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MONTHLY REVIEW OF THE WHEAT SITUATION

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THE WORLD WHEAT SITUATION - SUMMARY

World wheat markets have had an opportunity within the past three weeks to become adjusted again to a basis from which the threat of war has been removed. As a result, all markets reacted quickly from the "war scare" peaks of September 26 until October 4 when the downward adjustment was halted. Since then, Winnipeg and Chicago markets have ruled a little stronger, while Liverpool and Buenos Aires markets have been relatively weak. As an aftermath of the peace negotiations, certain of the European countries have released a portion of their security reserves of wheat for commercial use. The Belgian government released to millers one and a half million bushels of wheat previously held in the emergency stocks, and the French government has been endeavouring to sell abroad some of the domestic surplus which had previously been held in reserve. No general abandonment of the policy adopted by European countries to store wheat on government account is in sight, however, with the need for continued rearmanent still emphasized in several countries.

Despite the disturbed market conditions in late September, Canadian exporters have been doing a fair business with overseas markets, although the bulk has been confined to the United Kingdom. Overseas clearances of Canadian wheat have been ranging between three and four and a half million bushels weekly, and with heavy bookings ahead, it is expected that the outward movement of wheat will be accelerated during the next few weeks. Norway has been buying both Canadian and Russian wheat, while the Netherlands has bought fair amounts of United States wheat and smaller amounts of Canadian. Belgium has bought mostly United States, Russian and Danubian wheat, although a fair business in Canadian wheat is still expected from that country. Greece has been buying from Russia and the Danubian countries. German buying has been quiet recently, and Italy is not expected to be in the market until later in the season when supplies from the Danube and Argentina may be taken.

While world shipments of wheat and wheat flour at 118.5 million bushels for the first eleven weeks of the crop year are 27.4 million bushels larger than for the same period a year ago, weekly shipments during the past four weeks have just held pace with last year's movement. Weekly totals continue to approximate 10 million bushels, but slightly better than that rate will need to be maintained for the balance of the crop year, if Broomhall's forecast of 548 millions for world shipments during the 1938-39 season is to be fulfilled. Within the past week, Canada assumed first place among the exporting countries for the current season, with total shipments of 29.6 million bushels since August 1, according to Broomhall's figures. Russia ranks second with shipments totalling 27 million bushels, followed by Australia's movement of 20 millions. United States' shipments for the eleven-week period total 18.8 million, Argentine shipments 11.3 million, and Danubian shipments 7.3 million bushels. India has withdrawn from the export market for the time being, with her shipments since August 1 amounting to 3.2 million bushels.

Forecasting the probable world net imports and world net exports by countries this season is fraught with exceptional difficulties due to uncertainty surrounding a number of factors. On the import side, there is continued doubt about the extent to which buying will take place for emergency reserves. Doubt surrounds the present production estimates for some of the importing countries. There is also some question as to what extent the human and animal consumption of wheat will be expanded in response to low prices in those importing countries whose domestic price structure for wheat is not arbitrarily set. On the export side, the major exporting countries with the probable exception of Australia will have on hand during the current season surpluses available for export greatly in excess of the apparent needs of import markets. The probability that by the time the Southern Hemisphere crops are ready for market, all the governments of the major wheat exporting countries will be expediting the export sales of wheat by one means or another, implies an added "give and take" in export competition.

With the above factors carefully in mind the Food Research Institute has recently undertaken a prediction of world net imports for the current August 1938-July 1939 crop year. The forecast is made in terms of a range for a majority of the importing countries, with the total net imports placed between 510 and 555 million bushels. Details by countries are furnished in the table below with comparisons for previous years.

	1936-37	1937-38	1938-39
		(million bushels)	
British Isles	212	208	215 - 230
Belgium, Netherlands	61	61	62 - 67
Scandinavia, Baltic	20	18	23 - 26
France	12	15	8
Italy	57	4	12 - 20
Germany	32	38	8 - 17
Austria	10	8	7 - 10
Switzerland	18	15	16
Greece	22	19	17 - 19
Spain, Others	15	20	22
Europe	459	406	390 - 435
Non Europe	130	117	120
Total Net Imports	589	523	510 - 555

In appraising the probable net exports of the major exporting countries, the Food Research Institute forecasts total net exports for the 1938-39 crop year within a range of 520 to 565 million bushels. Canadian net exports are placed between 135 and 150 million bushels, and United States exports from 65 to 75 million bushels. Taking 540 million bushels as a mid value within the range of probable total net exports, the Food Research Institute apportions this volume among the exporting countries as follows, with comparisons for previous years:

	1936-37	1937-38	1938-39
		(million bushels)	
Canada	195	87	140
United States	–	116	70
Australia	100	124	65
Argentina	162	72	125
Danube	89	54	75
U.S.S.R.	5	42	45
Others	55	50	20
Totals	606	545	540

It will be noted in the above table that the 1937-38 total of world net exports at 545 million bushels exceeds Broomhall's record of world shipments of 512 million bushels for the past crop year, due mainly to trans-border trade not recorded in the world shipments figures. The Food Research Institute has allowed for a considerable decrease in this trade in 1938-39 so that the net exports of the major exporting countries this year are still forecast as larger than in 1937-38. While Broomhall has predicted an increase of 36 million bushels in this year's world shipments over those of last year, the upper limit of the Food Research Institute's range of 520-565 million bushels for world net exports would need to be attained in order to parallel the increase implied in Broomhall's forecast of 548 million bushels for world shipments.

The Wheat Situation in Argentina

Very beneficial rainfall during October has made up for any deficiencies in moisture supplies which were being felt toward the end of September. As a result the whole of the Argentine wheat belt is now in promising condition. Private forecasts of this year's wheat production are ranging around 260 million bushels, provided that no untoward factors develop between now and harvest.

Anticipating a low price level in prospect for the new Argentine grain crop, the Argentine government passed a bill at the end of September, empowering the President to fix minimum prices of wheat, flaxseed and corn, or to subsidize these products in a form and by such means as he may deem proper. This bill revives the authority given to the President in 1933 and 1935 when minimum prices of 52 and 90 cents per bushel respectively were established. The additional feature of the legislation this year is that the President may pay a subsidy to growers, rather than pegging the market price, if he so chooses. Announcement of the actual government policy will probably be made in December.

The Wheat Situation in Australia

All crop advices from Australia within the past few weeks have been of an alarming nature due to continued lack of rain during the growing stage of the crop. An official report, cabled on October 14, indicates that conditions have deteriorated in Western Australia due to lack of rainfall. In South Australia the crop condition remains fairly good, although rains are now needed to ensure a satisfactory harvest. In New South Wales considerable deterioration has occurred in the past month, and rains are urgently needed. A similar situation prevails in Victoria where there is urgent need of moisture supplies. The Canadian Government Trade Commissioner in Melbourne, cabling on October 15 furnished tentative forecasts of wheat production at 30 million bushels for Western Australia, 30 millions for South Australia, 45 millions for New South Wales, and 14 million bushels for Victoria, making a total of 119 million bushels, as compared with 187.9 million bushels last year. Other private forecasts of Australianproduction are more optimistic, ranging from 130 to 140 million bushels.

The Wheat Situation in Canada

The primary movement of Canadian wheat reached its peak in the week ending September 23 when marketings totalled 31.8 million bushels. By the week ending October 14, the weekly volume had slackened to 13.5 million bushels. Since August 1, the total primary movement has amounted to 192.4 million bushels, as compared with 72.7 millions for the same period last year. The visible supply of Canadian wheat has continued to mount, reaching 171.4 million bushels on October 14.

Visible stocks of durum wheat have declined three quarters of a million bushels within the past four weeks. On the other hand, bread wheat stocks rose by 69.2 million bushels in the same four-week period.

