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

The Grain Situation in the Argentine.

Ottawa, November 12, 1934.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of November 1, 1934, dealing with the grain situation in the Argentine:-

W H E A T

SUPPLIES:

Exports of wheat and wheat flour during the month totalled 14,112,000 bushels, consisting of 13,933,000 bushels of wheat and 179,000 bushels of flour. This is a substantial drop from the quantity shipped out in September, viz: 16,379,000 bushels.

The statistical position is now as follows:-

Second official estimate 1933-34 crop .....	286,123,000 bushels
Carry over from 1932-33 crop .....	7,323,000 "
Total supplies .....	<u>293,446,000</u> "
Deduct for Seed and Domestic Requirements .....	<u>95,534,000</u> "
Balance available for export .....	197,912,000 "
Exported to Oct. 30th: wheat 147,229,000 bushels)	
flour 2,628,000 bushels)	<u>149,857,000</u> "
Still available for export .....	<u>48,055,000</u> "

Of the above balance, approximately 7,349,000 bushels have been sold but not yet shipped.

Some members of the grain trade are inclined to doubt the size of the available balance shown in the above statement, which is based on the official crop figures of the Department of Agriculture. Certainly the dwindling offers of wheat by the farmers may be interpreted as evidence that there is a very limited quantity remaining in their hands. But on the contrary, present market conditions, with prices admittedly below what the world statistical position should justify, coupled with a desire to wait and see what the outcome of the new crop is likely to be, may be inducing those who are in a position to hold on to their remaining stocks to do so. In this country there is no systematic recording of stocks and movement of grain, and it is impossible to make a reliable check.

As shown above, there has been a substantial reduction in the movement of wheat from the ports, but on the other hand freight bookings continue heavy, and there are at the present time either loading, waiting to load or chartered, 57,778,000 bushels, against a total of only 20,424,000 bushels on the corresponding date of last year. As the stocks of maize, linseed and other grains are comparatively light, it is to be supposed that much of this tonnage is intended for wheat.

MARKETS:

Conditions in the grain market here have been very disappointing throughout the month, and there has been a slow but consistent decline in prices. The demand from abroad has been quite inadequate to take care of the volume of wheat offering, and the export of French wheat to the United Kingdom has provided some unlooked for and unwelcome competition.

So far no indication has been given by the Government as to its intentions with regard to the continuance of the Grain Control Board, although it is understood that great pressure is being used by the producers to secure this.

Meanwhile quotations have been officially opened on the Futures Market for new wheat for February delivery. This closed at 5.94 paper pesos as compared with the close of Spot wheat at 5.75 paper pesos. This figure of 5.75 paper pesos is the minimum fixed by the Board for the old crop.

At the close of business yesterday Spot wheat stood at \$3.75 the quintal, equal to 50 $\frac{3}{4}$ c. Canadian per bushel at the current rates of exchange, and December closed at 5.85 paper pesos equal to 51 $\frac{3}{4}$ c. Canadian per bushel. At the same time in Winnipeg December closed at 75c. per bushel.

NEW CROP:

The month has seen some very changeable weather, not all of which has been altogether favourable for the new crop of wheat. But the condition of this can still be described as generally good. Twice during the month there have been attacks of frost, each covering a wide area but not being severe. These added to the two September frosts are bound to have left some effects both on the yield and grade of the grain, but principally the latter. The extent of the damage will not be known until the grain is cut, but it is generally anticipated that it will be relatively light, because much of the grain was not in shape to be hurt by light frost and moisture conditions both before and after the visitations were favourable.

In places now there are complaints that there is too much rain for the good of the wheat, but on the other hand the light soil districts in the Pampa and south and west of Buenos Aires have been greatly benefitted by generous precipitation and they look like having a good yield.

Whilst there have been some brief spells of hot weather, on the whole it has been comparatively cool for the season, which is fortunate, as numerous complaints of rust are being received from widely separated districts, but especially from those zones where there is an excess of leafage on the plants in the provinces of Santa Fe and Cordoba and the centre of the province of Buenos Aires. So far only the yellow leaf rust (puccinia triticina) has been reported, and this is regarded as comparatively harmless and is even claimed by some farmers to be beneficial at times by reducing the leafage and diverting the sap of the plant to the stalk and head. What is dreaded is an outbreak of black rust (puccinia graminis), which is very destructive. The combination of great heat and excessive atmospheric humidity which is so favourable for the development of rust has so far been absent. But we are now in the midst of the most critical period for the wheat crop, and much may happen before this is out of danger.

