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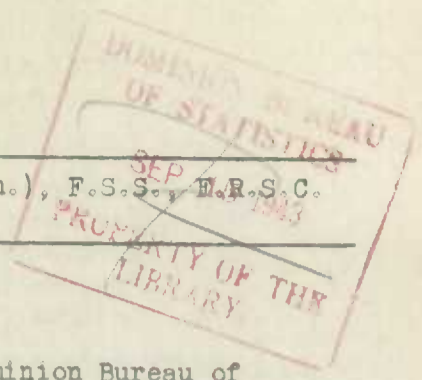
DOMINION BUREAU OF STATISTICS - CANADA
AGRICULTURAL BRANCH

Dominion Statistician:

S. A. Cudmore, M.A. (Oxon.), F.S.S., H.R.S.C.

Chief of Agricultural Branch:

C. F. Wilson, Ph.D.



THE GRAIN SITUATION IN ARGENTINA

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

Condition of Crops

August weather was characterized by low temperatures, with frosts and snow storms in some districts, according to the official monthly report issued by the Ministry of Agriculture. In general, the rains were light, and in Santa Fe, Cordoba, Buenos Aires, and the Pampa, they may be said to have been of reduced volume, so that there is already a lack of moisture noticeable in the ground.

In spite of the above, weather conditions must be considered as having been favourable, as they helped to normalize the development of the plants, which were generally too advanced in their growth as a consequence of the high temperatures which prevailed during July. The condition of the several crops is dealt with as follows:

The Wheat Crop: The planting of wheat has been finished in all the producing zones of the country. Generally the state of the fields may be considered between good and very good, this having been helped by the recent frosts, which checked the abundant growth of foliage, causing damage only to some fields in the northern part of Santa Fe in which stalks were already forming as a result of too early planting and the mild temperatures in their early days.

In the San Francisco, Cordoba, zone rust is attacking the wheat fields.

The Linseed Crop: Under normal conditions and with opportune weather the planting of linseed has been finished in the provinces of Cordoba and Santa Fe, and at this moment it is being completed in Buenos Aires and Entre Rios. Generally the condition of the fields is from good to very good. In the north of Santa Fe there are fields on the point of flowering.

Barley: Seeding of Malting Barley is proceeding actively in the principal producing zones in the south-west of Buenos Aires and in the Pampa Territory. The fields which have germinated are in a normal condition.

Maize: During August the preparation of the land for planting maize continued briskly, the work being carried out under favourable conditions. An appreciable increase in the area devoted to this grain is foreseen, as a consequence of the present good prices and the reduced stocks on hand.

Oats and Rye fields continue to present a good appearance with abundant vegetation. They are being used for pasturing cattle.

Sunflowers and Rice: Ploughing of the lands for these crops is proceeding under favourable conditions.

The first official estimate of the areas devoted to wheat and other principal crops, which is usually looked for about this time, has not yet made its appearance. Increased acreages are generally anticipated.

Supplies and Markets

Wheat - Shipping of wheat was a little more active during August, reaching 6,416,000 bushels, of which 5,777,000 bushels were grain and 639,000 bushels flour in terms of grain. These figures compare with a combined total of 3,188,000 bushels in July.

The statistical position is now as shown on page 2.

Third official estimate 1942-43 crop	235,156,000 bushels	
Carry-over from 1941-42 crop	159,875,000	"
Total supplies	395,031,000	"
Deductions:		
Seed and domestic use	101,044,000 bushels	
Probable waste	12,125,000	"
Reserve for fuel	73,486,000	"
Reserve for forage	18,372,000	"
		205,027,000
Exportable surplus		190,005,000
Shipments to) Wheat	38,491,000 bushels	
August 31) Wheat as flour	1,939,000	"
		40,430,000
Balance still available		149,574,000
of which already has been sold to Spain		14,002,000
Leaving disposable		135,572,000

Chile entered the market during the month, and made a purchase of 919,000 bushels of Argentine wheat, in anticipation of a shortage in the domestic crop, which is calculated to be insufficient to cover requirements. Brazil and Spain were both acquiring moderate quantities. Great Britain was evidently interested again, but no actual purchases have been divulged.

During the month the Grain Board raised its price for export wheat of the 1942-43 crop to 9.60 pesos per quintal, on railway waggons in the port of Buenos Aires, which is 60 centavos above the price previously ruling.

For inferior wheat destined for fuel the price continues to be 45 pesos per metric ton.

