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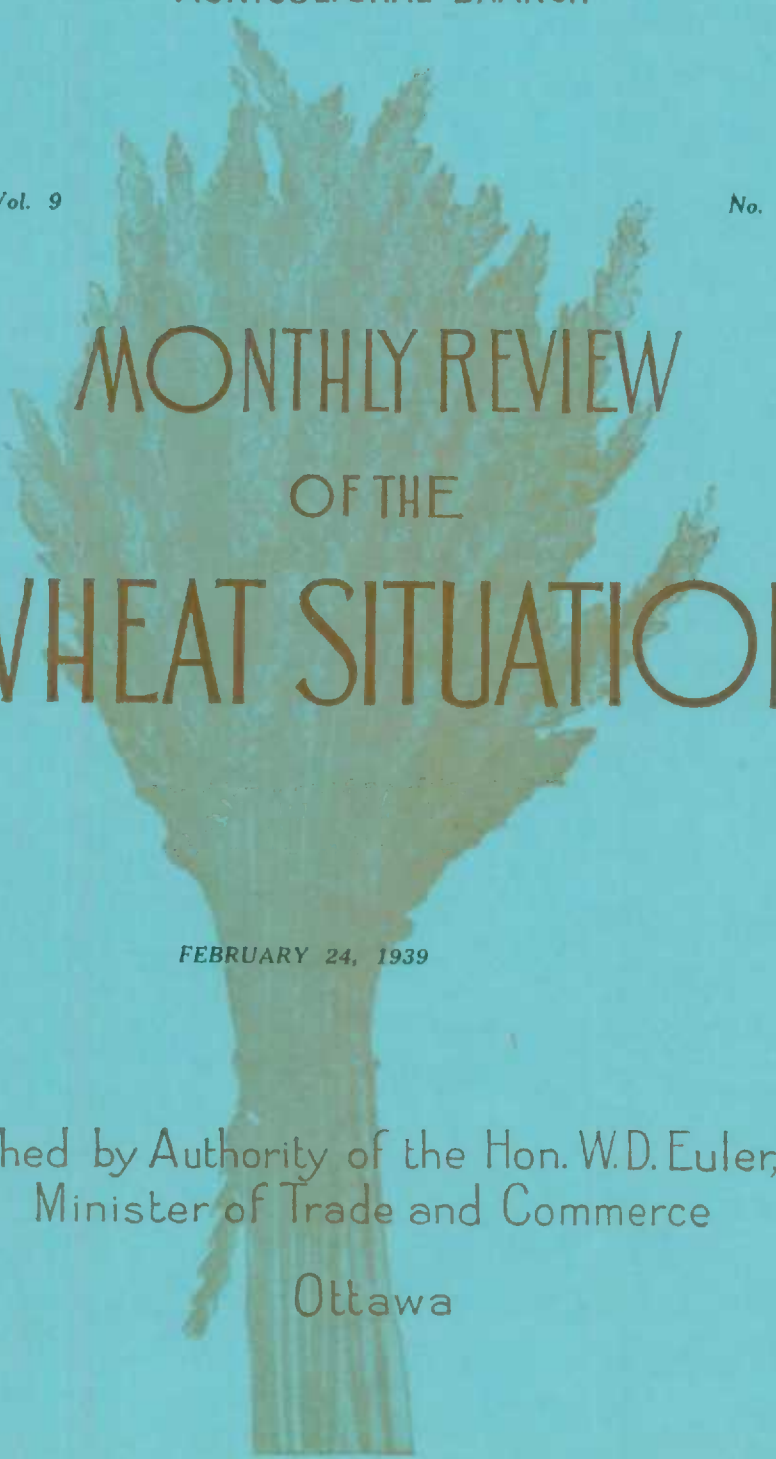


CANADA

DOMINION BUREAU OF STATISTICS  
AGRICULTURAL BRANCH

Vol. 9

No. 6

A large, stylized illustration of a wheat stalk, with its head at the top and its stem extending down to the bottom of the page. The wheat head is composed of several spikes, and the stem is thick and textured.

# MONTHLY REVIEW OF THE WHEAT SITUATION

FEBRUARY 24, 1939

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AGRICULTURAL BRANCH

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THE WORLD WHEAT SITUATION - SUMMARY

Another month has been added to the period of indecisive markets in which no major price changes have occurred since early last October. With prevailing prices low in response to the ample world export supplies this season, the developments of the past month have been mixed, and have not provided any positive price leadership. Some apprehension was reflected in wheat prices prior to Chancellor Hitler's Reichstag address on January 30, but this influence was abated when the content of the address was disclosed. Within the past month, comparatively heavy sales of Australian and United States wheat have been made to Shanghai and Vladivostok, and trade estimates of world shipments to non-European countries for the current crop season have been increased. During the same period, weekly world shipments to European destinations have taken an upturn, replenishing stocks on passage and assuring the United Kingdom market of ample arrivals. This latter factor has tended to slow up new buying. One of the constructive current factors has been the continued absence of selling pressure from Argentina, with Argentine sales being made in moderate volume, determined principally by what overseas markets will take at prevailing prices.

With respect to crop developments the news is also mixed. In north-western Europe, the frost damage which occurred in late December has already been confirmed. About 75 per cent of the Belgian winter wheat area, 28 per cent of the French winter area, and parts of the German area in the north west were damaged, and resowing will be necessary where the winter-killing has occurred. While prospects for the European crops have been lowered, the situation in India is reported to have improved considerably. Very timely and beneficial rains fell at the end of January, and further rainfall on February 16 and 22 has raised hopes for a 1939 crop which will be adequate for domestic requirements. United States prospects in the winter wheat belt are not appreciably changed. Fair precipitation has been received within the past month, but on the other hand, further cold waves occurred on February 10 and 20 which caused some apprehension.

Apart from the immediate market factors, statistical information available within the past month has been of considerable interest. The International Institute of Agriculture's figure at the end of January for 1938 world wheat production, ex-Russia, China, Iran and Iraq was 4,472 million bushels. The United States Department of Agriculture on January 24 issued a forecast of the world wheat carry-over at July 1, 1939 of 1,230 million bushels. This is the only carry-over forecast based on July 1 rather than August 1 and world stocks are usually higher on the former than on the latter date. The Food Research Institute's forecast, issued at the end of January for the world carry-over on August 1, 1939, was set at 1,135 million bushels, compared with their estimate of 601 million bushels as at August 1, 1938. At least 600 million bushels are needed in world stocks at the beginning of August to provide current consumption and trading requirements. Accordingly, the prospective August 1, 1939 world carry-over will include around 535 million bushels in excess of these minimum requirements.



Estimates for world wheat trade in the 1938-39 season were revised by both Broomhall and the Food Research Institute at the end of January. Broomhall's estimates are for world shipments, and the Food Research estimates are for world net exports, the two not being strictly the same quantities. Their estimates are as follows:

Country	Broomhall: World Shipments 1938-39	Food Research: World Net Exports 1938-39
	(million bushels)	
Canada .....	144	145
United States .....	88	80
Argentina .....	116	135
Australia .....	88	65
Danube .....	76	70
Russia .....	40	37
Others .....	16	28
Totals .....	568	560

Broomhall's January revision represents an increase of 20 million bushels from his preliminary estimate of 548 million bushels, and the Food Research estimate has likewise been revised upward by 20 million bushels. Both are agreed on the probable export volume from Canada, but both appear conservative in this regard. Considering the average seasonal distribution of Canadian exports, the Customs export movement from August to January of 99.6 million bushels, supports a total crop-year movement of 160 million bushels. Unless Canadian exports in the three-month period, May-July, are unusually light, a crop-year total of 160 millions is more likely to be attained.

#### Winter Wheat Acreages

Following are the winter wheat acreages for 10 countries reported to date by the International Institute of Agriculture. For the countries reporting so far in Europe, a very small acreage increase is indicated. The United States acreage decrease is by far the most important change indicated to date.

Country	Winter Wheat Area Sown for Harvest in -		Per Cent Increase or Decrease
	1939	1938	
	(thousand acres)		
France .....	12,249	12,353	- 0.8
Italy .....	12,635	12,066	+ 4.7
Latvia .....	180	173	+ 4.0
Lithuania .....	361	357	+ 1.1
Bulgaria .....	3,025	2,874	+ 5.3
Roumania .....	8,386	(8,336)	+ 0.6
European sub-totals .....	36,836	36,159	+ 1.9
Tunisia .....	2,125	(1,651)	+ 28.7
India .....	32,292	31,810	+ 1.5
Canada .....	799	815	- 2.0
United States .....	46,173	56,355	- 18.1
Totals 10 Countries .....	118,225	126,790	- 6.8

1939

CALENDAR OF WHEAT EVENTS

- Jan. 24. United Kingdom winter wheat area estimated at 1,664,000 acres, compared with 1,807,000 acres a year ago.  
United States Department of Agriculture forecasts world carry-over at July 1, 1939, at 1,230,000,000 bushels. The date used is a month earlier than that for other carry-over estimates, and world stocks are usually higher at July 1 than at August 1.  
Moisture fairly general over United States winter belt.
25. Excessive rainfall in France delays reseeding.
26. United Kingdom credited with purchases of 5 million bushels from the Southern Hemisphere within the past three days.
27. Seven Australian cargoes reported sold to Vladivostok.
30. Chancellor Hitler's Reichstag Address, broadly construed as conciliatory.
31. Wheat markets ease and security markets advance.
- Feb. 1. Broomhall revises estimate of 1938-39 world shipments upward by 20 million bushels from 548 to 568 million bushels.  
Announced United States sale of 1 million bushels of durum wheat to Italy.
2. Widespread rains in the Punjab and United Provinces of considerable benefit to Indian crop.  
Frost damage in France estimated to have affected 2 1/2 million acres.  
Final estimate of 1938 French wheat crop, 350 million bushels.
3. Shanghai reenters market for Australian wheat.
- 4-7. Vladivostok takes 4 cargoes from United States.
6. Weekly world shipments at 13.7 million, and supplies afloat to Europe at 39.3 million bushels, give overseas buyers more confidence in heavy, expected arrivals.
7. Indian crop reported in much better condition due to late January rains.  
Estimated 75 per cent damage to Belgian winter wheat crop due to earlier frosts.
- 8-10. Cold wave in United States southwest causes some damage, particularly in areas where snow cover was lacking.
13. Barter negotiations reported between United States and Germany involving trade of United States wheat and lard for German farm machinery and wire.
14. Spain takes 2 Argentine cargoes.  
Bulgarian winter wheat area estimated at 3,025,000 acres, or 5.3 per cent higher than a year ago.
15. Brazil temporarily suspends wheat imports.  
Australian wheat estimate revised downward to 143,680,000 bushels.
16. Canadian Minister of Agriculture announces Government's intention of substituting acreage bonus for guaranteed minimum price.  
Further widespread rains in India.
17. Sub-committee of Wheat Advisory Committee submits proposals--principally export quotas--to various governments for consideration.  
Argentine wheat estimate revised upward to 319,638,000 bushels.
20. Freezing temperatures in United States southwest.  
Frost damage in France officially estimated at 3,460,000 acres or 28 per cent of total area.
21. Italy's winter wheat area estimated at 12,635,000 acres, 4 per cent higher than a year ago.

## The Wheat Situation in Canada

The visible supply of Canadian wheat has been decreasing at a fair rate during the past four weeks. On January 20, the visible supply stood at 161.6 million bushels, and on February 18 it had been reduced to 151.6 million bushels, showing an average weekly decline of 2.5 millions during the past four weeks. Primary marketings of wheat in the Prairie Provinces within the same period have been dwindling off considerably from weekly amounts of approximately 1 million bushels in late January to 278,922 bushels in the week ending February 17. The total country elevator receipts and platform loadings from August 1 to February 17 have amounted to 260,524,839 bushels.

Weekly overseas clearances of Canadian wheat have continued in fairly satisfactory volume for this season of the year. In the week ending February 2 a comparatively heavy volume of 2.7 million bushels was attained. During the past two weeks the weekly amounts have approximated 1.3 million bushels. The movement from Pacific ports slackened appreciably in the past two weeks. Total overseas clearances from August 1 to February 16 have amounted to 81.7 million bushels, in comparison with 51.3 millions in the same period a year ago.

