



DOMINION BUREAU OF STATISTICS AGRICULTURAL BRANCH

Vol. 8

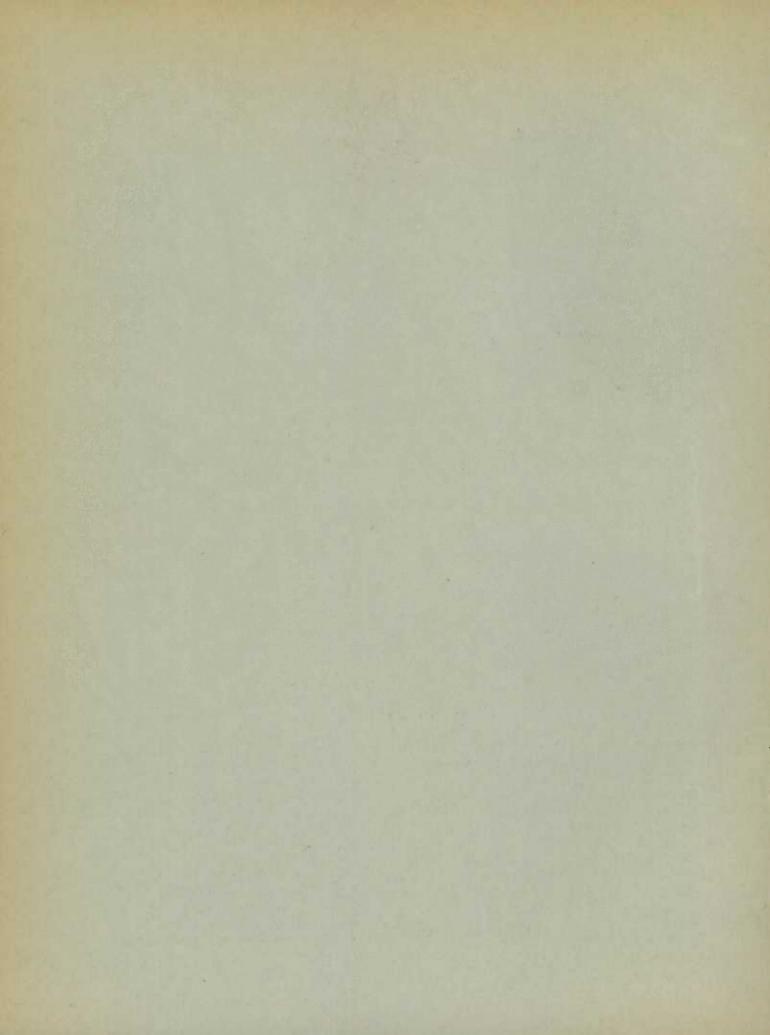
No. 5

MONTHLY REVIEW OF THE WHEAT SITUATION

JANUARY 25, 1938

Published by Authority of the Hon. W.D. Euler, M.P. Minister of Trade and Commerce

Ottawa



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

(Issued January 25, 1938)

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THE WORLD WHEAT SITUATION - SUMMARY

During the past month the world wheat situation has been characterized by a steadying of wheat prices in Liverpool, under the unusual circumstances of a low total import demand being offset by a less than normal volume of export offers. On the one hand Australia has an appreciably larger export surplus to be marketed this year than was the case a year ago, but against the selling pressure which accompanied the first rush of deliveries from the Australian crop, there has been a notable absence of pressure from the Argentine crop. Whereas a year ago from late December to March, Argentina was working record quantities of wheat into export, the reduced supplies this year have been absorbed to date largely by domestic mills and by Brazil, while sales to the United Kingdom and the Continent have been exceptionally light. The location of export surpluses this year presents a greatly altered situation from that of a year ago. For the balance of the crop year importers will find the bulk of their supplies in Australia, the United States and to a less extent in Argentina. For the United Kingdom, particularly, this has necessitated a shift in the types of wheat to be ground, and the alteration in mill operations from a grist which included liberal quantities of Canadian and Argentine wheats, has been one of the factors contributing toward hesitancy in import buying. Otherwise, on the buying side this year, the greatly reduced imports of both Italy and the United States represent a net loss to the volume of international trade in wheat:

Following the drought scare in Australia last autumn which overrated the damage to the crop in that country, production was officially estimated
at 162 million bushels. More recent unofficial estimates have run as high as
175 million bushels, on the basis of better than expected outturns. A crop within
this range leaves an export surplus of 107-120 million bushels, as compared with a
surplus of 95 millions in 1937. During late December the usual rush of marketings
occurred, and exporters were faced with a complete cessation of buying on the part
of Japan and China. Accordingly they sought to increase their British trade and
offered freely in Liverpool, working coi.f. prices on Australian wheat down to a
level well below United States and Argentine quotations. Liverpool futures reacted
with this pressure, but rose again in January when heavy quantities were purchased
directly by millers, who without their usual commitments of Canadian and Argentine
wheat, are more than usually dependent upon Australian supplies. Australian offers
strengthened under the buying wave, and it now appears with the domestic visible
supply beginning to decrease that the heavy pressure from Australia has passed.

In Argentina, the harvesting and marketing of the wheat crop has been later than a year ago, and the total outturn is expected by the trade to fall short of the first official estimate of 192 millions. Partly offsetting the leaway in the Argentine estimate, has been the announcement that Uruguay will have a surplus of 5 million bushels for export, and that this amount for practical purposes may be considered as an addition to the Argentine surplus. Available Argentine supplies are very firmly held, with Argentine c.i.f. quotations at Liverpool maintained at a premium around 3 cents above No. 2 U.S. Hard Winters.

The reason for the Argentine strength to date has been that domestic mills have been taking good quantities of the higher quality supplies, and that Brazil has also been taking the better wheats. Of last week's shipments of 2.5 million bushels from Argentina, over 1.1 millions went to Brazil, 1.1 millions were shipped to "orders" and only 236,000 bushels were given actual destinations in the United Kingdom and on the Continent. Last week was the first occasion on which weekly shipments from Argentina this season have gone above 2 million bushels. During January, 1937, weekly shipments from that country averaged 6.2 million bushels. Argentine offers may yet begin to press if farm deliveries increase, but the influence is expected to be very minor this year as compared with the situation a year ago.

The import demand for United States wheat has continued to be surprisingly small in view of the total export supplies in the country to the south. Until recently, some dissatisfaction in the United Kingdom has been expressed over the failure of the quality of shipments to come up to expectations. At the present time, however, millers are becoming friendlier to the supplies of Dark Hard Winters in their search for blending wheats to take the place of Canadian wheat. From August 1 to January 15, the United States has exported approximately 40 million bushels of wheat and wheatflour which is a very modest volume considering the size of the surplus. It is noteworthy, however, that within recent weeks the United States has been clearing out between 2 and 3 million bushels weekly, If this export volume is sustained, exports for the crop-year should go well over 100 million bushels.

Chicago prices are becoming more and more sensitive to the prospects for the United States winter wheat crop. The area sown last fall is estimated at 57.5 million acres, which approximately equals the record area sown a year ago. Autumn and winter moisture conditions in the Great Plains area vary from moderately to severely below normal to date. While the actual damage to date has not been too alarming, the dry soil conditions are inviting wind erosion particularly in Kansas, western Oklahoma and Nebraska, and it is this potential damage which is feared.

On the Continent, the winter crop conditions in Italy appear to be the least promising in a general situation characterized by fairly normal conditions. Appreciable crop damage has occurred in the central and northern sections of Italy, although conditions in the south are still quite satisfactory. It is unlikely that Italy's 1938 harvest will be as great as that of 1937, and moderate purchases of wheat by Italy during the latter part of the present crop year are anticipated. Winter crop conditions are reported to be good in France, Germany and the Danube.

World Shipments

From August 1, 1937 to January 15, 1938 total world shipments of wheat and flour have amounted to 224.6 million bushels, which is an average of 9.4 million bushels weekly. This average has been hardly sufficient to maintain Broomhall's estimate of 496 million bushels for the crop year, although it is probable when the small Argentine movement increases that total weekly world shipments will be larger. Current shipments from the United States are maintaining the volume shipped from North America around 4 million bushels weekly, since Canadian clearances have dropped to about one million bushels a week.

Australian shipments have been coming out in larger volume this season, but the increase has occurred just since supplies from the new crop have been available. Altogether Australian shipments from August 1 to January 15, have amounted to 37.1 million bushels, compared with 35.9 millions in the same period a year ago. Argentine shipments have totalled 19.4 million bushels which is just less than half the volume of the 39.5 millions shipped to date a year ago. Russia has continued to export moderate amounts during January, although remaining port stocks in that country are reported to be very low. Altogether Russia has exported 31.6 million bushels to date this season.

The Wheat Situation in Canada.

On January 21, the Dominion Bureau of Statistics released its third estimate of the 1937 wheat crop in Canada at 182,410,000 bushels. This total figure represents virtually no change from the November estimate, although the production estimates for Manitoba and Saskatchewan were appreciably altered on the basis of returns from crop correspondents and the record of marketings to date. The production figure for wheat in Manitoba was reduced from 52 to 48 million bushels, while that for Saskatchewan was raised from 32 to 37 millions. A reduction of one million bushels in Alberta from 75 to 74 millions, however, left the total estimate for the three Prairie Provinces unchanged at 159 million bushels. The Durum wheat estimate was revised downward to 26.4 million bushels, including 24.4 millions in Manitoba and 2 millions in Saskatchewan.

Primary marketings of wheat in the Prairie Provinces have totalled 101.3 million bushels from August 1 to January 14 this year. This amount included 32.6 millions in Manitoba, 21.4 millions in Saskatchewan and 47.3 millions in Alberta. On the basis of the production estimates cited above, making due allowance for wheat to be withdrawn from elevators for seed, total marketings for the 1937-38 crop year are estimated at 127 million bushels. This leaves about 26 millions still to come forward from mid-January to the end of July.

The visible supply of Canadian wheat on January 14 amounted to 55.8 million bushels, made up of 41.7 millions of the common spring varieties and 14.1 millions of Durum wheat. Since early December, the total amount of wheat in store has shown reductions of approximately one million bushels weekly, with almost the whole of the decrease occurring in common wheat stocks. Durum wheat stocks have been relatively stable at between 14 and 15 million bushels.

Overseas clearances of wheat from August 1 to January 13 amounted to approximately 45 million bushels, in contrast with the heavy clearances of 89.2 million bushels in the same period a year ago. Exports of wheat flour up to January 13 (partly estimated) amounted to 8 million bushels. Imports of Canadian wheat into the United States have totalled 1.9 million bushels, making a total export movement to date this year of 99.1 million bushels. It is expected that this year may see moderate imports of United States wheat into Canada for milling. Customs figures available for the August-November period show 807,908 bushels already imported.

