Mr. Skelton ✓

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# MONTHLY REVIEW OF THE WHEAT SITUATION

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## THE WORLD WHEAT SITUATION - SUMMARY

Crop developments in the Southern Hemisphere are now fairly vital to the assurance of adequate supplies to meet importers' demands during the balance of the current crop year. While rains in Argentina have favoured the prospect of an outturn in that country only moderately below normal, the infrequent and light showers reported in Australia have been entirely inadequate to prevent what promises to be a serious crop loss. As evidence of the tightening situation, the Liverpool market is particularly sensitive to the weather cables from these countries. In the main, temporary price declines have uncovered substantial buying with the result that during the past month a net gain in Liverpool futures equivalent to ten cents a bushel has been registered. Under other circumstances, the currency devaluation undertaken by several European countries, which renders wheat imports more costly in terms of their own currencies, would have precipitated a bearish movement on the Liverpool and North American markets. Such a tendency was offset, partly by the interpretation of the devaluation news as a welcome step toward currency stabilization, but mainly by the fact that western European countries are in greater need of wheat imports this season, and had already been negotiating substantial purchases before the devaluation measures were announced. Apart from the last week in September, when in the immediate uncertainty export sales were virtually at a standstill, United Kingdom and continental purchases in Winnipeg have ruled fairly brisk.

In consequence of the devaluation measures taken, between September 25 and October 19, Montreal quotations on the French franc have fallen from 6.58 to 4.65 cents, the Swiss franc from 32.5 to 22.96 cents, the Dutch guilder from 67.49 to 53.65 cents, and the Italian lira from 7.85 to 5.26 cents. All these countries are importers of Canadian wheat to greater or less degree, and without compensatory measures wheat import prices will of necessity be higher in terms of their devalued currencies. The Italian government has already announced a tariff reduction on wheat from the equivalent of $1.60 to 67 5/8 cents per bushel, and the French government, while announcing early that tariffs would be reduced in an effort to prevent rising food prices, has its wheat import policy still under consideration. Tariff reductions by themselves can hardly be expected to bring about an increase in wheat imports; a liberalization of the terms under which import licences are issued by these countries will be necessary if domestic wheat prices are to be held in check by greater competition from imported supplies.

In addition to the devaluation in the foregoing currencies, the pound sterling eased rapidly in the foreign exchange markets. The Montreal quotation fell from $5.06 on September 23 to $4.95 on the 28th and continued down to $4.8843 on October 19. This decline has added the equivalent of almost 4 cents a bushel to the cost of Canadian wheat in Liverpool.

World shipments in the current crop year continue to gain over the shipments to date in 1935-36. So far this year according to Broomhall's figures the total world movement has amounted to 116.5 million bushels, compared with 102.4 million bushels a year ago. Exports from Canada and the Danubian countries have dominated the movement to date. While it was predicted that Russia would not be an exporting country this year a small shipment of 88 thousand bushels was reported in the week of October 10. With available supplies reduced to 13.5 million bushels in Argentina and to 9.5 million bushels in Australia, it was not expected that these countries would make further shipments to Europe until the new crops are harvested. During the past week, however, Argentina shipped over a million bushels unsold to Europe, and Australia shipped a similar amount. News of these shipments helped to arrest the upward movement in Liverpool prices.

The Wheat Situation in Canada

An important feature of the wheat situation is the extreme dryness of soils in the wheat area of Western Canada. It is doubtful whether there was ever such a general seasonal dearth of soil moisture as at the present time. The same condition exists in the northern great Plains of the United States where the hard spring wheat production is concentrated. Of the 51 Class A meteorological stations reporting in the Prairie Provinces only 5 show a higher precipitation in the period April 1 to October 14, 1936 compared with the fairly dry year, 1935. As compared with the average of all stations' normal rainfall of 12.13 inches from April 1 to October 31, only 7.69 inches or 63.4 per cent has fallen to date. Deficiency of soil moisture is probably greater than the deficiency in rainfall because of the abnormally high temperatures of 1936 causing greater evaporation.

Inspections of the 1936 crop have borne out predictions that the quality this year would be unusually high. 93.5 per cent of the cars inspected during August and September, 1936 have graded No. 3 Northern or better, compared with 69.6 per cent for the same period in 1935. Only in certain districts in northern Alberta where early cutting was forced by cold weather has the quality this year been adversely affected.

Due to the sharp decrease in the primary movement within the past three weeks and the seasonally high export clearances, the visible supply of Canadian wheat appears to have reached its peak for the current crop year during the week of October 9 when 162.8 million bushels were shown in store and in transit. By October 16, the visible supply dropped to 160.7 million bushels, and barring an unexpected slackening in the export movement, the decrease will continue from now on.

Winnipeg futures have shown moderate improvement since September 19 when the October future closed at $\$1.04\frac{1}{2}$. Sharp gains were registered up to September 24 when the same future closed at $\$1.11\frac{1}{2}$. Uncertainty over the exchange situation and the news of Argentine rains accounted for a recession in the following week, but the revival in export trade and continued poor prospects in Australia restored the upward movement until a six and a half year peak of $1.14 7/8 was established on October 14. Prices have eased since then, closing at $1.12 on October 20.

Primary Movement: Up to October 9, marketings during the current crop year amounted to 106.1 million bushels, compared with 114.1 million bushels at the same date last year. Marketings this year have declined from a peak of 19.8 million bushels for the week of September 4 to 5.4 million bushels for the week of October 9.

Lake Movement: Shipments down the Lakes from the opening of navigation to October 14 amounted to 116.7 million bushels, compared with 119.2 million bushels for the same date a year ago. In the past five weeks shipments have been 1.5 million bushels greater than for the same period in 1935, although the total season's shipments are still 2.5 million below those of 1935.

Export Movement: From August 1, 1936 to October 16, overseas export clearances have amounted to 39.7 million bushels compared with 25.9 million bushels in the same period in 1935. In addition, the United States has imported for consumption and milling in bond 16.5 million bushels compared with 9.7 bushels last year. Flour exports covering the same period (partly estimated) were about 4.6 million bushels in comparison with the same amount last year. In total the 1936-37 figures to October 16 are 60.8 million bushels, and the 1935-36 figures 40.2 million bushels, showing an improvement of 20.6 million bushels or 51 per cent.

In the first eleven weeks of the crop year St. Lawrence ports have cleared 21.7 million bushels compared with 15 million bushels for the same period in 1935. Montreal has shipped 13.3 million bushels and Sorel 6.7 million bushels since August 1. Churchill clearances reached 4,293,501 bushels before the season closed, and slightly exceeded the record shipments of 4,049,877 bushels in 1934. Vancouver shipments of 7.2 million bushels for the eleven week period were 2.8 million bushels higher than in 1935, and clearances of Canadian wheat from United States ports were 6.2 million bushels, or 2.1 million bushels higher than in the same period for 1935.

Available Supplies: In calculating the present available supplies, estimated domestic requirements of 101 million bushels, export clearances to October 16 of 39.7 million bushels, United States imports of 16.5 million bushels, and flour exports as wheat of 4.6 million bushels, are deducted from the season's supplies of 361.7 million bushels in Canadian and United States positions, leaving an amount of 199.9 million bushels at present available for export or carry-over. Available supplies similarly calculated for the same date in 1935 were 338.7 million bushels, indicating that Canada has 138.8 million bushels less for export and carry-over than at this date a year ago.

## The Wheat Situation in Argentina

The second official estimate of the area sown to wheat was placed at 17,359,000 acres which was a moderate increase over the first estimate of 16,803,000 acres. There is still some feeling that the official estimate is too low, and that a figure of 17,800,000 acres would be more nearly correct. The threat to the crop from dry weather a month ago has been fairly dissipated by abundant rains which fell in the last few days in September. Broomhall cables indicated that the provinces of Santa Fe, Entre Rios and La Pampa received heavy rains on October 16, and that the important province of Buenos Aires had showers over the week end. Under the continued favourable prospects, the outlook is brighter for a yield of 215 million bushels.

Remaining exportable supplies of old-crop wheat were estimated by Broomhall last week at 13.5 million bushels. Some surprise was evidenced when over a million bushels of Argentine wheat were put afloat for "orders" to Europe during the week.

## The Wheat Situation in Australia

During the past month crop prospects in Australia have become definitely worse owing to the continued lack of rainfall. An official report on October 15 corroborated the private reports that the damage from drought, indicated earlier in western and southern Australia, had spread to the heavy producing area of New South Wales. Frost damage was also reported in New South Wales. Crop prospects in Victoria had also deteriorated somewhat, but rains had kept conditions more nearly satisfactory in this state. Rains forecasted for over the past week end proved to be showers and a Broomhall cable stated that many important areas are still without rain. Earlier in the month private forecasts of the new crop were placed as low as 115 million bushels. Whether the crop goes down to this figure or as high as 150 million bushels depends altogether on rainfall in the immediate future. Australian shipments were much heavier last week, amounting to 1.5 million bushels. The remaining surplus of old-crop wheat was estimated at 9.5 million bushels.

The Wheat Situation in the United States.

Indicated wheat production at October 1 was reduced 3 million bushels from the September 1 estimate. Total wheat production is now placed at 627,233,000 bushels, including 519,097,000 bushels of winter wheat, 7,962,000 bushels of durum wheat, and 100,174,000 bushels of other spring wheat.

Planting of the 1937 winter wheat crop is now well under way and the acreage this season promises to be up to that of a year ago, which was the second largest winter wheat acreage on record. If upward of a normal yield were to be realized on this acreage, the United States would be placed again on an export basis by the middle of next summer.

United Kingdom Wheat Imports

The outstanding feature in the month-to-month comparison of United Kingdom wheat imports has been the increasing percentage of total imports coming from Canada since last May, whereas the monthly volume of total wheat imports is being fairly evenly maintained, compared with the same months a year ago. Absence of Argentine and Russian supplies and dwindling stocks in Australia have rendered importers unusually dependent upon Canadian and Danubian supplies. To facilitate comparison, the percentages of the United Kingdom's total wheat imports coming from the several exporting countries are shown for September, 1936, together with the same month last year, and for the 1935-36 crop year.

| From | September, 1936 | September, 1935 | Aug.-July, 1935-36 |
|---|---|---|---|
| Canada | 68.7% | 42.8% | 49.8% |
| United States | - | 0.1% | 0.4% |
| Argentina | - | 15.0% | 6.2% |
| Australia | 4.8% | 10.5% | 23.2% |
| Russia | - | 21.0% | 6.9% |
| Others | 26.5% | 10.6% | 13.5% |

Included in the "others" for September, 1936 are imports of 2.5 million bushels from Roumania, 900,000 bushels from the rest of the Danube, and 385,000 bushels of Karachi Wheat from India. These amounts compare with 680,000 bushels from Australia and 9.7 million bushels from Canada in the same month.

Foreign Government Measures Affecting Wheat.

The International Institute of Agriculture a year ago commenced publishing a quarterly summary of government measures affecting prices of agricultural products including wheat. The latest issue contains information collected up to May 31, 1936 only, but the material comprises a valuable and comprehensive record of the activities of other governments with regard to domestic wheat policies and wheat imports. The following information is drawn from the summary:

Belgium: On January 16, 1936 the duty on wheat imports was fixed at 10 francs per quintal or 9 cents per bushel. Subsidies on the 1935 domestic harvest were set at 200 francs per hectare, or $2.74 per acre. The 1934 subsidy had amounted to $7.54 per acre. A decree of April 27 exempted wheat imports from the necessity of an import licence.

Denmark: Import duties on wheat are fixed periodically on a sliding scale calculated to keep the price of imported soft wheat up to 13 kroner per quintal, or 78.8 cents per bushel. Since September, 1935 prices in Denmark have been somewhat above this level, and the import duty was gradually withdrawn. On May 1, 1936 a duty of 3 kronen per quintal, or 18 cents per bushel on hard wheat was re-imposed.

Irish Free State: Beginning September 1, 1936 millers must use 33 1/3 per cent domestic wheat in milling. In the 1935-36 crop year the percentage had ranged from 25 to 21.5 per cent.

United States: The United States-Netherlands Trade Agreement effective February 1, 1936 commits Holland to imports of American wheat amounting to 5 per cent of its total wheat imports, provided United States wheat prices are in line with other wheat prices. The United States-Switzerland Trade Agreement effective February 15, 1936 gives the United States an annual quota of 4,336,000 bushels. The United States-France Trade Agreement effective June 15, 1936 affords the United States the most favoured nation treatment on all goods including wheat. In 1936 the United States is subsidizing exports of Pacific Northwest wheat flour to the Philippines up to 333,000 barrels.

