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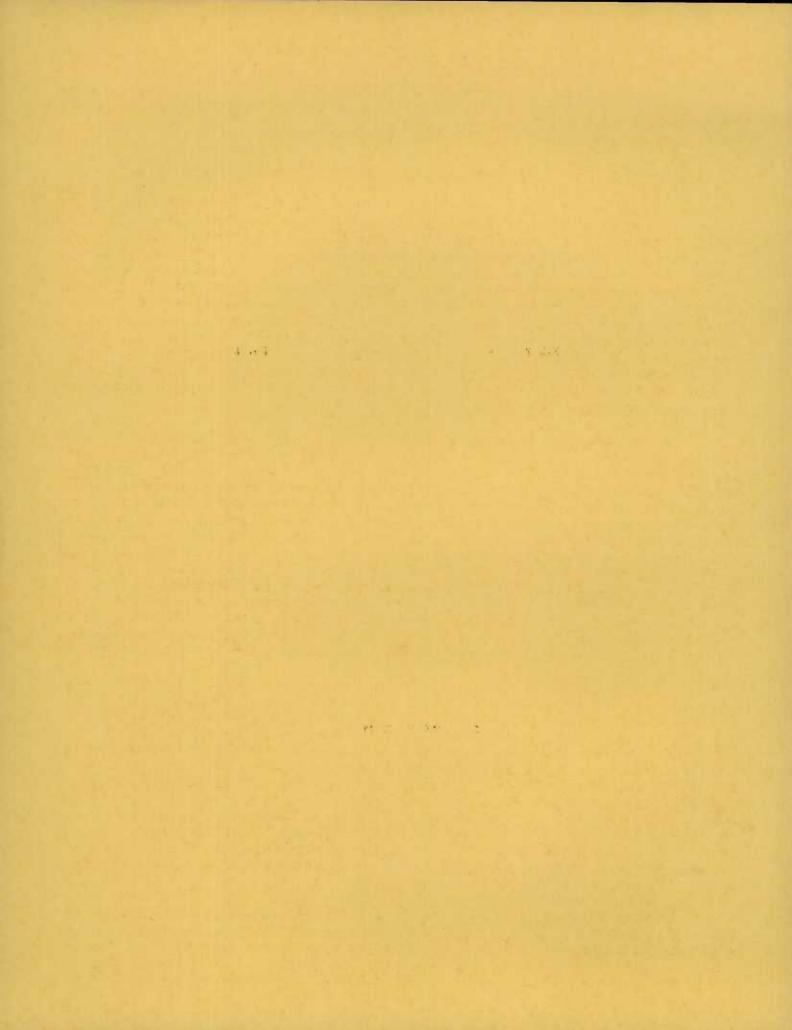
MONTHLY REVIEW OF THE

WHEAT SITUATION

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DEPARTMENT OF TRADE AND COMMERCE DOMINION BUREAU OF STATISTICS - CANADA AGRICULTURAL BRANCH

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THE WORLD WHEAT SITUATION - SUMMARY

A reduced world carry-over and lower 1936 production in the Northern Hemisphere should bring both the world wheat situation and the Canadian position closer to normal by the end of the 1936-37 season. In the first six weeks of the new crop year Canada has secured a high percentage of an improved world trade. Available wheat supplies are at least seasonally short, and with import, buying largely concentrated on the Winnipeg market and the peak of new crop deliveries past, prices have been very responsive. Liverpool has been stronger than the North American markets and this, with the rising value of the pound sterling, encourages belief in a continuation of good demand for Canadian wheat. Having only 242 million bushels for export or carry-over, Canada will export enough wheat during 1936-37 to reduce her 1937 carry-over to very modest proportions. Such a condition cannot fail to have a tangible effect upon the broader world wheat position that has been featured by plentiful supplies of Canadian wheat since the record harvest of 1928,

While Damibian shipments have been heavy, compared with recent years, the actual competition with our wheat is not as great as it might be, because their wheat is finding a market in European countries that have not recently been buying large amounts of Canadian wheat. Production in many countries where wheat has already been harvested is definitely below normal consumption requirements and a further draft upon the reduced carry overs is in prospect. From the information available, it is not expected that the Argentine and Australian crops of 1936-37 will be up to average size, despite the probability that the new crop in the Argentine will be appreciably greater than in the previous year. It has been apparent for some time that Canada would secure a large proportion of the world trade during the August-January period. The drought in the United States only intensified this trend, for sales of Canadian wheat across the border during recent weeks have been well ahead of 1935. Australian sales have been tapering off in the Liverpool market, and of the Danubian countries, so far only Yugoslavia has been offering wheat in Liverpool from its record crop.

During the current crop year, the improvement in the world demand for wheat has been quite marked, compared with the 1935 movement. Total world shipments reported by Broomhall up to September 12 are over 61 million bushels, an excess of 11½ million bushels over world shipments in the same six week period in the 1935-36 crop year. Overseas clearances from Canada have been more than double the amount shipped a year ago. Argentine shipments, as would be expected, are less than a third the volume of 1935 clearances, and the current small shipments are going principally to Brazil. Russia, which had shipped 4½ million bushels by this time last year, has made no shipments to date. The Danubian countries, on the other hand, have contributed significantly to world shipments during the current year. Broomhall reports nearly 16 million bushels as shipped by "other" (almost solely Danubian) countries for the six-week period up to September 12, compared with less than 5 million bushels a year ago.

While Argentine wheat has not been offered in competition with Canadian wheat in Liverpool since last February, it is interesting to note the movement of Argentine wheat prices in Buenos Aires. The September future declined from $108\frac{1}{4}$ cents on August 18 to 100 3/4 on September 1, paralleling the easing of Winnipeg prices for the same period. Although Winnipeg prices have improved since September 1,

the Argentine price eased off to $99\frac{1}{2}$ on September 10 and has not risen as much as Winnipeg or Liverpool prices since that date. The failure of the Buenos Aires market to respond to the upward movement on other markets is bringing Argentine prices into export line although shipments of old crop wheat from the limited residuals cannot be heavy. Offers for January shipment are a further indication of this tendency. On the other hand, the Argentine peso has strengthened during the past month quite independently of any commodity movement, the increase of seven-tenths of a cent per paper peso being attributed to the repatriation of funds from the United States.

The pound sterling has also risen against the Canadian dollar during the past month. The Montreal quotation increased from an average of \$5.025 for the week ending August 10, to \$5.0648 on September 15. Cheaper dollars in terms of sterling are assisting the sale of Canadian heat in the United Kingdom. Another important factor in the current heavy export covement is the widening spread between Winnipeg and Liverpool prices. At the beginning of August the spread on the October future was 10 1/8 cents. Since then the spread has widened and is now ranging between 12 and 14 cents.

World Wheat Production, 1936

Official estimates reported during the past month have confirmed the anticipated further decline in European production apart from the Danube. Total European wheat production is now placed at 78 million bushels under 1935 figures. This total, however, obscures an increase of 69 million bushels in the four Danubian countries, and a drop of 147 million bushels in the remaining European countries, below the level of 1935.

North American wheat production is lower this year by 35 million bushels, which is more than accounted for by the decline in Canadian production of 44 million bushels from 1935. United States production is up 7 million bushels due to the yields of winter types, that escaped the worst effects of the drought.

North African production is lower this year owing to the partial failure in French Morocco and the sharply reduced crop in Tunis.

A decrease of 11 million bushels in India and a recently lowered estimate for Turkey bring the estimate for Asia 27 million bushels below that of 1935. The Japanese crop is only 2½ million bushels under the 1935 figure.

The production estimates of 215 and 145 million bushels for the Argentine and Australia, respectively, should be regarded as strictly tentative.

The Wheat Situation in Canada

The estimates of the 1936 crop made to date are remarkably similar and confirm the pessimistic views on the outturn that have persisted since the middle of June. Harvesting throughout most of the West was the earliest on record and the Winnipeg market has absorbed the peak of hedging pressure a full month earlier than usual. Recently, rain and snow have hindered threshing, particularly in the late, good crop areas of Alberta. In Manitoba and Saskatchewan, wheat threshing is practically complete and about three-quarters of the Alberta crop has reached the bins.

Winnipeg futures were decidedly weak in the latter part of August and the near future closed as low as 94 3/4 cents on September 2. From that date prices have moved steadily higher, remaining well above the dollar level since September 11.

While fall rains have been of some assistance in correcting dry soil conditions in the Prairie Provinces, the serious drought area is probably more extensive

than ever before at this season, not excepting 1931 and 1934. Liberal fall and spring rains are needed to prepare the soil for the 1937 crop.

In Ontario, a normal acreage of winter wheat is anticipated with conditions for germination greatly improved by rains of the past three weeks.

The 1936 Crop: The first official estimate of Canadian wheat production forecasts a total crop of 232,973,000 bushels. Spring wheat production is estimated at 220,903,000 bushels, and fall wheat at 12,070,000 bushels. The spring wheat crop in the Prairie Provinces is estimated at 216,000,000 bushels.

Drought was more severe in reducing yields than in any previous year on record. The average yield per acre of spring wheat is only 8.9 bushels. Offsetting the record low yield, is the high quality of the wheat harvested. August inspections of the new crop showed 90 per cent grading No. 3 Northern or better, and most of this graded No. 1 Northern and No. 2 Northern.

Primary Movement: Early harvesting this year resulted in marketings in August more than double the volume for the same period last year. Up to September 4, the marketings during the current crop year were 54,096,503 bushels, compared with 24,353,490 bushels in the same period of last year.

Lake Movement: Shipments down the Lakes from the opening of navigation to September 7 amounted to 81,813,545 bushels, which is 4,300,861 bushels less than the Lake movement at the same date last year, since the seasonal increase in shipments has not been as great as it was last fall. As compared with the movement last year, shipments to United States ports have increased, offset by a decline in shipments to Canadian Lower Lake and St. Lawrence ports. An innovation this year has been the shipment of nearly a million bushels overseas directly from Fort William-Port Arthur.

Export Movement: From August 1, 1936 to September 12, overseas export clearances have amounted to 22,291,580 bushels compared with 11,450,898 bushels in the same period in 1935. In addition, the United States has imported for consumption and milling—in—bond 8,296,000 bushels compared with 4,823,533 bushels last year. Flour exports covering the same period (partly estimated) were about 2.5 million bushels in comparison with 2.4 million bushels in the same period of 1935-36. In total the 1936-37 figures to September 12 are 33,087,580 bushels, and the 1935-36 figures 18,674,431 bushels, showing an improvement of nearly $14\frac{1}{2}$ million bushels or 77 per cent.

