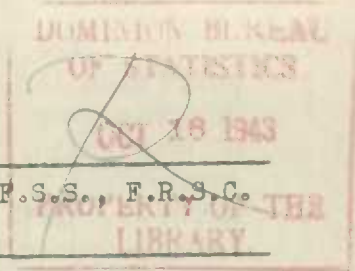


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THE GRAIN SITUATION IN ARGENTINA

Ottawa, October 15, 1943.- The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of October 4, 1943.

Seeded Areas - Official Estimate

The first published official calculation of the probable areas seeded to the five principal field crops (excluding maize) for the 1943-44 season was made public on September 18. It is understood that the figures were subjected to careful revision before being issued, and they are, therefore, actually the second estimate.

Notwithstanding the official encouragement to the farmers to plant grains and seeds liberally, in contrast to the former policy of restricting acreages, little change is to be seen from the figures of the past season except in the case of barley, the area of which has increased by one-fifth. Wheat and linseed show small decreases. The details are as shown below:

	1943-44 Sowings	
	Hectareas	Acres
Wheat	6,786,000	or 16,768,206
Linseed	2,426,000	5,994,646
Oats	2,057,000	5,082,847
Barley	692,000	1,709,932
Rye	1,760,000	4,348,960
	13,721,000	33,904,591

For purposes of comparison the figures of the last season's crops and the five-year and ten-year averages are reproduced below (in acres):

	Wheat	Linseed	Oats	Barley	Rye
1942-43	16,979,481	6,110,373	4,755,709	1,420,442	4,291,551
5-year average	18,331,889	6,849,768	3,825,229	1,944,462	2,997,172
10-year average	18,431,500	7,149,969	3,714,864	1,884,713	2,673,718

The wheat area is the smallest since the year 1935, that of linseed the smallest since 1923. The oats and rye areas, on the other hand, have established new high records, this being due to a large extent to the prosperous condition of the live-stock industry and the necessity of ensuring ample pasturage. It is a common practice in the Republic to plant coarse grains with sufficient liberality to have a reserve of pasturage, and if this is not needed, to fence out the live stock in time to cut the grain for threshing.

Condition of Crops

According to the monthly official report on the condition of the field crops, which made its appearance October 3, the principal climatic characteristics during September were the heavy frosts which occurred in the middle of the month and the lack of good rains, two factors which may be considered as unfavourable for the normal development of the crops, and particularly the early fields of wheat in the north of Santa Fe, north-west of Cordoba and south-east of Santiago del Estero, which suffered intense damage from the low temperatures.

Generally speaking, throughout the whole cereal regions fresh rains are very necessary in order to maintain the condition of the crops and mitigate the effects of the frosts in the zones which suffered most.

Lack of humidity in the ground is causing difficulty in carrying on the work of planting maize and ploughing for the sunflower crop.

Dealing in detail with the various crops, the report goes on to say:

The Wheat crop:

The damage caused by the frosts of the 13th and 15th September is visible almost exclusively in the districts of Las Colonias, Castellanos and San Cristobal (Santa Fe), in the zone of San Francisco (Cordoba), and in the whole wheat region of Santiago del Estero, where as the grain is very advanced and ready to head out, the losses of planted area exceed 50 per cent in many cases. The remainder of the province of Santa Fe shows fields which are from fair to good. Only about 15 per cent of the wheat which has formed stalks is in a doubtful condition, and with opportune rains this may recover.

No frost damage appeared in the remainder of the cereal zone, but the lack of rains, aggravated by strong winds, is apparent in Cordoba, Western Buenos Aires, and the Pampa territory.

The Linseed Crop:

Planting of this crop has been completed in all the zones. In general the present condition of the fields is good, but frost damage reaching 20 per cent is to be noted in the northern part of the province of Santa Fe, north-west of Cordoba, and south-east of Santiago del Estero, where the plants were caught in bloom. With some opportune rains the general prospects would be promising.

Barley: During the month of September the planting of malting barley continued in the principal producing region (south-west of Buenos Aires and the Pampa territory), and the work is now almost completed. The condition of the fields is good.

Oats and Rye: The fields of these grains continue to be profitably used as pasture. Their condition has suffered somewhat as a consequence of the frosts and lack of rains.

The Maize Crop:

In the strictly maize regions the work of preparing the land has been almost terminated. In southern Santa Fe 70 per cent of the area has already been planted. The work is proceeding in Cordoba and Northern Buenos Aires, where it is becoming difficult by reason of the reduced humidity in the soil. Generally an increase in the area to be planted this season is looked for.

Rice: Preparation of the land for rice is proceeding actively and is well advanced. Planting is being done in Corrientes, Santa Fe and Entre Rios. It is anticipated that a larger area will be put under rice this season.

Basic Prices for Wheat, Linseed and Sunflower Seed

In pursuance of its promise to the producers, the Government has decreed that a basic price of 8 posos per 100 kilos be established for wheat of the coming crop, which is equivalent to 65 cents United States per bushel, and for linseed a basic price of 12 posos per 100 kilos, or 90 cents United States per bushel.

For sunflower seed, a crop the growth of which it is particularly desired to encourage, the authorities have fixed a basic price of 13 posos per 100 kilos, equivalent to 98 1/4 cents United States per bushel.

