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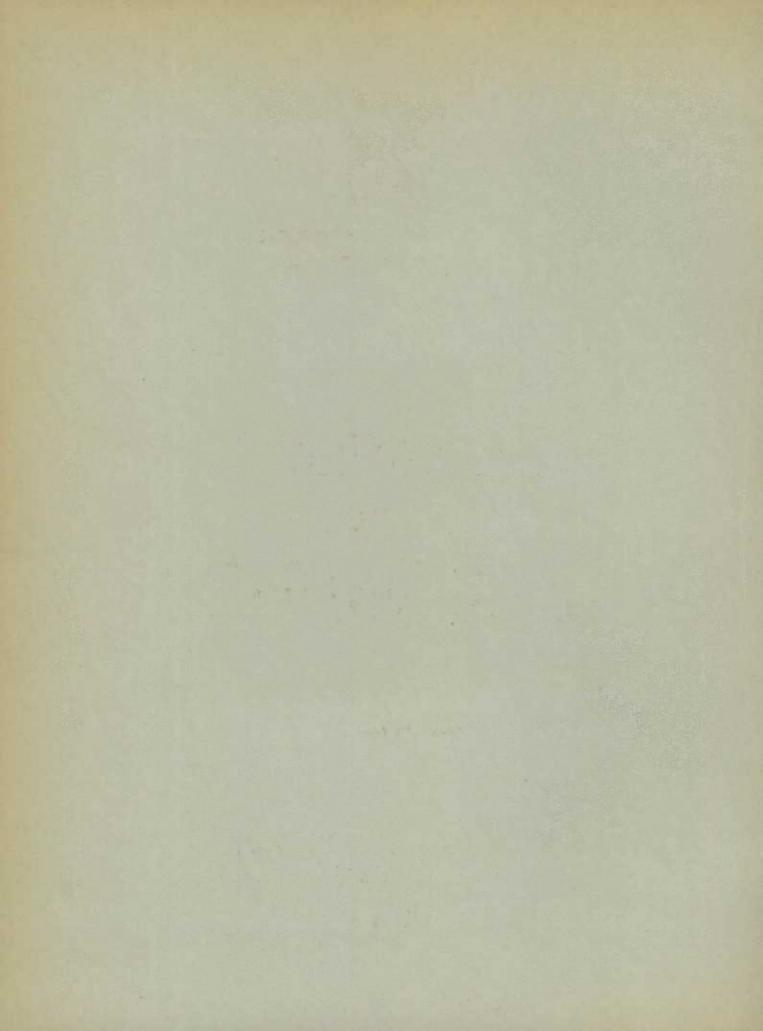
No. 7

# MONTHLY REVIEW OF THE WHEAT SITUATION

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

(Issued March 18, 1938)

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#### THE WORLD WHEAT SITUATION - SUMMARY

All wheat markets have displayed an irregular tendency downward during the past month due to the improving prospects for the winter wheat crop in the United States, and to the continued good outlook for the European winter wheat crops in general. The prospective supply situation for the 1938-39 season is overshadowing other market factors which, of themselves, are temporarily "bullish" in nature. For example, the unexpected heavy sales of Australian wheat to Vladivistok, the purchases of Australian "afloat" wheat by Spain, the trade with Portugal and Greece, all represent an addition to the volume of the current season's international trade in wheat, which had not been reckoned upon in previous calculations. The rapid developments in the European political situation, while imparting weakness to securities markets, lifted wheat prices on March 11 and 16, particularly on the latter date when new export business of a million bushels of United States' wheat accompanied the international news.

In appraising the absorption of Austria by Germany as it bears upon the wheat situation, it might be pointed out that Austria, like Germany, is a wheat deficit country, but with its requirements, because of population, on a much smaller scale. Within the past few years, Austria's wheat production has been 14 to 15 million bushels annually, while her wheat imports have ranged from 7 to 10 million bushels. The latter are obtained mainly from neighbouring Danubian countries. As in Germany, Austria's rye production exceeds her wheat production, although both countries are rye importers. Whatever other raw material resources Germany has gained through the "anschluss" her cereal position has not been bettered. The conclusion to be drawn from this fact is that, barring any change of food policy in an intensified armament programme, the position these two countries have held in the international wheat trade for the past few years ought not to be altered in any way. What forebodes more to the wheat situation, however, is that until a European political settlement can be negotiated and accepted by the various parties, their armament programmes may yet be extended to the storage of food reserves.

A further consideration arising from the recent political situation is the "bearish" influence which it has exerted on the securities markets. Political uncertainty added to the present lack of confidence in economic conditions may delay any speedy economic recovery, and wheat markets for want of other influences will not ignore what is happening on the stock exchanges. All of this lends point to what was said last month that any potentialities in the wheat situation itself are apt to be overshadowed by other outside influences.

Of the wheat trade that has developed during the past month, Australia has done a good business with the United Kingdom, while the diversion of several Australian cargoes to Vladivistok, Spain and Portugal has considerably strengthened the Australian position. From December 1 to March 11, Australia has shipped out over 42 million bushels, leaving an export surplus for the period ending next November of 78 million bushels. Argentine sales have been made more quietly with Germany her best customer, under a clearing agreement between the two countries.

From January 1 to March 11, Argentina has shipped out 24 million bushels, leaving an export surplus for the balance of the calendar year of 73 millions. No concern is discernable among Argentine exporters over the disposability of this remaining surplus, and Argentine offers continue to be made in the Liverpool c.i.f. market at only 10 cents below No. 3 Northern without the duty added. United States' shipments have been slow and under the two million bushel level weekly. Only a parcel trade exists in Canadian wheat, and of necessity Canadian exporters must practically mark time until the 1938 crop supplies become available. A few forward sales, however, are being made for October-November shipment. Russia continues to offer small amounts, and may become a heavier shipper of hard milling wheat in the spring.

World shipments of wheat and flour continue above an amount of 10 million bushels weekly, and have reached a total of 313 million bushels for the elapsed period of the crop year to March 12. This represents an average of 9.8 million bushels weekly, whereas an average of 9.1 million bushels will be necessary during the remaining 20 weeks to July 31 in order to fulfill Broomhall's original estimate of 496 million bushels for the whole crop year. Because of the additional trade which has developed to Vladivistok, Broomhall has just recently revised his estimate upward to 500 million bushels. On the supply side, due to the upward revision in the Australian crop estimate, and the downward revision in the Argentine estimate, Broomhall now predicts that Australia will ship 116 million bushels instead of 104 millions, while Argentina will ship 72 instead of 30 millions. His estimated shipments for the other countries are continued unchanged, as follows: United States, 104 millions; Canada, 88 millions; Danubian countries, 60 millions; Russia, 40 millions; and other countries, 20 million bushels.

#### European Winter Wheat Crop Prospects

A very promising outlook at the present time prevails for the various European winter wheat crops, where conditions on the whole are up to the best that have been noted in recent years. As a consequence, unless unfavourable developments occur between now and harvest, European wheat import requirements in the 1938-39 season are likely to remain low around the 400 million bushel level, and another season of small total international trade in wheat is in prospect. Italy is the only country whose winter wheat condition was seriously threatened, and all recent reports indicate that this crop is improving. Moreover, plans are being made to increase the spring wheat acreage to offset any loss in the winter wheat area. Both the German and French crops could do with further rain, but there is no serious damage in either of these countries. Conditions in the Danubian countries and Russia are described as very good, while in the United Kingdom good weather conditions have prevailed.

#### Winter Wheat Conditions in the United States

Fairly abundant and recurring precipitation which commenced over the winter wheat belt on February 15 has served to break the threat of drought to this season's crop. At present there is adequate moisture with the exception of western Kansas where the crop is in need of further soaking rains. The general result is that lowered predictions in early February have been reversed, and unofficial estimates on the basis of March 1 condition look for a total yield of 660 million bushels, which is an increase of 30 millions over the official forecast of last December, and only 28 million bushels below the relatively large harvest of last year. While rainfall for the most part has been adequate for present needs the sub-soil moisture reserve from last autumn was abnormally low, and the actual out-turn of the crop will still depend to a large extent on rains received between the present time and harvest.

#### Australian Shipments and Supplies

During the month of February, sales of 33 cargoes of Australian wheat were made to the United Kingdom, although a few of these afloat represented "second-hand" transactions between United Kingdom merchants and millers. Spain and Portugal took 7 cargoes, while 12 cargoes were sold to Russia for shipment to Vladivistok. In March another four cargoes were taken by Russia. These sales represent a fairly satisfactory volume of business for Australia, and the trade done with Russia and Spain has helped to relieve some of the pressure of Australian wheat on the United Kingdom market.

