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DOMINION BUREAU OF STATISTICS - CANADA  
AGRICULTURAL BRANCH

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THE GRAIN SITUATION IN ARGENTINA

Ottawa, February 23 1944: The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of February 4, 1944.

MAIZE AREA

The first official estimate of the area planted to maize (corn) for the 1943-44 season shows a total of 4,570,000 hectares, or 11,292,470 acres. This represents an increase of 1,066,000 acres or 10.4 per cent over last season's area. The increase, says the Ministry of Agriculture, is of a general character throughout the maize producing regions.

The following is a comparison with the areas planted in recent seasons, and with the 5 year average:

1943-44	4,570,000	hectares,	or	11,292,470	acres
1942-43	4,138,541	"	"	10,226,335	"
1941-42	5,000,000	"	"	12,355,000	"
5 year av.	5,547,228	"	"	13,707,200	"

SECOND FORECAST CROP YIELDS

In its second official calculation of the yields of the grain and seed crops, excluding maize, the Ministry has made substantial reductions in most of the figures, putting them more in line with those of unofficial crop surveyors.

The most important change made is in the case of wheat, which from a preliminary forecast of 312,316,000 bushels was reduced in the first official forecast to 290,711,000 bushels and has now been further brought down to 260,876,000 bushels, a difference of 51,440,000 bushels of 16½ per cent.

The "extraordinary magnitude" of the damage is ascribed by the agricultural authorities to cryptogamous diseases and to a lesser extent to excessive rains.

The new production figures are as set out below, together with those of the first official estimate for comparison:

	<u>Second official estimate</u>		<u>First official estimate</u>	
	tons	bushels	tons	bushels
Wheat .....	7,100,000	260,876,000	7,912,000	290,711,000
Linseed .....	1,695,000	66,729,000	1,796,000	70,705,300
Oats .....	1,200,000	77,810,000	2,036,700	132,063,300
Barley .....	820,000	37,662,000	854,000	39,223,900
Rye .....	990,000	38,975,000	1,241,000	48,855,900
Canary Seed .....	40,000	1,576,000	37,200	1,465,680

The crop of barley includes 21,771,000 bushels of malting varieties. The loss in the linseed crop of 3,976,000 bushels is ascribed to damage done by the isoca grub. The shrinkage in the crops of oats and rye is accounted for principally by areas being left unharvested, as anticipated in my own comments made in my report dated January 7

CROP CONDITIONS

According to the monthly official report on conditions in the cereal regions of the Republic, after the abundant but damaging rains which fell during the first half of January in the central and southern districts weather conditions permitted the resumption of threshing operations. The interruption, whilst it delayed harvesting and threshing, was of great advantage to the maize and sunflower crops, providing exceptionally good conditions for their development.



Dealing with the wheat crop, the report goes on to say that harvesting may be considered practically finished. Only in isolated districts in the south-east of Buenos Aires is the work still being carried on. The repeated rains during the month of January, cryptogamous diseases, and excessive week growth have caused appreciable losses in yields and in quality of the grain.

Harvesting of the linseed crop has been finished in the greater part of the zone where it is principally grown. Small lots remain uncut in the south-east and centre of Buenos Aires, where the work was made difficult by the last rains, which encouraged week growth and delayed threshing. There were losses through isoca grubs, especially in the south-east of Buenos Aires.

Fibre Flax: The flax planted for fibre in northern Buenos Aires was damaged by the abundant rains, which caused heavy weed growth.

Cutting and threshing of Oats, Barley and Rye are virtually completed with generally good yields in the main zone. In the south-east of Buenos Aires isoca attacks caused important losses in the oat fields. In the province of Cordoba some fields of rye intended for threshing were damaged in the last stage of their growth by excessive rains. The yields obtained of malting barley are satisfactory and the quality of the grain is fairly good.

Planting of Maize has been finished throughout the country. The January rains were extremely favourable for the crop, and the fields generally look very well with the exception of some fields in the north of Santa Fe which have deteriorated for lack of moisture. In one part of Cordoba inundations caused by abundant rains have destroyed approximately 10,000 hectares or 25,000 acres.

