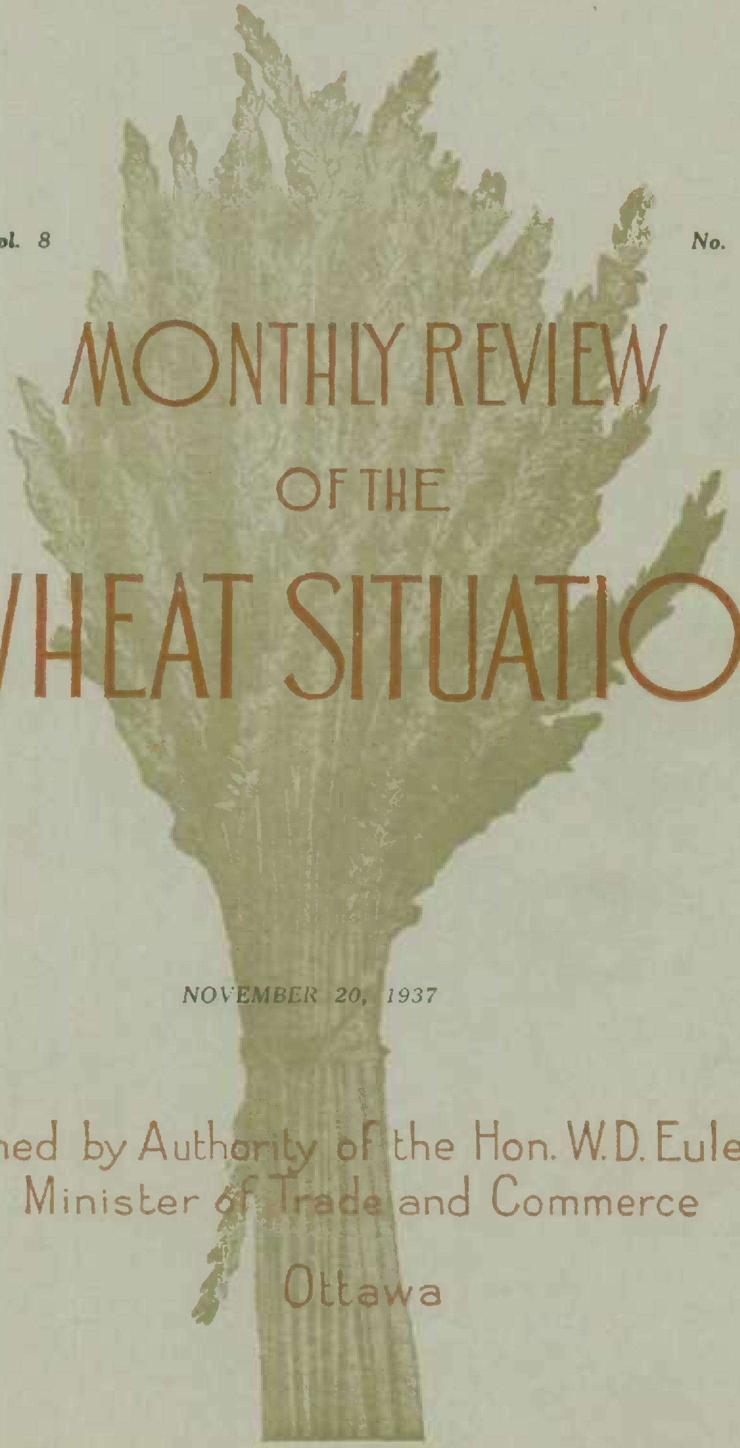
CANADA

DOMINION BUREAU OF STATISTICS
AGRICULTURAL BRANCH



Vol. 8 *No. 3*

MONTHLY REVIEW OF THE WHEAT SITUATION

NOVEMBER 20, 1937

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

(Issued November 20, 1937)

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THE WORLD WHEAT SITUATION - SUMMARY

Unseasonal frosts in Argentina have damaged the wheat crop in that country to an as yet undetermined extent. How far the unofficial estimates of the Argentine crop ranging from 200 to 227 million bushels will have to be revised downward is problematical at the present time. Although such revision may not need to be great, the quality of a considerable portion of the crop is undoubtedly affected, and Argentina will be faced with the problem of marketing low-grade supplies. To the extent that total wheat supplies are curtailed in the Southern Hemisphere country, the United States may expect to export more of its available surplus than has recently been anticipated. News of the frost damage in Argentina both on November 12 and November 17 produced a marked effect in North American markets, with prices rising the five-cent daily limit on both days. These have been the first occasions within recent weeks that wheat prices have been sensitive to what is purely a wheat market factor. From early October to November 12, wheat markets were influenced principally by the trends in the securities markets.

After displaying strong resistance to the stock market decline which commenced in mid-August, wheat prices yielded to the influence of security prices in a break which extended from October 1 to October 19. From October 20 to the end of the month security prices showed a tendency to rally, while wheat markets were still shaken by the recent developments in the stock market and continued an uneven trend downward. In the first week of November, a renewed selling pressure in securities was manifest, and wheat markets paralleled the stock market decline. In the second week, the stock market trend was reversed and wheat prices moved up sympathetically until on November 12, with the Argentine news, wheat prices took an independent course. In view of the strong relation which has prevailed between security prices and wheat prices within the past six weeks, developments in securities must continue to be reckoned upon in appraising the wheat situation.

From early October to the present time world shipments of wheat have shown the usual autumn seasonal increase, and the weekly amounts shipped have been holding at slightly under 12 million bushels. Even at this level, weekly shipments are running somewhat below those of a year ago, and from August 1 to November 13, the total amounts shipped were 136.8 million bushels, or 18 per cent below the 167.1 millions shipped in the same period in 1936. Combined shipments from Canada and the United States at 52.3 millions for the current crop year to date are substantially below the 86 million bushels shipped a year ago when the source of North American shipments was almost wholly Canadian. The deficiency in North American shipments this year has been made up mainly by Russian shipments, which to date have totalled 22.9 million bushels. Russia exported only one small cargo a year ago. Australia continues to export between one and two million bushels weekly, while Argentine shipments under the recent governmental ban on exports were nil in the week ending November 13.

Attention might be drawn to the fact that to date during the current season the importing countries have been primarily the United Kingdom, Holland and Belgium, namely the continuous importers. European wheat production this year is such that Germany and France are likely to be the largest occasional importers, while Italy with a much superior domestic crop this year compared with that of 1936, will probably take only minor amounts. Ordinarily, these latter-mentioned countries utilize their domestic supplies during the autumn months, and commence their import purchases when the Southern Hemisphere crops are freely offered. It is probable that December and January will witness market support from these continental sources.

World wheat production in 1937 is now placed at 3,817 million bushels, which is an increase of 281 millions over the production in 1936. European wheat production, excluding the four Danubian exporting countries, amounts to 1,181 million bushels, showing an increase of 83 millions over the 1936 harvest. The crop in the Danube in 1937 at 349 million bushels, shows a decrease, however, of 34 million bushels from the 1936 level of 383 millions. The increased production in the continental European importing countries this year is contributing toward a lower volume of international trade in the 1937-38 season, as compared with that of a year ago.

In the Liverpool c.i.f. market, quotations on No. 3 Manitobas on November 17 were approximately at the level they were at a month ago, while Australian wheat, No. 2 U.S. Hard Winters and Russian quotations have shown appreciable declines. No. 3 Manitobas were quoted at $1.41 1/2 on October 18 and at $1.38 1/4 on November 17. Australian f.a.q. declined from $1.38 1/2 to $1.26 1/2 between the same dates. No. 2 U.S. Hard Winters dropped from $1.28 3/8 to $1.18, and Russian quotations dropped from $1.26 3/4 to $1.19 1/2. On November 17 a speculative offer of Argentine Rosafe for January-February shipment was made at $1.30. This offer was only 8 1/4 cents below No. 3 Manitoba Northern on the same day, and was 12 cents above No. 2 U.S. Hard Winters. It is apparent that Argentine wheat this year will not be pressed on the market at bargain prices, as was the case a year ago, and that what price differentials prevail will be due to differences in quality.

The Wheat Situation in Argentina

Much of the trade information on the recent frost damage in Argentina has been conflicting, particularly on the extent to which wheat yields and quality have been lessened by the frosts. In addition to the frost damage, unwelcome rains in the extreme north have been impeding the early harvest and rendering less new wheat available for delivery in December. Broomhall suggests a figure of 110 million bushels for the export surplus to be expected from Argentina this year, which is in line with a total crop production of 210 million bushels. Broomhall adds that since Brazil may need 40 million bushels, the export surplus for overseas markets may be only 70 million bushels.

The Wheat Situation in Australia

On November 4, the Australian government issued its first estimate of the 1937 crop at 163 million bushels. This figure was toward the upper limit of the range of private estimates which preceded the official estimate. With domestic requirements absorbing 55 bushels of this amount, 108 million bushels should be available for export in the current season. Meanwhile, the remaining stocks of old-crop wheat which had been under-estimated have been moving into export at a rate between one and two million bushels weekly. Harvesting is getting under way and a portion of the new crop will be available for December shipment. Export offers for December are ruling slightly higher than those for January shipment.

The Wheat Situation in the United States

In the "Wheat Outlook for 1938" released by the United States Department of Agriculture on November 4, it was stated as "probable that the acreage seeded for the 1938 harvest will not differ greatly from the 81 million acres seeded for this year's crop--the largest seeded acreage in the history of the country." The report further states that an increase in the hard red winter wheat belt was probably prevented by lack of moisture at seeding time, but that a larger hard red spring wheat area may be expected than was sown under unfavourable conditions for this year's crop. The full text of the "Summary" and "Domestic Prospects" sections of the Outlook report may be found on pages 10-12 of this Review.

With the crop-year exports from the United States forecasted by the United States Department of Agriculture at 95 million bushels, carry-over stocks at the end of June, 1938, are placed at 202 million bushels. This figure is approximately 100 million bushels larger than the below-average carry-over on June 30, 1936.

For the three-month period from July to September 1937, the United States shipped out but 13,044,000 bushels of wheat including wheat flour, according to the official returns available to date. This is a very small export volume in view of the available export surplus, but is not unexpected when the domestic demand for the best grades of wheat and the large proportion of hard red winters and hard red springs grading light in test weight are considered. Within recent weeks, American exporters have done a light but steady volume of business, and it is probable that with the damage to a portion of the Argentine crop, United States supplies will appear more attractive to continental European importers.

The Wheat Situation in Canada

On November 12, the Dominion Bureau of Statistics issued its second estimate of the 1937 Canadian wheat crop at 182,505,000 bushels, representing a reduction of 5.7 million bushels from the estimate issued in September. Five million bushels of this decrease occurred in the estimate for the Prairie Provinces which was reduced from 164 millions to 159 millions. By provinces, the estimates are now Manitoba 52 millions, Saskatchewan 32 millions, and Alberta 75 million bushels. A reduction of 503,000 bushels was made in the fall wheat estimate for Ontario, which is now placed at 18,689,000 bushels.

On November 18, the area sown to fall wheat in Ontario for the 1938 harvest was estimated at 690,000 bushels, which represents a decrease of 12 per cent from the area sown in the autumn of 1936. The condition of the crop at October 31 was placed at 93 per cent of the long-time average yield, compared with 107 per cent for the same date in 1936.

From August 1 to November 12, prairie wheat marketings totalled 88.5 million bushels of which 31.1 million bushels originated in Manitoba, 18.7 million bushels in Saskatchewan and 38.7 million bushels in Alberta. With a total wheat crop of 159 million bushels, and bearing in mind that more wheat will have to be withdrawn from elevators than is usual for seed for the 1938 crop, it is estimated that total wheat marketings for the current crop year will range between 121 and 126 million bushels. Since 88.5 millions have been marketed up to November 12, there remain still to come forward between 32.5 and 37.5 million bushels. Approximately 72 per cent of the total marketings have come forward to date.

