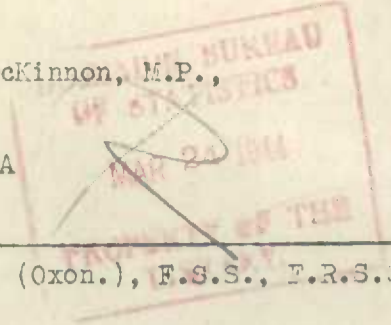


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DOMINION BUREAU OF STATISTICS - CANADA
AGRICULTURAL BRANCH



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THE GRAIN SITUATION IN ARGENTINA

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

SUPPLIES AND MARKETS

Wheat - Exports during February were 8,834,474 bushels, of which 7,546,371 bushels were grain and 1,288,103 bushels flour in terms of grain. The combined total in the preceding month was 6,592,594 bushels. The statistical situation is now as shown below:

| | |
|---|--------------------------|
| Second official estimate 1943-44 crop | 260,876,010 bushels |
| Carry-over from previous crop | 109,688,919 " |
| Total supplies | 370,564,929 " |
| Seed and domestic requirements 84,509,130 bushels | |
| War Victims' Relief | 7,348,620 " 91,857,750 " |
| Surplus available for export | 278,707,179 " |
| Shipments in January) Wheat | 13,706,977 bushels |
| and February) Wheat as flour . | 1,720,091 " 15,427,068 " |
| Balance still available | 263,280,111 " |

Only moderate sales of wheat were made during February. Brazil and the other Latin-American countries continue to be the principal buyers, but 5 cargoes are reported to have been sold to Portugal. Great Britain made no purchases during the month, and is understood to have only very few unshipped contracts.

Wheat of the new crop has not yet been offered for sale by the official Board, although it is believed that there are several countries interested in acquiring some. The Board's selling limits for 1943-45 wheat stand unchanged at 9.70 ex-Buenos Aires and 9.20 ex Rosario per 100 kilos in bulk, 62 1/2 pounds per bushel.

The unsold balance of 1941-42 wheat is now unfit for milling, and will doubtless be sold for fuel.

In the domestic market, Candeal wheat is changing hands at 8.20 per 100 kilos, on the same level as Hard wheat of the new crop.

Linseed - Shipments of linseed during February were limited to 421,161 bushels, a low figure which, however, compares well with the January exports of 309,040 bushels. The following is now the supply position:

| | |
|--|---------------------------|
| Second official estimate 1943-44 crop | 66,729,099 bushels |
| Carry-over from previous crops | 26,620,895 " |
| Total supplies | 93,349,994 " |
| Deduct for seed and domestic use 9,920,786 bushels | |
| " " crushing for fuel ... | 16,721,092 " 26,641,878 " |
| Surplus for export | 66,708,116 " |
| Shipments in January and February | 730,201 " |
| Balance still available | 65,977,915 " |

After a very dull period, foreign interest in linseed showed a revival during February, and Great Britain purchased 727,384 bushels, Sweden 393,682 bushels and Spain about 275,577 bushels.

More important, however, was the interest of the local consumers, who were busy acquiring seed of the new crop. The quantity changing hands has not been divulged, but this is potentially a very important outlet for the heavy stocks of seed on hand, if the 80 oil-crushing plants in the country can be kept running to capacity to supply the fuel oil so badly needed. It is understood that 15,747,280 bushels is to be the official goal. Movement of the seed from the farms is reported to be somewhat slow. The selling price of the official Board remains unchanged at 22.50 pesos per kilos in bulk, ex-Rosario.

Maize -

February shipments were 400,375 bushels, which compares with 256,759 bushels in the preceding month and leaves the supply position as follows:

| | |
|--|--------------------|
| Third official estimate 1943-45 crop | 76,499,656 bushels |
| Carry-over from previous crops | 53,427,529 " |
| Total supplies | 129,927,185 " |
| Seed and fuel requirements | 118,104,600 " |
| Available for export | 11,822,585 " |
| Shipments April 1, 1943 to February 29, 1944 | 6,413,300 " |
| Balance still available | 5,409,285 " |

The market for this grain has been practically at a standstill, supplies of the old crop being nearly exhausted, and much of what remains being unfit for export. Moreover, there is an export duty of 20 pesos per ton on any maize shipped out, which is a distinct impediment to business. It is hoped that this will be removed before the new crop is ready to ship.

The new crop continues to make good progress, favoured by very suitable weather. A heavy yield per acre is in prospect, and private estimates of the volume of the crop are around 393,682,000 bushels.