United Kingdom Imports

With the record of wheat imports into the United Kingdom for the August-December period now available, it is interesting to examine Canada's competitive position as a supplier of wheat in an autumn season of sharply reduced available supplies with her position in earlier years. As shown on page twenty-one of this Review, Canada was still the largest single source of wheat imports into the United Kingdom from August to December, 1937, although the total

volume of wheat taken from Canada was much less than that taken in the same period of the previous year. Of the total imports of 75.2 million bushels in the last five months of 1937, Canada supplied 24.6 million bushels or nearly 33 per cent. Russia and India ranked next with slightly over 15 million bushels or 20 per cent each, as shown in the table below, which indicates the percentages the various countries have furnished for the period within the past three years:

From:	August-December,	August-December,	August-December, 1935
	p.c.	p.c.	p.c.
Canada	32,7	59.7	41.5
Russia	20.2		15.9
Australia	20.0	15.5	16.2
British India	9.3	7.5	0.4
United States	8.6	0.1	0.8
Roumania	4.4	9.5	2.9
Argentina	and the state of the	0.7	13.2
Others	4.8	7.0	9.1

In the August-December period, 1936, when imports from Canada amounted to almost 60 per cent of the total, export supplies in competing countries were unusually low, rendering British millers more than normally dependent upon Canadian supplies. The decrease in the import volume from Canada in the 1937 period was just offset by the renewed takings from Russia and the United States. Total wheat imports of 75.2 million bushels in the five-month period in 1937 were 3.5 million bushels less than in the same period in 1936, and 5.6 millions less than in 1935. This suggests in part a declining domestic consumption of wheat in the United Kingdom, although the decrease in imports this autumn is attributable to some extent to the difficulty of obtaining supplies in volume of the quality to which British millers are accustomed.

An Appraisal of the Canadian Export Movement

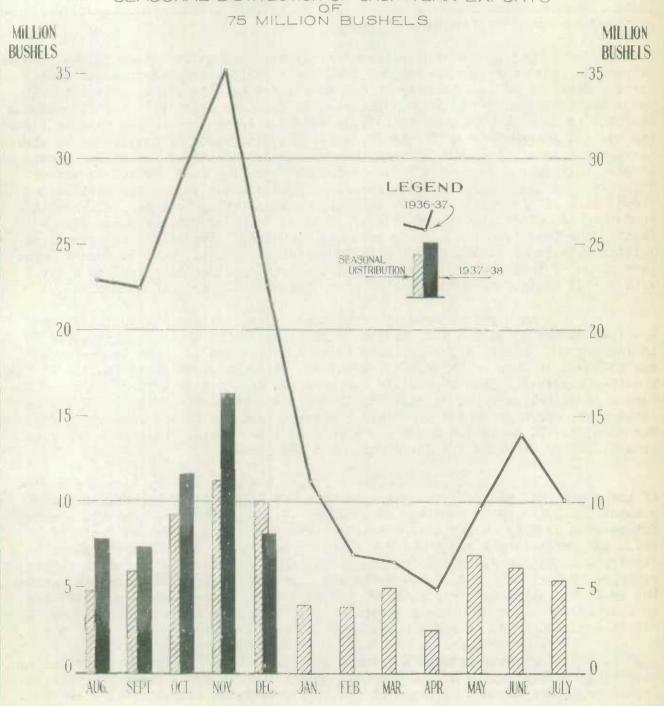
December exports of wheat and wheat flour, according to the Customs figures amounted to 8,155,812 bushels. This is the first month during the current crop year in which exports have fallen below the monthly seasonal allocation from a total crop-year export volume of 75 million bushels, as illustrated in the chart on the opposite page.

In the previous four months, from August to November, the monthly allocations were exceeded by the actual exports by fairly wide margins, so that for the August-December period, actual exports totalled 51.2 million bushels in comparison with 41.1 millions needed to maintain the seasonal distribution to the end of December.

In the December issue of this Review maximum available export supplies for the current crop year were calculated at 89 million bushels. This figure is based on the assumption of a minimum July 31 carryover of 30 million bushels, and domestic requirements throughout the crop year of 100 millions. Exports during the crop year are not likely to reach this top figure of 89 millions, but on the basis of the volume shipped out to the end of December, they will probably be well in excess of 75 million bushels. A figure of 85 millions could be attained if the small monthly allocations indicated in the chart for the January-July period are just matched by actual exports.

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



PRICES

The May futures in Liverpool, Chicago and Winnipeg experienced a moderate rally during the first ten days of January, reflecting the first general appearance of strength in the wheat situation since the October-November recession in prices was checked. This strength was due to a short-lived renewal in buying interest, which, so far as Canada was concerned, extended to speculative purchases of wheat for October-November delivery from the 1938 crop. The main buying was concerned with United Kingdom takings of Australian wheat and it is reported that 20 cargoes were purchased during this period. Since January 10 prices have softened somewhat from their improved levels for lack of sustained import purchases or other constructive factors.

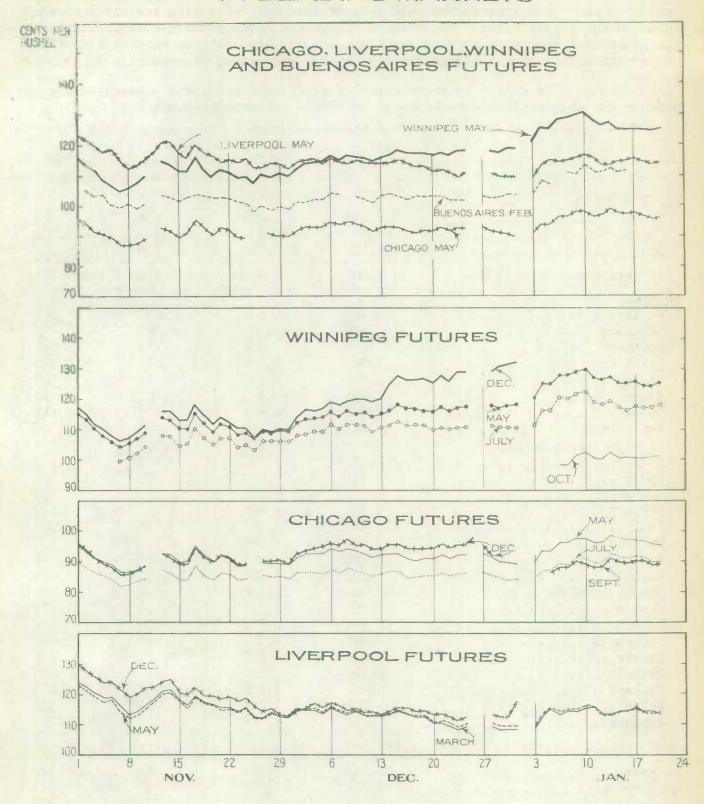
One of the unusual features of the current situation is the complete absence to date of Argentine selling pressure. During the present month Buenos Aires quotations on the February future have risen to only a few cents discount below the Liverpool March and May futures, in sharp contrast with the situation a year ago, when under pressure of a large export volume, the spread between these two markets ranged between 25 and 35 cents. As a moderate offset to the constructive influence of this lack of Argentine pressure, the larger Australian wheat surplus this year accompanied by loss of markets in the East has led to active offering from that country. The Australian pressure was mainly responsible for the decline in Liverpool relative to other markets during December, although the tendering of United States soft winter wheat on December contracts was also a factor. By this time the selling pressure from Australian offers has eased, as British millers are looking more with favour on Australian wheat to form a large percentage of their grist, as long as Australian supplies are priced on a level with United States wheat and more cheaply than the dear Argentine supplies.

As might be expected from their relative supply situations, the Winnipeg market displayed the greatest strength over the month from December 20 to January 20. Buenos Aires followed next, and the rise in these two markets was followed in turn by Chicago and Winnipeg. From December 20 to January 20 the Winnipeg May future rose from \$1.16 1/8 to \$1.25 7/8, a gain of 9 3/4 cents. The Buenos Aires February future rose from \$1.02 3/4 on December 20 to \$1.09 1/4 on January 18, for a gain of 6 1/2 ents. Between December 20 and January 20 Chicago May rose from 91 cents to 95 3/4 for a gain of 4 3/4 cents. Liverpool May rose from \$1.10 7/8 to \$1.14 1/4 for a gain of 3 3/8 cents.

In Winnipeg, the December future advanced sharply from the middle of the month, and went off the board on December 31 at \$1.32, representing a premium of 13 1/8 cents over the May future. In early January, however, the May future rose sharply during the general market upswing and traded at peaks of \$1.30 1/4 on January 9 and 10 before settling back to \$1.25 7/8 at the close on January 20. On January 6 trading commenced in the October future, which in its early beginnings of the past two weeks has displayed independent strength against the weakness in the old-crop futures. Because it is a new-crop future, trading in October commenced at a heavy discount of 29 3/4 cents below May on January 6, but this discount had narrowed by January 20 to 24 1/4 cents.

Spreads between the various futures, both in Liverpool and Chicago, have altered very little during the past month. On January 5 trading in Chicago September commenced at a discount of 5/8 of a cent below July and 6 3/4 cents below the May future.

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		(thousan	d bushels)	Egiff and
North America				
Canada	275,849	281,935	219,218	182,410
United States	526,393	626,344	626,766	873,993
Mexico	10,949	10,711	13,606	11,216
Totals	813,191	918,990	859,590	1,067,619
Europe:	0.5	00 500		
England & Wales	65,259	60,592	51,445	52,005
Scotland	4,144	4,480	3,547	4,181
Northern Ireland	363	362	273	240
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	11,267	13,595
Netherlands	18,041	16,652	15,575	12,359
Belgium	16,759	16,101	16,153	15,542
France	338,511	284,950	254,616	247,270
Spain	186,835	157,984	121,490	135,000
Luxemburg	1,172 24,691	1,021 22,094	1,070	1,190
Portugal	233,061	282,757	8,651 224,568	296,009
Italy	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	51,266
Greece	25,680	27,179	19,537	32,373
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	6,302
Estonia	3,108	2,267	2,433	2,767
Finland	3,281	4,233	5,442	6,320
Malta	309	180	236	326
Albania	1,628	1,554	1,129	1,293
Totals	1,299,156	1,274,825	1,097,211	1,186,818
Bulgaria	39,594	47,924	60,350	56,492
Hungary	64,822	84,223	87,788	69,894
Roumania	76,554	96,440	128,716	136,001
Yugoslavia	68,327	73,100	107,421	86,252
Totals	249,297	301,687	384,275	348,639
		The second second	The second second	-
Total Europe	1,548,453	1,576,512	1,481,486	1,535,457

World production in 1937 is now indicated to be 3,791 million bushels, an increase of 253 million bushels over the world production in 1936.

The estimates shown below for the 1937 crops in Argentina and Australia are the standing official estimates. The Canadian Government Trade Commissioner in Australia cabled on January 17 that yields are above expectations and that a total production of 175 million bushels is anticipated. On the other hand there is some feeling that the standing Argentine estimate does not reflect fully the frost damage, and that a figure of 185 millions would be nearer the actual out-turn.

