian ports was more readily identified for purposes of granting the preference than wheat shipped through non-Empire ports.

STOCKS OF CANADIAN WHEAT IN THE UNITED STATES AND EXPORT CLEARANCES FROM UNITED STATES' PORTS

By weeks, 1932-33, 1933-34, 1934-35 and 1935-36 to date

(Bushels)

Week Ending		1932-33 Stocks	1932-33 Clearances	1933-34 Stocks	1933-34 Clearances	1934-35 Stocks	1934-35 Clearances	1935-36 Stocks	1935-36 Clearances
Aug.	4	5,354,306	581,000	6,415,527	513,000	9,727,315	340,000	10,508,498	296,000
	11	5,413,158	487,000	5,700,111	15[illegible],000	9,584,882	306,000	12,006,507	156,000
	18	4,853,962	276,000	5,262,942	120,000	10,386,124	582,000	17,890,139	299,000
	25	5,284,170	187,000	5,339,653	278,000	9,965,316	661,000	17,716,941	327,000
Sept.	1	6,409,517	441,000	4,784,542	406,000	10,065,306	1,425,000	18,571,308	467,000
	8	6,916,897	327,000	6,006,543	637,000	10,299,995	598,000	17,962,653	159,000
	15	6,435,434	476,000	5,074,045	498,000	11,579,502	1,050,000	17,810,777	672,000
	22	6,372,631	374,000	4,616,293	490,000	11,892,232	785,000	19,802,912	251,000
	29	7,344,517	977,000	5,752,064	517,000	14,187,141	736,000	20,600,088	282,000
Oct.	6	7,811,809	908,000	6,541,114	634,000	14,975,169	594,000	21,560,625	236,000
	13	9,057,492	712,000	7,140,694	243,000	16,021,584	518,000	24,182,598	139,000
	20	8,954,715	352,000	7,554,901	694,000	17,771,567	386,000	27,723,124	307,000
	27	10,269,447	692,000	8,338,971	313,000	17,213,477	788,000	29,915,764	701,000
Nov.	3	11,331,620	425,000	9,722,684	264,000	17,575,330	406,000	32,049,390	494,000
	10	11,002,119	236,000	10,562,536	294,000	19,242,903	496,000	31,891,400	405,000
	17	14,713,425	382,000	10,969,709	126,000	19,632,971	427,000	32,714,122	751,000
	24	16,722,162	528,000	11,872,671	289,000	21,601,594	269,000		
Dec.	1	19,594,364	538,000	14,473,825	275,000	23,568,341	310,000		
	8	19,940,776	621,000	16,170,608	830,000	26,[illegible]03,160	312,000		
	15	19,736,464	504,000	15,838,446	375,000	27,748,039	370,000		
	22	18,884,569	304,000	14,565,814	752,000	28,092,514	259,000		
	29	19,674,025	1,749,000	14,038,595	600,000	27,561,749	315,000		
Jan.	5	24,537,809	4[illegible],000	13,144,240	458,000	27,136,698	39,000		
	12	23,863,746	777,000	11,711,703	1,046,000	26,838,989	198,000		
	19	22,892,029	777,000	10,802,537	1,363,000	26,164,012	188,000		
	26	21,917,585	699,000	10,405,745	737,000	25,818,910	358,000		
Feb.	2	20,988,330	601,000	9,797,603	639,000	24,022,210	370,000		
	9	19,410,690	940,000	9,107,756	586,000	24,030,55	167,000		
	16	17,741,927	103,000	8,593,159	930,000	23,424,868	401,000		
	23	14,928,440	820,000	7,583,745	515,000	21,901,837	408,000		
Mar.	2	13,876,368	808,000	8,800,744	1,414,000	21,484,466	192,000		
	9	13,597,298	1,238,000	8,872,685	316,000	20,560,688	435,000		
	16	13,193,472	183,000	7,840,846	549,000	19,756,771	451,000		
	23	12,774,235	434,000	6,720,907	714,000	17,849,766	487,000		
	30	11,675,048	74,000	5,655,616	457,000	16,217,206	65,000		
Apr.	6	10,860,032	673,000	4,284,306	850,000	15,179,696	561,000		
	13	9,534,502	94,000	3,817,633	672,000	14,407,472	523,000		
	20	7,253,145	494,000	3,073,479	640,000	13,920,654	440,000		
	27	4,579,824	145,000	1,518,955	837,000	12,225,680	274,000		
May	4	4,499,010	356,000	895,321	408,000	11,918,099	455,000		
	11	6,731,736	106,000	1,682,328	269,000	11,014,573	407,000		
	18	5,823,026	299,000	3,672,977	153,000	10,468,249	121,000		
	25	7,202,208	507,000	4,455,797	234,000	10,195,025	293,000		
June	1	5,958,366	682,000	5,252,201	237,000	9,370,703	652,000		
	8	4,897,496	1,214,000	6,613,977	293,000	9,603,316	112,000		
	15	3,497,072	395,000	7,330,896	295,000	9,347,363	400,000		
	22	4,109,057	330,000	9,242,545	709,000	9,334,726	270,000		
	29	4,531,269	310,000	10,120,973	715,000	9,279,209	452,000		
July	6	5,317,000	250,000	9,448,727	434,000	8,612,446	599,000		
	13	5,986,156	400,000	9,135,030	393,000	8,265,689	85,000		
	20	5,401,614	-	8,972,466	480,000	8,300,757	145,000		
	27	4,706,828	377,000	9,184,896	395,000	8,490,796	250,000		


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

During the past month several European countries, notably Czechoslovakia, Yugoslavia and Italy have made upward revisions in their 1935 crop estimates. Total production in 28 countries of Europe is now estimated at 1,558,522,000 bushels compared with 1,535,340,000 a year ago. Downward revisions in Canada and Mexico bring the 1935 total to 883,185,000 bushels compared with 783,728,000 bushels in 1934. No change has been made in the North African estimates. A minor change in the Turkish estimate for 1935 was accompanied by a considerable upward revision in the 1934 estimate for that country.

In the Southern Hemisphere, an official estimate appeared for Australia that was little above the low figure of 1934-35. The Argentine crop of 1935-36 has not yet been officially estimated, but a large reduction is still in prospect.

For 42 countries of the world, the 1935 production is now estimated at 3,373,565,000 bushels compared with 3,350,165,000 bushels a year ago.

Europe

	(000 bushels)	
	1934	1935
Germany	166,539	171,777
Austria	13,308	15,590
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	3,280	3,281
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	7,015
Lithuania	10,475	9,593
Luxemburg	1,171	1,009
Malta	310	179
Norway	1,204	1,100 x
Netherlands	18,042	15,560
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	62,096
Yugoslavia	68,328	73,082
Italy	232,759	283,475
Denmark	12,500	12,500
Totals	1,535,340	1,558,522

x Estimates, United States Department of Agriculture.

Production of Wheat (Cont'd.)