The movement from St. Lawrence ports during the first six weeks of the new crop year has averaged approximately 2 million bushels per week, compared with an average of 1.1 million bushels for the same period a year ago. Sorel has been very active this season, and has cleared nearly 3.5 million bushels since August 1.

Montreal shipped approximately 8 million bushels in the same six-week period.

Churchill clearances amounted to 2.7 million bushels, compared with 600,000 bushels for the same period last year. Vancouver shipments of 3.9 million bushels for the six-week period are almost double those for the same period in 1935. Shipments of Canadian wheat from United States ports have also been higher.

Available Supplies: The sharply lower carry-over and the small 1936 crop have placed total supplies at 342.4 million bushels for the current crop year compared with 480.5 million bushels in 1935-36. Without minimizing the misfortune of the crop loss this year, the reduced carry-over and crop enhance the prospect of the restoration of a normal carry-over by July 31, 1937. In calculating the present available supplies, estimated domestic requirements of 101 million bushels, and the export clearances, imports of Canadian wheat into the United States, and flour exports as

wheat to September 12 totalling 33 million bushels are deducted from the season's supplies of 342.4 million bushels, leaving an amount of 208.4 million bushels at present available for export or carry-over. Available supplies at the same date in 1935 were 348.4 million bushels. Essentially this means that Canada has 140 million bushels less for export or carry-over than at this date a year ago.

Production of Durum Wheat in Canada, 1936.

Preliminary returns from the Quinquennial Census of the Prairie Provinces as of June 1, 1936 show the following acreages:

Manitoba	L x 13	1,194,000
Saskatchewan		429,000
Alberta	20	133,000
Total		1,756,000

Since inspection returns in Alberta only show a few cars each year, there would seem to be some confusion in reporting in that province. Using the figures as given, however, the production estimates are as follows:

	bushels
Manitoba	13,813,000
Saskatchewan	3,853,000
Alberta	1,180,000
Total	18,846,000
Comparative, 1935	17,800,000

The rust epidemic of 1935 undoubtedly caused an upturn in Durum wheat acreage this year. Seed was more readily and widely available and Durum fields were noted farther west in Saskatchewan than usual. The principal areas of production are in Crop Districts 1, 2, 3, 7 and 8 of Manitoba and in Crop Districts 1, 2 and 6 of Saskatchewan. The yield per acre of Durum wheat was generally higher than that of common spring wheat this year.

The Wheat Situation in Argentina

Much interest is centered concurrently upon the new crop prospects in Argentina, since growing conditions in that country will be an important market factor for the next few months. Considerable surprise was shown when, at the first of the month, the official Argentine estimate placed this year's plantings at only 16,803,000 acres. All private estimates had been higher, Broomhall's being 18 million acres. There is a general feeling that the second official estimate will be nearer this latter figure. Taking the probable acreage and weather records into account, the United States Department of Agriculture on August 31, placed the new Argentine crop at 215 million bushels. This is probably a top figure. While heavy rains in June tended to overcome the deficiency in sub-soil moisture inherited from the 1935 drought, and August plantings took place under generally favourable conditions, current reports indicate a need of soaking rains. During the past week, dry weather in Argentina has been a prominent market factor.

The government has placed the remaining surplus of old crop wheat at 21.6 million bushels, which is in accord with the calculations of the trade.

(For further details see pages 10 to 13.)

The Wheat Situation in Australia.

The sown area in Australia is placed at 12,400,000 acres, slightly higher than the figure of a year ago. Early predictions of the yield from the current crop ranged from 150 to 160 million bushels, but average yields on the above acreage do not warrant a current estimate above 145 million bushels. The Canadian Trade Commissioner in Melbourne cabled September 15 that crop conditions are generally good. Cables to Broomhall on September 12, indicated that rain is needed in South and Western Australia.

The Wheat Situation in the United States.

Indicated wheat production as of September 1 was reduced $2\frac{1}{2}$ million bushels from the August 1 estimate. Total wheat production is now set at 630,241,000 bushels, including 519,097,000 bushels of winter wheat, 8,640,000 bushels of durum wheat, and 102,504,000 bushels of other spring wheat.

Estimates of wheat utilization in the U.S. for the current crop year are quoted on page 9 of this Review. It is anticipated that increased millings of hard red winter and Pacific Northwest wheat will partially offset the deficiency in the spring bread types, so that imports will not be as heavy as those of last year. United States takings of Canadian wheat, however, have been heavy to date compared with those of 1935. From August 1 to September 10, imports for consumption and milling in bond of 8,296,000 bushels are appreciably above those of 4,823,533 bushels for a similar period in 1935.

The following table shows imports for consumption and milling in bond by months for the two preceding crop years:

U.S.A. Official Returns of Imports of Canadian Wheat Crop years, 1935-36 and

	For Home	Consumption	For Milli	ng in Bond		
Month	Duty	Paid				Total
The Mark and an art little but he was	1935-36	1934-35	1935-36	1934-35	1935-36	1934-35
			(bushels	1)		
ugust	2,570,105	432,461	1,045,428	1,019,408	3,615,533	1,451,869
September	3,644,294	2,778,585	697,935	986.814	4,342,229	3,765,399
ctober	5,323,936	1,086,550	1,258,735	1,248,323	6,582,671	2,334,873
lovember	4,347,771	1,403,591	1,193,016	855,743	5,540,787	2,259,334
December	4,321,154	1,906,766	781,074	494,247	5,102,228	2,401,013
anuary	2,231,000	842,484	851,016	1,063,513	3,082,016	1,905,997
'ebruary	2,398,104	1,055,287	875,141	1,005,696	3,273,245	2,060,983
larch	2,673,208	1,457,699	1,224,682	693,234	3,897,890	2,150,933
lpril .	1,535,558	1,610,783	1,053,397	1,094,798	2,588,955	2,705,581
lay	1,627,044	846,796	1,214,107	991,674	2,841,151	1,838,470
une	3,028,339	625, 427	1,093,956	891,253	4,122,295	1,516,680
uly	4,477,106	793,134	1,006,139	715,172	5,483,245	1,508,306

Total 38,177,619 14,839,563 12,294,626 11,059,875 50,472,245 25,899,438

"WORLD" PRODUCTION OF WHEAT, 1936, WITH COMPARATIVE ESTIMATES for 1935 and 1934

The 1936 production figures on this and the following page are official government estimates in so far as they are available through the International Institute of Agriculture. In other cases, the estimates are those provided by the Foreign Agricultural Service of the U.S.D.A. Russia and China are omitted from the list.

For the Southern Hemisphere, the estimates are only tentative, and are based on acreage estimates and average yields.

Further reductions in 1936 production are indicated by the revised estimates reported during the month. These revisions are given together with the former estimates in brackets, and in thousands of bushels: Germany 177,328 (180,408); Portugal 8,377 (11,000); Latvia 3,050 (5,500); Switzerland 4,703 (5,600); Czechoslovakia 54,049 (64,300); United States 630,241 (632,745); Turkey 80,281 (110,400). The following countries have higher estimates: Belgium 15,726 (14,300); England and Wales 53,094 (52,469); Yugoslavia 105,710 (102,900); and India 352,219 (350,709).

	EUROPE			
		Prod	uctio	n
			bushels)	MQ
	1936		1935	1934
Germany	177,328	1	71,488	166,539
Austria	14,700		15,579	13,306
Belgium	15,726		13,779	16,134
Bulgaria	55,775		47,925	39,594
Spain	121,490		57,984	186,834
Portugal	8,377		23,406	24,690
Estonia	2,315		2,267	3,107
Finland	4,688		4,233	3,280
France	242,500	a 2	78,772	338,511
England and Wales	53,094		60,592	65,259
Scotland	3,380		4,443	4,144
Greece	23,743		26,401	25,679
Hungary	88,074		84,223	64,824
Latvia	3,050		6,520	8,051
Lithuania	8,800	a	10,104	10,475
Luxemburg	1,000		1,027	1,171
Malta	200	a	179	310
Norway	1,300	a	1,690	1,204
Netherlands	15,947		16,653	18,042
Poland	77,200		73,009	76,440
Roumania	121,254		96,440	76,553
Sweden	22,000		23,611	28,376
Switzerland	4,703		5,824	6,677
Czechoslovakia	54,049		62,095	50,013
Yugoslavia	105,710		73,101	68,328
Italy	238,800		83,475	233,063
Denmark	13,600		14,771	12,845
Irish Free State	9,500		6,686	3,803
Northern Ireland	300	a	362	363
Albania	2,000	8.	2,000	1,579
	1,490,603	1,50	68,639	1,549,194

	P	roduction	
	1936	(000 bushels) 1935	1934
	epidelinelinellinelli	endpoints_dans	
	North America		
Canada	232,973	277,339	275,849
United States	630,241(a)	623,444	496,929
Mexico	13,007	10,712	10,950
Totals	876,221	911,495	783,728
	North Africa		
Tunis	7,716	16,534	13,779
Morocco (French)	15,542	20,036	59,586
Algeria	28,476	33,533	43,528
Egypt	45,378	43,221	37,276
Totals	97,112	113,324	134,169
	Asia		
Chosen	9,000(a)	9,747	9,268
India	352,219	363,179	351,456
Japan	46,223	48,721	47,660
Turkey	80,281	92,640	99,711
Totals	487,723	514,287	508,095
	Southern Hemispher	e	
Argentina	215,000(a)	240,669	240,667
Australia	145,000	140,000	133,394
Union of South Africa	12,000(a)	18,000	15,343
Totals	372,000	398,669	389,404
	Summary		
	1936	1935 (000 bushels)	1934
Europe	1,490,603	1,568,639	1,547,254
North America	876,221	911,495	783,728
North Africa	97,112	113,324	134,169
Asia	487,723	514,287	508,095
Southern Hemisphere	372,000	398,669	389,404
Totals	3,323,659	3,506,414	3,362,650

⁽a) Source: United States Department of Agriculture.

THE UNITED STATES

On September 10, the Crop Reporting Board of the United States Department of Agriculture issued the following estimates of wheat production as of September 1:

"WHEAT: The indicated United States production of all wheat in 1936 is 630,241,000 bushels, compared with 623,444,000 bushels produced in 1935 and the 5-year (1928-32) average of 863,564,000 bushels.

"Prospective production of all spring wheat is 111,144,000 bushels, compared with 159,241,000 bushels in 1935 and the 5-year average of 241,312,000 bushels.

"A durum wheat crop of only 8,640,000 bushels in the 4 durum wheat States is indicated by September 1 condition and preliminary yield reports. The 5-year average production in these States is 54,020,000 bushels. Condition on September 1, 1936 was reported at 18.9 per cent of normal, compared with the 10-year (1923-32) average of 68.8 per cent.

