

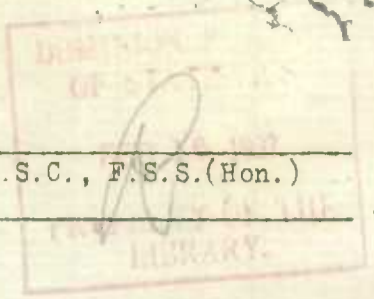
22-D-01A

Historical File Copy

Published by Authority of the Hon. W. D. Euler, 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, February 15, 1937.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of February 2, 1937, dealing with the grain situation in the Argentine.

RECORD ARGENTINE GRAIN EXPORTS

Twice during the month of January the weekly shipments of grain from Argentine ports eclipsed all previous records. In the week ending January 29th, for instance, no less than 545,745 metric tons were shipped out.

According to the Statistical Department of the Ministry of Agriculture, shipments during the month (up to the 29th only) were:

Wheat	694,108 tons	or	25,504,000 bushels
Maize	985,582 "		38,801,000 "
Linseed	210,333 "		8,280,000 "
Total	<u>1,890,023 "</u>		<u>72,585,000 "</u>

The nearest previous approach to these figures was in January 1928, when the combined total reached 1,260,556 tons.

The above statistics, whilst they include wheat shipped as flour, do not take into account exports of oats, barley or rye.

CROP CONDITIONS

There are indications that the new crop of wheat, besides having the biggest volume on record, will also prove to be one of the best quality, especially with respect to the specific weight of the grain, which under the old method of classifying (still in use unofficially) was the principal factor in deciding quality, and remains one of the most important. Official sampling of the cargoes of new wheat loaded at Rosario show that almost all had an average of over 64 lbs per bushel, 64 to 65 lbs predominating, and not a few exceeded 66 lbs per bushel. The grain is unusually clean, and a high yield of flour is assured. Unofficially the flour yield of this crop is said to be 3% above normal.

Apart from bleaching, as the result of the occasional torrential rains during harvesting, and "yellow berry", referred to in previous reports, there is little damage to wheat in the northern zone, whence comes the "Rosafe" wheat. In the centre, the "Barilo" zone, results are not quite so satisfactory, in either yield or quality; but nevertheless there is a good crop. In the southern zone (Barusso) yields are said to be proving somewhat disappointing, owing to frost damage and lack of rain in some districts, whilst elsewhere both yields and grades are well up to the average, and some excellent samples of hard wheat are coming forward, which are easily topping the market.

The linseed crop is far below the standard of the wheat, and neither the yields nor the quality are coming up to expectations.

Little rain fell during January, and none during the second half, which greatly facilitated the conditioning and movement of the crops of wheat and linseed, without being detrimental to the new maize, already well supplied with moisture and now needing very little more to ensure a good yield in the principal maize zones.

In continuation, the gist of the monthly crop report of the Ministry of Agriculture, issued on January 20th, is given confining extracts to the principal crops and zones.

BUENOS AIRES. Wheat: Harvesting is over in the north, and finishing in the rest of the province, with results which vary in the different zones. In the north the yield and quality are good, and the natural weight high. There are districts with a yield of 35½ bushels per acre, and others with weights per bushel of 67½ to 68½ lbs. This is largely due to the use of seed of good quality. In the south-eastern zone the

yields are irregular and quality not so good, although wheat of good weight and colour predominates. The early grain has been bleached by the rains and grubs have attacked the late fields. In the central zone, because of the excessive rains and grasshopper damage, yields are inferior to the excellent results anticipated, the natural weight is somewhat below normal, and there is a certain proportion of bleached grain. In the south-west yields are variable, but the quality is good, with natural weight superior to the basic weight (64 lbs per bu.). In this zone the early fields have yielded better than the late ones. Linseed: This seed has suffered from the sudden changes of temperature, strong winds, heat and excess of humidity in the greater part of the province. There is a heavy growth of weeds in the fields and the threshed seed shows a high percentage of foreign matter. In the northern part there is a certain proportion of stained and dull seed of light weight, owing to frequent rains; most of the crop is cut and spread on the stubble. Up to the present there has been no abandonment. Yields have been only normal in the south-west, the portion of the province where there is least linseed grown. Elsewhere they are below those of previous years. In the north cutting is finished; in the rest of the province cutting and threshing are proceeding as the fields ripen. Maize: Favoured by the rains the maize crop in the province shows very good prospects. Except in some parts of the centre, where locusts are feared as the cobs are still green, and in the Tandil and Tres Arroyos districts, where lack of rain has kept the crop back, it is felt that in the rest of the province the crop of maize is assured, and that another rain at this time would secure one better than normal.

