

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

Price: \$1.00 per year

Dominion Statistician: R. H. Coats, LL.D., F.R.S.C.
Statistician, Agricultural Branch: C. F. Wilson, Ph.D.

THE GRAIN SITUATION IN ARGENTINA

Ottawa, March 15, 1939. - The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of March 3, 1939, dealing with the grain situation in Argentina.

Second Official Estimate of Grain Yields

The second estimate of the Ministry of Agriculture of the volume of the principal field crops, excluding maize, for the season 1938-39 shows a decrease in all crops except wheat, as compared with the first forecast made in December last. The two estimates are shown below:

	Second estimate		First estimate	
	Metric tons	Bushels	Metric tons	Bushels
Wheat	8,700,000	319,665,000	8,600,000	315,991,000
Linseed	1,550,000	61,021,000	1,620,000	63,777,000
Oats	720,000	46,686,000	750,000	48,631,000
Barley	440,000	20,209,000	480,000	22,047,000
Rye	275,000	10,826,000	295,000	11,614,000
Totals	11,685,000	458,407,000	11,745,000	462,060,000

For comparison, statistics of the crops in recent seasons are reproduced below: (quantity in bushels)

	Wheat	Linseed	Oats	Barley	Rye
1938-39 estimate	319,665,000	61,021,000	46,686,000	20,209,000	10,826,000
1937-38	184,799,000	60,604,000	44,676,000	23,585,000	3,523,000
1936-37	249,193,000	76,202,000	51,355,000	29,855,000	7,480,000
1935-36	141,462,000	59,446,000	33,756,000	20,301,000	6,023,000
Five-year average	220,448,000	67,713,000	48,440,000	28,668,000	7,984,000
Ten-year average	230,673,000	69,637,000	55,939,000	24,221,000	7,977,000

The wheat crop, it will be seen, is expected to show an increase of 73 per cent over that of last season, and 45 per cent over the five-year average.

The new forecast is based upon the threshing returns received for 45,000 farms.

The distribution of the crop by provinces and territories is as shown in the following statement, the figures being in bushels:

	Wheat	Linseed	Oats	Barley	Rye
Buenos Aires	106,077,000	16,889,000	38,322,000	16,994,000	3,094,000
Santa Fe	67,240,000	18,503,000	668,000	294,000	642,000
Cordoba	111,883,000	6,921,000	940,000	381,000	1,913,000
Entre Rios	21,678,000	18,582,000	5,438,000	87,000	24,000
San Luis	118,000	4,000	78,000	29,000	86,000
Santiago Del E.	3,608,000	47,000	15,000	15,000	4,000
La Pampa	6,662,000	28,000	862,000	1,399,000	5,039,000
The Rest	2,399,000	47,000	363,000	1,011,000	24,000
Total	319,665,000	61,021,000	46,686,000	20,209,000	10,826,000

CROP CONDITIONS

According to the official report of the Ministry of Agriculture on crop conditions during February, which has just been made public, the rains which fell during the month improved the condition of the maize crop, especially the late-sown fields; nevertheless the prospects are for a yield inferior to normal.

Threshing of wheat and linseed may be considered finished, with the results forecast in previous reports, i.e., from good to very good in the case of wheat but only fair in the case of linseed.

Alfalfa and pasture fields have improved appreciably as a result of the rains.

Details of the official report by crops and districts are as summarized below:

The Maize Crop: If there are no early frosts to damage them, the excellent condition of the late-planted fields permits the hope that the yield from them may compensate in part for the losses in the fields of early-sown. In Buenos Aires the abundant rains during the second half of February have improved the condition of the maize fields in the northern, eastern and central parts of the province, which may be considered as from good to very good. In the west and south-west the general condition is fair, but it is bad in the far west, although better results may be expected from the late sowings, which were more favoured by the weather.

In the northern maize zone along the coast of the Parana harvesting should be commenced in a few days; and in the north-west, where the corn is more backward in development because of the drought in its early stages the work will probably start in the last days of March.