"Production of spring wheat other than durum is forecast at 102,504,000 bushels, compared with 136,284,000 bushels in 1935 and the 5-year average of 187,292,000 bushels. September 1 condition was 33.0 per cent of normal, compared with the 7-year (1926-32) average of 64.5 per cent.

"Prospective production of wheat by classes is as follows: hard red winter, 259,670,000 bushels; soft red winter, 207,369,000 bushels; hard red spring, 54,410,000 bushels; durum (including an allowance for certain States for which separate estimates are not shown), 9,229,000 bushels; white (including both winter and spring varieties), 99,563,000 bushels."

The following estimate of wheat utilization in the United States for the current crop year was published in "World Wheat Prospects" issued by the U. S. D. A. on August 31:

Prospective Wheat Supply and Utilization by Classes for 1936-37

"While total supplies of wheat in the United States for the 1936-37 season are large enough for the usual domestic requirements, supplies of hard red spring wheat and durum wheat are short. In spite of about a 6 per cent increase in the seeded acreage, the production of hard red spring wheat and durum is small as a result of the drought, which reached its greatest intensity in the area specializing in the production of these two types of wheat. The domestic winter wheat crop this year is materially larger than that harvested in 1935 and is of good quality, and good yields are in prospect in the Pacific Northwest. It is probable that spring wheat mills in the 1936-37 season will use a larger percentage of hard red winter and Pacific Northwest wheat than last year. A larger than usual quantity of soft red winter wheat is also likely to be used in bread flour. Accordingly, the quantity of full duty bread wheat imported in 1936-37 is expected to be less than in 1935-36. In the case of durum wheat, which is used in the manufacture of macaroni and related products, substitution of other kinds of wheat is unsatisfactory, and the short supplies available will probably result in some increase in imports of such wheat. The probable reduction in imports of full duty hard red spring wheat, however, should more than offset the increase in durum imports and result in total imports of these two types lower than last year. During the 1935-36 season, total imports of full duty wheat amounted to 26,000,000 bushels, while exports and shipments amounted to 7,000,000 bushels, making net imports of 28,000,000 bushels.

"Preliminary estimates of the prospective supplies and utilization of wheat, by classes, for the coming year, as well as those for 1935-36 are shown in the following table.

Wheat: Supply and distribution by classes, 1935-36 and 1936-37

the second secon	Hard	Coff	a Hand	-		The state of the s
Item	,		: Hard :	Desamon	WD-14-	
					: White	Total
	swinter				9	
	:Million					
Stocks, July 1, 1935			- men decrease mentale and more	bushels	bushels	C. College C. College and Coll
On farms		1.3	7	1	4	44
Country mills and elevators		5	5	1	10	32
Commercial		5	6	1	1	22
In mills 1/000000000000000000000000000000000000		10	10	2	2	57
Total stocks		33	28	5	17	155
New crop 1000000000000000000000000000000000000		204	107	24	85	623
Imports 2/		THE TOTAL SECTION SEC	31	4		35
Total supply (1935-36),		237	166	33	102	813
Exports 3/ hopposition		1	emotion based	90 male m0	3	7
Disappearance On HOUSE OF STREET		208	128	26	81	656
Stocks, July 1, 1936	s 59	28	38	7	18	150
For 1936-37: (Prospective)	u					
Stocks, July 1, 1936						
On farms and	*	14	12	3	4	44
Country mills and elevators.		4	5	1	8	24
Commercial		3	8	2	2	21
In mills 1/		7	13	1	4	61
Total stocks		28	38	7	18	150
New crop 4/		207	58	10	98	633
Total supply (1936-37)	319	235	96	17	116	783
Exports 3/		1		All the same of th	3	7
Disappearance		209	80	19	93	660
Stocks July 1, 1937		25	30	4	20	
		The second is a second or	14	THE RESERVE THE PERSON NAMED IN	-	136
Deficit 5/	•	epiter emilion or v	14	6		20

^{1/} Includes stocks "in merchant mills", "in transit to merchant mills" and "stored for others by merchant mills".

"No allowance has been made for imports of wheat "unfit for human consumption" in 1936-37, because it is too early to know how much of such wheat will be available in the new Canadian crop, from which we would be expected to draw. Although imports of this type of wheat would tend to reduce the amount of domestic wheat fed to livestock they would, at the same time, probably increase the total utilization, or, in the event they were not all used before July 1, 1937, increase the size of the carry over. In 1934-35, imports of this type of wheat totalled 8,000,000 bushels and last year, 9,000,000 bushels."

^{2/} Includes full-duty wheat plus 10 per cent ad valorem wheat.

^{3/} Includes wheat and flour in terms of wheat.

^{4/} August 1, 1936 indication.

Estimates for full-duty wheat only; deficit of 10 per cent ad valorem wheat not predictable at this time

AUSTRALIA

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

"Wheat and flour shipments from December 1 to week ending September 8 totalled 78,564,000 bushels compared with 81,275,000 for previous year. The market has firmed considerably within the past few days and price to growers is about four shillings five pence at country sidings, equivalent to eighty-nine cents Canadian and quotations F.O.B. steamer about five shillings. Australian crop conditions generally good; market firmness due to unfavourable conditions abroad and only 23 million bushels wheat remaining available for export in Australia. Export flour market continues quiet and mills working part time. Inquiries indicate that export market will shortly improve despite high wheat prices. Export quotations now ten pounds a ton 2,000 pounds equivalent forty dollars twenty-six cents Canadian in 150-pound sacks and ten pounds five shillings per ton in 49-pound calico bags. Chartering inactive and due limited demand for tonnage, no movement expected until the new crop."

ARGENTINA

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

First Official Estimate of Areas Seeded.

The Department of Rural Economics & Statistics of the Ministry of Agriculture has made public its first estimate of the areas seeded to the principal grain and seed crops (excluding maize) for the new season, 1936-37. The grand total amounts to 30,862,790 acres, which is 3,334,000 acres in excess of the last season's total, or say an increase of 12 per cent. The sowings last year, it will be remembered, were very much cut down by the severe drought. Whilst the new season's figures show an increase over 1935-36, they are nevertheless below what may be considered normal, being almost 2,471,000 acres under the average of the last ten years, viz., 33,259,000 acres.

Details of the individual crops are as follows:

	Wheat	Linseed	Oats (a c r e s)	Barley	Rye
1356 37	16,803,000	7,290,000	2,965,000	1,977,000	1,730,000
1935-36	14,209,000	6,573,000	2,953,000	1,940,000	1,750,000
1954-35	18,812,000	8,103,000	3,529,000	2,014,000	2,134,000
5 year average.	17,954,000	7,514,000	3,434,000	1,746,000	1,731,000
10 year average	19,427,000	7,346,000	3,485,000	1,511,000	1,398,000

It may be added that the official estimate is lower than had been anticipated by many in interested circles. It is true that a long period of excessive rains had held up the work of seeding; but the generally fine, cold weather experienced in August was rather expected to enable the farmers to bring up the wheat acreage to nearer the normal figure. There are not wanting those who look for the official estimates to be revised upwards at a later date.

Crop Conditions.

The weather during August was generally fine, cold and dry, with only occasional rains, permitting seeding of wheat to be concluded and good progress to be made with the linseed and other small grain crops. Growing crops have greatly benefited by the changed climatic conditions; the tendency to excessive leafage has been checked, and better stooling and root development have been encouraged.

Great progress has been made with the conditioning and picking of the balance of the old maize crop, and preparations for seeding the new crop are being very actively prosecuted, with the apparent probability of a record acreage being planted should conditions continue favourable, especially in view of the diminution in area of the other grain crops if the official estimate proves justified.

Extracts from the official report on crop conditions follow. This made its appearance on August 20th, and therefore presumably does not cover much more than the first half of the month.

Wheat and Linseed Buenos Aires: In the northern zone of the province wheat seeding is backward, the proportions seeded varying from 30% in the districts less devoted to wheat growing, up to 80%. Although sowing may be continued up to the end of August, it looks at present as if there would be a smaller area planted to wheat. The little wheat which has germinated has done so in perfect form. In the remainder the province wheat seeding has been finished, except in isolated spots in the centre of the west, where it will terminate before the end of the month. Taken as a whole, the condition of the grain is very good; just in the south-west corner a rain would be wellcome so as to maintain the present excellent appearance. Everywhere the cold weather has done good, halting the excessive regetation of the plants and favouring growth of the roots. In parts of the east some of the fields have had to be pastured in order to prevent the too early formation of the stalk. Sowing of linseed is backward, for which reason it may be supposed that there will be a smaller area in the linseed districts of the north. In the rest of the province conditions are normal. The plants above ground look very well. In the driest parts of the south and west germination is just commencing, for which reason the frosts have done no damage, and in the north and east the fields have escaped damage, thanks to the high humidity of the soil. Santa Fe: In the southern districts the farmers have had to show great activity in order to complete wheat seeding; there is an impression that the area planted to this grain is greater than that of last year. All over the province the condition of the fields is very good. the south most of the fields have germinated and sprouted recently; whilst in the centre and north the development of the plants, which was perhaps too forward, has been checked by the last frosts Sowing of linseed continues in the southern zone, where a greater area than normal is expected to be planted in view of the high prices. The lots above ground are very even, not having been much damaged by the frosts, although there are many fields with plants of less than two leaves which might have been lost in a season with less humidity than this In the northern zone also the condition of the linseed is perfect, there being early sown fields with a height of over 12 inches. Cordoba: Sowing of wheat has been finished, with an area somewhat above normal, most of the increase being in the east and centre of the province. The general condition of the grain is very good, the low temperatures having checked the excessive leafage and encouraged root growth and stooling. In parts of the south-west yellow rust has appeared, but so far has not affected the vitality of the plants, which will probably re-act vigorously with the first spring rains. Linseed planting may be considered completed, with a visible increase in area. In general its condition is good, little

damage having been done by the frosts, except in the south-west, where the intermediate sowings, being in the period of germination and early vegetable development. suffered some damage. Also in this zone some drought has made itself felt, which impeded work on the late seeding in August and the reseeding of damaged fields, but there will still be time to finish this if there are opportune rains. No damage from parasites has been noticed. Entre Rios: Within a few days the normal period for sowing wheat will terminate, with an evident shrinkage in the area, especially in the north, centre and east, where there is an important reduction. The condition of the fields is inferior to normal, on account of their backwardness. The leafage of the early sowings, which tended to be excessive, has been checked by the cold days of the past month. Sowing of linseed is being continued under good conditions, especially in the south-west. In general the state of the linseed is satisfactory, but a light rain is needed for the late sowings, whose germination is held back by the winds drying out the superficial soil. La Pampa: Wheat seeding continues in the south, and in the north it has been resumed with precocious varieties. The condition of the wheat above ground is good, except in parts of the north west. The danger forseen last month of a too exuberant growth of leafage, has been overcome for the moment by the low temperatures and freedom from winds.