Weekly shipments of wheat from Australia which had been ranging between 3 and 4 million bushels, reached 4.5 millions for the week ending March 12. Total shipments from August 1 to March 12 amounted to 63.3 million bushels. If this amount is deducted from Broomhall's new estimate of 116 million bushels for August 1937-July 1938 shipments from Australia, 52.7 million bushels are left to go out in the remaining 20 weeks of the crop year, which is an average of 2.6 million bushels weekly.

The 1937 wheat crop estimate has just been officially revised to 174.6 million bushels, which represents a further increase in the estimate of 4.5 million bushels. Growers are reported as inclined to hold their remaining wheat supplies. The average price at country sidings is now equivalent to 73 cents per bushel and they are looking for the Liverpool discount on Australian wheat to improve, with better prices in prospect for themselves.

#### Argentine Shipments and Supplies

The Argentine trade has been moderate, with business mainly of a parcel nature done in the United Kingdom. Germany has been taking substantial amounts of Argentine wheat in fulfilment of the former country's import requirements. In view of the poor corn crop in Argentina, Germany may divert some of the funds set aside for corn purchases to Argentine wheat for feeding. Italy and Belgium have also been taking Argentine wheat. Argentine shipments have eased from 3.5 million bushels for the week ending February 19 to 2.2 millions for the week ending March 12. Total shipments since August 1 amount to 40.9 million bushels. Weekly shipments of over 1.5 million bushels will be needed to meet Broomhall's new estimate of 72 million bushels for Argentine shipments in the current crop year ending July 31.

The second official estimate of the Argentine wheat crop was recently released at 184,047,000 bushels, showing a reduction of 8 million bushels from the first estimate. This reduction was in accordance with general expectations, since the first estimate was released before the full extent of the frost damage could be accurately gauged.

#### The Wheat Situation in Canada

Another month remains before the seeding of the 1938 spring wheat crop gets under way. While moisture conditions in general will be favourable to sowing it is not likely that the wheat acreage will be any greater than that of a year ago. Shortage of feed last summer hampered summer fallowing in the drought area, and a considerable amount of relief seed is having to be distributed in order to make possible sowings in this area. Within a month, navigation should be re-opened on the Great Lakes, which means a somewhat freer movement of the current

small supplies into export. Notwithstanding, the export movement from May through August will necessarily be of very small proportions. Although Winnipeg prices have moved a trifle closer into line with outside prices during the past month, the likelihood is that the May and July futures will continue at fairly high premiums, while No. 1 Northern cash wheat will hold its spread over the current futures until the new season's supplies are approached. Unless low yields occur once again in the Prairie Provinces, with a shortage in the top grades, cash prices should move down into line with the October future at the beginning of August.

Primary Movement. For the past three weeks, the primary receipts of wheat in the Prairie Provinces have been increasing from the low volume around mid-February, and are now up well over the million bushel level weekly. Total receipts from August 1 to March 11 in the three provinces amount to 108.9 million bushels. With estimated total marketings of 127 million bushels, 18.1 millions still remain to come forward. This amount anticipates an average of 900,000 weekly for the remaining twenty weeks of the crop year.

Visible Supply. With the increased primary receipts and the slow export movement the visible supply of Canadian wheat has worked down very slowly in the past four weeks. On February 11, there were 50.7 million bushels in store or in transit, while on March 11 the visible supply stood at 47 millions. Durum stocks were virtually unchanged from 14.9 to 14.6 million bushels, while the common wheat varieties were reduced from 35.8 to 32.4 million bushels.

Overseas Clearances. Total clearances of Canadian wheat from the Canadian and United States seaboard ports have fallen off to a level slightly over 800,000 bushels for the week ending March 10. The business is now almost equally divided between Saint John, N.B., Vancouver-New Westminster, B.C., and United States Atlantic ports. Total clearances from August 1 to March 10 have reached 54.2 million bushels. Imports of Canadian wheat into the United States for consumption and milling-in-bond are still just under 2 million bushels. Flour exports between the same dates (partly estimated) totalled 10.4 million bushels, making the total export movement of wheat and flour for the current crop year 66.6 million bushels up to March 10.

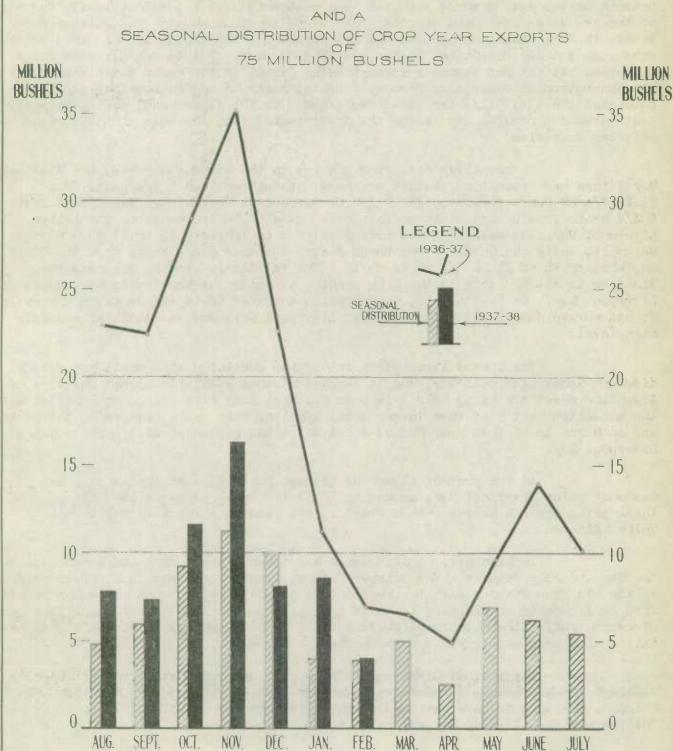
Available Supplies. Deducting the total exports of wheat and flour as calculated above from total supplies of 119.3 million bushels available for export and carry-over this year, 52.7 million bushels remain for export or carry-over as of March 10. Subtracting a minimum carry-over of 30 millions from this amount, there remain 22.7 million bushels for export, including durum and other wheat supplies.

#### An Appraisal of the Canadian Export Movement

February exports of wheat and wheat flour according to the Customs returns, amounted to 4,065,000 bushels, bringing the total exports for the August-February period up to 63,810,626 bushels. This amount is 14.8 million bushels in excess of that needed to maintain to date a total crop year's export of 75 million bushels seasonally distributed, as illustrated on the opposite page.

five months of the crop year, March to July, should be evenly matched by actual exports, then total exports daring 1937-38 would amount to 90 million bushels. Exports of this volume would pare slightly into the July 31 carry-over if placed at 30 million bushels. However, it is unlikely that the carry-over will be pressed upon to any extent because of the need for domestic supplies in August and September in addition to wheat contracted for export during that period. Accordingly, 85 million bushels, including flour shipments, appears to be a conservative estimate for the total crop year's exports, which means that actual monthly shipments should be somewhat smaller than the seasonal allocations shown on the opposite page for the remaining five months.

# COMPARISON OF EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR IN 1937-38 1936-37 EXPORTS



#### PRICES

Wheat futures in all markets have worked irregularly downward during the past month. The principal bearish factor has been the improvement in prospects for the United States winter wheat crop. Above average precipitation during this period over the greater part of the winter wheat belt has reversed the outlook for this crop from moderately poor to a harvest perhaps only 30 million bushels below the fairly large crop of 688 millions last year. Meanwhile import takings from the present cereal year's world supplies have continued at but a modest level, and most of the new sales have been of other than North American wheat. The quiet export demand in North American markets has not afforded a sufficient prop to keep prices from easing under the United States winter crop news. The tenser European political situation has not yet become a strengthening factor in the world wheat situation. The absorption of Austria by Germany does not alter in any fundamental way the potential wheat supplies for these two areas. On the other hand, the increasingly acute armament problem may hasten the provision of food reserves in the various affected countries.

In comparing the price changes in the various markets, the Winnipeg May future has shown the greatest weakness, having declined 8 1/4 cents from \$1.25 3/4 on February 15 to \$1.17 1/2 on March 15. The Chicago May future lost 6 3/4 cents from 92 7/8 cents on the former date to 86 1/8 cents on the latter. Liverpool May also eased 6 cents from \$1.11 5/8 on February 15 to \$1.05 5/8 on March 15, while the Buenos Aires March future declined 3 3/4 cents from \$1.06 5/8 on February 15 to \$1.02 7/8 on March 12. The relatively greater weakness in Winnipeg is attributable to the high premium at which the May future held over Liverpool May. On February 15, this premium amounted to 14 1/8 cents. By March 15 it had worked down to 11 7/8 cents over Liverpool May, and was still at a fairly high level.

