

22-D-01A  
 Published by Authority of the Hon. W. D. Euler, M.P.,  
 Minister of Trade and Commerce

DOMINION BUREAU OF STATISTICS - CANADA  
 AGRICULTURAL BRANCH

SEP 15 1937  
 PROPERTY OF THE  
 LIBRARY.

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 ARGENTINA

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

Crop Conditions

August was a very dry month. Rains, although well distributed, were very light and altogether insufficient for the needs of the growing crops.

According to the monthly crop report of the Ministry of Agriculture, issued on the 20th, a great part of the country has been affected by the prolonged drought. Consequently the general condition of the crops is deficient in the provinces of Sante Fe and Córdoba. In the territory of the Pampa normal work on the land has been interrupted and germination of the grain sown has been delayed. In Córdoba there will be a reduction in the areas seeded to wheat and linseed, which will probably be compensated for by an extension of that planted to corn. It is added that in the province of Buenos Aires the agricultural condition may be described as from fair to good, and in Entre Rios it is normal. Details as regards the several provinces follow:

Buenos Aires: The favourable weather conditions indicated in the last report have not been maintained except in parts of the north-east, where there has been more rain than elsewhere and also a humid atmosphere. In the rest of the province there was little or no rain but frequent frosts. Generally there has been no damage to crops, but merely a backwardness in development in certain zones. Seeding of wheat is almost finished. It has been effected generally under good conditions. In the south-west it has germinated and stooled well although development has now been arrested by lack of rains and by frosts, which, however, will help good rooting. In the south coastal region conditions are equally satisfactory, but an abundant rain is needed. Towards the north-east, favoured by greater moisture, they are still better. In the centre and west the lack of rain is being felt, and this is accentuated towards the north-west, where the winter wheats have preserved a satisfactory condition but the later sowings are uneven and spindly. The forecast of an increased area contained in the last report has been fulfilled. The linseed which has germinated is growing well in the north. Along the Parana, on the other hand germination has been reduced, which may be just as well in view of the possibility of damage from the frosts of the last few days. In the south along the Atlantic it is germinating well. In the remainder of the province seeding has been commenced under difficulties owing to adverse weather conditions.

Santa Fe: Weather conditions continue unfavourable. The little rain which has fallen since the last report has been only local in character, and the weather has remained cold, with heavy frosts. Work on the land has been suspended, and rains are awaited in order to finish seeding linseed and commence that of maize. Wheat seeding was terminated in the normal season, and the grain is in good condition in the south, where the frosts have favoured good rooting. On the other hand, in the north of the province the grain has suffered from drought, and some fields are already lost. Seeding of linseed has been paralyzed by the prevailing drought, and if it does not rain immediately there will be a smaller area than last year, only about 65 per cent having as yet been sown. Of this, two-thirds have germinated well but the rest has either not germinated or has done so unevenly, making future development uncertain.

Córdoba: Intense drought continues in this province, only some light showers which brought no benefits having fallen since the last report. Ploughing is practically at a standstill, and sowing of wheat and linseed has been suspended for fear of losing the seed. Wheat seeding has been brought to an end, with a decrease in area compared with last year. The condition of fields which have germinated is good in the south, but less so in the remainder of the province, especially in the north, where only a small part of the seed has germinated and the fields are very thin with height of plants uneven. In some places the wheat fields are being rolled to stimulate drawing up the moisture. Only small areas of linseed have been sown, and germination and subsequent growth have been deficient. The drought has caused a decrease in the linseed area, which only immediate and abundant rains can remedy, as the season for sowing it ends in early September.

Entre Ríos:- In this province weather conditions continue relatively normal. Ploughing and seeding are being carried on under favourable conditions throughout the province. Wheat seeding has been finished within the proper season, which has induced farmers to sow greater areas than last year. Generally the wheat fields are in good condition except in some areas where dry weather and insects have done some damage. Seventy per cent of the linseed area has already been sown, and as the work can be carried on up to the end of September an increased acreage as compared with last year is foreseen. In the north the germinated fields are in good condition, but are less so in the south and especially in the south-west.

