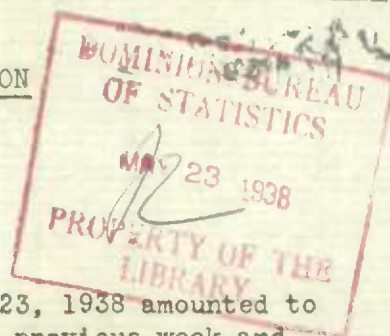


22-D-12

WEEKLY SUMMARY OF THE WHEAT SITUATION

April 28, 1938



International Trade:

World shipments for the week ending April 23, 1938 amounted to 9,790,000 bushels compared with 12,114,000 bushels in the previous week and 13,208,000 bushels in the corresponding week last year.

Cumulative world shipments from August 1, 1937 to April 23, 1938 were 375,592,000 bushels compared with 462,256,000 bushels for the same period in 1936-37.

Primary Movement:

Receipts at country elevators and platform loadings for the week ending April 22, 1938 were 1,108,043 bushels, compared with 1,139,422 bushels in the previous week and 921,264 bushels in the corresponding week a year ago.

Cumulative receipts at country elevators and platform loadings from August 1, 1937 to April 22, 1938 were 114,608,494 bushels, compared with 153,918,309 bushels for the same period in 1936-37.

Visible Supply:

The visible supply of Canadian wheat on April 22, 1938 was 43,480,654 bushels, compared with 43,759,732 bushels in the previous week, and 75,672,499 bushels a year ago.

Export Clearances:

Overseas export clearances of Canadian wheat for the week ending April 22, 1938 were 376,643 bushels, compared with 326,239 bushels for the previous week and 1,457,101 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 22, 1938 were nil compared with 4,000 bushels for the previous week and 522,000 bushels for the corresponding week in 1937.

Cumulative overseas clearances plus United States imports of wheat from August 1, 1937 to April 22, 1938 were 59,720,948 bushels, compared with 148,254,709 bushels for the same period in 1936-37.

Prices:

The Winnipeg cash closing price of No. 1 Northern on Tuesday, April 26, 1938 was \$1.27 1/4 showing a decrease of 12 7/8 cents from the previous Tuesday's close of \$1.40 1/8.

WORLD EVENTS

1. British Wheat Reserves

In his budget speech on April 27, Sir John Simon revealed to the British House of Commons that the Government had secretly purchased enough wheat, sugar and whale oil (for margarine) to supply the civilian population during the early months of an emergency. The New York Times and Gazette correspondent adds that the Chancellor admitted that these immense transactions had been carried through without the sanction of Parliament. Sir John Simon stated: "Absolute secrecy was essential to prevent prices being raised by knowledge of the Government coming into the market. Had it been known, of course, the effect on prices would have been disadvantageous to consumers generally as well as to the Government. For this reason the Government took the very unusual course of acting without first applying for statutory authority, in confidence that the House of Commons would understand our reasons and would in due course enable us to obtain legislation conferring the necessary powers upon the Board of Trade."

This statement clears up the speculation early this month over the heavy purchases by mills as to whether or not they were on account of the Government.

2. United States Crop Prospects

With continued good rains through April, it is expected that the official May forecast of the winter wheat crop will show a further increase to around 750 million bushels. There is already some fear of rust damage in Oklahoma and Kansas. Orange leaf rust was reported over a 500 mile area in the former state. While this type of rust is not serious, black stem rust in its early stages is apt to be mistaken for orange leaf rust.

3. Italian Wheat Prospects

The International Institute of Agriculture at Rome reports that a reduction of from 20 to 40 per cent in the total crop may result, which would indicate an outturn of from 178 to 237 million bushels this year. A crop as large as 237 millions would necessitate considerable imports by Italy, with domestic requirements averaging around 280 million bushels.

The drought which has affected northern Italy has also been felt in other western European countries, but not as severely as in Italy.

4. Australian Crop Prospects

Rains were received over the weekend which provided some relief against the dry conditions which have prevailed at time of seeding. In New South Wales there is very little moisture reserve, and sowing has been delayed.

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