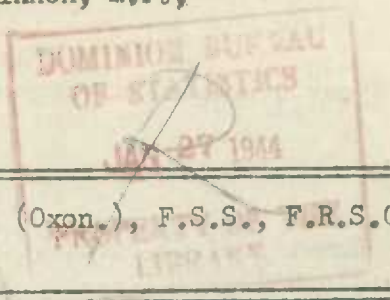


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DOMINION BUREAU OF STATISTICS - CANADA  
AGRICULTURAL BRANCH



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THE GRAIN SITUATION IN ARGENTINA

Ottawa, January 26, 1944.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of January 7, 1944.

Crop Conditions

Natural conditions during December favoured the development and harvesting of the Argentine grain and seed crops, abundant yields of which are confidently expected. A detailed description of the situation is given in the official monthly report, from which the following extracts are taken:

Weather conditions during December were favourable for the growing crops throughout the country, with the exception of certain parts of the province of Buenos Aires, where the rains, more frequent than abundant, hindered the work of harvesting. In southern Cordoba and the extreme north of Santa Fe the maize and sunflower seed crops suffered somewhat, as a lack of moisture began to make itself felt.

The Wheat Crop: The work of harvesting this grain is finished in the provinces of Santa Fe, Cordoba, Entre Rios and the north of Buenos Aires; continuing in southern Buenos Aires and in the Pampa territory. In Santa Fe and Cordoba the yields have been variable as a consequence of the adverse factors met with during the development of the crop and at the moment of cutting. The quality of the grain was also affected, the weight being light in some fields. The results of threshing have been satisfactory in Entre Rios, and from superior to good in the Pampa and southern Buenos Aires. In the remainder of the province of Buenos Aires the yields up to date are considered normal.

In Santiago del Estero the results have been deficient, there being appreciable losses of seeded areas. On the other hand, in the wheat fields of San Luis good yields have been obtained.

The Linseed Crop: Harvesting has been finished in the provinces of Santa Fe and Cordoba, yields being up to expectation. In Entre Rios the work is coming to an end, with results generally superior to good. The fields harvested in the north of Buenos Aires have given almost normal yields. In the remainder of the province, not yet harvested, there have been attacks of caterpillars which will possibly cause a decrease in the yields anticipated.

Oats, Barley and Rye: Cutting of these crops is proceeding in the various zones with generally satisfactory results, except in the oat fields of southeastern Buenos Aires which have been attacked by the Isoca grub. It is noticeable that in many zones, fields of oats and rye are being left uncut.

Rice: Planting has been finished. The fields throughout the country are developing favourably, with good prospects for production.

Maize: The fields generally look very well, weather conditions having favoured them, except in southern Cordoba and northern Santa Fe, where they have suffered from drought. Planting is being continued on the stubbles of the fine grain crops.

First Official Estimate of Crops

In mid-December the government issued its first official estimate of the production of the principal field crops (excluding maize) for the 1943-44 season. Compared with the preliminary estimate published in November no important change was made, except in the case of wheat which was reduced by 21,805,000 bushels because of damage done by strong winds, heavy rains and rust. Most of this damage took place in the province of Cordoba.

The official figures are reproduced below, together with the five-year averages for comparison.

	<u>First estimate 1943-44</u> bu.	<u>5 year average</u> bu.
Wheat .....	290,711,400	253,723,300
Linseed .....	70,705,300	58,055,000
Oats .....	132,063,300	40,590,600
Barley .....	39,223,900	23,787,700
Rye .....	48,855,900	10,019,000

Although some reductions have been made in the oats, rye and barley figures, these still have a somewhat inflated appearance, due to the customary allowances not having been made for the seeded areas used for pasturage. Such technical "abandonments" occur annually to a variable extent.

### Supplies and Markets

W h e a t Exports in December totalled 8,084,000 bushels, of which 7,289,000 bushels were grain and 795,000 bushels were flour in terms of grain. The combined total in the preceding month was 9,320,000 bushels.