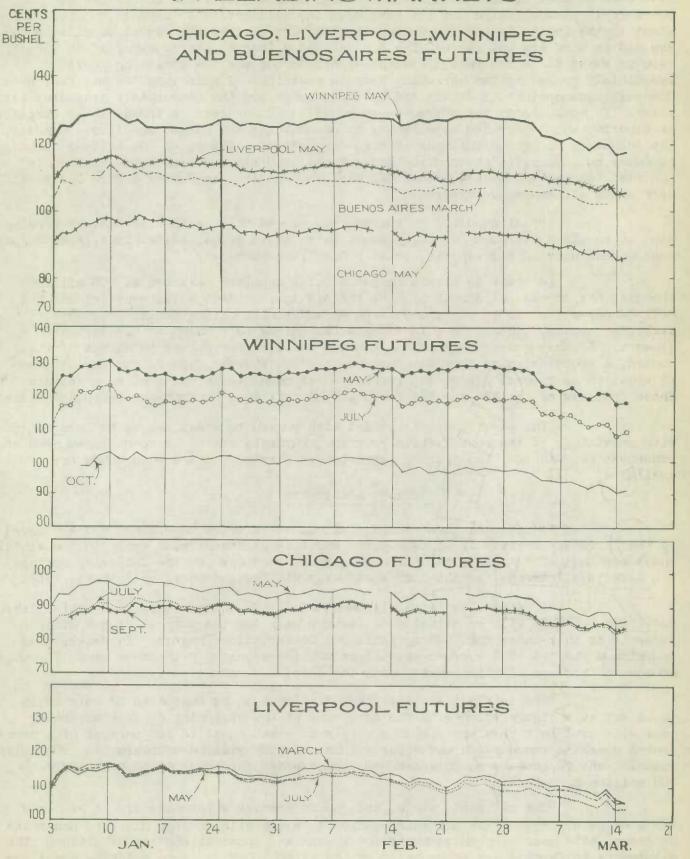
The Buenos Aires March future has continued at a small but steady discount under Liverpool May, and it is evident that available export supplies of Argentine wheat are being held this year for what they will bring, in contrast with the situation last year when larger total supplies were being pressed on the market, and on March 15 of that year Buenos Aires March was quoted at 21 5/8 cents below Liverpool May.

At the present time, the Chicago May future continues at a heavy discount below Liverpool May, amounting to 19 1/2 cents on March 15. In spite of these price spreads United States wheat is not finding a ready market in the United Kingdom.

In Winnipeg, no net change has taken place during the month between the May and July futures. The October future, however, did not fall off as much as the old crop futures with the result that the October discount below May decreased from 29 1/8 cents on February 15 to 26 1/2 cents on March 15. This is still a heavy discount, reflecting both the tight situation in old-crop supplies, and the expectation of a more normal yield from the 1938 crop.

The various Liverpool futures have continued at very small spreads, although the March and July futures have been just a trifle weaker than May. In Chicago, the spreads have narrowed slightly between the new-crop July and September futures and the old-crop May future.

## DAILY CLOSING WHEAT FUTURES QUOTATIONS IN LEADING MARKETS



#### THE UNITED STATES AGRICULTURAL ADJUSTMENT ACT OF 1938

Any long-run appraisal of the world wheat supply situation should take some account of the new Agricultural Adjustment Act, which became law on February 16, 1938. While the Act envisages the maintenance of normal supplies of wheat in the United States for consumption and for export, the export supplies which are had in mind are not large. The Act defines a "normal year's exports" in the case of wheat to be the yearly average export during the ten marketing years immediately preceding the marketing year in question. Similarly a "normal year's domestic consumption" is determined by the average for the immediately preceding ten years. In both cases, the averages may be adjusted for current trends in consumption or exports, which provides some leaway in determining the normal supplies. However, the Secretary of Agriculture has in mind for 1938-39 a figure of 700 million bushels to cover both domestic consumption and exports, and since domestic utilization in the past ten years has been around 675 million bushels, the former figure leaves a very small allowance for exports.

Actual exports, of course, can exceed this small allowance by drawing down on supplies intended for carry over, which would be maintained ideally at 30 per cent of consumption and exports, or at 200 million bushels.

In order to obtain long-run total supplies balanced at 900 million bushels, the acreage allotment plan of the old Agricultural Adjustment Act and the Soil Conservation Act is continued, with an additional strengthening programme of marketing quotas, subject to a favourable two-thirds referendum on the part of growers. So that growers may escape penalty taxes on marketings in excess of their quotas, a crop insurance programme has been added, whereby growers may pay premiums in wheat in heavy crop years, and receive wheat benefits in years of crop failure. These features of the Act are set forth in the following statement by Secretary Wallace:

"The provisions of the Act with regard to wheat are to be integrated with provisions of the conservation program. Payments are to be conditioned upon soil conservation. In addition, parity payments are directed if and when funds are available.

#### Acreage Allotments

"A national wheat acreage allotment is to be determined and announced by the Secretary by July 15 of each year, and this allotment will apply to the winter wheat seedings of that fall and the spring wheat seedings for the following spring. The acreage allotments for the 1939 wheat crop will be announced by July 15, 1938.

"A national acreage allotment of 62,500,000 acres is to be established for 1938, but this will be allotted to farmers only for the purpose of computing payments to them under the 1938 Agricultural Conservation Program. In determining compliance for the 1938 crop wheat will be considered along with other crops for which no special acreage allotments were made for 1938.

"The national wheat acreage allotment to be announced by July 15 is to be set at a figure which with the carryover at the beginning of each marketing year will produce at average yields a supply of wheat equal to 130 percent of a normal year's domestic consumption and exports. This supply will be approximately 900 million bushels, and represents an increase over the average carryover of approximately 100 million bushels.

"The national, state, and county acreage allotments are to be based on the average acreage of the preceding 10 years, along with acreage diverted under AAA programs, with necessary adjustments for trends and abnormal weather conditions. The allotments to farmers are to be based on the tillable acres, crop rotation practices, type of soil, and topography of the farm. "Up to 3 percent of the allotment for each county may be allotted to new growers on farms on which wheat has not been seeded in the preceding three years.

#### Marketing Quotas

"Acreage allotments seek to maintain wheat supplies at approximately the 900 million bushel level. However, if supplies for any year exceed 135 percent of a normal year's domestic consumption and exports, or approximately 950 million bushels, marketing quotas are to be proclaimed and put into effect for that marketing year unless rejected by more than one-third of the farmers who vote in a referendum.

"The final date for proclaiming marketing quotas for wheat, if supplies reach sufficiently high levels, is May 15. Between that time and June 10 a referendum is to be held among wheat farmers, and if they do not reject the quota, it will become effective for the marketing year beginning July 1.

"The Act provides that no marketing quota is to be in effect for wheat in 1938, unless parity payments are provided for farmers on the 1938 crop. No funds are available at present for parity payments.

"The national marketing quota whenever proclaimed will be the amount needed to supply normal market requirements. The Act directs that this amount is to be 130 percent of the annual average domestic consumption and exports (this 130 percent is approximately 900 million bushels), less the carryover at the beginning of the marketing year and less the estimated feed and seed requirements of the year. In order to compute the individual farm marketing quotas, the national marketing quota also will be announced in terms of acres, as a percentage of the national acreage allotment proclaimed the previous July. This same national percentage will be used in computing the individual quotas. This will be the normal production of the farm's proportionate share of the acreage represented by the national marketing quota.

"For example, the national acreage allotment might be 65,000,000 acres. The marketing quota might represent 90 percent of that acreage allotment or the normal production from 58,500,000 acres. A farm with an acreage allotment of 65 acres would have a marketing quota equal to the normal production on 58 1/2 acres. This quota could be marketed tax free. The quota for the farm would also include any wheat which the farmer carried over from previous crops which could have been marketed without penalty before the quota went into effect.

"The marketing quotas will exempt all farms on which the normal production on the planted acreage is less than 100 bushels. Wheat may be marketed in excess of the quotas, but these marketings are subject to a penalty tax of 15 cents a bushel.

#### Loans

"In order to maintain reserve wheat supplies from year to year and to support farm prices, the Commodity Credit Corporation is directed to make wheat loans available to cooperators under certain conditions. If the farm price of wheat on June 15 is below 52 percent of parity on that date, or if the Department of Agriculture's July crop report forecasts a wheat crop in excess of a year's normal domestic consumption and exports (approximately 700 million bushels),—then loans will be made available. These loans are to be made at rates ranging from 52 to 75 percent of the parity price at the beginning of the marketing year, July 1. In marketing quota years, loans are made available to non-cooperators but on less favorable terms.

#### Payments

"Fayments to wheat farmers are to be made for general compliance with the Agricultural Conservation Program but a producer who overplants his wheat acreage allotment will have deductions made from his conservation payments. Parity payments are provided for wheat when funds are available but at present the funds are not available for these payments.

