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AGRICULTURAL BRANCH

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WHEAT SITUATION

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THE WORLD WHEAT SITUATION - SUMMARY

There has been an unusual number of opposing tendencies in the world wheat situation during the past month. The main pessimism is derived from the lack of either continuity or breadth in world demand. Minor factors discouraging an enthusiastic outlook are the continued provision of export supplies by European countries, the scarcity of foreign exchange, the possibility of an exportable surplus in the United States in 1936-37, and repeated forecasts of increased 1936 acreage in Australia, Argentina and Canada. The persistent failure of Liverpool traders to be impressed by the drought in the United States hard winter wheat area has been a recent discouragement. Opposing these bearish tendencies is a wide variety of more constructive forces. Of principal interest to Canada, in possession of two-thirds of the total exportable supply of wheat, is the fact that importers are taking such a high proportion of their supplies from this country, with the probability of higher percentages in the very near future. The remaining surplus in Australia, which has been our main competitor since last October, is now reduced to less than 30 million bushels and C.I.F. prices of Australian wheat have consequently risen to a premium above most Canadian sorts. Secondly, growing crop conditions in important European countries are less favourable than they were a year ago. During the past month, prospects have been reduced in Spain, Italy, Germany and the Balkan states. Hot, dry weather has persisted in the North African countries that are counted upon by France and Italy to fill their domestic wheat deficiencies. Low temperatures and dust storms have been harmful in Russia. The official forecast of the United States winter wheat crop issued on April 10 was lower than expected and subsequent weather has not been favourable to crop development.

The persistent decline in wheat prices was arrested in the first week of April when unfavourable reports of the United States winter wheat crop diverted market leadership from Liverpool to Chicago. Reduced world shipments, uncertainty regarding the 1936 harvests, steadier Australian prices and unsettling political events in Europe have all served to strengthen markets throughout the world. Chicago and Minneapolis have been more buoyant than other markets that are less intimately concerned with United States crop prospects.

New crop prospects will have increased market effect this year because exportable supplies of old wheat in the world are far below the levels of recent years and because Europe needs imported wheat to supplement reduced domestic supplies. Because of these conditions more variation in wheat prices may be expected, with the trend dependent upon the progress of the 1936 crops.

World Shipments.

The world movement of wheat has declined during the past few weeks and this can only be partly attributed to the disruption of business occasioned by the Easter holidays. With the drop in Southern Hemisphere clearances, importers have been waiting for the opening of St. Lawrence navigation to fill their needs. Mr. Broomhall's record of world shipments from August 1, 1935 to April 18, 1936 has reached a total of 360.6 million bushels compared with 376.5 million bushels in the same period of 1934-35. The weekly clearances to date have averaged 9.7 million bushels and an increase to 10.9 million bushels is necessary to fulfil Mr. Broomhall's revised estimate of 528 million bushels for the crop year. Over 70 per cent of the shipments in the remaining 15 weeks of the crop season are expected to come from Canada, this representing a total of about 117 million bushels or 7.8 million bushels per week. If such a movement is realized it will represent one of the heaviest spring export movements in the Canadian wheat trade. Undoubtedly, there will be a sharp improvement in the Canadian export clearances within a week or two.

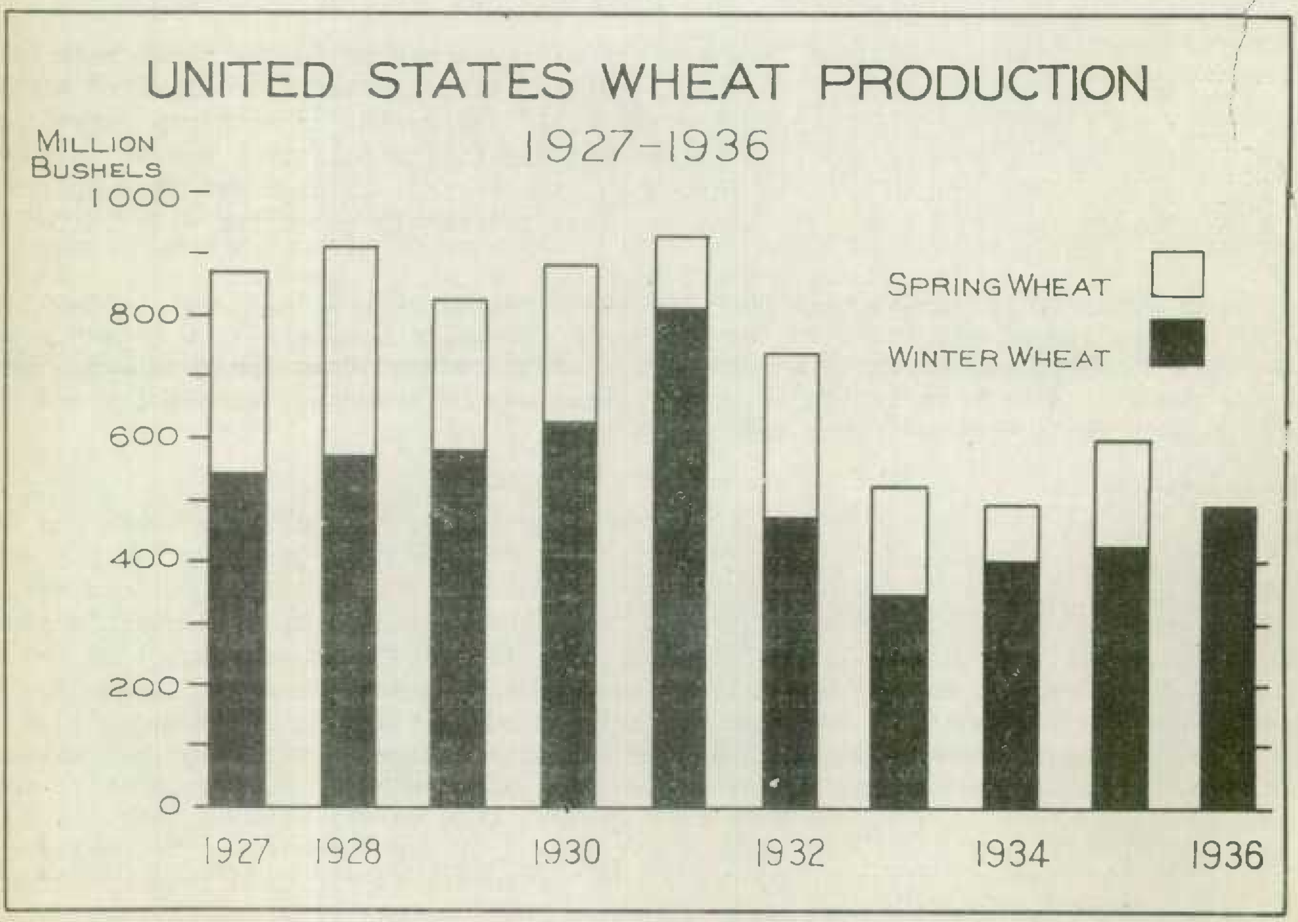
Wheat Prospects in the United States.

The official estimate of winter wheat production issued at Washington on Good Friday (April 10) was a surprise to the trade and its prediction of 493,166,000 bushels compared with the private statisticians' average of 536,000,000 bushels was regarded as distinctly bullish. Prices reacted upward on the following day on North American markets. The forecast indicates that the winter wheat crop will be about 60 million bushels above the 1935 harvest but 125 million bushels below the average of the five years, 1928-32. The condition of winter wheat at April 1 was actually lower than a year ago (68.5 compared with 69.8) but the increased acreage seeded and the lower abandonment accounted for the increased production forecasted.

There can be no doubt regarding the prospect of a below-normal crop when consideration is given to the reduced March and April rainfall and the cumulative moisture deficiency in Kansas, Oklahoma and Texas, particularly the central and western sections. In most of this area, March rainfall was only a small fraction of the 1935 precipitation, which in itself was below normal. Continued drought has undoubtedly caused rapid deterioration. In the Ohio Valley, the progress of the crop is described as poor.

Seeding of spring wheat has begun in southern Minnesota and eastern South Dakota. Some authorities believe that the large increase in acreage intended will not be realized. Lack of good seed and the postponement of seeding by continued cold weather are listed as discouraging influences.

The chart below pictures the production of winter and spring wheat in the United States since 1926, showing clearly the five-year succession of below-average winter wheat harvests. Spring wheat production has also been highly variable in recent years; rust ruined a fine crop prospect in 1935.



The Canadian Situation.- The expected period of inactivity in March and April has passed without interrupting the major trends that have been in evidence recently. The primary marketings of wheat remain low and stocks on farms at March 31, 1936, amounting to 46,116,000 bushels, were the lowest since 1925. When it is considered that this figure includes seed for the new crop and feed for the next five or six months, it may be appreciated that deliveries of the April-July period will not be burdensome. The visible supply has continued to decline and at April 17 was 24.4 million bushels below the comparable figure for 1935. Stocks are increasing at the Head of the Lakes in anticipation of the opening of navigation. While the St. Lawrence opening on Easter Monday was the earliest since 1902, it is not expected that the upper Lakes will be navigable before the first of May. The overseas export movement has continued rather light during the past seven weeks but an improvement will be apparent shortly.

In the period from August 1, 1935 to April 18, 1936, overseas export clearances of wheat have amounted to 102,825,344 bushels; imports of Canadian wheat into the United States for consumption or milling-in-bond for re-export were 35,877,464 bushels, while exports of flour converted to bushels of wheat were approximately 15.9 million bushels. In the same period of 1934-35, the comparable figures were 87,724,562 bushels, 19,807,087 bushels and 15.3 million bushels respectively. The combined totals were 154.6 million bushels in 1935-36 and 122.8 million bushels in 1934-35 - an improvement of 31.8 million bushels.

The surplus of Canadian wheat for export or carry-over at April 18 was approximately 226 million bushels compared with 256 million bushels at the same date of 1935. These figures include Canadian wheat stocks in both the United States and Canada. It is fully expected that this reduction of the surplus will be continued in the remaining 15 weeks of the crop year.

In the Prairie Provinces, seeding of the 1936 crop will be later than usual, but the warm weather of the past week has been of material assistance in preparation of the land. Generally speaking, soil moisture conditions are better than in recent years. This is mainly due to more complete absorption of the snowfall since spring precipitation to date has been very light. The late disappearance of the snow cover and the increased moisture in the soil have reduced spring soil-drifting. There has been some flooding of farm lands on the Portage Plains and in the Assiniboine Valley of Manitoba while an opposite condition of drought is reported from western Saskatchewan and east-central Alberta. Grasshopper infestations are not as severe as in the previous year, but the danger from cutworms in parts of western and central Saskatchewan is being emphasized.

Winter wheat was seeded on a greatly reduced acreage in Ontario last fall. Despite the poor 'top' with which the crop entered the winter and the recent cold weather the wheat appears to be in satisfactory condition.

United Kingdom Wheat Imports.

Total exports of wheat into the United Kingdom during March, 1936 were 17,363,259 bushels compared with 16,849,925 bushels in March, 1935. Of these totals, 9,492,273 bushels originated in Canada in March, 1936 and only 5,402,663 bushels in March, 1935. In percentage terms, Canada contributed 54.7 per cent of the United Kingdom imports last March compared with only 32.1 per cent in March, 1935.

In the eight months of the crop year ending March 31, the United Kingdom imported 122,945,253 bushels of which 55,128,819 bushels or 44.8 per cent came from Canada. In the same period of 1934-35, the United Kingdom imported 121,751,050 bushels, Canada contributing only 42,553,192 bushels or 35.0 per cent.

About 31 million bushels less wheat has come from Argentina this crop year compared with last and the main beneficiaries from this change have been Russia, Canada and certain European countries.

Imports, Port of Glasgow

During the first four weeks of March, 1936, 40.2 per cent of the wheat and 45.7 per cent of the flour imported into Glasgow were of Canadian origin. Two large arrivals of Australian wheat raised the percentage for that country in comparison with the previous month.

Price Levels.

