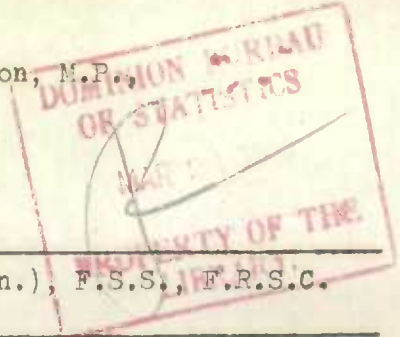


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DOMINION BUREAU OF STATISTICS - CANADA
AGRICULTURAL BRANCH



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THE GRAIN SITUATION IN ARGENTINA

Ottawa, March 23, 1943.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of March 11, 1943.

Crop Conditions

According to the official report of the Ministry of Agriculture on conditions in the cereal zones at the end of February, the prolonged drought which characterized the whole country during the preceding months continued during February and intensified the unfavourable state of the maize fields, so that the losses of seeded areas are mounting progressively, while the prospective yields in the fields which will be harvested are daily diminishing.

The dry weather is causing serious difficulty in the ploughing and cultivating of the land which is to be planted with winter grains, especially in Cordoba and the south-west of Buenos Aires, as well as in the Pampa, regions in which the lack of natural pasturage as a consequence of the drought, makes urgent the necessity for providing cultivated forage crops.

The Wheat Crop: Cutting and threshing of wheat have terminated throughout the country, with the heavy yields and good quality : foreseen in previous reports.

Linseed: Cutting and threshing of linseed also have been finished. Generally the yields obtained were low, as a consequence of the drought and attacks of isoca grubs.

Maize: The appreciable losses in area which were reported a month ago are being increased. Actually, as regards the production of grain it is estimated that there has been a loss of between 45 per cent and 65 per cent of the area planted in the real maize zones of the provinces of Buenos Aires, Santa Fe and Cordoba. In the territory of the Pampa, in southern Cordoba and the extreme south-west of Buenos Aires, and in Entre Rios, the losses are almost total, the great majority of the maize fields being used now as pasturage for animals. In the fields still regarded as harvestable the yields will be much below normal.

Rice: In the greater part of the producing districts the condition of the rice fields is fair. In Entre Rios and Corrientes some fields have been lost for lack of irrigation. Harvesting will commence in March.

Supplementing the above official report, it may be pointed out that the area planted to maize is unusually small this season, the official estimate limiting it to 10,131,000 acres, the smallest for 18 years. The average for the ten-year period ending 1942 was 15,580,000 acres.

Recovery in the condition of the crop is regarded as impossible, although fairly copious rains fell yesterday (March 10th) over extensive areas in Cordoba, Santa Fe and parts of Buenos Aires and the Pampa, accompanied by lower temperatures, which undoubtedly must have brought some relief, and will facilitate resumption of cultivation of the land for seeding of winter grains.

In vast areas in the central portion of the cereal zone maize is practically the only crop grown. The predicament of the share-croppers in those districts is unenviable.

Supplies and Markets

W H E A T

Second official estimate 1942-43 crop	235,156,000 bushels
Carry-over from 1941-42 crop	159,875,000 "
Total supplies	<u>395,031,000</u> "
Deduct for seed and domestic consumption	<u>101,044,000</u> "
Surplus available for export	293,987,000 "
Shipments) Wheat	9,808,000 bushels
to Feb. 28) Wheat as flour	<u>150,000</u> "
	9,958,000 "
Balance still available	<u>284,029,000</u> "

The above shows the statistical situation as the month of March opened, and the balance available for exportation is substantially in line with figures published by the Ministry of Agriculture, although it is much higher than the views of some members of the grain trade.

Shipments during February were rather higher than those of January. Wheat in grain totalled 5,484,000 bushels, to which must be added 61,000 bushels of flour in terms of wheat, adding up to 5,545,000 bushels, which compares with 4,413,000 bushels in the preceding month.

There is no change to report in market conditions. Brazil is still the principal purchaser of Argentine wheat, with Spain running second. The United Kingdom, with a good crop of her own, is showing no interest in foreign wheat other than that available in Canada, with a geographical advantage over the River Plate, but less advantage than usual in the matter of quality, this season's Argentine wheat being of very high grade.

Inferior wheat of previous crops, still in the hands of the Grain Board, has been made available for sale locally to stockmen in the drought stricken areas where feed grain is needed. The price fixed is that paid to producers a year ago for the same grain, 6.75 pesos per 100 kilos, or say 54 3/4 cents United States per bushel.

The Board is open to purchase new crop wheat at the same price but there is no great rush by the farmers to sell. Except where yields have been high, the producers say they are left with a loss, and their dissatisfaction is increased by the knowledge that Canadian farmers receive 50 per cent more for their wheat, and wheat in the United States is worth about 17. pesos as compared with 6.75 in the Argentine.

