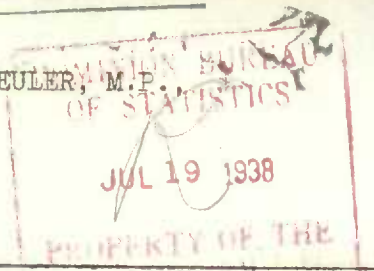


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THE GRAIN SITUATION IN ARGENTINA

Ottawa, July 18, 1938.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of July 4, 1938, dealing with the grain situation in Argentina.

SECOND OFFICIAL ESTIMATE OF MAIZE CROP

During the month the second official estimate of the volume of the maize crop was published by the Ministry of Agriculture. The new estimate places the crop at 178,928,000 bushels, which is one per cent higher than the first estimate of 177,157,000 bushels.

In issuing the estimate the Ministry points out that of the 15,318,000 acres planted to maize this season, only 7,388,000 acres are believed to have been harvested, and the average yield is calculated at 24 1/4 bushels per acre. This yield is somewhat higher than that of the first estimate, which was 24 bushels per acre; but on the other hand the area harvested is given a lower figure, the reason for this being that excessive rains after picking commenced caused inundations over extensive areas, especially in Santa Fé and Southern Buenos Aires. Included in the areas classified as "abandoned" are large extensions which were devoted to pasture for live stock during the drought. The report says that the quality of the grain which has been saved is in general defective because of the high moisture content.

The production figures for the preceding five years are as follows:

1936-37	9,134,730	metric tons or 359,618,000 bushels
1935-36	10,051,206	" " 395,698,000 "
1934-35	11,480,000	" " 451,947,000 "
1933-34	6,525,960	" " 256,915,000 "
1932-33	6,801,504	" " 267,763,000 "
Average	8,798,680	" " 346,388,000 "

Crop Conditions

Weather conditions during June were less unfavourable for the work of harvesting and conditioning the maize crop than those prevailing in May; nevertheless they were far from ideal, the frequent rains and excessive atmospheric humidity delaying picking and shelling and preventing any natural drying of the grain. Dry, frosty weather is urgently required for the maize. On the other hand, for the preparation of the land for the wheat and linseed crops and the seeding of the wheat, conditions have been excellent, and very satisfactory progress has been made. The only exception is in the low lying areas which were inundated during the wettest period and are still in a more or less soggy condition.

It is estimated that 90 per cent of the seeding of wheat has been completed. A great deal of it is above ground, favoured by the mild and damp weather, and the plants are looking healthy, with an even growth. Colder and drier weather is needed now, in order to check excessive vegetation and encourage stooling and root growth. With a continuation of favourable weather conditions, there should be an area seeded of at least 19 million acres.

Following is the gist of the official report on crop conditions issued from the Ministry of Agriculture two days ago:-

The Maize Crop: Weather conditions during June, especially during the last few days, improved as compared with May, permitting the speeding up of harvesting operations and shelling throughout the maize zone. The high degree of humidity of the grain and the proportion of spoiled kernels make the quality deficient; and drying machines are being used in great numbers in the province of Santa Fé. In Northern Buenos Aires about 90 per cent of the harvestable area has been picked. In the south-east and in the western zone the work is practically finished. Shelling, delayed by weather conditions, has now been intensified, with yields ranging from 41 bushels per

acre down to 13, and of mediocre quality. In Santa Fé the persistent drizzles and cloudy days have not permitted the drying of the grain. Practically 90 per cent of the harvestable grain is now in the field cribs, or has been shelled to the extent of 50 per cent. In some of the inundated districts the cobs are in contact with the water and the grain is rotting. In Cordoba, with the exception of some small lots of late-sown, the crop of maize may be considered lost. In Entre Rios picking and shelling are proceeding slowly. In the Pampa almost all the picking has been accomplished, but shelling has not yet commenced, because of the prevailing humidity.

