

DOMINION BUREAU OF STATISTICS - CANADA
AGRICULTURAL BRANCH

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THE GRAIN SITUATION IN ARGENTINA

Ottawa, May 19, 1944 - The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of May 3, 1944.

Crop Conditions

According to the official monthly report of the Ministry of Agriculture on conditions in the cereal producing regions of the country, the rains which fell in the month of April permitted normal progress to be made with the work of preparing the land for planting wheat and linseed, except in the zones where the precipitation was excessive and caused flooding of the grain fields and pasture lands with the resultant damage to the crops and live stock.

The fields of maize, already suffering from the lack of rains in previous months, showed increased deterioration because of the fact that the April rains, coming during the period of ripening, could bring no benefit to the plants already in their last stages of development.

Picking of the maize crop is becoming general in the various producing zones. In the province of Buenos Aires the maize fields are in good condition in the northern and central districts, and normal yields are being obtained. In the south-western zone, already damaged in the droughty period of previous months and now suffering from flooding, the fields in some places have proved a total loss. In the western zone the yields are expected to be below normal.

In Santa Fe the condition of the maize fields is generally good, except in a portion of the northern zone of the province, where low yields are being obtained as a result of the drought in the growing period. Elsewhere the harvest results are in accordance with the good condition of the fields.

In Cordoba variable yields are being secured, which improve in the central section. Fields in the south and in the extreme north of the maize zone were damaged by lack of rains.

In Entre Rios the fields look well, and yields are satisfactory in all the districts. In the southern Pampa the fields are in poor condition, but they are fair in the north, and improving in the centre. In the south-east of Santiago del Estero lack of rains damaged 50 per cent of the fields. In the remainder of the provinces and territories, outside the more important producing zones, conditions are variable.

Coarse grains for winter forage crops are still being planted. Those which have germinated are in good condition. Preparation of the land for the wheat and linseed crops of the 1944-45 season has begun under good conditions, the humidity of the soil favouring the work. Pasture lands and alfalfa fields are in satisfactory condition, the districts suffering from drought having benefitted by the rains.

Live stock is in good flesh and sanitary condition. The overflowing of creeks and rivers in the south-west of Buenos Aires following the heavy rains, submerged pastures and caused the drowning of animals in an appreciable proportion.

Supplies and Markets

Wheat

Exports of wheat during April totalled 10,547,000 bushels, 8,803,000 bushels in the form of grain and 1,744,000 bushels as flour in terms of grain. These shipments compare with a total of 9,065,000 bushels in March.

The statistical position of wheat is now as follows:

Second official estimate 1943-44 crop.....	260,876,000	bushels
Carry-over from previous crops	109,689,000	"
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Total Supplies	370,565,000	"
Seed and domestic requirements 84,509,000 bushels		
Relief of war victims	7,349,000	"
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Surplus available for export	278,707,000	"
Shipments to) Wheat	30,101,000	bushels
April 30) Wheat as flour 4,938,000	<hr/>	"
	35,039,000	"
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Balance still available	243,668,000	"

With the shipments of wheat, including flour, approaching the million-ton mark, and the remaining exportable surplus not much greater than would have been considered normal in the pre-war years, anxiety as to the Argentine wheat situation has practically been dissolved.

Moderate sales were made during the month, with Brazil the principal buyer, followed by Spain, Portugal and Great Britain. Mexico and the other Latin American countries also all showed interest in varying degrees, transportation difficulties being responsible for hesitation in concluding business.

The official Board, now known as the Agricultural Regulating Board, took advantage of the improved business atmosphere to make fractional increases in its export prices, raising the 1942-43 wheat to 10.20 pesos per 100 kilos and the 1943-44 grain to 12. pesos, both for wheat of 62 1/2 pounds per bushel.

Linseed The movement of linseed speeded up a little during April, and 1,380,000 bushels were shipped out, as compared with 1,182,000 bushels in the preceding month. The exports for the first four months of the year have only reached the moderate figure of 3,292,000 bushels. The following is now the supply position:

Second official estimate 1943-44 crop	66,729,000	bushels
Carry-over from previous crops	26,621,000	"
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Total Supplies	93,350,000	"
Deduct: Seed and domestic use	9,921,000	bushels
Crushing for fuel	16,721,000	"
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Surplus available for export	66,708,000	"
Shipments to April 30	3,292,000	"
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Balance still available	63,416,000	"

Beyond a sale of 984,000 bushels to the United Kingdom, there was little export business during the month, the principal activity in the market being for account of the local crushers. It is, however, understood that there are forward contracts to be shipped to a greater total than that of the four months' exports recorded above.