Crop Insurance

"The Act provides for crop insurance for wheat, applying for the first time to the 1939 crop. The purpose is to promote the policy of utilizing a part of the surplus production to maintain reserves of farm products for use in bad crop years thus tending to stabilize income of farm producers and supplies for consumers. The Act provides for a program to insure wheat yields against all natural hazards; for insurance coverage (equal to 50 or 75 percent) of past average yields; and for premiums based on the loss experience of the individual farm and the county in which the farm is located. Premiums and losses are to be calculated in bushels rather than dollars. The reserves are to be held in wheat outside of marketing channels, and the Act stipulates that these reserves shall not be used for price manipulation. Assuming a fair participation of farmers, the reserves built up by accumulations of insurance premiums would gradually reach a total of between 50,000,000 and 100,000,000 bushels, so that in time this might increase over normal granary supplies for wheat to a total of more than 100,000,000 bushels.

"To handle the insurance program, the Act sets up the Federal Crop Insurance Corporation with a capital stock of \$100,000,000 owned by the Government. Administrative costs, for which a maximum of \$6,000,000 is authorized annually, and storage costs are to be carried by the Government, so that the wheat paid in as premiums can be used wholly to pay losses "

#### CANADIAN AND ARGENTINE WHEAT EXPORTS BY COUNTRIES OF DESTINATION

For the crop year 1936-37, there has become available for the first time a set of figures giving a reasonably accurate description of the final destinations to which Canadian wheat exports have gone. While exporters of Canadian wheat are required to declare the country of destination on their export returns to the National Revenue Department, this information is frequently unknown at the time of export, particularly for wheat going to Europe via Pacific ports and intransit through the United States. Since the United Kingdom in past years has been the more probable destination of wheat passing through these channels, exporters have adopted the practice of declaring shipments where final destinations are in doubt as going to the United Kingdom. Consequently while it is fair to characterize the "United Kingdom" totals of the National Revenue Department as going to the "United Kingdom or orders", the figures themselves do not help in determining what actually goes to the United Kingdom and what goes to other European countries.

In accordance with a resolution passed at the Conference on Agricultural Statistics held in Ottawa March 30 April 2, 1936, the Statistical Branch of the Board of Grain Commissioners has undertaken to trace through each cargo or parcel of Canadian wheat leaving Canadian or United States ports to its final destination, and in doing so has enlisted the aid of the Canadian Government Trade Commissioners stationed abroad and of a London representative of both the Board of Grain Commissioners and the Dominion Bureau of Statistics.

As a result of this work, there is shown on the opposite page, in the middle column, the final destinations by countries of all the Canadian wheat shipped from Canadian or Atlantic ports during the 1936-37 crop year. The one exception in this column is the item for the United States, which is the Bureau of Foreign and Domestic Commerce figure for Canadian wheat imported for consumption or milling in bond for the August 1936-July 1937 period.

For comparative purposes, the Department of National Revenue figures for 1936-37 are shown in the third column and the discrepancies between the totals for each country in the two columns indicate the extent to which the Customs figures overstate the exports to the United Kingdom, and understate those to other European countries.

It will be noted that the total of column 2 exceeds that of column 3 by 14,549,182 bushels. This discrepancy is due to the drawing down of Canadian wheat stocks in the United States for export overseas and for consumption and milling inbond during the 1936-37 crop year. The August 1, 1936 stocks of Canadian wheat in store in the United States of 19,268,321 bushels were reduced to 4,110,848 bushels by July 31, 1937 - a decline of 15,177,473 bushels. Since this amount represents wheat added to the source of the exports as shown in column 2, the difference between the

totals of the two columns really amounts to but 628,291 bushels.

The Argentine exports by countries of destination are for the Argentine crop year from December 1, 1936 to November 30, 1937. Although there is a lag of four months in the Argentine cereal year, behind that of the Canadian, the first two columns in the table below provide an interesting comparison of the various countries' preference for Canadian or Argentine wheats.

#### Canadian and Argentine Wheat Exports by Countries of Destination

	Argentina	Canada	Canada	
Country	(National Grain and Elevator Board)	(Board of Grain Commissioners)	(National Revenue Department)	
	Dec. 1936-Nov. 1937	Aug. 1936-July 1937	Aug. 1936-July 1937	
		hels)		
United Kingdom	28,740,000	81,901,064	124,368,897	
Irish Free State	232,000	4,507,684	2,748,980	
Austria	291,000	22,931	The second second	
Belgium	15,707,000	15,994,766	14,050,909	
Denmark	765,000	4,491,399	756,610	
Finland	693,000	1,117,132	242,015	
France	1,478,000	6,255,301	2,276,869	
Germany	6,047,000	3,764,610	1,906,812	
Greece	7,727,000	2,137,226	1,153,700	
Holland	16,331,000	6,900,035	4,464,197	
Stored in Holland	-	95,108		
Italy	29,746,000	4,887,132	1,762,960	
Latvia	615,000	the later and the later	The second second	
Malta	-	274,467	40,000	
Norway	1,998,000	3,806,611	2,076,285	
Portugal	4,000	-	-	
Spain	396,000	805,692	-	
Sweden	411,000	923,402	1.36,547	
Switzerland	37,000	2,355,092	-	
U.S.S.R	-		3,832	
Algeria		604,110	_	
Morocco	_	1,813,870	1,513,285	
Portuguese Africa		18,666	27,999	
South Africa		72,010	10,512	
Tunis		253,660	-	
Hawaii	61	10,268	11,018	
Hong Kong			8	
Japan	537,000	1,762,400	1,986,886	
Manila	-	750		
Palestine		7,466		
Philippines	_	-	747	
New Zealand		30 322		
		37,333	126,932	
Argentina	-	6,435	-	
Bolivia	1,011,000	- 1	-	
British Guiana	The state of the s		25	
Brazil	33,555,000		ent	
Chile	37,000		-	
Colombia		565,107	179,930	
Cuba	9,000	400	-	
Paraguay	158,000			
Peru	3,453,000	~		
Uruguay	907,000			
Central America	26,000	212,387	111,046	
West Indies		62,758	11,528	
United States	108,000	43,521,170	14,868,352	
Newfoundland	-	-	1,256	
Alaska		-	3	
Wrecked	-	219,300	_	
Totals	151,019,000	189,407,342	174,858,160	
100000000000000000000000000000000000000	101,013,000	200,407,0%	174,008,100	

#### AUSTRALIA

The following cable was received on March 15, from the Canadian Government Trade Commissioner in Melbourne:

"Shipments of wheat and flour from Australia from December 1 to week ending March 7 totalled 38,532,070 bushels compared with 33,225,373 bushels in the corresponding period of the previous year. Sixteen cargoes for Vladivostok and several for Spain and Portugal considerably relieved the pressure of Australian wheat on the United Kingdom market. Forward buying is unlikely unless conditions become unfavourable in Northern Hemisphere. Prices to growers at country sidings are three shillings eight pence per bushel equivalent to seventy-three cents Canadian, and the price f.o.b. steamer is about four shillings four pence per bushel, equivalent to eighty-six cents Canadian. The flour market is quiet although north China purchased 8,000 tons to be shipped at the beginning of April. The Japanese Government is reported to be authorizing the importation of twenty thousand tons Australian wheat to enable Japanese millers to compete with Australian and other flours on the Chinese market. Export quotations for flour are eight pounds seventeen shillings sixpence per ton in 150 pound sacks equivalent to thirty-five dollars twenty-five cents Canadian, and nine pounds two shillings sixpence per ton in 49 pound calico bags, equivalent to thirty-six dollars twenty-four cents Canadian. Freight rates are unchanged at minimum rates for full cargoes. Parcel rates from March to July are reduced to thirty-three shillings nine pence per ton of 2,240 pounds".

#### ARGENTINA

Following are the excerpts relating to wheat in the monthly report of the Bureau's correspondent in Buenos Aires, dated March 2:

#### Second Official Estimate of Grain Crops

In the closing days of the month the second official estimate of the volume of the principal crops, excluding maize, was also issued, showing

Wheat	184,049,000	bushels
Linseed	59,261,000	11
Oats	44,734,000	11
Barley	23,695,000	11
Rye	3,579,000	11
	315,318,000	11

In the case of each crop the new figures show a reduction of the anticipated yield, varying from 2.8 per cent for oats to 20.9 per cent for Rye.

#### Comparative statistics are as below:

	Wheat	Linseed	Oats	Barley	Rye
			(bus	hels)	
1937-38(second estimate).	184,049,000	59,261,000	44,734,000	23,695,000	3,579,000
1937-38(first 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
The distri	bution of the	crops by pr	ovinces and	territories	is as shown

		-			
5	ACS.		0	122	84
u	C	ala.	U	90	ė.