The Wheat Crop: In western Buenos Aires ploughing for the wheat crop has been finished, and seeding is being hastened under very good conditions. That planted is growing very well, favoured by the weather conditions. In the north, east and centre of the province, the rainy weather and wet soil have held back ploughing, and only a limited area has yet been planted, better weather conditions being awaited before pressing this work forward. The grain above ground is progressing well. In Santa Fé wheat ploughing is about finished, although somewhat late. Weather conditions have greatly improved, except in the southern zone, where the wet soil makes the work difficult. Seeding is being pressed forward under very favourable conditions and in an almost normal period. The grain already sprouted is growing under excellent conditions, some fields being well advanced, especially in the north, where colder weather would be welcome in order to restrain the foliage. In Córdoba ploughing generally has been finished. The work is somewhat late because of the poor condition of the horses. In the north seeding is practically finished, and it is being pressed forward in the centre and south. Generally this work has been affected under good conditions and within the regular period. The state of the sprouted grain is very good, even in the north, where the leafage is advanced and where it would be very beneficial if the present lower temperatures should continue. Ploughing for wheat is practically finished in Entre Rios, except along the Uruguay River, where the wetness of the land has held back the work. Seeding has been finished in the north and is being continued in the rest of the province under very good conditions. The sprouted grain is developing well, although somewhat advanced in some districts. In the Pampa the poor condition of the horses has held back the work of seeding wheat, nevertheless the excellent climatic conditions prevailing throughout the territory are causing the farmers to exert themselves to increase the area planted to this grain. Fields are sprouting strongly and evenly, and show an excellent condition. Some lots are unseasonably advanced, but the present cold weather will restrain the tendency to excessive leafage.

The Linseed Crop: In Buenos Aires the preparation of the land for linseed is proceeding slowly, especially in the north, on account of the dampness of the soil. Practically no seeding has yet been done. In Santa Fé the lands intended for linseed are already prepared, generally speaking, and in the central part of the province planting is becoming general, with the sprouted fields in very good condition. This is true also in the north, where seeding is being actively pressed forward. In Córdoba planting of linseed has become general in the north, and it has started in the centre, but not yet in the south. Fields already sprouted are in very good shape. In Entre Rios not much seeding has yet been done, on account of the excessive humidity of the land. The condition of that which has sprouted is generally very good.

Other Grains: The crops of oats, barley and rye are generally in very good condition; in fact, excellent is the description more commonly applied.

Supplies and Market Conditions

Wheat.- Exports of wheat and flour during June totalled 6,085,000 bushels (wheat 6,058,000; flour 27,000 bushels), which compares with a combined total of 5,363,000 bushels in the preceding month.

The statistical position is now as shown in the following statement:

Third official estimate 1937-38 crop	184,802,000	bushels.
Less seed and domestic requirements	99,208,000	"
Exportable balance	85,594,000	"
Disappearance prior to January 1, 1938	1,912,000	"
Balance available on January 1	83,682,000	"
Shipments) Wheat	46,607,000	bushels
to June 30) Wheat as flour .	629,000	"
	47,235,000	"
Balance still available	36,447,000	"

The exports of only 47,235,000 bushels during the first half of the year as shown on page two, compare somewhat unfavourably with the shipments during the corresponding period of last year, which were 128,603,000 bushels. More than half the exportable balance of the current crop has now moved out. While country holders are more willing to part with their grain than was the case a few weeks ago, there is no pressure to sell, and the numerous fluctuations of the market during the month left wheat higher at the end than at the beginning.

Brazil maintained her position as the principal customer for Argentine wheat, buying 2,205,000 bushels during the month. Other South American neighbours also purchased smaller quantities. Sales to the United Kingdom and Continent were of little importance.

The varying crop reports from other producing countries kept the market interested during the month, which closed with a fairly animated atmosphere prevailing and local prices firm at 9.04 pesos per quintal for Spot wheat, equal to 82 1/8c. Canadian per bushel; and October at 9.23, or say 83 7/8c. per bushel, an exact parity with Winnipeg, where October wheat also closed at 83 7/8c.

Taking a long view, dealers here apparently anticipate lower prices in the future, as new wheat for February delivery is being freely offered at 8.40 pesos per 100 kilos.

Maize.- Exports during June were 9,220,000 bushels, almost double those of May (4,891,000 bushels).