France: A decree effective April 1, 1936 requires millers to use at least 40 per cent domestic wheat in milling.

United Kingdom: An order effective January 22, 1936 provides for the payment of a drawback on wheat re-exports, or shipments as stores, equivalent to the aggregate amount of the duty chargeable under Section 1 of the Ottawa Agreements Act, 1932.

Italy: Wheat imports are permitted only under Ministerial Licence. During the period of sanctions licences were issued only to non-sanctionist countries.

Poland: Export bounties on wheat have been paid since 1934. On August 5, 1935, the rate was set at 6 zlotys per quintal, equivalent to 31 cents per bushel.

Probable World Movement of Wheat and Wheat Flour, 1936-37.

In appraising the probable movement of wheat and wheat flour in international trade during 1936-37, it seems safe to work on the assumption that the full reduction in the wheat harvests of western Europe will not be translated into an increased wheat trade. The continuation of agricultural protectionism in various forms and in high degree is one factor preventing such a result, while the paucity of available funds for international purchases is another important element. Utilization of carry-overs and substitution of other grains will be evident in several countries. Despite these features, however, the effects of wet growing and harvest seasons in Europe must be felt in world markets. Necessity and provision for military needs are influences that cannot be slighted. Mr. Broomhall's figure of 392 millions for Europe will be quite justified as the season progresses and an excess over this figure would not be unexpected. Working in round numbers we feel that European requirements of 415 million bushels and an ex-European demand of 120 millions are quite possible of attainment. Should the weather in Argentina and Australia during the next three months turn more favourable and above-average yields result, then the world net exports would be exceeded by the simple process of pressing the extra supplies forward for sale. Some of this might be reflected in increased stocks on passage but in the February-July period of 1937, there would also be an actual increased movement into deficit countries. Such free selling of southern supplies is supported by past experience. On the contrary, it must be acknowledged that the excess of exportable supplies over import requirements in the 1936-37 season is very narrow and any serious damage to the main southern hemisphere crops would be reflected in a reduced world movement.

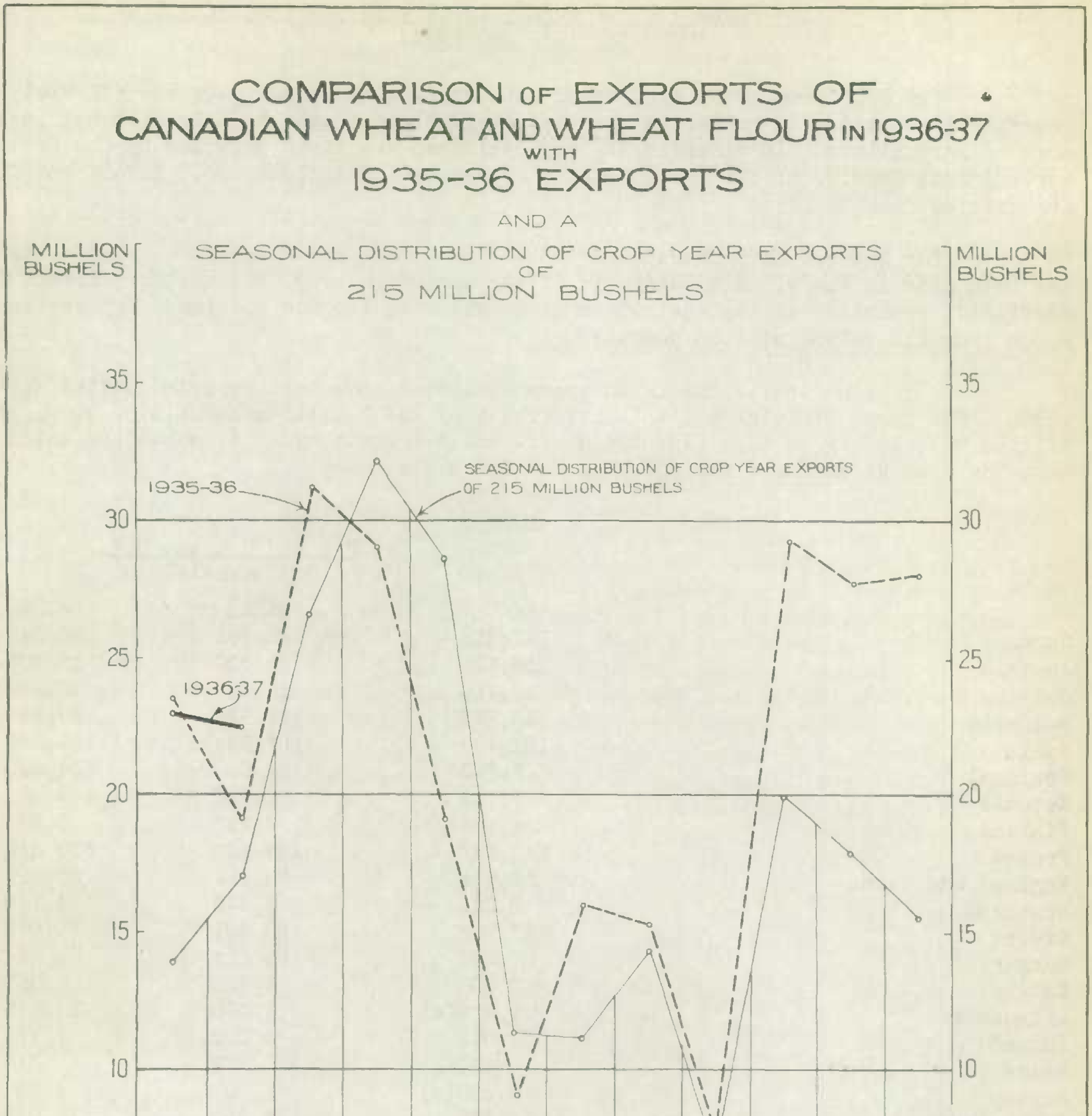
An Appraisal of the Canadian Export Position

It is very obvious that Canada cannot hope to secure the same high percentage of world trade in 1936-37 that was gained in 1935-36 - namely 47.6 per cent. In the first place, available Canadian supplies are only 261 million bushels for 1936-37 compared with 379 million bushels in 1935-36 - a reduction of 118 million bushels or 31 per cent. Secondly, the growing crops of Argentina and Australia currently promise larger returns than in 1935-36 by about 75 to 100 million bushels. Undoubtedly, the uniformly high quality of the 1936 Canadian harvest will make competitive prices in the lower grades more difficult as stocks decline with the advancing season. From Canadian supplies of 261 million bushels, 7 or 8 million bushels at least must be kept for domestic needs in August and September, 1937. Another 5 millions or more will remain on farms while further quantities will be needed to satisfy importers' demands in August and September before the 1937 crop is threshed and moved forward to export position. A carry-over of 30-35 million bushels would be regarded as a minimum or necessary allotment for the above purposes and a slightly higher figure at the end of July, 1937 is more probable and reasonable.

Estimated exports for 1936-37, covering both wheat and wheat flour, are placed at 215 million bushels leaving a carry-over of Canadian wheat in both Canada and the United States of about 45 million bushels. No great change in the crop estimate is expected that would modify such a figure significantly.

Exports of 215 million bushels would give Canada about 40 per cent of the world trade for the crop year. Low exportable supplies in the Southern Hemisphere and close adjustment of world exportable supplies to importers' requirements are two factors making it possible to secure a higher than usual proportion of the world trade. World demand is undoubtedly concentrated on Canadian wheat at Winnipeg and Liverpool at present. It is probable that the proportion of Canadian wheat shipments of 1936-37 cleared in the August-January period will be much greater than usual and that the decline from the 1935-36 records will be most evident in the months of February, March, June and July. These conclusions are based, of course upon a normal development of new crops in Argentina and Australia.

The chart on the opposite page illustrates the approximate seasonal distribution of a crop year export of 215 million bushels. This distribution is based upon the course of Canadian export trade in wheat and wheat flour by months during the ten year period 1925-26 to 1934-35. Plotted against this figure are the monthly exports in 1935-36, and the customs exports recorded in August and September 1936. August exports of 22.9 million bushels exceeded the seasonal average for that month by 9.1 million bushels, and September exports of 22.4 million bushels exceeded the average by 5.4 million bushels. Judging by the current brisk export demand and charterings from St. Lawrence ports to the close of navigation, the seasonal pattern in October and November should be well maintained. Chartering from Vancouver ports for December shipment has also been active.


COMPARISON OF EXPORTS OF
CANADIAN WHEAT AND WHEAT FLOUR IN 1936-37
WITH
1935-36 EXPORTS
AND A
SEASONAL DISTRIBUTION OF CROP YEAR EXPORTS
OF
215 MILLION BUSHELS
MILLION BUSHELS
MILLION BUSHELS
1935-36
1936-37
SEASONAL DISTRIBUTION OF CROP YEAR EXPORTS OF 215 MILLION BUSHELS
35
30
25
20
15
10
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0
AUG.
SEPT.
OCT.
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JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY

## "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 United States Department of Agriculture. Russia and China are omitted from the list.

For the Southern Hemisphere the estimates are only tentative. No change has been made in the U.S.D.A. estimate of the Argentine crop this month. Current unofficial estimates of the Australian crop, allowing for the continued dry weather, range from 115 to 130 million bushels.

Only minor revisions in European estimates have been reported during the month. The first official estimate for Franch of 244.3 million bushels is nearly two million bushels higher than reported unofficially a month ago. It should be noted that the Spanish estimate has not been revised since June.

### EUROPE

| | Production (000 bushels) | | |
|---|---|---|---|
| | 1936 | 1935 | 1934 |
| Germany | 177,328 | 171,481 | 166,547 |
| Austria | 14,700 | 15,590 | 13,305 |
| Belgium | 15,726 | 14,780 | 16,134 |
| Bulgaria | 55,775 | 47,925 | 39,595 |
| Spain | 121,490 | 157,984 | 186,836 |
| Portugal | 8,377 | 22,092 | 24,690 |
| Estonia | 2,315 | 2,267 | 3,107 |
| Finland | 4,714 | 4,233 | 3,280 |
| France | 244,342 | 284,950 | 338,513 |
| England and Wales | 53,094 | 60,592 | 65,259 |
| Scotland | 3,380 | 4,443 | 4,144 |
| Greece | 23,743 | 26,401 | 25,679 |
| Hungary | 87,291 | 84,224 | 64,824 |
| Latvia | 3,050 | 6,520 | 8,051 |
| Lithuania | 8,300(a) | 10,093 | 10,475 |
| Luxemburg | 1,022 | 1,022 | 1,171 |
| Malta | 200(a) | 179 | 310 |
| Norway | 1,300(a) | 1,707 | 1,204 |
| Netherlands | 16,472 | 16,653 | 18,042 |
| Poland | 77,895 | 73,884 | 76,441 |
| Roumania | 121,254 | 96,440 | 76,553 |
| Sweden | 22,707 | 23,611 | 28,376 |
| Switzerland | 4,703 | 5,989 | 5,342 |
| Czechoslovakia | 54,049 | 62,095 | 50,014 |
| Yugoslavia | 107,437 | 73,101 | 68,328 |
| Italy | 238,800(a) | 283,883 | 233,064 |
| Denmark | 12,900(a) | 14,672 | 12,847 |
| Irish Free State | 9,500(a) | 6,687 | 3,803 |
| Northern Ireland | 250(a) | 362 | 363 |
| Albania | 2,000(a) | 2,000 | 1,579 |
| | 1,494,114 | 1,575,860 | 1,547,876 |

(a) Source: United States Department of Agriculture.

| | Production (000 bushels) | | |
|---|---|---|---|
| | 1936 | 1935 | 1934 |
| | | **North America** | |
| Canada | 232,973 | 277,339 | 275,849 |
| United States | 627,233(a) | 623,444 | 526,393 |
| Mexico | 13,007 | 10,279 | 10,950 |
| Totals | 873,213 | 911,062 | 813,192 |
| | | **North Africa** | |
| Tunis | 7,716 | 16,534 | 13,779 |
| Morocco (French) | 15,542 | 20,036 | 39,586 |
| Algeria | 28,476 | 33,532 | 43,528 |
| Egypt | 45,378 | 43,222 | 37,277 |
| Totals | 97,112 | 113,324 | 134,170 |
| | | **Asia** | |
| Palestine | 3,500(a) | 3,785 | 3,050 |
| Syria and Lebanon | 18,000(a) | 20,043 | 13,438 |
| Chosen | 9,000(a) | 9,747 | 9,268 |
| India | 352,219 | 363,179 | 351,829 |
| Japan | 46,223 | 48,721 | 47,660 |
| Turkey | 80,281 | 92,640 | 99,711 |
| Totals | 509,223 | 538,115 | 524,956 |
| | | **Southern Hemisphere** | |
| Argentina | 215,000(a) | 141,021 | 240,669 |
| Australia | 120,000 | 142,308 | 133,394 |
| Union of South Africa | 12,000(a) | 20,209 | 15,343 |
| Totals | 347,000 | 303,538 | 389,406 |

Summary

| | 1936 | 1935 (000 bushels) | 1934 |
|---|---|---|---|
| Europe | 1,494,114 | 1,575,860 | 1,547,876 |
| North America | 873,213 | 911,062 | 813,192 |
| North Africa | 97,112 | 113,324 | 134,170 |
| Asia | 509,223 | 538,115 | 524,956 |
| Southern Hemisphere | 347,000 | 303,538 | 389,406 |
| Totals | 3,320,662 | 3,441,899 | 3,409,600 |

(a) Source: United States Department of Agriculture.