Wheat Supplies and Market Conditions

Wheat exports, including flour, in August totalled 2,860,000 bushels (wheat 2,699,000, flour 161,000 bushels). This is a subtantial decrease from the July total of 5,107,000 bushels.

The statistical position is now as shown below:

Second official estimate 1935-36 crop	139,626,000	bushels
Carry over from 1934-35 crop		Pf
Total supplies	158,764,000	11
Deduct for probable over-estimate	5,071,000	11
Revised net total	153,693,000	11
Deduct for seed and domestic needs	95,533,000	11
Exportable balance	58,160,000	11
Shipped to) wheat - 32,860,000 bushels		
August 31st.) flour - 1,140,000 "	34,000,000	11
Still available for export	24,160,000	17

Whilst there was a great deal of activity in the wheat market, especially during the first week of the past month, it was largely due to speculators, who, here as elsewhere, always come in on a bull market. The serious damage to the Canadian and United States crops provided the principal factor for the fluctuations of prices, which attained a level of 12.45 per quintal in the early days of the month, but a gradual decline brought Spot wheat down to 11.26 at the close. The downward movement was greatly assisted by the announcement that the Canadian Government had declined to raise the minimum price guaranteed to growers, after cabled reports had indicated that there was a very strong pressure being used to put this up to a dollar per bushel.

There is a growing scarcity of good wheat, and the little coming forward is readily absorbed by the millers and exporters for the Brazilian market. Other qualities are not so easy to place but buyers for Belgium are interested. Substantial sales at good prices have been effected by the official Grain Control Board.

When business closed for the month, Spot wheat (Soft No. 2, 64 lbs, per bushel) was selling at 11,26 paper pesos per 100 kilos (equal to 103 1/8 cents Canadian per bushel at current official exchange rates), and the October option at 11,30 pesos ($103\frac{1}{2}$ c, per bu.). On the same day October wheat closed in Winnipeg at 96 1/8c.

Argentine National Grain & Elevator Board.

The National Grain & Elevator Board, which is to control the domestic and export grain trade of the Republic in all its phases, including the elevator system when built, has at length been constituted. It consists of: Emilio A.Coni, Chairman; Jose A. Pedrolini Parera, Vice-chairman; Vicente A. Brunini, Federico G. Covernton and E. Roberto Werner, members. The two first named represent the Government. The three last named members were selected by the Government from lists of nominees submitted by the organizations they represent, in accordance with the requirements of the Grain Act. The period of service is six years.

Argentine Grain Standards

One of the first acts of the newly constituted National Grain & Elevator Board was to approve the official standards of the wheat, oats, barley, rye and lineseed crops of the season 1935-36, as required by the Grain Act. These standards had already been established by a special commission of experts appointed for the purpose. The work was completed some time ago, but under the Grain Act they could only be brought into use after being officially approved by the Grain & Elevator Board, which had not then been brought into existence.

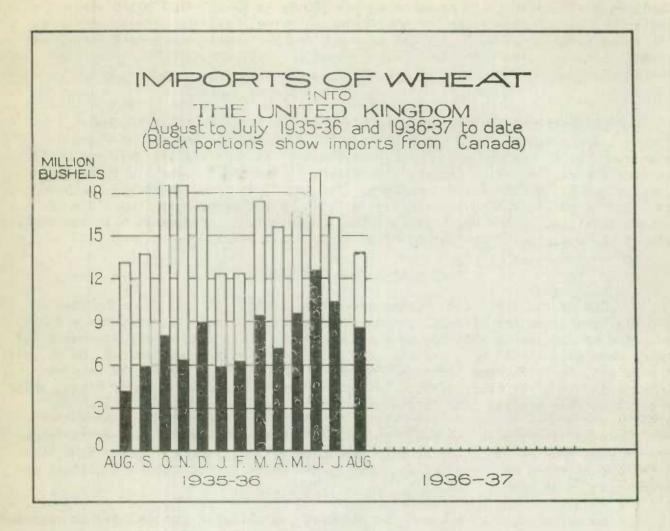
Much detail work has been involved in forming separate standards for each grade of each type of grain for each of the three official zones of production, viz., Rosafe, Buenos Aires and Bahia Blanca, giving due value to the various qualities and characteristics of each.

As examples, I give below the standards established for what may be regarded as the finest type of Argentine export wheat, the Hard wheat of the Bahia Blanca zone; and the Soft wheat of the Buenos Aires zone.

	B. Blanc Grade 1.	Grade 2	B. Aire Grade 1	The second secon
Commercial Quality	a national and an observation of the			
Specific weight (weight in lbs. per bushel) Valueless foreign matter Wild oats and other grains, includ-	64 12 30%	61.52	64,12 . 65%	60.71
ing rye	70%	1,35%	65%	2 15%
Bleached kernels	8.00%	6.00%	w	6.
Broken kernels	1.95%	2.85%	1.75%	1.60%
Kernels, scorched, sprouted, etc Green kernels	.1.5% .10% .05%	. 30% . 20% . 05%	. 35% . 20% . 03%	50% ,25% ,05%

The grain samples from which the standards were evolved represent roughly one-fifth of the 1935-36 Argentine crop.

Small samples of the standards have been sent to the various consuming markets abroad, together with full details of their composition.



The United Kingdom

Imports of wheat into the United Kingdom during the month of August. 1936, were lower than during the proceeding month but slightly higher than in the corresponding month last year. Imports during August amounted to 13.968,046 bushels compared with 16,234,494 bushels last month and 13,141,987 bushels for August, 1935.

The following table shows imports of wheat into the United Kingdom for the twelve months August to July, 1935-36, and June, July and August, 1936:

From:	Angust-July 1935-36	June 1936 Bush	July 1936 e l s	Angust 1936
Canada	95,004,814 648,003	12,580,061	10.494.636	8,795,417
Argentina	11,887,471	245,490	3,520,337	7,250 2,227,446
Russia	13,182,976 25,770,282 190,661,780	1,582,581	2,219,521	2,937,933
Previous year	188,626,909	16,293,783	15,857,532	13.141.987

As shown by the foregoing table, imports of wheat into the United Kingdom during the twelve months from August, 1935 to July, 1936, amounted to 191 million bushels compared with 189 million bushels for the same months in 1934-35. Out of total imports of 191 million bushels, Canada supplied 95 million bushels or 49.8 per cent; Australia supplied 44 million bushels or 23.2 per cent; the Argentine supplied 12 million bushels or 6.2 per cent.

The following table shows imports of wheat into the United Kingdom during August, 1936 along with comparative figures for August, 1935.

		August, 1936	August, 1935
From:		J u s	4 4 7 9
1101111	Canada	8,795,417	4,198,034
	United States	-	639,990
	Argentina	7,250	3,273,966
	Australia	2,227,446	1,904,929
	Russia	emb	560,391
	Others	2,937,933	2,564,677
Total.		13,268,046	13,141,987
		management of the second of the second of the second of	

The above table shows that total imports of wheat into the United Kingdom during August, 1936 were higher than during August, 1935. Imports from Canada amounted to 8,795,417 bushels compared with 4,198,034 bushels for the corresponding month last year. Imports from Australia amounted to 2,227,446 bushels compared with 1,904,929 bushels for the month of August, 1935. The United Kingdom imports from the Argentine were only 7,250 bushels as compared with 3,273,966 bushels for the same month last year.

INTERNATIONAL TRADE

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

Week Ending	North America	Argentina	Australia	Russia	Other	Total
And the department of the second seco	enskriver vitter og milletilmen et villkritter	(Tho	usand Bushe	ls)		THE PARTY OF THE P
August 8	6,848	584	960		1,456	9,848
15	5,616	1,064	1,888	-	1,384	9,952
22	5,976	888	1,296		2,176	10,336
29	5,288	616	1,192	een	2,648	9,744
Sept. 5	3,937	806	1,349	-	3,249	9,341
12	4,677	1,333	969	rgan	5,013	11,992
POTAL	32,342	5,291	7,654	60-	15,926	61,213
Comparative 1935-36			2 400	200	3 304	0 500
Corresponding week	2,784	3,440	1,460	592	1,184	9,560
TOTAL TO DATE	15,904	16,282	8,173	4,552	4,784	49,695

An increase of 11.5 million bushels or 23 per cent took place in world shipments during the first six weeks of the new season in comparison with a similar period of the previous crop year. Most of this increase was recorded in North American shipments, rising from 15.9 million bushels to 32.3 millions this year. Argentine clearances fell from 16.3 to 5.3 million bushels. Australian shipments also showed a slight decrease falling from 8.2 million bushels to 7.7 million bushels for the same period in 1936-37.

BROOMHALL'S SUMMARY OF INTERNATIONAL WHEAT POSITION. August 1, 1936 to July 31, 1937.

Importers?	Season				
Estimated	Aug. 1, 1936	Shipped	Shipped		
Requirements	to	to date		Remainder	
	July 31, 1937	(4 weeks			
	(thous	sand bushels)			
Europe	392,000	28,480		363,520	
Ex-Furope	120,000	11,440		108,560	
Total	512,000	39,920		472,080	
Exporters'	Surplus Season	Estimated			
Estimated	Aug. 1, 1936	Shipments	Shipments	Remainder	
Surpluses	to	Aug. 1, 1936	Reported		
	July 31, 1937	to	to date		
		July 31, 1937			
	(thous	sand bushels)			
U.S.A.	ed:	4-2	-	4.04	
Canada	^x 208,000	200,000	23,760	1.76,240	
Argentina	148,000	120,000	3,120	116,880	
Australia	116,000	88,000	5,360	82,640	
Russia	?	?	max.		
Danube	80,000	72,000	5,600	66,400	
Other Countries	40,000	32,000	2,080	29,920	
Total	592,000	512,000	39,920	472,080	

This quantity is available after deducting 40,000,000 bushels to furnish trading material in Aug.-Sept. 1937.

Mr. Broomhall places world import requirements for the current crop year at 512 million bushels. Shipments for the first four weeks, averaging 9,980,000 bushels per week, have been slightly in excess of the average which will need to be maintained in order to cover the estimate for the year.

Exports of 200 million bushels from Canada are anticipated. The estimates for Argentina and Australia are only provisional and will need to be revised when the size of the crops in these countries becomes known.

