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AGRICULTURAL BRANCH

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THE GRAIN SITUATION IN ARGENTINA

Ottawa, September 22, 1944 - The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of Sept. 4, 1944.

Crop Conditions

According to the monthly official report of the Ministry of Agriculture which made its appearance this morning, the rains which fell in August after the drought of July brought a considerable improvement in the wheat and linseed crops in Eastern Buenos Aires and Northwest of Entre Rios. But in the remainder of the country the precipitation was insufficient, and the drought conditions persist with the added drawbacks of sharp changes of temperature, frosts and strong winds. Dealing in detail with the various crops, the report goes on to say:

Wheat - Planting of wheat, which commenced in June, is approaching its close, and has already been finished in some zones. The work was slowed up by the prevailing climatic conditions, particularly the lack of rain, which made it difficult to prepare the land. In the province of Buenos Aires the crop generally is in good condition, having been favoured by the last rains. On the other hand, in the remainder of the country the condition is inferior to normal, the persistent drought having increased the deterioration, especially in the provinces of Santa Fe, Cordoba (except in the east), the North Pampa, where attacks of green fly have been added to the other adverse factors.

Linseed - The preparation of the land for this crop is being terminated, except in northern Santa Fé and southern Córdoba, where for lack of moisture it has not been possible to do the work efficiently. The condition of the germinated fields is only fair, owing to the scarcity of moisture and the intense frosts which have prevailed. For the same reasons those fields which had to be reseeded are in a deficient state also.

Barley - Planting of feed barley is being continued in the province of Buenos Aires and other districts. The germinated fields generally are in good condition. Seeding of malting barley also is continuing. The germinated fields in San Juan and Buenos Aires are in good condition, with the exception of the Bahia Blanca zone and parts of the north-west, where it is only fair.

Rye - Seeding of this crop is practically finished, and the crop is generally in good condition, except in Rio Cuarto (Cordoba) where it is only fair owing to the drought, and in parts of Santa Fe and the Pampa where attacks of green fly have been added to the drought.

Maize - Shelling of the old crop continues, and preparation of the land for the new crop is proceeding. The shelling is being done slowly just to fill local requirements. In the last stage of development of the old crop the drought brought about a drop in yields, increasing the areas which were abandoned.

Rice - Preparations for planting the new crop of rice continue actively but ploughing of the fields has been hindered by the lack of rains, which in some districts has completely paralyzed the work. The last crop yielded exceptionally well. The third calculation raises the total to 174,700 tons, making it the best crop yet produced in the country. The five-year average yield has only been 92,216 tons.

Supplies and Markets

Wheat - Shipments of wheat during August totalled 7,529,000 bushels, to which must be added 234,000 bushels of flour in terms of wheat, making 7,763,000 bushels in all, which compares with a combined total of 6,711,000 bushels in the preceding month. The statistical position is as follows:

Third official estimate 1943-44 crop		249,853,000	bushels
Carry-over from previous crops		109,689,000	"
Total supplies		359,542,000	"
Deduct: Seed and domestic requirements	102,881,000 bushels		
Relief of war victims	7,349,000 "	110,230,000	"
Surplus available for export		249,312,000	"
Shipments to) Wheat	55,982,000 bushels		
August 31) Wheat as flour	8,319,000 "	64,301,000	"
Balance still available		185,011,000	"

Of the balance shown above as still available 34,098,000 bushels are under contract to Spain, and 4,409,000 bushels are estimated to have been sold to sundry exporters.

Great Britain continues to show very little interest in Argentine wheat, and her purchases during the past month were negligible. The export business was confined to South American countries, headed by Brazil.

In the domestic market there is a well sustained demand for grain of good quality of the Superior types, with very little interest shown in ordinary or inferior wheat. The local millers are able to fill their requirements at 8.70 to 8.80 pesos per 100 kilos of 62 1/2 pounds per bushel wheat.

