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Dominion Statistician: R. H. Coats, B.A., F.S.S.(Hon.), F.R.S.C.
Chief, Agricultural Branch: T. W. Grindley, Ph.D.

The Grain Situation in the Argentine

Ottawa, August 15, 1933.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of August 1, 1933 dealing with the grain situation in the Argentine:-

WHEAT

EXPORTS:

During the month of July the volume of wheat exported totalled 15,016,268 bushels, an appreciable increase over the shipments in the month of June, which were 11,987,706 bushels, but lower than those of May - 15,652,816.

The Republic still has available for export 41,995,771 bushels, as shown by the following statistics:-

Official estimate of the 1932-33 crop..........	235,379,885	bushels
Carry-over from 1931-32	11,043,650	"
Total supplies	246,423,535	"
Seed & Domestic Requirements	95,533,620	"
Balance available for export	150,889,915	"
Exported to July 29th	108,894,144	"
Still available for export................	41,995,771	"

If from this stock on hand we deduct a carry-over of 11,023,110, equal to that of last year but lower than the average carry-over, the amount left for shipment is only 30,974,939 bushels, which spread over the five months which remain of this year, needs only a movement of 6,194,988 bushels per month to clean it up.

MARKETS:

The month had been one of considerable activity, reflecting the conditions in Chicago and Winnipeg, but with much less extreme fluctuations in price levels.

The reports of damage to the United States and Canadian wheat crops had a strong influence on this market. On the other hand, the ending of the conference in London, whilst not unforeseen, had a depressing influence here, as had also the reports of sales by Russia of wheat for export to Greece and elsewhere. This was counteracted by subsequent reports of further damage in the United States and Canada, with continued hot weather, and by the action taken by the States to restrict production regardless of an international agreement being reached.

The millers of the United Kingdom have been showing more interest in Plate wheats and are evidently disposed to use them in greater quantities, which has given encouragement to the market here, and in spite of a little downward tendency at the end of the month, due to liquidation, the general tone is one of firmness.

In the local market, there has been a condition of quietude recently, buyers being unwilling to follow prices upward to the extent imposed by international conditions. Wheats of the Barletta type have been difficult to place, some of the deliveries being of inferior grades which are not wanted. On the other hand, wheats of other types, free from damage, have been well received and commanded higher prices. Good wheats from the south of the province of Buenos Aires are in the greatest demand.

At the close of business at the end of the month, August wheat in the option market was worth $6.44 paper pesos per 100 kilos, equivalent to 64¾ cents Canadian per bushel at current rates. This compared with 79 cents, the Winnipeg closing price on the same day.

October wheat was worth $6,62, or say 66¾ Canadian cents per bushel, as compared with the closing price of 80 cents in Winnipeg.

NEW CROP:

The new crop is off to a good start. It has been rather benefitted than otherwise by the recent spell of extremely cold weather, as the tendency to excessive growth above ground has been checked and the root system will be strengthened. The heavy frosts must also have checked the growth of insect pests. The land is becoming very dry in places, and rain would be welcomed, but there is no present or immediately prospective suffering for lack of it.

FLOUR MILLING.

Statistics with regard to the flour milling industry in the Republic have just been made public by the Ministry of Agriculture. The following figures are extracted therefrom. They are for the year 1932, with the corresponding figures for 1931 inserted in brackets.

Mills in operation, 179 (194)
Wheat milled, 20,640,972 bushels, (21,384,663)
Yield of Flour, 14,565,333 barrels, (14,929,761)
Yield per cent of Flour, 70.6, (69.8)
Yield of Sub-products, 573,459 short tons, (611,156 short tons)
Yield per cent of Sub-products, 28.3, (29.2)

The quantities of flour exported during the last five years are also given in the report:-

1928	- 1,901,941	barrels exported, of which	1,117,026 to Brazil,
1929	- 1,540,787	" " " "	809,728 " "
1930	- 1,173,177	" " " "	585,047 " "
1931	- 968,878	" " " "	228,258 " "
1932	651,816	" " " "	35,443 " "

As will be seen, the tendency of Brazil to encourage milling at home has had a serious effect on the Argentine exports, which also were badly hit by the embargo on Argentine flour imposed during the period of the exchange of Brazilian coffee for United States wheat.

MAIZE

Exports of maize during the month of July totalled 17,799,466 bushels, an appreciable increase over those for June, which were 14,792,365 bushels.

The statistical position is now as follows:-

Official estimate 1932-33 crop	263,766,940	bushels
Carry-over from 1931-32	9,968,658	"
Total	273,735,598	"
Seed & Domestic Consumption	56,296,526	"
Balance available for Export...........	217,439,072	"
Exported to end of July	67,685,628	"
Still available for export	149,753,444	"

There has been little cause for satisfaction with regard to conditions in the markets for maize during the past month. An atmosphere of weakness has prevailed, with offers at all times in excess of the demand. A certain amount of export business has been worked, facilitated by the fact that there has been little competition from the Danubian countries, but in the domestic market sales have been difficult to effect, and the tendency of prices has been downward.

