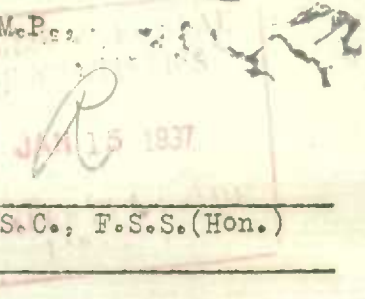


22-D-01A

Published by Authority of the Hon. W.D. Muler, M.P.,  
Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS -- CANADA  
AGRICULTURAL BRANCH



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, January 14, 1937.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of January 2, 1937, dealing with the grain situation in the Argentine.

The New Grain Crops

The first official estimate of the new grain and linseed crops was made public by the Ministry of Agriculture on December 17th. It indicates some very satisfactory yields, as will be seen from the following figures:-

	<u>met tons</u>	or	<u>bushels</u>	or	<u>hectares</u>	or	<u>acres</u>
Wheat	6,800,000		249,560,000		6,365,000		15,721,550
Linseed	1,880,000		74,072,000		2,645,000		6,533,150
Oats	820,000		53,136,000		825,000		2,037,750
Barley	680,000		31,212,000		570,000		1,407,900
Rye	225,000		8,865,000		405,000		1,000,350
Canary Seed	30,000		1,132,000		37,500		92,625
Totals	<u>10,435,000</u>		<u>418,027,000</u>		<u>10,847,500</u>		<u>26,793,325</u>

The estimated yield of wheat is the highest yet registered in the country. It works out at 1,068 kilos per hectare, or 15.87 bushels per acre. This exceeds by .01 bushel per acre the previous best yield, which was in 1933-34, 15.86 bushels per acre. The only other year in which the average wheat yield has touched 14.86 bushels per acre was 1928-29, when 15.56 bushels was recorded.

The linseed average is estimated at 711 kilos per hectare, or 11 1/4 bushels per acre, which is about the normal figure.

A comparison of the above estimated areas to be threshed with the figures of the third official estimate of the areas seeded to the various crops, indicates some heavy abandonments:-

Wheat	718,000 hectares	or	1,773,460 acres	abandoned,
Linseed	365,000		901,550	
Oats	453,000		1,118,910	
Barley	209,000		516,230	
Rye	487,000		1,202,890	
Canary Seed	7,000		17,290	
	<u>2,239,000</u> hect.	or	<u>5,530,330</u> acres.	

Comparative statistics of the estimated production of this season with that of last year and the previous 5- and 10-year averages are (in bushels):

	<u>Wheat</u>	<u>Linseed</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>
1936-37	249,857,000	74,012,000	53,170,000	31,232,000	8,858,000
1935-36	141,463,000	59,446,000	33,718,000	21,128,000	5,000,000
5-yr. av.	225,769,000	70,567,000	56,062,000	28,530,000	10,047,000
10-yr. av.	238,514,000	72,302,000	57,492,000	22,252,000	8,179,000

Whilst the grain trade generally seems disposed to regard the official figures as a reasonable estimate of the expected yield, one of the leading daily newspapers criticizes the wheat estimate as probably too high, pointing out that threshing returns on which the official figures are presumably based, could only have been available from the northern districts at the time when the figures must have been compiled, and that the high average yield attained in the north could not be expected to be equalled in the more southerly zones, where frost and drought had undoubtedly done some damage.

Harvesting of wheat is now well advanced in the south of Buenos Aires, and private reports from a typical district within the area damaged by frost indicate an average yield of about 12 bushels per acre in wheat cut with the combine.

Deducting the ordinary domestic requirements for seed and home consumption (95,534,000 bushels) from the estimated wheat crop, there will remain for export a

balance of 154,324,000 bushels, plus the very small carryover from the old crop.