On the basis of the 6ne per cent increase in the official estimate of the volume of the crop, the following is now the statistical position:

Second official estimate 1937-38 crop	178,928,000 bushels.
Carry-over from 1936-37 crop	10,833,000 "
Total supplies	189,761,000 "
Seed and domestic requirements	61,021,000 "
Balance for export	128,740,000 "
Shipments April 1 to June 30	15,343,000 "
Balance still available	113,397,000 "

With a little improvement in the weather conditions and by dint of making the utmost possible use of the limited drying machinery available, shipments of maize have now reached a more satisfactory level; and if the weather holds, next month may see a normal movement in effect.

Offers from the country are being made more freely now; but there is a lack of confidence amongst traders as to whether the grain being offered will prove to be in condition for shipment on arrival, or will need to go through the driers before loading on board. Some of the earlier shipments are said to have reached their destination in a heated and discoloured condition.

There was a good demand during the month, with relatively little grain available in good condition. Hence the market remained firm, with a slight but steady upward tendency.

But for the free offerings of maize from the United States and of other coarse grains available as substitute feeds, prices would no doubt have shown a greater improvement. Great Britain did not show much interest in the Argentine grain, but some good sales were made to the Continent, with Germany in the lead but less active towards the end of the month.

Spot maize closed the month at 7.55 pesos per 100 kilos (equal to 63 3/8c. United States per bushel); and the September position at 7.32 (61 3/8c.). At the same time September maize closed in Chicago at 58 5/8c.

Linseed.- June exports of linseed were 2,811,000 bushels, as against 4,034,000 bushels in May. The supply position is now as shown below:

Third official estimate 1937-38 crop	60,603,000	bushels
Less seed and domestic consumption	7,874,000	"
Balance for export	52,729,000	"
Disappearance prior to January 1, 1938	3,516,000	"
Available balance on January 1	49,213,000	"
Shipments to June 30	27,580,000	"
Still on hand	21,633,000	"

Offerings from the country were somewhat restricted during June, which, combined with the smaller offerings of Indian seed in European markets, kept prices firm. Added to these factors was a heavy short position in the Buenos Aires market.

While the United Kingdom confined her acquisitions to Indian seed, Continental countries showed an increased interest for the product of Argentina. Some good sales were made, which exporters had to fill out of their port stocks for lack of receipts from the country.

Prices improved by about 1.50 during the month, closing with Spot seed at 14.78 pesos per 100 kilos (124c. United States per bushel), and the September option at 14.80 (124 1/8c. per bushel). In Duluth on the same day September seed closed at 178c.

Oats.- Shipments of oats during June totalled 2,249,000 bushels, which compares with 663,000 bushels during the preceding month, and leaves the supply position as shown below:

Third official estimate 1937-38 crop	44,676,000	bushels
Add for probable underestimate	5,512,000	"
Total supplies	50,188,000	"
Deduct for seed and domestic needs	29,827,000	"
Exportable balance	20,361,000	"
Disappearance prior to January 1, 1938	1,781,000	"
Available on January 1	18,580,000	"
Shipments to June 30	18,388,000	"
Balance still on hand	192,000	"

There was very little business passing in oats during the month, and a quiet tone prevailed. Most of the scarce offerings were taken up by buyers for local consumption, and little, if any, grain was sold for export.

The above statement of supplies shows nearly 195,000 bushels still available for export; but it will probably have to be revised, as several times that amount have been sold to Italy but not yet shipped. At the end of the month oats for the domestic market were selling for 6.90, with superior parcels worth 7.90 pesos per quintal, while shippers were only offering 6.10.

Barley.- Exports of barley in June were 648,000 bushels, as compared with 322,000 bushels during May. The following shows the supply position now:

Third official estimate 1937-38 crop	23,585,000	bushels.
Seed and domestic requirements	6,568,000	"
Balance for export	17,017,000	"
Shipments to June 30	9,196,000	"
Still available	7,821,000	"

Business during the month was practically confined to grain for the local market, since competition of Eastern European and Asiatic barley is hard for this country to meet in Continental markets. Germany has bought largely of Argentine barley during the season, but is not now very active.