In calculating the total export movement on the basis of the clearance figures from August 1, 1938 to February 16, 1939, United States imports of Canadian wheat for consumption and milling in bond, amounting to 5.1 million bushels, and wheat flour exports (partly estimated and expressed as wheat) of 11.4 million bushels are added to the overseas clearances of 81.7 million bushels to give a total of 98.2 million bushels.

## An Appraisal of the Canadian Export Movement

The Customs exports of wheat and wheat flour during the month of January amounted to 9,586,884 bushels, bringing the total Customs export volume to 99,632,272 bushels in the August-January period. As explained a month ago, the Customs figures this year are running ahead of the clearance totals due to an increase in the Canadian stocks in store in United States points. However, for the month of January the clearance totals exceeded the Customs totals, with the former plus United States imports and wheat flour exports amounting to 11,107,147 bushels compared with the January Customs figure of 9,586,884 bushels. A net decrease of slightly over a million bushels in the stocks of Canadian wheat in store in the United States during January would account for the greater part of the difference between these two figures.

Total Customs exports of 99.6 million bushels are still 3.5 million bushels in excess of the amount needed to maintain the average seasonal allocation for the August-January period, based on total exports of 160 million bushels. While the Food Research Institute at the end of January estimated Canada's crop year exports at 145 million bushels, and Broomhall's estimate at February 1 was 144 million bushels, these two estimates for the present appear to be definitely on the conservative side, and our own estimate of 160 million bushels will be retained until there is more tangible evidence that the actual exports are likely to be lower or higher.

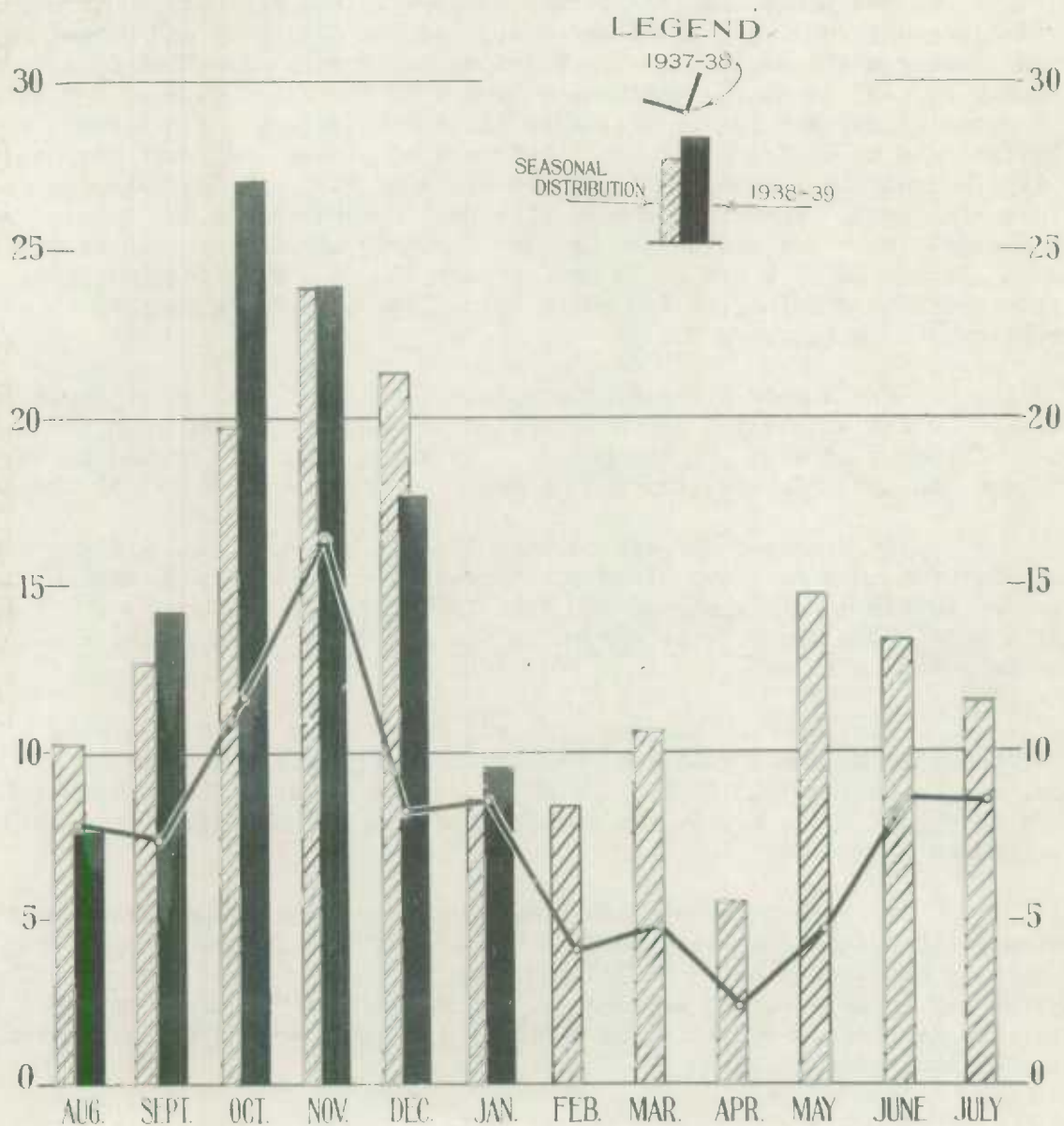


# COMPARISON OF EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR IN 1938-39 WITH 1937-38 EXPORTS

AND A  
SEASONAL DISTRIBUTION OF CROP YEAR EXPORTS  
OF  
100 MILLION BUSHEL

MILLION  
BUSHEL

MILLION  
BUSHEL



## PRICES

Liverpool and Winnipeg prices were relatively firm between January 20 and 28, the week preceding Chancellor Hitler's Reichstag address. With the address broadly construed to be conciliatory in nature, wheat markets eased on January 30 and 31. The Chicago market did not rise on the basis of European apprehension as did the other markets, although it weakened with the others on January 31. From February 1 to 9, all markets showed slight weakness, although the daily losses were only fractional. Beneficial Indian rains at the first of the month contributed to bearishness, although confirmation of European frost damage was a compensating factor. Liverpool, however, was sluggish due to the influence of heavy afloat supplies and arrivals. Another cold wave in the United States southwest on February 10 caused some apprehension, and markets started on a mild upturn which has continued to February 20.

Net price changes between January 20 and February 20 were mixed, with Winnipeg May showing a small increase, and the Liverpool and Chicago May futures showing small declines. The Winnipeg May future closed at 62  $\frac{5}{8}$  cents on January 20, and at 63  $\frac{1}{4}$  cents on February 20 for a net gain of  $\frac{7}{8}$  of a cent. The Liverpool (new) May future closed on the former date at 63  $\frac{3}{4}$  cents and on the latter date at 62  $\frac{3}{4}$  cents, for a net loss of 1 cent. Chicago May declined from 69  $\frac{5}{8}$  cents on January 20 to 68  $\frac{5}{8}$  cents on February 20, likewise for a net loss of 1 cent. With the Chicago Liverpool spread in the May future remaining unchanged, at 5  $\frac{7}{8}$  cents, the Chicago Winnipeg spread narrowed from 7  $\frac{1}{4}$  cents on January 20 to 5  $\frac{3}{8}$  cents on February 20. The Winnipeg Liverpool spread was reversed from Winnipeg, 1  $\frac{3}{8}$  cents below Liverpool on January 20 to 1  $\frac{1}{2}$  cent above Liverpool on February 20.

The Buenos Aires February future has continued at a pegged level of between 59  $\frac{1}{4}$  and 59  $\frac{1}{2}$  cents converted to Canadian currency up to February 18, when it went off the Board. The March future is quoted at 59  $\frac{1}{2}$  cents, and the April future, boarded on February 18, was quoted at 59  $\frac{3}{4}$  cents.

At Winnipeg spreads between the May and July, and the May and October futures have remained almost unchanged between January 20 and February 20. On January 20 the May-July spread was just  $\frac{1}{2}$  cent and on February 20 it was  $\frac{5}{8}$  of a cent. The May-October spread on the former date was  $\frac{7}{8}$  of a cent, and on the latter date it amounted to 1  $\frac{1}{8}$  cents.

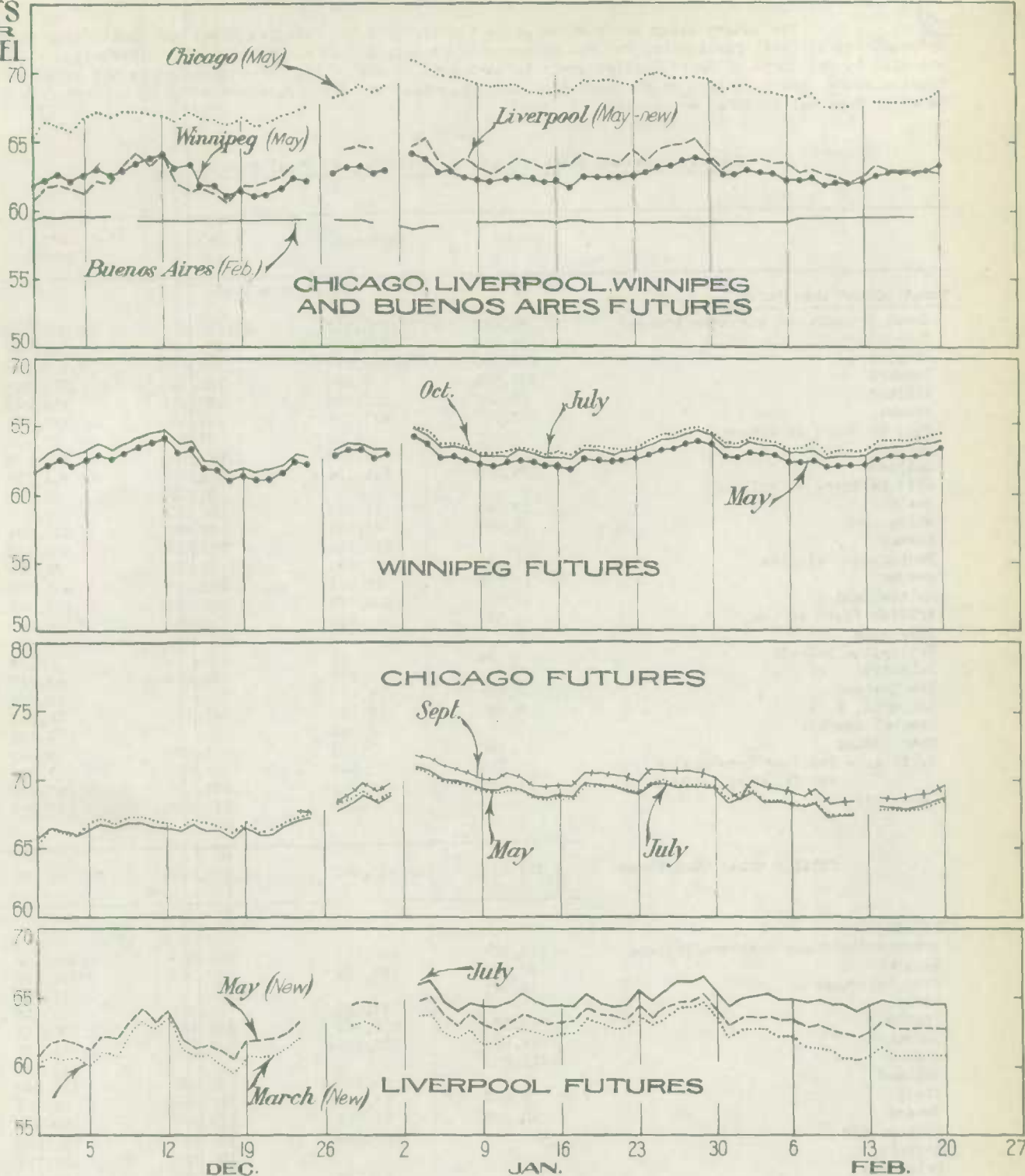
Similarly in Chicago, spreads between the various futures are very little changed. On January 20 the July future was  $\frac{1}{8}$  of a cent below the May future, and on February 20 it was  $\frac{1}{8}$  of a cent above May. The September future was  $\frac{3}{4}$  of a cent above May on the former date, and on the latter date this spread had increased to an even cent.