	1934	1935	1936	1937
is (Chamber 18, 1) Commissional		(thousan	d 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	17,637
Egypt	37,276	43,221	45,701	45,376
Totals	134,172	113,691	95,791	115,580
sia:	7.040	7.070		(0,000)
Palestine	3,046	3,836	2,795	(2,800)
Syria & Lebanon	16,277	18,519	15,704	17,210
India	349,809	363,209	351,680	366,165
Japan	47,659 9,267	48,718 9,748	45,194	50,410
Turkey	99,710	92,640	8,078 138,496	11,041
			productive and a second second	
Totals	525,768	536,670	561,947	587,937
Totals 43 Countries	3,021,584	3,145,863	2,998,814	3,306,393
stimated Northern Hemisphere				
Total, ex U.S.S.R.				
and China	3,096,000	3,210,000	3,062,000	3,371,000
Southern Hemisphere.				
Argentina	240,667	141,020	249,192	191,983
Australia	133,392	142,596	150,106	161,954
Union of South Africa	16,373	20,194	16,077	10,867
Totals	390,432	303,810	415,375	364,804
Estimated World Total, ex				
U.S.S.R. and China	3,543,000	3,582,000	3,538,000	3,791,000

THE WHEAT SITUATION AND OUTLOOK, 1938.

The following is the text of the statement on wheat published in "The Agricultural Situation and Outlook, 1938" which was prepared jointly by the Department of Agriculture and the Department of Trade and Commerce:

Wheat

World wheat production in 1937 was moderately larger than for the previous year, but this increase was approximately offset by a reduction in world stocks. The distribution of wheat production was such that supplies in normally importing countries more closely approximated requirements and a lower volume of international trade is in prospect. Supplies in the exporting countries in the 1937-38 season are only moderately more than sufficient to meet the reduced requirements of importing countries and prices therefore are likely to rule around their present levels until the crops of 1938 can be appraised. With regard to the latter, world wheat acreage remains at an abnormally high level, and should normal yields occur in both importing and exporting countries, prices would be expected to go lower as surplus stocks increased. While the world wheat situation is potentially discouraging in its long-time aspects, there are unusual and predominant factors in the Canadian situation that deserve primary consideration in making plans for 1938. These factors might be summarized as the succession of unusually low yields in the past five years, abnormally low stocks carried into this season, unfavourable soil and moisture conditions over a large part of the western wheat area and inability to supply fully the demands of our overseas customers from the small surplus of the 1937 crop. Moreover, it is vital for Canada to have sufficient supplies of wheat to offer continuously on world markets and it is evident that the probable crop on a wheat acreage similar to that sown in 1937 could be absorbed without difficulty.

World Wheat Situation .- The world wheat crop in 1937, excluding Russia and China, is placed at 3,792 million bushels, which is 234 million bushels larger than that of 1936. This increase was due mainly to the larger production in the United States, but the crops in certain European countries were also larger than in 1936. Total European wheat production, less that of the four Danubian exporting countries, was 82 million bushels larger in 1937 than for the previous year, while the crop in the Danube Basin shows a reduction of 36 million bushels. More specifically, Italy, Spain, Portugal, Norway, Sweden, Greece and Roumania had better crops, while production was lower in the Netherlands, Germany, Poland, Hungary and Yugoslavia. Outside Europe, the crops in North Africa and in Asia omitting Manchukuo and China were 46 million bushels larger. The Chinese crop was reported unofficially at 640 million bushels or 19 per cent smaller than in 1936. Smaller Southern Hemisphere supplies are in prospect with the Argentine crop estimated at 192 million bushels, or 57 million bushels less than a year ago, and the Australian crop estimated at 162 million bushels which is 12 million larger than in 1936. The Canadian crop at 182.5 million bushels was the smallest in 23 years, while the United States crop at 874 millions was 247 million bushels in excess of the production in each of the two preceding years. Although no estimate is available for the Russian crop it is believed to have been one of the largest within recent years.

"World" wheat stocks on August 1, 1937, were reduced to 505 million bushels, representing a decrease of 270 million bushels during the past crop year. This decline in carryover stocks approximately offsets the increase in "world" production this year, so that total "world" supplies for the 1937-38 crop year are

substantially the same as in 1936-37. "World" wheat stocks this year are at an abnormally low level, 183 million bushels below the average for 1924-29 and 492 million bushels below the average for 1930-36. These stocks may be increased moderately in 1938, due to a larger carryover in prospect in the United States.

Because of the improved wheat production in several of the European importing countries and in the United States in 1937, the total volume of international trade is expected to fall from 80 to 100 million bushels below the world net exports of 605 million bushels attained in 1936-37. The United Kingdom apart, Belgium, Germany, Holland and France are expected to be the largest importers in 1937-38 whereas in the previous crop year, heavy imports by Italy, Germany and Greece, featured in the import situation. Total world import requirements for the current year are placed between 500 and 520 million bushels, whereas available export supplies are approximately 575 million bushels. This represents a reasonably close adjustment between supplies and requirements, which in turn provides support for prices at their present levels, until the factors affecting the 1938-39 supply situation become more apparent. It is, of course, possible that the business recession which has developed in the United States will continue to exert an outside influence upon wheat prices in the meantime.

Turning to the outlook for the 1938-39 season for which growers are now making plans, it should be borne in mind that the world wheat acreage is still maintained at an unusually high level. While no appreciable increase in acreage is in prospect, normal yields on the present acreage in both exporting and importing countries would create supplies for the 1938-39 season greatly in excess of the normal disappearance of wheat. In 1937, in spite of much winter-killing, European countries produced more nearly their own wheat requirements. Improved yields in the United States and Russia left those countries with export surpluses, and it is only because of the disastrous crop failure in Western Canada and below-normal crops in the Southern Hemisphere countries that available export supplies are so closely adjusted to the low import requirements. The United States acreage of winter wheat sown in the autumn of 1937 is practically identical with the record area sown in 1936, and it is probable that there will be an increase in the spring wheat area, which was restricted somewhat in 1937 due to poor moisture conditions at seeding time. In the event that European production is maintained in 1938 and better crops are harvested in the surplus producing countries lower wheat price levels may be expected.

The outlook for an immediate upward trend in the total volume of international trade in wheat is discouraging. While the wheat acreage in Europe, with the possible exception of the Danube Basin, is at a very high level, most European governments continue to make determined efforts to bring domestic wheat production into line with requirements. Since the late summer of 1936, there has been a scaling down of wheat tariffs, but this has been due to an attempt to prevent bread costs from rising with the higher levels of world wheat prices and the effects of further depreciation in currencies. Germany and Italy in particular, are requiring the admixture of other flours with wheat flour in an effort to curtail wheat imports. With no apparent abandonment of the endeavour to become self-sufficing, European imports will continue to be governed by domestic crop shortage but not all of these deficiencies will be reflected in increased imports.

Canadian Wheat Situation - Although the world outlook for production and prices in 1938-39 is not reassuring at this conjectural stage, an appraisal of the current domestic wheat situation in Canada gives rise to more urgent considerations. For the past five years, wheat yields in Western Canada have fallen increasingly short of producing a normal crop on existing acreage. As a result of the devastating drought in Saskatchewan and eastern Alberta, yields per acre of wheat in Canada reached a new low point in 1937 and the total crop of 182.5 millions was the smallest of the past

five seasons of partial crop failures.

By the end of the past crop season the Canadian wheat carryover was reduced to minimum proportions. The carryover in Canada on August 1, 1937, was 32.7 million bushels, compared with 108 million bushels in 1936 and 202 million bushels in 1935. Exports of Canadian wheat and wheat flour during the 1936-37 crop year totalled 195 million bushels, or 32 per cent of the world net export movement of 605 million bushels.

In appraising the Canadian export and carryover situation for the 1937-38 crop year, both exports and carryover will remain at low levels because of the scarcity of available supplies. After deducting domestic requirements of 100 million bushels and a minimum carryover of 30 million bushels from total available supplies of 215 million bushels, a maximum of 85 million bushels is left available for export during the current season. Of this amount, approximately 25 million bushels are durum wheat, and further amounts are of the Garnet variety. The top grades of the common varieties are in very strong demand and are obtaining high premiums overseas. There will be no difficulty in disposing of the available supplies of the red spring varieties and a substantial part of the durum surplus for which there is a slower demand this year. Consequently, Canadian exports of wheat and wheat flour may be conservatively placed at a minimum of 75 million bushels, with actual exports falling somewhere within a 75 to 85 million bushel range. Exports within this range would again leave Canada with a very small carryover on August 1, 1958.

Total exports of 75 to 85 million bushels for the present crop year fall regrettably short of fulfilling the volume of Canadian wheat that importing countries have been willing to take even in the years of low world import demand. It is vital to the interest of Canada to have at least 200 million bushels of wheat available for export in each crop year in order that the advantage of existing markets may be realized. The small carryover attained in 1937 and likely to be repeated in 1938 is inadequate to ensure continuous export supplies should domestic crop shortages recur. With these considerations in mind, a normal crop in 1938 on an acreage similar to that of 1937 is desirable.

In making plans for 1938, consideration will have to be given to the availability of suitable seed and to local soil and moisture conditions at the time of sowing. Before seeding in 1938 farmers in northern areas should seriously consider the possible price spreads on Garnet and non-Garnet grades and the relative yields of the different varieties available. The danger of loss from grasshoppers is felt to be no more serious than in 1937. However, there is prospect of the most widespread and destructive outbreak of pale western cutworm in the history of Prairie agriculture. Seeding in the greater part of Saskatchewan and Alberta should be carried on with control of this pest in mind.

Durum Wheat

World supplies of durum wheat this year are plentiful in contrast with the short supplies during the 1936-37 season. Consequently durum prices are at a considerable discount in contrast with the premiums of a year ago. While this situation may accentuate the tendency to change from durum to the new rust-resistant wheats and while this may be justified in the marginal durum areas the durum acreage in the main producing areas should be well maintained.

While there was an increase in the durum area from 1.8 million acres in 1936 to 2.3 million acres in 1937, the actual production of durum wheat in Canada was approximately doubled, having increased from 15.3 million bushels in 1936 to 30.7 million bushels in 1937, due principally to the improved growing conditions in Manitoba. 1/The recovery in durum production in the United States was even more marked, with the durum crop in Minnesota and the Dakotas totalling 28.3 million bushels in 1937, compared with 8.2 million bushels in 1936. The North African crops in Morocco, Algeria and Tunisia in 1937 totalled 38.2 million bushels compared with 31.5 million bushels in 1936.

With the growth of durum production in Canada, export outlets have been developed mainly in the United States and to a less extent in European countries. The durum crop in the United States this year however, is just about sufficient to meet domestic requirements, so that the bulk of the current Canadian surplus will have to be disposed of in European markets. In accordance with this pressure for export outlets, Canadian durum prices have gone to a heavy discount below the prices of the bread flour types. This discount is likely to continue during the current season as long as the available stocks of durum wheat remain relatively large.

Because of the prevailing discount on the durum grades this year, together with the advent of rust-resistant varieties of bread wheat, a substantial shift from durum sowings to the latter types is expected. Such a shift might be advantageous to growers where both durum and bread wheats are commonly grown but in the main durum producing areas of Manitoba, it would be a mistake to curtail unduly durum acreage. Despite the unpredictable fluctuations between premiums and discounts from year to year, the long-run returns from durum production in these areas have compared quite favourably with the returns from the production of the hard red spring wheats in general.