North America

	(000 bushels) 1934	1935
Canada	275,849	273,971
United States	496,929	598,935
Mexico	10,950	10,279
Totals	783,728	883,185

North Africa

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

Chosen	9,268	8,935
India	351,456	363,022
Japan	47,660	49,087
Turkey	99,711	93,166
Totals	508,095	514,210

Southern Hemisphere

Argentina	240,669	160,000
Australia	133,489	135,000
Union of South Africa	15,343	12,000
Totals	389,501	307,000

Summary

	1934	1935
Europe	1,535,340	1,558,522
North America	783,728	883,185
North Africa	133,501	110,648
Asia	508,095	514,210
Southern Hemisphere	389,501	307,000
Totals	3,350,165	3,373,565

The Argentine

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

Crop Conditions

Generous rains during the past month have made a very radical change in the crop prospects, and in these rains every part of the cereal zone has participated, even the south of Buenos Aires, which was beginning to complain of dryness, received a nice soaking a week ago. In view of the 25 per cent reduction in the wheat area seeded, it is, of course, impossible that anything like a normal volume will be threshed, especially as there must be added to that reduction an area of abandonment which is at present impossible to estimate. Reports from the districts which were suffering severely from the long drought indicate that there has been a considerable response to the moisture in the fields which had been feared were lost completely, and which are now covered with a fresh green growth which would have been much more welcome a few weeks ago. Many of the colonists are still undecided whether to plough this grain under and reseed the fields to maize, which can still be sown with reasonable assurance of a crop, or to wait and see what happens to the young wheat. Much of the seed which has now sprouted has been lying dormant in the dry ground for two, three and even four months. For the most part it is poorly rooted, and a few days of the hot winds which might soon be anticipated in a normal season would probably kill it out completely, too late to use the land for anything else this season. With a continuance of the cool weather which has been prevalent so far, the plants may gain sufficient strength to make a crop, although a late one. The tendency appears to be to wait a little longer and see what happens to it. Naturally the districts, especially in the province of Buenos Aires, which had escaped the drought, now have prospects which are very bright indeed for a good crop.

Below I give extracts from the official report of the Ministry of Agriculture on crop conditions in the grain growing regions, which made its appearance on the 23rd ultimo. Further rains have fallen since the report was made public, and southern Buenos Aires shared in these. For the sake of brevity I quote only the references to wheat, it being understood that the condition of the other crops is more or less similar, with due allowance for their individual peculiarities.

Buenos Aires. In the south-east the condition of the wheat fields is considered good, with the exception of the low lands between the hills of Azul and Tandil, where it has not rained. In the centre of the province a little backwardness is noted, but the condition is good. In the hill zone it has rained little, so that the drought and low temperatures have continued holding back the development of the wheat, which on the other hand is well rooted and a healthy colour. In the Bahia Blanca zone the rains have been insufficient and there have been frequent frosts, so that growth continues to be backward, which may have bad results if in November there should be hot winds inducing a premature ripening. In Dorrego incipient rust is to be seen and damage in the roots which may cause "white heads". The wheat fields in the west are also generally backward, but they have been benefited by the recent rains, especially in the north-west; on the other hand, from Pehuajo to Trenque Lauquen and Pellegrini there are stretches damaged by the drought which are being used for pasture. In the north locusts and drought have caused damage, especially in the coastal regions, where a normal yield can hardly be expected.

Santa Fe. Except for the low temperatures, the weather during the month has been favourable. The rains have modified the aspect of the crops, whose vegetation is luxuriant although late because of the long drought in the past and the present cold weather. The condition of the wheat fields throughout the province is backward. In the north and centre the area lost reaches a large percentage, and the fields which have reacted are uneven, thin, and generally short, but much of the grain is in flower or heading n the north and forming stalk in the centre. The lots which have suffered most are the late seedings, in which a great quantity of plants are dried or even completely lost.

Santa Fe. - (continued)

In the southern region the situation is better; the wheat shows a backwardness of one month, but nevertheless 10 per cent is already headed, although the plants are short and thin on the ground; of the other 90 per cent two-thirds are uneven, with tall plants and others just sprouted in the same fields; and one-third shows a uniform growth, these being almost entirely in the southern districts and consisting of late-sown fields which mostly just cover the ground. In many cases the areas damaged by locusts have commenced to grow again, thus increasing the unevenness of the fields. The present prospects are generally for a poor crop in the province.

Cordoba. The rains which fell during the month brought to an end the prolonged drought which reigned in this province with greater intensity than in other zones. In the northern portion of the province the wheat crop is thirty days behind its normal growth. The early sown fields are some headed and others heading, with the plants short but more or less fully developed, they look uneven because of not having germinated all at the same time, the bare spots having been covered up since the rains. As for the late fields, these are just starting to grow, with an even and vigorous germination. In the eastern region the rains have improved the condition of wheat, but the farmers show a certain pessimism with regard to the results which can be obtained; in some fields the plants less than a foot high have little heads the production of which seems very doubtful, and in others the little plants are beginning to grow, with no strength. In the south and south-west warmer weather is needed more than has been experienced up to the present in order to complete the re-action of the grain; the backwardness is the same as in other zones, and the wheat is commencing to head before having reached a normal height.

Entre Rios. Since the last report the crop prospects have changed greatly and are much more favourable. In the eastern section of the province the wheat is heading although short, and with the recent rains they will be able to count upon a crop, unless the locusts cause much damage, as in some districts around Gualeguaychu, where the fields have been destroyed beyond recovery. In the west the situation is one of expectation, since much of the wheat has recently sprouted and its future depends upon the maintenance of cool weather until it is well rooted.

La Pampa. The last rains have fundamentally changed the agricultural conditions of the Territory. The wheat fields are more than a month behind. The early lots are developing in good condition but are later than they should be. Some fields for lack of germination and the effects of the strong winds have been completely lost.

Santiago del Estero. The wheat in the dry zone may be considered good in the Belgrano district, where there is only 25 per cent damage from frost and drought; much of this wheat is heading and since the rains an almost normal crop is expected. In Rivadavla and Aguirre the condition is bad, more than 60 per cent being lost and from what is left only low yields will be secured. In the irrigated zones the most advanced fields, favoured by the mild temperatures, are heading fast; the general condition is good, although some losses through drought are to be lamented.

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As will be seen from the foregoing, the fate of the new crop of wheat is still very uncertain. With a continuance of favourable weather much of the apparently lost wheat areas may produce some grain, and some of the poor fields may thresh out better than has seemed probable up to the present. But the critical period is ahead, with the grain in poor shape to face it. To forecast the result at this stage is impossible. But those who are venturing to prophesy are talking of an exportable surplus of from 36.744.000 bushels to 73.487.000 bushels

W H E A T

Exports during October were 7,285,000 bushels of wheat and 243,000 bushels of wheat flour, making a total of 7,528,000 bushels, which is a substantial reduction from the previous month's total of 10,702,000 bushels.

It is becoming evident that more wheat is left in the country than had been figured on in these reports, and it is probable that the reduction of the official estimate of the crop by 9,186,000 bushels which I made some time ago was too much.