#### Crop Conditions.

The weather during December was somewhat variable, and there were some heavy rains which interrupted harvesting for several days at a time. Nevertheless, wheat cutting is well advanced, and the machines are at work in the southern portion of the province of Buenos Aires, where in some districts 75 per cent of the grain has been gathered.

Threshing returns from the north indicate very good yields, which are reflected in the government estimate of the crop, but the wheat qualities are very variable. There is a good deal of soft grain, and a high proportion of bleached and "yellow berry" kernels, but the natural weight of the grain is quite satisfactory. In the south and also in parts of the north there is a certain percentage of shrivelled kernels in districts where frost or hot winds have inflicted damage.

Below I give extracts from the official report on crop conditions, which made its appearance on December 19th:

Buenos Aires: Wheat. Cutting is general almost throughout the province. The results may be considered good, except in the western and south-western parts, where lack of rain, strong winds, and the frost of early November have caused losses in the seeded area and an appreciable shrinkage in the expected yields. Insect damage in the C. Suarez district has caused the wheat to be of light specific weight, although the yields are satisfactory. Linseed: The condition in general is good. In the north, in the real linseed zone, harvesting is becoming general. The yields obtained up to now are normal and the quality is good. Towards the centre there is an abundance of weeds, owing to excessive humidity of the soil, and the condition of the fields is from average to poor, towards the west there being some stretches which may already be regarded as lost from this cause. Towards the south there is an improvement; the pods have formed normally, and are ripening under good conditions. Maize: The condition of this cereal is good, the weather having been favourable for it in the north and centre of the province. In the southern coastal region seeding has been finished, and although the condition is good, rains would be welcome. In two districts young locusts have caused damage of some consideration. Cordoba: Wheat. A good proportion of the wheat has been harvested, this being greater in the north-east and centre of the province. Yields are generally good, except in some districts where hot winds precipitated ripening and shrivelled the grain. An appreciable proportion of the wheat cut shows a bad colour, through being bleached or "yellow berry"; but the specific weight is good. Linseed: The results of the harvest are uncertain; first seeding and germination were late on account of drought, and afterwards too abundant rains brought excessive weed growth, causing a lower yield and poorer quality. Grubs also have caused damage to an appreciable extent in isolated fields but distributed throughout the province. The quality is very irregular, there being many lots with percentages of stained and green seed, with also some damaged by frost. Maize: The condition of the maize fields is good. A backwardness in their development is noticeable, by reason of late planting because of lack of moisture for the preparation of the soil. The crop is most advanced in the south-east of the province. Locusts were fought effectively, and there is no appreciable damage. Santa Fe: Wheat. In the north and greater part of the centre of the province the wheat and linseed are cut and stacked. In the south cutting has commenced, but frequent rains are preventing normal progress. By the end of the month threshing will be in full swing in the north. Early threshings in the north are giving satisfactory yields, and in the remainder of the province they are considered very good. As to quality, the basic weight is superior to normal, it being easy to find wheats weighing 80 to 83 kilos (say 64 to 66½ lbs p. bu.). The quality decreases in the northern zone adjacent to Santa Fe. In the south and centre the earlier combine cuttings have given a superior product. The uncut fields in the south present a uniform appearance, with even heads, well filled and in good sanitary condition, as rust developments were isolated, as were also grub attacks. The rains and strong winds of the 7th lodged some lots, making their harvesting difficult. Linseed: This is mostly cut and stacked in the north and most of the centre, and early lots in the south are being cut, with frequent interruptions through rains. Early yields in the north are low, owing to damage by grubs, locusts and drought. Threshing here will soon be general, and in the south cutting and stacking. The uncut fields in the south and centre are in satisfactory condition, but the frequent rains are encouraging the growth of weeds and delaying ripening of the linseed. Maize: Planting has been finished in the centre and south of the province. In the north late varieties are being planted and will continue as long as possible in order to try to make up the reduced area of the early varieties. Everything depends upon the rains. Entre Rios: The weather here has been relatively settled, and harvesting has not been made difficult by rains. Wheat: The harvest generally is well advanced, and threshing also is general. Yields are satisfactory, and the quality of most of the lots threshed so far is good,