Fall Wheat

The sown area of the 1936-37 fall wheat crop amounted to 781,000 acres. Winter abandonment reduced the harvested area in 1937 to 718,800 acres. In the previous crop year, the sown area was 585,000 acres and the harvested area 509,300 acres. A larger harvested area in 1937, in addition to slightly improved yields per acre, gave a total fall wheat crop of 18.7 million bushels, compared with 12.5 million bushels in 1936. The area sown to fall wheat in the autumn of 1937 was 690,000 acres, while the condition of the crop on October 31, 1937 was 93 per cent of the long-time average compared with 107 per cent at the same time in 1936.

^{1/} According to the January 21 estimate, durum wheat production in Canada is now placed at 26.4 million bushels.

AUSTRALIA

The following cable was received on January 17, from the Canadian Government Trade Commissioner in Melbourne:

"Shipments of wheat and flour from Australia since the beginning of the season to the week ending January 10, total 12,914,916 bushels compared with 10,108,088 bushels last season. A large business in Australian wheat was done to the United Kingdom after the New Year, with Greece showing further interest. Demand is due to cheapness of Australian wheat, and to the relatively small Argentine crop. No interest is yet shown by Japan or China. 1,100,000 tons of new crop tonnage are already chartered from Australia. It is anticipated that the total Australian yield will be 175 million bushels since yields are above expectations. The price to growers is about three shillings tempence halfpenny country sidings, equivalent to seventy-seven cents Canadian, and four shillings sixpence halfpenny f.o.b. steamer, equivalent to ninety cents Canadian per bushel. Growers are selling sparingly. Great Britain is showing increased demand for flour, but limitation of freight may prevent further business. Hong Kong is taking limited quantities. Export quotations for flour are nine pounds per ton in 150 pound sacks, equivalent to thirty-five dollars and eighty-two cents Canadian and nine pounds ten shillings per ton in 49 pound calico bags, equivalent to thirty-seven dollars and eighty-one cents Canadian. Freights have firmed with recent fixtures at thirty-seven shillings English currency per long ton from Western Australia, and about thirty-nine shillings from South Australia, Victoria and New South Wales. Parcel rates for the first four months of this year are fixed at forty shillings."

ARGENTINA

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of January 3, 1938, dealing with the grain situation in Argentina.

First Official Estimate of Grain Crops

Following the publication of the final official estimate of the areas seeded to the principal field crops, excluding maize, for the season 1937-38 (as reproduced in my report for the month of November), the Ministry of Agriculture has now made its first forecast of the probable yields, which are as follows:

Wheat	5,225,000	metric	tons	or	191,986,000 в	ushels
Linseed	1,585,000	11	11	11	62,399,000	11
Oats	710,000	11	11	11	46,038,000	11
Barley	540,000	81	11	11	24,802,000	11
Rye	115,000	11	11	11	4,527,000	11

Variable weather conditions during the development of the crops, including first a prolonged drought and finally extensive frosts during the month of November, together with depredations of flying locusts in the north and centre of the cereal region, have caused serious losses; and in comparison with the crops harvested last season this first computation of the yields for this year shows the following decreases: Wheat 23%; Linseed 18.1%; Oats 10.3%; Barley 16.9%; Rye 39.5%.

In comparison with the averages over the last five-year period the following decreases are noted: Wheat 17.1%; Linseed 8.3%; Oats 12.5%; Barley 18.4%; Rye 53.8%.

For comparison this first forecast for 1937-38 is reproduced below, together with the final figures for recent crops and the five-year averages, the volumes being in bushels:

	Wheat	Linseed	Oats	Barley	Rye
1937-38(1st estimate).	191,986,000	62,399,000	46,038,000	24,802,000	4,527,000
1936-37	249,196,000	76,201,000	51,355,000	29,854,000	7,480,000
1935-36	141,464,000	59,446,000	33,756,000	20,301,000	6,023,000
1934-35	240,672,000	79,721,000	58,402,000	35,859,000	15,645,000
Five-year average	231,670,000	67,994,000	52,603,000	30,381,000	9,799,000

Immediately following the publication of the above forecast of the volume of the crops, the Department issued its monthly report on the condition of the crops in the various provinces and territories, upon which its estimate of volume was based. The principal features of this report are summarized as follows:

The general condition of the crops of wheat, linseed and maize is stated to be from average to good, the wheat and linseed crops having improved as a result of the beneficial rains which fell on December 6. This improvement was particularly noticeable in the provinces of Buenos Aires and Entre Rios. Examination of specimens of threshed wheat shows the quality to be generally good, and it may turn out to be still better if present prospects are realized in the fields not yet harvested.

With regard to linseed, the quality is fair as judged by samples of the threshed seed.

In spite of the apparently good condition of the maize crop, there is fear that because of backwardness in the great maize zone of northern Buenos Aires, it may be caught in the flowering stage by the very hot weather which is usually experienced in January. Rains would help this crop.

Details by provinces are as below:

Buenos Aires: Wheat: The rains of December 6 improved the condition of the wheat crop, especially in the south-western zone, where cutting had not yet commenced. In the north and west there was less benefit, as only the later wheats were in shape to profit by them. At the moment of reporting in the central and northern zones about half the wheat has been cut. In the south-west only some isolated fields have been cut, notably those which were affected by the frosts. The yields and quality secured up to the present have been rather poor, which is understandable if one takes into account that the best wheats in the north, centre and south-west, are those which are most backward in growth and consequently have not yet been cut. Threshing is commencing in some localities in the north-west.

Santa Fe: Wheat: The rains of December 6 did not substantially modify the condition of this crop in Santa Fe, because of the advanced stage of development. Threshing is well advanced. It is finished in the centre and north; and is under way in the south, where cutting is practically finished. The yields obtained are very low in the north, and from good to very good in the south, where in some cases 40 bushels to the acre have been registered. The quality is generally good, even in some zones most affected by drought and other adverse factors.

Cordoba: Wheat: Winds have lowered the condition of the growing crops in the southern zone. On the other hand in the eastern districts the yields which are being obtained are even better than those forecast as good. In the north

threshing is finished; it is general in the centre, but is only beginning in the south. The quality obtained is good in the north and east. In the central west in places where wheat is of little importance, the quality is relatively poor.

Entre Rios: Wheat: The condition of the wheat crop has not varied since the last report. In the central and northern zones cutting is finished; it is proceeding in the south. Threshing is being carried on actively, and both yields and quality are generally good. In the north birds, especially parrots and linnets, continue to cause damage.

La Pampa: Wheat: Harvest is beginning in the north, with quality generally good but yields only poor. In some fields affected by the frosts the grain is shrunken, with many green kernels. In the centre and south the last rains have improved the condition of the crops which were not damaged by the frosts.

Since the publication of the official report weather conditions have been favourable for harvesting, being generally fine and dry, and great progress has been made. At this moment it is estimated that 80 per cent of the wheat crop has been cut, and a good proportion has been threshed. There is a very great variation in both the yields and qualities secured. Southern Santa Fe in particular is producing heavy yields of grain of an excellent quality, but in the neighbouring province of Cordoba results are proving disappointing, as also in the frost damaged regions of Buenos Aires.

But while the weather has been propitious for harvesting the other grain crops, in the case of maize the effect has been exactly the reverse. Lack of moisture and the unseasonably cool temperatures have held back development, and private reports indicate that the plants generally are not in good shape to withs stand the very hot weather which is normally experienced during the month of January. No losses are reported. The situation simply is that extreme heat may prove very damaging unless moisture first comes to strengthen the plants.

Wheat Supplies and Market Conditions

Exports during December were 3,867,835 bushels of wheat and 68,343 bushels of flour in terms of wheat, a combined total of 3,936,178 bushels, which compares with 1,530,856 bushels in the preceding month.

Shipments of wheat during 1937 totalled to which must be added flour in terms of wheat			els
making a combined total of	148,519,522 146,607,706	11	
So that there has presumably been shipped the new crop.	1,911,816	11	from
The statistical position is now as shown below	w:		
First official estimate of 1937-38 crop	191,986,282	Ħ	

First official estimate of 1957-56 crop	191,900,606	
Less domestic requirements	99,208,222	89
Balance for export	92,778,060	11
Disappearance prior to January 1, 1938		P1
Available balance on January 1	90,866,244	11

On the publication of the governmental estimate of the crop, there was a disposition among experienced grain men to regard it as too low. 202 million bushels being looked upon as a more likely total. But threshing out-turns in the province of Buenos Aires in many good districts are proving disappointing, and it now seems more than likely that the official figure will prove to be justified.

While grain of excellent weight and quality is being threshed in the undamaged districts, heavy proportion of inferior lightweight wheat may be anticipated elsewhere. And from past experience it may be assumed that there will be a tendency to hold back this low grade grain to be mixed into the next crop. This seems the more probable in that we are going into the new season with no carryover, and that the farmers are in a comparatively prosperous condition as a result of recent good crops and high prices. Assuming that say 18 million bushels are so held back and that Brazil takes 37 million bushels, it looks as though there would be less than 37 million bushels available for export to Europe out of this crop.

There is little to be said with regard to market conditions. A consistently firm tone prevails. The shrinkage in the prospective volume of the crop has encouraged growers to refrain from pressing their sales. Local millers and buyers for Brazil are willing purchasers of any parcels of good wheat offering. Exporters are booking freights more freely, Germany in particular actively chartering for January. Since Russian wheats and the average shipments from North America are said to be deficient in milling qualities, the best Plate wheats are likely to find ready acceptance in Europe. Actual shipments have been very light, and mostly for Brazil; but some sales to Europe are reported. The United Kingdom has shown little interest in buying Plate wheats at current prices.

At the close of business for the month and year, Spot wheat was quoted at 11.37 pesos per 100 kilos, equal to 103 1/4c. Canadian per bushel at current official exchange rates; and April, the most distant option quoted, 11.50, or say 104 1/2c. per bushel. In Winnipeg on the same day May wheat closed at 118 7/8c.

Restriction of Distribution of New Varieties of Wheat

The Ministry of Agriculture has made known that a Decree has been issued which prohibits the sale of any new varieties of wheat for seed during the years 1938 and 1939, new variety being understood to mean any which had not been placed on sale prior to November 1, 1937.

The measure is based on the desire to improve the quality of the Argentine wheat production.

A great number of varieties which originated in the country or were brought in from abroad were distributed throughout the Republic without any control prior to 1934. Some of them had a bad influence on the quality or the yields obtained, and the result has been to seriously hinder the rationalization of the grain business which is now being attempted.

The Commission in control considers it indispensable to undertake a close study of the agricultural and industrial value of the numerous varieties of wheat now in use, through systematic tests, before permitting the distribution of others. Hence the step which has been taken.

Destinations of Argentine Wheats

The National Grain and Elevator Board has made a study of the destinations of the wheat shipped from the three principal zones of production into which the country is divided, and has published the following results.

The period covered is from December 1, 1936 to July 31, 1937, which includes the months of greatest activity in the exportation of wheat.

