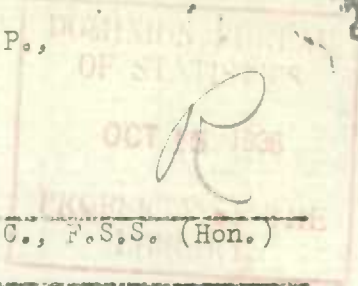


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The Grain Situation in the Argentine

Ottawa, October 14, 1936. - The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of October 1, 1936, dealing with the grain situation in the Argentine:

CROP CONDITIONS.

Fine winter weather prevailed in the Republic during most of the month of September, with a tendency to undue dryness in places. The south, west and northern parts of the cereal zone were all rather in need of rain until the middle of the month; but a fair amount of precipitation then relieved southern Buenos Aires and the south Pampa, and on the 28th further rains, generous in many parts, covered almost the whole of the cereal region, including the dry section in the north; so that practically every district where grain is grown has had some moisture during the month.

On the night of the 22nd, with the ushering in of Spring according to the calendar, the province of Buenos Aires, the Pampa, Cordoba and the south of Santa Fe were all visited by frosts, mostly light, although in some places the temperature reached down to 5 and 6 degrees Centigrade below freezing point. It is not thought that the wheat and linseed crops have been seriously affected by the frosts, although it may be found that low spots have been damaged here and there. But neither of these crops is in a stage of development where frosts are greatly to be feared. Another factor making for safety is that, in this part of Buenos Aires at any rate, a very high wind prevailed throughout the night and the stagnation of the air, which can make a frost so deadly in its effects, was lacking.

The condition of the wheat crop generally can be said to be good throughout the country, and in the southern districts very good. Mostly the linseed is fairly good, but in places there is room for improvement, which recent rains will doubtless promote. Further rains in the not too distant future will be welcome almost everywhere.

With the exception of a little late linseed, seeding of these crops has been completed.

Work on the new maize crop is well advanced, and much of the seed is in the ground already. It is of course still early in the season for this grain to be planted.

The dry weather of the past month has enabled good progress to be made with the shelling of the old maize crop, but the necessity of artificially drying the grain still makes the movement somewhat slow.

Below are given extracts from the monthly official crop report, which made its appearance on the 19th and therefore does not cover the full month. The above notes will serve to supplement the information officially furnished.

WHEAT & LINSEED: Buenos Aires: Throughout the province the cold weather checked the excessive leafage growth in the wheat and encouraged root development, which is excellent. As germination was uniform, thanks to the satisfactory soil humidity, the fields present an even appearance. In the north, in spite of the backwardness with which the planting of wheat was started, the condition is good. Throughout the zone there is an evident need of rain, especially for the late-sown wheats, and even more in the light soil districts adjoining the Pampa, to offset the action of the winds. Linseed sowing is finished in the west, but not in the rest of the province. In the north it is hoped that before the end of the month the time lost will be recovered, which would make it possible to complete the normal acreage of the zone. In the southwest, because of the difficulty in ploughing and for fear of frosts, seeding is being delayed, and in the central east some dairymen, as is customary in most years, are ploughing up land which has been pastured up to the present, to sow in October with quick growing linseed. In the south lack of moisture is observable in the fields lastseeded; but in the remainder of the province the condition is excellent. No frost damage is to be seen. Santa Fe: In general the condition of the wheat fields is excellent, the germination having been even. In the north there are very early fields which are beginning to head and altogether it is estimated that half the area sown is in stalk. On the other hand in the south it is more backward. In the north

the wheat requires rain more urgently than in the south. Locusts have stripped some fields in the northern zone; good rains will make good the damage. With the exception of some small fields which remain to be sown, planting of linseed is finished in the province. The work has been done under good conditions, although with some haste in the south on account of the advanced season. Germination has been normal. 20% of the northern fields are flowering and are in danger of damage from frost which may appear any time. The half grown fields are those which look the best and their crop can be regarded as safe if it should rain within a few days. As for the more backward fields, which include most of those in the south, an abundant rain is rather urgently needed. Cordoba: The yellow colour of the wheat in this province shows the effect of the drought, but the good root development of the plants enables them to resist the lack of moisture. There has been a small loss of area in one district caused by the earth baking as a consequence of the strong sun which followed the rains that fell during seeding. Locusts have also caused damage, but of little account, in isolated spots in the centre. The general condition of the linseed is deficient, because besides the drought it has been affected by frost, especially in the west, where it has been necessary to resow some fields. As in the case of wheat, locusts have damaged some of the linseed fields, setting them back. Entre Rios: Wheat seeding has terminated. There was no lack of seed; but on the contrary some colonists did not use what was advanced by the government, on account of the impossibility of preparing the land. The condition of the wheat is below normal, because of the lateness of the seeding and the subsequent lack of rains; and the depredations of locusts have made the prospects for the moment look doubtful. Linseed looks well in the south-east, but elsewhere the condition is defective, the germination having been uneven. ~~There is~~ There is need of an abundant rain, and the backwardness of growth may permit serious damage by the young locusts. The Pampa: Although there has been a lack of rain and an abundance of strong winds, the condition of the wheat fields is generally satisfactory, except in the north-west of the territory, where it is only fair. There is a thick growth in the fields, with strong plants, some of them well advanced in their development, but there is an evident need of rains.