Linseed - The movement overseas continued to be brisk, and 6,110,000 bushels were shipped during August, mostly for the United Kingdom. This leaves the supply position as follows:

Third official estimate 1942-43 crop	60,037,000 bushels	
Carry-over from previous crops	60,776,000	"
Total supplies	120,813,000	"
Deduct for seed	8,267,000 bushels	
" " crushing	74,800,000	"
" " probable waste	1,575,000	"
		84,642,000
Surplus for export		36,171,000
Shipments to August 31		17,346,000
Balance still available		18,825,000

There was a fairly active demand during the month, particularly from the United States, but the Grain Board, which controls all sales, is probably hardly in a position to sell more than small quantities without endangering the domestic supplies.

Some quantities of seed are believed to remain still in the hands of farmers and country dealers, who did not care to sell to the Board at the official buying price of 9.25 when the export selling price was three times that amount. Their prospects are now very uncertain. The quantity thus held can only be guessed at.

Some previously made contracts for linseed intended for fuel were cancelled during the month by the Government, in order to leave a greater quantity available for sale for export, if possible. The original purchasers have been offered in exchange fuel wheat or linseed residues, the exchange to be on a calorie basis intended to provide equal heating power.

The only linseed at present being offered for sale by the Grain Board is that grown in southern Buenos Aires, where the quality is usually inferior to that of the northern districts, but where this year the oil percentage is said to be superior to the northern seed.

It is hoped that the new month now commencing will see an improved shipping movement, as a good many cargoes are awaiting transportation to the oil mills overseas.

Maize - Shipments were meagre, only 360,000 bushels being exported during August. The third official estimate of the crop adds very little to the preceding calculation, only 125,000 bushels to be exact. The following is now the supply position:

Third official estimate 1942-43 crop	76,500,000 bushels
Carry-over from 1941-42 crop	53,428,000 "
Total supplies	129,928,000 "
Seed and Fuel requirements	118,105,000 "
Exportable surplus	11,823,000 "
Shipments April 1 to August 31	2,715,000 "
Balance still available	9,108,000 "

In a recent pronouncement the Ministry of Agriculture stated that there is practically no exportable balance left after taking care of domestic requirements, but that exports up to 15,000 tons (591,000 bushels) would be permitted. However, no export business in maize is now being transacted.

In the domestic market maize for fuel in small quantities is changing hands at 5.10 to 5.20 pesos per 100 kilos, and for feeding purposes at 7.90 old crop and 9.05 new crop.

Oats - The export movement was down to the low figure of 44,000 bushels in August, which compares with 217,000 bushels in the preceding month.

Out of a surplus of 14,265,000 bushels, 2,574,000 bushels have now been exported leaving still available 11,692,000 bushels.

The market during the month was very weak under the influence of heavy daily entries, with abundance of offers of oats to arrive.

Very choice grain suitable for industrializing is worth around 8.50 pesos per 100 kilos, good heavy grain for feeding 7.60/7.80, and ordinary run 7.20/7.40 pesos.

Barley - 1,000 tons (46,000 bushels) were shipped out in August, against 238,000 bushels in July, making the total shipments of the season so far 1,222,000 bushels, which leaves 2,453,000 bushels still available out of the original surplus of 80,000 tons (3,674,000 bushels).

The demand for feed barley is very small, and the market weak. For Superior malting barley of the new crop, with a minimum weight of 65 kilos the hectolitre, which is not very plentiful, from 11 pesos to 11.50 is obtainable. Feed runs from 8.50 to 9.80 according to sample.

Rye - There was no export movement of rye during the month and the supply position remains unchanged as shown in the last report, with 2,284,000 bushels.

Grain Elevators

The National Government announces that a new "Study" of the grain elevator question is to be made, in order to determine the type, capacity, location and operating conditions of the grain elevators to be constructed in the country.

According to the Decree which has been issued, repeated experience has demonstrated that the department which was created some years ago to carry out the project for providing the official line of elevators for the Republic, does not possess the special technical elements needed to give adequate solution to the problems which keep coming up.



The matter is now being removed from the Ministry of Agriculture and placed under the Ministry of Public Works, which besides the points named above, is to study the situation created in the case of each one of the existing contracts for constructing elevators, and resolve whether the work should be continued or the contract be rescinded.

Before the commencement of the war contracts were made with English, German and Swiss firms for construction and equipment of a number of port elevators, none of which have been completed and some not even commenced. Meanwhile, the war by cutting off supplies of bags and bag material, has greatly increased the need for facilities for bulk handling of grain, which the system of elevators was intended to provide.

Control of Grain Exports

By another governmental Decree the National Grain & Elevator Board is to be required to control the exportation of grains with the object of preventing the shipping of such as do not come up to a minimum standard of quality, and also to ensure the arrival of the produce at its destination in the condition necessary for its subsequent use.

The primary purpose of the step appears to be the conservation of new markets for Argentine grains which have been developed during the war, by ensuring that cargoes are made up of grains of high standards of quality, and that indiscriminate mixing of grains of different crops and from different zones does not take place.