C.I.F. Prices of Canadian and Australian Wheat in Liverpool.

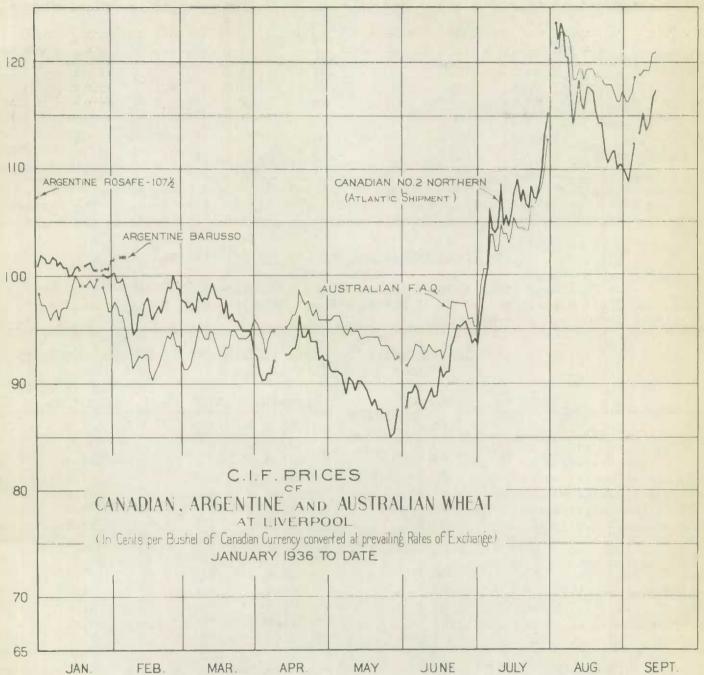
The chart on the page opposite shows the course of the daily C.I.F. prices

Canadian and Australian wheat in Liverpool during recent months.

The sharp upswing in July owing to the drought developments in North America carried the price of Canadian wheat up more rapidly than Australian and the latter sold under No. 2 Northern for the first time since last April. Low available supplies accounted for the failure of the Australian quotations to decline along with the Canadian, in August, and No. 2 Northern is being sold currently at 5 to 6 cents under Australian.

There continue to be no sales or Argentine wheat in Liverpool, although there have been futures quotations on the new crop during the past month.

Jugoslavian wheat has been sold at 10 to 12 cents under No. 2 Northern during the past month and Broomhall reports sales of 1,816,000 bushels of Danubian wheat in the United Kingdom from August 1 to 27.



Monthly Average Winnipeg Cash Price - No. 1 Northern Wheat, Crop Years 1929-30 to 1936-37

(Dollars per Bushel) 1931-32 1929-30 1930-31 1932-33 1933-34 1934-35 1935-36 1936-37 August 1.58.0 .92.5 .55.1 , 56, 3 .73.4 .86.0 .84.5 1.02.2 .51.9 .78,1 September 1.49.5 .53.6 .67.2 .82.3 .90.3 1.41.4 October72.5 .59.9 .48.2 .60.5 .78.2 .90.8 November 1.33.0 64.4 67.3 .46.7 63.7 .79.6 .85.7x December 1.37.8 , 55, 4 . 60, 6 42.4 .60.3 .79.2 .84.7x 1.30.5 .53.9 60.0 .84.8x January44.2 .65.0 .79.0 February 1.17.4 . 59.3 63.2 , 45,8 65.6 .79.5 .82.1x March 1.06.2 . 56.7 . 53,1 .49.1 66.4 .81.9 .82.1x 1,09.8 62.6 , 53, 6 April59.7 .65.5 .87.6 ...80.5x May assessesses 1.07.9 60.6 32.9 63.3 .70.6 .85.7 .76.8x ,60.8 June seconoso 1.03.2 .05.1 .66.8 .77.1 ,79.5x .81.7 July occossos .95.1 57.3 54.7 .83.4 82.0 .93.4 .81.4

x The minimum price for No. 1 Northern set by the Canadian Wheat Board on September 6, 1935 was 87 1/2 cents per bushel, basis car-lots Fort William-Port Arthur. The farmers' return for the 1935 crop was based on this price when wheat was 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).

Journal of the Control of the Contro	A to the train of	e till 1994 stattamin selv malle vill prodliggig verker sta solle printer vil printer ville regillergiblergi	Wheat No. 1
	General Index Canada	Board of Trade United Kingdom	Manitoba Northern Fort William and Port Arthur basis
	1930=100	1930=100	1930=100
1929	110.4	114.3	142,5
1930 0,0000000000000000000000000000000000	100.0	100.0	100.0
1.931	83.3	87.8	62.4
1.932	77.0	85.6	59.0
1933	77.5	85.7	64.8
1934 0000000000000000	82.7	88.1	79.4
1935	83,3	88.9	89,6
1 9 3 5			
August 00000000000	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	91.4	89.9
1936			
January 200000000000	84.2	91.8	90.0
February	83.7	91.7	87.2
March	83 6	91.7	87.2
April	83.4	91,9	85.5
May	82,9	91.9	81.5
June	83.5	92.6	84.4
July 0000000000000000	85.9	93.6	99.2
August	88.0	-	108,5

& Prepared by the Internal Trade Branch.

FOREIGN EXCHANGES

After remaining unusually quiet during August, foreign exchanges showed signs of returning instability in the first two weeks of September. Strain on the French franc was reflected in a marked increase in the flow of gold from Paris to London and New York. The total of \$12,540,000 engaged for shipment to the latter centre on September 11 was the largest daily amount since early in May. It was anticipated in French banking circles that pressure would be placed upon short interests to cover commitments, thereby checking the present flight of gold. Sterling rose sharply in the opening days of September as continental funds sought refuge in London, and the Montreal rate on sterling advanced from \$5.03\frac{1}{4}\$ where it had been tending to centre for some time, to \$5.06, between September 1 and 11. Strength in the Argentine peso during the past six weeks has been attributed to active trade balances and the repatriation of funds from the United States. As may be noted from the table following, Montreal rates on the peso have advanced almost one cent to 28.4 cents in the free market.

		United Kingdom	United States	Australia	Argentina x
		Pounds	Dollar	Pounds	Paper Peso
		4.8667	1.0000	4.8667	.4244
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	39981	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
	20 .	4.9675	1.0053	3.9740	.2760
	27	4.9525	1,0034	3.9637	.2749
May	2	4.9625	1,0006	3.9700	. 2742
	11	4.9675	1.0009	3.9737	.2753
	18	4,9850	1,0031	3.9887	. 2764
	26	4.9900	1,0018	3.9912	.2760
June	1	5.0087	1.0025	4.0070	.2767
	8	5.0131	1.0031	4.0105	。2779
	15	5.0375	1.0018	4.0300	.2785
	22	5.0266	1.0028	4.0213	.2778
	29	5.0400	1.0025	4.0325	.2727
July	6	5.0275	1.0009	4.0212	.2687
	13	5.0325	1.0009	4.0262	. 2708
	20	5,0337	1,0006	4.0275	2727
	27	5,0175 5,0156	1,0000	4 0140	2740
August	3	5,0156	1.0000	4 0125	2760
	19	5.0250 5.0262	1,0000	4.0210	2770
	24	5,0325	1 0004	4 0269	2771
Canhanha	31	5.0304 5.0488	1,0000	4 0243 4 0391	2815 2325
September	18	5,0590	1.0000	4.0473	2840

x Unofficial rates - about 6 cents below official rates.

THE CANADIAN SITUATION

I. DISTRIBUTION OF THE 1935 WHEAT CROP

Preliminary disposition figures are now available, making it possible to apply two separate checks to the accuracy of the January estimate of the 1935 crop. The first check for the whole of Canada uses final disposition figures such as exports and millings for domestic consumption, while the second check, which applies to the Prairie Provinces only, relies upon primary marketing data, in addition to the estimates for seed, feed, etc., used in both methods. It should be borne in mind that the items for seed, feed, unmerchantable wheat and the carry-over on farms are themselves estimates and are therefore subject to some latitude.

Final revision of the 1935 wheat crop estimate will not be made until January 1937, when the final figures for deliveries and platform loadings, are made available by the Board of Grain Commissioners.

Disposition of Wheat in Canada, 1935-36

The carry-over of wheat in Canada at July 31, 1935, was 203,273,016 bushels. Adding to the 1935 crop, estimated last January at 277,339,000 bushels, and imports during the crop year equivalent to 291,510 bushels, but mostly flour, makes the total for distribution 480,903,526 bushels.

The disposition of wheat during the period August 1, 1935 to July 31, 1936, was as follows:

	bushels
Exports	254,424,775
Human consumption (x)	43,399,202
Seed for the 1936 crop (x)	33,329,000
Feed for livestock and poultry (x)	22,779,000
Loss in cleaning (x)	4,000,000
Unmerchantable	9,869,300
Carry-over, July 31, 1936	109,435,977
	477,237,254

(x) Subject to later revision.

This check indicates a small overestimate of the 1935 crop of 3,666,272 bushels, or about 1.3 per cent.

Disposition of Wheat in the Prairie Provinces, 1935-36

Preliminary disposition data for the Prairie Provinces, on the other hand, indicate an underestimate of 7,603,000 bushels, or about 2.8 per cent, in the January estimate. Taking the provinces separately, the January estimate placed the Manitoba crop at 23,361,000 bushels. By adding the 1935 carry-over on farms, and subtracting marketings, seed, feed, unmerchantable, country millings and the 1936 farm carry-over, an underestimate of 3,240,000 bushels is shown. By similar calculation the January estimate for Saskatchewan of 135 million bushels shows an underestimate of 8,027,000 bushels. The Alberta estimate of 102 million bushels, in turn, shows an overestimate of 3,664,000 bushels.

1935 estimates as now indicated by disposition are as follows: Manitoba, 25,740,000 bushels; Saskatchewan, 143,027,000 bushels; Alberta, 98,336,000 bushels; Total-Prairie Provinces, 267,103,000 bushels.

II. GRADING OF THE 1936 WHEAT CROP

The following table shows the grading of inspections during the month of August, 1936 and by months for 1935-36.

