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DOMINION BUREAU OF STATISTICS - CANADA
AGRICULTURAL BRANCH

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THE GRAIN SITUATION IN ARGENTINA

Ottawa, October 17, 1944 - The correspondent of the Dominion Bureau of Statistics in Buenos Aires has forwarded the following report under date of Oct. 4, 1944.

Crop conditions

As the customary official report on crop conditions has not yet made its appearance (it is now the 6th instant), and the important news of the breaking of the drought is undoubtedly awaited with interest, it seems preferable to send out what information is available rather than wait for its official version to be issued. The following notes are gathered from private sources.

In the province of Buenos Aires, which normally produces nearly half of the total national production of grain and seed crops, the general situation is fairly good, beneficial moderate rains having fallen in August and September.

In the provinces of Córdoba, Santa Fé and Entre Ríos, to which may be added the Pampa territory, the great bulk of the remainder of the cereal and seed crops is produced. These areas suffered a drought for four months. In many parts total losses were incurred before relieving rains fell on September 30th, continuing intermittently on several succeeding days. A precipitation of from 6 to 8 inches was fairly general.

The benefit to Buenos Aires was incalculable, putting the crops into a fully normal condition as at that height of the season.

In Santa Fe, Córdoba and Entre Ríos the benefit to the wheat crop was enormous. But the linseed crop had too far deteriorated to benefit fully in those districts, and the extent of the recovery which can be made remains to be seen.

Preparation of the land for the coming maize crop had been to a great extent held in suspense waiting for the rain. It is to be anticipated that the work will be pressed forward now in an effort to get the planting done in time, bearing in mind that late seeding of corn involves an additional handicap.

The effect of the long drought was intensified by the unseasonable heat in September. The temperature registered was sometimes 10 to 15 degrees Centigrade above normal.

The attacks of green fly were also unusually destructive during the drought, but the extremely heavy rainstorms which have brought relief will doubtless have washed away this pest.

Supplies and Markets

Wheat

Exports of wheat during September totalled 7,700,000 bushels, of which 7,240,000 bushels were in grain and 460,000 bushels were flour in terms of grain. The comparative total in August was 7,763,000 bushels.

The current statistical position is now 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 for seed and domestic requirements 102,881,000 bu.		
war victims' relief	7,349,000 bu.	110,230,000
Surplus available for export	249,312,000	"
Shipments to) Wheat	63,221,000 bu.	
September 30) Wheat as flour	8,780,000 bu.	72,001,000
Balance still available	177,311,000	"

Of the still available balance 33,730,000 bushels are under contract to Spain, and 3,674,000 bushels are estimated to have been sold to sundry exporters. A further gift of 7,349,000 bushels of wheat has been offered by the Argentine Government to the liberated French Nation.

There is little to be said with regard to market conditions during September. The market was very quiet throughout the month, with little demand from abroad. Some small parcels of Rosafe wheat were disposed of to Great Britain, and sundry sales were made to Brazil and other neighbouring South American countries. Some sales of wheat flour were also effected.

Export prices of the official Grain Regulating Board were not changed during the month, the former rates of 10.70 pesos per 100 kilos for the old crop wheat and 12.50 for new crop, are still effective.

Linseed

September shipments were 1,294,000 bushels, which compare with the August figure of 751,000 bushels. The supply position is now as follows:

Third official estimate 1943-44 crop	61,926,000	bushels
Carry-over from previous crops	26,621,000	"
Total supplies	88,547,000	"
Deduct for seed and domestic requirements 9,921,000 bu.		
fuel reserve	59,052,000 bu.	68,973,000
Exportable surplus	19,574,000	"
Shipments to the end of September	11,389,000	"
Balance still available	8,185,000	"

By increased reserves earmarked for fuel the available balance has been officially cut down to 3,744,000 bushels, in place of the figure shown above. The program of crushing for oil fuel is presumably more or less elastic, and is adaptable to future needs.

It is believed that there are about 11,810,000 bushels of linseed in the hands of private owners, exportation of which has been prohibited in the past. This embargo has now been lifted, and sales for shipment may now be made provided that exporters pay to the official Board the difference between the Board's buying and selling prices on the seed which has passed through its hands, approximately 200 pesos per ton. There is no very evident rush on the part of the farmers to dispose of their surplus under these conditions, which is understandable in view of the very doubtful prospects of the new linseed crop as a result of the severe drought, relief from which may prove to have come too late.

The market for linseed is more or less stagnant, and very few forward sales remain to be executed.

No change has been made by the official Board, the selling price being still 29.50 pesos per 100 kilos for export, and its basic buying price 9.25.

