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THE WORLD WHEAT SITUATION - SUMMARY

Up to the present time the export movement and prices of Canadian wheat have been satisfactorily maintained in view of the factors affecting the marketing of the Canadian crop during the past month. Since mid-October, Southern Hemisphere crop conditions have improved appreciably, while in the United States the winter wheat acreage just seeded has assumed record proportions. Forward sales of new-crop Argentine and Australian wheat have been made for some time in Liverpool at spreads well below the price levels for current shipment. These influences have contributed toward the easing of Winnipeg prices from the peaks established in the middle of October, but have failed to induce a genuinely downward movement of prices. Resistance in this respect has been encountered by the willingness of European importers to take fair quantities of Canadian wheat at prices that are by no means unreasonably high considering the shortage of world supplies relative to the stocks carried in recent years. With less competition from the Southern Hemisphere during the first three-and-a-half months of the current crop year, and with larger import requirements due to the reduced crop in Western Europe, overseas clearances of Canadian wheat have shown an increase of 46 per cent over the clearances during the same period a year ago. With Australia prepared to ship new wheat in December, and Argentina in January, together with the closing of the St. Lawrence ports for the winter months, Canadian exports will probably decline appreciably through December and January, but not without a higher than seasonal share of the 1936 crop already cleared.

On October 26 the Australian government released its first estimate of the 1936 crop at 129.5 million bushels. More recent private estimates have placed the crop slightly higher. This season marks the third consecutive year of low yields in Australia, and the current crop is likely to be 10 million bushels lower than the crop of 1935. An even smaller crop threatened in the early part of October, but fairly scanty rains forestalled a bad crop failure and improvement has been noted principally in Victoria and South Australia. While it is too early for an official estimate of the Argentine crop, private estimates favour an output around 240 million bushels. In this country, an abundance of rainfall in the late growing season offset the shortage of moisture at seeding time and a yield slightly above average is in prospect. A crop of 240 million bushels in Argentina would provide an exportable surplus of about 145 million bushels; and a crop around 130 million bushels in Australia would leave 80 million bushels for export.

Due to the improving prospects for the current crop, both Argentina and Australia have been more willing to ship out their small remaining supplies of old-crop wheat. Weekly shipments from both countries fell off in early October, but since that time each country has been exporting at a rate which will leave virtually negligible carry-overs by the time new wheat is ready for shipment. Our Argentine correspondent reports that 13.6 million bushels remained for export from Argentina at October 31. Shipments of 3.3 million bushels from that date to November 14 reduce the present available surplus to 10.3 million bushels, with a month remaining before new wheat can be shipped. The surplus remaining for export in Australia was estimated by Broomhall on November 13 at only 3.5 million bushels. The willingness of the Southern Hemisphere countries to press out their remaining supplies has contributed more to the current supply situation than had been anticipated.

Argentine wheat prices have shown some tendency to lag behind the current price levels in other countries. The Buenos Aires market participated only moderately in the price rise up to mid-October, and since then Buenos Aires prices for November and December delivery have declined about 2 cents more than Winnipeg prices in the same period. In Liverpool, new Rosafe wheat for January-February shipment has been sold for some time at spreads ranging from 16 to 19 cents below No. 2 Northern for current shipment. Allowing for the duty on Argentine wheat the spread amounts to 10-13 cents. The evident discounting of the "world" price levels of wheat likely to prevail when the new Argentine supplies come on the market has had a salutary effect upon the current price level in Liverpool.

In part, the weakness in Argentine prices is attributable to the uncertainty with respect to the continuation of a fixed minimum domestic price. It now appears that the Argentine government will not renew this policy, although there is some conjecture that the government may again adjust the exchange rate on the peso to favour domestic wheat prices.

In the United States a record fall wheat crop has been seeded, under the stimulus of high domestic prices and favourable soil conditions over most of the central winter wheat belt. Private estimates place the acreage around 52 million acres. Fall moisture conditions are such that a normal yield is not anticipated, but yields higher than those realized in 1936 are possible. Depending on the outcome of this crop is the prospect for the United States' return to an export basis in wheat. In this latter event Canada would lose in 1937-38 the greater part of an export market in the United States which approximated 35 million bushels in the last crop year, and which will likely be upward of this amount during the current year. In any case the market for Canadian wheat for milling-in-bond in the United States is likely to persist.

In Europe, rains have delayed the seeding of the winter wheat crop in the Danube Basin, Germany, and to a less extent in Italy. Both France and Russia, however, have had satisfactory weather for sowing, and it is reported that Russia has again increased its winter wheat acreage. No information has come from Spain to indicate the fall seeding in that country and it is not known to what extent the political situation there may have interrupted the sowing of Spain's normally large wheat area. Otherwise, it is expected that the total European wheat acreage will be higher than the area of 76.5 million acres planted in the autumn of 1935, but probably less than the 78.9 million acres planted in 1934.

The currency devaluation which affected the world wheat situation a month ago has since assumed a quiet aspect. During the past four weeks the pound sterling, the French franc and the Italian lira have registered virtually no change in terms of Canadian currency, while the Dutch guilder has firmed slightly from 53.65 to 53.92 cents. The Argentine peso, although easing slightly during the early part of November, is now quoted at the same rate as in mid-October. Meanwhile, European countries whose currencies were devalued have been making purchases of foreign wheat. Italy has bought substantial quantities of new-crop Argentine wheat, and also some Australian wheat, for deferred delivery. France has issued licenses for the importation of 7,000,000 bushels of foreign wheat against the export of a similar quantity of domestic wheat.

Under the Canadian-German Trade Agreement which became effective November 15, the German government agrees to utilize the foreign exchange accruing from German exports to Canada for the purchase of corresponding values of Canadian goods.

Of the total exchange accruing in this fashion, 35 per cent has been allocated for the purchase of Canadian wheat. The German government has already authorized the importation of 500,000 bushels from Canada under this arrangement.

World shipments during the first fifteen weeks of the current crop year amounted to 166.1 million bushels, an increase of 13.6 per cent over the shipments of 146.9 million bushels during the same period in 1935. Approximately half the world shipments have originated in Canada since August 1, while another 25 per cent has come from the Danubian countries and India. Argentina has furnished 10 per cent, and Australia about 13 per cent of the total shipments during the August 1-November 14 period.

The Wheat Situation in Canada

On November 12, the Dominion Bureau of Statistics issued the second estimate of wheat production in Canada, which raised the original estimate by slightly more than 500,000 bushels to 233.5 million bushels for 1936. The very early harvest of the 1936 crop, permitting correspondents to report on the basis of threshing returns in September, made the first estimate more reliable than usual. The Saskatchewan estimate remains unchanged at 117 million bushels. The Manitoba estimate was lowered 1.8 million bushels to 29 million bushels, but this decrease was offset by an equal increase in the Alberta estimate to 70 million bushels, leaving the total estimate for the Prairie Provinces unchanged at 216 million bushels. The estimate for fall wheat in Ontario was raised 663,000 bushels to a total of 12,733,000 bushels.

The area sown this autumn to fall wheat in Ontario is estimated at 702,000 acres, an increase of 20 per cent over the area sown a year ago, 585,000 acres. The condition of the fall wheat at October 31 was 107 per cent of the long-time average yield per acre, compared with 85 per cent at the same date in 1935.

Inspections of the 1936 western crop during October showed only a slight decline in the percentage of cars grading No. 3 Northern or better. The percentage was 92.33 compared with 95.53 per cent in September. For the three-month period ending October, 1936, 93.16 per cent of the cars inspected have graded No. 3 Northern or better, compared with only 57.26 per cent for the same period in 1935.

Winnipeg futures eased moderately from October 14 when peaks were registered in all futures and October and November closed at $1.14 7/8. The recent low point was reached on November 3 when the November future closed at $1.06 5/8. Since then prices have been unusually steady at one to two cents above this level, and on November 17 the same future closed at $1.08 3/4. The May future has continued from 1 to 2 cents below November and as a result purchases for winter storage are unprofitable since the spread is in the wrong direction for covering carrying charges.

Primary Movement: Marketings during the current crop year to November 6 amounted to 123.5 million bushels, compared with 151.8 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 2.9 million bushels for the week of November 6. The sharp decline in the primary movement has similarly influenced the visible supply which has been decreasing steadily from a peak of 162.1 million bushels on October 2 to 142.6 million bushels on November 13.

Lake Movement: Up to November 7, Lake shipments of wheat from the opening of navigation this year amounted to 141.6 million bushels, just slightly in excess of the movement down the Lakes in 1935 of 140.3 million bushels. Shipments to Canadian Lower Lake ports and to St. Lawrence ports have been maintained at the same volume as last year. Buffalo has received 9 million bushels less this year than in 1935, but the difference is more than made up by an increase of 10.5 million bushels shipped to other United States ports this season.

Export Movement: From August 1, 1936 to November 13, overseas export clearances have amounted to approximately 58 million bushels, compared with 39.6 million bushels in the same period in 1935 - an increase of 18.4 million bushels. In addition, the United States has imported for consumption and milling-in-bond 20.1 million bushels compared with 16.9 million bushels last year. Flour exports covering the same period (partly estimated) were about 6.7 million bushels in comparison with 6.9 million bushels last year. In total the 1936-37 figures to November 13 are 84.8 million bushels, and the 1935-36 figures 63.4 million bushels, showing an improvement of 21.4 million bushels or 34 per cent.

Available Supplies: In calculating the present available supplies, estimated domestic requirements of 101 million bushels, export clearances to November 13 of 58 million bushels, United States imports of 20.1 million bushels, and flour exports as wheat of 6.7 million bushels, are deducted from the season's supplies of 362.2 million bushels in Canadian and United States positions, leaving an amount of 176.4 million bushels at present available for export or carry-over. Available supplies similarly calculated for the same date in 1935 were 315.5 million bushels, indicating that Canada has 139.1 million bushels less for export and carry-over than at this date a year ago.