For superior malting barley local buyers have been paying as high as 8.60 during June, with best feed grades a peso lower, which prices are a shade lower than a month ago.

Rye.- Rye exports were 83,000 bushels during the month, which is more than has been shipped during all the preceding months of the current year combined. Of the exportable balance of 1,579,000 bushels, out of the total crop of 3,523,000 bushels, 107,000 bushels have now been shipped, leaving still available 1,471,000 bushels.

The market during the month was very quiet, with little business passing, and at the close the price for superior grain for the local mills was 6.55 pesos per quintal, with no quotations for export.

Destinations of Exported Wheat and Flour

Below is a list of wheat and flour exports during the calendar year 1937, which has just been obtained from the Director General of Statistics for the Republic. The list is complete, with final destinations of the cargoes consigned "for orders".

Argentine Wheat and Flour Exports for the Year 1937

Official Statistics

Weights in bushels. Flour in terms of wheat.

<u>Destinations by countries</u>	<u>Wheat</u>	<u>Wheatflour</u>
United Kingdom	25,220,000	766,000
British Possessions	147,000	1,620
Austria	634,000	-
Belgium	14,104,000	61,000
Bolivia	1,364,000	240,000
Brazil	33,485,000	1,135,000
Chile	36,000	188,000
Cuba	5,000	-
Denmark	917,000	220
Ecuador	-	87,000
Estonia	-	40
Finland	723,000	70
France	1,514,000	53,000
French African Possessions	90,000	-
Germany	5,738,000	19,000
Greece	7,132,000	15,700
Holland	15,502,000	66,000
Dutch Possessions	-	630
Hungary	-	40
Iceland	-	3,000
Irish Free State	185,000	-
Italy	26,610,000	152,000
Japan	532,000	40
Latvia	615,000	-
Norway	1,895,000	630
Panama	-	1,500
Paraguay	177,000	652,000
Perú	3,463,000	8,900
Poland	-	6,600
Portugal	91,000	4,900
Roumania	-	150
Spain	457,000	5,000
Sweden	460,000	1,700
Switzerland	50,000	-
Union of South Africa	27,000	-
United States of America	740,000	26,000
Uruguay	917,000	900
Yugoslavia	-	1,360
Totals, 1937	142,830,000	3,498,000
Totals, 1936	59,172,000	2,932,000

Destinations of Exported Maize

The National Grain & Elevator Board has made public a list of the shipments of maize during the crop year 1937-38 (April 1, 1937 to March 31, 1938), complete, with the final destinations of all cargoes. It is as follows:

Argentine Maize Exports 1937-38.

<u>Destinations by Countries</u>	<u>Bushels</u>
United Kingdom & British Possessions	86,859,000
Austria	79,000
Belgium	49,902,000
Bolivia	37,000
Brazil	90
Canada	25,993,000
Chile	28,000
Denmark	6,612,000
Finland	1,124,000
France	1,561,000
Germany	24,365,000
Holland	33,767,000
Ireland	6,324,000
Italy	3,383,000
Japan	638,000
Mexico	900
Norway	4,130,000
Paraguay	1,970
Perú	21,000
Puerto Rico	12,000
Spain	444,000
Sweden	2,721,000
Switzerland	103,000
United States of America	24,914,000
Uruguay	68,000
Venezuela	40
Totals	<u>273,088,000</u>

Two small cargoes, totalling 377,000 bushels were also shipped, but the boats were wrecked and the maize failed to arrive at its destinations. The grand total actually shipped was therefore 273,465,000 bushels. Shipments in bulk comprised 95.66 per cent of the grain and only the small balance of 4.34 per cent was shipped in bags.

Argentine Wheat Types and Varieties

The National Grain & Elevator Board has made a special study of the trends shown during the last three seasons in the sowing of the numerous varieties of pedigreed wheat available to the Argentine farmer, and their effects upon the types which enter into the official grading system, viz., Hard, Semi-Hard and Soft wheats.

The outstanding fact brought to light is the great expansion in the production of wheat of the semi-hard type during the three years. More than half the wheat lands are now producing grain of this type, which is said to meet best the needs of the domestic millers for a grain to be used unmixed in the baking of bread, and those of the overseas buyers for a "filler" for their mill mixtures.