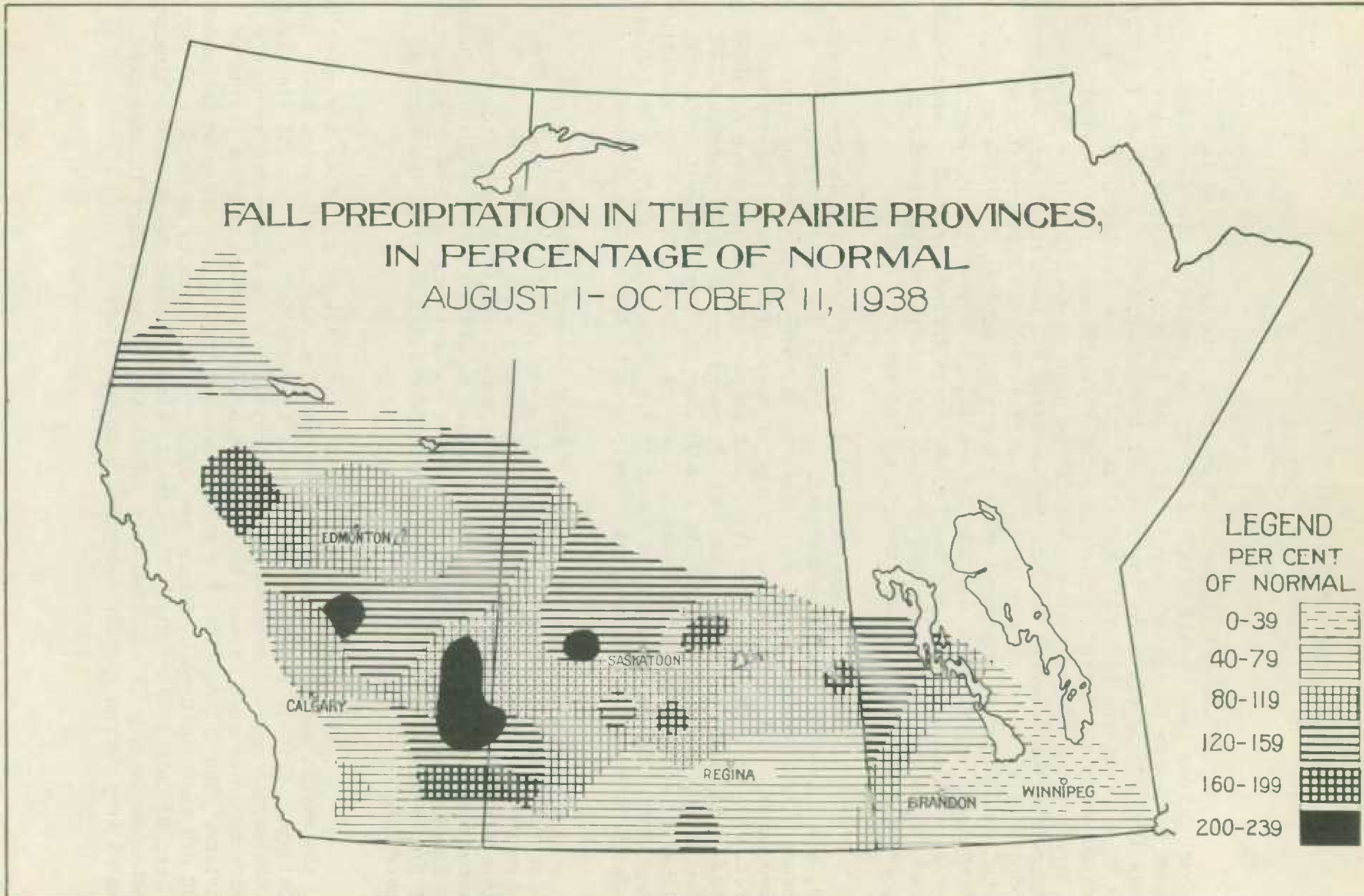
The Customs exports of Canadian wheat and flour for the month of September amounted to 14,053,684 bushels, bringing the August-September movement up to 21,607,954 bushels. The clearance records of Canadian wheat exports for August and September, plus United States imports of Canadian wheat, and the Customs flour exports total 24,388,043 bushels. The latter figure is somewhat higher than the Customs total due to the heavy outward movement in the last week of September, which was too late to be recorded in the Customs figures. Calculating the export movement up to October 13 on the basis of the clearance figures, etc., export clearances from August 1 to October 13 totalled 27,492,053 bushels. United States imports of Canadian wheat for milling in bond totalled 1,621,924 bushels. Flour exports (partly estimated) totalled 3,520,000 bushels, bringing the total export movement of Canadian wheat and wheat flour from August 1 to October 13 to 32,633,977 bushels.

Autumn Precipitation in the Prairie Provinces

While a few weeks still remain before freeze-up, in which additional rainfall may add to fall moisture supplies, the rainfall from August 1 to date has been very deficient in the greater part of Manitoba, most of southern Saskatchewan, parts of south-western Alberta and of north-western Alberta. Elsewhere, autumn precipitation has been around normal or better. On the opposite page a chart depicts the autumn rainfall situation in percentage of normal for the Prairie Provinces during the period August 1 to October 11. In the Winnipeg-Brandon area, rainfall so far has been less than 40 per cent of normal, and in a wider area covering the province with the exception of the extreme western and the north-western districts, the autumn rainfall has ranged from 40 to 80 per cent of normal. Much of the fall ploughing in the province has been difficult because the soil has been too hard, and farmers may leave some of their ploughing over until spring. In southern Saskatchewan where less fall ploughing is ordinarily done, concern is felt more over the drying up of pastures, and the failure to store up a sub-soil moisture reserve for the benefit of next year's crops.

Seasonal rains have been about normal across the central part of Saskatchewan, while better than average rainfall has occurred in north-western Manitoba and north-central Saskatchewan. Other isolated areas in Saskatchewan have been favoured with above normal precipitation, notably the districts around Assiniboia, Kamsack, Humboldt, Elbow, Hughton and Biggar.

Most of south-western Alberta has had deficient rainfall, although the MacLeod-Lethbridge district has been about normal. Rainfall has been heavy in the Empress-Naco district, and around Red Deer. Parts of central Alberta have had better than average rainfall, while in a large area north and south of Edmonton and as far east as Vegreville, precipitation has been about normal. North-western Alberta has been dry. In the Peace River district the rainfall has been good around Beaverlodge, but has been light farther north around Fairview.


FALL PRECIPITATION IN THE PRAIRIE PROVINCES,
IN PERCENTAGE OF NORMAL
AUGUST 1 - OCTOBER 11, 1938
EDMONTON
CALGARY
SASKATOON
REGINA
BRANDON
WINNIPEG
LEGEND
PER CENT
OF NORMAL
0-39
40-79
80-119
120-159
160-199
200-239

PRICES

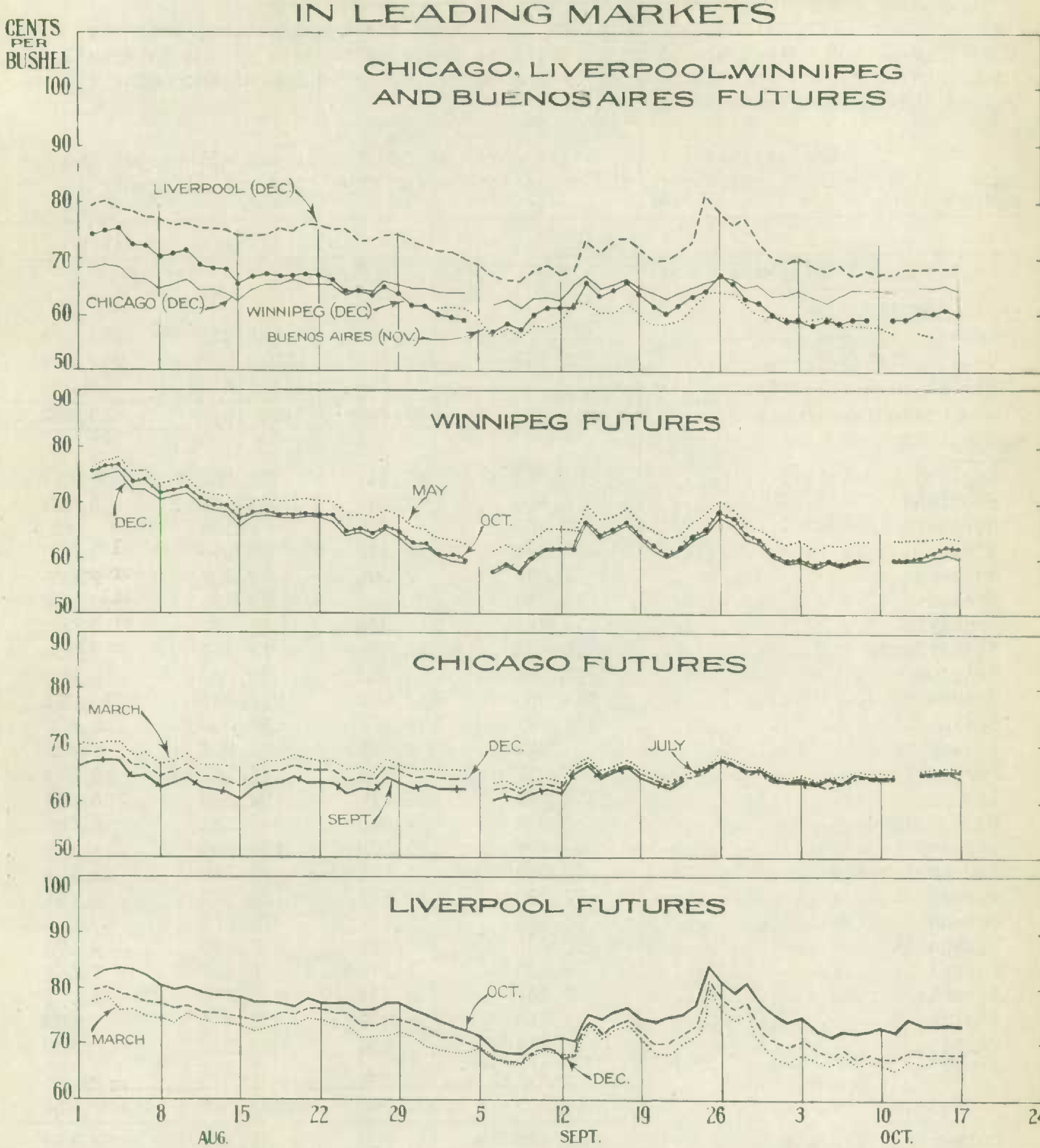
Settlement of the Sudeten issue quickly resulted in a retreat of wheat prices from levels attained during the period of the war scare. Between September 26 and October 5, prices in all major markets had worked down to new levels scarcely above the seasonal lows of September 8. Since the first week in October, the Liverpool market in the December and March futures has remained about stationary, while the October future has strengthened slightly. The Winnipeg and Chicago markets within the past several days have gained on Liverpool in the deferred months. Buenos Aires has been relatively weak in the November future, although it is noteworthy that the February future, boarded on October 1, has ruled about 2 cents higher than the November future. With abundant export supplies from the new Argentine crop in prospect the reverse relation between these two futures would ordinarily hold. Legislation passed at the end of September to provide domestic price support for the new crop resulted in the relative strength of the February future.

Liverpool prices, which are shown in the chart on the opposite page, are converted into Canadian cents per bushel at the daily rate of exchange. Extreme fluctuations in sterling exchange during the war-scare period contributed to the erratic course of wheat prices in the Liverpool market. Due to exchange instability, peak prices in Liverpool were recorded on September 24, whereas Winnipeg and Chicago peaks were not registered until September 26. Between September 24 and October 17, the Liverpool October future declined 11 cents from 84 1/2 cents on the former date to 73 1/2 cents on the latter date. The December future eased 12 7/8 cents from 81 1/2 to 68 5/8 cents. The March future also dropped 12 5/8 cents from 80 1/8 to 67 1/2 cents.