## THE UNITED STATES.

On October 9, the Crop Reporting Board of the United States Department of Agriculture issued its general crop report as of October 1. Total wheat production is placed at 627,233,000 bushels, which is approximately 3 million bushels less than the September 1 estimate. Durum wheat was lowered by 678,000 bushels, and other spring wheat by 2,330,000 bushels. No change in the winter wheat estimate was shown. The following table from the report shows wheat production by classes, from 1929 to 1936:

Wheat Production by Classes, United States, 1929-36.

| Year | WINTER | | SPRING | | White (Winter & Spring) | Total |
|---|---|---|---|---|---|---|
| | Hard red | Soft red | Hard red | Durum 1/ | | |
| | Thousand bushels | | Thousand bushels | | Thousand bushels | |
| 1929 | 371,076 | 164,400 | 145,621 | 57,117 | 85,003 | 823,217 |
| 1930 | 403,609 | 179,692 | 157,378 | 59,522 | 86,269 | 886,470 |
| 1931 | 509,411 | 261,787 | 72,439 | 22,099 | 71,095 | 936,831 |
| 1932 | 280,450 | 159,214 | 189,939 | 42,252 | 85,072 | 756,927 |
| 1933 | 176,997 | 162,313 | 106,469 | 17,816 | 88,088 | 551,683 |
| 1934 | 207,860 | 188,602 | 53,279 | 6,891 | 69,761 | 526,393 |
| 1935 | 202,824 | 203,872 | 107,655 | 23,878 | 85,217 | 623,444 |
| 1936 2/ | 259,670 | 207,369 | 52,449 | 8,553 | 99,192 | 627,233 |

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

The following comments on the crop estimates and farm stocks of wheat are quoted from the report:

"Production of all spring wheat is estimated at 108,136,000 bushels compared with 159,241,000 bushels produced in 1935 and the 5-year (1928-32) average of 241,312,000 bushels. The present estimate shows a reduction of about 2.7 per cent from that of last month, most of this reduction being in Montana, where present indications point to greater abandonment than was previously expected.

"Production of durum wheat in 4 States is estimated at 7,962,000 bushels, compared with 22,957,000 bushels produced in 1935 and the 5-year (1928-32) average of 54,020,000 bushels. Production of other spring wheat is placed at 100,174,000 bushels, compared with 136,284,000 in 1935 and the 5-year (1928-32) average of 187,292,000 bushels.

"Adding the current estimate of spring wheat production to the August estimate of winter wheat production gives a total wheat production in 1936 of 627,233,000 bushels compared with 623,444,000 in 1935 and the 5-year (1928-32) average of 863,564,000 bushels.

"Farm stocks of wheat on October 1, 1936, including new wheat from the current year's crop, totaled 227,098,000 bushels or 36.2 per cent of the 1936 production. Holdings October 1 a year ago were 267,972,000 bushels or 43.0 per cent of the 1935 crop. The 5-year (1928-32) average farm stocks on October 1 were 408,268,000 bushels. The fact that both the current year's crop and the 1935 crop were below normal resulted in reduced stocks on October 1 this year."

Although the first official estimate of the winter wheat acreage now being planted will not be made until December, current indications are that the planting now in progress will equal or exceed the winter area sown in the autumn of 1935. Last year's sown winter wheat area amounted to 47,529,000 acres, the second largest area on record. Heavy abandonment reduced the harvested area this summer to 33,353,000 acres. The potentialities of another large winter wheat area are described in the following paragraphs quoted from World Wheat Prospects, issued by the United States Department of Agriculture:

"Another large wheat acreage is in prospect in the United States, prompted by more attractive prices than at seeding time last year and this spring. Seedings of both winter and spring wheat for harvest in 1936 were approximately 74,500,000 acres, the largest on record except for 1919. Abandonment and crop loss due to unfavorable weather, however, were exceptionally large and resulted in small production. If yields of the crop for harvest in 1937 turn out to be one-fourth below average, the same acreage as seeded for harvest in 1936 would produce fully enough wheat for total domestic utilization. However, if yields should turn out to be near average or above, production would be in excess of domestic requirements and prices in the United States would fall to export levels.

"Winter wheat seeding is making good progress generally, and the early seeded grain is coming to a good stand. During the past month the winter Wheat Belt, except in some northwestern districts and in the Pacific Northwest, has generally received sufficient rain to condition the soil properly for seeding, germination and early growth."

## AUSTRALIA

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

"Wheat and flour shipments from December 1st to week ending October 7th totaled 84,897,680 bushels compared with 88,849,352 for the previous year. The market has continued very firm during the past month and recent unfavourable weather throughout the wheat-growing areas has reduced traders' preliminary estimate to about 130 million bushels. The weather is still dry and crops are deteriorating. Daily prices have advanced to about four shillings eight pence per bushel at country sidings Australian currency for old crop wheat, equivalent to ninety cents Canadian and five shillings two pence halfpenny FOB steamer. The new crop is nominally quoted two pence per bushel cheaper, but growers are not inclined to sell. The export flour market is featureless with Australian millers not anxious to sell flour for export. Export quotations are nominally ten pounds twelve shillings six pence a ton (2000 pounds) in 150 pound sacks, equivalent to forty-one dollars thirty-five cents Canadian and ten pounds seventeen shillings six pence in 49 pound bags. Owing to the scarcity of steamers for October November loading, owners have been able to command a premium over schedule rates and the minimum schedule has been increased by one shilling three pence per ton for full cargoes. Chartering for the new crop is not yet active, and is held up by unfavourable weather conditions."

## ARGENTINA

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of October 1, 1936, dealing with the grain situation in Argentina:

## Crop Conditions

Fine winter weather prevailed in the Republic during most of the month of September, with a tendency to undue dryness in places. The south, west and northern parts of the cereal zone were all rather in need of rain until the middle of the month; but a fair amount of precipitation then relieved southern Buenos Aires and the south Pampa, and on the 28th further rains, generous in many parts, covered almost the whole of the cereal region, including the dry section in the north; so that practically every district where grain is grown has had some moisture during the month.

On the night of the 22nd, with the ushering in of Spring according to the calendar, the province of Buenos Aires, the Pampa, Cordoba and the south of Santa Fe were all visited by frosts, mostly light, although in some places the temperature reached down to 5 and 6 degrees Centigrade below freezing point. It is not thought that the wheat and linseed crops have been seriously affected by the frosts, although it may be found that low spots have been damaged here and there. But neither of these crops is in a stage of development where frosts are greatly to be feared. Another factor making for safety is that, in this part of Buenos Aires at any rate, a very high wind prevailed throughout the night and the stagnation of the air, which can make a frost so deadly in its effects, was lacking.

The condition of the wheat crop generally can be said to be good throughout the country, and in the southern districts very good. Mostly the linseed is fairly good, but in places there is room for improvement, which recent rains will doubtless promote. Further rains in the not too distant future will be welcome almost everywhere.

With the exception of a little late linseed, seeding of these crops has been completed.

Work on the new maize crop is well advanced, and much of the seed is in the ground already. It is of course still early in the season for this grain to be planted.

The dry weather of the past month has enabled good progress to be made with the shelling of the old maize crop, but the necessity of artificially drying the grain still makes the movement somewhat slow.

Below are given extracts from the monthly official crop report, which made its appearance on the 19th and therefore does not cover the full month. The above notes will serve to supplement the information officially furnished.

Wheat & Linseed: Buenos Aires: Throughout the province the cold weather checked the excessive leafage growth in the wheat and encouraged root development, which is excellent. As germination was uniform, thanks to the satisfactory soil humidity, the fields present an even appearance. In the north, in spite of the backwardness with which the planting of wheat was started, the condition is good. Throughout the zone there is an evident need of rain, especially for the late-sown wheat, and even more in the light soil districts adjoining the Pampa, to offset the action of the winds. Linseed sowing is finished in the west, but not in the rest of the province. In the north is is hoped that before the end of the month the time lost will be recovered, which would make it possible to complete the normal acreage of the zone. In the southwest, because of the difficulty in ploughing and for fear of frosts, seeding is being delayed, and in the central east some dairymen, as is customary in most years, are ploughing up land which has been pastured up to the present, to sow in October with quick growing linseed. In the south lack of moisture is observable in the fields last seeded; but in the remainder of the province the condition is excellent. No frost damage is to be seen. Santa Fe: In general the condition of the wheat fields is excellent, the germination having been even. In the north there are very early fields which are beginning to head and altogether it is estimated that half the area sown is in stalk. On the other hand in the south it is more backward. In the north the wheat requires rain more urgently than in the south. Locusts have stripped some fields in the northern zone; good rains will make good the damage. With the exception of some small fields which remain to be sown, planting of linseed is finished in the province. The work has been done under good conditions, although with some haste in the south on account of the advanced season. Germination has been normal. 20% of the northern fields are flowering and are in danger of damage from frost which may appear any time. The half grown fields are those which look the best and their crop can be regarded as safe if it should rain within a few days. As for the more backward fields, which include most of those in the south, an abundant rain is rather urgently needed. Cordoba: The yellow colour of the wheat in this province shows the effect of the drought, but the good root development of the plants enables them to resist the lack of moisture. There has been a small loss of area in one district caused by the earth baking as a consequence of the strong sun which followed the rains that fell during seeding. Locusts have also caused damage, but of little account, in isolated spots in the centre. The general condition of the linseed is deficient, because besides the drought it has been affected by frost, especially in the west, where it has been necessary to resow some fields. As in the case of wheat, locusts have damaged some of the linseed fields, setting them back. Entre Rios: Wheat seeding has terminated. There was no lack of seed; but on the contrary some colonists did not use what was advanced by the government, on account of the impossibility of preparing the land. The condition of the wheat is below normal because of the lateness of the seeding and the subsequent lack of rains; and the depredations of locusts have made the prospects for the moment look doubtful. Linseed looks well in the south-east but elsewhere the condition is defective, the germination having been uneven. There is need of an abundant rain and the backwardness of growth may permit serious damage by the young locusts. The Pampa: Although there has been a lack of rain and an abundance of strong winds, the condition of the wheat fields is generally satisfactory except in the north-west of the territory, where it is only fair. There is a thick growth in the fields, with strong plants, some of them well advanced in their development, but there is an evident need of rains.

## Wheat Supplies and Market Conditions

Exports of wheat and flour in September showed a marked increase over those of the previous month. 4,380,000 bushels of wheat and 155,000 bushels of flour, a combined total of 4,535,000 bushels were shipped, against 2,860,000 bushels in August.