Number of Cars Grading No. 3 Northern or Better

	1936-37			1935-36		
		Per Cent of		Per Cent of		
	Cars	Inspections	Cars	Inspections		
August	15,493	90.03	7,855	82.89		
September 2020000000000000000000000000000000000			16,975	64.83		
October			11,448	41.33		
November			4,363	34.05		
December			3,457	46,46		
January			2,660	59,26		
February			1,675	52.77		
March			4,720	45,53		
April			5,553	44.13		
May occessors assessed			5,802	58.78		
June,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			4,788	59.78		
July			5,336	60.52		
Total			74,632	52.96		

After eliminating special grades such as Durums, White Springs, and Winters the total number of cars inspected for the month of August 1936 was 17,209 of which 15,493 cars or 90.03 per cent graded No. 3 Northern or better. For the corresponding month in 1935, 9,476 cars were inspected, 7,855 cars or 82.89 per cent grading No. 3 or better. Whereas the percentage of inspections grading No. 3 or better was 8.6 per cent higher in August, 1936 than in the same month of 1935, it will be noted that the percentages for the succeeding months in 1935 were much lower than the August figure. It is not expected that the 1936 grading will show any such decline.

III. LAKE MOVEMENT

From opening of navigation to	To Canadian Lower Lake Ports	To St. Lawrence Ports	To Buffalo	To Other United States Ports	To United Kingdom and Con- Totals tinental Ports
September 7, 1936	29,008,739	11,211,844	ushels 26,231,653	14,362,100	898,299 81,813,545
September 7, 1935	41,538,372	14,212,130	26,509,127	3,854,777	- 86,114,406

Shipments down the Lakes are less this year than in 1935 by 4,300,861 bushels due to the fact that the seasonal increase in shipments has not been as great as it was last fall. The distribution shows that about the same quantities went to Canadian and United States lake ports, while shipments direct to overseas countries amounted to 999,209 bushels. For the same period last year, more wheat moved to Canadian lake ports in comparison with United States ports.

On September 10 the Dominion Bureau of Statistics issued a bulletin reporting for 1936 (1) the first estimate of the yields of the principal grain crops and hay and clover and (2) the condition of the late—sown crops. The estimates are based on schedules returned by crop correspondents, including farmers throughout Canada and bank managers, rural postmasters and railway and elevator agents in the Prairie Provinces. A special list of selected agriculturists was also circularized, in addition to those already co-operating as regular crop correspondents.

Acreages in the Maritime Provinces, Quebec and Ontario are from the annual June Survey and in British Columbia from reports of crop correspondents. In the Prairie Provinces acreages of grain crops are preliminary figures from the quinquennial census of 1936 and acreages of hay and clover are estimates from the reports of crop correspondents.

Summary

The wheat production of Canada in 1936, according to the first estimate, is 232,973,000 bushels. Of this amount 220,903,000 bushels are spring wheat and 12,070,000 bushels fall wheat. The spring wheat crop of the Frairie Provinces amounts to 216,000,000 bushels. The drought of 1936 was evidently more extensive and severe than any previously recorded and caused an even greater reduction in spring wheat yields than the combined effects of rust, drought and frost in 1935. The records must be searched back to 1919 before a lower total wheat production for the Dominion is found and in that year, the seeded acreage was only three quarters of the 1936 level. The 1936 yield per acre is the lowest in 29 years of continuous annual records. The 1936 crop, however, is very high in grade and quality, partially offsetting the diminished production.

The other grain crops also suffered large reduction in comparison with the 1935 figures, but an increased acreage of flaxseed more than offset the lower yield per acre. The 1936 production of oats is estimated at 274,463,000 bushels, nearly 120 million bushels under the 1935 figure. Barley production in 1936 is given as 74,376,000 bushels, about 8½ million bushels less than in 1935. The quality of the oats and barley harvested in 1936 will be generally poorer than in 1935. The fall rye crop of 1936 is placed at 3,781,000 bushels and spring rye at 1,201,000 bushels, both far below average and the 1935 figures. With the flaxseed acreage climbing steadily back to previous levels, production in 1936 is estimated at 1,855,000 bushels compared with 1,471,600 bushels in 1935.

The main crop of hay and clover escaped the full brunt of summer drought and the 1936 production is placed at 13,619,000 tons compared with 14,060,000 tons a year ago. Large increases in the Maritimes, Quebec and British Columbia were not quite sufficient to offset the declines in Ontario and the Prairie Provinces.

Condition figures for the late-sown crops are all well below the 1935 levels and most crops have shown further declines during August, the exception being sugar beets. The other late crops promise yields 20 to 30 per cent below average. Potatoes declined another 4 points in condition during August to a figure of 77 compared with 88 a year ago. The poor yield will be in Ontario and the Prairie Provinces. The late feed crops mixed grains, corn for husking, turnips, alfalfa and fodder corndeclined in condition during the month and will be fully 25 per cent poorer than in 1935. Pasture failed sharply during July and August and at the end of the latter month had a condition of 79 compared with 93 a year earlier. Ontario and the western provinces have the poorest pastures and it is in these areas that the cured feed will be reduced most in comparison with the previous year. Some southern regions of Saskatchewan and Alberta face an acute feed shortage.

Crop Production in Canada 1936

The growing seasons in the Maritimes, Quebec and British Columbia were much more favourable than in Ontario and the Prairie Provinces. Since the grain acreage is highly concentrated in the interior, only slight offsetting of the low yields in the drought areas was accomplished by the better yields elsewhere. A different situation prevails in hay and clover and many of the late crops, where the acreage is higher in the eastern provinces. Consequently, the drought in central regions was not as effective in lowering the Dominion totals of these crops.

The Maritime Provinces experienced an extremely favourable growing period and all crops, except wheat in Prince Edward Island, show decided improvement over the 1935 figures. Hay and feed crops are particularly bountiful. Apart from a slight reduction in wheat, preliminary estimates of crop production in Quebec show increases despite cool and dry weather during August. The yield of spring grains in Ontario is far below that of 1935, mainly because of drought damage in certain counties of central, western and southern Ontario. The condition of late crops at the end of August was the lowest of any recent year, but late August rains have been very beneficial. The yield of fall wheat is about half a million bushels below the 1935 level.

In the Prairie Provinces, the 1936 season provided another example of early promise spoiled by insufficient rain and extreme heat in the growing season. Spring moisture reserves in the prairie soils were generally light and drought threatened as early as the middle of May, Heavy, general rains during the first week of June provided a temporary alleviation but when the drought really began in western Saskatchewan and eastern Alberta, the decline in crop prospects was extremely rapid, Later, the drought area was extended to cover most of the territory commonly described as the short grass plains. While the centrally-located Regina Plains escaped the severest drought. the subtraction of this territory from the drought area was more than offset by the extension of drought westward right to the foothills of Alberta and northward to the Lloydminster-Prince Albert region. In defining the situation more carefully, the serious drought area lies below a line extending mostly westward from Emerson, Manitoba, to Virden and on to Indian Head, Saskatchewan; circling south from the latter point to omit the heavy soils of the Regina Plains; then moving in a generally northern direction from Chaplin through Outlook and Saskatoon to Prince Albert, where it takes a semicircular course westward into Alberta and on through Castor and Olds to the mountains. In southern Alberta, of course, an exception must be made for the irrigated areas. The 1936 drought area is greater than that of 1933 or 1934 principally because it stretches further north in western Saskatchewan and further west in southern Alberta,

While drought damage was predominant in 1936, grasshoppers, cutworms, wireworms and sawflies were active and destructive. Rust infection was found further west than in 1935 but with drought and heat forcing maturity, the rust damage was confined to late fields. Hail was very destructive in west-central Alberta. Harvesting, threshing and marketing were exceptionally early and no frost damage has been recorded. The quality of the wheat harvest is unusually high but oats and barley are generally heavy in hull and light in test weight. These coarse grains also suffered more damage to yield; the yield of wheat in some localities with only 4 or 5 inches of rainfall since April 1 was simply astonishing. Pastures and range lands were badly burned from the middle of June on and the winter feed situation is rather desperate over a large southern area. At September 1, the extent and severity of the drought in western Canada exceed any previous condition at this date. The dryness of the soil limits even weed growth, hinders fall cultivation and reduces crop prospects for 1937.

In British Columbia, grain and hay crops are either equal to or above the 1935 production figures. Rains toward the end of August were of great benefit to pastures and late crops throughout most of the farming areas.

First Estimate of the Yield of Wheat, Oats, Barley, Rye, Flaxseed and Hay and Clover in Canada, 1936 as compared with 1935.

	in Canada	1, 1936 as co	ompared	with 1	935	
Field Crops	1935	1936	1935	1936	1935	1936
	acres	acres	bush,	bush.	bush	bush,
			per	per		
CANADA -			acre	acre		
Fall wheat	555,100	509,300	22.7	23,7	12,601,000	12,070,000
Spring wheat	23,560,600	24,778,200	11,2	8.9	264,738,000	220,903,000
All wheat	24,115,700	25,287,500	11.5	9.2	277,339,000	232,973,000
ats	14,096,200	13,117,900	28.0	20.9	394, 348,000	274,463,000
Barley	3,886,800	4,432,000	21.6	1.6.8	83,975,000	74,376,000
Fall rye	573,700	457,300	13.6	8.5	7,795,000	3,781,000
Spring rye	145,800	178,400	12.4	6.7	1,811,000	1,201,000
All rye	719,500	635,700	13.4	7.8	9,606,000	4,982,000
Flaxseed	214,400	467,800	6.9	4.0	1,471,600	1,855,000
			tons	tons	tons	tons
Hay and clover	8,697,600	8,756,800	1.62	1,56	14,060,000	13,619,000
ONTARIO -			bush	bush	bush	bush
Fall wheat	555,100	509,300	22.7	23.7	12,601,000	12,070,000
Spring wheat	98,800	98,000	18.8	17.4	1,857,000	1,705,000
All wheat	653,900	607 300	22.1	22.7	14,458,000	13,775,000
Oats	2,376,700	2,345,900	36.,0	29,2	85,561,000	68,500,000
Barley	523,000	519,200	32.2	27.1	16,841,000	14,070,000
Fall rye	59,300	53,200	17.6	16.8	1,044,000	894,000
Flaxseed	7,400	5,300	10.2	8.0	75,000	42,000
			tons	tons	tons	tons
Hay and clover	2,878,600	2,898,300	1.87	1.60	5,383,000	4,637,000

Area and Yield of Wheat, Oats, Barley, Rye and Flaxseed in the Prairie Provinces, 1934-36.