SANTA FE. Since the last report it has rained frequently all over the province, except the Belgrano district. Wheat: Yields this year are very good, running in many cases from 24 to 33 bushels per acre, with weight generally above 64 lb. per bushel. Yields are lower in the zone of affluence to the port of Santa Fe, where besides, there is a high percentage of "yellow berry". In the southern zone an unimportant percentage of the grain last harvested has turned out somewhat bleached because of the torrential rains. Linseed: This is a fair crop, the yields being very variable within the same zone. The quality is generally good; some green seeds are noticeable, due to the haste to cut for fear of the locusts; in the south some fields recently cut are stained. Maize: Except in the north, where it is fair, the appearance of the new maize crop is excellent throughout the province, a good yield being considered certain.

CORDOBA. Repeated rains in the month of December paralyzed the cutting and threshing operations in the south-east. On the other hand these rains were beneficial to the late maize now being sown. Wheat: Yields obtained, although variable, are generally good. In the south-east the crop was excellent, yields as high as 44 bushels per acre being obtained. On the other hand, in the centre and north, where the fields offered good prospects, the continuous rains caused discolouration of the wheat and also excessive weed growth, which has caused the abandonment of some fields. In the district south of Rio Quinto the low yields forecast were confirmed. Linseed: In general the yields obtained are low, and the rains and abundant weeds have combined to spoil the quality. The best yields were obtained in the centre and south-east, but even here they are very irregular, as a consequence of the inopportune rains, grubs and plant diseases. Maize: In general the condition of the maize fields is good. Only in the north are some losses to be noted. In the south-west lack of moisture and strong sunshine in the last two weeks have caused some depreciation. The seed planted on wheat and linseed stubbles has germinated well.

ENTRE RIOS. Wheat: The result of the harvest is regarded as satisfactory. The best yields were obtained in Parana, Diamante and Victoria, where they are excellent and the quality invariably superior so far as specific weight is concerned, this exceeding 64 lb. per bu. On the coast of the Uruguay the yield is lower, on account of damage by flying locusts, and also because the seeding started late. Linseed: Early sown linseed is giving excellent results; but the late sown is a mediocre crop, mainly because of the heavy weed growth. Maize: Although some maize fields are beginning to suffer, from excessive heat rather than from drought, generally the condition of the crop is good, and in the early sown fields it can be said that the yield is assured. There is still a serious danger for the late sown fields from young locusts, some of them from Uruguay.

LA PAMPA. Four inches of rain fell in the Territory in late December, which greatly benefited the crops; but there was no rainfall in the first half of January, and strong drying winds from the north annulled the benefit of the previous precipitation, especially in the maize fields of intermediate sowing. Wheat: The yield has proved variable in the different zones. In the north-east some fields have given average results and others good yields; but in the west and centre the crops are light. Throughout the Territory 80% of the wheat is of unsurpassable quality so far as specific weight is concerned; never-the-less 30% of the grain is bleached by the rains.

SUPPLIES & MARKET CONDITIONS

Wheat. Exports during January totalled 26,335,000 bushels, of which 26,034,000 bushels were wheat and 301,000 bushels wheat shipped as flour. This is more than double the December total of 12,189,000 bushels.