Maize

Exports of maize during September totalled 4,518,000 bushels, a little more than was shipped in August, 4,154,000 bushels. The supply position is currently as follows:

Third official estimate 1943-44 crop	343,684,000 bushels
Carry-over from 1942-43 crop	4,897,000 "
Total supplies	<u>348,581,000 "</u>
Deduct for seed, feed and fuel	<u>143,300,000 "</u>
Exportable surplus	205,281,000 "
Shipments April 1, 1944 to September 30, 1944	<u>13,794,000 "</u>
Balance still available	<u>191,487,000 "</u>

There was very little export demand during the month. More or less 5,905,000 bushels remain to be shipped to clear up outstanding contracts. Prospects of further contracts in the near future are not very bright.

The official Board made some sales of large lots of fuel maize to the electric power companies, and this has placed them out of the market for the present.

Growers having had since April 15th in which to sell their maize to the Grain Regulating Board at the official basic price, it is considered that they have had sufficient opportunity, and notice has been given by the Ministry of Agriculture that the basic prices will be suspended after October 20th. After that date the open market price will have to be relied upon.

The overseas need for Argentine maize is now confined to European countries, and no boats are available to transport it or likely to be in the near future. Hence transactions in maize for the present are likely to consist principally of forage and fuel supplies.

The Agricultural Produce Board's price remains unchanged at 8.00 pesos per 100 kilos, in bulk.

Oats

Shipments during September were confined to 27,000 bushels, 65,000 bushels less than in the preceding month. Total exports during the first nine months of the year have only amounted to 3,501,000 bushels out of the surplus of 35,066,000 bushels, leaving still available 31,565,000 bushels.

There is no export demand at the present time, and the present prospect would appear to be that the oats bought some time ago by United States merchants and still in store here are likely to be resold, for lack of ships to transport the grain north, now that no North American boats are to be permitted to touch at Argentine ports. The current quotation for White oats is 7.30 pesos per 100 kilos.

Barley

Shipments during the month of September were 446,000 bushels as against 40,000 bushels in August. This brings the total exports during the nine months to 5,547,000 bushels, leaving still available 14,537,000 bushels out of the original exportable surplus of 20,284,000 bushels.

In the first half of the month there was a good deal of activity, which however petered out subsequently, leaving the market extremely quiet, with no interest among the shippers. Probably 1,378,000 bushels sold have yet to be shipped out.



Prospects for the new crop are tolerably good, most of the acreage lying outside the drought-stricken zones.

Prices eased off a little, brewing quality closing the month at 6.60 pesos per 100 kilos, and feed barley at 6.40.

Rye

There was no export movement of rye during the month, transactions being confined to the limited domestic trade within somewhat lower price limits. The closing quotation was 7.05 pesos per quintal.

Some 2,362,000 bushels have been sold for export in anticipation of navigation to European liberated countries becoming possible at a not very distant date, but there is no present indication of any further such purchases being probable.

The statistical position appears to be that of the original exportable surplus of 15,283,000 bushels, 15,131,000 bushels are still available, the shipments of 152,000 bushels in the first half of the year being all that has moved out.

Sunflower Seed

A good deal of uncertainty exists in the market, as members of the trade are definitely of opinion that even with the reduction of the official calculation of the crop from 1,072,000 tons to 1,036,000 tons of seed the figures are still much too high.

The operators of crushing mills find it very difficult to secure the seed necessary to keep their plants in operation.

On the closing day of the month on the sample market in Buenos Aires arrivals varied from 14.50 to 15.40 pesos per 100 kilos. At the same time on the Futures Market the seed for November delivery sold at 16.25, and for January delivery at 16.60 pesos per quintal.

The official basic price guaranteed to the producers is 13. pesos per 100 kilos.

Seeded Areas - Second Official Estimate

A further decrease in the areas planted to the five field crops included in the second official estimate which has just been published, is unfortunately noticeable.

The shrinkage in the area is ascribed by the Ministry of Agriculture to the continued drought prevailing in the various cereal producing zones, which prevented a normal performance of the necessary field work.

The new calculation of the plantings is reproduced below, together with the decreases from the corresponding figures for last season.

	1944-45 Plantings		Decrease from 1943-44	
	Hectareas	or Acres	Hectareas	or Acres
Wheat	6,226,600	15,385,928	584,600	1,444,547
Linseed	1,929,100	4,766,806	354,700	876,464
Oats	2,008,700	4,963,500	138,500	342,233
Barley	708,517	1,750,746	9,583	23,680
Rye	1,616,900	3,995,360	208,500	515,203