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DOMINION BUREAU OF STATISTICS
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THE GRAIN SITUATION IN ARGENTINA

Ottawa, July 14, 1943.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report, under date of July 3, 1943.

Crop Conditions

For the time of the year, weather conditions during the month were very mild, with scattered rains in the early part and heavy rains later. Practically no frosts occurred. Some would now be welcomed in districts where the early fields of wheat and other crops have made too rapid growth.

The Monthly Official Report, which made its appearance this morning, says that preparation of the land destined for wheat has been finished in all the various zones, and planting is proceeding actively. In some of the districts the heaviness of the recent rains paralyzed the work for a while, but by the middle of July it will have been completed in the provinces of Santa Fe and Cordoba.

Generally, the abundant rains were very opportune, especially in western Buenos Aires and the Pampa, where already a period of drought seemed to be commencing.

The mild temperatures have stimulated the premature growth of wheat plants, for which reason some frosts would be welcome to encourage a normal root development, particularly in varieties of slow growth.

In Santa Fe, Cordoba and Entre Rios preparation of the soil for planting linseed has been completed, and planting has commenced under favourable conditions. In the province of Buenos Aires preparation of the land has commenced.

With regard to maize, in spite of the low yields obtained, picking of the last fields of second planting is still proceeding, due to the good prices now being offered for this grain.

The Crop Acreages

Announcement was made yesterday by the Ministry of Agriculture that the new Government would be disposed to regard favourably an increase in the areas planted to wheat, linseed and sunflowers this season, notwithstanding any obligations incurred to reduce them. The increasing absorption of grains and seeds for use as fuel, as a consequence of the war, has made necessary this change of policy.

Facts have shown, says the official statement, that with unfavourable climatic conditions in one single year the heaviest stocks of grain may be exhausted, leaving the country without the reserves which today are indispensable for its industrial needs.

It is evident that if planting is done freely and climatic conditions prove favourable, the crop will exceed our domestic needs and the reduced export demand, but from every point of view it is preferable to face this risk rather than that of a shortage of fuel with the consequent paralyzation of industries whose every effort is required in order to replace the shrinking importations of the country.

The Government therefore favours increased plantings, and guarantees a market for the farmers, undertaking to acquire the crops at minimum prices which will be fixed in case market quotations do not cover the cost of production.

Supplies and Markets

Wheat - June exports of wheat totalled 4,604,000 bushels, of which 4,093,000 bushels were grain and 511,000 bushels were flour in terms of grain. This total compares with a combined total of 5,029,000 bushels in May. The statistical position is now as set out below:

Third official estimate 1942-43 crop	235,156,000 bushels
Carry-over from 1941-42 crop	159,875,000 "
Total supplies	395,031,000 "
Seed and domestic needs, waste, etc.	115,741,000 "
Exportable surplus	279,290,000 "
Shipments) Wheat	28,063,000 bushels
to June 30) Wheat as flour ..	<u>1,463,000</u> "
	29,526,000 "
Balance still available	<u>249,764,000</u> "

Sales during the month were principally for Brazil and Spain, with Peru, Chile and Paraguay also in the market at intervals. There were no sales to the United Kingdom.

The selling price of the Grain Board for wheat loaded in Buenos Aires was raised during the month to 8.20 pesos per 100 kilos, but for Rosafe and Bahia Blanca wheats no change was made.

Macaroni wheats are scarce, and Superior Candeal grain commands 9. pesos per 100 kilos in the domestic market.

By a Decree issued during the month wheat of the 1942-43 crop is now at the disposal of the Argentine millers, who must purchase it through the Grain Board, and may use it in their bread flour mixtures up to a maximum of 30 per cent.

There is a disposition among stockmen to turn to wheat as a fodder, which is said to have been found to give economical results in comparison with other feeds, and the Grain Board is understood to be receiving applications for considerable quantities for this purpose.

As shown in the statement above, the wheat and flour exports for the first half of the year only reached the abnormally low figure of a little over 800,000 metric tons (29,394,000 bushels).

Linseed - Shipments only reached 316,000 bushels in June, as compared with 1,100,000 bushels in the preceding month. The following is now the supply position:

Third official estimate 1942-43 crop	60,037,000 bushels
Carry-over from 1941-42 crop	60,776,000 "
Total supplies	120,813,000 "
Seed and domestic requirements	76,178,000 "
Surplus for export	44,635,000 "
Shipments to June 30	<u>6,065,000</u> "
Balance still available	<u>38,570,000</u> "

The balance still available for export shown above is much below official figures which have been published, and is more in line with commercial calculations. It is understood that a check is being made of the official figures, so that an adjustment may be necessary later.

The United States after staying out of the market for a while, is now again showing interest in Argentine seed, and is understood to have purchased various parcels for future shipment, but nothing definite is known as to quantity or prices. One authority places sales for export at 300,000 tons (11,810,000 bushels.)

Possibly additional quantities will be required to fill domestic needs, besides what is shown on page two. The fuel situation is an important factor in this.

Maize - Shipments of this grain in June totalled 1,171,000 bushels. In May only 355,000 bushels were exported. The supply position is now as set out below:

Second official estimate 1942-43 crop	76,374,000	bushels
Carry-over from 1941-42 crop	53,428,000	"
Total supplies	129,802,000	"
Seed and domestic requirements	78,736,000	"
Possible surplus	51,066,000	"
Shipments April 1 to June 30	1,786,000	"
Balance still on hand	49,280,000	"

Almost the only market for exported maize at present is Uruguay, to which country all recent shipments have been destined.

Considerable interest was aroused during the month by a report that Great Britain had purchased 1000 tons (39,000 bushels) of Cuarentino maize at a price 50 per cent above that of wheat. Cuarentino is a high grade maize which does not usually enter into the export trade, being readily absorbed by the domestic market. The current quotation for it is 9.15 pesos per 100 kilos, as compared with ordinary export grain in bulk 6.65.

Maize for fuel has advanced 5 per cent in price, with sellers by no means anxious to release their stocks. 55 to 56 pesos per ton is the current quotation, delivery at the local railway stations.

Oats - June exports were only 357,000 bushels, which compares with 280,000 bushels shipped in May. Total shipments have now been 2,296,000 bushels, out of the original exportable surplus of 14,265,000 bushels, leaving still available 11,969,000 bushels.

Recent shipments have been to Switzerland in fulfilment of contracts made many months ago. Small parcels have also been exported to Uruguay for seeding pastures, but the season for this is now about over.

The market closed weak at the end of the month, with 7.40 quoted.

Barley - Shipments were 188,000 bushels, against 22,000 bushels in May, bringing total exports this season to 938,000 bushels out of a total surplus of 3,674,000 bushels, leaving still on hand 2,736,000 bushels.

There is a steady demand for malting grain of good quality of the new crop, but very little of satisfactory colour and quality is to be found. Up to 11. pesos is being offered.

Rye - Only 2,000 bushels were shipped, bringing the total exports to 85,000 bushels, and leaving still on hand 2,313,000 bushels.

There is no business passing. 8.50 pesos is the nominal price.



Wheat Milling in Brazil

Millers of wheat in Brazil are required by Decree to purchase and grind national wheat.

Local authorities in the producing states are obliged to furnish details of their estimated production to an official Board, and this allocates to the millers quotas of a compulsory purchase based on the average wheat consumption of each during the past five years.

Millers who cannot prove that they have acquired their respective quotas are to be prohibited from importing foreign wheat.

The Brazilian Government is to fix minimum prices for the compulsory purchase of wheat during a period of ten years.