The fields of Rice in the provinces of Santa Fe, Entre Rios, Corrientes, Tucuman and Salta, look excellent. The area planted is estimated to be larger than that of last year.

#### SUPPLIES AND MARKETS

WHEAT Shipments of wheat during January were 6,161,000 bushels, plus 432,000 bushels of flour in terms of wheat, a combined total of 6,593,000 bushels which compares with the December total of 8,084,000 bushels.

Figures recently released by the Director General of National Statistics show that the wheat exported in 1943 totalled 71,811,000 bushels and total flour exports were 85,026 tons making a combined total of 76,274,000 bushels or 4,675,000 bushels more than the figure of 71,599,000 bushels used in my statistical statement in the report for November. A correction is accordingly embodied in the following supply statement.

The second official estimate of the new crop, showing a greatly reduced quantity is used as the basis of this statement.

Second official estimate 1943-44 crop .....	260,876,000 bushels	
Carry-over from previous crops (revised) .....	<u>109,689,000</u>	"
Total supplies .....	370,565,000	"
Deduct seed and feed requirements (revised) .....	<u>84,509,000</u>	"
Exportable surplus .....	286,056,000	"
Shipments ) Wheat .....	6,161,000	"
in January ) Wheat as flour .....	<u>432,000</u>	"
Total .....	6,593,000	"
Balance still available .....	<u>279,463,000</u>	"

NOTE: Of the above balance 6,265,000 bushels are under contract to Spain, but have not yet been shipped. The actual available balance is therefore only 273,198,000 bushels.

It is understood that the surplus still on hand of the 1941-42 crop is to be used as fuel, probably about 11,023,000 bushels.

1,837,000 bushels of wheat have been placed at the disposal of the Government of Greece, for the relief of the starving population of that Nation, and the necessary ships have already been chartered for its transport.

In addition 5,511,000 bushels of wheat are understood to have been placed at the disposal of the International body administering relief to the desolated European countries, in partial fulfilment of Argentine obligations in that regard.



Little business in wheat was effected in January. Great Britain made no purchases of the grain, although she acquired some quantities of wheat flour. Brazil and other neighbouring countries made their routine purchases on a small scale, and the local millers were busy covering their needs in order to meet the better than average export demand for Argentine flour.

Deliveries by farmers to the Grain Board have not yet begun to move freely. Whilst the quality of some of the wheat is excellent, it is to be feared that a great deal of damage will be visible in some of the later receipts as a result of the January rains.

Old crop wheat (1942-43) 62½ lbs. per bushel is offered by the Grain Board in bulk at 9.70 pesos per 100 kilos, ex Buenos Aires, or 9.20 ex-Rosario.

LINSEED

Exports of linseed during January were only 309,000 bushels less than half the December shipments of 705,000 bushels.

The total exports for the year 1943, stated in my last report as 27,042,000 bushels were in fact only 25,451,000 bushels according to official records. An addition of 1,591,000 bushels has been made to the carry-over into the new year to rectify this error.

On the basis of the new crop estimate the following is now the supply standing:

Second official estimate 1943-44 crop .....	66,729,000 bushels
Carry-over from previous crops .....	<u>26,621,000</u> "
Total supplies .....	93,350,000 "
Deduct for seed and domestic use .....	9,921,000 "
Crushing for fuel .....	<u>16,721,000</u> "
Total .....	26,642,000 "
Exportable surplus .....	66,708,000 "
Shipments during January .....	<u>309,000</u> "
Balance still available .....	<u>66,399,000</u> "

Sweden bought 197,000 bushels during January, and Switzerland also made purchases. Altogether about 591,000 bushels were disposed of. More would doubtless be sold if only cargo space were available.

Receipts from the producers are not at all heavy, and the qualities are variable. The selling price of the Grain Board has been reduced from 23.50 pesos to 22.50 in bulk, ex Rosario, with no great interest being exhibited by shippers.

MAIZE

Shipments of maize during January were 257,000 bushels, much below the 406,000 bushels exported in December.