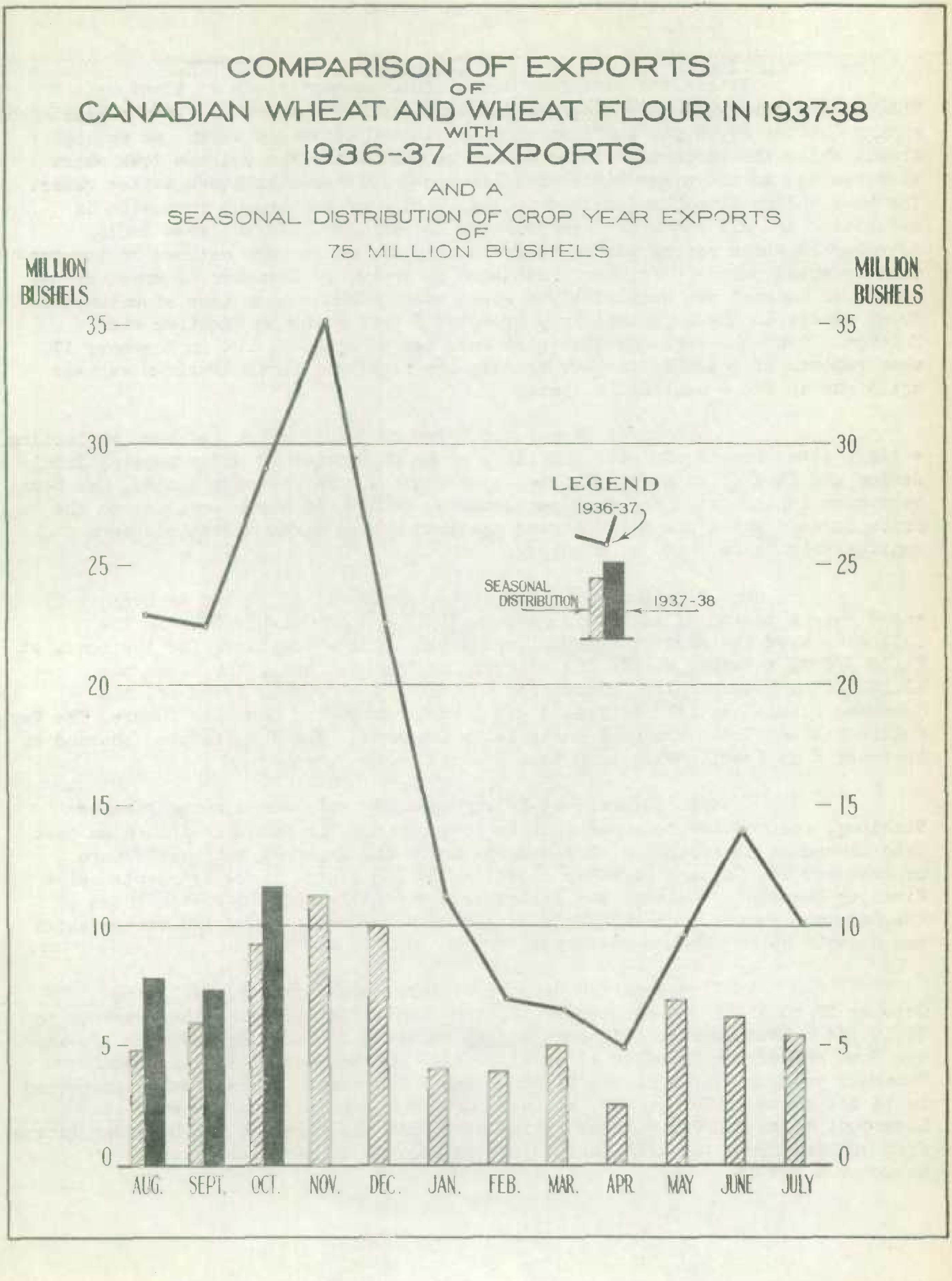
The visible supply of Canadian wheat for the past eight weeks has ranged within narrow limits, and amounted to 72.9 million bushels on November 12. Of this total 16.9 million bushels were durum wheat. The amount of wheat available in export position continues unusually small. In St. Lawrence ports there were only 4.3 million bushels; in the Maritime ports only 318,000 bushels; in the United States Atlantic seaboard ports, only 584,000 bushels, and in Pacific ports 3.4 million bushels.

Total export clearances from August 1 to November 11 have reached 28.7 million bushels, which is just about half the volume cleared of 58 million bushels in the same period in 1936. Within the past four weeks, weekly clearances have been maintained above a two million bushel level, and for the week ending November 11, reached 3,084,965 bushels.

In calculating the present available export supplies, estimated domestic requirements of 100 million bushels, export clearances to November 11 of 28.7 million bushels, United States imports of 1.8 millions, and flour exports as wheat of 4.9 million bushels, are deducted from the season's supplies of 219.4 million bushels in Canadian and United States positions leaving an amount of 84 million at present available for export or carry-over. Available supplies similarly calculated for the same date in 1936 were 176.4 million bushels, indicating that Canada has 92.4 million bushels less for export and carry-over than at this date a year ago.

An Appraisal of the Canadian Export Movement, 1937-38.

With the November revision in the Canadian wheat estimate, maximum export supplies, allowing for a crop-year-end carry-over of 35 millions, now are placed at 85 million bushels, which is a reduction of 5 millions from the maximum export supplies stated on this page a month ago. Since the probable exports were conservatively placed at 75 million bushels, there is little reason to revise this figure. The Customs totals for wheat and flour, for the August-October period were 26,695,964 bushels, or 6.8 million bushels in excess of the amount needed to maintain a total export of 75 million bushels seasonally distributed. Customs exports in October amounted to 11,569,253 million bushels, or 2.4 million bushels in excess of the seasonal allocation to October.


COMPARISON OF EXPORTS
OF
CANADIAN WHEAT AND WHEAT FLOUR IN 1937-38
WITH
1936-37 EXPORTS
AND A
SEASONAL DISTRIBUTION OF CROP YEAR EXPORTS
OF
75 MILLION BUSHELS
MILLION BUSHELS
MILLION BUSHELS
35
30
25
20
15
10
5
0
LEGEND
1936-37
SEASONAL DISTRIBUTION
1937-38
AUG.
SEPT.
OCT.
NOV.
DEC.
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY

PRICES

Within the past four weeks, futures quotations in Winnipeg, Chicago and Liverpool have displayed broadly similar movements. In the week ending October 30, North American markets reacted nervously with an easing trend, while the stock markets were more buoyant after the extreme lows which were reached in the preceding week. Liverpool followed the stock market gains. The week ending November 6 marked another period of continuous recession in securities and all wheat markets followed in sympathy. In the week ending November 13 stock prices turned up again, and the gains were matched by improvement in wheat prices. For the first time in weeks, on November 12 wheat prices responded to what was exclusively a wheat market factor when news of extensive frost damage to the Argentine crop prompted 5 cent gains in Winnipeg and Chicago. Over the week-end the frost news was discounted, but on November 17, when reports of possible further frosts were received, North American markets again ran up the 5 cent daily limit.

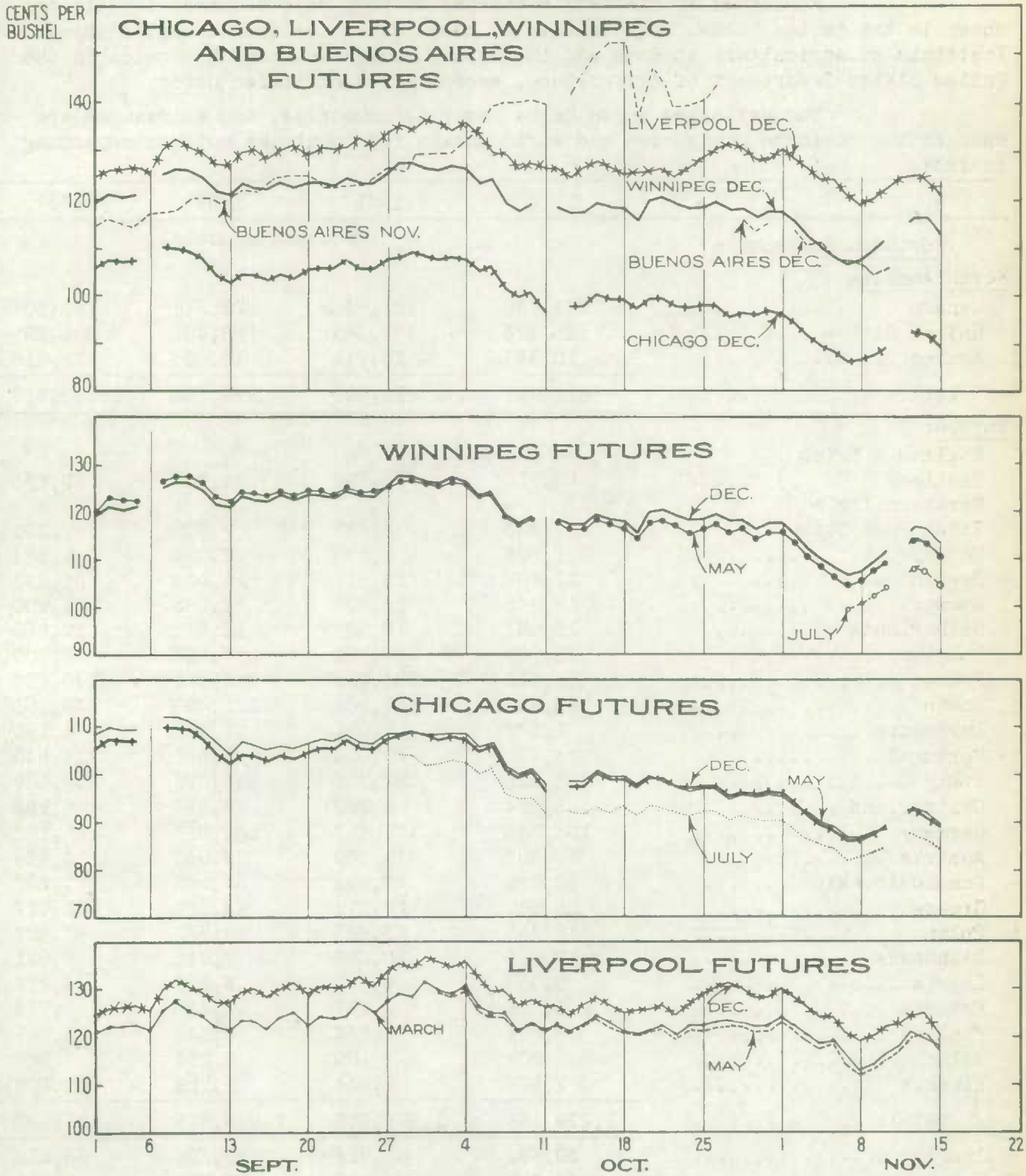
In Buenos Aires, the November future which had been reflecting a tight situation in old crop supplies, broke on October 19 under general liquidation and lack of support. The December future, more recently quoted, has been very much in line with the Winnipeg December future, in sharp contrast to the price spreads which prevailed a year ago when Buenos Aires quotations were considerably below those at Winnipeg.

The Winnipeg December future, quoted at $1.20 5/8 on October 21 eased over a period of more than a week to $1.17 5/8 on October 30. In the following week the same future declined steadily to a low close for the month at $1.06 5/8 on November 6. In the recovery of the next week, the close was $1.16 1/4 on November 13. Except for the first few days in November, the November future has held between 4 and 5 cents above the December future. The May future has continued around 3 cents below December. The July future, boarded on November 6 is fractionally more than 8 cents below December.

Chicago futures, at fairly steadily maintained spreads below Winnipeg, reached new seasonal lows on November 6. The December future on that date closed at 86 cents, or 20 5/8 cents below the Winnipeg December future. On November 15, Chicago December closed at 89 1/8 cents, or 24 1/4 cents below Winnipeg December. Chicago May prices have virtually coincided with those of the December future. Chicago July closed on November 15 at 84 1/8 cents, which was 5 cents below Chicago December.

In Liverpool the December future gained from $1.24 7/8 on October 22 to $1.31 3/4 on October 27, and then eased off with other markets to $1.19 1/4 by November 8. Although it ran up again to $1.25 on November 13, it was down sharply on November 15 at $1.20 1/2. On October 22 the Liverpool December premium over Winnipeg December was 5 5/8 cents. This premium increased to 13 3/4 cents on October 27, but was back to 7 1/8 cents on November 15. Liverpool March and May futures failed to follow the gains in the December future from October 22 to the 27th, but gained relatively to December between November 8 and 15.

