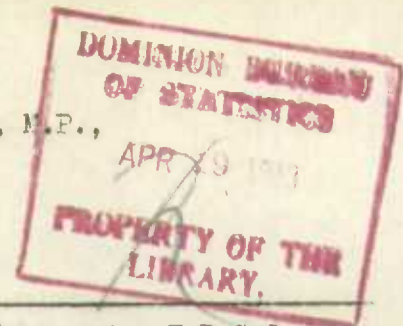


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THE GRAIN SITUATION IN ARGENTINA

Ottawa, April 16, 1943.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of April 2, 1943.

Crop Conditions

With the general rains which fell during the month of March, says the crop report which has just been issued by the Ministry of Agriculture, an end has been put to a prolonged period of drought which affected considerably the whole cereal producing zone of the country. The result of the recent rains has been frankly beneficial for the natural grass pastures, and at the same time has facilitated the work of preparing the land and planting the seed for winter forage crops.

On the other hand, the benefit brought by the rains on the fields of maize which are now finishing their period of growth are insignificant. They have slightly favoured the late plantings, especially in the province of Buenos Aires. But in the rest of the country they arrived too late, and consequently the losses of area and the reduction in yields of maize anticipated in previous reports must be maintained. This applies in the great maize zones of Santa Fe and Cordoba and in Entre Rios. In these provinces the picking has already commenced, low yields being obtained, with appreciable losses of planted areas, which are now being used for pasturing stock.

The rains had a very beneficial effect on the recently sown fields of oats, barley and rye throughout the country, besides making it easier to plough the land for further planting of coarse grains, especially in the south-west of Cordoba and of Buenos Aires and in the Pampa, where the drought was most intense and prolonged.

Supplies and Markets

Wheat - March exports of wheat were 3,946,000 bushels of the grain and 395,000 bushels of flour in terms of grain, a combined total of 4,345,000 bushels, which compares with a combined total of 5,545,000 bushels in the preceding month, and leaves the statistical position as shown below:

Second official estimate 1942-43 crop	235,156,000 bushels
Carry-over from 1941-42 crop	159,875,000 "
Total supplies	395,031,000 "
Deduct for seed and domestic consumption	101,044,000 "
Surplus available for export	293,987,000 "
Shipments) .. Wheat	13,754,000 bushels
to March 31) .. Wheat as Flour ..	549,000 "
	<u>14,303,000 "</u>
Balance still available	279,684,000 "

The market remains quiet, only Brazil showing any active interest, and 2,462,000 bushels of the shipments during March were for Brazil. The United Kingdom is displaying no interest in Argentine wheat at present. Some of the exporters have been making enquiries for Candeal wheat recently, but have found business difficult for lack of supplies.

During March some inferior wheat was disposed of for animal feeding, but following the general rains and the resultant improvement in pasturage this demand has fallen off.

The selling prices of the Grain Board continue unchanged, with a basis of 7.60 pesos per 100 kilos, in bulk, in Buenos Aires, and of the overseas movement, about 60 per cent is going to Brazil and 30 per cent to Spain.

Linseed - Shipments during March were 1,086,000 bushels, as against 1,996,000 bushels in February. The statistical position is now as follows:

Second official estimate 1942-43 crop	61,414,000 bushels
Carry-over from 1941-42 crop	60,776,000 "
Total stocks	122,190,000 "
Seed and domestic requirements to deduct	8,464,000 "
Surplus available for export	113,726,000 "
Shipments to end of March	3,624,000 "
Balance still available	110,102,000 "

The above figure of the balance still on hand is at variance with the official estimate of nearly 118,105,000 bushels, and is equally out of line with a grain trade estimate of 53,226,000 bushels. Two of the factors from which doubts arise are the quantity which has been sold for use as fuel and the amount which has been delivered to the oil crushers by the Grain Board.

There was more activity in the seed market during March, and it is reported that the Grain Board sold as much as 5,118,000 bushels, with the United Kingdom as the principal destination. The price is understood to have been in the neighbourhood of 20. pesos per quintal in bulk.

Some sales to the United States are rather looked for by the trade in the near future.

Outside the Board the market is rather weak. Ten pesos is asked, delivery at the local railway stations. Farmers are reluctant to sell to the Board at the official buying price of 9.25, delivered in Buenos Aires, and the Board is not thought to have purchased more than 23,621,000 bushels of the new crop seed.

The Ministry of Agriculture recently announced that in the purchase of the last three linseed crops 308,000,000 pesos had been invested in the 124,404,000 bushels acquired; and 75,863,000 bushels had been resold for either export, local consumption or for fuel, realizing 170,900,000 pesos. There is still in the possession of the Government an unsold balance of 48,541,000 bushels representing an unrecovered investment of 139,000,000 pesos.

Maize - Exports of maize during March were 845,000 bushels, which brings the total for the season to 7,948,000 bushels. The supply situation is still obscure. An official statement on the 21st of March placed the disposable stocks of the grain in good condition for consumption or fuel, at 64,032,000 bushels. This is, generally, believed to be far too small.

The first official estimate of the production of the new crop is looked for in a few days, and perhaps something definite and reliable as to stocks of old grain may then emerge. In any case, it is not anticipated that any exportable surplus will be available from the small crop which this year's reduced acreage will produce. Fuel and animal feed will presumably absorb all the maize available.

The market generally is weak, very few buyers being on hand. The new crop of Cuarentin meets with a moderate demand at from 8. to 8.40 per quintal, with 6.30 to 7.30 for the old crop, in bags at the local railway stations. For Common maize in bulk 4.50 is asked.

The export demand is negligible, being confined to Uruguay and other nearby countries which are short of feed or fuel.

Oats - March shipments of oats totalled only 276,000 bushels. February exports were 175,000 bushels.

Shipments have now amounted to 758,000 bushels out of the original exportable surplus of 22,046,000 bushels, leaving still available 21,288,000 bushels.

There is a firm market, with only small offerings. Buyers for export to Uruguay have been noticed.

There is a good demand for Good and Superior qualities on the part of local manufacturers of food products, and the best samples are quoted as high as 10.40 pesos per quintal, with 9.6 the current price for heavy White oats, and 9.10 for Yellow.

Barley - Barley shipments during the month were 459,000 bushels, bringing the total since January 1 to 482,000 bushels. This leaves 3,186,000 bushels still available out of the original surplus of 3,674,000 bushels.

There is a firm market, but very small offerings are being made and these are mostly picked up by local buyers, the prevailing prices being \$10.35 for Good feeding grain and \$9.80 for Malting, reversing the usual relationship of the two varieties.

Chile is reported to be interested in buying an important quantity of Argentine Malting Barley.

Rye - Only 39 bushels were reported to have been exported during March, this being the only parcel shipped out so far this season. Some 2,283,000 bushels still remain on hand, out of the surplus of 2,283,039 bushels. Eleven pesos per 100 kilos is the current quotation for new crop rye, with only insignificant offerings.

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