

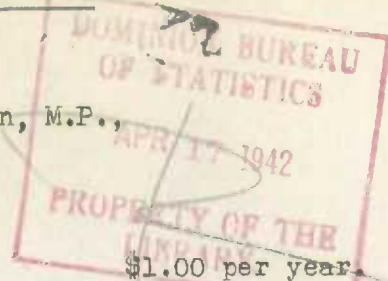
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### THE GRAIN SITUATION IN ARGENTINA

Ottawa, April 16, 1942.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of April 6, 1942, dealing with the grain situation in Argentina.

#### Crop Conditions

Weather conditions were extremely changeable during the month, with high and low temperatures alternating, and the average below normal. Rains in the north were heavy, and floods occurred in the province of Entre Rios; but in the districts bordering the Parana River there was a lack of moisture.

The first frosts of the year made their appearance, without serious damage resulting. Ploughing is well advanced in the northern regions, and planting of wheat will soon commence.

The monthly official report on conditions in the grain growing zones, issued on the last day of March, has the following to say:

The Maize Crop: The condition of the crop in Santa Fe is very good in the true maize zones, and in the far north it is fair. Almost all the fields have reached complete maturity. The remainder, with grain hard but not yet quite ripe, includes the late plantings in the central and southern districts of the province, and the second plantings in the north. In the early days of April picking will commence. Yields will be above normal and the quality should be good in spite of some weevil damage in the plants.

In Cordoba the condition is generally good, except in the south-west and north-west, where it is from fair to poor. The greater part of the crop is fully ripe, and the remainder, not more than 15 per cent, has hard grain already. In some fields there is appreciable weevil damage. Picking has begun here and there in the north and centre, but will not be general until the first half of April. The average yield for the province will be about normal.

In Entre Rios the abundant rains of recent days have helped to maintain the condition of the crop, which is from fair to good, except in the zone of Concepcion del Uruguay, where it is hardly fair.

In the province of Buenos Aires the condition of the crop in the real maize zone, and the yields in the same region, are calculated as superior to good. Elsewhere from being fair they have improved somewhat as a result of the last rains. By mid-April picking will have begun in the north and western centre of the province.

In the Pampa there is no change in the condition of the crop, mostly lost except in the north-east bordering on the province of Buenos Aires, where the state is from fair to good.

In the remainder of the maize producing zones of the country the condition of the crop is variable.

Wheat and Linseed Crops: Threshing has practically finished, and the very good quality and yields anticipated have been confirmed.

The Rice Crop: The condition of the fields is generally good. Harvesting has begun in Tucuman, Salta and Corrientes, and is being continued in Misiones, with results which are regarded as from good to very good. In Jujuy, Entre Rios and Santa Fe the general condition is very good. Cutting will begin in the first half of April

Supplies and Markets

Wheat: Wheat shipments during March were 7,165,000 bushels, consisting of 6,891,000 bushels of grain and 274,000 bushels of flour in terms of grain. This compares with a combined total of 5,237,000 bushels in the preceding month, and leaves the supply position as shown below:

Second official estimate 1941-42 crop .....	227,807,000	bushels
Revised carry-over from 1940-41 crop .....	<u>119,765,000</u>	"
Total supplies .....	347,572,000	"
Deduction for seed and domestic needs .....	<u>110,229,000</u>	"
Surplus available for export .....	237,343,000	"
Shipments to) Wheat .....	18,456,000	bu.
March 31 ) Wheat as flour ...	<u>372,000</u>	"
	18,828,000	"
Balance still available .....	<u>218,515,000</u>	"

The wheat market, in common with those for other grains, continues in the condition of paralization which has prevailed for the last year or year and a half, owing to the dislocation of trade and the lack of shipping facilities. Apart from relatively small sales occasionally to the United Kingdom, business with European countries is impossible, although it is officially announced that Spain is sending a trade mission to the Argentine to endeavour to negotiate a purchase of wheat and maize on credit to the extent of 160,000,000 pesos, which sum presumably includes some 77,000,000 pesos for grain already shipped but not yet paid for either in cash or in kind.

The only steady customers for Argentine wheat in these days are Brazil and other neighbouring South American countries, which continue purchasing to fill their needs at the Grain Board's price, which remains unchanged at 6.90 pesos per quintal for grain of the old crop, new wheat not yet being permitted to be sold.

It is rumoured that when the Government decides to release the new crop wheat for sale, it will be at 8.50 pesos per quintal, or practically 69 cents U.S. per bushel. The high quality of the grain of the new crop will probably be found to justify the increased price.

Between 3 1/2 and 4 million tons of the new wheat are believed to have been purchased by the Board, but no figures are officially given out.

As indicated elsewhere in this report, preparations for seeding the new crop are well advanced. The soil is in good condition, and the present prospect is that a good acreage will go into wheat again.

Although stocks of wheat are heavy and marketing is difficult, no action has been taken by the authorities to cause production to be cut down. But a recent official decree may be significant of a desire to prevent increased production of wheat. Sunflower seed is a crop which in recent years has become popular with some of the farmers, who have found it convenient and profitable. This year's production is about 550,000 tons. Last year's official price was 10 pesos per quintal, or say 100 pesos per ton. Yielding to considerable pressure to establish a minimum price this year, the Government has consented to buy the crop at a provisional price of 8 pesos, with a possible further payment if a profit is made on its sales. But a condition is laid down that seed will only be purchased from growers who agree to reduce their plantings this year by 30 per cent, and not to substitute wheat, linseed or maize.