At Liverpool, spreads have widened between the futures, with March relatively the weakest delivery month. The (new) March future dropped from 62  $\frac{7}{8}$  cents on January 20 to 60  $\frac{7}{8}$  cents on February 20, for a loss of 2 cents. The March-May spread widened between the two dates from  $\frac{7}{8}$  of a cent to 1  $\frac{7}{8}$  cents. The March-July spread widened from 1  $\frac{1}{2}$  cents to 3  $\frac{3}{4}$  cents between January 20 and February 20.



# DAILY CLOSING WHEAT FUTURES QUOTATIONS IN LEADING MARKETS

CENTS  
PER  
BUSHEL



CANADIAN EXPORTS OF WHEAT AND WHEAT FLOUR BY COUNTRIES OF FINAL DESTINATION,

AUGUST - OCTOBER, 1938.

The tables shown herewith on pages 8 - 10, give the Canadian wheat and wheat flour exports by countries of final destination for the three-month period, August - October, 1938. These figures are compiled by the Board of Grain Commissioners in co-operation with a London representative and several Trade Commissioners, and are based on elevator clearance figures. The flour data are based on returns from the Canadian National Millers' Association.

Monthly Canadian Wheat Exports by Countries of Final Destination

	August	September	October	Total 3 Months
(Bushels)				
<u>Wheat (Other than Durum)</u>				
Great Britain and Northern Ireland	3,784,955	7,208,513	12,029,315	23,022,783
Eire	84,047	436,000	371,000	891,047
Belgium	219,000	1,310,917	1,736,013	3,265,930
Denmark	102,039	376,256	735,546	1,213,841
Finland	29,430	228,136	162,281	419,847
France	163,987	212,094	401,631	777,712
Held in Store in France	-	-	27,910	27,910
Germany	-	25,988	1,871,150	1,897,138
Holland	124,000	365,314	1,411,944	1,901,258
Held in Store in Holland	-	-	38,537	38,537
Italy	19,880	95,500	160,381	275,761
Malta	18,645	37,333	64,556	120,534
Norway	-	920,646	668,789	1,589,435
Portuguese Colonies	7,467	13,155	11,200	31,822
Sweden	16,000	69,901	320,147	406,048
Switzerland	42,036	200,733	1,037,224	1,279,993
British South Africa	1,767	933	1,767	4,467
Hong Kong	-	-	33	33
Philippine Islands	84	83	-	167
Palestine	-	3,675	36,844	40,519
New Zealand	6,083	18,667	-	24,750
Colombia, S. A.	8,833	18,750	43,750	71,333
Central America	-	2,643	-	2,643
West Indies	480	1,480	1,500	3,460
U. S. A. - For Home Consumption	174	645	1,791	2,610
For Grinding in Bond	9,750	924,125	1,223,132	2,157,007
(Wrecked)	-	-	117,200	117,200
<b>TOTAL - Other than Durum</b>	<b>4,638,657</b>	<b>12,471,487</b>	<b>22,473,641</b>	<b>39,583,785</b>
<u>Durum Wheat</u>				
Great Britain and Northern Ireland	336,159	335,891	564,533	1,236,583
Belgium	159,930	185,754	38,382	384,066
Czechoslovakia	11,942	-	-	11,942
Finland	-	37,637	11,201	48,838
France	745,584	576,613	238,544	1,560,741
Germany	542,844	833,832	7,989	1,384,665
Greece	212,600	-	-	212,600
Holland	-	80,660	33,080	113,740
Italy	5,867	28,000	21,036	54,903
Sweden	20,000	15,998	114,673	150,671
Switzerland	213,021	136,084	162,790	511,895
Algeria	-	-	198,111	198,111
Palestine	-	18,225	28,175	46,400
West Indies	2,000	2,987	1,000	5,987
<b>TOTAL - Durum Wheat</b>	<b>2,249,947</b>	<b>2,251,681</b>	<b>1,419,514</b>	<b>5,921,142</b>
<b>TOTAL - All Wheat</b>	<b>6,888,604</b>	<b>14,723,168</b>	<b>23,893,155</b>	<b>45,504,927</b>

MONTHLY CANADIAN WHEAT FLOUR EXPORTS BY COUNTRIES OF FINAL DESTINATION

(Expressed as Wheat at 4 1/2 bushels per barrel)

	August	September	October	Totals 3 Months
	(bushels)			
<u>Wheat Flour</u>				
Great Britain and Northern Ireland and Eire	685,836	669,821	1,131,813	2,487,470
Belgium	-	252	252	504
Belgian Colonies	112	58	67	237
Finland	4,802	9,270	34,852	48,924
France	-	180	306	486
French Colonies	4,702	8,190	12,658	25,550
Germany	5	-	-	5
Greenland-Iceland	2,151	1,260	3,577	6,988
Holland	3,213	7,556	7,501	18,270
Dutch Colonies	8,726	9,806	9,579	28,111
Italy	-	-	1,125	1,125
Malta	10,688	32,918	20,443	64,049
Norway	61,466	82,904	292,990	437,360
Portuguese Colonies	2,344	4,428	3,708	10,480
Sweden	760	761	3,110	4,631
British South Africa	904	1,260	774	2,938
British East Africa	-	54	54	108
British West Africa	10,409	5,450	5,845	21,704
Southern Rhodesia	895	787	229	1,911
Egypt	1,030	-	1,129	2,159
Liberia	828	450	396	1,674
Aden	-	225	-	225
Morocco	504	-	378	882
China	3,857	14,733	20,624	39,214
Hong Kong	46,652	53,842	76,923	177,417
Japan	-	77	49	126
Palestine and Syria	770	1,282	2,052	4,104
Fiji Islands	-	-	405	405
Philippine Islands	31,275	39,834	48,978	120,087
Straits Settlements	1,904	1,854	1,917	5,675
Brazil	3,789	3,784	1,134	8,707
British Guiana	30,771	26,892	32,855	90,518
Chile	225	-	-	225
Venezuela	4,410	15,250	16,326	35,986
Bermuda	10,354	8,235	10,161	28,750
West Indies	222,556	227,960	301,324	751,840
Central America	9,166	11,048	15,474	35,688
Newfoundland	87,741	175,891	238,540	502,172
Alaska	-	5	9	14
U.S.A. for Home Consumption	35,370	22,509	81,148	139,027
TOTALS	1,288,215	1,438,826	2,378,705	5,105,746



MONTHLY CANADIAN WHEAT AND WHEAT FLOUR EXPORTS BY COUNTRIES OF FINAL DESTINATION

	August	September	October	Total 3 Months
	(Bushels)			
<b>Wheat and Wheat Flour</b>				
Great Britain and Northern Ireland and Eire	4,890,997	8,650,225	14,096,661	27,637,883
Belgium	378,930	1,496,923	1,774,647	3,650,500
Belgian Colonies	112	58	67	237
Czechoslovakia	11,942	-	-	11,942
Denmark	102,039	376,256	735,546	1,213,841
Finland	34,232	275,043	208,334	517,609
France	909,571	788,887	640,481	2,338,939
Held in Store in France	-	-	27,910	27,910
French Colonies	4,702	8,190	12,658	25,550
Germany	542,849	859,820	1,879,139	3,281,808
Greece	212,600	-	-	212,600
Greenland-Iceland	2,151	1,260	3,577	6,988
Holland	127,213	453,530	1,452,525	2,033,268
Held in Store in Holland	-	-	38,537	38,537
Dutch Colonies	8,726	9,806	9,579	28,111
Italy	25,747	123,500	182,542	331,789
Malta	29,333	70,251	84,999	184,583
Norway	61,466	1,003,550	961,779	2,026,795
Portuguese Colonies	9,811	17,583	14,908	42,302
Sweden	36,760	86,660	437,930	561,350
Switzerland	255,057	336,817	1,200,014	1,791,888
British East Africa	-	54	54	108
British South Africa	2,671	2,193	2,541	7,405
British West Africa	10,409	5,450	5,845	21,704
Southern Rhodesia	895	787	229	1,911
Algeria	-	-	198,111	198,111
Egypt	1,030	-	1,129	2,159
Liberia	828	450	396	1,674
Morocco	504	-	378	882
Aden	-	225	-	225
China	3,857	14,733	20,624	39,214
Hong Kong	46,652	53,842	76,956	177,450
Japan	-	77	49	126
Fiji Islands	-	-	405	405
Philippine Islands	31,359	39,917	48,978	120,254
Straits Settlements	1,904	1,854	1,917	5,675
Palestine and Syria	770	23,182	67,071	91,023
New Zealand	6,083	18,667	-	24,750
Brazil	3,789	3,784	1,134	8,707
British Guiana	30,771	26,892	32,855	90,518
Chile	225	-	-	225
Colombia	8,833	18,750	43,750	71,333
Venezuela	4,410	15,250	16,326	35,986
Bermuda	10,354	8,235	10,161	28,750
West Indies	225,036	232,427	303,824	761,287
Central America	9,166	13,691	15,474	38,331
Newfoundland	87,741	175,891	238,540	502,172
Alaska	-	5	9	14
U. S. A. For Home Consumption	35,544	23,154	82,939	141,637
For Grinding in Bond	9,750	924,125	1,223,132	2,157,007
(Wrecked)	-	-	117,200	117,200
<b>TOTAL</b>	<b>8,176,819</b>	<b>16,161,994</b>	<b>26,271,860</b>	<b>50,610,673</b>

AUSTRALIA

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

"Shipments of wheat and flour from Australia from December 1 to the week ending February 11 totalled 19,389,469 bushels compared with 24,035,346 bushels and 21,631,033 bushels for corresponding periods of the preceding two seasons. Market dull. During last month eight cargoes sold to Vladivostok, six cargoes to Shanghai. Lowest price wheat to Shanghai ninety shillings per ton of 2240 pounds, equivalent to sixteen dollars and eighty-four cents Canadian. Charter rate 15 shillings per ton resulting in net realization of approximately two shillings sixpence f.o.b. equivalent to forty-seven cents Canadian. Price to growers at country stations approximately one shilling ninepence per bushel, equivalent to thirty-three cents Canadian. Two sales (10,500 tons) Australian wheat reported from United Kingdom at average of twenty-two shillings, ninepence per quarter. F.A.Q. standards fixed in New South Wales, Victoria and South Australia at 64 and one half pounds, Western Australia 63 and three quarters (previous season 64, 63 and one half, sixty and one half, 63 and three quarter pounds respectively). Flour demand is very quiet, but mills are expected to continue busy until the end of March. Export quotations for flour are six pounds, ten shillings per ton in 150 pound sacks, equivalent to twenty-four dollars and thirty-three cents Canadian, and six pounds per ton in 49 pound calico bags, equivalent to twenty-two dollars and forty-six cents, Canadian (equivalent prices for the corresponding period of the previous season are thirty-six dollars and thirty-seven dollars and fifty cents Canadian respectively)."

The Trade Commissioner has forwarded the following information by mail under date of January 18, concerning the current statistical position and the distribution of the wheat bounty:

Australian Wheat Situation

(Season December 1, 1938 to November 30, 1939)

"The statistical position in Australia is shown in the table below. It will be noted that the figure quoted for production is somewhat in excess of the State aggregates.

	<u>1938-39</u>	<u>1937-38</u>
	(million bushels)	
Carry-over stocks at November 30, 1938 .....	14	9
Estimated crop 1938-39 .....	145	188
Total supply .....	159	197
Less home requirements .....	56	56
Available for export and carry-over .....	103	141

"Since the marketing of the Argentine crop is likely to present considerable difficulties, the problem of the disposal of the surplus Australian crop has been intensified. Both crops come on to the market at the same time and although the Australian surplus shows a decrease, this has been more than compensated for by the increase in Argentine supplies.

"Some time ago, there were signs of a revival in the Oriental demand for Australian flour but this has not been maintained. Uncertainties of the



exchange situation complicated the market position in Northern China and there appears to be a possibility of the introduction of some form of import control. These factors are not conducive to the encouragement of Chinese buying of foreign flour, notwithstanding that, at current prices, wheat flour is a cheaper food than rice. Under the circumstances, it appears likely that Australia may again have to rely on the United Kingdom market for the disposal of her surplus.

