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THE WORLD WHEAT SITUATION - SUMMARY

The visible supply of Canadian wheat has been falling steadily in recent weeks, the decline being attributable to the combined effect of decreased marketings and increased exports. The overseas movement of wheat is now within 1½ million bushels of the total for the same 23 weeks of the 1934-35 season being 59,325,562 bushels compared with 60,812,628 bushels a year ago. Imports into the United States have amounted to 25,294,220 bushels, nearly double the imports of 12,729,428 bushels in the same period of 1934-35. The combined total of overseas clearances and United States' imports of wheat has now reached 84,619,782 bushels compared with 73,542,116 bushels a year ago. The exports of flour in the first 5 months of the crop year have amounted to 2,242,840 barrels - an increase of 130,747 barrels or 6 per cent over the exports in the same months of 1934. Millers are reporting a better demand ruling at present and it is likely that this improvement will be maintained or increased in the balance of the crop year. Similarly, the winter export of wheat is regarded hopefully because of improved forward bookings and plentiful stocks in export position.

The movement of wheat into international trade has remained very low and this is the principal factor tempering optimism on the world wheat outlook. The slack demand from Europe is particularly noticeable, but there has been some revival in recent weeks. Western Europe and Mediterranean countries have been bidding for both Australian and Canadian wheat. The high level of Argentine offers introduces the possibility of selling more Canadian wheat in South American countries, such as Brazil and Peru, that usually secure the bulk of their supplies from Argentina. Efforts to stabilize Chinese foreign exchange have not yet been successful with the result that the market for Australian wheat and flour in that country is still uncertain. This forces a greater dependence on United Kingdom and European demand.

When Mr. Broomhall's record of world shipments is adapted to a crop year basis the total shipments from August 1, 1935 to January 11, 1936 amount to 217.7 million bushels compared with 233.3 million bushels in the same period of 1934-35. Despite this decline of 15.6 million bushels or 6.7 per cent in the world movement, North American shipments (mostly Canadian) have risen from 80.3 millions to 87.5 millions in the same period. North American shipments formed 40.2 per cent of the world total in this period compared with 34.4 per cent in a comparable period of 1934-35. Over the same length of time, Argentine clearances have fallen from 79.0 to 41.4 millions and the percentage of world trade from 33.9 last year to 19.0 per cent this year. Australian clearances are also lower, being 46.0 millions in the last crop year to date and 40.4 millions this year; her percentage of world shipments is reduced from 19.7 to 18.5. Russia has taken up some of the decline by increasing her shipments from 2.7 to 26.0 millions and her percentage of world trade from 1.2 to 12.0. Shipments from other countries (principally the Balkans, France and Germany) have declined slightly from 25.2 to 22.5 millions and the percentage of world trade contributed by these countries has fallen from 10.8 to 10.3.

The following table permits an analysis of the world shipments made to date and the expected shipments in the balance of the year as determined by Mr. Broomhall's revised estimate of import requirements, made on December 21, 1935:

	Mr. Broomhall's Revised Estimate of Shipments	Approximate Shipments to January 11	Balance to be Shipped Before July 31	Weekly Amount to be Shipped in remaining 29 weeks
	(million bushels)			
Canada	272	95x	177	6.1
Argentina	80	41	39	1.3
Australia	108	40	68	2.3
Russia	24	26	-2	-
Danube and Others	56	22	34	1.2
Total	540	224	316	10.9

x Mr. Broomhall's figure of 87.5 million bushels quoted previously, is considerably too low.

Russian shipments have already exceeded Mr. Broomhall's estimate by 2 million bushels, but on the other hand, shipments from the Danube and 'other' countries have not measured up to what might be expected from the improved harvests in those countries. Mr. Broomhall's expectation of the extent to which demand will be diverted to Canada in the balance of the crop year is very optimistic and can only be questioned in degree. Of 316 million bushels required to validate his estimate of total world import demand, Canada is expected to supply 177 million bushels or 56 per cent. With shipments of 6.1 million bushels a week necessary, it is obvious that the big movement must be deferred until the May-July period when the St. Lawrence ports are open. The winter movement, however, will probably be the best since 1933.

United Kingdom Imports.-

The United Kingdom imported more Canadian wheat in December, 1935 than in any month since January, 1933. Imports from Canada amounted to 8,975,505 bushel compare with 6,211,419 bushels in December, 1934 and 6,386,124 bushels in November, 1935. The December, 1935 imports from Canada formed over 52 per cent of the total imports from all countries compared with 37 per cent in December, 1934. In the five months August to December inclusive, the United Kingdom has imported 80,817,505 bushels of wheat compared with 80,134,188 bushels in the same period of 1934. Canada supplied 33,508,978 bushels in August-December,1935 compared with 29,784,834 bushels bushels in August-December, 1934, the percentages of the totals being 41.5 and 37.2 respectively. This must be listed among the encouraging tendencies of the 1935-36 season.

'World' Acreage and Production of Wheat.-

Despite an increase of 2 million acres in the 'world' wheat acreage between 1934 and 1935, increasing the figure from 234,330,000 to 236,301,000, the production is practically unchanged, being estimated at 3,362,597,000 bushels in 1935 compared with 3,362,745,000 bushels in 1934. Only minor changes in estimates were made during the past month, those for Denmark, Spain, Roumania, Czechoslovakia and South Africa showing significant upward revisions, while the figures for the United Kingdom, Turkey and Argentina were lowered.

While no definite information on the Russian crop of 1935 is available, it is evident that it was considerably larger than in 1934.

Price Levels.-

Markets have been quiet and tending slightly downward during the past few weeks. In the United States, the invalidation of the A.A.A. and the processing tax on flour was followed by a short-lived bullish enthusiasm and then by a slight decline. The May future at Chicago advanced from 97½ cents on December 16 to 105 5/8 on December 30 and is now ruling around the dollar mark again. The distant July future is weaker on better new crop prospects. At Minneapolis the May future has been firmer and there is a much narrower spread with the July, the danger of early pressure of new winter wheat not being such a factor in this market. At Liverpool, the market displayed independent strength until January 16 when it moved downward. The July future has ruled very close to the May. The Winnipeg ma ket has been extraordinarily steady during the past month with a weakening tendency in evidence recently. The July future has maintained a slight premium over the May. The Buenos Aires market has also been very steady since the new minimum price was set and, for the most part, seems to be independent of price-changing factors elsewhere.

In the C.I.F. market at Liverpool, Russian and Argentine sorts have been quoted rarely. Argentine Rosafe, for instance, was held at a premium of 6 5/8 cents over Canadian No. 2 Northern (Atlantic) and 9¼ cents over Australian in a brief appearance on January 2. On January 11, Australian wheat was quoted 4¼ cents under Canadian No. 2 Northern (Atlantic) compared with a discount of 11 3/4 cents a month ago. In this period, Australian prices have risen much more than Canadian to narrow the spread. Australian wheat continues as the main competitor with Canadian sorts.

Australia.-

The following cable was received on December 15 from the Canadian Trade Commissioner in Melbourne:-

"Since commencement new crop year, wheat and flour shipments total 7,795,625 bushels as against 10,358,563 corresponding period last year. Substantial forward shipments estimated; 750,000 tons January-February-March reported booked, including Northern Europe; ten cargoes Greece. Market continues firm with improved demand from Orient. New crop moving freely. Price to growers country sidings minimum three shillings three pence equivalent sixty-four cents Canadian per bushel and about three shillings ten pence or seventy-six cents F.O.B. Melbourne. Total new crop now expected about 136 million bushels; quality satisfactory, early shipments showing sixty-five lb imperial bushel. Flour sales at standstill owing heavy stocks overseas. Mills working part time. Export quotations continue unchanged at £ 7/15/0 equivalent thirty dollars sixty-three cents per ton two thousand lbs 49 lb sacks and seven pounds ten shillings or twenty-nine dollars sixty-four cents 150 lb bags. Charter rates unchanged minimum schedule rates. Chartering proceeding actively and large tonnage has been engaged."

Winter Wheat Acreages in Europe.-

According to cables received from the International Institute of Agriculture, both France and Czechoslovakia report reduced winter wheat sowings for 1935-36. The decline in France amounts to 3.6 per cent from last year and brings the acreage down to 12,536,000. The decline in Czechoslovakia is 1.7 per cent and the 1935-36 acreage is given as 2,212,000. In both countries, there were increased sowings of winter rye.

Wet weather is also reported from France, which is harmful to the crop. Over the rest of western Europe, conditions are generally favourable.

'World' Acreage and Production of Wheat, 1934 and 1935.

Some minor changes in European crop estimates during the past month made little net change in the total European production, which remains slightly above that of 1934. The official Danish estimate of 15,432,000 bushels is a record 'high' for that country. The United States estimate was revised upward slightly. Turkey dropped her estimate from 93,166,000 to 90,094,000 bushels. The official estimate for Argentina, given as 144,034,000 bushels confirmed the pessimistic earlier predictions. The South African crop turned out much better than expected at 17,870,000 bushels compared with 15,343,000 bushels a year ago. As usual, the U.S.S.R., China, and some small Asiatic countries are excluded from the records.

