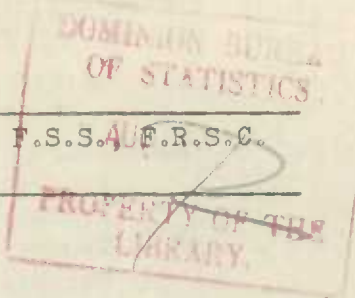


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THE GRAIN SITUATION IN ARGENTINA

Ottawa, August 17, 1943. The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of August 6, 1943.

Condition of Crops

The weather so far this winter has been exceptionally warm, with very little frost, and reports from the country indicate that there has been excessive growth of the early planted grains, the fields now having the appearance that is usual about the middle of September. Danger of frost damage is feared and cold, dry weather is now what is needed.

The official crop report dealing with the month of July reads as follows:

The rains which fell during July were very beneficial for farm work. Ploughing of the land and seeding of the small grains and linseed continue actively, favoured by the humidity of the soil, which also assures normal germination.

The Wheat Crop - Planting of wheat may be considered as completed throughout the cereal zone, there only remaining some lots in northern Buenos Aires, which will be finished in the early days of the present month. In the south-west of the province and in the Pampa planting has been a little late, owing to lack of seed on some of the farms as a result of the poor crop last year. Notwithstanding the excessive development of the plants, the general condition of the crop is considered good.

In Entre Rios there are noted already light attacks of rust and of Septoriosis.

In Santiago del Estero and Santa Fe Green Fly has been observed (Toxoptera Graminum), but a high percentage of this has been attacked by its natural enemy, Aphidius Platensis.

The Linseed Crop - Preparation of the land has been completed under favourable conditions. In Santa Fe and Cordoba planting is being finished, and it is proceeding normally in Buenos Aires. The general condition of the fields is good, but there is a somewhat excessive growth.

The Maize Crop - Picking has been completely finished, with the low yields already noted. In Santa Fe and northern Buenos Aires shelling is proceeding slowly.

Supplies and Markets

Wheat - By a recent Decree the Government has ordered that 2,000,000 tons (73,486,000 bushels) of wheat of old crops be sold for use as fuel, and in addition 500,000 tons (18,372,000 bushels) for animal feed. The removal of this inferior wheat from the disposable surplus makes a material difference in the statistical situation, which will now be as shown below:

July exports were 3,188,000 bushels of wheat, which compares with the June figure of 4,604,000 bushels of wheat and wheat flour.

Third 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>

Deductions:

Seed and domestic use	101,044,000 bushels	
Probable waste	12,125,000 "	
Reserve for fuel	73,486,000 "	
Reserve for forage	<u>18,372,000 "</u>	205,027,000 "
Exportable Surplus		<u>190,004,000 "</u>
Shipments) Wheat	32,714,000	
to July 31) Wheat as Flour	<u>1,300,000</u>	<u>34,014,000 "</u>
Balance still available		<u>155,990,000 "</u>

Of the available balance here shown there must be deducted 16,327,000 bushels, which has been contracted for shipment to Spain.

It will be seen that the prospective carry-over at the end of the current year is now likely to be much less unwieldy than had been feared.

The price to be charged for the old wheat for fuel or forage has been set by the Grain Board as 45 pesos per ton, or 4.50 per quintal the equivalent of 36 1/2 cents U.S. per bushel. The price paid to the producers for the grain was 6.70, or say 54 3/4 cents per bushel. Hence, disregarding carrying charges and waste, there will be a loss to the Government of 18 1/4 cents per bushel, or say one-third. This, of course, will be offset wholly or in part by the Board's sales of exported wheat, the current price of which is the equivalent of 70 1/2 cents per bushel, giving a margin of 15 3/4 cents per bushel.

Announcement was recently made of the suppression of minimum prices for the purchase of wheat and linseed by the Government. All the grain has presumably been sold by the producers, so there is no reason now to maintain them. On the contrary, to do so might encourage speculation in an effort to raise prices, according to the official memorandum.

The scarcity of ships having paralyzed the movement of Argentine wheat to Brazil and rendered necessary an increase in the use of mandioca in the milling of Brazilian flour, arrangements have been made for boats of the Argentine merchant navy to carry some cargoes as an emergency measure.