### Distribution of Wheat Bounty

"Because of the low wheat prices this season the Federal Government passed legislation for the imposition by the States of a tax on flour to establish a home consumption price of wheat of about 5s.2d. per bushel (equivalent 96 cents Canadian).

"On the basis of the price of wheat at 2s.7d. to 2s.8d. (equivalent 48 cents Canadian) on rails at Williamston, the bounty fund would be built up at the rate of about £4,000,000 (approximately \$15,000,000 Canadian) a year. A sum of £500,000 (approximately \$1,868,600 Canadian) will be set aside from the fund in the first year to aid distressed farmers in various drought-stricken areas of the Commonwealth. This £500,000, has been allocated as follows:-

New South Wales .....	£100,000	(\$375,000)
Victoria .....	£200,000	
South Australia .....	£100,000	
Western Australia .....	£100,000	

"Thus, in Victoria, the amount payable by way of bounty, together with £200,000 available under the plan for drought relief, will be used to ensure that growers, whose average yields of wheat are less than seven bushels an acre, will receive from the drought relief fund an amount which, together with the bounty paid on production of wheat sold or delivered, will give them a total payment equal to that which growers whose yields average seven bushels an acre will receive from the bounty.

"The plan approved for the distribution of the £200,000 provided for Victorian wheatgrowers whose crops have suffered from drought is:-

Yield an Acre bushels	Bounty on production at 6d. a bushel	Payment for drought relief from £200,000 fund	Total payment as bounty and as relief (drought)
	an acre	an acre	an acre
0 .....	-	3/6	3/6
1 .....	6d. (9¢)	3/-	3/6
2 .....	1/- (18¢)	2/6	3/6
3 .....	1/6 (27¢)	2/-	3/6
4 .....	2/- (36¢)	1/6	3/6
5 .....	2/6 (45¢)	1/-	3/6
6 .....	3/- (54¢)	6d.	3/6
7 .....	3/6 (63¢)	-	3/6

"For every additional bushel of wheat harvested this season and sold or delivered in excess of seven bushels an acre the grower will receive an additional 6d. (approximately) a bushel on production, but nothing on acreage.



## FRANCE

The following information on the French winter wheat crop was forwarded from the Canadian Legation in Paris, under date of January 27:

"The Government statement of wheat conditionment at January 1, 1939, gave 73, as against 74 at the same period last year, as the state of the crop at that moment. Since acreage was almost exactly the same it could be taken for granted that with the extra moisture which was to be found in the soil, future conditions would be even better than during last year's growing season.

"It is now almost certain that about 75 per cent of the plants in the district north and west of Paris have been destroyed. This is not necessarily a calamity since the same fields could now be employed over and sown to spring wheat. It is probable, however, that part of the land will be diverted to other uses and even now it should be safe to say that acreage will be considerably reduced and that France will not have the huge excess production which it has at its disposal during the present crop year.

"This news has only become definite in the last three or four days since up to that time it had been thought that conditions had remained satisfactory and that the young plants had not been harmed."

## ARGENTINA

The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of February 3, 1939, dealing with the grain situation in Argentina.

### Crop Conditions

The monthly report of the Ministry of Agriculture on crop conditions during the month of January was published on February 2.

According to this report the out-turns of the threshing machines confirm the wheat yields as from good to very good; but in the case of linseed the yields have been affected by the persistent attacks of grubs, and the volume of the crop is smaller than had been looked for.

In both wheat and linseed the quality obtained is generally good.

Although the rains which fell in January caused interruptions in the work of harvesting and threshing wheat and linseed, they were beneficial to the growing maize, and the late plantings especially showed a notable improvement in the later days.

The Wheat Crop: The yields obtained during January have not modified the opinion expressed in the last report, viz., that they are from good to very good in the country as a whole. The out-turns in the provinces of Entre Rios, Santa Fe and Cordoba and in the north of Buenos Aires are confirmed as being good; but in the west of Buenos Aires and in the Pampa they are less satisfactory. The quality of the grain is very good in Entre Rios, Santa Fe and Cordoba; but not so good in Buenos Aires and the Pampa, where many fields have turned out to be shrivelled and others have a high proportion of smutty grain.

Harvesting is finished in all the wheat zones, and only in the southern districts is threshing still incomplete owing to the frequent interruptions caused by the January rains.

### Supplies and Market Conditions

Wheat.— Shipments of wheat and flour during January totalled 8,305,000 bushels (wheat 8,248,000 and flour in terms of wheat 57,000 bushels). This compares with a combined total of 3,710,000 bushels in December. The statistical position is now as shown hereunder:—

First official estimate 1938-39 crop .....	315,991,000 bushels
Carry-over from 1937-38 crop .....	8,296,000 "
Total supplies .....	324,287,000 "
Deduct for seed and domestic requirements .....	99,206,000 "
Surplus for export .....	225,081,000 "
Shipments in January: Wheat .....	8,248,000 bushels
Wheat as flour. 57,000 "	8,305,000 "
Balance still available .....	216,776,000 "

The stream of wheat of the new crop is beginning to flow freely from the farms to the ports, especially in the northern districts, where the only buyer, the Grain Trade Control Board, is finding it a problem to dispose of the grain to advantage. Much of it is being stored on the farms or in the railway stations, so as to stem the flow into the limited accommodation in the river ports. The farmers are selling freely, finding the official minimum price satisfactory under prevailing market conditions, the heavy yield per acre offsetting what in other years would have been a somewhat inadequate rate per bushel; and it is believed that well over 110,229,000 bushels or more than half the exportable surplus have already found their way into the possession of the Board.

In the southern area, with threshing not yet completed, not a great deal has yet been received in the ports; but the movement is steadily increasing there too.

Naturally no figures are given out by the official Board; but it is known that some fairly satisfactory sales have recently been made to the millers of Great Britain, and it is estimated that about 12,860,000 bushels have been disposed of so far, of which about 3,674,000 bushels are destined for Brazil, and the remainder for Europe. On the Brazilian sales the loss to the Board is said to be about 10 per cent, and on the European sales about 20 per cent.

The Board is evidently following a conservative policy. It is largely composed of experienced grain men who served on the same Board when it functioned in previous seasons, and the technical adviser to the Board is again the Manager of the Buenos Aires Futures Market, with a lifetime of experience to qualify him. So long as the Board is free to decide upon and carry out its own policy, it is altogether likely to be one of prudent selling, within the limits of the capacity of absorption of the importing countries.

The damage to the new maize crop will help to simplify the question of storage, which along with finance, forms the two major problems facing the Grain Board.



There are fair quantities of the old crop wheat still on hand. For this the domestic millers are the only buyers. Quotations at the close of the month were 6.20, 6.10 and 6.05 pesos per 100 kilos for the Hard, Semihard and Soft types respectively.

The only price quoted for wheat of the new crop is 7.00 per quintal, this being equivalent to 59  $\frac{7}{8}$  cents Canadian per bushel at current official exchange rates. This compares with Winnipeg's closing price of 62  $\frac{3}{4}$  cents for May wheat.

#### Railway Freight Rates

Some very interesting figures were made public recently by the Argentine National Grain & Elevator Board. These show that in the year 1937 the contribution of the grain growers of the Republic to the revenues of the various railway companies totalled the sum of 108,000,000 pesos, this being the cost of hauling their grain to the ports or mills.

The quantity of grain transported was 16,524,123 metric tons, and the average cost per quintal of 100 kilograms over the whole quantity was 65 cents (sixty-five centavos).

The average railway freight for wheat was 75 centavos; for maize 55 centavos; and for linseed 80 centavos.

The percentage which these freight charges represent of the current price of the grain carried, was in the case of wheat 5.6 per cent; maize 8.2 per cent, and linseed 5.1 per cent.

The average distances over which the grain was carried by rail were in the case of wheat 179.6 kilometres; maize 174.9 kilometres; and linseed 157.1 kilometres.

These distances are comparatively short because of the numerous shipping ports along the river and sea fronts of the Republic, giving easy access to ocean-going boats from every part of the cereal zones of the country; but the averages are probably a little higher than was the case a few years ago, by reason of the increasing competition of motor trucks for hauling short distances.

Of particular interest to the grain growers of other exporting countries will be the comparison which is made between the Argentine freight charges and those of Canada and Australia.

In Canada the railway charges for wheat from the western prairies to the Lake Head ports of Fort William and Port Arthur were in the years 1934, 1935 and 1936, 1.49, 1.51 and 1.38 pesos per 100 kilos respectively; these in addition to the cost of water transportation to Montreal.

In Australia, where some of the grain producing zones are distant from shipping ports, approximately the same as in the Argentine, the average railway freights do not differ greatly from those in this country. They vary in the different States from a minimum of 60 centavos per 100 kilograms to a maximum of 79 centavos, these being the figures for the season 1932-33.

In the United States the average railway costs are approximately the same as those in Canada.

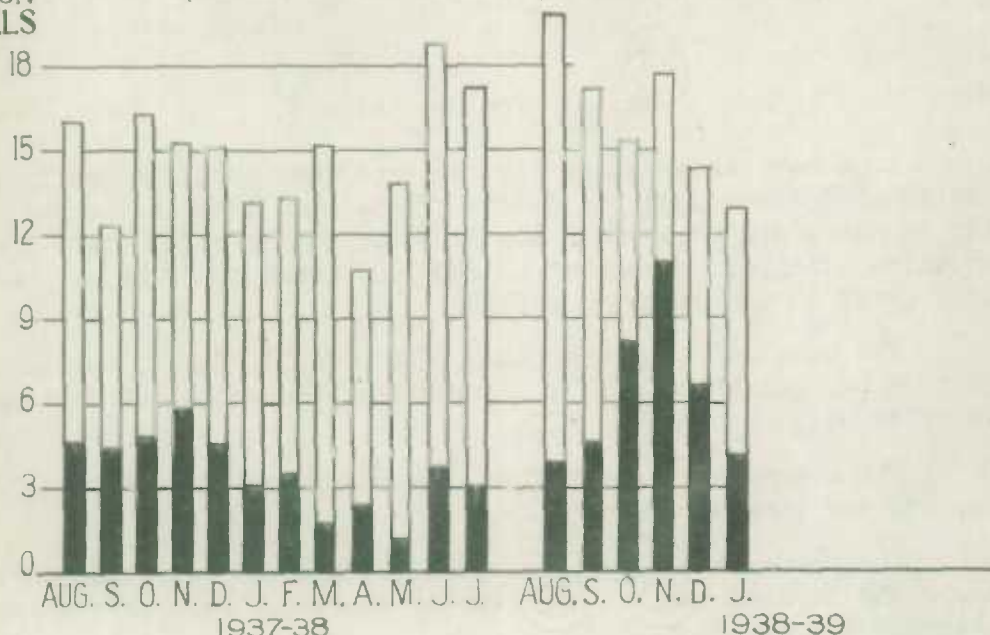
Another interesting feature of this memorandum of the official Board is the statement showing the progress of bulk handling in the Republic. According to this statement 44.6 per cent of the maize crop is now handled over the railways in bulk, whereas in the case of wheat only 18 per cent of the crop is handled in bulk, the remainder still going in bags. Practically all linseed continues to be handled over the railways in bagged form.



## IMPORTS OF WHEAT INTO THE UNITED KINGDOM

August to July 1937-38 and 1938-39 to date  
(Black portions show Imports from Canada)

MILLION  
BUSHELS



### THE UNITED KINGDOM

Imports of wheat into the United Kingdom during the month of January 1939 were about 1.4 million bushels lower than those of the preceding month but were higher than the corresponding month last year. Imports during January amounted to 12,884,119 bushels compared with 14,280,192 bushels in December 1938 and 12,181,079 bushels in January 1938.

The following table shows imports of wheat into the United Kingdom for the twelve months August to July, 1937-38 and August to January, 1938-39:

	August-July 1937-38	August-November 1938	December 1938	January 1939
From:		(bushels)		
Canada .....	43,895,650	27,905,482	6,634,919	4,109,144
United States ..	31,380,591	4,829,342	110,660	2,415,491
Argentina .....	9,550,177	1,175,042	31,075	26,521
Australia .....	55,974,140	15,268,331	1,538,618	1,119,305
Russia .....	20,264,361	12,272,933	465,004	-
British India ..	10,818,261	4,173,970	299,055	-
Roumania .....	3,335,969	1,772,695	4,910,265	3,752,273
Others .....	5,325,800	2,731,578	290,596	1,461,385
Totals .....	180,544,949	70,129,373	14,280,192	12,884,119
Previous year ....	184,466,926	60,084,027	15,080,696	12,181,079

The following table shows imports of wheat into the United Kingdom during January, 1939 along with comparative figures for January, 1938.

