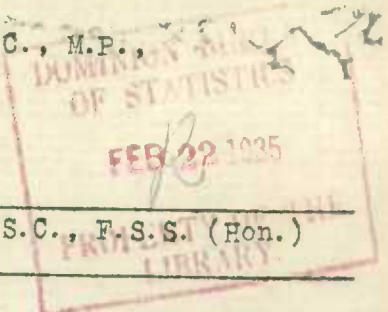


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The Grain Situation in the Argentine

Ottawa, February 21, 1935. - The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of February 4, 1935, dealing with the grain situation in the Argentine:-

W H E A T

SUPPLIES:

Exports of wheat and wheat flour during January totalled 17,846,000 bushels, made up of 17,620,000 bushels of wheat and 226,000 bushels of flour. The December total was 9,482,000 bushels.

The statistical department of the Ministry of Agriculture has made public an estimate of the stocks of wheat in the Republic, from which it is evident that its estimate of the 1933-34 crop has undergone a downward revision. The details are not given, but the result arrived at is fairly close to that shown in my own reports after deducting 11,023,000 bushels from the official total, as will be seen from the following statement based on the new official figures:-

Official estimate 1934-35 crop	252,062,000 bushels	
Carry over from 1933-34 (official) ...	<u>15,435,000</u>	"
Total supplies	267,497,000	"
Deduct for seed and domestic use	<u>95,534,000</u>	"
Exportable balance	171,963,000	"
Exported to) wheat 17,620,000 bushels		
Jan. 31st) flour 226,000 "	<u>17,846,000</u>	"
Still available for export	<u>154,117,000</u>	"

With threshing still in progress, it is too early yet to form a definite opinion, but there is a fairly general feeling that in view of the reports coming in, possibly 18,000,000 bushels will have to be deducted from the above figures.

MARKETS:

There has been only moderate activity in the market during the month. Brazil bought considerable quantities, as did also the local millers, paying premiums for the pick of the wheat coming forward, which so far is inferior by a good margin to the old crop grain.

The United Kingdom has shown little interest in buying, but fair quantities have been sold to the Continent, as well as to ex-European countries, including the United States. It is anticipated that the United Kingdom will shortly be in the market again for Plate wheats. At present she is apparently still absorbing purchases made four or five months ago.

At the close of business at the end of the month, Spot wheat was selling at 6.09 paper pesos per quintal, equal to 54c. Canadian per bushel at current rates of exchange; the May option was worth 6.36 equal to 56 3/8 cents per bushel. Winnipeg May on the same day closed at 82 3/4c.

NEW CROP:

Cutting of the wheat crop is practically finished, although here and there are some machines still at work. There is still considerable threshing to do, the work having been held up by rains earlier in the season, and the moving of the machines having been made difficult by the softness of the land.

There is no change in the conditions reported previously in respect of the crop in the north and centre; the yields are very uneven, and the samples coming forward equally so. In the south and south-west, where better results had been hoped for, these expectations have been disappointed, and there is little if any superiority over the rest of the country. Taking a general view of the results over the whole country, it can be said that yields are lighter than appear to have been anticipated in the official forecast of the crop, and there is a feeling that the Government's figures will have to be revised downward when the second estimate is made.

The following extracts are taken from the monthly report of the Ministry of Agriculture on crop conditions, which made its appearance on January 27th:-

Buenos Aires: In the east of the province cutting of the wheat commenced at the end of December, and threshing is now in progress, the product being of average quality. In the south-east rains have continued to hold up the harvest, and considerable damage to the yields is resulting. For the most part the grain threshed is dirty and very discoloured. In the Bahia Blanca zone the rains and winds have continued to cause damage; the quality of the wheat is deficient by reason of irregular maturity and the mixture of other grains and seeds. Wheat is still being cut, and the transportation is active. In the hill zone late wheat is still being cut. There is a great proportion of "whiteheads" in the crop. There is intense activity in carting to the stations. In the centre of the province the results have been very varied; every climatic adversity has been suffered, and many of the low farms are still inundated, but the product is deficient rather in appearance than in weight. In the west the rains have continued damaging the crops and have delayed the harvest by a couple of weeks, which has favoured the invasion of weeds and the lodging of the grain. Because of the slowness of the harvest and the dampness of the grain, there is little movement. The crop is considered below normal and the yields are very uneven, the most recommended varieties having failed. In the north-west zone also the crop has suffered and the quality has turned out inferior, with shrunken, light and dirty wheat. There is little movement. In the north there have not been the losses in the wheat fields which have been suffered in other zones in the province.