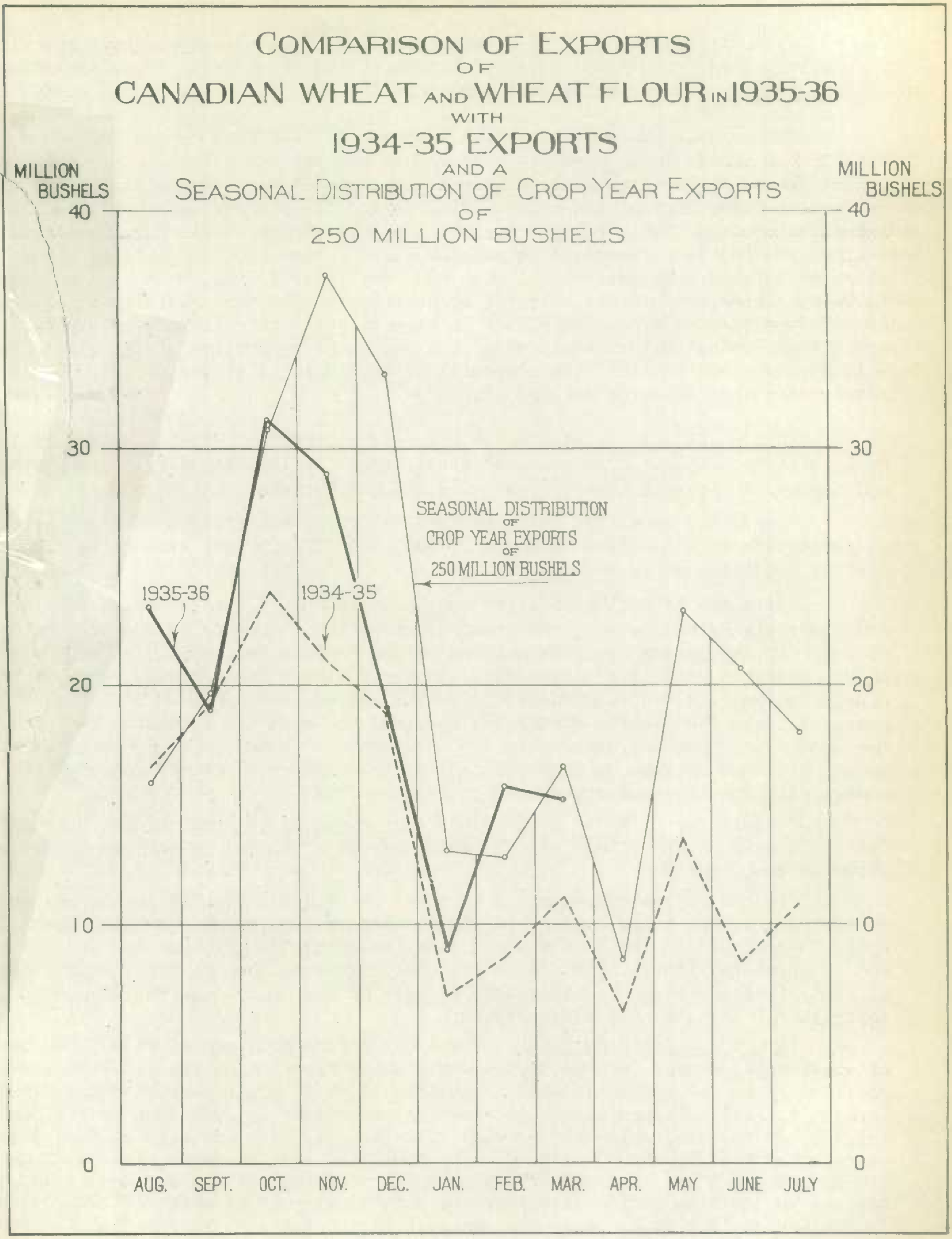
Most of the leadership during the past month has come from United States markets, Liverpool having lost its pre-eminence for the time being. Interest has been centered on the prospects of the United States winter wheat crop and recurring damage to that crop has given the United States markets a more independent flair. Reversing the trend of the previous month, the distant futures have been stronger than the May, particularly below the border. The low point of the recent decline was recorded on April 3 and 4 and the subsequent rise was effected by crop damage, reduced shipments and by export demand attracted to Canadian wheat. Chicago and Minneapolis have naturally been more active and buoyant than Winnipeg and Liverpool. Buenos Aires has been steady, quoted prices remaining in the vicinity of the fixed minima established last December.

At Liverpool, during the past month, the C.I.F prices for Australian wheat have been carried to a premium over the standard grades of Canadian wheat. Argentine and Russian wheats remain unquoted but further quantities of French and Portuguese wheat have recently been released to the United Kingdom at continued wide discounts. Prices being obtained for Canadian sorts are below the quotations of a month ago but are higher than the low levels recorded in the first week of April.

An Appraisal of the Export Movement of Canadian Wheat and Wheat Flour.

March exports, approximating $15\frac{1}{4}$ million bushels, were over 4 million bushels above the March 1935 level but below the figure required to follow the seasonal pattern of a crop year total of 250 million bushels. There was a slight decline between February and March in place of the usual seasonal increase. April will be a low month as usual. It is the custom of the Department of National Revenue to keep their books open in April until all the exports made in March are reported to them, thus closing the fiscal year properly. For April, however, the regular system is reverted to so that the exports published for that month cover a much shorter period and are practically always the lowest of the crop year. Since the actual export movement has declined during the month of April, 1936, this year will not provide an exception to the general rule.

Total exports of wheat and wheat flour for the first eight months of the crop year, August to March inclusive, were 161,637,346 bushels compared with 126,399,210 bushels a year ago at this time and 179.6 million bushels, which would be the seasonal apportionment to March 31 of a crop year total of 250 million bushels. While exports to date are lagging 18 million bushels behind the requisite figure to reach 250 million bushels and with another disparity probable in April, there must be a heavy movement in the last quarter to fulfil the pattern shown in the chart on page 5. Recent export sales have improved and when the St. Lawrence ports start shipping freely within a few weeks, there will undoubtedly be a distinct improvement in exports. The extent of this improvement is largely dependent upon overseas demand.


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

UNITED STATES

On April 10, the U.S. Department of Agriculture issued a report covering the condition, indicated production and April 1 farm stocks of certain crops, including wheat. The following excerpts are quoted from that report:

"While crop prospects on April 1 appear to have been better than on that date in any of the last three years they were not particularly bright because of recent freezes and storms, excessively wet weather in much of the East and continued dry weather over much of the Great Plains area. The progress of farm work has been extensively but probably not yet seriously delayed by wet soil. The severe winter weather and the late freezes have made pastures rather late in starting, have slightly injured some early vegetables and have injured fruit buds to some extent in various widespread areas. Irregular distribution of the rainfall, with excess of moisture in some areas and a lack in others, seems largely responsible for April 1 prospects that somewhat more than the usual proportion of the winter wheat will be abandoned and that the crop will be held down to around 493,000,000 bushels, notwithstanding the large acreage planted.

"<u>WINTER WHEAT</u>: A winter wheat crop of 493,166,000 bushels in 1936 is indicated by April 1 condition. Production of winter wheat in 1935 was 433,447,000 bushels and the 5-year average (1928-32) was 618,186,000 bushels.

"Condition of winter wheat on April 1, 1936, was 68.5 per cent of normal compared with 69.8 per cent on April 1, 1935, and the 10-year average (1923-32) April 1 condition of 78.9 per cent.

"With the exception of a few northeastern States, indicated yields per acre are generally below average, the greatest reduction occurring in the Western Great Plains. In the latter area, as well as in the Pacific Northwest, the crop was seeded under favorable conditions last fall. In the Southern Great Plains, drought conditions continued during the winter, with consequent decline in winter wheat prospects. In the Pacific Northwest, however, the moisture situation improved during the winter and some improvement in crop prospects is noted. In the soft red winter wheat belt, the extreme cold of the past winter apparently caused considerable damage although the snow cover was better than usual.

"Conditions on April 1 indicated that about 21 per cent of the acreage seeded last fall will be abandoned. The 10-year average (1923-32) percentage abandoned was 12.6 per cent.

"In general, abandonment is expected to be above average in the western half of the country and below average in the eastern half. Very heavy abandonment is again in prospect in the Southwestern area including the Oklahoma and Texas Panhandles and adjacent territory. The present figures make no allowance for possible diversion of winter wheat acreage to other uses because of the Soil Conservation program of the Agricultural Adjustment Administration.

"<u>STOCKS OF GRAIN ON FARMS</u>: The April 1 farm holdings of 97,053,000 bushels of wheat were, except for the 93,456,000 bushels reported on April 1 last year, the smallest since the spring of 1928, when they stood at 86,477,000 bushels. The largest April 1 holdings in the intervening years were in 1933 when they stood at 181,781,000 bushels, while the 5-year (1928-1932) average holdings at that date have averaged about 127,000,000 bushels. The indicated disappearance of wheat from farm stocks since January 1 was 62,337,000 bushels compared with an average of 44,048,000 bushels in the same period last year and with an average of about 121,000,000 bushels in the 5-years 1928-1932, being the smallest except for last year during the years 1927 to date."

AUSTRALIA

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

" Wheat and flour shipments from December 1st to week ended March 31st totalled 47,229,645 bushels compared with 41,710,853 bushels for previous year. Market remained practically unchanged during past month except that Italy bought several thousand bushels Australian wheat which helped ease pressure on United Kingdom market. China purchased further cargoes at low prices with Japan still out of market. Prices remain at about three shillings threepence per bushel at country sidings equivalent sixty-four cents Canadian and three shillings elevenpence F.O.B. steamer. Growers having disposed of more than sixty per cent of their crop are not inclined to sell balance and there is very little wheat moving at present. Weather continues extremely dry in western Australia recent rainfalls having benefited South Australia and Victoria. Conditions generally favourable and increased acreage indicated. Export flour market slightly improved and within last few days quantities have been sold to North China for April-May shipment at unsatisfactory prices. Dairen has been the chief support in quiet market with current quotations for export seven pounds fifteen shillings per ton 2,000 pounds 49-pound sacks thirty dollars sixty-three cents and seven pounds twelve shillings sixpence 150-pound sacks. Absence wheat sales affecting chartering there being little activity at unchanged rates."

ARGENTINA.

The following report dated April 1, 1936 was received by air mail from the correspondent of the Dominion Bureau of Statistics at Buenos Aires:-

CROP CONDITIONS.

Whilst generous rains fell during the month, especially in the latter half, they were not well distributed, and in parts of the country the preparation of the land for the new crop of wheat and linseed is proceeding only slowly on account of the dryness of the soil.

Threshing of the old crop has been finished, and there is great activity in carting it down to the railway stations.

With regard to the maize crop, the prospects have undergone considerable modification, and there is now no longer any hope of the great yield which was anticipated only a short time ago. Drought, strong winds, great heat and locust damage have all taken their toll in certain districts, and in only two zones (the north of the province of Buenos Aires and south of the province of Santa Fe) can the crop now be classed as good, according to the monthly crop report of the Department of Agriculture which was published on March 24th. If these two zones, which represent more or less 30 per cent of the maize area, it is expected that there will be harvested more than 50 per cent of the total crop this year. The following notes on conditions in the several provinces are extracted from the official report:-

Buenos Aires: The condition of the maize in the northern part of the province, which is the finest maize district, is good, and if it had not been for the delayed development of the grain in the early stages for lack of rain, and the later damage from locusts, there would have been an unsurpassable crop both in quantity and quality. In spite of these contrary factors, the yields are very good. In the other zones of the province the area abandoned and the losses experienced through drought, excessive heat and locusts have appreciably diminished the total volume of the crop, and the results expected are varied; in many cases a good part of the fields are having live stock turned into them on account of the poor yield promised, or instead the farmers are waiting to see if a good increase in the price will enable them to lift the grain with some profit. Gathering has commenced in the north, west and centre of the province.

Santa Fe: With the delay already referred to in other reports, the harvesting of maize is proceeding. The best fields have not yet reached perfect ripeness, although the lack of rains and the intense heat have hastened it. The production is expected to be abundant. In the north the second sowings and the fields of cuarenteno maize, which together make up 35 per cent of the total, are showing an average development.

Cordoba: Lack of opportune rains, together with strong sun and hot winds, have considerably lessened the maize production expected. In the central zone the probable yields are varied, and in the north-east, where harvesting has already begun, they will be more uniform. In all the zones there are losses of area, especially in the west and centre of the province.