The statistical position is now as follows:-

| | | |
|---|---|---|
| Second official estimate 1935-36 crop ..... | 139,626,000 | bushels |
| Carry over from 1934-35 crop .............. | 19,138,000 | " |
| Total supplies ......................... | 158,764,000 | " |
| Deduct for probable overestimate ........... | 5,071,000 | " |
| Revised net total ...................... | 153,693,000 | " |
| Deduct for seed & domestic needs ........... | 95,534,000 | " |
| Exportable balance ..................... | 58,189,000 | " |
| Shipped to Sept. 30th: wheat 37,240,000 bushels; flour 1,295,000 " | 38,535,000 | " |
| Still available for export ............... | 19,624,000 | " |

There was not much business passing in wheat during the past month. As the statement above shows, the surplus still on hand is comparatively small, and most of it will be required for Brazil and neighbouring countries and the Argentine mills. The U. K. shows no interest whatever in Plate wheats. The Continent bought in limited quantities only, for shipment to Antwerp. Local millers picked up in the market whatever lots they could find suitable to their requirements, and a quantity was released by the official Board for sale to them, and further quantities for shipment to Brazil. Reports of frosts, drought and rains caused fluctuations to a mild extent, and the month closed with prices a shade weaker, Spot wheat (No. 2 soft, 64 lbs. per bushel) being quoted at 10.80 pesos per 100 kilos (equivalent to 97 3/8c. Canadian per bushel at current official rates of exchange), and the December option at 10.60 (95 3/4c.). This compares with 105 1/8c., the Winnipeg close for December on the same day. Unofficially, wheat of the new crop was being traded in at 10.30 per 100 kilos for January delivery.

Argentine Flour Milling and Exports

A record volume of wheat flour was produced in the Republic during the year 1935, according to an official report recently given to the public. 52,761,000 bushels of flour were manufactured, which exceeds by 768,000 bushels or 1.5% the production of 1934; and the sub-products, which totalled 21,089,000 bushels, showed an excess of 449,000 bushels, or 2.2% over those of the previous year. The quantity of wheat used by the mills was 74,409,000 bushels, which was 1,152,000 bushels more than in 1934. The yield of flour obtained in 1935 was slightly lower than that of 1934, but diminution was only 0.1 per cent.

The exportation of wheat flour in 1935 totalled 3,254,000 bushels, which, compared with 1934, shows a drop of 803,000 bushels, or 19.8%. Exports to Brazil, the principal customer, showed a heavy decrease, being only 1,227,000 bushels, as compared with 2,460,000 bushels in 1934, a difference of 50.1%. But this reduced volume in the case of flour is offset by higher exports of wheat to Brazil, which reached the satisfactory figure of 32,844,000 bushels in 1935, or 3,376,000 bushels more than in 1934.

The consumption of flour per capita in Argentina is increasing. The 1935 average was 108.9 kilograms, 2 kilograms more than in 1934. For the 5 year period 1931-35 the average was 106 kilograms, and the previous 5 year period, 1926-30, 102.8 kilos.

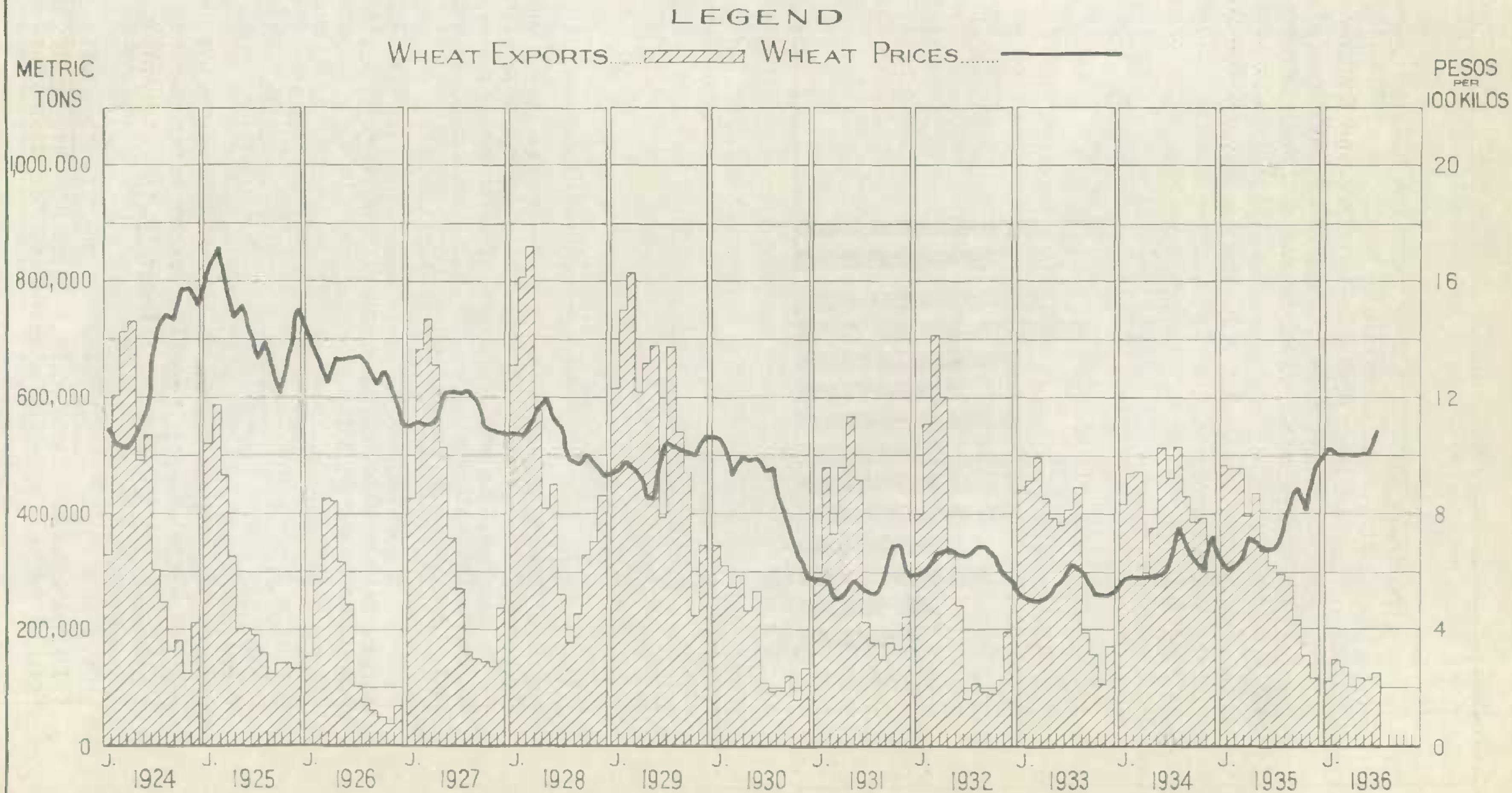
Argentine Monthly Wheat and Flour Exports - 1924-36.

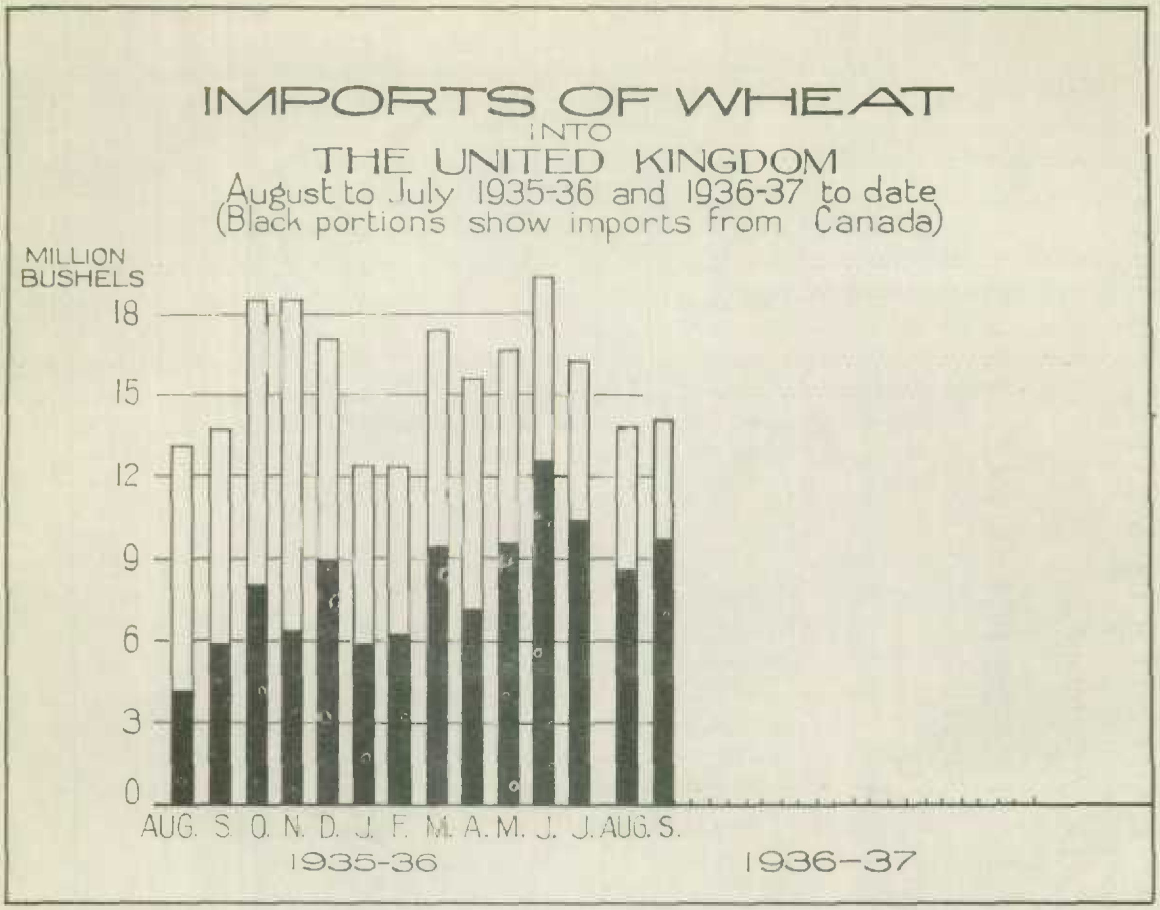
The chart on the opposite page showing monthly exports of wheat, and flour as wheat, from Argentina is taken from the July issue of the Boletin Mensual de Estadistica Agropecuaria (Monthly Bulletin of Agricultural Statistics) published by the Argentine government.

The shipments are shown in metric tons - one metric ton being equivalent to 36.7431 bushels. The price curve super-imposed on the chart is expressed in paper pesos per metric ton. These are Buenos Aires pieces, their conversion to cents per bushel being rendered difficult by the frequently changing quotations on the peso over the period.

It is very interesting to compare the strong seasonal movement up to 1933 with the timing of the seasonal movement of Canadian wheat exports shown in the chart on page 7 of this Review.

MONTHLY ARGENTINE WHEAT EXPORTS IN METRIC TONS
INCLUDING
WHEAT FLOUR AS WHEAT
AND
MONTHLY AVERAGE WHEAT PRICES IN PESOS PER 100 KILOGRAMS
1924 – 1936






## The United Kingdom

Imports of wheat into the United Kingdom during the month of September, 1936, were slightly higher than during the preceding month and in the corresponding month last year. Imports during September amounted to 14,168,399 bushels compared with 13,968,046 bushels in August, 1936, and 13,688,185 bushels in September, 1935.

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

| | August-July 1935-36 | July 1936 | August 1936 | September 1936 |
|---|---|---|---|---|
| | | Bushels | | |
| From: | | | | |
| Canada .......... | 95,004,814 | 10,494,636 | 8,795,417 | 9,727,661 |
| United States .. | 648,003 | - | - | - |
| Argentina ...... | 11,887,471 | - | 7,250 | 15 |
| Australia ...... | 44,168,234 | 3,520,337 | 2,227,446 | 679,509 |
| Russia .......... | 13,182,976 | - | - | - |
| Others .......... | 25,770,282 | 2,219,521 | 2,937,933 | 3,761,214 |
| Total ........ | 190,661,780 | 16,234,494 | 13,968,046 | 14,168,399 |
| Previous year .... | 188,626,909 | 15,857,532 | 13,141,987 | 13,688,185 |

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

| | September, 1936 | September, 1935 |
|---|---|---|
| | bushels | |
| From: | | |
| Canada .............. | 9,727,661 | 5,862,095 |
| United States ........ | - | 8,000 |
| Argentina ........... | 15 | 2,055,381 |
| Australia ........... | 679,509 | 1,438,680 |
| Russia .............. | - | 2,874,418 |
| Others .............. | 3,761,214 | 1,449,611 |
| Total ............... | 14,168,399 | 13,688,185 |

The above table shows that total imports of wheat into the United Kingdom during September, 1936 were slightly higher than during September, 1935. Imports from Canada amounted to 9,727,661 bushels this year as compared with 5,862,095 bushels for the corresponding month last year. Argentine imports amounted to only 15 bushels compared with 2,055,381 bushels for the same month in 1935. The United Kingdom imported 8,000 bushels of wheat from United States and 2,874,418 bushels from Russia during September, 1935 while during September, 1936 imports from these countries were nil.