DAILY CLOSING WHEAT FUTURES QUOTATIONS IN LEADING MARKETS



WORLD WHEAT PRODUCTION ESTIMATES, 1937,

WITH COMPARATIVE ESTIMATES FOR 1934, 1935 AND 1936.

Revisions in the 1937 estimates as they have occurred to date are shown in the tables below. The sources of these estimates are the International Institute of Agriculture at Rome and the Bureau of Agricultural Economics in the United States Department of Agriculture, except where otherwise noted.

The estimates shown below cover 43 countries, and allowances are made in the northern hemisphere and world totals for countries not yet reporting in 1937.

	1934	1935	1936	1937
Northern Hemisphere	(Thousand Bushels)			
North America				
Canada	275,849	281,935	229,218	182,505
United States	526,393	626,344	626,461	886,895
Mexico	10,949	10,711	13,606	11,216
Totals	813,191	918,990	869,285	1,080,616
Europe:				
England & Wales, Scotland, Northern Ireland	69,775	65,395	55,265	53,253
Irish Free State	3,803	6,687	7,839	7,200
Norway	1,205	1,870	2,094	2,524
Sweden	27,807	23,611	21,524	26,495
Denmark	12,845	14,672	11,265	11,900
Netherlands	18,041	16,652	15,575	12,860
Belgium	16,759	16,101	16,153	14,700
France	338,511	284,950	255,932	246,200
Spain	186,835	157,984	121,490	135,000
Luxemburg	1,172	1,021	1,070	1,190
Portugal	24,691	22,094	8,651	14,540
Italy	233,061	282,757	224,568	296,009
Switzerland	5,824	5,989	4,470	6,162
Germany	166,545	171,487	162,659	161,192
Austria	13,305	15,509	14,040	14,469
Czechoslovakia	50,015	62,096	55,582	51,257
Greece	25,680	27,179	19,537	33,627
Poland	76,440	73,883	78,357	67,607
Lithuania	10,475	10,093	7,942	7,991
Latvia	8,050	6,522	5,272	6,737
Estonia	3,108	2,267	2,433	2,774
Finland	3,281	4,233	5,442	5,989
Malta	309	180	236	326
Albania	1,628	1,554	1,129	(1,100)
Totals	1,299,165	1,274,786	1,098,525	1,181,102
Bulgaria	39,594	47,924	59,304	56,492
Hungary	64,822	84,223	87,788	69,994
Roumania	76,554	96,440	128,716	136,001
Yugoslavia	68,327	73,100	107,421	86,252
Totals	249,297	301,687	383,229	348,739
Total Europe	1,548,462	1,576,473	1,481,754	1,529,841

World production in 1937 is now indicated to be 3,817 million bushels, an increase of 281 million bushels over the world production in 1936.

The estimate of total wheat production in Europe is virtually unchanged from that reported a month ago, but an increase in the estimates for the importing countries of 8 million bushels, is offset by a corresponding decrease in the Danubian countries.

The first official estimate of the Australian crop is 163 million bushels. The first estimate for Argentina will not be released until December, and the figure shown below is only tentative.

	1934	1935	1936	1937
		(Thousand Bushels)		
Africa:				
Algeria	43,530	33,532	29,773	33,995
Morocco	39,587	20,036	12,234	18,372
Tunisia	13,779	16,902	8,083	18,372
Egypt	37,276	43,221	45,701	45,376
Totals	134,172	113,691	95,791	116,115
Asia:				
Palestine	3,046	3,836	2,795	(2,800)
Syria & Lebanon	16,277	18,519	15,704	17,192
India	349,809	363,209	351,680	366,165
Japan	47,659	48,718	45,194	49,603
Chosen	9,267	9,748	8,078	11,041
Turkey	99,710	92,640	138,496	140,311
Totals	525,768	536,670	561,947	587,112
Totals 43 Countries ...	3,021,593	3,145,824	3,008,777	3,313,684
Estimated Northern Hemisphere				
Total, ex U.S.S.R.				
and China	3,085,653	3,191,873	3,063,253	3,369,000
Southern Hemisphere				
Argentina	240,667	141,020	247,832	220,462(a)
Australia	133,392	142,596	150,106	163,000
Union of South Africa	16,373	20,194	16,195	(15,000)
Totals	390,432	303,810	414,133	398,462
Estimated World Total, ex				
U.S.S.R. and China	3,533,184	3,562,978	3,535,564	3,817,000

(a) Source: Correspondent of the Dominion Bureau of Statistics in Buenos Aires.

UNITED STATES

On November 4, the United States Department of Agriculture released its Wheat Outlook report in the series of the Agricultural Outlook for 1937-38. The following is the substance of the report as it relates to the domestic situation in the United States:

The Wheat Outlook for 1938

Summary

If wheat growers respond to relatively high prices this year as they have in the past, it is probable that the acreage seeded for the 1938 harvest will not differ greatly from the 81 million acres seeded for this year's crop -- the largest seeded acreage in the history of the country.

The annual wheat outlook of the Bureau of Agricultural Economics further states that 81 million acres seeded to wheat, with average yields and average abandonment, would produce a crop of more than a billion bushels. Preliminary estimates place the 1937 production at 887 million bushels. About 660 million bushels are used annually in the United States, and with average yields could be produced on about 56 million acres. Even if exports reach the estimated 95 million bushels this year, the domestic carry-over on July 1, 1938, would be about 100 million bushels larger than in 1937.

Substantial exports of United States wheat are probable this year, as the result of increased domestic production, small world supplies, and relatively high prices in world markets. The export situation may not be so favorable for the year beginning July 1938. If about average yields per acre are obtained on the large world acreage, world wheat production in 1938 would be in excess of prospective world requirements, and carry-over stocks in the summer of 1939 would again be above the average that prevailed prior to the accumulation of stocks in 1929-33.

Unless world production in 1938 is again small or demand by importing countries increases beyond present indications, prices of wheat and income to United States wheat growers from the 1938 crop may be expected to be materially lower than during the current marketing season.

Domestic Prospects

If United States growers respond to relatively high prices as they have in the past, it is probable that the acreage seeded for the 1938 harvest will not differ greatly from the 81 million acres seeded for this year's crop -- the largest seeded acreage in the history of the country. Present indications suggest that further increases in some areas may be offset by a return to more nearly normal acreage in other areas. Increases were intended by farmers in parts of the hard red winter wheat area, but lack of moisture has delayed seeding and the total acreage may be reduced below earlier expectations. Increases in wheat acreage may occur in parts of the hard red spring wheat area, where seeding conditions were unfavorable for this year's crop. On the other hand, reductions may occur in some Central Corn Belt States, where farmers during the last few years shifted to wheat from oats, barley, and corn, and are now working toward increased live-stock production.

Wheat now on an export basis

United States production in 1937 is now estimated at 887 million bushels. This is greatly in excess of the approximately 660 million bushels used annually in the United States for food, feed, and seed (table 1) which, with average yields, could be produced on about 56 million acres.

The 11-bushel yield per seeded acre this year is below the 10-year (1923-32) average of 12.9 bushels. Total abandonment of wheat acreage for the 1937 crop was about 17.3 per cent compared with the 10-year average of 10.2 per cent. Had abandonment been only average this year, over 1 billion bushels would have been produced. With about the same seeded acreage as this year, a yield as low as 8.1 bushels -- the record low yield of 1933 -- would produce fully enough wheat for the usual domestic needs. On the other hand, a yield as large as 15.1 bushels per seeded acre, which was produced in 1924, would result in a crop of about 1,200 million bushels. While it is too early to forecast yields of winter wheat, fall moisture supplies up to the middle of October suggest per-acre yields in 1938 not greatly different from 1937.

Production in excess of domestic consumption must be exported or result in an increase in domestic carry-over stocks. World trade in wheat has declined sharply since 1929, largely as a result of drastic restrictions on imports and an increased production in the major importing countries. In the early part of this period, exports from the United States declined with those from other surplus-producing countries. During the last 3 years, the United States was a net importer as a result of small crops. Substantial exports from the United States are probable in 1937-38 as a result of the large domestic crop of winter wheat, small world supplies due largely to small crops in Canada and Argentina, and relatively high prices in world markets.

Export outlet for 1938-39 less favorable

Unless world production in 1938 is again small or there is a considerable increase in foreign import demand beyond present indications, the export market for United States wheat in 1938-39 would be much less favorable than this year, stocks would tend to accumulate, and prices and income received by wheat growers would be materially below those of the current crop year.

Despite the sizable surplus, exports during the current crop year to date have been small, having amounted to only about 17 million bushels for the period July 1 to October 15. The small exports have been due to a number of factors, one of the most important of which has been the extreme shortage of ocean-shipping space, which has resulted in the highest rates in recent years. Ocean freight rates from United States Gulf ports to Europe in October, at about 15 cents per bushel, were about double what they were a year earlier. The threat of large shipments from Soviet Russia as well as the cheaper offerings from other countries also have been significant factors. Soviet grain exports remain largely a matter of conjecture, being dependent upon Government policy. The apparently good 1937 crop in Soviet Russia and the high level of prices favor fairly large Russian exports this year. In the years 1933-34 and 1935-36, Soviet Russia exported 34 million and 29 million bushels, respectively.

Need for improved quality

During the last 4 years, prices of hard wheats in the United States were high relative to prices of soft wheats because supplies of hard wheats were small compared with domestic needs, whereas supplies of soft wheats were fully ample.

With larger supplies of hard wheats this year a more nearly normal price relationship between the various classes of wheat, such as existed in the 1923-27 period (table 1), may be expected. The average price for all grades of all wheats in 1937-38, however, will be lower than would otherwise be expected because a large proportion of the hard red winter and hard red spring wheat is light in test weight per bushel and is falling in the lower grades. This situation is partly offset by the high quality of the white wheat crop in the Pacific Northwest.

Table 1.- Supply, distribution, and disappearance of wheat in the continental United States, and representative prices for selected crop years.

Item	Year beginning July 1						
	Average		1933	1934	1935	1936	1937
	1923-27	1928-32					
Supply, distribution and disappearance	(Million Bushels)						
Stocks July 1	118	264	1/378	274	148	142	103
Production	795	864	552	526	626	627	887
Imports	3	0	---	16	34	36	---
Total supply	916	1,128	930	816	808	805	990
Exports and shipments 2/.....	181	113	29	13	7	12	3/ 95
Carry-over stocks	114	317	274	148	142	103	3/202
Total 2 items	295	430	303	161	149	115	3/297
Apparent domestic disappearance	621	698	627	655	659	4/690	3/693
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Prices							
Parcels at Liverpool	156.0	89.9	68.2	80.6	90.0	125.8	
No.2 Hd.Winter, Kansas City .	134.7	81.1	88.5	98.1	105.1	121.4	
No. 1 Dk.No.Spring,Minneapolis	147.8	94.0	91.3	116.4	126.0	146.9	
No. 2 Hd. Amber Durum, "	138.4	88.8	103.2	137.7	112.8	156.9	
No. 2 Red Winter, St. Louis .	144.4	91.9	94.3	93.9	94.9	111.1	
No. 1 White Club, Seattle 5/.	135.2	83.7	75.4	83.9	82.9	107.7	

1/ Largest stocks in the history of the United States. 2/ Includes flour in terms of wheat. 3/ Forecast of October 1937. An unusual shortage of ocean-shipping space this year may serve to reduce exports below 95 million bushels. 4/ Unusually large quantities of wheat were fed in 1936 and probably will be fed again in 1937.
5/ December 1927 - August 12, 1934, Western White at Seattle. 1923 to November 1927, Western White at Portland.

Lower prices emphasize the importance of quality in obtaining better-than-average returns. The causes of low-grade wheat, such as garlic, smut, high foreign-material content, and mixtures of classes, can be largely avoided by the use of clean, pure, treated seed and proper cultural and grain-handling methods on the farm. Purity of seed has suffered materially as a result of having planted much low quality seed following the droughts in recent years; there is unusual need at present, therefore, for the use of good seed in order to effect production of high-quality wheat.