Winnipeg prices dropped sharply between September 26 and October 4 and since then have been moving into slightly higher levels. The October future closed at 68 1/2 cents on September 26, at 58 3/8 cents on October 4 and at 62 cents on October 17 for a net loss of 6 1/2 cents. The December future, quoted throughout the period slightly below the October future, lost 7 1/4 cents. Winnipeg May has ruled at spreads ranging from 2 7/8 cents to 3 5/8 cents above December, with a spread of 3 3/8 cents at the close on October 17.

Chicago wheat prices reacted the least of any after September 26, with the result that Winnipeg prices are now at a substantial spread below those of Chicago. Chicago prices do not reveal, however, the true competitive position of that market against outside markets, inasmuch as the United States export subsidy is interposed between the domestic price structure and the prices to exporters. The Chicago December future dropped from 67 3/8 cents on September 26 to 62 5/8 cents on October 5 and rose again to 64 3/4 cents on October 17 for a net loss of only 2 5/8 cents. The spread between Chicago December and Winnipeg December on October 17 amounted to 4 3/8 cents. Other Chicago futures have moved at very narrow spreads above the December future.

DAILY CLOSING WHEAT FUTURES QUOTATIONS IN LEADING MARKETS



WORLD WHEAT PRODUCTION ESTIMATES, 1938,

WITH COMPARATIVE ESTIMATES FOR 1935, 1936 AND 1937.

Preliminary estimates of 1938 world wheat production, exclusive of the U.S.S.R. and China, are given herewith as reported to date by the International Institute of Agriculture at Rome or by the Bureau of Agricultural Economics in the United States Department of Agriculture.

The estimates shown below cover 42 countries, and allowances are made in the northern hemisphere and world totals for countries not yet reporting in 1938.

	1935	1936	1937	1938
Northern Hemisphere	(thousand bushels)			
North America				
Canada	281,935	219,218	182,410	358,433
United States	626,344	626,766	873,993	940,229
Mexico	10,712	13,606	11,216	12,000
Totals	918,991	859,590	1,067,619	1,310,662
Europe				
England & Wales	60,592	51,445	52,005	66,468
Scotland	4,480	3,547	4,181	3,957
Northern Ireland	362	273	164	300
Eire	6,686	7,839	6,990	7,700
Norway	1,869	2,094	2,497	2,608
Sweden	23,610	21,635	25,720	30,166
Denmark	14,672	11,266	13,521	12,900
Netherlands	16,653	15,428	12,555	15,138
Belgium	16,101	16,153	15,550	18,482
France	284,950	254,618	256,243	319,665
Spain	157,986	121,492	132,000	102,900
Luxemburg	1,022	1,071	1,206	1,434
Portugal	22,092	8,651	14,540	16,534
Italy	282,760	224,570	296,293	296,951
Switzerland	5,974	4,470	6,221	6,096
Germany 1/	186,997	176,699	178,590	214,727
Czechoslovakia	62,095	55,583	51,266	65,708
Greece	27,180	19,537	32,373	36,596
Poland	73,884	78,357	70,774	80,800
Lithuania	10,093	8,027	8,109	9,072
Latvia	6,520	5,272	6,302	7,646
Estonia	2,267	2,433	2,786	3,022
Finland	4,233	5,259	7,665	7,602
Malta	179	236	326	300
Albania	1,554	1,106	1,466	1,500
Totals	1,274,811	1,097,061	1,199,343	1,328,272
Bulgaria	47,925	60,350	64,909	59,116
Hungary	84,224	87,789	72,157	96,414
Roumania	96,439	128,717	138,157	183,006
Yugoslavia	73,100	107,422	86,238	100,902
Totals	301,688	384,278	361,461	439,438
Total Europe	1,576,499	1,481,339	1,560,804	1,767,710

1/ Including Austria.

World production of wheat in 1938, ex U.S.S.R. and China is at present indicated to be 4,349,000,000 bushels, which is 507 million bushels in excess of last year's production.

Higher 1938 wheat production estimates have been issued within the past month for England and Wales, Germany (including Austria), Greece, Lithuania, Latvia and Turkey, while lower estimates were released for Eire and Japan. Continued good prospects in Argentina favour a forecast of the United States Department of Agriculture of 260 million bushels for that country. According to the October 15 cable from the Canadian Government Trade Commissioner in Melbourne, present prospects in Australia indicate a production of approximately 120 million bushels.

	1935	1936	1937	1938
	(thousand bushels)			
Africa:				
Algeria	33,532	29,774	33,106	32,066
Morocco	20,036	12,234	20,895	21,476
Tunisia	16,902	8,083	17,637	13,962
Egypt	43,222	45,700	45,376	45,933
Totals	113,692	95,791	117,014	113,437
Asia:				
Palestine	3,834	2,795	4,682	4,000
Syria & Lebanon	18,520	15,704	17,227	18,000
India	363,216	351,680	364,075	402,453
Japan	48,718	45,192	50,410	45,000
Chosen	9,747	8,095	10,242	10,332
Turkey	92,641	141,582	140,311	160,424
Totals	536,676	565,048	586,947	640,209
Totals 42 Countries	3,145,858	3,001,768	3,332,384	3,832,018
Estimated Northern Hemisphere Total, ex U.S.S.R. and China	3,225,000	3,067,000	3,398,000	3,898,000
Southern Hemisphere				
Argentina	141,462	249,193	184,799	260,000
Australia	144,218	151,390	187,870	120,000
Union of South Africa	23,709	16,077	10,157	11,000
Totals	309,389	416,660	382,826	391,000
Estimated World Total, ex U.S.S.R. and China	3,601,000	3,540,000	3,842,000	4,349,000

THE UNITED STATES

On October 10, the Crop Reporting Board of the United States Department of Agriculture released the General Crop Report as of October 1, from which the following section relating to wheat is quoted:

"All Wheat: The preliminary estimate of 1938 production of all wheat is 940,229,000 bushels, of which 688,458,000 bushels is winter, 41,610,000 bushels is durum, and 210,161,000 bushels is other spring wheat. This year's production is about 8 per cent above the 1938 production of 873,993,000 bushels, nearly 25 per cent above the 10-year (1927-36) average of 752,891,000 bushels. The increase in production of all wheat over 1937 is almost entirely in durum and other spring wheat.

"The preliminary production of spring wheat other than durum of 210,161,000 bushels, shows practically no change from last month's prospective production of 209,503,000 bushels. The 1938 crop is, however, 30 per cent larger than the crop of 161,100,000 bushels in 1937 and is 26 per cent above the 10-year (1927-36) average of 166,410,000 bushels. The average yield per acre, as of October 1, was 11.9 bushels, compared with 10.9 bushels for 1937, and the 10-year (1927-36) average of 11.3 bushels.

"The durum wheat crop of 41,610,000 bushels is slightly below the September indicated production of 42,011,000 bushels due to a slight decrease in the average acre yield in South Dakota. The production is, however, about 2 per cent above the 10-year (1927-36) average of 40,085,000 bushels. The average yield per acre of 11.9 bushels is 1.8 bushels above the 1937 yield of 10.1 bushels and 2.1 bushels above the 10-year (1927-36) average of 9.8 bushels.

Wheat Stocks on Farms October 1: Stocks of wheat remaining on farms October 1 this year were 406,989,000 bushels, or 43.3 per cent of this year's production. Stocks on October 1, 1937 were 333,746,000 bushels, and 1927-36 average stocks were 344,589,000 bushels. The disappearance of wheat from farms during the July 1 - October 1 quarter year was the largest for the 13 years for which reports have been prepared."

AUSTRALIA

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

Shipments of wheat and flour from Australia December 1 to week ending October 10 totalled 122,166,290 bushels compared with 86,974,236 in the corresponding period of the previous year. With less than 11 million bushels remaining uncommitted business in Australian wheat is at a low ebb. After recent fluctuations price to growers now dropped to approximately two shillings and two-pence per bushel equivalent to forty-two cents Canadian at country stations in all states except Victoria where price is fourpence per bushel higher equivalent to six cents Canadian owing to driest weather since 1914 drought. Three cargoes were recently shipped to Calcutta and two to Holland, otherwise the United Kingdom has been the only buyer. No Oriental interest in wheat or flour. Owing to lack of rains, crops have deteriorated in all states. Western and South Australia each expected to yield 30,000,000 bushels, New South Wales 45,000,000, while Victoria unless substantial rains are received in the near future may not yield sufficient for that State's own requirements of 14 millions bushels. Little movement in flour, and millers making few committments. Export quotations for flour are approximately seven pounds eight shillings per ton in 49 pound calico bags, equivalent to twenty-eight dollars and twenty cents Canadian, and seven pounds per ton in 150 pound sacks equivalent to twenty-six dollars and sixty-seven cents Canadian. Price of flour delivered at Melbourne is eight pounds ten shillings per ton of 2,000 pounds, equivalent to thirty-two dollars and thirty-eight cents Canadian.

ARGENTINA

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

Crop Conditions

September was a dry month. During the first half there was practically no rainfall, and in the second half very little until the last two days of the month, when there was an abundant precipitation which covered the north and east of Buenos Aires, most of Santa Fe, all of Entre Rios and the eastern sections of Cordoba. Little or none fell in the Pampa and Western Cordoba. In parts of Cordoba there are reports of fields of grain yellowing owing to the lack of rain and to strong winds which have been prevalent. There were several frosts during the month, two rather heavy, one in mid-month, the other at the end. Both did some damage to the wheat and linseed crops in isolated places, but the aggregate damage is not a serious matter. The general condition of the crops is good, with about half the area a little backward in development. Graphs published by the Ministry of Agriculture, showing the condition of the crops of wheat and linseed as at October 3rd, give the great bulk of both as being good, with the small balance about equally divided between very good and fair.

A resume of the official month crop report, which appeared today, follows:

The condition of the wheat and linseed crops, which was good in general, has been strengthened by the last rains, which covered a great part of the cereal zone, especially in Entre Rios, Santa Fe and the north of Buenos Aires. The appearance of the crops runs from superior to good.

The Wheat Crop: Climatic factors have affected the crop in the south-western portion of the cereal region. Lack of rain, sudden changes of temperature and strong winds have caused deterioration in some fields, and a need of moisture is still felt.