The following is now the supply position:

Third official estimate 1942-43 crop .....	76,500,000 bushels
Carry-over from previous crops .....	<u>53,428,000</u> "
Total supplies .....	129,928,000 "
Deduct seed and fuel requirements .....	<u>118,105,000</u> "
Available for export .....	18,823,000 "
Shipments 1:4:43 to 31:1:44 .....	<u>6,019,000</u> "
Balance still available .....	<u>5,804,000</u> "

There is little to be said with regard to the maize situation. Spain and Switzerland are the only importing countries showing any interest, and their interest is only on a small scale. Although the grain is cheap enough there is still the export duty of 20 pesos per ton to be reckoned with, which on top of high freight rates is sufficient to discourage buyers.

There is a fair local demand for fuel purposes, and remaining stocks will gradually dissolve in smoke.

The principal interest is now the new crop, which has been greatly favoured by the weather and is in a very promising condition, so that predictions are freely being made of a crop of inconveniently generous proportions considering the inadequate storage accommodation available.

Prices of the old maize are a little lower, averaging about 6.45 pesos per 100 kilos, with fuel corn a little lower than that.





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OATS January shipments were an even 324,000 bushels as compared with 148,000 bushels in December.

On the basis of the new crop estimate and with an assumed carryover, the supply standing is as follows:

Second official estimate of 1943-44 crop .....	77,810,000 bushels
Carry-over from 1942-43 crop .....	4,928,000 "
Total supplies .....	82,738,000 "
Normal seed and domestic consumption .....	29,827,000 "
Surplus available for export .....	52,911,000 "
January shipments .....	324,000 "
Balance still available .....	<u>52,587,000 "</u>

In spite of the considerable reduction made by the officials in their calculation of the volume of the new crop, competent judges still say the figures are too high.

With the shrinking in the volume of the estimates, prices have risen from 6.50 to 7.20 pesos per 100 kilos, and there is less speculative buying in the market. But during the period of low prices, when the spread between Buenos Aires and North American markets was very wide, there was some active buying for United States interests, which acquired in the neighbourhood of 100,000 tons. This demand has now eased off, although there is still a wide spread in prices. The uncertainty with regard to shipping being available to move the grain doubtless had a restraining influence on buyers.

With a generally very satisfactory feed situation in the country, the local demand for oats is no greater than normal.

BARLEY Exports of barley during January were 135,000 bushels, which compares unfavourably with the December shipments of 236,000 bushels.

The supply situation is now as appears in the following statement:

Second official estimate 1943-44 crop .....	37,662,000 bushels
Carry-over from 1942-43 crop (revised) .....	1,976,000 "
Total supplies .....	39,638,000 "
Deduct for seed and domestic needs .....	14,697,000 "
Surplus available for export .....	24,941,000 "
Shipments during January .....	135,000 "
Balance still available .....	<u>24,807,000 "</u>

There is the usual activity amongst the brewers searching for choice parcels of malting grain, which promise to be plentiful, thanks to a good percentage of the crop having been harvested before the damaging rains fell to destroy the colour of the barley. For feed grain there is less interest.

New crop barley for malting, 65 kilos, closed the month at 7.45 pesos per 100 kilos; feed grain, 62 kilos, 7.30 pesos per 100 kilos.

RYE There were no exports of rye during January. The supply position is as set out below:

Second official estimate 1943-44 crop .....	38,975,000 bushels
Carry-over from 1942-43 crop .....	927,000 "
Total Supplies .....	39,802,000 "
Deduct for seed and domestic Consumption .....	7,480,000 "
Balance available for export .....	<u>32,322,000 "</u>

Experts are of the opinion that the volume of the crop has been greatly exaggerated, but they also opine that the quality of the grain is very good, with an average weight much higher than usual. Should ships be available and the course of the war permit opening up the European market, a good outlet for the rye is foreseen. Meanwhile supplies are much greater than the domestic market can absorb.

United States grain interests are said to be exploring possibilities.

7.0 pesos per 100 kilos for 73 kilo grain is being paid.