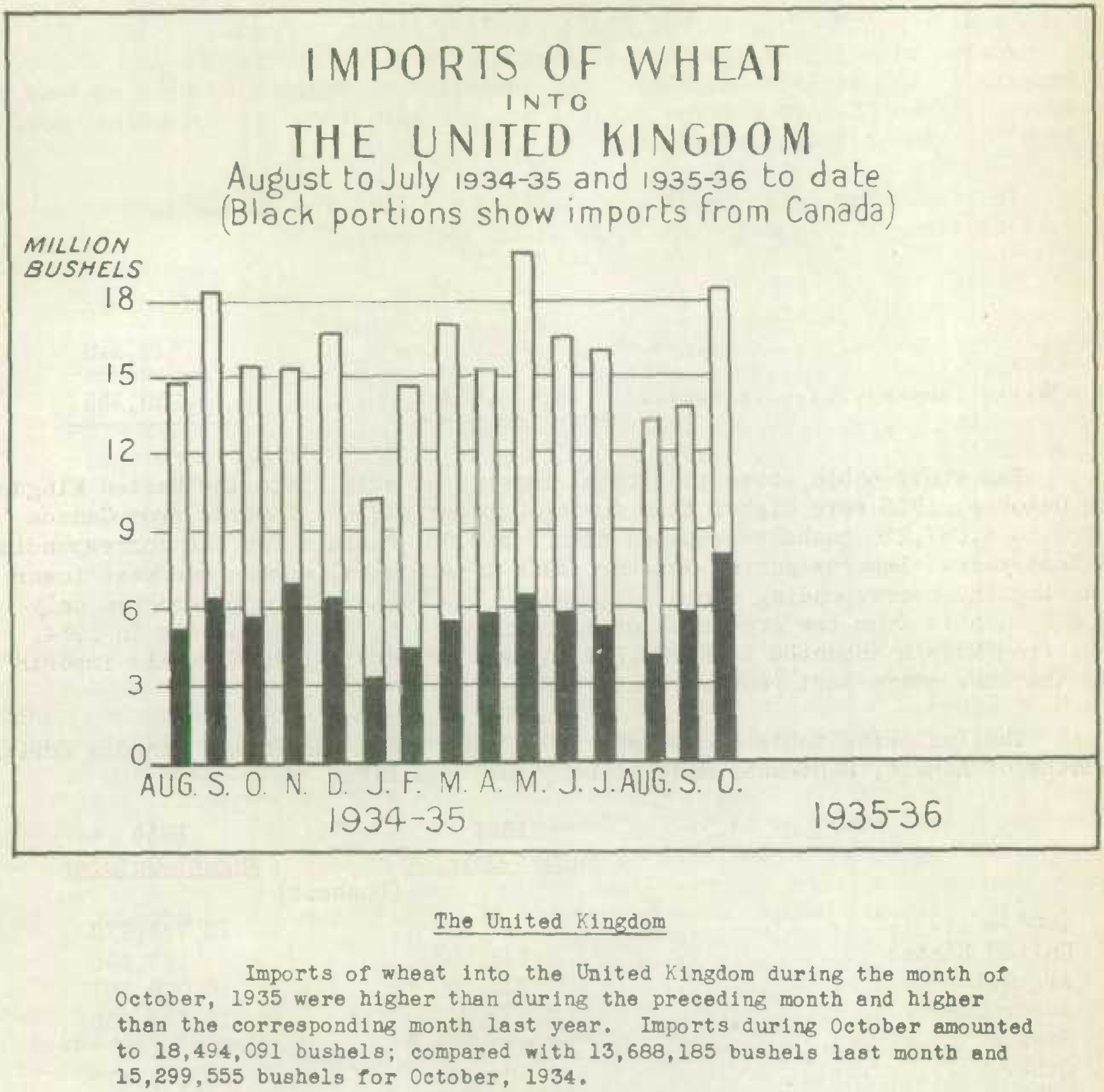
The revised statistics are as follows:

Second official estimate 1934 - 35 crop	238,320,000	bushels
Less a deduction for probable error of	1,837,000	"
Leaving	236,483,000	"
Add carry over from 1933 - 34....................	15,435,000	"
Total supplies	251,918,000	"
Deduct for seed and domestic consumption	95,534,000	"
Exportable balance	156,384,000	"
Exported to) wheat 133,425,000 bushels October 31) flour 1,857,000 "	135,282,000	"
Still available for export	21,102,000	"

Whilst there have been fluctuations during the month which have shown a variation of over a peso per quintal between the high and low points of the daily closing prices, it can still be said that the market here has remained comparatively steady, having in mind the influences, domestic and extraneous, to which it has been subjected,- varying weather conditions, the European political situation, and the change of government in Canada with its possible effect on the policy with regard to the disposal of the heavy Canadian surplus. Probably less than half of the available surplus shown above remains in the hands of the farmers, and there is no pressure from them to sell. The demand for export was indifferent, European buyers apparently waiting for lower quotations for Canadian wheat; and the local millers only displayed moderate activity in their purchasing.

Spot wheat closed the month at 8.53 paper pesos per quintal (equal to 77 1/8c. Canadian per bushel at prevailing rates of exchange), as compared with 8.95 at the end of September. The December option closed at 8.27 (74¾¢ per bus.). In Winnipeg on the same day December wheat closed at 86½ c.

In the market for wheat flour the buying interest was very limited, and prices were on the down grade.



The United Kingdom

Imports of wheat into the United Kingdom during the month of October, 1935 were higher than during the preceding month and higher than the corresponding month last year. Imports during October amounted to 18,494,091 bushels; compared with 13,688,185 bushels last month and 15,299,555 bushels for October, 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 August, September and October, 1935:

	August-July, (1934-35)	August, (1935)	September, (1935)	October, (1935)
	(bushels)			
Canada	65,435,642	4,198,034	5,862,095	8,087,220
United States	743,986	639,990	8,000	13
Argentine	60,374,897	3,273,966	2,055,381	2,466,453
Australia	37,187,060	1,904,929	1,438,680	1,554,131
Russia	-	560,391	2,874,418	4,435,312
Others	24,886,338	2,564,677	1,449,611	1,950,962
Total	188,627,923	13,141,987	13,688,185	18,494,091
Previous year	200,105,532	14,859,153	18,141,196	15,299,555

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 October, 1935 along with comparative figures for October, 1934.

From:	October, 1935.	October, 1934.
	(bushels)	
Canada	8,087,220	5,548,881
United States	13	129,729
Argentina	2,466,453	5,798,805
Australia	1,554,131	3,077,921
Russia	4,435,312	-
Other	1,950,962	744,219
Total	18,494,091	15,299,555

The above table shows that total imports of wheat into the United Kingdom during October, 1935 were higher than during October, 1934. Imports from Canada amounted to 8,087,220 bushels compared with 5,548,881 bushels for the corresponding month last year. Imports during October, 1935 from Australia were somewhat lower than during the corresponding month last year. The United Kingdom imported only 2,466,453 bushels from the Argentine as compared with 5,798,805 bushels in 1934. Imports from Russia amounted to 4,435,312 bushels in October, 1935, while imports during the same month last year were nil.

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

From:	1935 August-October	1934 August-October
	(bushels)	
Canada	18,147,349	16,788,970
United States	648,003	157,355
Argentina	7,795,800	18,990,905
Australia	4,897,740	10,304,252
Russia	7,870,121	-
Other	5,965,250	2,058,422
Total	45,324,263	48,299,904

It will be noted that total imports of wheat into the United Kingdom amounted to 45,324,263 bushels during the August-October period in 1935 as compared with 48,299,904 bushels during the same months last year. The table further shows that imports from the Argentine decreased about eleven million bushels this year as compared with last. Imports from Canada were higher in the August-October 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 sixteen 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	3,944	3,136	1,936	1,936	1,104	12,056
	14	3,968	1,880	1,808	2,064	880	10,600
	21	3,928	1,368	2,504	2,920	1,040	11,760
	28	3,664	1,800	2,032	1,088	1,440	10,024
November	4	5,880	1,480	2,792	456	1,856	12,464
	11	4,197	1,783	2,163	1,224	1,280	10,647
	18	4,186	1,169	2,802	992	984	10,133
TOTAL		54,543	33,776	29,645	17,232	15,224	150,420
Comparative 1934-35							
Corresponding week		3,176	3,976	1,200	280	1,752	10,384
Total to Date		62,888	58,704	31,408	3,080	15,016	171,096