Occupying the second place, a long way behind the semi-hard, is the hard wheat type, which covers 31.8 per cent of the total acreage. This is found principally in the Bahía Blanca zone.

Only 6.7 per cent of the total area is devoted to the production of Soft wheats, and the tendency is toward a further decline. The same downward tendency is shown by the varieties of wheat which have been declared unsuitable by the authorities, and have been excluded from the official types.

The following statement shows clearly the trends of the several types. The basis is the acreage seeded, not the volume of production.

Type	1935	1936	1937
	p.c.	p.c.	p.c.
Hard	40.63	36.76	31.84
Semi-hard	37.10	44.57	53.49
Soft	9.73	8.60	6.66
Excluded	8.11	5.32	4.25
Various	4.43	4.75	3.76
	100.00	100.00	100.00

On the same basis, that is, of the acreage seeded, the following statement shows the relative positions of the principal varieties of pedigreed wheat in use. The list, containing 53 varieties, is too long to reproduce in full.

Place in List	Variety	1935	1936	1937
		p.c.	p.c.	p.c.
1	38 M.A.	23.00	25.46	20.23
2	Lin Calel M.A.	21.19	21.17	15.43
3	Kanred	18.20	13.17	11.57
4	Blackhull	5.54	5.81	7.77
5	Acero	.30	1.93	6.75
6	Klein 32	2.69	4.11	6.45
7	Klein 33	1.46	2.37	5.09
8	La prevision 25	.78	2.27	3.81
9	San Martin	5.62	4.31	2.86
10	Guatrache M.A.	.69	1.19	1.91
11	Sola 50	1.22	1.24	1.29
12	Candeal	1.27	1.02	1.04
18	Favorito	1.72	1.01	.83
27	Ardito	.29	.22	.36
35	Marquis	.15	.10	.12
46	Record	.12	.08	.04

The letters "M.A." appearing in the names of some of the varieties indicate "Ministry of Agriculture", in whose experimental farms they originated. The others have been developed in private nurseries, or imported.

It will be noticed that there is a marked tendency for the three leading varieties to decrease and be replaced by new ones, either because of better quality or to secure higher yields.

Following the twelve leaders I have included some formerly very popular wheats, Favorito, Ardito and Record, heavy yielders but inferior in quality, which are now low down in the list and on the way to disappearance. Marquis is the Canadian wheat, introduced some years ago, and now very little sown.

The erstwhile ambition of the Argentine to challenge the position of Western Canada as the leading exporter of strong wheats appears from the above data to be declining. Natural conditions are pointing out the Republic's real destiny in the wheat industry.



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1981	1982	1983	
10.2	10.2	10.2	
10.3	10.3	10.3	
10.4	10.4	10.4	
10.5	10.5	10.5	
10.6	10.6	10.6	
10.7	10.7	10.7	
10.8	10.8	10.8	
10.9	10.9	10.9	
11.0	11.0	11.0	
11.1	11.1	11.1	
11.2	11.2	11.2	
11.3	11.3	11.3	
11.4	11.4	11.4	
11.5	11.5	11.5	
11.6	11.6	11.6	
11.7	11.7	11.7	
11.8	11.8	11.8	
11.9	11.9	11.9	
12.0	12.0	12.0	

Table 1. (continued) ...

1981	1982	1983	
12.1	12.1	12.1	
12.2	12.2	12.2	
12.3	12.3	12.3	
12.4	12.4	12.4	
12.5	12.5	12.5	
12.6	12.6	12.6	
12.7	12.7	12.7	
12.8	12.8	12.8	
12.9	12.9	12.9	
13.0	13.0	13.0	
13.1	13.1	13.1	
13.2	13.2	13.2	
13.3	13.3	13.3	
13.4	13.4	13.4	
13.5	13.5	13.5	
13.6	13.6	13.6	
13.7	13.7	13.7	
13.8	13.8	13.8	
13.9	13.9	13.9	
14.0	14.0	14.0	

Table 1. (continued) ...