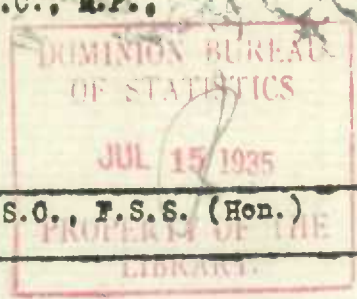


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The Grain Situation in the Argentine

Ottawa, July 13, 1935 - The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of July 1, 1935, dealing with the grain situation in the Argentine:-

According to the monthly report of the Ministry of Agriculture, which made its appearance on the 23rd ultimo, the general lack of rain continues to delay the sowing of wheat in important districts devoted to winter wheat, and even to make it impossible in view of the advanced date, and the sowing of later varieties is also being held up. Harvesting of maize is being brought to an end, and shelling is actively going on. The following is a resume of the report, by provinces:-

Buenos Aires.- Throughout the province harvesting and shelling of maize continues. In the east the late varieties are giving inferior results, the grain dark and damp. The cattle have been turned in to the worst lots. In the other districts the harvest is mostly over, with satisfactory results. Ploughing and harrowing for late wheats is in progress. In the south-east the time lost is being caught up for the sowing of winter wheats, using horses which are weak for lack of feed, and in some cases tractors. The lots which have germinated have a good leaf. In the central zone the work is behind. In the hill zone, because of the drought, the recent showers have only made it possible to continue sowing on last year's stubble; no winter wheat has been sown, but there will be an increase in spring varieties. In the Bahia Blanca zone also there is backwardness in the work, and the few rains have only served to improve the grain which has germinated. In the near west wheat seeding has ended regularly; but not so on the Pampa borders, where lack of moisture has prevented the sowing of winter wheat. Lastly, in the north also the work is delayed and little wheat has been sown. The little rain which has fallen in the province has helped the coarse grains in the zones where they are mostly grown, and it has been possible to pasture them in the south-west. In the west the condition is good except towards the Pampa.

Santa Fe.- The drought of the past two months has favoured the quality of the maize, but in the north some of the fields are a failure for lack of moisture. Work on the land has been made difficult throughout the province, except on the maize and coarse grain stubbles, where there was some moisture. In the north 70% of the area destined for wheat has been seeded. In the south the work is being done slowly in the hope of rain. In general it is noted that because of the difficulties in the way of growing wheat and the better returns from linseed there is a tendency to switch to the latter.

Cordoba.- The dry weather has improved the quality of the maize which is being harvested. The yields are good. The rains which have fallen in some districts in the centre and south of the province, although light, have facilitated work on the land. But mostly the drought continues and wheat seeding proceeds slowly in the north and east, and more slowly than that of linseed. If present conditions continue it is probable that sowings of both wheat and linseed will be reduced this year, or that many fields intended for wheat will be switched to linseed. Germination is hindered, and growth is uneven.

Entre Rios.- Harvesting of yellow maize is proceeding slowly, and little shelling has been done. For lack of rain ploughing is difficult, and the work has been stopped, especially in the centre of the province. Wheat seeding has been started on land which is very dry and badly cultivated, and in view of the topography of the district there is danger of the seed being washed out in the event of sudden heavy rains. Unless there is a general precipitation in the course of the current month (June) many fields intended for wheat will have to be planted to linseed instead. In the north it has rained more and it has been possible to work the land better, so that there are parcels of wheat and linseed which already have germinated well. In the remainder of the province winter seeding is late and uncertain.

The Pampa.- There is a scarcity of labourers, although high wages are being paid; hence the gathering of maize is being conducted slowly. The yields are variable and mostly low although above the normal for the zone. The land continues to be cultivated under bad conditions, for lack of rain. The area sown to date with wheat

is insignificant, and the seed planted fails to germinate, or does so unevenly. The season for sowing winter wheats is passing, and the farmers have no seed of later varieties with which to replace them. So that for these combined reasons the area planted will be smaller. Drought has spoiled the sowing of rye, and it is likely that barley will be used to replace wheat and rye. The work horses are in poor condition for lack of pasture, and the teams have to be changed frequently.

Some rains have fallen since the publication of the foregoing official report, improving the pastures and facilitating the work of seeding; but more precipitation is needed, especially in the western areas. Wheat seeding is generally from two to four weeks later than normal. It is too early yet to venture a forecast as to the extent of the area which will be planted, but it seems unlikely now that the increase which had been expected will take place. Some prophets had been inclined to look for a return to the acreage of 1933-34 (19,654,531 ac.) which was a shade below the five-year average 1929-34 of 19,692,767 ac. A repetition of last year's figure of 18,804,110 acres at this moment seems more probable.

W H E A T

Exports of wheat and wheat flour during the month of June totalled 11,592,000 bushels (wheat 11,550,000, flour 42,000), a substantial drop from those of the previous month, 17,185,000 bushels. The statistical position is now as follows:-

Second official estimate 1934-35 crop	238,320,000 bushels
Deduct for probable error	<u>9,186,000</u> "
	229,134,000 "
Add carry over from 1933-34 crop	<u>15,435,000</u> "
Total supplies	244,569,000 "
Deduct for seed & domestic use	<u>95,534,000</u> "
Exportable balance	149,035,000 "
Exported to) wheat 94,277,000 bushels	
June 28th) flour 1,077,000 "	<u>95,354,000</u> "
Still available for export	<u>53,681,000</u> "

Making due allowance for wheat sold but not yet shipped, the balance remaining available for sale is probably around 44,092,000 bushels.