The Wheat Situation in Australia

Australian crop conditions have improved moderately during the past month. Whereas drought conditions threatened at one time to reduce the yield to 120 million bushels, modest rains during the latter part of October brought much needed relief and a crop around 130 million bushels now seems assured. An official estimate issued October 26 places the yield at 129.5 million bushels. Broomhall's Australian agent estimated the crop on November 13 at 132 million bushels, and the Canadian Trade Commissioner in Melbourne cabled on November 16 that private estimates indicate a crop of 135 million bushels. An official crop report issued November 16 indicated that the improvement was greatest in Victoria and South Australia, with unfavourable conditions still prevailing in Western Australia and New South Wales.

Compared with previous years, the 1936 crop marks the third successive year of low production in Australia. Average production from 1929 to 1933 amounted to 185 million bushels. In 1934 and 1935 crops of 133 and 142 million bushels respectively were harvested. The succession of low yields has facilitated the elimination of the December 1 carry-over, which was almost 40 million bushels in 1934. In view of the small remaining surplus, shipments during the past three weeks have been surprisingly heavy, exceeding 1.5 million bushels each week, although the volume of current shipments is attributable to the improved crop prospects. Broomhall estimated the remaining surplus of old-crop wheat at 3.5 million bushels on November 13. While new wheat will be ready for shipment early in December, and Liverpool c.i.f. offers have been made for some time for December 15 shipment, it is expected that domestic requirements will absorb a higher than usual proportion of the early wheat and that exports in volume will not get under way until January.

The Wheat Situation in Argentina

Argentina has been much more fortunate than Australia in the weather conditions which have obtained during the growing season. During the month of October and the first two weeks of November rains have been ample to overcome the dryness in the early part of the season, and the yields now promise to be slightly above average. An attaché of the United States Department of Agriculture in Argentina places the yield between 239 and 246 million bushels, which is above the 1929-33 average production of 228 million bushels, and 100 million bushels greater than the crop in 1935 when drought reduced both acreage and yield.

According to the correspondent of the Dominion Bureau of Statistics, writing on November 2, conditions are excellent in the heavy producing province of Buenos Aires, and likewise in Santa Fe. In Cordoba, the second largest producing province, the condition of wheat is more spotty, with good fields in the centre and east, and poorer growth in the north-east, west and south. There are also backward fields in the centre and east of Entre Rios, with better growth in the west. Conditions in The Pampa have improved considerably since the beginning of the growing season. Early in November, reports of rust were circulating, but later reports denied that the disease had made any headway. Frosts were also reported on November 9 and 13, but no indication was given of the extent of the damage. At this point the chief source of danger appears to be in the continuation of rainy weather during the harvesting season. Cutting is already commencing in the early northern sections and dry weather is now needed to make certain the prospective harvest.

Weekly shipments of old-crop wheat have continued above the million bushel level, and Broomhall's estimate of the remaining exportable surplus on November 13 was 7.5 million bushels. New Rosafe wheat for January-February shipment is being offered at a spread around 11 cents, duty paid, below No. 2 Northern for current shipment in Liverpool.

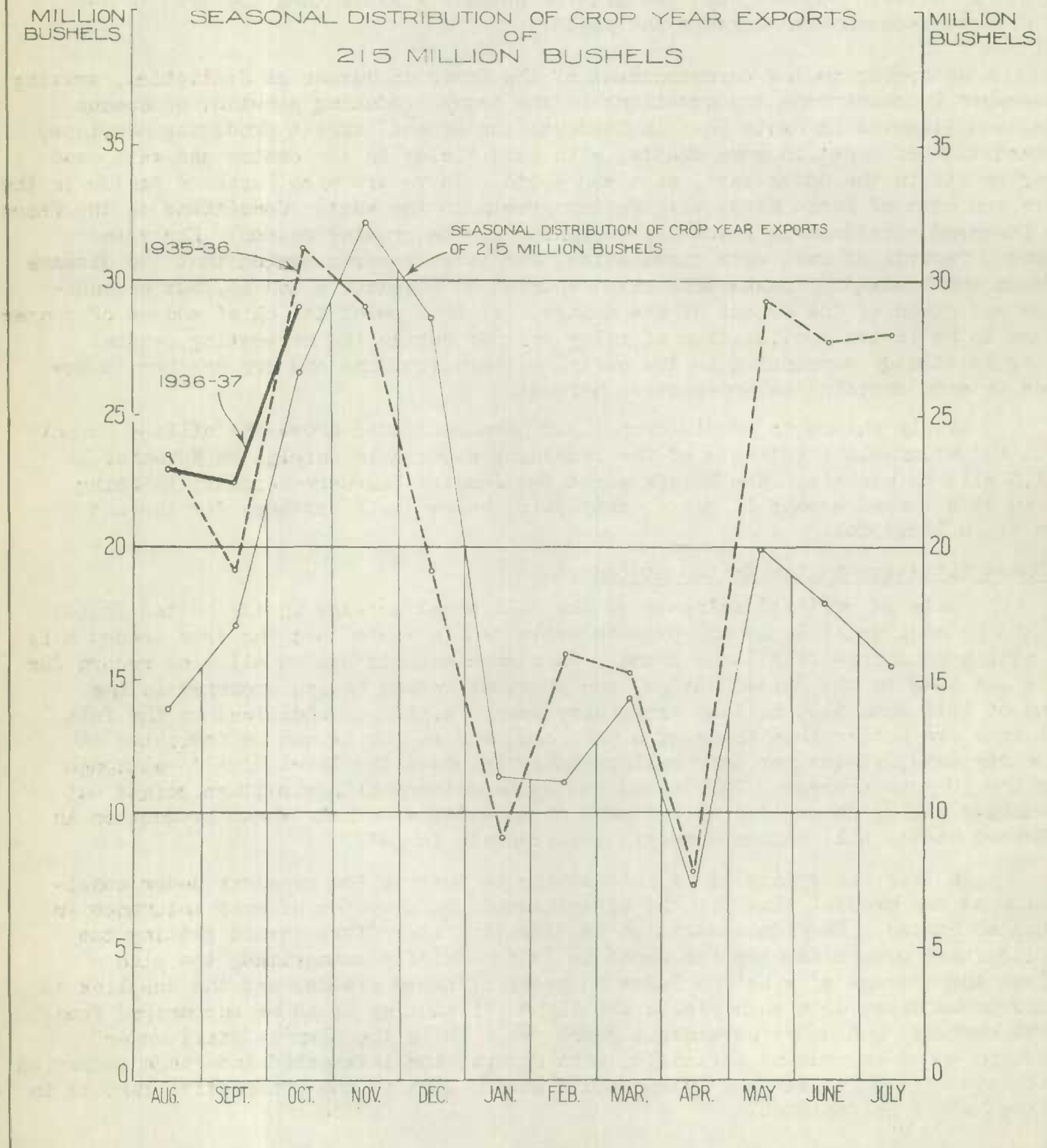
The Wheat Situation in the United States

While an official estimate of the fall wheat acreage in the United States will not be made until December, private estimates indicate that the area seeded this fall will approximate 52 million acres. This area establishes an all-time record for fall wheat sown in the United States, the previous record having occurred in the autumn of 1918 when 51.4 million acres were sown. Moisture conditions in the fall wheat area are better than those of a year ago, and so far as can be indicated at this early date, yields per acre will probably be above the level of 1936 although below the 10-year average. The United States Department of Agriculture points out that unless yields do decline 25 per cent or more below normal, wheat production in the United States will exceed domestic requirements in 1937.

In this connection it is interesting to observe the measures under consideration at the present time for the establishment of a system of crop insurance in the United States. The Administration is directing its effort toward getting the crop insurance plan under way for wheat in 1937. Briefly summarized, the plan involves the storage of wheat on farms in years of heavy yields, and the supplies so created to be drawn upon when yields are light. Financing is to be encouraged from private sources, but under government guarantee. While the plan is still under discussion among government officials, farm groups, and interested insurance companies, if put into effect in 1937 the scheme would absorb part of the prospective surplus in case the latter is realized.

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



"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.

Prospects in the Southern Hemisphere have improved during the past month. The first official estimate of the Australian crop indicates a yield of 129.5 million bushels which is higher than the private estimates of a month ago. The Argentine government will not make its first estimate of wheat production until December, but a representative of the Foreign Agricultural Service of the U.S.D.A. places the crop between 239 and 246 million bushels.

Revisions in the European estimates reported during the month have raised the Bulgarian estimate from 55.8 to 59.3 million bushels; the Norwegian estimate from 1.3 to 2.2 million bushels; and the Czechoslovakian estimate from 54.0 to 55.6 million bushels. The Lithuanian estimate was lowered from 8.3 to 7.5 million bushels.

EUROPE

	Production (000 bushels)		
	1936	1935	1934
Germany	177,328	171,487	166,547
Austria	14,700	15,509	13,305
Belgium	15,726	14,780	16,134
Bulgaria	59,303	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	244,351	284,950	338,513
England and Wales	53,094	60,592	65,259
Scotland	3,380	4,443	4,144
Greece	23,743	27,180	25,679
Hungary	87,291	84,224	64,824
Latvia	3,050	6,520	8,051
Lithuania	7,532	10,093	10,475
Luxemburg	1,091	1,022	1,171
Malta	200(a)	179	310
Norway	2,168	1,869	1,204
Netherlands	16,259	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	55,592	62,095	50,014
Yugoslavia	107,437	73,101	68,328
Italy	238,800(a)	283,454	233,064
Denmark	12,900(a)	14,774	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
	1,499,150	1,576,399	1,547,876

(a) Source: United States Department of Agriculture.