The prospects of the early plantings may be regarded as normal up to now.

In Santa Fe the early plantings in the north were much damaged in previous months by drought and locusts, with some abandonments; and the fields which may be harvested, in view of their poor condition will give very low yields. Later sowings offer better prospects, owing to the opportune February rains. In the centre and south the plants re-acted favourably, especially the later ones; nevertheless the re-action may have been more apparent than real, as there are whole rows of plants with empty heads, which must mean a lower yield. But as the later plantings have been more favoured and their condition is good, one may expect very high yields, which will compensate in part for the losses in the other fields, although the production of the province will be below normal.

Picking has begun on a small scale in some parts of the north, and by the middle of March it should commence in the centre and south of the province.

In Cordoba the lack of opportune rains caused the almost total failure of the early plantings. The later ones have progressed more satisfactorily, and if the weather continues favourable a half crop may be looked upon as certain. Picking will not begin before the month of April, owing to the lateness of the planting and the adverse conditions during the period of development. In the northern zones some maize fields have been attacked by grubs.

In Entre Rios harvesting of sweet corn has commenced, with very favourable yields. The condition of the growing fields is fair, the state of advancement being very uneven, owing to the use of seed not altogether suitable for the zone and for the period of planting. The February rains caused a re-action in these fields to such an extent that one may anticipate an appreciable reduction in the proportion of them which will be lost. In spite of all, the yields which will be obtained will be much below normal.

The Wheat Crop: The persistence of the rains during February caused some stoppages and delays in threshing, but the results latterly registered have caused no change in the opinion previously expressed that the crop is from good to very good, both in yield and quality.

In the province of Buenos Aires the yields have been from fair to good. In the north and centre they were good; in the south-east somewhat below normal; and in the west from fair to poor. The quality of the grain is generally good. Weights are very heavy in the north and centre, but in the west and south-east they are somewhat light.

In Santa Fe yields generally are very good, especially in the centre, where the average is almost 27 bushels per acre; in the south it is 24 bushels, and in the north 19½ bushels per acre. The quality of the grain is very good in general, and with rare exceptions the specific weight is not below 64 pounds per bushel.

In Cordoba the yields have been very good in the east and centre of the province, where the wheat is considered to be a great crop. In the remainder of the province yields are good, except in the extreme west, where they are only fair.

In the other provinces and territories cutting and threshing have been terminated without any difference in the results which were indicated in previous reports.

The Linseed Crop: Threshing results during February go to confirm that the crop of this year is only fair, the yields having been reduced by weeds and the isoca grub, and the quality affected by the last rains. In Buenos Aires, except in the west, where threshing is still proceeding, this work has been finished, with the low yields forecast, due principally to the severe isoca attacks. The quality is generally from fair to good, although there are many lots with high percentages of foreign matter, light and small-sized grains.

In Santa Fe threshing has finished, except for a few stacks. Yields have been uneven, owing to the weeds and isoca grubs, and the average is below normal. In the south the average yields are from 9½ to 10 bushels per acre. In the centre they are better, running from 11 to 13 bushels, whilst in the north they are poor, only from 4 to 8 bushels.

In Cordoba both the yield and the quality are only fair, although some fields in the central zone have turned out well. The fields of late linseed which were stacked early in order to avoid damage from the invasion of weeds and the isoca grub, have given a low yield and poor quality, with high percentages of green, shrunken and discolored seeds.

In Entre Rios threshing has finished, confirming the good yields which were anticipated, in spite of the damage caused by the isoca grub in some districts. The quality is generally good, but somewhat inferior in the last threshed, because of discoloration caused by the February rains.

O a t s: Harvesting and threshing having finished, the good yields anticipated are confirmed, although they are somewhat below normal in the oats zone of the south-east of Buenos Aires.

Everywhere land is being ploughed for the new crop, and the fields already seeded are in good shape, thanks to the recent rains.

Barley: The crop gave only fair yields, with a quality which is rather deficient.