In Buenos Aires in spite of the unfavourable weather conditions, the crops generally have maintained their good shape, and this has certainly been improved in the north, east and mid-west by the rains which fell on the 29th and 30th, permitting the plants to recover from their relative backwardness in development. In parts of the west and south-west light damage has occurred from frosts and wind erosion. Up to now the crops have resisted well these adverse factors, but more or less abundant rains are needed if they are to maintain their present good shape.

In Santa Fe the condition of the wheat fields may be considered very good. The rains of the 29th and 30th dissipated the fears inspired by lack of moisture, especially in the centre and north, where the plants, partly headed and mostly heading, commenced to show deterioration. In the south the stalks are forming generally under propitious conditions because of the rains of the last few days. The prospects are very good, the plants being sound, well rooted and stooled. Flying locusts, which have made their appearance in the north, have not caused much damage. They are being well and efficiently combatted.

In Cordoba the lack of rains referred to a month ago continued throughout September. Frosts caused damage to some advanced fields on the point of heading, in the north and centre of the province. The damage was lessened along the Santa Fe border by the rains of the 29th and 30th. The general condition of the grain may be said to be good, even though there is everywhere a need of abundant precipitation for the continuance of a normal development. In the north and centre heading is general, and in the south stalks are forming almost normally.

In Entre Rios weather conditions have permitted the satisfactory development of the wheat. The present condition is from good to very good and is improved still further by the very opportune recent rains.

In the Pampa in the northern and central zones the wheat has stood up well, showing a good development and stooling, except in some late sown fields. In the south a lack of moisture is being felt, as are also the effects of the winds which usually prevail at this time of the year. If opportune rains appear, the urgency of which is evident in the southern zone, the crop may yet offer good prospects, principally in the north of the territory.

Supplies and Market Conditions

The principal factor in the Buenos Aires grain market during the past month has been the European political situation. It might also be said to have been the only real influence in the trading. The fluctuations which took place daily were a reflection of those occurring in other markets, but were only a mild reflection, the changes never being so violent as those recorded in the European and North American centres.

The movement of grain followed a normal course in accord with the supplies on hand, and as indicated above, the condition of the growing crops remains generally satisfactory.

Wheat.- Exports of wheat during the month were 4,888,000 bushels, to which must be added 2,000 bushels of flour in terms of wheat, making a total of 4,890,000 bushels. This compares with 5,044,000 bushels in the preceding month.

In the following statement of the statistical position it will be noted that an adjustment has been made in the record of flour shipments, which has been raised substantially.

Third official estimate 1937-38 crop		184,802,000 bushels
Less seed and domestic requirements		99,208,000 "
Exportable balance		85,594,000 "
Disappearance prior to January 1, 1938		1,912,000 "
Available as at January 1		83,682,000 "
Shipments to September 30:		
Wheat	62,884,000 bushels	
Wheat as flour (revised)	1,094,000 "	63,978,000 "
Balance still available		19,704,000 "

The principal markets continue to be the neighbouring republics, very little Argentine wheat finding buyers in Europe, where Canadian and United States grain is being favoured. Two or three cargoes were bought by Chile for delivery by the middle of October, the purchase being hard wheat from the Bahia Blanca zone, for mixing with the new crop of Chilean soft wheat.

A good deal of wheat is still held in the country and will not be released until the yield of the new crop is fairly assured. Supplies coming forward are very moderate, and there is no pressure to sell. Millers have bought well ahead, and there is a condition of equilibrium in the local market. There is no fear of Argentine wheat being thrown on the market at bargain prices as it is practically assured that the Government will guarantee a minimum price to the producers for the new crop. Congress authorized this a few days ago, leaving to the President the fixing of the exact basis, which it is anticipated will be at least sufficient to cover the cost of production. Anything beyond this is not favoured, as liable to encourage excessive production. As the cost of production varies in the different districts, there is talk of setting separate minimum prices for the various zones of production. Growers' organizations have been exhibiting anxiety lest the guaranteed minimum should find its way into the hands of intermediaries instead of the producers, but a definite assurance has been given them by the Minister of Agriculture that this will be guarded against and the growers' interests protected. Any loss on the wheat will be met out of the official profits on exchange on the exporters' bills, as in former years.

On the last day of the month there was a good deal of excitement in the market on account of the four-power conference in Germany. The solution of the European crisis naturally brought a weakness in prices with traders recently on the "bull" side liquidating their positions. Towards the close there was a recovery of some of the ground lost, and Spot wheat finished the month at 6.78 pesos per quintal (equal to 59 7/8 cents Canadian per bushel), which compares with 7.05 pesos at the end of August. The November option, the most distant quoted, closed at 6.86 (60 1/2 cents per bushel). In Winnipeg December wheat closed at 60 1/4 cents.

Trading in the new crop, although not officially recognized, has been quite active for some weeks, and at the end of September it was changing hands at 63 cents per bushel for February delivery. On October 1 trading in the new crop was officially authorized. It opened at 3.1 cents per bushel above Spot of the old crop, and remained at that level more less throughout the day. This quotation, it may be pointed out, is for No. 2 Soft wheat (62 1/2 pounds per bushel) on railway wagons in the port. The Hard, Semi-hard and No. 1 Soft wheats are deliverable with appropriate spreads in price.

First Estimate of Acreages

The Agricultural Ministry's first estimate of the acreages planted to the various crops, excluding maize, was made public recently.

The five crops dealt with cover a total area of 34,357,700 acres, which is 747,700 acres more than last year, the increase being attributable chiefly to wheat. The details are as under:

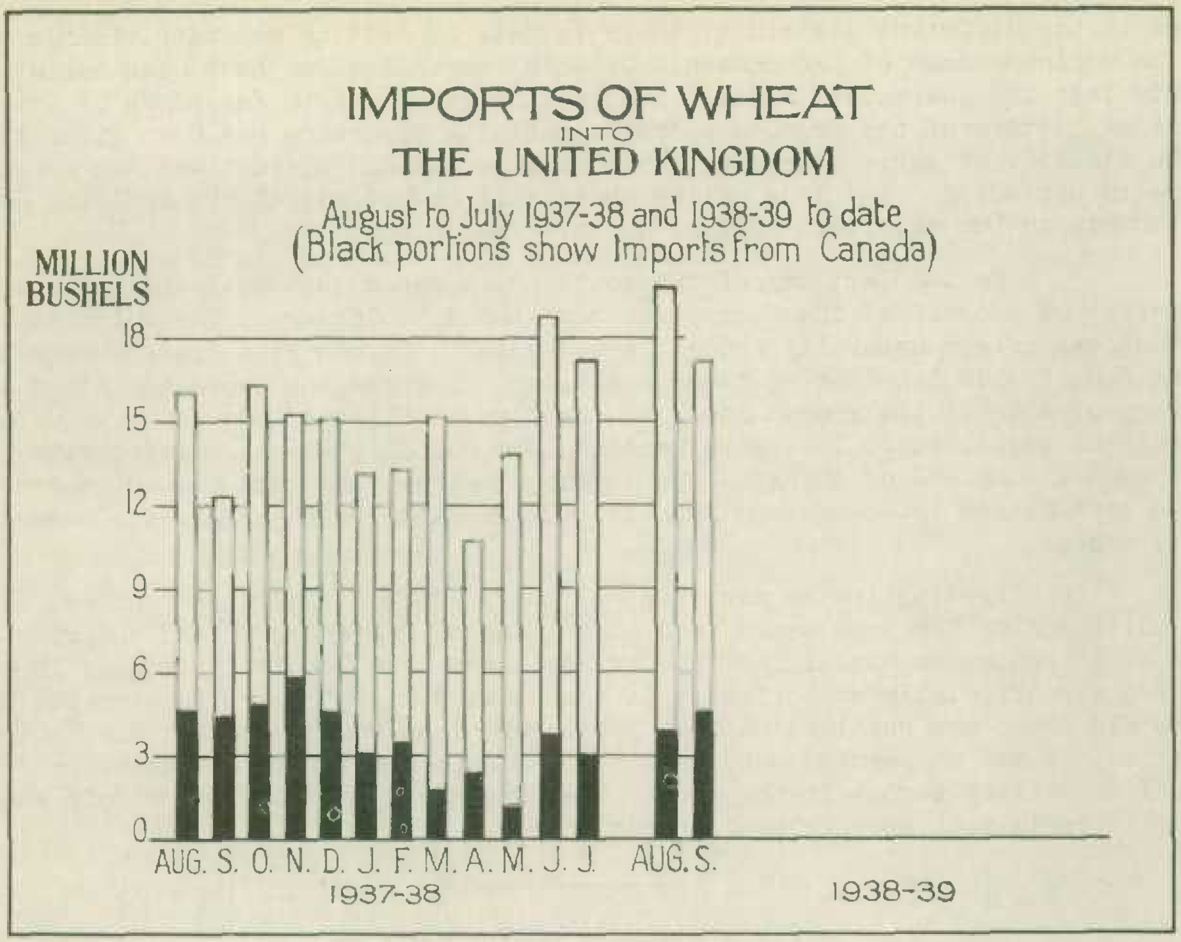
Wheat	8,100,000	hectareas	or	20,007,000	acres
Linseed	2,780,000	"	"	6,866,600	"
Oats	1,360,000	"	"	3,359,200	"
Barley	820,000	"	"	2,025,400	"
Rye	850,000	"	"	2,099,500	"
	13,910,000	"	"	34,357,700	"

Below is a comparison of the estimate with the acreages of the last two seasons and the period averages, in acres:

	Wheat	Linseed	Oats	Barley	Rye
1938-39 estimate ..	20,007,000	6,867,000	3,359,000	2,025,000	2,100,000
1937-38	19,212,000	7,020,000	3,253,000	1,942,000	2,183,000
1936-37	17,495,000	7,435,000	3,157,000	1,924,000	2,203,000
Five-year average .	17,874,000	7,195,000	3,291,000	1,920,000	2,007,000
Ten-year average ..	19,095,000	7,354,000	3,491,000	1,680,000	1,692,000

Members of the grain trade criticize the wheat figures as being probably a little low.