The statistical position is now as follows:-

First official estimate 1936-37 crop .....	249,857,000	bushels
Carry over from 1935-36 crop .....	346,000	"
Total supplies .....	250,203,000	"
Deduct for seed & domestic requirements .....	95,534,000	"
Exportable balance .....	154,669,000	
Shipped in) wheat .....	26,034,000	bushels
January ) wheat as flour ..	301,000	"
Still available for export .....	128,334,000	"

As mentioned elsewhere, the movement of wheat overseas has been of record volume for the month of January. Everything contributed to this; the dry weather put the grain in excellent condition; the country roads were in good shape, facilitating the hauling to the railways, where the former congestion has been relieved somewhat; and in the ports ample tonnage was waiting to receive the grain on arrival. Fully half the exportable surplus of wheat has already been sold; in fact, some grain men put the figure as high as two-thirds.

The combination of heavy movement and free offerings of Argentine wheat had the inevitable effect of causing prices to weaken and during the month there was a drop of around 4.5 cents per bushel.

Brazil has not yet so far purchased so freely as usual, being apparently willing to wait and see the course of prices, and not having the same fear of shortage of the Superior wheat suitable for her requirements as might be justified a year ago, to serve as an urge to cover her needs at this early stage.

The Argentine bakers also have been more than discreet in their purchasing of flour, due to an unwillingness to follow the course of the market. Apparently they are so convinced that lower prices are ahead that they have adopted a policy of buying only from hand to mouth, in place of their customary plan of contracting for supplies three to six months ahead. This has disorganized the local market to a considerable extent, as the millers have covered their own anticipated requirements for some months ahead, in accordance with their usual procedure, and now are having to take delivery of the wheat and grind it into flour for which there is at present no adequate outlet. In face of rapidly accumulating stocks of flour they have had to protect themselves by hedging in the futures market, this extra selling pressure causing a corresponding weakness in prices on the local market as compared with those outside. The importance of this factor on the Buenos Aires market will be appreciated if it is considered that there are about 25% of the population of the Republic resident in the Capital and adjacent small towns, with a high per capita consumption of bread, the Argentine average consumption being 239½ lb. per head per annum.

The United Kingdom showed very little interest in this market during the month; but some Continental countries, on the other hand, notably Italy and Germany, bought freely in the early part of the month, when Italian interest faded, only Germany continuing to buy.

Whilst there are large quantities of Plate wheat afloat, the brisk buying has obviated its being shipped unsold. Nevertheless there were numerous resellers offering cargoes in Europe, which contributed to weaken prices; and at the close of business for the month Spot wheat was selling at 10.72 per qtl. as compared with 11.25 pesos at the end of December.

Spot and May wheat (No 2 soft, 64 lb. per bu.), Buenos Aires shipment, were both quoted at 10.72 pesos per qtl.; Bahia Blanca No 2 Hard, 64 lb. per bu., was selling at 11.30 pesos. These prices at current official exchange rates are equivalent to 95 5/8c. and 100 7/8c. Can. per bushel. In Winnipeg on the same day May wheat closed at 120 3/8c.

Maize. January shipments of maize showed a little falling off as compared with December, totalling 37,582,000 bushels against 41,306,000 bushels and leaving the supply position as shown below:

Third official estimate 1935-36 crop .....	392,486,000 bushels
Carry over from 1934-35 crop .....	<u>43,352,000</u> "
Total supplies .....	435,838,000 "
Deduct for seed & domestic consumption .....	<u>101,176,000</u> "
Exportable balance .....	334,662,000 "
Shipments April 1st to January 30th .....	<u>294,541,000</u> "
Balance still available .....	<u>40,121,000</u> "

The old crop of maize continues to move freely down to the ports, farmers being glad to get it out of the way before the advent of the new corn. Recent weather has favoured its conditioning, but much of the coming forward recently has shown deterioration in quality. Only maize stored under the best conditions could come through the weather extremes of the past season without damage, and there is very little of such storage available in the Republic. The system of land tenure offers little encouragement to the average grower to construct anything better than the makeshift field cribs generally seen here. The National Bank this year is again offering special loans, repayable in five annual instalments, for the purpose of constructing adequate practical cribs, both for tenants and owners; but there appears to be little prospect of any considerable amount being applied for. No doubt the annual losses through depreciation in quality of maize would go a long way towards building good cribs.