Entre Rios: The lack of opportune rains has damaged the prospects for a good crop of maize. The fields of sweet corn may be considered mostly lost by reason of the locusts, except those in the north-east of the province which are in good condition, although needing rain. The bitter corn has suffered less damage.

La Pampa: The early sown maize suffered from lack of moisture, but the fields sown at the end of December and early January show good condition. Many fields which showed doubtful prospects are being pastured.

Santiago del Estero: The gathering of early sown maize has begun, with good yields in the irrigated zone and average in the dry zone. The late sowings have suffered from lack of moisture, and in some districts there are fields totally destroyed by grubs.

OFFICIAL PRICES A TEMPORARY MEASURE

In an official communication announcing the new official minimum price for maize, the Minister of Agriculture calls attention to the fact that the policy of establishin these minimum prices for the protection of the producer is a temporary measure to meet unavoidable conditions, and that it is the firm intention of the Government to abandon it "when the factors which are weighing on world economics permit it without possible damage to the national prosperity", and adds that the farmer must not rely upon it as a permanent factor. The object of the Government is not to provide excessive profits, but to avoid los to the grower.

WHEAT

Shipments during March totalled 5,462,000 bushels (wheat 5,388,000 bushels, flour 74,000 bushels). This is a little more than the February exports of 5,074,000 bushel The statistical position is now as follows:-

First official estimate 1935-36 crop	144,035,000	bushels
Carry over from 1934-35 crop	19,138,000	"
Total supplies	163,173,000	"
Seed & Domestic requirements	95,534,000	"
Exportable balance	67,639,000	"
Shipped to March 31st) wheat 13,409,000 bushels; flour 354,000 "	13,763,000	"
Still available for export	53,876,000	"

There is little to be said with regard to the market, conditions remaining unchanged as compared with a month ago. Deliveries to the ports continue moderate.

The average of the grades is fairly high, and the pick of the wheat goes to the local millers and buyers for Brazil, to which country most of the export wheat is destined. The heaviest shipments so far have been from Bahia Blanca and Quequen, consistin of very good hard wheat, which has practically all gone to Brazil. The official Board continues to absorb large quantities of grain not wanted by the millers and exporters, and whilst no figures have been given out, it is understood that the Board's holdings are considerable, and that none of it has yet been released for re-sale to the exporters.

Prices of course are now on the basis of the official grades established under the new Grain Law, which is now in force. Soft wheat grade 2 is quoted at the official minimum price of 10. pesos per qtl; semi-hard grade 2, 10.10; and hard grade 2, 10.25 pesos per quintal. These prices are for grain from the Bahia Blanca zone, with that from other zones at a discount.

In the futures market Spot wheat (soft No. 2) closed the month at the official minimum of 10. paper pesos per 100 kilos (equal to 90 5/8c. Canadian per bushel at official exchange rates), and the May option at 10.06 ($91\frac{1}{4}$c.). In Winnipeg on the same day May wheat closed at $81\frac{1}{2}$c.

VOLUME OF NEW MAIZE CROP.

The first estimate of the yield of maize of the new crop has been made public by the Ministry of Agriculture, which calculates it as 379,903,000 bushels. This is inferior by 72,044,000 bushels, or say 16 per cent to the record crop of last year; but is superior by 40,779,000 bushels, or say 12 per cent to the 5-year average 1930-31/1934-35. The record of the last five maize crops is as follows:-

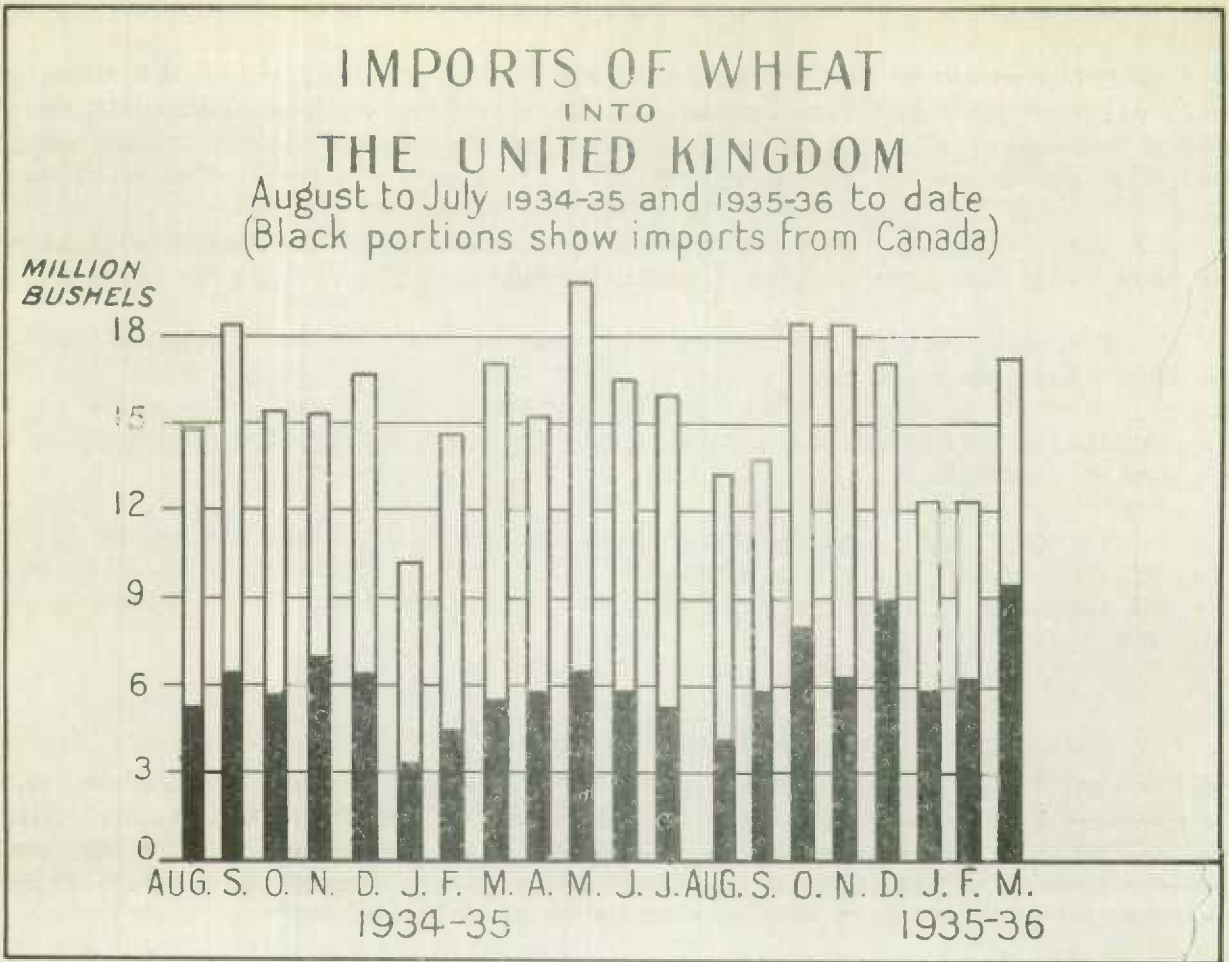
1930-31	419,665,000	bushels
1931-32	299,332,000	"
1932-33	267,763,000	"
1933-34	256,915,000	"
1934-35	451,947,000	"
Average of the 5 crops,	339,124,000	"

As indicated in the last report, the acreage seeded to maize this season was officially estimated as 18,854,000 acres. Of this it is calculated that an area of 6,487,000 acres has been abandoned for various causes, such as lack of opportune rains and other adverse factors mentioned in the foregoing report on crop conditions, or has been dedicated to pasture for live stock by the big estancieros. The balance of 12,367,000 acres is expected to yield an average of 30.7 bushels per acre, making the total crop of 379,903,000 bushels.

MINIMUM PRICE FOR MAIZE.

By a Governmental Decree the basic minimum price for the new crop of maize has been fixed at 5. pesos per 100 kilograms, as compared with the old minimum of 4.40, which has applied to the last two crops.

This minimum price is on the basis of delivery in the port of Buenos Aires. In the case of other ports with different freight rates there is a correspondingly lower price paid. In practice, the farmer delivering at his local railway station receives the basis price less railway freights and handling charges to the nearest port.



The United Kingdom.

Imports of wheat into the United Kingdom during the month of March, 1936 were much higher than during the preceding month and higher than in the corresponding month last year. Imports during March amounted to 17,363,259 bushels compared with 12,367,589 bushels last month and 16,849,925 bushels for March, 1935.

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 January, 1935-36, February and March, 1936:

	August-July, (1934-35)	August-January, (1935-36)	February, (1936)	March, (1936)
		Bushels		
From:				
Canada	65,435,279	39,354,871	6,281,678	9,492,273
United States .	744,020	648,003	-	-
Argentina	60,374,544	11,153,998	319,162	18,666
Australia	37,186,822	16,265,409	2,852,831	5,176,692
Russia	-	13,182,976	-	-
Others	24,886,244	12,609,150	2,913,918	2,675,628
T o t a l	188,626,909	93,214,407	12,367,589	17,363,259
Previous year .	200,105,532	90,319,569	14,581,556	16,849,925

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 March, 1936 along with comparative figures for March, 1935.

	March, 1936	(bushels)	March, 1935
From:			
Canada	9,492,273		5,402,663
United States	-		-
Argentina	18,666		5,742,057
Australia	5,176,692		3,687,959
Russia	-		-
Others	2,675,628		2,017,246
T o t a l	17,363,259		16,849,925

The above table shows that total imports of wheat into the United Kingdom during March, 1936 were higher than during March, 1935. Imports from Canada amounted to 9,492,273 bushels compared with 5,402,663 bushels for the corresponding month last year. Imports from Australia amounted to 5,176,692 bushels compared with 3,687,959 bushels for the month of March, 1935. The United Kingdom imported only 18,666 bushels from the Argentine as compared with 5,742,057 bushels for the same month last year.

The following table shows imports of wheat into the United Kingdom during the seven-month period of August to March, 1935-36 and 1934-35:

	1935-36 August-March	(bushels)	1934-35 August-March
From:			
Canada	55,128,819		42,553,192
United States	648,003		157,516
Argentina	11,491,826		42,673,001
Australia	24,294,932		26,638,277
Russia	13,182,976		-
Others	18,198,697		9,729,064
T o t a l	122,945,253		121,751,050

It will be noted that total imports of wheat into the United Kingdom amounted to 122,945,253 bushels during the August-March period in 1935-36 as compared with 121,751,050 bushels during the same months last year. The table further shows that imports from the Argentine decreased about thirty-one million bushels this year as compared with last. Imports from Canada were about 12.5 million bushels higher in the August-March period than in the same months last year.

Flour Imports - The United Kingdom

The following table shows imports of flour into the United Kingdom by countries of origin for the crop years 1933-34, 1934-35 and 1935-36 (to date):

1933-34

(hundred weights of 112 pounds)

	August	September	October	November	December	January	February	March	April	May	June	July	Total
Australia	354,925	174,300	334,221	234,124	186,280	201,189	90,519	206,748	211,364	181,107	169,688	136,269	2,480,734
Canada	393,591	397,826	410,996	442,335	401,726	347,390	309,496	283,566	384,524	423,019	352,933	181,346	4,528,748
France	146,851	58,991	125,259	162,308	129,824	95,913	149.226	55.148	79,856	61,169	83,066	121,600	1,269,211
United States	7,280	15,327	12,303	6,595	2,485	10,938	14,399	15,476	10,537	15,527	10,616	2,768	124,251
Argentina	27,328	31,307	29,825	19,271	21,437	33,313	9,933	27,604	34,718	24,567	17,711	17,304	294,318
Others	115,299	72,773	90,362	105,579	91,413	104,993	141,565	168,736	144,614	150,915	230,068	329,203	1,745,520
Total	1,045,274	750,524	1,002,966	970,212	833,165	793,736	715,138	757,278	865,613	856,304	864,082	988,490	10,442,782

1934-35

	August	September	October	November	December	January	February	March	April	May	June	July	Total
Australia	214,834	55,723	142,836	150,924	166,456	122,633	167,814	135,672	127,252	92,742	126,835	232,150	1,735,871
Canada	331,117	335,282	399,359	370,165	309,946	307,243	255,637	319,583	332,378	391,261	339,995	372,115	4,064,081
France	160,880	70,256	112,955	109,724	185,401	138,902	82,703	85,273	75,460	100,047	93,820	60,841	1,276,262
United States	4,161	15,355	7,196	16,024	5,527	7,299	6,256	10,531	7,155	7,732	4,047	8,296	99,579
Argentina	22,311	20,783	12,596	13,732	11,560	18,778	5,629	24,945	20,105	27,839	12,533	24,880	215,691
Others	153,106	51,263	50,992	35,948	70,482	45,111	48,321	42,194	55,996	27,942	7,347	64,486	717,188
Total	886,409	548,662	725,934	696,517	749,372	639,966	566,360	618,198	618,346	647,563	648,577	762,768	8,108,672

1935-36

	August	September	October	November	December	January	February
Australia	174,591	100,547	142,989	211,768	170,357	270,194	205,982
Canada	291,923	308,876	480,370	382,776	443,897	240,832	328,137
France	67,491	38,175	67,245	30,097	46,347	84,483	77,599
United States	4,441	8,384	13,929	6,296	5,162	6,703	7,363
Argentina	16,301	9,732	19,138	15,377	7,194	20,265	9,896
Others	86,031	57,238	87,513	107,326	67,896	134,498	101,811
Total	640,778	522,952	811,184	753,640	740,853	756,975	730,788

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

The following table shows the world shipments of wheat and wheat flour for the first thirty-seven weeks of the present crop year.