Production
(000 bushels)

	1936	1935	1934
		North America	
Canada	233,500	277,339	275,849
United States	627,233(a)	623,444	526,393
Mexico	13,007	10,279	10,950
Totals	873,740	911,062	813,192
		North Africa	
Tunis	7,716	16,534	13,779
Morocco (French)	13,242	20,036	39,586
Algeria	28,476	33,532	43,528
Egypt	45,701	43,222	37,277
Totals	95,135	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	352,240	363,179	351,829
Japan	46,216	48,721	47,660
Manchoukuo	35,812	36,936	23,463
Turkey	80,281	92,640	99,711
Totals	545,049	575,051	548,419
		Southern Hemisphere	
Argentina	239,000(a)	139,624	240,669
Australia	129,500	142,308	133,394
Union of South Africa	12,000(a)	20,197	15,343
Totals	380,500	302,129	389,406

Summary

	1936	1935 (000 bushels)	1934
Europe	1,499,150	1,576,399	1,547,876
North America	873,740	911,062	813,192
North Africa	95,135	113,324	134,170
Asia	545,049	575,051	548,419
Southern Hemisphere	380,500	302,129	389,406
Totals	3,393,574	3,477,965	3,433,063

(a) Source: United States Department of Agriculture.

THE UNITED STATES

On November 9, the United States Department of Agriculture issued "The Wheat Outlook for 1937" from which the following paragraphs relating to the domestic wheat outlook are quoted:

"Domestic Prospects for 1936-37 Domestic wheat supplies in the 1936-37 season will more than take care of usual domestic requirements of soft red, white and hard red winter wheat, but supplies of hard red spring and durum will again be below our normal minimum milling needs. .... The shortage of hard red spring wheat will partially be taken care of by the excess of hard red winter wheat over average requirements and a greater use of soft red and white wheats in bread flour. This year's crops of hard red spring and durum wheats were of better quality than last year's crops, but because of shrivelled condition, are still below normal in milling yields. Substitution of other kinds of wheat for durum is unsatisfactory. If a minimum utilization of 20,000,000 bushels and minimum carry-over of 5,000,000 bushels is assumed, a deficit of about 8,000,000 bushels of durum is indicated.

"Domestic utilization for 1936-37 is estimated at about 660,000,000 bushels. Exports are expected to be between 10,000,000 and 15,000,000 bushels, mostly from the Pacific Northwest, compared with 7,000,000 bushels in the 1935-36 season. If the prospective deficits of hard red spring and durum wheat for milling and seed are taken care of by imports, and imports of "wheat unfit for human consumption" are somewhat smaller than last year's 9,000,000 bushels, a total net imports would reach about 25,000,000 bushels compared with 28,000,000 bushels last year. This would leave a carry-over on July 1, 1937 of about 130,000,000 bushels.

With short supplies of hard red spring and durum wheat again being supplemented this year by imports from Canada, prices of these two classes during the 1936-37 season -- at least until the new crop prospects become the dominant price factor -- will continue to be largely influenced by conditions which also influence the price in Canada. Prices of other classes will be affected but to a smaller degree. The price of hard red winter wheat will benefit most because such wheat can be substituted directly for hard red spring, whereas only limited quantities of soft wheats can be substituted for hard red spring wheat in the making of flour for commercial bread baking. Although supplies of soft wheat have been ample for domestic needs even during the last 2 years, the prices of soft wheats also benefited from an increased demand caused by the shortage of hard wheat. Though hard wheat supplies have been short east of the Rockies, a surplus of soft wheat has persisted in the Pacific Northwest."

"Domestic Prospects for 1937-38 The acreage seeded to wheat for the 1936 crop was the second largest on record. With higher prices than at seeding time last fall and sufficient moisture for seeding and germination over practically all of the winter wheat area, it seems likely that the 1937 wheat acreage will be at least as large as that of 1936. Average yields on such an acreage would produce a crop in 1937 far in excess of average domestic utilization. Moreover, if the 1937 acreage is about equal to that of 1936, production will exceed average domestic utilization unless growing conditions are so unfavorable as to reduce yields 25 per cent or more below average.

"There is nothing in the present situation that indicates such a reduction in yields next year, although fall moisture supplies do suggest that yields may be slightly below average if normal weather conditions prevail during the remainder of the 1937 crop season.

"Spring wheat producers will want to consider the development of the winter wheat crop in formulating their acreage plans for 1937. If, at spring wheat seeding time, the winter wheat crop still gives promise of average or near average yields, prices for the 1937 crop may be expected to be materially lower than during the past 3 years, when production was less than domestic utilization. Under such conditions, many spring wheat growers who are in a position to plant flax will undoubtedly find that crop an attractive alternative. If, on the other hand, the winter wheat crop appears to be headed for a fifth year of low yields, prices may be expected to be somewhat comparable to those of the current season.

"For the long-time outlook, however, there can be little question but that yields will approximate the average of past years and that the present acreage will produce, on the average, quantities considerably in excess of usual domestic utilization. If the 1936 total acreage of 74,500,000 acres is maintained, average (1925-34) yields (11.8 bushels per seeded acre) would result in a production of 880,000,000 bushels, which is about 225,000,000 bushels greater than our annual domestic disappearance. The average acreage in the 1929-33 period was 66,850,000 acres."

AUSTRALIA

The following cable was received on November 16 from the Canadian Trade Commissioner in Melbourne:

"Wheat and flour shipments from December 1st to the week ending November 11th, totalled 91,978,723 bushels compared with 99,832,397 for the corresponding period last season. Dry weather conditions broke satisfactorily last month, materially enhancing the new crop prospects and occasioning a sharp fall in market quotations. Traders' estimate has been increased to 135 million bushels and current quotations are about four shillings three pence per bushel at country sidings for old and new crop wheat, the F.O.B. value being about four shillings eleven pence, equivalent to ninety-five cents Canadian with growers not inclined to sell freely. The export flour market continues inactive although inquiries have increased and fair shipments have been booked for December to Hong Kong, but Dairen is still closed pending political rapprochement. Export quotations are about ten pounds per ton 150 pound sacks, equivalent to thirty-eight dollars, ninety-five cents Canadian, and ten pounds seven shillings six pence in 49 pound calico bags. New crop chartering has commenced at firm rates; shippers paying a premium above the fixed minimum with an upward tendency indicated."

ARGENTINA

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

Crop Conditions

The weather during October might almost have been made to order for the Argentine grain crops. Opportune rains fell, in sufficient quantity, throughout the cereal regions, and the temperatures generally were moderate. The condition of the new wheat crop can now be said to be good throughout the country, with linseed and the coarse grains generally in good condition also. More rains will be needed in the arid sections where frequent precipitation is necessary to keep things growing, especially if the dreaded hot winds should appear; but for the immediate future moisture supplies are quite adequate.

The favourable weather conditions have also enabled good progress to be made with the seeding of the new maize crop, which is now well advanced.

The following notes are extracted from the monthly official crop report of the Ministry of Agriculture. It may be added that further rains have fallen in moderate quantity since the report was issued.

Wheat and Linseed. Buenos Aires: The rains which have fallen since the early days of the month have remedied the dryness which had been noticeable since the beginning of September, and the situation at this moment in the province of Buenos Aires is excellent. There was a little backwardness observable in the development of the wheat, especially in the north and the south-west. Now the heading of the grain has been stimulated, and some fields are flowering. Generally the plants have a good stalk and are well rooted, and a good crop is promised. In the wheat zone of the Atlantic coast, unless the unexpected occurs, this year will be one of the best for production. In the light lands of the west recent rains have strengthened the wheat which had been somewhat weakened by strong winds. Linseed shows different stages of development, but in general it is backward. The rains have favoured the fields which had not yet sprouted. The appearance of the rest is excellent, with no excessive growth of weeds, except in some parts of the south-west of little importance. Santa Fe: The rains have fallen very opportunely in this province and covered practically every part of it. In general the condition of the wheat is good. In the north it is well headed, and it is thought there will be some fields ready to cut by the middle of November. In the south it is beginning to stalk, there being little headed yet. Germination of linseed was generally normal, but there are some fields which are thin for lack of rain at the right time. In the northern parts most of the plants have formed pods; farther south they are flowering. The former look excellent, having been benefited by rains at the right time; but there is some danger from locusts, abundance of eggs having been deposited amongst the linseed. The prospects are also good in the south, with a crop assured provided it rains again in the first half of November. Cordoba: The last rains which fell in the province were extremely beneficial. In general the condition of the wheat throughout the province may be considered good, but it presents different aspects in the various zones. In the centre and east it is good, falling off towards the south; in the west, in spite of the reaction since the rains it is spindly; in the north-east there are some fields which have not re-acted in the form expected. The linseed fields are in an inferior condition to the wheat. In the centre and south-east the linseed is good, being mostly in flower; in the south-west it is much the same as the wheat, but there are some fields which are very dirty; in the north-east zone it is inferior to the wheat and is not well developed; here also most of it is in flower. Entre Rios: The abundant precipitation has favourably transformed the prospects of the province. The rains were very beneficial for the wheat. The best fields are found in the west, where heading is general. In the centre and east it is very backward, although its appearance is satisfactory. Locusts have done some damage, and more is expected because of the backwardness of the vegetation. On the whole, the wheat situation is one of expectation. With the linseed the rains have brought a notable reaction, especially with that in flower. As with wheat, the west-south-west is where the best fields of linseed are found, but in the rest of the province, even though they are more backward, the prospects are good. The fact that locusts have deposited their eggs amongst the plants constitutes a threat, and another unfavourable factor is the abundance of weeds to be seen since the last rains. The Pampa: The weather, which throughout the winter has been adverse for the crops because of the persistent drought and frequent winds, fortunately changed at the end of September, when rains fell, which have continued intermittently during the first half of October, assisting the rapid improvement of the crops, which after all have not suffered any great damage, the temperatures having been below normal. Wheat is in a somewhat more backward stage than normal. Some of the fields had begun to show the effects of the drought, but they have reacted favourably, and a normal crop may be looked for provided there is an average rainfall and no strong winds. In the south and extreme west there has been some loss of the area sown, through the winds. The sanitary condition of the wheat fields is unsurpassable. The area sown with linseed is of little importance. The fields are thin with short plants, and it is feared that a rapid growth of weeds will spoil the crop.