All factors considered, the market here has remained remarkably steady during the month. The daily fluctuations have been very small, and on the final trading day of the month cables indicating rust damage in the United States crop caused a slight rise in prices, which showed a gain over the close of May. Spot export wheat closed at \$6.76 paper pesos per quintal, equal to 60¢ Canadian per bushel at the current rates of exchange, as compared with \$6.64 at the end of May; and the August option closed at \$6.81 (61½¢ per bushel). Winnipeg August wheat closed on the same day at 83½¢.

The Argentine millers have been displaying their customary interest in wheat of good grade, the demand for flour being fully up to normal, with prices firm.

M A I Z E

Exports of maize during June were fairly heavy, 26,405,000 bushels, although lower than those of the previous month, which were 30,187,000 bushels. The grain for the most part has been arriving in the ports in excellent condition for loading, and the weather also was quite favourable until late in the month, when atmospheric humidity and fogs set in.

The Ministry of Agriculture has at length made public its first estimate of the volume of the new crop, 452,734,000 bushels. This is nearly 196,841,000 bushels more than last crop, and is 33,069,000 bushels greater than the previous record Argentine crop in 1930-31. Below are the production figures for the last five years, for comparison:-

1929-30	280,819,000 bushels
1930-31	419,665,000 "
1931-32	299,332,000 "
1932-33	257,763,000 "
1933-34	255,915,000 "
5-year average	304,859,000 "

The area seeded was 17,369,000 acres, of which 14,091,000 acres were harvested, giving an average yield of 32 bushels per acre.

The Ministry also announces that there was a carry-over from the old crop of 445,000 bushels.

Using the new official figures as a basis, the following is now the statistical position:-

First official estimate 1934-35 crop	452,734,000 bushels	
Carry-over from 1933-34 crop	<u>445,000</u>	"
Total	453,179,000	"
Deduct for domestic consumption 49,210,000 bush.		"
Deduct for seed	<u>5,905,000</u>	"
Balance for export	398,064,000	"
Exported to June 28th	<u>79,464,000</u>	"
Balance still available	<u>318,600,000</u>	"

Prices prevailing for maize have given rise to an extensive movement amongst the growers for an increase of the official minimum price of the Grain Control Board from \$4.40 the quintal to \$6. The actual market price is still a little above the official minimum, viz: \$4.51.

Early in May last petitions emanating from some rural cooperatives were received by the Government and referred to the Grain Control Board, which after careful consideration decided that it must adhere to the minimum already fixed, basing its decision upon the fact that the policy of the Government through the Board is to maintain domestic prices at a minimum remunerative level.

In spite of the announced size of the Argentine crop, prices here have held up very well, assisted no doubt by the continued interest of the United States buyers. There have been some daily fluctuations caused by contradictory reports concerning the North American crop conditions, but the month closed on a slightly higher level than it opened, spot yellow maize for export selling at \$4.51 paper pesos per 100 kilos, equal to $37\frac{3}{4}\phi$ United States per bushel at current exchange rates, and the September option at \$4.70 ($39\frac{3}{8}$ cents per bushel), which compared with the Chicago September close of 77ϕ .

L I N S E E D

Exports during June were 4,157,000 bushels, a considerable drop from the May figure of 7,061,000 bushels. The supply position is now as below:-

Second official estimate 1934-35 crop	77,083,000 bushels
Carry over from 1933-34 crop	<u>2,217,000</u> "
Total	79,300,000 "
Seed & Domestic requirements	<u>7,874,000</u> "
Exportable balance	71,426,000 "
Exported to 28th June	<u>42,693,000</u> "
Still available for export	<u>28,733,000</u> "

Buyers in the United Kingdom have recently shown more interest in Argentine linseed, but on the other hand the Continental demand has been quieter. In view of the size of the crop and the liberal shipments which have been sent overseas, it is not surprising that prices declined a little, the month closing with spot linseed at \$11.83 per 100 kilos, equal to 99ϕ United States per bushel, and seed for September delivery at \$12.11 ($101\frac{1}{2}$ cents United States per bushel). These prices compare with Duluth September linseed at 156ϕ .

O A T S

June exports were 1,593,000 bushels, as against 1,467,000 bushels in the previous month.

Of the exportable balance of 34,273,000 bushels of this year's crop, there have now been shipped 19,669,000 bushels, leaving a balance still available of 14,604,000 bushels.

Little export business is being done in oats at present, the demand for home consumption being quite active, partly as the result of the scarcity of good pasture following the prolonged dry period. Spot oats for export closed the month at \$5.15 per quintal, whereas buyers for domestic use were paying as high as \$6.20 for oats of superior quality, and \$5.80 for good quality; ordinary grades fetching the export rate.

B A R L E Y

June exports were 1,477,000 bushels, as against 668,000 bushels in May.

Out of the export balance of 34,126,000 bushels, 15,431,000 bushels have now been shipped out, leaving still available (on paper) 18,694,000 bushels.

The demand is weak, and prices receded during the month from \$5.40 to \$5.10 for good feed barley, and from \$6.10 to \$5.25 for brewing qualities.

R Y E

Shipments during the month were 675,000 bushels, as against 782,000 bushels in May.

This brings the quantity exported to 6,575,000 bushels, out of the exportable surplus of 13,842,000 bushels, leaving still available 7,267,000 bushels.

There is very little demand for this grain at present, and prices dropped a little, spot rye for export closing the month at \$4.25 per quintal.

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