Week ending		North America	Argentina	Australia	Russia	Other	Total
		(Thousand Bushels)					
August	10, 1935x	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	1,126	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	1,496	792	1,624	840	712	5,464
	11	3,992	1,080	2,216	1,272	1,072	9,632
	18	4,536	648	2,912	88	912	9,096
	25	5,248	440	3,848	280	1,000	10,816
February	1	4,088	656	2,344	-	968	8,056
	8	5,504	1,680	2,848	688	1,304	12,024
	15	4,464	1,024	3,096	288	1,064	9,936
	22	5,648	1,280	4,528	192	880	12,528
	29	5,536	1,200	4,976	216	904	12,832
March	7	3,376	1,664	3,816	592	864	10,312
	14	3,672	1,168	3,480	216	1,032	9,568
	21	3,664	1,032	2,968	168	1,464	9,296
	28	4,312	1,368	2,880	-	1,080	9,640
April	4	3,222	1,229	3,951	-	1,581	9,983
	11	3,027	1,292	2,389	128	1,361	8,197
	18	3,102	374	1,935	-	950	6,361
TOTAL		xx151,495	56,401	xxx86,320	28,792	37,596	xx360,604
Comparative 1934-35							
Corresponding week		2,952	2,832	3,664	-	1,176	10,624
Total to Date		116,025	135,718	83,757	2,720	38,248	376,468

x Includes 1,200,000 bushels shipped from North America on August 1, 2 and 3; 250,000 bushels shipped from Argentina and 245,000 from Australia on August 1. See page 2 Canadian Grain Statistics, January 3, 1936.

xx Includes 4,400,000 bushels credited to North America but not included in the weekly distribution.

xxx Revised figure. The weekly shipments add to 29,304.

International Trade.

The table on page 13 and the chart on page 15 opposite give a picture of the movement of wheat and wheat flour during the crop season to date in comparison with a similar period of 1934-35.

A decline of 15.9 million bushels or 4.2 per cent took place in world shipments, during the first thirty-seven weeks of the present crop year in comparison with a similar period last year. Most of this decline was recorded in Argentine shipments, which fell from 135.7 million bushels last year to 56.4 million bushels this year. Australian shipments showed a slight increase while shipments from North America showed an increase of 35.5 million bushels over last year's figures rising from 116.0 million bushels last year to 151.5 million bushels this year.

Weekly Average Shipments.

The following table shows the weekly average shipments of wheat and wheat flour for the first thirty-seven weeks of the present crop year along with comparative figures for 1934-35.

	North America	Argentina	Australia	Russia	Other	Total
			(Million Bushels)			
1934-35	3.1	3.7	2.2	0.1	1.0	10.1
1935-36	4.1	1.5	2.3	0.8	1.0	9.7

The sharp increase in North American (Canadian) and Russian shipments has been the feature of the crop year to date. As shown by the above table, world shipments have averaged 9.7 million bushels per week during the first thirty-seven weeks of the crop year as compared with 10.1 million bushels during the corresponding period in 1934-35. North American shipments have averaged 4.1 million bushels per week compared with 3.1 million bushels per week last year. Argentine shipments averaged 1.5 million bushels per week as compared with 3.7 million bushels per week in 1934-35.

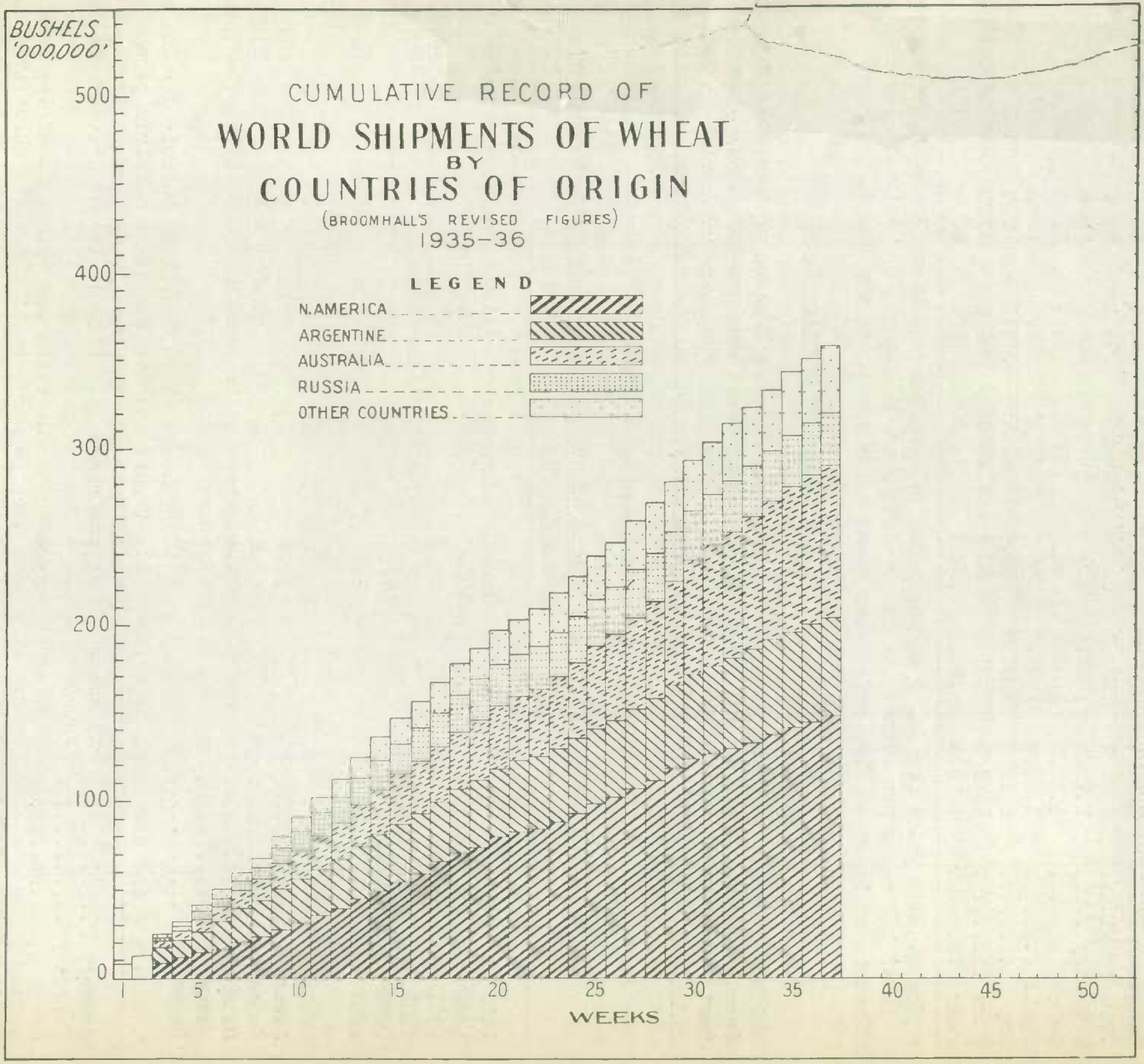
Position of Mr. Broomhall's Estimate of the Origin of World Wheat Shipments, 1935-36.

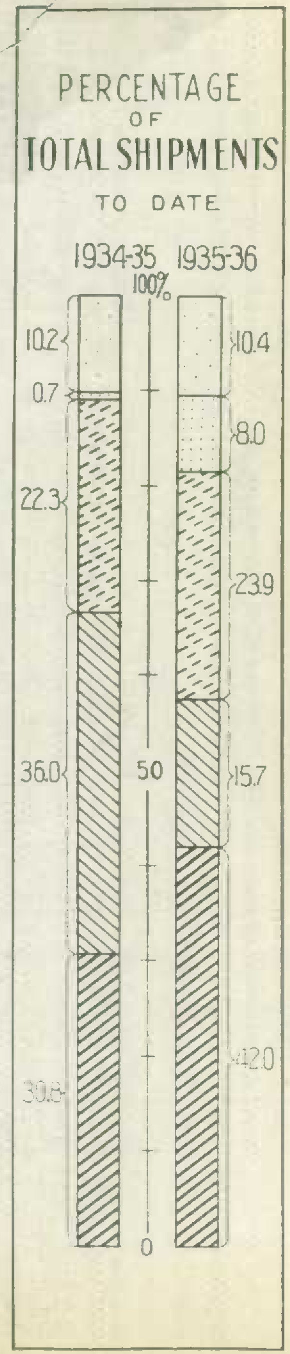
	Mr. Broomhall's Revised Estimate of shipments	Approximate shipments to April 18	Balance to be shipped before July 31	Weekly Amount to be shipped in remaining 15 weeks
		(million bushels)		
Canada	272	155x	117	7.8
Argentina	80	56	24	1.6
Australia	104	86	18	1.2
Russia	30	29	1	-
Danube and Others	42	38	4	0.3
Totals	528	364x	164	10.9

x This figure is an upward revision of Mr. Broomhall's total in conformity with returns shown on pages 27, 28 and 34 of this report.

The required level of weekly shipments at 10.9 million bushels for the remaining 15 weeks of the crop year is a formidable figure and there must be a fairly prompt increase over prevailing levels in order to justify even Mr. Broomhall's revised estimate of 528 million bushels. If world shipments do not reach this figure, the deficiency will probably be borne by Canada and Argentina.

The remaining shipments credited to Australia and 'Other Countries' are undoubtedly too low. Mr. Broomhall grants over 70 per cent of the world wheat trade in the remaining 15 weeks of the crop year to Canada and while it is apparent that the major part of the demand must be diverted to Canada, the great question mark remains in the extent of the forthcoming demand. This will depend on the 1936 crop prospects, on the European political situation and on relative prices.


BUSHELS
'000,000'
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
0
100
200
300
400
500
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
10.2
0.7
22.3
36.0
30.8
10.4
8.0
23.9
15.7
42.0

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	.85.7 x
December	1.17.1	1.37.8	.55.4	.60.6	.42.4	.60.3	.79.2	.84.7 x
January	1.20.9	1.30.5	.53.9	.60.0	.44.2	.65.0	.79.0	.84.8 x
February	1.27.9	1.17.4	.59.3	.63.2	.45.8	.65.6	.79.5	.82.1 x
March	1.27.0	1.06.2	.56.7	.63.1	.49.1	.66.4	.81.9	.82.1 x
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 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
1 9 3 5			
August	82.7	88.4	89.7
September	83.5	89.6	95.3
October	84.4	91.1	96.4
November	83.9	91.2	91.0
December	83.8	91.4	89.9
1 9 3 6			
January	84.2	91.8	90.0
February	83.7	91.7	87.2
March	83.6	91.7	87.2

≠ Prepared by the Internal Trade Branch.