Wheat Supplies and Market Conditions.

During the month of October 5,849,000 bushels of wheat and 148,000 bushels of wheat flour, a combined total of 5,996,000 bushels were exported, which compares with a total of 4,535,000 bushels in September. This leaves the statistical position 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 and domestic needs	95,534,000	"
Exportable balance	58,159,000	"
Shipped to) Wheat 43,089,000 bushels		
October 31) Flour 1,443,000 "	44,532,000	"
Still available for export	13,627,000	

As shown above, there has been a considerable increase in the movement of wheat. The exports last month were substantially higher than in September, and were more than double those of August. The increased activity is due in part to the release of country holdings which were being retained until the fate of the new crop was reasonably assured, and which current high prices tempted the owners to sell; and in part also to the disposal of its holdings by the Grain Control Board. Some heavy sales to Antwerp were made early in the month, the Board furnishing the grain to the exporting houses; and more supplies were handed out for shipment to Brazil. It is understood that practically all the Board has left on its hands is a little reserve for the Argentine millers. More recently sales have been made for shipment to Italy, which with those made to Belgium will absorb the inferior wheat on hand, leaving for the local millers and Brazil what remains of the Superior grade. Shipments of wheat and flour to Brazil during the current year are already approaching the 30 million bushel mark.

As the above statistical table indicates, the balance of wheat still available has been reduced to very modest proportions, and it looks as if the quantity to be carried over at the end of the year will be negligible, in which case it may happen that the local market will absorb all the earlier offerings of the new crop as soon as it becomes available, leaving little for shipment to Europe before late January.

The second official forecast of the area seeded for the new crop (17,351,750 acres) indicated rather lower figures than had been generally anticipated. This helped to firm up prices for a while, but later in the month the official and private reports on the condition of the new crop, following the very favourable weather conditions, had a depressing tendency, which still continues as this report is being written. Rumours of rust have been put into circulation, but without much effect. There is some rust to be found, as there always is in this country (principally leaf rust), and in some limited districts the rains may have been somewhat excessive recently; but a rust epidemic requires both excessive humidity and high temperatures, and the latter factor has certainly been lacking up to the present, the weather having been abnormally cool for the season.

At the close of trading for the month, Spot wheat (No. 2 Soft, 64 lb. per bushel) was selling at 10.63 pesos per quintal, equal to 83½c. Canadian per bushel at current official exchange rates and the December option at 10.45 (82c. per bushel); whilst in Winnipeg December wheat was selling at 105 3/4c.

Trading in wheat of the new crop has not yet been officially permitted, but a good deal has been changing hands at 10.50 to 10.60 pesos per quintal.

Some weeks ago warnings were uttered by the President of the Republic and the Minister of Agriculture that it was not the intention of the Government to continue indefinitely the policy of guaranteeing a minimum price to the producer for his grain. There has been no further official pronouncement, but it is quite understood that there is unlikely to be any fixed minimum for wheat of the new crop, and that present exchange restrictions may be substantially modified, possibly making some provisions which will do something to offset the disadvantages of the withdrawal of the guaranteed minimum. Some official announcement of policy is expected to be made as soon as the negotiations in connection with the new Anglo-Argentine trade agreement have been completed, which must be in the near future.

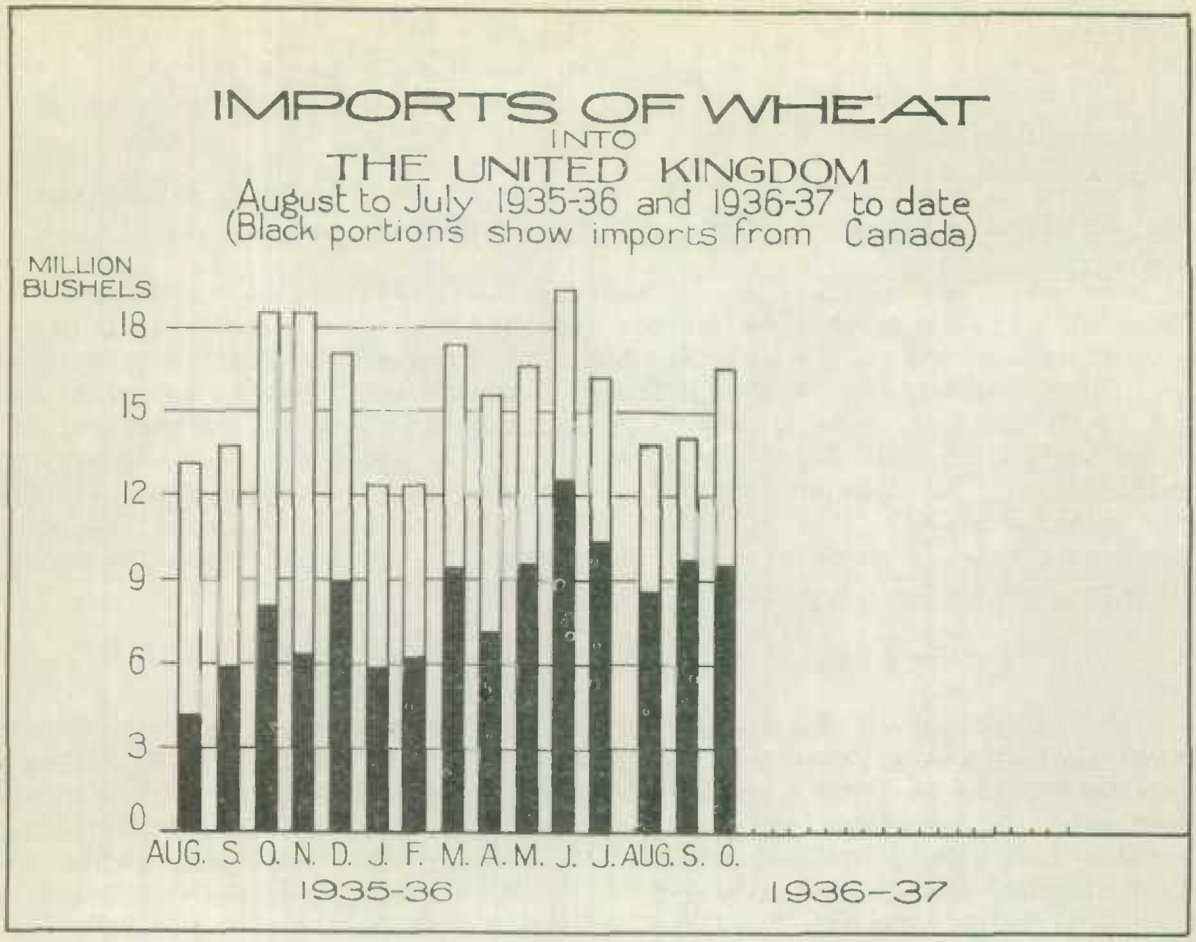
New Official Shipping and Other Regulations

The National Grain and Elevator Board is preparing to carry out the duties and responsibilities placed upon it by the Grain and Elevator Acts. Regulations for the control of exports of grain have just been announced, which will come into effect on December 1st. On and after that date every exporter of grain will be required to advise the Board at its nearest office, of his intention to load grain, giving the name and location of the steamer, the day and hour at which loading is to begin, so that the loading operations may be duly inspected and samples of the grain be taken officially. Before loading can commence an inspector must certify that the holds are clean and fit for the grain.

Any exporter who wishes to load grain of a quality inferior to those recognized by the responsible trade committees or with dockage greater than that recognized, must give due notice of his intention, and the inspectors will be required to take proper precautions to prevent the mixing of such grain with other grain on board. Within 24 hours of the despatch of any cargo the shipper must file a declaration giving full particulars of it and naming its destination; if it is sailing "for orders" he must within 10 days of the discharge at the final port of destination abroad, report to the Board the quantity and grade of grain discharged at each port. An inspection fee of five centavos per ton is required to be paid by the exporters to cover the cost of this inspection service, and substantial fines will be imposed for infractions of the new regulations.

Another new regulation provides for the establishment of a register of stocks of grain in the country, and requires every grain merchant to report during the first five days of each month the quantity of grain of which he is the owner, specifying its characteristics, the places where it is to be found, and such other data as the Board may consider useful. The regulation comes into effect on January 1st next.

The Grain and Elevator Board announces its intention to establish an office in London, the principal function of which will apparently be to keep the Board posted with regard to conditions in European consuming markets.



The United Kingdom

Imports of wheat into the United Kingdom during the month of October, 1936, were higher than during the preceding month but lower than in the corresponding month last year. Imports during October amounted to 16,562,558 bushels compared with 14,168,399 bushels in September, 1936, and 18,494,092 bushels in October, 1935.