As the estimates now stand the 'world' production is 3,362,597,000 bushels - almost identical with the 3,362,745,000 bushels a year ago. The 'world' acreage of 1935 was about 2 million acres higher at 236,301,000 acres.

EUROPE

	Area		Production	
	1934	1935	1934	1935
	(thousand acres)		(thousand bushels)	
Germany	5,431	5,199	166,539	171,700
Austria	568	609	13,308	15,590
Belgium	371	386	16,134	13,779
Bulgaria	3,114	2,729	39,594	47,925
Spain	11,388	11,063	186,834	153,942
Estonia	161	154	3,107	2,298
Finland	125	136	3,280	3,252
France	13,354	13,206	338,511	278,763
England & Wales	1,759	1,771	65,259	60,590
Scotland	98	101	4,144	4,443
Irish Free State	94	163	3,803	3,500 x
Greece	1,957	2,020	25,679	30,864
Hungary	3,799	4,005	64,824	73,946
Latvia	351	347	8,051	6,906
Lithuania	514	521	10,475	9,593
Luxemburg	40	43	1,171	1,027
Malta	9	9	310	179
Norway	46	59	1,204	1,707
Netherlands	366	377	18,042	15,921
Poland	4,315	4,342	76,440	73,435
Roumania	7,610	8,496	76,553	102,881
Sweden	718	673	28,376	23,185
Switzerland (1)	211	211	6,677	7,604
Czechoslovakia (2)	2,301	2,380	50,013	62,094
Yugoslavia	5,002	5,313	68,328	73,097
Italy	12,274	12,422	233,063	283,454
Denmark	280	311	12,845	15,432
Portugal	1,344	(1,344)	24,690	15,900
Totals	77,600	78,390	1,547,254	1,553,007

x Estimate, United States Department of Agriculture.

(1) Including spelt and meslin.

(2) Including spelt.

North America

	Area 1934	Area 1935	Production 1934	Production 1935
	(thousand acres)		(thousand bushels)	
Canada	23,985	24,119	275,849	273,971
United States	42,249	52,226	496,929	603,199
Mexico	1,224	1,199	10,950	10,279
Totals	67,458	77,544	783,728	887,449

North Africa

	Area 1934	Area 1935	Production 1934	Production 1935
Tunis	1,947	1,829	13,779	17,269
Morocco	3,018	3,210	39,586	17,787
Algeria	4,068	4,005	43,528	31,158
Egypt	1,442	1,463	37,276	43,221
Totals	10,475	10,507	134,169	109,435

Asia

	Area 1934	Area 1935	Production 1934	Production 1935
Chosen	789	(789)	9,268	8,957
India	35,992	34,485	351,456	363,029
Japan	1,589	1,626	47,660	48,722
Turkey	7,625	5,482	99,711	90,094
Totals	45,995	42,382	508,095	510,802

Southern Hemisphere

	Area 1934	Area 1935	Production 1934	Production 1935
Argentina	18,812	14,085	240,667	144,034
Australia	12,567	11,970	133,489	140,000
Union of South Africa	1,423	(1,423)	15,343	17,870
Totals	32,802	27,478	389,499	301,904

Summary

	1934	1935	1934	1935
	(thousand acres)		(thousand bushels)	
Europe	77,600	78,390	1,547,254	1,553,007
North America	67,458	77,544	783,728	887,449
North Africa	10,475	10,507	134,169	109,435
Asia	45,995	42,382	508,095	510,802
Southern Hemisphere	32,802	27,478	389,499	301,904
Totals	234,330	236,301	3,362,745	3,362,597

An Appraisal of the Canadian Export Movement.

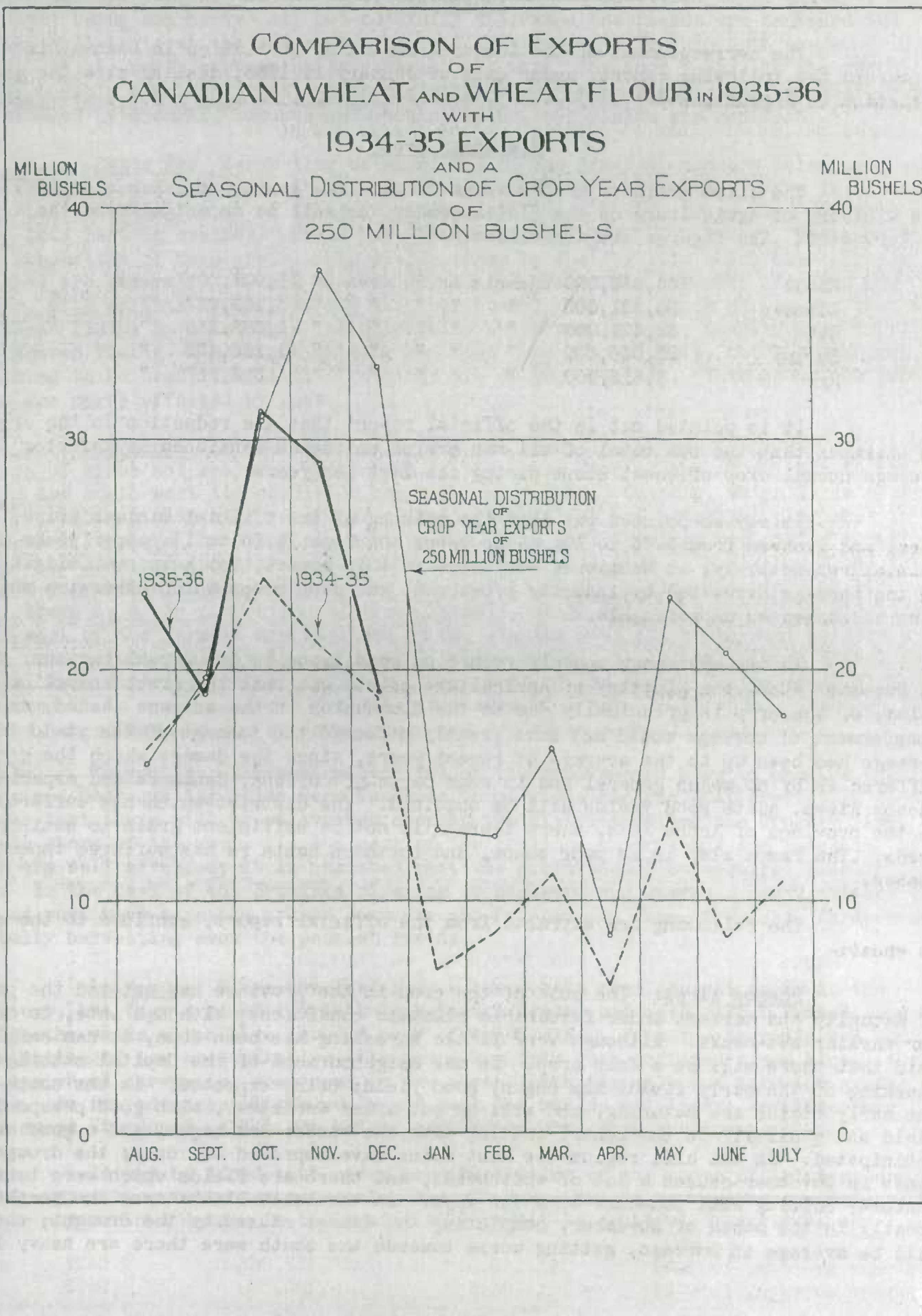
With five months of the 1935-36 season now passed, it is possible to make a better judgment of the probable amount of wheat exports from Canada during the crop year. For the last two months, the exports have been considerably below the quantities necessary to reach a crop year total of 250 million bushels on the basis of the usual seasonal movement. This is pictured in the chart on page 7.

December exports totalled 19,041,108 bushels of wheat and wheat flour, bringing the total for the five months of the crop year up to 121,602,336 bushels, the highest figure since 1932. However, the exports for the August-December period of 1935 were $22\frac{1}{2}$ million bushels below the 10-year average for these five months and about $15\frac{1}{2}$ million bushels below the seasonal distribution of a crop year total of 250 million bushels. It will be appreciated, of course, that external factors may disturb the seasonal distribution of wheat exports. The reduced quantities of Southern Hemisphere wheat available for shipment this year will divert demand to Canada and this will have the effect of raising the winter movement to a higher level than usual.

From the table below, it is evident that over the past 10 years, 1925-34, 54.7 per cent of Canada's wheat and wheat flour exports has taken place in the August-December period of the crop year. If this average held for 1935-36, our exports for the crop year could only be expected to reach 222 million bushels. If the 5-year average, 1930-34, held the exports would be 219 million bushels. In the previous crop year, 1934-35, a high percentage of Canada's crop year exports went out in the first five months of the crop year. The availability of seaboard supplies and the extent of forward bookings this year make it apparent that this will not be the case in 1935-36. The characteristics of the present season are much more analagous with 1927-28, when the Australian crop was poor and Southern Hemisphere offerings restricted as a result. It is confidentially expected that exports from Canada during the crop year will measure well up to the pattern shown on page 7. The relatively slack demand from overseas countries that has prevailed throughout the past five months is the principal detriment to large export sales.