La Pampa: From July 15th to date weather conditions have been most unfavourable for the crops and for farm work, because of frosts, strong winds, and complete absence of rain. Wheat seeding may be considered finished, with an increase of 10 per cent in area in the north as compared with last year and acreage about equal in the southern zone. The varieties of slow growth look well in the centre and south; but in the north they have suffered more from the prevailing drought. The late sowings have had an uneven germination throughout the territory, and they have all been damaged by the strong winds, especially in the sandy soil areas.

Since the appearance of the above official report there have been light rains on several days, covering extensive districts and culminating in a useful downfall on the last day of the month. It is still very showery and unsettled all over the Republic, with prospects of more precipitation to follow. As already indicated, moisture has been inadequate for the crops in Córdoba, the Pampa and parts of Santa Fe, particularly the north-west. But in the principal cereal zones of Buenos Aires, Entre Ríos and most of Santa Fe, conditions have improved and may now be written down as normal, so that even if no more rain falls up to the middle of September the lack of it will be of no great importance. In these districts the dry weather has not only strengthened the plants by promoting good rooting, but in combination with the frequent frosts it has freed the plants of the insect pests which have in some years proved so damaging.

Although rain may fall in generous quantities, it is now too late to resume sowing of wheat, and some of the lands which had been destined for it will be planted with maize. The same is probable with some areas which normally would have gone into linseed. And if moisture does not come in time to save the fields of wheat and linseed now on the verge of being lost in the dry areas, that land will be re-ploughed and devoted to maize. So that there is a possibility of an extraordinary acreage under maize for the next crop. But fortunately world wheat prospects appear to be such that there is reason to hope that still another heavy Argentine corn crop would be absorbed without great difficulty.

#### Supplies and Market Conditions

Wheat- Shipments of wheat during August were 3,745,000 bushels and of wheat flour 197,000 bushels; a combined total of 3,942,000 bushels, which compares with 3,164,000 bushels during July, and leaves the statistical position as below:

Second official estimate 1936-37 crop .....	247,836,000	bushels
Probable under-estimate .....	3,674,000	"
Total .....	251,510,000	"
Less seed and domestic requirements .....	99,208,000	"
Exportable balance .....	152,302,000	"
Disappearance prior to January 1, 1937 .....	3,380,000	"
Available balance on January 1 .....	148,922,000	"
Shipments) Wheat .....	133,741,000	bushels .
to Aug.31) Wheat as flour ..	2,323,000	"
	136,064,000	"
Still available for export .....	12,858,000	"

There is little to be said with regard to market conditions during the past month. Not much wheat remains to be disposed of, and probably all of it will be absorbed by Brazil and the other South American countries. Generally the demand for wheat on the part of importing European countries is slow at present, as these have on hand the supplies from their own crops; and this condition is reflected in the market here. The local millers are interested in buying grain of good quality suitable for their needs. Price fluctuations were of no importance, and the market closed the month with a difference of only 20 centavos per quintal as compared with the July close,

Spot wheat being quoted at 13.65 pesos (equal to 115½ cents Canadian per bushel at prevailing official exchange rates), and the October option 13.30 (112½c. per bushel); while on the same day in Winnipeg October wheat closed at 123c.

Maize.- Maize exports during August were 27,290,000 bushels, as against 30,971,000 bushels in the previous month, which leaves the supply position as follows:

Second official estimate 1936-37 crop .....	360,017,000 bushels
Carry over from 1935-36 .....	19,035,000 "
Total supplies .....	379,052,000 "
Deduct for seed and domestic needs .....	59,052,000 "
Exportable balance .....	320,000,000 "
Shipments April 1 to August 31 .....	157,432,000 "
Still available for export .....	162,568,000 "

The cold, dry weather has been particularly favourable for the conditioning and shelling of the old maize crop, and this work is now well advanced, probably 80 per cent of the shelling having been finished. The grain is moving freely down to the ports for shipment overseas, and the prospects seem to be that about the present rate of export will continue for some time, judging by the steady rate at which boats are being chartered and the fact that there is little else but maize with which to load them.

At this season of the year naturally maize is the most active section of the grain market. The United States and Canada have disappeared as buyers, and Germany has assumed the most prominent position, with the United Kingdom and the other Continental countries also displaying interest. There was very little fluctuation in prices during the month, although there was a slight weakening as the valuable North American business faded away, after absorbing 68,894,000 bushels during the current year; prices closed a few centavos lower than a month ago, Spot standing at 6.43 pesos per 100 kilos (say 50¾c. U. S. per bushel), and December maize at 6.59 (52c. per bushel). In Chicago on the same day December corn closed at 62 3/8c.

