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

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, March 15, 1934.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of March 1, 1934 dealing with the grain situation in the Argentine:-

W H E A T

SUPPLIES:

The quantity of wheat and wheat flour expressed as wheat exported from the Republic during the month of February was 14,636,000 bushels made up of 14,411,000 bushels of wheat and 225,000 bushels of flour expressed as wheat.

These exports compare with a quantity (corrected) shipped during January of 13,076,000 bushels of wheat and flour expressed as wheat.

The following is now the statistical position:-

1st official estimate of 1933-34 crop	256,177,000	bushels
Probable excess over official figures	18,372,000	"
Carry-over from 1932-33	7,323,000	"
Total supplies	281,872,000	"
Deduct seed & domestic requirements	95,534,000	"
Balance available for export	186,338,000	"
Exported to February 28, wheat and flour	27,712,000	"
Balance still available for export	158,626,000	"

Although threshing operations are practically completed, with the exception of a little stack threshing here and there where the work has been delayed, the Government has not yet published its second estimate of the volume of the crop.

Reports are to the effect that the crop has turned out well in the province of Buenos Aires, especially in the northwest, but with some grain of defective quality in the Atlantic zone.

In Santa Fe also early reports on the fine yields and good quality of the crop are confirmed, especially in the south; and similar news comes from the province of Cordoba.

In view of the above, it is altogether likely that the provision of 500,000 tons made for a possible under-estimate by the Government statisticians will be found to be justified.

There has been very little rainfall during the month, with the result that the roads have been in good shape for hauling, and a great deal of the new crop has been hauled down to the railway stations, many of which are reported to be full.

MARKETS:

Naturally, under prevailing conditions, the grain market here is dominated by the official Grain Control Board, which continues to accept all wheat, maize and linseed offered by growers at the minimum prices of $5.75, $4.40 and $11.50 per quintal. The great bulk of the deliveries go to the Board. There was a considerable leakage into the hands of the private grain trade, by reason of advantages which dealers were able to offer in the way of cash settlement in full on delivery, acceptance of grades or types of wheat which were objectionable to the Board, etc. But these sales to the private trade have been decreasing lately, and a still further decrease is likely as the result of decisions taken at a meeting of the Board today.

Henceforth, 96 per cent of the purchase price will be paid by the Board as soon after delivery as the specific weight of the grain has been ascertained, only 4 per cent being retained to cover possible variations in quality.

Arrangements have also been made for speeding up the reception of grain which is offered, thus removing a grievance which has caused much criticism by growers anxious to dispose of wheat.

At the same time, the Control Board declined to accede to the request of cooperative organisations that wheat be purchased by the Board whilst stored on the farms; and decided also that millers must be required to purchase their supplies only from the Board and at the basic prices being paid to the growers.

Whilst no figures of any kind have been given out by the Board, it is believed that to date its purchases have been about two million tons of wheat. How much of this has been resold to the exporters is a matter of conjecture. It is commonly supposed that about one third has been disposed of.

Little is being sold to the exporters for which they have not already found a buyer overseas, and at the present time the demand from the U. K. and the Continent is distinctly slow.

Favorable hauling conditions, with an assured market at a fairly remunerative price, have caused deliveries at country points to be heavy whilst on the other hand exports are now tending to be rather lower than usual. Hence there must be a growing stock of wheat in the hands of the Board, which nevertheless has shown no disposition to abate the price at which it is willing to sell. Evidently no financial stringency as yet exists.

On the Grain Exchange the prices for Spot, March, May and June all appear on the board as $5.75, equal to 47¢ Canadian per bushel at the current rates of exchange. Winnipeg May close was yesterday 67¾¢. The Control Board's price for resale to exporters is $5.22½ per 100 kilos, equal to 42¢ per bushel Canadian.

There is practically no business being done in futures, and the Option Market is almost deserted these days.

MAIZE

SUPPLIES:-

Exports during February were 11,718,000 bushels as against 23,522,000 bushels exported during January.

The Statistical Department of the Ministry of Agriculture has made a check-up of the stocks of maize remaining in the country, and revised its figures of the last crop. The results, published ten days ago, have completely changed the apparent situation with regard to available supplies of maize.

As is probably generally known, there is in this country no reliable system of recording visible supplies, such as exists in Canada and some other countries. Occasional checks are made by obtaining from the various port elevators and warehouses the quantities in store there, and from the railway authorities the quantities in their various stations and in transit, and estimates by the stationmasters of the quantities still remaining on the farms in their territories. Figures assembled in this way by a private statistical agency recently gave what the Ministry considered to be a completely erroneous idea of the available stocks, and led to a minute official investigation of the situation. Hence the publication by the Ministry of the following revised statistics:-

Revised official estimate 1932-33 crop		267,763,000	bushels
" carry-over from 1931-32		197,000	"
Total		267,960,000	"
Seed & domestic requirements		56,297,000	"
Balance available for export		211,663,000	"
Exported to February 14 (off. fig.)	199,873,000 bushels		
" Feb. 14-28	4,422,000 "	204,295,000	"
Balance still available		7,368,000	"

Judging by the reduced deliveries, in spite of the dry weather and good roads and the favorable market conditions, the figures published by the department would appear to be justified, and the greatly reduced exports apparently support them. Nevertheless, there are members of the grain trade who contend that there is a good deal more old maize in the country than is shown in the above statement.

The first lot of new crop maize has already appeared on the market, and it appears quite probable that with a continuation of the present dry weather conditions, it will be coming forward in quantities by the time the small exportable balance shown above has been shipped out.