AUSTRALIA

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

"Wheat and flour shipments for the period ending November 8 totalled 95,090,996 bushels compared with 91,978,723 bushels in the previous year. Several cargoes of old crop wheat have been consigned to the United Kingdom, but the export market for wheat has shown a severe decline due to pronounced weakness emanating from Wall Street. Oriental markets are showing no interest. Japan is still restricting imports. The balance of the old crop export surplus is now moving out. The price of old crop wheat to growers at country sidings is four shillings per bushel, equivalent to seventy-nine cents Canadian, with the price for new wheat the same. The f.o.b. price of old crop wheat is four shillings eight and one-quarter pence per bushel, equivalent to ninety-three cents Canadian. The official estimate of the new wheat crop is 163 million bushels. The quality is better than last year. Early harvesting in all states has commenced. Shipments of the new crop can be effected in late November. Shippers expect no improvement in oversea prices until the value of United States wheat moves upward. Trade in flour is dull and confined to narrow channels with millers seeking new orders for November-December delivery. Export quotations are nine pounds ten shillings per ton in 150 pound sacks, equivalent to thirty-seven dollars and seventy-two cents Canadian and ten pounds per ton in 49 pound calico bags, equivalent to thirty-nine dollars and seventy cents Canadian. The freight market is quiet with rates easing although inclined to firm immediately that tonnage demand becomes evident. Latest fixture new crop forty-one shillings threepence for Western Australia loading. Other states are one shilling additional."

ARGENTINA

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

Second Official Estimate of Areas Seeded

The second official estimate of the areas seeded to the principal grain and seed crops (excluding maize) has been given out by the Ministry of Agriculture. The total area under crop is now stated to be 33,997,080 acres, as compared with the first estimate of 31,109,650 acres. Each item shows an increase, some of them very small; but in the case of wheat, the principal crop, there is almost a 10 per cent jump, which makes the acreage of the new crop rather better than 10 per cent above that of last year, and slightly over the ten-year average.

The following is a comparison of the two estimates:

	Second Estimate				First Estimate	
Wheat	7,800,000	hect. or	19,266,000	acres	17,586,400	acres
Linseed	2,970,000	" "	7,335,900	"	6,298,500	"
Oats	1,310,000	" "	3,235,700	"	3,112,200	"
Barley	780,000	" "	1,926,600	"	1,914,250	"
Rye	860,000	" "	2,124,200	"	2,099,500	"
T o t a l s	13,720,000	" "	33,888,400	"	31,010,850	"

And below is a comparison with last year and with period averages:

	Wheat	Linseed	Oats	Barley	Rye	
1937-38	19,266,000	7,335,900	3,235,700	1,926,600	2,124,200	acres
1936-37	17,495,000	7,435,000	3,157,000	1,924,000	2,203,000	"
5-year average ...	17,987,700	7,270,500	3,370,200	1,842,300	1,895,000	"
10-year average ..	19,241,800	7,357,700	3,481,800	1,604,800	1,563,300	"

Crop Conditions

Synopsis of the monthly official report on conditions in the principal cereal regions, published on October 20:

Buenos Aires: Favourable weather conditions which began in September continue, the rains of the first half of October being of great benefit especially in the south and west where the general state of the crops has notably improved. In the northern parts of the province a continuance of the rains might be prejudicial to the normal development of the crops through excessive humidity. Wheat: Most of the wheat throughout the province has headed out. Generally the condition is good, especially in the great south-western wheat zone. Here, however, during the last few days there has been noted an appearance of dark stains in the neck of the plants, which may indicate a possible invasion of pietin. In the west, although more rain is needed, the plants have re-acted well. The condition is very satisfactory in the centre and south-east. In the north continued rains might be unfavourable. All reports confirm the forecasts of increased acreage under wheat, the increase being proportionately greater in the corn and linseed zones of the north and centre of the province.

Santa Fe: Weather conditions have been more favourable, with frequent rains falling abundantly in the best districts. In the north, and especially the north-west, there was a scarcity of rainfall and the strong and hot winds have augmented the effects of the drought, making an abundant and immediate rain indispensable in this zone. Throughout the south the condition of the wheat fields is very good, but in the north it looks very poor, with growth uneven and plants already heading without having stooled. First because of the drought, then the green fly and now locusts, many wheat fields in this northern part have been lost, and the land has been ploughed for maize. These losses have restricted the increase in area which had been anticipated. In some varieties of wheat there is much loose smut, to which the farmers attach little importance in spite of the undoubted loss it causes in quality and yield.

Cordoba: The general rains have noticeably changed the agricultural picture in the province, facilitating new sowings and helping germination of the old ones. Latterly violent winds have caused damage in the sandy soil regions, and have dried out the land, so that new precipitation would be very beneficial. The wheat fields are in various stages, from heading to milk paste. While some fields where germination was very uneven will not be harvested, in general the condition may be considered good, principally in the south-east of the province. In the south-west drought and winds have caused the loss of some fields. In this zone the recent rains have filled a much felt want.

Entre Rios: Opportune rains have helped ploughing and maize planting and benefited the other crops. Wheat: Most of this has headed, and generally it presents an excellent appearance, except in some districts where green fly has caused damage, and in others where the locusts have been busy.

The Pampa: During the last month the precipitation in the south was sufficient, but in the north it was scarce and the strong and continuous winds neutralised its effect, causing damage in the Spring sowings. Wheat in the north is forming stalk under bad conditions because of the effects of the drought, but if it rains before long there are still hopes of a half-crop. In the south the present prospects are for an abundant crop.

Since the appearance of the official report summarized above there have been further rains, in which all parts of the cereal regions have participated, and private reports now indicate that in a general way moisture supplies are adequate for some time, and that more sunshine would be welcome.

In the last week of the month a sudden drop in temperature resulted in frosts in various districts, and there are fears of damage to the wheat and linseed crops, the extent of which will not be assessable for some time. During the same week an extensive flight of locusts was reported in the centre of the province of Cordoba, and some destruction is indicated in those wheat fields, which were still green and in the maize fields with possibilities of more damage to the maize later when the eggs now being deposited hatch out. Generally speaking, there has so far been no more damage than usual this year from either frost or locusts in the grain districts.

The general situation may be summed up as being quite good at the end of October, as the districts where the crop condition is poor or only fair are amply offset by those which may be described as good and very good, these latter being generally zones with records of heavier yields than the former. The province of Buenos Aires, where the conditions are best of all, this year represents about 55 per cent of the whole wheat area of the Republic.

In the northern wheat areas, especially in Santa Fe, harvesting is expected to be early this season, and deliveries may commence early in December with favourable weather. Linseed, on the other hand, is not so well advanced as a year ago, and early shipments are not anticipated.

Supplies and Market Conditions

Late in the month the Department of Agriculture, as the result of an investigation as to the stocks of wheat, linseed and maize in the country as at the 30th of September, published revised figures of the volume of the 1936-37 crops of those products, to bring them into conformity with the remaining stocks. The government's revised figures are the basis of the following statements:

Wheat.- Exports of wheat and wheat flour during October totalled 3,002,000 bushels, 2,604,000 bushels being wheat, and 398,000 bushels flour. The combined total in the previous month was 3,986,000 bushels. Below is the present statistical position:

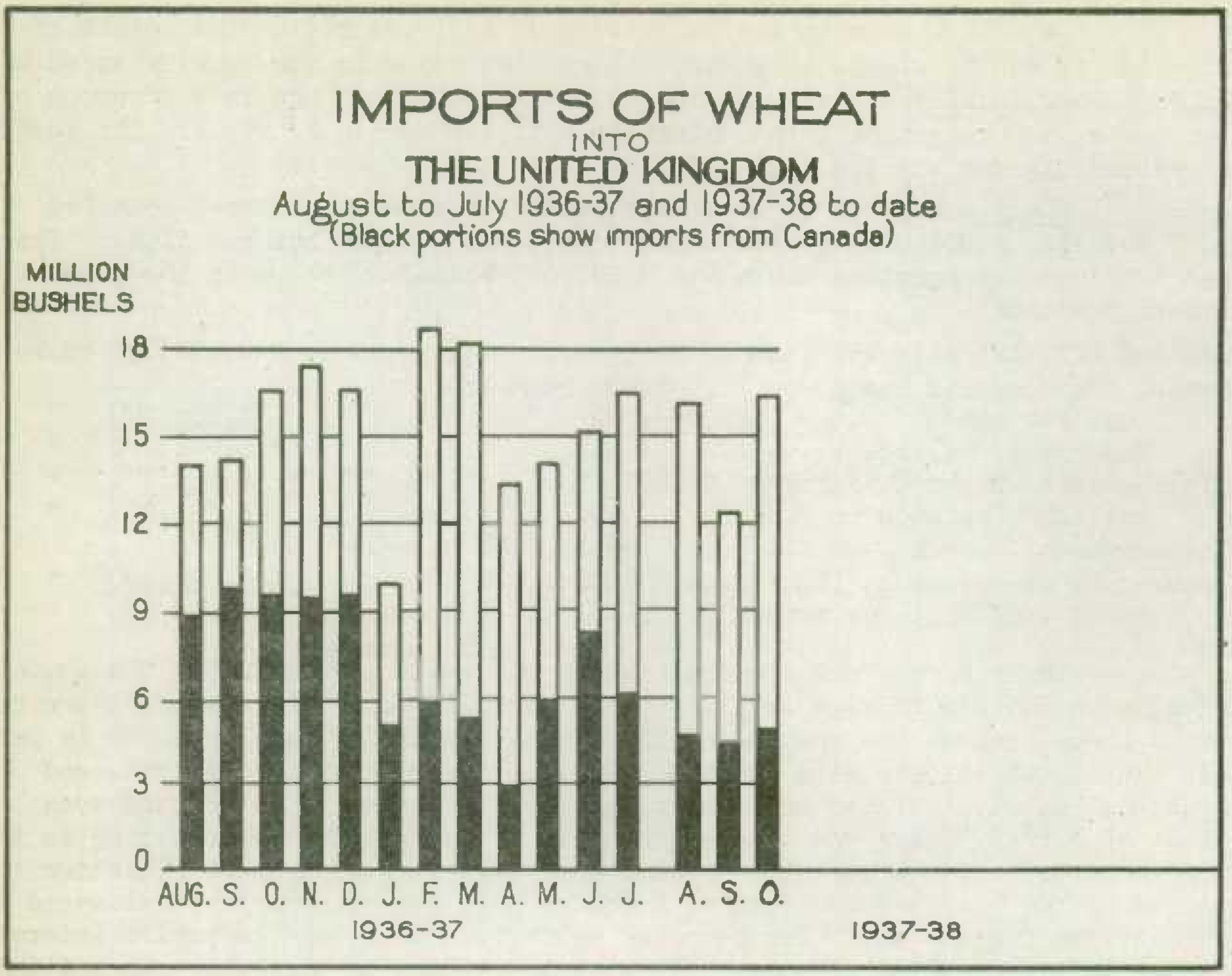
Revised official estimate 1936-37 crop		249,196,000 bushels.
Deduct for domestic needs -	77,162,000 bushels	
and for seed	- 22,046,000 "	99,208,000 "
Exportable balance		149,988,000 "
Disappearance prior to January 1, 1937		3,380,000 "
Available balance on January 1		146,608,000 "
Shipments to) wheat	140,159,000 bushels .	
October 30) wheat as flour	2,893,000 "	143,052,000 "
Still available for export		3,556,000 "

There were great fluctuations in the wheat market during the month, and prices were carried as high as 17.50 pesos per quintal. This extraordinary rise from 14.90 prevailing at the opening of the month, appears to have been due in part to the fact that local millers with options bought to cover their requirements and needing actual wheat, insisted on deliveries, and the grain had to be purchased regardless of price. There was also a good deal of speculation contributing to the disturbed condition of the market. To give some relief in an awkward situation it was decreed by the Board of the Futures Exchange that new wheat may be delivered to cancel contracts for old wheat for November delivery. Considerable public interest was aroused in the question of wheat prices by the action of the bakers in putting up the prices of bread. Bakers, millers and grain dealers were called in by the Minister of Agriculture in an effort to get at the real causes of the trouble, and as a result in the closing days of the month it was decreed by the Government that from the 29th until further official action all exports of wheat and wheat flour were prohibited. The preamble to the Decree stated that there were ample stocks of wheat in the country to meet all needs for consumption (there were officially stated to be 6,761,000 bushels surplus over all domestic requirements on October 22nd); but that reserves must be on hand until the new crop became available. The action of the Government, of which no hint had been given caused some consternation in grain circles; but on the whole was very well received by the public.