The following table shows imports of wheat into the United Kingdom during the months of August and September, 1936 and 1935:

| | 1936 | 1935 |
|---|---|---|
| | August-September | August-September |
| | bushels | |
| From: | | |
| Canada .............. | 18,523,078 | 10,060,129 |
| United States ........ | - | 647,990 |
| Argentina ........... | 7,265 | 5,329,346 |
| Australia ........... | 2,906,955 | 3,343,609 |
| Russia .............. | - | 3,434,809 |
| Others .............. | 6,699,147 | 4,014,289 |
| Total ............... | 28,136,445 | 26,830,172 |

It will be noted that total imports of wheat into the United Kingdom amounted to 28,136,445 bushels during the August-September period in 1936 as compared with 26,830,172 bushels during the same months last year. The table further shows that imports from the Argentine were only 7,265 bushels compared with 5,329,346 bushels for the corresponding period last year. Imports from Canada were 8.4 million bushels higher during the August-September period in 1936 compared with 1935.

## INTERNATIONAL TRADE

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

| Week Ending | | North America | Argentina | Australia | Russia | Other | Total |
|---|---|---|---|---|---|---|---|
| | | (Thousand Bushels) | | | | | |
| 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 | - | 2,648 | 9,744 |
| September | 5 | 5,072 | 808 | 1,360 | - | 2,000 | 9,240 |
| | 12 | 5,624 | 1,336 | 960 | - | 4,080 | 12,000 |
| | 19 | 6,048 | 952 | 1,840 | - | 3,552 | 12,392 |
| | 26 | 4,744 | 792 | 2,176 | - | 3,176 | 10,888 |
| October | 3 | 5,368 | 1,152 | 1,376 | - | 3,616 | 11,512 |
| | 10 | 6,487 | 463 | 791 | 88 | 2,392 | 10,221 |
| | 17 | 4,420 | 1,558 | 1,526 | - | 2,864 | 10,368 |
| TOTAL | | 61,491 | 10,213 | 15,365 | 88 | 29,344 | 116,501 |
| Comparative 1935-36 | | | | | | | |
| Corresponding Week | | 3,928 | 1,368 | 2,504 | 2,920 | 1,040 | 11,760 |
| Total to Date | | 35,096 | 26,290 | 18,629 | 13,472 | 8,872 | 102,359 |

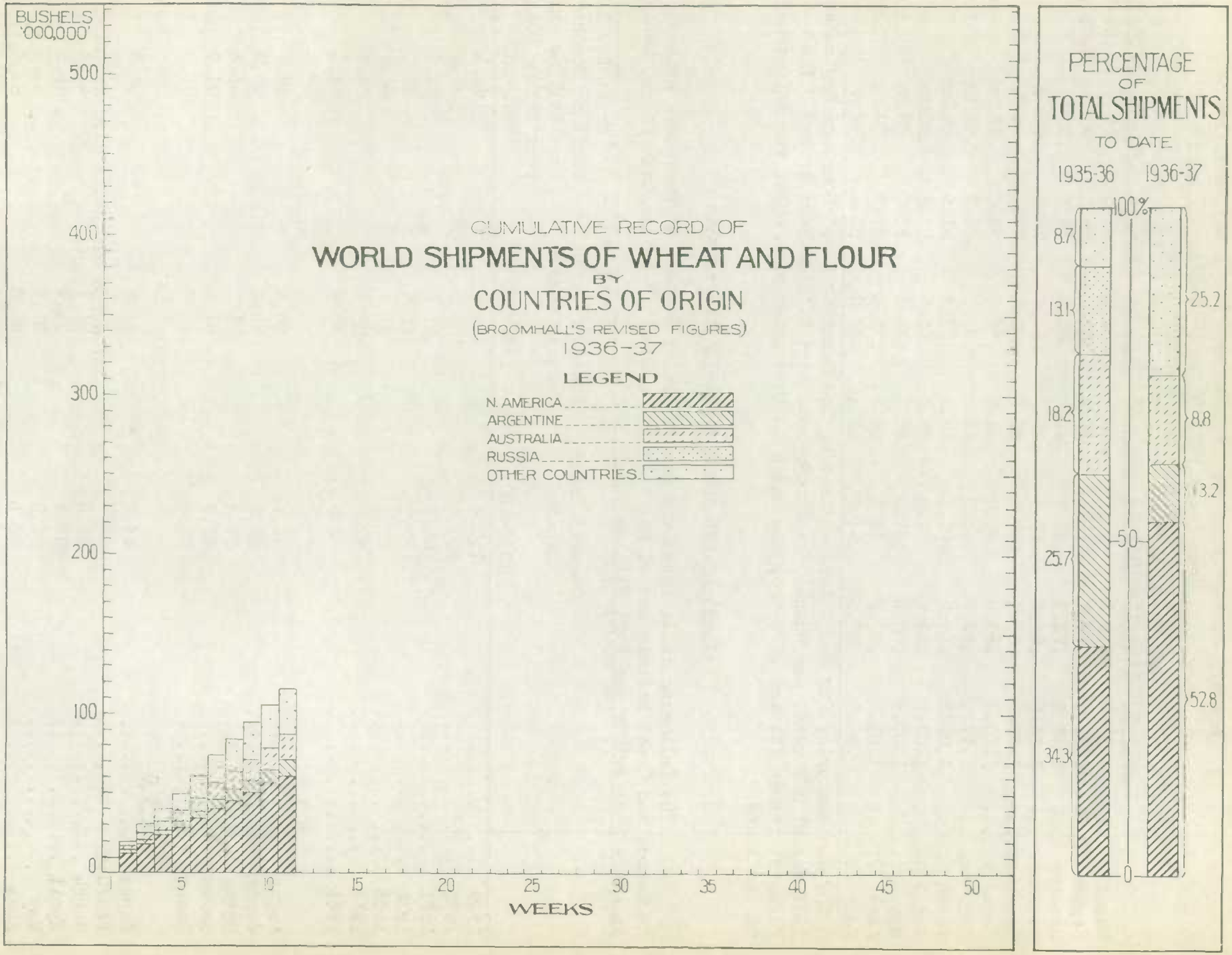
An increase of 14.1 million bushels or 13.8 per cent took place in world shipments during the first eleven weeks of the new season in comparison with a similar period of the previous crop year. The greater part of this increase was recorded in North American shipments, rising from 35.1 million bushels a year ago to 61.5 million bushels this year. "Other" countries, principally Danubian, also show a large increase from 8.9 to 29.3 million bushels. The first shipment from Russia this year was recorded in the week of October 10. At this date a year ago the latter country had exported 13.5 million bushels. Australian and Argentine shipments are 3.2 and 16.1 million bushels lower respectively than at the same date in 1935.

### The Position of the Import Requirements Estimate

(Mr. Broomhall's Estimate)

| Estimated Import Requirements | Actual Shipments | Balance to be Shipped |
|---|---|---|
| Aug. 1, 1936 to July 31, 1937<br>(52 weeks)<br>512 million bushels<br>or<br>9.8 million bushels<br>weekly | Aug. 1,1936 to Oct.17,1936<br>(11 weeks)<br>116.5 million bushels<br>or<br>10.6 million bushels<br>weekly | Oct. 17,1936 to July 31,1937<br>(41 weeks)<br>395.5 million bushels<br>or<br>9.6 million bushels<br>weekly |

During the first eleven weeks of 1936-37 world shipments have amounted to 116.5 million bushels, or an average of 10.6 million bushels per week. In order to fulfil the world estimate of 512 million bushels, weekly shipments will have to average 9.6 million bushels per week for the balance of the cereal year. It is quite probable, however, that this average will be exceeded, and that world shipments will reach a figure nearer 535 million bushels by the end of the crop year.


CUMULATIVE RECORD OF
WORLD SHIPMENTS OF WHEAT AND FLOUR
BY
COUNTRIES OF ORIGIN
(BROOMHALL'S REVISED FIGURES)
1936-37
LEGEND
N. AMERICA
ARGENTINE
AUSTRALIA
RUSSIA
OTHER COUNTRIES
BUSHELS '000,000'
500
400
300
200
100
0
1
5
10
15
20
25
30
35
40
45
50
WEEKS
PERCENTAGE OF TOTAL SHIPMENTS TO DATE
1935-36
1936-37
100%
50
0
8.7
13.1
18.2
25.7
34.3
25.2
8.8
13.2
52.8

Monthly Average Winnipeg Cash Price - No. 1 Northern Wheat, Crop Years 1929-30 to 1936-37
(Dollars per Bushel)

| | 1929-30 | 1930-31 | 1931-32 | 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 |
| September .. | 1.49.5 | .78.1 | .53.6 | .51.9 | .67.2 | .82.3 | .90.3 | 1.03.9 |
| October .... | 1.41.4 | .72.5 | .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 | |
| January .... | 1.30.5 | .53.9 | .60.0 | .44.2 | .65.0 | .79.0 | .84.8x | |
| February ... | 1.17.4 | .59.3 | .63.2 | .45.8 | .65.6 | .79.5 | .82.1x | |
| March ...... | 1.06.2 | .56.7 | .63.1 | .49.1 | .66.4 | .81.9 | .82.1x | |
| April ...... | 1.09.8 | .59.7 | .62.6 | .53.6 | .65.5 | .87.6 | .80.5x | |
| May ........ | 1.07.9 | .60.6 | .62.9 | .63.3 | .70.6 | .85.7 | .76.8x | |
| June ....... | 1.03.2 | .60.8 | .55.1 | .66.8 | .77.1 | .81.7 | .79.5x | |
| July ....... | .95.1 | .57.3 | .54.7 | .83.4 | .82.0 | .81.4 | .93.4 | |

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).

| | General Index Canada 1930=100 | Board of Trade United Kingdom 1930=100 | Wheat No. 1 Manitoba Northern Fort William and Port Arthur basis 1930=100 |
|---|---|---|---|
| 1929 ............... | 110.4 | 114.3 | 142.5 |
| 1930 ............... | 100.0 | 100.0 | 100.0 |
| 1931 ............... | 83.3 | 87.8 | 62.4 |
| 1932 ............... | 77.0 | 85.6 | 59.0 |
| 1933 ............... | 77.5 | 85.7 | 64.8 |
| 1934 ............... | 82.7 | 88.1 | 79.4 |
| 1935 ............... | 83.3 | 88.9 | 89.6 |
| **1 9 3 5** | | | |
| August ............. | 82.7 | 88.4 | 89.7 |
| September .......... | 83.5 | 89.6 | 95.9 |
| October ............ | 84.4 | 91.1 | 96.4 |
| November ........... | 83.9 | 91.2 | 91.0 |
| December ........... | 83.8 | 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 |
| April .............. | 83.4 | 91.9 | 85.5 |
| May ................ | 82.9 | 91.9 | 81.5 |
| June ............... | 83.5 | 92.6 | 84.4 |
| July ............... | 85.9 | 93.6 | 99.2 |
| August ............. | 88.0 | 95.2 | 108.5 |
| September .......... | 88.2 | - | 110.3 |

≠ Prepared by the Internal Trade Branch

## FOREIGN EXCHANGES.

The outflow of gold from Paris persisted during the third week in September and the situation regarding devaluation of the French franc became more acute. Arrangements for a record day's shipment of $43,532,000 in gold from Paris to New York were barely completed when on September 25, the French Finance Minister stated that a bill providing for devaluation would be submitted to the Chamber of Deputies. Exchanges were closed and an embargo placed on gold exports, but action on the part of the British and the United States stabilization funds was credited with preventing serious market dislocations. On the following Monday (September 28) official assent to a reduction in the gold content of the franc from 65.5 milligrams 0.900 fine to between 49 and 43 milligrams, was reported. Other currencies were disorganized and quickly following upon the action of France, Switzerland and Holland moved to reduce the gold content of their currencies, the Swiss devaluation being set at from 34½ to 26% and the Dutch guilder is to be permitted to seek its own level. On October 5, the Italian government reduced the gold content of the lira from 7.919 grams to 4.677 grams and later several countries whose currencies had been pegged to the franc decided to link up with sterling. A pact between France, United States and Great Britain permitting the free shipment of gold for stabilization purposes was announced on October 12. The British £ at Montreal declined from $5.06 on September 23 to $4.95 on the 28th and continued downward till October 8 when apparently a point of resistance was reached at about $4.90, in which neighbourhood it has remained till the present (October 15). The French franc dropped from 6.6¢ on September 25 to 5.8¢ on the 29th and 4.95¢ on 30th. Thereafter the recession was more gradual to 4.7¢ on October 2 and little fluctuation has been apparent during the last thirteen days. Between September 25 and October 15 the Italian lira fell from 7.9¢ to 5.3¢.