FOREIGN EXCHANGES

Only surface ripples of the underlying unsettlement in foreign exchange markets have been apparent during the past six weeks. Strain on the French franc continued unabated and the London short-term loan was followed by an increase in the official bank interest rate from $3\frac{1}{2}$ to 5 per cent. and then by a further loan from Amsterdam in an effort to preserve the present parity at least until after the elections of April 26 and May 2. In April, the £ sterling commenced to decline in terms of the franc. It was anticipated that franc devaluation would mean a heavy repatriation of capital from London to Paris, thereby placing considerable strain upon the pound. The Canadian dollar continued to weaken gradually during the latter half of March and the first part of April, particularly at New York. The flow of gold from Canada to New York has recently increased appreciably, $2,673,000 being received from Canada during the second week of April.

Exchange Quotations at Montreal, August 19,1935 to April 18,1936.

		United Kingdom Pounds	United States Dollar	Australia Pounds	Argentina x Paper Peso
		4.8667	1.0000	4.8667	.4244
August	19, 1935	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	1.0012	3.9800	.2713
	20	4.9500	1.0000	3.9600	.2715
	27	4.9862	.9962	3.9887	.2750
February	3	5.0125	.9959	4.0100	.2749
	10	5.0062	.9981	4.0050	.2765
	17	4.9825	.9987	3.9850	.2747
	24	4.9912	.9987	3.9925	.2752
March	2	4.9900	.9990	3.9925	.2752
	9	4.9800	1.0003	3.9850	.2748
	16	4.9750	1.0000	3.9800	.2755
	23	4.9725	1.0025	3.9775	.2752
	30	4.9725	1.0043	3.9775	.2757
April	6	4.9750	1.0043	3.9800	.2762
	14	4.9700	1.0053	3.9750	.2760
	18	4.9650	1.0059	3.9762	.2762

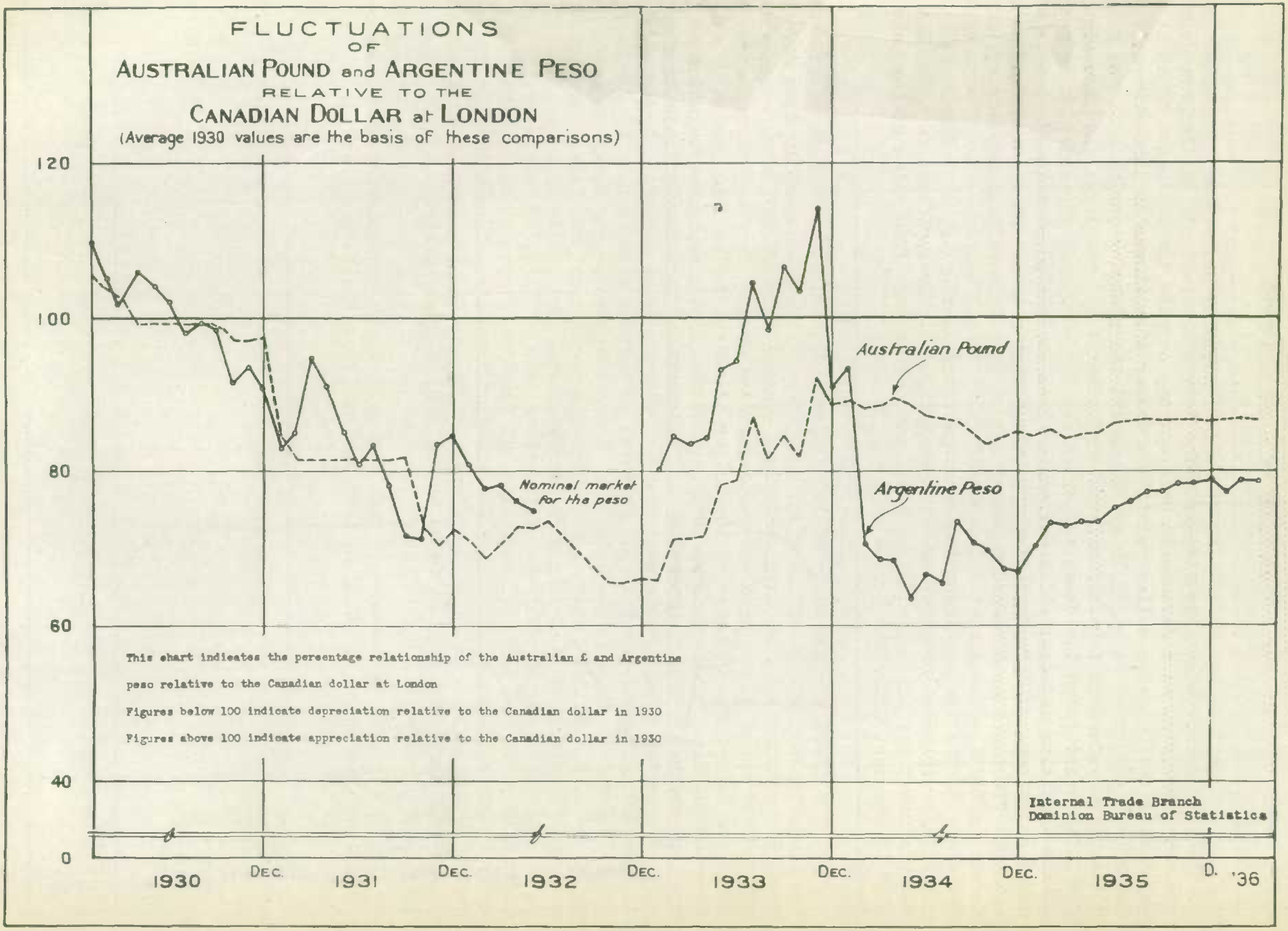
x Unofficial rates - about 6 cents below official rates.

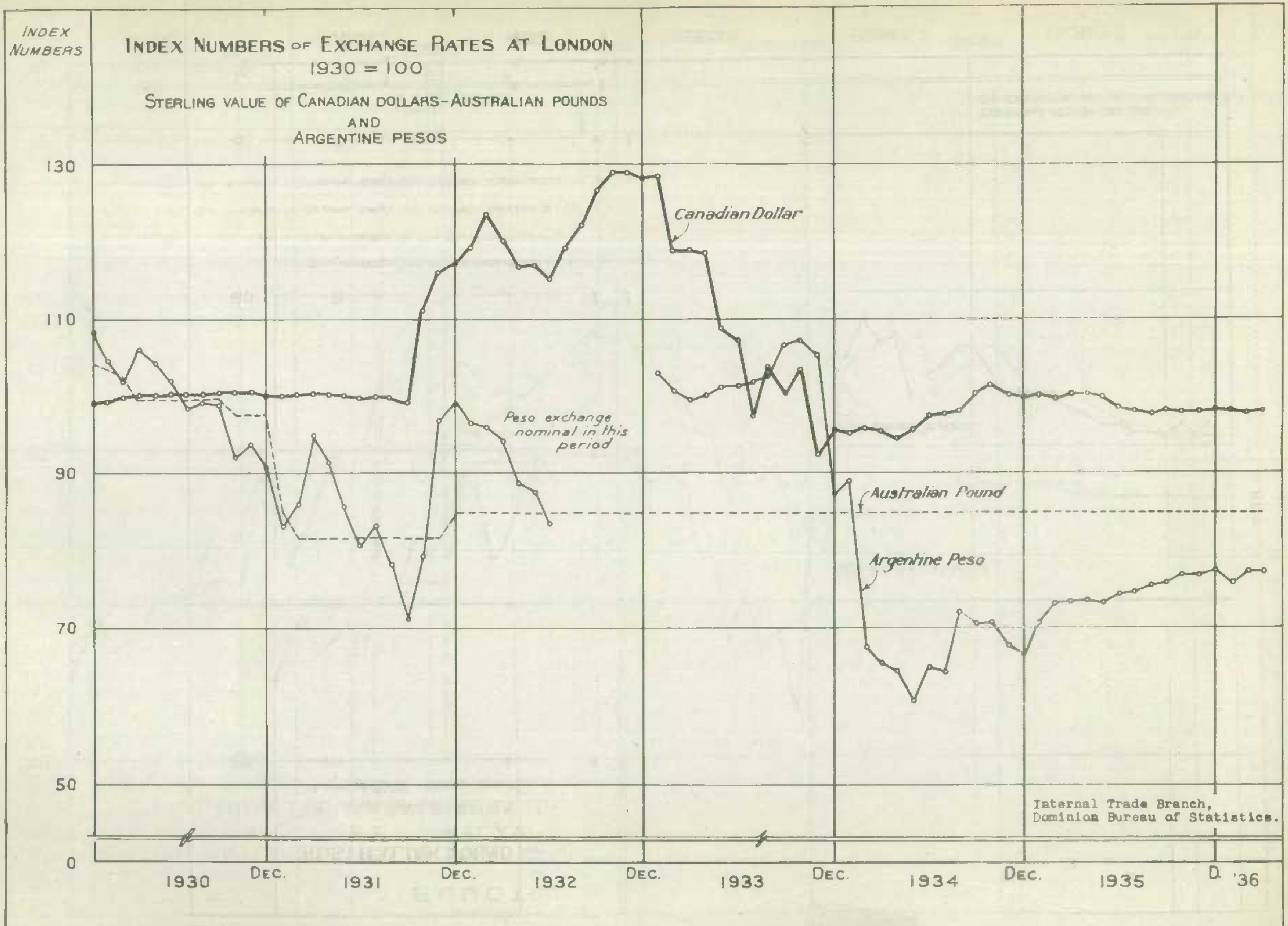
FLUCTUATIONS OF AUSTRALIAN, ARGENTINE, AND CANADIAN CURRENCIES IN TERMS OF STERLING, 1930 - 1936.

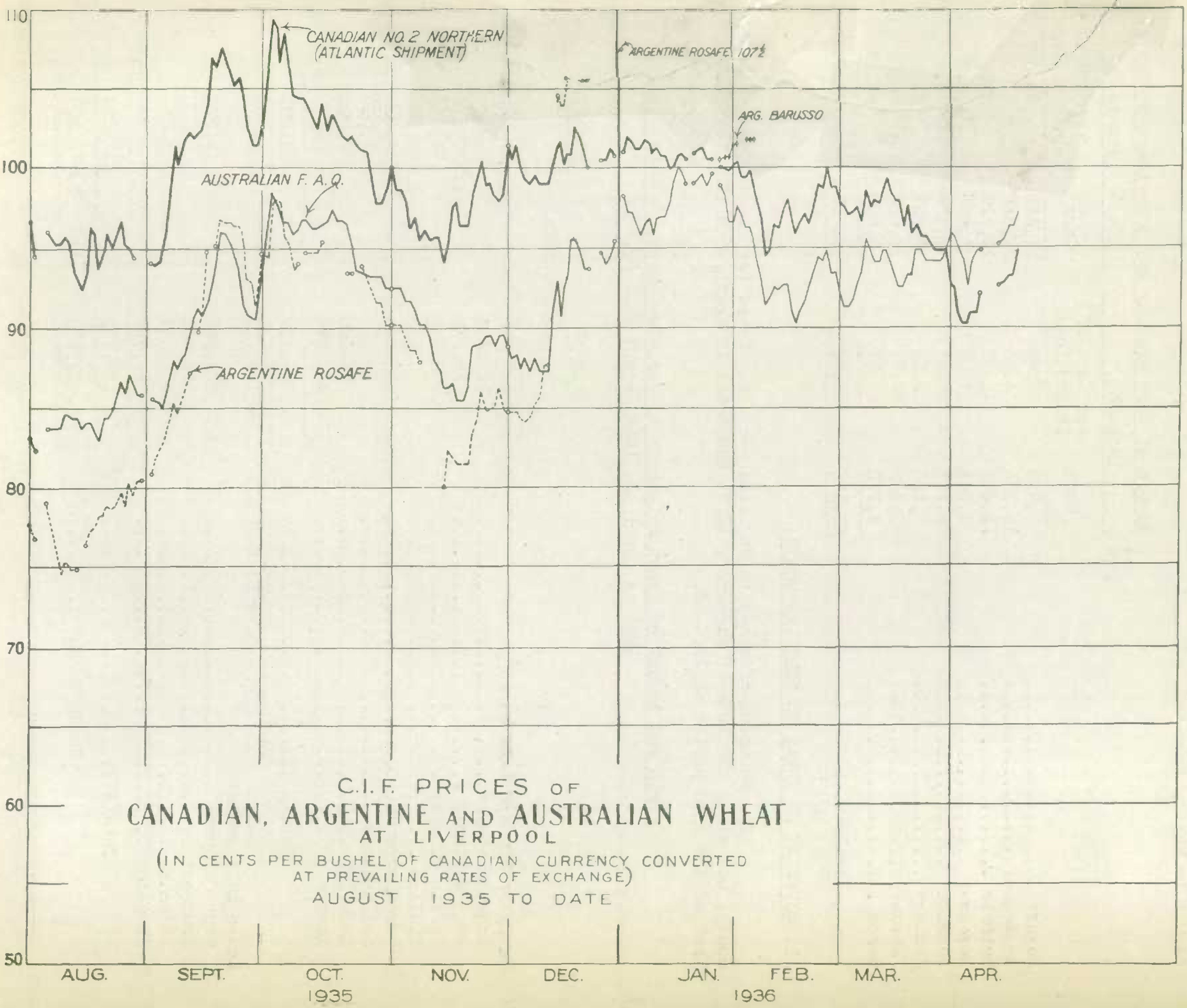
During the past six years fluctuating currency values have added seriously to the problems of wheat exportation. The returning stability of the past year may be viewed, therefore, as a favourable development, despite the fact that it is at levels which make the Canadian dollar relatively dearer than it was in 1930 and years preceding. Two charts presented on pages 19 and 20 depict the changing position of the Canadian dollar with reference to sterling, the Australian £ and the Argentine peso since 1930. The first chart (page 19) shows in percentage the amount of depreciation or appreciation of the Argentine and Australian currencies from their 1930 positions relative to the Canadian dollar at London. It measures the changing advantage or disadvantage due to exchange fluctuations of Canadian wheat competing with Argentine and Australian wheat in the United Kingdom market. The second chart (page 20) traces the fluctuations in Canadian, Australian and Argentine exchange rates in sterling at London. It shows percentage variation from average values in 1930. It is important to note that Argentina had abandoned the gold standard in 1929, and the average 1930 value of the peso was more than 15 per cent below its former gold par.