Province an	d Crop 1934	1935	1936	1934	1935	1936
PRAIRIE	acres	acres	acres	bush	bush	bush
PROVINCES -						
Wheat	23,296,000	23,293,000	24,522,000	263,800,000	259,500,000	216,000,000
Oats	9,115,000	9,478,000	8,505,000	172,040,000	244,854,000	136,408,000
Barley	2,962,000	3,187,000	3,719,000		62,625,000	55,208,000
Rye	619,000	649,300		3,664,000	8,379,000	3,887,000
Flaxseed	218,400	204,200	459,300	827,000	1,368,400	1,780,000
MANITOBA						
Wheat	2,533,000	2,587,000	2,566,000	37,100,000	22,500,000	30,800,000
Oats	1,458,000	1,434,000	1,441,000	26,752,000	30,700,000	20,451,000
Barley	1,125,000	1,121,000	1,384,000	17,298,000	23,100,000	20,760,000
Rye	87,400	107,000	93,000	1,134,000	1,816,000	1,117,000
Flaxseed	25,600	17,300	88,000	180,000	158,400	444,000
SASKATCHEWA		17 000 000	3.4.500.000	77.4 000 000	7.77 000 000	775 000 000
Wheat	13,262,000	13,206,000		114,200,000	135,000,000	117,000,000
Oats	4,625,000	4,942,000	4,610,000	64,288,000	131,951,000	63,600,000
Barley	1,088,000	1,146,000	1,299,000	12,403,000	23,149,000	17,147,000
Rye Flaxseed	346,500	374,200	326,600	1,320,000	4,967,000	1,768,000
ALBERTA-	174,700	167,500	354,300	542,000	1,055,000	1,276,000
Wheat	7,501,000	7,500,000	7,360,000	112,500,000	102,000,000	68,200,000
Oats	3,032,000	3,102,000	2,454,000	81,000,000	82,203,000	52,357,000
Barley	749,000	920,000	1,036,000	15,041,000	16,376,000	17,301,000
Rye	185,100	168,100	151,900	1,210,000	1,596,000	1,002,000
Flaxseed	18,100	19,400	17,000	105,000	155,000	60,000
2 20160000	409400	,	2.,,500	200,000	200,000	00,000

Charts Showing the Average Yields Fer Acre of Wheat in the Prairie Provinces, By Crop Districts, 1935 and 1936

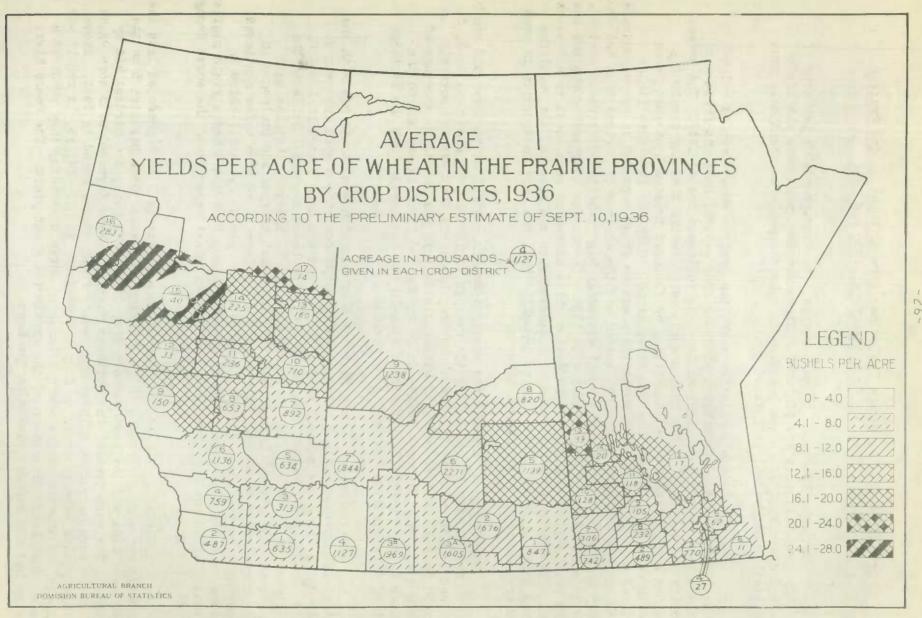
On pages 26 and 27 of this review, the average yields per acre of wheat by crop districts are pictured. Since the two crops were similar in size and distribution, it was possible to make the patterns identical, thus facilitating direct comparisons.

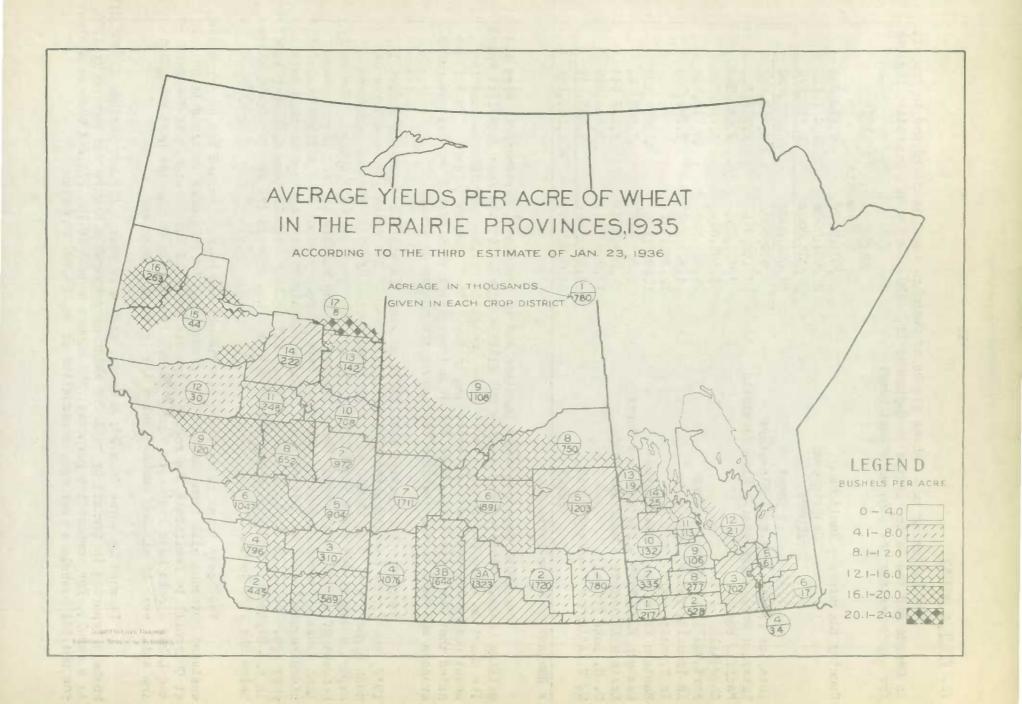
For the fourth successive year, the prairie wheat crop is below 300 million bushels. In contrast with the 1935 season, rust and frost were distinctly secondary to drought in damaging influence during 1936. The extent, severity and duration of the 1936 drought were greater than any previously recorded but the wheat crop, benefiting by favoured treatment on most farms, came through much better than the other crops. Only the late-sown fields suffered serious rust damage while there was no frost reported by correspondents up to the end of August. The dry season and the absence of serious rust and frost injury combined to produce a crop of extremely high quality and protein content. This is another point of contrast with 1935. Losses due to grasshoppers and sawflies persisted to the end of the season while wireworms were about as active as usual. Root-rots were also common in Saskatchewan and Alberta, the resulting damage being commonly attributed to drought. Hail was very destructive in some good crop areas of west-central Alberta.

Manitoba. - Drought was most evident in a strip of southern and south-western municipalities, affecting the average yields in Crop Districts 1, 2, 3, 6, 7 and 8 particularly. The northern Crop Districts that were so severely ravaged by rust in 1935 returned better yields this year although shortage of moisture was very evident. Heavy soils in the Red River Valley and on the Portage Plains (mostly Crop District 3) held the best crops, but the southern part of this district had very poor yields.

Saskatchewan. Crop District 5 of Saskatchewan stands out with the best yields in the province, in contrast to 1935 conditions when rust was so destructive along the eastern side. In southeastern Crop Districts 1 and 2, yields are slightly better than in 1935 but far below average. It is in the heavily-weighted Crop Districts 3A and B, 4 and 7, however, that the main reductions took place. Drought and heat were most extreme and prolonged in these districts. Possessing heavier soils and benefiting from a few scattered showers the central Crop District 6 had a higher yield, but still below an average crop for that area. The northeastern Crop District 8 had a yield similar to that of 1935 but Crop District 9 in the northwest experienced the worst drought in its history.

Alberta All of the Alberta Crop Districts 1 to 7 produced less than 8 bushels per acre, according to preliminary estimates, Crop District 5 on the Goose Lake Line and the southeastern Crop District 1 being the hardest hit by drought. The west-central and northern districts were favoured with more rains and crops were harvested without the severe frost damage noted in 1935. Above-average yields were recorded in Crop Districts 9, 11, 12, 14, 15, 16 and 17 and although the wheat acreages are not large in these districts, they produced a greater than usual proportion of the provincial wheat yield. The Peace River country had the highest yields in the West.





VI. VISIBLE SUPPLY.

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on September 11, 1936 along with comparative figures for approximately the same date last year:

	1936	1935
	(bushe)	ls)
Country Elevators - Manitoba	4,400,000x	4,910,254
Saskatchewan	27,600,000x	31,461,262
Alberta	17,000,000x	19,636,278
Total	49,000,000x	56,007,794
Interior Private and Mill Elevators	5,600,000x	6,638,452
Interior Public and Semi-Public Terminals	122,915	1,976,311
Pacific Ports	7,001,056	9,576,808
Churchill Churchill	1,699,845	1,798,226
Fort William and Port Arthur	32,091,058	48,736,919
In Transit, Lakes	4,809,280	3,360,908
In Transit, Rail	11,862,011	673
Eastern Elevators - Lake Ports	11,907,254	41,821,102
Eastern Elevators - St. Lawrence Ports	8,607,546	17,336,941
Eastern Elevators - Maritime Ports	1,969,272	1,839,943
U. S. Lake Ports	14,918,766	15,756,828
U. S. Atlantic Seaboard Ports	4,451,982	2,053,949
Total	154,040,985	206,904,181