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

	August-July 1935-36	August 1936	September 1936	October 1936
		Bushels		
From:				
Canada	95,004,814	8,795,417	9,727,661	9,543,909
United States ...	648,003	-	-	80
Argentina	11,887,471	7,250	15	291,326
Australia	44,168,234	2,227,446	679,509	2,879,242
Russia	13,182,976	-	-	-
Others	25,770,282	2,937,933	3,761,214	3,848,001
Total	190,661,780	13,968,046	14,168,399	16,562,558
Previous year	188,626,909	13,141,987	13,688,185	18,494,092

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; Argentina supplied 12 million bushels or 6.2 per cent.

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

	October, 1936	October, 1935
	Bushels	
From:		
Canada	9,543,909	8,087,220
United States	80	13
Argentina	291,326	2,466,452
Australia	2,879,242	1,554,131
Russia	-	4,435,312
Others	3,848,001	1,950,964
Total	16,562,558	18,494,092

The above table shows that total imports of wheat into the United Kingdom during October, 1936 were lower than during October, 1935. Imports from Canada amounted to 9,543,909 bushels this year as compared with 8,087,220 bushels for the corresponding month last year. Argentine imports amounted to only 291,326 bushels compared with 2,466,452 bushels for the same month in 1935. The United Kingdom imported 4,435,312 bushels of wheat from Russia during October, 1935 while during October, 1936 imports from this country were nil.

The following table shows imports of wheat into the United Kingdom during the period August to October, 1936 and 1935:

	1936 August-October	1935 August-October
	Bushels	
From:		
Canada	28,066,987	18,147,349
United States	80	648,003
Argentina	298,591	7,795,798
Australia	5,786,197	4,897,740
Russia	-	7,870,121
Others	10,547,148	5,965,253
Total	44,699,003	45,324,264

It will be noted that total imports of wheat into the United Kingdom amounted to 44,699,003 bushels during the August-October period in 1936 as compared with 45,324,264 bushels during the same months last year. The table further shows that imports from Argentina were only 298,591 bushels compared with 7,795,798 bushels for the corresponding period last year. Imports from Canada were 9.9 million bushels higher during the August-October period in 1936 as compared with 1935.

INTERNATIONAL TRADE

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

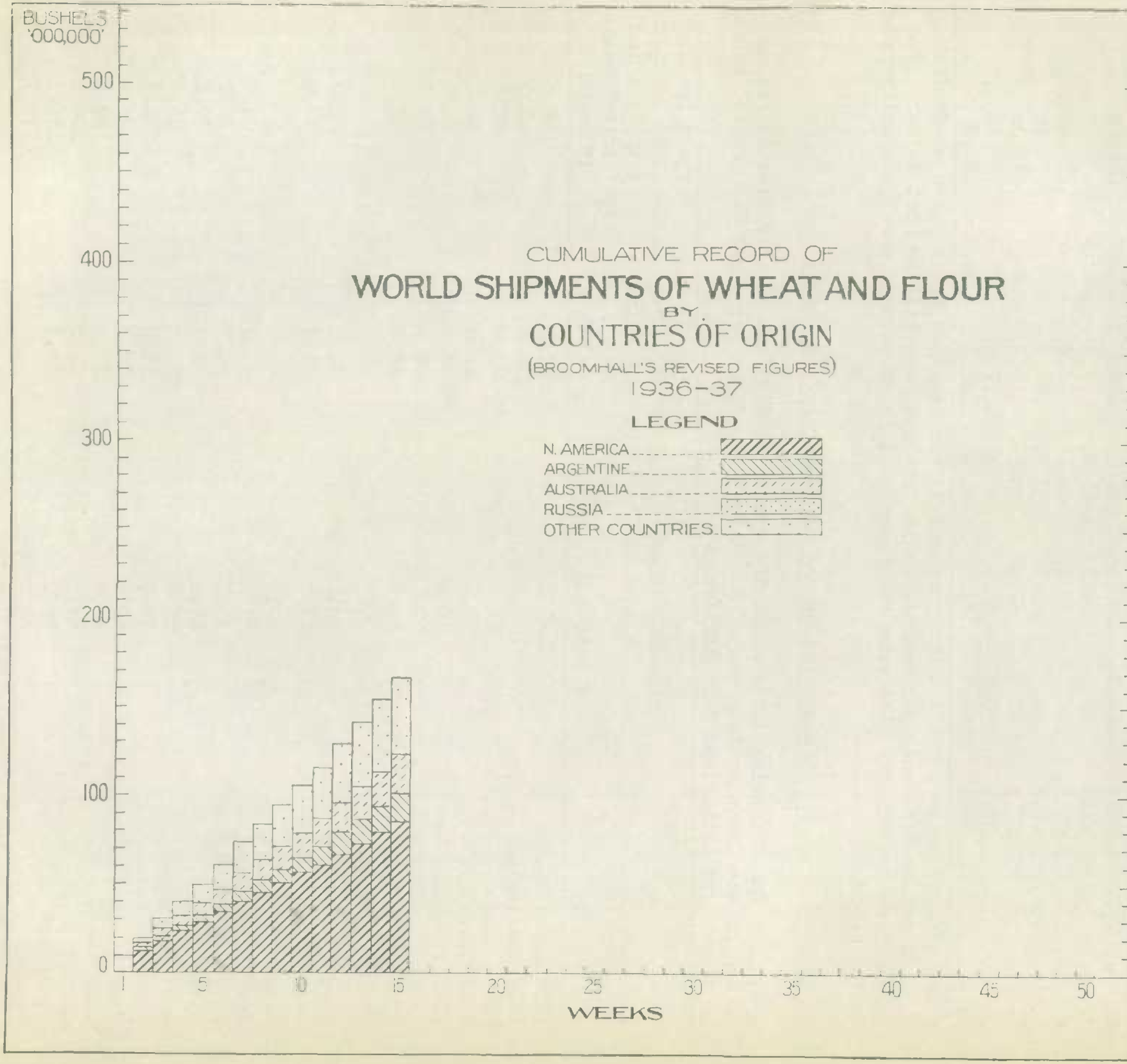
Week Ending		North America	Argentina	Australia	Russia	Other	Total
		(Thousand Bushels)					
August	8	6,848	584	960	-	1,456	9,848
	15	5,616	1,064	1,888	-	1,384	9,952
	22	5,976	888	1,296	-	2,176	10,336
	29	5,288	616	1,192	-	2,648	9,744
Sept.	5	5,072	808	1,360	-	2,000	9,240
	12	5,624	1,336	960	-	4,080	12,000
	19	6,048	952	1,840	-	3,552	12,392
	26	4,744	792	2,176	-	3,176	10,888
Oct.	3	5,368	1,152	1,376	-	3,616	11,512
	10	6,512	464	792	88	2,544	10,400
	17	4,408	1,568	1,536	-	2,904	10,416
	24	5,176	1,984	1,064	-	4,216	12,440
	31	6,152	1,096	1,592	-	3,288	12,128
Nov.	7	5,794	1,603	1,734	-	3,176	12,307
	14	6,694	1,324	1,651	-	2,864	12,533
TOTAL		85,320	16,231	21,417	88	43,080	166,136
Comparative 1935-36							
Corresponding Week		4,880	1,168	2,808	992	976	10,824
Total to Date		54,152	32,530	28,421	17,232	14,600	146,935

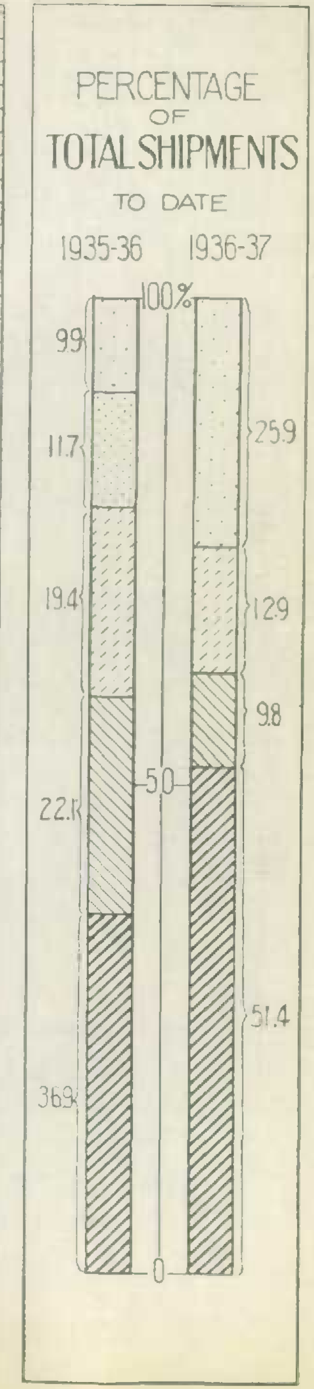
An increase of 19.2 million bushels or 13.6 per cent took place in world shipments during the first fifteen weeks of the new season in comparison with a similar period of the previous crop year. North American shipments exceeded those of a year ago by 31.2 million bushels, and "other" countries, principally Danubian, shipped 28.4 million bushels more than in the same period in 1935. These increases were only partly offset by decreases of 16.3 million bushels from Argentina, 7 millions from Australia, and 17.2 million bushels from Russia.

The Position of the Import Requirements Estimate
(Mr. Broomhall's Estimate)

Revised Import Requirements	Actual Shipments	Balance to be Shipped
Aug. 1,1936 to July 31,1937 (52 weeks) 540 million bushels or 10.4 million bushels weekly	Aug. 1,1936 to Nov. 14,1936 (15 weeks) 166.1 million bushels or 11.1 million bushels weekly	Nov. 14,1936 to July 31,1937 (37 weeks) 373.9 million bushels or 10.1 million bushels weekly

On November 4, Mr. Broomhall revised his estimate of importers' requirements, raising his August calculation of 512 to 540 million bushels. The whole of this increase was allocated to European countries. During the first fifteen weeks of the current season, weekly shipments have averaged .7 million bushels higher than the weekly volume necessary to maintain the revised estimate for the crop year


BUSHELS '000,000'
500
400
300
200
100
0
1
5
10
15
20
25
30
35
40
45
50
WEEKS
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


PERCENTAGE
OF
TOTAL SHIPMENTS
TO DATE
1935-36
1936-37
100%
50
0
9.9
11.7
19.4
22.1
36.9
25.9
12.9
9.8
51.4

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	1.10.9
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			
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	96.1	110.3
October	89.0	-	117.7

≠ Prepared by the Internal Trade Branch.