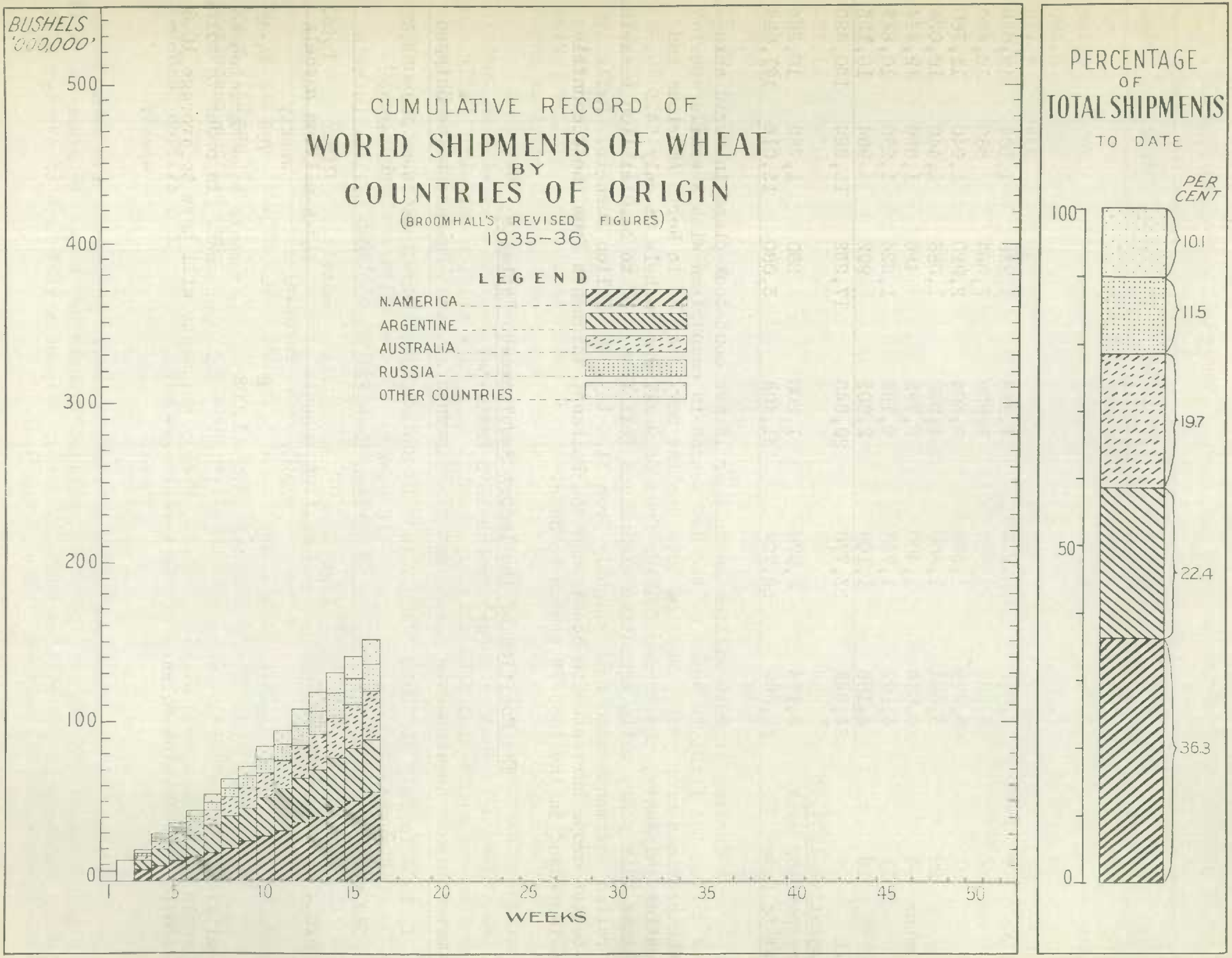
A decline of 20.6 million bushels or 12 per cent took place in world shipments during the first 16 weeks of the new season in comparison with a similar period of the previous crop year. Most of this decline was recorded in North American and Argentine shipments, the former falling from 62.9 million bushels to only 54.5 millions this year, while Argentine clearances fell from 58.7 to 33.8 million bushels. Australian shipments also fell slightly from 31.4 to 29.6 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 Nov.18,1935 (16 weeks)	Nov.18,1935 to July 31,1936 (36 weeks)
540 million bushels or 10.4 million bushels weekly	150 million bushels or 9.4 million bushels weekly	390 million bushels or 10.8 million bushels weekly

During the first sixteen weeks of 1935-36, world shipments have amounted to 150 million bushels, or an average of 9.4 million bushels per week. In order to fulfil the world estimate of 540 million bushels, weekly shipments will have to average 10.8 million bushels for the balance of the cereal year.



BUSHELS '000,000'
500
400
300
200
100
0
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
1
5
10
15
20
25
30
35
40
45
50
WEEKS
PERCENTAGE
OF
TOTAL SHIPMENTS
TO DATE
PER CENT
100
50
0
10.1
11.5
19.7
22.4
36.3

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	.90.8
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	89.6	95.9
October	84.4	-	96.4

/ Prepared by the Internal Trade Branch.