The Grain Board's selling price for wheat of the new crop is 7.6 pesos per 100 kilos, in bulk, in the port of Buenos Aires.

There is much talk of shipping Argentine wheat to India in Argentine ships, which would bring back bags or bag material for handling the next crop.

Linseed Shipments in February totalled 1,996,000 bushels, a substantial advance over the January shipments of 542,000 bushels, but making little impression on the heavy stocks, as shown in the following statement:

Second official estimate 1942-43 crop	61,414,000 bushels
Carry-over from 1941-42 crop	60,776,000 "
Total stocks	<u>122,190,000</u> "
Seed and domestic requirements to deduct	<u>8,464,000</u> "
Surplus available for export	113,726,000 "
Shipments to end of February	<u>2,537,000</u> "
Balance still available	<u>111,189,000</u> "

Official figures show about 8,905,000 bushels more than the above; some grain trade figures about 8,858,000 bushels less.

More activity was observed in the linseed market during the month than for some little time previously, and various cargoes were reported as sold by the Grain Board for shipment to Europe during the next six months at a price of 15.50 pesos per 100 kilos in bulk.

Following this the Board marked up its selling price to 18 pesos in bulk, instigated not so much by the evidently brisker demand as by the reluctance of the growers to sell their seed to the Board at the official minimum price of 9.25 pesos per 100 kilos,

Considerable sales of old crop seed were reported to have been made by the Board for fuel purposes at 40.30 pesos per ton, following which the selling price was raised by nearly one-third, and the loss which is being incurred on this old seed was correspondingly reduced.

Farmers selling to the trade in the open market are able to obtain for good quality seed 9.70 in the local railway stations, making on these sales an additional gain of the amount of the freight to the ports where delivery to the official Board has to be made.

Maize: Exports of maize in February were only 398,000 bushels, which, although small, is an advance over the January figure of 306,000 bushels.

Late in February the official total of stocks of maize in good condition was announced as only 68,894,000 bushels, which compares with the official figure of 354,314,000 bushels only three months ago. No explanation is offered as to the enormous disappearance represented by the difference in the figures. Most of what grain there is is in the field cribs on the farms, and it would be extremely difficult to form any reliable estimate of its quantity or its condition. Experienced grain men suggest 5 to 6 million tons (196,841,000 to 236,209,000 bushels) after making liberal allowances for sales to livestockmen for cattle and hog feed, and to manufacturers and others for use as fuel.

Exports have amounted to only 7,104,000 bushels during the 11 months of the current season, and beyond a small demand from Uruguay and Spain no overseas sales appear to be in prospect.

Prices have stiffened as the lack of moisture has steadily caused the new crop to disappear before maturity, and although the rains of the last two days have eased the situation, Yellow maize of the Superior grade is still quoted 6.05 pesos per 100 kilos; Cuarenteno 7.70; and Morocho (White) 10.30 pesos. Fuel corn, the cheapest which is obtainable, is worth double the price paid at the close of December.

In its second official estimate of the area planted to maize, issued a few days ago, the Ministry reduces the total by 124,000 acres to 10,008,000 acres, a relatively insignificant change.

Oats: 175,000 bushels of oats were shipped in February, which compares with 308,000 bushels in the preceding month, and leaves the supply position as follows:

Second official estimate 1942-43 crop	45,389,000 bushels
Carry-over from 1941-42 crop	<u>6,484,000</u> "
TOTAL supplies	51,873,000 "
Seed and domestic consumption	<u>29,827,000</u> "
Exportable surplus	22,046,000 "
Shipments to end of February	<u>482,000</u> "
Balance still available	<u>21,564,000</u> "

Generally speaking, the market has been quiet, the reason ascribed being that most of the buyers have heavy stocks. But during the month some activity was noticeable on the part of buyers for the Argentine army, and important quantities are said to have been acquired by them.

Good judges are of the opinion that the official estimate of the crop is too high. This may be corrected when the third official calculation is issued shortly.

In the meantime prices have stiffened appreciably, and grain of good quality is now quoted at 9. to 9.50 pesos per 100 kilos, with not much offering. Exportation at these levels is out of the question.

Barley Shipments in February were only 20,000 bushels, bringing the total for the two months which have transpired to 29,000 bushels, out of the available surplus of 3,674,000 bushels, and leaving still on hand 3,645,000 bushels.

A realization of the smallness of the crop has aroused interest on the part of buyers, and both the brewers and cattlemen have shown interest in protecting their requirements. Business has been somewhat paralyzed for lack of sellers, hence prices have remained firm at from 9. to 10. pesos according to quality.

Rye There were no exports during the month, and the statistical situation remains as shown in the last report.

There has been a good demand for rye for early planting for winter pastures, and this has fully taken care of any parcels coming forward.

For good qualities high prices are being paid, ranging from 7. to 10.50 pesos per 100 kilos, according to grade.

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