From:	January, 1939	January, 1938
	(bushels)	
Canada .....	4,109,144	3,224,466
United States .....	2,415,491	3,131,914
Argentina .....	26,521	506,440
Australia .....	1,119,305	3,690,528
Russia .....	—	1,152,837
British India .....	—	227,695
Roumania .....	3,752,273	50,290
Others .....	1,461,385	196,909
Totals .....	12,884,119	12,181,079

The above table shows that total imports of wheat into the United Kingdom during January 1939 were higher than during January 1938 by 884,678 bushels. Imports from Canada amounted to 4,109,144 bushels as compared with 3,224,466 bushels for the corresponding month last year and showed a decrease from the previous month of 2.5 million bushels. Imports from the United States amounted to 2,415,491 bushels as compared with 3,131,914 bushels for the same month last year. Australian imports during the month of January 1939 were only 1,119,305 bushels as compared with 3,690,528 bushels for the corresponding month last year. Russian imports into the United Kingdom were nil this month as compared with 1,152,837 bushels for the same month in 1938. Of the 1,461,385 bushels under other countries, France shipped 1,192,513 bushels.

The following table shows imports of wheat into the United Kingdom during the months of August to January, 1938-39 and 1937-38:

From:	1938-39 August-January	1937-38 August-January
	(bushels)	
Canada .....	38,649,545	27,799,925
United States .....	7,355,493	9,593,581
Argentina .....	1,232,638	515,706
Australia .....	17,926,254	18,726,367
Russia .....	12,737,937	16,320,578
British India .....	4,473,025	7,260,381
Roumania .....	10,435,233	3,335,937
Others .....	4,483,559	3,792,727
Totals .....	97,293,684	87,345,802

Total imports into the United Kingdom amounted to 97.3 million bushels during the August-January period in 1938-39 as compared with 87.3 million bushels for the corresponding months last year. Imports from Canada amounted to 38.6 million bushels as compared with 27.8 million bushels for the same period in 1937-38. Imports from the United States for the August-January period were about 2.2 million bushels lower than for the same six months last year.

## INTERNATIONAL TRADE

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

Week ending	North America	Argentina	Australia	Russia	Danube	India	Other	Totals
(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	5,776	840	976	2,568	904			11,064
15	4,768	416	1,712	1,264	1,728		16	9,904
22	8,104	800	840	1,280	1,520	144	40	12,728
29	7,360	1,488	1,792	1,072	3,016		88	14,816
Nov. 5	6,192	1,016	496	824	2,224		680	11,432
12	6,488	904	568	952	1,896		640	11,448
19	6,312	712	584	224	3,712		408	11,952
26	6,312	680	1,536	416	2,952		504	12,400
Dec. 3	4,688	1,120	608	552	4,448		328	11,744
10	2,072	448	1,656	264	2,504		248	7,192
17	1,736	1,000	1,696	624	2,016		256	7,328
24	3,904	928	1,584	552	2,168		104	9,240
31	3,032	1,200	2,480		3,360		120	10,192
Jan. 7, 1939	4,008	600	816	384	1,152		264	7,224
14	4,776	1,688	2,176		2,328		368	11,336
21	4,704	2,264	2,024	168	1,784		424	11,368
28	5,496	2,112	2,800	280	1,520		344	12,552
Feb. 4	6,344	3,808	1,992	112	1,872		144	14,272
11	4,688	2,149	3,609	224	1,584		792	13,046
18	3,879	3,275	2,911		928		616	11,609
Totals	138,743	37,504	50,208	34,928	49,584	3,392	6,384	320,743
Comparative 1937-38								
29th week	4,352	3,480	3,448		768	-	232	12,280
Totals	112,192	32,848	51,888	33,912	37,976	7,856	3,136	279,808

## 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 Feb. 18, 1939 (29 weeks)	Feb. 18, 1939 to July 31, 1939 (23 weeks)
568 million bushels	320.7 million bushels	247.3 million bushels
or	or	or
10.9 million bushels weekly	11.1 million bushels weekly	10.8 million bushels weekly



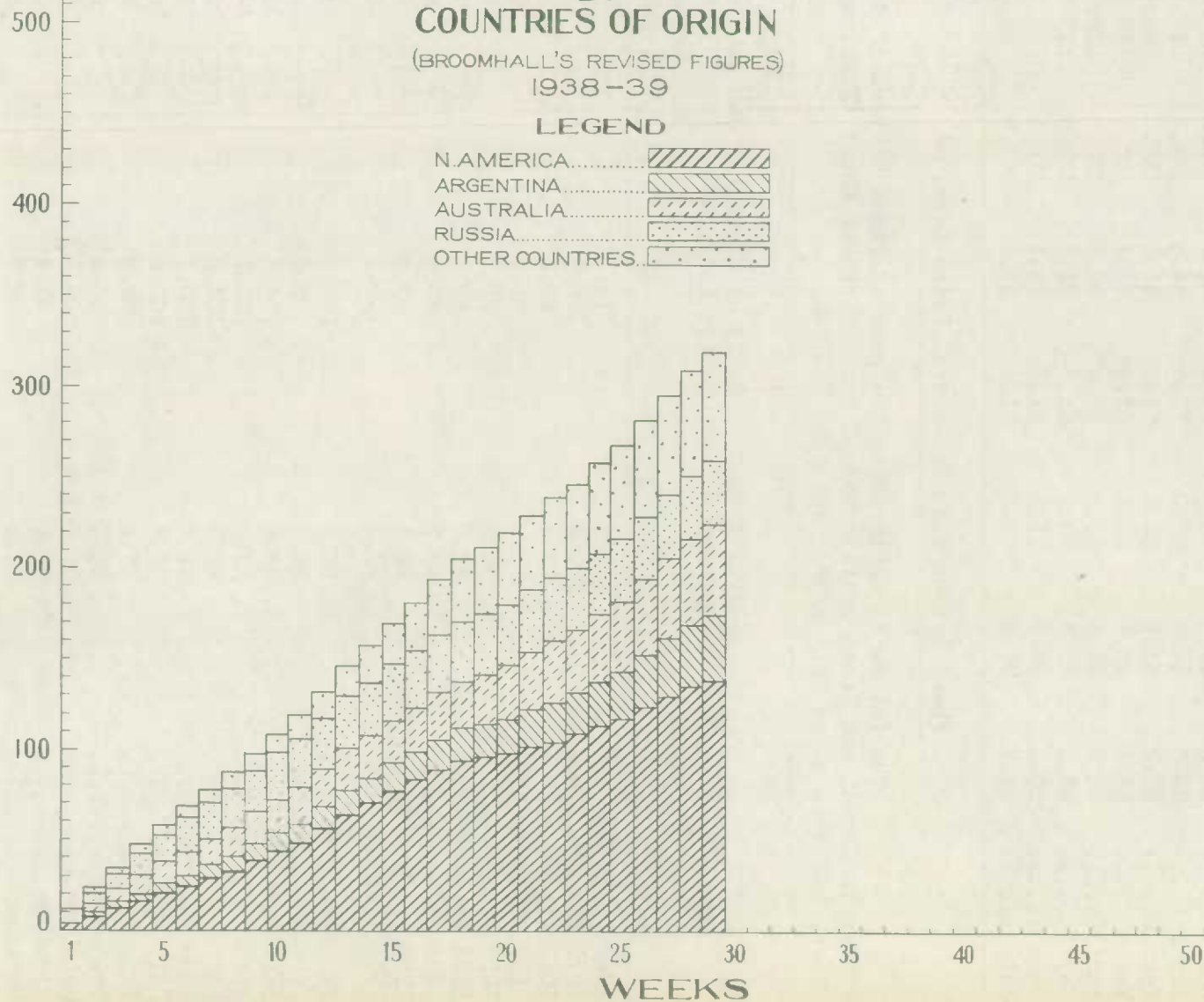
BUSHELS  
'000,000

# CUMULATIVE RECORD OF WORLD SHIPMENTS OF WHEAT AND FLOUR BY COUNTRIES OF ORIGIN

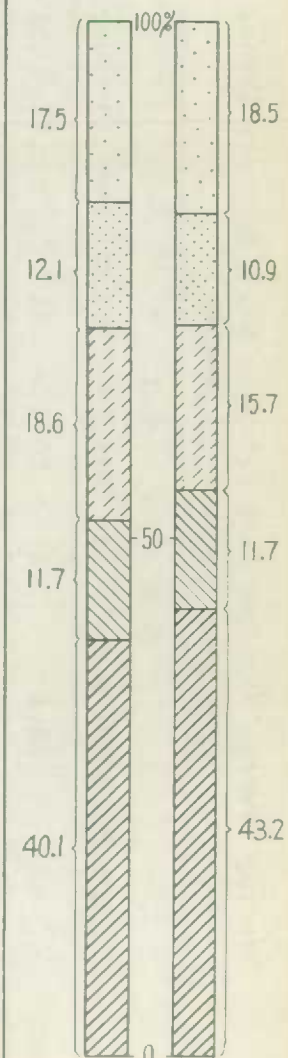
(BROOMHALL'S REVISED FIGURES)  
1938-39

## LEGEND

N.AMERICA.....  
ARGENTINA.....  
AUSTRALIA.....  
RUSSIA.....  
OTHER COUNTRIES.....



## PERCENTAGE OF TOTAL SHIPMENTS TO DATE 1937-38 1938-39



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	61.5
November ..	67.3	46.7	63.7	79.6	85.7	108.4	134.6	59.0
December ..	60.6	42.4	60.3	79.2	84.7	120.2	137.4	60.6
January ....	60.0	44.2	65.0	79.0	84.8	124.7	149.1	59.9
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 <sup>1/</sup>

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
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	98.4	67.2
October .....	85.6	99.1	65.3
November .....	84.9	98.4	62.6
December .....	84.6	98.3	64.3
January, 1939 ....	84.6		63.6

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

FOREIGN EXCHANGE

(January 17 - February 20)

Rates on leading foreign currencies at Montreal moved lower during the five-week period ended February 20 though losses, with the exception of the sharp break in the Netherlands guilder, were of a minor character. In contrast to the erratic fluctuations prevailing at the beginning of 1939, sterling displayed marked stability during the period under review. Rates moved within a range of 1 cent, and closed at \$4.7083 for a loss of approximately 1/2 cent. French francs ruled steady in terms of both the Canadian dollar and pound sterling. Netherlands guilders were under considerable pressure, credited mainly to a substantial exodus of foreign capital from Amsterdam to other banking centres. Between January 16 and February 20 the guilder dropped almost 1 cent to 53.82 cents. Moderate firmness was displayed by the Argentine free peso which moved up 7 points to 23.11 cents at the close of the period under review, while the closing quotation for the Australian pound at \$3.7666 indicated a minor decline. An easier tendency was noted for United States funds at Montreal, the premium on the dollar dropping 3/8 of a cent to 15/32 of one per cent at the close. For the four-week period ended February 10, gold imports to the United States totalled \$165,720,858 while monetary gold stocks stood at \$14,732 million on February 8.