Since the beginning of 1930 there have been three periods of adjustment in the competitive position of the Canadian dollar. It became steadily less favourable from the beginning of 1930 until the final quarter of 1932, suffering roughly the same handicap in terms of the peso and the Australian pound. In other words depreciation of these two currencies in terms of the dollar increased during this period by roughly the same amount, i.e., between 25 per cent and 35 per cent. Rapid depreciation of the Canadian dollar in 1933, temporarily shifted parities back fairly close to their 1930 positions in the closing months of that year, but late in November, Argentina devalued further, reducing the peso's value in terms of dollars from roughly 15 per cent above its 1930 level to 35 per cent below it. The Australian pound, being pegged at the ratio of 125 to 100£ sterling recorded no comparable decline at this time. Subsequently exchange fluctuations have been much narrower, and the episode of progressive devaluation appears to have been terminated. Since the middle of 1934, the dollar value of the Australian pound has declined slightly, but for a year past it has remained very steady about 14 per cent below its 1930 value in Canadian funds. Coincidentally the peso has gradually appreciated in value, reducing its competitive advantage from approximately 35 per cent to 21 per cent in terms of the 1930 average parity.

It must be remembered that 100 on both the accompanying charts represents average relationships existing in 1930, and not former gold parities.


FLUCTUATIONS
OF
AUSTRALIAN POUND and ARGENTINE PESO
RELATIVE TO THE
CANADIAN DOLLAR at LONDON
(Average 1930 values are the basis of these comparisons)
120
100
80
60
40
0
Nominal market for the peso
Australian Pound
Argentine Peso
This chart indicates the percentage relationship of the Australian £ and Argentine peso relative to the Canadian dollar at London
Figures below 100 indicate depreciation relative to the Canadian dollar in 1930
Figures above 100 indicate appreciation relative to the Canadian dollar in 1930
Internal Trade Branch
Dominion Bureau of Statistics
1930
DEC.
1931
DEC.
1932
DEC.
1933
DEC.
1934
DEC.
1935
D.
'36


INDEX NUMBERS OF EXCHANGE RATES AT LONDON
1930 = 100
STERLING VALUE OF CANADIAN DOLLARS-AUSTRALIAN POUNDS
AND
ARGENTINE PESOS
INDEX NUMBERS
130
110
90
70
50
0
Canadian Dollar
Peso exchange nominal in this period
Australian Pound
Argentine Peso
1930
DEC.
1931
DEC.
1932
DEC.
1933
DEC.
1934
DEC.
1935
D.
'36
Internal Trade Branch,
Dominion Bureau of Statistics.



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 eight months, August to March, 1936 and 1935.

	Number of Cars Grading No. 3 Northern or Better			
	1935-36		1934-35	
	Cars	Per Cent of Inspections	Cars	Per Cent of Inspections
August	7,855	82.89	11,639	9[illegible].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
January	2,660	59.26	1,697	62.55
February	1,675	52.77	3,610	64.02
March	4,720	45.53	3,609	64.39
Totals............	53,153	52.29	68,665	70.55

II. MOVEMENT OF WHEAT TO MARITIME PORTS.

The movement of wheat to Maritime ports slackened further during the past month, but since the 19th of December, 1935, the total is nearly 5 million bushels above that of the same period of 1934-35.

Origin and Amount of Wheat Shipments to Maritime Ports, December 19, 1935 to April 10, 1935-36 and 1934-35.

	1935-36	1934-35
	(bushels)	
Georgian Bay and Lake Huron ports:		
Depot Harbour	72[illegible],814	-
Port McNicoll	2,785,508	1,296,311
Tiffin	1,296,638	173,054
Midland	1,050,173	1,154,618
Owen Sound	85[illegible],442	794,000
Collingwood	-	97,000
Goderich	55,000	40,000
Sarnia	632,844	-
Totals	7,397,419	3,554,985
Lower Lake ports:		
Port Colborne	324,927	117,224
Prescott	159,962	-
Toronto	477,441	-
Kingston	159,421	-
Totals	1,121,751	117,224
GRAND TOTALS	8,519,170	3,672,207

II. Crop Report of April 14.

This report covered total stocks of grain on hand in Canada (including such items as stocks on farms and in transit by rail that are not included in the 'visible'), unmerchantable quantities of the 1935 harvests, and wheat fed to live stock or poultry, 1936-37. Sections from the report follow:

Stocks of Grain at March 31.- Total stocks of wheat in Canada on March 31, 1936, were about 37 million bushels lower than on March 31, 1935. Total stocks of oats, barley, rye and flaxseed were considerably higher than at March 31, 1935, because larger stocks remained on farms from the larger harvests of 1935.

Stocks of wheat in Canada on March 31, 1936, were 246,022,889 bushels compared with a slightly revised figure of 283,032,184 bushels a year ago. The 1936 figure is the lowest at this date since 1930, (228,646,367 bushels). Stocks of wheat on farms, including seed supplies, amounted to 46,116,000 bushels, which is 11,344,000 bushels below the farm holdings at March 31, 1935, and is, in fact, the lowest farm stocks at this date since 1925. In addition to the stocks of Canadian wheat in Canada at March 31, 1936, there were 16,435,165 bushels of Canadian wheat in the United States, making a total of 262,458,054 bushels in the United States and Canada compared with 299,249,390 bushels in the same positions on March 31, 1935.

NOTE:- All figures covering stocks of grain at March 31 include seed supplies for the ensuing crop.

Wheat Fed to Live Stock and Poultry.- The amount of wheat fed or to be fed to live stock and poultry in the crop season 1935-36 is estimated at 27,779,000 bushels compared with 17,603,000 bushels in 1934-35. The larger crop in Ontario and the larger quantities of low quality wheat in the Prairie Provinces are responsible for the increase of over 10 million bushels. Since many factors may influence farmers' intentions to feed wheat, the present estimate should only be regarded as preliminary.

Unmerchantable Quantities of 1935 Harvests.- As a result of rust and frost damage in the Prairie Provinces, the unmerchantable proportions of the 1935 grain crops were higher than usual. Thus 9,869,300 bushels of wheat from the 1935 harvest are estimated to be of unmerchantable quality (unfit for feed or sale) compared with 3,571,200 bushels a year ago. The unmerchantable amount of the 1935 crop was the largest since the record crop of 1928. Similarly high proportions unmerchantable were noted in oats and barley, with rye and flaxseed suffering less.

Wheat Unfit for Milling, Prairie Provinces.- On September 11, 1935, in describing the 1935 wheat crop, the Dominion Bureau of Statistics stated that "about 60 million bushels of common wheat would be so shrunken by rust or frost as to be unfit for milling". This figure has since been regarded as too high but finds substantiation in the above figures of quantities fed and unmerchantable and in the records of inspections up to March 31, 1936. Unmerchantable wheat in the Prairie Provinces (unfit for feed or sale) is placed at 9,417,000 bushels and the amount of wheat to be fed on farms in the crop year at 20,200,000 bushels. This will presumably be of very low grade. Inspection records from August 1, 1935, to March 31, 1936, disclose that 11.6 million bushels of "Feed" wheat have been delivered, together with 7.7 million bushels of No. 6 and 2.9 million bushels of No. 6 Special. These grades may all be rated as unfit for milling and additional quantities of unmillable wheat would certainly appear in other higher grades. The above estimates of wheat unmerchantable and fed to live stock and poultry and the actual inspections of the specified grades total 51,817,000 bushels. Counting on further deliveries of unmillable grades in the balance of the crop year and considering that some unmillable wheat will be used for seed or carried over on farms at July 31, 1936, the earlier estimate of 60 million bushels seems reasonably close to the mark.

STOCKS OF GRAIN IN CANADA AT MARCH 31, 1936.

The Dominion Bureau of Statistics has collected and compiled data showing complete stocks of grain in Canada at the close of the fiscal year ended March 31, 1936. The quantities in farmers' hands are estimated from the reports of Crop Correspondents. The quantities in flour mills are estimated on the basis of holdings at the end of February.

	WHEAT	OATS	BARLEY	FLAXSEED	RYE
	Bushels				
Public, Semi-Public Terminals and Private Elevators, Fort William and Port Arthur	44,283,061	1,993,938	2,759,238	38,719	3,153,354
Mill and Mill Elevators	6,162,066	1,028,890	1,397,072	39,377	36,639
Interior Public and Semi-Public Elevators - Western Division	2,807,470	970,980	433,943	117	170
Vancouver - New Westminster Elevators	11,519,403	518,810	11,710	-	3,172
Prince Rupert and Victoria Elevators	1,027,675	-	-	-	-
Churchill	2,280,823	-	-	-	-
Country Elevators and Private Terminals	71,714,359	6,567,843	3,262,525	353,922	1,246,425
In Transit - Railways	6,630,575	699,312	514,225	21,622	24,911
In Flour Mills - Eastern Division (Estimated)	3,200,000	200,000	75,000	-	3,000
Eastern Elevators - In Store	50,281,456	1,380,068	1,045,124	-	333,765
On farms	46,116,000	142,164,000	21,951,000	241,200	2,178,000
TOTAL - 1936	246,022,889	155,523,841	31,449,837	694,957	6,979,436
TOTAL - 1935 (revised)	283,032,184	113,191,418	22,766,540	580,839	4,611,969

Stocks of Canadian Grain in the United States at March 31, 1936, with Comparative Figures for 1935 in brackets:

Wheat -	16,435,165	(16,217,206)
Oats -	81,615	(Nil)
Barley -	Nil	(1,156,969)

Total Stocks of Canadian Grain in Canada and The United States at March 31, 1936, with Comparative Figures for 1935 in brackets:

Wheat -	262,458,054	(299,249,390)
Oats -	155,605,456	(113,191,418)
Barley -	31,449,837	(23,923,509)

Rye and Flaxseed - as above; no stocks in the United States at either date.