	Wheat	Linseed	Oats	Barley	Rye
			(bus	hels)	
Buenos Aires	89,695,000	21,743,000	37,592,000	21,411,000	1,698,000
Santa Fe	30,490,000	14,885,000	395,000	169,000	198,000
Cordoba	43,964,000	6,952,000	1,057,000	551,000	972,000
Entre Rios	13,481,000	15,566,000	4,800,000	36,000	21,000
San Luis	29,000			-	6,000
Santiago del Estero	254,000	36,000	16,000	-	
La Pampa	3,770,000	8,000	314,000	785,000	634,000
The rest	2,366,000	71,000	560,000	743,000	50,000
	184,049,000	59,261,000	44,734,000	23,695,000	3,579,000

#### Crop Conditions

Occasional moderate rains fell during the month, but they were insufficient for the country's needs, in view of the many weeks of drought preceding. Pasture conditions got steadily worse, and farmers were handicapped in their ploughing for the next crops of grain. However in the closing days of the month there was a fairly abundant rain which extended over most of the area which had been suffering most for lack of moisture. It covered in fact practically all the cereal region except southern Buenos Aires and the South Pampa. This came too late to improve the maize crop, but would have the effect of preventing further deterioration. Pastures will have benefited considerably, and the land will be in better condition for cultivation. Seeding of wheat and oats should normally commence before the end of March in the early districts.

There has been a change in the time of issuing the official reports on conditions in the various cereal regions. They will in future make their appearance in the early days of the month instead of in the third week. To hold back this report in order to incorporate that of the Ministry would entail a week's delay in getting this to the more distant recipients, owing to the exigencies of the air mail service; and at this season of the year it does not seem to be of sufficient importance to justify this. But the foregoing brief resume of weather and soil conditions will probably suffice.

#### Supplies and Market Conditions

Wheat .- February exports were 12,813,000 bushels composed of 12,733,000 bushels of wheat and 80,000 bushels of flour in terms of wheat. The figures compare with the January total of 8,111,000 bushels.

On the basis of the revised official estimate of the volume of the crop, the following is now the supply position:

Second official estimate 1937-38 crop	184,049,000 99,208,000	bushels
Exportable balance	84,841,000	97 91
Balance available on January 1	82,929,000	11
February 26 ) Wheat as flour 180,000 "	20,924,000	11
Still available for export	62,005,000	14

Wheat is moving overseas much more leisurely than is customary in the opening months of the year, due largely to the fact that European countries other than Germany are reluctant to pay the comparatively high prices being asked for Plate wheats, and the United Kingdom is more interested in acquiring the cheaper wheat of Australia at the present time. Argentine farmers apparently are optimistic as to the future course of prices and are not disposed to offer wheat freely. Brazil and neighbouring countries, recognizing the high quality of the Argentine wheat coming forward, are willing to pay the prices asked for it and are buying steadily both the Rosafe and Bahia Blanca grain. Should this demand slacken and prices weaken, it is likely that an improved business with Europe will result and wheat will move out more freely. Meanwhile the stagnant condition of the freight market does not point to any immediate anticipation of this happening.

Prices fell off a little during the month, Spot closing at 11.87 pesos per 100 kilos (say 108 1/4c. per bushel), as compared with 12.22 at the end of January; and the May option 11.94 (108 7/8c. per bushel) as against 12.30. In Winning May wheat closed at 128 5/8c. on the same day.

#### National Grain Elevator System

On February 11 the President of the Republic, by starting the machinery which drove the first pile for the foundations of the terminal elevator in the new port at Buenos Aires, officially inaugurated the work of construction of the first of the port terminals to be built as part of the national system of grain elevators.

Thus this long heralded work is at last under way, and construction of the other 13 terminals, to complete the chain of 14 in the ports, will no doubt also be proceeded with in due course.

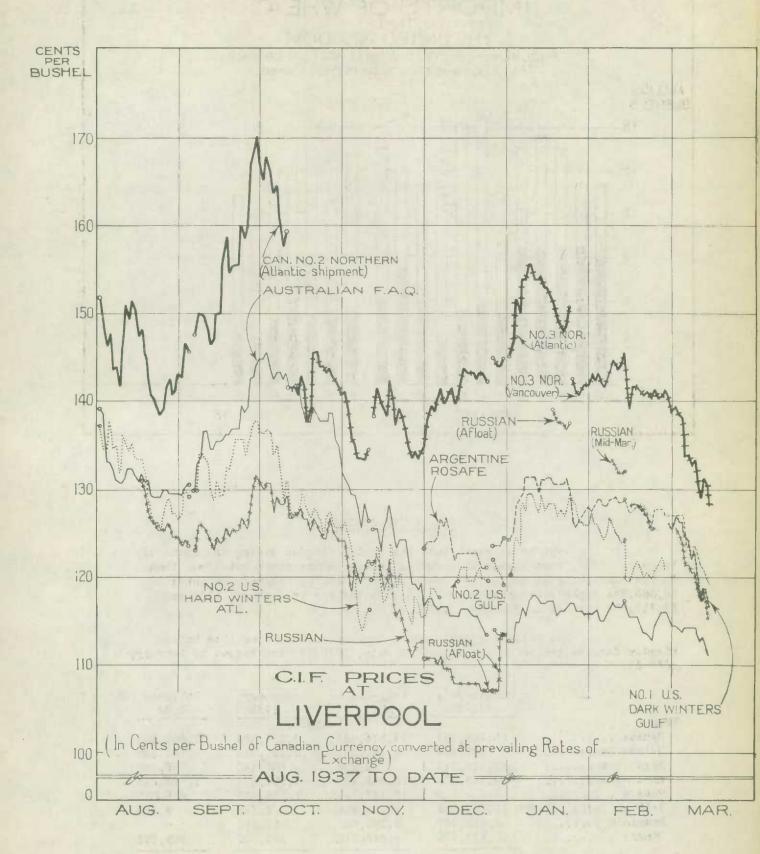
No definite steps have yet been taken towards the construction of the system of country elevators to feed these terminals.

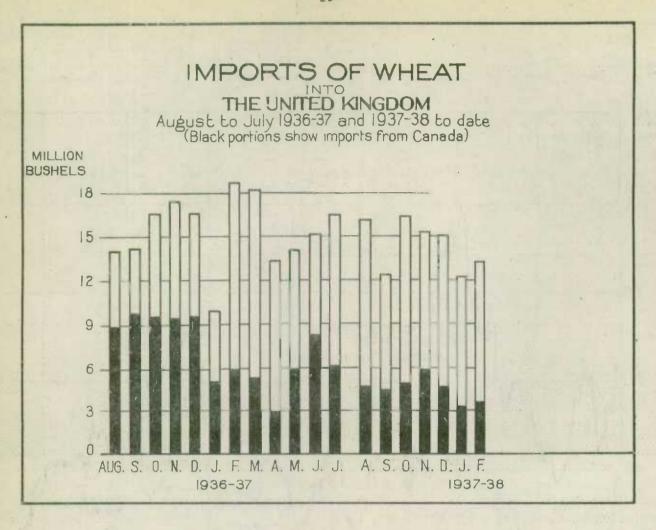
#### Compulsory Flour Mixtures in Brazil

Seeking to encourage the expansion of the very small domestic production of wheat, and discourage the importation of wheat and wheat flour the Brazilian Government has made it obligatory on Brazilian millers to use 30 per cent of national products in the making of bread flour mixtures. If home-grown wheat is not available in sufficient quantities, such substitutes as maize, millet, tapicca, or other similar products must be used in conjunction with imported wheat.

Brazil uses annually nearly 36,744,000 bushels of wheat and flour

imported from Argentina.





#### THE UNITED KINGDOM

Imports of wheat into the United Kingdom during the month of February, 1938, were higher than during the preceding month but lower than in the corresponding month last year. Imports during February amounted to 13,363,331 bushels compared with 12,181,079 bushels in January, 1938 and 18,712,370 bushels in February, 1937.

The following table shows imports of wheat into the United Kingdom for the twelve months August to July, 1936-37, and August to February 1937-38:

	August-July	AugDec.		February
	1936-37	1937	1938	1938
From:		Bus	hels)	
Canada	86,456,847	24,575,459	3,224,466	3,603,591
United States	103,438	6,461,667	3,131,914	2,327,127
Argentina	29,429,041	9,266	506,440	763,359
Australia	38,963,005	15,036,439	3,690,528	5,773,243
Russia	-	15,167,741	1,152,837	525,015
British India	10,670,162	7,032,686	227,695	9,333
Roumania	8,420,847	3,285,647	50,290	IKU -
Others	10,423,586	3,595,818	196,909	361,663
Totals	184,466,926	75,164,723	12,181,079	13,363,331
Previous year	190,661,782	78,720,138	9,900,159	18,712,370

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 February, 1938, along with comparative figures for February, 1937.