For export wheat the prices set by the Control Board remain unchanged at 10.70 for old wheat and 12.50 for the new crop grain, in bulk.

The Argentine Government has placed 3,674,000 bushels of wheat at the disposal of the Government of France, as gift for the relief of the needy population, in addition to 5,000 tons of meat.

Linseed -

During the month of August 751,000 bushels of linseed were shipped out as compared with 3,124,000 bushels in July. This leaves the supply position as shown below, it being understood, of course, that a large quantity of seed has been withdrawn from the visible supplies to form a reserve for conversion into fuel oil if and when the need arises. This is said to amount to 59,052,000 bushels. On the other hand, there are substantial quantities of old crop seed believed to be still in the possession of the growers and country merchants, which do not enter into the official figures.

Subject to these disturbing factors the following is the supply position so far as known.

Third official estimate 1943-44 crop		61,926,000	bushels
Carry-over from previous crops		26,621,000	"
Total supplies		88,547,000	"
Deduct: Seed and domestic requirements	9,921,000 bushels		
Fuel reserve	59,052,000 "	68,973,000	"
Exportable surplus		19,574,000	"
Shipments to end of August		10,095,000	"
Balance still available		9,479,000	"

No business was done in linseed during the month. The official prices for export remain unchanged at 29.50 pesos per 100 kilos in the port of Buenos Aires, and 1. pesos lower in Rosario, and these are apparently not such as to attract purchasers.

Neither here nor in other parts of this Continent are the prospects of the coming crop very clear, so that no intelligent comparison of the stocks, prospects and prices is at present possible.

Maize - The third official estimate of the maize crop cuts 9,960,000 bushels off the former total, the change being due to abandonments of areas caused by the ravages of drought. The new total is placed at 343,684,000 bushels, which forms the basis of the following supply statement:

Third official estimate 1943-44 crop	343,684,000	bushels
Carry-over from 1942-43 crop	4,897,000	"
Total supplies	348,581,000	"
Deduct for seed, feed and fuel	143,300,000	"
Exportable surplus	205,281,000	"
Shipments April 1, 1944 to August 31, 1944	9,276,000	"
Balance still available	196,005,000	"

Maize moved overseas a little more freely in August, shipments totaling 4,154,000 bushels, as compared with 2,940,000 bushels in July, but even at that the figure is not very impressive. The high freight rates, plus the 2.00 pesos per 100 kilos export tax, form serious obstacles to free movement. Mexico and the United States have been the principal buyers so far, but their interest appears to have dwindled. Lack of ship space is a discouraging factor.

The principal business recently has been the sale of maize for fuel to the big power houses and industrial plants. This accounts for about 15,747,000 bushels of the August sales. The Grain Futures Market is proving a very convenient medium for securing these supplies on a fairly large scale and making sure of their continuity.

The official Board's price for export maize, including the 2. tax, remains unchanged at 8. pesos per 100 kilos. Domestic prices current vary from 4.80 for shelled grain for feed or fuel, to 6.30 for Cuarentin variety, bagged and delivered at the local railway station.

Oats - August shipments of this grain only totalled 92,000 bushels which compares with 1,012,000 bushels in July, and brings the total exports to 3,474,000 bushels, out of the surplus of 35,066,000 bushels, leaving still available 31,592,000 bushels.

There is no activity in the market, although some of the exporting houses are said to have taken advantage of the prevalent low prices to make some purchases for future deliveries. For these they have paid in the neighbourhood of 7.10 or 7.20 pesos per 100 kilos.

Barley - Exports of barley during the month of August amounted to 40,000 bushels, a heavy drop from the preceding month's figure of 1,107,000 bushels. 5,300,000 bushels have now moved out, leaving still available 14,983,000 bushels out of the original disposable surplus of 20,284,000 bushels.

Although exporters showed an increased interest during the month, possibly inspired by events in Europe and a slowly approaching re-opening of the market over there, holders showed no eagerness to sell and very little of the grain was on offer. Prices rose a little, 7.30 pesos per 100 kilos being obtainable for export quality grain of the old crop, with 30 or 40 centavos more offered for the new crop.