The periodical report of the Ministry of Agriculture on crop conditions, which was published on the 25th ultimo, regards the wheat as in good condition generally, but points out that there is a possibility that the late frosts by weakening the plants, and the prolongation of the rainy season, may favour the spread of rust, the presence of which has been observed in most of the zones. Details of the report by provinces follow:-

Buenos Aires. The general condition of the wheat is considered good up to this moment. In the east there are threats of the spread of rust if the wet weather continues. In the centre the wheat has developed well in the hilly region, although it has not yet acquired its normal height. In the Salado valley some spring wheat looks bad. In the south the rains have favoured the wheat sown late especially, but in general all have benefited. Most of the fields show initial attacks of rust. In the west the wheat looks well with strong stalks. There is rust in the districts closest to the centre of the province, but only to the same extent as every year. In the north where most of the wheat has headed out, the condition of the tops is good, but the lower shoots are deficient in development. Mild attacks of rust are to be seen.

Santa Fe. In the north of this province the condition generally may be said to be fair to good, improving towards the south. The continuous rains have not caused visible damage, but have been rather beneficial in some districts. The effects of the September frosts are beginning to show, some of the fields having been caught at the moment of heading. The damage is most noticeable on the poorer lands. In general the foliage is too high, which may produce the lodging of the wheat with a naturally weak stalk or a stalk weakened by the frosts. The late sowings are heading normally, but the most advanced are uneven. Rust has made its appearance and is spreading in the thick grain, especially in that affected by the frosts. Locusts have caused no appreciable damage, but it is feared that some may be done by the hoppers recently hatched, in spite of the campaign recently carried out against them. In the centre and south of the province the condition of the wheat is good at the moment. The damage that was produced in the central districts by the frosts will be seen at harvest time in the form of a reduced yield. The development of the grain has been normal, and in general it is expected that the damage resulting from the frosts in the fields that were in the shot blade will be offset by the yields in other fields. In the southern zone the sanitary condition of the fields is good. Leaf rust exists in normal proportion, and the locusts which invaded some zones arrived heavy and ready to lay.

Cordoba. The general condition of the wheat fields of the province is good. The damage produced by the late frosts, although it cannot be gauged in concrete form since it will reflect itself in the yields and quality of the grain, is considered to be alleviated by the humidity of the soil and the arrival of subsequent rains. In the northern and eastern zones of the province the development has been good. The plants are a good height and well stooled, with stalk and head sound and vigorous. In the southwestern zone since the rains the vegetation has reached a normal development; the wheat is healthy and has stooled and headed well, except in the northern part of some counties, where the effects of the frost of the 12th instant are more noticeable. No locust damage is recorded, but in some parts of the north the presence of isoca is noted, especially in the fields of Lin Calel wheat.

Entre Rios. Heading of the wheat is general and is normal. The general condition is good, abundant stooling and strong stalks. The frosts of the past month have left no visible effects on the wheat fields, whose appearance is satisfactory.

Pampa. The present condition of the wheat is good, heading having begun in the north, and the stalk appearing in the southern zone. Yellow rust is noted in the fields, but the present condition of the fields and the manner in which the weather has favoured their development permits a hope that the effects of this plague may not be appreciable.

Santiago del Estero. In the irrigated zone the condition of the wheat fields may be considered normal, whilst on the dry lands the frost of the 11th caused damage, principally in the county of Rivadavia, where they reach a high percentage, and in that of Belgrano, to which must be added the damage done by the flying locusts, which are considered of certain importance in the aggregate. The damage is greatest in the early sown fields, since the later ones have been restored in great part as a result of the rains which have fallen during the current month. Rust is noted in the fields, and in isolated cases loose smut.

Since the publication of the above official report, it is announced that the Ministry of Agriculture has sent out special investigators to ascertain the facts with regard to the outbreaks of rust.

It is anticipated that harvesting of the wheat crop will start about the middle of the month in the northern districts, from which it will gradually extend south.

#### M A I Z E

October exports of maize totalled 15,665,000 bushels, which compares with shipments of 19,471,000 bushels in September.

The statistical position is now as follows:-

Revised official estimate 1933-34 crop .....	232,312,000 bushels
Official estimate of carry over from 1932-33 .....	2,283,000 "
Total supplies .....	234,595,000 "
Deduct for domestic consumption (50,391,000 bushels) and seed grain (5,906,000 bushels)	56,297,000 "
Balance available for export .....	178,298,000 "
Exported to October 30th .....	143,241,000 "
Balance still available .....	35,057,000 "

In sympathy with the declining price of wheat, quotations for maize have fallen during the month, in spite of the shrinking volume of the Argentine stocks. Increased competition from South African and Danubian maize has also assisted the downward trend, and after selling for some time at a higher price than wheat on the local market here, maize finished the month more or less on a parity with it.