On the basis of the first official estimate of the crop, and subject to revision later, the following statement shows the statistical situation as the new year opens:

Third official estimate 1942-43 crop .....	235,156,000 bushels
Carryover from previous crops .....	<u>159,875,000</u> "
Total supplies as at January 1, 1943 .....	395,031,000 "
Deductions for domestic use, fuel, etc. 1943 .....	<u>209,068,000</u> "
Exportable surplus for 1943 .....	185,963,000 "
Shipments during 1943 (provisional)	
Wheat .....	67,737,000 "
Wheat as flour .....	<u>3,862,000</u> "
	71,599,000 "
Balance on hand at December 31, 1943 .....	114,364,000 "
First official estimate 1943-44 crop .....	290,711,000 "
Total stocks at January 1, 1944 .....	405,075,000 "
Deduct normal feed and seed requirements .....	110,229,000 "
Normal exportable surplus .....	294,846,000 "
Reserve for damage, fuel and forage .....	36,743,000 "
Surplus available for export in 1944 .....	258,103,000 "

The exportable surplus thus shown is merely a tentative figure. Judging by the experience of last season, the allowance made for losses of grain through damage in storage, fuel needs, etc., may prove inadequate. But on the other hand the situation with regard to coarse grains for animal feed promises to be very much better this season than last.

The harvesting of the new crop is well advanced, and may be said to be approaching its close. Yet the growers appear to be in no hurry to dispose of their grain to the official Board at the guaranteed minimum price of 8 pesos per 100 kilos (65 cents U.S. per bushel). Only about 27,557,000 bushels are understood to have yet been sold to the Board. The continued favourable war news is looked upon as a factor in this slow movement to market.

Since the new wheat became available the most active buyers have been the local millers, who are eager to pick up the choicest parcels to fill the 30 per cent of the milling requirements which they are permitted to buy in the open market.

The export market was quiet during the month. No purchases were made by Great Britain, although some feelers are said to have been put out towards the end of the year. Only small purchases were made by Brazil and the other neighbouring consuming countries.

Official selling prices remain unchanged, the Board quoting 9.50 for 1941-42 wheat and 10. pesos for 1942-43, for export in bulk. For domestic use all the old crop milling wheat is 9. pesos per 100 kilos yet the Grain Board are not offering any wheat of the new crop, and no prices have been established.

Pursuing its efforts to build up a trade in wheat on the basis on which all Canadian wheat is sold, the Argentine Government has authorized the Grain Board to purchase up to 11,023,000 bushels of wheat of the new crop which will be typified and stored in official elevators operated by the Argentine Grain and Elevator Board, for sale on the basis of certificates of quality issued by the Board, at a small premium above F.a.q. prices.

Linseed Exports during December were only 705,000 bushels, which compared with 967,000 bushels in the preceding month, and brings the total for the year to 27,042,000 bushels, leaving 25,030,000 bushels to be carried over into the new season.

On the basis of the official estimate of the new crop the following is the supply situation, with what should be an ample reserve for the increased domestic crushing which it is understood the authorities have planned.

1942-43 crop and carry-overs .....	132,148,000 bushels
Deductions for seed, crushing and waste .....	<u>80,076,000</u> "
Exportable surplus for 1943 .....	52,072,000 "
Exports during 1943 .....	<u>27,042,000</u> "
Carried over to 1944 .....	25,050,000 "
First official estimate 1943-44 crop .....	<u>70,705,000</u> "
Total supplies January 1, 1944 .....	<u>95,735,000</u>
Seed requirements .....	7,165,000 "
Reserve for crushing .....	<u>39,368,000</u>
	46,533,000
Surplus available for export .....	<u>49,202,000</u> "

The reserve mentioned above is tentative and quite unofficial. As there are nearly 60 oil crushing plants in the Republic, it may well prove insufficient should the current fuel shortage find no other relief. In that case more of the stocks can be converted into oil without much fear of linseed shippers failing to fill their needs. Trading was very quiet throughout December, with export demand practically nil.

Producers are selling only very small quantities to the Board, the official minimum of 12. pesos (90 c. U.S. per bushel) not proving very attractive, although substantially higher than last season's price. The official selling price remains unchanged at \$23.50 in bulk. The quality of the new crop is said to be generally good.