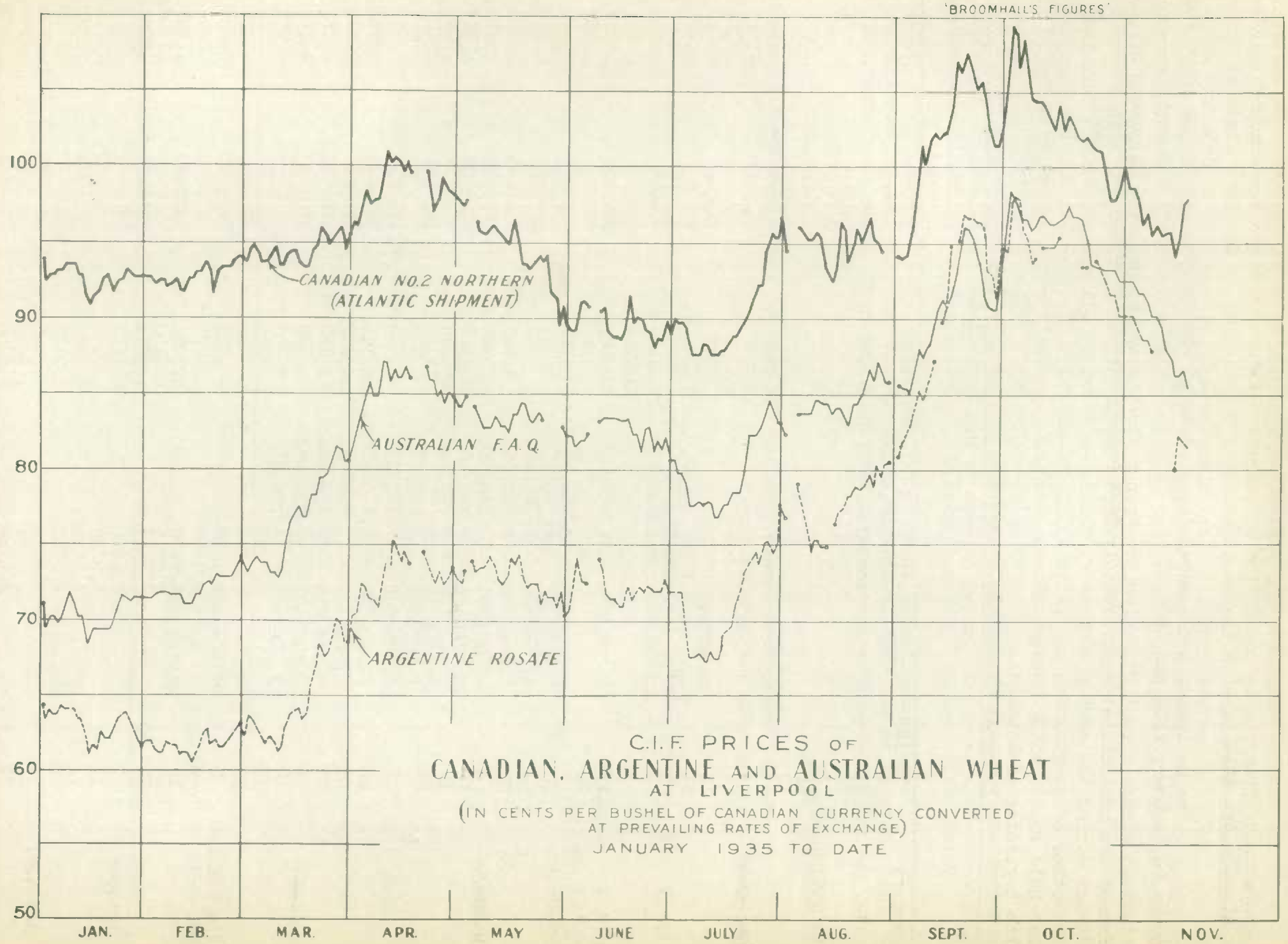
FOREIGN EXCHANGES

Leading exchanges are again fluctuating within narrow limits following intermittent flurries in August and September. Current parities are somewhat different, however, than they were in the early summer. The premium on New York funds at Montreal is now 1 1/8 p.c. as compared with less than one-half of one p.c. in June and July. Sterling at $4.98 compares with an average of $4.94 for June and $4.97 for July. The exodus of funds from London to New York has ended, and sterling is currently strong, although pressure continues upon the French franc despite continued shipments of gold. France has contributed approximately $338,000,000 of the $602,000,000 sent to the United States during the current movement. Sharp declines in Chinese currencies were followed by notice of devaluation and nationalization of silver on November 4. The Shanghai tael has held subsequently between 29 cents and 30 cents, after having fallen 8½ cents since the beginning of October.

Exchange Quotations at Montreal, January 7, to November 19, 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	3.9830	.2751
	21	4.9850	1.0143	3.9875	.2749
	28	4.9712	1.0112	3.9775	.2749
November	4	4.9662	1.0087	3.9735	.2734
	12	4.9775	1.0012	3.9819	.2725
	19	4.9748	1.0106	3.9798	.2739

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


'BROOMHALL'S FIGURES'
100
90
80
70
60
50
CANADIAN NO.2 NORTHERN
(ATLANTIC SHIPMENT)
AUSTRALIAN F.A.Q.
ARGENTINE ROSAFE
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
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
AUG.
SEPT.
OCT.
NOV.

THE CANADIAN SITUATION.

I. Grading and Quality of the 1935 Crop.

The following table shows the grading of inspections during the three months, August to October, 1935 and 1934.

	Number of Cars Grading No. 3 Northern or Better.			
	1935		1934	
	Cars	Per cent of Inspections	Cars	Per cent of Inspections
August	7,855	82.89	11,639	93.
September	16,975	64.83	22,356	92.
October	11,448	41.33	14,769	62.9
Total	36,278	57.26	48,764	80.91

A decided decline is shown in the quality of 1935 crop as compared with that of 1934. Only 57.26 per cent of the inspected cars in the three months ended October 31 graded No. 3 Northern or better compared with 80.91 per cent in the same months of 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
14	2,120,226	1,418,653	4,245,461	984,927	8,769,267
21	1,787,729	848,553	4,177,515	812,898	7,626,695
31	3,444,614	431,854	4,364,517	845,751	9,086,736
November 7	1,505,895	223,231	1,982,824	670,251	4,382,201
14	3,250,785	216,151	2,403,891	-	5,870,827
T O T A L S	55,022,339	14,928,774	49,958,413	8,664,233	128,573,759
Comparative Totals 1934	45,586,119	7,968,950	27,119,248	5,555,937	86,229,254

III. Second Estimates of Production.

On November 13, the Dominion Bureau of Statistics issued its second estimate of the production of grain crops in 1935. The new estimate reduces the Canadian wheat production from 290,541,000 bushels shown on September 11 to 273,971,000 bushels and is now below the unrevised 1934 estimate of 275,849,000 bushels. Spring wheat is now placed at 261,370,000 bushels and fall wheat at 12,601,000 bushels.

Production of wheat in the three Prairie Provinces is now estimated at 256 million bushels compared with the first estimate of 272 million bushels. The Manitoba estimate was increased by 800,000 bushels, the Saskatchewan and Alberta estimates lowered by 6 and 10.8 million bushels respectively. Most of the reduction is due to frost damage in northern districts of Alberta and Saskatchewan that was not apparent two months ago. The actual outturn of the crop may still be fairly described as very uncertain, the problems of estimation being much more difficult than usual.

YIELDS OF THE PRINCIPAL GRAIN CROPS

The total yields of the principal grain crops in Canada are now estimated, in bushels, as follows, with the 1934 figures within brackets: Wheat 273,971,000 (275,849,000); oats 416,369,000 (321,120,000); barley 87,512,000 (63,742,000); rye 10,610,000 (5,423,000); peas 1,581,000 (1,588,000); beans 1,117,000 (813,600); buckwheat 7,972,000 (8,635,000); mixed grains 39,567,000 (37,926,000); flaxseed 1,433,000 (910,400); corn for husking 7,765,000 (6,798,000). The average yields per acre in bushels are as follows, with the averages for 1934 within brackets: Wheat 11.4 (11.5); oats 29.5 (23.4); barley 22.5 (17.6); rye 13.8 (7.4); peas 16.9 (16.7); beans 17.3 (14.3); buckwheat 21.0 (21.2); mixed grains 34.3 (32.7); flaxseed 6.7 (4.0); corn for husking 46.3 (42.2).

COMPARISONS, FIRST AND SECOND ESTIMATES

The 1935 season is similar to that of 1934 in that threshing returns did not fully substantiate the first estimates of grain production made in September. The second estimates of all the principal grain crops are lower than those of September 11. The wheat estimate is reduced from 290,541,000 bushels to 273,971,000 bushels and is now below the 1934 production of 275,849,000 bushels. Oats were lowered nearly 33 million bushels or 7.3 per cent to 416,369,000 bushels, but still remain well above the 1934 production. Most of the reduction was due to frost damage in Saskatchewan and Alberta. The barley estimate is lowered by 7 million bushels to 87,512,000 bushels. Rye and flaxseed are also reduced significantly as threshing returns failed to support the pre-harvest estimates.

In the Maritime Provinces, there is little difference between the September and November estimates, but the general tendency is downward. Similar conditions prevail in Quebec and Ontario. The fall wheat crop of Ontario is now estimated as 12,601,000 bushels compared with the earlier figure of 13,267,000 bushels. In the Prairie Provinces, all the estimates are lowered with the exception of wheat in Manitoba. Oats and barley suffered sharp reductions in Saskatchewan and Alberta. The second estimates in British Columbia are slightly higher than those made on September 11.