	February, 1938	February, 1937
From:	(bus	hels)
Canada	3,603,591	5,958,296
United States	2,327,127	
Argentina	763,359	8,351,448
Australia	5,773,243	3,262,994
Russia	525,015	-
British India	9,333	351,578
Roumania	-	99,135
Others	361,663	688,919
Totals	13,363,331	18,712,370

The above table shows that total imports of wheat into the United Kingdom during February 1938 were lower by 5.3 million bushels than during February 1937. Imports from Canada amounted to only 3,603,591 bushels as compared with 5,958,296 bushels for the corresponding month last year. Imports from the United States were 2,327,127 bushels. Australian imports were still higher this month amounting to 5,773,243 bushels as compared with 3,262,994 bushels for February, 1937. Imports from Russia amounted to 525,015 bushels and were less than half those for the previous month.

The following table shows imports of wheat into the United Kingdom during the months of August-February, 1937-38 and 1936-37:

From:	1937-38 August-February	1936-37 August-February
	(bush	nels)
Canada	31,403,516	57,965,102
United States	11,920,708	103,419
Argentina	1,279,065	10,008,338
Australia	24,500,210	17,419,144
Russia	16,845,593	EX STATE - III
British India	7,269,714	7,122,199
Roumania	3,335,937	7,779,650
Others	4,154,390	6,934,815
Totals	100,709,133	107,332,667

Total imports into the United Kingdom amounted to 100.7 million bushels during the August-February period in 1937-38 as compared with 107.3 million bushels during the same seven months last year. Imports from Canada amounted to only 31.4 million bushels as compared with 58 million bushels for the same period last year. Imports from the United States for the August-February period in 1937-38 were 11.9 million bushels. Australian imports were higher this year by 7.1 million bushels than for the same months in 1936-37. Russia shipped 16.8 million bushels to the United Kingdom so far this season.

--18-INTERNATIONAL TRADE

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

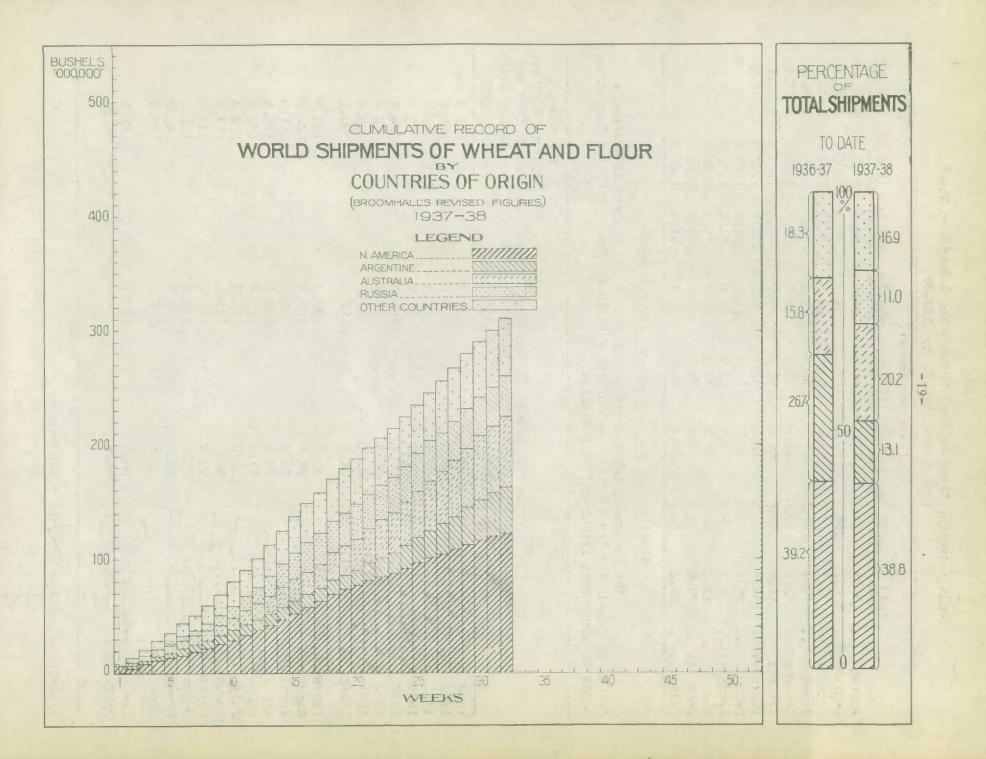
Week		North	Argentina	Australia	Russia	Danuhe	India	Other	Total
ending		America			The Control of the Co				
				(Th	ousand B	ushels)			
Aug. 7,	1937	2,512	888	1,808	184	688	680	280	7,040
14		2,560	880	1,472	4.0	880	336	416	6,544
21		4,072	856	920	88	1,192	352	192	7,672
28		2,848	968	1,440	456	1,712	248	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	2,015	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	HED	11,928
Nov. 6		4,888	21.6	1,760	3,600	872	296	24	11,656
13		5,368	PLO	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	105.7	16	9,152
Dec. 4		6,360	368	2,872	960	1,600	168	* 12	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	3,080	1,112	3,168	100	928	160	<b>#</b> 0	8,448
8		3,568	1,056	808	1,616	808		a.c.	7,856
15		4,096	1,656	3,592	288	552	192	. 40	10,376
22		3,832	2,504	2,464	760	672	176	24	10,432
29		3,608	2,192	3,184	464	1,248	A128	24	10,720
Feb, 5		3,704	3,016	2,176	456	1,440	200	es.	10,992
12		3,864	2,216	3,464	296	784	96	184	10,904
19		4,352	3,480	3,448	***	768	110	232	12,280
26		3,600	3,304	3,888	128	1,064	296	264	12,544
Mar 5		3,317	2,582	3,028	80	784	112	568	10,471
12		2,372	2,208	4,512	408	416	913	600	10,516
TOTALS 19361937	7	121,481	40,942	63,316	34,528	40,240	8,264	4,568	313,3391/
32nd week		1,808	7,232	2,520		392	72	496	12,520
TOTALS		150,384	102,624	60,552	. 88	54,496	7,736	8,192	384,072

<sup>1/</sup> The totals shown here include 32,000 bushels not shown in the weekly figures, but included in Broomhall's revised totals.

### 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 (52 weeks)	Aug.1,1937 to Mar.12,1938 (32 weeks)	Mar.12,1938 to July 31,1938 (20 weeks)
496 million bushels	313.3 million bushels	182.7 million bushels
or	or or	or

<sup>9,5</sup> million bushels weekly 9,8 million bushels weekly



#### 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	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	1.49.1	
February	.59.3	. 63.2	.45.8	. 65. 6	.79.5	.82.1	1.27.0	1.44.6	
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 1/

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
February, 1937	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	107.6	145.9
January, 1938	96.8	107.7	158.3
February	96.5		153.5

<sup>1/</sup> Prepared by the Internal Trade Branch.

#### FOREIGN EXCHANGES 1/

(February 15 - March 15)

Sharp unsettlement in foreign exchange positions was precipitated by European political developments in the second week of March. The United States dollar which had been strengthening gradually since mid-February moved against all other principal exchanges as foreign capital again sought haven in the New York financial market. The premium on New York funds at Montreal reached 1/16 of one per cent on March 14 as compared with a discount of 1/32 a month earlier. Sterling rates declined irregularly during this period from \$5.0242 to \$4.9928, registering approximately 2 cents of this loss in the second week of March. The most severe declines, however, were shown by the French franc which established a new low in terms of gold on March 10 as the Chautemps Ministry resigned. The Montreal rate was 3.15 cents on that day, but a further break on the 14th reduced it to 3.05 cents. Free rates on Argentine pesos dropped half a cent during the month to 25.77 cents, while official rates paralleled movements in sterling, easing 20 points to 33.29 cents.

Monday Average Exchange Quotations at Montreal, September 7, 1937 to March 14,1938

		United Kingdom Pounds 4.8667	United States Dollar 1.0000	Australia Pounds 4.8667	Argentina 2/ Paper Peso .4244
September	7, 1937	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	9993	3,9925	2958
	22	4.9937	.,9981	3,9950	2934
	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 1983	5.0059	1.0003	4,0050	2926
	10	5,0022	1,0000	4.0018	2925
	17	4.9949	1.0000	3,9959	.2920
	24	4.9974	1.0000	3 9979	2930
	31.	5.0125	9998	4.0100	2760
February	7	5,0087	.9995	4.0069	. 2639
	14	5.0225	.9996	4,0187	. 2639
	21	5,0125	9996	4.0100	.2644
	28	5.0200	1,0000	4.0160	2625
March	7	5.0100	1,0003	4.0075	, 2611
	14	4.9928	1.0009	3.9941	,2577

<sup>1/</sup> Prepared by the Internal Trade Branch.

<sup>2/</sup> Free Rates

#### THE CANADIAN SITUATION

#### I. GRADING OF THE 1937 WHEAT CROP

The following table shows the grading of inspections from August 1937 to February 1938, and for the same period in 1936-37.