From the <u>Buenos Aires zone</u> there were shipped 36,822,271 bushels. The principal destinations were:

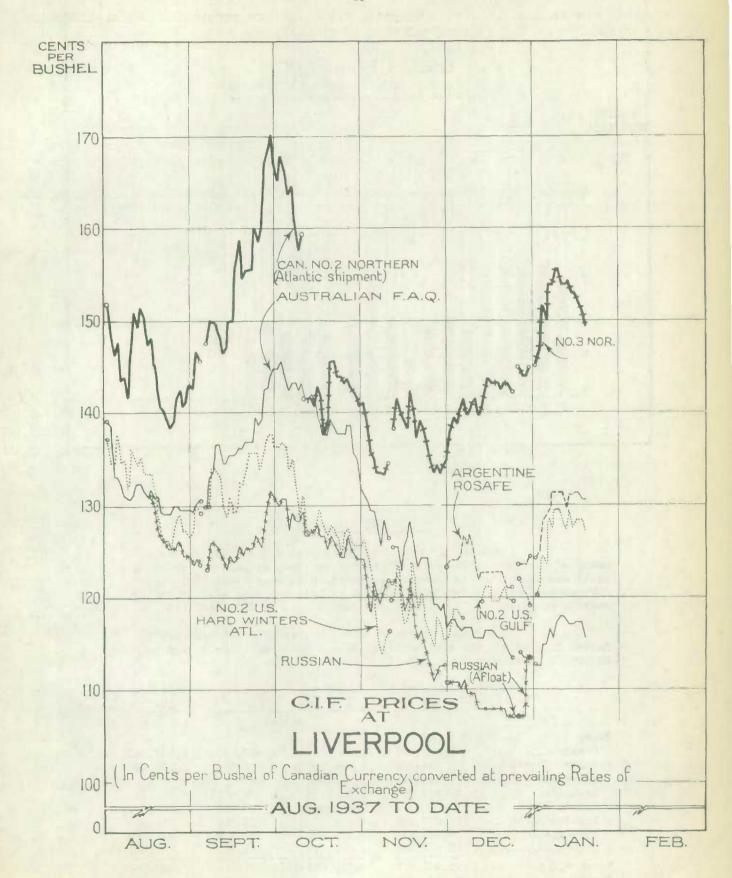
Italy	36.84	per	cent
Brazil	16.11	17	11
United Kingdom	11.32	11	11
Holland	8.65	11	11
Germany	7.05		11
Belgium	6.06	11	11

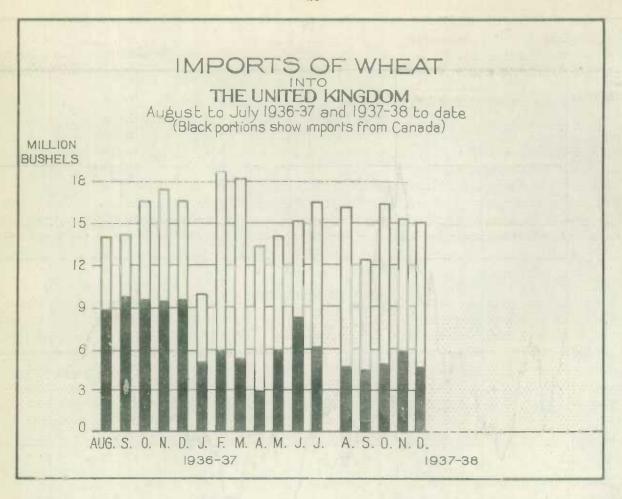
From the Rosafe zone there were exported 65,220,771 bushels, of which the principal destinations were:

United Kingdom	34.47	per	cent
	18.66		
Brazil	14.92	11	11
Belgium	11.14	11	11
Holland	11.16	11	11

From the <u>Bahia Blanca zone</u> the shipments were 37,583,712 bushels, with the following principal destinations:

Brazil	23.28 per cen	t
Belgium	16.30 " "	
Holland	15.61 " "	
Greece	15.23 " "	
Italy	10.65 " "	
United Kingdom	5.50 " "	





THE UNITED KINGDOM

Imports of wheat into the United Kingdom during the month of December, 1937, were slightly lower than during the preceding month and lower than in the corresponding month last year. Imports during December amounted to 15,080,696 bushels compared with 15,366,484 bushels in November, 1937 and 16,606,582 bushels in December, 1936.

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

	August-July 1936-37	1937	November 1937	December 1937
From:				
Canada	86,456,847	14,039,092	5,928,525	4,607,842
United States	103,438	1,484,550	1,376,716	3,600,401
Argentina	29,429,041	9,266		-
Australia	38,963,005	11,699,418	885,401	2,451,620
Russia	-	7,213,569	5,065,383	2,888,789
British India	10,670,162	6,121,322	526,564	384,800
Roumania	8,420,847	1,977,450	988,434	319,763
Others	10,423,586	2,172,876	595,461	827,481
Totals	184,466,926	44,717,543	15,366,484	15,080,696
Previous year	190,661,782	44,699,003	17,414,553	16,606,582

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 months 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 December, 1937 along with comparative figures for December, 1936.

		December, 1937	December, 1936
W		(Bushe	els)
From:			
		4,607,842	9,465,585
United	States	3,600,401	47,602
Argent	tina	web	249,680
Austra	ilia	2,451,620	3,063,664
Russia		2,888,789	
Britis	sh India	384,800	2,769,340
Roumar	lia occosococococo	319,763	702,978
Others	3	827,481	307,733
T	otals	15,080,696	16,606,582

The above table shows that total imports of wheat into the United Kingdom during December, 1937 were lower than during December, 1936. Imports from Canada amounted to only 4,607,842 bushels as compared with 9,465,585 bushels for the corresponding month last year. Imports from the United States were 3,600,401 bushels, the largest amount shipped to the United Kingdom from that country since October, 1930 Australian imports were higher this month amounting to 2,451,620 bushels as compared with 3,063,664 bushels for December, 1936. Russian shipments are only slightly over half of those for the previous month but they are still high at 2,888,789 bushels.

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

		1937	1936
		August-December	August-December
From:		(Bush	nels)
	Canada	24,575,459	46,969,674
	United States	6,461,667	103,419
	Argentina	9,266	585,603
	Australia	15,036,439	12,188,701
	Russia	15,167,741	
	British India	7,032,686	5,930,685
	Roumania	3,285,647	7,475,727
	Others	3,595,818	5,466,329
	Totals	75,164,723	78,720,138
		The state of the s	

It will be noted that total imports into the United Kingdom amounted to 75.2 million bushels during the August-December period in 1937 as compared with 78.7 million bushels during the same five months last year. Imports from Canada amounted to only 24.6 million bushels as compared with 47 million bushels for the same period last year. Imports from the United States for the August-December period in 1937 were 6.5 million bushels. Australian imports were higher this year by 2.8 million bushels than for the same months in 1936. Russia shipped 15.2 million bushels to the United Kingdom so far this season.

INTERNATIONAL TRADE

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

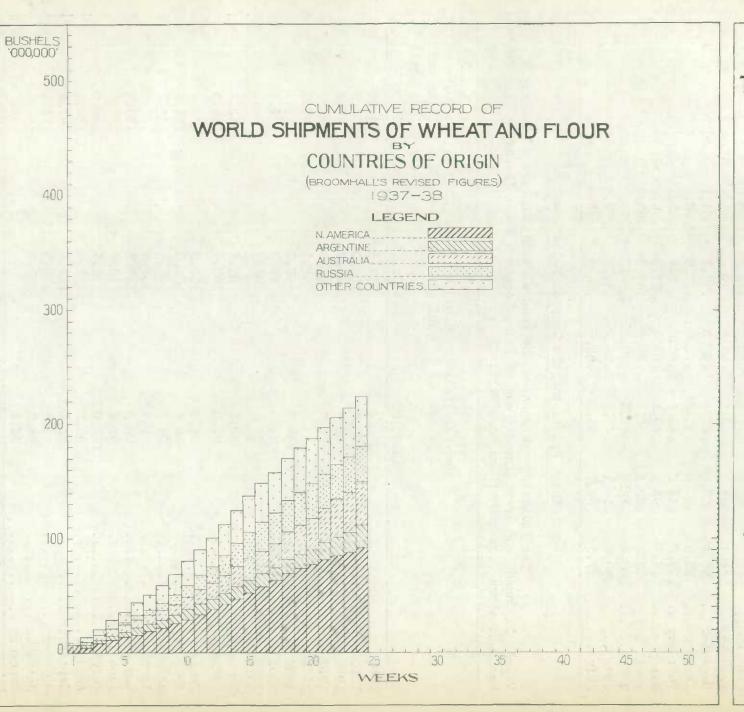
Week	North	Argen-	Aust-			-		
ending	America	tina	ralia	Russia	Danube	India	Other	Total
CHATHE	71110000	022300		housand I				
Assessed 7 1027	9 519	888	1,808	184	688	630	280	7,040
August 7, 1937	2,512				880	336	416	6,544
14	2,560	880	1,472	20		352	192	7,672
21	4,072	856	920	38	1,192	248	160	7,832
23	2,848	968	1,440	456	1,712		56	
Sept. 4	2,160	992	840	769		928		6,704
11	2,128	938	944	1,680	1,264	456	112	7,472
18	2,904	560	376	1,280	1,934	64	24	7,192
25	3,024	403	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	134	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	4,888	216	1,760	3,600	872	296	24	11,656
13	5,368	***	1,896	2,120	2,664	48	48	12,144
20	5,360	1,016	936	1,832	1,624	544	24	11,336
27	5,304	128	968	1,680	1,056	841.6	16	9,152
Dec. 4	6,360	368	2,872	960	1,600	168	L/MIN	12,328
11	3,592	408	1,472	1,240	1,496	480	16	8,704
18	4,128	1,072	2,064	1,128	504	120	16	9,032
25	4,816	1,912	2,192	320	608	360	8	10,216
Jan. 1, 1938	3,035	1,110	3,172	440	483	160	440	8,405
8	3,635	1,048	802	1,239	545	_ 0.5	648	7,917
15	4,155	1,656	3,591	288	288	192	264	10,434
TOTAL	92,926	19,432	37,145	31,559	32,537	7,384	3,584	224,567
1936-1937								
24th week	2,720	5,744	1,720		1,656	-	440	12,280
TOTAL	127,976	39,504	35,888	38	48,896	6,864	5,104	264,320

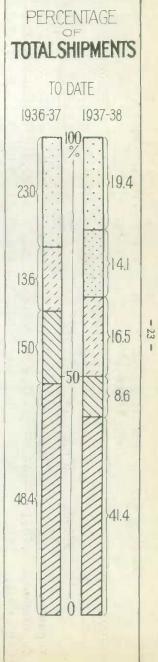
THE POSITION OF THE IMPORT REQUIREMENTS ESTIMATE

(Mr. Broomhall's Estimate)

Estimated Import Requirements	Actual Shipments	Balance to be Shipped	
Aug. 1, 1937 to July 31, 1938		Jan. 15,1938 to July 31,1938	
(52 weeks)	(24 weeks)	(28 weeks)	
496 million bushels	224.6 million bushels	271.4 million bushels	
or	or	or	
9.5 million bushels weekly	9.4 million bushels weekly	9.7 million bushels weekly	

During the first twenty-four weeks of 1937-38, world shipments have amounted to 224.6 million bushels, or an average of 9.4 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.