especially in the central zone. Linseed: Threshing of linseed also has become general. As with wheat, it is mostly being hauled direct to the machines, without previous stacking; but whilst this is economical it has the disadvantage of lowering the quality of the product, especially in the case of linseed and in a year of abundance of weeds such as this. The early yields have been relatively low, due to the late date at which cultivation was begun, attacks of locusts, and abundance of weeds. Maize: The early maize is in good condition. Invasions of weeds in the fields are being fought, but not generally. Locusts are being attacked actively, and there is good hope of a better maize crop this year. The Pampa: Except in one or two zones where hail and heavy rain storms have caused damage, weather conditions have been favourable for the crops, with lower than normal temperatures and beneficial rains at the close of November. Harvesting is general. The condition of the wheat improved, except in some districts. There are abandonments in all districts, especially in the west. Yields generally are inferior to normal, but the quality is good. Yields of linseed are low, and there is an appreciable proportion of area abandoned because of damage through adverse weather conditions. Maize planting is being carried on actively, and the early plantings are already above ground but a little backward in development. Santiago Del Estero: Harvesting of wheat has finished, with poor results; yields are so low that seed will have to be brought in for next year. The linseed crop is a failure, through persistent drought and attacks of locusts. The crop of maize is unpromising, except the early plantings in the irrigated zone.

Supplies and Market Conditions

Grain Movement. During the month of December there was great congestion in the ports of the Republic, and this naturally backed up on the railways. Inadequacy of elevator accommodation and port facilities to take care of the heavy maize movement were responsible. Over 39,368,000 bushels of maize were sent overseas during the month. Many miles of loaded railway cars containing this grain were standing in the ports or held up on the way to them, causing a shortage of cars to take care of the wheat and linseed being threshed. Industrial life also was affected, construction work being held up for lack of cement, for the haulage of which from the points of production there were insufficient cars available. The heavy rains which on several occasions held up harvesting and threshing operations, relieved the situation by making the country roads impassable and stopping the flow of grain to the railway stations. At the same time, some inconvenience was caused to shipping firms who had boats waiting for the new wheat and linseed, and had to substitute maize to fill the space.

There is every promise of a very active movement overseas during the next few weeks. In addition to parcel space in the liners, tramp steamers with a capacity of very close to 157,473,000 bu. are under charter already, of which 66,926,000 bushels are for January, and 62,989,000 bushels for February loading.

Wheat. In connection with the flour statistics included in this section, attention is called to the fact that in the past the figures given have been the actual tonnage of flour, which have been somewhat misleading, as they leave a disappearance of wheat not fully accounted for. Hence, in this and future reports the flour figures will be given in terms of the wheat used in producing it. Records of the Argentine mills for 1935 show that 74,409,000 bushels of wheat produced 52,761,000 bushels of flour, a ratio of 70.9=100. A round figure of 70=100 will therefore be used in the conversion.

Exports of wheat and flour in December were 12,189,000 bushels (wheat 12,063,000 bushels, wheat as flour 126,000 bushels).

Including the new crop, the following is now the statistical position:-

Second official estimate 1935-36 crop .....	139,626,000 bushels
Carry over from 1934-35 crop .....	19,138,000 "
Total supplies .....	158,764,000 "
Deduct for probable over-estimate .....	5,071,000 "
Revised total .....	153,693,000 "
Deduction for seed & domestic needs (revised) .....	91,859,000 "
Balance for export .....	61,834,000 "
Shipped to) wheat .....	59,304,000 bushels
Dec. 31st ) wheat as flour. 2,184,000 "	61,488,000 "
Stocks old crop on hand 31:12:36 .....	346,000 "
First official estimate 1936-37 crop .....	249,857,000 "
Total supplies 1:1:37 .....	250,203,000 "
Deduct for seed & domestic requirements .....	95,534,000 "
Exportable balance for 1937 .....	154,669,000 "