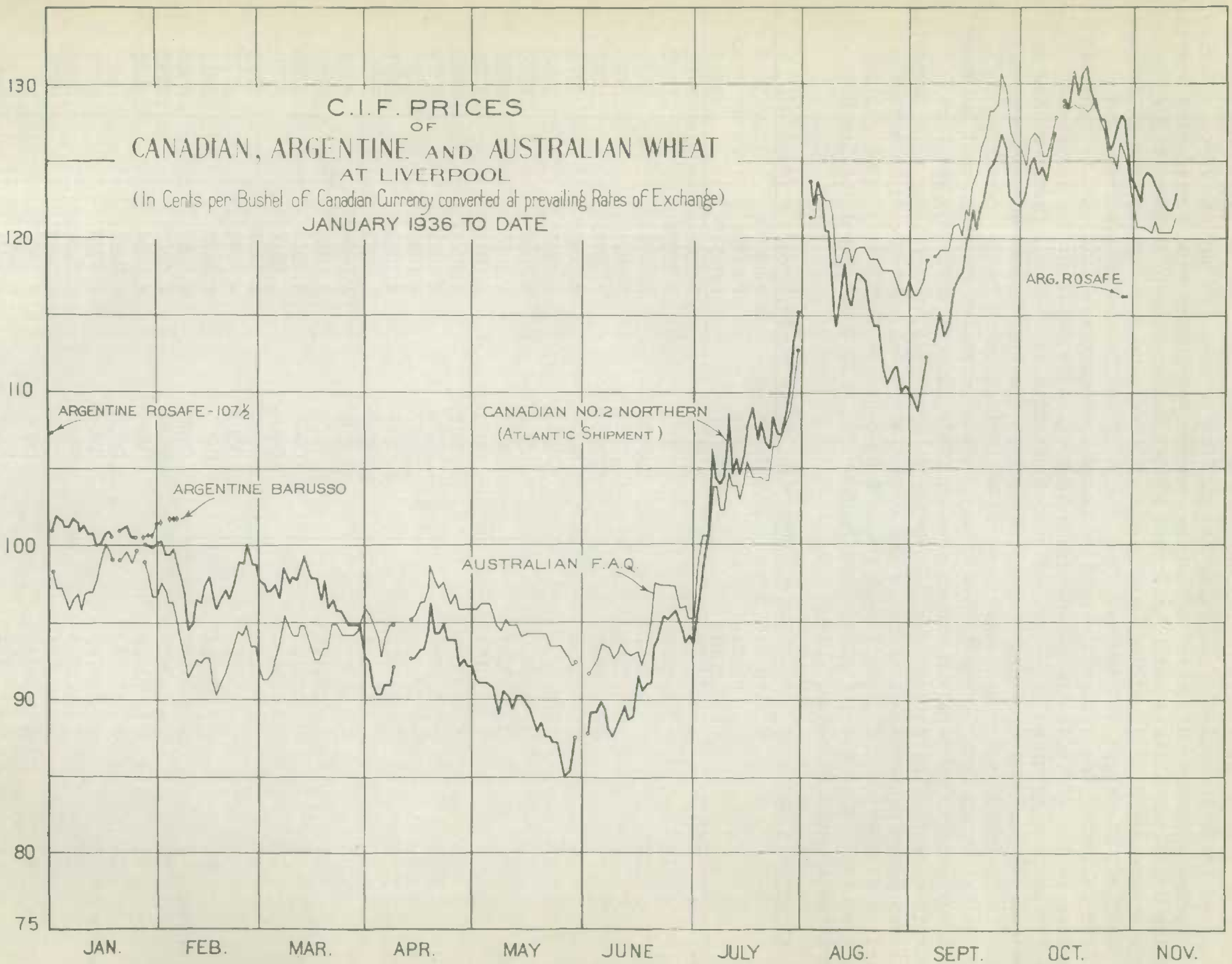
FOREIGN EXCHANGES

Between September 25 and October 5, formal devaluation measures were enacted by France, Switzerland, Czechoslovakia, and Italy, while Dutch authorities announced their intention of allowing the guilder to seek its natural level. During this period also the currencies of Latvia, Greece and Turkey were linked with sterling, and the Brazilian milreis with the United States dollar. Despite these major revisions comparative quiet had been restored to foreign exchange markets by the end of the first fortnight of October. The return of confidence in the franc and guilder following the tripartite gold exchange agreement was indicated by repeated declines in the official French and Dutch bank discount rates in the third week. The French rate returned to 2 p.c. and the Dutch rate to 2½ p.c., levels as low as have existed for several years. Pressure against sterling became quite pronounced again in November, which was considered to be indicative of heavy transfers of Continental funds from London to New York. It was intimated recently that measures would be taken to curtail the amount of such funds entering into the New York security market. The following mid-November Montreal quotations along with percentage declines since September 15 indicate the extent of recent currency adjustments: Sterling $4.8849, - 3.6 p.c.; French franc 4.64 cents, - 29.5 p.c., Dutch guilder 53.92 cents, - 20.5 p.c.; Italian lira 5.25 cents, - 33.2 p.c., and the Czechoslovakian krone 3.54 cents, - 14.3 p.c.

Monday Average Exchange Quotations at Montreal, April 6, to November 16, 1936.

		United Kingdom Pounds	United States Dollar	Australia Pounds	Argentina x Paper Peso
		4.8667	1.0000	4.8667	.4244
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
	26	4.8887	1.0000	3.9100	.2776
November	2	4.8862	.9993	3.9087	.2763
	9	4.8692	.9987	3.8950	.2762
	16	4.8839	.9987	3.9071	.2772

x Unofficial rates - about 5 cents below official rates.


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

-20-

THE CANADIAN SITUATION

I. SECOND ESTIMATE OF PRODUCTION

On November 12, the Dominion Bureau of Statistics issued the second estimate of grain production in Canada, and the following excerpts are taken from the report

There are very few significant changes between the September and November production estimates for the principal grains. The Dominion totals for wheat and oats are slightly higher now than in September, while barley, rye and flaxseed are lower. The greatest change, relative to the size of the crop, is in fall rye. The September wheat estimate of 232,973,000 bushels has been increased by about half a million bushels to 233,500,000 bushels. The increase in fall wheat was 663,000 bushels, partly offset by a decline of 136,000 bushels in spring wheat. The November estimate for oats is about 1.8 million bushels above that of September while the present barley estimate shows a decline of 1.7 million bushels compared with the earlier estimate. The lowering of the fall rye estimate by 590,000 bushels or 16 per cent is the most drastic revision of the September figures. The new flaxseed estimate is reduced only fractionally in comparison with the September figure.

Wheat Production in the Prairie Provinces

The second estimate of 1936 wheat production in the Prairie Provinces is identical in total with that made in September. A slight reduction in Manitoba is exactly offset by an increase in Alberta, with the Saskatchewan figure remaining unchanged. The extreme earliness of the 1936 crop rendered the first estimate more reliable than usual, since correspondents were able to report on the basis of threshing returns even at that early date.

The acreages used for the September and November estimates are identical, being the result of a preliminary addition of the quinquennial census taken on June 1 of this year. The yields per acre are compiled from schedules returned by 6,665 correspondents in the three provinces. The marketing data up to the end of October were also considered. Having census acreages and practically complete threshing returns to work on, it is felt that the present estimates are more reliable than is usually possible at this date.

Marketings in the Prairie Provinces

Wheat. - The forcing effect of drought and fine harvest weather combined to place the marketing of the 1936 crop among the earliest on record. Relatively high prices also encouraged deliveries and the total marketings remained above the 1935 level until the tenth week of the new crop year. Then the small size of the crop had its inevitable effect and the total marketings have since been falling steadily behind the level of the previous year. From August 1 to October 30, 1936, total deliveries and platform loadings have amounted to 120,593,749 bushels compared with 146,899,210 bushels in approximately the same period of 1935. Manitoba has marketed 17,117,881 bushels, Saskatchewan 70,506,739 bushels and Alberta 32,969,129 bushels. With prices holding at the highest levels since the middle of 1930 and grades also running high, it is expected that a high proportion of the crop will be marketed. Total marketings from the 1936 crop should approximate 165 to 170 million bushels, if the 1937 acreage remains at the 1936 level and if feed requirements and unmerchantable grain are lower than in 1935-36, as seems probable. Thus it may be calculated that about three-quarters of the marketable surplus from the 1936 crop has already come forward from the farms, with only 45 or 50 million bushels to be delivered in the remaining nine months of the crop year. Last year in the same period, 69.4 million bushels were marketed from a larger and somewhat later harvest.

Second Estimate of the Area and Yield of Field Crops in Canada, 1936.