Prospects in the Prairie Provinces

Seeding will again be late in the main grain-growing districts of the West. This lateness is not the result of heavy spring rainfall, but of heavier fall and winter precipitation and rather backward weather to date. Snowfall was greater than usual in the park areas and the melting snow has caused some flooding of farm lands on the Portage plains and in the Assiniboine Valley of Manitoba. As usual, the first seeding is reported from southern Alberta although even in this area, the start was not made as early as in 1935. Generally speaking, soil moisture conditions are better than in recent years. The late disappearance of the snow and the added moisture in the top soil have kept spring soil drifting down to a minimum. Moisture deficiencies are still evident in western Saskatchewan and east-central Alberta, and in these districts there is the added menace of cutworms. The danger of grasshopper damage is less than in 1935 but may still be significant if weather and soil conditions are favourable at hatching time.

Very little can be said as yet regarding the extent of wheat acreage for 1936. The "Intentions to Plant" report for 1936 will be issued on May 8 and will give a good indication of the probabilities. There has been some difficulty in securing seed in the areas affected by rust and frost in 1935; there will undoubtedly be a large subtraction from country elevators stocks for seeding purposes. The governments are assisting in the distribution of such supplies. Some authorities expect that the low prices of oats and barley will direct attention to wheat but the steadiness of hog prices will be an offsetting factor in the park areas, where the coarse grains are more important items in the farm economy. Flax will probably get more attention this year since supplies in recent years have been under domestic requirements; present flaxseed prices are 10 to 15 cents above the levels of a year ago. Rye, on the other hand, returned a much larger crop in 1935 and present prices are 10 cents below the 1935 level. There is little inducement to extend the spring-seeded acreage of this crop.

Rust-resistant varieties are in great demand in Manitoba and Saskatchewan and existing stocks will undoubtedly be given every chance to multiply in 1936.

Preparation of Land.-

The chart on page 32 shows the relation between the acreage of land prepared and the wheat area seeded. In the period since 1917, summerfallowed acreage has more than doubled; fall ploughing has also increased; new breaking has been fairly steady over the past five years. While the acreage prepared for the 1936 crop is below that of 1935, other purely economic factors may easily lead to an increased wheat acreage.

Fall Wheat Prospects in Ontario.-

A reduced acreage of wheat was seeded last fall in Ontario, the estimate being 514,000 acres compared with 685,000 acres in the previous year. The condition at October 31, 1935 was 85 per cent of the long-time average yield per acre compared with 105 at October 31, 1934.

Considering the poor 'top' last fall and the backward weather and soil conditions of the first weeks of April, the prospects of the fall wheat crop may be described as fairly good. In western Ontario, there was little heaving although recent cold weather 'browned' the leaves. In southern and central Ontario, there has been littl growth as yet but the wheat appears to be in satisfactory condition.

V. 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	-
	17	180	-	-	180	789,731	28,000
	24	-	-	-	-	887,916	112,000
	31	180	-	-	180	895,147	251,989
Feb.	7	-	-	-	-	731,898	552,662
	14	200	-	-	200	719,177	56,765
	21	-	-	-	-	433,320	67,002
	28	240	-	-	240	495,731	94,512
March	6	-	-	-	-	527,015	79,963
	13	200	-	-	200	235,453	40,000
	20	-	-	-	-	1,034,706	56,000
	27	200	-	-	200	886,597	132,952
April	4	40	-	-	40	127,894	279,282
	11	200	-	-	200	594,746	-
	18	-	-	-	-	269,998	159,904
Total		22,640,993	1,095,227	4,537,590	28,273,810	10,600,089	2,077,661
Last year		18,160,697	1,762,051	2,806,893	22,729,641	5,022,923	2,891,730

The overseas export movement has continued rather light during the past seven weeks as shipments from both Vancouver and the Maritime ports have been lower than in the earlier part of 1936. The Easter season interfered with the export business during each of the past two weeks, the clearances being among the lowest of the crop year. Vancouver shipments, however, picked up last week and exceeded a million bushels. For the crop year to date, Vancouver shipments are over 5 million bushels greater than in the same 37 weeks of 1934-35. Maritime ports show almost as large an increase over the previous year's record, the Saint John movement accounting for the betterment.

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

		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	2,579,299
	17	817,731	-	1,474,901	1,115,000	3,407,812
	24	999,916	-	1,570,872	623,000	3,193,788
	31	1,147,136	-	1,856,924	1,042,000	4,046,240
Feb.	7	1,284,560	-	2,695,075	499,000	4,478,635
	14	775,942	-	2,084,133	615,000	3,475,275
	21	500,322	-	3,193,353	498,000	4,191,675
	28	590,243	-	2,440,282	1,671,000	4,701,765
March	6	606,978	-	545,867	729,000	1,881,845
	13	275,453	-	1,779,020	513,000	2,567,673
	20	1,090,706	-	725,473	581,000	2,397,179
	27	1,019,149	-	1,249,773	353,000	2,622,522
April	4	407,176	-	1,386,488	799,000	2,592,704
	11	594,746	-	698,928	322,000	1,615,874
	18	429,902	-	1,052,893	844,000	2,326,795
Total		12,677,750	2,407,000	39,461,784	19,965,000	102,825,344
Last Year		7,914,653	4,049,877	34,165,599	17,216,000	87,724,562 x

x Includes 1,648,792 bushels shipped from Prince Rupert.

Imports of Canadian wheat into the United States for consumption or milling-in-bond for re-export in the period from August 1, 1935 to April 17, 1936 amounted to 35,877,464 bushels compared with 19,807,087 bushels in the same period of 1934-35. Adding these figures to the overseas shipments shown above, the total disposal of Canadian wheat as overseas clearances and United States imports has now amounted to 138,702,808 bushels compared with 107,531,649 bushels a year ago at this date. Exports of Canadian wheat as flour in the same period have amounted to approximately 15.9 million bushels compared with 15.3 million bushels in the same period of 1934-35. The combined total of overseas clearances and United States imports of wheat and exports of flour is thus 154.6 million bushels compared with 122.8 million bushels a year ago.

VI. STOCKS IN STORE.

The following table shows stocks of Canadian wheat in store in Canada and the United States on April 17, 1936 along with comparative figures for approximately the same date last year.

	1936	1935
	(bushels)	
Country Elevators - Manitoba	5,230,000 x	9,368,599
Saskatchewan	36,950,000 x	48,508,032
Alberta	22,500,000 x	32,188,116
Total	64,680,000 x	90,064,747
Interior Private and Mill Elevators	6,130,000 x	6,769,730
Interior Public and Semi-Public Terminals	2,683,608	1,565,830
Pacific Ports	12,821,630	12,248,087
Churchill	2,280,823	2,389,404
Fort William and Port Arthur	48,375,509	65,350,488
In Transit Lakes	-	1,048,210
Eastern Elevators - Lake Ports	32,759,935	20,326,266
Eastern Elevators - St. Lawrence Ports ...	12,992,286	8,424,351
Eastern Elevators - Seaboard Ports	1,904,909	26,380
U. S. Lake Ports	8,050,376	9,361,103
U. S. Atlantic Seaboard Ports	5,089,360	4,559,551
Total	197,768,436	222,134,147

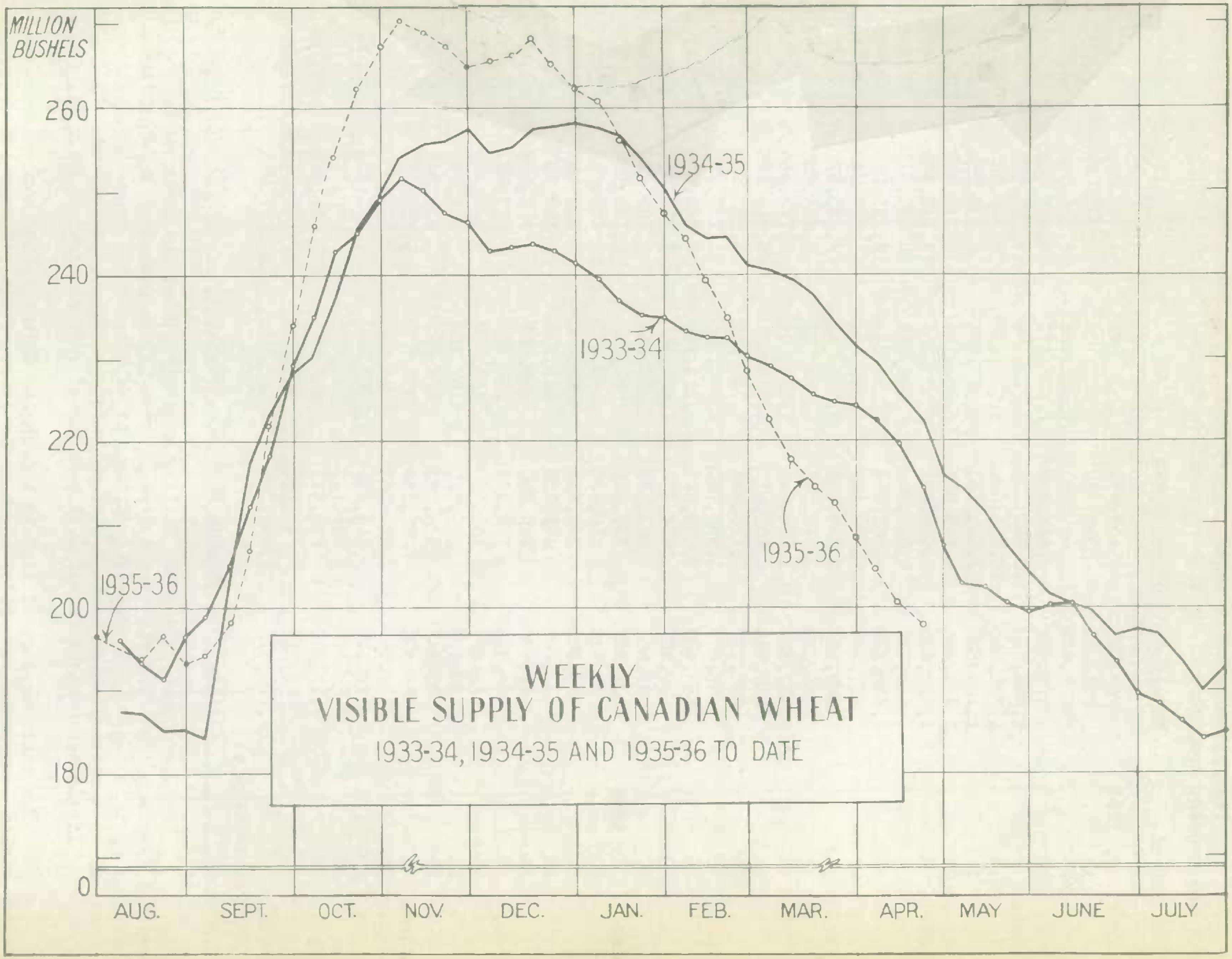
x Subject to minor revision.

While the visible supply has not fallen as sharply in the past five weeks as it did in the months of January and February, it has fallen faster than in the same stages of the 1933-34 and 1935 seasons. The visible supply has fallen $16\frac{1}{2}$ million bushels during the past five weeks ending April 17 compared with a decline of $15\frac{1}{4}$ million bushels during the same period of 1935. The amount of wheat coming forward from farms has been lower than in 1935 (see page 30) while the outward movement through exports has been slightly greater than in the same weeks of 1935 (see pages 26 and 27). There are greater supplies in rail transit this year, not included in the visible, and slightly larger quantities are being used by domestic mills. The visible supply at April 17 was 24.4 million bushels under the comparable figure for 1935.

During the next five or six weeks farmers will be busy on the land and country deliveries are expected to show a seasonal decline. Then, with the St. Lawrence ports now open, export clearances will increase so further sharp declines in the visible supply are in order.

During the past five weeks, the main lowering of the visible has taken place in western country elevators, eastern Canadian and United States lake ports and at Maritime and United States seaboard ports. A considerable increase at the Head of the Lakes has been made in anticipation of the opening of navigation about May 1. Stocks at Pacific ports are also higher.

In comparison with the same date of 1935, about $25\frac{1}{2}$ million bushels less wheat is being held in country elevators and 17 million bushels less at Fort William - Port Arthur. There is considerably more wheat held in Eastern Canada - on the Lakes and at St. Lawrence and Maritime ports. Stocks in the United States are now less than they were a year ago after being above the comparable dates of 1934-35 throughout most of the crop year.



