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The Grain Situation in the Argentine

Ottawa, July 19, 1933.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of July 1, 1933 dealing with the grain situation in the Argentine:-

WHEAT

EXPORTS:

Exports of wheat during the month of June amounted to 11,987,510 bushels, as compared with 15,652,561 bushels during the previous month, and 17,269,257 in the month of April.

During the first half of the current year there have therefore been shipped out of the country 93,876,342 bushels of wheat, which compare with 102,791,394 bushels exported during the corresponding period of 1932.

The balance still available for export is now 57,011,108 bushels, arrived at as follows:-

Official estimate of the 1932-33 crop	235,376,041	bushels
Carry-over from 1931-32	11,043,469	"
Total	246,419,510	"
Required for Seed and Domestic Consumption	95,532,060	"
Balance available for export	150,887,450	"
Exported to June 30th	93,876,342	"
Still available for export	57,011,108	"

One of the trade newspapers here has recently published the results of an investigation which it has made into the stocks of grain still in the country. The figures show stocks of wheat:

In the railway stations	38,352,227	bushels
In the ports	15,801,039	"
On the farms	36,178,910	"
Total stocks	90,332,176	"

These figures do not include stocks of wheat in the hands of the millers, nor do they make allowance for the requirements for domestic use for the remainder of the year. Adjusting the figures to provide for these two factors, there would remain a net total of approximately 73,486,200 bushels as at May 30th. Deducting the exports during the month of June as above, an available balance is left of 61,498,690 bushels, or 4,487,582 bushels more than is shown in the above statement using the official figures as the basis.

It is quite impossible to secure reliable, accurate figures of the stocks of wheat in this country, and the estimate quoted above is probably as nearly correct as can be obtained. Its most interesting feature is that it practically confirms the official figures of the last crop, and disposes of the rumour which had been set in circulation in other countries that the crop had been over-estimated.

MARKETS:

More activity has been displayed during the month just closed than has been the case for some considerable time, and considerable business for export resulted during the latter half. A substantial rise in prices made its welcome appearance, due entirely to factors outside the Argentine, such as the known damage to the North American winter wheat crop, and fears of damage to the spring wheat in both Canada and the States; the prospects of an agreement to restrict wheat sowings in the principal exporting countries; rumours that Russia may shortly be purchasing supplies of wheat abroad; and decreasing competition from the Danubian countries.

Although much of the gain in prices was lost towards the end of the month, nevertheless it closed with an atmosphere of steadiness. The stocks remaining are firmly held, and there is no disposition to sacrifice them. There is a feeling that prices will be higher, and holders of wheat are content to wait for the higher levels if necessary.

In the domestic market also there has been fair activity, especially in the better grades. Parcels of good quality in large lots sold well, but were not easy to find, and even the poor qualities commanded higher prices.

Superior wheat, suitable for the Brazil trade, sold at one time as high as $6.35 the quintal, but dropped back to $6.00. Ordinary Barletta sold for a maximum of $6.10, but dropped to $5.85.

At the close of the market on the last day of the month export wheat for July delivery was selling for $5.72 paper pesos per quintal, equal to 54½ cents Canadian at the prevailing rate of exchange, and for September delivery at $6.18, equal to 59 cents Canadian. On the same day Winnipeg closed at 72¼ cents for July, and 75 1/8 cents for October. (Note: There is a slight difference between the prices in Buenos Aires just quoted and those cabled on the 30th, owing to a drop in the rate of exchange which only appeared after the cables were despatched).

Entries are very moderate. Tonnage chartered amounts to 42,107,593 bushels, against 42,530,138 on the corresponding date of 1932.

NEW CROP:

Seeding of the new crop of wheat is well advanced, and the work generally speaking has been carried on under very favourable conditions. In some of the low lying districts there is plowing still to do, the work having been delayed by the inundations, but on the higher levels the seed is mostly planted, and in many zones there is already considerable growth. In these districts the very cold weather which is now being experienced is very welcome, as tending to check excessive vegetation and promote growth of the roots.

MAIZE

Exports during June totalled 14,792,478 bushels, as compared with 22,968,016 bushels in May and 12,126,049 bushels in April.

The statistical position is now as follows:-

Official estimate 1932-33 crop	263,768,950	bushels
Carry-over from 1931-32	9,968,734	"
Total	273,737,684	"
Needed for Seed and Domestic Consumption	56,296,955	"
Balance available for export	217,440,729	"
Exported to June 29th	49,886,543	"
Still available for export	167,554,186	"

There has been very little change in market conditions during the month. Reduced competition in the European markets, due to the dropping off in the offerings of Danubian maize and the practical withdrawal of the Italian exporters, added to the reports of drought and crop damage in the United States, have given an atmosphere of firmness to the market here, against which the liberal offerings from the country and the ample supplies coming forward have operated to prevent any increase in price levels.

In the export market Yellow Maize for July delivery, on wagons in the port, closed at $3.95 paper pesos per quintal, equal to 35 cents Canadian per bushel at current exchange rates.