Number of Cars Grading No. 3 Northern or Better

	193738			1936-37	
	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	
November	7,249	77.31	9,208	87.66	
December	2,265	75.50	3,062	79.80	
January	2,292	82,59	2,480	83,14	
February	1,421	80.33	2,442	88.61	
Totals	38,930	83.08	70,190	92,66	

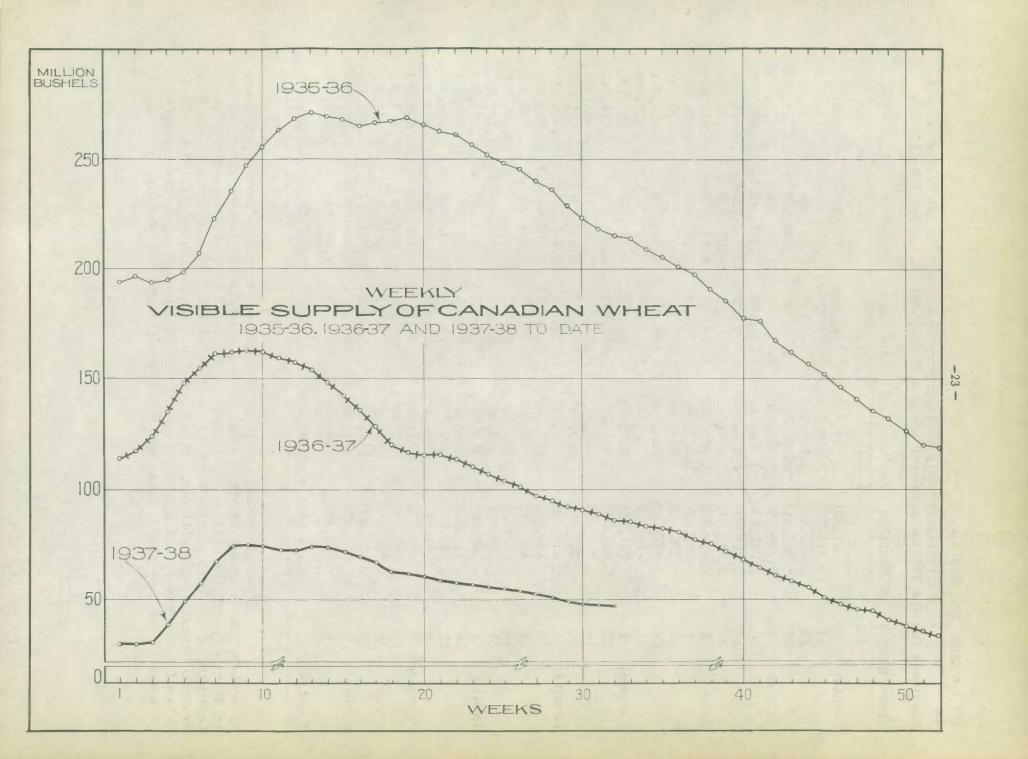
Omitting special grades such as Garnets, Durums, White Springs and Winters, the number of cars of new wheat inspected in February, 1938, totalled 1,769 of which 1,421 graded No. 3 Northern or higher. February 1938 inspections of new Durum wheat amounted to 138 cars of which 133 or 96.4 per cent graded No. 3 Amber Durum or higher.

#### II. VISIBLE SUPPLY

The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on March 11, 1938 along with comparative figures for approximately the same date last year.

	193	8	1937
	Durum	Other	
	(000 b	ushels)	(bushels)
Country Elevators - Manitoba	1,995	1,800 3,935 7,505	1,771,644 12,553,872 13,910,509
Totals	2,115	13,240	28,236,025
Interior Private and Mill Elevators Interior Public and Semi-Public Terminals. Pacific Ports Churchill Fort William and Port Arthur 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	73 7,135 - 2,905 1,114 163 606 520	4,110 1,084 1,991 12 5,086 1,551 3,422 554 567 115 648	4,532,259 36,125 8,376,916 614,569 9,886,720 1,701,269 12,209,225 2,477,395 1,131,115 8,876,093 8,241,670
Totals	14,631	32,380	86,319,381

47,011

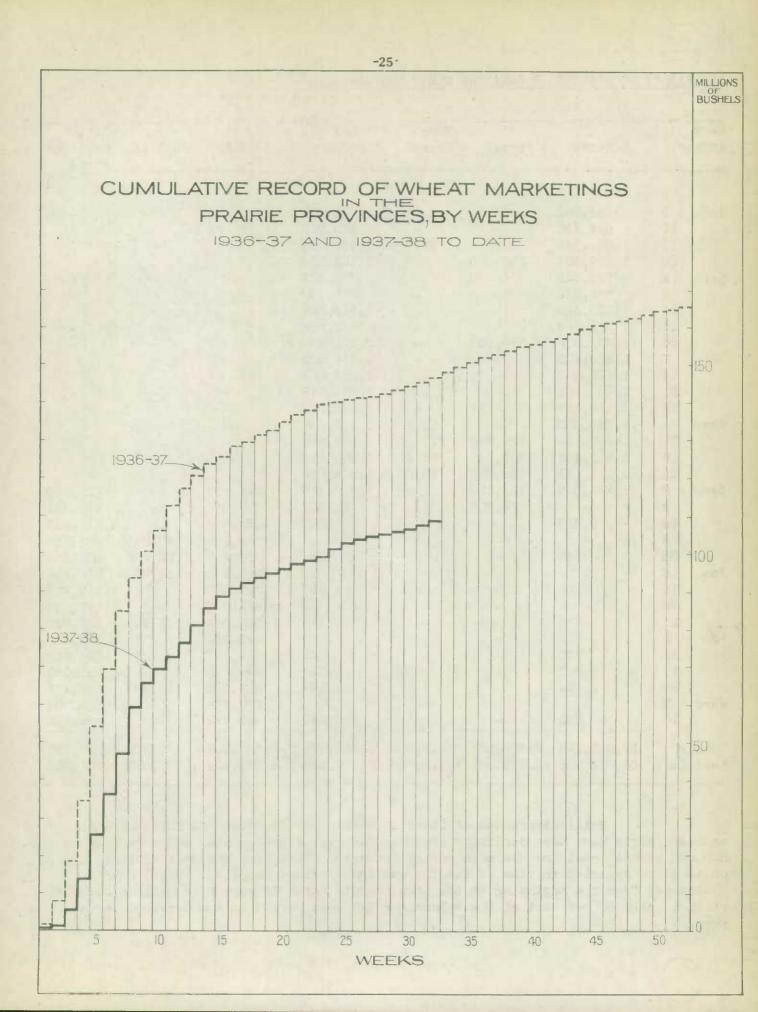


III. PRIMARY MOVEMENT

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 endi	ng	Manitoba	Saskatchewan	Alberta	Total	Lest Year
			(b	ushels)	Street St	The state of the s
August	6	27,621	93,649	81,383	202,653	1,713,506
	13	311,372	499,394	373,737	1,184,503	5,188,208
	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	71.4,248	2,870,214	4,331,575	2,923,530
	12	346,760	491,088	1,856,229	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	1.74,901	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
	21	223,291	400,412	1,019,335	3,643,038	565,008
	28	174,784	229,927	520,007	924,718	506,619
February	4	92,500	1.31, 655	348,434	572,589	448,124
	11	152,525	92,649	383,106	628, 280	470,904
	18	117,445	109,428	251,704	478,577	1,233,521
	25	151,480	131,429	430,695	713,604	948,834
March	4	299,876	337,792	761,111	1 398,779	938,445
	11	355,484	309,026	539,013	1,203,523	1,394,396
Total	s	34,173,864	23,100,878	51,582,238	108,856,980	146,629,517

After slackening off in mid-February, the primary movement of wheat in western Canada became heavier in all three provinces, and for the first two weeks in March exceeded the million bushel level. The total primary movement from the beginning of the crop year to March 11 amounted to 108.9 million bushels, out of an estimated total of 127 millions. This leaves 18.1 million bushels still to come forward, or an average of slightly over 900,000 bushels weekly, in the remaining 20 weeks of the crop year. These appear to be quite probable amounts.