Spot Yellow for export closed at 5.76 paper pesos per quintal, equal to 48½ cents U.S. per bushel at current exchange rates. The December option closed at 5.93 paper pesos per quintal, the equivalent of 50c. U.S. per bushel. At the same time December maize closed in Chicago at 76c.

In the domestic market, white, red and cuarenteno maize are all selling at a premium over the yellow.

The new crop of maize got off to a rather bad start in places, owing to the weather being too cool and the ground too moist, and resowing had to be resorted to in some cases. But the crop is now doing better with the warmer weather prevailing recently, although a little more backward than is normal. Some of it is well above ground in the northern zones, and these fields suffered a set-back from the frosts of last month. Sowing will continue for some time, and it is quite expected that the acreage will show a considerable increase over that of last year, in view of the reduction in the acreage under wheat and the profitable returns which have accrued to the maize grower on recent crops, especially the last one. It has distinct advantages over other grain crops in the length of time over which both the sowing and harvesting can be spread, and the fact that the gathering can be deferred for a considerable time if necessary without the corn spoiling through standing in the fields. These are real advantages to the small farmer, struggling along with the minimum of hired help and expense.

L I N S E E D

Exports of linseed during October were 4,058,000 bushels, practically the same quantity as was shipped in the previous month, viz: 4,090,000 bushels.

The supply position is now as follows:-

Second official estimate 1933-34 crop .....	56,690,000 bushels
Carry over from 1932-33 .....	<u>535,000</u> "
Total supplies .....	57,225,000 "
Deduct for seed and domestic consumption .....	<u>7,480,000</u> "
Exportable balance .....	49,745,000 "
Exported to October 30th .....	<u>47,593,000</u> "
Balance still available .....	<u><u>2,152,000</u></u> "

As the above figures show, the stocks of linseed are now almost exhausted, and with supplies from the new crop still a long way off very little trading is being done at the present time.

Prices have shared in the general decline, over \$1.30 per quintal being the loss during the month. Spot linseed closed at 11.60 paper pesos per quintal, equivalent to 97½c. U.S. per bushel at current exchange rates; and the December option at 11.53 paper pesos equal to 97c. per bushel. On the same day in Duluth December closed at 179c. per bushel.

Reports on the progress of the new crop are very good, and the present prospect is that a good volume will be harvested. Some frost damage has been sustained, and in some districts there are complaints of a heavy growth of weeds, but both the government and private reports received agree that the general condition of the crop is good.

As in the case of wheat, producers are anxiously awaiting an announcement by the Ministry of Agriculture as to whether the Grain Control Board will again protect them on the price of the new crop of linseed.

O A T S

Shipments during the month were 3,825,000 bushels, a considerable drop from the figure of 4,676,000 bushels in the preceding month. The supply position is now:-

Second official estimate 1933-34 crop .....	54,013,000 bushels
Carry over from 1932-33 .....	<u>8,956,000</u> "
Total supplies .....	62,969,000 "
Seed and domestic requirements .....	<u>29,827,000</u> "
Exportable balance .....	33,142,000 "
Exported to Oct. 30th .....	<u>24,362,000</u> "
Still available for export .....	<u><u>8,780,000</u></u> "

The demand for Argentine oats for the United States appears to have died down again for the present, and the lack of it has made quite a difference in the activity of the market here. There is very little demand from other sources, with the result that prices have weakened considerably.

Spot oats closed at 5.30 paper pesos per quintal, the equivalent of 27 1/8 cents U.S. per bushel, as compared with 5.85 a month ago.

The official report described the condition of the new crop as excellent, and this is confirmed by information from private sources.

B A R L E Y

735,000 bushels of barley were shipped from Argentine ports during October, as compared with 841,000 bushels in September. This has not made much impression on the available stocks, which still stand at 9,731,000 bushels, as shown in the following statement:-

Second official estimate 1933-34 crop .....	36,009,000	bushels
Carry over from 1932-33 .....	4,710,000	"
Total .....	40,719,000	"
Seed and domestic requirements .....	6,568,000	"
Exportable balance .....	34,151,000	"
Exported to October 30th .....	24,420,000	"
Still available for export .....	<u>9,731,000</u>	"

The market is inactive, and the tendency of prices is weak. Spot feed barley for export closed at 7.20 paper pesos per 100 kilos, with brewing qualities nominally higher.

The new crop is reported as making good progress under favourable weather conditions.

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