In the domestic market, spot Yellow was worth $3.95, Red $4.20, Cuarenteno $4.95, and White $4.75.

The first really cold weather of the winter was experienced towards the end of the month, with the temperature down to freezing point several times. This has benefitted the maize considerably, drying it out and putting it into much better condition for handling and shipping.

The gathering of the old crop is now practically at an end except in those parts of the province of Buenos Aires which were inundated during the floods of a few weeks ago. Much of the grain in these districts has had to be given up as lost, owing to the prolonged soaking. In some cases the novel expedient of gathering it on horseback has been resorted to. In others the live stock has been turned into the fields, in view of the impossibility of saving the grain.

In some of the districts which were cleaned out by the invasions of locusts and where the maize fields were subsequently re-seeded with the Cuarenteno (40 day) variety, good results have been secured, late rains and mild temperatures contributing to a profitable yield.

LINSEED

Exports of linseed during June amounted to 4,931,259 bushels, making a total of 34,538,457 bushels for the first six months of the year, as compared with 43,081,619 in the corresponding period of 1932.

On the basis of the official estimate of the crop, the position is now as follows:-

Official estimate 1932-33 crop	52,305,343	bushels
Carry-over from 1931-32	1,887,444	"
Total	54,192,787	"
Required for Seed and Domestic Consumption	7,480,015	"
Balance available for export	46,712,772	"
Exported to June 30th	34,538,457	"
Still available	12,174,315	"

On the basis of the private estimate mentioned in the section on wheat, the balance still available is increased by about 3,936,850 bushels, which is possibly nearer the truth than the official figures, as there is a general impression that there is more linseed in the country than is shown by the Ministry's figures.

The atmosphere of firmness in the linseed market which has been apparent for some time was accentuated during the last week of the month, when prices steadily improved until they reached a level not attained for a very long time. Buying was active, and some of the exporters at times were offering premiums over the board prices in order to fill their requirements. Optimism prevails, and it is felt that world conditions in respect of linseed supplies justify the expectation that the new price levels here will be maintained.

The market closed with quotations for July linseed on wagons in the port, $12.76 per quintal, equal to 112¾ cents Canadian per bushel at the current rate of exchange. This compares with $11.25 a month ago, and $9.55 at the end of April.

Unfortunately for the producer, most of the linseed is already out of his hands, so that he will receive little benefit from the higher prices.

On the other hand, the comparatively high prices now quoted for linseed as against the other crops, may induce the grower to increase his area in the new crop, and check the tendency to leave linseed alone as being too much of a gamble on account of its being more sensitive to damage than wheat or maize.

Seeding of the new crop is well advanced, but there is still ample time to sow more. The fields already planted have gone in under good conditions, and with ample moisture for germination.

OATS

Exports during the month of June totalled 1,619,115 bushels, practically the same as the preceding month.

During the half year just closed, 18,724,086 bushels have been shipped out, as against 33,060,287 bushels in the corresponding period of 1932.

The position is now as follows:-

Second official estimate of the crop	65,490,824	bushels
Seed and Domestic Requirements	29,827,504	"
Balance available for export	35,663,320	"
Exported to June 30th	18,724,086	"
Still available for export	16,939,234	"

The tone of the market has been firm recently, since buyers have shown a fair interest for the grain, especially for parcels of good quality with the grain well filled. Prices have shown a slight increase, closing quotations being $4.20 paper pesos per quintal, equal to 22¾ cents Canadian per bushel at the current rate of exchange.

BARLEY

June exports amounted to 2,669,808 bushels, as compared with 2,034,128 bushels in the month of May.

During the six months just ended 16,424,094 bushels have been exported, as compared with 7,862,354 bushels in the first half of 1932.

The following is now the supply position:-

Official estimate 1932-33 crop	32,151,420	bushels
Seed and Domestic Requirements	6,568,076	"
Balance for export	25,583,344	"
Exported to June 30th	16,424,094	"
Still available	9,159,250	"

There has been fair activity in the market for barley, both brewing and feed, and a small export business has been done. The tendency is firm, and prices show a slight advance over those of last month.

Closing prices were $4.57½ paper per quintal for feed barley, equal to 34¾ cents Canadian per bushel, and $5.05 paper for brewing barley, both on the basis of delivery in the port.

GENERAL

Considerable uneasiness is felt as to the prospects of a new plague of locusts to prey upon the coming crops. Swarms are already reported from the provinces of Cordoba, Santa Fe, Santiago del Estero and Corrientes.

This early appearance is no doubt due to the very mild weather which prevailed right up to quite recently. But as this has now been succeeded by a spell of cold of unusual severity for this country, and more cold weather is forecast for the near future, there is some hope that the insects may be driven north away from the grain areas.

Meanwhile, the Government is proposing to spend fifteen millions of pesos, if necessary, in fighting the pests, and a commission of technical officials is considering the best way to go about it.