Some interest is said to have been shown recently by the United States in linseed oil from Argentina.

Many of the linseed growers are said to be still holding back a portion of their crop, impressed by the huge spread between the official prices of 12. pesos to the producer and 24.20 pesos from the buyer.

Planting of the new crop is commencing now under favourable conditions, but it is felt that the linseed situation is so much less attractive than that of other crops that the result may be a smaller acreage.

Maize - The recently published official estimate of the new crop names 358,251,000 bushels, although experienced grain men hold that this is too low, believing that there will be at least 393,682,000 bushels. Making use of the official figure, the following is now the supply position:

Exportable surplus of 1942-43 crop	11,823,000	bushels
Total shipments (revised)	6,926,000	"
Carried to new crop year	4,897,000	"
First official estimate 1943-44 crop	358,251,000	"
Total Supplies as at April 1, 1944	363,148,000	"
Deduct for seed, feed and fuel	143,300,000	"
Available for export	219,848,000	"
Shipments during April	680,000	"
Balance still available	219,168,000	"

Not much of this grain has been coming forward. Picking is proceeding slowly. Some heavy rains fell during the month, and many growers prefer to let the corn dry out on the stalk before picking. Moreover, there is a scarcity of farm help, so much so that one of the rural organizations is pressing for 20,000 or 30,000 conscripts to be released for work in the harvest fields in the main production zones. A further factor has been that the original official basic price of 5.20 pesos per 100 kilos was regarded by many of the growers as too low in view of the high cost of labour and the scarcity and high cost of bags, both the large pickers' bags and the smaller ones needed for transportation.

In response to the representations of the producers, the basic price has now been raised to 5.95 pesos per 100 kilos, and the selling price for internal consumption set at 6.10 pesos.

In view of the above mentioned conditions it is only to be expected that there is very little of the new crop maize yet ready for shipment.

An export price of 70 pesos per ton has been established by the official Board, which retains in its own hands the selling of the grain for export. Some foreign interest is said to be visible, but shipping space is very difficult to obtain, and only about 2,756,000 bushels has yet been disposed of, part of it going to Mexico, from which country a boat was sent to transport the grain. Great Britain, Spain and Switzerland also bought a few cargoes.

The quality of the new crop is generally good, and sales would be easy to make to the many countries which are short of animal feeds if tonnage could be made available.

Meanwhile, old corn for fuel and other consumption types have been selling on a limited scale in the local market for steady prices of from 5. to 6. pesos, according to type and condition, with Superior White corn going as high as 6.70 per 100 kilos.

Oats

Not much of this grain moved out in April, only 353,000 bushels being shipped, which compares with 820,000 bushels in March, bringing the total exports for the four months to 1,511,000 bushels, and leaving still available 51,400,000 bushels out of the original exportable surplus of 52,911,000 bushels.

There is practically no demand from abroad at the present moment, and the United States dealers who were so active a few weeks ago appear to have lost interest and to be undecided whether to ship out the 6,484,000 bushels being held here for their account and which could be replaced now at much lower prices.

Neutral countries which might be interested do not appear inclined to purchase at the moment. Doubts as to the existence of the large stocks to be inferred from the above figures appear to be growing in the grain trade.

Locally there is a good demand from industrialists for Superior and Special qualities of good weight at from 7.20 to 8.30 pesos per 100 kilos, but export quality grain is quiet at 7.00 pesos.

Barley

April exports were 736,000 bushels. In March they were 842,000 bushels. Total shipments during the four months have been 1,965,000 bushels out of the surplus of 24,941,000 bushels, leaving 22,976,000 bushels still available.

Apart from a cargo sold to Switzerland, very little export business was transacted during the month. Offerings were small. In a dull market prices weakened, closing at 6.60 for Superior Malting and 6.50 for best feed grain.

Rye

There was no movement during the month, and the surplus on hand remains unchanged at 32,319,000 bushels.

Unconfirmed reports credit United States buyers with having purchased over 7,874,000 bushels during recent weeks. No other business is known for export, and the local market is not very active, so that prices have dropped a little, Superior Rye closing at 6.10 pesos per 100 kilos, a low price considering the high quality of the grain.