Apart from the conditions mentioned above, there is little to be said with regard to the wheat market here. Before the prohibition of exports, shipments to Europe had practically ceased, and Brazil was almost the only customer for Argentine wheat. Cargoes of United States wheat have already begun to arrive at Brazilian ports, so that no great inconvenience is likely to accrue to clients there; and some sales of Russian wheat are said to have been made also.

Early deliveries of wheat from the northern zones are looked for, but these will not be available for milling purposes until a month or so has elapsed for conditioning the grain.

The result of the measures taken by the Government and the Board of Grain Exchange was a return to something approaching normalcy in the market and prices although still above parity with foreign markets fell below those of a month previous, Spot wheat closing the month at 14.60 pesos per quintal, equal to 131 1/2c. Canadian per bushel at official exchange rates; and the December option at 12.82, or say 115 1/2c. per bushel. In Winnipeg on the same day December wheat closed at 117 5/8c.



THE UNITED KINGDOM

Imports of wheat into the United Kingdom during the month of October, 1937, were higher than during the preceding month but slightly lower than in the corresponding month last year. Imports during October amounted to 16,377,720 bushels compared with 12,309,400 bushels in September, 1937, and 16,562,558 bushels in October, 1936.

The following table shows imports of wheat into the United Kingdom for the twelve months August to July, 1936-37, and August, September and October 1937:

	August-July 1936-37	August 1937	September 1937	October 1937
		(Bushels)		
From:				
Canada	86,456,847	4,667,228	4,481,434	4,890,430
United States	103,438	320,988	808,893	354,669
Argentina	29,429,041	9,266	-	-
Australia	38,963,005	6,421,959	3,094,539	2,182,920
Russia	-	-	1,431,150	5,782,419
British India	10,670,162	3,346,909	1,399,412	1,375,001
Roumania	8,420,847	360,784	492,377	1,124,289
Others	10,423,586	903,289	601,595	667,992
T o t a l s	184,466,926	16,030,423	12,309,400	16,377,720
Previous year	190,661,782	13,968,046	14,168,399	16,562,558

As shown by the foregoing table, imports of wheat into the United Kingdom during the twelve months from August, 1936 to July, 1937, amounted to 184 million bushels compared with 191 million bushels for the same month in 1935-36. Out of total imports of 184 million bushels, Canada supplied 86 million bushels or 46.9 per cent; Australia 39 million bushels or 21.1 per cent; Argentina 29 million bushels or 16.0 per cent; Roumania 8 million bushels or 4.6 per cent; British India 11 million bushels or 5.8 per cent.

The following table shows imports of wheat into the United Kingdom during October, 1937 along with comparative figures for October, 1936.

	October, 1937	October, 1936
From:	(Bushels)	
Canada	4,890,430	9,543,909
United States	354,669	80
Argentina	-	291,326
Australia	2,182,920	2,879,242
Russia	5,782,419	-
British India	1,375,001	1,166,810
Roumania	1,124,289	1,731,145
Others	667,992	950,046
Totals	16,377,720	16,562,558

The above table shows that total imports of wheat into the United Kingdom during October, 1937 were only slightly lower than during October 1936. Imports from Canada amounted to only 4,890,430 bushels as compared with 9,543,909 bushels for the corresponding month last year. Imports from Russia amounted to 5,782,419 bushels this month, the largest shipment from that country since November 1931. Australian imports amounted to 2,182,920 bushels for October, 1937 as compared with 2,879,242 bushels during the corresponding month last year. Imports from British India were 1,375,001 bushels as compared with 1,166,810 bushels for October, 1936.

The following table shows imports of wheat into the United Kingdom during the months of August-October, 1937 and 1936:

	1937 August-October	1936 August-October
From:	(Bushels)	
Canada	14,039,092	28,066,987
United States	1,484,550	80
Argentina	9,266	298,591
Australia	11,699,418	5,786,197
Russia	7,213,569	-
British India	6,121,322	1,665,241
Roumania	1,977,450	4,781,673
Others	2,172,876	4,100,234
Totals	44,717,543	44,699,003

It will be noted that total imports of wheat into the United Kingdom amounted to 44,717,543 bushels during the August-October period in 1937 as compared with 44,699,003 bushels during the same three months last year. Imports from Canada were about half of those for the same period last year amounting to only 14.0 million bushels as compared with 28.1 million bushels in 1936. Australian imports for the August-October period in 1937 were higher by 5.9 million bushels as compared with the corresponding period in 1936. Imports from British India amounted to 6.1 million bushels for the three months this year as compared with only 1.7 million bushels for the August-October period last year. Imports from Russia amounted to 7.2 million bushels so far this season while last year they were nil.

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	Danube	India	Other	Total
				(Thousand Bushels)				
August 7, 1937	2,512	888	1,808	184	688	680	280	7,040
14	2,560	880	1,472	-	880	336	416	6,544
21	4,072	856	920	88	1,192	352	192	7,672
28	2,848	968	1,440	456	1,712	248	160	7,832
Sept. 4	2,160	992	840	768	960	928	56	6,704
11	2,128	888	944	1,680	1,264	456	112	7,472
18	2,904	560	376	1,280	1,984	64	24	7,192
25	3,024	408	1,184	1,416	2,056	472	416	8,976
Oct. 2	3,312	1,144	704	1,768	1,728	200	400	9,256
9	4,048	1,216	904	2,504	2,176	552	184	11,584
16	4,400	368	2,016	1,896	1,952	88	200	10,920
23	3,568	1,072	1,104	1,480	2,352	424	80	10,080
30	4,704	256	1,712	3,632	1,408	216	-	11,928
Nov. 6	5,068	214	1,758	3,600	584	296	320	11,840
13	4,999	-	1,892	2,120	2,224	48	488	11,771
Totals	52,307	10,710	19,074	22,872	23,160	5,360	3,328	136,811
Comparative 1936								
Corresponding week	6,984	1,336	1,656	-	2,680	248	80	12,984
Totals	86,008	16,240	21,424	88	35,512	4,240	3,664	167,176

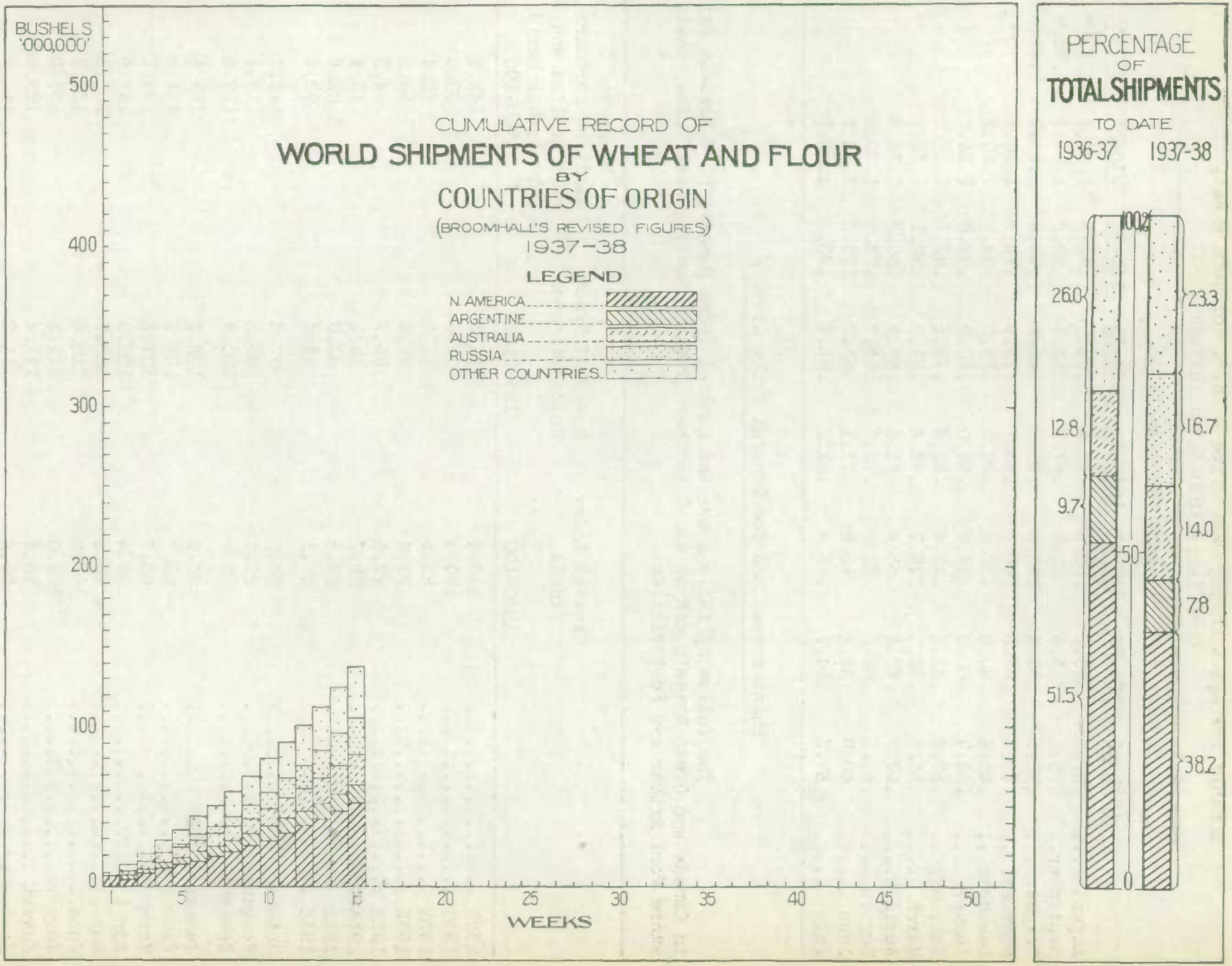
World shipments in recent weeks have continued at an improved level compared with that which prevailed prior to October. North American shipments have been increasing, although they are still light in view of the United States export supplies. Russia continues to export appreciable amounts. A renewed volume of exports from the Danubian countries was required to maintain the level of world shipments within the past week.

THE POSITION OF THE IMPORT REQUIREMENTS ESTIMATE

(Mr. Broomhall's Estimate)

Estimated Import Requirements	Actual Shipments	Balance to be Shipped
Aug. 1,1937 to July 31,1938	Aug. 1,1937 to Nov.13,1937	Nov.13,1937 to July 31,1938
(52 weeks)	(15 weeks)	(37 weeks)
496 million bushels	136.8 million bushels	359.2 million bushels
or	or	or
9.5 million bushels weekly	9.1 million bushels weekly	9.7 million bushels weekly

During the first fifteen weeks of 1937-38 world shipments have amounted to 136.8 million bushels, or an average of 9.1 million bushels per week. In order to fulfil the world estimate of 496 million bushels, weekly shipments will have to average 9.7 million bushels per week for the balance of the cereal year.