The government has already announced that a basic price of 5.20 pesos per 100 kilos (equivalent to 59 1/2 cents United States per bushel) will be paid for any of the grain offered to it as from April 15th next. This is the highest official figure yet established. It has been arrived at after careful investigation into costs of production. The price is for red or yellow corn, shelled and bagged. The market is to be left open, permitting the grower to sell to the Board or to any other buyer at his discretion, but sales for export may only be made through the Board.

A large proportion of the crop is probably destined to be used as fuel. For this a selling price of 5.25 has been established. For domestic consumption the Board will sell at 5.50 pesos per 100 kilos, shelled and bagged. Equivalent prices will be established for unshelled grain if this is preferred.

Oats - Shipments of oats in February were very small, only 12,948 bushels moving out. This compares with 324,209 bushels in the preceding month. The supply position is now as shown below:

| | |
|---|---------------------|
| Second official estimate 1943-44 crop | 77,910,160 bushels |
| Carry-over from 1942-43 crop | 4,927,977 " |
| Total supplies | 82,838,137 " |
| Normal seed and domestic consumption | 29,827,228 " |
| Surplus available for export | 52,910,909 " |
| Shipments in January and February | 337,177 " |
| Balance still available | 52,573,732 " |

The speculative buying which became prevalent during the growing period of the new crop gradually faded out, as did also the buying of oats by American interests, and prices have come down to a basis which is much nearer normal, current quotations for export qualities being 6.70 pesos per 100 kilos for White and 6.55 for Yellow grain. For oats of superior quality for industrial use higher prices are obtainable.

The market is not very active, and growers are not inclined to press sales, believing that the size of the crop is below official estimates.

Barley - February shipments were 252,429 bushels, almost double those of January - 134,528 bushels. The supply situation is set out below:

| | |
|---|---------------------|
| Second official estimate 1943-44 crop | 37,632,272 bushels |
| Carry-over from 1942-43 crop | 1,976,305 " |
| Total supplies | 39,608,577 " |
| Deduct for seed and domestic needs | 14,697,472 " |
| Surplus available for export | 24,941,105 " |
| Shipments in January and February | 386,957 " |
| Balance still available | 24,554,148 " |

The demand for export is very small, and interest is confined to the local trade, with brewers still open to buy choice parcels of malting barley at around 6.85 pesos per 100 kilos. Feed grain is on offer at 6.70, with only a moderate business passing.

Rye - There was no movement of rye during February, and the supply situation remains as shown in last report, with the unusually heavy surplus of 32,321,292 bushels available.

It is reported that 787,364 bushels have been sold for shipment to the United States of America at prices ranging from 7.00 to 7.20 per 100 kilos for grain averaging 58 1/2 pounds per bushel. No very recent business is on record, and prices have fallen, with 6.25 now the current quotation.



Sunflower Seed - This is a crop which has acquired considerable favour in a relatively short time with the Argentine farmer, to whom the remunerative price obtainable for a seed which yields well per acre, has proved a great inducement. Crushed, the seed yields an oil which is a reasonably good substitute for the olive oil which is a popular article of diet in the Argentine household, but which, coming almost entirely from Italy and Spain, has practically ceased to be obtainable.

As an export crop, the seed itself does not promise well, as it is light in weight and very bulky as compared with linseed, but the oils is a profitable product, with a good demand awaiting it. But there is a doubt as to whether the limited Argentine crushing capacity will be equal to processing enough of it.

The bulky nature of the sunflower seed will add to the bag problem, which is already serious enough. The growers are instructed to make use of used wheat bags for handling it. But the jute bag known as a wheat bag and holding approximately 2 1/2 bushels of that grain will not hold anything like that quantity of sunflower seed. Hence, handling costs will be relatively increased.

The first official estimate of the area planted this season is 1,338,000 hectares, or 3,306,200 acres. This is almost double that of last season (an increase of 98 1/2 per cent to be exact), and exceeds the average of the last five years by 136 per cent.

Last season the 663,000 metric tons of seed produced and crushed, yielded 174,871 metric tons of oil. This represented 60 per cent of all oil seeds crushed in the country. Exports last year were 59,387 metric tons, valued at 48,529,000 pesos.

Crop prospects this year are excellent, and private estimates place the probable volume at between 900,000 and 1,000,000 metric tons. There is an official guarantee of 13 pesos per 100 kilos to the grower. Recent transactions are well above that, sales having been effected for April delivery at about 14.50 pesos per 100 kilos.