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

			(Dollars	per Bush	el)			
	1930-31	1931-32	1932-33	193334	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	1.34.6
December	.55.4	.60.6	.42.4	.60.3	.79.2	.84.7	1.20.2	1.37.4
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 $\frac{1}{2}$

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	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
November, 1936	89.1 92.0	98.3 100.8	115.1 127.6
January, 1957	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	110.6	151.1
November	96.0	108.5	142.9
December	95.5	-	145.9

^{1/} Prepared by the Internal Trade Branch.

FOREIGN EXCHANGES 1/

(December 16 - January 18)

Quotations on the United States dollar at Montreal advanced steadily from par in the second week of December to a premium of 3/16 of one per cent on December 27th. This was subsequently reduced until rates were again quoted at par on January 15. Sterling has remained within fractional amounts of \$5.00 throughout the period. The French franc broke sharply on January 13, from 3.39 cents to 3.29 cents as financial difficulties and labour unrest precipitated the resignation of the Chautemps Ministry. About one-half of this drop in spot rates was recovered in the next few days, but continuing wide discounts on forward positions at New York furnished evidence of pressure but slightly abated. The Belgian belga was the only currency to react appreciably in line with movements of the franc. Late in December milreis exchange was placed under control of the Bank of Brazil after sharp declines during a brief period when no restrictions were in force. Argentine pesos have continued firm in line with sterling, although an unsteady tendency recently has been apparent in free market rates.

Monday Average Exchange Quotations at Montgeal, July 6, 1937 to January 17. 1938.

		United Kingdom Pounds 4.8667	United States Dollars 1.0000	Australia Pounds 4.8667	Argentina 2/ Paper Peso .4244
July	6, 1937	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	5.9641	。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	。9993	3,9925	.2958
	22	4.9937	。 99 81	5,9950	. 2954
	29	4.9887	。9990	3.9900	. 2932
December	6	4,9962	9995	3,9962	.2927
	13	4.9968	1,0000	3,9975	,2935
	20	5.0025	1.0009	4,0020	.2923
	27	5.0040	1,0015	4.0030	.2935
January	3, 1938	5.0059	1.0003	4.0050	。2926
	10	5,0022	1.0000	4,0018	. 2925
	17	4.9949	1,0000	3,9959	. 2920

^{1/} Prepared by the Internal Trade Branch.

2/ Free Rates.

THE CANADIAN SITUATION

I. CROP REPORT OF JANUARY 21, 1938.

On January 21, the Dominion Bureau of Statistics issued the third estimate of the production of the 1937 field crops, together with the final estimates of the 1936 crops. Excerpts from the report relating to wheat are reproduced herewith:

Summary

The estimates of the 1937 production of field crops contained in this release show slight changes as compared with the second estimates of last November. The third estimate of Canadian wheat production for the 1937 season shows 182,410,000 bushels harvested from 25,570,200 acres. This is the smallest crop since 1914 when 161,280,000 bushels were produced on 10,294,000 acres. 1937 is the fifth successive year in which the wheat crop has been less than 300 million bushels. The 1937 estimate of spring wheat production includes 26.4 million bushels of Durum wheat of which 24.4 million bushels were produced in Manitoba and 2.0 million bushels in Saskatchewan.

The reduction of 95,000 bushels in the third estimate of 1937 wheat production is accounted for by a downward revision of 100,000 bushels in the estimates for the Maritime Provinces and an upward revision of 5,000 bushels for Quebec. In Alberta the wheat crop was placed at 74 million bushels instead of 75 million as given in the second estimate. Production of wheat in Manitoba was reduced by 4 million bushels, but the Saskatchewan estimate was raised by 5 million bushels, thus leaving the total of the third estimate for the Prairie Provinces unaffected. The production of wheat in the Prairie Provinces is now estimated at 159 million bushels compared with 202 millions in 1936 and 264.1 million bushels in 1935.

The farm value of production of the 1937 field crops is now estimated to be \$553,823,100, which is 10 per cent less than the value of \$612,300,400 for 1936. In 1935 the farm value of field crop production was \$511,872,900. The value of the 1937 wheat crop is estimated at \$182,384,000, a decrease of \$22,943,000 from 1936. The oat crop of 1937 is worth \$1,602,000 less, and the barley crop \$7,528,000 less than the 1936 valuations. Potatoes are valued at \$27,143,000 in 1937 as compared with \$45,125,000 in 1936.

Agricultural Season of 1937

In Manitoba the situation was in sharp and pleasing contrast to the preceding season. While the soil was dry at the beginning of the season, frequent and generous rains provided sufficient moisture for good growth except for small areas in the north-western section. Rust threatened the grain in July and while some damage was done, on the whole the injury was not serious. Supplies of forage were ample in most cases and condition of live stock good throughout the season.

In Saskatchewan commercial crops of grain were confined chiefly to the extreme northern sections of the farming belt, to areas adjacent to the Manitoba boundary and to small scattered sections of the better crop land in the central part of the province. Elsewhere in the province there was practically no crop. Many acres of spring grains were cut for feed when it became apparent that there was no hope of a grain crop but even this failed to relieve the acute feed shortage which developed.

In Alberta the south-western sections produced good crops and satis-factory yields were obtained through much of the central and northern areas. In the eastern part, droughttook a heavy toll and crop failure was general. Mid-season rains in the north-central and north-eastern parts of the province induced considerable second growth, improved the feed prospects and although complicating the harvesting of the crop, did appreciably increase the net returns. The late growing season enabled most of the crop to escape frost damage and harvesting was accomplished without serious delays.

Wheat Production in the Prairie Provinces, 1937.

The following table lists the three estimates of wheat production for 1937 in the Prairie Provinces, together with the final estimate for 1936:

		Final, 1936		
	September	November	January	
	Special processing to the contract of the cont			
Manitoba	53,000,000 35,000,000 76,000,000	52,000,000 32,000,000 75,000,000	48,000,000 37,000,000 74,000,000	26,000,000 110,000,000 66,000,000
Prairie Provinces .	164,000,000	159,000,000	159,000,000	202,000,000

The third estimate of wheat production in the Prairie Provinces gives a total crop of 159 million bushels, which is the same as the total shown in the November estimate. According to the third estimate, the 1937 crop is 43 million bushels lower than the crop of 1936.

The progress of deliveries to country elevators indicated that the November estimate for Saskatchewan was somewhat low and the January estimate is now placed at 37 million bushels. Downward revisions of four million bushels in Manitoba and one million bushels in Alberta offset the increase in the Saskatchewan estimate, leaving the total unaffected.

Progress of Marketings, 1937 Wheat Crop

Owing to the very small crop in 1937, the marketings for the 1937-38 season will be considerably below those of 1936-37. From records now available it is estimated that approximately 127 million bushels will be marketed during the current crop year compared with 163.5 million bushels in 1936-37. The general crop failure in Saskatchewan and failure in parts of Alberta will necessitate the drawing of large amounts of seed grain from previous deliveries at country elevators. This may reach an amount of 8 million bushels. Feeding of wheat may be somewhat greater in Manitoba this season, particularly because of the heavy price discount prevailing for Durum wheat. Some Durum wheat is being substituted for coarse grain feed in the drought areas of Saskatchewan.

In the period from August 1 to January 7, 1938, marketings in the Prairie Provinces amounted to 99.1 million bushels indicating that approximately 78 per cent of the marketable wheat of this season has already come forward.

For the same period in the 1936-37 season, 139,3 million bushels or 85 per cent of the total season's marketings were delivered. On the basis of present estimates, only 27.9 million bushels will be marketed in the period from January 7 to July 31, 1938.

The peak of wheat deliveries occurred at the beginning of September this season which corresponds with the peak in the 1936-37 season. For the period August 1, 1937 to January 7, 1938, 32.4 million bushels have been marketed in Manitoba, 20.8 million in Saskatchewan and 45.9 million bushels in Alberta. For several weeks the marketings have been reduced and Alberta is now the main source of deliveries.

1936 Crop Estimates

Several changes have been made in the 1936 wheat crop estimates of the Prairie Provinces on the basis of the disposition data that are now complete. The final figures on marketings in the Prairie Provinces were 2.1 million bushels below the unrevised data published on page 237 of the Monthly Bulletin of Agricultural Statistics for August 1937. Marketings are now given as 163,456 000

bushels out of an estimated crop of 202,000,000 bushels. Of the total seed supply 4,550,000 bushels were withdrawn from country elevators. The Manitoba estimate is reduced from 28,000,000 to 26,000,000 bushels, the Saskatchewan estimate from 117,000,000 to 110,000,000 and the Alberta estimate from 67,000,000 to 66,000,000 bushels. The net change is a downward revision of 10 million bushels. The records of elevator deliveries and inspections of flax and rye in the Prairie Provinces do not indicate a need for revision of the January 1937 estimates of these crops.

Quality of the 1937 Wheat Crop

Grading

A wide range of weather conditions in the Prairie Provinces during the growing season of 1937 resulted in considerable variation in the quality of the 1937 wheat crop. For the whole crop the quality in 1937 was below that of the unusually high quality of the 1936 crop. In southern Manitoba, rust damage was apparent on the common wheats, but it did not affect the quality of the total crop to nearly the same extent as in 1935 because of the higher proportion of Durum wheat grown in this area in 1937. In the northern portion of Saskatchewan from which the principal commercial supplies of that province have come, the quality of the crop was not as greatly affected as in former years by wet weather and frost. The drought in Alberta in the first part of the growing season was followed by precipitation which encouraged much second-growth. Harvesting of wheat was difficult because of the uneveness of ripening and the grading of the crop was lowered. In northern Alberta frosts during the ripening period caused some damage.

After eliminating special grades such as Garnets, Durums, White Springs and Winters, the percentages of inspections grading No. 3 Northern or higher by months in 1937 are shown as follows with comparative figures for 1936 within brackets: August 81 (96); September 84 (97); October 89 (92); November 77 (88); December 76 (80). During each month in the current cereal year, the inspections have graded below those of the corresponding month in 1936. For the five-month period from August to December, 1937 the percentage of inspections grading No. 3 Northern or higher amounted to 83 per cent as compared with 93 per cent for the same months in 1936.

In examining the inspections by grades for the August-December period, 1937 there is shown a considerably lower concentration in the higher grades than was the case in the same months of 1936. For the first five months of the current cereal year 45 per cent of the inspections have graded No. 1 Hard and Nos. 1 and 2 Northern, whereas in the corresponding months of the previous year 74 per cent of the inspections were in these grades. For the same period this crop year 7 per cent of inspections graded Nos. 4, 5 and 6 Northern and Feed, as compared with only 2 per cent during the same months of 1936. "Tough" inspections amounted to 5 per cent of the total inspections in August-December, 1937 as compared with 3 per cent during the same period of the preceding crop year.