BUSHELS '000,000'
CUMULATIVE RECORD OF
WORLD SHIPMENTS OF WHEAT AND FLOUR
BY
COUNTRIES OF ORIGIN
(BROOMHALL'S REVISED FIGURES)
1937-38
LEGEND
N. AMERICA
ARGENTINE
AUSTRALIA
RUSSIA
OTHER COUNTRIES
500
400
300
200
100
0
1
5
10
15
20
25
30
35
40
45
50
WEEKS
PERCENTAGE OF TOTAL SHIPMENTS TO DATE
1936-37
1937-38
100%
50
0
26.0
12.8
9.7
51.5
23.3
16.7
14.0
7.8
38.2

Monthly Average Winnipeg Cash Price - No. 1 Northern Wheat,
Crop Years 1930-31 to 1937-38

(Dollars per Bushel)

	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
August	.92.5	.55.1	.56.3	.73.4	.86.0	.84.5	1.02.2	1.31.8
September..	.78.1	.53.6	.51.9	.67.2	.82.3	.90.3	1.03.9	1.33.6
October	.72.5	.59.9	.48.2	.60.5	.78.2	.90.8	1.10.9	1.42.3
November ..	.64.4	.67.3	.46.7	.63.7	.79.6	.85.7	1.08.4	
December ..	.55.4	.60.6	.42.4	.60.3	.79.2	.84.7	1.20.2	
January ...	.53.9	.60.0	.44.2	.65.0	.79.0	.84.8	1.24.7	
February ..	.59.3	.63.2	.45.8	.65.6	.79.5	.82.1	1.27.0	
March	.56.7	.63.1	.49.1	.66.4	.81.9	.82.1	1.35.7	
April	.59.7	.62.6	.53.6	.65.5	.87.6	.80.5	1.38.9	
May	.60.6	.62.9	.63.3	.70.6	.85.7	.76.8	1.30.6	
June	.60.8	.55.1	.66.8	.77.1	.81.7	.79.5	1.24.2	
July	.57.3	.54.7	.83.4	.82.0	.81.4	.93.4	1.45.6	

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	89.0	89.6
1936	86.1	94.4	99.5
October, 1936	89.0	97.6	117.7
November	89.1	98.3	115.1
December	92.0	100.8	127.6
January, 1937	93.9	102.9	132.4
February	95.7	103.9	134.8
March	98.7	107.3	144.1
April	99.4	108.9	147.5
May	98.3	110.7	138.6
June	97.7	110.6	131.8
July	101.0	111.5	154.6
August	98.8	111.4	139.9
September	98.2	111.2	141.8
October	97.8	-	151.1

≠ Prepared by the Internal Trade Branch.

FOREIGN EXCHANGES(1)

(October 18 - November 16)

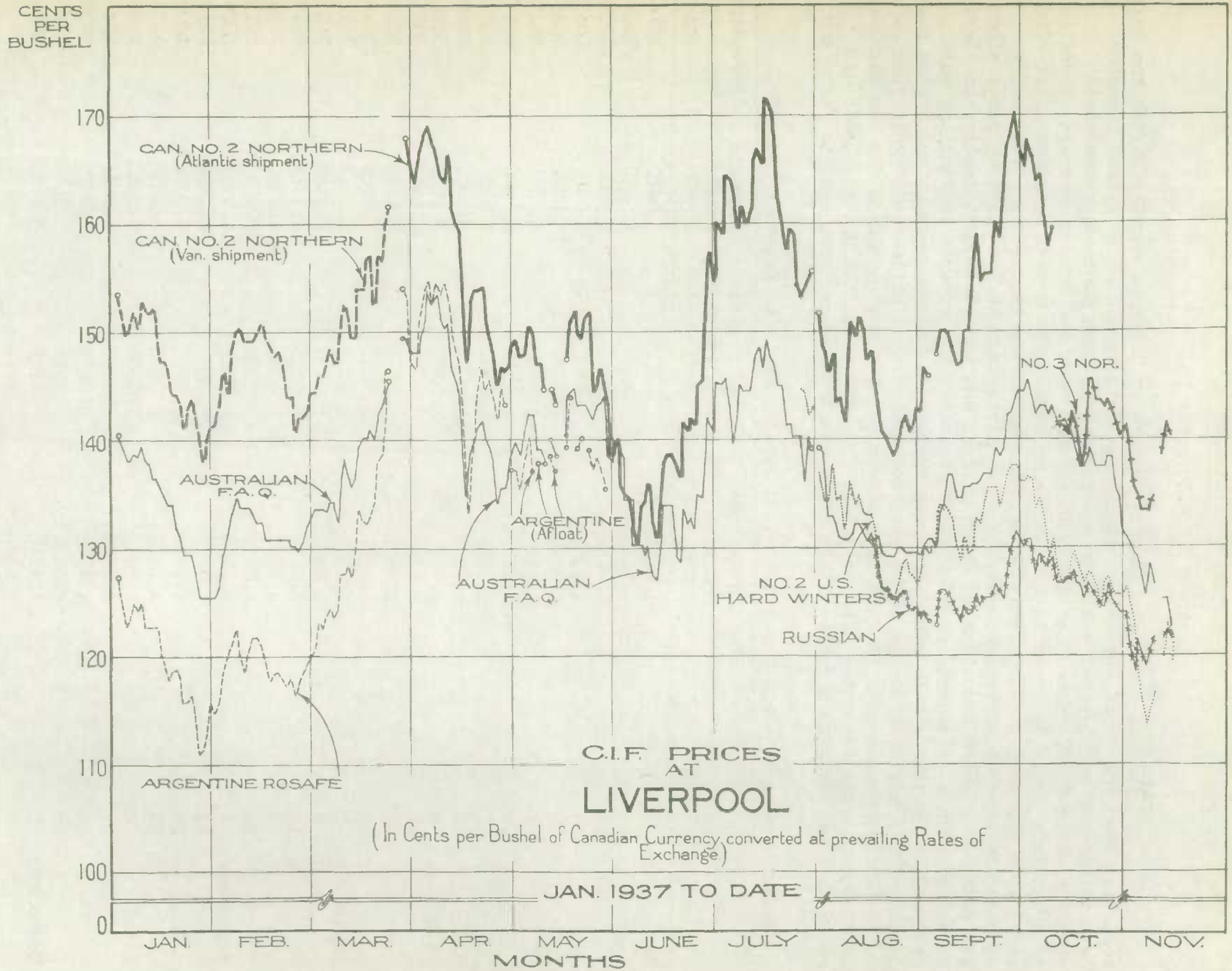
The outstanding happening in foreign exchange markets during the past month has been the sharp advance in sterling. This commenced to gather momentum late in October and reached a climax on November 8, when Montreal rates moved slightly above $5.02, more than six cents higher than the October average. A decline of about four cents occurred in the following week. The normal reaction of sterling rates upon Winnipeg wheat prices during this period was almost completely overshadowed by other factors. November 8 which marked a peak for sterling rates witnessed the nadir of a sharp recession in wheat prices, and the subsequent decline in sterling coincided with a pronounced rise in wheat markets. The advance in sterling was accompanied by strength in other European currencies and weakness in the United States dollar. This has been due in large part to considerable shipments of gold from Japan to the United States with the ultimate object of sterling purchases for the settlement of European trade accounts. The gold flow from Europe to the United States has recently been reversed and relatively small quantities have been sent to Paris and London.

Monday Average Exchange Quotations at Montreal, May 3 to November 15, 1937.

		United Kingdom Pounds 4.8667	United States Dollar 1.0000	Australia Pounds 4.8667	Argentina x Paper Peso .4244
May	3	4.9273	.9981	3.9419	.3014
	10	4.9250	.9975	3.9400	.3022
	17	4.9375	.9985	3.9500	.3031
	25	4.9362	.9989	3.9487	.3047
June	1	4.9262	1.0000	3.9400	.3055
	7	4.9350	1.0000	3.9475	.3045
	14	4.9375	1.0003	3.9500	.3046
	21	4.9425	1.0000	3.9537	.3025
	28	4.9387	1.0015	3.9500	.3020
July	6	4.9600	1.0009	3.9675	.3018
	12	4.9759	1.0018	3.9800	.3011
	19	4.9825	1.0018	3.9862	.3016
	26	4.9787	1.0000	3.9825	.3010
August	2	4.9809	1.0003	3.9846	.3011
	9	4.9870	1.0000	3.9896	.3105
	16	4.9831	1.0003	3.9865	.3016
	23	4.9875	1.0000	3.9900	.3010
	30	4.9675	1.0000	3.9740	.3015
September	7	4.9550	1.0001	3.9641	.3000
	13	4.9512	1.0000	3.9600	.2995
	20	4.9575	1.0000	3.9660	.3000
	27	4.9519	1.0000	3.9615	.2975
October	4	4.9547	1.0000	3.9640	.2980
	12	4.9552	.9995	3.9641	.2989
	18	4.9550	.9993	3.9637	.2988
	25	4.9512	.9998	3.9610	.2965
November	1	4.9612	.9998	3.9687	.2960
	8	5.0200	.9993	4.0162	.2978
	15	4.9907	.9994	3.9926	.2958

(1) Prepared by the Internal Trade Branch.

x Free rates.


CENTS PER BUSHEL
170
160
150
140
130
120
110
100
0
CAN. NO. 2 NORTHERN (Atlantic shipment)
CAN. NO. 2 NORTHERN (Van. shipment)
AUSTRALIAN F.A.Q.
ARGENTINE (Afloat)
AUSTRALIAN F.A.Q.
ARGENTINE ROSAFE
NO. 3 NOR.
NO. 2 U.S. HARD WINTERS
RUSSIAN
C.I.F. PRICES AT LIVERPOOL
(In Cents per Bushel of Canadian Currency converted at prevailing Rates of Exchange)
JAN. 1937 TO DATE
JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT. OCT. NOV.
MONTHS

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 is a general tendency toward reduction in the November estimates for the principal grains, as compared with those issued in September. The most significant changes in the Dominion totals are in the estimates for wheat and oats. The September wheat estimate of 188,191,000 bushels has been reduced by more than five and a half million bushels to 182,505,000 bushels. A decrease of 503,000 bushels has been made in the fall wheat estimate, and a decrease of 5,183,000 bushels in the estimate for spring wheat, with 5 million bushels of the latter decrease occurring in the wheat estimate for the Prairie Provinces. The November estimate for oats is about 7.6 million bushels lower than that of September, due principally to reductions in Quebec and Saskatchewan. Decreases in the other grains are barley, 1.8 million bushels; rye, 289,000 bushels, and flaxseed, 54,000 bushels, in comparison with the September figures.

In the Maritime provinces, the only significant changes are in the estimates for oats in Nova Scotia and New Brunswick which are lower than in September. The barley estimates for these two provinces are also slightly reduced. Prince Edward Island and Quebec have lower wheat estimates, while the oats figure in the latter province is nearly 10 per cent lower. The Ontario estimates are very little changed, except for the reduction in fall wheat. Manitoba has higher estimates for oats and rye, otherwise the figures are slightly lower. Saskatchewan shows appreciable reductions in all grains except flaxseed. The new estimates for Alberta show increases for oats and barley, and reductions for the other grains. Very little change is noted in the revised figures for British Columbia.

Wheat Production in the Prairie Provinces

The second estimate of the 1937 wheat crop in the Prairie Provinces represents a decrease of 5 million bushels from the first estimate issued in September. On the basis of combined returns from correspondents and marketing data up to the end of October, a reduction of only one million bushels in each of the provinces of Manitoba and Alberta is warranted. In Saskatchewan, where scattered yields have rendered the estimation of this year's crop more difficult than usual, a reduction of 3 million bushels from the September estimate is indicated by the more recent returns.

The acreages used for the September and November estimates are identical, being those of the annual June survey. The yields per acre are compiled from schedules returned by 6,593 correspondents in the three provinces. Primary marketings of wheat in each of the provinces from August to the end of October tend to bear out the current production estimates for each of the provinces.

Wheat Marketings in the Prairie Provinces

With the harvest season in 1937 approximately two weeks later than the extremely early harvest of a year ago, marketings of wheat from this year's crop did not reach their peak until the latter part of September. Due to the small crop in Saskatchewan, total wheat marketings for the Prairie Provinces have consistently fallen below the primary receipts in 1936. From August 1 to October 29, 1937, total marketings amounted to 81,481,869 bushels, compared with 120,593,749 bushels in approximately the same period in 1936. Manitoba has marketed 29,959,020 bushels, Saskatchewan 17,507,845 bushels and Alberta 34,015,004 bushels.

Since virtually no crop at all was harvested this year in southern Saskatchewan and eastern Alberta, it is expected that a higher percentage of the total crop will be delivered to country elevators, and that more wheat will have to be withdrawn from elevators for seed. With this factor in mind, total marketings of the 1937 crop should reach 121 to 126 million bushels, assuming that the 1938 acreage remains at the 1937 level, that the amount of wheat fed will be somewhat lower, and that the quantity of unmerchantable grain is only moderately increased. Accordingly it appears that somewhat less than two-thirds of the marketable surplus from the 1937 crop has already come forward from farms up to the end of October, with only 40 to 45 million bushels to be delivered in the remaining nine months of the crop year. Last year, from November to July, 45 million bushels were delivered, after almost three-quarters of the marketable surplus had come forward in the first three months of the crop year.

