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

THE GRAIN SITUATION IN ARGENTINA

Ottawa, August 15, 1941.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of August 5, 1941, dealing with the grain situation in Argentina.

Crop Conditions

Weather conditions during July were very variable; but on the whole were very favourable for the field crops. In the northern districts the rains which fell were very beneficial for the newly sown wheat fields; but in parts of Buenos Aires province too abundant precipitation caused creeks to overflow and flood low-lying lands, holding up the work of seeding. Occasional sharp frosts were welcomed as encouraging root development of the wheat.

The official monthly crop report just published reads as follows:

Wheat: Planting of wheat having been finished in Santa Fe, Cordoba and a great part of Entre Rios, the work is being pressed forward in Buenos Aires and La Pampa. In the Pampa it has been necessary to resow various fields which were attacked by green fly. Generally, seeding has been accomplished under favourable conditions except in districts which were most affected by excessive rains, including parts of western Buenos Aires. The condition of the sprouted wheat is generally good.

Linseed: Preparation of the land for linseed has been finished with some delay in Buenos Aires, as a consequence of the backwardness in the picking of maize. Planting has been commenced in the northern districts of that province. In Santa Fe and Cordoba planting is being finished, and in Entre Rios it is proceeding under good conditions.

Maize: In northern Santa Fe picking of the second planting continues. In the remainder of the province it is about completed. Only the corn required for local consumption is being shelled. In the north the early planted maize is giving yields of from 27 bushels to 36 1/2 bushels per acre, and in the south the yields are from 31 3/4 to 47 3/4 bushels per acre. The quality is good, in spite of the percentage of weevil damage in some zones. In Cordoba variable yields are being obtained, running from 16 bushels upwards. The quality although inferior to that of the last crop is considered good. In Buenos Aires the harvest has been terminated, after being delayed by rains which also contributed to the deterioration of the grain. Shelling is only being done for local consumption. Yields are generally superior to normal for the zone. In Entre Rios the yield of the little that has been gathered is from fair to good.

Supplies and Markets

Wheat: Exports of wheat during July were 9,121,000 bushels. There were no shipments of flour. The above figure compares with 8,051,000 bushels in the preceding month.

There are still more than ample supplies left on hand, as will be seen from the followig tabulation:

Third official estimate 1940-41 crop		271,171,000	bushels
Carry-over from 1939-40 crop		2,729,000	"
Total supplies		273,900,000	"
Deduct for seed and domestic consumption		101,044,000	"
Surplus available for export		172,856,000	"
Shipments) Wheat	55,040,000 bushels		
to July 31) Wheat as flour	410,000 "	55,450,000	"
Balance still available		117,406,000	"

There was very little activity in the market during July. Brazil and the local millers were the principal buyers, most of their purchases consisting of the stronger wheats, which are relatively scarce this season. The neighbouring Republic of Uruguay also made moderate purchases to grade up her home product.

The United Kingdom bought no Argentine wheat during the month; but she has still to receive almost 100,000 tons (3,674,000 bushels) exchanged for maize, barley and by-products. Purchases by the official Grain Board to date have amounted to 5,299,864 tons (194,733,000 bushels). The quantity sold by the Board has not been announced. The Board's selling price remains unchanged at 6.65 pesos per 100 kilos (say 54 cents U.S. per bushel), only a shade below the official minimum buying price of 6.75 (54 3/4 cents per bushel). Commercial quotations are 6.65 for Spot; and 6.90 for November delivery (55 7/8 cents per bushel).

Linseed: July exports were 2,339,000 bushels, as against 1,865,000 bushels in the preceding month, leaving the supply position as shown hereunder:

Third official estimate 1940-41 crop	57,462,000	bushels
Carry-over from 1939-40 crop	2,282,000	"
Total supplies	59,744,000	"
Deduct for seed and domestic needs	7,874,000	"
Exportable surplus	51,870,000	"
Shipments to July 31	12,842,000	"
Balance still available	39,028,000	"

July was a quiet month in the linseed market. A small reduction (4 per cent) was made in the Grain Board's selling price, which enabled moderate quantities to be sold to the United States (our principal customer) and to Japan, which latter country would probably buy more but for the present doubt as to whether delivery could be effected.

Grain Board purchases are officially stated to have been 45,039,000 bushels. No selling pressure is in evidence. Lack of shipping is held to be the principal factor restraining business. Sales by speculators holding linseed bought in the hope of a reduction in the U. S. import duties, who have tired of waiting for the result of the protracted negotiations for a trade agreement, were a feature in the market. The Grain Board's reduction of 4 per cent brought an equivalent loss to the speculators. At the close of business, with the official minimum buying price still 9.25 pesos per 100 kilos, or say 70 cents U.S. per bushel, the quotation for Spot Seed was 9.50 per quintal, and for November delivery 10.10, or say 75 cents U.S. per bushel.

Maize: Exports in July were 397,000 bushels, a relatively insignificant figure, but still more than three times those of the preceding month, which totalled only 120,000 bushels. During the current season 856,000 bushels have now been shipped out of the exportable surplus of 332,661,000 bushels, leaving 331,806,000 bushels still available. Not much of the new crop is really ready for shipment, little having yet been shelled. The weather has not been very favourable, and the policy of the Government is to discourage shelling of maize not required locally, while facilitating bank loans on unshelled grain stored in suitable cribs.

