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The Wheat Situation in the Argentine

Ottawa, January 30, 1933.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of January 2, 1933, dealing with the wheat situation in the Argentine:-

EXPORTS

During the month of December the quantity of Wheat exported from this country was 5,906,327 bushels, as compared with 3,727,463 bushels in the month of November.

As a result of a close check made of stocks of Wheat still remaining in the country, the Ministry of Agriculture has revised its estimate of the volume of the last crop, reducing it by over 6,209,683 bushels to a new total of 219,700,530 bush.

The first official estimate of the volume of the new crop has also been published. It is 231,485,222 bushels.

On the basis of these two figures, the statistical position is now as follows:

Official estimate of the 1931-32 crop.....	219,700,530 bushels.
Carry over from 1930-31.....	16,304,790
Total.....	236,005,320
Needed for Seed & Domestic Consumption.....	95,533,584
Balance for Export.....	140,471,736
Exported to December 30th.....	127,435,113
Balance carried to 1933.....	13,036,623
Official estimate of 1932-33 crop.....	231,485,222
Total.....	244,521,845
Needed for Seed.....	22,046,212
" " Domestic Consump.....	73,487,372
Balance available for Export.....	148,988,261

MARKETS:

Markets have been almost consistently weak throughout the month, Canadian pressure to sell before the advent of the Argentine crop being a big factor in the situation, and there being a disposition to discount in advance the anticipated Argentine selling pressure in the New Year.

At the close of the month a little better tone was noticeable around the Grain Exchange, which could be traced to the reports in circulation with respect to the bad condition of part of the United States Winter Wheat crop, and to a little interest apparently developing in European buying centres. The removal of fear of competition from Russia and the Danubian situation have also had some effect.

During the month February Wheat dipped below the point of five pesos the quintal which I forecast some weeks ago would probably be reached in the New Year. But recovery was almost immediate, and at the close of the year the quotation for February was \$5.16 pesos, equal to 41½ cents Canadian per bushel, this price being in store in the ports.

Following the course which is almost traditional in this country, it is likely that there will be fairly free selling on the part of the farmers during the next few weeks, until from one third to one half of the prospective crop has been disposed of. There is really no alternative to this, and whether Europe wants to buy the grain or not it will certainly be given ample opportunity to acquire it, even though there is a loss to the farmer on every bushel sold. Lack of storage facilities, and worse still lack of finances, are compelling factors in the movement, and even if there would otherwise be any disposition to hold back the flow, public sentiment here would still be against it, such is the dread of being left with an unsaleable surplus weighing on the market as happened in Canada and the United States.

The exchange situation is another obstacle to any restraint. For months business men have been looking forward to the exportation of the Wheat crop to provide some offset to the outflow of gold to pay for needed imports and meet external public obligations.

That preparations are being made for the free flow of the Wheat crop overseas is demonstrated by the freight bookings. The charters reported total 45,911,236 bushels as against 50,862,447 bushels for the same period of last year and 39,752,994 bushels the

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year preceding. The quantity of Maize left in the country being comparatively small, the great bulk of this tonnage will be used for Wheat.

But as indicated above the feeling is rather less pessimistic than it was a little while ago. Brazil is now again taking supplies of Argentine Superior Wheat, on the termination of her wheat-for-coffee "trade" with the States, and her market will again be open for Argentine flour. The Orient is buying a good deal of Australian grain, which should take off some of the pressure from that quarter, and it is hoped that Canada, having disposed of the major part of her crop, will be a good deal less formidable competitor in the European market for a few months, giving this country a chance to sell her Wheat without further cutting of already ruinous prices.

NEW CROP:

Generally speaking the weather during the past month has been on the whole favorable for the new crop of Wheat. There have been some heavy rains, which, whilst doing some slight damage to the Wheat in the north through bleaching, have at the same time benefitted the crop in the South and especially in the Pampa.

The fate of the crop is fairly well settled now, and the Ministry of Agriculture has issued its first estimate of the volume, namely 231,485,222 bushels, a shade above that of last year, although this year's acreage seeded was substantially larger.

On the 17th of the month the Provincial Bank of Buenos Aires, an institution with a large organisation throughout the province, issued a report on the crop in the province, of which the following is the purport:-

North zone: 511,043 acres seeded to Wheat; in eight counties condition average, anticipated yield $13\frac{1}{2}$ bushels per acre; in ten counties condition good, yield 20 bushels;

Western zone: 1,954,264 acres seeded; condition satisfactory; yields good except few counties;

Central zone: 580,450 acres seeded; condition satisfactory;

Southeastern zone: 904,020 acres seeded; condition good;

Southwestern zone: 4,767,100 acres seeded; one quarter affected by blight.

On the 23rd the National Government's Department of Agriculture issued the following, which it regarded as tending to confirm the forecast it had published a little earlier as to the volume of the crop:-

Buenos Aires: Harvesting general. Yields fair to good, with quality mostly good.

Santa Fe: Harvesting nearly finished. Yields good in the south, with some damage from rains. Poor in the north. Quality fair.

Cordoba: Almost completed. Yields and quality generally good, except in the north, where the rains interfered with harvesting operations and affected the quality of some of the grain and even led to the abandonment of some inferior fields.

Entre Rios: Cutting and stacking completed. Yields low and quality poor.

La Pampa: Harvesting general. Yields very good. Grain light.

With reference to the so-called "blight" mentioned in the first of the above reports, an investigation by technical experts designated by the Ministry of Agriculture showed that this blight is the result of joint action of a parasite called here the "pietin" feeding on the roots and straws of the plant, and of the common rust known as "puccinia triticina". Both are the consequence of the mild winter of last year, followed by rains in the spring.

Whilst there is considerable damage in patches in some localities, in the aggregate the loss is not serious.

From this and other causes there will be an appreciable percentage of light grain in the wheat crop this year, especially in the south of the province of Buenos Aires and the Pampa, the quality of this grain being otherwise good.



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