MAIZE. Buenos Aires: Although the dry weather during the past month was favourable for the shelling of the maize of the late crop, the humidity of the grain made the work slow; this is 18°. The rate of shelling had to be regulated to the time needed to spread the grain in the sun to dry, as in this province the use of artificial dryers has not become very general. In the north there is more than 60% of the crop in crib, but in the rest of the province there is hardly more than enough for local consumption in the cribs. Ploughing for the new crop is proceeding normally. Santa Fe: Shelling in the north is practically finished, and is going on actively in the south, with a yield of grain so damp that practically the whole of it will have to be dried either artificially or by the sun. In the north the dry weather and high temperatures have reduced the moisture content of the maize, but a certain percentage of sprouted and mouldy grain is in evidence. In the south this percentage is higher, although there are appreciable differences of quality between neighbouring cribs, according to the way these were built. In the south half the crop still remains to be shelled, and the movement to the stations and ports is very slow because of the necessity of drying most of the grain. The preparation of the land for the new crop has been difficult because of the dryness of the soil. In the north about 40% of the land has been prepared, and in the south only 15%. Cordoba: Because of the hardness of the soil, the preparation of the land for the new maize crop has been slow.

SUPPLIES AND MARKET CONDITIONS

W H E A T.

Exports of wheat and flour in September showed a marked increase over those of the previous month. 4,380,000 bushels of wheat and 155,000 bushels of flour, a combined total of 4,535,000 bushels were shipped, against 2,860,000 bushels in August.

The statistical position is now as follows:-

| | | |
|---|-------------|---------|
| Second official estimated 1935-36 crop, | 139,626,000 | bushels |
| Carry over from 1934-35 crop | 19,138,000 | " |
| Total supplies | 158,764,000 | " |
| Deduct for probable overestimate | 5,071,000 | " |
| Revised net total | 153,693,000 | " |
| Deduct for seed & domestic needs | 95,534,000 | " |
| Exportable balance | 58,159,000 | " |
| Shipped to) wheat 37,240,000 bushels | | |
| Sept. 30th) flour 1,295,000 " | 38,535,000 | " |
| Still available for export | 19,624,000 | " |

There was not much business passing in wheat during the past month. As the statement above shows, the surplus still on hand is comparatively small, and most of

of it will be required for Brazil and neighbouring countries and the Argentine mills. The U. K. shows no interest whatever in Plate wheats. The Continent bought in limited quantities only, for shipment to Antwerp. Local millers picked up in the market whatever lots they could find suitable to their requirements, and a quantity was released by the official Board for sale to them, and further quantities for shipment to Brazil. Reports of frosts, drought and rains caused fluctuations to a mild extent, and the month closed with prices a shade weaker. Spot wheat (No. 2 soft, 64 lbs. per bushel) being quoted at 10.80 pesos per 100 kilos (equivalent to 97 3/8c. Canadian per bushel at current official rates of exchange), and the December option at 10.60 (95 3/4c.). This compares with 105 1/8c., the Winnipeg close for December on the same day. Unofficially, wheat of the new crop was being traded in at 10.30 per 100 kilos for January delivery.

M A I Z E.

Maize shipments during September climbed to normal proportions, 40,765,000 bushels being exported, as compared with 30,388,000 bushels in August. This had made a substantial impression on the available surplus, as will be seen from the following statement:

| | |
|--|----------------------|
| Second official estimate 1935-36 crop, | 381,752,000 bushels |
| Carry over from 1934-35 crop | 43,352,000 " |
| Total supplies | <u>425,104,000</u> " |
| Seed & domestic consumption | 101,176,000 " |
| Exportable balance | <u>323,928,000</u> " |
| Shipments to September 30th | 143,009,000 " |
| Still available for export | <u>180,919,000</u> " |

September was a very busy month in the maize market. Not only the United Kingdom and European Continent, but also the United States and Canada were free buyers, with no indication at present of their interest flagging. The suspending of the Canadian import tax of 25 cents per bushel was a great stimulus to business. Since the beginning of April nearly 7,874,000 bushels have been shipped to Canadian ports, Argentine maize now being given a preference by buyers over South African. It is anticipated that the demand from Canada will be maintained until the freezing up of the St. Lawrence at the beginning of winter.