PRODUCTION OF LATE CROPS

The 1935 production of peas, beans, buckwheat, mixed grains and corn for husking are estimated for the first time this year. Peas and buckwheat are placed slightly below the 1934 production, principally because of lower acreage. Beans, mixed grains and corn for husking are estimated to have returned larger crops in 1935 compared with 1934. The increase in mixed grains is about 1.6 million bushels and in corn nearly a million bushels.

GRAIN YIELDS OF THE PRAIRIE PROVINCES

For the three Prairie Provinces, the second estimate of the yields of the five principal grain crops is, in bushels, as follows, with the 1934 figures within brackets: Wheat 256,000,000 (263,800,000); oats 263,947,000 (172,040,000); barley 66,115,000 (44,742,000); rye 9,347,000 (4,381,000); flaxseed 1,330,000 (827,000). By provinces the yields are as follows: Manitoba - Wheat 18,800,000 (37,100,000); oats 32,937,000 (26,752,000); barley 23,533,000 (17,298,000); rye 1,885,000 (1,134,000); flaxseed 157,000 (180,000). Saskatchewan - Wheat 132,000,000 (114,200,000); oats 136,399,000 (64,288,000); barley 23,722,000 (12,403,000); rye 5,218,000 (1,320,000); flaxseed 1,055,000 (542,000). Alberta - Wheat 105,200,000 (112,500,000); oats 94,611,000 (81,000,000); barley 18,860,000 (15,041,000); rye 2,244,000 (1,927,000); flaxseed 118,000 (105,000).

WHEAT PRODUCTION IN THE PRAIRIE PROVINCES

The second estimate of 1935 wheat production in the Prairie Provinces is 16 million bushels below the first estimate of 272 million bushels made on September 11. Most of the reduction is due to frost damage in northern districts of Alberta and Saskatchewan that was not apparent two months ago. The actual outturn of the crop may still be fairly described as very uncertain, the problems of estimation being much more difficult than usual. The Manitoba estimate is increased by 800,000 bushels to 18,800,000 bushels. The Saskatchewan figure is now 132,000,000 bushels, a reduction of 6 million bushels from the September estimate of 138,000,000 bushels. The Alberta estimate has been lowered by 10.8 million bushels to 105,200,000 bushels and is now below that of 1934.

The acreages used for the two estimates are identical and are based on the June survey schedules returned by 45,394 prairie farmers. The yields per acre are compiled from schedules returned by 6,500 correspondents in the three provinces, with due consideration given to marketing data already available. As threshing progressed, it became evident that the effects of rust were well expressed in the September estimate, but the full damage due to frost was not evident at that time. The reduction now shown is principally due to further recognition of frost damage. Generally speaking the autumn season of 1935 has provided more favourable weather for threshing than that of 1934, when wet and cold weather was a great hindrance. Some grain remains unthreshed in northern districts of Alberta and Saskatchewan and, as usual, the Alberta estimate is less certain than the others.

Marketings in the Prairie Provinces.

Wheat.- The movement of the 1935 crop to market was considerably later than that of 1934 but about the first of September, the marketings increased perceptibly and in the ninth week of the new crop year, the cumulative total exceeded that of the same period of 1934. This surplus over the corresponding period of 1934 has persisted up to the thirteenth week of the 1935-36 season, ending November 1. In this period, total deliveries and platform loadings of wheat amounted to 146,899,210 bushels compared with 140,427,423 bushels in the same period of 1934. Manitoba has marketed 13,151,561 bushels, Saskatchewan 82,824,250 bushels and Alberta 50,923,399 bushels.

The amount of rusted and frosted wheat that will be used on the farms for seed and feed in 1935-36 is very difficult to estimate as yet. It is already apparent, however, that many farmers in the rust areas of Manitoba and Saskatchewan are selling their 1935 crop and counting upon old wheat or the purchase of better wheat for their 1936 seed. This will mean that a higher percentage of the crop in these areas will be marketed and that the usual deductions for seed from the crop estimate must be lowered.

Thus, it seems likely that the percentage of the 1935 crop estimate that actually reaches commercial channels will be somewhat higher than usual. Marketings should approximate the 1934-35 level; thus about two-thirds of the estimated total marketings are now visible.

Coarse Grains.- The country elevator receipts of coarse grains to date have also been slightly above those of the same period of 1934, as shown by the following table:

Country Elevator Receipts of Oats, Barley, Rye and Flaxseed, August 1 to November 1, 1935 and 1934.

	1935	1934
	bushels	
Oats	13,547,063	11,808,848
Barley	8,578,356	9,434,963
Rye	661,966	247,401
Flaxseed	1,615,517	902,797

Platform loadings of coarse grains (not itemized separately) up to October 31, 1935 have been 1,585,255 bushels compared with 2,317,229 bushels in the same period of 1934.

The crop estimates for these grains are considerably above those of 1934. While prices are disappointingly low, farmers in the areas where wheat was a failure have marketed their coarse grains for cash.

Grades of the 1935 Wheat Crop, Prairie Provinces.

Correspondents were asked to estimate the percentages of the 1935 wheat crop falling in four groups of grades, namely (1) No. 1 Hard, Nos. 1 and 2 Northern (2) Nos. 3 and 4 Northern (3) Nos. 5 and 6 and the special grades and (4) Feed. The percentages shown were as follows:

	Manitoba	Saskatchewan	Alberta	Prairie Provinces
		per cent		
(1) No. 1 Hard, Nos. 1 and 2 Northern	2	26	31	26
(2) Nos. 3 and 4 Northern	15	35	20	27
(3) Nos. 5 and 6 and special grades	36	24	26	26
(4) Feed	47	15	23	21
	100	100	100	100

A conversion into bushels on the basis of the present crop estimate results as follows:

	Manitoba	Saskatchewan	Alberta	Prairie Provinces
		million bushels		
(1) No. 1 Hard, Nos. 1 and 2 Northern	0.4	34.3	32.6	67.3
(2) Nos. 3 and 4 Northern	2.8	46.2	21.0	70.0
(3) Nos. 5 and 6 and special grades	6.8	31.7	27.4	65.9
(4) Feed	8.8	19.8	24.2	52.8 +
Totals	18.8	132.0	105.2	256.0

When consideration is given to the high grades of wheat marketed in the early season from southern Alberta and south-western Saskatchewan and to the tendency to market the best quality wheat out of the total crop, these figures agree with actual inspection records to date and fairly represent the low quality of the 1935 harvest.

The Manitoba crop is obviously the poorest, with nearly one-half (47 per cent) estimated to be "Feed" and another 36 per cent falling in Nos. 5 and 6 and the special grades. Only 2 per cent is considered to be in the three top grades. The Saskatchewan crop varied tremendously by districts and the effects of rust and frost do not lower the provincial averages so much. However, 15 per cent is placed in the "Feed" class and 24 per cent in Nos. 5 and 6 and the special grades. The wheat in southern and eastern districts of Alberta was almost free from frost and rust damage and Alberta, as a whole, has the greatest percentage of wheat in the top grades. Frost did more damage than expected in the north and the effect on grades is very marked.

PRODUCTION OF OTHER GRAINS IN THE PRAIRIE PROVINCES

Pre-harvest estimates of the production of oats, barley, rye and flaxseed in the Prairie Provinces were not supported by threshing returns. The effects of late frosts in Saskatchewan and Alberta were evidently not fully appreciated when reports were filed at the end of August. The low prices prevailing for oats and barley have also lowered the acreage that could be profitably threshed. The production of oats in the three provinces is now placed at 263,947,000 - a reduction of 32,113,000 bushels or nearly 11 per cent from the September estimate. Barley shows a similar reduction and is now estimated at 66,115,000 bushels compared with 73,036,000 bushels two months ago. The estimates of rye production are reduced (sharply) from 12,048,000 bushels on September 11 to 9,347,000 bushels at the present time. Flaxseed production is placed 200,000 bushels lower bringing the present estimate down to 1,330,000 bushels.