CANADA

	acres	bushels
Fall wheat	509,300	12,733,000
Spring wheat	24,779,700	220,767,000
All wheat	25,289,000	233,500,000
Oats	13,118,400	276,265,000
Barley	4,432,500	72,726,000
Fall rye	457,300	3,191,000
Spring rye	177,700	1,177,000
All rye	635,000	4,368,000
Peas	92,500	1,153,000
Beans	64,000	833,400
Buckwheat	398,000	8,664,000
Mixed grains	1,172,800	34,381,000
Flaxseed	467,750	1,779,300
Corn for husking	164,400	5,935,000

QUEBEC

	acres	bushels
Spring wheat	56,300	951,000
Oats	1,690,200	48,678,000
Barley	153,900	4,078,000
Spring rye	6,300	108,000
Peas	18,500	268,000
Beans	4,600	78,000
Buckwheat	151,400	3,558,000
Mixed grains	128,800	3,606,000
Flaxseed	2,900	26,000

ONTARIO

	acres	bushels
Fall wheat	509,300	12,733,000
Spring wheat	98,000	1,735,000
All wheat	607,300	14,468,000
Oats	2,345,900	68,755,000
Barley	519,200	14,350,000
Fall rye	53,200	894,000
Peas	66,800	741,000
Beans	56,300	704,000
Buckwheat	197,000	3,960,000
Mixed grains	953,100	28,593,000
Flaxseed	5,300	34,000
Corn for husking	164,400	5,935,000

PRAIRIE PROVINCES

	acres	bushels
Spring wheat	24,522,000	216,000,000
Oats	8,505,000	137,135,000
Barley	3,719,000	53,097,000
Fall rye	404,100	2,297,000
Spring rye	167,400	993,000
All rye	571,500	3,290,000
Peas	2,800	29,000
Beans	1,100	11,000
Buckwheat	5,700	62,000
Mixed grains	50,800	713,000
Flaxseed	459,300	1,716,000

MANITOBA

	acres	bushels
Spring wheat	2,566,000	29,000,000
Oats	1,441,000	20,139,000
Barley	1,384,000	19,376,000
Fall rye	80,000	880,000
Spring rye	13,000	129,000
All rye	93,000	1,009,000
Peas	1,600	21,000
Buckwheat	5,700	62,000
Mixed grains	10,800	148,000
Flaxseed	88,000	396,000

SASKATCHEWAN

	acres	bushels
Spring wheat	14,596,000	117,000,000
Oats	4,610,000	65,462,000
Barley	1,299,000	16,627,000
Fall rye	243,500	974,000
Spring rye	83,100	515,000
All rye	326,600	1,489,000
Peas	500	3,000
Beans	250	2,000
Mixed grains	18,200	255,000
Flaxseed	354,300	1,240,000

ALBERTA

	acres	bushels
Spring wheat	7,360,000	70,000,000
Oats	2,454,000	51,534,000
Barley	1,036,000	17,094,000
Fall rye	80,600	443,000
Spring rye	71,300	349,000
All rye	151,900	792,000
Peas	700	5,000
Beans	850	9,000
Mixed grains	21,800	310,000
Flaxseed	17,000	80,000

II. AREA AND CONDITION OF FALL WHEAT AND FALL RYE

On November 18, the Dominion Bureau of Statistics issued the following estimates covering the areas sown to fall wheat and fall rye for the season of 1937 with condition figures at October 31:

The area sown to fall wheat in the autumn of 1936 is estimated at 702,000 acres, an increase of 20 per cent as compared with the area sown in 1935, viz., 585,000 acres. The condition at October 31 was reported as 107 per cent of the long-time average yield per acre, as compared with 85 per cent a year ago.

Fall rye sowings in Canada in 1936 are estimated at 464,000 acres, a decrease of 4 per cent as compared with 482,900 acres sown in 1935. By provinces, the acreages are as follows, with last year's figures within brackets: Ontario 56,000 (53,000); Manitoba 79,000 (83,300); Saskatchewan 257,000 (261,800); Alberta 72,000 (84,800). The condition at October 31 in percentage of the long-time average yield per acre is reported as follows, with last year's condition at the same date within brackets: Canada 76 (76); Ontario 102 (85); Manitoba 86 (91); Saskatchewan 68 (70); Alberta 75 (72).

III. GRADING AND QUALITY OF THE 1936 WHEAT CROP

The following table shows the grading of inspections during August, September and October, 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	18,131	92.33	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

After excluding special grades such as Durums, White Springs and Winters the number of cars inspected in October totaled 19,369 of which 18,131 or 92.33 per cent graded No. 3 Northern or higher. For the three-month period ending October, 1936, 93.16 per cent of the cars inspected have graded No. 3 Northern or higher, compared with only 57.26 per cent for the same period in 1935.

IV. 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
21	4,990,595	1,184,034	2,346,482	535,718	-	9,056,829
31	5,378,305	454,468	3,249,052	440,605	-	9,522,430
Nov. 7	3,960,167	691,700	1,016,006	660,325	-	6,328,198
Totals	60,195,002	17,969,937	43,080,942	19,244,685	1,143,829	141,634,395
Comparative Totals to Nov. 7, 1935	60,736,394	18,675,520	52,147,382	8,764,233	-	140,323,429

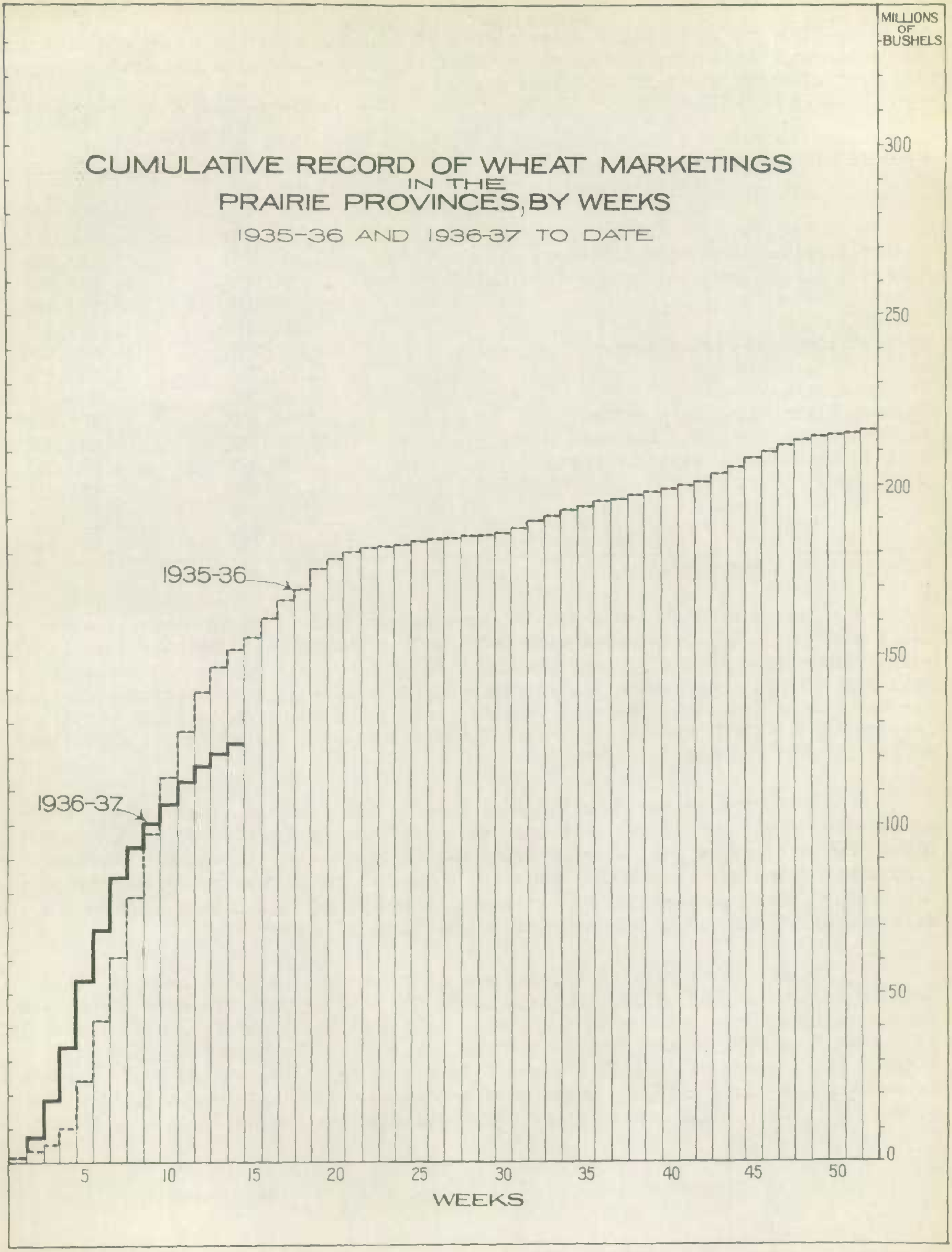
During the period from October 14 to November 7, shipments to Canadian Lower Lake Ports amounted to 16.3 million bushels compared with 6.7 million bushels for the same period in 1935. This increase was partly offset by smaller shipments to Buffalo which from October 14 to November 7 amounted to 6.6 million bushels compared with 10.5 million bushels in the same period a year ago. Total shipments for the 1936 navigation season to November 7 are 1.3 million bushels higher than the lake shipments at the same date last year.

V. PRIMARY MOVEMENT

The following table shows primary receipts of wheat in the Prairie Provinces for the present crop year along with comparative figures for 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
16	316,865	3,306,228	2,847,788	6,470,881	13,311,730
23	155,445	1,922,998	2,485,848	4,564,291	11,657,848
30	359,041	1,576,141	1,477,824	3,413,006	7,822,271
Nov. 6	251,777	1,358,388	1,313,365	2,923,530	4,886,606
Totals	17,369,658	71,865,127	34,282,494	123,517,279	151,785,816

Wheat marketings in the Prairie Provinces during the past four weeks were considerably below the amounts delivered in the same weeks in 1935, with the result that the cumulative marketings from August 1 to November 6, 1936 were 28.3 million bushels less than in the same period in 1935. This comparison is shown graphically in the chart on the opposite page.