Total Exports of Wheat and Wheat Flour from Canada in the Months of August to December, 1925-35, with Total Exports for the Crop Years, 1925-34 and Percentages.

	Exports in First Five Months	Total Exports, Crop Year	First Five Months as Percentage of Total
	(bushels)		%
1925	185,748,896	324,592,024	57.2
1926	158,329,401	292,880,996	54.1
1927	162,193,852	332,963,284	48.7
1928	242,976,827	407,564,187	59.6
1929	86,608,007	186,267,212	46.5
1930	144,751,348	258,637,887	56.0
1931	106,520,582	207,029,555	51.5
1932	150,803,797	264,304,326	57.1
1933	103,841,238	194,779,875	53.3
1934	99,716,213	165,751,305	60.2
1935	121,602,336	-	-
10-year average, 1925-34	144,149,016	263,477,065	54.7
5-year average, 1930-34	121,126,636	218,100,590	55.5


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
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

ARGENTINA

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of January 2, 1936, dealing with the grain situation in Argentina:

New Grain Crops

The first estimate of the volume of the new grain crops was made public by the Ministry of Agriculture on the 21st December, as well as an estimate of the area to be harvested. The figures are as follows:-

Wheat	144,035,000	bushels	on	an	area	of	11,907,005	acres
Linseed	50,391,000	"	"	"	"	"	5,167,857	"
Oats	32,421,000	"	"	"	"	"	1,386,238	"
Barley	22,046,000	"	"	"	"	"	1,286,425	"
Rye	5,512,000	"	"	"	"	"	583,957	"

It is pointed out in the official report that the reduction in the crops is so enormous that the sum total of all the grains and seeds mentioned is inferior to the average normal crop of wheat alone during the last ten years.

It may be pointed out that the raising of the official minimum prices for wheat and linseed from 5.75 to 10. paper pesos and from 11.50 to 14. paper pesos per quintal respectively, as mentioned elsewhere in this report, may have some slight influence on the acreage harvested by inducing growers to cut poor crops which otherwise would have been abandoned as unprofitable.

In its customary monthly report on conditions in the cereal regions, published on December 22nd, the Ministry of Agriculture points out that the great reduction in the volume of the crop is principally due to the diminution in the acreage seeded, as the abandonment of acreage would not have greatly affected the tonnage of the yield if the acreage had been up to the average of recent years, since the damage which the crops have suffered is by no means general and in some parts of Córdoba, Santa Fe and especially Buenos Aires, quite good yields will be obtained. The district which has suffered most is the province of Entre Ríos, where there will not be sufficient grain to satisfy local needs. The Pampa also is in poor shape, and northern Santa Fe has suffered important losses.

The following are extracts from the official report, confined to the references to wheat:-

Buenos Aires: The bulk of the crop in the province has entered the period of maturity and harvest under favourable climatic conditions, although late, to compensate for earlier set-backs. Although very little threshing has been done, it can safely be said that there will be a fair crop. In the neighbourhood of the Capital cutting and stacking on the early fields has begun, good yields being expected. In the south-east the early fields are maturing, and will be cut after Christmas, with good prospects of yield and quality. In the centre cutting with the binder has begun, and a good crop is anticipated. In the hill region the last rains have improved the crop; the drought and winds in November caused a lot of whiteheads, and there are fields which were turned into pasture; cutting will commence in a few days. In the Bahia Blanca zone the weather varied greatly in the month of November, completing the damage caused by the drought; the crop will be average in Dorrego, getting worse towards the south were there are heavy losses of area and low yields. In the west, cutting commenced about the tenth instant, half the wheat being now harvested; but adjoining the Pampa the fields are backward and cutting will begin at the end of the month. The prospects in this zone are good in parts. In the north harvesting is general; the wheat has good heads, as the weather was favourable when the grain was in the milk stage; towards the coast, where the wheat was damaged by drought, locusts and choking weeds, the yields are mediocre.

Santa Fe: Harvesting of wheat has become general, binders being used so as to permit the weeds to dry. In the centre and north of the province there is little grain left standing; most of it is in stack; combines are also being used now on the early lots left in swathes. Rains have frequently interrupted the work, and here is a high proportion of damp grain. The yields shown by the few lots which have already been threshed are generally low and the quality of the grain fair, somewhat bleached and uneven, with weights from 61 to $63\frac{1}{2}$ lb. per bushel. In the south during the past month the wheat fields have acquired the uniformity which was lacking; nevertheless there are many uneven fields. Up to now cutting has been done with binders, but the combines are beginning to be used; the first threshings are of good quality. Throughout the province there are parts affected by rust.

Córdoba: In the north-east zone the condition of the wheat has declined because of mists and scalding by the sun in the early days of the month; but in the centre and south-west its condition has been maintained. Cutting, which is in progress, shows variable yields as a result of climatic conditions and botanical plagues. In the north-east is where the crops are most uneven. The early sowings are giving a fair yield, both in quality and quantity, whilst the later ones will give as a maximum about $7\frac{1}{2}$ bushels per acre. In the eastern zone the crop is giving yields which are considered good; there is a big proportion of green kernels, which will be remedied by stacking, which most of the farmers are inclined to do. In the west and south-west headers are being used almost exclusively, on account of the weeds. Yields are almost normal in the General Roca district, but are poor in other parts of the zone. To the areas already abandoned it is now considered probable that more will have to be added, although the farmers, encouraged by the minimum price, are trying to save all possible.

Entre Rios: Harvesting over 50% of the area seeded goes to confirm the low yields and poor quality which were foreseen in previous reports. At present it seems certain that there will be an average crop in the districts along the Uruguay river and poor in those of the west. In the east of the province the cutting and threshing of wheat are well advanced; it is insisted that the grain should be acquired locally for seed. In the rest of the province ripening is backward and uneven. Heavy attacks of striped rust have appeared around Diamante and Paraná. In view of prices, farmers are carefully harvesting even the poorest fields.

La Pampa: Since the last report there have been general rains in the territory, but they arrived too late to help the grain, and have rather served to encourage the weeds which have invaded many of the fields. From the scarcity and bad distribution of the precipitation, the Pampa has this year suffered a new blow. A few days ago wheat harvesting commenced in the north, with variable and inferior grades and yields. As one advances to the south and west the yields get lower, and there are large areas abandoned, which are being pastured or sown with sunflower.

It may be added that since the preparation of the above official report, further rains have fallen at intervals, interfering with the harvesting operations; but whether any serious damage to the grades will result is doubtful. Certainly any deterioration in the wheat and linseed crops will have been offset by the great benefit to the new maize, which is said to be everywhere in splendid shape, with probably a new record acreage planted, although no figures are yet available. January will be the critical month for maize. With a continuation of present weather conditions, last year's record volume is likely to be largely exceeded, and with the new crop plus current stocks marketing may be a serious problem.

Grain Control Board

The Grain Control Board surprised the grain trade in mid-December by an announcement of new official minimum prices for wheat and linseed. No hint of this step had been allowed to leak out in advance. The new prices are 10. paper pesos per quintal for wheat, as against the old price of 5.75.; and 14. for linseed, in place of 11.50. Maize remains unchanged at 4.40. In the governmental decree establishing the new rates, the reason for the step is said to be the serious reduction in volume of the new crops and the small exportable surpluses, this condition coinciding with the diminution of world surpluses of wheat which have depressed price levels in recent years, which diminution has sensibly improved the statistical situation. The prices presently ruling in the Argentine (8.65 and 12.55 for wheat and linseed respectively) says the decree, are the consequence of precipitate offers of grain and sales for future delivery at the moment of beginning the harvest.

Needless to say, the new prices were hailed with great delight by the producers with wheat or linseed to dispose of, although the unfortunates who have lost their crops saw little reason for jubilation, and the non-producing citizens gloomily anticipated higher prices for bread. The grain trade was less enthusiastic, as many members had entered into contracts on the basis of current prices and very serious losses were in store for them, although it is but fair to recall that it was not until the beginning of December that operations in the new crop of wheat were permitted on the grain markets by the Government. To protect farmers who might possibly have sold grain at a lower price in ignorance of the new minimum established the Control Board subsequently ruled that any sale made by a producer subsequent to December 13th must be considered to be at the official price, which must accordingly be paid by the buyer.

It is fairly safe to predict that, given favourable weather conditions, the acreage of the next Argentine wheat and linseed crops will take a big jump.

WHEAT

Exports during the month of December were wheat 4,687,000 bushels and flour 113,000 bushels, a total of 4,800,000 bushels.

