22-D-01A

Historical File Copy

Published by Authority of Hon. H. H. Stevens, M.P.,
Minister of Trade and Commerce

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

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The Grain Situation in the Argentine

Ottawa, June 13, 1933.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of June 1, 1933 dealing with the grain situation in the Argentine:-

WHEAT

EXPORTS:

Exports of Argentine wheat during the month of May amounted to 15,652,944 bushels, a decrease of rather more than 10 per cent from the total of 17,269,680 bushels shipped out in the month of April, which again was lower than the March figure of 17,616,948 bushels.

The supply position of the Wheat crop is now as follows:-

Official estimate of the 1932-33 crop	235,381,807	bushels
Carry over from 1931-32	11,043,740	"
Total	246,425,547	"
Required for Seed and Domestic Consumption	95,534,400	"
Balance available for Export	150,891,147	"
Exported to May 31st	81,898,838	"
Still available for Export	69,000,308	"

It is the general opinion here that the decrease in the volume of wheat shipped abroad noted above will be accentuated in the coming months, and that there will be little pressure of the Argentine grain on the European markets. There are some large amounts of Argentine wheats lying unsold in continental ports, and there is little desire to add to them.

MARKETS:

More fluctuations in prices have been noticeable during the past month than has been the case for some considerable time. Many factors have affected the market, - the condition of the United States winter wheat crop, the improvement in the spring wheat crop, the delayed seeding in Canada, the condition of European crops, rumors of inflation of the United States currency - all these have played their part in causing temporary ups and downs in prices. But the general tendency has been upwards, and as always happens on a rising market, the speculator has stepped in.

Whilst the higher price level has increased the willingness of the farmers and country holders to dispose of their wheat, this has only been to a limited extent, and the general disposition is to hold for the still higher prices which it is hoped will be reached later on in the season.

The demand from the European continent has been disappointingly small, and England has only bought sparingly of Plate wheats, apparently giving Canada the preference even at the higher levels of Canadian prices.

Neighbouring South American countries have taken fair amounts of Argentine grain, but the market which seemed to be opening up in the Orient apparently is satisfied for the moment, and the purchases reported a month ago have not been repeated.

With the Brazilian market again open for Argentine flour millers have found their business increasing, and they are able to absorb fair amounts of wheat. Any parcels of good grade which are on offer being readily placed with the mills, but the poorer qualities being difficult to dispose of.

The closing week of the month was one of activity on the market, with prices steady to firm, with a slight drop on the last day. July wheat closed at $5.62 paper pesos per quintal, put in the port of Buenos Aires. This is the equivalent of 52¾ cents Canadian per bushel at the current rate of exchange. On the same day July wheat closed in Winnipeg at 65½ cents.

NEW CROP:

Work on the seeding of the new crop of wheat is proceeding steadily, the conditions being on the whole quite favourable for its progress. There were heavy rains over practically the whole cereal area in the latter half of May. In some districts the precipitation was excessive and caused flooding of the low lands. But generally the rains were beneficial, and they were sufficient to ensure an ample supply of ground moisture for some time to come.

In the south and west of the province of Buenos Aires and the Pampa, where the light lands require early seeding, the work has made good progress, and reports from Cordoba also indicate that the work is well advanced in that province. In Santa Fe, on the other hand, the farmers have been too busy with the work of gathering the maize crop to have made much progress with the seeding of wheat, but the early part of the new month will see a good start made.

It is a little early to give consideration to the probable extent of the acreage sown to wheat, but if the favorable conditions which have hitherto prevailed should continue it is very unlikely that there will be any reduction in the Argentine acreage in the coming year. An increase is not an impossibility, although it is not now quite so likely as appeared to be the case quite recently when the price of linseed was so unsatisfactory that with the greater risk of damage and loss attached to linseed growing as compared with wheat, farmers were disposed to sow the latter rather than the former. But with the recent very substantial rise in the price of linseed, the doubtful ones may be disposed to again turn to it as offering the better prospects of profitable returns.

M A I Z E

During the month the exports of maize from the Republic have amounted to 22,967,724 bushels, a substantial increase over those of the month of April (12,125,895) bushels.