On November 18, an estimate was issued covering the areas sown to fall wheat and fall rye for the season of 1936 with condition on October 31.

AREA AND CONDITION OF FALL WHEAT AND FALL RYE

The area sown to fall wheat in the autumn of 1935 is estimated at 514,000 acres, a decrease of 25 per cent as compared with the area sown in 1934, viz. 685,000 acres. The condition at October 31 was reported as 85 p.c. of the long-time average yield per acre, as compared with 105 a year ago.

Fall rye sowings in Canada in 1935 are estimated at 536,000 acres, a decrease of 18 per cent as compared with 652,000 acres sown in 1934. By provinces the acreages are as follows, with last year's figures within brackets: Ontario 53,000 (65,000); Manitoba 93,000 (99,000); Saskatchewan 247,000 (305,000); Alberta 143,000 (183,000). The condition at October 31 in percentage of the long-time average yield per acre is reported as follows, with last year's condition at the same date within brackets: Canada 76 (91); Ontario 85 (100); Manitoba 91 (96); Saskatchewan 70 (86); Alberta 72 (95).

IV. Statistical Position.

The following table summarizes the statistical position of wheat in Canada as at November 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	273,971,000 1/
Total Supplies	469,839,281	477,202,288
Domestic Requirements	100,772,112	112,000,000 2/
Available Supplies	369,067,169	365,202,288
Exports, August to October	59,807,130	73,621,776
Balance for export or carry-over	309,260,039	291,580,512

1/ Estimate. 2/ Tentative.

With the downward revision in the crop estimate made on November 13, total supplies of wheat available in Canada to cover domestic requirements, exports and carry-over were reduced from 493,772,288 bushels to 477,202,288 bushels. Domestic requirements are estimated at 112 million bushels leaving 365,202,288 bushels for export or carry-over. Through exports of 73,621,776 bushels in the first three months of the crop year, this figure has been lowered to 291,580,512 bushels compared with 309,260,039 bushels at November 1, 1934. The increase in exports and the probable increase in domestic requirements make the statistical position better than it was a year ago.

V. Stocks in Store.

The following table shows stocks of Canadian wheat in store in Canada and the United States on November 15, 1935 along with comparative figures for approximately the same date last year.

	1935	1934
	(bushels)	
Country Elevators - Manitoba	6,750,182 x	9,741,306
Saskatchewan	45,264,308 x	51,539,647
Alberta	34,262,126 x	37,130,337
Total	86,276,916 x	98,411,290
Interior Private and Mill Elevators	5,874,175	7,184,749
Interior Public and Semi-Public Terminals	6,143,693	5,582,476
Pacific Ports	15,556,437	14,953,986
Churchill	1,722,617	2,018,599
Fort William and Port Arthur	48,693,606	59,274,441
In Transit	4,801,875	2,431,911
Eastern Elevators - Lake Ports	46,878,286	31,533,638
Eastern Elevators - Seaboard Ports	18,823,965	14,883,854
U. S. Lake Ports	25,991,917	15,019,467
U. S. Atlantic Seaboard Ports	6,722,205	4,613,504
Total	267,485,690	255,907,915

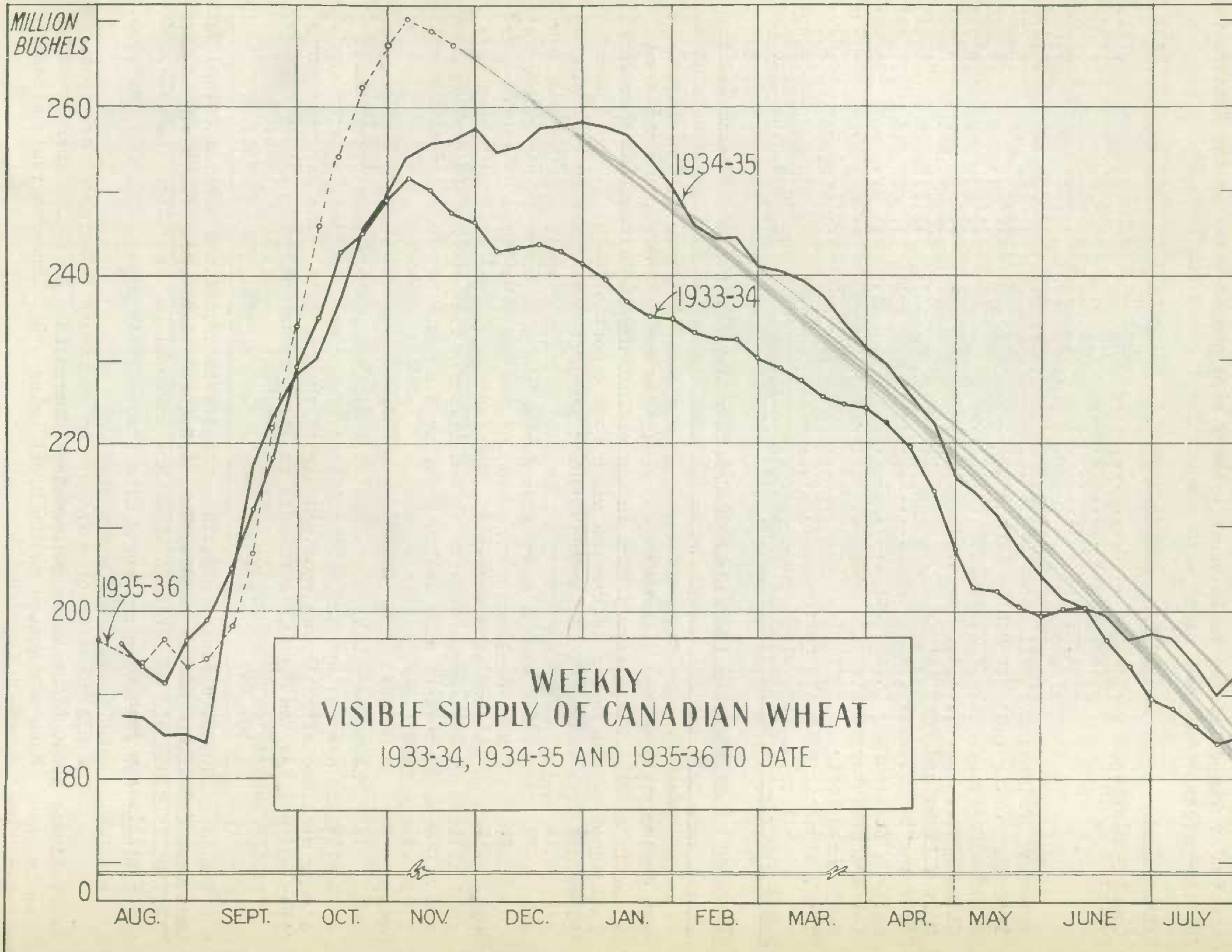
x Subject to minor revision.