Weekly Average Exchange Quotations at Montreal, August 1, 1938 to February 20, 1939

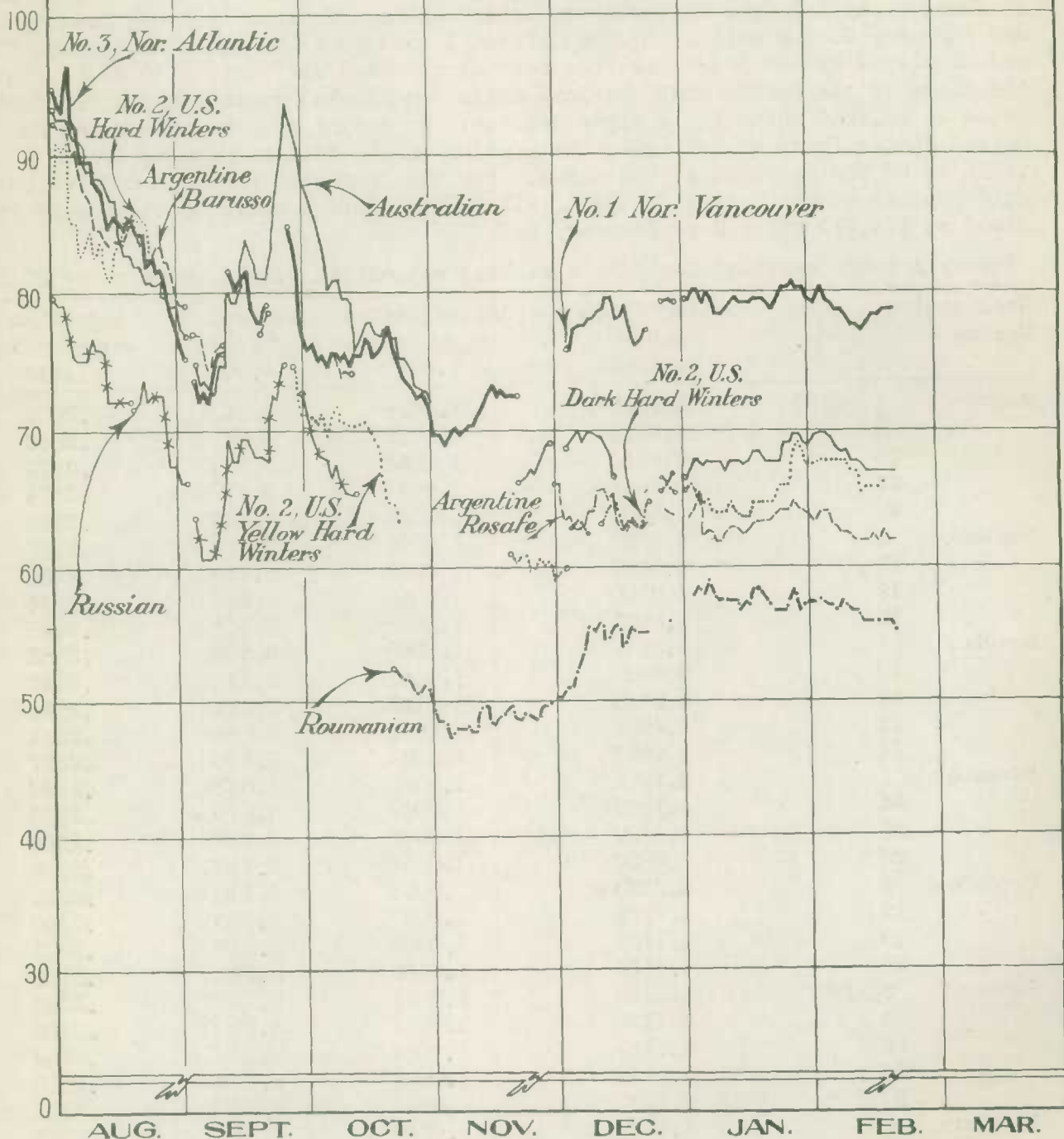
Week ending Monday -		United Kingdom Pounds	United States Dollars	Australia Pounds	Argentina 2/ Paper Pesos
		4.8667	1.0000	4.8667	.4244
August	1, 1938	4.9288	1.0028	3.9431	.2607
	8	4.9025	1.0037	3.9214	.2610
	15	4.8925	1.0043	3.9140	.2576
	22	4.8965	1.0034	3.9175	.2574
	29	4.8761	1.0012	3.9000	.2568
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
	24	4.8037	1.0093	3.8425	.2534
	31	4.7887	1.0068	3.8300	.2527
November	7	4.7912	1.0068	3.8325	.2522
	14	4.7500	1.0087	3.8000	.2330
	21	4.7300	1.0081	3.7837	.2309
	28	4.6750	1.0059	3.7400	.2278
December	5	4.7325	1.0081	3.7850	.2299
	12	4.7075	1.0087	3.7636	.2290
	19	4.7182	1.0093	3.7746	.2291
	27	4.7130	1.0106	3.7700	.2309
January	3, 1939	4.6675	1.0087	3.7337	.2290
	9	4.7125	1.0087	3.7700	.2320
	16	4.7137	1.0084	3.7700	.2304
	23	4.7075	1.0065	3.7650	.2310
	30	4.7087	1.0068	3.7668	.2321
February	6	4.7087	1.0053	3.7660	.2302
	13	4.7100	1.0046	3.7675	.2311
	20	4.7083	1.0047	3.7666	.2311



CENTS  
PER  
BUSHEL

C.I.F. PRICES  
AT  
**LIVERPOOL**

(In Cents per Bushel of Canadian Currency converted at  
prevailing Rates of Exchange)  
AUG. 1938 TO DATE



THE CANADIAN SITUATION

I. GRADING OF THE 1938 WHEAT CROP

The following table shows the grading of new-crop inspections during August to January 1938-39, in comparison with the same months 1937-38:

	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 .....	34,715	89.71	11,421	84.22
October .....	30,778	82.40	10,768	89.29
November .....	12,341	83.18	7,249	77.31
December .....	7,413	88.69	2,265	75.50
January .....	4,647	85.79	2,292	82.59
Totals .....	99,799	86.79	37,509	83.19

Omitting special grades such as Garnets, Durums, White Springs and Winters, the number of cars of new wheat inspected in January 1939 totalled 5,417, of which 4,647 or 85.79 per cent graded No. 3 Northern or higher. January 1939 inspections of new Durum wheat amounted to 42 cars of which 40 or 95.24 per cent graded No. 3 Amber Durum or higher. In January 1938, new Durum inspections numbered 135 cars of which 128 or 94.8 per cent graded No. 3 Amber Durum or higher.

II. MOVEMENT OF WHEAT TO MARITIME PORTS

The winter rail movement of wheat to Maritime ports has continued exceptionally light, in comparison with the rail movement up to February 17 a year ago.

Origin and Amount of Wheat Shipments to Maritime Ports  
1938-39 and 1937-38.

Origin	Total to February 16, 1939	Total to February 17, 1938
	(bushels)	
Port McNicoll .....	459,840	4,257,457
Midland .....	8,000	424,388
Collingwood .....	-	5,000
Owen Sound .....	755,768	1,341,704
Goderich .....	388,837	401,478
Sarnia .....	-	53,436
Port Colborne .....	56,128	257,819
Toronto .....	-	4,791
Kingston .....	144,190	107,815
Prescott .....	8,000	-
Montreal .....	-	11,550
Totals .....	1,820,763	6,865,438

III. WHEAT: YIELD PER ACRE, PRICE PER BUSHEL, VALUE PER ACRE AND INDEX OF  
PURCHASING POWER PER ACRE OF WHEAT PRODUCTION IN THE PRAIRIE PROVINCES,  
1910 TO 1938.

The four charts on the opposite page show changes in the average yield, price, value per acre, and purchasing power of wheat production in the Prairie Provinces for the years 1910 to 1938. The average yield, 1910 to 1938, in the Prairie Provinces now stands at 14.7 bushels per acre. With the exception of two years, 1930 and 1932, average yields during the past ten years have been below 14.7 bushels. The average yield in 1938 was 13.1 bushels per acre. From 1911 to 1917 yields of wheat per acre were above average, followed by below average yields from 1918 to 1921. With the exception of 1924, yields in the years 1922 to 1928 were above average. The highest yield recorded to date occurred in 1915, when an average of 25.97 bushels of wheat per acre was harvested.

After recording gains each year from a low of 34 cents per bushel in 1932 to a high of \$1.03 per bushel in 1937, farm prices declined to 58.5 cents per bushel in 1938. This decline has carried farm prices below the pre-war level of 65 cents a bushel obtained in 1913. The 1938 farm price is based on the minimum price established by the Canadian Wheat Board.

The value of wheat production in 1938 amounted to \$7.64 per acre, a gain of \$1.09 over the value of \$6.55 per acre recorded for 1937. While the 1938 value per acre was the highest obtained since 1929 it was only 56 per cent of the value per acre of the 1913 wheat crop. The highest value recorded over the period 1910 to 1938 was \$29.81 per acre in 1917 and the lowest was \$4.42 in 1931.

The fourth chart on the page shows an index of the value of wheat production per acre adjusted for changes in the general level of wholesale prices. The value per acre for each year was deflated by the index of wholesale prices and the resulting values were expressed as relatives with 1913 equal to 100. The index thus derived gives an approximation of changes in the purchasing power of wheat per acre. In only six out of the 29 years recorded has the purchasing power of wheat per acre been greater than that of 1913. These included the years 1914 to 1917, 1925 and 1927. From 1930 to date, the index of purchasing power has been less than 50 per cent of 1913. For 1938, the index of purchasing power per acre was 45.7, a gain of 9.3 points over the index for 1937. This gain was partly the result of a higher value of wheat per acre and partly the result of a decline of 9.3 points in the index of wholesale prices.

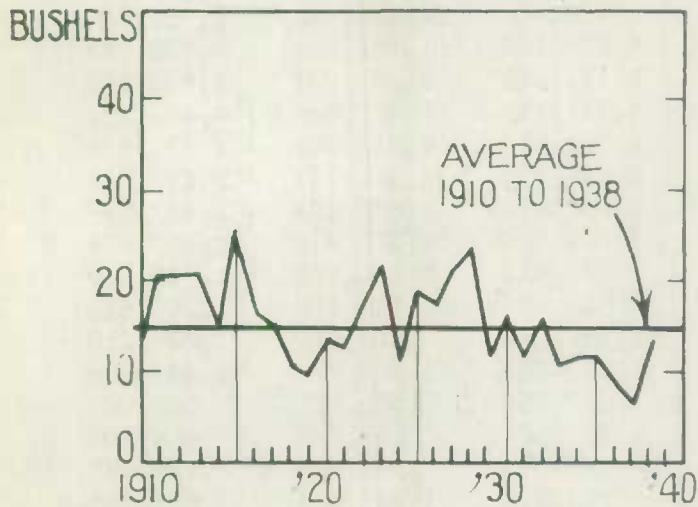
	Yield per Acre bushels	Farm Price Per Bushel cents	Value Per Acre dollars	Purchasing Power Index Numbers 1913=100
1913 .....	20.8	65	13.62	100.0
1935 .....	11.3	60	6.86	44.7
1936 .....	8.1	92	7.47	47.1
1937 .....	6.4	103	6.55	36.4
1938 .....	13.1	58	7.64	45.7



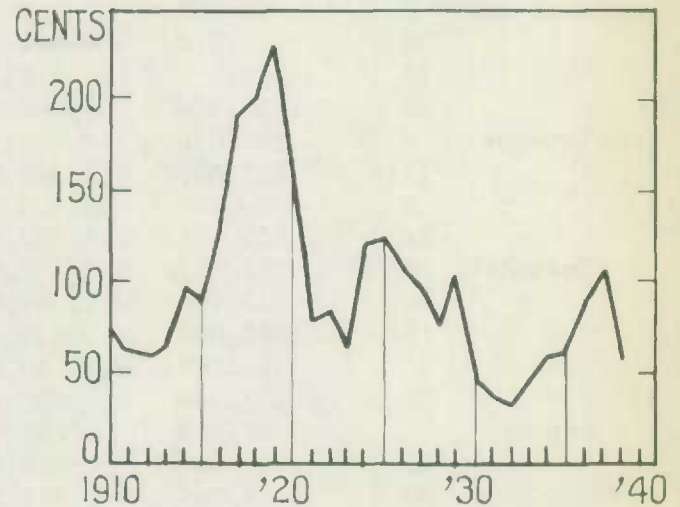
# YIELD PER ACRE, PRICE PER BUSHEL AND VALUE PER ACRE OF WHEAT IN THE PRAIRIE PROVINCES