Linseed - The linseed supply situation is still somewhat confused, but the surplus as shown in the following statement is probably approximately correct:

Third official estimate 1942-43 crop	60,037,000 bushels
Carry-over from previous crop	60,776,000 "
Total supplies	<u>120,813,000 "</u>
Deduct for Seed	8,267,000 bushels
Crushing	74,800,000 "
Probable Waste ..	<u>1,575,000 "</u>
Surplus for export	<u>36,171,000 "</u>
Shipments to July 31	<u>11,236,000 "</u>
Balance still available	<u>24,935,000</u>

July was a busy month in the linseed market, and substantial sales are understood to have been made, amounting to at least 70,000 tons (2,756,000 bushels) for shipment to Great Britain or the United States before the end of September. Further sales could probably have been effected but for the reluctance of the Grain Board to risk encroaching on stocks which might be needed for fuel purposes.

The movement overseas was much brisker than it has been for some months, much more space than usual being allocated on ships bound for the United Kingdom.

Maize - Shipments of maize during the month were 568,000 bushels, which compares with 1,171,000 bushels in June, and leaves the supply position as follows:

Second official estimate 1942-43 crop	76,374,000 bushels
Carry-over from 1941-42 crop	53,428,000 "
Total supplies	129,802,000 "
Deduct for seed, feed and fuel	118,105,000 "
Exportable surplus	11,697,000 "
Shipments April 1 to July 31	2,354,000 "
Balance still available	9,343,000 "

It is to be noted that the Ministry of Agriculture in a recent statement says that there is practically no exportable balance left of this grain.

The market continues firm, due to the meagre offerings from country points, and to the substantial demand for local consumption.

For fuel purposes there is a constant demand at prices which have advanced to 64.00 pesos per ton in bulk.

Oats - July shipments were 217,000 bushels, which compares with 357,000 bushels in June, and brings the total exports to 2,514,000 bushels out of the original surplus of 14,265,000 bushels, leaving 11,752,000 bushels still available, on paper. It is, however, open to question whether more than half that quantity could really be found.

Generally, the market is quiet, with a tendency to weakness, although recent war news has induced shippers to display more interest, more particularly for grain of the new crop.

Spain is said to be in the market for a small cargo for early shipment of old crop, and Switzerland has bought for shipment in the New Year and is inquiring for more.

Prices have weakened, except for special parcels of Superior oats for industrializing, and quotations are from 7 to 7.50 pesos per 100 kilos, general run.

Barley - Barley exports continue to be small, 238,000 bushels being moved out in July, as compared with 188,000 bushels in June. This brings the total shipments for the expired seven months to 1,176,000 bushels out of the surplus of 3,674,000 bushels, leaving still available 2,499,000 bushels.

The market generally is very firm, with a good demand for malting barley, in which Brazil has been showing much interest. The necessary qualities of good weight and colour with a high percentage of germination, are not always present in the samples offered, but where they are, as much as 13 pesos per 100 kilos is obtainable.

For feed barley, 62 kilos, 9 pesos is the ruling price.

Rye - Shipments in July were 29,000 bushels against 2,000 bushels in the preceding month, bringing the total for the period to date to 114,000 bushels, leaving 2,284,000 bushels still available out of the original surplus of 2,398,000 bushels.

There is no change to report in a market which is practically lifeless. The quoted price, which is merely nominal, is 8.50.



Flour Milling in 1942

Flour production statistics for the 1942 season have just been published by the Ministry of Agriculture.

The figures show that the quantity of wheat milled amounted to 77,884,000 bushels, from which was obtained 55,678,000 bushels of flour in terms of wheat and 21,515,000 bushels of sub-products.

The average yield of flour was 71.5 per cent and of sub-products 27.6 per cent, leaving a loss of 0.9 per cent.

Classified by grades, the flour obtained is shown as follows, expressed as bushels of wheat:

Grade 0000	2,281,000 bushels
" 000	37,868,000 "
" 00	8,891,000 "
" 0	5,437,000 "
Semola	84,000 "
Others	1,125,000 "

Of the 258 registered mills in the country there were 153 in operation.

During the last five-year period the average annual per capita consumption of flour expressed as wheat was 5.44 bushels, which compares with 5.39 bushels during the period 1933-37.