The statistical position is now as follows:-

Official estimate 1932-33 crop....................	263,765,600	bushels.
Carry over from 1931-32..........................	9,968,607	"
Total..................................	273,734,207	"
Needed for Seed and Domestic Consumption..........	56,296,240	"
Balance available for Export...........	217,437,967	"
Exported to May 31st..........................	35,093,619	"
Still available for Export.............	182,344,348	"

The export demand during the month has been very indifferent, whilst on the other hand the offerings from the country holders have continued to be liberal. Hence the price level at the close of the month is practically the same as at the beginning, the advances recorded in the case of wheat and linseed not being shared by maize.

The closing price for yellow maize for July delivery if $4.00 paper pesos per metric quintal, equal to 35 cents Canadian per bushel at the current rate of exchange, laid down in the port of Buenos Aires. The same quotation prevails for white maize.

The gathering of the new crop is now approaching its close in the province of Buenos Aires, where frequent heavy rains have in places interfered with the work during the past month. In the southern portion of the province of Santa Fe the same conditions prevail, but in the north the early maize is almost all gathered and shelled, and work has commenced on the later fields. In Cordoba the gathering is practically completed, and shelling is in full swing, in spite of the humid weather prevailing. The results in Cordoba are said to be far from satisfactory, some of the late fields which it had been hoped would react to the rains which fell late in the growing season, having failed to do so. A good deal of the grain which is being harvested is fit only for local consumption. The same condition prevails in Entre Rios, and in Santiago del Estero insect damage has cut down the yields.

L I N S E E D

4,387,918 bushels of Linseed left the ports of the Republic during the month of May, as compared with 3,619,769 bushels in the month of April.

This leaves the statistical position as follows:-

Official estimate 1932-33 crop.........................	52,304,679	bushels
Carry over from 1932-32............................	1,887,420	"
Total..................................	54,192,099	"
Required for Seed and Domestic Consumption..........	7,479,920	"
Balance available for Export............	46,712,179	"
Exported to May 31st...........................	29,494,702	"
Still available for Export..............	17,217,477	"

Practically two thirds of the exportable surplus of the crop has already been shipped out.

Market conditions have been more satisfactory during the month, and with the improved demand prices have registered a welcome advance, which has induced more offerings from the country, without any real pressure to sell being in evidence.

At the close of business on the last day of the month, the quotation for June linseed was $11.25 paper pesos per quintal, equal to 98 cents Canadian per bushel at the current rate of exchange, laid down in the port of Buenos Aires. This compares with $9.55 on the last day of April.

OATS

Exports during the month of May totalled 1,642,318 bushels against 2,476,705 in April and 4,581,930 bushels in March.

The supply position is now as follows:-

Second official estimate of the crop....................	65,490,420	bushels
Seed and Domestic Requirements..........................	29,827,320	"
Balance available for Export.................	35,663,100	"
Exported to May 31st..................................	17,000,729	"
Still available for Export..................	18,662,371	"

There has been no animation in the market for Oats during the past month, and the demand has been very slack. Nevertheless, there has been a small but welcome increase in the price, which is now $4.15 paper pesos per quintal, against $4.00 a month ago, for sound, dry, clean oats delivered in the port.

This is equivalent to 22 cents Canadian per bushel at current exchange rates.

Oats of the new crop which have already been sown have germinated well, thanks to the mild weather and generous rains which have prevailed, and there is a growth which is almost too heavy in some districts, but which will provide liberal pasture if needed in the winter months.

BARLEY

May exports amounted to 2,034,102 bushels, as compared with 2,670,830 bushels in the month of April.

The position is now as follows:-

Official estimate 1932-33 crop........................	32,151,000	bushels
Seed and Domestic requirements........................	6,567,990	"
Balance available for Export...............	25,583,010	"
Exported to May 31st..................................	13,754,106	"
Still available for Export.................	11,828,904	"

The market for barley has remained quiet throughout the month, there being very little export demand, and Europe showing no great interest in this grain. Nevertheless the improvement in prices noted last month has continued, and good feed barley is worth $4.40 paper pesos the quintal, equal to 33 cents Canadian per bushel at the current exchange rates, with brewing qualities worth a shade more. These prices are laid down in the port of Buenos Aires.

FREIGHTS

The total tonnage under charter at the end of the month was 1,342,050 short tons as compared with about 1.7 short tons a year ago, and 2.2 the year before.

The comparatively low figure for the current year is accounted for by the poor demand for wheat and the uncertain weather prospects for the shipments of maize, May having been unusually rainy and mild, with no frosts right up to the last two days of the month.

In spite of the low bookings, rates have stiffened a little, but there is no difficulty in securing boats when they are required.