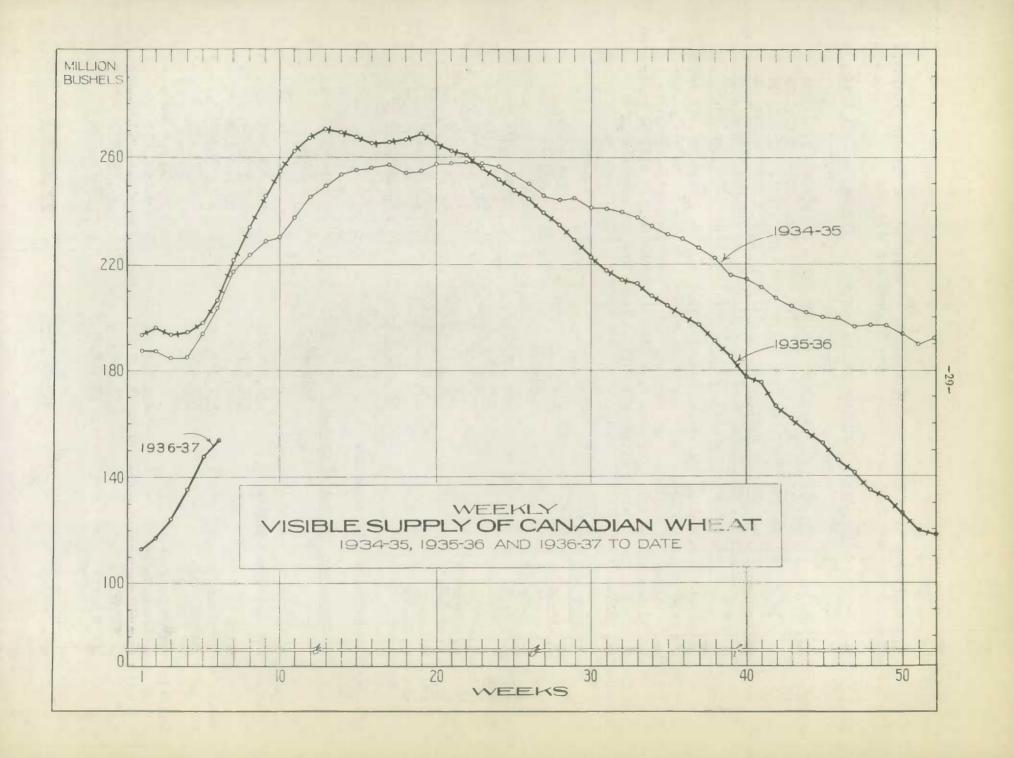
x Subject to minor revision.

Stocks of Canadian wheat in store and in transit on September 11 were 154 million bushels compared with nearly 207 million bushels at the same date last year. The chart on the opposite page depicts the change in visible supplies of Canadian wheat during the past two crop years and in the 1936—37 season to date. It will be noted that the figures this year are at a lower level than during the past two crop seasons and this should continue throughout the entire crop year.

Since the last Review was issued showing the visible supply at August 14, 1936, the figure has increased 37.6 million bushels. The primary movement reached a much higher level than it did during the same period of 1935, and the increased export movement was quite insufficient to halt the usual seasonal upturn. The early harvest of a small crop should bring the peak of the visible earlier in the season than usual. Stocks in country elevators have increased about 17.5 million bushels since August 14 and are now within 7 million bushels of the holdings at this date a year ago. Stocks in interior elevators are 2.9 million bushels less than they were in mid-September, 1935. A heavy export movement has reduced the Pacific Coast stocks below the 1935 level.

The heavy crops in northern Alberta are now being threshed and an increased westward movement will soon correct this situation. Large stocks continue to be held at Churchill to facilitate the record shipments expected this season. At the Head of the Lakes stocks have increased nearly 14 million bushels during the past month but are still over 16 million bushels below the level of a year ago.

It must be borne in mind, however, that this year's figures include 11,862,011 bushels reported in transit by rail for which no comparable figure was secured in 1935. As a result, for comparative purposes, the amount should be 142,178,974 bushels against 206,904,141 bushels a year ago, a reduction of 64,725,207 bushels.



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 1935-36:

Week ending	Manitoba	Saskatchewan B	Alberta u s h e l s	Totals	Last Year
August 7, 1936	193,920	993,963	525,623	1,713,506	1,444,683
14	1,872,513	3,290,883	1,024,812	6,188,208	1,621,021
21	2,562,927	6,562,721	1,662,164	10,787,812	2,313,638
28	4,547,566	9,215,023	1,851,294	15,613,883	4,802,509
Sept. 4	3,256,126	12,564,112	3,972,856	19,793,094	14,171,639
Totals	12,433,052	32,626,702	9,036,749	54,096,503	24,353,490

From the above table, the movement of the 1936 crop to market is over twice that for the same period in 1935. This increased movement is due to the early ripening of the crop on account of continued hot weather, and to the favourable harvesting conditions. Higher prices this year have also been an influence. It will be remembered that the purchase price of wheat fixed by the Wheat Board was not announced until September 6, 1935.

VIII. THE STATISTICAL POSITION.

Carry-over, July 31	1935-36 Bushe 203,273,016	1936-37 els
New Crop Total Supplies Domestic Requirements Available Supplies Exports, August	277,339,000 480,612,016 113,376,502 367,235,514 23,392,813	232,973,000 ¹ / 342,408,977 101,000,000 ² / 241,408,977 22,902,044
Balance for Export or Carry-over	343,842,701	218,506,933
1/ September estimate. 2/ Tentative.		
b) In Canada and the United State		3074 77
	1935-36 Bushe	<u>1936-37</u>
Carry-over, July 31 in Canada and the United States New Crop Total Supplies Domestic Requirements Available Supplies	214,977,552 277,339,000 492,316,552 113,376,502 378,940,050	128,704,298 232,973,000 361,677,298 101,000,000 260,677,298
Export Movement, August Overseas Clearances U. S. Imports Flour (as wheat) Totals	8,312,589 3,615,533 1,694,529 13,622,651	16,681,019 5,566,000 1,744,776 23,991,795
Balance for Export or Carry-over, Sept. 1.	365,317,399	236,685,503

IX. EXPORT CLEARANCES OF CANADIAN WHEAT 1936-37.

					Vancouver	United	
Week en	ding	Montreal	Sorel	Three	New West-	States	Total
	Company of the Co	Accident speeds to the state of the state of	and the second section of the section of	Rivers	minster	Ports	Clearances
				Bus	hels		
August	7	1,295,979	1,043,900		462,715	1,457,000	4,259,594
	14	1,148,667	662,963	213,920	1,129,422	502,000	4,070,378
		7 888 050	F00 000		004 700		
	21	1,373,256	308,000	_	364,130	514,000	3,195,396
	28	1,235,979	624,365	314,273	527,863	224,000	3,304,829
	~0	2,200,000	021,000	021,210	021,000	221,000	0,001,020
Sept.	5	1,397,087	205,582	-	793,604	480,000	3,449,320
	12	1,537,216	609,736	east)	617,386	234,000	4,013,329+
Tot	al	7,989,184	3,454,546	528,193	3,895,120	3,411,000	22,291,580+
Last Ye	ar	5,516,752	922,987	-	2,039,844	2,322,000	11,450,898x
	-	The second liverage and the se		520,195			The state of the s

⁺ Includes 309,856 bushels shipped from Fort-William-Port Arthur to overseas countries direct and 2,703,681 bushels from Churchill.

Overseas clearances of Canadian wheat from August 1 to September 12, 1936 have amounted to 22,291,580 bushels compared with 11,450,898 bushels in the same period of 1935. Increases are shown in all ports with the exception of Quebec, which has not registered an export of wheat so far this season. Some of the largest increases took place from Sorel, Churchill and Montreal over the same period in 1935, while the export movement overseas from the Head of the Lakes has reached the large amount of 309,856 bushels. The new elevator at Three Rivers, Que., which just opened at the beginning of the crop year shows an export of 528,193 bushels. Increases are also noted at the Pacific ports as well as the United States Atlantic ports over those of a year ago.

Imports of Wheat into the United States, 1936-37.

Week ending	For Consumption Duty Paid	For Milling in Bond Bushels	Total
August 8	1,108,000	319,000	1,427,000
15	1,119,000	166,000	1,285,000
22	1,039,000	293,000	1,332,000
29	1,257,000	265,000	1,522,000
Sept. 3	933,000	318,000	1,251,000
10	1,198,000	281,000	1,479,000
Total.	6,654,000	1,642,000	8,296,000

379 77

x Includes 49,315 bushels and 600,000 bushels shipped from Quebec and Churchill respectively.



X. EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR

The following tables show exports of wheat and flour during August, 1936 with comparative figures for preceding years:

WHEAT							
	1070 77			1077 74			
	1936-37	1935 36	1934-35	1933-34			
Assembly 1	03 157 000		n e l s)	0 050 070			
August	21,157,268	21,698,284	14,709,675	8,652,970			
September		17,272,672	17,588,359	19,666,351			
October		28,919,421	21,807,784	23,611,510			
November		26,575,296	18,769,770	23,143,958			
December		17,043,882	17,336,206	17,457,963			
Tanuary		7,557,320	5,380,226	7,088,311			
February		14,241,169	7,206,560	6,512,686			
March		13,146,185	8,906,379	10,103,240			
April		6,572,364	5,027,403	3,568,090			
May		27,316,983	11,989,891	19,023,770			
une opposed		25,763,565	6,494,622	18,425,933			
July		25,912,508	9,158,035	12,979,231			
Total		232,019,649	144,374,910	170,234,013			
		FL	OUR	CONTROL OF THE SA SECRETARIES THE SECOND			
	1936-37	1935-36	1934-35	1933-34			
	The second contract of	Married and an all the later	rels)	AND BOOK TAMBOOT			
August	387,728	376,562	412,089	480,288			
September	410	395,640	369,320	552,556			
october	3077	501,442	485 549	51.4,368			
November		525,368	504,384	547,602			
December		443,828	340,751	418,183			
Tanuary		314,311	346,099	448,498			
February		340,102	309 729	328,376			
March		476,773	497,468	493,327			
April		281,162	276,907	340,621			
May osososososos		448,653	383,221	481,725			
June		430 .17).	429,561	441,064			
July		444,905	395,232	408,028			
Total		4,978,917	4,750,310	5,454,636			
			WHEAT FLOUR	CENTRAL ANDRES COM			
	1936-37	1935-36 1934-35 1933-34					
		(B u s h e l s)					
gust	22,902,044	23,392,813	16,564,076	10,814,266			
September		19,053,052	19,250,299	22,152,853			
Ortober		31.,1.75,91.0	23,992,754	25,926,166			
November		28,939,452	21,039,498	25,608,167			
December		19,041,108	18,869 586	19,339,786			
anuary		8,971,720	6,937,672	9,106,552			
February		15,771,628	8,600,340	7,990,378			
March		15,291,663	11,144,985	12,323,211			
April		7,837,593	6,273,484	5,100,885			
May		29,335,921	13,714,385	21,191,533			
June		27,699,335	8,427,647	20,410,721			
July ,,,,,,,,,,		27,914,580	10,936,579	14,815,357			
Total		254,424,775	165,751,305	194,779,875			
		MANAGE TO A COM		The state of the s			