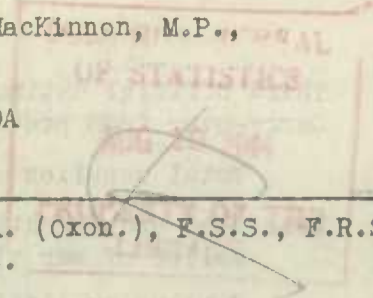


22-D-01A

Published by the Authority of the Hon. James A. MacKinnon, M.P.,
Minister of Trade and Commerce

Historical File Copy

DOMINION BUREAU OF STATISTICS - CANADA
AGRICULTURAL BRANCH



| | |
|------------------------------------|---|
| Dominion Statistician: | S. A. Cudmore, M.A. (Oxon.), F.S.S., F.R.S.C. |
| Acting Chief, Agricultural Branch: | Ian McArthur, M.Sc. |
| Grain Statistician: | James McAnsh. |

THE GRAIN SITUATION IN ARGENTINA

Ottawa, August 18, 1944 - The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of August 5, 1944.

Crop Conditions

The official report on conditions affecting the field crops during the month of July says that an almost total lack of rains during that time was unfavourable for the work of seeding and for the development of the fields already germinated, and adds that even though the eastern part of the province of Buenos Aires, the south of Santa Fe and the south of Entre Rios were more favoured by moisture, the quantity could not be considered normal for requirements.

On the other hand, weather conditions were favourable for the picking of the maize crop, which continued normally through the month and has now almost been completed.

The Wheat Crop

The planting of wheat, which had already begun in some zones in June and continued without difficulties, except in some districts where the rains were insufficient to facilitate the work, suffered interruptions during July which became general almost throughout the country, in some districts being paralyzed by the drought. As mentioned above, parts of eastern Buenos Aires were an exception to this, and work continued without interruption in that zone. The condition of the germinated fields suffered a set-back, especially in the provinces of Santa Fe and Cordoba where, in addition to intense frosts and drought, there were heavy attacks of green fly.

The Linseed Crop

Preparation of the land for planting linseed continues in all the producing zones. Generally, lack of rains made the work difficult and caused a backwardness in the development of the fields. The condition of the fields is described as fair, it having been affected by intense frosts, which in some sections of the provinces of Santa Fe and Cordoba destroyed almost all the planted areas.

Maize

Picking has been finished almost everywhere, and shelling is proceeding slowly as the grain is needed locally for feeding purposes.

Rice

Threshing of the rice crop continues actively in some districts, having been finished in others, where already work of preparing the land for the next planting has commenced with the destruction of the stubbles, ploughing, and cleaning out the canals and ditches. The yields turned out well, especially in Santa Fe and Entre Rios. The total production of 161,000 tons is an increase of 62 1/2 per cent over that of the previous season.

Supplies and Markets

Wheat -

Shipments during the month of July were 6,711,000 bushels, of which 5,841,000 bushels were grain and 870,000 bushels flour in terms of grain. This compares with a total of 6,498,000 bushels in the preceding month.

The statistical situation is now as follows:

| | | |
|---|----------------------|----------------------|
| Third official estimate 1943-44 crop..... | 249,853,000 bushels | |
| Carry-over from previous crops | 109,689,000 " | |
| Total supplies | <u>359,542,000</u> " | |
| Less seed and domestic requirements . 102,881,000 bushels | | |
| relief of war victims | <u>7,349,000</u> " | 110,230,000 " |
| Surplus available for export | | <u>249,312,000</u> " |
| Shipments to) Wheat | 48,452,000 bushels | |
| July 31) Wheat as flour | <u>8,086,000</u> " | 56,539,000 " |
| Balance still available | | <u>192,773,000</u> " |

Note - Of the above available balance 35,567,000 bushels have been contracted for shipment to Spain, and 4,777,000 bushels approximately have been sold to exporters.

There is still a notable absence of demand for Argentine wheat from the United Kingdom, and export business during the month was principally with neutral countries and with Brazil.

There was an active local market for Spot wheat, with a sustained demand for all types, particularly of Superior and Special qualities. Frequent sales were effected at up to 8. pesos per 100 kilos, and in one case a parcel of Candéal variety sold for 9.pesos.

The Agricultural Produce Board's prices remained unchanged from the levels of the previous month, with old crop grain on offer at 10.70 and new wheat 12.50 pesos per 100 kilos, 62 1/2 pounds per bushel, in bulk.

No wheat is being sold for fuel, but the supply situation is such that it is not unlikely that some of the remaining old crop wheat will eventually be used as combustible.

The shipping situation remains unchanged, with only limited tonnage available and freight rates very high.

Linseed July shipments totalled 3,124,000 bushels, a substantial advance over those of June (634,000 bushels). The supply position is as shown below, including the greatly increased reserve for fuel officially adopted.

| | | |
|---|---------------------|---------------------|
| Third official estimate 1943-44 crop | 61,926,000 bushels. | |
| Carry-over from previous crops | 26,621,000 " | |
| Total supplies | <u>88,547,000</u> " | |
| Less seed and domestic requirements 9,921,000 bushels | | |
| reserve for fuel | <u>59,052,000</u> " | 68,973,000 " |
| Exportable surplus | | <u>19,574,000</u> " |
| Shipments to end of July | | <u>9,343,000</u> " |
| Balance still available | | <u>10,231,000</u> " |

While the greatly increased reserve of linseed destined for crushing in the local mills for fuel has been incorporated in the above statement, the fact has not been lost sight of that should the war come to an early end and the Argentine fuel problem be solved by arrivals of normal supplies of solid and liquid combustibles from **abroad**, much of the reserve of linseed will become available for export. It might in fact be made so available in any case should circumstances require it.

