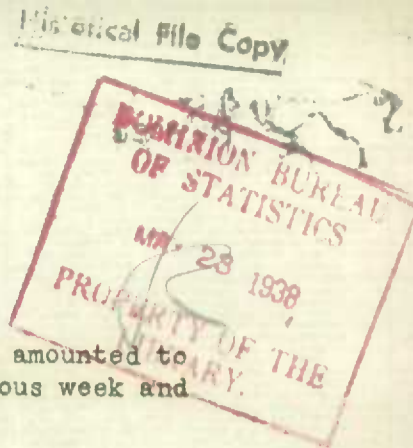


22-D-12

WEEKLY SUMMARY OF THE WHEAT SITUATION

March 10, 1938



International Trade:

World shipments for the week ending March 5, 1938 amounted to 10,471,000 bushels compared with 12,545,000 bushels in the previous week and 15,832,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1937 to March 5, 1938 were 302,824,000 bushels compared with 371,512,000 bushels for the same period in 1936-37.

Primary Movement:

Receipts at country elevators and platform loadings for the week ending March 4, 1938 were 1,398,779 bushels, compared with 713,604 bushels in the previous week and 938,445 bushels in the corresponding week a year ago.

Cumulative receipts at country elevators and platform loadings from August 1, 1937 to March 4, 1938 were 107,653,457 bushels, compared with 145,235,121 bushels for the same period in 1936-37.

Visible Supply:

The visible supply of Canadian wheat on March 4, 1938 was 47,361,685 bushels, compared with 47,547,504 bushels in the previous week, and 88,097,323 bushels a year ago.

Export Clearances:

Overseas export clearances of Canadian wheat for the week ending March 4, 1938 were 825,351 bushels, compared with 1,171,527 bushels for the previous week and 1,437,070 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 March 4, 1938 were 4,000 bushels compared with 1,000 bushels for the previous week and 624,000 bushels for the corresponding week in 1937.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1937 to March 4, 1938 were 55,403,069 bushels, compared with 136,118,905 bushels for the same period in 1936-37.

Prices:

The Winnipeg cash closing price of No. 1 Northern on Tuesday, March 8, 1938 was \$1.37 1/2 showing a decrease of 5 cents from the previous Tuesday's close of \$1.42 1/2.

WORLD EVENTS

1. Argentina

The second official estimate of the Argentine wheat crop is placed at 184,047,000 bushels, showing a reduction of 8 millions from the first estimate. This reduction is in accordance with general expectations, since the first estimate was released before the full extent of the frost damage could be accurately gauged.

2. International Trade

During the past week Spain has been buying afloat Australian wheat, and further sales have been reported to Vladivostok. Germany contracted for a further million bushels of wheat from Roumania. On the other hand, no significant sales of Canadian and United States wheat have been made, and cheap speculative offers have been made in Liverpool of Indian wheat which is now just maturing.

3. North American Prices

Continued favourable weather reports from the United States winter wheat belt combined with the low volume of international enquiries for North American wheat, have exerted a fairly sustained depressing influence on Chicago and Winnipeg markets. From Wednesday March 2 to Wednesday March 9, The Winnipeg May future declined from \$1.27 to \$1.20. The Chicago May future eased somewhat less from 93 1/8 to 88 1/8 cents in the same period.

4. European Crop Conditions

Broomhall reports that in Russia, the snow cover is maintained and winter crops are believed to be in satisfactory condition. Additional snow has increased the protection to the crops in the Balkans. Conditions in France are reported to be fair. The winter wheat crop in Italy has continued to improve, and plans are being made to increase the spring wheat acreage to offset the loss in the winter area. In Germany crop conditions are still satisfactory.

5. Potential Operation of the New United States Agricultural Adjustment Act.

Broomhall says:

"It is to be hoped that the United States will not raise more than 700,000,000 bushels this season, for with the possible carryover of 200,000,000 the total supply will be 900,000,000 bushels and obviate the necessity of imposing wheat quotas the following season. Acreage allotments seek to maintain wheat supplies at approximately 900,000,000 bushels but if supplies reach 950,000,000 or thereabouts then quotas will become effective if two thirds of the farmers agree. Owing to the lack of funds it is not likely that quotas will be established this year. However, wheat may be marketed in excess of the quotas but will be subject to a penalty of 15 cents a bushel. Farmers participating in the 1938 conservation program will receive 12 cents a bushel on the normal yield for the farm, for the allotted acreage seeded.



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