Great activity prevailed on the grain exchanges during the month of December, which was in marked contrast to the quiet atmosphere of previous weeks. Farmers and country merchants were free sellers, but in spite of the liberal offerings the market remained firm, exporters having no difficulty in turning the grain over to their clients abroad. It is estimated that nearly 55,116,000 bushels of new wheat have already been sold for export. Stocks in most European countries are known to be low, and the active demand for new Argentine wheat is expected to be well maintained for some time. Brazil is, as usual, in the market for the pick of the parcels coming forward, especially the hard wheat from the south of the province of Buenos Aires, the cutting of which is now well advanced. The local millers are also out to buy this choice grain, which is selling at a premium over the wheat from other zones.

At the close of business for the month and year, Spot wheat (No.2 Soft, 64 lbs. per bushel) was selling at 11.25 pesos per qtl. (equal to 100 $\frac{1}{2}$ c. Canadian per bushel at prevailing official exchange rates); and the March option (the furthest month being quoted) at 11.27 (100  $\frac{3}{4}$ c. per bu.). On the same day in Winnipeg, May wheat closed at 129  $\frac{1}{8}$ c.

Maize. Maize shipments in December reached the high figure of 41,306,000 bushels, which compares with 34,208,000 bushels in November, and brings the exports since April 1st to over 255,893,000 bushels. The statistical position is now as shown below:-

Third official estimate 1935-36 crop ...	392,486,000 bushels	
Carry over from 1934-35 crop .....	43,352,000	"
Total supplies .....	435,838,000	"
Deduct for seed & domestic needs .....	101,176,000	"
Exportable balance .....	334,662,000	"
Shipments April 1st to December 31st ...	256,958,000	"
Still available for export .....	77,704,000	"

The liberal rains during December have made it reasonably certain that another good maize crop will be cut, and this has made the farmers and country holders less disposed to hold on to their stocks. But in spite of the increased offerings prices have held up well and even advanced a little in sympathy with wheat during the month just closed. Good sales have been made, both to the United States and Canada, and to the various European consuming centres. But there is great haste apparent to get the old crop of maize out of the way before the new one commences to come on the market, and it is highly probable that considerable quantities have been put afloat unsold. Whilst this may have a tendency to weaken prices a little later on, it is not anticipated that there will be any difficulty in consuming countries absorbing all the Argentine surplus.

At the close of the month Spot Yellow maize for export was selling at 5.83 pesos per 100 kilos (equal to 48  $\frac{5}{8}$ c. U.S. per bushel at current official exchange rates); and March, the farthest month quoted at 6.09 (50  $\frac{3}{4}$ c. per bu.); whilst in Chicago May corn was selling at 106  $\frac{1}{8}$ c.

Linseed. December shipments were 6,686,000 bushels, leaving the supply position as under:

Second official estimate 1935-36 crop ...	52,360,000 bushels	
Probable under-estimate .....	7,874,000	"
Carry over from 1934-35 crop .....	4,869,000	"
Total supplies 1936 .....	65,103,000	"
Deduct for seed & domestic needs .....	7,874,000	"
Balance for export 1936 .....	57,229,000	"
Add new crop as per 1st official est. ...	74,012,000	"
Total supplies .....	131,241,000	"
Exported during 1936 .....	61,317,000	"
Balance .....	69,924,000	"
Seed & domestic requirements 1937 .....	7,086,000	"
Exportable balance at 1:1:37 .....	62,838,000	"

As will be seen from the foregoing statement, over 3,937,000 bushels of the December exports must have consisted of new crop linseed, which has been moving quite freely, and this is expected to continue. Increased industrial activity appears to be stimulating the demand for linseed, and a good business was done in December, prices being carried well above what was the former official minimum, 14.

