

WEEKLY SUMMARY OF THE WHEAT SITUATION

December 15, 1938.

International Trade

World shipments for the week ending December 10, 1938 amounted to 7,236,000 bushels compared with 11,769,000 bushels in the previous week and 8,704,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1 to December 10, 1938 were 212,645,000 bushels compared with 178,520,000 bushels for the same period in 1937.

Primary Movement

Receipts at country elevators for the week ending December 9, 1938 were 2,402,489 bushels as compared with 3,214,082 bushels for the previous week and 1,160,640 bushels for the corresponding week a year ago.

Cumulative receipts at country elevators from August 1 to December 9, 1938 were 248,332,502 bushels, compared with 94,842,781 bushels in the same period in 1937.

Visible Supply

The visible supply of Canadian wheat on December 9, 1938 was 170,927,818 bushels, compared with 170,655,019 bushels in the previous week and 61,463,193 bushels a year ago.

Export Clearances

Overseas export clearances of Canadian wheat for the week ending December 9, 1938 were 1,389,223 bushels, compared with 2,801,971 bushels for the previous week and 1,253,752 bushels for the corresponding week a year ago.

Imports of Canadian wheat into the United States for consumption and milling in bond for the week ending December 9, 1938 were 119,000 bushels as compared with 205,000 bushels for the previous week and 3,000 bushels for the corresponding week in 1937.

Cumulative overseas clearances plus United States Imports of wheat from August 1, 1938 to December 9, 1938 were 67,817,936 bushels, compared with 39,345,427 bushels for the same period in 1937.

Prices

The Winnipeg cash closing price of No. 1 Northern on Tuesday December 13, 1938 was 61 1/8 cents, showing an increase of 1/8 cents over the previous Tuesday's close of 61 cents.

1. United States

During the period from July 1 to the end of October 1938, the exports of wheat from the United States amounted to 27,064,000 bushels and 1,247,000 barrels of wheatflour, totalling 32,797,000 bushels of wheat and wheatflour. Since that time there have been contracts made to ship further quantities during the season with the idea of exporting 100,000,000 bushels of wheat and wheatflour by the end of June.

2. Broomhall reports that the purchase by Germany of 10,000,000 bushels of corn is dependent upon the purchase of 15,000,000 bushels of Roumanian wheat. The purchase by Italy of 9,000,000 bushels of Roumanian wheat is still being negotiated and is not definitely completed. The wheat surplus of Roumania this season is thought to be 45,000,000 bushels; Jugoslavia 18,000,000 bushels; Hungary about 35,000,000 bushels and Bulgaria 4,000,000 bushels, a total for the four countries of 100,000,000 bushels. Large quantities have already been contracted for shipment to England, Switzerland, Holland, Germany, Italy, Czechoslovakia and France.

3. France

Conditions continue favourable for winter crops. The French Government has imposed a tax of $2\frac{1}{2}$ francs per 100 kilos (equal to 16 cents a bushel at the current rate of exchange) plus the regular customs duty on Durum wheat imports for home consumption.

4. India has reimposed a duty of 28 cents a bushel on all wheat imported starting immediately until the end of March, 1940. This is expected to stop further imports into this country. It is considered that domestic supplies are quite sufficient for all needs until the new crop is harvested next spring.

5. Argentina

The Argentine markets show little change. The new wheat is pegged at 7.00 pesos and does not move. The Government has not yet entered the International export field and Rosafe wheat for January and February shipment c.i.f. England is still quoted at $63\frac{1}{2}$ cents per bushel. In the meantime the importers are buying elsewhere as is evidenced by Italy, which country is reported to have purchased 9 million bushels from the Danube. It is also rumoured that Germany bought a large quantity of this cheap Danubian wheat which will lessen the demand for plate sorts when new crop starts to move in volume. The demand from Brazil and from millers is undoubtedly absorbing the first arrivals and checking any selling pressure at the ports. The real volume does not develop in the Argentine until the middle of January in normal years. The stocks at the ports are now 7,348,000 bushels and are likely to become larger.

6. Australia

A wheat crop of 145,000,000 bushels is generally conceded which will give a surplus for export of 93,000,000 bushels. The price of 97 cents a bushel guaranteed to farmers for the percentage of their crop consumed at home will be paid out of a fund collected by a flour levy.

7. Canada

Canadian wheat stocks are of high quality, $78\frac{1}{2}$ per cent grinding No. 3 Northern or better compared with $36\frac{1}{2}$ per cent a year ago. Vancouver, Fort William and Eastern Elevator stocks are all over 75 per cent contract grades.

8. Germany

The crops in Germany including Austria were as follows:

	<u>1938</u>	<u>5 year average</u>
Wheat	218,900,000	192,480,000
Rye	356,770,000	335,100,000
Barley	205,250,000	165,770,000
Oats	465,000,000	444,700,000

The new Roumanian German Trade Agreement gives Germany the right to take 14,720,000 bushels of wheat and 9,800,000 bushels of corn in exchange for other goods.



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