NEW CROP:-

Unfortunately for the new maize crop, the dry weather mentioned in my report of a month ago has persisted, and the occasional rains during February have been quite inadequate to meet the needs of the crop. Within the last week a report on the crop condition has been made public by the Government, of which the following is a brief summary:-

Buenos Aires: Recent rains have been insufficient to ensure the normal evolution of the maize, since they arrived too late for the intermediate sowings and were too light for the late ones. The reduced yield in the early fields caused by the drought will not therefore be made up in the later ones. More fields are having stock turned into them as the result of the drought and winds. The present condition of the maize crop in the province is irregular and will result in a crop rather below normal.

Santa Fe: The greatest losses in this province are in the north, where great heat, drought and locusts have damaged almost 60 per cent of the fields. The only fields in a good condition are those sown in January and February, which represent a minimum part of the area. In the south the losses are insignificant and the condition may still be said to be good, although the yield will not be so good as was anticipated by the growers before the drought.

Cordoba: Drought, heavy winds and locusts have damaged the crop in the north. In the east the losses may be estimated as one third part of the crop. In the rest of the province the losses are more considerable, as the adverse conditions coincided with the period of blossoming and formation of the head, although there may be a reaction in the case of the early Cuarentono fields, which may yet give a good yield if the weather turns favorable.

Entre Rios: The condition of the crop is average in the south of the province, and average to bad in the north and centre. Some lots of Cuarenteno are still being sown. The present prospect is that the maize crop will only meet the needs of local consumption in Entre Rios.

Besides the above quoted official report, private reports from the various maize zones are appearing almost daily, containing more or less pessimistic news and views, some of which may prove to be unjustified. It must be borne in mind that there is almost always a tendency to over-estimate losses in crops, and whilst it is not now likely that the crop figures of last year will be reached, it may still prove that the volume of the new crop is not much below it.

MARKETS:

Firmness and activity have characterised the market throughout the month. The failure of the South African crop, excessive rains in the Danubian countries, and the deterioration in the domestic crop, have all been factors contributing to the improvement which has taken place in the price here during the month.

At the close of business on February 28th, Spot Yellow for export was quoted at $5.30 paper pesos per quintal, equal to 40½ cents Canadian per bushel at the current rates of exchange, and Mat at $4.73 pesos, equal to 36¢ Canadian per bushel. The official minimum price is $4.40 per quintal.

At the same time, the quotation for Red was $5.40, White $5.20, and Cuarentono $5.90, all on the basis of on waggons in the port of Buenos Aires.

L I N S E E D

Exports of linseed during the month of February were 7,225,000 bushels, practically the same volume as during the preceding month.

The statistical position is now as follows:-

Official estimate 1933-34 crop	52,635,000	bushels
Carry-over from 1932-33	535,000	"
Total supplies	53,170,000	"
Seed & domestic requirements	7,480,000	"
Balance available for export	45,690,000	"
Exported to February 28th	14,370,000	"
Still available for export	31,320,000	"

Throughout the month the market has been fairly firm, with the prices consistently above the official minimum of the Grain Control Board, $11.50 per quintal, and at the close of business on the 28th the quotation for spot linseed was $11.80 paper pesos per quintal, equal to 90¢ Canadian per bushel at current exchange rates; and for the May option $12.17 per quintal, equal to 92¾ cents Canadian per bushel.

Continental countries were the principal buyers during the month, and most of the seed shipped was destined for the Continent and the United Kingdom, with one or two parcels for the States.

Threshing of the crop is now completed, and the results reported show a fairly good yield for the most part, but dirty samples.

OATS

Exports of oats during February totalled 1,905,000 bushels, only 5,000 bushels more than during January.

The supply position now is:-

Official estimate 1933-34 crop	54,726,000	bushels
Carry-over from 1932-33	8,956,000	"
Total supplies	63,682,000	"
Seed & domestic requirements	29,827,000	"
Balance available for export	33,855,000	"
Exported to February 28th	3,806,000	"
Balance still available	30,049,000	"

Although the price level leaves a good deal to be desired, there has been a little more activity in the market recently and the tone has been firmer. The price shows an improvement of about 10 per cent during the month, Spot being quoted at $3.60 per quintal, as compared with $3.35 a month ago. ($3.60 per quintal is approximately 16¾¢ Canadian per bushel at current exchange rates).

Some preoccupation has been caused to the exporters of Argentine Oats by the action of the British Government in raising the import duty to 60/- per ton in place of the former rate of 10% ad valorem. This tremendous increase of something like 80% has made the importation of Argentine oats into the United Kingdom practically an impossibility, and apparently there is very little hope of having the new duty modified.

BARLEY

Exports during February totalled 5,140,000 bushels, nearly double the shipments in January - 2,664,000 bushels.

The supply position is now:-

Official estimate 1933-34 crop	35,366,000	bushels
Carry-over from 1932-33	4,710,000	"
Total	40,076,000	"
Deduct seed & domestic requirements	6,568,000	"
Balance available for export	33,508,000	"
Exported to February 28th	7,804,000	"
Balance still available	25,704,000	"

A fair amount of interest has been shown by exporters recently, with the result that the market has been firm, with a welcome improvement in prices.

Spot feed barley at the close of business on the 28th was worth $4.17½ paper pesos per quintal, equal to 27¼¢ Canadian per bushel at the day's rate of exchange, with Brewing grades worth a premium of ten per cent; on railway waggons in the port of Buenos Aires.