Later in the current month the second official forecast is due to be issued, and that will doubtless have more closely checked figures as a basis.



THE UNITED KINGDOM

Imports of wheat into the United Kingdom during the month of September, 1938, were lower than during the preceding month but higher than in the corresponding month last year. Imports during September amounted to 17,161,126 bushels compared with 19,884,548 bushels in August, 1938 and 12,309,400 bushels in September, 1937.

The following table shows imports of wheat into the United Kingdom for the twelve months August to July, 1937-38 and July, August and September 1938:

	August-July 1937-38	July 1938	August 1938	September 1938
		(bushels)		
From:				
Canada	43,895,650	3,097,673	3,929,551	4,648,206
United States	31,380,591	2,525,978	3,538,646	737,419
Argentina	9,550,177	1,246,271	894,253	60,142
Australia	55,974,140	7,082,250	4,774,858	5,501,936
Russia	20,264,361	856,499	4,757,295	3,494,538
British India	10,818,261	2,377,787	1,565,600	2,477,187
Roumania	3,335,969	-	-	37,728
Others	5,325,800	72,054	424,345	203,970
TOTALS	180,544,949	17,258,512	19,884,548	17,161,126
Previous year	184,466,926	16,462,219	16,030,423	12,309,400

The following table shows imports of wheat into the United Kingdom during September, 1938, along with comparative figures for September, 1937.

From:	September, 1938	September, 1937
	(bushels)	
Canada	4,648,206	4,481,434
United States	737,419	808,893
Argentina	60,142	-
Australia	5,501,936	3,094,539
Russia	3,494,538	1,431,150
British India	2,477,187	1,399,412
Roumania	37,728	492,377
Others	203,970	601,595
Totals	17,161,126	12,309,400

The above table shows that total imports of wheat into the United Kingdom during September 1938 were higher than during September 1937 by almost 4.9 million bushels. Imports from Canada amounted to 4,648,206 bushels as compared with 4,481,434 bushels for the corresponding month last year. Imports from the United States decreased sharply this month amounting to only 737,419 bushels as compared with 3,538,646 bushels for the previous month and 808,893 bushels for the corresponding month last year. Australian imports during the month of September 1938 amounted to 5,501,936 bushels as compared with 3,094,539 bushels during September 1937. Russian imports into the United Kingdom were still high this month amounting to 3,494,538 bushels as compared with 1,431,150 bushels for the same month last year.

The following table shows imports of wheat into the United Kingdom during the months of August and September, 1938 and 1937:

From:	1938 August-September	1937 August-September
	(bushels)	
Canada	8,577,757	9,148,662
United States	4,276,065	1,129,881
Argentina	954,395	9,266
Australia	10,276,794	9,516,498
Russia	8,251,833	1,431,150
British India	4,042,787	4,746,321
Roumania	37,728	853,161
Others	628,315	1,504,884
Totals	37,045,674	28,339,823

Total imports into the United Kingdom amounted to 37 million bushels during the August-September period in 1938 as compared with 28.3 million bushels for the corresponding months last year. Imports from Canada amounted to 8.6 million bushels as compared with 9.1 million bushels for the same period in 1937. Imports from the United States for the August-September period were 3.1 million bushels higher than for the same two months last year. Russian imports were higher this year by 6.8 million bushels than for the same period in 1937.

INTERNATIONAL TRADE

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

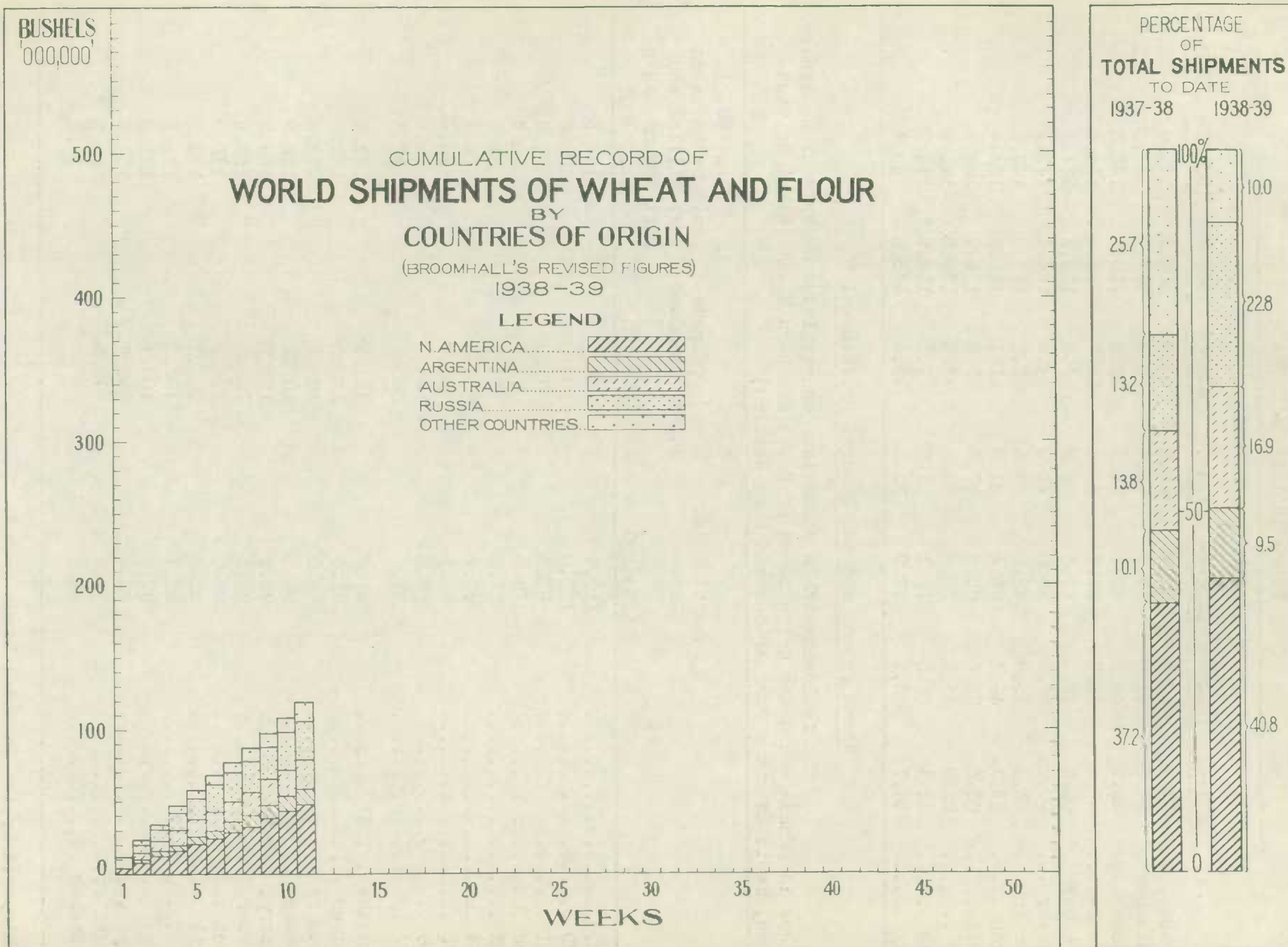
Week ending		North America	Argentina	Australia	Russia	Danube	India	Other	Total
					(thousand bushels)				
Aug.	6, 1938	4,288	1,120	2,608	2,784	336	896	-	12,032
	13	4,192	1,032	2,104	3,512	696	736	-	12,272
	20	4,376	600	2,104	2,624	512	640	-	10,856
	27	3,760	1,568	2,576	3,552	808	224	-	12,488
Sept.	3	4,104	1,448	2,160	2,368	280	328	-	10,688
	10	3,400	760	1,456	3,960	640	304	-	10,520
	17	4,152	1,120	1,384	1,304	992	8	-	8,960
	24	4,296	880	1,704	1,552	768	-	-	9,200
Oct.	1	5,536	1,528	1,256	1,512	936	112	-	10,880
	8	5,469	839	974	2,568	400	-	504	10,754
	15	4,774	411	1,707	1,264	920	-	808	9,884
TOTAL		48,347	11,306	20,033	27,000	7,288	3,248	1,312	118,534
Comparative 1937									
11th week		4,400	368	2,016	1,896	1,952	88	200	10,920
TOTAL		33,968	9,168	12,608	12,040	16,592	4,376	2,440	91,192

THE POSITION OF THE IMPORT REQUIREMENTS ESTIMATE

(Mr. Broomhall's Estimate)

Estimated Import Requirements	Actual Shipments	Balance to be Shipped
Aug.1,1938 to July 31,1939 (52 weeks)	Aug.1,1938 to Oct.15,1938 (11 weeks)	Oct.15,1938 to July 31,1939 (41 weeks)
548 million bushels	118.5 million bushels	429.5 million bushels
or	or	or
10.5 million bushels weekly	10.8 million bushels weekly	10.5 million bushels weekly

During the first eleven weeks of 1938-39 world shipments have amounted to 118.5 million bushels, or an average of 10.8 million bushels per week. In order to fulfil the world estimate of 548 million bushels, weekly shipments will have to average 10.5 million bushels per week for the balance of the cereal year.