Official purchases will be subject to the same conditions with regard to qualities as have prevailed in former season, and deliveries at Up-river ports will bring proportionately lower prices than those effected at Buenos Aires.

The expressed official view is that the prices fixed will not only compensate the farmer for his work, but will also give him an adequate margin of profit.

Supplies and Markets

Wheat - The movement overseas in September consisted of 6,729,000 bushels, of which 6,288,000 bushels were grain and 441,000 bushels were flour in terms of grain. The combined total in the preceding month as 6,416,000 bushels. The statistical position is now as follows:

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	"	
		<u>205,027,000</u>	"
Exportable surplus		190,004,000	"
Shipments to) Wheat	44,780,000	"	
September 30) Wheat as flour ...	2,380,000	"	
		<u>47,160,000</u>	"
Balance still available		<u>142,844,000</u>	"

Note: Of this balance there is a quantity of 12,768,000 bushels under contract to Spain but not yet delivered, leaving actually disposable 130,078,000 bushels.

During the month there was greater activity in the market, a contributory factor in this being the resumption of trading by Great Britain after an interval of many months. About 2,939,000 bushels were acquired, mostly Rosafe. It is understood that some Barusso may also be purchased if British views as to price can be met.

Several cargoes of wheat of the 1941-42 crop are reported to have been sold by the Board to the United States for shipment from Bahia Blanca at the price of 8.60 pesos per 100 kilos alongside ship. This is presumably part of the grain for which the Commodity Corporation was known to be negotiating, along with quantities of barley, for the relief of the domestic shortage in the United States.

The Corporation is also inviting offers of Argentine wheat flour in large quantities, which however may be intended for the United Kingdom.

The selling prices of the Grain Board have undergone some modification of the nature of a levelling up, so that all buyers for shipment abroad are now on the same basis. The only discrimination now is a spread of about 6 1/2 per cent between old grain of the 1941-42 crop and new grain of the 1942-43 crop. Old wheat 78 kilos per hectolitre (62 1/2 lbs. per bushel) can now be obtained from the Board at 8.50 pesos per 100 kilos in Buenos Aires and 8.00 in Rosario.

Linseed - Shipments of linseed during September totalled 4,186,000 bushels, which compares with 6,110,000 bushels in August and leaves the supply position as shown below:

Third official estimate 1942-43 crop		60,037,000 bushels	
Carry-over from previous crop		60,776,000	"
Total Supplies		120,813,000	"
Deduct for seed	8,267,000 bushels		
crushing	74,800,000	"	
probable waste	1,575,000	"	
		<u>84,642,000</u>	"
Exportable surplus		36,171,000	"
Shipments to September 30		21,531,000	"
Balance still available		<u>14,640,000</u>	"



There was not much activity in the market during September. For export 89,000 bushels were bought for Portugal, and Sweden also made some purchases. Not much else was sold.

Shipping has been active, and already this year more than double the total of last year's exports have been sent overseas. 85 per cent of the movement this year has been for the United Kingdom.

Stocks on hand are believed to be in excess of the quantity shown in the above statement. There are said to be large holdings in the hands of country dealers, which will doubtless come to light in the census about to be taken. Some of the sales made by the Grain Board for fuel have been cancelled, and it is understood that the Board would be willing to dispose of a certain quantity for export, and might even make a cut in price, but no demand is in evidence. The tentative selling price is 28 pesos per 100 kilos in the port of Rosario.

Maize - Shipments during the month were only 356,000 bushels, not even reaching the 360,000 bushels sent out in August. The following is the statistical situation:

Third official estimate 1942-43 crop	76,500,000 bushels
Carry-over from 1941-42 crop	53,428,000 "
	<hr/>
Total Supplies	129,928,000 "
Seed and fuel requirements	118,105,000 "
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Exportable surplus	11,823,000 "
Shipments April 1 to September 30	3,071,000 "
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Balance still available	8,752,000 "

Supplies are very small and there is no activity in the market. The announcement of the Government that exportation of 591,000 bushels would be permitted has now been amended to make the limit 2,362,000 bushels. If it were raised still higher no surprise would be felt, as local stockmen are showing a tendency to make use of cheaper grains for feed, particularly wheat, of which 78,736,000 bushels have been made available. The obstacle to shipping out maize is the lack of boat space.

On a firm market prices remain unchanged from last month.

Oats - While still small, oat exports during September reached 211,000 bushels, which compares with 60,000 bushels in the preceding month. 2,785,000 bushels have now been shipped out of the exportable surplus of 14,265,000 bushels, leaving 11,481,000 bushels still available.

Oats of the new crop of export quality are changing hands at \$4.70 per quintal in bulk at the port of Quequen. Old-crop grain for industrializing is worth \$7.30, and heavy oats for feeding \$6.80.

Barley - 77,000 bushels were shipped out in September, against 46,000 bushels in August. 1,299,000 bushels have now been exported, leaving still available 376,000 bushels out of the original surplus of 3,674,000 bushels. Some malting barley of the new crop has been placed at 10 pesos per quintal, but the market is dull, with little movement. For feed grain of the new crop, February delivery, in bags, at Bahia Blanca 7.40 is quoted.

Rye - During August and September 139,000 bushels of rye moved out, making the total since January 1, 253,000 bushels, and leaving still available 2,144,000 bushels out of the original surplus of 2,398,000 bushels. There is a dull market, with little business passing, and any quotation would be merely nominal.