Using official figures as the basis, the following is now the statistical position:

Revised official estimate 1934-35 crops,	240,671,000	bushels
Carry-over from 1933-34 (revised)	15,403,000	"
Total supplies	256,074,000	"
Seed and Domestic consumption (revised)	91,859,000	"
Exportable balance 1935	164,215,000	"

Exported to) wheat 143,363,000 bushels			
Dec. 31st) flour, 2,129,000 "		145,492,000	bushels
Stocks on hand 31st December, 1935,		18,723,000	"
First official estimate 1935-36 crop ...		144,035,000	"
Total supplies		162,758,000	"
Seed and Domestic Consumption		95,534,000	"
Exportable balance 1936		67,224,000	"

Amongst members of the grain trade the official estimate of the new crop is looked upon as unduly low, some reliable judges placing the estimate at 18,372,000 bushels above the Department; on the other hand, the stocks remaining from the old crop are generally considered to be not more than 3,674,000 bushels, as compared with 18,703,000 bushels on the basis of the official figures. The net result therefore, is a difference of only about 3,674,000 bushels between official and private estimates.

Business on the futures market is stagnant. Shippers obviously cannot purchase Argentine wheat for export on the basis of the official minimum price, and compete with rival exporting countries. Even Brazil, a traditional market for Argentine wheat, is now buying from Canada.

The crop is very late, and not much wheat will come forward for a little while yet. When it does move, it will be into the hands of the Grain Control Board, which is unlikely to hasten sales for export unless world price levels move upwards in the meantime.

The official minimum price for wheat is 10. paper pesos per 100 kilos, equal to 90 1/8c. Canadian at current exchange rates, per bushel.

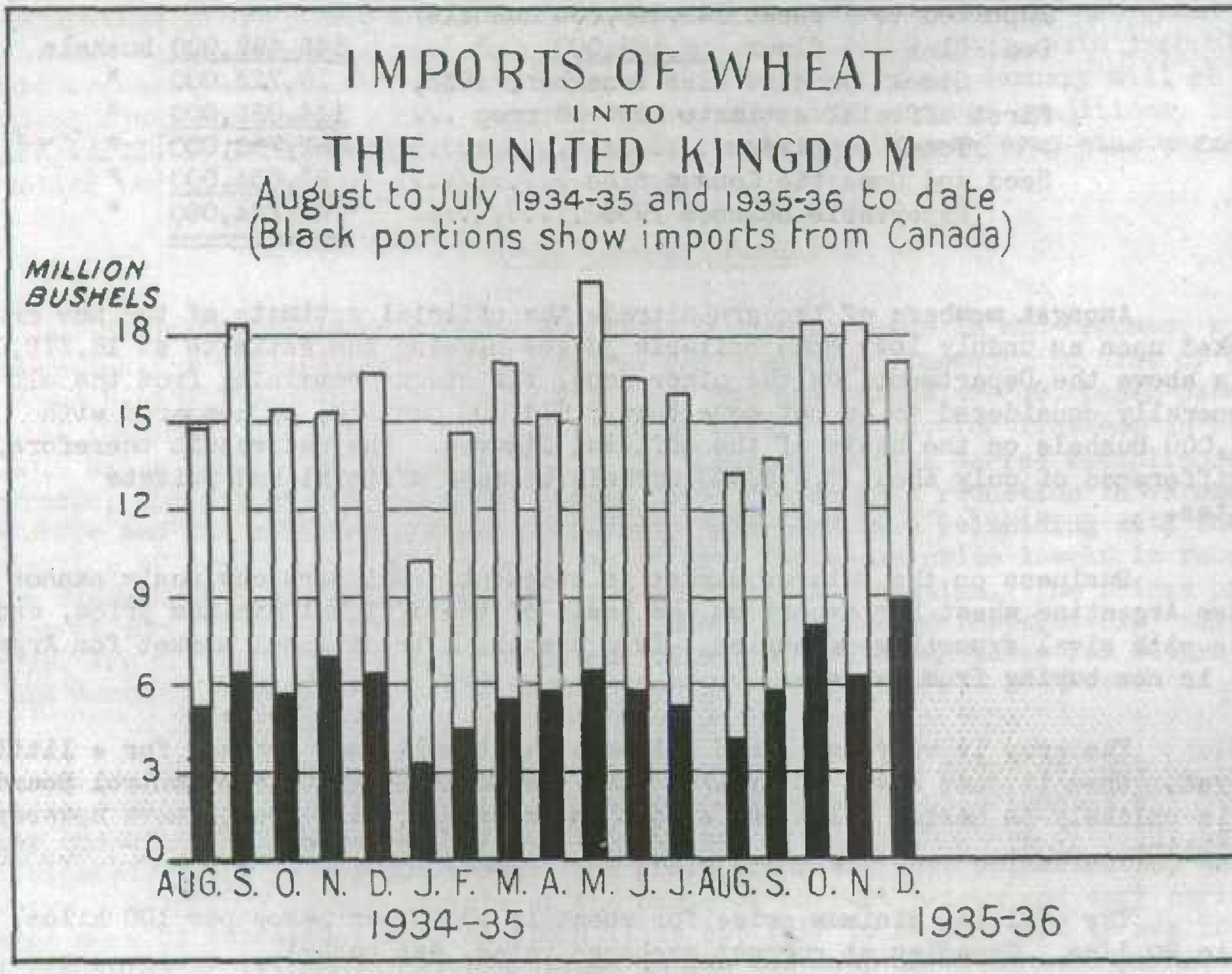
On the last trading day of the year Spot wheat was quoted at 10.33 (93 1/8c. per bu.), and the March option (May not yet being quoted) at 10.42 (94c. per bu.). In Winnipeg on the same day May wheat closed at 88 5/8c.

Comparative statistics of the production estimated for this year and the crop of last year, with the 5 and 10 year averages, follow:-

	Wheat	Linseed	Oats	Barley	Rye	
1935-36	144,035,000	50,391,000	32,421,000	22,046,000	5,512,000	bushels
1934-35	240,671,000	79,721,000	62,897,000	40,694,000	15,787,000	"
5 yr. av.	243,934,000	74,346,000	61,697,000	28,071,000	9,901,000	"
10 yr. av.	243,482,000	73,869,000	62,139,000	22,329,000	8,166,000	"

Comparative acreage figures are as follows:-

	To be cut 1935-36	Seeded '35-36 2nd estimate	Seeded 1934-35	5 year av. 1930-35	
Wheat	11,907,005	14,202,500	18,804,110	19,360,502	acres
Linseed	5,167,857	6,570,200	8,099,130	7,698,387	"
Oats	1,386,238	2,951,650	3,527,160	3,629,275	"
Barley	1,286,425	1,938,950	2,013,050	1,641,666	"
Rye	583,957	1,748,760	2,133,092	1,644,472	"



The United Kingdom

Imports of wheat into the United Kingdom during the month of December, 1935 were slightly lower than during the preceding month but higher than the corresponding month last year. Imports during December amounted to 17,063,606 bushels compared with 18,429,635 bushels last month and 16,677,511 bushels for December, 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 to October, November and December 1935:

	August-July, (1934-35)	August-October (1935)	November, (1935)	December, (1935)
		Bushels		
Canada	65,435,279	18,147,349	6,386,124	8,975,505
United States ..	744,020	648,003	-	-
Argentina	60,374,544	7,795,798	2,351,382	539,972
Australia	37,186,823	4,897,740	4,852,408	3,307,658
Russia	-	7,870,121	2,874,169	2,127,577
Others	24,886,243	5,965,253	1,965,252	2,112,894
T o t a l	188,626,909	45,324,264	18,429,635	17,063,606
Previous year ..	200,105,532	48,299,426	16,157,251	16,677,511

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

From:	December, 1935 (bushels)	December, 1934 (bushels)
Canada	8,975,505	6,211,419
United States	-	127
Argentina	539,972	5,260,064
Australia	3,307,658	3,888,279
Russia	2,127,577	-
Others	2,112,894	1,317,622
Total	17,063,606	16,677,511

The above table shows that total imports of wheat into the United Kingdom during December, 1935 were slightly higher than during December, 1934. Imports from Canada amounted to 8,975,505 bushels compared with 6,211,419 bushels for the corresponding month last year. Imports from Australia amounted to 3,307,658 bushels compared with 3,888,279 bushels for the month of December, 1934. The United Kingdom imported only 539,972 bushels from the Argentine during December, 1935 as compared with 5,260,064 bushels for December, 1934. Imports from Russia amounted to 2,127,577 bushels in December, 1935 while imports during the same month last year were nil.

The following table shows imports of wheat into the United Kingdom during the five-month period of August to December, 1935 and 1934:

From:	1935 August-December (bushels)	1934 August-December (bushels)
Canada	33,508,978	29,784,834
United States	648,003	157,482
Argentina	10,687,152	28,712,845
Australia	13,057,806	17,024,007
Russia	12,872,167	-
Others	10,043,399	4,455,020
Total	80,817,505	80,134,188

It will be noted that total imports of wheat into the United Kingdom amounted to 80,817,505 bushels during the August-December period in 1935 as compared with 80,134,188 bushels during the same months last year. The table further shows that imports from the Argentine decreased about eighteen million bushels this year as compared with last. Imports from Canada were about four million bushels higher in the August-December period than in the same months last year.