Maize Exports during December were 406,000 bushels, the lowest in recent months. The supply position is now as shown hereunder:

Third official estimate 1942-43 crop .....	76,500,000 bushels
Carryover from previous crops .....	<u>53,428,000</u> "
Total supplies .....	129,928,000 "
Seed and fuel requirements .....	<u>118,105,000</u> "
Exportable surplus .....	11,823,000 "
Shipments 1:4:43 to 31:12:43 .....	<u>5,762,000</u> "
Balance still available .....	<u>6,061,000</u> "

The market for maize has been very dull, notwithstanding the freeing of exportation by the government. It is very many years since shipments of maize were so extremely small as they have been this last year. Purchases during December were limited to a couple of cargoes for Switzerland.

Locally the demand for feeding to livestock is very small indeed, thanks to the excellent pasturage available this season. Some demand exists for fuel purposes, and there are ample supplies in storage on the farms up-country; but the farmers are busy and railway wagons are difficult to secure, so that although prices have dropped little business has resulted.

Quotations are from 7. to 7.50 pesos per 100 kilos.



O a t s Exports of oats in December were only 148,000 bushels, which compares with 329,000 bushels in November, and brings the total for the year to 3,593,000 bushels.

The supply situation with regard to oats is somewhat obscure. There is an official estimate of a production of over 129,684,000 bushels, against a five-year average of only 40,591,000 bushels. The estimate mentioned is quite evidently based on the full acreage planted, withough regard to the established custom in the Republic of devoting part of the area seeded to oats to pasturage for livestock, the percentage of which varies with the weather conditions during the winter months and the state of the grass and alfalfa pastures. The official crop report on the first page of this report states that it is noticeable that in many zones fields of oats and rye are being left uncut. In view of the prevalent uncertainty I am making a tentative reduction of 50 percent in the official estimate of the oat crop, and am taking the commercial stocks as being representative of existing stocks, ignoring the probably non-existent balance in the hands of farmers.

On that basis, the year begins with the following supply position:

50% of first official estimate 1943-44 crop .....	66,032,000 bushels
Carryover from 1942-43 crop .....	4,928,000 "
Total supplies .....	70,960,000 "
Normal seed and domestic consumption .....	29,827,000 "
Surplus available for export .....	<u>41,133,000 "</u>

The quoted value is only 6.50 pesos per 100 kilos, which is remarkably low in comparison with the grain in other markets. Whilst some sales are being made for export, the difficulty in finding ship-space is a formidable obstacle to real business. The quality of the grain is good, and the market firm.

B a r l e y About 236,000 bushels of barley were exported in December, which compares with 38,000 bushels in November, and makes a total of 1,643,000 bushels for the year.

On the basis of the first official calculation of the new crop the following is the statistical situation at the commencement of the new season:

First official estimate 1943-44 crop .....	39,224,000 bushels
Carryover from 1942-43 crop .....	2,031,000 "
Total supplies .....	41,255,000 "
Deduct for seed and domestic needs .....	14,697,000 "
Surplus available for export .....	<u>26,558,000 "</u>

There was a quite active market during the month, with the local brewers busily engaged in covering their requirements for the season from the parcels of excellent quality grain on offer.

Switzerland, amongst other countries overseas, was in the market and made some purchases. Short selling by some of the shippers caused a rise in prices, which dropped back to normal levels in due course, with good brewing barley selling at 7.40 pesos per 100 kilos, and feeding barley 7.25.

R y e There were no exports of rye during December. The shipments of the year have totalled 289,000 bushels out of the original exportable surplus of 2,398,000 bushels. Commercial stocks are about 827,000 bushels. The existence of anything more than that is open to doubt. I therefore make use of that figure in the following statement.

The official estimate of the new crop is 48,856,000 bushels, against a five-year average of only 10,019,000 bushels. What has been said with regard to the oats estimate applies also to that of rye, and I use the same calculation making a 50 per cent cut for the present.

50% of first official estimate of 1943-44 crop ....	24,428,000 bushels
Carryover from 1942-43 crop .....	827,000 "
Total supplies .....	25,255,000 "
Deduct for seed and domestic consumption ;.....	7,480,000 "
Surplus available for export .....	<u>17,775,000 "</u>

The market was by no means active, transactions being confined to small lots required for feeding purposes. The value of good grain of the new crop is about 6.30 pesos per 100 kilos.