CUMULATIVE RECORD OF
WORLD SHIPMENTS OF WHEAT AND FLOUR
BY
COUNTRIES OF ORIGIN
(BROOMHALL'S REVISED FIGURES)
1938–39
LEGEND
N. AMERICA
ARGENTINA
AUSTRALIA
RUSSIA
OTHER COUNTRIES
BUSHELS '000,000'
500
400
300
200
100
0
1
5
10
15
20
25
30
35
40
45
50
WEEKS
PERCENTAGE OF TOTAL SHIPMENTS TO DATE
1937-38
1938-39
100%
50
0
25.7
13.2
13.8
10.1
37.2
10.0
22.8
16.9
9.5
40.8

Monthly Average Winnipeg Cash Prices - No. 1 Northern Wheat, Crop Years 1931-32 to 1938-39

(cents per bushel)

	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
August	55.1	56.3	73.4	86.0	84.5	102.2	131.8	76.6
September .	53.6	51.9	67.2	82.3	90.3	103.9	133.6	63.3
October ...	59.9	48.2	60.5	78.2	90.8	110.9	142.3	
November ..	67.3	46.7	63.7	79.6	85.7	108.4	134.6	
December ..	60.6	42.4	60.3	79.2	84.7	120.2	137.4	
January ...	60.0	44.2	65.0	79.0	84.8	124.7	149.1	
February ..	63.2	45.8	65.6	79.5	82.1	127.0	144.6	
March	63.1	49.1	66.4	81.9	82.1	135.7	138.4	
April	62.6	53.6	65.5	87.6	80.5	138.9	138.4	
May	62.9	63.3	70.6	85.7	76.8	130.6	115.2	
June	55.1	66.8	77.1	81.7	79.5	124.2	114.3	
July	54.7	83.4	82.0	81.4	93.4	145.6	98.4	

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
1937	97.7	108.8	142.3
September, 1937	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	105.8	153.5
March	96.0	104.1	146.9
April	95.0	103.1	146.9
May	92.7	102.0	122.3
June	92.5	100.7	121.3
July	90.8	100.6	104.5
August	87.8	99.5	81.3
September	86.0	-	67.2

1/ Prepared by the Internal Trade Branch.

FOREIGN EXCHANGES 1/

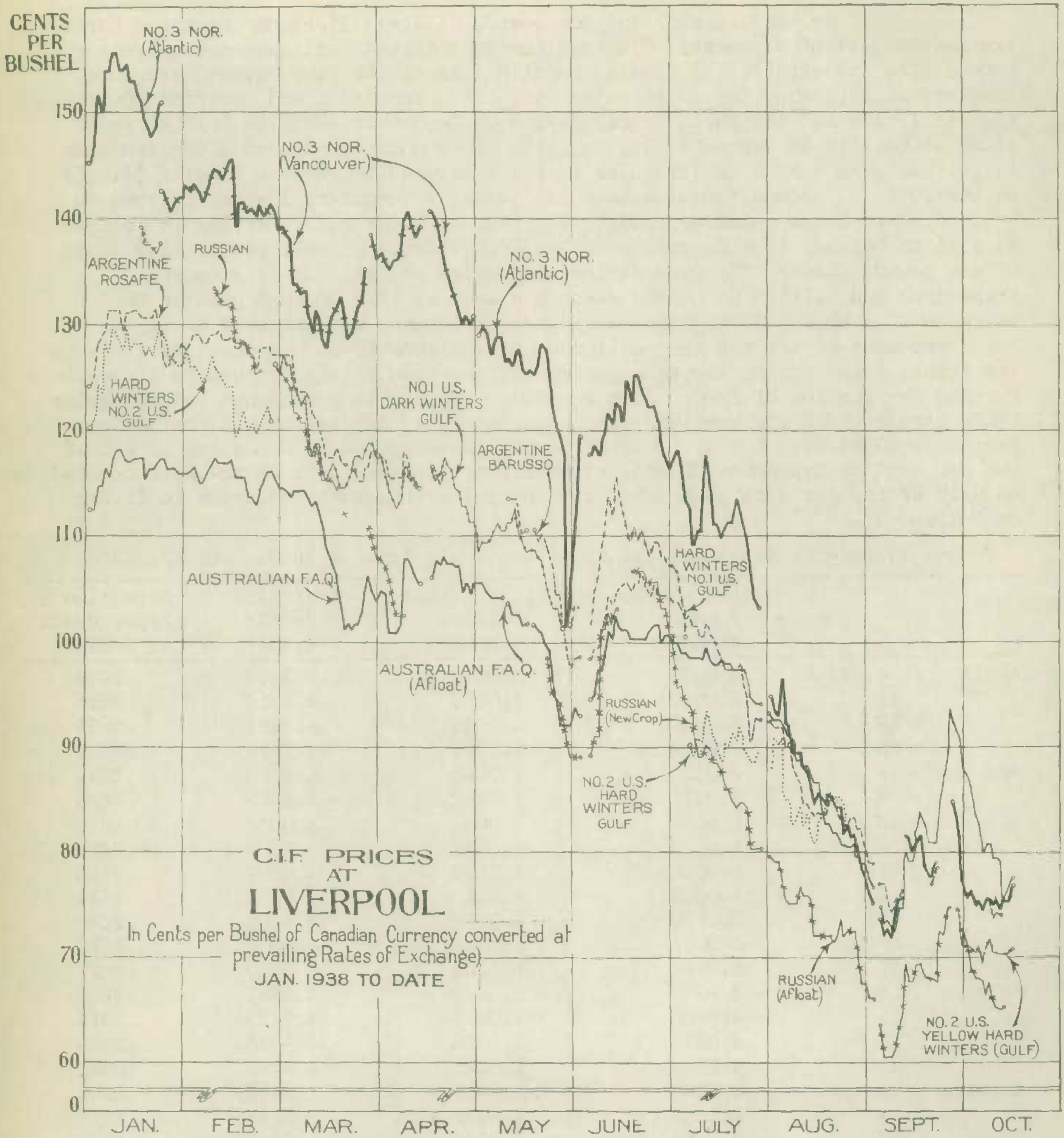
(September 20 - October 17)

As tension over the European political situation increased during the latter part of September, fluctuations on international exchange markets became wide and erratic. Following negotiations of the Four-Power Conference, however, on September 28, continental currencies rebounded and recorded their highest levels for the period under review on September 30. The British pound stood at $4.8470 on September 20, in terms of Canadian funds and after receding to $4.7995 on the 27th in irregular moves, recovered to reach a high of $4.8553 on the 30th. A second reaction then set in and a secondary low was reached on October 13 when the pound dropped to $4.7840. A minor rally carried it back to $4.8143 on October 17. Movements of the French franc closely parallelled those of the pound. Demand for gold during the period of greatest tension was tremendous and bullion at London reached a peak of 147s 0d on September 28. Weakness of sterling during the early part of October was ascribed mainly to heavy armament buying and the continued unfavourable trade balance. Pressure on the French franc during the same period was credited mainly to rumours of possible further devaluation of French gold reserves. As sterling weakened United States funds strengthened and premiums on the dollar ruled considerably higher between September 20 and October 17. United States funds opened at a premium of 1/2 of one per cent on September 20 and, after rising to 2 per cent on the 28th reacted to 9/16 of one per cent on October 1. The dollar had advanced again to $1.015 on October 17.

Monday Average Exchange Quotations at Montreal, April 4 to October 17, 1938.

		United Kingdom Pounds 4.8667	United States Dollars 1.0000	Australia Pounds 4.8667	Argentina 2/ Paper Pesos .4244
April	4, 1938	4.9933	1.0056	3.9950	.2479
	11	5.0012	1.0059	4.0012	.2515
	19	5.0237	1.0043	4.0188	.2596
	25	5.0162	1.0050	4.0130	.2628
May	2	5.0125	1.0053	4.0100	.2629
	9	5.0075	1.0062	3.9975	.2625
	16	5.0050	1.0081	4.0037	.2626
	23	5.0000	1.0096	4.0000	.2630
	31	5.0050	1.0109	4.0037	.2628
June	6	5.0050	1.0118	4.0035	.2631
	13	5.0250	1.0118	4.0200	.2636
	20	5.0087	1.0081	4.0062	.2636
	27	5.0062	1.0103	4.0050	.2627
July	5	4.9850	1.0075	3.9887	.2625
	11	4.9650	1.0075	3.9725	.2614
	18	4.9519	1,0056	3.9616	.2610
	25	4.9338	1.0025	3.9470	.2602
August	1	4.9288	1.0028	3.9431	.2607
	8	4.9025	1.0037	3.9214	.2610
	15	4.8925	1.0043	3.9140	.2576
	22	4.8965	1.0034	3.9175	.2574
	29	4.8761	1.0012	3.9000	.2568
September	6	4.8367	1.0028	3.8700	.2537
	12	4.8320	1.0050	3.8650	.2538
	19	4.8300	1.0056	3.8630	.2544
	26	4.8037	1.0093	3.8430	.2549
October	3	4.8270	1.0068	3.8625	.2552
	10	4.8027	1.0087	3.8421	.2547
	17	4.8143	1.0150	3.8515	.2543

1/ Prepared by the Internal Trade Branch. 2/ Free Rates.


CENTS PER BUSHEL
150
140
130
120
110
100
90
80
70
60
0
JAN.
FEB.
MAR.
APR.
MAY
JUNE
JULY
AUG.
SEPT.
OCT.
NO. 3 NOR. (Atlantic)
NO. 3 NOR. (Vancouver)
NO. 3 NOR. (Atlantic)
ARGENTINE ROSAFE
RUSSIAN
HARD WINTERS NO. 2 U.S. GULF
NO.1 U.S. DARK WINTERS GULF
ARGENTINE BARUSSO
HARD WINTERS NO.1 U.S. GULF
AUSTRALIAN F.A.Q.
AUSTRALIAN F.A.Q. (Afloat)
RUSSIAN (New Crop)
NO. 2 U.S. HARD WINTERS GULF
RUSSIAN (Afloat)
NO. 2 U.S. YELLOW HARD WINTERS (GULF)
C.I.F. PRICES AT LIVERPOOL
In Cents per Bushel of Canadian Currency converted at prevailing Rates of Exchange)
JAN. 1938 TO DATE

THE CANADIAN SITUATION

I. GRADING OF THE 1938 WHEAT CROP

The following shows the grading of new-crop inspections during August and September 1938, in comparison with the same months in 1937:

	Number of Cars Grading No. 3 Northern or Better			
	1938-39		1937-38	
	Cars	Per Cent of Inspections	Cars	Per Cent of Inspections
August	9,905	95.84	3,514	81.40
September	34,723	89.71	11,421	84.22

Omitting special grades such as Garnets, Durums, White Springs and Winters, the number of cars of new wheat inspected in September 1938 totalled 38,707 of which 34,723 or 89.71 per cent graded No. 3 Northern or higher. September 1938 inspections of new Durum wheat amounted to 2,385 cars of which 2,259 or 94.72 per cent graded No. 3 Amber Durum or higher. In September 1937, new Durum inspections numbered 7,038 cars of which 6,531 or 92.8 per cent graded No. 3 Amber Durum or higher.