The quality of the 1937 Durum crop is inferior to that of 1936 as indicated by inspections to date. The percentage grading No. 1 and 2 during the five months ended December 1937 was 57 per cent as compared with 84 per cent in the same months of 1936. Thirty-nine per cent of the Durum wheat crop of 1937 has fallen into grades Nos. 3 and 4 Amber Durum, while the percentage in these grades was 12 in 1936.

in the Prairie Provinces by Crop Districts 1936 and 1937.

Accompanying this report are two charts showing the average yields per acre of wheat by crop districts for the Prairie Provinces in 1936 and 1937.

Distribution of Crop Districts According to Yield of Wheat per Acre, 1936 and 1937.

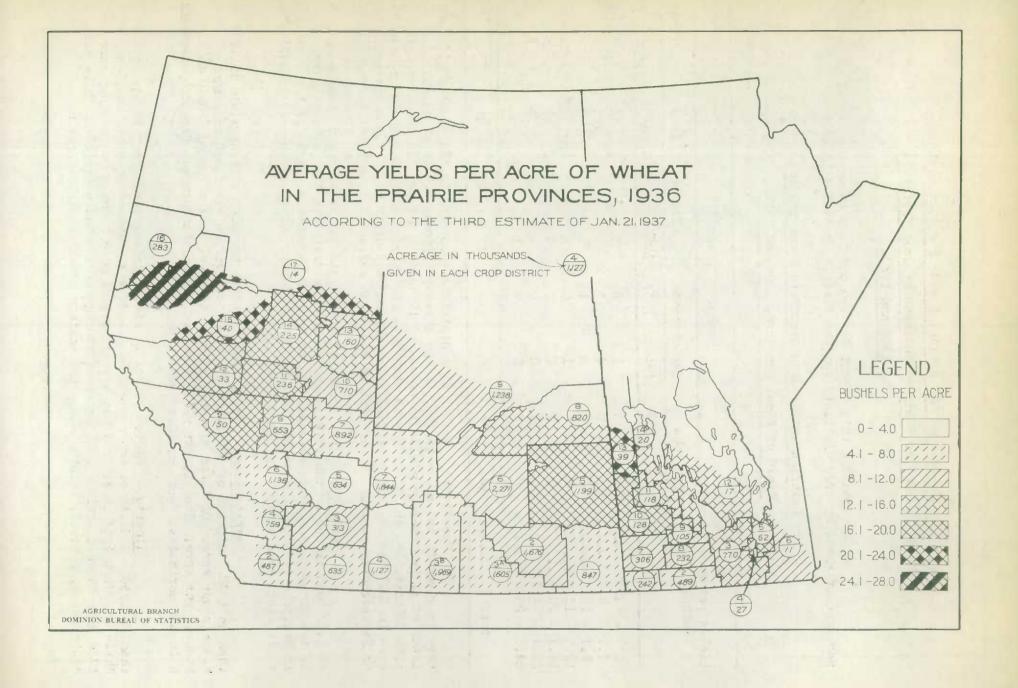
Yields per Acre	Number of Districts							
Bushels	Manitoba		Saskatchewan		Alberta		Prairie Provinces	
	1936	1937	1936	1937	1936	1937	1936	1937
0 - 4.0	0	0	1	6	1	2	2	8
4.1 - 8.0	2	0	4	3	5	1	11	4
8.1 - 12.0	3	0	3	1	2	5	8	6
12.1 - 16.0	6	8	1	0	2	6	9	14
16.1 - 20.0	2	3	1	0	4	3	7	6
20.1 - 24.0	1	3	0	0	2	0	3	3
24.1 - 28.0	0	0	0	0	1	0	1	0
Totals	14	14	10	10	17	17	41	41

The distribution of crop districts according to the wheat yields per acre is given in the above table. In the three provinces, 23 districts out of a total of 41 had average yields in excess of 12 bushels per acre in 1937 compared with 20 districts in 1936. The 18 districts having yields of 12 bushels or less per acre in 1937 include all of the 10 Saskatchewan crop districts. These 10 districts in Saskatchewan contain 56 per cent of the wheat acreage in the Prairie Provinces.

Manitoba. - Crop districts 10, 11, 13 and 14 reported lower yields in 1937 than in 1936. The western parts of these districts touched on the fringe of the drought area which extended so far up in Saskatchewan. None of the districts in Manitoba reported yields for 1937 below 12 bushels per acre, whereas in 1936, 4 districts were below this figure.

Saskatchewan. - Every crop district recorded a lower yield in 1937 than in 1936. Six out of ten districts reported average yields of less than 4 bushels per acre. Of these six, the average district yields ranged from 0 to 1.4 bushels per acre. The highest yield reported in Saskatchewan was from crop district 8 in the north-east section, 10.6 bushels per acre.

Alberta. - Eleven out of 17 districts reported lower yields in 1937 than in 1936. A distinct improvement in yields was recorded in districts 2 and 4. While six districts in Alberta had average yields of 8 bushels or less per acre in 1936 only three districts fell below an average of 8 bushels in 1937. These were districts 1, 5 and 7, located along the eastern boundary of the province.



AVERAGE YIELDS PER ACRE OF WHEAT IN THE PRAIRIE PROVINCES BY CROP DISTRICTS, 1937 ACCORDING TO THE THIRD ESTIMATE OF JAN. 21 , 1938 NUMBER OF CROP DISTRICT-ACREAGE GIVEN IN THOUSANDS -LEGEND BUSHELS PER ACRE 0-40 4.1-8.0 8.1-12.0 555 1,819 12.1-16.0 16.1-20.0 20.1-240 24.1-28.0 914 3B 1,711 Acceptances Branch Dominion Burkati of Statistics

II. GRADING OF THE 1937 WHEAT CROP

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

Number of Cars Grading No. 3 Northern or Better

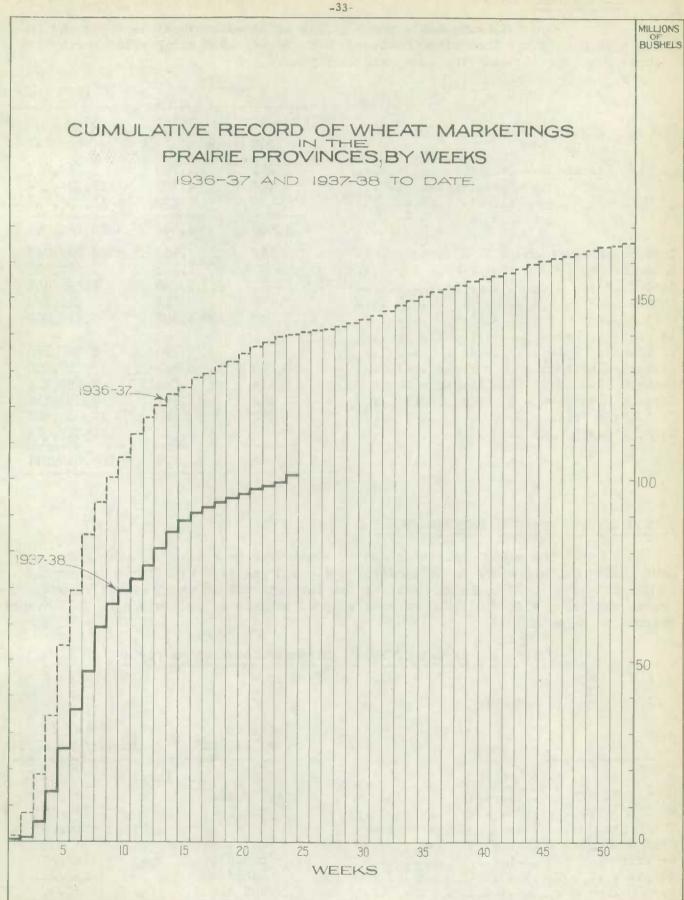
	1	9 3 7	1 9 3 6		
	Cars	Per Cent of Inspections	Cars	Per Cent of Inspections	
lugust	3,514	81.40	8,849	96.37	
eptember	11,421	84.22	26,018	96.92	
ctober	10,768	89.29	18,131	92.32	
lovember	7,249	77.31	9,208	87.66	
December	2,265	75.50	3,062	79.80	
Totals	35,217	83,23	65,268	93.23	

Omitting special grades such as Garnets, Durums, White Springs and Winters, the number of cars of new wheat inspected in December, 1937 totalled 3,000 of which 2,265 graded No. 3 Northern or higher. December 1937 inspections of new Durum wheat amounted to 93 cars of which 88 or 94.6 per cent graded No. 3 Amber Durum or higher.

III. 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		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	1,356,229	2,694,077	2,013,540			
19	275,494	412,491	1,293,708	1,981,693	2,481,964			
26	202,467	290,055	1,045,155	1,537,677	1,486,222			
December 3	288,403	234,077	1,132,770	1,655,250	1,912,236			
10	145,128	203,120	812,392	1,160,640	1,304,451			
17	167,358	223,225	938,635	1,329,218	2,099,902			
24	146,911	363,122	984,251	1,494,284	2,111,700			
31	49,791	174,901	384,271	608,963	1,187,316			
January 7	142,923	224,782	518,648	886,353	1,199,855			
14	135,111	519,606	1,477,556	2,132,273	809,201			
Totals	32,606,479	21,358,560	47,328,833	101,293,872	140,123,666			



IV. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on January 14, 1938 along with comparative figures for approximately the same date last year.

