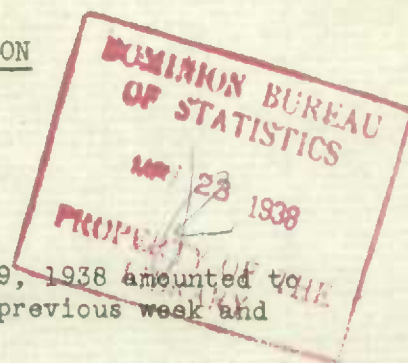


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WEEKLY SUMMARY OF THE WHEAT SITUATION

April 14, 1938

International Trade:

World shipments for the week ending April 9, 1938 amounted to 9,336,000 bushels compared with 9,820,000 bushels in the previous week and 13,416,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1937 to April 9, 1938 were 353,516,000 bushels compared with 436,336,000 bushels for the same period in 1936-37.

Primary Movement:

Receipts at country elevators and platform loadings for the week ending April 8, 1938 were 1,140,163 bushels, compared with 606,965 bushels in the previous week and 1,284,434 bushels in the corresponding week a year ago.

Cumulative receipts at country elevators and platform loadings from August 1, 1937 to April 8, 1938 were 112,361,029 bushels, compared with 152,050,689 bushels for the same period in 1936-37.

Visible Supply:

The visible supply of Canadian wheat on April 8, 1938 was 44,444,282 bushels, compared with 44,508,510 bushels in the previous week, and 80,777,022 bushels a year ago.

Export Clearances:

Overseas export clearances of Canadian wheat for the week ending April 8, 1938 were 599,006 bushels, compared with 399,104 bushels for the previous week and 1,191,973 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 April 8, 1938 were 2,000 bushels compared with nil for the previous week and 476,000 bushels for the corresponding week in 1937.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1937 to April 8, 1938 were 59,014,024 bushels, compared with 144,082,532 bushels for the same period in 1936-37.

Prices:

The Winnipeg cash closing price of No. 1 Northern on Tuesday, April 12, 1938 was \$1.40 $\frac{3}{4}$ showing a decrease of $7\frac{7}{8}$ cents from the previous Tuesday's close of \$1.48 $\frac{5}{8}$.

WORLD EVENTS

1. United States Official Winter Wheat Forecast

On April 10 the United States Division of Crop and Live Stock Estimates released its forecast of the winter wheat crop at 725,707,000 bushels, based on conditions at April 1. The official estimate is 8.7 million bushels higher than the average of private forecasts released in the first few days of April. The winter wheat crop, as at present forecasted is 40.6 million bushels higher than the actual production of 685.1 million bushels in 1937, and indicates for 1938 the largest crop since 1931 when there was an all time record production of 820,553,000 bushels of winter wheat.

By way of interpreting the official and private forecasts which are in fairly close agreement it should be pointed out that at April 1 the winter wheat crop had shown the benefit of the above normal rainfall and temperatures which had occurred since mid February. The wheat plants were therefore more advanced than is usual. Normal rainfall, especially during May when the heads are filling would ensure a crop of the size at present forecasted. Shortage of rain at that time would be harmful since sub-soil moisture reserves are still none too abundant. The present figure should be looked upon in the nature of a top estimate which may or may not be filled, depending upon May conditions.

2. United States Spring Wheat Acreage Intentions

A prospective surplus of winter wheat is partly reflected in the United States spring wheat acreage intentions as reported on March 18. Total intended area for the 1938 spring wheat crop is 22,282,000 acres or 93.8 per cent of the acreage sown in 1937. Durum wheat acreage may be increased since the 1938 intentions were 3,613,000 acres or 112 per cent of the area sown in 1937. Other spring wheat is indicated at 18,669,000 acres, or 91 per cent of the 1937 area.

3. United Kingdom Purchases of Wheat

Commencing last Friday there has been considerably heavier buying of wheat on the part of United Kingdom merchants and millers. Rumors were current that the United Kingdom government had unofficially requested millers to increase their wheat reserves in accordance with the Food Defense Plan. Any official announcement would have had the effect of raising wheat markets sharply, whereas quiet buying would serve the purpose.

On the other hand, it has been pointed out that the United Kingdom millers' stocks of wheat plus the wheat on ocean passage to the United Kingdom is 25 per cent below the six-year average. This condition would tend to increase buying of itself. Moreover reports of frost damage last Friday in eastern Kansas plus the knowledge of drought conditions in Italy and in Australia for the new crop sowing suggested that the recent "bear" market had reached its end, and that the present was the time to buy in fulfilment of ordinary requirements.

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