In response to pressure from the growers' organisations, the National Government has endeavoured to improve conditions by arranging that the Banco de la Nación shall make loans to the producers on the security of their maize, in the cribs if unshelled, or in the warehouses in the railway stations and ports if already shelled, in order to relieve them of the necessity of selling their maize regardless of the price obtainable. This help has come too late, however, so far as the farmers are concerned, as most of them have already shelled and sold their grain, compelled by the need for cash with which to carry on, and there is very little maize now left in the cribs in the great maize areas in Santa Fé, Córdoba and Buenos Aires.

The object of the Government, the fixing of a minimum price of \$4.50 the quintal by advancing that amount on the maize in the ports, so as to avoid the necessity of selling for less, is a laudable one, but tardiness in putting it into effect has nullified its benefit for those whom it was most desired to assist or protect. Once again the urgent need of a system of public storage elevators for the Republic has been emphasized.

At the close of business on the last day of the month the quotation for yellow maize for export, on railway cars in the port of Buenos Aires, was \$4.00 paper pesos per 100 kilos, equal to 37½ cents Canadian per bushel at current rates of exchange.

In the domestic market, spot yellow was quoted at \$4.00, Red.\$4.30, Cuarenteno \$4.90, and White \$5.00. Parcels of White of good quality found some degree of competition amongst the buyers. Hence the premium over the other varieties.

The heavy frosts experienced during the month have greatly benefitted the maize and have put it into much better shape for handling and shipping.

LINSEED

Exports during the month of July totalled 4,137,401 bushels, as compared with 4,931,221 bushels shipped during the preceding month.

The supply position is now as follows:-

Official estimate 1932-33 crop	52,304,945	bushels
Carry-over from 1931-32	1,887,430	"
Tdtal	54,192,375	"
Seed & Domestic Requirements	7,479,958	"
Balance available for Export................	46,712,417	"
Exported to July 31st	38,675,595	"
Still available for Export	8,036,821	"

Prices during the month in the linseed market have experienced the same fluctuations as appeared in the market for wheat, and at the close there is an atmosphere of firmness with a feeling of optimism for the future, based largely on the prospects of an improved industrial demand. Buyers show interest in the purchase of additional supplies, but are unwilling to pay the prices asked by holders. With the comparatively small balance still available for shipment from the Republic, however, owners can afford to wait, with a reasonable assurance that their hopes will be realised.

Linseed for August delivery at the close of the month was quoted at \$12.85 paper pesos per 100 kilos, on cars in the port of Buenos Aires, equivalent to \$1.20 Canadian per bushel at current exchange rates. This compares with \$12.76 pesos a month ago, and \$9.55 at the end of April.

Unfortunately, reports received from the country indicate that there has been considerable damage to the new crop of linseed from the unusually severe frosts which have been experienced during July. In some districts in the province of Santa Fe the damage is placed at 30 per cent. The period of severe frost is probably now past for this winter, and many of the growers have already reseeded the damaged fields, but in some cases there is difficulty in obtaining the necessary seed, and for this reason and others it is likely that other growers will wait for rain to soften the land and will then proceed to plow it again and sow maize. It is now rather late for sowing either linseed or wheat.

O A T S

Exports during the month of July have amounted to 1,295,669 bushels, as compared with 1,619,100 bushels in June.

The following is now the supply position:-

Official estimate of the crop	65,490,218	bushels
Seed & Domestic Requirements	29,827,228	"
Balance available for Export..............	35,662,990	"
Exported to end of July	20,019,582	"
Balance still available	15,643,408	"

Buyers have been showing a fair amount of interest in this feed grain, and consequently business has been transacted in an atmosphere of firmness with regard to the local trade. For export there has been very little demand.

Clean, well filled grain has been easy to place, but this is becoming increasingly scarce in the deliveries.

At the close of the month quotations are practically the same as at the end of June, $4.20 paper pesos per quintal, equal to 24 cents Canadian per bushel at the current rate of exchange.

B A R L E Y

July exports totalled 1,620,580 bushels, as against 2,669,750 in the month of June.

The statistical position is now as follows:-

Official estimate 1932-33 crop	32,150,720	bushels
Seed & Domestic Requirements	6,567,933	"
Available for Export	25,582,787	"
Exported to end of July	18,044,316	"
Balance still available	7,538,471	"

The export demand for barley has been very meagre, and local buyers have been far from keen. Consequently prices have weakened during the month. Quotations are $4.30 paper pesos per 100 kilos (equal to 34½ cents Canadian per bushel), as against $4.57½ at the end of June.

The above is for good feed barley. Brewing barley is worth nominally 20 per cent more.