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
WEEKS

VI. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on November 13, 1936 along with comparative figures for approximately the same date last year:

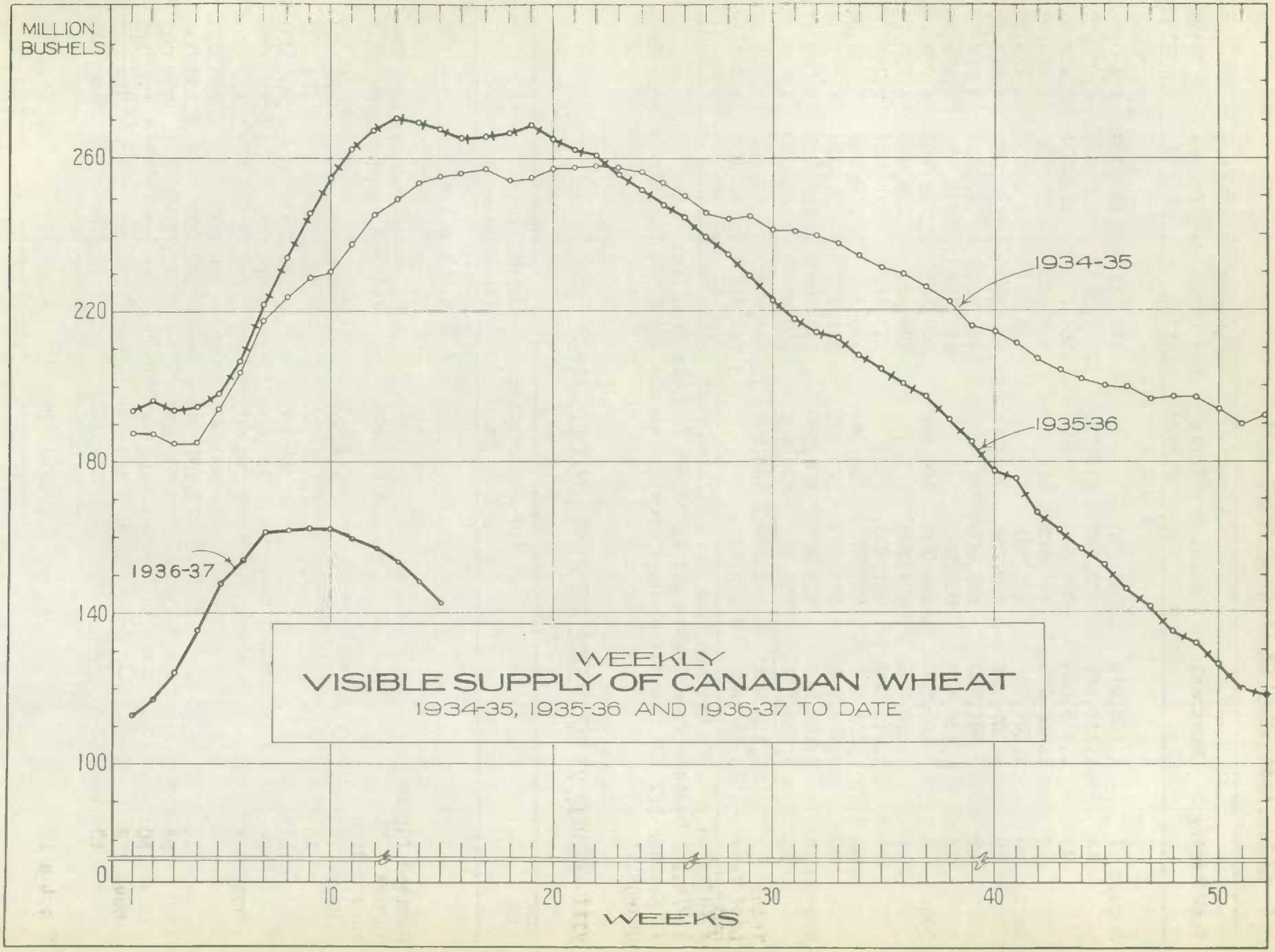
	1936	1935
	(bushels)	
Country Elevators - Manitoba	1,800,000x	6,903,221
Saskatchewan	12,700,000x	45,399,276
Alberta	18,000,000x	34,264,539
Total	32,500,000x	86,567,036
Interior Private and Mill Elevators	6,500,000x	5,792,708
Interior Public and Semi-Public Terminals	77,617	6,143,693
Pacific Ports	10,531,236	15,556,437
Churchill	614,569	1,722,617
Fort William and Port Arthur	24,272,787	48,693,606
In Transit, Lakes	3,530,766	4,801,873
In Transit, Rail	8,399,502	-
Eastern Elevators - Lake Ports	18,466,528	46,878,286
Eastern Elevators - St. Lawrence Ports	11,525,142	15,223,954
Eastern Elevators - Maritime Ports	2,280,291	3,600,011
U. S. Lake Ports	18,118,520	25,991,917
U. S. Atlantic Seaboard Ports	5,759,829	6,722,205
Total	142,576,787	267,694,343

x Subject to minor revision.

Stocks of Canadian wheat in store and in transit on November 13 were 142.6 million bushels, compared with 267.7 million bushels at the same date last year. Since this year's figures include 8,399,502 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 134,177,285 bushels, against 267,694,543 bushels a year ago, a reduction of 133,517,058 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 October 16, the figure has decreased 17 million bushels. This decline is due to the sharply slackening primary movement shown on pages 24 and 25 of this Review, and to the maintenance of the export movement above the level of a year ago.

Stocks in country elevators have decreased 10.5 million bushels since October 16, and are 54 million bushels below the holdings at this date a year ago. Stocks in interior elevators have declined half a million bushels since October 16. Stocks at Fort William and Port Arthur are 11.3 million bushels less than on October 16, and are 24.4 million bushels less than in mid-November, 1935. Stocks in eastern elevators and U.S. ports have increased 6.7 million bushels since the middle of October. All these latter positions show smaller holdings than in mid-November 1935.


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

VII. EXPORT CLEARANCES OF CANADIAN WHEAT 1936-37.

Week ending		Montreal	Sorel	Three Rivers	Vancouver New Westminster	United States Ports	Total Clearances
				Bushels			
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	-	795,604	480,000	3,449,320
	12	1,537,216	609,736	-	617,386	234,000	4,013,329
	18	881,029	592,500	-	642,763	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
	23	1,231,001	657,377	245,285	1,058,310	359,000	3,550,973
	30	2,875,725	493,889	226,571	983,973	301,000	4,881,158
Nov.	6	2,153,240	633,404	512,166	1,040,208	187,000	5,080,476
	13	2,033,572	738,967	624,800	850,908	181,000	4,737,994
Total		21,615,841	9,263,699	2,423,307	11,159,914	7,183,355	57,983,978 ≠
Last Year		18,390,562	3,113,781	-	8,713,613	6,199,000	39,645,184 x

≠ Includes 407,576 bushels from Fort William-Port Arthur to overseas countries direct, 1,074,171 bushels from Quebec and 4,293,501 bushels from Churchill.
x Includes 821,228 bushels shipped from Quebec and 2,407,000 bushels shipped from Churchill.

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

		For Consumption Duty Paid	For Milling in Bond	Total
			Bushels	
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
	23	702,000	161,000	863,000
	30	826,000	302,000	1,128,000
Nov.	6	650,000	309,000	959,000
	13	479,000	261,000	740,000
Total		16,010,298	4,134,578	20,144,876

IX. THE STATISTICAL POSITION

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

	1935-36	1936-37
	(Bushels)	
Carry-over in Canada, July 31	203,273,016	109,435,977
New Crop	277,339,000	233,500,000 1/
Total Supplies	480,612,016	342,935,977
Domestic Requirements	113,376,502	101,000,000 2/
Available Supplies	367,235,514	241,935,977
Exports, August-October	73,621,775	74,329,946
Balance for Export or Carry-over, November 1	293,613,739	167,606,031

1/ November Estimate.
2/ Tentative.

The balance of wheat for export or carry-over at November 1, 1936 was 167.6 million bushels compared with 293.6 million bushels a year earlier, representing a decrease in the statistical position at this date of 126 million bushels. While Canadian wheat transferred to storage in the United States is included in the customs export figures used above, stocks of Canadian wheat in United States ports have also dropped 9.8 million bushels from 32,049,590 bushels reported on November 1, 1935 to 22,282,462 bushels on October 30, 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
	(Bushels)	
Carry-over in Canada and the United States, July 31	214,977,552	128,704,298
New Crop	277,339,000	233,500,000 1/
Total Supplies	492,316,552	362,204,298
Domestic Requirements	113,376,502	101,000,000 2/
Available Supplies	378,940,050	261,204,298
Export Movement, August-October		
Overseas Clearances	33,141,265	49,212,245
U.S. Imports	14,540,433	18,445,876 3/
Flour (as wheat)	5,731,398	5,535,266
	53,413,096	73,193,387
Balance for Export or Carry-over, Nov. 1	325,526,954	188,010,911

1/ November Estimate. 2/ Tentative. 3/ Preliminary figures to October 31.

According to this calculation, the improvement in the statistical position, as compared with that of a year ago, amounts to 137.5 million bushels.

X. EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR.

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

	W H E A T			
	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	26,917,096	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	19,025,770
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

	F L O U R			
	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	464,013	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	495,327
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,[illegible]
September	22,422,747	19,053,052	19,250,299	22,152,853
October	29,005,155	31,175,910	23,992,754	25,826,166
November		28,939,452	21,039,498	25,608,167
December		19,041,108	18,869,586	19,339,736
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