Santa Fe: The final result of the wheat crop in the centre and south of the province is irregular; the quality is defective, above all in appearance, the grain being bleached and often shrunken. There still remains a small part of the wheat crop in stack. The roads being good, the transportation of the crop direct to the ports in motor trucks is active. The termination of the harvest in the north of the province confirms important losses. In general, there is no uniformity either in the yields or the quality of the wheats threshed which, although not much below the basic weight, have a bleached appearance, especially the lots which were stacked. Threshing is not yet finished, because the machines have been unable to move in the stubble softened by the rains.

Cordoba: Cutting of the wheat crop is finished throughout the province, and there remain only a few stacks to thresh in the north-east. In the east and south-west threshing is at its height but interrupted by the unsettled weather. So far the yields are about as calculated, but it is likely that in the zones where the rains have been continuous there will be losses through shrinking and heating which can not be calculated for the moment. The quality of the wheat is considered regular to good in the north; medium, of light weight and poor colour in the other districts, with the addition of a regular percentage of shrunken grain in the south-west. The carting to the stations is very active in the east and north-east, but paralyzed in the south-west because of the delays in threshing operations.

Entre Rios: In the eastern zone of the province 10 per cent of the grain remains in stack, and 40 per cent in the west, where the unsettled weather has delayed the threshing. The results are as foreseen; wheat yields are variable but on the whole will probably exceed calculations. The quality of the wheat is somewhat inferior to that of last year, much of it bleached, with specific weights of from 78 to 79 kilograms plentiful. Carting to the stations is very active in the east of the province, but slower in the west.

La Pampa: The harvest, delayed already by climatic factors, has been abnormally prolonged by the difficulty of operating combines. In general the expected results are confirmed, since although the yields now being obtained are inferior somewhat, the early ones exceeded forecasts. Hail destroyed the crop in one county, but in the rest of the Pampa the area calculated as lost or abandoned has been confirmed. There is still a great quantity of grain in stacks, which this year are more numerous than usual because of the rains. In general it is estimated that 45 per cent of the grain is still unthreshed. The wheat has turned out to be of low specific weight. The movement to the stations is somewhat slow.

Santiago del Estero: Threshing is practically finished, there remaining only some stacks which the machines have not yet been able to approach. In the south-east of the province the average yields are considered good, except in one district where the fields were affected by the late frosts. The wheat is of low specific weight, bleached and of poor colour, as a result of the rains in the ripening period.

WHEAT QUALITIES:

The steps which were taken a year ago in order to improve the quality of the wheat exported from the Republic and put it in a better condition to compete with Canadian grain, are being continued, in spite of some protests which have recently been made; and the Ministry of Agriculture, on the advice of the National Wheat Commission, has requested the Camara Gremial de Cereales, the Grain Trade Committee which has charge of the formation of the official standards of wheat each year, that the "Favorito", "Ideal" and "Ardito" varieties be excluded from the official types of Buenos Aires, Bahia Blanca and Entre Rios export wheats, as was done last year in the case of the Rosario export standards; and the Camara Gremial has decided to act upon the recommendation.

In support of this action it is stated that during the past year the improvement in the Rosafe, the Rosario export type, has made it much more acceptable to the millers abroad; whilst on the other hand the Baril, or Buenos Aires export type, has been increasingly difficult to place. Whilst some hardship may be involved in the case of individuals, the general feeling is one of satisfaction that an attempt is being made to increase the prestige of Argentine wheat abroad.

M A I Z E

Shipments of maize during January totalled 18,516,000 bushels. This is over 3½ million bushels more than in December, when 14,926,000 bushels went out.

The Government has revised its estimate of the 1933-34 crop, increasing it from 232,312,000 bushels to 246,051,000 bushels; and at the same time has reduced its calculation of the quantity used for seed and domestic consumption. The supply position is now as follows, based on the new official figures:-

Newly revised official estimate 1933-34 crop	246,051,000 bushels
Carry over from 1932-33 crop	2,283,000 "
Total supplies	<u>248,334,000</u> "
Seed and domestic requirements (revised)	<u>49,210,000</u> "
Balance available for export	199,124,000 "
Exported 1st April to 31st Jan. (revised)	<u>190,867,000</u> "
Still available for export	<u>8,257,000</u> "

It should be mentioned that a calculation of stocks made by Broomhall's agents here gives a total of nearly 15,747,000 bushels in excess of the official estimate, and many members of the grain trade feel that the governmental figure is too low in view of the freedom with which the maize is still coming forward. This activity in the movement may, however, be accounted for in part by the scraping of bins in order to load space originally intended for wheat, but which the light deliveries of wheat because of delayed threshing and bad roads have made it difficult to fill.

The new crop continues to make excellent progress. In some districts rain would be welcome, particularly in the Rosario zone, but there are few districts where the crop can be said to be suffering for lack of it, and on the other hand the recent spell of hot weather, following the unusually cool January, is exactly what most of the maize required. The present condition of the crop justifies the optimism which is being freely expressed as to the probable yield. Barring setbacks, a record volume is anticipated.