International Trade (Broomhall's Revised Figures), 1935-36.

The following table shows the world shipments of wheat and wheat flour for the first twenty-three weeks of the present crop year:

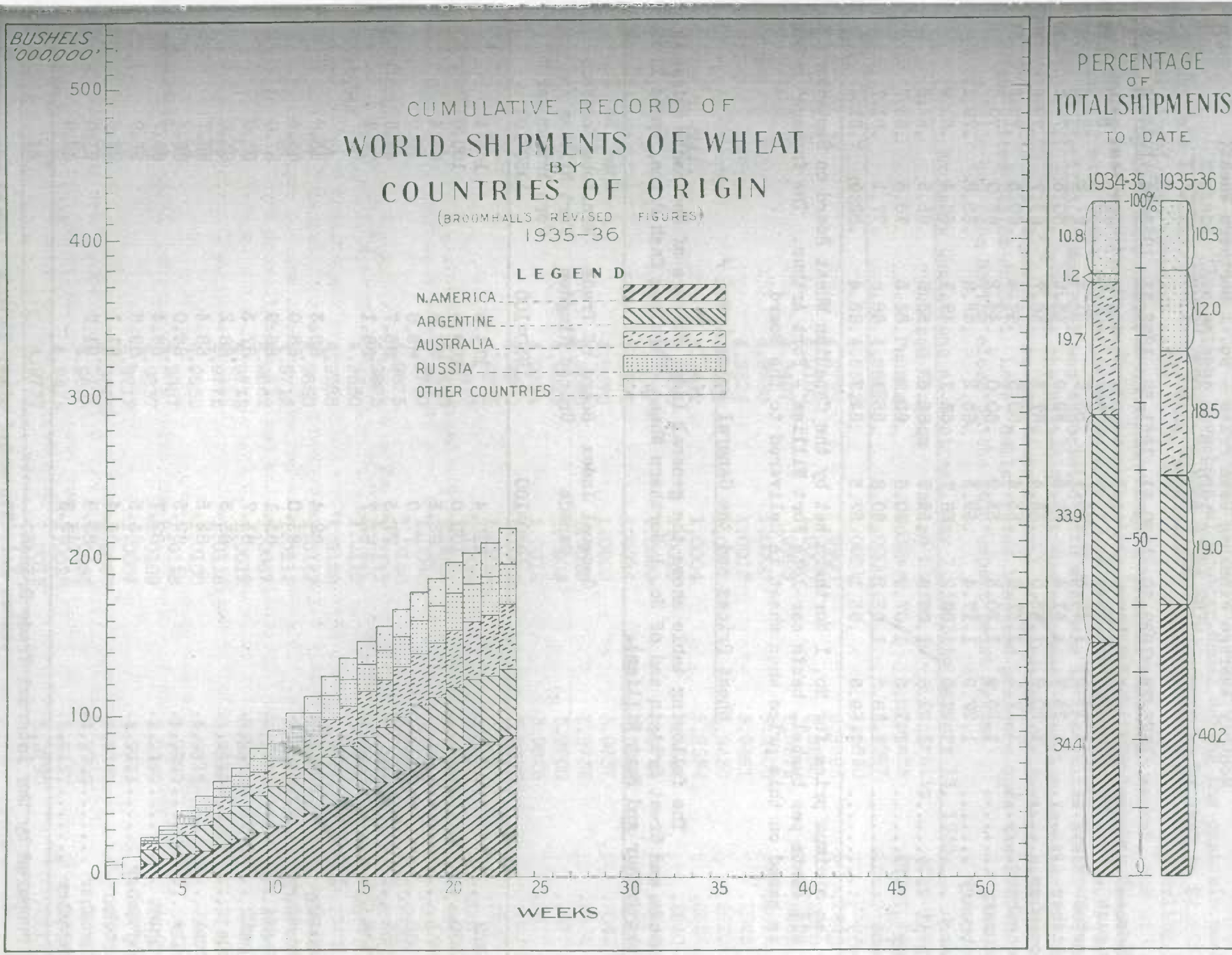
Week Ending		North America	Argentina	Australia	Russia	Other	Total
				(Thousand Bushels)			
August	10x	2,760	3,194	1,253	-	888	8,095
	17	2,880	1,312	1,192	648	728	6,760
	24	2,640	4,016	1,704	872	696	9,928
	31	2,584	1,888	1,080	1,144	416	7,112
September	7	2,256	2,432	1,384	1,296	872	8,240
	14	2,784	3,440	1,560	592	1,184	9,560
	21	3,672	2,568	2,384	1,008	440	10,072
	28	3,680	1,056	1,824	992	624	8,176
October	5	3,944	3,136	1,936	1,936	1,104	12,056
	12	3,968	1,880	1,808	2,064	880	10,600
	19	3,928	1,368	2,504	2,920	1,040	11,760
	26	3,664	1,800	2,032	1,088	1,440	10,024
November	2	5,880	1,480	2,792	456	1,856	12,464
	9	4,632	1,792	2,160	1,224	1,456	11,264
	16	4,880	1,168	2,808	992	976	10,824
	23	4,872	1,216	1,184	1,264	952	9,488
	30	6,024	1,048	1,000	1,072	1,000	10,144
December	7	5,136	1,736	1,584	1,320	712	10,488
	14	3,672	1,368	1,872	1,992	952	9,856
	21	5,088	920	1,680	968	1,320	9,976
	28	3,264	656	768	488	912	6,088
January	4, 1936	1,549	803	1,620	560	1,096	5,628
	11	3,722	1,076	2,226	1,104	936	9,064
TOTALS		87,479	41,353	40,355	26,000	22,480	27,667
Comparative 1934-35							
Corresponding week		2,168	4,256	2,176	-	1,448	10,048
Total to Date		80,345	79,022	46,045	2,720	25,176	233,308

x Includes 1,200,000 bushels shipped from North America on August 1, 2 or 3, 250,000 bushels shipped from Argentina and 245,000 from Australia on August 1.

(N.B. Because of the splitting of weeks by cut-off dates of weekly shipment records, Mr. Broomhall's figures do not begin or end with the crop year. It so happens that either 1934-35 or 1935-36 must have 53 weeks - and thus make comparisons a little misleading - unless certain weekly figures are broken up to start at August 1 and end at July 31 so far as possible. This division is not easy and can only be approximated. For different countries Mr. Broomhall makes the cut-off on different days - the Black Sea on Wednesdays, Argentina and Australia on Thursdays and North America on Saturdays (excepting the Canadian Pacific Coast where the cut-off is made on Thursdays).

The new tables set up above attempt a cut-off at July 31 in each year so that 52 weeks' shipments will be included. The differences are confined to the period ending August 10.)

A decline of 15.6 million bushels or 6.7 per cent took place in world shipments during the first 23 weeks of the new season in comparison with a similar period of the previous crop year. Most of this decline was recorded in Argentine shipments when they fell from 79 million bushels last year to 41.4 milli n bushels this year. Australian shipments still show a slight decrease but North American shipments now show an increase over last year's figures, rising from 80.3 million bushels last year to 87.5 million bushels this 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
1934-35
1935-36
100%
50
0
10.8
1.2
19.7
33.9
34.4
10.3
12.0
18.5
19.0
40.2

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	1935-3
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	.85.7
December	1.17.1	1.37.8	.55.4	.60.6	.42.4	.60.3	.79.2	.84.7
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	

x The minimum price for No. 1 Northern set by the Canadian Wheat Board on September 6 is $87\frac{1}{2}$ cents per bushel, basis car-lots Fort William - Port Arthur. The farmers' return is based on this price when wheat is delivered to the Board.

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
1935			
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	91.1	96.4
November	83.9	91.2	91.0
December	83.8	–	89.9

/ Prepared by the Internal Trade Branch.