The new sowings of feed barley were finished with some difficulty at the beginning of February in south-west Buenos Aires and the Pampa, districts in which this crop is most generally grown; but recent rains have helped the crops.

Supplies and Market Conditions

Wheat.- Exports during February consisted of 8,783,000 bushels, of which 8,769,000 bushels were wheat and 14,000 bushels flour in terms of wheat. The above total compares with 8,305,000 bushels in January and 12,813,000 bushels in February of last year.

On the basis of the new official estimate of the volume of the crop the statistical position is now as appears hereunder:

Second official estimate 1938-39 crop	319,665,000 bushels	
Carry-over from 1937-38 crop	8,296,000	"
Total supplies	327,961,000	"
Deduct for seed & domestic requirements,	99,206,000	"
Surplus available for export	228,755,000	"
Shipments to) Wheat	17,017,000 bushels	
February 28) Wheat as flour	71,000	"
	17,088,000	"
Balance still available for export	211,667,000	"

The movement of the wheat to the ports from country points continues almost unchecked, and to supplement the inadequate normal storage accommodation for grain, the Grain Trade Control Board has arranged with the port authorities for extensive warehouse space not ordinarily available for grain to be placed at its disposal.

With the official minimum price so far above international values the farmers naturally are free sellers, and deliveries to the official Board are very heavy, all available space in the railway stations rapidly filling with wheat, in addition to which much is being stored in unoccupied buildings in the country towns and even on the farms, where adequate protection from damage is assured.

The movement overseas is far below normal. Exports during the first two months are only about 3,674,000 bushels below those of the same period of last year; but last year's was only a half crop. Compared with an average year, the shipments of those two months have been only equal to about those of one normal month.

As freight commitments are small and the market very dull, it is evident that hopes of a freer movement are not very bright for the near future.

The matter is of course entirely in the hands of the official Board, which is evidently following a very conservative policy and seeking to avoid depressing international prices by offerings in excess of the requirements of consuming markets.

A substantial sale has however just been made to Spain, which includes 7,349,000 bushels of wheat, 973,000 bushels of oats, and 591,000 bushels of rye. Shipment is to be made during the next three months, the prices to be those prevailing on the days of delivery to the shippers.

Payment is to be made in Spanish produce within the space of two years from the commencement of shipping of the grain.

The agreement has made a good impression here, as besides providing an immediate outlet for a substantial volume of the wheat in the hands of the official Board, it means a renewal of the commercial interchange between Spain and this Republic which has been almost paralyzed during the period of the civil war.

Recent news from Brazil indicates the temporary prohibition of imports of foreign wheat into the State of Rio Grande del Sur. In this State great efforts have been made in recent years to promote the cultivation of wheat. The grain which has been produced is of poor quality, which the millers are reluctant to buy. Hence the step taken by the State government to compel them to purchase it. The prohibition is in effect until all the Brazilian wheat has been sold.

Business on the grain market is very quiet. The Futures Market is extremely inactive on account of the great difference between the basic price of 7. pesos per quintal and the actual value in Europe, which is more or less the equivalent of 5. pesos in Buenos Aires.

Wheat of the old crop has been changing hands at 5.80 per 100 kilos, the local millers being the only purchasers. This is equivalent to say 49 5/8c. Canadian per bushel at current official exchange rates. On the same basis the official minimum price for the new crop (7. pesos) is equal to 59 7/8c., which compares with the Winnipeg closing price for May wheat of 62 1/8c.

Maize. - Exports during February were 5,602,000 bushels as against 5,952,000 bushels in the previous month. The supply position is now as shown below:

Third official estimate 1937-38 crop	174,165,000	bushels
Carry-over from 1936-37 crop	10,833,000	"
Total supplies	184,998,000	"
Seed and domestic requirements	61,021,000	"
Surplus for export	123,977,000	"
Shipments April 1, 1938 to February 28, 1939	109,375,000	"
Balance still available	14,602,000	"

During most of the month the maize market was very irregular in tone. The apparent demand varied from day to day, but there would probably be no difficulty in the remaining small surplus of the old crop of maize being absorbed if the quality were better. It is, however, not very good, and reports indicate that allowances are being claimed on arrivals in European markets.