In order to show the movement in the exchange rates during the period of devaluation, daily Montreal quotations from September 23 to October 19, are given below. On the next page are given the Monday Average Montreal quotations which ordinarily appear below on this page.

Exchange Quotations at Montreal, September 23 to October 19, 1936.

| | | United Kingdom Pounds | United States Dollar | Australia Pounds | Argentina x Paper Peso |
|---|---|---|---|---|---|
| | | 4.8667 | 1.0000 | 4.8667 | .4244 |
| September | 23 | 5.0612 | .9988 | 4.0489 | .2844 |
| | 24 | 5.0567 | .9988 | 4.0453 | .2839 |
| | 25 | 5.0230 | 1.0000 | 4.0184 | .2810 |
| | 28 | 4.9450 | 1.0000 | 3.9560 | - |
| | 29 | 4.9500 | 1.0000 | 3.9600 | - |
| | 30 | 4.9462 | 1.0000 | 3.9570 | - |
| October | 1 | 4.9350 | 1.0000 | 3.9480 | .2770 |
| | 2 | 4.9281 | .9994 | 3.9425 | .2783 |
| | 3 | 4.9263 | .9988 | 3.9411 | - |
| | 5 | 4.9169 | .9994 | 3.9335 | .2772 |
| | 6 | 4.9041 | .9997 | 3.9235 | .2779 |
| | 7 | 4.8885 | .9994 | 3.9108 | .2774 |
| | 8 | 4.8923 | .9994 | 3.9139 | .2773 |
| | 9 | 4.9019 | .9994 | 3.9215 | .2768 |
| | 10 | 4.9060 | .9997 | 3.9248 | - |
| | 13 | 4.8997 | .9997 | 3.9198 | .2789 |
| | 14 | 4.8929 | 1.0000 | 3.9143 | .2780 |
| | 15 | 4.8950 | 1.0000 | 3.9160 | .2770 |
| | 16 | 4.8930 | 1.0000 | 3.9140 | .2775 |
| | 17 | 4.8900 | 1.0000 | 3.9120 | - |
| | 19 | 4.8843 | 1.0000 | 3.9075 | .2770 |

x Unofficial rates - about 6 cents below official rates.

Monday Average Exchange Quotations at Montreal, March 2, to October 19, 1936.

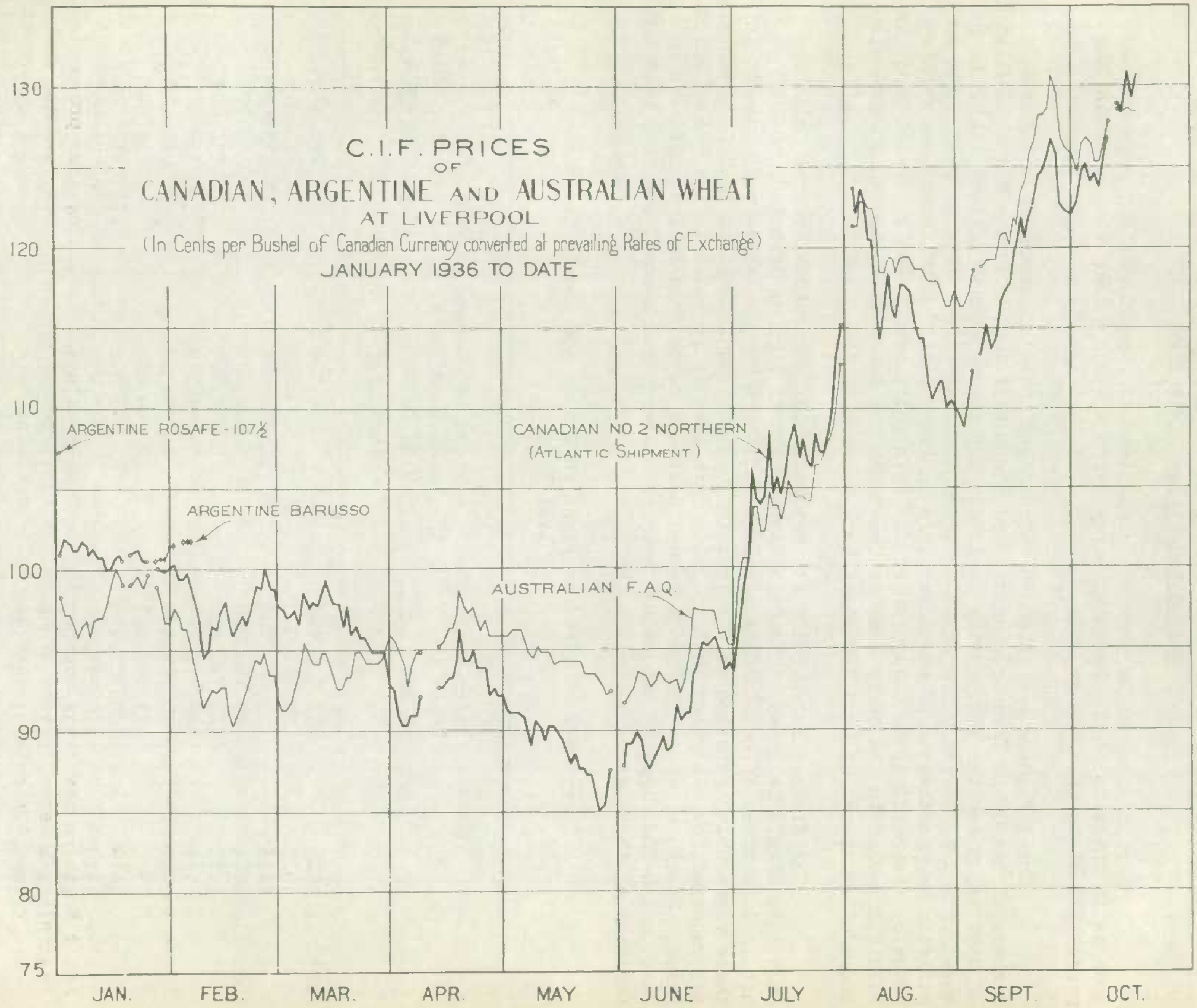
| | | United Kingdom Pounds | United States Dollar | Australia Pounds | Argentina x Paper Peso |
|---|---|---|---|---|---|
| | | 4.8667 | 1.0000 | 4.8667 | .4244 |
| March | 2 | 4.9900 | .9990 | 3.9925 | .2752 |
| | 9 | 4.9800 | 1.0003 | 3.9850 | .2748 |
| | 16 | 4.9750 | 1.0000 | 3.9800 | .2755 |
| | 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 | 1.0000 | 4.0140 | .2740 |
| August | 3 | 5.0156 | 1.0000 | 4.0125 | .2760 |
| | 10 | 5.0250 | 1.0000 | 4.0200 | .2770 |
| | 17 | 5.0262 | 1.0000 | 4.0210 | .2770 |
| | 24 | 5.0325 | 1.0004 | 4.0262 | .2771 |
| | 31 | 5.0304 | 1.0000 | 4.0243 | .2815 |
| September | 8 | 5.0488 | 1.0000 | 4.0391 | .2825 |
| | 14 | 5.0637 | .9996 | 4.0512 | .2845 |
| | 21 | 5.0608 | .9994 | 4.0487 | .2838 |
| | 28 | 4.9450 | 1.0000 | 3.9560 | - |
| October | 5 | 4.9169 | .9994 | 3.9335 | .2772 |
| | 13 | 4.8997 | .9997 | 3.9198 | .2789 |
| | 19 | 4.8843 | 1.0000 | 3.9075 | .2770 |

x Unofficial rates - about 6 cents below official rates.

## C. I. F. PRICES IN LIVERPOOL

The chart on the opposite page shows the course of Canadian and Australian wheat in Liverpool during recent months.

The net gain in No. 2 Northern for nearby shipment from September 15 to October 15 has been $12\frac{1}{4}$ cents. During the month the premium of Australian wheat over No. 2 Northern has disappeared. In conformity with the declining crop prospects in Australia, however, prices of new wheat for December shipment have advanced much more rapidly than Australian wheat afloat. Argentine wheat is not offered for current shipment, but offers of new wheat for January-February shipment duty paid are being made currently from 10 to 11 cents below No. 2 Northern for present shipment. Roumanian wheat for present shipment duty paid is being offered at $9\frac{1}{4}$ cents below the Canadian price. Karachi wheat is also being offered at 3 3/4 cents below No. 2 Northern. These spreads are quite narrow considering the differences in milling quality.


C.I.F. PRICES
OF
CANADIAN, ARGENTINE AND AUSTRALIAN WHEAT
AT LIVERPOOL
(In Cents per Bushel of Canadian Currency converted at prevailing Rates of Exchange)
JANUARY 1936 TO DATE
ARGENTINE ROSAFE - 107½
ARGENTINE BARUSSO
CANADIAN NO. 2 NORTHERN
(ATLANTIC SHIPMENT)
AUSTRALIAN F.A.Q.
130
120
110
100
90
80
75
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
AUG.
SEPT.
OCT.

# THE CANADIAN SITUATION

## Revision of the Carry-over Figures for Canadian Wheat in Canada and the United States, 1921-1936.

For purposes of as accurate comparison as possible of the year-to-year changes in the size of the Canadian carry-over, a table giving revisions for the years 1921-30 is shown below.

These figures are intended to replaced those appearing in the annual numbers of the Grain Trade of Canada, and the August issues of the Monthly Bulletin of Statistics for the years prior to 1930. The former source omitted all in transit wheat from 1921 to 1923, and wheat in transit by water from 1924 to 1928. The Monthly Bulletin used estimates of wheat in store in flour mills, which have been replaced below by the holdings actually reported. Both sources included stocks of wheat in Duluth-Superior in the carry-over in Canada in the years 1928-1930 which were also included in stocks of Canadian wheat in U.S. Lake Ports.

The figures shown below are not entirely comparable, and the following omissions should be noted. The Canadian carry-over figures from 1921 to 1923 do not include wheat afloat to Canadian Lake and St. Lawrence Ports, rail transit in these years being reported only. From 1921 to 1931, wheat afloat to U.S. Ports was not reported; for the years 1932 to 1936, this item is included in the second column below. Stocks of wheat in U.S. Lake and Seaboard Ports from 1921 to 1931 are not exact month-end figures, but rather are for the week-end nearest the crop year-end for each of those years.