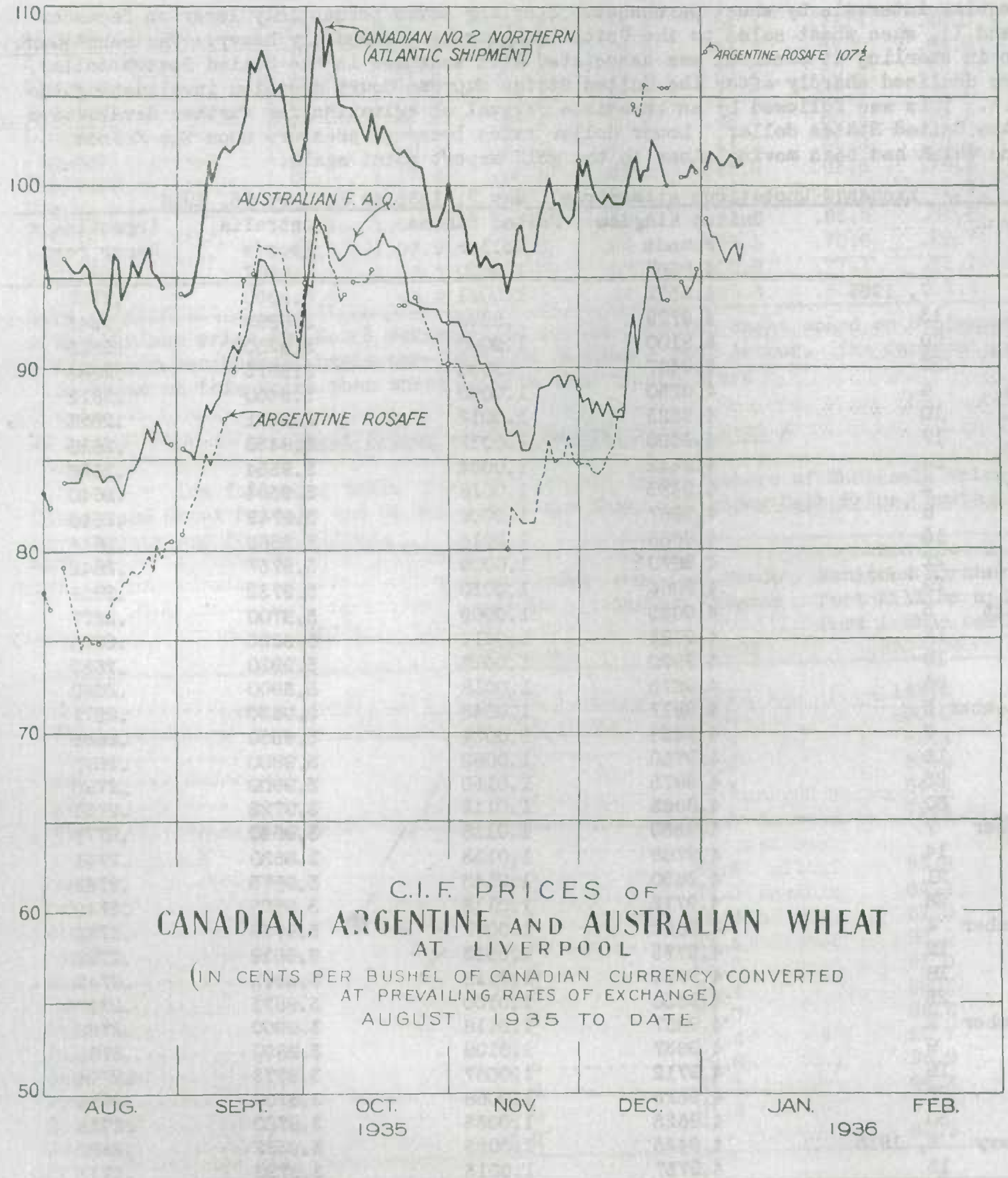
FOREIGN EXCHANGES

Exchange fluctuations have been wider than usual during the past six weeks. Within this interval, sterling quotations at Montreal dropped from $4.9892 to $4.9423 (Jan. 6) and then advanced again to $4.9687 on January 14. The decline in sterling was affected by the sharp curtailment of silver purchases on the London market, and at irregular intervals by wheat purchases. Sterling moved perceptibly lower on December 13 and 14, when wheat sales to the United Kingdom were unusually heavy. The subsequent rise in sterling at Montreal was associated with weakness in the United States dollar, which declined sharply after the United States Supreme Court decision invalidating the A.A.A. This was followed by an immediate revival of agitation for further devaluation of the United States dollar. Lower dollar rates lessened pressure upon the French franc which had been moving close to the gold export point again.

Exchange Quotations at Montreal, May 7, 1935 to January 13, 1936.

		United Kingdom Pounds	United States Dollar	Australia Pounds	Argentina x Paper Peso
		4.8667	1.0000	4.8667	.4244
May	7, 1935	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
	18	4.9775	1.0118	3.9812	.2742
	25	4.9850	1.0100	3.9875	.2747
December	2	4.9887	1.0118	3.9900	.2762
	9	4.9837	1.0109	3.9860	.2765
	16	4.9712	1.0087	3.9775	.2774
	23	4.9625	1.0068	3.9700	.2734
	30	4.9625	1.0065	3.9700	.2718
January	6, 1936	4.9425	1.0025	3.9537	.2682
	13	4.9737	1.0013	3.9790	.2713

x Unofficial rates - about 6 cents below official rates.



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)
AUGUST 1935 TO DATE

THE CANADIAN SITUATION

I. Grading of the 1935 Crop.

The following table shows the grading of inspections during the five months, August to December, 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	93.0
September	16,975	64.83	22,356	92.0
October	11,448	41.33	14,769	62.9
November	4,363	34.05	7,849	48.2
December	3,457	46.46	3,136	45.9
Total	44,098	52.74	59,749	71.6

The inspection of the 1935 crop in December, 1935 revealed a slightly higher percentage of cars grading No. 3 Northern or better than in either November, 1935 or December, 1934. Despite this improvement, however, the weight of deliveries earlier in the crop season resulted in a slight further decline in the percentage for the five months. Only 52.74 per cent of the inspected cars in the five months ended December 31, 1935 graded No. 3 Northern or better compared with 71.6 per cent in the same months of 1934.

II. Movement of Wheat to Maritime Ports.

During the last three weeks, there has been a large movement of wheat from the Georgian Bay, Lake Huron and Lower Lake ports to the Maritime seaboard ports. This will provide for a continuous re-stocking of the elevators at Saint John, N.B. and Halifax, N.S. and facilitate winter exports. The following table presents the necessary detail:

Origin and Amount of Wheat Shipments to Maritime Ports, December 19, 1935 to January 10, 1936.

	(bushels)
Georgian Bay and Lake Huron ports:	
Depot Harbour	568,705
Port McNicoll	804,768
Tiffin	150,906
Midland	338,780
Owen Sound	295,352
Goderich	50,000
Sarnia	318,410
Total	2,526,921
Lower Lake ports:	
Port Colborne	296,638
Prescott	127,869
Toronto	290,085
Kingston	40,000
Total	754,592
GRAND TOTAL	3,281,513

III. Export Clearances of Canadian Wheat to Overseas Destinations Only, 1935-36.

Week ending		Montreal	Quebec	Sorel	Total St. Lawrence Ports	West Saint John & Saint John	Halifax
				Bushels			
August	8	938,989	25,000	492,387	1,456,376	-	-
	15	795,924	-	-	795,924	-	-
	22	676,530	-	230,600	907,130	-	-
	29	948,222	-	-	948,222	-	-
Sept.	6	818,891	24,315	-	843,206	-	-
	13	1,338,192	-	200,000	1,538,192	-	-
	20	1,482,196	-	-	1,482,196	-	-
	27	1,363,813	-	177,500	1,541,313	-	-
Oct.	4	1,601,643	39,056	539,000	2,179,699	-	-
	11	1,815,147	-	288,266	2,103,413	-	-
	18	1,201,578	-	-	1,201,578	-	-
	25	739,259	-	256,300	995,559	-	-
Nov.	1	1,784,866	-	697,701	2,482,567	-	-
	8	1,489,657	-	232,026	1,721,683	-	-
	15	1,395,647	732,856	-	2,128,503	-	-
	22	1,810,226	-	588,300	2,398,526	-	6,630
	29	1,592,791	-	311,585	1,904,376	-	-
Dec.	6	845,236	-	452,085	1,297,321	-	-
	13	-	274,000	71,840	345,840	296,000	-
	20	566	-	-	566	320,000	120,000
	26	-	-	-	-	535,846	40,000
Jan.	3	180	-	-	180	263,953	-
	10	-	-	-	-	594,961	-
Totals		22,639,553	1,095,227	4,537,590	28,272,370	2,010,760	166,630
Last year		18,150,208	1,762,051	2,806,893	22,719,152	1,169,669	-

One month ago, when the previous issue of the Review appeared, overseas export clearances of wheat were over 5 million bushels less than those of the same period of 1934 (August 1 to December 13). From the above table, it is evident that this deficit has now been reduced to $1\frac{1}{2}$ million bushels. The winter movement of wheat from Canadian Maritime ports, United States Atlantic ports and the Canadian Pacific seaboard has been considerably better than in the previous year; the position of stocks and forward bookings suggest that this improvement will be continued.

Shipments from Maritime ports, principally Saint John and West Saint John, exceed those of the 1934-35 season to date by over a million bushels. Vancouver shipments are now exceeding those of the same weeks of 1934-35 and the 1935-36 cumulative figure is steadily catching up on the 1934-35 total. Similarly, the outward movement from the United States Atlantic seaboard is rapidly nearing the 1934-35 total.