During the month shippers purchased a certain quantity for March, and some trading was done in the new crop for April and May delivery at from 60 centavos to one peso below the old grain. The bulk of this business appeared to be in the hands of speculators, inspired by the somewhat uncertain prospects for the new crop. This greatly benefited by the generous February rains, but much of it may have to face damage from early frosts before it can be considered safe.

There were almost daily fluctuations in the prices during the month, with the net result a small decline of 15 centavos the quintal. Spot closed at 6.85 pesos the qtl., or say 54 3/8c. US per bushel; and the May option 5.85 (46 3/8c. per bushel). In Chicago the May option closed the month at 48 5/8c.

Linseed. - February shipments totalled 5,823,000 bushels, as against 6,316,000 bushels in January. The statistical position is now as under:

Second official estimate 1938-39 crop,	61,021,000 bushels	
Carry-over from 1937-38 crop	1,871,000	"
Total supplies	62,892,000	"
Seed and domestic requirements	7,874,000	"
Exportable balance	55,018,000	"
Shipments in January and February	12,139,000	"
Balance still available	42,879,000	"

A steady market prevailed throughout the month, and prices showed little fluctuation. The tone was firm, and the reduction in the official estimate of the new crop, with doubts as to its quality, assisted in keeping it so.

Local crushers were fairly active buyers. At the close of the month speculators appeared to be buying for a rise, and exporters were selling their futures against Spot seed.

As business ended Spot seed was worth 13.45 pesos per 100 kilos, or say 106 3/4c. US per bushel, and the May option 13.75 (109c. per bushel) whilst in Duluth May seed was quoted at 177c.

Oats. - February shipments of oats were 1,537,000 bushels, which compares with 1,595,000 bushels in the preceding month, and leaves the supply position as shown below, on the basis of the revised official estimate of the crop:

Second official estimate 1938-39 crop	46,686,000 bushels	
Less seed and domestic consumption	22,695,000	"
Surplus available for export	23,991,000	"
Shipments in January and February	3,132,000	"
Balance still available	20,859,000	"

The business transacted during the month was only moderate. Buyers seemed interested, but there was no selling pressure, and prices remained firm. Some small sales were made for export, including some for French Africa. Oats of the old crop closed the month at 4.40 pesos per qtl. for white and 4.30 for yellow, with grain of the new crop about 10 cents higher. These are about the same as prices a month ago.

Barley.- February exports were 1,076,000 bushels, almost double those of the preceding month 637,000 bushels. Supply figures are now as under:

Second official estimate 1938-39 crop	20,209,000 bushels
Deduct for seed and domestic consumption	11,023,000 "
Exportable surplus	9,186,000 "
Shipped during January and February	1,713,000 "
Balance still available	7,473,000 "

Business was much quieter than in the previous month. The brewing firms which had been very active in their search for clean grain of good weight, suitable for malting, were less in evidence, and the demand for superior parcels slackened somewhat. Ordinary grades also dropped a little in price, closing at 5.40 pesos per 100 kilos for export malting barley, and 5.25 for feed.

Rye. - February shipments were very small, totalling only 23,300 bushels. This compares with 261,000 bushels in January. The supply position is now:

Second official estimate 1938-39 crop	10,826,000 bushels
Less seed and domestic requirements	3,740,000 "
Surplus for export	7,086,000 "
Shipments to February 28, 1939	284,000 "
Still available	6,802,000 "

Buyers were fairly interested, and a firm tone prevailed in the market, although prices eased off a little as compared with those of the previous month. Export rye at the close of the month was worth 4.60 per qtl. as against 4.85 at the end of January.

STATISTICS CANADA LIBRARY
BIBLIOTHÈQUE STATISTIQUE CANADA



1010722895