In view of the brisk demand, it was only natural that the market maintained a firm tone, and at the close of the month Spot yellow maize for export was priced at 6.06 paper pesos per 100 kilos, equal to 50 7/8c. U.S. per bushel at current rates of exchange; and the December option at 6.33 (53 1/8c. per bu.); whilst in Chicago, December maize closed at 93 3/4c. on the same day.

L I N S E E D.

Exports of linseed in September totalled 5,269,000 bushels which compares with 4,257,000 bushels in the preceding month, and is really a higher volume than had been anticipated, being rather more than half the available stocks according to statistics.

The position is now as under:-

| | |
|--|---------------------|
| Second official estimate 1935-36 crop, | 52,360,000 bushels |
| Carry over from 1934-35 | 4,869,000 " |
| Total supplies | <u>57,229,000</u> " |
| Deduct for seed & domestic needs | 7,874,000 " |
| Exportable balance | <u>49,355,000</u> " |
| Shipments up to September 30th | 44,124,000 " |
| Still available for export | <u>5,231,000</u> " |

Most of the remaining stocks are in the hands of the Grain Board, but it looks as if there might be more seed in the country than had been supposed.

There was a moderately active market during the month, the United States being one of the principal buyers, and still showing interest. Nevertheless, prices receded a little, the good rains in the linseed zones being doubtless one of the factors which caused a weakness at the close of the month, when prices were, for Spot \$14.23 pesos per quintal (say 119 1/2c. U.S. per bushel), and for December \$14.40 (120 7/8c. per bu.). In Duluth on the same day December linseed closed at 202c. per bushel.

O A T S.

September shipments of Oats were only 442,000 bushels; almost as low as in August (295,000 bushels). This brings the total shipments of the season to 5,457,000

bushels, out of the original exportable balance of 6,190,000 bushels, and leaves still in stock 733,000 bushels. Practically the only business being done is for local consumption, and not very much for that. Prices closed at the same level as a month ago, White oats of export quality 5.90 per qtl. and Yellow 5.60.

B A R L E Y.

Exports of Barley in September were 412,000 bushels, as against 506,000 bushels in August; making a total for the season so far of 7,963,000 bushels. It is evident that the original estimate of the exportable balance was excessive. Reducing it to 16,058,000 bushels from the former figure of 20,651,000 bushels, there remains a balance still on hand of 8,095,000 bushels. A moderate business was transacted during the month, some sales being made to Germany, and prices were firm, closing at 6.60 for Malting barley of export grade, and 6.50 per qtl. for Feed barley.

R Y E.

Rye exports in September were 211,000 bushels, as compared with 272,000 bushels in the preceding month. Out of the exportable balance of 8,526,000 bushels at the beginning of the season, 3,292,000 bushels have now been shipped out, leaving still available 5,235,000 bushels. But this quantity exists rather on paper than in fact. Whilst there are not many sales for export, the local demand was quite active during the month, and prices showed a substantial improvement, rye of export quality closing at 6.65 per qtl., as compared with 5.65 at the end of August.

ARGENTINE FLOUR MILLING.

A record volume of wheat flour was produced in the Republic during the year 1935, according to an official report recently given to the public. 52,761,000 bushels of flour were manufactured, which exceeds by 768,000 bushels or 1.5% the production of 1934; and the sub-products, which totalled 21,089,000 bushels, showed an excess of 449,000 bushels, or 2.2% over those of the previous year. The quantity of wheat used by the mills was 74,409,000 bushels, which was 1,152,000 bushels more than in 1934.

The yield of flour obtained in 1935 was slightly lower than that of 1934, but the diminution was only 0.1%.

The number of flour mills registered in the country is 291, but of these 97 remained inactive throughout 1935. The joint capacity of the 194 mills which were in operation was 347,000 bushels per 24 hours.

The exportation of wheat flour in 1935 totalled 3,254,000 bushels which, compared with 1934, shows a drop of 803,000 bushels, or 19.8%. Exports to Brazil, the principal customer, showed a heavy decrease, being only 1,227,000 bushels, as compared with 2,460,000 bushels in 1934, a difference of 50.1%. But this reduced volume in the case of flour is offset by higher exports of wheat to Brazil, which reached the satisfactory figure of 32,844,000 bushels in 1935, or 3,376,000 bushels more than in 1934.

The consumption of flour per capita in the Argentine is increasing. The 1935 average was 108.9 kilograms, 2 kilograms more than in 1934. For the 5 year period 1931-35 the average was 106 kilograms, and the previous 5 year period, 1926-30, 102.8 kilos.

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