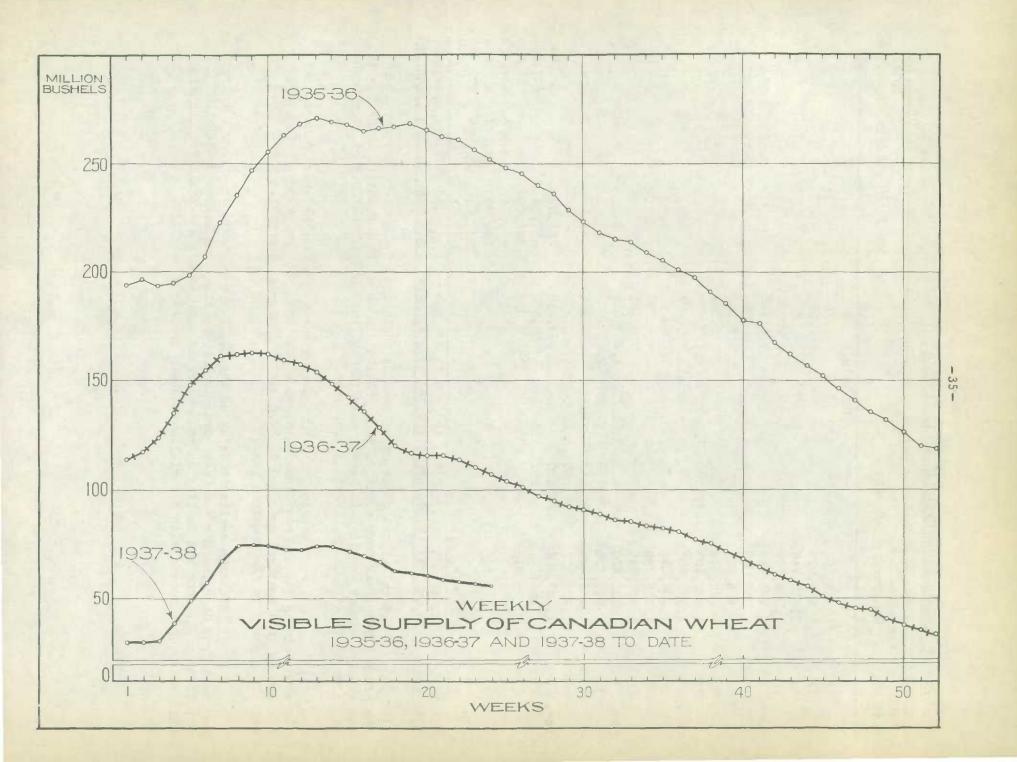
	193	7	1936
	Durum	Other	
	(000 bu	shels)	(bushels)
Country Elevators - Manitoba	1,661	1,785 4,790 7,770	1,716,223 12,724,136 16,335,725
Totals	1,807	14,345	30,776,084
Interior Private and Mill Elevators Interior Public and Semi-Public Terminals Pacific Ports Churchill Fort William and Port Arthur In Transit, Lakes In Transit, Rail Eastern Elevators - Lake Ports Eastern Elevators - St. Lawrence Ports . Eastern Elevators - Maritime Ports U. S. Lake Ports U. S. Atlantic Seaboard Ports	186 - - 6,747 - 3,358 1,216 142 652	4,580 1,092 3,099 12 3,303 	4,899,043 54,761 9,392,856 614,569 9,176,002 2,951,135 17,729,800 3,396,331 2,839,615 13,902,603 11,311,012
Totals	14,108	41,709	107,043,811
	55,	817	

V. MOVEMENT OF WHEAT TO MARITIME PORTS

The winter rail movement of wheat from Georgian Bay, Lake Huron and Lower Lake port elevators to Saint John, N.B., and Halifax, N.S. up to January 14 amounted to 6,201,824 bushels. This is the largest rail movement within recent years, comparing with 4,877,760 bushels shipped to date in 1937 and 3,281,513 bushels shipped to date in 1936.

Origin and Amount of Wheat Shipments to Maritime Ports 1937-38 and 1936-37.

Origin	Total to January 13, 1938	Total to January 14, 1937
	(bush	els)
Port McNicoll	4,177,457	2,796,745
Midland	424,388	1,795,778
Collingwood	_	16,000
Owen Sound	903,931	
Goderich	380,978	116,277
Sarnia	45,436	152,960
Port Colborne	161,819	
Kingston	107,815	
T o t a 1	6,201,824	4,877,760



VI. EXPORT CLEARANCES OF CANADIAN WHEAT 1937-38

Aug. 5 753,262 (Bush 19 1,355,746 41,078 26 1,109,304 200,000 -	753,262 583,998	St. John	Halifax -	Maritime Porta
Aug. 5 753,262	753,262 583,998 3 1,396,824	~.		Porta
Aug. 5 753,262	753,262 583,998 3 1,396,824	ent,	4-4	.Au
12 583,998 — — — — — — — — — — — — — — — — — —	583,998 3 1,396,824	ports,	-	.eta
19 1,355,746 - 41,078 26 1,109,304 200,000 -	3 1,396,824	_	-	
26 1,109,304 200,000 -	, ,	PP 100		_
	1.309.304		1.000	
0 1 0 000 445				-
Sept. 2 773,445	773,445	-	-	~
9 735,062	755,062	-	-	
16 1,315,569	1,315,569	_		-, -
23 912,564	912,564	- 11	_	40-10
30 1,601,408 570,000	2,171,408		_	60-9
Oct. 7 1,876,803	1,876,803	_	_	-
14 1,296,091 -	1,296,091	-	-	-
21 1,685,786 -	1,685,786	-	-	-
28 1,536,757	1,536,757		-	-
Nov. 4 1,383,630 - 53,979	1,437,609	-	46.4	-
11 1,688,138 527,478 217,339	5 2,432,951	-	-	-
18 1,409,449 303,448 88,413		-		
25 1,227,673 656,500 20,000		-	_	-
Dec. 2 1,288,306 182,110 -	1,470,416	225,895	-	225,895
9 - 36,502 -	36,502	477,341	-	477,341
16 8,617	8,617	1,134,658	-	1,134,658
23	THE PARTY OF	840,745	47,983	888,728
30 240	240	599,980	23,976	623,956
Jan. 6 -	-mar	247,864	31,995	279,859
13 240	240	717.677		717,677
Totals 22,542,088 2,476,038 420,809	25,438,935	4,244,160	103,954	4,348,114
Last Year 28.681.955 12.076.571 4.519.728		2.803.395	-	3.423.343

Total export clearances from the beginning of August to January 13 in the present crop year have amounted to approximately 45 million bushels, which due to the reduced export supplies is barely more than 50 per cent of the 89,2 million bushels cleared to date in the previous crop year.

Montreal was the only port during the autumn months which came at all close to holding the export volume abtained a year ago. In the present crop year, clearances from Montreal amounted to 22.5 million bushels in comparison with 28.7 million bushels in the previous year.

With the earlier closing of the St. Lawrence ports this year, the rail movement from Georgian Bay and Lake ports to the Maritimes was hastened with the result that St. John and Halifax up to January 13 have exported 4.3 million bushels this year, as compared with 3.4 million bushels to date a year ago.

VI EXPORT CLEARANCES OF CANADIAN WHEAT 1987-38 - Cont'd.

Waek	Head of		Vancouver	Prince	United	Total	
ending	Lakes	Churchill	New West-	Rupert	States	Clearances	
	(Direct)		minster		Ports		
(Bushels)							
Aug. 5	180a	AMINA	83	-	194,000	947,345	
12		320,000	121,800		270,000	1,295,798	
19	- 1	283,982	33,933	-	266,000	1,980,739	
26			51,500		64,000	1,424,804	
Sept. 2		_	62,429		263,000	1,103,874	
9	-1-46		67,633	-	334,000	1,136,695	
16		deserts.		Name of Street, Street	594,000	1,909,569	
23			33,601		334,000	1,280,165	
30	***	neam.	228,870	Progra	374,000	2,774,278	
Oct. 7	-	and the second	220, 256		413,000	2,510,059	
14		_	216,033	-	334,000	1,846,124	
21		PP-65	263,826		591,000	2,545,612	
28		_	378,500	Tan Pi	797,000	2,712,257	
Nov. 4	57,533		226,178	Appro	449,709	2,171,029	
11	56,841	- 100	73,173	-	522,000	3,084,965	
18			185,925	486	439,000	2,426,239	
25	-		809,313		160,950	2,874,436	
Dac. 2	-	-	315,634	-	526,000	2,537,945	
9			380,186	-	336,000	1,230,029	
16	-	-	392,533		324,000	1,859,808	
23		TECHNOLOGY	660,893	-	482,962	2,032,583	
30	- 1	-	141,443	312,928	239,000	1,317,567	
Jan. 6	1441	7	153,066	306,133	190,000	929,058	
13			270.426	_	163,000	1.156,343	
Totals	114,274	603,982	5,292,234	619,061	8,541,253(b)	44,957,953(b)	
Last Ye		4,295,501	21,498,969	562,613	11,750,896	89,213,228(4)	

(a) Includes 1,998,072 bushels shipped from Quebec

⁽b) Revised figures for exports of Canadian wheat via U. S. Atlantic Seaboard ports for the August 1-December 31, 1937 period, are 129,368 bushels less than the sum of the weekly figures for the same period. This amount has been deducted from the totals shown above, but not from the weekly figures, pending advice as to which weeks have been overstated.

Of the 44,958,000 bushels cleared to date this year for overseas ports 4,451,000 bushels were reported as exports of durum wheat, and 40,507,000 bushels as exports of the common wheat varieties.

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 September October	101,400 1,274 603	766,290 452,105 348,167	867,690 453,379 348,770
November Preliminary Weekly Figures -	60	182,527	182,587
December 4		6,000 3,000	6,000
18		31,000 23,000	31,000 23,000 16,000
January 1		16,000 16,000 2,000	16,000 16,000 2,000
Preliminary Totals August 1 to date	103,337	1,846,089	1,949,426

IX. IMPORTS OF UNITED STATES WHEAT INTO CANADA

	For Consumption Duty Paid
	(Bushels)
Crop year, August 1935-July 1936	15,111
Crop year, August 1936-July 1937	146,957
August, 1937	52,106
September	77,269
October	228,617
November	449,916
Total, AugNov. 1937	807,908

IX. THE STATISTICAL POSITION

(a) <u>In Canada</u>:-The following table summarizes the statistical position of wheat in Canada as at January 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	219,213,000	182,410,000
Total Supplies	327, 312, 277	215,149,852
Domestic Requirements	97,653,984	100,000,000(1)
Available Supplies	229,658,293	115,149,852
Exports, August - December	132,044,409	51,220,648
Balance for Export or Carry-over,		
January 1	97,613,884	63,929,204
(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 December. According to this calculation, the balance of wheat available on January 1 for export from Canada or for the July 31 carry-over in Canada only, amounts to 63.9 million bushels compared with 97.6 million bushels a year earlier, representing a decrease in current supplies of 33.7 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 67 million bushels on January 1, available for export or for the July 31 carry-over in Canada and the United States, compared with 126.3 million bushels a year earlier, indicating a decrease of 59.3 million bushels in the current available supplies between the two years.

1936-37	1937-38
(Bushels)	
*	
127, 362, 598	36,850,700
219,218,000	182,410,000
346,580,598	219,260,700
97,653,984	100,000,000(1)
248,926,614	119,260,700
85,420,908	42,872,522
27,726,218	1,864,069
9,512,973	7,539,031
122,660,099	52,275,622
126,266,515	66,985,078
	127,362,598 219,218,000 346,580,598 97,653,984 248,926,614 85,420,908 27,726,218 9,512,973 122,660,099

⁽¹⁾ Tentative.

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165,751,305

X. EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR

Totals

The following tables show exports of wheat and flour during the 1937-38					
crop year, with comparative figures for preceding years:					
	1937-38	1936-37	1935-36	1934-35	
		(Bushe			
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	14,542,227	33,308,840	26,575,296	18,769,770	
December	6,636,261	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		12,180,068	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	
		FLO	UR		
	1937-38	1936-37	1935-36	1934-35	
		(Barre	els)		
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	405,921	408,653	525,368	504,384	
December	337,678	475,282	443,828	340,751	
January		313,923	314,311	346,099	
February		347,384	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	429,561 395,232	
July		334,964	444,905		
Totals		4,525,665	4,978,917	3,740,310	
			WHEAT FLOUR	2081 75	
	1937-38	1936-37 (Bush	1935-36	1934-35	
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	16,368,871	35,147,778	28,939,452	21,039,498	
December	8,155,812	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	11,144,985	
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	

195,223,653

254, 424, 775