IV. EXPORT CLEARANCES OF CANADIAN WHEAT 1937-38.

Week				Three	Total St.			Total
endi		Montreal	Sorel	Rivers	Lawrence	St. John	Halifax	Maritime
	-6		00101		Ports	D0. 00.111	narran	Ports
					(bushe	els)	-	
Augu	5	753,262	esD.	449	753,262		***	AMD TO
	12	583,998	мр	-	583,998	4609	-	
	19	1,355,746	6.28	41,078	1,396,824	600	-	
	26	1,109,304	200,000	-	1,309,304	-	-	
Sept	. 2	773,445	460	-	773,445		***	440
	9	735,062	net	480	735,062	resig	4002	
	16	1,315,569		***	1,315,569	012	-	400
	23	912,564	720	40	912,564	<b>⇔</b>		
	30	1,601,408	570,000	4009	2,171,408	449	449	ran
Oct.	7	1,876,803	-		1,876,803	440	-	-
	14	1,296,091	-		1,296,091	ente	entp	-
	21	1,685,786	emap	-	1,685,786	vish	ento	-
	28	1,536,757	-	****	1,536,757	4424	entp	ana
Nov.	4	1,383,630	-	53,979	1,437,609	ee2s	460	N/SS
	11	1,688,138	527,478	217,335	2,432,951		-	
	18	1,409,449	303,448	88,417	1,801,314	460)	400	
	25	1,227,673	656,500	20,000	1,904,173	_	-	-
Dec.	2	1,288,306	182,110		1,470,416	225,895	-	225,895
	9	-	36,502	-	36,502	477,341	400	477,341
	16	8,617	-	3 5 5 - 1	8,617	1,134,658	_	1,134,658
	23	-	-	0-05	449	840,745	47,983	888,728
	30	240	-	Ø1-21-	240	599,980	23,976	623,956
Jan.	6	-	_	-	4009	247,864	31,995	279,859
	13	240	-	-	240	717,677		717,677
	20	==>		-	4009	671,060	- 5	671,060
	27	1,173	-	-	1,173	351,944	15,998	367,942
Feb.	3	- 1	449	***	-249	573,224		573,224
	10	240	-	-	240	394,256		394,256
	17	8,303	-	600	8,303	297,088	-	297,088
	24	1,174	-		1,174	519,093	16,039	535,132
Mar.	3	enqu		-	-	298,706		298,706
	10	240	-	AND	240	239,275	400	239,275
Total	S	22,553,218	2,476,038	420 809	25,450,065	7 588 806	135 001	7,724,797
Last					47,277,126	6 423 116	780 009	9 903 195
2000	Town	20,000,700	10,010,011	2,010,100	TI DELL'STEO	0,420,110	1,100,003	Openaltra

Total clearances of Canadian wheat from Canadian and United States seaboard ports have been declining somewhat during the past month, and were down to the 800,000 bushel level for the week ending March 10. This is a seasonal decline, and quite to be expected in view of the low available export supplies. Total export clearances from the beginning of the crop year to March 10 were 54.2 million bushels, which is only 53 per cent of the volume for the same period in the previous cereal year.

IV. EXPORT CLEARANCES OF CANADIAN WHEAT 1937-38 - Concluded.

Week endin	ıg	Head of Lakes	Churchill	Vancouver New West-	Prince Rupert	United States	Total Clearances
		(Direct)		minster		Ports	
					shels)		
Aug.	5	40	448	83	ndu	28,000	781,345
	12	***	320,000	121,800		384,830	1,410,628
	19	_	283,982	33,933	-	218,222	1,932,961
	26	-		51,500	-	110,183	1,470,987
ept.	2	-	-	62,429	w/o	257,566	1,093,440
	9		-	67,633	ette	198,397	1,001,092
	16	-	-	-	eery	464,371	1,779,940
	23	-	este	33,601	700	425,444	1,371,609
	30			228,870	garan.	314,845	2,715,123
ct.	7	_		220,256	448	305,469	2,402,528
	14	_	_	216,033	none .	921,278	2,433,402
	21	40	-	268,826	(See	293,475	2,248,087
	28	-	-	378,500	-	501,228	2,416,485
ov.	4	57,533	_	226,178	-	564,344	2,285,664
	11	56,841	****	73,173	**455	470,798	3,033,763
	18	- 1	9.0	185,925	-	506,859	2,494,098
	25	-	_	809,313	***	221,314	2,934,800
Dec.	2		4.00	315,634		412,927	2,424,872
	9	_ = 1111	640	380,186	66-61	359,721	0.,253,750
	16	The Part H	040	392,533		368,191	1,903,999
	23	AM		660,893	1600-	446,941	1,996,562
	30			141,443	312,928	408,850	1,487,417
an.	6	648	we	153,066	306,133	190,000	929,058
	13		440	270,426	-	168,000	1,156,343
	20	- 107		294,733	_	534,604	1,500,397
	27	407	-	336,000	44	401,456	1,106,571
eb.	3	_ (10)	-	338,850	1991 5	209,639	1,121,713
	10			433,320		905,232	1,733,048
	17			183,983	-	537,709	1,027,083
	24	_	40	470,330	_	164,891	1,171,527
lar.	3	mE of E		388,465		138,180	825,351
	10	***************************************	_	334,880	_	227,062	801,457
otal	S	114,374	603,982	8,072,795	619,061	11,660,026	54,245,100
	Year	407,578	4,293,501	26,470,173	562,613	15,300,967	102,515,083

<sup>1/</sup> Includes 1,998,072 bushels shipped from Quebec.

Clearances during the past four weeks have been mainly from Saint John, N.B., Vancouver and New Westminster on the Pacific coast and from United States Atlantic seaboard ports. During the four-week period 1,354,162 bushels were cleared from Saint John, 1,377,658 bushels from Vancouver-New Westminster, and 1,067,842 bushels from the United States Atlantic seaboard.

#### V. MOVEMENT OF WHEAT TO MARITIME PORTS

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

Origin	Total to March 10,1938	Total to March 12,1937
	(bushel	s)
Collingwood	5,000	16,000
Port McNicoll	4,257,457	2,978,505
Midland	468,317	2,758,023
Owen Sound	1,460,480	1,307,977
Goderich	401,478	164,277
Sarnia	72,843	152,960
Port Colborne	337,028	
Toronto	4,791	-06
Kingston	107,815	8,000
Montreal	11,550	-
Totals	7,126,759	7,385,742

#### VI. IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES

Week ending	For Consumption Duty Paid	For Milling- in-bond	TOTAL
		(bushe	ls)
Final Monthly Figures -	303 400	777 000	0.00 000
August, 1937	101,400	766,290	867,690
September	1,274	452,105	453,379
October	603	348,167	348,770
November	60	182,527	182,587
December	180	78,000	78,180
January, 1938	3,462	50,293	53,755
Preliminary weekly figures -			
February 5, 1938	MILES THE PARTY OF	2,000	2,000
12		_	_
11 19	-	1,000	1,000
26		4,000	4,000
March 5		1,000	1,000
12		1,000	1,000
Preliminary Totals -			
August 1 to date	106,979	1,886,382	1,993,361

#### VII. IMPORTS OF UNITED STATES WHEAT INTO CANADA

	For Consumption Duty Paid 1/
	(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
December	211,879
January, 1938	390,474
Total August 1937 - January 1938	1,410,261

<sup>1/</sup> Department of National Revenue figures.

#### VIII.THE STATISTICAL POSITION

(a) <u>In Canada</u>: The following table summarizes the statistical position of wheat in Canada as at March 1, 1938 with comparative figures for the same date in 1937:

Samo dato III 10016	1936–37	1937-38
	(bushel	s)
Carry-over in Canada, July 31	108,094,277 219,218,000	32,739,852 182,410,000
Total Supplies	327,312,277 97,653,984	215,149,852
Available Supplies Exports, August - February	229,658,293 150,173,598	115,149,852 63,810,626
Balance for Export or Carry-over, March 1	79,484,695	51,339,226

<sup>1/</sup> 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 February. According to this calculation, the balance of wheat available on March 1 for export from Canada or for the July 31 carry-over in Canada only, amounts to 51.3 million bushels compared with 79.5 million bushels a year earlier, representing a decrease in current supplies of 28.2 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 54.1 million bushels on March 1, available for export or for the July 31 carry-over in Canada and the United States, compared with 102.2 million bushels a year earlier, indicating a decrease of 48.2 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	219,218,000 346,580,598 97,653,984	182,410,000 219,260,700 100,000,0001
Available Supplies	248,926,614	119,260,700
Overseas Clearances	100,782,668 33,411,744 12,491,104	53,113,954 1,988,361 10,096,219
	146,685,516	65,198,534
Balance for Export or Carry-over, March 1	102,241,098	54,062,166

<sup>1/</sup> Tentative.



#### IX. 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:

root of orop jear, ar	to compared to preceding years.			
	WHEAT			
	1937-38	193637	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
Octobe	10,0'5,102	26,917,096	28,919,421	21,807,784
November	14,542,227	33,308,840		
December			26,575,296	18,769,770
	6,636,261	20,427,916	17,043,882	17,336,206
January	7,193,986	9,789,027	7,557,320	5,380,226
February	2,838,804	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
		F L O U R		
	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	405,921	408,653	525,368	504,384
December	337,678	475,282	443,828	340,751
January	295,776	313,923	314,311	346,099
February	272,488	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 A	IND 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	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	8,524,978	11,201,680	8,971,720	6,937,672
February	4,065,000	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
Totals		195,223,653	254,424,775	165,751,305