There was a good steady demand for maize throughout the month of January, with prices generally on the up grade and with no tendency to drop in sympathy with wheat. Both Europe and the northern part of this continent were good buyers. The present prospect appears to be that there will be little difficulty in disposing of the million tons still remaining of the old crop before the new grain becomes available. As indicated elsewhere in this report, the new maize crop is in very good condition and offering excellent prospects.

Quotations for the new maize were officially opened yesterday, February 1st, for delivery in May. Early operations were at the rate of 5.65 pesos per quintal, which later improved to 5.70; but no great activity was displayed.

By a recent decree the Government has abolished the minimum price guaranteed for maize, this being in line with a similar action in regard to wheat and linseed taken some weeks ago. The measure was fully expected.

At the close of the month Spot Yellow maize was selling at 6.19 pesos per quintal, equal to 51 $\frac{1}{2}$ c. U.S. per bushel at current official exchange rates; and the March option at 6.22 (51 $\frac{3}{4}$ c. per bu.). In Chicago on the same day May corn closed at 106 1/8c.

Linseed. Shipments of linseed during January were 8,140,000 bushels, which compares with 6,686,000 bushels exported in December.

The supply position is now as below:

First official estimate 1936-37 crop .....	74,012,000 bushels
Shipped in December .....	<u>4,089,000</u> "
Stock on 1st January 1937 .....	69,923,000 "
Deduct for seed & domestic requirements .....	<u>7,086,000</u> "
Available for export .....	62,837,000 "
Exported during January .....	<u>8,140,000</u> "
Balance still available .....	<u>54,697,000</u> "

There is a good demand for linseed, and the market has been quite active; good sales were made during the month to Belgium, France and other Continental countries. Nevertheless, prices weakened a little in sympathy with wheat, losing ground to practically the same extent.

The month closed with both Spot and May linseed at 14.05 pesos per 100 kilos, equal to 116 $\frac{3}{4}$ c. U.S. per bushel at current official exchange rates; whilst in Duluth on the same day May seed closed at 215c.

Oats. Exports of oats in January were 2,375,000 bushels, a little advance on the December shipments of 1,886,000 bushels. The statistical position is now:-

First official estimate 1936-37 crop .....	53,170,000 bushels
Less seed & domestic requirements .....	<u>29,827,000</u> "
Balance for export .....	23,343,000 "
Exported in January .....	<u>2,375,000</u> "
Balance still available .....	<u>20,968,000</u> "

There was a fairly animated market for oats during the month, with a firm tone prevailing, and prices registered a small advance, White oats of export quality, weighing 49 kilos per 100 litres, closed at 6.20 pesos per quintal, as against 6.10 a month ago; and Yellow weighing 47 kilos per 100 litres, at 6. pesos, as against 5.90.

Barley. Shipments of barley in January were 2,350,000 bushels, a substantial advance over those of December (787,000 bushels). The following is now the supply position:-

First official estimate 1936-37 crop .....	31,232,000 bushels
Less seed & domestic requirements .....	6,568,000 "
Exportable balance .....	24,664,000 "
Shipped during January .....	2,350,000 "
Still available .....	22,314,000

Whilst the market was quiet, there was a firm tone evident, and prices improved a little over those of the previous month. Barley for malting, of export quality, weighing 65 kilos per 100 litres, closed the month at 8.30 pesos per quintal, as against 8.10 at the end of December; and Feed quality for export, weighing 62 kilos per 100 litres, at 8.10 pesos as against 7.90.

Rye. There were very small shipments of Rye in January, the total only being 220,000 bushels, as compared with 936,000 bushels in the previous month. The present supply position is:-

First official estimate 1936-37 crop .....	8,858,000 bushels
Seed & domestic requirements .....	1,945,000 "
Exportable balance .....	6,913,000 "
Shipped during January .....	220,000 "
Still available .....	6,693,000 "

The high prices prevailing for wheat have evidently had a very beneficial effect on this bread grain, as although only a moderate amount of business was transacted, there was a remarkably firm tone noticeable in the market, and prices made a substantial gain during the month, Export rye, 73 kilos to the 100 litres, closing at 11.45 pesos per quintal, as against 9.70 at the end of December.

STATISTICS CANADA LIBRARY  
BIBLIOTHEQUE STATISTIQUE CANADA



1010722871