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The Wheat Situation in the Argentine

Ottawa, December 24, 1932.-- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of December 1, 1932, dealing with the wheat situation in the Argentine:--

EXPORTS:

During the month of November the quantity of Wheat exported from the Republic was 3,727,000 bushels an increase of 771,000 bushels over the total for the preceding month.

The statistical position is now as follows:--

Official estimate of the crop	225,922,000	bushels
Carry over from last crop	16,305,000	"
Total	242,227,000	"
Needed for Seed & Domestic Consumption	95,532,000	"
Balance for Export	146,695,000	"
Exported to November 30th	121,527,000	"
Balance still available	25,168,000	"

MARKETS:

Market conditions here continue to be very unsatisfactory. There has been a steady decline in prices recently, the depreciation in the pound sterling being an important factor in bringing this about. Added to that there has been the persistent selling pressure from Canada, with Australia not far behind.

Besides these factors which have been shared with the markets abroad, there has been the local condition that there has been an increased flow of wheat from country points here. Now that the new crop is fairly well assured, the farmers have been showing some anxiety to turn the balance of the old crop which is in their hands into cash as quickly as possible, in order to have funds with which to carry on, and also in order to have the grain out of the way before they become too busy with the work of harvest to have time to haul it to the railway.

The very limited demand from abroad has added to the weakness of the market, increased still further by the hedging sales of new crop wheat bought by the exporters, who have found it impossible to make corresponding sales abroad.

Practically the only buyers in evidence have been the local millers, who have been able to make fairly extensive purchases of wheat to cover their sales of flour up to the end of the current year, at advantageous prices.

Brazil is still taking some parcels of the better quality Argentine wheat, but practically none is being placed in Europe, where the consuming countries are able to draw upon their own ample crops, with Canadian wheat for blending, consequently showing no interest in Plates at the present time.

As a consequence of these conditions, the atmosphere around the Bolsa here is heavy and the feeling pessimistic as to the near future prospects.

The February option closes at \$5.44 (paper pesos) the quintal, the equivalent of 44 $\frac{3}{4}$ cents Canadian per bushel at the rate of exchange of the day. At the same time Winnipeg May is reported as closing at 48 1/8 c.

NEW CROP:

Since I wrote my last report, the Statistical Department of the Ministry of Agriculture has published its final estimate of the acreage seeded to wheat in the various provinces and territories. These final figures show a still further slight increase in the total wheat acreage, the difference being about 50,000 acres.

The total area is now estimated at 19,782,230 acres, as against 19,735,300. The new figures compared with the total for last crop year show an increase of 2,494,700 acres, or say 12.6 per cent.

Below are the amended figures for the various provinces:-

Buenos Aires	9,071,940 acres
Santa Fe	2,072,651 "
Cordoba	6,008,250 "
Entre Rios	832,143 "
San Luis	188,955 "
Santiago del Estero	220,275 "
La Pampa	1,281,930 "
Other prov. & territories	106,086 "
Total	<u>19,782,230 "</u>

The work of harvesting is now general in the northern parts of the cereal zone, and is daily extending further into the central and western parts. There has been some interruption caused by local rains here and there, but speaking generally the weather has been favourable for the work.

Reports coming from the north indicate considerable disappointment with regard to the yields in some districts where threshing has already taken place. This feeling of disappointment undoubtedly arises in part from the exaggerated expectations to which the luxuriant appearance of the crops in the early stages gave encouragement.

As indicated in reports the excessive vegetation resulting from the mild winter has proved a serious detriment to the plants in some districts, leaving them an easy prey to weeds and insect pests, and frost damage, where less foliage and more roots might have produced better results at harvest time.

Consequently the reports received from Santa Fe province are particularly disappointing, especially in the northern part, where the yield and quality are both said to be poor, and in some fields the crop not worth cutting.

In the centre of the province late rains have considerably damaged the crop, and there will be a good deal of shrunken and bleached grain. In some districts the growth of weeds is such that the wheat is said to be almost out of sight.

Coming farther south in the province, the crops improve, but taking it all round the present prospect is that the Santa Fe wheat crop will prove to be only from medium to poor.

In Cordoba conditions are better, but the crops are very irregular. In the north, as in Central Santa Fe, late rains coming when the crop was ready to cut have proved detrimental, affecting both quantity and quality. In the centre there is more uniformity in the conditions, and the yields are expected to be fairly good. In the southwest there was some lack of rain, and the hot winds of the past month have damaged the crops.

In Entre Rios, where of course the acreage is considerably smaller than in the two above named provinces, conditions have been poor right from the start, owing in part to the excessive rains which fell during seeding and subsequently, drowning out the crop in some districts, and also in part to the attacks of the locusts, which did more damage to the wheat here than anywhere else. There will probably be less than half a normal crop in this province.

In Santiago del Estero, which borders on Santa Fe, the conditions are similar to those prevailing in northern Santa Fe, and the crop is poor. The acreage, however, is comparatively very small.

In Buenos Aires and the Pampa the harvesting is not general, and has not been started in the southern portions. The conditions have been considered to be very good indeed in both places up to quite recently. But in the last two weeks there have been some spells of extremely hot and sultry weather, and there is not doubt that these have left their mark on the wheat crops, especially in districts where the rainfall has been light, as in the southern Pampa and southwest Buenos Aires.

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