Linseed: Shipments of linseed during March were 1,163,000 bushels, which compares with 1,236,000 bushels in February.

The statistical position is now as shown on the following page:

Second official estimate 1941-42 crop .....	65,745,000	bushels
Revised carry-over from 1940-41 crop .....	25,718,000	"
	<u>91,463,000</u>	"
Total supplies .....	91,463,000	"
Deduct for seed and domestic requirements .....	13,779,000	"
	<u>77,684,000</u>	"
Surplus available for export .....	77,684,000	"
Shipments to end of March .....	4,409,000	"
	<u>73,275,000</u>	"
Balance still available .....	73,275,000	"

No business in linseed is being done, for lack of ships to carry it. The United Kingdom has made no recent purchases. The U.S.S.R. would buy seed or oil, preferably the latter, if transportation were available. The United States is not buying, having good stocks on hand; and reports are in circulation that a considerable increase in linseed plantings will take place in the States this year.

Meanwhile, the Argentine market remains firm, and the Grain Board has raised its selling price from 18.40 to 20.40 pesos per 100 kilos, following the increase of 35 per cent in the Conference freight rates from this country to the United States, recently announced.

Maize: Exports of maize in March only totalled 368,000 bushels, the smallest figure for many months. Little change is therefore made in the supply position, which remains as shown hereunder:

Third official estimate 1940-41 crop .....	403,052,000	bushels
Deduction for seed and domestic requirements .....	78,736,000	"
	<u>324,316,000</u>	"
Surplus available for export .....	324,316,000	"
Shipments April 1 to March 31 .....	14,351,000	"
	<u>309,965,000</u>	"
Balance still available .....	309,965,000	"

With harvesting operations commencing on a new crop which is generally believed to be a large one, and which will probably at least double available stocks, business in maize is at a standstill. Spain is practically the only foreign country showing any interest in buying for shipment.

In the domestic market railway and power companies are reluctant buyers of old maize for fuel, to burn mixed with coal which is becoming increasingly scarce for lack of ships to transport it.

Livestock men are buying for feeding purposes, paying 3.50 pesos per quintal for old Cuarentino, but preferring to take the new crop of the same type at 5.00 to 5.20 pesos.

No announcement has yet been made as to the policy of the Government with regard to the new crop; but there is general expectation that some form of assistance will be given to the growers.

Oats: There were no shipments of oats during March; hence there is no change in the statistical position, 475,000 bushels having been exported so far out of the surplus of 11,590,000 bushels available out of the total crop and carry-over of 41,417,000 bushels, after deducting 29,827,000 bushels for seed and domestic requirements, leaving still available 11,115,000 bushels.

There is an active domestic demand, which has carried prices much above what shippers could afford to pay; hence no export business is possible, even for the limited quantities for which it might be feasible to secure boat space. For Superior heavy white oats 6.80 pesos per quintal has been paid by local buyers, and even for inferior grades 5.50 to 5.90 is current.

Barley: During the month of March 686,000 bushels of barley were exported, as compared with 161,000 bushels in the preceding month, leaving the statistical position as follows:

Second official estimate 1941-42 crop .....	17,591,000 bushels
Carry-over from 1940-41 crop .....	<u>11,016,000</u> "
Total supplies .....	28,607,000 "
Required for seed and local consumption .....	<u>16,075,000</u> "
Exportable surplus .....	12,532,000 "
Shipments to end of March .....	<u>1,980,000</u> "
Balance still available .....	<u>10,552,000</u> "

Heavy offerings of barley are being made, far exceeding the demand, for which reason sales are difficult to negotiate and the market is weak. For feed grades there is a good interest, but only for very special parcels of good quality, with a high specific weight. Grain filling these conditions may realize 4.00 pesos per quintal.

For malting varieties of good colour and weighing not less than 70 kilos per hectolitre, 5.30 pesos per quintal can be obtained. Grain of either type which falls short of the conditions mentioned is only worth 2.50 to 2.70 pesos per 100 kilos.

Rye: During the month 700 bushels of rye were exported, this being the only shipment so far this year. The supply position is as shown below:

Second official estimate 1941-42 crop .....	6,299,000 bushels
Carry-over from 1940-41 crop .....	<u>6,341,000</u> "
Supplies as at January 1 .....	12,640,000 "
Seed and domestic requirements .....	<u>3,740,000</u> "
Exportable balance .....	8,900,000 "
Shipments to end of March .....	<u>700</u>
Balance still available .....	<u>8,899,300</u> "

For export no business is passing, and sales for domestic consumption are very meagre. The quotation of 4.00 pesos per quintal is merely nominal.

#### Maize Area

Early in the month the Ministry of Agriculture made public its second estimate of the area planted with maize for the 1941-42 season, reducing the first calculation by 100,000 hectares to 5,000,000 hectares, or say 12,355,000 acres. This compares with 6,097,000 hectares or 15,067,170 acres in the 1940-41 season.

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