II. LAKE MOVEMENT

The following table summarizes the movement of wheat down the Lakes from the opening of navigation in 1938, with comparative figures for 1937:

From opening of navigation to -	To Canadian Lower Lake Ports	To St. Lawrence Ports	To Buffalo	To Other United States Ports	To United Kingdom and Continental Ports	Totals
			(bushels)			
Oct. 14, 1938	69,558,126	21,586,055	7,039,239	4,781,377	112,000	103,076,797
Oct. 14, 1937:	54,018,954	13,473,646	6,272,204	2,582,453	163,793	76,511,050

The lake movement of Canadian wheat has been very heavy within the past month, amounting to 44.9 million bushels between September 14 and October 14, and raising the total movement for the 1938 navigation season to date to 103 million bushels. The bulk of the recent movement has been consigned to Canadian Lower Lake ports, with 32.1 million bushels having gone to these destinations for storage and trans-shipment. St. Lawrence ports were the destination of 5 million bushels, while 4.5 million bushels went to Buffalo and 3.2 millions went to other United States ports.

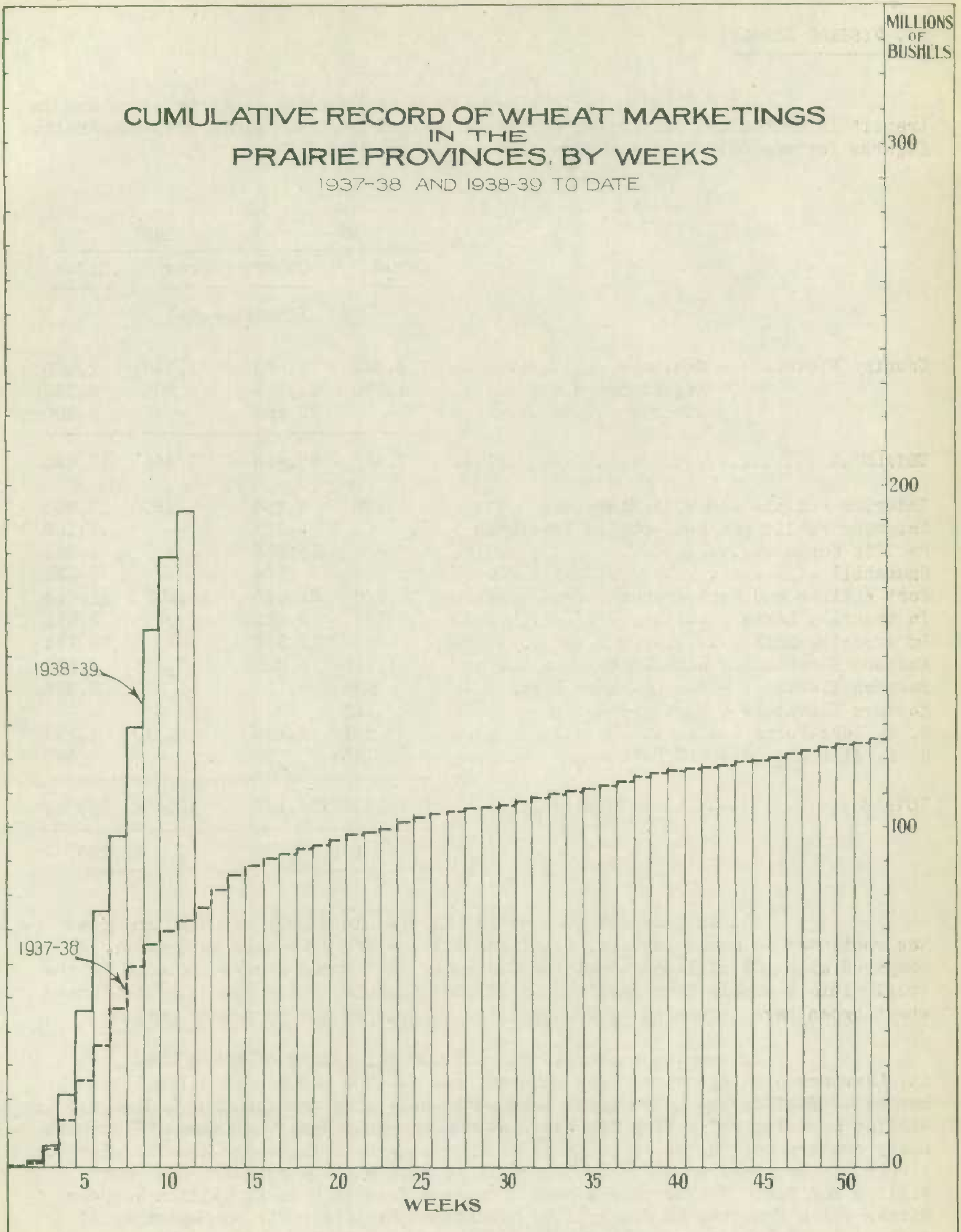
III. PRIMARY MOVEMENT

The following table shows primary receipts of wheat in the Prairie Provinces for the 1938-39 crop year along with comparative figures for 1937-38:

Week ending		Manitoba	Saskatchewan	Alberta	Totals	Last Year
				(bushels)		
August	5	73,493	132,692	165,925	372,110	202,653
	12	654,603	277,409	462,855	1,394,867	1,184,503
	19	3,073,725	1,210,203	769,478	5,053,406	4,188,848
	26	8,899,851	4,333,433	1,472,903	14,706,187	8,348,169
September	2	10,358,006	9,698,026	4,797,617	24,853,649	11,788,675
	9	5,603,895	14,332,054	9,270,075	29,206,024	10,475,662
	16	4,088,070	9,113,412	8,775,982	21,977,464	10,786,013
	23	2,826,203	11,259,442	17,704,278	31,789,923	12,058,677
	30	530,011	12,185,920	15,982,686	28,698,617	6,544,558
October	7	623,055	8,764,462	11,549,056	20,936,573	3,783,667
	14	801,551	5,001,133	7,647,733	13,450,417	3,339,873
TOTALS		37,532,463	76,308,186	78,598,588	192,439,237	72,701,298

Primary marketings of wheat in the Prairie Provinces for the first eleven weeks of the crop year have totalled 192.4 million bushels, which is an increase of 119.7 million bushels over the amount marketed during the same period a week ago. Marketings reached their peak volume in the week ending September 23, when 31.8 million bushels were delivered at country elevators or over loading platforms. Since then the rate of marketings has slackened appreciably until in the week ending October 14, the weekly volume was down to 13.5 million bushels. A year ago marketings reached their peak volume in the corresponding week ending September 24, but the volume for that week reached only 12 million bushels.

Within the past week, Alberta marketings have surpassed the total volume of Saskatchewan marketings, with a total of 78.6 million bushels delivered in the former province and a total of 76.3 million bushels delivered in the latter province. Manitoba has already marketed the bulk of its wheat crop, with 37.5 million bushels marketed out of a total estimated production of 50 million bushels.


MILLIONS OF BUSHELS
CUMULATIVE RECORD OF WHEAT MARKETINGS IN THE PRAIRIE PROVINCES, BY WEEKS
1937-38 AND 1938-39 TO DATE
300
200
100
0
1938-39
1937-38
5
10
15
20
25
30
35
40
45
50
WEEKS