Linseed.- Linseed shipments during August were 3,836,000 bushels, as against July exports of 4,855,000 bushels. The supply position is now as below:

Second official estimate 1936-37 crop .....	72,831,000 bushels
Addition for probable under-estimate .....	1,378,000 "
Total .....	74,209,000 "
Disappearance prior to January 1, 1937 .....	2,464,000 "
Supplies for 1937 .....	71,745,000 "
Less seed and domestic requirements .....	7,874,000 "
Balance for export .....	63,871,000 "
Shipments to August 31 .....	53,359,000 "
Still available for export .....	10,512,000 "

There was a quiet market throughout the month, with shipping houses moderately interested. The United States continues to be the best single customer for Argentine seed, with the United Kingdom practically out of the market and various Continental countries buying moderate quantities. As will be seen from the crop report, linseed prospects on a reduced acreage are not at the moment very brilliant, and this is having some influence on the local market, which is holding up well, only losing 25 centavos per quintal during the month. Spot linseed closed the month at 15.70 pesos per 100 kilos, equal to 123¾c. U.S. per bushel at current exchange rates; and November, the most distant option quoted, 15.52 (122 3/8c. per bushel) while in Duluth December linseed closed at 193c.

Oats.- Shipments of oats were 733,000 bushels, as compared with 2,085,000 bushels in the previous month, bringing the total exports to date to 19,047,000 bushels out of the original exportable surplus of 21,527,000 bushels, and leaving only 2,481,000 bushels still on hand.

The market throughout the month was very quiet, with little demand, and prices receded to 5.75 per quintal for white oats of export quality and 5.60 for yellow, as compared with 6.25 and 6.10 respectively a month ago.

Barley.- Exports of barley were very small, only amounting to 212,000 bushels. Of the exportable balance of 23,286,000 bushels, 10,943,000 bushels have now been shipped out, leaving 12,343,000 bushels still available for export.

Malting barley closed the month at 6.55 and feed barley 6.50 per quintal, as compared with 8.65 and 8.50 respectively at the close of July.

Rye.- There were no shipments of rye during August, and only a stagnant market, with little business passing. Nominally, the best grade of rye is worth 9.0 pesos per quintal, as compared with 11.70 at the end of July.

#### Flour Milling in 1936

Argentine flour mills in 1936 used 1,944,080 metric tons of wheat (71,433,000 bushels), from which they produced 1,374,070 tons of flour (15,456,000 barrels) and 560,585 tons of sub-products.

As the wheat crop of the season 1935-36 was only 141,463,000 bushels, 50.5 per cent of the total crop was therefore industrialised in the country. But the quantity milled was 2,977,000 bushels, or say 4 per cent less than in the preceding year. In this connection it must be remembered that the 1935-36 wheat crop was the smallest in the last decade.

The quantity annually milled in the Republic during the last ten years averaged 69,454,000 bushels, or rather less than the 1936 total.

Over 90 per cent of the production of the Argentine mills is destined to domestic consumption. Of the 1936 production of flour of 15,456,000 barrels, 891,000 barrels were exported, or say 5.8 per cent; and the balance of 14,565,000 barrels, or say 94.2 per cent, represents the apparent domestic consumption.

The per capita consumption, on the basis of the population figures calculated at December 31 last by the National Statistical Bureau, was 103.1 kilograms, equivalent to 5.2 bushels of wheat, which was 5.8 per cent less per person than the corresponding figure of the previous year.

The 1936 exports of flour were 105,000 barrels or 10.6 per cent lower than those of the preceding year. The difference is accounted for by the decreased shipments to the traditional best customer for Argentine flour, Brazil, caused by the continual growth of the Brazilian milling industry. While Brazil is still Argentina's most important customer for flour, she is displaying a definite tendency to supply her own needs and to substitute purchases of wheat for those of flour.

One hundred and eighty-six Argentine mills, with a combined capacity of 104,000 barrels daily, were in operation in 1936.

STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010722878