Spot Linseed closed the month at 14.50 per quintal, equal to 120  $\frac{7}{8}$ c. U.S. per bushel at current exchange rates; and the March option a trifle lower, 14.48 (120  $\frac{5}{8}$ c. per bu.). In Duluth on the same day May seed closed at 222c.

Oats. December shipments of Oats were 1,886,000 bushels which brought the total exports for the year to 11,062,000 bushels. The December cargoes probably included some of the new crop.

Although the new crop is smaller than had been anticipated at one time, there is much bigger surplus for export than a year ago, as the following figures show:

First official estimate 1936-37 crop .....	53,170,000	bushels
Seed seed & domestic requirements .....	<u>29,827,000</u>	"
Exportable balance .....	<u>23,343,000</u>	"

There was a fair amount of activity in the market during the month, and prices made welcome gains, White oats of export quality closing at 6.10 pesos per 100 kilos, and Yellow at 5.90, which prices compare with 5.25 and 5.05 respectively at the end of November.

Barley. Shipments during December were 787,000 bushels, and the total for the year 10,838,000 bushels.

The first official estimate of the new crop indicates 31,232,000 bushels, which after deducting 6,568,000 bushels for seed & domestic consumption leaves a balance available for export of 24,664,000 bushels, plus any small carry over from the previous crop.

The market was quiet with little business passing, but prices improved a little in sympathy with other grains. At the close of the month Malting barley of export quality was being quoted at 8.10 pesos per 100 kilos, and Feed qualities 7.90, as against 7.55 and 7.35 at the end of November.

Rye. December exports were 936,000 bushels and the year's total 5,467,000 bushels.

The government's estimate of the new crop is 8,858,000 bushels from which 1,945,000 bushels will be required for seed and domestic needs, leaving 6,913,000 bushels as an exportable balance, with the addition of any small stocks still on hand from the old crop.

Business in the early part of December was fairly brisk, but fell off towards the end. Prices made a substantial gain, export rye closing the month at 9.70 per quintal, as compared with the previous month's close of 7.40.

New Official Grade of Wheat

Reference was made in these notes a month ago to the prevalence of a blemish in the wheat crop of the Rosafe zone, called here "panza blanca" or "white belly", and known in the northern part of the continent as "yellow berry". In parts of Santa Fe and Cordoba the percentage of this damage ran as high as 100%, and the average was said to be about 33%. Official grades only permit 15% in grade 1, and 30% in grade 2 of any type of wheat, so not unnaturally an agitation was started to induce the National Grain & Elevator Board to change the official specifications so as to admit a greater percentage of the damaged wheat. As the Argentine Grain Act contemplates permanent standardization of the official grades, to yield to pressure for modifications of standard grades at the end of the first season would have created an awkward precedent. The Board has therefore met the situation by establishing a new grade, to be known as Rosafe Semi-hard No. 2 P.B., in which there will be permitted a maximum of 60% of the panza blanca grains.

An enquiry is to be made in order to discover if possible the cause of the unusual condition in the wheat crop in the zone affected.

Warning Against Mixing Wheats.

The National Grain & Elevator Board has found it necessary to issue a warning against the mixing of wheats of different types by grain dealers. It is pointed out that the classification of grains is based upon their industrial qualities, and that exceptional importance is attached to improving and making uniform the Argentine exports, to achieve which it is necessary to avoid mixing wheats of different types, such as Hard, Semi-hard and Soft, although there is no objection to mixtures of varieties within their own types, provided they are not varieties which have been outlawed from all types and which are included in a list given wide publicity by the authorities. The wheats in that list must be kept rigidly separate from all others by the dealers.

It is no small task which has been set the grain dealers to recognize and segregate wheats of a score or more varieties which may be delivered to them by their clients. The clients themselves may not know that they are offering for sale forbidden varieties, with whose characteristics they may be quite unfamiliar. It seems not impossible that growers may find themselves imposed upon in a new way in this matter.

STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010722870