In the early part of the month there was a certain amount of interest shown in acquiring maize of the old crop of superior quality, of which, however, the quantity available is very limited. Later most of the business done was in spoiled grain for fuel purposes, although some new crop corn also changed hands at prices close to the official minimum. Speaking generally, the market is extremely dull, with no export demand and only moderate local activity. Weevil damage in the new crop is very heavy, and is likely to increase as the winter advances. Approximately one-eighth of the crop is regarded as already lost from this cause.

Oats: July exports were 487,000 bushels; those of June were 115,000 bushels. Shipments have now totalled 3,163,000 bushels, out of the exportable surplus of 17,806,000 bushels, leaving still available 14,643,000 bushels. High freight rates and lack of shipping have killed the prospect of any export business. Locally there is sustained interest in Superior quality White oats of good weight, for which up to 5.40 pesos per 100 kilos is obtainable, with the farmers not eager to sell. For export grain the nominal quotation is 4.50 pesos per quintal.

Barley: Shipments in July were 290,000 bushels, as against 113,000 bushels in June. This brings the total shipments to date to 2,575,000 bushels, out of the exportable surplus of 21,186,000 bushels, leaving still available 18,611,000 bushels. The great bulk of the crop is in the hands of the official Board, which has purchased around half a million tons (22,965,000 bushels) on the basis of 5. pesos per 100 kilos, whereas nominal local quotations are in the neighbourhood of 3. The market is, therefore, completely inactive.

Rye: No rye was exported in July. Shipments so far this season have amounted to 1,280,000 bushels out of the surplus of 7,632,000 bushels, leaving still available 6,353,000 bushels. The purely local demand is fairly steady. Nevertheless, the price for Superior grain has dropped a little further, the nominal quotation being now only 2.70 pesos per quintal, as compared with 3. a month ago.

Grain Exports during 1940

Details of the Argentine exports of wheat, wheat flour, linseed and maize, with the final destinations so far as obtainable, during the year 1940, were as shown hereunder, according to information kindly supplied by the Director General of Statistics of the Republic.

Destinations	Wheat (bushels)	Wheat Flour (bushels)
United Kingdom	47,582,000	331,000
British Africa	22,000	-
British Central America	-	100
Belgium	5,555,000	600
Bolivia	1,624,000	235,000
Brazil	31,707,000	286,000
Chile	700	136,000
Denmark	15,000	400
Ecuador	-	2,000
Egypt	-	40
Estonia	-	40
Finland	1,649,000	1,000
France	497,000	58,000
French Africa	92,000	-
Greece	-	6,000
Hungary	-	70
Italy	3,918,000	63,000
Irish Free State	3,023,000	-
Japan	-	100
Latvia	-	70
Lithuania	-	40
Netherlands	2,672,000	153,000
Netherlands Indies	900	40
Norway	985,000	1,000
Panama	-	700
Paraguay	722,000	460,000
Peru	4,480,000	-
Philippines	-	100
Poland	-	40
Portugal	2,420,000	4,000
Portuguese Africa	6,000	-
Roumania	-	200
Spain	18,411,000	5,000
Spanish Africa	599,000	158,000
Sweden	55,000	2,000
Switzerland	2,370,000	87,000
Union of South Africa	321,000	-
United States of America	142,000	584,000
Uruguay	947,000	500
Yugoslavia	-	200
Cargoes lost or destination unknown	3,793,000	26,000
For Orders	142,000	-
Totals	133,750,000	2,601,000
1939 total shipments	174,381,000	3,627,000

Destinations	Linseed	Maize
	(bushels)	
United Kingdom	7,196,000	37,081,000
British Central America	4,000	72,000
Belgium	380,000	4,681,000
Bolivia	-	96,000
Brazil	118,000	24,000
Canada	766,000	4,475,000
Chile	74,000	40,000
Columbia	200	-
Costa Rica	1,000	-
Cuba	200	-
Denmark	259,000	1,707,000
France	2,380,000	518,000
French Africa	509,000	-
Irish Free State	87,000	5,953,000
Italy	1,253,000	6,254,000
Japan	568,000	81,000
Maxico	100	400
New Zealand	40	-
Netherlands	3,353,000	4,019,000
Netherlands Guiana	-	30,000
Norway	305,000	499,000
Philippines	40	-
Paraguay	300	200
Peru	-	18,000
Portugal	86,000	40
Portuguese Africa	23,000	-
Spain	150,000	1,655,000
Spanish Africa	-	611,000
Sweden	532,000	770,000
Switzerland	136,000	567,000
Union of South Africa	23,000	-
United States of America	11,082,000	1,442,000
U.S.A. Possessions in Central America ..	-	39,000
Uruguay	40	393,000
Yugoslavia	98,000	-
Cargoes lost or destination unknown	227,000	2,535,000
For Orders	-	243,000
T o t a l s	29,611,000	73,804,000
1939 total shipments	46,581,000	125,824,000