The new crop prospects have not affected the markets as might have been expected. There is a steady, continued demand from the United States, which has helped to maintain prices, and although these are a little lower than a month ago they are still on a satisfactory basis, and are far above the official guaranteed minimum of 4.40 paper pesos per quintal.

At the end of the month, Spot yellow for export was quoted at 5.79 paper pesos per quintal, equal to 47¾ cents United States per bushel, and the May option at 4.90 (40 3/8 cents per bushel). In Chicago May corn was selling at 84¼c. on the same / day.

Red maize was selling here at 5.90, White at 6.00, and Cuarenteno at 6.05 paper pesos per quintal; all prices on railway wagons in the port of Buenos Aires.

In view of the heavy losses which have been involved this crop year by reason of maize cargoes going out of condition, the Ministry of Agriculture has undertaken an educational campaign amongst the growers as to the proper care of the grain during harvest, shelling, storage, etc.

L I N S E E D

Exports of linseed during January were 10,112,000 bushels more than double the December shipments, (4,949,000 bushels).

From an estimate of the stocks of linseed on hand which has just been published by the Ministry of Agriculture, it is evident that the official figure of the last crop has been revised upwards, although it is not specifically mentioned in the announcement.

The following statement as to the supply position is based on the new departmental statistics:-

First official estimate 1934-35 crop	72,044,000 bushels	
Carry over from 1933-34 (revised)	<u>2,217,000</u>	"
Total supplies	74,261,000	"
Seed and domestic requirements (revised)	<u>7,874,000</u>	"
Exportable balance	66,387,000	"
Exported to January 31st	<u>10,112,000</u>	"
Still available for export	<u>56,275,000</u>	"

Threshing of the new crop is well advanced, and there has been an active movement towards the ports. Earlier reports as to the condition of the new seed have unfortunately been confirmed, and there is a great deal of inferior seed, stained and with an undue proportion of foreign bodies, coming forward.

The demand for linseed has been and still is quite active, both European and United States buyers taking considerable quantities, and price levels have been well maintained. Closing prices were in fact higher than those of a month ago.

Spot linseed at the end of the month was selling at 12.07 paper pesos per quintal, equal to 99½ cents United States per bushel at current exchange rates; and the May option at 12.15 (100 1/8 cents per bushel). Duluth at the same time closed at \$1.87 for May linseed.

O A T S

Shipments of oats during January were 5,904,000 bushels as against 2,907,000 bushels in the previous month.

The statistical position is now as follows:-

1st official estimate 1934-35 crop	73,271,000 bushels	
Carry over from 1933-34	<u>1,204,000</u>	"
Total supplies	74,475,000	"
Deduct for seed and domestic use	<u>29,827,000</u>	"
Exportable balance	44,648,000	"
Exported to January 31st	<u>5,904,000</u>	"
Balance still available	<u>38,744,000</u>	"

Reports on the new crop from the districts from which almost all the export oats are drawn, in the southern part of the province of Buenos Aires, confirm previous reports as to the deficient quality. The yield is below normal, in respect both of quality and quantity per acre. The grain is light in weight, and much of the crop had lodged in the fields by reason of the continuous rains and strong winds.

There is considerable activity in the shipping of the new oats, much of the grain going to the United States, which is still interested in purchasing.

Prices have remained firm, and have in fact improved a little during the month, Spot oats closing at 5.25 paper pesos per quintal, equal to 26 3/8 cents United States per bushel, as against 5.15 a month ago. For March delivery 5.35 is being paid. In Chicago May oats closed at 50 1/8 cents.

BARLEY

Shipments of barley in January were 4,078,000 bushels, as compared with only 58,000 bushels in December.

The supply position is now as follows:-

Official estimate 1934-35 crop	42,715,000	bushels
Carry over from 1933-34 crop	<u>9,430,000</u>	"
Total	52,145,000	"
Seed and domestic requirements	<u>6,568,000</u>	"
Exportable balance	45,577,000	"
Exported to January 31st	<u>4,078,000</u>	"
Balance still available	<u>41,499,000</u>	"

It may be pointed out that although the above statement is based on official figures, the existence of the carry over of over 9,186,000 bushels is open to considerable doubt.

The market was quite active during the month, and a good deal of barley changed hands, Germany buying freely. The new grain, although fairly plump, is much of it badly discoloured through weathering, and is less attractive than the old crop in appearance. Barley of a good colour is so far distinctly scarce.

At the close of the month Spot feed barley was selling at 6.30 paper pesos as compared with 6.20 a month ago. Superior brewing grain was quoted at 7.00 paper pesos per quintal.

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