MILLION BUSHELS
260
240
220
200
180
0
1934-35
1933-34
1935-36
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

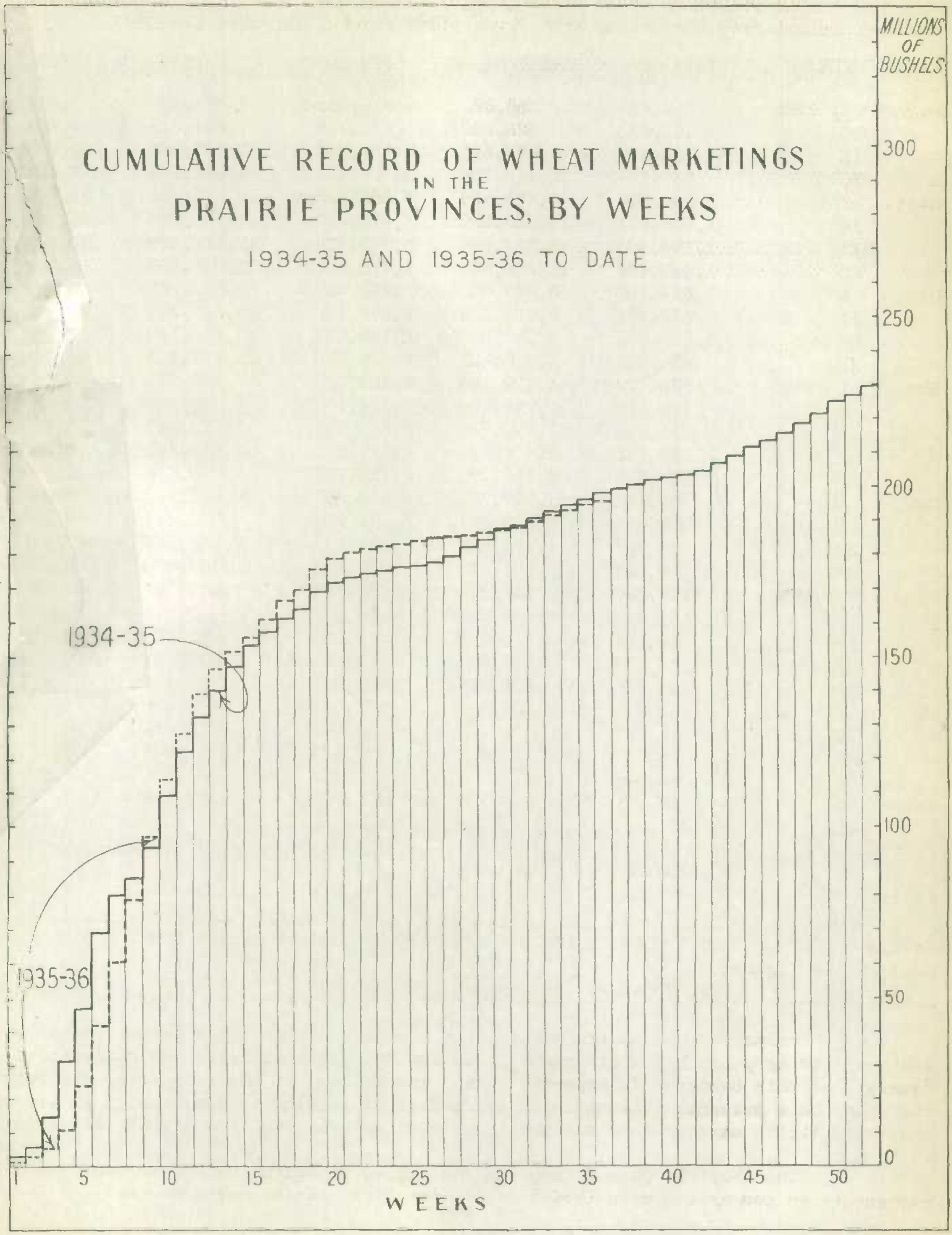
VII. PRIMARY MOVEMENT

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

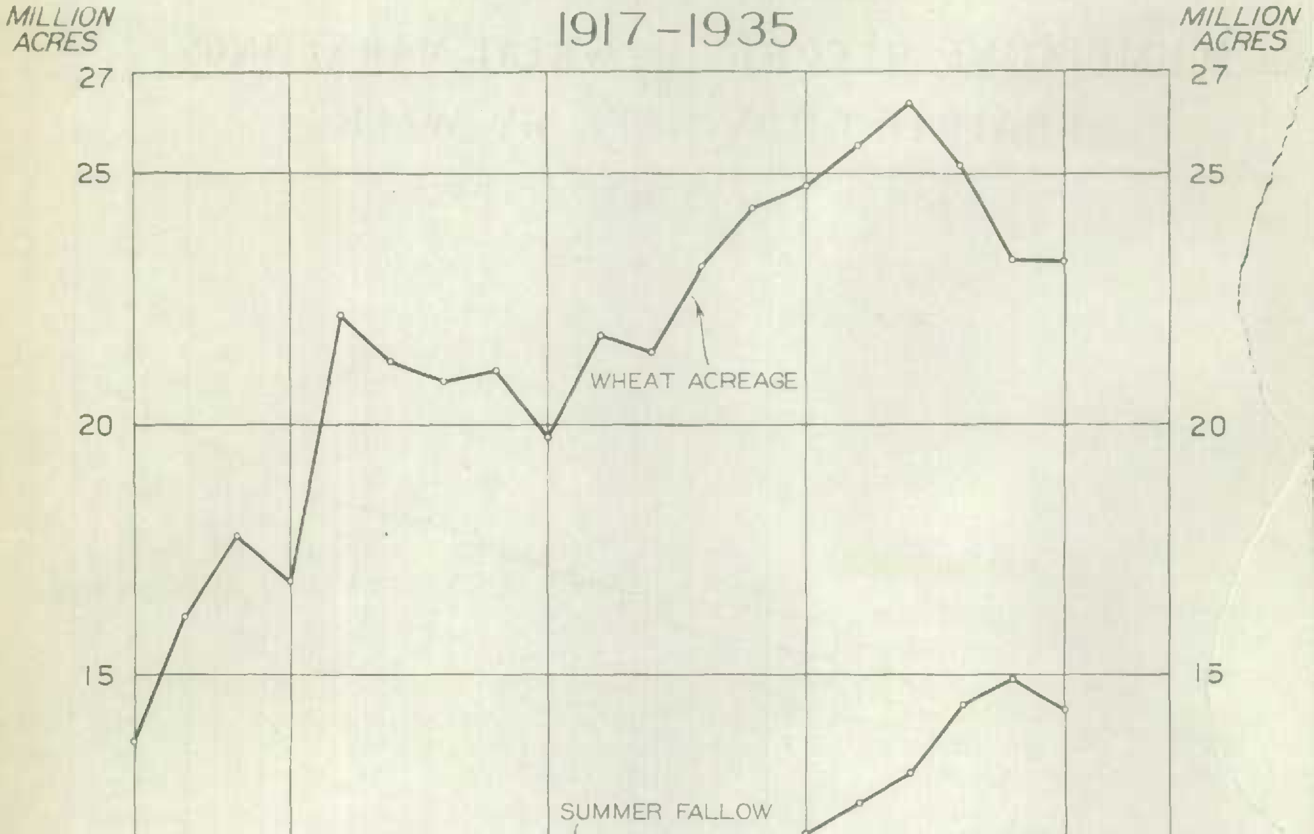
Week ending		Manitoba	Saskatchewan	Alberta	Totals	Last Year
				(Bushels)		
August	9, 1935	69,727	558,871	816,085	1,444,683	3,011,917
	16	161,633	586,240	873,148	1,621,021	3,002,817
	23	473,449	672,561	1,167,628	2,313,638	9,020,987
	30	858,672	2,446,366	1,497,471	4,802,509	16,491,316
Sept.	7	2,098,352	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
	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
	10	31,574	236,870	182,072	450,516	1,070,442
	17	80,507	353,714	385,060	819,281	851,001
	24	16,787	252,655	413,795	683,237	509,729
	31	41,600	238,006	438,612	718,218	1,038,186
Feb.	7	33,960	205,164	332,805	571,929	1,745,096
	14	11,677	160,550	163,037	335,264	2,305,774
	21	29,027	155,512	167,104	351,643	2,584,429
	28	30,843	335,231	256,469	622,543	2,384,689
March	6	66,500	722,159	497,530	1,286,189	1,666,521
	13	151,163	1,177,384	792,957	2,121,504	1,723,435
	20	17,599	1,019,051	557,756	1,594,406	2,308,323
	27	255,576	557,149	933,392	1,746,117	1,762,334
April	3	117,303	698,573	389,973	1,205,849	1,786,487
	10	79,216	741,180	476,614	1,297,010	1,756,105
Totals		16,170,821	104,999,234	74,097,001	195,267,056	-
Comparative figures						
1934-35		28,495,426	86,845,674	82,766,924	-	198,108,024

Primary receipts are now falling steadily behind the movement in the same weeks a year ago, the disparity now approaching 3 million bushels. No significant reversal of this tendency is expected during the balance of the crop year, although there may be a seasonal pick-up in deliveries after seeding is completed. It is expected that very little merchantable wheat will be carried over on farms at July 31, 1936.

The chart on page 31 depicts the degree to which the country movement has fallen off in comparison with 1934-35 since the first of the calendar year.


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

RELATION OF ACREAGE PREPARED FOR CROP
AS
SUMMER FALLOW, NEW BREAKING AND FALL PLOUGHING TO ACREAGE OF WHEAT
IN THE PRAIRIE PROVINCES
1917-1935



NOTE:- No estimates are available for FALL PLOUGHING in Alberta previous to 1917 and for NEW BREAKING in Alberta previous to 1919.

VIII. THE STATISTICAL POSITION.

(a) In Canada.- The following table summarizes the statistical position of wheat in Canada as at April 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	277,389,000 1/
Total supplies	469,839,281	480,620,288
Domestic Requirements	100,962,712	112,000,000 2/
Available Supplies	368,876,569	368,620,288
Exports, August to March	126,399,210	161,637,346
Balance for export or carry-over	242,477,359	206,962,942

1/ January Estimate. 2/ Tentative.

The balance of wheat for export or carry-over at April 1, 1936 was roughly 207 compared with 242½ million bushels a year earlier - an improvement of 35½ million bushels. Stocks of Canadian wheat in the United States were practically identical at the two dates, being 16,435,165 bushels this year compared with 16,217,206 bushels a year ago. These latter amounts were included in the official exports when they left Canadian ports. Calculated in this way, there was a further improvement in the statistical position during March, 1936 to the extent of about 4 million bushels. April exports will be light as usual and the movement in the last quarter of the crop year will be depended upon to reduce the carry-over to manageable proportions.

(b) In Canada and the United States.- Another method of calculating the balance available for export or carry-over takes into account stocks in the United States as well as in Canada and then works from the elevator returns and United States imports to cover the outward movement of wheat rather than the official monthly exports. The following calculation establishes the balance available for export or carry-over by this method:

	1934-35	1935-36
	Bushels	
Carry-over, July 31, in Canada and United States	203,944,533	214,935,824
New crop	275,849,000	277,389,000 1/
Total supplies	479,793,533	492,324,824
Domestic Requirements	100,962,712	112,000,000 2/
	378,830,821	380,324,824
Export Movement August to March inclusive		
Overseas Clearances	82,330,000	97,586,000
U.S. imports	18,800,000	34,647,000
Flour (as wheat)	14,714,250	15,183,117
Total	115,844,250	147,416,117
Balance for export or carry-over, April 1	262,986,571	232,908,707

1/ January Estimate. 2/ Tentative.

These balances are naturally higher than those above because of the inclusion of stocks in the United States. Since some of these stocks are sold to mills but not included in U.S. imports until the duty is paid, the figures tend to give a slightly pessimistic impression.

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:

W H E A T

	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	7,557,320	5,380,226	7,088,311	14,706,801
February	14,241,169	7,206,560	6,512,686	10,922,337
March	13,146,185	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	240,136,563

F L O U R

	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	314,311	346,099	448,498	397,304
February	340,102	309,729	328,376	333,114
March	476,773	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 WHEAT FLOUR

	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	28,607,248
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	8,971,720	6,937,672	9,106,552	16,494,669
February	15,771,628	8,600,340	7,990,378	12,421,350
March	15,291,663	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