III. Export Clearances of Canadian Wheat to Overseas Destinations Only, 1935-36. - Cont'd.

Week ending		Total Maritime Ports	Churchill	Vancouver New Westminster	United States Ports	Total Clearances
				bushels		
August	8	-	-	213,750	156,000	1,826,126
	15	-	-	473,173	299,000	1,568,097
	22	-	600,000	403,721	327,000	2,237,851
	29	-	-	604,800	467,000	2,020,022
Sept.	6	-	-	243,600	159,000	1,245,806
	13	-	-	100,800	672,000	2,310,992
	20	-	604,000	574,733	251,000	2,911,929
	27	-	873,000	560,066	282,000	3,256,379
Oct.	4	-	330,000	349,150	236,000	3,094,849
	11	-	-	356,906	139,000	2,599,319
	18	-	-	536,533	307,000	2,045,111
	25	-	-	958,577	701,000	2,655,136
Nov.	1	-	-	1,601,903	494,000	4,578,470
	8	-	-	984,190	405,000	3,110,873
	15	-	-	751,706	751,000	3,631,209
	22	6,630	-	1,306,326	168,000	3,879,482
	29	-	-	752,633	325,000	2,982,009
Dec.	6	-	-	784,746	284,000	2,366,067
	13	296,000	-	1,369,725	389,000	2,400,565
	20	440,000	-	905,853	530,000	1,876,419
	26	575,846	-	1,058,471	1,113,000	2,747,317
Jan.	3	263,953	-	819,102	319,000	1,402,235
	10	594,961	-	997,338	987,000	1,984,338
Totals		2,177,390	2,407,000	16,707,802	9,761,000	59,325,562
Last year		1,169,669	4,049,877	20,402,650	12,170,000	60,812,628 x

x Includes 301,280 bushels shipped from Prince Rupert.

An appreciable addition to the overseas clearances this year is provided by imports into the United States for consumption or milling-in-bond for re-export. These are continuing fairly steadily and in the period from August 1 to January 10 have amounted to ~~59,325,562~~ bushels compared with ~~60,812,628~~ bushels in the same period of 1934-35. Adding these figures to the overseas shipments, the total disposal of Canadian wheat as overseas clearances and United States imports has amounted to 84,619,782 bushels this year compared with 73,542,116 bushels in the same period of 1934-35.

25.294220

12.729428

IV. Stocks in Store.

The following table shows stocks of Canadian wheat in store in Canada and the United States on January 10, 1936 along with comparative figures for approximately the same date last year.

	1936		1935
	(bushels)		
Country Elevators - Manitoba	7,097,479	x	10,181,265
Saskatchewan	49,108,889	x	51,893,394
Alberta	34,897,086	x	38,200,473
Total	91,103,454	x	100,275,132
Interior Private and Mill Elevators	7,175,888	x	6,983,779
Interior Public and Semi-Public Terminals	5,301,112		4,752,962
Pacific Ports	16,589,375		15,254,289
Churchill	2,280,823		2,389,404
Fort William and Port Arthur	38,351,845		57,259,636
Eastern Elevators - Lake Ports	45,780,641		30,011,364
Eastern Elevators - St. Lawrence Ports	14,303,846		9,725,979
Eastern Elevators - Seaboard Ports	3,630,784		3,220,699
U. S. Lake Ports	22,082,158		20,620,939
U. S. Atlantic Seaboard Ports	10,327,981		6,218,050
Total	256,927,907		256,712,233

x Subject to minor revision.

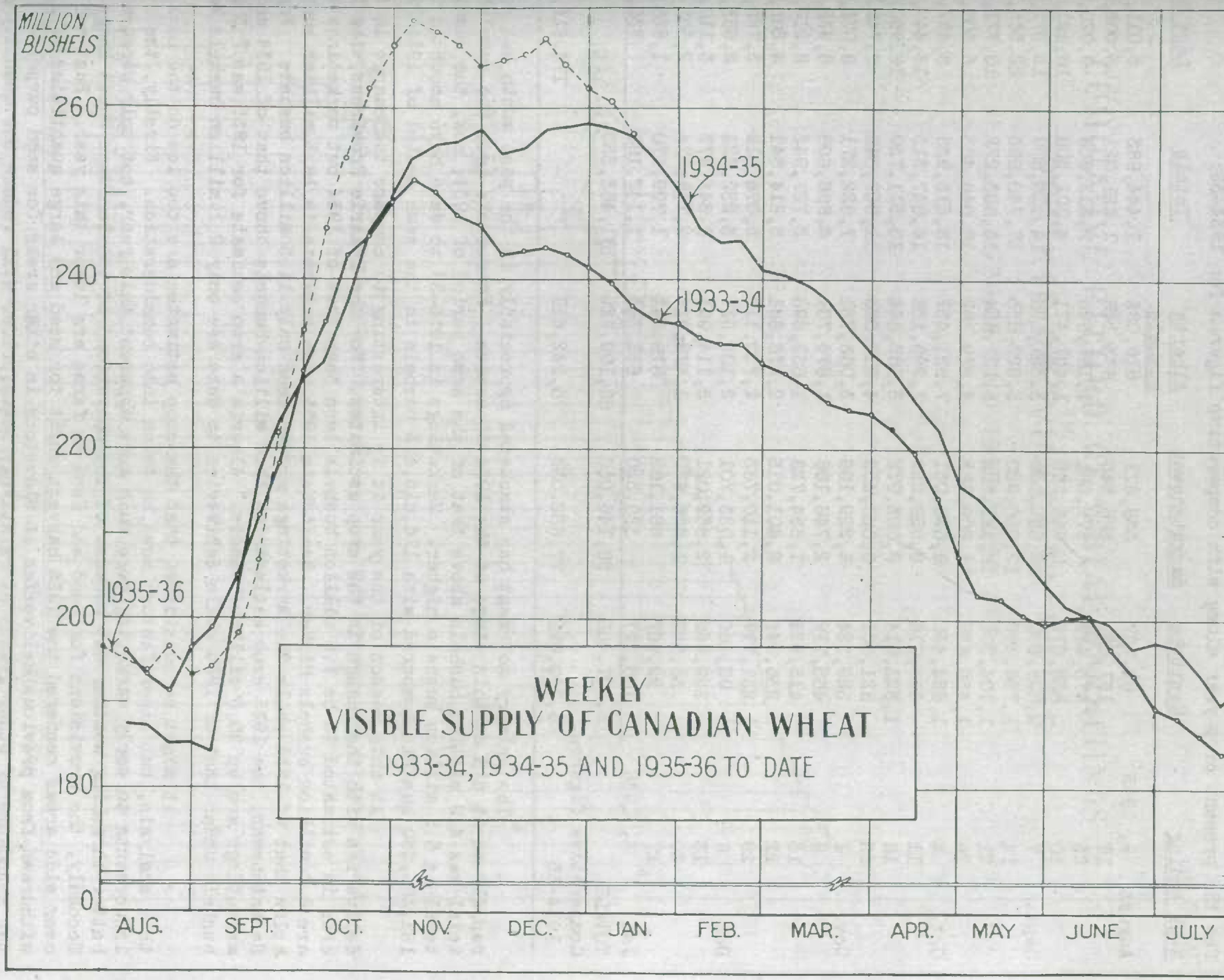
During the past few weeks, the visible supply has fallen steadily until it is now little above the level of a year ago. The primary movement into country elevators has slackened further and the outward movement has been brisker than in 1934-35. The downward trend of the visible supply curve should be sharper than in the previous year because the marketing of the crop is further advanced and the forward bookings for export greater.

During the past month, the visible supply has fallen 10.6 million bushels compared with a decline of only 0.7 million bushels in the same period last year. The principal declines since December 13, 1935 have taken place at Eastern Canadian and United States Lake ports. Partially offsetting increases have taken place at Pacific Coast ports and at Fort William - Port Arthur.

Comparing the present visible supply with the position of wheat stocks a year ago it is apparent that supplies are further advanced into export position this year. There are 9 million bushels less in country elevators and nearly 19 million bushels less at the Head of the Lakes. Stocks in Pacific Coast elevators are 1.3 million bushels higher than they were a year ago. In the Eastern Elevators, there are 15.8 million bushels more at the Lake ports, 4.6 million bushels more at the St. Lawrence ports and slightly more at the Maritime seaboard. While stocks in the United States are falling faster than in 1934-35, they remain 1.5 million bushels higher at the Lake ports and 4 million bushels higher at the Seaboard.

Stocks at Maritime ports are being replenished by rail shipments and there is also some wheat being shipped to United States' points by rail.

The chart on the opposite page illustrates the course of weekly visible supply figures in 1933-34, 1934-35 and in 1935-36 to date.