Another factor in the linseed situation is the existence of probably a quarter of a million or more tons of the seed in the hands of farmers and country grain dealers. It is seed of the last crop, the owners of which preferred to retain it rather than sell to the official Board at the relatively low price then being offered, a price far below that being obtained for the Board's sales of linseed.

This withheld seed cannot be sold for export, but the owners evidently consider that it will eventually have a marketable value.

Inactivity is the feature of the market. Shippers hold off, waiting to see the result of the crops in the northern half of the continent. The official Board is reported to have made a tentative offer of 394,000 bushels at Rosario at a price of 28.50 pesos per 100 kilos, without effecting a sale. In the local market there is practically nothing doing, with a merely nominal price of 9.44 quoted for Superior seed.

Maize July exports reached 2,940,000 bushels, more than double the June shipments of 1,204,000 bushels. The following is the supply situation:

| | |
|--|---------------------|
| Second official estimate 1943-44 crop | 353,645,000 bushels |
| Carry-over from previous crops | 4,897,000 " |
| Total supplies | 358,542,000 " |
| Less seed, feed and fuel | 143,300,000 " |
| Exportable surplus | 215,242,000 " |
| Shipments April 1, 1944 to July 31, 1944 | 5,122,000 " |
| Balance still available | 210,120,000 " |

Shipments during the month were destined for the United States, Mexico and Great Britain. Sales have not been heavy, and not more than a quarter of a million tons (9,842,000 bushels) remain to be delivered on old contracts. Lack of space and high freight rates continue as obstacles. Hence there is little business doing in the export market.

Maize for export still is subject to the export duty of 2.00 pesos per 100 kilos.

In the local market feeders are chiefly interested in the popular Cuarentin variety, for which there is no difficulty in obtaining 6.00 pesos or more in the local railway **stations** for Superior samples.

In the case of maize for fuel little business was transacted, but with little pressure to sell no weakness in prices was in evidence. 4.90 per quintal in bulk was about the prevailing rate.

By a recent Decree of the Ministry of Agriculture steps have been taken to ensure that the full price of 5.95 which has been established as the basic price for maize of the current crop, shall be paid in its entirety to the producer of the grain, even though he had already sold when the increase of 75 centavos was authorized. The full price is, of course, only payable on sound red or yellow grain, shelled and bagged, and loaded on wagons at the dockside

Oats - Shipments of oats in July fell off to half the quantity that moved out in the previous month, only 1,012,000 bushels, as against 2,177,000 bushels in June.

The stocks are still fairly heavy, and there is not much activity now. Prices are a little lower, 7. pesos per 100 kilos being the current quotation, as compared with 7.15 a month ago.

In all, 3,382,000 bushels have been exported out of the original exportable balance of 35,066,000 bushels, leaving still available 31,685,000 bushels.

Barley - Barley shipments in July were 1,107,000 bushels, which compares with 861,000 bushels in June, and brings the total shipments for the seven months to 5,260,000 bushels, leaving still available 15,024,000 bushels out of the original surplus of 20,284,000 bushels.



1010722957

Barley (con.)

The export business fell off completely, no transactions being recorded. The local demand also faded away for lack of buyers, and although there was no selling pressure prices sank to 6.65 for malting grain and 6.40 for feed, a drop of say 10 per cent from the end of June.

Rye -

There was no movement of rye during the month, and the supply position remains unchanged, with 15,131,000 bushels still available for export. 7.30 pesos per 100 kilos is quoted.

The Norwegian purchases are now said to have reached a total of 1,181,000 bushels, all sold with the condition that the grain be held in store here until 1945. More could probably have been sold but for the fear of insect damage while awaiting shipment.

Sunflower Seed -

Considerable activity continues to prevail in the market for this seed. The actual export demand for the seed is only small, and shipments to date have only reached 5,771 tons.

Speculators in the Futures Market in sunflower seed, of which there are many, are pinning their hopes rather on the oil than on the seed itself, and while the United States have a ceiling price of 8 cents U.S. for the oil (per lb.) which puts it out of line with the prices for Argentine seed, a feeling exists that the need for oil will be presently such as to bring about an adjustment of prices which will make business possible.

There is a strong impression in the trade that the official estimate of 1,072,000 tons in the current crop is too high, which tends to strengthen the price situation. Spot seed closed the month at 14.95 pesos, against 14.40 at the end of June. The official basic price is 13. pesos. For september delivery sellers ask 15.96. pesos.

Grain Storage on Farms

By a recent Decree the Government has made it known that with the object of stimulating the construction of granaries on farms, it will pay growers premiums of 2.50 pesos per ton over and above basic crop prices for wheat and linseed stored on farms in constructions of a permanent nature. The payments will be made exclusively for the benefit of farmers.