Carry-over of Canadian Wheat in Canada and the United States 1921-1936.

| | Carry-over of Wheat in Canada | Stocks of Canadian Wheat in U.S. Ports | Total Carry-over of Canadian Wheat in Canada and U.S. |
|---|---|---|---|
| | | (bushels) | |
| Sept. 1, 1921 | 13,888,694 | 240,786 | 14,129,480 |
| 1922 | 20,591,000 | 1,558,092 | 22,149,092 |
| 1923 | 11,690,296 | 483,324 | 12,173,620 |
| Aug. 1, 1924 | 45,158,819 | 2,958,084 | 48,116,903 |
| 1925 | 27,713,810 | 3,027,284 | 30,741,094 |
| 1926 | 36,475,183 | 3,664,179 | 40,139,362 |
| 1927 | 50,786,435 | 4,835,148 | 55,621,583 |
| 1928 | 77,547,071 | 13,609,623 | 91,156,694 |
| 1929 | 104,325,221 | 22,913,925 | 127,239,146 |
| 1930 | 110,713,260 | 16,065,242 | 126,778,502 |
| 1931 | 134,078,963 | 5,538,334 | 139,617,297 |
| 1932 | 131,844,806 | 11,675,240 | 143,520,046 |
| 1933 | 211,740,188 | 7,688,210 | 219,428,398 |
| 1934 | 193,990,281 | 9,954,252 | 203,944,533 |
| 1935 | 203,231,288 | 11,704,536 | 214,935,824 |
| 1936 | 109,435,977 | 19,268,321 | 128,703,298 |

## I. GRADING AND QUALITY OF THE 1936 WHEAT CROP

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

| | Number of Cars Grading No. 3 Northern or Better | | | |
|---|---|---|---|---|
| | 1936-37 | | 1935-36 | |
| | Cars | Per Cent of Inspections | Cars | Per Cent of Inspections |
| August | 15,493 | 90.03 | 7,855 | 82.89 |
| September | 28,403 | 95.53 | 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 | | | 5,802 | 58.78 |
| June | | | 4,788 | 59.78 |
| July | | | 5,336 | 60.52 |
| Total | | | 74,632 | 52.96 |

The Board of Grain Commissioners report on the milling, baking and other quality characteristics of the 1936 western Canadian wheat crop contains the following comments:

"Milling, baking and other quality tests conducted by the Grain Research Laboratory of the Board of Grain Commissioners on representative samples of the 1936 Canadian hard red spring wheat crop, indicate that this year the weight per bushel is, in general, approximately the same, being slightly higher for the first three grades and lower for Nos. 3 and 4 Northern. The protein content is considerably higher and the baking strength somewhat superior to last year's corresponding grades.

"As a result of unusually dry weather during the growing and harvesting periods the diastatic activity is somewhat lower and this is a factor which should be given special consideration by the miller preparing the wheat mix.

"Owing to the earliness of the crop and the very satisfactory weather conditions under which most of it was harvested, the effect of frost damage is not expected to be a serious consideration; only heavy rains or snow in districts where harvesting is now in progress will cause any change in the large percentage of high grade wheat now arriving.

"Low temperatures have been reported in certain sections of northern Alberta where the harvest is invariably late, with the result that ripening has been retarded and the grain cut while still very green. Wheat from this area, although plump and of high weight per bushel, is decidedly more immature in appearance than in recent years, and while the quantity affected is not expected to be very large, it is not known at present what volume will be received within the next few weeks.

"On account of the severe drought experienced throughout the Prairie Provinces during the past summer, the protein content of all grades tested has been unusually high, the figures to date indicating that the mean values are higher than for any previous year for which the laboratory has any record.

"In spite of the drought, the wheat inspected has on the whole comprised well filled kernels of good test weight, with the result that it has not been found necessary to set up "Special" grades to provide for sound wheat of very low weight per bushel. It will be recalled that this was done last year on account of the very large percentage of thin rusted wheat which was harvested."

II. LAKE MOVEMENT

The following table summarizes the movement of wheat down the Lakes from the opening of navigation to date:

| | To Canadian Lower Lake Ports | To St. Lawrence Ports | To Buffalo | To Other United States Ports | To United Kingdom and Continental Ports | Totals |
|---|---|---|---|---|---|---|
| | Bushels | | | | | |
| From opening of navigation to August 31, 1936 | 26,467,691 | 9,949,451 | 23,925,319 | 13,951,592 | 948,718 | 75,242,771 |
| Week ending Sept. 7 | 2,541,028 | 1,262,393 | 2,306,334 | 410,508 | 50,491 | 6,570,754 |
| 14 | 2,182,948 | 1,467,183 | 1,342,731 | 391,781 | 46,900 | 5,431,543 |
| 21 | 3,533,634 | 1,067,854 | 2,588,067 | 418,401 | - | 7,607,956 |
| 30 | 4,863,322 | 1,020,823 | 2,319,995 | 1,222,739 | 48,500 | 9,475,379 |
| Oct. 7 | 3,209,484 | 504,408 | 2,474,147 | 637,913 | - | 6,825,952 |
| 14 | 3,067,828 | 367,623 | 1,512,809 | 575,103 | 49,220 | 5,572,583 |
| Totals | 45,865,935 | 15,639,735 | 36,469,402 | 17,608,037 | 1,143,829 | 116,726,938 |
| Comparative Totals 1935 | 53,998,156 | 17,171,782 | 41,622,526 | 6,435,333 | - | 119,227,797 |

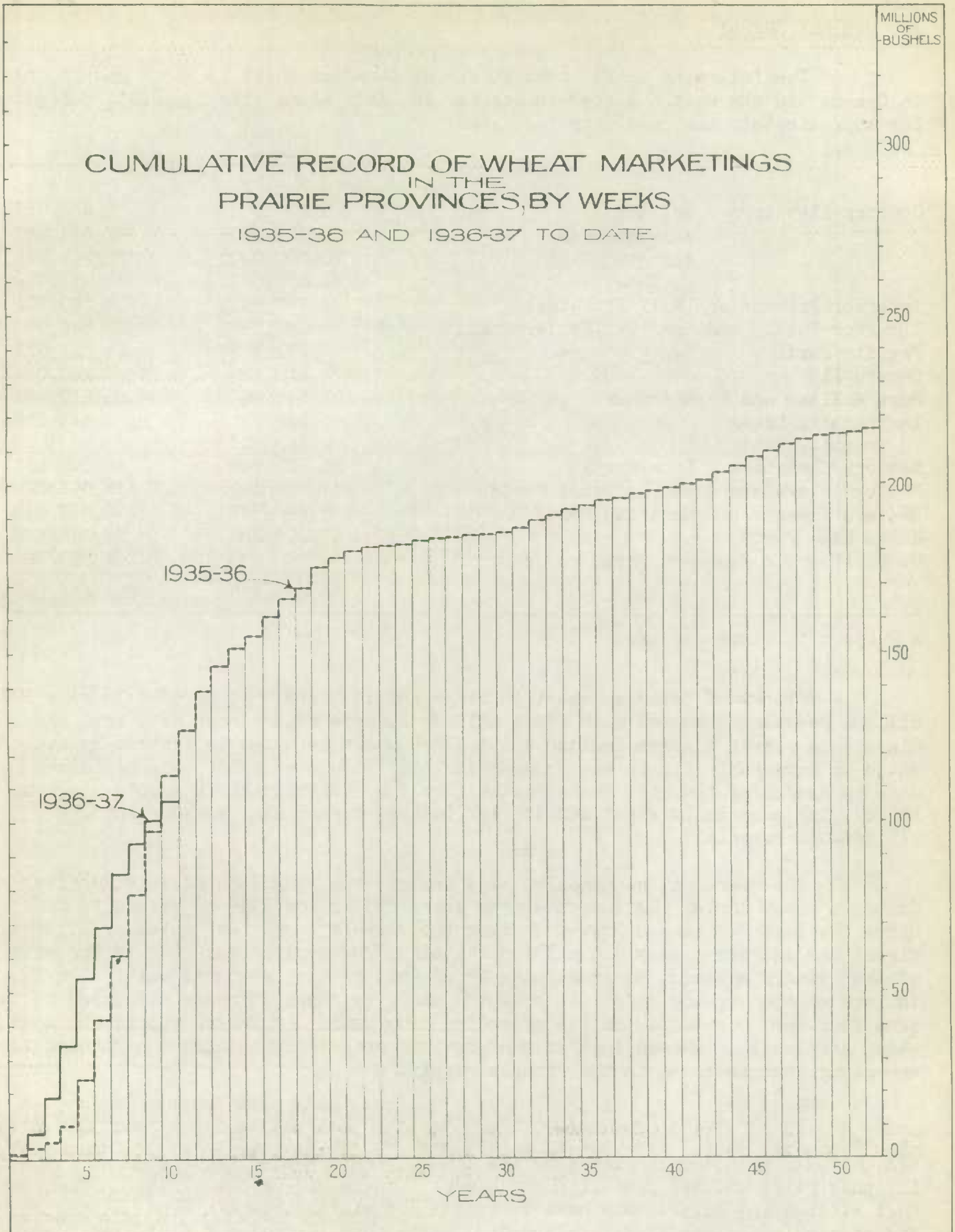
During the past four weeks shipments to Canadian Lower Lake Ports have been heavier than for the same period last year, but the total since the beginning of navigation is still 8.1 million bushels less than a year ago. This difference is approximately offset by shipments to United States Ports, Between September 7 and October 14 about 1.5 million bushels more have been shipped to St. Lawrence ports than in the same period for 1935, although the total for the navigation season is still below that of a year ago.

III. 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 | Alberta | Totals | Last Year |
|---|---|---|---|---|---|
| | | Bushels | | | |
| 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 |
| 11 | 744,905 | 10,012,246 | 4,313,615 | 15,070,766 | 17,740,865 |
| 18 | 1,818,457 | 9,452,166 | 4,272,163 | 15,542,786 | 18,803,272 |
| 25 | 571,733 | 4,871,867 | 3,725,032 | 9,168,632 | 18,048,483 |
| Oct. 2 | 444,798 | 3,865,699 | 2,507,746 | 6,818,243 | 18,513,938 |
| 9 | 273,585 | 2,872,692 | 2,302,364 | 5,448,641 | 16,647,313 |
| Totals | 16,286,530 | 63,701,372 | 26,157,669 | 106,145,571 | 114,107,361 |

Wheat marketings in the Prairie Provinces this year reached their peak during the first week in September, compared with peak deliveries a year ago which came during the latter part of the same month. Following September 18, this year, marketings declined rapidly whereas in 1935 they were well sustained during the first two weeks of October. The cumulative marketings shown in the chart on the opposite page for the 1935-36 crop year and for 1936-37 to date, indicate heavier total deliveries this year up to the 9th week, or October 2. In the last week shown, namely October 9, this year's total deliveries were overtaken by last year's total for the same date. The cumulative marketings in 1936-37 will continue to fall below those of 1935-36 for the balance of the crop year.



CUMULATIVE RECORD OF WHEAT MARKETINGS
IN THE
PRAIRIE PROVINCES, BY WEEKS
1935-36 AND 1936-37 TO DATE
MILLIONS OF BUSHELS
300
250
200
150
100
50
0
1935-36
1936-37
5
10
15
20
25
30
35
40
45
50
YEARS

## IV. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on October 16, 1936 along with comparative figures for approximately the same date last year:

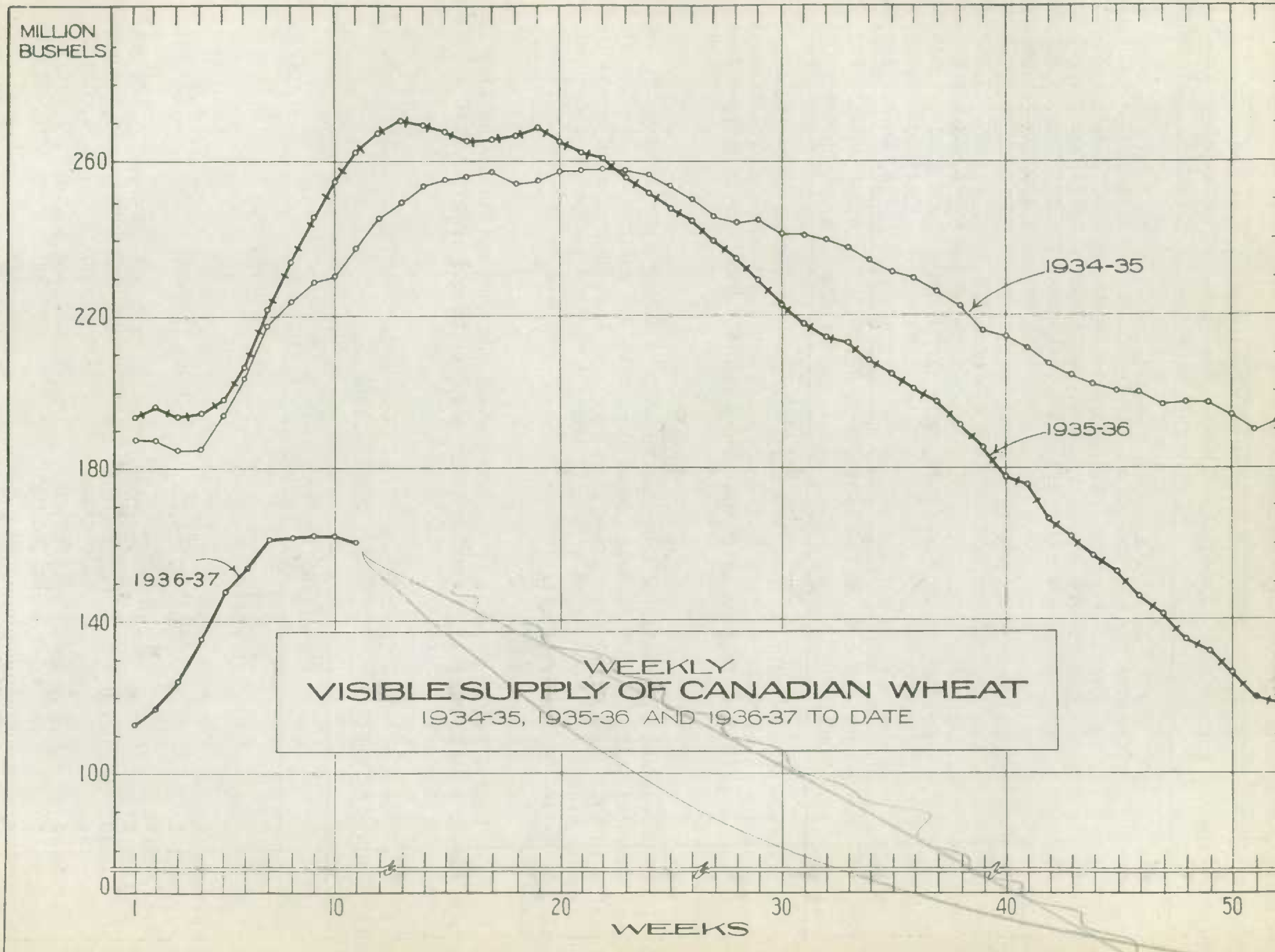
| | 1936 | 1935 |
|---|---|---|
| | (bushels) | |
| Country Elevators - Manitoba | 3,000,000x | 6,436,856 |
| Saskatchewan | 20,000,000x | 43,684,868 |
| Alberta | 20,000,000x | 32,741,695 |
| Total | 43,000,000x | 82,863,419 |
| Interior Private and Mill Elevators | 6,950,000x | 6,760,705 |
| Interior Public and Semi-Public Terminals | 105,098 | 5,046,000 |
| Pacific Ports | 9,541,173 | 14,711,029 |
| Churchill | 610,450 | 166,051 |
| Fort William and Port Arthur | 35,548,869 | 55,517,506 |
| In Transit, Lakes | 5,653,271 | 5,442,809 |
| In Transit, Rail | 9,823,227 | - |
| Eastern Elevators - Lake Ports | 13,707,948 | 44,599,183 |
| Eastern Elevators - St. Lawrence Ports | 12,814,449 | 16,653,328 |
| Eastern Elevators - Maritime Ports | 1,968,797 | 2,953,043 |
| U. S. Lake Ports | 16,203,926 | 22,864,356 |
| U. S. Atlantic Seaboard Ports | 4,768,200 | 4,858,768 |
| Total | 160,695,408 | 262,436,197 |

x Subject to minor revision.

Stocks of Canadian wheat in store and in transit on October 16 were 160.7 million bushels, compared with 262.4 million bushels at the same date last year. Since this year's figures include 9,823,227 bushels reported in transit by rail for which no comparable figure was secured in 1935, a more accurate comparison may be made by deducting the rail transit item from the current visible supply, leaving 150,872,181 bushels, against 262,436,197 bushels a year ago, a reduction of 111,564,016 bushels.

The chart on the opposite page depicts the change in visible supplies of Canadian wheat during the last two crop years and in the 1936-37 season to date. Since the last Review was issued showing the visible supply at September 11, the figure has increased only 6.6 million bushels. The early slackening in the rate of the primary movement shown on page 26 of this Review, accounts mainly for the failure of the visible supply to show the sharp seasonal increase displayed in the same four-week period in the two preceding crop years. A larger export movement which continues to exceed that of the previous crop year has also contributed toward arresting the increase in the visible supply.

Stocks in country elevators have decreased about 6 million bushels since September 11, and are slightly more than half of the holdings at this date a year ago. Stocks in interior elevators are 1.8 million bushels higher than on September 11, this year, and are just slightly higher than in mid-October, 1935. Stocks at Fort William and Port Arthur have increased 3.5 million bushels since September 11, and stocks in eastern elevators and U.S. ports have increased 7.6 million bushels in the same period. All these latter positions show considerably less holdings than at the same date in 1935.


MILLION BUSHELS
260
220
180
140
100
0
1
10
20
30
40
50
WEEKS
1934-35
1935-36
1936-37
WEEKLY
VISIBLE SUPPLY OF CANADIAN WHEAT
1934-35, 1935-36 AND 1936-37 TO DATE

V. EXPORT CLEARANCES OF CANADIAN WHEAT 1936-37.

| Week ending | | Montreal | Sorel | Three Rivers | Vancouver New Westminster | United States Ports | Total Clearances |
|---|---|---|---|---|---|---|---|
| | | | | B u s h e l s | | | |
| 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 |
| | 21 | 1,373,256 | 308,000 | - | 364,130 | 514,000 | 3,195,396 |
| | 28 | 1,236,979 | 624,365 | 314,273 | 527,863 | 224,000 | 3,304,829 |
| Sept. | 5 | 1,397,087 | 205,582 | - | 793,604 | 480,000 | 3,449,320 |
| | 12 | 1,537,216 | 609,736 | - | 617,386 | 234,000 | 4,013,329 |
| | 18 | 881,029 | 592,500 | - | 642,753 | 543,000 | 3,298,102 |
| | 25 | 1,435,416 | 602,500 | - | 869,736 | 646,600 | 3,878,252 |
| Oct. | 2 | 680,360 | 454,808 | 286,292 | 709,525 | 1,232,755 | 4,039,240 |
| | 9 | 1,296,226 | 684,308 | - | 799,899 | 204,000 | 3,758,013 |
| | 16 | 1,040,088 | 951,400 | - | 309,482 | 118,000 | 2,468,190 |
| Total | | 13,322,303 | 6,740,062 | 814,485 | 7,226,515 | 6,155,355 | 39,733,377⁄ |
| Last Year | | 12,981,131 | 1,927,754 | - | 4,417,234 | 4,081,000 | 25,902,491x |

⁄ Includes 407,576 bushels shipped from Fort William-Port Arthur to overseas countries direct, 773,580 bushels from Quebec and 4,293,501 bushels from Churchill.
x Includes 88,372 bushels shipped from Quebec and 2,407,000 bushels shipped from Churchill.

Overseas clearances of Canadian wheat from August 1 to October 16, 1936 have amounted to 39,733,377 bushels compared with 25,902,491 bushels for the same period in 1935. All ports have shown increases over last season's shipments to date. Churchill clearances amounted to 4,293,501 bushels for the season which has just closed, exceeding the record shipment of 4,049,877 bushels in 1934 by 243,624 bushels.

United States imports of Canadian wheat for consumption and milling in bond, from August 1 to October 15, amounted to 16,454,876 bushels compared with 9,662,762 bushels for the same period in 1935.

VI. IMPORTS OF WHEAT INTO THE UNITED STATES, 1936-37.

| | | For Consumption Duty Paid | For Milling in Bond | Total |
|---|---|---|---|---|
| | | | B u s h e l s | |
| Revised figure | | | | |
| August 1-31 | | 6,294,298 | 1,115,578 | 7,409,876 |
| Week ending | | | | |
| Sept. | 3 | 933,000 | 318,000 | 1,251,000 |
| | 10 | 1,198,000 | 281,000 | 1,479,000 |
| | 17 | 715,000 | 291,000 | 1,006,000 |
| | 24 | 992,000 | 224,000 | 1,216,000 |
| Oct. | 1 | 1,284,000 | 268,000 | 1,552,000 |
| | 8 | 830,000 | 358,000 | 1,188,000 |
| | 15 | 1,107,000 | 246,000 | 1,353,000 |
| Total | | 13,353,298 | 3,101,578 | 16,454,876 |

## VII. THE STATISTICAL POSITION

(a) In Canada.- The following table summarizes the statistical position of wheat in Canada as at October 1, 1936 with comparative figures for the same date in 1935:

| | 1935-36 | 1936-37 |
|---|---|---|
| | (B u s h e l s) | |
| Carry-over in Canada, July 31 .......... | 203,273,016 | 109,435,977 |
| New Crop .......................... | 277,339,000 | 232,973,000 1/ |
| Total Supplies .......................... | 480,612,016 | 342,408,977 |
| Domestic Requirements .................. | 113,376,502 | 101,000,000 2/ |
| Available Supplies ...................... | 367,235,514 | 241,408,977 |
| Exports, August-September .............. | 42,445,865 | 45,324,791 |
| Balance for Export or Carry-over, Oct. 1 .......................... | 324,789,649 | 196,084,186 |

1/ September Estimate.
2/ Tentative.

The balance of wheat for export or carry-over at October 1, 1936 was 196.1 million bushels compared with 324.8 million bushels a year earlier - the tightening in the statistical position amounting to 128.7 million bushels. While Canadian wheat transferred to storage in the United States is included in the export figures, used above, stocks of Canadian wheat in United States ports have also dropped 2.5 million bushels from 21,560,625 bushels reported on October 4, 1935 to 19,009,952 bushels on October 2, 1936.

(b) In Canada and the United States.- A second method of calculating the statistical position takes into account stocks in the United States as well as in Canada, and then works from the elevator returns of overseas clearances, plus United States' actual imports for consumption and milling in bond. The following calculation establishes the balance available for export or carry-over by this method:

| | 1935-36 | 1936-37 |
|---|---|---|
| | (B u s h e l s) | |
| Carry-over, July 31 in Canada and the United States ...................... | 214,977,552 | 128,704,298 |
| New Crop .......................... | 277,339,000 | 232,973,000 1/ |
| Total Supplies .......................... | 492,316,552 | 361,677,298 |
| Domestic Requirements .................. | 113,376,502 | 101,000,000 2/ |
| Available Supplies ...................... | 378,940,050 | 260,677,298 |
| Export Movement, August-September | | |
| Overseas Clearances .................. | 18,278,132 | 32,287,413 |
| U. S. Imports ...................... | 7,957,762 | 10,518,000 3/ |
| Flour (as wheat) ...................... | 3,474,909 | 3,447,207 |
| | 29,710,803 | 46,252,620 |
| Balance for Export or Carry-over, Oct. 1 | 349,229,247 | 214,424,678 |

1/ September estimate. 2/ Tentative. 3/ Preliminary figures to September 26 only.

By this calculation the improvement in the statistical position, as compared with that of a year ago, amounts to 134.8 million bushels. The greater decrease is accounted for mainly in the heavy movement to United States storage positions in August 1935, which raised the customs export figures for that month, but did not affect the export clearances.

## VIII. EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR.

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

WHEAT

| | 1936-37 | 1935-36 | 1934-35 | 1933-34 |
|---|---|---|---|---|
| | | (Bushels) | | |
| August ............ | 21,157,268 | 21,698,284 | 14,709,675 | 8,652,970 |
| September .......... | 20,720,316 | 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 |
| January ........... | | 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 |
| June .............. | | 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 |

FLOUR

| | 1936-37 | 1935-36 | 1934-35 | 1933-34 |
|---|---|---|---|---|
| | | (Barrels) | | |
| August ............ | 387,728 | 376,562 | 412,089 | 480,288 |
| September ......... | 378,318 | 395,640 | 369,320 | 552,556 |
| October ........... | | 501,442 | 485,549 | 514,368 |
| November .......... | | 525,368 | 504,384 | 547,602 |
| December .......... | | 443,828 | 340,751 | 418,183 |
| January ........... | | 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 ............... | | 448,653 | 383,221 | 481,725 |
| June .............. | | 430,171 | 429,561 | 441,064 |
| July .............. | | 444,905 | 395,232 | 408,028 |
| Total ...... | | 4,978,917 | 4,750,310 | 5,454,636 |

WHEAT AND WHEAT FLOUR

| | 1936-37 | 1935-36 | 1934-35 | 1933-34 |
|---|---|---|---|---|
| | | (Bushels) | | |
| August ............ | 22,902,044 | 23,392,813 | 16,564,076 | 10,814,266 |
| September ......... | 22,422,747 | 19,053,052 | 19,250,299 | 22,152,853 |
| October ........... | | 31,175,910 | 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 |
| January ........... | | 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 |