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

V. Primary Movement.

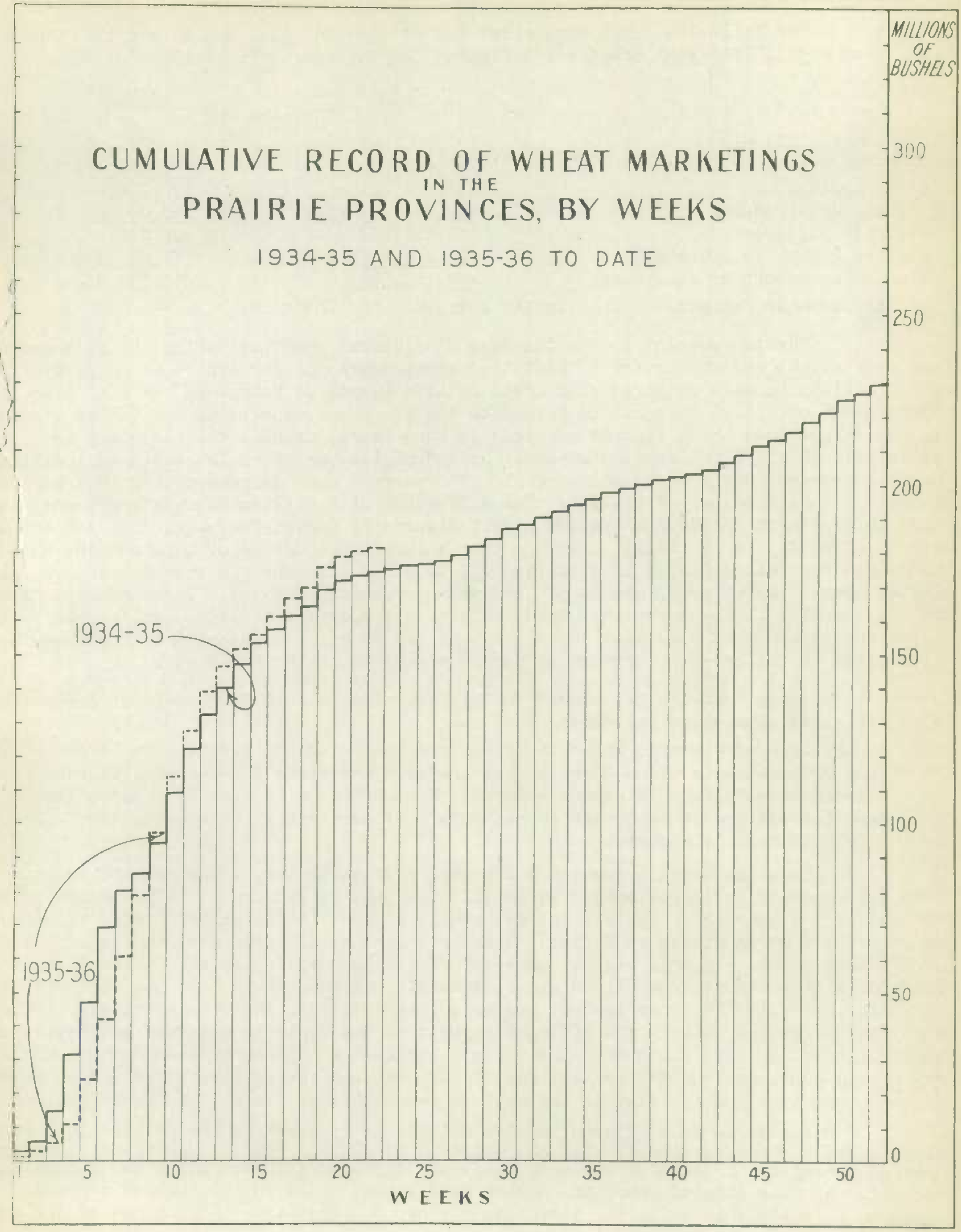
The following table shows primary receipts of wheat in the Prairie Provinces for the present crop year along with comparative figures for 1934-35:

Week ending		Manitoba	Saskatchewan	Alberta bushels	Totals	Last Year
August	9, 1935	69,727	558,871	816,085	1,444,683	3,011,917
	16	161,635	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
	15	415,321	1,654,728	1,657,896	3,727,945	6,219,496
	22	236,945	2,401,015	2,976,681	5,614,641	4,205,935
	29	237,717	2,110,783	2,730,119	5,078,619	3,725,633
Dec.	6	93,486	1,033,701	2,105,537	3,232,724	2,983,880
	13	359,459	2,869,021	3,114,993	6,343,473	5,110,583
	20	38,987	1,226,670	1,472,917	2,738,574	2,501,578
	27	99,967	881,162	818,241	1,799,370	1,658,000
Jan.	3, 1936	108,327	398,520	635,341	1,142,188	830,090
TOTALS		15,207,489	98,146,036	68,109,825	181,463,350	-
Comparative figures, 1934-35		26,740,829	77,632,033	70,242,611	-	174,615,473

The primary movement has slackened appreciably in the past month but not as rapidly as it did at this stage of the 1934-35 season. Four weeks ago, the cumulative total was 4.9 million bushels above that of the same period of 1934; now, the cumulative total is 6.8 million bushels higher. Marketings in 1935-36 to date have amounted to 181,463,350 bushels compared with 174,615,473 bushels in the same period of 1934-35.

At this season of the year it is interesting to compare the change in the deliveries with the change in the crop estimates. For the Prairie Provinces, the 1935 crop is estimated to be 7.8 million bushels less than that of 1934 but marketings to date are 6.8 million bushels higher. Manitoba's 1935 crop estimate is 18.3 million bushels below that of 1934 while the marketings are reduced only 11.5 million bushels. For Saskatchewan, the 1935 crop estimate is 17.8 million bushels above that of 1934 and the marketings are up 20.5 million bushels. Alberta's crop estimate for 1935 was 7.3 million bushels under that of 1934 while deliveries to date are only 2.1 million bushels lower.

It might be considered that the crop estimates are too low on the basis of this analysis, but other factors must be taken into consideration. Firstly, the inducements to early marketing were much more apparent this year, not only because of better threshing weather but because of the operations of the Canadian Wheat Board. Secondly, the provisions for seed and feed on farms are lower this year. Rust and frost over wide areas rendered the 1935 harvest unfit for seed and large quantities will be withdrawn from previous deliveries at elevators in other areas for seed purposes. Then, the abundance of other grains at relatively lower prices will reduce the quantity of wheat fed. In the low freight rate areas, prices of barley and oats are below the poorest grades of wheat.


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

VI. The Statistical Position.

The following table summarizes the statistical position of wheat in Canada as at January 1, 1936 with comparative figures for the same date of 1935:

	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	100,962,712 2/		112,000,000 3/
Available Supplies	368,876,569		365,202,288
Exports, August to December	99,716,213		121,602,336
Balance for export or carry-over	269,160,356		243,599,952

1/ November Estimate. 2/ Slightly revised. 3/ Tentative.

The improvement in the Canadian statistical position during the past month was very slight and at January 1, 1936 the amount remaining for export or carry-over was 243.6 million bushels compared with 269.2 million bushels a year ago. Part of this improvement over last year can be traced to the increased exports to the United States. To the extent that these exports are held in bond there, unsold, the statement is optimistic. Stocks of Canadian wheat in United States positions increased 23.1 million bushels between August 1 and December 31, 1935 whereas they increased only 17.1 million bushels in the same period of 1934. The difference of 6 million bushels represents the tinge of optimism in the comparative export figures of August-December, 1935 and the same months of 1934. It is likely, however, that a larger proportion of the Canadian wheat bonded in the United States is actually sold to mills than was the case a year ago, when United States import requirements of hard wheat were not so large. To be conservative on the improvement in the export situation this year compared with last year, however, it is necessary to add that 6 million bushels out of the 22 million bushels' increase may be attributed to the greater increase of bonded stocks in the United States.

Other commentators choose to calculate the balance for export or carry-over by a different method, as follows:

"Carry-over of Canadian wheat in Canada and the United States at July 31 plus the Crop Estimate minus Domestic Requirements and minus the Sum of Overseas Clearances of Wheat (elevator returns), United States imports for consumption and for milling in bond, and an estimate of flour exports based upon the official monthly exports.

When the balance remaining for export or carry-over is calculated by this method it amounts to approximately 286 million bushels at January 1, 1936 compared with 298 millions a year ago. By this method, stocks in bond in the United States are treated exactly the same as stocks in Canada. This is a pessimistic statement to the extent that such bonded stocks are sold and ear-marked for mill consumption in the United States or sold for winter export from United States Atlantic seaboard ports. It has some merits in comparison with the other method, however, principally in that the wheat export figures apply to the period cited. The official exports do not apply to calendar months, as one might believe, but are the sum of the reports received in Ottawa between the second last day of one month and the second last day of the next. Allowing for the period of grace allowed exporters and the time in the mail en route Ottawa, the difference is obvious.

The difference between the two methods is greatest in the fall as the customs exports include the seasonably high shipments to the United States. As these stocks are lowered during the balance of the crop year, the differences between the two methods are reduced. At this time of year, the method used above, based on the customs exports, tends to be optimistic while the other has a tinge of pessimism. At the end of the year such differences have been smoothed out.

EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR.

The following tables show exports of wheat and flour during the 1935-36 season to date with comparative figures for preceding years:

WHEAT

	1935-36	1934-35	1933-34	1932-33
	(bushels)			
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	26,575,296	18,769,770	23,143,958	27,301,976
December	17,043,882	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

FLOUR

	1935-36	1934-35	1933-34	1932-33
	(barrels)			
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	525,368	504,384	547,602	576,864
December	443,828	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
	(bushels)			
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	28,939,452	21,039,498	25,608,167	29,897,864
December	19,041,108	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