1910-1938

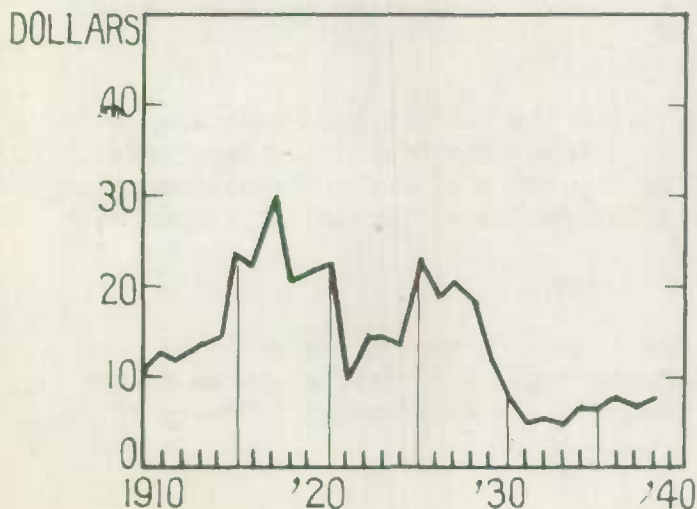
## YIELD PER ACRE



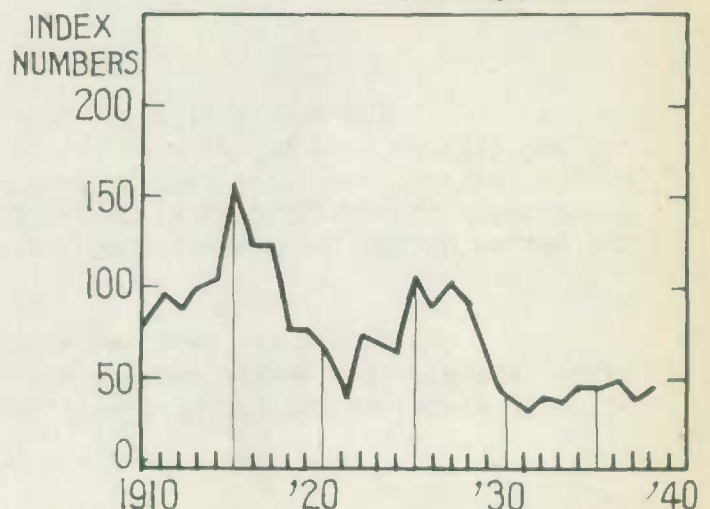
## PRICE PER BUSHEL



## VALUE PER ACRE



## INDEX OF VALUE PER ACRE (Adjusted for Changes in the Price Level) 1913=100



## IV. PRIMARY MOVEMENT

The following table shows primary receipts of wheat at country elevators and platform loadings 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	256,184	162,204	189,626	608,014	202,653
12	1,295,881	408,205	527,252	2,231,338	1,184,503
19	4,263,467	1,314,291	985,227	6,562,985	4,188,848
26	8,986,354	4,583,633	1,350,860	14,920,847	8,348,169
September 2	8,702,002	10,281,980	4,128,520	23,112,502	11,788,675
9	6,220,460	15,134,968	9,986,591	31,342,019	10,475,662
16	2,822,437	8,499,151	9,403,480	20,725,068	10,786,013
23	1,768,809	11,797,462	18,582,080	32,148,351	12,058,677
30	1,125,782	12,596,493	16,519,119	30,241,394	6,544,558
October 7	856,033	8,883,800	11,703,635	21,443,468	3,783,667
14	675,212	4,262,145	6,205,197	11,142,554	3,339,873
21	568,570	5,843,236	8,144,188	14,555,994	3,850,186
28	559,435	5,069,622	6,344,589	11,973,646	4,930,385
November 4	465,013	3,571,467	4,582,969	8,619,449	4,331,575
11	357,397	1,496,553	2,648,195	4,502,145	2,694,077
18	329,043	1,794,445	2,552,036	4,675,524	1,981,693
25	258,588	1,659,413	2,164,903	4,082,904	1,537,677
December 2	197,033	1,176,676	1,771,414	3,145,123	1,655,250
9	199,702	1,109,840	1,659,026	2,968,568	1,160,640
16	127,633	912,667	1,186,532	2,226,832	1,329,218
23	116,285	744,807	1,075,281	1,936,373	1,494,284
30	102,109	538,388	697,524	1,338,021	608,963
January 6	46,286	215,457	357,029	618,772	886,353
13	59,562	384,268	619,083	1,062,913	2,132,273
20	84,954	391,307	765,123	1,241,384	1,643,038
27	80,113	384,542	699,057	1,163,712	924,718
February 3	89,747	349,418	622,900	1,062,065	572,589
10	66,942	152,027	374,983	593,952	628,280
17	29,204	121,398	128,320	278,922	478,577
Totals	40,710,237	103,839,863	115,974,739	260,524,839	105,541,074

The weekly figures shown above for the current crop year are revised figures from August 1 to February 10, these revisions having been made on the basis of corrected returns received by the Board of Grain Commissioners. Accordingly the weekly figures differ from those published in earlier issues of the Review during the present crop year.

Within the past two weeks, the primary movement has declined rather sharply from weekly amounts approximating 1 million bushels, to an amount slightly above one-quarter of a million bushels in the week ending February 17.

# CUMULATIVE RECORD OF WHEAT MARKETINGS IN THE PRAIRIE PROVINCES, BY WEEKS

1937-38 AND 1938-39 TO DATE

MILLIONS  
OF  
BUSHELS

300

200

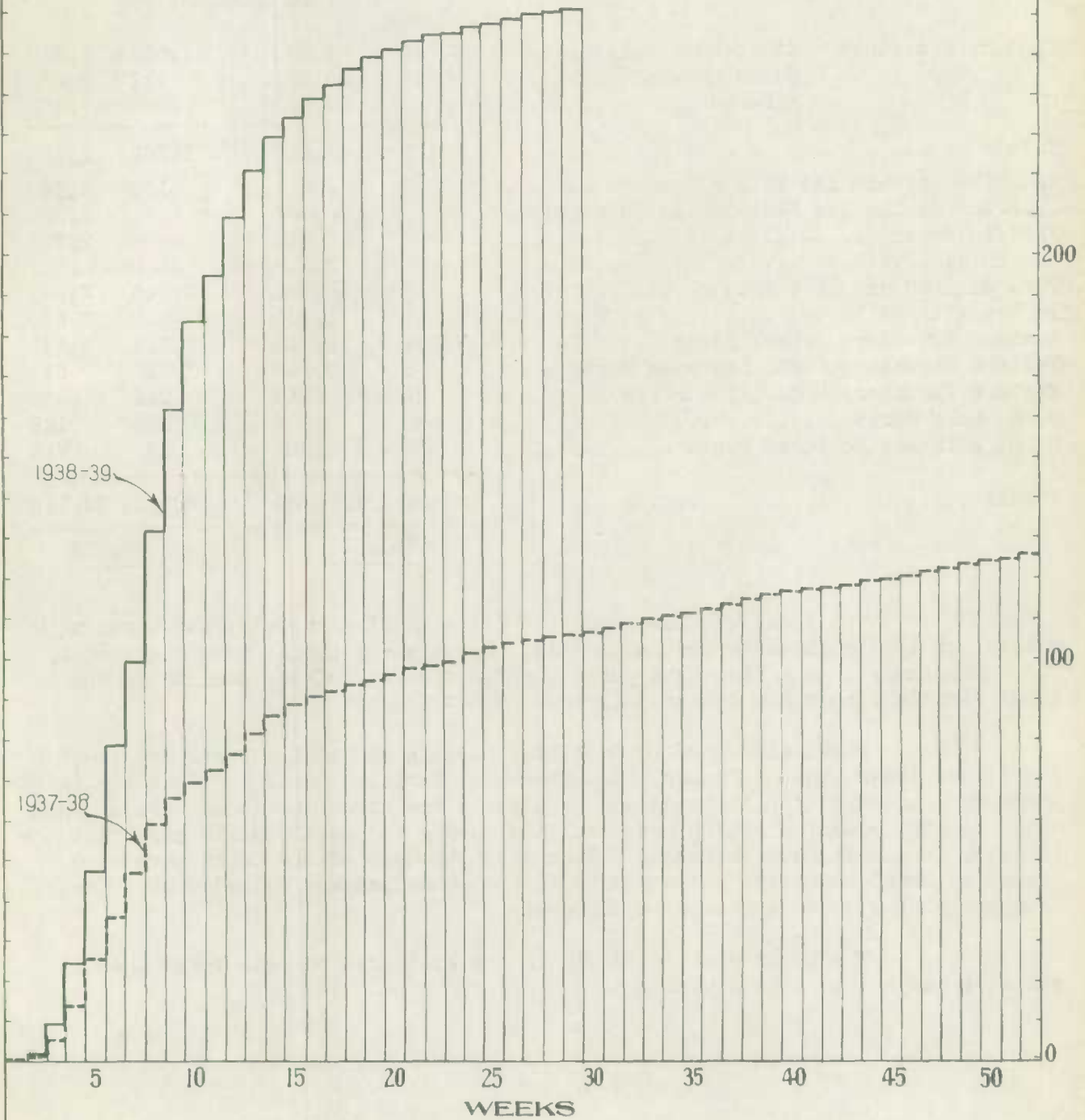
100

0

1938-39

1937-38

WEEKS





# V. VISIBLE SUPPLY

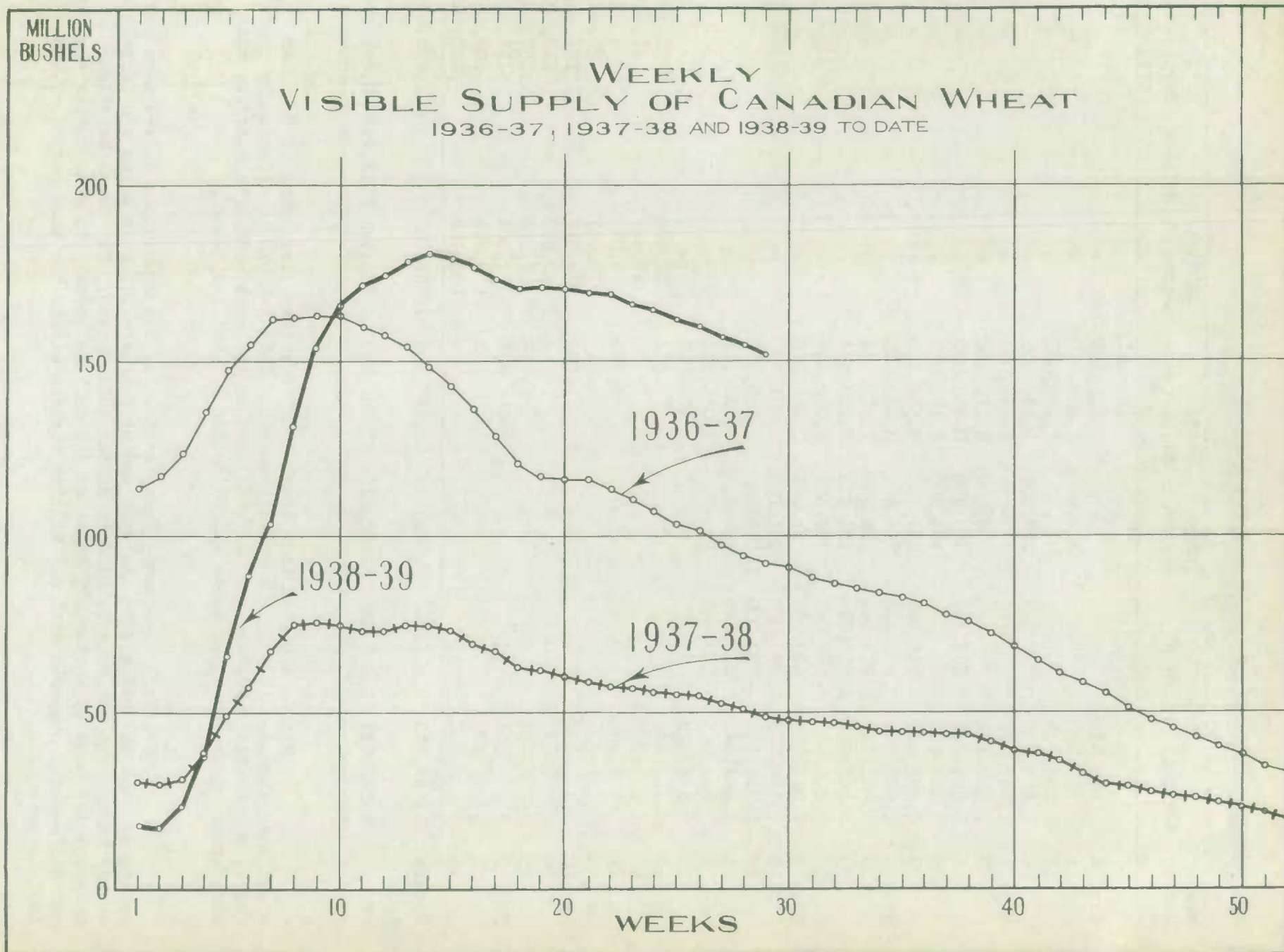
The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on February 17, 1939 along with comparative figures for approximately the same date last year.