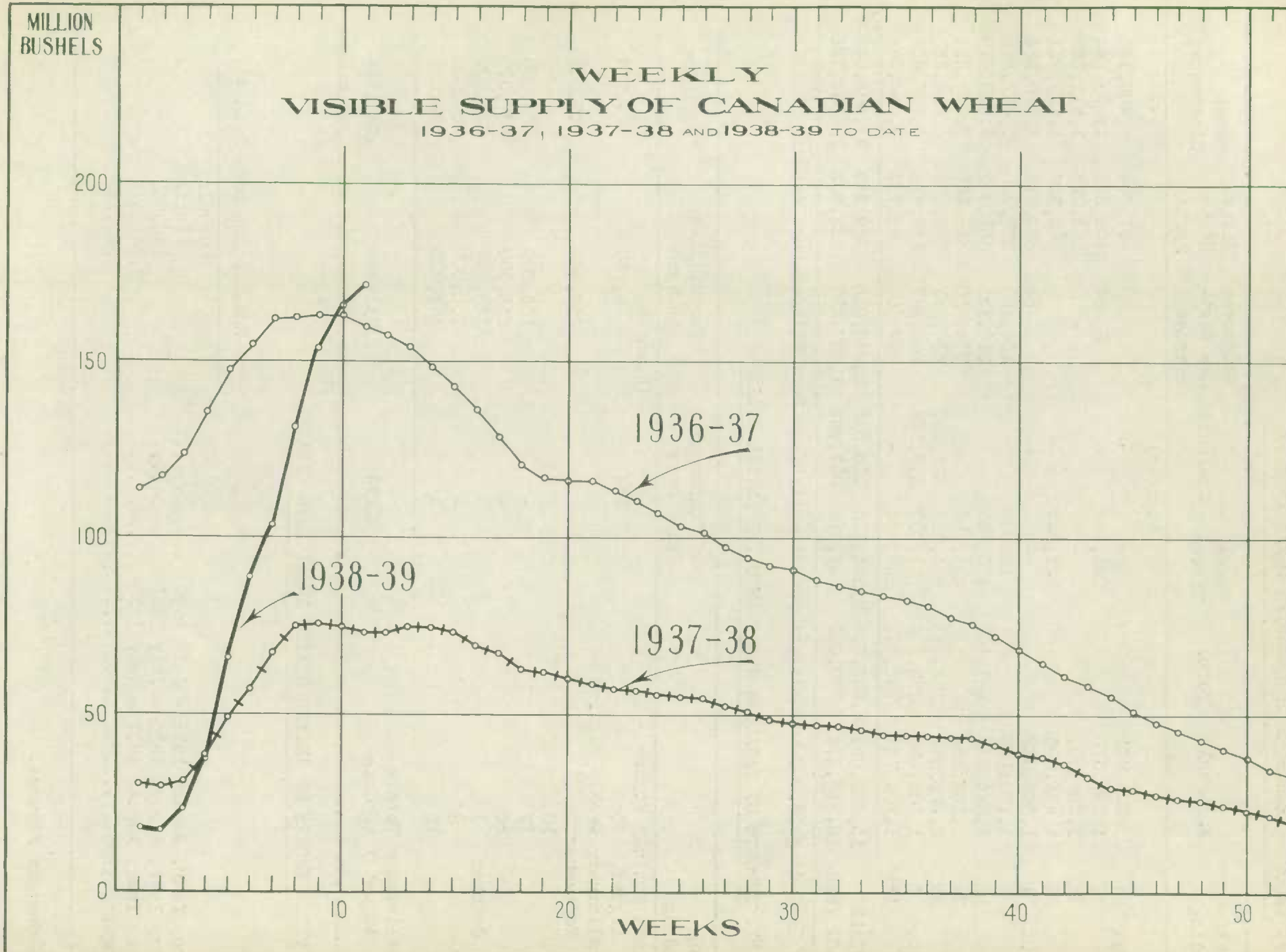
IV. VISIBLE SUPPLY

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

	1938		1937	
	Durum	Other	Durum	Other
	(000 bushels)			
Country Elevators - Manitoba	3,360	5,875	1,340	2,460
Saskatchewan	1,070	28,580	205	6,355
Alberta	-	29,360	-	8,880
TOTALS	4,430	63,815	1,545	17,695
Interior Private and Mill Elevators	126	4,984	250	3,950
Interior Public and Semi-public Terminals	-	5,230	-	1,109
Pacific Ports	-	16,674	-	3,883
Churchill	-	378	-	12
Fort William and Port Arthur	8,570	21,047	10,202	11,612
In Transit, Lakes	758	9,321	979	2,651
In Transit, Rail	-	17,332	-	6,114
Eastern Elevators - Lake Ports	1,119	5,259	3,268	4,364
Eastern Elevators - St. Lawrence Ports	886	8,128	1,210	2,657
Eastern Elevators - Maritime Ports	23	-	-	-
U. S. Lake Ports	221	2,199	10	1,198
U. S. Atlantic Seaboard Ports	186	755	-	557
TOTALS	16,319	155,122	17,464	55,802
	171,441		73,266	

Within the past four weeks the visible supply of Canadian wheat has continued to mount rapidly, totalling 171.4 million bushels on October 14, as compared with 103 million bushels on September 16. Durum stocks included in the total visible supply have declined by 751,000 bushels, while stocks of the bread wheat types have increased by 69.2 million bushels in the four-week period.

Between September 16 and October 14, stocks of bread wheats in St. Lawrence port elevators have mounted from 650,000 bushels to 8.1 million bushels. Similar stocks in Lower Lake ports have also mounted from 1.4 to 5.3 million bushels, reflecting the heavy autumn movement down the Lakes. Meanwhile heavy country deliveries in the Prairie Provinces have increased country elevator stocks of the bread wheat types from 41.1 to 63.8 million bushels, and Fort William and Port Arthur stocks have increased from 16.8 to 21 million bushels. Stocks which amounted to 3.1 million bushels at Pacific ports on September 16 rose approximately to capacity at 16.7 million bushels on October 14.



MILLION BUSHELS
WEEKLY
VISIBLE SUPPLY OF CANADIAN WHEAT
1936-37, 1937-38 AND 1938-39 TO DATE
200
150
100
50
0
1936-37
1938-39
1937-38
1
10
20
30
40
50
WEEKS

V. EXPORT CLEARANCES OF CANADIAN WHEAT 1938-39.

Week ending		Montreal	Sorel	Three Rivers	Churchill	Vancouver New Westminster	United States Ports	Total Clearances
				(bushels)				
Aug.	4	308,831	-	-	-	-	97,304	406,135
	11	1,257,370	-	212,600	-	6,083	402,591	1,878,644
	18	1,256,001	-	-	-	-	155,225	1,411,226
	25	1,423,606	-	122,999	-	-	182,326	1,728,931
Sept.	1	1,342,022	-	-	-	84	594,278	1,936,384
	8	1,160,142	-	16,000	-	134,400	177,000	1,487,542
	15	1,684,442	283,441	450,800	-	560,125	451,062	3,429,870
	22	1,665,835	-	495,982	-	531,200	336,237	3,029,254
	29	2,225,562	774,155	654,700	303,191	330,337	270,286	4,614,231
Oct.	6	1,605,496	872,533	771,600	613,722	385,287	336,814	4,585,452
	13	1,701,747	763,547	159,855	-	292,500	66,735	2,984,384
TOTALS		15,631,054	2,693,676	2,884,536	916,913	2,240,016	3,069,858	27,492,053 1/
LAST YEAR		12,313,254	770,000	41,078	603,982	1,027,807	3,628,605	18,384,726

1/ Including 56,000 bushels shipped directly from Fort William-Port Arthur.

VI. IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES

Week ending	For Consumption Duty Paid	For Milling in Bond	TOTALS
Final Monthly Figure -		(bushels)	
August, 1938	174	9,750	9,924
Preliminary Weekly Figures -			
September 3	-	242,000	242,000
10	-	-	-
17	-	168,000	168,000
24	-	236,000	236,000
October 1	-	328,000	328,000
8	-	255,000	255,000
15	-	383,000	383,000
Preliminary Totals - August 1 to date	174	1,621,750	1,621,924

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
Crop Year, August 1937 - July 1938	5,743,953
August, 1938	323,740

1/ Customs Figures.

VIII. THE STATISTICAL POSITION

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

	1937-38	1938-39
	(bushels)	
Carry-over in Canada, July 31	32,937,991	23,411,171
New Crop	182,410,000	358,433,000
Total Supplies	215,347,991	381,844,171
Domestic Requirements	100,593,646	103,000,000 1/
Available Supplies	114,754,345	278,844,171
Exports, August-September	15,126,711	21,607,954
Balance for Export or Carry-over October 1 ...	99,627,634	257,236,217

1/ Tentative.

The above mentioned 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 and September. According to this calculation, the balance of wheat available on October 1 for export from Canada or for the July 31 carry-over in Canada only, amounts to 257.2 million bushels compared with 99.6 million bushels a year earlier, representing an increase in current supplies of 157.6 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 255.4 million bushels on October 1, available for export or for the July 31 carry-over in Canada and the United States, compared with 101.3 million bushels a year earlier, indicating an increase of 154.1 million bushels in the current available supplies between the two years.

	1937-38	1938-39
	(bushels)	
Carry-over in Canada and the United States, July 31	37,048,839	24,393,801
New Crop	182,410,000	358,433,000
Total Supplies	219,458,839	382,826,801
Domestic Requirements	100,593,646	103,000,000 1/
Available Supplies	118,865,193	279,826,801
Export Movement, August - September:		
Overseas Clearances	13,558,130	20,677,078
United States' Imports	1,321,069	983,924
Flour as wheat	2,678,684	2,727,041
	17,557,883	24,388,043
Balance for Export or Carry-over, October 1	101,307,310	255,438,758

1/ Tentative.

IX. EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR

The following tables show exports of wheat and flour during the 1938-39 crop year, with comparative figures for preceding years:

WHEAT

	1938-39	1937-38	1936-37	1935-36
		(bushels)		
August	6,266,055	6,544,967	21,157,268	21,698,284
September	12,614,858	5,903,060	20,720,316	17,272,672
October		10,055,102	26,917,096	28,919,421
November		14,542,227	33,308,840	26,575,296
December		6,636,261	20,427,916	17,043,882
January		7,193,986	9,789,027	7,557,320
February		2,838,804	5,362,031	14,241,169
March		3,487,449	4,748,599	13,146,185
April		1,617,703	3,617,803	6,572,364
May		3,370,545	8,026,507	27,316,983
June		7,275,376	12,180,068	25,763,565
July		7,248,115	8,602,689	25,912,508
TOTALS		76,713,595	174,858,160	232,019,649

FLOUR

	1938-39	1937-38	1936-37	1935-36
		(barrels)		
August	286,270	288,608	387,728	376,562
September	319,739	306,655	378,318	395,640
October		336,478	464,013	501,442
November		405,921	408,653	525,368
December		337,678	475,282	443,828
January		295,776	313,923	314,311
February		272,488	347,884	340,102
March		301,735	390,315	476,773
April		184,703	285,724	281,162
May		297,126	348,866	448,653
June		299,503	389,995	430,171
July		282,985	334,964	444,905
TOTALS		3,609,656	4,525,665	4,978,917

WHEAT AND WHEAT FLOUR

	1938-39	1937-38	1936-37	1935-36
		(bushels)		
August	7,554,270	7,843,703	22,902,044	23,392,813
September	14,053,684	7,283,008	22,422,747	19,053,052
October		11,569,253	29,005,155	31,175,910
November		16,368,872	35,147,778	28,939,452
December		8,155,812	22,566,685	19,041,108
January		8,524,978	11,201,680	8,971,720
February		4,065,000	6,927,509	15,771,628
March		4,845,257	6,505,017	15,291,663
April		2,448,867	4,903,561	7,837,593
May		4,707,612	9,596,404	29,335,921
June		8,623,139	13,935,046	27,699,335
July		8,521,548	10,110,027	27,914,580
TOTALS		92,957,049	195,223,653	254,424,775