On November 15, stocks of Canadian wheat in store in Canada and the United States were 267½ million bushels compared with nearly 256 million bushels at the same date last year. During the past month, stocks have increased another 11½ million bushels, but passed the peak about two weeks ago when 270 million bushels were shown to be in store. The downward turn in the visible supply was earlier than usual, influenced by slackening deliveries and a good export movement. Stocks in country elevators have continued to increase during the past month, rising from 81.0 to 86.3 million bushels. Last year at this time 98.4 million bushels were held in country elevators. There was also a sharp rise during the past month in stocks held at Pacific Coast ports. Stocks declined at the Head of the Lakes as large quantities were moved into export position. At November 15, 1935 stocks at Fort William - Port Arthur were 48.7 million bushels compared with 59.3 millions a year ago and 56.9 millions a month ago. Stocks in transit also declined during the month but remained almost twice as large as the 1934 figure.

The Eastern Lake ports had 46.9 million bushels in store compared with 43.9 millions a month ago and 31.5 millions a year ago. At the Eastern Canadian seaboard, stocks declined slightly but remained higher than in 1934. The Maritime ports of Saint John and Halifax had 3,600,011 bushels in store on November 15, 1935 compared with 3,641,629 bushels on November 16, 1934.

In United States positions, the seaboard holdings were increased during the month to facilitate winter export, while stocks at lake ports continued to increase. 32.7 million bushels of Canadian wheat are now held in the United States compared with 19.6 millions a year ago.

The distribution of wheat stocks continues favourable for export, with much larger proportions than usual pushed forward into positions where prompt delivery can be made. When navigation on the Great Lakes - St. Lawrence route closes, a good winter export movement is possible.


MILLION BUSHELS
260
240
220
200
180
0
1934-35
1933-34
1935-36
WEEKLY
VISIBLE SUPPLY OF CANADIAN WHEAT
1933-34, 1934-35 AND 1935-36 TO DATE
AUG.
SEPT.
OCT.
NOV.
DEC.
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY

VI. Primary Movement.

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

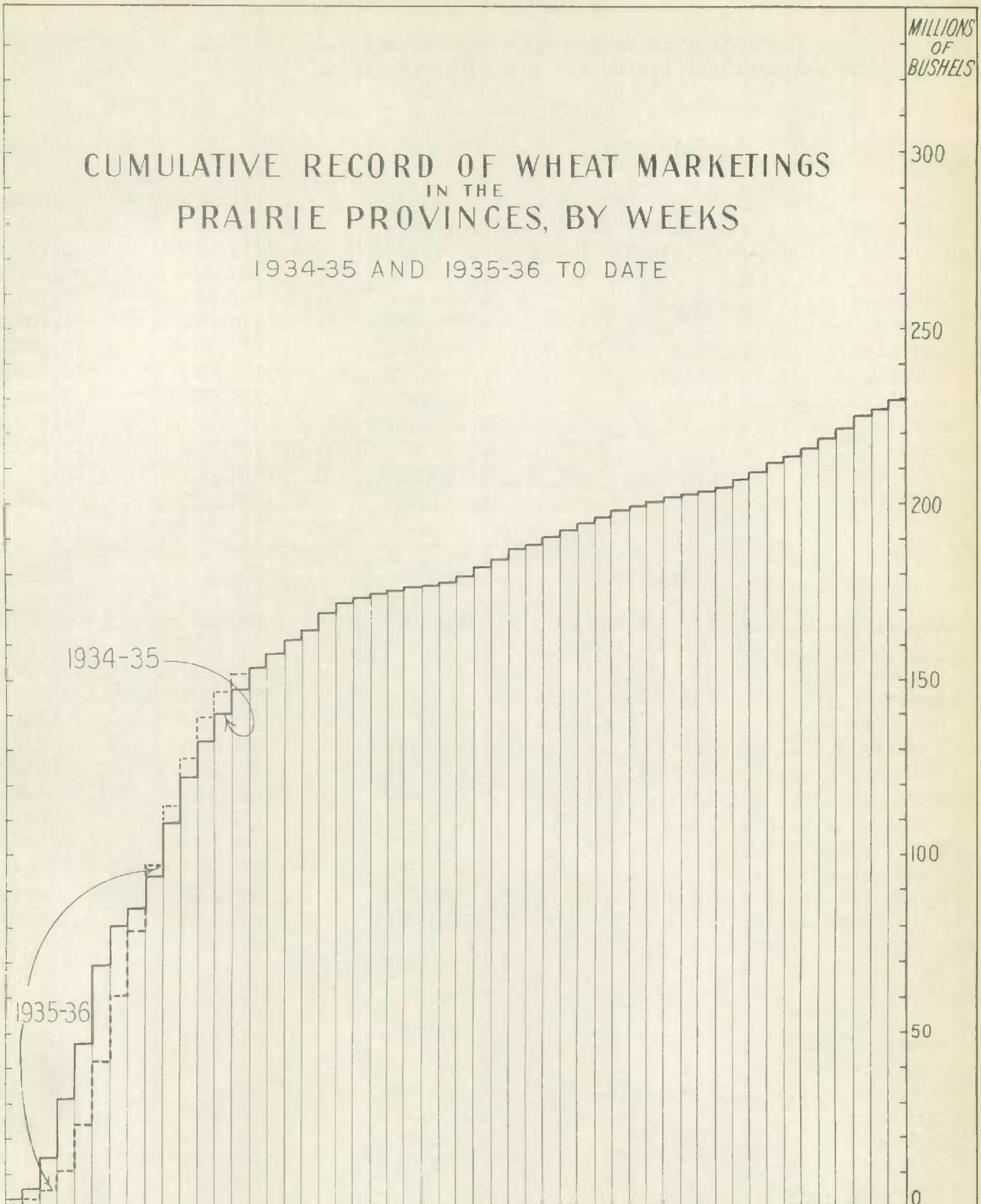
Week ending		Manitoba	Saskatchewan	Alberta	Totals	Last Year
				bushels		
August	9, 1935	69,727	558,871	816,085	1,444,683	3,011,917
	16	161,633	586,240	873,148	1,621,021	3,002,817
	23	473,449	672,561	1,167,628	2,313,638	9,020,987
	30	858,672	2,446,366	1,497,471	4,802,509	16,491,316
Sept.	7	2,098,352	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
	11	610,916	8,038,259	7,998,138	16,647,313	15,440,267
	18	1,323,914	6,803,972	5,183,844	13,311,730	12,960,738
	25	821,069	6,320,459	4,516,320	11,657,848	9,749,046
Nov.	1	529,324	4,229,196	3,063,751	7,822,271	8,073,798
	8	465,719	2,746,186	1,674,701	4,886,606	6,952,855
T O T A L		13,617,280	85,570,436	52,598,100	151,785,816	147,380,278

VII. Export Clearances of Canadian Wheat to Overseas Destinations Only, 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
	18	1,201,578	-	-	536,533	307,000	2,045,111
	25	739,259	-	256,300	958,577	701,000	2,655,136
Nov.	1	1,784,866	-	697,701	1,601,903	494,000	4,578,470
	8	1,489,657	-	232,026	984,190	405,000	3,110,873
	15	1,395,647	732,856	-	731,706	751,000	3,611,209
T O T A L		18,390,554	821,227	3,113,780	8,693,608	5,646,000	39,072,169 1/
Last Year		13,966,298	1,346,360	2,806,893	13,760,891	10,098,000	46,028,319 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.


CUMULATIVE RECORD OF WHEAT MARKETINGS
IN THE
PRAIRIE PROVINCES, BY WEEKS
1934-35 AND 1935-36 TO DATE
MILLIONS OF BUSHELS
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	28,919,421	21,807,784	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	501,442	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	31,175,910	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	29,950,148
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