I. Second Estimate of the Area and Yield of Field Crops in Canada, 1937 as compared with the January estimates for 1936.

Field Crops	1936	1937
	bushels	
Canada		
Fall wheat	12,478,600	18,689,000
Spring wheat	216,740,000	163,816,000
All wheat	229,218,000	182,505,000
Oats	271,778,000	274,468,000
Barley	71,922,000	85,969,000
Fall rye	3,042,000	4,467,000
Spring rye	1,239,000	1,282,000
All rye	4,281,000	5,749,000
Peas	1,229,300	1,178,600
Beans	876,000	1,178,500
Buckwheat	8,601,000	7,522,000
Mixed grains	33,639,000	36,389,000
Flaxseed	1,795,300	687,300
Corn for husking	6,083,000	6,492,000
Quebec		
Spring wheat	931,000	874,000
Oats	47,182,000	37,250,000
Barley	4,060,000	3,528,000
Spring rye	109,000	114,000
Peas	259,000	254,000
Beans	82,000	132,000
Buckwheat	3,459,000	3,003,000
Mixed grains	3,647,000	3,282,000
Flaxseed	28,300	26,700
Ontario		
Fall wheat	12,478,000	18,689,000
Spring wheat	1,735,000	1,601,000
All wheat	14,213,000	20,290,000
Oats	66,858,000	73,803,000
Barley	14,018,000	16,010,000
Fall rye	894,000	1,292,000
Peas	815,000	760,000
Beans	743,000	995,000
Buckwheat	3,960,000	3,748,000
Mixed grains	27,831,000	30,708,000
Flaxseed	34,000	52,000
Corn for husking	6,083,000	6,492,000

Field Crops	1936	1937
	bushels	
Prairie Provinces		
Wheat	212,000,000	159,000,000
Oats	135,862,000	146,200,000
Barley	52,617,000	65,270,000
Rye	3,201,000	4,250,000
Flaxseed	1,730,000	606,000
Manitoba		
Spring Wheat	28,000,000	52,000,000
Oats	20,400,000	45,000,000
Barley	18,990,000	36,500,000
Fall rye	800,000	2,150,000
Spring rye	150,000	250,000
All rye	950,000	2,400,000
Peas	22,000	45,000
Buckwheat	60,000	110,000
Mixed grains	153,000	660,000
Flaxseed	415,000	375,000
Saskatchewan		
Spring wheat	117,000,000	32,000,000
Oats	65,462,000	24,100,000
Barley	16,627,000	5,870,000
Fall rye	974,000	385,000
Spring rye	515,000	295,000
All rye	1,489,000	680,000
Peas	3,300	1,600
Beans	2,000	500
Mixed grains	202,000	71,000
Flaxseed	1,240,000	125,000
Alberta		
Spring wheat	67,000,000	75,000,000
Oats	50,000,000	77,100,000
Barley	17,000,000	22,900,000
Fall rye	374,000	640,000
Spring rye	388,000	530,000
All rye	762,000	1,170,000
Peas	15,000	10,000
Beans	9,000	10,000
Mixed grains	403,000	356,000
Flaxseed	75,000	106,000

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 1938 with condition figures at October 31:

The area sown to fall wheat in the autumn of 1937 is estimated at 690,000 acres, a decrease of 12 per cent as compared with the area sown in 1936, viz., 781,000 acres. The condition at October 31 was reported as 93 per cent of the long-time average yield per acre, as compared with 107 per cent a year ago.

Fall rye sowings in Canada in 1937 are estimated at 517,000 acres, a decrease of 35 per cent as compared with 799,000 acres sown in 1936. By provinces, the acreages are as follows, with last year's figures within brackets: Ontario 71,000 (79,000); Manitoba 128,000 (123,000); Saskatchewan 232,000 (505,000); Alberta 86,000 (92,000). 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 84 (76); Ontario 95 (102); Manitoba 92 (86); Saskatchewan 72 (68); Alberta 94 (75).

III. GRADING OF THE 1937 CROP

The following table shows the grading of inspections from August to October, 1937, and for the same period in 1936.

	Number of Cars Grading No. 3 Norther or Better			
	1937		1936	
	Cars	Per Cent of Inspections	Cars	Per Cent of Inspections
August	3,514	81.40	8,849	96.37
September	11,421	84.22	26,018	96.92
October	10,768	89.29	18,131	92.32
Totals	25,703	85.85	52,998	95.21

Omitting special grades such as Garnets, Durums, White Springs and Winters, the number of cars of new wheat inspected in October, 1937, totalled 12,060 of which 10,768 graded No. 3 Northern or higher. October 1937 inspections of new Durum wheat amounted to 796 cars of which 706 or 88.7 per cent graded No. 3 Amber Durum or higher.

IV. LAKE MOVEMENT

The following table summarizes the movement of wheat down the Lakes from the opening of navigation in 1937, with comparative figures for 1936.

From opening navigation to	To Canadian Lower Lake Ports	To St. Lawrence Ports	To Buffalo	To Other United States Ports	To United Kingdom and Continental Ports	Totals
			(Bushels)			
Nov. 7, 1937:	52,863,134	10,337,799	8,012,579	280,090	278,168	71,771,770
Nov. 7, 1936:	60,195,002	17,969,937	43,080,942	19,244,685	1,143,829	141,634,395

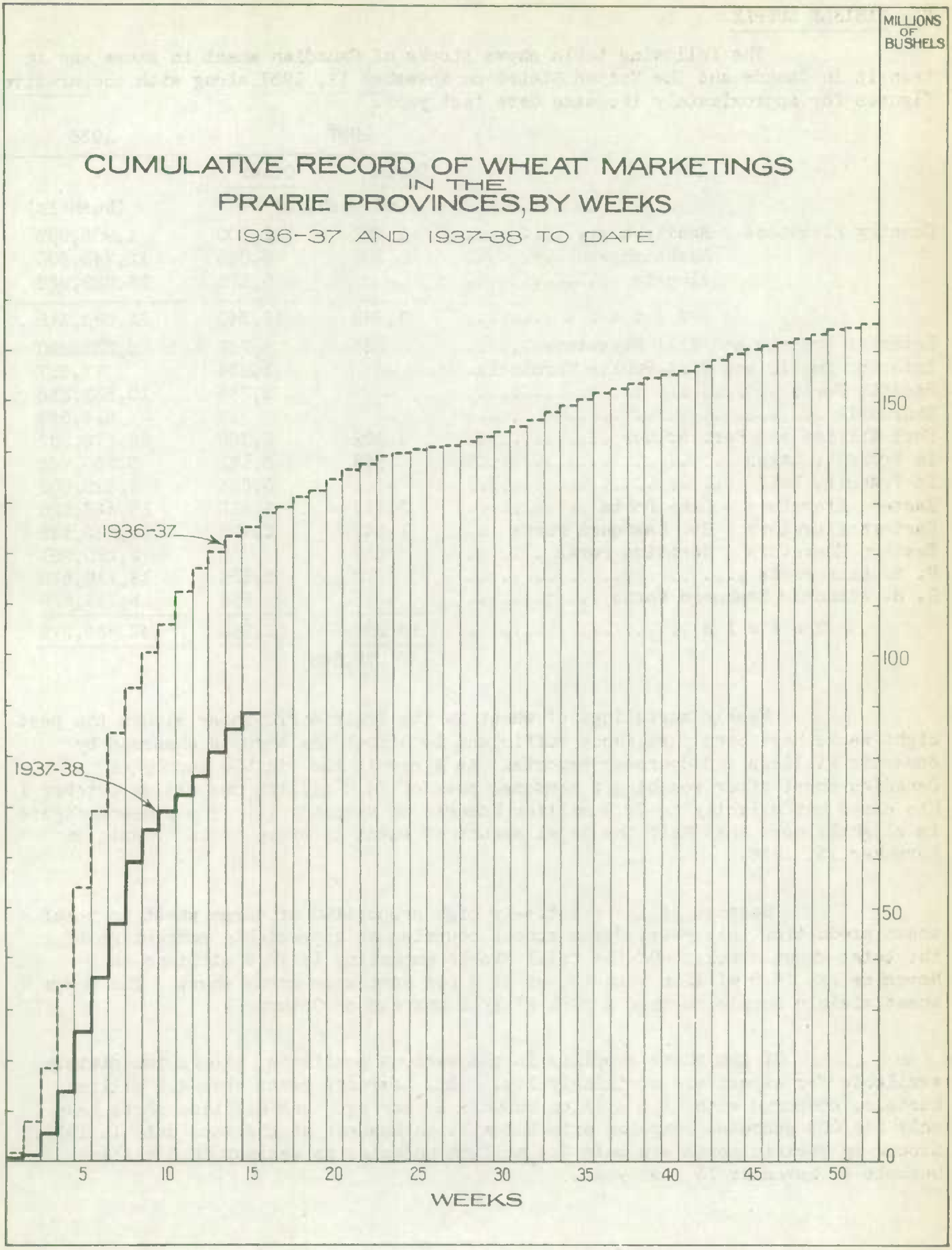
In the period from October 14 to November 7, 8.4 million bushels were cleared from the Head of the Lakes to Canadian Lower Lake ports. Only 1.7 million bushels went to St. Lawrence ports. Buffalo took 2.5 million bushels, while 115,000 bushels were cleared from Fort William-Port Arthur directly overseas.

V. PRIMARY MOVEMENT

The following table shows primary receipts of wheat in the Prairie Provinces for the 1937-38 crop year along with comparative figures for 1936-37:

Week ending		Manitoba	Saskatchewan	Alberta	Total	Last Year
				(Bushels)		
August	6	27,621	93,649	81,383	202,653	1,713,506
	13	311,372	499,394	373,737	1,184,503	6,188,208
	20	2,461,409	1,143,449	583,990	4,188,848	10,787,812
	27	5,481,313	1,832,558	1,034,298	8,348,169	15,613,883
September	3	6,735,630	2,682,780	2,370,265	11,788,675	19,793,094
	10	4,931,600	2,016,961	3,527,101	10,475,662	15,070,766
	17	3,186,093	2,114,081	5,485,839	10,786,013	15,542,786
	24	3,291,030	1,986,036	6,781,611	12,058,677	9,168,632
October	1	1,599,869	1,360,901	3,583,788	6,544,558	6,818,243
	8	609,026	1,107,667	2,066,974	3,783,667	5,448,641
	15	329,510	829,185	2,181,178	3,339,873	6,470,881
	22	527,689	902,344	2,420,153	3,850,186	4,564,291
	29	466,858	938,840	3,524,687	4,930,385	3,413,006
November	5	747,113	714,248	2,870,214	4,331,575	2,923,530
	12	346,760	491,088	1,856,229	2,694,077	2,013,540
Totals		31,052,893	18,713,181	38,741,447	88,507,521	125,530,819

In the week of November 12, primary marketings of wheat in the Prairie Provinces were comparatively light, indicating a further slowing down of the primary movement. With total primary receipts of wheat for the current crop year estimated between 121 and 126 million bushels, approximately 70 per cent of the total marketings have already come forward.