Rye - There was no movement of rye during the month, and the supply position remains unchanged. Prices are a shade higher and quite firm at 7.40 to 7.50, with few offers.

Sunflower Seed - The third official estimate of the crop makes a very small reduction, placing the total at 1,036,000 tons instead of 1,072,000 tons. Trade opinion is that it is still too high. Hence prices remain very firm, 16.20 being obtainable for Spot seed, as against the official basic price of 13. pesos per 100 kilos.

Seeded Areas - First Official Estimate

The official forecast of the areas planted to the principal field crops (excluding maize) for the 1944-45 season shows a substantial decrease in each of the six crops dealt with, a shrinkage which in all amounts to over a million hectareas as compared with last season. The prolonged drought prevalent in certain sections of the cereal regions at the time when seeding should have been effected was responsible.

	1944-45 Plantings		Decreases from 1943-44	
	Hectareas	or Acres	Hectareas	or Acres
Wheat	6,455,900	15,952,530	355,300	877,945
Linseed	1,961,700	4,847,361	322,100	795,909
Oats	2,027,500	5,009,952	119,700	295,779
Rye	1,595,700	3,942,974	229,700	567,589
Barley	658,600	1,627,400	59,500	147,025
T o t a l s	12,699,400	31,380,217	1,086,300	2,684,247

The expressed official opinion is that in the event of there being a favourable change in climatic conditions in some of the affected districts, it may be possible to hasten the planting of linseed and some cereals, and hence some of the above figures may be modified in subsequent estimates.

Argentine Exports of Wheat and Wheat Flour, Linseed and Maize during 1943

Details of exports from the Republic of wheat and wheat flour in terms of wheat, linseed and maize, with the final destinations so far as known, during the year 1943, have been supplied by the Director General of Statistics. The figures are as follows, with the quantities in bushels.

Destinations	Wheat	Flour in terms of Wheat	Linseed	Maize
United Kingdom	3,427,000	193,000	18,829,000	241,000
British Africa	-	-	-	120,000
British Central America	1,000	-	6,000	30,000
Bolivia	2,025,000	1,053,000	-	1,000
Brazil	37,040,000	726,000	-	47,000
Chile	1,338,000	331,000	70,000	70,000
Columbia	30,000	8,000	-	-
Costa Rica	-	-	-	-
Cuba	-	-	-	-
Ecuador	-	351,000	-	-
France	4,000	9,000	-	-
Greece	-	1,000	-	-
Irish Free State	67,000	-	-	-
Japan	-	-	-	-
Mexico	-	-	-	1,000
Netherlands	-	1,000	-	-
Netherlands Central America	-	8,000	-	18,000
Norway	-	-	-	-
Panama	-	-	-	-
Paraguay	1,552,000	483,000	28,000	1,000
Peru	2,743,000	217,000	-	-
Portugal	987,000	11,000	87,000	-
Portuguese Africa	-	428,000	-	-
Spain	19,455,000	26,000	212,000	140,000
Spanish Africa	867,000	132,000	-	1,241,000
Sweden	257,000	3,000	751,000	-
Switzerland	653,000	26,000	-	-
Tangiers	-	61,000	-	-
United States of America	1,165,000	-	4,573,000	-
U.S.A. Poss. in Central America.	-	-	-	-
Union of South Africa	124,000	82,000	-	-
Uruguay	12,000	3,000	10,000	5,519,000
Venezuela	5,000	164,000	-	-
Yugoslavia	-	-	-	-
Shipped for Orders	26,000	-	440,000	-
Destinations undetermined	71,000	-	445,000	67,000
Totals - 1943	71,849,000	4,317,000	25,451,000	7,496,000
Totals - 1942	79,960,000	3,023,000	12,205,000	8,659,000

The last two items represent balances, the documents for which had not reached the Statistical Office at the time this return was prepared.