	1939		1938	
	<u>Durum</u>	<u>Other</u>	<u>Durum</u>	<u>Other</u>
	(000 bushels)			
Country Elevators - Manitoba .....	2,685	3,940	1,865	1,660
Saskatchewan .....	485	19,925	117	3,635
Alberta .....	-	21,425	-	7,460
Totals .....	3,170	45,290	1,982	12,755
Interior Private and Mill Elevators .....	59	5,861	160	4,440
Interior Public and Semi-public Terminals .....	-	10,847	-	1,080
Pacific Ports .....	-	10,615	-	2,778
Churchill .....	-	2,213	-	12
Fort William and Port Arthur .....	3,748	36,297	6,843	4,809
In Transit, Rail .....	-	1,905	-	1,259
Eastern Elevators - Lake Ports .....	4,267	12,713	3,194	4,347
Eastern Elevators - St. Lawrence Ports .....	468	9,348	1,136	811
Eastern Elevators - Maritime Ports .....	23	115	215	939
U. S. Lake Ports .....	335	2,763	614	163
U. S. Atlantic Seaboard Ports .....	537	1,059	621	720
Totals .....	12,607	139,026	14,765	34,113
	<u>151,633</u>		<u>48,878</u>	

The total visible supply at 151.6 million bushels, has shown a decline of 12.7 millions since January 13. Durum wheat stocks have declined by 753,000 bushels in the five-week period, while the bulk of the decline in the total visible supply has occurred in bread-wheat stocks.

Wheat stocks of 10.6 million bushels at Pacific ports are about 3 millions lower than on January 13. Stocks at Maritime ports continue negligible. Stocks at United States Atlantic seaboard ports are about unchanged from a month ago. Country elevator stocks have declined during the month, while stocks at the interior terminals have increased. Stocks at the Head of the Lakes have also risen, although modestly, while stocks in both Canadian and United States Lower Lake ports have shown appreciable decreases.

The Durum visible supply is now 2,158,000 bushels lower than it was at a comparable date a year ago.



**VI. EXPORT CLEARANCES OF CANADIAN WHEAT 1938-39.**

Week ending	Montreal	Sorel	Three Rivers	Total St. Lawrence Ports	Saint John	Halifax	Total Maritime Ports
(bushels)							
Aug. 4	308,831	—	—	308,831	—	—	—
11	1,257,370	—	212,600	1,469,970	—	—	—
18	1,256,001	—	—	1,256,001	—	—	—
25	1,423,606	—	122,999	1,546,605	—	—	—
Sept. 1	1,342,022	—	—	1,342,022	—	—	—
8	1,160,142	—	16,000	1,176,142	—	—	—
15	1,684,442	283,441	450,800	2,418,683	—	—	—
22	1,665,835	—	495,982	2,161,817	—	—	—
29	2,225,562	774,155	654,700	3,654,417	—	—	—
Oct. 6	1,605,496	872,533	771,600	3,249,629	—	—	—
13	1,701,747	763,547	159,855	2,625,149	—	—	—
20	3,443,601	1,760,785	724,078	5,928,464	—	—	—
27	3,400,058	1,398,048	284,300	5,082,406	—	—	—
Nov. 3	2,067,788	459,967	55,924	2,583,679	—	—	—
10	1,120,573	1,020,034	461,100	2,601,707	—	—	—
17	1,930,649	750,000	1,102,808	3,783,457	—	—	—
24	2,469,951	1,215,689	509,475	4,195,115	—	—	—
Dec. 1	954,885	116,109	—	1,070,994	—	—	—
8	158,019	—	—	158,019	—	—	—
15	320	—	—	320	32,459	—	32,459
22	—	—	—	—	63,497	—	63,497
29	4,050	—	—	4,050	8,000	—	8,000
Jan. 5	—	—	—	—	79,957	—	79,957
12	320	—	—	320	284,557	—	284,557
19	—	—	—	—	242,693	—	242,693
26	8,746	—	—	8,746	167,858	—	167,858
Feb. 2	931	—	—	931	192,564	—	192,564
9	300	—	—	300	199,953	—	199,953
16	—	—	—	—	366,489	—	366,489
Totals	31,191,245	9,414,308	6,022,221	46,627,774	1,638,027	—	1,638,027
Last Year	22,551,847	2,476,039	420,811	25,448,697	6,531,741	119,955	6,651,696

Within the past four weeks total overseas clearances of Canadian wheat have averaged 1.7 million bushels weekly. This average is affected by the fairly substantial clearances of 2.7 millions in the week ending February 2, with clearances in the past two weeks approximating 1.3 million bushels.

Overseas clearances from Saint John, New Brunswick, showed a moderate upturn at 366,489 bushels in the week ending February 16, this being the largest weekly amount shipped from Saint John so far this season. The total Maritime movement has been exceptionally light at 1.6 million bushels to date during the current season, compared with 6.7 million bushels within the same period of the 1937-38 season.



VI. EXPORT CLEARANCES OF CANADIAN WHEAT, 1938-39 - Cont'd.

Week ending	Head of Lakes (Direct)	Churchill	Vancouver New West- minster	Victoria	United States Ports	Total Clearances
(bushels)						
Aug. 4	-	-	-	-	97,304	406,135
11	-	-	6,083	-	402,591	1,878,644
18	-	-	-	-	155,225	1,411,226
25	-	-	-	-	182,326	1,728,931
Sept. 1	-	-	84	-	594,278	1,936,384
8	-	-	134,400	-	177,000	1,487,542
15	-	-	560,125	-	451,062	3,429,870
22	-	-	531,200	-	336,237	3,029,254
29	56,000	303,191	330,337	-	270,286	4,614,231
Oct. 6	-	613,722	385,287	-	336,814	4,585,452
13	-	-	292,500	-	66,735	2,984,384
20	56,066	-	742,733	-	615,758	7,343,021
27	-	-	1,129,340	-	187,515	6,399,261
Nov. 3	-	-	1,219,541	-	476,940	4,280,160
10	-	-	1,298,149	-	147,235	4,047,091
17	-	-	1,324,780	-	184,695	5,292,932
24	-	-	1,062,742	-	192,750	5,450,607
Dec. 1	-	-	1,464,147	-	266,830	2,801,971
8	-	-	1,141,022	-	90,182	1,389,223
15	-	-	693,421	-	27,507	753,707
22	-	-	1,635,515	-	240,288	1,939,300
29	-	-	919,583	84,000	274,767	1,290,400
Jan. 5	-	-	1,568,722	-	230,462	1,879,141
12	-	-	1,241,721	-	524,654	2,051,252
19	-	-	1,629,595	-	427,252	2,299,540
26	-	-	1,244,219	75,413	110,101	1,606,337
Feb. 2	-	-	1,943,087	-	553,452	2,690,034
9	-	-	613,811	-	484,014	1,298,078
16	-	-	759,899	-	234,766	1,361,154
Totals	112,066	916,913	23,872,043	159,413	8,339,026	81,665,262
Last Year	114,375	603,982	6,879,539	-	10,977,147	51,294,497 <sup>1/</sup>

<sup>1/</sup> Including 619,061 bushels shipped from Prince Rupert.

Vancouver-New Westminster clearances reached a peak in the week ending February 2, when a weekly total of 1.9 million bushels was reached. In the two following weeks clearances from Pacific ports have fallen off appreciably. The total movement from Pacific ports this season has reached 23.9 million bushels, in comparison with last year's movement to date of 7.5 million bushels.

VII. IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES

	For Consumption Duty Paid	For Milling in Bond	TOTALS
	(bushels)		
Final Monthly Figures-			
August, 1938 .....	174	9,750	9,924
September .....	645	924,125	924,770
October .....	1,791	1,223,132	1,224,923
November .....	32,458	863,073	895,531
December .....	8,258	491,625	499,883
Preliminary Weekly Figures-			
January 7, 1939 .....	—	177,000	177,000
14 .....	—	176,000	176,000
21 .....	—	244,000	244,000
28 .....	—	217,000	217,000
February 4 .....	—	228,000	228,000
11 .....	—	212,000	212,000
18 .....	—	269,000	269,000
PRELIMINARY TOTALS			
August 1 to date .....	43,326	5,034,705	5,078,031

VIII. IMPORTS OF UNITED STATES WHEAT INTO CANADA

	Customs Imports for Consumption Duty Paid	
	1938	1937
	(bushels)	
August .....	323,740	52,106
September .....	124,167	77,269
October .....	291,250	228,617
November .....	52,204	449,916
December .....	122,117	211,879
TOTALS - August - December	913,478	1,019,787

# IX. THE STATISTICAL POSITION

(a) In Canada: The following table summarizes the statistical position of wheat in Canada as at February 1, 1939, with comparative figures for the same date in 1938:

	1937-38	1938-39
	(bushels)	
Carry-over in Canada, July 31 .....	32,937,991	23,411,171
New Crop .....	180,210,000	350,010,000
Total Supplies .....	213,147,991	373,421,171
Domestic Requirements .....	99,855,646	103,000,000 1/
Available Supplies .....	113,292,345	270,421,171
Exports, August-January .....	59,745,625	99,632,272
Balance for Export or Carry-over, February 1 ..	53,546,720	170,788,899
1/ Tentative.		

The above method of calculating the statistical position uses available supplies for the crop year in Canada only, and deducts the customs exports of wheat and flour as wheat for the months of August to January. According to this calculation the balance of wheat available on February 1 for export from Canada or for the July 31 carry-over in Canada only, amounts to 170.8 million bushels compared with 53.5 million bushels a year earlier, representing an increase in current supplies of 117.2 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<sup>1</sup> actual imports for consumption and milling in bond. The calculation shown below, based on this method, indicates a balance of 178.6 million bushels on February 1, available for export or for the July 31 carry-over in Canada and the United States, compared with 58.6 million bushels a year earlier, indicating an increase of 120.1 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 .....	180,210,000	350,010,000
Total Supplies .....	217,258,839	374,403,801
Domestic Requirements .....	99,855,646	103,000,000 1/
Available Supplies .....	117,403,193	271,403,801
Export Movement, August - January		
Overseas Clearances .....	47,974,624	77,793,697
United States <sup>1</sup> imports .....	1,984,361	4,369,031
Flour as wheat .....	8,870,023	10,606,986
	58,829,008	92,769,714
Balance for Export or Carry-over, February 1	58,574,185	178,634,087

1/ Tentative.





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X. EXPORTS OF CANADIAN WHEAT AND WHEAT FLOUR

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

	W H E A T			
	1938-39	1937-38	1936-37	1935-36
	(bushels)			
August .....	6,266,055	6,554,967	21,157,268	21,698,284
September .....	12,614,858	5,903,060	20,720,316	17,272,672
October .....	24,579,370	10,055,102	26,917,096	28,919,421
November .....	21,703,514	14,542,227	33,308,840	26,575,296
December .....	15,982,526	6,636,261	20,427,916	17,043,882
January .....	7,878,963	7,193,986	9,789,027	7,557,320
February .....	89,025,286	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

	F L O U R			
	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 .....	528,601	336,478	464,013	501,442
November .....	477,875	405,921	408,653	525,368
December .....	365,085	337,678	475,282	443,828
January .....	379,538	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 .....	26,958,075	11,569,253	29,005,155	31,175,910
November .....	23,853,951	16,368,871	35,147,778	28,939,452
December .....	17,625,408	8,155,812	22,566,685	19,041,108
January .....	9,586,884	8,524,978	11,201,680	8,971,720
February .....		4,065,000	6,927,509	15,771,628
March .....		4,845,256	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 .....		92,957,047	195,223,653	254,424,775