CUMULATIVE RECORD OF WHEAT MARKETINGS
IN THE
PRAIRIE PROVINCES, BY WEEKS
1936-37 AND 1937-38 TO DATE
MILLIONS OF BUSHELS
1936-37
1937-38
0
50
100
150
5
10
15
20
25
30
35
40
45
50
WEEKS

VI. VISIBLE SUPPLY

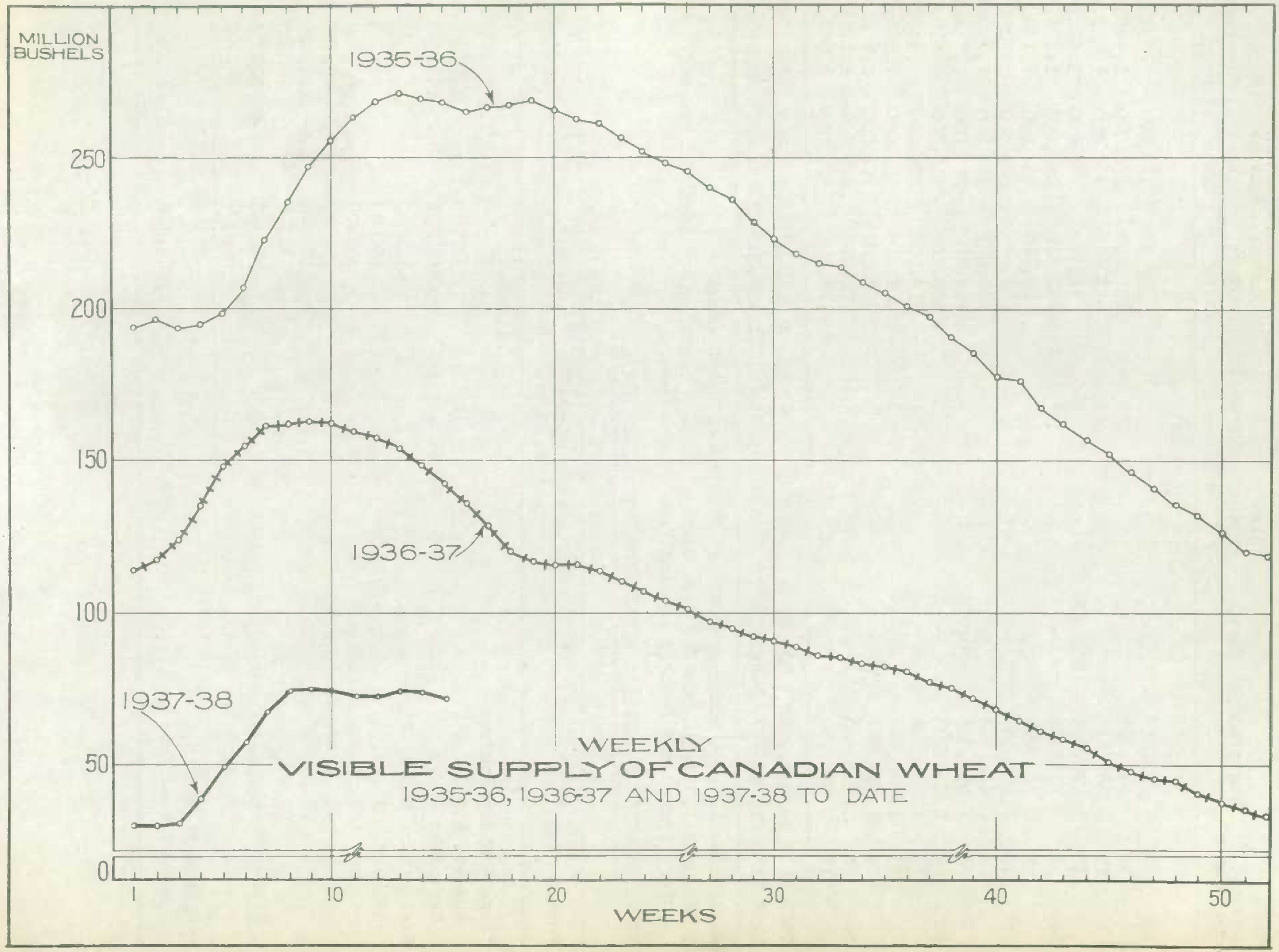
The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on November 12, 1937 along with comparative figures for approximately the same date last year.

	1937		1936
	Durum	Other	
	(000 bushels)		(Bushels)
Country Elevators - Manitoba	1,680	2,100	1,905,997
Saskatchewan	208	6,090	12,745,390
Alberta	-	9,150	18,028,928
T o t a l s	1,888	17,340	32,680,315
Interior Private and Mill Elevators	235	4,765	6,232,870
Interior Public and Semi-Public Terminals.	-	1,134	77,617
Pacific Ports	-	3,356	10,531,236
Churchill	-	12	614,569
Fort William and Port Arthur	8,822	9,766	24,272,787
In Transit, Lakes	669	3,127	3,530,766
In Transit, Rail	-	5,685	8,399,502
Eastern Elevators - Lake Ports	3,415	5,615	18,466,528
Eastern Elevators - St. Lawrence Ports ...	1,549	2,722	11,525,142
Eastern Elevators - Maritime Ports	317	1	2,280,291
U. S. Lake Ports	10	1,856	18,118,520
U. S. Atlantic Seaboard Ports	-	584	5,759,829
T o t a l s	16,905	55,963	142,489,972
	72,868		

Weekly marketings of wheat in the Prairie Provinces within the past eight weeks have been just about sufficient to offset the amounts absorbed by domestic millings and overseas exports. As a result the visible supply of Canadian wheat after reaching a seasonal peak of 74.8 million bushels on October 1 has eased but slightly to 72.9 million bushels on November 12. The present figure is slightly more than half the total amount of wheat in store or in transit on November 13, 1936.

Because of the relatively high proportion of durum wheat to total wheat production this year, durum stocks comprise an appreciable percentage of the total wheat stocks. Of the total stocks amounting to 72.9 millions on November 12, 16.9 million bushels, or 23.2 per cent were durum wheat. The durum wheat visible supply reached a peak of 17.9 bushels on October 1.

Of the wheat supplies in the various positions, stocks immediately available for export are strikingly low. St. Lawrence ports have 4.3 million bushels, compared with 11.5 million bushels a year ago, and Maritime ports have only 318,000 bushels, compared with 2.3 million bushels at the same date in 1936. Stocks in Pacific ports are only 3.4 million bushels, as against 10.5 million bushels on November 13 last year.


MILLION BUSHELS
1935-36
1936-37
1937-38
250
200
150
100
50
0
1
10
20
30
40
50
WEEKS
WEEKLY
VISIBLE SUPPLY OF CANADIAN WHEAT
1935-36, 1936-37 AND 1937-38 TO DATE

VII. EXPORT CLEARANCES OF CANADIAN WHEAT 1937-38.

Week ending		Montreal	Sorel	Three Rivers	Churchill	Vancouver New Westminster	United States Ports	Total Clearances
				(Bushels)				
Aug.	5	753,262	-	-	-	83	194,000	947,345
	12	583,998	-	-	320,000	121,800	270,000	1,295,798
	19	1,355,746	-	41,078	283,982	33,933	266,000	1,980,739
	26	1,109,304	200,000	-	-	51,500	64,000	1,424,804
Sept.	2	773,445	-	-	-	62,429	268,000	1,103,874
	9	735,062	-	-	-	67,633	334,000	1,136,695
	16	1,315,569	-	-	-	-	594,000	1,909,569
	23	912,564	-	-	-	33,601	334,000	1,280,165
	30	1,601,408	570,000	-	-	228,870	374,000	2,774,278
Oct.	7	1,876,803	-	-	-	220,256	413,000	2,510,059
	14	1,296,091	-	-	-	216,033	334,000	1,846,124
	21	1,685,786	-	-	-	268,826	591,000	2,545,612
	28	1,536,757	-	-	-	378,500	797,000	2,712,257
Nov.	4	1,383,630	-	53,979	-	226,178	449,709	2,171,029
	11	1,688,138	527,478	217,335	-	73,173	522,000	3,084,965
TOTALS		18,607,563	1,297,478	312,392	603,982	1,982,815	5,804,709	28,723,313[a]
LAST YEAR		21,615,847	9,263,704	2,423,310	4,293,501	11,160,503	7,241,917	58,043,145[b]

a Includes 114,374 bushels from Fort William and Port Arthur.

b Includes 1,074,172 bushels from Quebec, 407,578 bushels from Fort William and Port Arthur and 562,613 bushels from Prince Rupert.

VIII. IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES

Week ending	For Consumption Duty Paid	For Milling in Bond	Total
		(Bushels)	
Final Monthly Figures -			
August, 1937	101,400	766,290	867,690
September	1,274	452,105	453,379
Preliminary Weekly Figures -			
October 2	-	75,000	75,000
9	-	69,000	69,000
16	-	47,000	47,000
23	-	116,000	116,000
30	-	96,000	96,000
November 6	-	39,000	39,000
13	-	63,000	63,000
PRELIMINARY TOTALS August 1 to date	102,674	1,723,395	1,826,069

IX. THE STATISTICAL POSITION

(a) In Canada:- The following table summarizes the statistical position of wheat in Canada as at November 1, 1937 with comparative figures for the same date in 1936:

	1936-37	1937-38
	(Bushels)	
Carry-over in Canada, July 31	108,094,277	32,739,852
New Crop	229,218,000	182,505,000
Total Supplies	337,312,277	215,244,852
Domestic Requirements	97,653,984	100,000,000(1)
Available Supplies	239,658,293	115,244,852
Exports, August - October	74,329,946	26,695,964
Balance for Export or Carry-over, November 1	165,328,347	88,548,888

(1) Tentative.

The above method of calculating the statistical position uses available supplies for the crop year in Canada only, and deducts the customs exports of wheat and flour as wheat for the months of August to October. According to this calculation, the balance of wheat available on November 1 for export from Canada or for the July 31 carry-over in Canada only, amounts to 88.5 million bushels compared with 165.3 million bushels a year earlier, representing a decrease in current supplies of 76.8 million bushels compared with those of a year earlier.

(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 calculation shown below, based on this method, indicates a balance of 89.4 million bushels on November 1, available for export or for the July 31 carry-over in Canada and the United States, compared with 185.6 million bushels a year earlier, indicating a decrease of 96.3 million bushels in the current available supplies between the two years.

	1936-37	1937-38
	(Bushels)	
Carry-over in Canada and the United States, July 31	127,362,598	36,850,700
New Crop	229,218,000	182,505,000
Total Supplies	356,580,598	219,355,700
Domestic Requirements	97,653,984	100,000,000(1)
Available Supplies	258,926,614	119,355,700
Export Movement, August - October		
Overseas Clearances	49,212,245	24,196,403
United States' Imports	18,546,751	1,603,069
Flour (as wheat)	5,535,266	4,192,835
	73,294,262	29,992,307
Balance for Export or Carry-over, November 1	185,632,352	89,363,393

(1) Tentative.

3. EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR

The following tables show exports of wheat and flour during the 1937-38 crop year, with comparative figures for preceding years:

WHEAT

	1937-38	1936-37	1935-36	1934-35
		(Bushels)		
August	6,544,967	21,157,268	21,698,284	14,709,675
September	5,903,060	20,720,316	17,272,672	17,588,359
October	10,055,102	26,917,096	28,919,421	21,807,784
November		33,308,840	26,575,296	18,769,770
December		20,427,916	17,043,882	17,336,206
January		9,789,027	7,557,320	5,380,226
February		5,362,031	14,241,169	7,206,560
March		4,748,599	13,146,185	8,906,379
April		3,617,803	6,572,364	5,027,403
May		8,026,507	27,316,983	11,989,891
June		12,130,068	25,763,565	6,494,622
July		8,602,689	25,912,508	9,158,035
Totals		174,858,160	232,019,649	144,374,910

FLOUR

	1937-38	1936-37	1935-36	1934-35
		(Barrels)		
August	288,608	387,728	376,562	412,089
September	306,655	378,318	395,640	369,320
October	336,478	464,013	501,442	485,549
November		408,653	525,368	504,384
December		475,282	443,828	340,751
January		313,923	314,311	346,099
February		347,884	340,102	309,729
March		390,315	476,773	497,468
April		285,724	281,162	276,907
May		348,866	448,653	383,221
June		389,995	430,171	429,561
July		334,964	444,905	395,232
Totals		4,525,665	4,978,917	3,740,310

WHEAT AND WHEAT FLOUR

	1937-38	1936-37	1935-36	1934-35
		(Bushels)		
August	7,843,703	22,902,044	23,392,813	16,564,076
September	7,283,008	22,422,747	19,053,052	19,250,299
October	11,569,253	29,005,155	31,175,910	23,992,754
November		35,147,778	28,939,452	21,039,498
December		22,566,685	19,041,108	18,869,586
January		11,201,680	8,971,720	6,937,672
February		6,927,509	15,771,628	8,600,340
March		6,505,017	15,291,663	11,144,[illegible]85
April		4,903,561	7,837,593	6,273,484
May		9,596,404	29,335,921	13,714,385
June		13,935,046	27,699,335	8,427,647
July		10,110,027	27,914,580	10,936,579
Totals		[illegible]	[illegible]	[illegible]